

**KILGORE JUNIOR COLLEGE DISTRICT
KILGORE, TEXAS**

**FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014**

**WITH REPORT
OF CERTIFIED PUBLIC ACCOUNTANTS**

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KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS

ORGANIZATIONAL DATA

For the Fiscal Year 2015

BOARD OF TRUSTEES

OFFICERS

Larry A. Woodfin
James N. Walker
J. Karol Pruett

President
Vice-President
Secretary

TERM EXPIRES

2017
2021
2021

MEMBERS

G. Scott Andrews
Lon Ford
Robert D. Heath
Brian Nutt
Joe Carrington
Cecilia Sanders

TERM EXPIRES

2017
2017
2019
2019
2019
2021

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. William M. Holda
Dr. Michael Turpin
Duane J. McNaney, CPA

Dr. Michael W. Jenkins

Staci Martin

Claudia D. Miracle, CPA
Tony Johnson
Nancy Law
Leah Gorman
F. Daniel Beach, CPA

President
Vice-President of Instruction
Vice-President of Finance and
Chief Financial Officer
Vice-President of Student
Development and Chief Student
Affairs Officer
Vice-President of Institutional
Planning
Controller
Director of Human Resources
Assistant to the President
Director of Development
Director of Special Projects and
Liaison to the Board

Louise Wiley
Randy Lewellen
Becky Johnson
Dr. Julie H. Fowler

Instructional Dean
Instructional Dean
Instructional Dean
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, 2015 and 2014, 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, 2015 and 2014, 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 and the required supplementary schedules on pages 8-14, and 44-46, respectively, 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, 2015, 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 7, 2015, 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 7, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KILGORE JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2015 AND 2014**

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, 2015, with fiscal year 2014 and 2013 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. For the year ended August 31, 2015, the District implemented the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these statements did require a restatement of the beginning net position, which was a \$5,530,160 net reduction of the District's net position.

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 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 decreased \$6.3 million compared to a \$1.1 million increase in the prior year, decreasing from \$75.5 million to \$69.2 million. \$5.5 million of the decrease was the restatement of the Net Position related to the implementation of GASB Statement 68.

Condensed Statement of Net Position				2014 to 2015
(\$ in millions)	2015	2014	2013	Change
Current assets	\$ 24.4	\$ 26.1	\$ 27.2	-6.8%
Non-current assets	11.8	11.5	10.7	2.7%
Non-current - capital assets	45.2	45.2	44.2	0.1%
Total assets	81.4	82.8	82.1	-1.7%
Deferred outflow of resources related to pensions	0.9	-	-	100.0%
Current liabilities	(5.4)	(5.7)	(5.6)	-5.2%
Non-current liabilities	(6.2)	(1.7)	(2.1)	271.8%
Total liabilities	(11.6)	(7.4)	(7.7)	-3.9%
Deferred inflow of resources related to pensions	1.5	-	-	100.0%
Net Position:				
Net investment in capital assets	44.0	43.6	42.2	1.0%
Restricted	11.0	11.0	9.9	0.8%
Unrestricted	14.1	20.9	22.3	-32.6%
Total Net Position	\$ 69.1	\$ 75.5	\$ 74.4	1.4%

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 \$24.4 million were sufficient to cover current liabilities of \$5.4 million, giving a current ratio of 4.5 compared to 4.6 in fiscal year 2014.

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, 2015 and 2014, the District had expendable net assets of \$18.5 million and \$25.4 million respectively. Operating expenses for the same period were \$46.8 million and \$46.4 million. This represents a ratio of 39.7% and 54.8% respectively.

The District's accumulated cash and cash equivalent balances decreased \$1.4 million to \$14.8 million.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues for fiscal year 2015 were \$15.1 million. Operating revenues decreased \$1.1 million or 6.7%.

Operating Revenues

(\$ in millions)	<u>2015</u>		<u>2014</u>		<u>2013</u>	
Tuition and fees	46.4%	\$ 7.0	48.8%	\$ 7.9	52.0%	\$ 8.5
Federal grants and contracts	12.8%	1.9	11.6%	1.9	11.4%	1.9
State grant and contracts	9.0%	1.4	7.7%	1.3	4.2%	0.7
Auxiliary enterprises	28.7%	4.3	29.3%	4.7	29.7%	4.9
Other	3.1%	0.5	2.6%	0.4	2.7%	0.4
Total		<u>\$ 15.1</u>		<u>\$ 16.2</u>		<u>\$ 16.4</u>

The District also had \$31.5 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)	<u>2015</u>		<u>2014</u>		<u>2013</u>	
State appropriations	46.1%	\$ 13.1	40.4%	\$ 13.0	39.0%	\$ 12.8
Ad valorem taxes (net)	12.2%	3.5	19.6%	6.3	18.9%	6.2
Federal revenue, non-operating	37.5%	10.6	34.0%	11.0	36.6%	12
Gifts	4.1%	1.2	2.7%	0.9	2.8%	0.9
Investment, Endowment and Other	0.1%	0.06	3.3%	1.1	2.7%	0.8
Total		<u>\$ 28.5</u>		<u>\$ 32.3</u>		<u>\$ 32.7</u>

Total operating expenses totaled \$46.7 million, which is a \$236 thousand or a 0.5% increase from fiscal year 2014. Expenditures for Instruction are the most significant and it had a \$1.2 million or a 6.5% decrease. Although Institutional Support had a \$1.8 million or 33.6% increase related to an upgrade in our administrative software.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
CONTINUED**

**Operating & Non-Operating
Expenses**

(\$ in millions)	<u>2015</u>		<u>2014</u>		<u>2013</u>	
Instruction	35.6%	\$ 16.9	38.0%	\$ 18.1	35.0%	\$ 16.2
Public service	2.0%	0.9	2.0%	0.9	2.0%	0.9
Academic support	6.9%	3.3	7.5%	3.6	6.3%	2.9
Student services	5.7%	2.7	5.6%	2.7	5.5%	2.6
Institutional support	15.2%	7.2	11.4%	5.4	15.2%	7
Operation and maintenance of plant and Depreciation	10.9%	5.2	10.3%	4.8	10.2%	4.8
Scholarships and fellowships	8.4%	4.0	9.3%	4.4	9.8%	4.5
Auxiliary enterprises	13.7%	6.5	13.7%	6.5	15.8%	7.4
Total operating expense		<u>\$ 46.7</u>		<u>\$ 46.4</u>		<u>\$ 46.3</u>
Total non-operating expense		<u>1.5% 0.7</u>		<u>2.2% 1</u>		<u>0.2% 0.1</u>
		\$ 47.4		\$ 47.4		\$ 46.4

There was an operating loss for fiscal year 2015 of \$31.5 million, with a decrease in net position of \$0.75 million, compared to fiscal year 2014 when they were \$30.2 and \$1.1 increase, 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 \$1.4 million to \$14.8 million.

Cash Provided By (Used By)

(\$ in millions)	<u>2015</u>		<u>2014</u>		<u>2013</u>	
Operating activities	\$	(27.8)	\$	(26.5)	\$	(26.0)
Non-capital financing activities		28.5		27.9		30.2
Capital and related financing activities		(2.1)		(3.0)		(0.8)
Investing activities		<u>0.1</u>		<u>0.9</u>		<u>(3.6)</u>
Change in cash and cash equivalents	\$	(1.3)	\$	(0.7)	\$	(0.2)

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 position decreased by \$0.75 million or 1.0%, excluding the effect of implementing GASB Statement 68.
- As of August 31, 2015, assets of the District exceeded liabilities by \$69.2 million. Of this amount, \$14.0 million is unrestricted net assets which may be used to meet ongoing operations, down from \$20.9 million in fiscal year 2014.
- During the year, the District's \$47.4 million in expenditures exceeded its revenues by \$0.75 million.
- Total cost of the District's instructional programs decreased by \$1.2 million, or 6.5%, directly related to a decline in enrollment.
- Local property tax rate remained the same as the prior year. Tax revenue collections were up 2.1% or \$137 thousand.
- Net tuition and fees decreased \$894,242 or 11.3%. Credit hour full time student equivalent decreased 1.9% during this same period.

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 2015, the District had \$45.2 million invested in a broad range of capital assets, including equipment, buildings, and facilities. Included in Buildings & Improvements is \$1.8 million of leasehold improvements to the District's health science center made in fiscal year 2014. Lease payments for the facilities began in fiscal year 2015.

Capital Assets at Year-end (Net of Depreciation)

(\$ in millions)	2015	2014	2013
Land	\$ 3.9	\$ 3.6	\$ 3.6
Buildings & Improvements	38.7	39.6	38.9
Equipment	1.9	1.5	1.2
Books and Exhibits	0.4	0.5	0.5
Construction in Progress	0.3	-	-
Totals	\$ 45.2	\$ 45.2	\$ 44.2

CAPITAL ASSET AND DEBT ADMINISTRATION - CONTINUED

Debt

At year-end, the District had \$1.2 million in bonds and notes outstanding.

Outstanding Debt, at Year-end (\$ in millions)	2015	2014	2013
Current Portion of long term obligations	\$ 0.4	\$ 0.4	\$ 0.3
Revenue bonds and notes (backed by specific fee revenues)	1.2	1.2	1.6
Totals	\$ 1.6	\$ 1.6	\$ 1.9

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 \$168,761 and \$146,345, respectively to the District during fiscal year 2015 as compared to the \$115,689 and \$232,900, respectively contributed in fiscal year 2014.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered many factors when setting the fiscal year 2016 budget, tax rates, and fees that are charged for the business-type activities. One of those factors is the economy. The District's employment growth has mirrored its population growth the past ten years, 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 beginning in fiscal year 2011 and expect to see a slow recovery. During this period of time the District 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. Over this five year period the District averaged a 2.7% decrease in full time student equivalence.

The District has faced various economic issues centered on 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 seventh consecutive year, with the rate being the lowest since 1995. The District's tax base valuation has decreased 4.3% going into the next fiscal year. A tax increase of 13.6% will take effect for the next tax year. Tuition and fee rates remained the same for academic year 2013-14, with only slight increases for academic year 2014-2015, but going into 2015-2016 tuition and fees were increased, a 5.1% increase for in-district students and 2.4% increase for out-of-district students. 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES - CONTINUED

Continuing to meet the District's 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.

The District has many aging facilities. Over the past ten years, the District has done some major renovations and repairs, roof replacements, furnishing upgrades and construction of a new building and a residence hall in excess of \$30 million. The District is currently doing a \$2.5 million renovation of its library. All will be completed without having to take on additional bonded debt. This made a dramatic improvement to the campus. The District recently updated 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, including the campus in Longview, Texas. The District has already started to purchase key pieces of property in Longview, preparing to add instructional programs.

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.

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BASIC FINANCIAL STATEMENTS

EXHIBIT 1

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF NET POSITION
AUGUST 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 11,786,121	\$ 13,682,521
Short-term investments	8,705,814	8,663,386
Accounts receivable, net	2,609,329	1,607,752
Inventories	1,075,418	1,039,512
Prepaid expenses	105,210	1,059,014
Other assets	84,760	84,760
Total current assets	<u>24,366,652</u>	<u>26,136,945</u>
Noncurrent assets		
Restricted cash and cash equivalents	3,054,689	2,562,357
Other long-term investments	425,000	425,000
Endowment investments	8,334,496	8,513,888
Capital assets, net (see note 5)	45,249,673	45,197,569
Total noncurrent assets	<u>57,063,858</u>	<u>56,698,814</u>
Total assets	<u>81,430,510</u>	<u>82,835,759</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred outflow of resources related to pensions	<u>871,222</u>	<u>-</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	513,759	761,646
Accrued liabilities	772,971	669,925
Accrued compensable absences - current portion	264,090	228,373
Funds held for others	1,130,085	882,739
Unearned revenue	2,205,259	2,597,290
Deposits	123,132	162,932
Long-term liabilities - current portion	390,048	393,774
Total current liabilities	<u>5,399,344</u>	<u>5,696,679</u>
Noncurrent liabilities		
Accrued compensable absences	529,997	469,387
Long-term liabilities	5,695,972	1,205,048
Total noncurrent liabilities	<u>6,225,969</u>	<u>1,674,435</u>
Total liabilities	<u>11,625,313</u>	<u>7,371,114</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred inflow of resources related to pensions	<u>1,493,103</u>	<u>-</u>
<u>NET POSITION</u>		
Net investment in capital assets	44,044,625	43,598,747
Restricted for:		
Expendable	4,460,439	4,565,675
Nonexpendable	6,617,266	6,429,302
Unrestricted	14,060,986	20,870,921
Total net position (Schedule D)	<u>\$ 69,183,316</u>	<u>\$ 75,464,645</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<u>REVENUES</u>		
Operating revenues		
Tuition and fees (net of discounts of \$7,214,758 and \$7,239,120, respectively)	\$ 7,021,991	\$ 7,916,233
Federal grants and contracts	1,931,504	1,883,900
State grants and contracts	1,368,737	1,249,858
Non-governmental grants and contracts	168,302	210,646
Sales and services of educational activities	118,671	149,414
Auxiliary enterprises (net of discounts of \$2,586,394 and \$2,780,665, respectively)	4,345,025	4,747,370
General operating revenues	179,362	68,298
Total operating revenues (Schedule A)	<u>15,133,592</u>	<u>16,225,719</u>
<u>EXPENSES</u>		
Operating expenses		
Instruction	16,886,021	18,063,610
Public service	933,780	969,715
Academic support	3,271,193	3,554,964
Student services	2,716,717	2,668,032
Institutional support	7,220,444	5,402,300
Operation and maintenance of plant	3,568,997	3,405,856
Scholarships and fellowships	3,965,731	4,421,874
Auxiliary enterprises	6,511,317	6,480,540
Depreciation	1,600,207	1,471,807
Total operating expenses (Schedule B)	<u>46,674,407</u>	<u>46,438,698</u>
Operating loss	<u>(31,540,815)</u>	<u>(30,212,979)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State appropriations	13,096,101	13,007,624
Ad valorem taxes (net)	6,483,216	6,346,275
Federal revenue, non-operating	10,673,954	10,981,941
Gifts	1,180,646	858,154
Investment income	63,526	133,098
Endowment (loss)/income	(151,656)	972,961
Interest on capital related debt	(53,046)	(67,025)
Loss on disposal of fixed assets	(1,750)	(97,294)
Other non-operating revenues	3,000	3,000
Other non-operating expenses	(504,345)	(870,728)
Net non-operating revenues (Schedule C)	<u>30,789,646</u>	<u>31,268,006</u>
(Decrease) increase in net position	(751,169)	1,055,027
<u>NET POSITION</u>		
Net position - beginning of year	75,464,645	74,409,618
Cumulative effect of change in accounting principle (Note 2)	(5,530,160)	N/A
Net position - beginning of year, as restated	<u>69,934,485</u>	<u>74,409,618</u>
Net position - end of year	<u>\$ 69,183,316</u>	<u>\$ 75,464,645</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 11,108,574	\$ 12,188,834
Receipts of grants and contracts	3,468,542	3,344,401
Other receipts	179,361	68,297
Payments to or on behalf of employees	(24,602,547)	(24,857,379)
Payments to suppliers for goods and services	(13,124,911)	(13,214,336)
Payments to students under federal grants	(4,839,480)	(4,038,102)
Net cash used by operating activities	<u>(27,810,461)</u>	<u>(26,508,285)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts of appropriations	10,583,078	10,608,711
Ad valorem tax revenues	6,483,216	6,346,276
Receipts for Title IV transactions	10,662,895	10,962,149
Gifts and grants (other than capital)	1,180,647	853,456
Receipts for student organization and other agency transactions	207,548	12,951,232
Student organization and other agency transactions	-	(12,879,037)
Misc other non-operating expenses	(665,373)	(883,083)
Net cash provided by non-capital financing activities	<u>28,452,011</u>	<u>27,959,704</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,654,059)	(2,562,153)
Payments on capital debt and leases - principal	(393,774)	(383,774)
Payments on capital debt and leases - interest	(53,046)	(67,025)
Net cash used by capital and related financing activities	<u>(2,100,879)</u>	<u>(3,012,952)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment (losses) earnings	(81,705)	1,105,494
Investment and endowment sales (purchases)	136,966	(858,063)
Receipts on notes receivable	-	657,327
Net cash provided by investing activities	<u>55,261</u>	<u>904,758</u>
Decrease in cash and cash equivalents	(1,404,068)	(656,775)
Cash and cash equivalents beginning of year	<u>16,244,878</u>	<u>16,901,653</u>
Cash and cash equivalents end of year	<u>\$ 14,840,810</u>	<u>\$ 16,244,878</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014
CONTINUED

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash used		
by operating activities:		
Operating loss	\$ (31,540,815)	\$ (30,212,979)
Adjustments to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	1,600,207	1,471,807
On-behalf state benefits	2,513,023	2,398,913
Changes in assets and liabilities:		
Receivables, net	(835,501)	(98,512)
Inventories	(35,906)	50,636
Prepaid expenses	953,804	(132,126)
Accounts payable and accrued liabilities	(791,450)	190,152
Unearned revenue	(392,031)	(149,597)
Compensable absences	96,327	(26,579)
Changes in deferred inflows and outflows:		
Deferred outflow	(871,222)	-
Deferred inflow	1,493,103	-
	<u>1,493,103</u>	<u>-</u>
Net cash used by operating activities	<u>\$ (27,810,461)</u>	<u>\$ (26,508,285)</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

1. **REPORTING ENTITY**

Kilgore Junior College District (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 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 the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community 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 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
AUGUST 31, 2015 AND 2014

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 \$166,883 and \$166,804 at August 31, 2015 and August 31, 2014, 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
AUGUST 31, 2015 AND 2014

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) **Unearned Revenues**

Tuition and fees of \$2,205,259 and \$2,597,290 have been reported as unearned revenues at August 31, 2015 and 2014, 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) **Pensions**

For the year ended August 31, 2015, the District implemented the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M) Prior Period Restatement

Beginning net position as of September 1, 2014, has been restated as follows for the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Beginning net position	\$ 75,464,645
Prior period adjustment - implementation of GASB 68:	
Net pension liability (measurement as of August 31, 2014)	(5,993,432)
Deferred outflows - District contributions made during fiscal year 2014	<u>463,272</u>
Beginning net position, as restated	<u><u>\$ 69,934,485</u></u>

3. AUTHORIZED INVESTMENTS

The 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.

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.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

4. 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, 2015</u>	<u>August 31, 2014</u>
Bank Deposits		
Demand Deposits	\$ 14,818,716	\$ 16,224,754
Time Deposits	8,538,931	8,496,581
	<u>23,357,647</u>	<u>24,721,335</u>
Petty Cash on Hand	22,094	20,124
Total Cash and Deposits	<u>\$ 23,379,741</u>	<u>\$ 24,741,459</u>

Reconciliation of Deposits and Investments to Exhibit 1:

<u>Type of Security</u>	<u>Market Value August 31, 2015</u>	<u>Market Value August 31, 2014</u>
Mutual funds	\$ 8,334,496	\$ 8,513,888
Investment pool	166,883	166,805
Time Deposit	425,000	425,000
Total	<u>8,926,379</u>	<u>9,105,693</u>
Total cash and deposits	<u>23,379,741</u>	<u>24,741,459</u>
Total deposits and investments	<u>\$ 32,306,120</u>	<u>\$ 33,847,152</u>
Cash and short-term investments (Exhibit 1)	\$ 23,546,624	\$ 24,908,264
Investments (Exhibit 1)	8,759,496	8,938,888
Total deposits and investments	<u>\$ 32,306,120</u>	<u>\$ 33,847,152</u>

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less than 1 year</u>
Certificates of deposit	\$ 8,538,931	\$ 8,538,931
Investment pool	166,883	166,883
Total	<u>\$ 8,705,814</u>	<u>\$ 8,705,814</u>

As of August 31, 2015, 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, 2015 and 2014.

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.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

4. **DEPOSITS AND INVESTMENTS - CONTINUED**

Mutual funds stated at fair value as of August 31, 2015 and 2014 were:

	2015	2014
Cost	\$ 7,686,177	\$ 7,432,742
Unrealized gain	648,319.00	1,081,146
Fair value	\$ 8,334,496	\$ 8,513,888

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, 2015 and 2014, 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
 AUGUST 31, 2015 AND 2014

5. CAPITAL ASSETS

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

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015
<u>Not Depreciated:</u>				
Land	\$ 3,569,795	\$ 367,697	\$ -	\$ 3,937,492
Construction in progress	-	335,659	-	335,659
Subtotal	<u>3,569,795</u>	<u>703,356</u>	<u>-</u>	<u>4,273,151</u>
<u>Other Capital Assets:</u>				
Land improvements and infrastructure	3,839,526	-	-	3,839,526
Buildings	57,669,992	133,285	-	57,803,277
Leasehold improvements	1,851,223	21,600	-	1,872,823
Equipment	6,036,845	765,903	5,000	6,797,748
Capital lease	100,144	-	-	100,144
Exhibits	1,910,020	-	-	1,910,020
Library books	1,313,509	29,915	56,756	1,286,668
Subtotal	<u>72,721,259</u>	<u>950,703</u>	<u>61,756</u>	<u>73,610,206</u>
Total cost of capital assets	76,291,054	1,654,059	61,756	77,883,357
<u>Accumulated Depreciation:</u>				
Land improvements and infrastructure	2,877,105	101,288	-	2,978,393
Buildings	20,859,934	974,159	-	21,834,093
Leasehold improvements	-	87,080	-	87,080
Equipment	4,548,134	360,076	3,250	4,904,960
Capital lease	50,041	16,675	-	66,716
Exhibits	1,868,447	5,934	-	1,874,381
Library books	889,824	54,993	56,756	888,061
Total accumulated depreciation	<u>31,093,485</u>	<u>1,600,205</u>	<u>60,006</u>	<u>32,633,684</u>
Capital assets - net	<u>\$ 45,197,569</u>	<u>\$ 53,854</u>	<u>\$ 1,750</u>	<u>\$ 45,249,673</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

5. CAPITAL ASSETS - CONTINUED

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

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014
<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	3,839,526	-	-	3,839,526
Buildings	58,180,049	49,057	559,114	57,669,992
Leasehold improvements	-	1,851,223	-	1,851,223
Equipment	5,430,227	623,619	17,001	6,036,845
Capital lease	100,144	-	-	100,144
Exhibits	1,910,020	-	-	1,910,020
Library books	1,521,360	38,254	246,105	1,313,509
Subtotal	<u>70,981,326</u>	<u>2,562,153</u>	<u>822,220</u>	<u>72,721,259</u>
Total cost of capital assets	74,551,121	2,562,153	822,220	76,291,054
<u>Accumulated Depreciation:</u>				
Land improvements and infrastructure	2,775,817	101,288	-	2,877,105
Buildings	20,343,691	978,069	461,826	20,859,934
Equipment	4,248,290	316,841	16,997	4,548,134
Capital lease	33,366	16,675	-	50,041
Exhibits	1,862,513	5,934	-	1,868,447
Library books	1,082,927	53,000	246,103	889,824
Total accumulated depreciation	<u>30,346,604</u>	<u>1,471,807</u>	<u>724,926</u>	<u>31,093,485</u>
Capital assets - net	<u>\$ 44,204,517</u>	<u>\$ 1,090,346</u>	<u>\$ 97,294</u>	<u>\$ 45,197,569</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

6. LONG-TERM LIABILITIES

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

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
<u>Bonds</u>					
Revenue bonds - 2007	\$ 1,570,000	\$ -	\$ 370,000	\$ 1,200,000	\$ 385,000
<u>Other liabilities</u>					
Accrued compensable absences	697,760	324,700	228,373	794,087	264,090
Capital lease	28,822	-	23,774	5,048	5,048
Net pension liability	5,993,432	1,217,085	2,329,545	4,880,972	-
Total other liabilities	<u>6,720,014</u>	<u>1,541,785</u>	<u>2,581,692</u>	<u>5,680,107</u>	<u>269,138</u>
Total long-term liabilities	<u>\$ 8,290,014</u>	<u>\$ 1,541,785</u>	<u>\$ 2,951,692</u>	<u>\$ 6,880,107</u>	<u>\$ 654,138</u>

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

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014	Current Portion
<u>Bonds</u>					
Revenue bonds - 2007	\$ 1,930,000	\$ -	\$ 360,000	\$ 1,570,000	\$ 370,000
<u>Other liabilities</u>					
Accrued compensable absences	724,339	129,115	155,694	697,760	228,373
Capital lease	52,596	-	23,774	28,822	23,774
Total other liabilities	<u>776,935</u>	<u>129,115</u>	<u>179,468</u>	<u>726,582</u>	<u>252,147</u>
Total long-term liabilities	<u>\$ 2,706,935</u>	<u>\$ 129,115</u>	<u>\$ 539,468</u>	<u>\$ 2,296,582</u>	<u>\$ 622,147</u>

7. DEBT AND LEASE OBLIGATIONS

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

	Revenue Bonds, Series 2007		
	Principal	Interest	Total
For the year ended August 31,			
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>\$ 1,200,000</u>	<u>\$ 70,089</u>	<u>\$ 1,270,089</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

7. DEBT AND LEASE OBLIGATIONS - CONTINUED

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

For the year ended August 31,	<u>Total</u>
2016	\$ 23,774
2017	<u>3,962</u>
Total minimum lease payments	27,736
Less: Amount representing interest costs	<u>(22,688)</u>
Present value of minimum lease payments	<u><u>\$ 5,048</u></u>

Operating Lease Commitments and Rental Agreements

During fiscal year 2014, the District entered into an 18 month lease agreement for a portion of a hospital to be utilized in the expansion of instructional health programs. The lease includes the option of two subsequent five year period renewals. Leasehold improvements in the amount of \$1,872,823 were completed in connection with this expansion. Monthly lease payments of \$10,454 began in fiscal year 2015.

During fiscal year 2015, the District entered into a two year lease agreement for a portion of an office and warehouse space to be utilized for Kilgore Economic Development Corporation advanced technology programs. Monthly lease payments of \$1,500 began in fiscal year 2015.

The District leases various office equipment and office space for monthly lease payments of \$549 and \$178, respectively.

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

For the year ended August 31,	<u>Total</u>
2016	\$ 68,540
2017	17,724
2018	8,724
2019	<u>5,994</u>
Total minimum lease payments	<u><u>\$ 100,982</u></u>

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

Bonds at 3.83% are due in annual installments varying from \$385,000 to \$415,000, with the final installment due in 2018.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

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.

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 Pension Plan

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

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

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

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Teacher Retirement System of Texas - Defined Benefit Pension Plan - Continued

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates

	2014	2015
Member	6.40%	6.70%
Non-Employer Contributing Entity (State)	6.80%	6.80%
Employers	6.80%	6.80%
Fiscal Year 2014 District Contributions	\$ 463,272	
Fiscal Year 2014 State of Texas On-behalf Contributions	\$ 335,055	

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Teacher Retirement System of Texas - Defined Benefit Pension Plan - Continued

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

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

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

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

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll,
Open	
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Teacher Retirement System of Texas - Defined Benefit Pension Plan - Continued

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

Discount Rate. The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Teacher Retirement System of Texas - Defined Benefit Pension Plan - Continued

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18.0%	7.0%	1.4%
Non-U.S. Developed	13.0%	7.3%	1.1%
Emerging Markets	9.0%	8.1%	0.9%
Directional Hedge Funds	4.0%	5.4%	0.2%
Private Equity	13.0%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11.0%	2.9%	0.3%
Absolute Return	0.0%	4.0%	0.0%
Stavel Value Hedge Funds	4.0%	5.2%	0.2%
Cash	1.0%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	3.1%	0.0%
Real Assets	16.0%	7.3%	1.5%
Energy and Natural Resources	3.0%	8.8%	0.3%
Commodities	0.0%	3.4%	0.0%
Risk Parity			
Risk Parity	5.0%	8.9%	0.4%
Alpha			1.0%
Total	<u>100.0%</u>		<u>8.7%</u>

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

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Teacher Retirement System of Texas - Defined Benefit Pension Plan - Continued

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

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability:	\$8,722,000	\$4,880,972	\$2,008,598

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2014, the District reported a liability of \$4,880,972 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate share of the collective net pension liability	\$ 4,880,972
State's proportionate share that is associated with District	<u>3,624,257</u>
Total	\$ 8,505,229

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

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

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Teacher Retirement System of Texas - Defined Benefit Pension Plan - Continued

For the year ended August 31, 2014, the District recognized pension expense of \$335,055 and revenue of \$343,259 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 75,486	\$ -
Changes in actuarial assumptions	317,269	-
Difference between projected and actual investment earnings	-	1,491,824
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	1,279
Contributions paid to TRS subsequent to the measurement date [to be calculated by employer]	478,467	-
Total	\$ 871,222	\$ 1,493,103

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

Year ended August 31:	Pension Expense Amount
2016	\$ 306,914
2017	306,914
2018	306,914
2019	66,042
2020	61,266
Thereafter	-

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

10. EMPLOYEES' RETIREMENT PLAN - CONTINUED

Optional Retirement Plan - Defined Contribution Plan - Continued

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

Funding Policy. Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature. The percentages of annual compensation of participant salaries contributed by each participant were 6.65% and 6.50% for fiscal years 2015 and 2014 and a state contribution rate of 6.6% for fiscal years 2015 and 2014, respectively. 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. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the state for the District was \$527,469 and \$548,961 for the fiscal years ended August 31, 2015 and 2014, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the District.

The total payroll for all District employees was \$21,304,462 and \$21,767,073 for fiscal years 2015 and 2014, respectively. The total payroll of employees covered by the TRS was \$12,357,840 and \$11,766,205, and the total payroll of employees covered by the Optional Retirement System was \$6,328,911 and \$6,848,368 for fiscal years 2015 and 2014, respectively.

11. DEFERRED COMPENSATION

The District contributed \$24,000 and \$23,000 as deferred compensation for fiscal years 2015 and 2014, 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 2015 and 2014.

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 \$588,886 and \$521,541 at August 31, 2015 and 2014, respectively, based on employees currently eligible for retirement. 10% 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 \$205,201 and \$176,219 at August 31, 2015 and 2014, respectively, all of which has been classified as a current liability.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

13. PENDING LAWSUITS AND CLAIMS

On August 31, 2015, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability is not likely to have a material effect on the College.

14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables

Primary institution receivables at August 31, 2015 and 2014 were as follows:

	2015	2014
Student receivables	\$ 2,631,368	\$ 1,468,035
Taxes receivable	881,223	728,504
Federal receivable	104,925	101,484
Accounts receivable	448,007	587,681
Interest receivable	5,342	17,788
Sub-total	4,070,865	2,903,492
Allowance for doubtful accounts	(1,461,536)	(1,295,740)
Total receivables	<u>\$ 2,609,329</u>	<u>\$ 1,607,752</u>

Payables and Accrued Liabilities

Primary institution payables and accrued liabilities at August 31, 2015 and 2014 were as follows:

	2015	2014
Vendors payable	\$ 513,759	\$ 761,646
Salaries and benefits payable	570,510	441,547
Student payables	76,957	100,293
Sales tax payable	125,504	128,085
Total	<u>\$ 1,286,730</u>	<u>\$ 1,431,571</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, 2015 and 2014.

16. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants Industry Audit Guide, *Audits of Colleges and Universities*. 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.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

16. CONTRACT AND GRANT AWARDS - CONTINUED

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 2015 and 2014 for which monies have not been received nor funds expended totaled \$195,598 and \$184,302. Of these amounts, \$195,598 and \$184,302 were from Federal Contract and Grant Awards and none were from State Contract and Grant Awards for fiscal years ended 2015 and 2014, respectively.

17. SELF-INSURED PLANS

The District did not participate in any self-insured plans during fiscal years 2015 and 2014.

18. HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee varies based upon coverage category.

Monthly contributions were \$537.66 and \$503.14 for "Employee Only" coverage, \$845.54 and \$791.16 for "Employee and Spouse" coverage, \$743.80 and \$696.00 for "Employee and Children" coverage, and \$1,051.68 and \$984.02 for "Employee and Family" coverage for the years ended August 31, 2015 and 2014, 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 \$1,985,554 and \$1,849,952 for the years ended August 31, 2015, respectively. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The cost of providing those benefits for retirees and active employees as of August 31, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Cost of state's contribution	\$ 705,199	\$ 633,685
Cost of local contribution	646,335	647,757
Total cost of benefits for retirees	<u>\$ 1,351,534</u>	<u>\$ 1,281,442</u>
Cost of state's contribution	\$ 1,280,355	\$ 1,216,267
Cost of local contribution	1,599,533	1,374,801
Total cost of benefits for active employees	<u>\$ 2,879,888</u>	<u>\$ 2,591,068</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 AUGUST 31, 2015 AND 2014

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.

At August 31:

	FY 2015	FY 2014
Assessed Valuation of the District	\$ 4,657,298,571	\$ 4,483,114,197
Less: Exemptions and Abatements	(580,333,196)	(453,223,092)
Net Assessed Valuation of the District	\$ 4,076,965,375	\$ 4,029,891,105
	FY 2015 Current Operations	FY 2014 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, 2015 and 2014. Taxes levied for the years ended August 31, 2015 and 2014, were \$6,278,527 and \$6,206,032, 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, 2015	August 31, 2014
Current taxes collected	\$ 6,107,870	\$ 6,043,805
Delinquent taxes collected	128,358	116,818
Penalties & interest collected	127,160	147,718
Total collections	\$ 6,363,387	\$ 6,308,341

Tax collections were 97% of the current tax levy for the years ended August 31, 2015 and 2014, 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.

The District participates in a tax increment financing district (TIF). The following table summarizes the obligation of the District's involvement in the TIF:

TIF Title	Percentage of Incremental Tax Committed	Taxes Forgone in Fiscal Year 2015	Taxes Forgone in Fiscal Year 2014
City of Kilgore Reinvestment Zone #1	100%	\$ 3,728	\$ 3,345

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

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, 2015 and 2014.

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 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 District, 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 \$168,761 and \$115,689 to the District during the years ended August 31, 2015 and 2014, respectively.

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, 2015 and 2014, \$146,345 and \$232,900, respectively were contributed to the District in support of the Festival.

22. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit 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.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

22. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - CONTINUED

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

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

Beginning September 1, 2013, S.B. 1812 limits the state's contribution to 50% of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2015, 2014 and 2013 were \$646,335; \$647,757; and \$6,481, respectively, which equaled the required contributions each year.

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.

24. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 7, 2015, the date on which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY SCHEDULES (UNAUDITED)

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
REQUIRED SUPPLEMENTARY SCHEDULES - UNAUDITED
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM
FOR THE YEAR ENDED AUGUST 31, 2015

Fiscal year ending August 31,*	2015**
District's Proportion of the Net Pension Liability	0.018273%
District's Proportionate Share of Net Pension Liability	\$ 4,880,972
States Proportionate Share of the Net Pension Liability associated with the District	<u>3,624,257</u>
Total	<u>\$ 8,505,229</u>
District's Covered Employee Payroll	\$ 12,888,197
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered Employee Payroll	37.87%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	83.25%

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

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 REQUIRED SUPPLEMENTARY SCHEDULES - UNAUDITED
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM
 FOR THE YEAR ENDED AUGUST 31, 2015**

Fiscal year ending August 31,*	2015**
Contractually Required Contribution	\$ 478,467
Contribution in Relation to the Contractually Required Contribution	<u>(478,467)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
District's Covered Employee Payroll	\$ 12,888,197
Contributions as a percentage of Covered Employee Payroll	3.71%

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

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
REQUIRED SUPPLEMENTARY SCHEDULES - UNAUDITED
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

Changes of Assumptions:

- * There were no changes of assumptions for the year ended August 31, 2015.

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SUPPLEMENTAL SCHEDULES

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY15 Total	FY14 Total
TUITION						
State funded courses						
In-district resident tuition	\$ 795,573	\$ -	\$ 795,573	\$ -	\$ 795,573	\$ 763,125
Out-of-district resident tuition	2,668,818	-	2,668,818	-	2,668,818	2,797,790
TPEG (set aside)*	188,113	-	188,113	-	188,113	199,498
Non-resident tuition	326,331	-	326,331	-	326,331	336,317
State funded continuing education	967,080	-	967,080	-	967,080	1,076,170
Non-state funded continuing education	15,871	-	15,871	-	15,871	21,643
Total tuition	<u>4,961,786</u>	<u>-</u>	<u>4,961,786</u>	<u>-</u>	<u>4,961,786</u>	<u>5,194,543</u>
FEES						
General education fees	2,542,815	-	2,542,815	423,802	2,966,617	3,251,698
Out-of-district fees	5,291,027	-	5,291,027	-	5,291,027	5,622,950
Laboratory fees	773,338	-	773,338	-	773,338	865,238
Testing fees	115,341	-	115,341	-	115,341	134,689
Administrative fees	16,326	-	16,326	-	16,326	16,700
Special services fees	328,620	-	328,620	-	328,620	299,560
Orientation fees	56,956	-	56,956	-	56,956	62,053
Distance learning fees	150,539	-	150,539	-	150,539	172,450
Total fees	<u>9,274,962</u>	<u>-</u>	<u>9,274,962</u>	<u>423,802</u>	<u>9,698,764</u>	<u>10,425,338</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Remissions and exemptions - state	(441,963)	-	(441,963)	(13,669)	(455,632)	(431,746)
Remissions and exemptions - local	(19,163)	-	(19,163)	(593)	(19,756)	(12,614)
Federal grants to students	(5,104,667)	-	(5,104,667)	(157,876)	(5,262,543)	(5,449,922)
TPEG awards	(42,226)	-	(42,226)	(1,306)	(43,532)	(248,377)
Texas grants	(350,448)	-	(350,448)	(10,839)	(361,287)	(215,477)
Miscellaneous state grants	(467,795)	-	(467,795)	(14,468)	(482,263)	(403,612)
Local scholarships	(788,495)	-	(788,495)	(24,386)	(812,881)	(701,261)
Total scholarship and allowances	<u>(7,214,757)</u>	<u>-</u>	<u>(7,214,757)</u>	<u>(223,137)</u>	<u>(7,437,894)</u>	<u>(7,463,009)</u>
Total net tuition and fees	<u>\$ 7,021,991</u>	<u>\$ -</u>	<u>\$ 7,021,991</u>	<u>\$ 200,665</u>	<u>\$ 7,222,656</u>	<u>\$ 8,156,872</u>

*In accordance with Education Code 56.033, \$188,113 and \$199,488 for years August 31, FY15 and FY14, 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, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)
CONTINUED

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY15 Total	FY14 Total
OTHER OPERATING REVENUES						
Federal grants and contracts	\$ 14,770	\$ 1,916,734	\$ 1,931,504	\$ -	\$ 1,931,504	\$ 1,883,900
State grants and contracts	14,972	1,353,765	1,368,737	-	1,368,737	1,249,858
Nongovernmental grants and contracts	68,026	100,276	168,302	-	168,302	210,646
Sales and services of educational activities	118,671	-	118,671	-	118,671	149,414
Other operating revenues	179,362	-	179,362	-	179,362	68,298
Total other operating revenues	395,801	3,370,775	3,766,576	-	3,766,576	3,562,116
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	3,486,604	3,486,604	3,728,286
Scholarship allowances and discounts	-	-	-	(1,514,075)	(1,514,075)	(1,625,674)
Net bookstore	-	-	-	1,972,529	1,972,529	2,102,612
Dormitories	-	-	-	1,018,303	1,018,303	1,034,344
Scholarship allowances and discounts	-	-	-	(547,429)	(547,429)	(495,704)
Net dormitories	-	-	-	470,874	470,874	538,640
Cafeteria	-	-	-	1,170,315	1,170,315	1,279,310
Scholarship allowances and discounts	-	-	-	(301,753)	(301,753)	(435,398)
Net cafeteria	-	-	-	868,562	868,562	843,912
Athletics	-	-	-	27,224	27,224	29,098
East Texas Oil Museum	-	-	-	230,704	230,704	233,300
Texas Shakespeare Festival	-	-	-	270,436	270,436	421,662
Child Development Center	-	-	-	112,584	112,584	109,554
Fitness Center	-	-	-	161,954	161,954	184,684
Student activities	-	-	-	29,493	29,493	43,269
Total net auxiliary enterprises	-	-	-	4,144,360	4,144,360	4,506,731
Total operating revenues	\$ 7,417,792	\$ 3,370,775	\$ 10,788,567	\$ 4,345,025	\$ 15,133,592	\$ 16,225,719
					(Exhibit 2)	(Exhibit 2)

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)

	Operating Expenses					FY15 Total	FY14 Total	
	Salaries and Wages	Benefits		Other Expenses	FY15 Total			FY14 Total
		State	Local					
Unrestricted - Educational Activities								
Instruction	\$ 12,204,258	\$ -	\$ 893,498	\$1,403,627	\$ 14,501,383	\$ 15,768,629		
Public service	159,373	-	18,216	108,176	285,765	260,125		
Academic support	2,329,052	-	259,016	327,200	2,915,268	3,201,573		
Student services	1,307,465	-	137,612	368,586	1,813,663	1,865,780		
Institutional support	2,482,236	-	1,616,095	2,597,089	6,695,420	5,054,540		
Operation and maintenance of plant	498,903	-	133,690	2,936,404	3,568,997	3,403,758		
Scholarship and fellowships	-	-	-	412,789	412,789	427,365		
Total unrestricted educational activities	18,981,287	-	3,058,127	8,153,871	30,193,285	29,981,770		
Restricted - Educational Activities								
Instruction	437,740	1,659,395	70,212	217,291	2,384,638	2,294,981		
Public service	324,934	21,670	78,040	223,371	648,015	709,590		
Academic support	-	316,678	-	39,247	355,925	353,391		
Student services	342,465	177,774	58,650	324,165	903,054	802,252		
Institutional support	17,606	337,506	-	169,912	525,024	347,760		
Operation and maintenance of plant	-	-	-	-	-	2,098		
Scholarships and fellowships	-	-	-	3,552,942	3,552,942	3,994,509		
Total restricted educational activities	1,122,745	2,513,023	206,902	4,526,928	8,369,598	8,504,581		
Total educational activities	20,104,032	2,513,023	3,265,029	12,680,799	38,562,883	38,486,351		
Auxiliary enterprises	1,200,430	-	231,040	5,079,847	6,511,317	6,480,540		
Depreciation expense:								
Buildings and other real estate improvements	-	-	-	1,106,469	1,106,469	978,069		
Equipment and furniture	-	-	-	493,738	493,738	493,738		
Total operating expenses	\$ 21,304,462	\$ 2,513,023	\$ 3,496,069	\$ 19,360,853	\$ 46,674,407 (Exhibit 2)	\$ 46,438,698 (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, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)

	Unrestricted	Restricted	Auxiliary Enterprises	FY15 Total	FY14 Total
NON-OPERATING REVENUES					
State Appropriations:					
Education and general state support	\$ 10,583,078	\$ -	\$ -	\$ 10,583,078	\$ 10,608,711
State group insurance	-	1,985,554	-	1,985,554	1,849,952
State retirement matching	-	527,469	-	527,469	548,961
State nursing grants	-	-	-	-	-
Total state appropriations	<u>10,583,078</u>	<u>2,513,023</u>	<u>-</u>	<u>13,096,101</u>	<u>13,007,624</u>
Ad valorem taxes (net)	6,483,216	-	-	6,483,216	6,346,275
Federal revenue, non-operating	-	10,673,954	-	10,673,954	10,981,941
Gifts	285,306	671,674	223,666	1,180,646	858,154
Investment income	62,716	-	810	63,526	133,098
Endowment income	-	-	-	-	972,961
Other non-operating revenue	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Total non-operating revenues	17,417,316	13,858,651	224,476	31,500,443	32,303,053
NON-OPERATING EXPENSES					
Interest on capital related debt	53,046	-	-	53,046	67,025
Disposal of fixed assets	1,750	-	-	1,750	97,294
Loss on endowment	-	151,656	-	151,656	-
Other non-operating expenses	<u>504,345</u>	<u>-</u>	<u>-</u>	<u>504,345</u>	<u>870,728</u>
Total non-operating expenses	<u>559,141</u>	<u>151,656</u>	<u>-</u>	<u>710,797</u>	<u>1,035,047</u>
Net non-operating revenues	<u>\$ 16,858,175</u>	<u>\$ 13,706,995</u>	<u>\$ 224,476</u>	<u>\$ 30,789,646</u>	<u>\$ 31,268,006</u>
				(Exhibit 2)	(Exhibit 2)

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
FOR THE YEAR ENDED AUGUST 31, 2015

SCHEDULE D

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Net Investment in Capital Assets	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 6,187,546	\$ -	\$ -	\$ -	\$ 6,187,546	\$ 6,187,546	\$ -
Restricted	-	1,276,538	-	-	1,276,538	1,276,538	-
Auxiliary enterprises	992,242	-	-	-	992,242	992,242	-
Endowment	-	2,755,571	6,617,266	-	9,372,837	-	9,372,837
Plant:							
Unexpended	6,881,198	-	-	-	6,881,198	-	6,881,198
Debt Service	-	428,330	-	-	428,330	-	428,330
Investment in plant	-	-	-	44,044,625	44,044,625	-	44,044,625
Total net position, August 31, 2015	14,060,986	4,460,439	6,617,266	44,044,625	69,183,316 (Exhibit 1)	8,456,326	60,726,990
Total net position, August 31, 2014	20,870,921	4,565,675	6,429,302	43,598,747	75,464,645	14,015,613	61,449,039
Cumulative effect of change in accounting principle (Note 2)	(5,530,160)	-	-	-	(5,530,160)	-	(5,530,160)
Total net position, August 31, 2014, as restated	15,340,761	4,565,675	6,429,302	43,598,747	69,934,485 (Exhibit 2)	14,015,613	55,918,879
Net increase (decrease) in net position	\$ (1,279,775)	\$ (105,236)	\$ 187,964	\$ 445,878	\$ (751,169) (Exhibit 2)	\$ (5,559,287)	\$ 4,808,111

See accompanying notes to financial statements.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015**

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		\$ 171,348
Federal College Workstudy Program	84.033		129,730
Pell Grant Program	84.063		10,387,646
Direct Student Loans	84.268		10,380,063
Total Student Financial Assistance Cluster			<u>21,068,787</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042		237,699
TRIO - Upward Bound	84.047		247,725
Total TRIO Cluster			<u>485,424</u>
Passed-Through From:			
Texas Workforce Commission			
Adult Education and Literacy	84.002		424,607
Adult Education and Literacy - El Civics	84.002		21,853
Total Adult Education and Literacy			<u>446,460</u>
Texas Higher Education Coordinating Board Carl Perkins Vocational Education	84.048	154240	472,042
Total U.S. Department of Education			<u>22,472,713</u>
<u>U.S. Small Business Administration</u>			
Passed Through Dallas County Community College			
SBDC - Federal	59.037	3-603001-Z-0046C	174,269
Total U.S. Small Business Administration			<u>174,269</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Texas Workforce Commission			
TANF Cluster			
Adult Education - TANF	93.558		20,293
Total U.S. Department of Health and Human Services			<u>20,293</u>
Total Federal Financial Assistance			<u>\$ 22,667,275</u>

* Denotes major program

Notes to Schedule on Following Page.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2015

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$	1,931,504
Add: Non Operating Federal Revenue - per Schedule C		10,673,954
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Assets		12,605,458
Reconciling Item:		
Add: Direct Student Loans		10,380,063
Less: Programs Not Subject to Federal Single Audit		(318,246)
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$	22,667,275

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 \$ 318,246

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.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2015**

Pass-Through Grantor/Program Title	Grant Contract Number	Pass-Through Disbursements and Expenditures
Texas Workforce Commission		
Adult Basic Education	814AELA00	\$ 114,945
SkillsDevelopment Dual Credit Program	0815SDF000	112,364
Temporary Assistance for Needy Families (TANF)	KC-TANF-PY14-01	15,077
Dallas County Community College District		
Small Business Development Center	3-603001-Z-0046C	96,391
Texas Higher Education Coordinating Board		
Texas Grant		38,250
Texas Educational Opportunity Grant	*	482,263
Nursing Innovative Grant Program Building Lab and Sim Grant	14122	118,879
Intensive Summer Program for General Education		3,371
JET Process Technology		1,094
Texas Workstudy		28,165
Texas Commission on the Arts		
Texas Shakespeare Festival	35953	4,897
Texas Shakespeare Festival	36675	2,568
Texas Comptroller's Office		
JET Industrial Technology Grant - Round 9	5535-11	353,159
Total State Financial Assistance		<u>\$ 1,371,423</u>

* Denotes major program

Notes to Schedule on Following Page.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2015

Note 1: State Assistance Reconciliation

State Grants and Contracts - per Schedule A	\$ 1,368,737
Total State Revenues per Statement of Revenues, Expenses and Changes in Net Assets	<u>\$ 1,368,737</u>
 Reconciling Item:	
Add: Required Matching Funds Expended	17,658
Less: Hazlewood Act Receipts	(14,972)
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 1,371,423</u>

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.

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HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Kilgore Junior College District
Kilgore, Texas

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

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, 2015 and 2014, 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 7, 2015.

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*.

Public Funds Investment Act

We have performed tests designed to verify Kilgore Junior College District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2015, no instances of noncompliance were found.

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 7, 2015

HENRY & PETERS, PC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Kilgore Junior College District
Kilgore, Texas

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

Members of the Board:

Report on Compliance for Each Major Federal and State 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* and the State of Texas Single Audit Circular that could have a direct and material effect on each of Kilgore Junior College District's major federal and state programs for the year ended August 31, 2015. Kilgore Junior College District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Kilgore Junior College District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. 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 and state 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 and state program. However, our audit does not provide a legal determination of Kilgore Junior College District's compliance.

Opinion on Each Major Federal and State 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 and state programs for the year ended August 31, 2015.

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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 and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Henry + Peters, P.C.

Tyler, Texas
December 7, 2015

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

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant 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? Unmodified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program / Cluster</u>
Various	Student Financial Assistance Cluster
84.048	Carl Perkins Vocational Education

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

Auditee qualified as low - risk auditee? X Yes _____ 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? Unmodified

**KILGORE JUNIOR COLLEGE DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2015
 CONTINUED**

Any audit findings disclosed that are required
 to be reported in accordance with section 510 (a)
 of the State of Texas Single Audit Circular? _____ Yes No

Identification of major programs:
Name of State Program
 Texas Educational Opportunity Grant

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

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

II. Financial Statement Findings

No matters requiring reporting were noted.

III. Federal Award Findings and Questioned Costs

No matters requiring reporting were noted.

**KILGORE JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF FEDERAL AND STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2015**

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 2006 to 2015
 (unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Invested in capital assets, net of related debt	\$ 44,045	\$ 43,599	\$ 42,222	\$ 42,998	\$ 43,140	\$ 38,218	\$ 37,714	\$ 33,062	\$ 32,585	\$ 32,913
Restricted - expendable	4,460	4,566	3,420	3,008	2,496	1,414	616	2,145	1,693	1,435
Restricted - nonexpendable	6,617	6,429	6,426	6,429	6,516	7,152	6,930	5,520	5,641	5,310
Unrestricted	14,061	20,871	22,342	19,129	15,195	16,088	14,149	14,467	10,002	6,425
Total primary government net position	\$ 69,183	\$ 75,465	\$ 74,410	\$ 71,564	\$ 67,347	\$ 62,872	\$ 59,409	\$ 55,194	\$ 49,921	\$ 46,083

Kilgore Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2006 to 2015
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	\$ 7,022	\$ 7,916	\$ 8,533	\$ 8,259	\$ 7,802	\$ 8,122	\$ 7,337	\$ 6,947	\$ 6,215	\$ 5,341
Federal grants and contracts	1,932	1,884	1,865	1,776	1,752	2,024	1,525	1,466	6,910	7,090
State grants and contracts	1,369	1,250	689	940	995	1,247	1,285	1,908	743	575
Non-governmental grants and contracts	168	211	228	378	407	426	709	478	444	471
Sales and services of educational activities	119	149	124	133	109	163	116	124	125	122
Auxiliary enterprises (net of discounts)	4,345	4,747	4,881	4,817	4,371	5,118	4,916	4,687	3,868	3,519
Other operating revenues	179	68	96	193	114	129	112	179	69	54
Total operating revenues	15,134	16,225	16,416	16,496	15,550	17,229	16,000	15,789	18,374	17,172
State appropriations	13,096	13,008	12,809	13,319	15,031	15,101	13,280	13,467	12,958	12,851
Maintenance ad-valorem taxes	6,483	6,346	6,223	6,006	5,900	5,937	6,175	5,012	4,968	4,421
Federal revenue, non-operating	10,674	10,982	12,029	8,667	14,902	12,978	8,039	6,384	-	-
Gifts	1,181	858	918	905	790	718	1,238	831	955	4,259
Investment income	64	133	334	296	285	214	374	496	612	664
Endowment income	(152)	972	550	266	130	130	180	282	315	236
Insurance proceeds	-	-	-	-	-	138	1,023	804	-	-
Gain on sale of radio station	-	-	-	-	-	-	-	-	1,899	-
Other non-operating revenues	3	3	3	-	3	7	6	48	3	7
Total non-operating revenues	31,349	32,302	32,866	29,459	37,041	35,223	30,315	27,324	21,710	22,438
Total revenues	\$ 46,483	\$ 48,527	\$ 49,282	\$ 45,955	\$ 52,591	\$ 52,452	\$ 46,315	\$ 43,113	\$ 40,084	\$ 39,610

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tuition and fees (net of discounts)	15.11%	16.31%	17.31%	17.97%	14.84%	15.48%	15.84%	16.11%	15.50%	13.48%
Federal grants and contracts	4.16%	3.88%	3.78%	3.86%	3.33%	3.86%	3.29%	3.40%	17.24%	17.90%
State grants and contracts	2.95%	2.58%	1.40%	2.05%	1.89%	2.38%	2.77%	4.43%	1.85%	1.45%
Non-governmental grants and contracts	0.36%	0.43%	0.46%	0.82%	0.77%	0.81%	1.53%	1.11%	1.11%	1.19%
Sales and services of educational activities	0.26%	0.31%	0.25%	0.29%	0.21%	0.31%	0.25%	0.29%	0.31%	0.31%
Auxiliary enterprises (net of discounts)	9.35%	9.78%	9.90%	10.48%	8.31%	9.76%	10.61%	10.87%	9.65%	8.88%
Other operating revenues	0.39%	0.14%	0.19%	0.42%	0.22%	0.25%	0.24%	0.42%	0.17%	0.14%
Total operating revenues	32.56%	33.43%	33.31%	35.90%	29.57%	32.85%	34.55%	36.62%	45.84%	43.35%
State appropriations	28.17%	26.81%	25.99%	28.98%	28.58%	28.79%	31.24%	31.24%	32.33%	32.44%
Maintenance ad-valorem taxes	13.95%	13.08%	12.63%	13.07%	11.22%	11.32%	11.63%	11.63%	12.39%	11.16%
Federal revenue, non-operating	22.96%	22.63%	24.41%	18.86%	28.34%	24.74%	14.81%	14.81%	0.00%	0.00%
Gifts	2.54%	1.77%	1.86%	1.97%	1.50%	1.37%	1.93%	1.93%	2.38%	10.75%
Investment income	0.14%	0.27%	0.68%	0.64%	0.54%	0.41%	1.15%	1.15%	1.53%	1.68%
Endowment income	-0.33%	2.00%	1.12%	0.58%	0.25%	0.25%	0.65%	0.65%	0.79%	0.60%
Insurance proceeds	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	1.86%	1.86%	0.00%	0.00%
Gain on sale of radio station	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.74%	0.00%
Other non-operating revenues	0.01%	0.01%	0.01%	0.00%	0.01%	0.01%	0.10%	0.11%	0.01%	0.02%
Total non-operating revenues	67.44%	66.57%	66.69%	64.10%	70.43%	67.15%	63.37%	63.38%	54.16%	56.65%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	97.92%	100.00%	100.00%	100.00%

Kilgore Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2006 to 2015
(unaudited)

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$ 16,886	\$ 18,064	\$ 16,243	\$ 16,001	\$ 17,160	\$ 17,298	\$ 15,501	\$ 14,298	\$ 13,599	\$ 12,554
Public service	934	969	922	949	1,042	973	955	769	614	828
Academic support	3,271	3,555	2,909	3,019	3,272	3,322	2,956	2,658	2,753	2,755
Student services	2,717	2,668	2,569	2,332	2,352	2,326	2,223	2,296	2,213	2,200
Institutional support	7,220	5,402	7,047	6,127	5,186	5,228	5,044	4,205	4,177	3,805
Operation and maintenance of plant	3,569	3,406	3,263	3,179	3,345	3,407	3,494	3,199	3,197	3,285
Scholarships and fellowships	3,966	4,422	4,532	762	6,571	6,661	3,792	2,781	2,284	2,585
Auxiliary enterprises	6,511	6,481	7,358	7,634	7,462	7,714	6,543	5,853	5,711	5,090
Depreciation	1,600	1,472	1,463	1,445	1,387	1,369	1,302	1,236	1,210	1,134
Total operating expenses	46,674	46,439	46,306	41,448	47,777	48,298	41,810	37,295	35,758	34,236
Interest on capital related debt	53	68	81	93	106	120	139	189	301	268
Loss on disposal of fixed assets	2	97	30	-	3	29	6	28	20	10
Other non-operating expenses	504	871	20	197	230	543	144	328	167	274
Total non-operating expenses	559	1,036	131	290	339	692	289	545	488	552
Total expenses	\$ 47,233	\$ 47,475	\$ 46,437	\$ 41,738	\$ 48,116	\$ 48,990	\$ 42,099	\$ 37,840	\$ 36,246	\$ 34,788

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	35.75%	38.05%	34.98%	38.34%	35.66%	35.31%	36.82%	37.79%	37.52%	36.09%
Public service	1.98%	2.04%	1.99%	2.27%	2.17%	1.99%	2.27%	2.03%	1.69%	2.38%
Academic support	6.93%	7.49%	6.26%	7.23%	6.80%	6.78%	7.02%	7.02%	7.60%	7.92%
Student services	5.75%	5.62%	5.53%	5.59%	4.89%	4.75%	5.28%	6.07%	6.11%	6.32%
Institutional support	15.29%	11.38%	15.18%	14.68%	10.78%	10.67%	11.98%	11.11%	11.52%	10.94%
Operation and maintenance of plant	7.56%	7.17%	7.03%	7.62%	6.95%	6.95%	8.30%	8.45%	8.82%	9.44%
Scholarships and fellowships	8.40%	9.31%	9.76%	1.83%	13.66%	13.60%	9.01%	7.35%	6.30%	7.43%
Auxiliary enterprises	13.78%	13.65%	15.85%	18.29%	15.51%	15.75%	15.54%	15.47%	15.76%	14.63%
Depreciation	3.39%	3.10%	3.15%	3.46%	2.88%	2.79%	3.09%	3.27%	3.34%	3.26%
Total operating expenses	98.82%	97.82%	99.72%	99.31%	99.30%	98.59%	99.31%	98.56%	98.65%	98.41%
Interest on capital related debt	0.11%	0.14%	0.17%	0.22%	0.22%	0.24%	0.33%	0.50%	0.83%	0.77%
Loss on disposal of fixed assets	0.00%	0.20%	0.06%	0.00%	0.01%	0.06%	0.01%	0.07%	0.06%	0.03%
Other non-operating expenses	1.07%	1.83%	0.04%	0.47%	0.48%	1.11%	0.34%	0.87%	0.46%	0.79%
Total non-operating expenses	1.18%	2.18%	0.28%	0.69%	0.71%	1.41%	0.69%	1.44%	1.35%	1.59%
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	
2014-15	\$ 30	\$ 30	\$ 69	\$ 28	\$ 696	\$ 1,524	1.75%	2.42%	
2013-14	29	29	67	28	684	1,488	0.00%	0.00%	
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%	

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	
2014-15	\$ 80	\$ 69	\$ 28	\$ 2,124	2.91%	
2013-14	77	67	28	2,064	0.00%	
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%	

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)
2014-15	\$ 4,555,782	\$ 484,438	\$ 4,071,344	89.37%	0.15400	-	0.15400
2013-14	4,483,115	453,223	4,029,892	89.89%	0.15400	-	0.15400
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%	0.01640	-	0.01640
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%	0.17400	-	0.17400
2005-06	2,635,907	130,507	2,505,400	95.05%	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
2014-15	\$ 10,583,081	4,301	2,461	1,562	971	2,533	4.18
2013-14	10,608,714	4,384	2,420	1,695	1,033	2,728	3.89
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

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 2006 - 2014
 (unaudited)

Taxable Assessed Value (TAV) by Tax Year

Taxpayer	Type of Business	2014	2013	2012	2011	2010	2009	2008	2007	2006
Halliburton Energy Services	Oilfield service	a	\$ 92,915,584	\$ 96,810,390	\$ 146,259,090	\$ 118,009,705	\$ 107,198,701	\$ 104,912,980	\$ 75,420,732	\$ 78,818,860
B J Services Inc	Oilfield service	a	-	31,211,641	46,707,143	41,938,960	45,704,545	69,693,340	36,753,659	44,591,980
Alcoa-Southern Plastics	Manufacturing	a	37,832,467	38,196,104	36,126,623	34,235,061	26,620,129	28,659,380	-	-
Cudd Pressure Control	Oilfield service	a	72,509,741	75,131,818	35,524,026	40,161,695	27,116,838	42,577,660	-	-
Danmark Energy Services Co	Oilfield service	a	-	44,866,883	26,184,415	24,772,730	20,370,779	34,596,730	61,953,659	26,188,370
EES Leasing	Oilfield service	a	-	18,265,584	24,224,675	-	-	-	-	-
AEP Southwestern Elec Co	Power company	a	20,031,168	20,776,623	19,681,168	20,045,454	18,975,974	-	18,240,377	21,102,190
Basa Resources, Inc.	Oilfield production	a	24,569,480	29,109,741	16,390,909	-	-	-	59,646,341	-
Quantum Resources	Oilfield production	a	49,631,818	13,773,377	15,829,870	26,798,701	-	-	-	-
Exco Partners	Oilfield production	a	-	16,675,974	15,446,753	27,021,433	71,055,194	46,329,630	-	-
XTO Energy Inc	Oilfield production	a	-	-	-	-	22,747,402	33,728,660	54,021,951	31,944,110
Exxonmobile Corporation	Oilfield production	a	-	-	-	-	17,175,971	25,099,740	69,169,512	43,615,100
Geo-Vest of Texas	Oilfield production	a	-	-	-	-	-	36,401,200	36,837,805	34,485,420
Burlington Resources	Oilfield production	a	-	-	-	-	-	24,029,190	39,907,317	24,925,700
TXOK Energy Resources Co.	Oilfield production	a	-	-	-	-	-	-	54,876,829	54,991,430
Anadarko E&P Co	Oilfield production	a	-	-	-	-	-	-	24,747,562	19,443,700
Hunt Petroleum Corp	Oilfield production	a	-	-	-	-	-	-	-	14,322,440
Samson Lone Star	Oilfield service	a	-	-	-	17,017,531	-	-	-	-
SND Operating	Oilfield service	a	19,772,727	24,751,299	-	14,818,202	-	-	-	-
Weatherford Lift & Drill	Oilfield	a	17,625,974	-	-	-	-	-	-	-
Nabors	Oilfield	a	19,598,051	-	-	-	-	-	-	-
TNT Rigging	Oilfield service	a	22,178,571	-	-	-	-	-	-	-
Totals			\$ 376,665,581	\$ 409,569,434	\$ 382,374,672	\$ 364,819,472	\$ 356,965,533	\$ 446,028,510	\$ 531,575,744	\$ 394,429,300
Total Taxable Assessed Value		\$ 4,071,344	\$ 4,029,891,105	\$ 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

% of Taxable Assessed Value (TAV) by Tax Year

Taxpayer	Type of Business	2014	2013	2012	2011	2010	2009	2008	2007	2006
Halliburton Energy Services	Oilfield service	a	2282.18%	2.43%	3.84%	3.08%	2.85%	2.79%	2.57%	3.15%
B J Services Inc	Oilfield service	a	0.00%	0.78%	1.23%	1.10%	1.21%	1.85%	1.25%	1.78%
Alcoa-Southern Plastic	Manufacturing	a	929.24%	0.96%	0.95%	0.89%	0.71%	0.76%	0.00%	0.00%
Cudd Pressure Control	Oilfield service	a	1780.98%	1.89%	0.93%	1.05%	0.72%	1.13%	0.00%	0.00%
Danmark Energy Services Co	Oilfield service	a	0.00%	1.13%	0.69%	0.65%	0.54%	0.92%	2.11%	1.05%
EES Legacy	Oilfield service	a	0.00%	0.46%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%
AEP Southwestern Elec Co	Power Company	a	492.00%	0.52%	0.52%	0.52%	0.50%	0.00%	0.62%	0.84%
Basa Resource, Inc.	Oilfield production	a	603.47%	0.73%	0.43%	0.00%	0.00%	0.00%	2.03%	0.00%
Quantum Resources	Oilfield production	a	1219.05%	0.35%	0.42%	0.70%	0.00%	0.00%	0.00%	0.00%
Exco Partners	Oilfield production	a	0.00%	0.42%	0.41%	0.71%	1.89%	1.23%	0.00%	0.00%
XTO Energy Inc	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.60%	0.90%	1.84%	1.28%
Exxonmobile Corporation	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.46%	0.67%	2.35%	1.74%
Geo-Vest of Texas	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.00%	0.97%	1.25%	1.38%
Burlington Resources	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.00%	0.64%	1.36%	0.99%
TXOK Energy Resources Co.	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.87%	2.19%
Anadarko E&P Co	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.84%	0.78%
Hunt Petroleum Corp	Oilfield production	a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%
Samson Lone Star	Oilfield service	a	0.00%	0.00%	0.00%	0.44%	0.00%	0.00%	0.00%	0.00%
SND Operating	Oilfield service	a	485.66%	0.62%	0.00%	0.39%	0.00%	0.00%	0.00%	0.00%
Weatherford Lift & Drill	Oilfield	a	432.93%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Nabors	Oilfield	a	481.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TNT Rigging	Oilfield service	a	544.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		0.00%	9251.63%	10.28%	10.04%	9.54%	9.48%	11.84%	18.09%	15.74%

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

a. Information could not be obtained.

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
2015	\$ 6,270	\$ 6,089	97.11%	\$ 139	\$ 6,228	99.33%
2014	6,206	6,044	97.39%	117	6,161	99.27%
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%

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)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
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	\$ 1,200	\$ 1,570	\$ 1,930	\$ 2,275	\$ 2,605	\$ 2,925	\$ 3,230	\$ 3,530	\$ 3,815	\$ 4,010
Notes	-	-	-	-	-	80	540	1,020	1,500	975
Capital Lease Obligations	5	29	53	76	-	-	-	-	-	-
Less: Funds Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 1,205	\$ 1,599	\$ 1,983	\$ 2,351	\$ 2,605	\$ 3,005	\$ 3,770	\$ 4,550	\$ 5,315	\$ 4,985
Per Capita	\$ 3.47	\$ 4.58	\$ 5.68	\$ 2.14	\$ 2.37	\$ 2.73	\$ 3.43	\$ 4.14	\$ 4.83	\$ 3.56
Per Student	\$ 28	\$ 36	\$ 43	\$ 51	\$ 55	\$ 60	\$ 92	\$ 110	\$ 129	\$ 214
As a percentage of Taxable Assessed Value	0.04%	0.05%	0.06%	0.07%	0.09%	0.10%	0.13%	0.16%	0.19%	0.17%

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)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Taxable Assessed Value	\$4,071,344	\$4,029,892	\$3,985,682	\$3,806,918	\$3,799,056	\$3,825,864	\$3,766,791	\$3,211,390	\$2,939,135	\$2,505,400
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 20,357	\$ 20,149	\$ 19,928	\$ 19,035	\$ 18,995	\$ 19,129	\$ 18,834	\$ 16,057	\$ 14,696	\$ 12,527
Less: Funds Restricted for Repayment of General Obligation Notes	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	20,357	20,149	19,928	19,035	18,995	19,129	18,834	16,057	14,696	12,527
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 20,357	\$ 20,149	\$ 19,928	\$ 19,035	\$ 18,995	\$ 19,129	\$ 18,834	\$ 16,057	\$ 14,696	\$ 12,527
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
2015	\$ 327,504	\$ 2,966,617	\$ 773,338	\$ 5,291,027	\$ 667,783	\$ 10,026,269	\$ 385,000	\$ 45,960	\$ 430,960	23.26
2014	324,659	3,251,698	865,238	5,622,950	685,451	10,749,996	370,000	53,046	423,046	25.41
2013	342,341	3,387,171	878,801	5,920,492	759,557	11,288,362	360,000	67,025	427,025	26.43
2012	337,210	3,280,178	900,937	5,562,851	761,067	10,842,243	345,000	80,526	425,526	25.48
2011	327,529	3,303,165	598,898	5,420,044	757,680	10,407,316	320,000	105,900	425,900	24.44
2010	306,605	2,412,835	529,647	4,989,075	1,416,828	9,654,990	305,000	117,868	422,868	22.83
2009	251,412	2,098,495	490,645	4,153,019	902,508	7,896,079	300,000	129,454	429,454	18.39
2008	227,077	2,123,981	466,240	3,952,678	785,719	7,555,695	285,000	140,657	425,657	17.75
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

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
2014	34,731	b	b	4.9%
2013	34,722	b	b	6.3%
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%

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
Last Five Fiscal Years
(unaudited)

Employer	2014 Number of Employees	2013 Number of Employees	2012 Number of Employees	2011 Number of Employees	2010 Number of Employees	Percentage of Total Employment (a)
Halliburton	b	705	711	705	705	-
Kilgore ISD	b	600	612	601	606	-
Vertex, RSI/General Dynamics	b	550	543	550	550	-
Kilgore College	b	320	326	320	363	-
Region VII Education Service Ctr	b	290	294	290	290	-
Martin Midstream Partners, LP	b	241	257	241	241	-
Cudd Pressure Controls	b	175	242	225	225	-
Pak-Sher, Inc	b	223	218	227	160	-
Orgill, Inc	b	270	172	185	178	-
BJ Services	b	155	-	156	155	-
City of Kilgore	b	160	163	160	155	-
Skeeter Boats	b	-	-	151	151	-
Total	b	3,689	3,538	3,811	3,779	-

Source:

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

Note:

- a. Total employment of District is undeterminable.
- b. Employee information could not be obtained

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

		Fiscal Year									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Faculty											
Full-Time	a	161.00	157.00	144.00	151.00	166.00	124.00	119.00	116.25	110.25	
Part-Time	a	53.00	53.00	50.00	53.00	73.00	51.00	58.80	50.00	48.40	
Total		214.00	210.00	194.00	204.00	239.00	175.00	177.80	166.25	158.65	
Percent											
Full-Time	a	75.23%	74.76%	74.23%	74.02%	69.46%	70.86%	66.93%	69.9%	69.5%	
Part-Time	a	24.77%	25.24%	25.77%	25.98%	30.54%	29.14%	33.07%	30.1%	30.5%	
Staff and Administrators											
Full-Time	a	194.00	186.00	209.00	221.00	221.00	283.00	205.00	214.54	219.00	
Part-Time	a	28.00	56.00	44.00	43.00	41.00	33.00	28.25	31.00	35.00	
Total		222.00	242.00	253.00	264.00	262.00	316.00	233.25	245.54	254.00	
Percent											
Full-Time	a	87.39%	76.86%	82.61%	83.71%	84.35%	89.56%	87.89%	87.37%	86.22%	
Part-Time	a	12.61%	23.14%	17.39%	16.29%	15.65%	10.44%	12.11%	12.63%	13.78%	
Students per Full-Time Faculty	a	36.44	39.69	44.38	44.31	38.40	44.46	43.28	44.30	42.60	
Students per Full-Time Staff Member	a	30.24	33.50	30.58	30.28	28.85	19.48	25.12	24.00	21.45	
Average Annual Faculty Salary	a	\$55,888	\$54,962	\$60,700	\$58,070	\$51,710	\$54,549	\$53,690	\$55,700	\$53,783	

Notes:

Information provided according to the IPED definition for faculty and staff

a. Employee information could not be obtained

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

Student Classification	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	3,972	68.86%	4,130	70.39%	3,681	71.48%	4,561	71.37%	4,899	73.22%
Sophomore	1,296	22.47%	1,244	21.20%	1,074	20.85%	1,357	21.23%	1,352	20.21%
Unclassified	146	2.53%	168	2.86%	236	4.58%	207	3.24%	192	2.87%
Associate Degree	284	4.92%	263	4.48%	91	1.77%	228	3.57%	219	3.27%
Baccalaureate or Above	70	1.21%	62	1.06%	68	1.32%	38	0.59%	29	0.43%
Total	5,768	100.00%	5,867	100.00%	5,150	100.00%	6,391	100.00%	6,691	100.00%

Semester Hour Load	Fall 2013		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	34	0.59%	33	0.56%	37	0.72%	30	0.47%	40	0.60%
3-5 semester hours	877	15.20%	966	16.46%	922	17.90%	1,098	17.18%	1,239	18.52%
6-8 semester hours	1286	22.30%	1175	20.03%	784	15.22%	1,278	20.00%	1,274	19.04%
9-11 semester hours	985	17.08%	1070	18.24%	733	14.23%	1,004	15.71%	939	14.03%
12-14 semester hours	1758	30.48%	1735	29.57%	1934	37.55%	2,092	32.73%	2,257	33.73%
15-17 semester hours	705	12.22%	760	12.95%	636	12.35%	753	11.78%	824	12.32%
18 & over	123	2.13%	128	2.18%	104	2.02%	136	2.13%	118	1.76%
Total	5,768	100.00%	5,867	100.00%	5,150	100.00%	6,391	100.00%	6,691	100.00%

Average course load a sch 10.0 sch 10.0 sch 9.7 sch 9.6 sch

Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,585	27.48%	1,547	26.37%	1,560	30.29%	1,793	28.06%	1,933	28.89%
Texas Resident (out-of-District)	4,002	69.38%	4,132	70.43%	3,300	64.08%	4,387	68.64%	4,479	66.94%
Non-Resident Tuition	181	3.14%	188	3.20%	290	5.63%	211	3.30%	279	4.17%
Total	5,768	100.00%	5,867	100.00%	5,150	100.00%	6,391	100.00%	6,691	100.00%

a. Average course load information could not be obtained

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

Gender	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,484	60.40%	3,565	60.76%	3,888	62.40%	3,995	62.51%	4,140	61.87%
Male	2,284	39.60%	2,302	39.24%	2,343	37.60%	2,396	37.49%	2,551	38.13%
Total	5,768	100.00%	5,867	100.00%	6,231	100.00%	6,391	100.00%	6,691	100.00%

Ethnic Origin	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Multi-Racial	145	2.51%	138	2.35%	140	2.25%	167	2.61%	241	3.74%
White	3,358	58.22%	3,564	60.75%	3,755	60.26%	4,050	63.37%	4,160	64.50%
Hispanic	1,198	20.77%	1,194	20.35%	1,318	21.15%	1,280	20.03%	718	11.13%
African American/Black	881	15.27%	811	13.82%	811	13.02%	693	10.84%	1,295	20.08%
Asian/Pacific Islander	52	0.90%	43	0.73%	50	0.80%	48	0.75%	60	0.93%
International	36	0.62%	26	0.44%	29	0.47%	35	0.55%	90	1.40%
Amer Indian/Alaskan	39	0.68%	37	0.63%	64	1.03%	83	1.30%	24	0.37%
Unknown	54	0.94%	51	0.87%	60	0.96%	32	0.50%	95	1.47%
Hawaiian/Pacific Islander	5	0.09%	3	0.05%	4	0.06%	3	0.05%	8	0.12%
Total	5,768	100.00%	5,867	100.00%	6,231	100.00%	6,391	100.00%	6,450	100.00%

Age	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	875	15.17%	759	12.94%	854	13.71%	817	12.78%	827	12.36%
18-21	2,481	43.01%	2,585	44.06%	2,628	42.18%	2,711	42.42%	2,897	43.30%
22-24	679	11.77%	701	11.95%	714	11.46%	726	11.36%	789	11.79%
25-30	698	12.10%	742	12.65%	820	13.16%	876	13.71%	883	13.20%
31-35	378	6.55%	396	6.75%	449	7.21%	459	7.18%	486	7.26%
36-50	521	9.03%	531	9.05%	632	10.14%	649	10.15%	659	9.85%
51 and over	136	2.36%	153	2.61%	134	2.15%	153	2.39%	150	2.24%
Total	5,768	100.00%	5,867	100.00%	6,231	100.00%	6,391	100.00%	6,691	100.00%

Average Age	24	24	24	25	24
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Kilgore Junior College District
Statistical Supplement 17A
Transfers to Senior Institutions
2013 Fall Students as of Fall 2014
(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	54	5	46	105	34.3%
2 STEPHEN F. AUSTIN STATE UNIV	29	1	32	62	20.3%
3 U. OF TEXAS AT ARLINGTON	2	6	14	22	7.2%
4 UNIVERSITY OF NORTH TEXAS	11	0	8	19	6.2%
5 TEXAS STATE UNIV - SAN MARCOS	4	1	10	15	4.9%
6 TEXAS A&M UNIVERSITY	3	0	12	15	4.9%
7 TEXAS A&M UNIVERSITY-COMMERCE	1	2	12	15	4.9%
8 TEXAS TECH UNIVERSITY	4	0	5	9	2.9%
9 TEXAS WOMAN'S UNIVERSITY	4	2	2	8	2.6%
10 SAM HOUSTON STATE UNIVERSITY	1	0	6	7	2.3%
OTHER PUBLIC 4YR INSTITUTIONS	13	5	11	29	9.5%
	126	22	158	306	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 2013				Fall 2012				Fall 2011				Fall 2010				Fall 2009			
	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
LAMAR UNIVERSITY	3	3	6	2.1%	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	20	32	52	21.0%
SAM HOUSTON STATE UNIVERSITY	1	1	2	0.7%	3	3	6	2.1%	2	3	5	2.4%	0	1	1	0.5%	2	3	5	2.0%
STEPHEN F. AUSTIN STATE UNIV	29	33	62	21.2%	13	14	27	9.2%	19	21	40	19.1%	8	16	24	11.1%	20	32	52	21.0%
TEXAS A&M UNIVERSITY	3	4	7	2.4%	3	3	6	2.1%	1	1	2	1.0%	3	3	6	2.8%	0	0	0	0.0%
TEXAS A&M UNIVERSITY-COMMERCE	1	2	3	1.0%	0	0	0	0.0%	4	3	7	3.3%	1	0	1	0.5%	1	1	2	0.8%
TEXAS A&M UNIVERSITY-TEXARKANA	0	0	0	0.0%	4	7	11	3.8%	4	4	8	3.8%	8	9	17	7.9%	8	8	16	6.5%
TEXAS STATE UNIVERSITY	4	5	9	3.1%	6	7	13	4.5%	2	3	5	2.4%	2	3	5	2.3%	3	5	8	3.2%
TEXAS TECH UNIVERSITY	4	4	8	2.7%	0	0	0	0.0%	2	2	4	1.9%	1	2	3	1.4%	3	3	6	2.4%
TEXAS WOMAN'S UNIVERSITY	4	4	8	2.7%	3	3	6	2.1%	3	4	7	3.3%	2	2	4	1.9%	8	10	18	7.3%
U. OF TEXAS AT ARLINGTON	2	5	7	2.4%	10	11	21	7.2%	2	2	4	1.9%	5	5	10	4.6%	4	4	8	3.2%
U. OF TEXAS AT AUSTIN	3	3	6	2.1%	4	4	8	2.7%	0	0	0	0.0%	5	5	10	4.6%	5	5	10	4.0%
U. OF TEXAS AT DALLAS	2	2	4	1.4%	0	0	0	0.0%	1	3	4	1.9%	5	5	10	4.6%	5	5	10	4.0%
U. OF TEXAS AT TYLER	54	65	119	40.8%	47	54	101	34.6%	37	51	88	42.1%	43	50	93	43.1%	15	26	41	16.5%
UNIVERSITY OF HOUSTON	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	3	3	6	2.8%	1	2	3	1.2%
UNIVERSITY OF NORTH TEXAS	11	13	24	8.2%	6	6	12	4.1%	9	7	16	7.7%	8	8	16	7.4%	3	8	11	4.4%
OTHER PUBLIC 4-YR INSTITUTION	13	14	27	9.2%	8	9	17	5.8%	9	10	19	9.1%	4	6	10	4.6%	2	4	6	2.4%
TOTAL	134	158	292	97.9%	107	121	228	78.1%	95	114	209	100.0%	98	118	216	100.0%	100	148	248	79.0%

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 2006 to 2015
(unaudited)

	Fiscal Year									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Academic buildings	15	15	15	15	15	15	14	14	13	13
Square footage (in thousands)	341	341	353	353	353	339	335	335	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	5	5
Square footage (in thousands)	136	136	136	136	136	136	136	136	136	136
Number of beds	490	490	490	490	490	490	490	490	490	490
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	15	15	14	13	13	12	12	12	12	13
Light Trucks/Vans	16	16	17	17	17	23	23	23	23	24
Buses	0	0	0	0	0	0	0	0	0	0

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