

Minutes of Regular Board Meeting

The Board of Trustees Kilgore College



A Regular Board Meeting of the Board of Trustees of Kilgore College was held on February 12, 2024, beginning at 6:30 PM on the 2nd floor of the McLaurin Administration Building, 895 Ross Ave., Kilgore, TX 75662, with the following members present:

Lon Ford, President
Jon Rowe, Vice President
Josh Edmonson, Secretary
Janice Bagley
David Castles
Gina DeHoyos
Jon Keller
Travis Martin

Absent: Kelvin Darden

1. CALL TO ORDER

A. Invocation and Pledge of Allegiance

Mr. Lon Ford called the meeting to order at 6:30 pm. Dr. Mke Jenkins said the Invocation and Mr. Lon Ford led the Pledge of Allegiance.

2. PRESENTATIONS

A. Faculty Spotlight: 2023-24 Innovation Grant Award Recipients

- Michelle Sullivan
- Kristi Kleinig
- Joe Kirchhoff
- Quinn Ponder

Presenter: Dr. Brenda Kays

3. PUBLIC COMMENTS

There were no public comments.

4. EXECUTIVE SESSION

The Board did not go into Executive Session.

5. CONSENT AGENDA

Presenter: Mr. Lon Ford

- A. To consider approving the minutes of the:
- December Regular Board Meeting
- B. To consider approval of personnel items submitted as follows: *Appendix A*
- Employee Resignations
 - Employee Retirements
 - Employee Terminations

- Proposed Change of Employment
 - Offers of Employment
- C. To consider payment of legal fees for:
- December 2023
 - January 2024

Josh Edmonson made the motion to accept the December minutes with the additions suggested by Trustee, Gina DeHoyos. These minutes and future minutes will now reflect if any discussion ensued or questions were asked/answered by Board members. Janice Bagley seconded the motion. The motion passed unanimously. David Castles moved to approve the remaining portions of the Consent Agenda (Personnel Agenda and Legal Fees). Travis Martin seconded. This motion passed unanimously.

6. BOARD COMMITTEE REPORTS & ACTION ITEMS

A. Property & Facilities Committee - Travis Martin, Chair

1. ACTION ITEM: To consider approval of the recommended plan for the use of deferred maintenance funds and to authorize the President to establish specific projects within the plan. *Appendix B*

Presenter: Dr. Mike Jenkins

Travis Martin moved to approve the recommended plan for the use of deferred maintenance funds and to authorize the College President to establish specific projects within the plan. This motion came from Committee and did not require a second. The motion passed unanimously.

2. INFORMATION ITEM: Construction/Maintenance Project Updates

Presenter: Dr. Mike Jenkins

B. Investment/Finance/Audit Committee - Jon Rowe, Chair

1. ACTION ITEM: To consider approval of Budget Amendment (24-BA03) which establishes funding the recommended plan for the use of deferred maintenance funds and to authorize the President to establish specific projects within the plan. *Appendix C*

Presenter: Mr. Terry Hanson

Jon Rowe moved for the approval of Budget Amendment (24-BA03) establishing the funding for the recommended plan for the use of deferred maintenance funds and to authorizing the President to establish specific projects within the plan. This motion came from Committee and did not require a second. The motion passed unanimously.

2. ACTION ITEM: To consider approval of the Tuition and Fees presented for the 2024-2025 academic year. *Appendix D*

Presenter: Mr. Terry Hanson/Dr. Tracy Skopek

Jon Rowe moved for the approval of the Tuition and Fees presented for the 2024-2025 academic year. This motion came from Committee and did not require a second. The motion passed unanimously.

3. ACTION ITEM: To consider approval by Resolution (R-2024-7) to accept a Justice Assistance Grant in the amount of \$24,995 for the purchase of simulation equipment for the East Texas Police Academy and to comply with all stated requirements associated with this grant. *Appendix E*

Presenter: Mr. Terry Hanson

Jon Rowe moved for the approval by Resolution (R-2024-7) to accept a Justice Assistance Grant in the amount of \$24,995 for the purchase of simulation equipment for the East Texas Police Academy and to comply with all stated requirements associated with this grant. This motion came from Committee and did not require a second. The motion passed unanimously.

4. ACTION ITEM: To consider approval by Resolution (R-2024-8) to accept a Justice Assistance Grant in the amount of \$27,500 for assistance with the purchase of a squad car for the Kilgore College Police Department and to comply with all stated requirements associated with this grant. *Appendix F*

Presenter: Mr. Terry Hanson

Janice Bagley asked several questions about the vehicles used by Kilgore College Police Department including make and model of the vehicle that will be purchased through this grant. Jon Rowe moved for the approval by Resolution (R-2024-8) to accept a Justice Assistance Grant in the amount of \$27,500 for assistance with the purchase of a squad car for the Kilgore College Police Department and to comply with all stated requirements associated with this grant. This motion came from Committee and did not require a second. The motion passed unanimously.

5. INFORMATION ITEM: FY23 Annual Financial Report – Audit - *Appendix G*

Presenter: Kristy Davis; Jaynes, Reitmeier, Boyd, & Thomas, P.C.

Gina DeHoyos requested that Kristy Davis cover the restatement. The auditor complied.

6. INFORMATION ITEM: Entrepreneurial Community College Spotlight:
Museum Services – *Appendix H*

Presenter: Olivia Moore, Director of Museum Services

7. INFORMATION ITEM: Financials:

Presenter: Mr. Terry Hanson

a. October FY24, November FY24, December FY24, and December Capital Update – *Appendix I*

Presenter: Mr. Terry Hanson

b. Public Funds Investment Act (PFIA) - 1st Quarter – *Appendix J*

Presenter: Mr. Terry Hanson

C. Policy & Personnel Committee - Josh Edmonson, Chair

1. ACTION ITEM: To consider approval of an Operating Agreement between the Rangerettes Forever Foundation and Kilgore College. *Appendix K*

Presenter: Mr. Josh Edmonson

Gina DeHoyos asked some specifics about the Operating Agreement. All questions were answered. Josh Edmonson moved for the approval of an Operating Agreement between the Rangerettes Forever Foundation and Kilgore College. This motion came from Committee and did not require a second. The motion passed unanimously.

2. ACTION ITEM: To consider approval of revisions to the following TASB policies

Presenter: Mr. Josh Edmonson

- a. FLB (LEGAL, LOCAL) Student Rights & Responsibilities - Student Conduct – *Appendix L*
- b. FLD (LEGAL, LOCAL) Student Rights & Responsibilities - Student Complaints – *Appendix M*

Josh Edmonson moved to approve the revisions to these TASB policies as presented. This motion came from Committee and did not require a second. The motion passed unanimously.

D. Student Success Committee - Janice Bagley, Chair

1. Data Spotlight: Student Retention Update

- a. Current Retention Data Points – *Appendix N*

Presenter: Dr. Richard Plott, Dean of Institutional Effectiveness and Research

Gina DeHoyos asked several questions about the trend of academic transfer student retention and what the college's goals were. Jon Rowe asked a question in this same area and the loss of funding if students aren't applying for AAS degrees. Lon Ford wanted to know how other colleges are using this data. Gina DeHoyos made positive comments regarding data use.

- b. Triage from Instructional Support Services – *Appendix O*

Presenter: Ebony Dennis, Dean of Instructional Support Services & Retention

Josh Edmonson asked if dual credit students are getting the text messages and are they being included in texting platform.

7. KILGORE COLLEGE FOUNDATION UPDATE REPORT

Presenter: Merlyn Holmes

8. BOARD PRESIDENT'S REPORT

Presenter: Mr. Lon Ford

A. INFORMATION ITEM: Results of Elections for Appraisal District Boards of Directors

- Gregg County – *Appendix P*
- Rusk County – *Appendix Q*
- Upshur County – *Appendix R*

B. INFORMATION ITEM: Upcoming Dates:

- Next Board Meeting: Monday, April 8, 2024

9. ADJOURNMENT

Janice Bagley moved to adjourn the meeting. Travis Martin seconded. The meeting was adjourned by Lon Ford at 8.32 PM.

If during the course of the meeting covered by this notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any item included in this notice, then such closed or executive meeting or session as authorized by Section 551.001 et. seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board concerning any subjects and for any and all purposes permitted by Sections 551.01-551.089 of the Open Meetings Act.

Respectfully submitted,



Karen Scibona, Recording Secretary
Kilgore College Board of Trustees



President, Kilgore College Board of Trustees
Secretary, Kilgore College Board of Trustees

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**Kilgore Junior College District
Personnel Agenda
February 12, 2024**

1. Recommendation to accept employee resignations as follows:

- a. Singer, Lacey, Instructor – Psychology, effective 12/31/2023, after 4 months of service. *(financial needs of family)*
- b. Thompson, Maggie, Learning Specialist - TRIO, effective 11/30/2023, after 4 months of service. *(issues with childcare)*
- c. Obare, Charles, Instructor – Mathematics, effective 12/31/2023, after 4 months of service *(teaching FT position elsewhere)*

2. Recommendation to change employment as follows:

NAME	PREVIOUS POSITION	NEW POSITION	NEW SALARY/RATE OF PAY	EFFECTIVE DATE
Walker, Brandon	Associate Dean – Arts & Sciences	Instructional Dean – PSIT	\$94,427 12 month	11/16/2023
Martin, Mary	Administrative Assistant I – PSIT	Executive Assistant – Executive Dean Professional and Career Education	\$39,480 12 month	1/2/2024

3. Recommendation of employment as follows:

NAME	POSITION	LOCATION	SALARY/BASE RATE OF PAY	HIRE DATE
Allbritton, Savannah	Administrative Assistant I – PSIT	Kilgore	\$30,160 12 month	11/13/2023
Johnson, Mark	Police Officer	Kilgore	\$62,700 12 month	11/27/2023
Jones, Jessica	Administrative Assistant I – Cashier	Kilgore	\$30,160 12 month	12/11/2023
Hudson, Tanya	Liaison – Alumni	Kilgore	\$35,916 12 month	1/2/2024
Taylor, Jennifer	Instructor – Psychology	Kilgore	\$43,000 9 month	1/2/2024
Jimmerson, Nicole	Coordinator Instruction Student Support – AEL	Longview	\$44,505 12 month	1/2/2024
Bellew, Peggy	Instructor – Nursing	Kilgore	\$68,000 12 month	1/8/2024

Final Publish Date 1/22/2023

ALLOCATION RECOMMENDATIONS

CAPITAL IMPROVEMENT FUNDING

ROOFS

01

Old Main – Completed
Dodson Auditorium
Receiving
Rangerette Gym
Adult Education Center
KCPD

Est: \$1,525,00

HVAC

02

Woodfin Center
Applied Tech Center
East TX Police Academy
RangerPrint
Adult Education Center
Communications/Auto

Est: \$1,500,000

OTHER

03

PE Classrooms
Gussie Nell Davis
Adult Education Center
Woodfin Center
Rangerette Gym
Parking Lots/Sidewalks

Est: \$650,000

Recommendations for Use of Deferred Maintenance Funds

January 11, 2024

Funds will be utilized within three categories. The first category addresses the roofing issues, as originally approved by the BOT and included in the current capital improvement budget. In addition to the roofing category, an HVAC repair/replacement category and an “other needed projects” category have been developed, as detailed below.

1. **Roof Repairs and Replacements** – total costs estimated not to exceed \$1,525,000
Facilities to focus on include: Old Main, Receiving, Dodson, Master’s Gym, Rangerette Gym, and the AEC.

2. **HVAC Repairs and Replacements** – total costs estimated not to exceed \$1,500,000
Facilities to focus on include: Woodfin, ATC, ETPA, RangerPrint, AEC, CA, and possibly Commons. A portion of the funds will also be used to fund smaller repair projects in various buildings across campus (e.g., bi-annual boiler service, EEV replacements, etc.).

3. **Deferred Maintenance**– total costs estimated not to exceed \$650,000
Projects to focus on include: renovation of classrooms in the PE Complex, replacement of water pumps at the GND residence hall, replacement of electrical panels at AEC, remodel of a space in Woodfin to create a new switchboard/call center area, bathroom renovations, and possible sidewalk/parking lot repair/replacement. If funding permits sidewalk and/or parking lot repair, focus will be on high traffic sidewalks and the Old Main and TV parking lots.

Per Dr. Mike Jenkins: We are in the process of obtaining quotes/estimates for each of the projects listed above. Any efficiencies/cost savings realized as projects are finalized will allow for the inclusion of additional projects or provide carryover funds into next year. Even if 100% of the funds allocated to the three categories are utilized, we will still have just over \$500,000 of deferred maintenance funds remaining for emergency needs and/or late year/next year projects.

APPENDIX C

Kilgore College Budget Amendment

February 12, 2023

24-BA03

\$3,675,000 - Establish funding for recommended plan for the use of deferred maintenance funds and to authorize the President to establish specific projects within the plan.

Funding Source	Account Name	Previous Budget	Budget Change	Revised Budget
Debt Fund	Roof Repair/Replacement	595,000	1,525,000	2,120,000
Debt Fund	HVAC Repair/Replacement	-	1,500,000	1,500,000
Debt Fund	Deferred Maintenance	-	650,000	650,000

Description

Establishes funding in alignment with the recommend plan for the deferred maintenance funds. The President is authorized to establish specific projects under the categories identified to address the respective deferred maintenance needs.

Financial Impact

This action establishes a total budget of \$4,543,000 to address deferred maintenance. \$457,000 of deferred maintenance funds remain from the debt issuance.

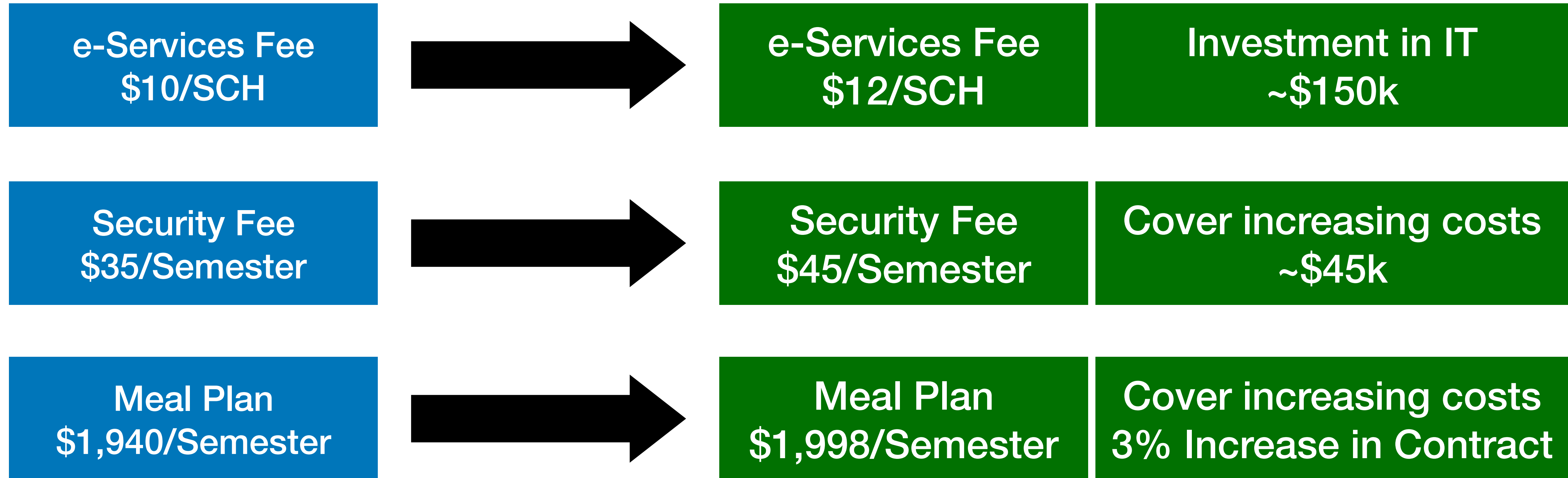
Recommended FY2025 Tuition & Fees

Kilgore College - February 2024



Dr. Tracy Skopek - Vice President Instruction & Chief Academic Officer
Terry Hanson - Vice President Administrative Services & Chief Financial Officer

Proposed Changes



Estimated impact for average student is \$68 annually

Course Fees

Summary of Significant Changes


- High Cost Workforce Development Course Fee added to Sonography
- Add Differential Fees to High Demand programs - ensured competitive rates
 - Sonography (\$5/sch) & Welding (\$4/sch)
- Adjust Course Fees to account for program and/or cost changes
- Add technology fee of \$5 per course to all Continuing Ed (except Police Academy)
- Add distance learning fee \$15 per course to “Web Only” Continuing Ed

Course	Current Fee	Proposed Fee	Justification	Proposed Fee Other
DMSO 1210	N/A	Differential Fee: \$5per credit hour	High Demand program \$5CH/\$10	High Cost Program Fee; \$35
DMSO 1166	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$5	High Cost Program Fee:\$35
DMSO 1167	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$5	High Cost Program Fee: \$35
DMSO 1302	N/A	Differential Fee: \$5per credit hour	High Demand program \$5CH/\$15	High Cost Program Fee: \$35
DMSO 1441	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$20	High Cost Program Fee: \$35
DMSO 2405	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$20	High Cost Program Fee: \$35
DMSO 1342	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$15	High Cost Program Fee: \$35
DMSO 2351	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$15	High Cost Program Fee: \$35
DMSO 2366	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$15	High Cost Program Fee: \$35
DMSO 1460	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$20	High Cost Program Fee: \$35
DMSO 2230	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$10	High Cost Program Fee: \$35
DMSO 2367	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$15	High Cost Program Fee: \$35
DMSO 2342	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$15	High Cost Program Fee: \$35
DMSO 2441	N/A	Differential Fee: \$5 per credit hour	High Demand program \$5CH/\$20	High Cost Program Fee: \$35
WLDG 1337	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$12	
WLDG 1421	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 1428	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 1435	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 1457	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 1491	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2355	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$12	
WLDG 2406	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2413	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2432	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2443	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2451	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2453	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2480	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	
WLDG 2488	N/A	Differential Fee: \$4 per credit hour	High Demand program \$4CH/\$16	

COURSE	CURRENT FEE	PROPOSED FEE	FEE CHANGE JUSTIFICATION	FEE CHANGE BREAKDOWN	REFUNDABLE/NON-REFUNDABEL (FCD)
Business, Entrepreneurship & Information Technology					
ITSW 2337 - Advanced Database	\$145	\$50	Eliminate the Access Certification Testing Fee (changing to MySQL)	Course Fee \$50	
POFI 1301-Computer Applications I	\$50	\$150	Increased fee includes Inclusive Access (online platform, electronic textbook)	\$50: Course Fee \$4: Admin Fee \$96: Inclusive Access Pearson MyLab IT Access Code	
CSME 1401 - Orientation to Cosmetology	\$35 Course Fee \$25 Student Permit Fee	\$625	Increase in permit application cost Adding Cosmetology kit cost to offer cost savings to students	Course Fee: \$35 Student Permit Fee: \$50 Cosmetology Intro Kit: \$540	
CSME 1310 - Introduction to Haircutting	\$35	\$50	Increase in styling product cost	Course Fee: \$50	
CSME 1453 - Chemical Reformation	\$35	\$50	Increase in product cost	Course Fee: \$50	
CSME 2337 - Advanced Techniques	\$35	\$50	Eyelash extension curriculum added - increased product cost	Course fee: \$50	
CSME 2401 - Principles of Hair Coloring	\$35	\$50	Increase in product cost	Course fee: \$50	
BARB 1402 - Barber Styling I	\$35	\$50	Products used in this course are specialty items	Course fee: \$50	
BARB 1307 - Introduction to Hair Design	\$35	\$270	Barber Kit Cost has been included to offer cost savings to students	Course fee: \$35 Barbering Kit Cost: \$235	
CSME 2410 - Advanced Haircutting	\$35	\$280	Kit Cost has been included to offer cost savings to students	Course fee: \$35	
CSME 1420 - Orientation to Facial Specialist	\$35	\$310	Kit Cost has been included to offer cost savings to students	Course Fee: \$35 Esthetics Kit Fee: \$275	
CSME 1430 - Orientation to Nail Technology	\$35	\$435	Kit Cost has been included to offer cost savings to students	Course fee: \$35 Kit cost: \$400	
Arts and Sciences					
MATH 1324 - Mathematics for Business and Social Sciences	\$66	\$0	Removal of Inclusive Access fee, switching to MyOpen Math		MOM is free.
MATH 1325 - Calculus for Business and Social Sciences	\$66	\$0	Removal of Inclusive Access fee, switching to MyOpen Math		MOM is free.
MATH 1332 - Contemporary Mathematics	\$66	\$0	Removal of Inclusive Access fee, switching to MyOpen Math		MOM is free.
BIOL 2401- Anatomy and Physiology I	\$150	\$130	Course fees reduced with increase in online laboratory offerings		N/A
BIOL 2402 - Anatomy and Physiology II	\$150	\$130	Course fees reduced with increase in online laboratory offerngs		N/A
BIOL 2404 -Biology for Health, "Human"		\$102	Inclusive Access for access to textbooks on first class day	\$81.44 net; \$102 to student	Yes, if not used/opened
BIOL 2420-Microbiology		\$84	Inclusive Access for access to textbooks on first class day	\$63 net; \$84 to student	Yes, if not used/opened
BIOL 2420-Microbiology Lab		\$50	Inclusive Access for access to textbooks on first class day	\$39 net; \$50 to student	Yes, if not used/opened

COURSE	CURRENT FEE	PROPOSED FEE	FEE CHANGE JUSTIFICATION
Health Sciences			
KINE 1100 (T) - Concepts of Men’s Basketball I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1101 (T) - Concepts of Men’s Basketball II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1102 (T) - Concepts of Women’s Basketball I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1103 (T) - Concepts of Women’s Basketball II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1104 (T) - Dance and Drill I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1105 (T) - Dance and Drill II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1108 (T) - Twirling I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1109 (T) - Twirling II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1110 (T) - Beginning Weight Training	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1111 (T) - Intermediate Weight Training	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1112 (T) - Exercise & Fitness	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1114 (T) - Walking & Jogging	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1116 (T) - Body Mechanics	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1117 (T) - Beginning Yoga	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1120 (T) - Competitive Basketball Skills I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1121 (T) - Competitive Basketball Skills II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1125 (T) - Concepts of Softball I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1126 (T) - Concepts of Softball II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1133 (T) - Indoor Cycling	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1138 (T) - Soccer I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1139 (T) - Soccer II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1142 (T) - Basic Techniques of Athletic Training I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1143 (T) - Basic Techniques of Athletic Training II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1147 (T) - Tap and Jazz I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1148 (T) - Tap and Jazz II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1149 (T) - Concepts of Football I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1150 (T) - Concepts of Football II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1161 (T) - Physical Conditioning for Football I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1162 (T) - Physical Conditioning for Football II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1163 (T) - Competitive Football Skills I	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 1164 (T) - Competitive Football Skills II	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2100 (T) - Concepts of Men’s Basketball III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2101 (T) - Concepts of Men’s Basketball IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2102 (T) - Concepts of Women’s Basketball III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2103 (T) - Concepts of Women’s Basketball IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2104 (T) - Dance and Drill III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2105 (T) - Dance and Drill IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2108 (T) - Twirling III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2109 (T) - Twirling IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2117 (T) - Intermediate Yoga	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2125 (T) - Concepts of Softball III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2126 (T) - Concepts of Softball IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2147 (T) - Tap and Jazz III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2148 (T) - Tap and Jazz IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2149 (T) - Concepts of Football III	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
KINE 2150 (T) - Concepts of Football IV	Course Fee \$50	Course Supply Fee \$50	Rename to Course Supply Fee
MDCA 1313 - Medical Terminology	Course Fee \$100	\$0	Remove Course Fee - web course

Formula Bar				
COURSE	CURRENT FEE	PROPOSED FEE	FEE CHANGE JUSTIFICATION	FEE CHANGE BREAKDOWN
Health Sciences				
PTHA 1225 - Communications in Healthcare	Course Fee \$115	Course Supply Fee \$115	Rename Fee only - Course Fee to Course Supply Fee	
PTHA 1266 - Practicum - Physical Therapist Assistant 1	Course Supply Fee \$72	Course Supply Fee \$25	PTA MCA cost decreased & no charge for clinical badges	PTA MACS online version
	Clinical Course Fee \$75	Insurance Fee \$30	Rename to Insurance Fee and decrease to only cover clinical insurance	
	Software Fee \$50	Software Fee \$55	Increase in Software Fee	
PTHA 2160 - Clinical - Physical Therapist Assistant 1	Clinical Course Fee \$75	\$0	Remove Clinical Course Fee	
PTHA 2266 - Practicum - Physical Therapist Assistant 2	Clinical Course Fee \$75	Insurance Fee \$30	Rename to Insurance Fee and decrease to only cover clinical insurance	
	Software Fee \$50	Software Fee \$55	Increase in Software Fee	
PTHA 2267 - Practicum - Physical Therapist Assistant 3	Clinical Course Fee \$75	\$0	Remove Clinical Course Fee	
	Software Fee \$50	Software Fee \$55	Increase in Software Fee	
PTHA 2239 - Professional Issues	Testing Fee \$125	Testing Fee \$130	Increase in Testing Fee ***has not been charged for 5+ years	Mock Exam and PTA Exam Complete Study Guide
	Software Fee \$85	Software Fee \$85	Software Fee ***has not been charged for 5+ years	
	Licensure Exam Review Fee \$250	Licensure Exam Review Fee \$275	Licensure Exam Review Fee; Vendor cost increased	
RADR 1201 - Introduction to Radiography	\$0	Course Fee \$220	Course Fee	give students access to Exxat platform
RADR 1202 - Radiographic Image Evaluation	Course Fee \$100	\$0	Remove Course Fee - web course	
RADR 1311 - Basic Radiographic Procedures	Software Fee \$100	\$0	Remove Software Fee	
RADR 2205 - Principles of Radiographic Imaging II	Software Fee \$90	\$0	Move Software Fee to RADR 2335	
RADR 2209 - Radiographic Imaging Equipment	Course Fee \$100	Course Fee \$50	Decrease Course Fee - no longer has lab	
RADR 2217 - Radiographic Pathology	Software Fee \$100	\$0	Remove Software Fee	
RADR 2233 - Advanced Medical Imaging	Course Fee \$100	\$0	Remove Course Fee - web course	
RADR 2331 - Advanced Medical Procedures	Course Fee \$220	\$0	Move Course Fee to RADR 2335	
RADR 2335 - Radiologic Technology Seminar	Course Fee \$100	Course Fee \$220	Fee moved from 2331	Kettering Review Course Fee
	\$0	Software Fee \$90	Fee moved from 2205	
RNSG 1200 - Health Assessment Across Life Span	Course Fee \$150	\$0	Remove Course Fee	
	Testing Fee \$100	\$0	Remove Testing Fee	
	\$0	Software Fee \$350	Add Software Fee	ATI
RNSG 1209 - Introduction to Nursing	Testing Fee \$100	\$0	Remove Testing Fee	
RNSG 1441 - Common Concepts of Adult Health	Course Fee \$150	\$0	Remove Course Fee	
	Computer Software Fee \$200	Software Fee \$350	Increase and rename to Software Fee	
	Computer Lab Fee \$100	\$0	Remove Computer Lab Fee	
	Testing Fee \$100	\$0	Remove Testing Fee	
RNSG 1301 - Pharmacology	Testing Fee \$100	\$0	Remove Testing Fee	
	Course Fee \$150	\$0	Remove Course Fee	
	Computer Software Fee \$200	Software Fee \$350	Increase and rename to Software Fee	ATI
RNSG 1343 - Complex Concepts of Adult Health	Course Fee \$150	\$0	Remove Course Fee	
	Software Fee \$200	Software Fee \$350	Increase Software Fee	ATI
	Computer Lab Fee \$100	\$0	Remove Computer Lab Fee	
	Simulation Fee \$100	Simulation Lab Fee \$150	Increase and rename to Simulation Lab Fee	
	Testing Fee \$100	\$0	Remove Testing Fee	
RNSG 1412 - Nursing Care of the Childbearing and Childbearing Family	Course Fee \$150	\$0	Remove Course Fee	
	Computer Software Fee \$200	Software Fee \$350	Increase and rename to Software Fee	ATI
	Computer Lab Fee \$100	\$0	Remove Computer Lab Fee	
	Simulation Fee \$100	Simulation Lab Fee \$150	Increase and rename to Simulation Lab Fee	Sim Lab Supplies
	Testing Fee \$100	\$0	Remove Testing Fee	
RNSG 1413 - Foundations of Nursing Practice	Course Fee \$150	\$0	Remove Course Fee	
	Computer Software Fee \$200	Software Fee \$350	Increase and rename to Software Fee	ATI
	Computer Lab Fee \$100	\$0	Remove Computer Lab Fee	
	Testing Fee \$100	\$0	Remove Testing Fee	
RNSG 2207 - Adaptation to Role of Professional Nurse	Computer Software Fee \$300	\$0	Remove Computer Software Fee	
	Simulation Lab Fee \$100	Simulation Lab Fee \$150	Increase Simulation Lab Fee	Sim Lab Supplies
	Testing Fee \$100	\$0	Remove Testing Fee	
RNSG 2213 - Mental Health Nursing	Course Fee \$150	\$0	Remove Course Fee	
	Computer Software Fee \$200	Software \$350	Increase and rename to Software Fee	ATI
	Testing Fee \$100	\$0	Remove Testing Fee	

COURSE	CURRENT FEE	PROPOSED FEE	FEE CHANGE JUSTIFICATION	FEE CHANGE BREAKDOWN
Health Sciences				
SRGT 1405 - Introduction to Surgical Technology	<div>\$0</div>	Lab Supplies Fee \$100	Add Lab Fee	Lab Supplies
	\$0	Software Fee \$200	Add Software Fee	IBSN Umlimited
	\$0	Testing Fee \$50	Add Testing Fee	PSI/AMP Testing
SRGT 1409 - Fundamentals of Perioperative Concepts and Techniques	\$0	Lab Supplies Fee \$100	Add Lab Fee	Lab Supplies
	\$0	Testing Fee \$50	Add Testing Fee	PSI/AMP Testing
SRGT 1441 - Surgical Procedures I	\$0	Software Fee \$150	Add Software Fee	AST
	\$0	Testing Fee \$100	Add Testing Fee	Cengage
SRGT 1442 - Surgical Procedures II	\$0	Software Fee \$150	Add Software Fee	AST
	\$0	Testing Fee \$100	Add Testing Fee	Cengage
	\$0	Certification Fee \$274	Add Certification Fee	
SRGT 2461 - Clinical Surgical Technology	Course Fee \$50	Clinical Course Fee \$150	Rename to Clinical Course Fee and Increase Fee	clinical course
SRGT 2462 - Clinical Surgical Technology	Course Fee \$50	Clinical Course Fee \$150	Rename to Clinical Course Fee and Increase Fee	clinical course
VNSG 1204 - Foundations of Nursing	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
VNSG 1219 - Leadership and Professional Development	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	\$0	Licensure Fee \$300	Add Licensure Fee	NCSBN & TBON
VNSG 1230 - Maternal Neonatal Nursing	Course Fee \$100	Software Fee \$200	Increase and rename to Software Fee	ATI
VNSG 1231 - Pharmacology	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
VNSG 1234 - Pediatric Nursing	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
VNSG 1236 - Mental Health & Illness	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	\$0	Licensure Fee \$250	Add Licensure Fee	SAMA
VNSG 1260 - Clinical - Practical Nurse - Introductory	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	\$0	Simulation Lab Fee \$100	Add Simulation Lab Fee	lab upkeep and supplies
VNSG 1361 - Clinical - Practical Nurse - Advanced	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	\$0	Simulation Lab Fee \$100	Add Simulation Lab Fee	lab upkeep and supplies
VNSG 1362 - Clinical - Practical Nurse - Intermediate	Course Fee \$100	Software Fee \$200	Increase and rename to Software Fee	ATI
	\$0	Insurance Fee \$30	Add Insurance Fee	
	\$0	Simulation Lab Fee \$100	Add Simulation Lab Fee	lab upkeep and supplies
VNSG 1400 - Nursing Health & Illness I	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	Lab Fee \$200	\$0	Remove Lab Fee	
VNSG 1409 - Nursing Health and Illness II	Course Fee \$100	Software Fee \$200	Increase and rename to Software Fee	ATI
	Lab Fee \$200	\$0	Remove Lab Fee	
VNSG 1423 - Basic Nursing Skills	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	Lab Fee \$300	Lab Fee \$100	Decrease Lab Fee	lab upkeep and supplies
	\$0	Supply Fee \$200	Add Supply Fee	skills lab kit
VNSG 2410 - Nursing in Health and Illness III	Course Fee \$100	Software Fee \$160	Increase and rename to Software Fee	ATI
	Lab Fee \$200	\$0	Remove Lab Fee	
VNSG 2431 - Advanced Nursing Skills	Course Fee \$100	Software Fee \$200	Increase and rename to Software Fee	ATI
	Lab Fee \$300	Lab Fee \$100	Decrease Lab Fee	lab upkeep and supplies
	\$0	Supply Fee \$200	Add Supply Fee	skills lab kit
DMSO 1210 - Introduction to Sonography 1	\$0	\$300	Pricing (This includes content and probe	
DMSO1166 - Practicum I	\$0	\$30	Liability Insurance for clinicals	
		\$250	Clinical record management system	
		\$250	Clinical Uniforms	
DMSO 1441 - Abdominopelvic Sonography	\$0	\$100	Supply Fee	
DMSO 1342 - Intermediate Ultrasound Physics	\$0	\$100	Supply Fee	
DMSO 2351 - Doppler Physics	\$0	\$100	Supply Fee	
DMSO 2366 - Practicum III	\$0	\$30	Liability Insurance for clinicals	
DMSO 2230 - Capstone: Advanced Ultrasound and Review	\$0	\$220	For review registry content software	
		\$225	SPI examination fee is \$250 USD	
DMSO 2342 - Sonography of High Risk Obstetrics	\$0	\$100	Supply Fee	

COURSE	CURRENT FEE	PROPOSED FEE	FEE CHANGE JUSTIFICATION	FEE CHANGE BREAKDOWN
Public Services & Industrial Technologies				
HART 1307 - Refrigeration Principles	\$55	\$25	The charge per student to take test is \$25.00	
HART 2336 - Air Conditioning Troubleshooting	\$40	\$0	New Instructor does not know why this fee was charged	
HART 2449 - Heat Pumps	\$310	\$0	New Instructor does not know why this fee was charged	
HART42331 Advanced Electricity for HVAC		\$75	Course Fee, New Course	
HART 2441 Commercial Air Conditioning		\$75	Course Fee, New Course	
HART 2442 Commercial Refrigeration		\$75	Course Fee, New Course	
HART 2457 Specialized Commercial Refrigeration		\$75	Course Fee, New Course	
DEMR 1305 - Basic Electrical Systems	\$8	\$10	Increase in Card Fee	
OSHT 1305 - OSHA Regulations - Construction Industry	\$8	\$10	Increase in Card Fee	
OSHT 1371 - OSHA Regulations - General Industry	\$8	\$10	Increase in Card Fee	
ENTC 1347 - Safety and Ergonomics	\$50	\$51	cost per student has increased to \$51	
Continuing Education				
			Contact hours of 176 (classroom) and 72 (clinical) multiplied by 3.5 for a total of \$868 for tuition. A \$70 insuracne fee plus a new \$112 equipment fee makes the total for the two courses \$1050.	
EMSP 1001 - Emergency Medical Technician	\$300	\$700		
EMSP 1060 - Clinical-Emergency Medical Technician	\$565	\$350	See above	
Medical Coding; POFM1000.0W32; POFM1000.0W31	\$0	Hybrid Fee \$150	Add Hybrid Fee; BB Curriculum Vendor Fee	To AAPC
	\$0	Exam Fee \$475	Add Exam Fee	CPC exam to AAPC
Medical Coding with Medical Terminology & Anatomy	\$0	Hybrid Fee \$150	Add Hybrid Fee; BB Curriculum Vendor Fee	To AAPC
	\$0	Exam Fee \$475	Add Exam Fee	CPC exam to AAPC

RESOLUTION NO. R-2024-7
A RESOLUTION OF THE KILGORE COLLEGE
BOARD OF TRUSTEES
AUTHORIZING SUPPORT OF AND COMPLIANCE WITH
THE JUSTICE ASSISTANCE GRANT FOR
EAST TEXAS POLICE ACADEMY

WHEREAS, the State of Texas is awarded funds through the Edward Byrne Memorial Justice Assistance Grant Program from the Bureau of Justice Assistance, the leading source of federal justice funding to state and local jurisdictions, to assist states, tribes, and local governments with critical funding necessary to support a range of programs within law enforcement,

WHEREAS, the Office of the Governor authorizes the award of funds upon recommendations from Texas workforce boards,

WHEREAS, the East Texas Police Academy made application for Justice Assistance Grant funds with the approval of the Kilgore College Board of Trustees,

WHEREAS, the request for funding from the East Texas Police Academy was for simulation equipment to enhance use of force training at the academy,

WHEREAS, the Kilgore College Board of Trustees understands and agrees that matching and supplemental funding may be required from Kilgore College,

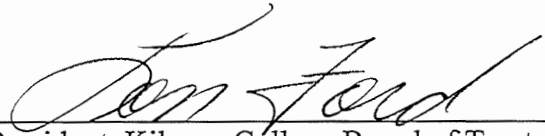
WHEREAS, the project and purchase of simulation equipment for the East Texas Police Academy will comply with all State and Kilgore College purchasing procedures,

WHEREAS, the purchase of simulation equipment will be coordinated by Joe Cassin, Program Director of the East Texas Police Academy, aided by a Justice Assistance Grant in the amount of \$24,995, and financial transactions related will be reported to the Office of the Governor by Terry Hanson, Administrative Services and Chief Financial Officer,

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Kilgore College officially declares its support of and compliance with all Office of the Governor requirements associated with this Justice Assistance Grant and assures that in the event of loss or misuse of grant funds, the Kilgore College Board of Trustees authorizes the return of all funds to the Office of the Governor.

BE IT FURTHER RESOLVED that this Resolution be included in the permanent minutes of this Board.

ADOPTED THIS 12th day of February, 2024, by the Kilgore College Board of Trustees.



President, Kilgore College Board of Trustees



Secretary, Kilgore College Board of Trustees

RESOLUTION NO. R-2024-8
A RESOLUTION OF THE KILGORE COLLEGE
BOARD OF TRUSTEES
AUTHORIZING SUPPORT OF AND COMPLIANCE WITH
THE JUSTICE ASSISTANCE GRANT FOR
KILGORE COLLEGE POLICE DEPARTMENT

WHEREAS, the State of Texas is awarded funds through the Edward Byrne Memorial Justice Assistance Grant Program from the Bureau of Justice Assistance, the leading source of federal justice funding to state and local jurisdictions, to assist states, tribes, and local governments with critical funding necessary to support a range of programs within law enforcement,

WHEREAS, the Office of the Governor authorizes the award of funds upon recommendations from Texas workforce boards,

WHEREAS, Kilgore College made application for Justice Assistance Grant funds for the Kilgore College Police Department with the approval of the Kilgore College Board of Trustees,

WHEREAS, the request for funding from the Kilgore College Police Department was for assistance with the purchase of a squad car,

WHEREAS, the Kilgore College Board of Trustees understands and agrees that matching and supplemental funding may be required from Kilgore College,

WHEREAS, the project and purchase of a squad car for the Kilgore College Police Department will comply with all State and Kilgore College purchasing procedures,

WHEREAS, the purchase of the squad car will be coordinated by Chief William McPherson of the Kilgore College Police Department, aided by a Justice Assistance Grant in the amount of \$27,500, and financial transactions related will be reported to the Office of the Governor by Terry Hanson, Administrative Services and Chief Financial Officer,


NOW, THEREFORE, BE IT RESOLVED the Board of Trustees of Kilgore College officially declares its support of and compliance with all Office of the Governor requirements associated with this Justice Assistance Grant and assures that in the event of loss or misuse of grant funds, the Kilgore College Board of Trustees authorizes the return of all funds to the Office of the Governor.

BE IT FURTHER RESOLVED that this Resolution be included in the permanent minutes of this Board.

ADOPTED THIS 12th day of February, 2024, by the Kilgore College Board of Trustees.



President, Kilgore College Board of Trustees



Secretary, Kilgore College Board of Trustees



Annual Financial Report
For Fiscal Years Ended
August 31, 2023 and 2022

Kilgore Junior College District
Annual Financial Report
August 31, 2023 and 2022

Introductory Section

Kilgore Junior College District

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Kilgore Junior College District

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Kilgore Junior College District

Board of Trustees

	<u>Term Expires</u>
Officers:	
Lon Ford - President Kilgore, Texas	2029
Jon Rowe – Vice President Gladewater, Texas	2027
Josh Edmonson – Secretary Kilgore, Texas	2027
Members:	
Janice Bagley, Overton, Texas	2025
David Castles, Kilgore, Texas	2025
Jon Keller, Gladewater, Texas	2025
Kelvin Darden, Overton, Texas	2027
Gina DeHoyos, Gladewater, Texas	2029
Travis Martin, Kilgore, Texas	2029

Principal Administrative Officers

Dr. Brenda Kays	President
Terry Hanson	Vice President of Administrative Services and Chief Financial Officer
Dr. Tracy Skopek	Vice President of Instruction and Chief Academic Officer
Dr. Mike Jenkins	Executive Vice President of Internal Collaboration and Strategic Initiatives
Dr. Staci Martin	Vice President of Student Services
Kara Sharman	Director of Human Resources
John Colville	Director of Information Technology

Financial Section



JAYNES REITMEIER BOYD & THERRELL, P.C.
Certified Public Accountants
5400 Bosque Blvd., Ste. 600 | Waco, TX 76710
P.O. Box 7616 | Waco, TX 76714
Main 254.776.4190 | Fax 254.776.8489 | jrbt.com

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Kilgore Junior College District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the discretely presented component unit of Kilgore Junior College District (the District) as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the District as of August 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, The Kilgore College Foundation (the Foundation), as of and for the years ended August 31, 2023 and 2022. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the Foundation as of and for the years ended August 31, 2023 and 2022, were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate where there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matter, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

As discussed in Note 2m to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, effective September 1, 2022 and Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective September 1, 2022. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12, the schedule of the District's proportionate share of the net pension liability on page 53, the schedule of the District's contributions to the Teacher Retirement System of Texas on page 54, the schedule of the District's proportionate share of the OPEB liability on page 55, and the schedule of the District's contributions to the Employee Retirement System of Texas on page 56 (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *Texas Grant Management Standards* and are also not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

February 12, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Kilgore Junior College District's (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2023, with fiscal years 2022 and 2021 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 the financial statements and footnotes.

Using this Annual Financial Report

This annual financial report consists of a series of financial statements. The Texas Higher Education Coordinating Board requires all Texas public junior and community colleges to use the *Annual Financial Reporting Requirements for Texas Public Community 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 deferred outflow of resources and liabilities and deferred inflow of resources. 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, lenders, 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 four primary sources of revenues: federal grants and contracts, state appropriations, tuition and fees, and ad-valorem taxes. Activities are presented as either operating or nonoperating. Under this reporting model, state appropriations, ad-valorem taxes and certain federal grants and contracts are reported as nonoperating revenues. Because of the District's dependency on the nonoperating 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, noncapital financing, capital and related financing, and investing activities.

Financial statements for the District's component unit, The Kilgore College Foundation (the Foundation), are issued independently of the District. The Foundation's financial information is shown in separate columns on the District's basic financial statements. More details on the Foundation are in Note 1 in the Notes to Financial Statements.

Financial Highlights

- Total assets and deferred outflows for 2023 were \$120.5 million, increasing by nearly \$5.9 million from 2022 due primarily to a \$3 million increase in capital assets for current year additions offset by depreciation and a \$1.6 million increase in cash and cash equivalents. Total liabilities and deferred inflows for 2023 were \$77.8 million, decreasing by \$0.2 million from 2022. Total assets and deferred outflows for 2022 were \$114.6 million, increasing by nearly \$14.2 million from 2021 due primarily to the \$8.0 million increase in the restated accounts receivable balance for 2022, the net effect of a \$2.1 million increase in cash and cash equivalents, a \$1.3 million increase in prepaid expenses, and a \$1.9 million decrease in capital assets due to depreciation. Total liabilities and deferred inflows for 2022 were \$77.5 million, increasing by \$2.3 million from 2021, due to increases in unearned revenue, lease and subscription liabilities, and OPEB liability.
- Net position as of August 31, 2023 was \$42.6 million, an increase of \$5.6 million from the prior year, primarily due to construction in progress for the pedestrian bridge, Stark Hall renovations, and Old Main renovations. During the current year, the District determined that accounts receivable had been adjusted against unearned revenue in a previous year. Accordingly, unrestricted net position at September 1, 2022 has been increased by \$3,929,676. Unearned revenue and accounts receivable were increased by \$4,053,785 and \$7,983,461, respectively. Net position at August 31, 2022, restated, was \$37.1 million.
- Total operating revenues in 2023 were \$24.9 million, a decrease of \$8.0 million primarily attributable to a \$4.5 million decrease in federal grants and contracts associated with HEERF, a \$1.7 million decrease in local grants and contracts associated with a donation from the Kilgore College Foundation in fiscal year 2022 for the Health Science facility, and a \$1.0 million decrease in state grants and contracts primarily due to decreased participation in the Texas Educational Opportunity Grant program and grants from Texas Workforce Commission for Skills Development. Operating expenses were \$52.6 million, down \$1.1 million from 2022 primarily due to decreases in scholarships and fellowships in relation to the decrease in federal grants and contracts associated with HEERF offset by increases from other grants received by the District. Net nonoperating revenues (expenses) were \$33.3 million, up \$4.3 million from 2022 primarily due state appropriations, ad valorem taxes for maintenance and operations from increased taxable assessed values, and investment income for interest earnings on higher cash balances. Total operating revenues in 2022 were \$32.9 million, an increase of \$15.2 million primarily attributable to a \$10.0 million increase in federal grants and contracts associated with HEERF, and \$1.9 million increase in local grants and contracts associated with a donation from the Kilgore College Foundation for the Health Science facility. Operating expenses were \$53.7 million in 2022, up \$3.4 million from 2021 primarily due to increases in instruction and scholarships and fellowships in relation to direct federal aid for COVID relief distributed to students. Net nonoperating revenues (expenses) were \$28.9 million in 2022, down \$3.7 million from 2021 primarily due to insurance recoveries on capital assets in 2021.

Financial Highlights (continued)

- Capital assets (net) increased by approximately \$3.1 million in 2023. Capital assets (net) increased by approximately \$1.4 million in 2022 and increased by \$1.2 million in 2021.
- Notes payable increased by approximately \$3.9 million in 2023 and decreased by \$0.9 million in 2022. Notes payable were \$13.7 million for 2021.

Statement of Net Position

The District's net position increased \$5.6 million compared to an approximate \$8.1 million increase in the prior year, increasing from \$37.1 million to \$42.7 million.

				Increase (Decrease)	
	2023	2022	2021	2022 to 2023	2021 to 2022
Assets					
Current assets	\$ 40,357,666	43,232,554	30,254,960	(2,874,888)	12,977,594
Noncurrent assets:					
Capital assets, net of depreciation	67,020,140	63,929,260	62,488,381	3,090,880	1,440,879
Other	6,677,589	1,662,025	1,123,709	5,015,564	538,316
Total assets	114,055,395	108,823,839	93,867,050	5,231,556	14,956,789
Deferred outflows of resources	6,435,030	5,825,617	6,587,476	609,413	(761,859)
Liabilities					
Current liabilities	16,635,567	17,442,715	12,760,827	(807,148)	4,681,888
Noncurrent liabilities	49,329,795	47,235,709	48,392,966	2,094,086	(1,157,257)
Total liabilities	65,965,362	64,678,424	61,153,793	1,286,938	3,524,631
Deferred inflows of resources	11,862,481	12,876,124	14,084,347	(1,013,643)	(1,208,223)
Net Position					
Net investment in capital assets	55,697,351	50,988,910	52,119,818	4,708,441	(1,130,908)
Restricted	(273,225)	6,458	617,934	(279,683)	(611,476)
Unrestricted	(12,761,544)	(13,900,460)	(27,521,366)	1,138,916	13,620,906
Total net position	\$ 42,662,582	37,094,908	25,216,386	5,567,674	11,878,522

The Statement of Net Position helps identify the District'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 liabilities are those obligations which are expected to be satisfied within one business cycle. The District's current assets of \$40.3 million were sufficient to cover current liabilities of \$16.6 million, giving a current ratio of 2.4 comparable to 2.5 for fiscal year 2022. The current ratio was 2.4 for fiscal year 2021.

Another analytical tool used to evaluate the financial stability of an entity is to compare expendable net position to operating expenses. The District reported a deficit expendable net position of (\$12.7) million at August 31, 2023 compared to a deficit expendable net position of (\$13.9) million at August 31, 2022. Operating expenses for the same periods were \$52.6 million

Statement of Net Position (continued)

and \$53.7 million. The District continued to report a deficit in expendable net position at August 31, 2023 as a result of the implementation of GASB 75 in fiscal year 2018. The ratio of expendable net position to operating expenses for fiscal years 2023 and 2022 was (24.2%) and (25.9%), respectively. The ratio was (54.7%) for fiscal year 2021.

The District's accumulated cash and cash equivalent balances increased from \$31.7 million in 2022 to \$33.4 million in 2023. This increase is due to a number of factors including the receipt of the ad valorem maintenance tax proceeds for the year. The District's accumulated cash and cash equivalent balances increased from \$28.1 million in 2021 to \$31.7 million in 2022. The increase was due to several factors including the receipt of HEERF aid and general operations for the year.

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results, as well as non-operating revenues and expenses. Of the four main sources of revenue — ad valorem taxes, state appropriations, federal grants and contracts, and tuition and fees — only tuition and fees represent an exchange for services. Taxes, federal grants and contracts, and state appropriations represent non-exchange transactions and thus are considered non-operating revenues. This approach to presenting revenues and expenses is intended to summarize and simplify the user's analysis of the various services offered to students and the public. Depending on whether revenues or expenses are greater for the year, a net increase or net decrease in net position is created.

The following table reflects the Statement of Revenues, Expenses and Changes in Net Position for the years ended August 31, 2023, 2022 and 2021.

Statements of Revenues, Expenses, and Changes in Net Position

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating revenues:			
Tuition and fees, net	\$ 8,862,761	9,564,696	7,236,259
Federal grants and contracts	10,329,562	14,829,241	4,824,261
State grants and contracts	767,146	1,789,980	1,327,215
Local grants and contracts	685,229	2,337,270	401,302
Auxiliary enterprises, net	3,576,469	3,434,215	3,397,867
Other	725,578	914,239	406,655
	<u>24,946,745</u>	<u>32,869,641</u>	<u>17,593,559</u>

Statement of Revenues, Expenses and Changes in Net Position (continued)

Statements of Revenues, Expenses, and Changes in Net Position (continued)			
	2023	2022	2021
Operating expenses:			
Instruction	16,251,642	16,560,078	16,011,664
Public service	631,830	515,159	548,762
Academic support	3,200,377	2,768,584	2,683,784
Student services	3,117,834	2,661,180	2,642,572
Institutional support	9,898,370	8,752,331	8,821,697
Operation and maintenance of plant	5,072,669	4,891,924	4,705,824
Scholarships and fellowships	4,640,738	9,150,643	6,981,056
Auxiliary enterprises	4,955,698	4,047,949	4,008,250
Depreciation	4,899,401	4,382,758	3,919,684
	<u>52,668,559</u>	<u>53,730,606</u>	<u>50,323,293</u>
Operating loss	<u>(27,721,814)</u>	<u>(20,860,965)</u>	<u>(32,729,734)</u>
Non-operating revenues (expenses):			
State appropriations	13,065,202	12,063,294	12,465,072
Ad valorem taxes	7,997,101	6,809,405	7,123,710
Federal grants and contracts	10,287,424	9,540,219	9,608,714
Interest on debt	(136,097)	(131,281)	(139,410)
Insurance proceeds	-	-	3,200,000
Contributions to Kilgore College Foundation	-	-	(8,053)
Other	2,075,858	686,147	454,266
	<u>33,289,488</u>	<u>28,967,784</u>	<u>32,704,299</u>
Increase (decrease) in net position	\$ <u>5,567,674</u>	<u>8,106,819</u>	<u>(25,435)</u>

Operating and Non-operating Revenues

Tuition and fees revenue is reported net of scholarships and discounts. The last few years, the college has seen their overall headcount increase. However, the increase is in dual-credit students which have a lower tuition rate available to them and on average take less credit hours than traditional students. This trend in student mix accounts for the decrease in net tuition and fees.

Federal grants and contracts revenue decreased \$4.5 million in 2023 and increased \$10.0 million in 2022, primarily due to student distributions and recognition of allowable institutional uses under HEERF assistance for COVID-19 related items. Federal grants and contracts revenue were \$4.8 million in 2021.

Operating and Non-operating Revenues (continued)

State grants and contracts revenue decreased \$1.0 million in 2023 and increased \$0.4 million in 2022, primarily due to decreased participation in the Texas Educational Opportunity Grant program and grants from Texas Workforce Commission for Skills Development. State grants and contracts revenue were approximately \$0.5 million in 2021.

Local grants and contracts revenue decreased \$1.6 million in 2023 and increased \$1.9 million in 2022 due to contributions from the Kilgore College Foundation for the Health Science facility. Local grants and contracts approximated \$400,000 for 2021.

Auxiliary enterprises revenue, net approximated \$3.6 million for 2023 and \$3.4 million for 2022 and 2021.

Ad valorem tax revenue, net of collection fees and bad debt, approximated \$8.0 million for 2023, which is a \$1.2 million increase from fiscal year 2022 as taxable assessed values increase and the rate for maintenance and operations (M&O) was maintained at \$0.175 per \$100 valuation. The maintaining of the tax rate was intentionally kept the same to minimize impact on taxpayers during the COVID-19 pandemic. Ad valorem tax revenue was \$7.1 million in 2021.

Other Non-operating revenues increased \$1.2 million for interest received on cash and investments for 2023. The District received insurance proceeds in 2021 to replace the pedestrian bridge that was damaged in 2019.

Operating and Non-operating Expenses

Operating expenses totaled \$52.6 million in 2023, which is a \$1.1 million decrease from fiscal year 2022. The decrease is primarily due to a \$4.5 million decrease in scholarships and fellowships offset by increases in institutional support of \$1.1 million, \$0.9 million in auxiliary enterprises, \$0.5 million in depreciation, and \$0.4 million in both academic support and student services. Variances are attributable to year over year grant activity. Operating expenses totaled \$53.7 million in 2022, which is a \$3.4 million increase from fiscal year 2021. The increase is primarily due to a \$1.5 million increase in instruction costs and a \$2.2 million increase in scholarships and fellowships offset by a decrease in institutional support costs of \$1.3 million. Variances in institutional support and scholarships and fellowships are attributable to year over year grant activity. Operating expenses were \$50.3 million for 2021.

Non-operating expenses totaled \$0.1 million in 2023, 2022, and 2021 for interest on debt.

Statement of Cash Flows

The Statement of Cash Flows combines information from the Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position to illustrate the effect of various actions of the District on the availability and ultimate change in the amount of cash from one year to the next. The cash provided or used by operations, capital and non-capital financing, and investing activities combine to show the net change in cash and cash equivalents. The final portion of the Statements of Cash Flows reconciles the net income or loss from operations to the cash provided or used by operations.

Capital Assets and Debt Administration

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 2023, the District had \$67.0 million invested in a broad range of capital assets, as noted in the below table. Capital asset additions were \$8.1 million in 2023 and \$5.4 million in 2022. Significant additions in fiscal year 2023 included construction on the pedestrian bridge, renovations on Stark Hall and Old Main, and equipment purchases of \$1.3 million. Significant additions in fiscal year 2022 included recognizing \$3.2 million of equipment and software right-of-use lease assets under GASB 87 and GASB 96. More information on capital assets can be found in Note 6 to the financial statements.

Schedule of Capital Assets (net of accumulated depreciation)

	2023	2022	2021
Land	\$ 4,208,950	4,208,950	4,208,950
Construction in progress	6,339,303	447,351	154,986
Buildings	33,856,991	34,342,737	34,728,532
Buildings - right-of-use lease assets	300,577	261,458	341,906
Land improvements and infrastructure	3,549,925	3,745,908	3,725,861
Leasehold improvements	1,088,624	1,175,704	1,262,784
Library books	106,289	194,258	220,450
Equipment	14,968,619	16,400,903	18,109,521
Equipment - right-of-use lease assets	1,640,257	1,979,620	-
Exhibits	53,633	65,464	77,297
Software - right-of-use subscription assets	906,972	1,106,907	136,595
	<u>\$ 67,020,140</u>	<u>63,929,260</u>	<u>62,966,882</u>

At year-end, the District had \$16.7 million in notes and loans outstanding. This was an increase of \$3.9 million from 2022. The increase is attributable to the issue of the Series 2023 maintenance tax note for \$5 million offset by regularly scheduled principal payments on outstanding notes and loans of \$1.1 million. The decrease in notes and loans outstanding from 2021 to 2022 of \$0.9 million is the result of regularly scheduled principal payments. More information on debt can be found in Note 7 to the financial statements.

Schedule of Outstanding Debt

	2023	2022	2021
SECO loans	\$ 11,624,430	12,552,267	13,470,884
Maintenance tax note	5,000,000	-	-
Kilgore ISD	111,257	200,355	202,620
	<u>\$ 16,735,687</u>	<u>12,752,622</u>	<u>13,673,504</u>

Economic Factors and Next Year's Budgets and Rates

For fiscal year 2024, the District will receive an increase in state funding, a result of the enactment of House Bill 8 by the State of Texas. This landmark legislation altered the funding model for Texas community colleges, transitioning from an enrollment and contact hour-based allocation to an outcomes-based model. Funding is now disbursed in two tiers: a base tier, designed to ensure colleges can cover their fundamental educational expenses, and a performance tier, which is contingent upon student completion rates, transfers, and other specific outcomes as defined by the State. The District is set to receive funds from both tiers in fiscal year 2024.

Additionally, the legislation introduced the Financial Aid for Swift Transfer (FAST) program. Under this program, the State compensates \$55 per credit hour for students eligible for free/reduced lunch. The District is barred from charging these students for tuition, fees, or books and is limited to a \$55 per credit hour tuition rate for all other dual credit students from public/charter schools. The District is participating in this initial year of the program and collaborated with independent school districts (ISDs) within its service area to subsidize material costs not covered by open educational resources (OER).

The District anticipates that these changes—the new funding model and the FAST program—will significantly transform the landscape of community colleges in Texas. In response, the District has implemented a five-year forecasting model for this new funding structure and is developing strategies to maintain or enhance outcomes.

When establishing the fiscal year 2024 budget, tax rates, and business-type activity fees, the District's elected and appointed officials took into account the new legislation and various other factors.

The District observed an increase in property values based on 2023 assessments, which is indicative of the East Texas region's post-pandemic real estate market surge. This trend suggests a potential further increase in property values for fiscal year 2025.

For fiscal year 2024, the District raised certain fees, targeting these additional funds for technological enhancements and student safety. State and federal grants are expected to continue varying annually. The District continues to actively seek partnerships with local governments, school districts, and industries to bolster higher education in the region.

The District is committed to fostering an entrepreneurial organizational culture, enhancing community outreach, and expanding remote learning opportunities. With ongoing improvements in delivering quality face-to-face and remote education, the District believes it is in a strong, stable financial position, ready to meet the growing demands for a better-educated workforce.

The District is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the forthcoming fiscal year.

Kilgore Junior College District
Statements of Net Position
(Exhibit 1)
August 31, 2023 and 2022

	Primary Government	
	2023	2022
<u>Assets</u>		(Restated)
Current assets:		
Cash and cash equivalents	\$ 26,800,248	30,155,272
Accounts receivable, net	11,280,728	11,073,719
Prepaid expenses	1,355,477	1,356,654
Inventories	921,213	646,909
Total current assets	<u>40,357,666</u>	<u>43,232,554</u>
Noncurrent assets:		
Restricted cash, cash equivalents, and investments	6,592,829	1,577,265
Capital assets, net	67,020,140	63,929,260
Other assets	84,760	84,760
Total noncurrent assets	<u>73,697,729</u>	<u>65,591,285</u>
Total assets	<u>114,055,395</u>	<u>108,823,839</u>
<u>Deferred Outflows of Resources</u>		
Deferred outflows of resources	<u>6,435,030</u>	<u>5,825,617</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,567,792	2,516,004
Accrued liabilities	588,620	607,966
Funds held for others	1,276,458	1,275,604
Unearned revenue	10,228,949	10,929,607
Compensated absences - current portion	432,318	374,618
Lease liabilities - current portion	424,156	374,674
Subscription liabilities - current portion	390,123	387,405
Notes payable - current portion	1,727,151	976,837
Total current liabilities	<u>16,635,567</u>	<u>17,442,715</u>
Noncurrent liabilities:		
Compensated absences	448,868	317,898
Lease liabilities	1,675,863	1,979,499
Subscription liabilities	583,295	779,663
Notes payable	15,008,536	11,775,785
Net pension liability	8,358,485	3,402,095
OPEB liability	23,254,748	28,980,769
Total noncurrent liabilities	<u>49,329,795</u>	<u>47,235,709</u>
Total liabilities	<u>65,965,362</u>	<u>64,678,424</u>
<u>Deferred Inflows of Resources</u>		
Deferred inflows of resources	<u>11,862,481</u>	<u>12,876,124</u>
<u>Net Position</u>		
Net position:		
Net investment in capital assets	55,697,351	50,988,910
Restricted for:		
Expendable:		
Education grants and debt service	(273,225)	6,458
Unrestricted	<u>(12,761,544)</u>	<u>(13,900,460)</u>
Total net position	<u>\$ 42,662,582</u>	<u>37,094,908</u>

See accompanying notes to the financial statements.

Kilgore Junior College District
Statements of Financial Position
 (Exhibit 1A)
 August 31, 2023 and 2022

	Component Unit	
	2023	2022
<u>Assets</u>		
Cash	\$ 992,519	523,755
Investments	<u>23,522,763</u>	<u>21,374,903</u>
	<u>24,515,282</u>	<u>21,898,658</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	<u>2,184</u>	<u>45,500</u>
Total liabilities	<u>2,184</u>	<u>45,500</u>
Net assets:		
Without donor restrictions	127,869	176,004
With donor restrictions	<u>24,385,229</u>	<u>21,677,154</u>
Total net assets	<u>24,513,098</u>	<u>21,853,158</u>
	<u>\$ 24,515,282</u>	<u>21,898,658</u>

See accompanying notes to the financial statements.

Kilgore Junior College District

Statements of Revenues, Expenses, and Changes in Net Position (Exhibit 2) Years Ended August 31, 2023 and 2022

	Primary Government	
	2023	2022
Operating revenues:		
Tuition and fees (net of scholarship allowances and discounts of \$8,839,637 and \$9,171,824, respectively)	\$ 8,862,761	9,564,696
Federal grants and contracts	10,329,562	14,829,241
State grants and contracts	767,146	1,789,980
Local grants and contracts	685,235	2,337,270
Sales and services of educational activities	29,587	4,420
Auxiliary enterprises (net of scholarship allowances and discounts of \$1,413,873 and \$1,510,297, respectively)	3,576,463	3,434,215
Other operating revenues	695,991	909,819
Total operating revenues	24,946,745	32,869,641
Operating expenses:		
Instruction	16,251,642	16,560,078
Public service	631,830	515,159
Academic support	3,200,377	2,768,584
Student services	3,117,834	2,661,180
Institutional support	9,898,370	8,752,331
Operation and maintenance of plant	5,072,669	4,891,924
Scholarships and fellowships	4,640,738	9,150,643
Auxiliary enterprises	4,955,698	4,047,949
Depreciation and amortization	4,899,401	4,382,758
Total operating expenses	52,668,559	53,730,606
Operating loss	(27,721,814)	(20,860,965)
Nonoperating revenues (expenses):		
State appropriations	13,065,202	12,063,294
Ad valorem taxes for maintenance and operations	7,997,101	6,809,405
Federal grants and contracts	10,287,424	9,540,219
Investment income	1,496,266	230,676
Gifts	656,509	456,630
Insurance proceeds	5,900	-
Interest on capital asset-related debt, leases, and subscriptions	(136,097)	(131,281)
Other nonoperating revenues (expenses), net	(82,817)	(1,159)
Net nonoperating revenues	33,289,488	28,967,784
Increase (decrease) in net position	5,567,674	8,106,819
Net position - beginning of year, as previously reported	37,094,908	25,216,386
Prior period adjustment	-	3,929,676
Cumulative effect of change in accounting principle	-	(157,973)
Net position - beginning of year,	37,094,908	28,988,089
Net position - end of year, restated	\$ 42,662,582	37,094,908

See accompanying notes to the financial statements.

Kilgore Junior College District
Statements of Activities
(Exhibit 2A)
Years Ended August 31, 2023 and 2022

	Component Unit	
	2023	2022
Net assets without donor restrictions:		
Revenue and other support:		
Contributions	\$ 11,669	8,216
Net investment income (loss)	9,677	(49,053)
Net assets released from restrictions	951,805	3,185,013
Total revenue and other support	973,151	3,144,176
Expenses:		
Program expenses:		
Scholarships and other distributions	960,887	3,163,285
Management and general	60,400	108,089
Total expenses	1,021,287	3,271,374
Net decrease in net assets without donor restrictions	(48,136)	(127,198)
Net assets with donor restrictions:		
Revenue and other support:		
Contributions	1,341,253	1,489,606
Fundraising	129,693	54,922
Net investment income (loss)	2,188,935	(3,992,515)
Total revenue and other support	3,659,881	(2,447,987)
Net assets released from restrictions	(951,805)	(3,185,013)
Net increase (decrease) in net assets with donor restrictions	2,708,076	(5,633,000)
Increase (decrease) in net assets	2,659,940	(5,760,198)
Net assets - beginning of year	21,853,158	27,613,356
Net assets - end of year	\$ 24,513,098	21,853,158

See accompanying notes to the financial statements.

Kilgore Junior College District

Statements of Cash Flows (Exhibit 3)

Years Ended August 31, 2023 and 2022

	Primary Government	
	2023	2022
Cash flows from operating activities		
Receipts from students and other customers	\$ 11,436,490	12,442,580
Receipts of grants and contracts	11,988,708	17,861,556
Other receipts	695,991	747,188
Payments to employees	(25,212,086)	(25,340,319)
Payments to suppliers and students	(22,511,811)	(26,248,127)
Net cash used in operating activities	(23,602,708)	(20,537,122)
Cash flows from noncapital financing activities		
Receipts of state appropriations	9,654,902	9,654,902
Receipts from ad valorem taxes for maintenance and operation	10,296,935	6,809,406
Receipts of grants and contracts	7,906,333	9,536,660
Receipts from gifts for other than capital purposes	478,993	456,630
Net cash provided by noncapital financing activities	28,337,163	26,457,598
Cash flows from capital and related financing activities		
Proceeds from issuance of capital debt	5,000,000	-
Proceeds from insurance	5,900	14,700
Purchases of capital assets	(7,742,695)	(2,103,034)
Payments on capital debt, lease, and subscription principal	(1,794,142)	(1,294,075)
Payments on capital debt, lease and subscription interest	(122,061)	(131,281)
Other payments	82,817	-
Net cash used in capital and related financing activities	(4,570,181)	(3,513,690)
Cash flows from investing activities		
Receipts from interest on investments	1,496,266	230,676
Net cash provided by investing activities	1,496,266	230,676
Net increase in cash and cash equivalents	1,660,540	2,637,462
Cash and cash equivalents - beginning of year	31,732,537	29,095,075
Cash and cash equivalents - end of year	\$ 33,393,077	31,732,537
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (27,721,814)	(20,860,965)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	4,899,401	4,382,758
On-behalf payments	3,410,300	2,408,392
Contributions in excess of pension and OPEB expense	93,697	-
Change in assets and liabilities:		
Receivables, net	(125,752)	(1,550,188)
Inventories	(274,304)	13,271
Prepaid expenses	1,177	(1,354,512)
Accounts payable and accrued liabilities	(981,592)	47,180
Funds held for others	854	489,240
Unearned revenue	(700,658)	(757,369)
Compensated absences	188,670	86,802
Net pension/OPEB liability	(769,631)	(2,995,367)
Change in deferred inflows and outflows:		
Deferred outflows	(609,413)	761,859
Deferred outflows	(1,013,643)	(1,208,223)
Net cash used in operating activities	\$ (23,602,708)	(20,537,122)
Noncash capital, financing and investing activities:		
State appropriations on-behalf payments	\$ 3,410,300	2,408,392
Purchase of right-of-use lease assets	\$ 136,648	2,036,181
Purchase of right-of-use subscription assets	\$ 193,755	1,221,779

See accompanying notes to the financial statements.

Kilgore Junior College District

Notes to Financial Statements

Years Ended August 31, 2023 and 2022

(1) Nature of Operations and Reporting Entity

Kilgore Junior College District (the District) was established in 1935, in accordance with the laws of the State of Texas, to serve the education needs of the District and the surrounding communities. The District is a comprehensive, public, two-year institution offering academic, general, occupational, developmental, and continuing adult education programs through a network of campuses in East Texas. The District is governed by a nine-member Board of Trustees which has governance responsibilities over all activities related to the District. The District is considered to be a primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity Omnibus: An Amendment of GASB Statements No. 14 and No. 34*. 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. The accompanying financial statements present the District and its component unit described below.

The Kilgore College Foundation (the Foundation) is a legally separate, tax-exempt entity organized to solicit and receive support for education, scientific, and charitable purposes of the District. The Foundation receives a significant portion of its revenue from individuals and businesses in the areas served by the District. The District does not control the timing or amount of receipts from the Foundation. However, the majority of resources or income thereon that the Foundation holds and invests is for the benefit of the District or its constituents. Because the net position of the Foundation compared to the District is significant, because substantially all resources held by the Foundation can only be used by, or for the benefit of, the District, and because the Foundation has historically provided resources to the District or its constituents, the Foundation is considered a component unit of the District and is discretely presented in the District's financial statements. Complete financial statements for the Foundation can be obtained from the District's business office.

The District is reported as a special-purpose government engaged in business-type activities. The significant accounting policies followed by the District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. These accounting policies basically conform to generally accepted accounting principles applicable to government units.

(a) Basis of Accounting

The financial statements of the District have been prepared using the economic resource measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when a liability has

Kilgore Junior College DistrictNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies(a) Basis of Accounting (continued)

been incurred. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The District distinguishes operating revenues and expenses from nonoperating items. The primary consideration in classifying revenues and expenses is how individual transactions are categorized for purposes of preparing the statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are reported as components of nonoperating income. The principal operating revenue of the District results from providing education services to students and consists of tuition and fees, non-Title IV federal grants as well as sales and services of educational activities and auxiliary goods and services. Operating expenses include the cost of providing educational services, auxiliary goods and services, and administrative expenses. All revenues and expenses not meeting this definition – including gifts, contributions, and grants from nonexchange and exchange-like transactions – are reported as nonoperating revenues and expenses. The principal nonoperating revenues of the District consist of state appropriations, property taxes, and Title IV federal grants. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The financial statements of the Foundation have been prepared on the accrual basis of accounting. The Foundation is a nonprofit organization that reports under Financial Accounting Standards Board standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

(b) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and

Kilgore Junior College DistrictNotes to Financial Statements
(Continued)(2) Summary of Significant Accounting Policies (continued)(b) Encumbrances (continued)

encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year-end that were provided for in the subsequent year's budget are reported as designations of net position since they do not constitute expenditures or liabilities.

(c) Scholarship Allowances and Discounts

Student tuition and fee revenues are reported net of scholarship allowances and discounts in the statements of revenues, expenses, and changes in net position. Scholarship allowances and discounts are the difference between the stated charge for goods and services provided by the District and the amount that is paid by students. Certain governmental grants, such as Pell grants and other federal, state or nongovernmental programs, are recorded as operating and nonoperating revenues in the District's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees, the District has recorded a scholarship allowance and discount.

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 as a separate set aside in accordance with the Texas Education Code. When the award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount.

Title IV Program Funds and Other Tuition Discounts: Certain Title IV Program funds are received by the District to pass through to the students. In addition, the District awards tuition and fee scholarships from institutional funds to students who qualify. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and corresponding amounts are recorded as tuition discounts.

(d) Cash and Cash Equivalents

Cash equivalents of \$185,518 and \$177,724 at August 31, 2023 and 2022, respectively, consist of public funds investment pools. Cash equivalents are considered to be highly liquid debt instruments with original maturities of three months or less from the date of acquisition.

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents (continued)

Restricted cash and cash equivalents at August 31, 2023 and 2022 are mainly comprised of resources accumulated for debt service payments and unspent proceeds from the maintenance tax note issued in 2023.

(e) Investments

Investments are reported at fair value except for governmental investment pools. Fair values are based on published market prices. The governmental investment pool operates in accordance with appropriate state laws and regulations. The value of the pool is reported at amortized cost which, in most cases, approximates the fair value of the pool shares.

(f) Inventories

Inventories, consisting of consumable office supplies, physical plant supplies, bookstore stock, and food service supplies, are valued at the lower of cost or net realizable value using the first-in, first-out method and are charged to expense as consumed.

(g) Capital Assets

Capital assets, which include land, buildings, land improvements and infrastructure, leasehold improvements, equipment, exhibits, and library books, are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of one or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Renovations to buildings and other improvements that significantly increase the value or extend the useful life of such assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are charged to operating expense in the year in which the expense is incurred. The District reports depreciation under a single line item as a business-type unit.

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings	50 years
Improvements	20 years
Library books	15 years
Equipment	5 - 10 years

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(h) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows and inflows as of August 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Deferred Outflows		
Pension related:		
Contributions subsequent to measurement date	\$ 750,181	649,848
Changes in assumptions	1,557,458	1,202,574
Change in proportionate contributions	321,768	88,905
Differences between projected and actual investment earnings, net	825,792	-
Differences between expected and actual economic experience	121,197	5,693
OPEB related:		
Contributions subsequent to measurement date	730,265	977,948
Changes in assumptions	1,366,309	1,984,137
Changes in proportion and differences between District contributions and proportionate share of contributions	758,049	911,379
Differences between projected and actual investment earnings	4,011	5,133
	<u>\$ 6,435,030</u>	<u>5,825,617</u>

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(h) Deferred Outflows and Inflows of Resources (continued)

	<u>2023</u>	<u>2022</u>
Deferred Inflows		
Pension related:		
Changes in assumptions	\$ 388,162	524,219
Changes in proportion and differences between District contributions and proportionate share of contributions	359,363	546,731
Differences between projected and actual investment earnings, net	-	2,852,612
Differences between expected and actual economic experience	182,231	239,510
OPEB related:		
Changes in assumptions	7,188,263	3,227,809
Changes in proportion and differences between District contributions and proportionate share of contributions	3,010,747	4,774,377
Differences between expected and actual economic experience	<u>733,715</u>	<u>710,866</u>
	<u>\$ 11,862,481</u>	<u>12,876,124</u>

(i) Unearned Revenue

Unearned revenue of the District at August 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Tuition and fees	\$ 9,639,890	9,864,641
Grants	574,197	1,050,104
Other	<u>14,862</u>	<u>14,862</u>
	<u>\$ 10,228,949</u>	<u>10,929,607</u>

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(j) Pensions

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

(k) Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employee Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and the full accrual basis of accounting. This includes for purpose of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and payable in accordance with benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

(l) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and right-of-use assets, valuation allowances for receivables, certain accrued liabilities, interest rate assumptions for lease and subscription liabilities, and net pension liability and OPEB liability and related deferred outflows and inflows of resources. Actual results could differ from those estimates.

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(2) Summary of Significant Accounting Policies (continued)

(m) Change in Accounting Principle

Effective September 1, 2022, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. GASB 87 increases the usefulness of the District's financial statements by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases. The standard is required to be adopted retroactively which resulted in a decrease in net position of \$110,810 as of September 1, 2021 reflected as a cumulative effect of change in accounting principle in the accompanying financial statements.

Effective September 1, 2022, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB 96 increases the usefulness of the District's financial statements by requiring recognition of certain subscription-based information technology arrangement assets and liabilities. The standard is required to be adopted retroactively which resulted in a decrease in net position of \$47,163 as of September 1, 2021 reflected as a cumulative effect of change in accounting principle in the accompanying financial statements.

(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. The District is also required to follow specific investment practices prescribed by the Public Funds Investment Act (the Act) related to establishment of appropriate investment policies and management reports.

(4) Deposits and Investments

Deposits and investments of the District at August 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
<u>Deposits</u>		
Cash - demand deposits	\$ 25,181,907	23,865,900
Cash - certificates of deposit	8,002,952	7,657,338
Cash - petty cash on hand	22,700	31,575
Total deposits	<u>33,207,559</u>	<u>31,554,813</u>

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(4) Deposits and Investments (continued)

	<u>2023</u>	<u>2022</u>
<u>Investments - cash equivalents</u>		
Texas Local Government Investment Pool	\$ 185,518	177,724
Total investments-cash equivalents	<u>185,518</u>	<u>177,724</u>
 Total deposits and investments	 <u>\$ 33,393,077</u>	 <u>31,732,537</u>

Deposits and investments of the Foundation at August 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
<u>Deposits</u>		
Cash - demand deposits	\$ 992,519	523,755
Total deposits	<u>992,519</u>	<u>523,755</u>
 <u>Investments</u>		
Funds of a management investment company	\$ 23,522,763	21,374,903
Total investments	<u>23,522,763</u>	<u>21,374,903</u>
 Total deposits and investments	 <u>\$ 24,515,282</u>	 <u>21,898,658</u>

The weighted average maturity of investments (in days) of the District at August 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Texas Local Government Investment Pool	23	23

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio. Money market mutual funds must have a dollar weighted average stated maturity of 90 days or less. The maximum allowable stated maturity of any other individual investment owned by the District cannot exceed the limits established by the Act. If no maximum allowable stated maturity is provided for a particular investment, the maximum allowable stated maturity for such investment cannot exceed ten years.

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(4) Deposits and Investments (continued)

Credit Risk. Credit risk is the risk that an investment issuer or other counterparty to an investment will not fulfill obligations related to the investment. It is the District's policy to limit its investments in a manner that ensures the preservation of capital in the overall portfolio. Specifically, public funds investment pools must be rated not less than AAA or an equivalent rating by at least one nationally recognized rating service. At August 31, 2023 and 2022, the public funds investment pool held by the District was rated AAAm by Standard & Poor's.

As indicated above, investments of the District at August 31, 2023 and 2022 include deposits in the Texas Local Government Investment Pool (TexPool). TexPool is a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The District has delegated the authority to hold legal title to TexPool as custodian and to make investment purchases with the District's funds. The District does not own specific, identifiable investment securities within TexPool.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. There are no maximum transaction amounts and withdrawals may be made daily. TexPool uses amortized cost rather than fair value to report net assets to compute share prices.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in the securities of a single issuer. The District's investment policy includes an investment objective of seeking diversification to avoid unreasonable risk.

Interest Rate and Credit Risks of The Kilgore College Foundation. The Foundation has adopted investment and spending policies to seek reasonable income, preserve capital, and, in general, avoid speculative investments. The policies contain provisions that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates and to limit the risk that an issuer or other counterparty to its funds will not fulfill its obligations.

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(5) Disaggregation of Accounts Receivable and Accrued Liabilities

Accounts receivable at August 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Student	\$ 13,552,713	12,094,716
Taxes	930,797	857,593
Grants	<u>736,203</u>	<u>1,428,386</u>
	15,219,713	14,380,695
Less allowance for doubtful accounts	<u>(3,938,985)</u>	<u>(3,306,976)</u>
Accounts receivable, net	<u>\$ 11,280,728</u>	<u>11,073,719</u>

Accrued liabilities at August 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Salaries and benefits	\$ 577,592	617,181
Interest	14,036	-
Other payables	<u>(3,008)</u>	<u>(9,215)</u>
Accrued liabilities	<u>\$ 588,620</u>	<u>607,966</u>

(6) Capital Assets

Capital asset activity for the year ended August 31, 2023 was as follows:

	<u>Balance September 1, 2022</u>	<u>Additions</u>	<u>Transfers and Retirements</u>	<u>Balance August 31, 2023</u>
Capital assets not being depreciated:				
Land	\$ 4,208,950	-	-	4,208,950
Construction in progress	<u>447,351</u>	<u>5,891,952</u>	<u>-</u>	<u>6,339,303</u>
	4,656,301	5,891,952	-	10,548,253
Capital assets, being depreciated:				
Buildings	\$ 62,830,902	541,986	-	63,372,888
Buildings - right-of-use lease assets	925,157	136,648	-	1,061,805
Land improvements and infrastructure	6,257,909	10,979	-	6,268,888
Leasehold improvements	1,872,823	-	-	1,872,823
Library books	926,324	9,950	(380,113)	556,161
Equipment	28,289,767	1,287,828	-	29,577,595
Equipment - right-of-use lease assets	2,036,181	-	-	2,036,181
Exhibits	2,028,436	-	-	2,028,436
Software - right-of-use subscription assets	<u>1,807,189</u>	<u>193,755</u>	<u>-</u>	<u>2,000,944</u>
Total buildings and other capital assets	<u>106,974,688</u>	<u>2,181,146</u>	<u>(380,113)</u>	<u>108,775,721</u>

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(6) Capital Assets (continued)

	Balance September 1, 2022	Additions	Transfers and Retirements	Balance August 31, 2023
Less accumulated depreciation and amortization:				
Buildings	\$ 28,488,165	1,027,732	-	29,515,897
Buildings - right-of-use lease assets	663,699	97,529	-	761,228
Land improvements and infrastructure	2,512,001	206,963	-	2,718,964
Leasehold improvements	697,119	87,080	-	784,199
Library books	732,066	15,102	(297,296)	449,872
Equipment	11,888,864	2,720,112	-	14,608,976
Equipment - right-of-use lease assets	56,561	339,363	-	395,924
Exhibits	1,962,972	11,831	-	1,974,803
Software - right-of-use subscription assets	700,282	393,689	-	1,093,971
Total accumulated depreciation and amortization	47,701,729	4,899,401	(297,296)	52,303,834
	59,272,959	(2,718,255)	(82,817)	56,471,887
Net capital assets	\$ 63,929,260	3,173,697	(82,817)	67,020,140

Capital asset activity for the year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Additions	Transfers and Retirements	Balance August 31, 2022
Capital assets not being depreciated:				
Land	\$ 4,208,950	-	-	4,208,950
Construction in progress	154,986	292,365	-	447,351
	4,363,936	292,365	-	4,656,301
Capital assets, being depreciated:				
Buildings	62,234,199	621,329	(24,626)	62,830,902
Buildings - right-of-use lease assets	925,157	-	-	925,157
Land improvements and infrastructure	6,032,565	227,390	(2,046)	6,257,909
Leasehold improvements	1,872,823	-	-	1,872,823
Library books	1,013,808	13,079	(100,563)	926,324
Equipment	27,831,280	948,870	(490,383)	28,289,767
Equipment - right-of-use lease assets	-	2,036,181	-	2,036,181
Exhibits	2,028,436	-	-	2,028,436
Software - right-of-use subscription assets	585,410	1,221,779	-	1,807,189
Total buildings and other capital assets	102,523,678	5,068,628	(617,618)	106,974,688

Kilgore Junior College District

Notes to Financial Statements (Continued)

(6) Capital Assets (continued)

	Balance September 1, 2021	Additions	Transfers and Retirements	Balance August 31, 2022
Less accumulated depreciation and amortization:				
Buildings	\$ 27,505,667	992,715	(10,217)	28,488,165
Buildings - right-of-use lease assets	583,251	80,448	-	663,699
Land improvements and infrastructure	2,306,704	205,297	-	2,512,001
Leasehold improvements	610,039	87,080	-	697,119
Library books	793,358	39,271	(100,563)	732,066
Equipment	9,721,759	2,658,086	(490,981)	11,888,864
Equipment - right-of-use subscription assets	-	56,561	-	56,561
Exhibits	1,951,139	11,833	-	1,962,972
Software - right-of-use subscription assets	448,815	251,467	-	700,282
Total accumulated depreciation and amortization	43,920,732	4,382,758	(601,761)	47,701,729
	58,602,946	685,870	(15,857)	59,272,959
Net capital assets	\$ 62,966,882	978,235	(15,857)	63,929,260

Construction in progress at August 31, 2023 consists of:

	Spent to Date	Remaining Commitment
Pedestrian Bridge Construction	\$ 3,104,016	2,201,434
Stark Hall Renovation	2,741,669	50,000
Old Main Renovation	392,555	317,445
Hendrix Longview Machine Shop	101,063	52,000
	\$ 6,339,303	2,620,879

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(7) Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2023 was as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
Notes payable:					
SECO Loan #1	\$ 6,106,958	-	451,414	5,655,544	455,946
SECO Loan #2	6,445,309	-	476,423	5,968,886	481,205
Kilgore ISD	200,355	-	89,098	111,257	50,000
Maintenance tax note	-	5,000,000	-	5,000,000	740,000
Compensated absences	692,516	267,521	78,851	881,186	432,318
Lease liabilities	2,354,173	136,648	390,802	2,100,019	424,156
Subscription liabilities	1,167,068	193,755	387,405	973,418	390,123
Net pension liability	3,402,095	4,956,390	-	8,358,485	-
OPEB liability	28,980,769	-	5,726,021	23,254,748	-
	<u>\$ 49,349,243</u>	<u>10,554,314</u>	<u>7,600,014</u>	<u>52,303,543</u>	<u>2,973,748</u>

Long-term liability activity for the year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
Notes payable:					
SECO Loan #1	\$ 6,553,887	-	446,929	6,106,958	450,915
SECO Loan #2	6,916,997	-	471,688	6,445,309	475,922
Kilgore ISD	202,620	71,000	73,265	200,355	50,000
Compensated absences	605,714	236,387	149,585	692,516	374,618
Lease liabilities	452,716	2,036,181	134,724	2,354,173	374,674
Subscription liabilities	183,758	1,221,779	238,469	1,167,068	387,405
Net pension liability	7,554,050	-	4,151,955	3,402,095	-
OPEB liability	27,824,181	1,156,588	-	28,980,769	-
	<u>\$ 50,293,923</u>	<u>4,721,935</u>	<u>5,666,615</u>	<u>49,349,243</u>	<u>2,113,534</u>

Notes Payable

Notes payable are comprised of the following:

SECO Loans #1 and #2

The District entered into two note agreements in September 2018 with the State Energy Conservation Office (SECO) to provide upgrades to multiple buildings for HVAC, exterior lighting, solar thermal window film, building weatherization, water conservation, and utility assessment report. The notes are not to exceed \$14,442,032.

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(7) Long-Term Liabilities (continued)

Kilgore ISD

The District entered into an agreement with Kilgore Independent School District (Kilgore ISD) whereby the District purchased property from Kilgore ISD. The District's payments each year are the tuition provided by the District for dual or concurrent credit to students of Kilgore ISD. Annual requirements are expected to approximate \$50,000.

\$5,000,000 Maintenance Tax Note – Series 2023

The District issued a Series 2023 maintenance tax note on August 31, 2023 for \$5 million for roof replacement/repairs, HVAC upgrades, parking lots, room renovations, facility systems, and to pay for the costs of professional services and issuance costs related to the note. The District will levy a tax to pay principal and interest on the note. Principal is due in annual installments and interest is to be paid semiannually.

As of August 31, 2023 and 2022, the District has borrowings outstanding of \$16,735,687 and \$12,752,622, respectively. Debt service requirements for these notes as of August 31, 2023, are as follows:

For the Year Ended August 31,	Principal	Interest	Total
2024	\$ 1,727,151	329,330	2,056,481
2025	1,601,557	295,893	1,897,450
2026	1,597,316	259,045	1,856,361
2027	1,625,655	221,003	1,846,658
2028	1,665,349	181,448	1,846,797
2029-2033	6,700,573	351,379	7,051,952
2034-2035	1,818,086	18,237	1,836,323
	<u>\$ 16,735,687</u>	<u>1,656,335</u>	<u>18,392,022</u>

Leases

The District leases copiers and certain buildings under lease agreements through 2028. The leases utilize an incremental borrowing rate of 8.5% and contain annual payment terms ranging from \$18,000 to \$434,400.

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(7) Long-Term Liabilities (continued)

Future principal and interest requirements for lease liabilities as of August 31, 2023, are as follows:

For the Year Ended August 31,	Principal	Interest	Total
2024	\$ 424,156	153,692	577,848
2025	460,433	117,415	577,848
2026	409,657	80,731	490,388
2027	403,830	48,570	452,400
2028	365,602	14,398	380,000
2029-2030	36,341	629	36,970
	<u>\$ 2,100,019</u>	<u>415,435</u>	<u>2,515,454</u>

Subscription-Based Information Technology Arrangements

The District contracts for the use of various software with information technology arrangements through 2027. The arrangements utilize an incremental borrowing rate of 8.5% and annual payment terms ranging from \$2,750 to \$161,680.

Future principal and interest requirements for subscription liabilities as of August 31, 2023, are as follows:

For the Year Ended August 31,	Principal	Interest	Total
2024	\$ 390,123	42,591	432,714
2025	376,257	19,493	395,750
2026	188,983	4,904	193,887
2027	18,055	372	18,427
	<u>\$ 973,418</u>	<u>67,360</u>	<u>1,040,778</u>

Kilgore Junior College DistrictNotes to Financial Statements
(Continued)(8) Employees' Retirement Plan

Plan Description. The District participates in a cost-sharing, multiple employer defined benefit pension plan that has a special funding situation. The plan is administered by TRS. It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Sec. 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 education 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. Detail information about TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/aboutpublications.aspx>, by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698, or by calling (512) 542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on the 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.

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. Actuarial implications of the funding provided in this manner are determined by TRS' actuary.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

Contributions. Contribution requirements are established or amended pursuant to Article 16, Sec. 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation paid to members of the system during the fiscal year.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025. Contribution rates were as follows:

<u>Year</u>	<u>Member</u>		<u>State</u>		<u>District</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
2023	8.0%	\$ 1,304,210	8.0%	\$ 462,238	8.0%	\$ 1,304,210
2022	8.0%	1,159,012	7.8%	\$ 435,274	7.8%	1,122,793
2021	7.7%	1,028,184	7.5%	452,282	7.5%	568,578

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public schools, junior colleges, 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.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

- 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, there is a surcharge an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member's salary beginning in fiscal year 2022, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions. The total pension liability in the August 31, 2022 and 2021 actuarial valuations was determined using the following actuarial assumptions:

	Valuation Date	
	August 31, 2021 rolled forward to August 31, 2022	August 31, 2020 rolled forward to August 31, 2021
Actuarial cost method	Individual entry age, normal	Individual entry age, normal
Asset valuation method	Fair value	Fair value
Actuarial assumptions:		
Single discount rate	7.00%	7.25%
Long-term expected investment rate of return	7.00%	7.25%
Municipal bond rate	3.91%	1.95%
Salary increases	2.95% to 8.95% (includes inflation of 2.3%)	3.05% to 9.05% (includes inflation of 2.3%)
Benefit changes during the year	None	None
Ad hoc post-employment benefit changes	None	None

The actuarial methods and assumptions used in the determination of the total pension liability as of August 31, 2022 and 2021 are the same, except as indicated other use above. For a full description of these assumptions please see the actuarial valuation report dated November 20, 2021.

Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability as of August 31, 2022. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the TRS' target asset allocation as of August 31, 2022 are summarized below:

Asset Class	Target Allocation % **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity:			
U.S.A.	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity*	14.0%	7.7%	1.55%
Stable Value:			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return*	-	3.7%	-
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return:			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	-	3.6%	-
Risk Parity:			
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage:			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag****	-		-0.93%
Expected Return	100.00%		8.19%

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2022 policy model.

*** Capital Market Assumptions come from Aon Hewitt (as of August 31, 2022).

**** The volatility drag results from the conversion between arithmetic and geometric mean returns.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

Discount Rate Sensitivity Analysis. The following schedule shows the impact to the District's net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the 2022 net pension liability:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 13,002,634	8,358,485	4,594,185

The following schedule shows the impact to the District's net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2021 net pension liability:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 7,434,119	3,402,095	130,901

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2023 and 2022, the District reported a liability of \$8,358,485 and \$3,402,095, respectively, for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District at August 31, 2023 and 2022 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 is as follows:

	2023	2022
District's proportionate share of the net pension liability \$	8,358,485	3,402,095
State's proportionate share of the net pension liability associated with the District	5,880,866	2,597,529
Total	\$ 14,239,351	5,999,624

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

The 2023 net pension liability was measured as of August 31, 2021 and rolled forward to August 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022. The District's proportion of the collective net pension liability was 0.014% which was consistent with its proportion measured as of August 31, 2022.

The 2022 net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all participating employers to the plan for the period September 1, 2020 to August 31, 2021. The District's proportion of the collective net pension liability was 0.013% which was consistent with its proportion measured as of August 31, 2021.

The actuarial assumptions have been modified since the determination of the prior year's net pension liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

For the years ended August 31, 2023 and 2022, the District recognized total pension expense (benefit) of \$655,842 and (\$753,615), respectively. Of the total pension expense (benefit), for the measurement periods ended August 31, 2023 and 2022, the District recognized pension expense of \$562,144 and \$10,385, respectively, and revenue of \$462,238 and \$435,274, respectively, for support provided by the State.

At August 31, 2023 and 2022, 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:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 121,197	182,231
Changes in actuarial assumptions	1,557,458	388,162
Differences between projected and actual investment earnings, net	825,792	-
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	321,768	359,363
Contributions paid to TRS subsequent to the measurement date	750,181	-
Total	<u>\$ 3,576,396</u>	<u>929,756</u>

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,693	239,510
Changes in actuarial assumptions	1,202,574	524,219
Differences between projected and actual investment earnings, net	-	2,852,612
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	88,905	546,731
Contributions paid to TRS subsequent to the measurement date	649,848	-
Total	<u>\$ 1,947,020</u>	<u>4,163,072</u>

The \$750,181 reported as deferred outflows of resources at August 31, 2023 related to contributions paid to TRS subsequent to the measurement date at August 31, 2022 will be recognized as a reduction of the net pension liability in fiscal year 2024.

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

Measurement Year Ended August 31,	Pension Expense
2023	\$ 488,503
2024	259,138
2025	56,889
2026	943,053
2027	148,876

Optional Retirement Program. The state has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program (ORP) is in lieu of participation in TRS. ORP provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.3% and 6.6%, respectively.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

The District supplements an additional 1.9% for participants that are grandfathered in under the supplement. 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. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

Contribution rates as a percentage of compensation and contributions made for ORP for 2021, 2022, and 2023 are shown in the table below.

<u>Year</u>	<u>Member</u>		<u>State</u>	
	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>
2023	6.6%	\$ 201,780	3.3%	\$ 100,890
2022	6.6%	243,871	3.3%	121,935
2021	6.6%	235,979	3.3%	122,678

The total payroll for all District employees was \$16,302,624, \$18,182,656, and \$20,383,880 for the years ended August 31, 2023, 2022, and 2021, respectively. The total payroll of employees covered by ORP was \$3,057,273, \$3,695,008, and \$3,780,634 for the years ended August 31, 2023, 2022, and 2021, respectively.

(9) Compensated Absences

Full-time employees are granted 8 hours of paid sick leave time per scheduled work month. Paid sick leave time that has not been taken accumulates up to a maximum of 720 hours, but it is not paid should the employment relationship cease for reasons other than retirement. Full-time employees are also granted 80 hours per year of vacation time. A total of 40 hours' vacation time may be accumulated and carried forward to the following fiscal year. Unused vacation time that 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 \$498,742 and \$384,662 at August 31, 2023 and 2022, respectively, based on employees currently eligible

Kilgore Junior College DistrictNotes to Financial Statements
(Continued)(9) Compensated Absences (continued)

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 \$382,444 and \$307,894 at August 31, 2023 and 2022, respectively, all of which has been classified as a current liability.

(10) Other Post-Employment Benefits (OPEB)

Plan Description. The District participates in a cost-sharing, multiple-employer defined-benefit OPEB plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in a separately-issued ERS Annual Comprehensive Financial Report that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained online; by writing to ERS at 200 East 18th Street, Austin, Texas, 78701; or by calling (877) 275-4377.

Benefits Provided. Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least 10 years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

Contributions. 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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate as of the measurement period. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

	<u>2023</u>	<u>2022</u>
Retiree only	\$ 624.82	624.82
Retiree & Spouse	1,339.90	1,339.90
Retiree & Children	1,103.58	1,103.58
Retiree & Family	1,818.66	1,818.66

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

<u>Year</u>	<u>State Amount</u>	<u>District Amount</u>
2023	\$ 976,720	\$ 978,683
2022	968,015	997,948
2021	994,839	992,208

Kilgore Junior College District

Notes to Financial Statements (Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

Actuarial Assumptions. The total OPEB liability in the August 31, 2022 and 2021 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	Valuation Date	
	August 31, 2022	August 31, 2021
Actuarial cost method:	Entry age normal	Entry age normal
Amortization method	Level percent of payroll, open	Level percent of payroll, open
Amortization period	30 years	30 years
Actuarial assumptions:		
Discount rate	3.59%	2.14%
Salary increases	2.30% to 8.95% (includes inflation of 2.3%)	2.30% to 9.05% (includes inflation of 2.3%)
Annual healthcare trend rates	5.60% for fiscal year 2024, 5.30% for fiscal year 2025, 5.00% for fiscal year 2026, 4.75% for fiscal year 2027, 4.60% for fiscal year 2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for fiscal year 2031 and later years	5.25% for fiscal year 2023, 5.15% for fiscal year 2024, 5.00% for fiscal year 2025, 4.75% for fiscal year 2026, 4.60% for fiscal year 2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for fiscal year 2030 and later years
Mortality Assumptions:		
Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active Members	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality within 2-year set forward for males with Ultimate MP Projection Scale from the year 2010.	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2017 for higher education members.

Investment Policy. The SRHP is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The ERS's Board of Trustees amended the investment policy in August 2022 to require that all funds in the plan be invested in cash and equivalent securities. The expected rate of return on these investments is 4.1%.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.14%. The discount rate used to determine the total OPEB liability as of the end of the measurement year was 3.59%, which amounted to an increase of 1.45%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact to the District's proportionate share of the collective OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.59%) in measuring the 2022 OPEB liability:

	1% Decrease (2.59%)	Current Rate (3.59%)	1% Increase (4.59%)
District's proportionate share of the 2022 OPEB liability	\$ <u>27,122,063</u>	<u>23,254,748</u>	<u>20,161,825</u>

The following schedule shows the impact to the District's proportionate share of the collective OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.14%) in measuring the 2021 OPEB liability:

	1% Decrease (1.14%)	Current Rate (2.14%)	1% Increase (3.14%)
District's proportionate share of the 2021 OPEB liability	\$ <u>34,517,196</u>	<u>28,980,769</u>	<u>24,649,342</u>

Kilgore Junior College District

Notes to Financial Statements (Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.60% and the ultimate rate is 4.3%. The following schedule shows the impact to the District's proportionate share of the collective OPEB liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used (5.60% decreasing to 4.3%) in measuring the 2022 OPEB liability:

	Current Healthcare Cost Trend Rates (4.6% decreasing to 3.3%)	Current Healthcare Cost Trend Rates (5.6% decreasing to 4.3%)	Current Healthcare Cost Trend Rates (6.6% decreasing to 5.3%)
District's proportionate share of the 2022 OPEB liability	\$ 19,914,496	23,254,748	27,519,348

The initial healthcare trend rate is 5.25% and the ultimate rate is 4.3%. The following schedule shows the impact to the District's proportionate share of the collective OPEB liability if the healthcare cost trend rate used was 1% less than and 1% greater than the healthcare cost trend rate that was used (5.25% decreasing to 4.3%) in measuring the 2021 OPEB liability:

	Current Healthcare Cost Trend Rates (4.25% decreasing to 3.3%)	Current Healthcare Cost Trend Rates (5.25% decreasing to 4.3%)	Current Healthcare Cost Trend Rates (6.5% decreasing to 5.3%)
District's proportionate share of the 2021 OPEB liability	\$ 24,267,983	28,980,769	35,155,358

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2023 and 2022, the District reported a liability of \$23,254,748 and \$28,980,769, respectively, for its proportionate share of the ERS's OPEB liability. This liability reflects an increase in State support provided to the District for OPEB. The amount recognized by the District at August 31, 2023 and 2022 as its proportionate share of the OPEB liability, the related State support, and the total portion of the OPEB liability that was associated with the District were as follows:

	2023	2022
District's proportionate share of the net OPEB liability	\$ 23,254,748	28,980,769
State's proportionate share of the net OPEB liability associated with the District	22,076,248	28,011,426
Total	\$ 45,330,996	56,992,195

Kilgore Junior College District
Notes to Financial Statements
(Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

The 2023 OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 to August 31, 2022. At the measurement date of August 31, 2022, the District's proportion of the collective OPEB liability was 0.0816%, which was an increase of 0.0008% from its proportion measured as of August 31, 2021.

The 2022 OPEB liability was measured as of August 31, 2021 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 to August 31, 2021. At the measurement date of August 31, 2021, the District's proportion of the collective OPEB liability was 0.0808%, which was a decrease of 0.0034% from its proportion measured as of August 31, 2020.

For the years ended August 31, 2023 and 2022, the District recognized total OPEB expense (benefit) of (\$2,081,390) and (\$1,655,914), respectively. Of the total expense (benefit), for the measurement period ended August 31, 2022 and 2021, the District recognized OPEB benefit of (\$804,125) and (\$341,764), respectively, and revenue of \$976,720 and \$968,015, respectively, for support provided by the State.

Changes Since the 2021 Actuarial Valuation: The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period.

Demographic Assumptions: The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future retirees assumed to cover dependent children.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the opt-out credit at retirement.
- The percentage of higher education vested terminated members assumed to have terminated less than one year before the valuation date.

Kilgore Junior College District

Notes to Financial Statements (Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

Economic Assumptions: Assumptions for, assumed per capita health benefit costs and health benefit cost and retiree contribution and expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.

The discount rate assumption was changed from 2.14% as of August 31, 2021 to 3.59% as of August 31, 2022 as a result of requirements to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Benefit Terms: There are no significant changes to benefit terms.

At August 31, 2023 and 2022, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	733,715
Changes in actuarial assumptions	1,366,309	7,188,263
Differences between projected and actual investment earnings	4,011	-
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	758,049	3,010,747
Contributions paid to ERS subsequent to the measurement date	730,265	-
Total	<u>\$ 2,858,634</u>	<u>10,932,725</u>

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	710,866
Changes in actuarial assumptions	1,984,137	3,227,809
Differences between projected and actual investment earnings	5,133	-
Changes in proportion and differences between the District's contributions and the proportionate share of contributions	911,379	4,774,377
Contributions paid to ERS subsequent to the measurement date	977,948	-
Total	<u>\$ 3,878,597</u>	<u>8,713,052</u>

Kilgore Junior College District

Notes to Financial Statements (Continued)

(10) Other Post-Employment Benefits (OPEB) (continued)

The \$730,265 reported as deferred outflows of resources related to contributions paid to ERS subsequent to the measurement date at August 31, 2022 will be recognized as a reduction of the OPEB liability beginning in fiscal year 2024.

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

Measurement Year Ended August 31,	OPEB Expense (Benefit)
2023	\$ (3,194,715)
2024	(2,237,337)
2025	(1,439,098)
2026	(1,259,540)
2027	(673,666)

(11) Related Parties

During the years ended August 31, 2023 and 2022, the District provided certain services, such as office space, utilities, and staff assistance to the Foundation at no cost to the Foundation.

(12) Ad Valorem Property Taxes

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, business and personal property located in the District as follows:

	2023	2022
Assessed valuation of the District	\$ 5,976,208,692	5,080,270,486
Less: Exemptions	724,408,643	656,662,635
Net assessed valuation of the District	<u>\$ 5,251,800,049</u>	<u>4,423,607,851</u>

Kilgore Junior College District

Notes to Financial Statements (Continued)

(12) Ad Valorem Property Taxes (continued)

Tax rates authorized and assessed (all current operations) during fiscal years 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Tax rate per \$100 valuation authorized	\$ 0.200	0.200
Tax rate per \$100 valuation for assessed	0.175	0.175

Taxes levied for the years ended August 31, 2023 and 2022 were \$7,776,567 and \$6,669,527, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Tax collections for the years ended August 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Current taxes collected	\$ 7,708,697	6,614,181
Delinquent taxes collected	169,970	144,472
Penalties and interest collected	<u>132,831</u>	<u>111,522</u>
Total collections	<u>\$ 8,011,498</u>	<u>6,870,175</u>

Current tax collections for the years ended August 31, 2023 and 2022 were approximately 99% of the current tax levy. An allowance for uncollectible taxes is based upon the historical experience in collecting property taxes.

For the fiscal years ended August 31, 2023 and 2022, the District, did not enter into any tax abatement agreements.

(13) Budgets

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 budget, which is prepared on the accrual basis of accounting, is adopted by the District's Board of Trustees. 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.

Kilgore Junior College DistrictNotes to Financial Statements
(Continued)(14) Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B). The District had no unrelated business income tax liability for 2023 or 2022.

The Foundation is an organization generally exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

(15) Commitments and Contingencies

The District prepaid rent of \$1.35 million at August 31, 2022 for a lease agreement that has not yet commenced. The prepaid rent will be applied to construction costs associated with the facility to be leased. The lease commences upon completion of construction and occupancy of the building.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

(16) Contracts and Grants

Contract and grant revenues are recognized as earned in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. For contract and grant awards, funds expended but not collected are reported as accounts receivable in the accompanying Statements of Net Position. Contract and grant awards that are not yet funded, and for which the District has not yet performed services, are not included in the financial statements. Such contract and grant awards already committed total \$215,673 and \$369,888 at August 31, 2023 and 2022, respectively, for state contract and grant awards. There were no such commitments for federal contract and grant awards at August 31, 2023 and 2022.

(17) Business Concentrations and Uncertainties

The District generally serves the East Texas region; consequently, it is impacted by the general economy of that area. Also, the District receives a substantial portion of its funding from federal and state sources; consequently, the District is dependent upon continued funding from these sources.

Kilgore Junior College DistrictNotes to Financial Statements
(Continued)**(18) Prior Period Adjustment**

During the current year, the District determined that accounts receivable had been adjusted against unearned revenue in a previous year that reversed out the 2021 prior period adjustment for revenues deferred. Accordingly, unrestricted net position at September 1, 2022 has been increased by \$3,929,676. Unearned revenue and accounts receivable were increased by \$4,053,785 and \$7,983,461, respectively.

(19) Authoritative Pronouncements Not Yet Effective

The following pronouncements were issued by the Governmental Accounting Standards Board (GASB) which may impact the District but are not yet effective. The District has not yet determined the effects of the adoption on its financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB 62* (issued June 2022) – the objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences* (issued June 2022) – the objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences through a unified recognition and measurement model and amendment of certain previously required disclosures. The requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 2023.

(20) Subsequent Events

The District has evaluated subsequent events from the date of the statements of net position through February 12, 2024, the date on which the financial statements were available to be issued, and has determined that there are no items to disclose.

Required Supplementary Information

Kilgore Junior College District
Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Measurement Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.014079244	0.013359121	0.014104439	0.014454500	0.014010400	0.014281800	0.014733000	0.016308000	0.018273000
District's proportionate share of the net pension liability	\$ 8,358,485	3,402,095	7,554,050	7,513,872	7,711,649	4,566,550	5,567,397	5,764,767	4,880,972
State's proportionate share of the net pension liability associated with the District	5,880,866	2,597,529	5,870,861	5,553,473	5,515,265	3,273,061	4,025,645	4,305,508	3,624,257
Total	\$ 14,239,351	5,999,624	13,424,911	13,067,345	13,226,914	7,839,611	9,593,042	10,070,275	8,505,229
District's covered payroll	\$ 14,487,648	13,333,325	13,685,419	12,985,938	11,863,073	11,692,838	11,801,949	11,773,932	12,888,197
District's proportionate share of the net pension liability as a percentage of its covered payroll	57.7%	25.5%	55.2%	57.9%	65.0%	39.1%	47.2%	49.0%	37.9%
Plan's fiduciary net position as a percentage of the total pension liability	75.6%	88.8%	75.5%	75.2%	73.7%	82.2%	78.0%	78.0%	83.3%

Note:
Information for measurement years prior to 2014 is not available.

See accompanying independent auditor's report.

Kilgore Junior College District
Schedule of the District's Contributions to the
Teacher Retirement System of Texas
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 750,181	649,848	568,579	568,212	579,153	449,262	468,074	468,106	478,467
Contributions in relation to the contractually required contribution	750,181	649,848	568,579	568,212	579,153	449,262	468,074	468,106	478,467
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Covered payroll	\$ 16,302,624	14,487,648	13,333,325	13,685,419	12,985,938	11,863,073	11,692,838	11,801,949	11,773,932
Contributions as a percentage of covered payroll	\$ 4.60%	4.49%	4.26%	4.15%	4.46%	3.79%	4.00%	3.97%	4.06%

Note:
Information for fiscal years prior to 2015 is not available.

See accompanying independent auditor's report.

Kilgore Junior College District
Schedule of the District's Proportionate Share of the OPEB Liability
Last Ten Measurement Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the OPEB liability	0.081632940	0.080781490	0.084201820	0.081326500	0.104132200	0.097567300
District's proportionate share of the OPEB liability	\$ 23,254,748	28,980,769	27,824,181	28,108,603	30,862,433	33,244,124
State's proportionate share of the OPEB liability associated with the District	<u>22,076,248</u>	<u>28,011,426</u>	<u>25,795,331</u>	<u>27,827,761</u>	<u>17,802,444</u>	<u>33,244,123</u>
Total	<u>\$ 45,330,996</u>	<u>56,992,195</u>	<u>53,619,512</u>	<u>55,936,364</u>	<u>48,664,877</u>	<u>66,488,247</u>
District's covered payroll	<u>\$ 14,487,648</u>	<u>13,333,325</u>	<u>13,685,419</u>	<u>12,985,938</u>	<u>11,863,073</u>	<u>11,692,838</u>
District's proportionate share of the OPEB liability as a percentage of its covered payroll	<u>160.5%</u>	<u>217.4%</u>	<u>203.3%</u>	<u>216.5%</u>	<u>260.2%</u>	<u>284.3%</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	<u>0.6%</u>	<u>0.4%</u>	<u>0.3%</u>	<u>0.2%</u>	<u>1.3%</u>	<u>2.0%</u>

Note:

Information for measurement years prior to 2017 is not available.

See accompanying independent auditor's report and notes to required supplementary information – Employee Retirement System of Texas.

Kilgore Junior College District

Schedule of the District's Contributions to the Employee Retirement System of Texas

Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 730,265	977,948	992,208	991,903	977,733	988,903
Contributions in relation to the contractually required contribution	<u>730,265</u>	<u>977,948</u>	<u>992,208</u>	<u>991,903</u>	<u>977,733</u>	<u>988,903</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ <u>16,302,624</u>	<u>14,487,648</u>	<u>13,333,325</u>	<u>13,685,419</u>	<u>12,985,938</u>	<u>11,863,073</u>
Contributions as a percentage of covered payroll	\$ <u>4.48%</u>	<u>6.75%</u>	<u>7.44%</u>	<u>7.25%</u>	<u>7.53%</u>	<u>8.34%</u>

Note:

Information for fiscal years prior to 2018 is not available.

Kilgore Junior College District

Notes to Required Supplementary Information – Employee Retirement System of Texas

Year Ended August 31, 2023

(1) Changes in Benefit Terms

Any plan changes that have been adopted and communicated to plan members by the time the valuation is prepared must be included in the valuation. Accordingly, this valuation reflects the benefit changes that will become effective September 1, 2022, since these changes were communicated to plan members in advance of the preparation of the latest valuation report.

There are no significant changes in benefit terms.

(2) Changes in Assumptions

Demographic Assumptions. The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to cover dependent children.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the opt-out credit at retirement.
- The percentage of higher education vested terminated members assumed to have terminated less than one year before the valuation date.

Economic Assumptions: Assumptions for assumed per capita health benefit costs and health benefit cost and retiree contribution and expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.

The discount rate was changed from 2.14% as of August 31, 2021 to 3.59% as of August 31, 2022 as a result of requirements to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Supplemental Information

Kilgore Junior College District
Schedule of Operating Revenues
(Schedule A)

Year Ended August 31, 2023
(With Memorandum Totals for the Year Ended August 31, 2022)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Total	
					2023	2022
Tuition and fees:						
State funded credit courses:						
In-district resident tuition	\$ 1,254,828	-	1,254,828	-	1,254,828	1,409,390
Out-of-district resident tuition	3,936,616	-	3,936,616	-	3,936,616	4,648,588
Non-resident tuition	306,967	-	306,967	-	306,967	384,459
TPEG - credit (set aside)	304,107	-	304,107	-	304,107	449,799
State funded continuing education	1,599,942	-	1,599,942	-	1,599,942	1,571,360
Non-state funded educational programs	99,801	-	99,801	-	99,801	9,252
Total tuition	<u>7,502,261</u>	<u>-</u>	<u>7,502,261</u>	<u>-</u>	<u>7,502,261</u>	<u>8,472,848</u>
Fees:						
General education fees	2,860,707	-	2,860,707	-	2,860,707	2,942,638
Out-of-district fees	4,328,825	-	4,328,825	-	4,328,825	4,528,560
Laboratory fees	773,743	-	773,743	-	773,743	870,000
Testing fees	776,278	-	776,278	-	776,278	90,543
Administrative fees	623,317	-	623,317	-	623,317	934,686
Special services fees	9,225	-	9,225	-	9,225	8,100
Distance learning fees	828,042	-	828,042	-	828,042	889,145
Total fees	<u>10,200,137</u>	<u>-</u>	<u>10,200,137</u>	<u>-</u>	<u>10,200,137</u>	<u>10,263,672</u>
Scholarship allowances and discounts:						
Remissions and exemptions	(1,026,106)	-	(1,026,106)	-	(1,026,106)	(1,026,106)
Federal grants to students	(6,083,140)	-	(6,083,140)	-	(6,083,140)	(6,341,760)
TPEG awards	(291,408)	-	(291,408)	-	(291,408)	(303,797)
State grants	(661,517)	-	(661,517)	-	(661,517)	(689,641)
Local scholarships	(777,466)	-	(777,466)	-	(777,466)	(810,520)
Total scholarship allowances	<u>(8,839,637)</u>	<u>-</u>	<u>(8,839,637)</u>	<u>-</u>	<u>(8,839,637)</u>	<u>(9,171,824)</u>
Total net tuition and fees	<u>8,862,761</u>	<u>-</u>	<u>8,862,761</u>	<u>-</u>	<u>8,862,761</u>	<u>9,564,696</u>
Additional operating revenues:						
Federal grants and contracts	-	10,329,562	10,329,562	-	10,329,562	14,829,241
State grants and contracts	-	767,146	767,146	-	767,146	1,789,980
Local grants and contracts	-	685,235	685,235	-	685,235	2,337,270
Sales and services of educational activities	29,587	-	29,587	-	29,587	4,420
Other operating revenues	695,991	-	695,991	-	695,991	909,819
Total additional operating revenues	<u>725,578</u>	<u>11,781,943</u>	<u>12,507,521</u>	<u>-</u>	<u>12,507,521</u>	<u>19,870,730</u>
Auxiliary enterprises:						
Bookstore	-	-	-	1,731,260	1,731,260	1,952,460
less discounts	-	-	-	(921,791)	(921,791)	(984,387)
Dormitories	-	-	-	1,024,695	1,024,695	825,857
less discounts	-	-	-	(299,481)	(299,481)	(321,619)
Cafeteria	-	-	-	1,386,040	1,386,040	1,345,987
less discounts	-	-	-	(192,601)	(192,601)	(204,291)
Athletics	-	-	-	51,320	51,320	51,880
East Texas Oil Museum	-	-	-	157,252	157,252	139,708
Rangerette Showcase and Museum	-	-	-	86,454	86,454	88,209
Texas Shakespeare Festival	-	-	-	499,106	499,106	514,019
Fitness Center	-	-	-	38,216	38,216	15,403
Student activities	-	-	-	15,993	15,993	10,989
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,576,463</u>	<u>3,576,463</u>	<u>3,434,215</u>
Total operating revenues	<u>\$ 9,588,339</u>	<u>11,781,943</u>	<u>21,370,282</u>	<u>3,576,463</u>	<u>24,946,745</u>	<u>32,869,641</u>

In accordance with Education Code 56.033, \$304,107 and \$449,799 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended August 31, 2023 and 2022, respectively.

See accompanying independent auditor's report.

Kilgore Junior College District
Schedule of Operating Expenses by Object
(Schedule B)

Year Ended August 31, 2023
(With Memorandum Totals for the Year Ended August 31, 2022)

	Operating Expenses				Total	
	Salaries and Wages	Benefits		Other Expenses		
		State	Local		2023	2022
Unrestricted - educational activities:						
Instruction	\$ 11,198,779	-	167,125	1,777,537	13,143,441	12,708,643
Public service	-	-	-	2,925	2,925	8,784
Academic support	2,259,281	-	33,716	373,420	2,666,417	2,445,434
Student services	1,356,574	-	20,245	251,344	1,628,163	1,433,592
Institutional support	4,835,860	-	72,167	4,041,712	8,949,739	8,190,890
Operation and maintenance of plant	127,102	-	1,897	4,943,670	5,072,669	4,891,924
Scholarships and fellowships	-	-	-	1,359,177	1,359,177	1,403,282
Total unrestricted educational activities	19,777,596	-	295,150	12,749,785	32,822,531	31,082,549
Restricted - educational activities:						
Instruction	761,984	1,872,560	11,371	462,286	3,108,201	3,851,435
Public service	297,442	41,953	4,439	285,071	628,905	506,375
Academic support	5,600	421,711	84	106,565	533,960	323,150
Student services	743,997	305,722	11,103	428,849	1,489,671	1,227,588
Institutional support	-	768,354	-	180,277	948,631	561,441
Operation and maintenance of plant	-	-	-	-	-	-
Scholarships and fellowships	-	-	-	3,281,561	3,281,561	7,747,361
Total restricted educational activities	1,809,023	3,410,300	26,997	4,744,609	9,990,929	14,217,350
Total educational activities	21,586,619	3,410,300	322,147	17,494,394	42,813,460	45,299,899
Auxiliary enterprises	1,381,861	-	208,666	3,365,171	4,955,698	4,047,949
Depreciation and amortization:						
Buildings and other improvements	-	-	-	1,419,304	1,419,304	1,365,540
Software	-	-	-	393,689	393,689	251,467
Equipment	-	-	-	3,059,475	3,059,475	2,714,647
Library books	-	-	-	15,102	15,102	39,271
Exhibits	-	-	-	11,831	11,831	11,833
Total depreciation and amortization expense	-	-	-	4,899,401	4,899,401	4,382,758
Total operating expenses	\$ 22,968,480	3,410,300	530,813	30,658,367	52,668,559	53,730,606

See accompanying independent auditor's report.

Kilgore Junior College District
Schedule of Nonoperating Revenues and Expenses
(Schedule C)

Year Ended August 31, 2023
(With Memorandum Totals for the Year Ended August 31, 2022)

	Unrestricted	Restricted	Auxiliary Enterprises	Total	
				2023	2022
Nonoperating revenues:					
State appropriations:					
Education and general state support	\$ 9,654,902	-	-	9,654,902	9,654,902
State group insurance	-	2,285,028	-	2,285,028	2,285,028
State retirement matching	-	1,125,272	-	1,125,272	123,364
Total state appropriations	<u>9,654,902</u>	<u>3,410,300</u>	<u>-</u>	<u>13,065,202</u>	<u>12,063,294</u>
Maintenance ad valorem taxes	7,997,101	-	-	7,997,101	6,809,405
Federal grants and contracts	-	10,287,424	-	10,287,424	9,540,219
Investment income	1,496,266	-	-	1,496,266	230,676
Gifts	1,050	510,134	145,325	656,509	456,630
Insurance proceeds	5,900	-	-	5,900	-
Other	-	-	-	-	14,700
Total nonoperating revenues	<u>19,155,219</u>	<u>14,207,858</u>	<u>145,325</u>	<u>33,508,402</u>	<u>29,114,924</u>
Nonoperating expenses:					
Interest on capital related debt, leases, and subscriptions	136,097	-	-	136,097	131,281
Loss on disposal of capital assets	<u>82,817</u>	<u>-</u>	<u>-</u>	<u>82,817</u>	<u>15,859</u>
Total nonoperating expenses	<u>218,914</u>	<u>-</u>	<u>-</u>	<u>218,914</u>	<u>147,140</u>
Net nonoperating revenues	<u>\$ 18,936,305</u>	<u>14,207,858</u>	<u>145,325</u>	<u>33,289,488</u>	<u>28,967,784</u>

See accompanying independent auditor's report.

Kilgore Junior College District

Schedule of Net Position by Source and Availability (Schedule D)

Year Ended August 31, 2023

	Detail by Source					Available for Current Operation	
	Unrestricted	Restricted		Net Investment in Capital Assets	Total	Yes	No
		Expendable	Non- Expendable				
Current:							
Unrestricted	\$ (2,654,894)	-	-	-	(2,654,894)	(2,654,894)	-
Restricted	-	(6,439)	-	-	(6,439)	-	(6,439)
Auxiliary	(6,413,125)	-	-	-	(6,413,125)	(6,413,125)	-
Plant:							
Unexpended	(3,693,525)	-	-	-	(3,693,525)	(3,693,525)	-
Debt service	-	(266,786)	-	-	(266,786)	-	(266,786)
Investment in plant	-	-	-	55,697,351	55,697,351	-	55,697,351
Total net position, August 31, 2023	(12,761,544)	(273,225)	-	55,697,351	42,662,582	(12,761,544)	55,424,126
Total net position, August 31, 2022	<u>(13,900,460)</u>	<u>6,458</u>	<u>-</u>	<u>50,988,910</u>	<u>37,094,908</u>	<u>(13,900,460)</u>	<u>50,995,368</u>
Net increase (decrease) in net position	<u>\$ 1,138,916</u>	<u>(279,683)</u>	<u>-</u>	<u>4,708,441</u>	<u>5,567,674</u>	<u>1,138,916</u>	<u>4,428,758</u>

See accompanying independent auditor's report.

Kilgore Junior College District

Schedule of Expenditures of Federal Awards (Schedule E)

Year Ended August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Education:</u>				
Direct Programs:				
Student Financial Assistance Cluster:				
Federal Supplemental Education Opportunity Grant Program	84.007		\$ -	\$ 163,010
Federal Work Study Program	84.033		-	128,083
Federal Pell Grant Program	84.063		-	9,982,561
Federal Direct Student Loans	84.268		-	5,539,407
Total Student Financial Assistance Cluster			-	15,813,061
Expanding and Strengthening Online Access and Success - Title III	84.031F		-	68,618
Total Expanding and Strengthening Online Access and Success - Title III			-	68,618
TRIO Cluster:				
TRIO - Student Support Services	84.042A		-	274,444
TRIO - Upward Bound	84.047A		-	288,856
TRIO - Employment Opportunity Center	84.066A		-	231,424
Total TRIO Cluster			-	794,724
Education Stabilization Fund:				
COVID-19 Higher Education Emergency Relief Fund - Student Aid	84.425E		-	1,080,917
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F		-	6,132,390
COVID-19 Higher Education Emergency Relief Fund - Strengthening Institutions	84.425M		-	551,038
Pass Through From:				
Texas Higher Education Coordinating Board:				
COVID-19 Texas Reskilling Support Fund Grant Program	84.425C	24106	-	110,459
COVID-19 TRUE Reskilling Support Fund Grant Program	84.425C	25715	-	18,116
COVID-19 Accelerating Student Success	84.425C	27317	-	12,963
COVID-19 Reporting Modernization	84.425C	27575	-	41,900
COVID-19 Governor's Emergency Education Relief Fund	84.425C	28364	-	18,309
COVID-19 Governor's Emergency Education Relief Fund	84.425C	28719	-	40,108
Total Education Stabilization Fund			-	8,006,200
Pass Through From:				
Humanities of Texas:				
COVID-19 Promotion of the Humanities	42.129	2020-5706	-	6,519
Jack Nolan Project	42.129	2022-6721	-	520
Texas Shakespeare Festival	42.129	2021-6492	-	5,000
Total Humanities of Texas Grants			-	12,039
Literacy Council of Tyler:				
Adult Education & Family Literacy Act	84.002	0181ALA00C	-	500,302
Adult Education & Family Literacy Act	84.002	0181ALA000	-	86,391
Total Adult Education & Family Literacy Act			-	586,693
Texas Higher Education Coordinating Board:				
Carl Perkins - Career and Technical Education - Basic Grants to States	84.048	2242020271	-	557,821
Total Vocational Education - State Basic Grant Program			-	557,821
Total U.S. Department of Education			-	25,839,156
<u>National Endowment for the Arts</u>				
Direct Program:				
Texas Shakespeare Festival	45.024		-	20,000
Pass Through From:				
Arts Midwest:				
Texas Shakespeare Festival	45.024	1889114-32-21	-	25,000
Total National Endowment for the Arts			-	45,000

Kilgore Junior College District

Schedule of Expenditures of Federal Awards (Schedule E)

(continued)

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Health and Human Services</u>				
Pass Through From:				
East Texas Council of Governments:				
Temporary Assistance for Needy Families	93.558	KC-TANF-PY21-01	-	1,729
Entrepreneurship Bootcamp	93.558	KC-EBC-PY22-01	-	2,051
Total East Texas Council of Governments			-	3,780
Total U.S. Department of Health and Human Services			-	3,780
Total Federal Awards			\$ -	\$ 25,887,936

See accompanying independent auditor's report and notes to schedule of expenditures of federal awards.

Kilgore Junior College District

Notes to Schedule of Expenditures of Federal Awards

Year Ended August 31, 2023

(1) Federal Revenue Reconciliation

Federal revenues for 2023 are reported in the basic financial statements as follows:

Federal grants and contracts per Exhibit 2	\$ 20,616,986
Add: Federal Direct Student Loans made	5,539,407
Less: Amounts not subject to single audit	<u>(268,457)</u>
 Total per Schedule of Expenditures of Federal Awards	 <u><u>\$ 25,887,936</u></u>

(2) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Kilgore Junior College District (the District) under programs of the federal government for the year ended August 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

(3) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and “frequently asked questions” (FAQs) and other guidance issued by the U.S. Department of Education, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

(4) Indirect Cost Rate

The District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Kilgore Junior College District

Schedule of Expenditures of State Awards (Schedule F)

Year Ended August 31, 2023

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Indirect Costs and Expenditures</u>
Texas Higher Education Coordinating Board			
State Work Study		\$ -	\$ 68,960
Nursing Shortage Grant - Under 70		-	5,698
Nursing Shortage Grant - Regular	24551	-	25,731
Nursing Shortage Grant - Regular	27009	-	17,272
Texas Education Opportunity Grant		-	68,280
College Readiness and Success Models		-	6,858
Total Texas Higher Education Coordinating Board		-	192,799
Texas Workforce Commission			
Skills Development - Eastman	0822SDF001		237,594
Jobs Education for Texas - Fire Academy	0821JET001		59,789
Total Texas Workforce Commission		-	297,383
Literacy Council of Tyler			
Adult Education and Literacy - State		-	46,159
Total Literacy Council of Tyler	0820AEL001	-	46,159
Texas Commission on the Arts			
Texas Shakespeare Festival		-	14,500
		-	14,500
Total State Awards		\$ -	\$ 550,841

See accompanying independent auditor's report and notes to schedule of expenditures of state awards.

Kilgore Junior College District

Notes to Schedule of Expenditures of State Awards

Year Ended August 31, 2023

(1) State Revenue Reconciliation

State revenues for 2023 are reported in the basic financial statements as follows:

State grants and contracts per Exhibit 2	\$ 767,146
Less: Amounts not subject to single audit	<u>(216,305)</u>
Total per Schedule of Expenditures of State Awards	<u>\$ 550,841</u>

(2) Basis of Presentation

The accompanying Schedule of Expenditures of State Awards (the Schedule) includes the state grant activity of Kilgore Junior College District (the District) under programs of the state government for the year ended August 31, 2023. The information in this Schedule is presented in accordance with the requirements of the *State of Texas Single Audit Circular* contained in the *Texas Grant Management Standards*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

(3) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Texas Grant Management Standards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Overall Compliance, Internal Control and
Federal Awards Section**



JAYNES REITMEIER BOYD & THERRELL, P.C.
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**INDEPENDENT AUDITOR'S 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***

The Board of Trustees
Kilgore Junior College District:

We have audited, 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, the financial statements of the business-type activities and the discretely presented component unit of Kilgore Junior College District (the District) as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 12, 2024. The financial statements of The Kilgore College Foundation, a discretely presented component unit of the District, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with The Kilgore College Foundation.

Report on Internal Control over Financial Reporting

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

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, including the *Public Funds Investment Act* (Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the 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* or the *Public Funds Investment Act*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our engagement and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jaynes, Reitzmeier, Boyd & Threlkeld, P.C.

February 12, 2024



JAYNES REITMEIER BOYD & THERRELL, P.C.
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE *UNIFORM GUIDANCE***

The Board of Trustees
Kilgore Junior College District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Kilgore Junior College District's (the District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2023. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Districts compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Jaynes, Reitzmeier, Boyd & Threlkeld, P.C.

February 12, 2024

Kilgore Junior College District
Schedule of Findings and Questioned Costs
Year Ended August 31, 2023

(1) Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- | | | | | |
|---|---------------|-----|---------------|---------------|
| o Material weakness(es) identified? | <u> x </u> | yes | <u> </u> | no |
| o Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> </u> | yes | <u> x </u> | none reported |

Noncompliance material to financial statements noted?	<u> </u>	yes	<u> x </u>	no
---	---------------	-----	--------------	----

Federal Awards

Internal control over major programs:

- | | | | | |
|---|---------------|-----|--------------|---------------|
| o Material weakness(es) identified? | <u> </u> | yes | <u> x </u> | no |
| o Significant deficiency(ies) identified that are not considered to be material weaknesses? | <u> </u> | yes | <u> x </u> | none reported |

Type of auditor's report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) of the Uniform Guidance?

<u> </u>	yes	<u> x </u>	no
---------------	-----	--------------	----

Identification of major federal programs:

CFDA Number(s) Name of Federal Program or Cluster

Student Financial Assistance Cluster:	
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans Program
Education Stabilization Fund:	
84.425C	COVID-19 Texas Reskilling Support Fund Grant Program
84.425C	COVID-19 True Reskilling Support Fund Grant Program
84.425C	COVID-19 Accelerating Student Success
84.425C	COVID-19 Reporting Modernization
84.425C	COVID-19 Governor's Emergency Education Relief Fund
84.425E	COVID-19 Higher Education Emergency Relief Fund - Student Aid
84.425F	COVID-19 Higher Education Emergency Relief Fund - Institutional Portion
84.425M	COVID-19 Higher Education Emergency Relief Fund - Strengthening Institutions
TRIO Cluster:	
84.042A	TRIO - Student Support Services
84.047A	TRIO - Upward Bound
84.066A	TRIO - Employment Opportunity Center

Dollar threshold used to distinguish between type A and type B federal programs:

\$776,638

Auditee qualified as low-risk auditee for federal programs?

<u> </u>	yes	<u> x </u>	no
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Kilgore Junior College District
Schedule of Findings and Questioned Costs
(Continued)

(2) Financial Statement Findings

Finding 2023-001 – Controls over Annual Financial Reporting

As noted in prior audits and consistent with current year, the financial statements and related note disclosures of the District have been completed by the independent accounting firm at the District's request. During the fiscal year 2023 audit, the District assisted with preparation of certain supplementary information. As a result of audit procedures, there were material audit adjustments identified to properly state construction in progress, compensated absences, and certain accrued liabilities at year-end. Furthermore, there were material errors identified in District-prepared schedules for implementation of the new accounting standard related to subscription-based information technology arrangements which also resulted in a material audit adjustment.

The fact that we prepare the financial statements may give users more confidence that the financial statements are correct; however, we cannot be considered a part of the District's internal controls. Consequently, given the material adjustments identified as a result of our audit procedures, a material weakness in controls over annual financial reporting exists.

Views of Responsible Officials

The Kilgore Junior College District acknowledges the repeat audit finding regarding our reliance on an independent accounting firm for preparing certain financial statements and schedules, including the year-end construction in progress entry that was material this year, along with other year-end accruals. In response, we are actively addressing this issue by expanding our accounting team to enhance our internal capabilities for independently managing all aspects of financial reporting. This expansion is aimed at ensuring full compliance with financial reporting standards and rectifying the control deficiency. We now have a schedule that meets the requirement for the new accounting standard related to subscription-based information technology. Our commitment to this improvement demonstrates our dedication to financial transparency and accountability, and we believe these measures will significantly strengthen our financial management and reporting processes.

Responsible Individuals: Terry Hanson, Vice-President of Administrative Services/CFO;
Brazy Sammons, Controller

Anticipated Completion Date: August 31, 2024

(3) Federal Award Findings and Questioned Costs

None noted.

Kilgore Junior College District
Summary Schedule of Prior Audit Findings

August 31, 2023

Repeat Finding 2022-001 – Controls over Annual Financial Reporting

As noted in prior audits, the financial statements and related note disclosures of the District have been completed by the independent accounting firm at the District's request. However, we cannot be considered a part of the District's internal controls. Consequently, the inability of the District to prepare its own financial statements and related note disclosures is considered a control deficiency.

The fact that we prepare the financial statements may give users more confidence that the financial statements are correct; however, it does not eliminate the control deficiency. Management has made a conscious decision, due to costs or other considerations, to accept the degree of risk posed by this control deficiency over financial reporting.

Views of Responsible Officials

We agree with the comment on internal control. Due to timing of completion of the 2021 Annual Financial Report and the conclusion of the 2022 fiscal year, sufficient time was not available to remediate the existing deficiency noted in financial reporting in the prior year. However, the District is still on the same timeline provided in the prior year corrective action plan. The business office is documenting existing processes and developing procedure manuals and checklists. The business office will continue to develop and implement a sustainable internal controls management program to ensure controls are adequately designed, implemented, executed, and monitored on an ongoing basis to achieve the goal of timely closing of the general ledger, timely preparation of account reconciliations, identification and proper analysis of transactions, and proper accounting and timely reporting of financial transactions. The business office is revising the chart of accounts after the fiscal year 2022 audit with the goal to start using the new chart of accounts at the start of fiscal year 2024 aiding in financial reporting and budget monitoring. See current year finding 2023-001.



East Texas Oil Museum

Olivia Moore
Museum Services Director

East Texas Oil Museum

Opened in 1980

Almost 1.5 million visitors

Annually approx. 14,000



Mission:

Preserving the History and Telling the Story.



Social Media



Facebook followers

 6K

Instagram followers

 974



Special Exhibitions:

Real Photo
Postcards of the
East Texas Oil
Field by Jack
Nolan



Charlotte Baker
Montgomery Art
Exhibit



The Man and The Map

2023 Museum Improvements



Front Window Graphics
Kiosk for Digital Archive
New Introduction Video
Women of the Boom Video
Explorable Places Tour Site



Community Outreach

Lone Star Explorers Club
Spring Break Party 2023
Kids Day 2023
East Texas History Summit



2024 Community Events Planned



East Texas History Summit
January 20, 2024



Fueling Fitness 5k & Fun
Run April 27, 2024



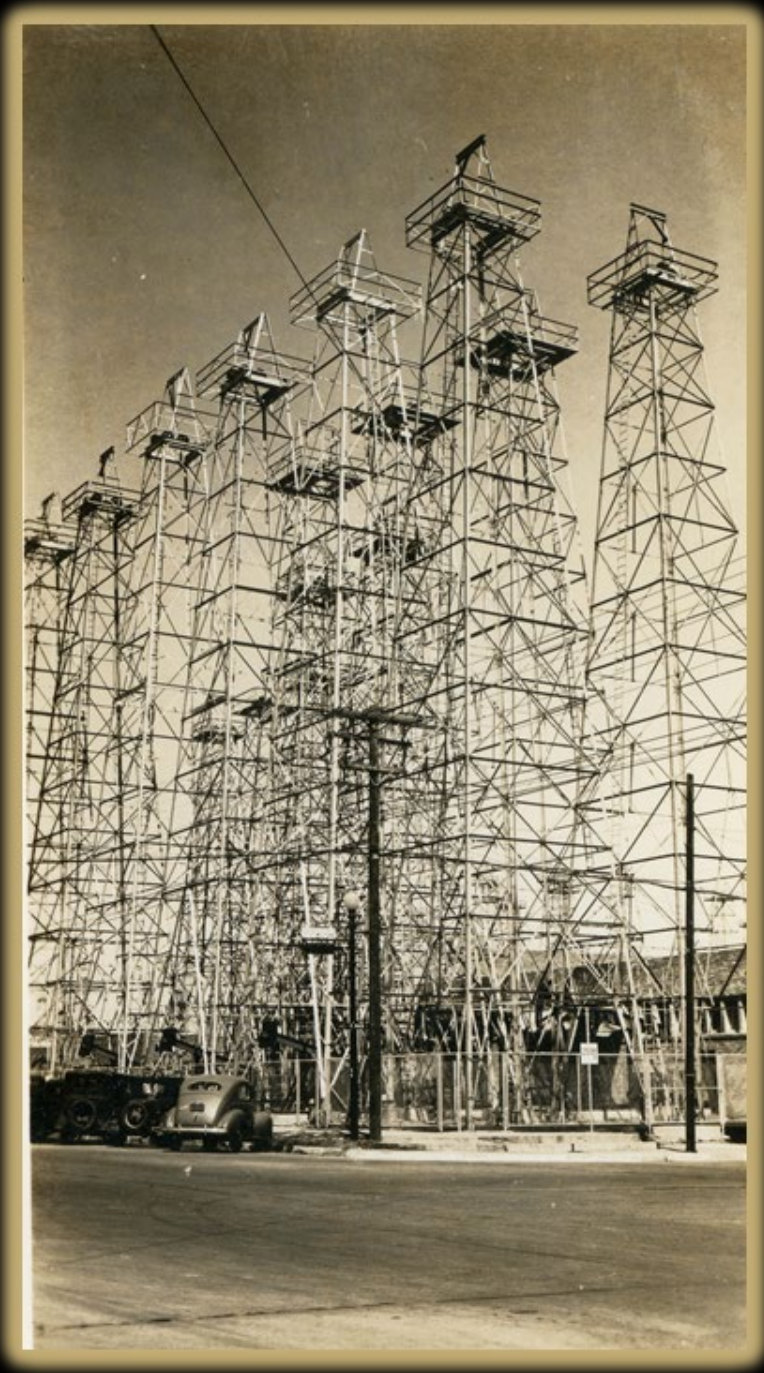
Kids Day 2024
August 31, 2024



2024 Operational Plans

- Working on **grant opportunities** for exhibition creation and collection management.
- Seeking **new ideas** to move the mission forward, whether through special or permanent exhibits.
- Collaborating with **community partners**.





Thank you!

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Kilgore College
October Financial Snapshot
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)
Revenues and Expenses from Operations - Excludes Auxillary

	FY 2023 Actual	October 30, 2023	Budget Variance	FY 2024 Budget	% of Annual Budget
Credit Tuition					
In-District Tuition	\$1,085,230.85	\$434,602.00	(\$780,398)	\$1,215,000	36%
Out of District Tuition	\$2,560,230.35	\$928,584.70	(\$2,081,415)	\$3,010,000	31%
Out of State Tuition (Texas Non-Resident)	\$320,471.10	\$109,069.95	(\$255,930)	\$365,000	30%
Early Admission/Dual Credit	\$1,836,586.70	\$799,140.40	\$25,440	\$773,700	103%
Total Credit Tuition:	\$5,802,519.00	\$2,271,397.05	(\$3,092,303)	\$5,363,700	42%
Course and Special Fees					
General Education Fee	\$2,860,707.50	\$1,311,309.05	(\$2,028,691)	\$3,340,000	39%
Out of District Fee	\$4,328,824.75	\$2,036,013.95	(\$2,613,986)	\$4,650,000	44%
Course Fees	\$1,825,608.30	\$1,087,501.60	(\$1,232,498)	\$2,320,000	47%
All Other Fees	\$988,042.34	\$734,099.00	(\$1,038,321)	\$1,772,420	41%
Total Course and Special Fees:	\$10,003,182.89	\$5,168,923.60	(\$6,913,496)	\$12,082,420	43%
State Appropriations					
State Appropriations - Formula Funding	\$9,654,902.00	\$6,889,364.98	(\$6,889,365)	\$13,778,730	50%
State Appropriations - Dual Credit FAST Funding	\$0.00	\$0.00	(\$376,300)	\$376,300	
State Appropriations - Teacher Retirement System TRS/ORP	\$102,514.01	\$7,332.40	(\$82,668)	\$90,000	8%
Total State Appropriations:	\$9,757,416.01	\$6,896,697.38	(\$7,348,333)	\$14,245,030	48%
District Ad-Valorem Property Taxes					
Property Tax Revenues M&O	\$6,808,372.04	\$1,023,543.93	(\$6,296,848)	\$7,320,392	14%
Property Tax Revenues I&S	\$1,010,168.51	\$247,297.17	(\$1,590,027)	\$1,837,324	13%
Delinquent Tax Collections	\$178,559.63	\$29,148.96	(\$70,851)	\$100,000	29%
Total Ad-Valorem Tax Collections:	\$7,997,100.18	\$1,299,990.06	(\$7,957,726)	\$9,257,716	14%
Other Revenue from Operations					
Indirect Cost Recovery (from grants/contracts)	\$90,296.63	\$5,136.65	(\$44,863)	\$50,000	10%
Interest/Investment Income	\$1,496,266.67	\$234,909.21	(\$823,690)	\$1,058,599	22%
Continuing Education	\$2,238,074.91	\$598,360.40	(\$1,928,040)	\$2,526,400	24%
Other Revenue from Operations	\$3,303,295.50	\$93,860.92	(\$139,139)	\$233,000	40%
KC Plant Fund Reserves for Capital Improvements	\$11,367,450.00	\$500,000.00	\$0	\$500,000	100%
Total Other Revenue from Operations:	\$18,495,383.71	\$1,432,267.18	(\$2,935,732)	\$4,367,999	33%
Total Revenues	\$52,055,601.79	\$17,069,275.27	(\$28,247,590)	\$45,316,865	38%
Operating Expenses					
Salaries & Wages	\$18,569,212.69	\$3,336,635.61	\$18,115,647	\$21,452,282	16%
Employee Benefits	\$4,024,429.29	\$408,184.89	\$2,216,164	\$2,624,349	16%
Other Operating Expenses	\$14,529,697.23	\$2,310,194.97	\$13,474,997	\$15,785,192	15%
Debt Service - SECO Loans	\$1,049,898.36	\$0.00	\$1,837,324	\$1,837,324	0%
Capital Budget	\$12,005,450.00	\$1,151,559.33	\$2,147,740	3,299,299	35%
Employee Raises	\$0.00	\$0.00	\$68,928	\$68,928	0%
Total Expenses	\$50,178,687.57	\$7,206,574.80	\$37,860,800	\$45,067,375	16%
Net Income/(Loss)	\$1,876,914.22	\$9,862,700.47	\$9,613,210	\$249,490	



Kilgore College
October Financial Snapshot
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)
Revenues and Expenses from Auxiliary Enterprises (Grouped)

	FY 2023 Actual	October 30, 2023	Budget Variance	FY 2024 Budget	% of Annual Budget
Campus Life Revenues	\$2,438,271	\$1,334,934.50	(\$1,307,372)	\$2,642,306	50.5%
Campus Life Expenses	\$1,704,530	\$324,944.57	\$1,430,628	\$1,755,573	18.5%
Net Student Housing Activity	\$733,741	\$1,009,989.93	\$123,257	\$886,733	
Campus Store Revenues	\$1,731,260	\$422,542.59	(\$2,155,557)	\$2,578,100	16.4%
Campus Store Expenses	\$1,626,184	\$196,783.36	\$1,851,508	\$2,048,291	9.6%
Net Bookstore Activity	\$105,076	\$225,759.23	(\$304,050)	\$529,809	
Rangerette Showcase Revenues	\$86,460	\$13,704.40	(\$143,096)	\$156,800	8.7%
Rangerette Showcase Expenses	\$57,070	\$41,585.19	\$94,173	\$135,758	30.6%
Net Rangerette Showcase Activity	\$29,391	(\$27,880.79)	(\$48,923)	\$21,042	
KCEXCEL Health Club Revenues	\$39,360	\$9,648.42	(\$252,252)	\$261,900	3.7%
KCEXCEL Health Club Expenses	\$176,735	\$30,547.11	\$181,953	\$212,500	14.4%
Net Parks Fitness Center Activity	(\$137,374)	(\$20,898.69)	(\$70,299)	\$49,400	
East Texas Oil Museum Revenues	\$166,079	\$14,214.65	(\$178,294)	\$192,509	7.4%
East Texas Oil Museum Expenses	\$167,771	\$34,743.20	\$147,525	\$182,268	19.1%
Net East Texas Oil Museum Activity	(\$1,692)	(\$20,528.55)	(\$30,770)	\$10,241	
RangerPRINT Revenues	\$225,004	\$46,685.69	(\$743,314)	\$790,000	5.9%
RangerPRINT Expenses	\$831,006	\$137,638.60	\$636,361	\$774,000	17.8%
Net Printshop Activity	(\$606,002)	(\$90,952.91)	(\$106,953)	\$16,000	
Athletics Revenues	\$78,494	\$40,623.82	(\$74,530)	\$115,154	35.3%
Athletics Expenses	\$1,771,945	\$697,881.56	\$1,179,987	\$1,877,869	37.2%
Net Athletics Activity	(\$1,693,450)	(\$657,257.74)	\$1,105,457	(\$1,762,715)	
Total Net Auxiliary Services Activity:	(\$1,570,311)	\$418,230.48	\$667,720	(\$249,490)	



Kilgore College
November Financial Snapshot
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)
Revenues and Expenses from Operations - Excludes Auxillary

	FY 2023 Actual	November 30, 2023	Budget Variance	FY 2024 Budget	% of Annual Budget
Credit Tuition					
In-District Tuition	\$1,085,230.85	\$701,406.65	(\$513,593)	\$1,215,000	58%
Out of District Tuition	\$2,560,230.35	\$1,570,239.80	(\$1,439,760)	\$3,010,000	52%
Out of State Tuition (Texas Non-Resident)	\$320,471.10	\$165,328.55	(\$199,671)	\$365,000	45%
Early Admission/Dual Credit	\$1,836,586.70	\$1,080,669.20	\$306,969	\$773,700	140%
Total Credit Tuition:	\$5,802,519.00	\$3,517,644.20	(\$1,846,056)	\$5,363,700	66%
Course and Special Fees					
General Education Fee	\$2,860,707.50	\$1,975,376.20	(\$1,364,624)	\$3,340,000	59%
Out of District Fee	\$4,328,824.75	\$3,034,882.05	(\$1,615,118)	\$4,650,000	65%
Course Fees	\$1,825,608.30	\$1,695,354.85	(\$624,645)	\$2,320,000	73%
All Other Fees	\$988,042.34	\$1,172,443.00	(\$599,977)	\$1,772,420	66%
Total Course and Special Fees:	\$10,003,182.89	\$7,878,056.10	(\$4,204,364)	\$12,082,420	65%
State Appropriations					
State Appropriations - Formula Funding	\$9,654,902.00	\$6,889,364.98	(\$6,889,365)	\$13,778,730	50%
State Appropriations - Dual Credit FAST Funding	\$0.00	\$0.00	(\$376,300)	\$376,300	
State Appropriations - Teacher Retirement System TRS/ORP	\$102,514.01	\$14,997.92	(\$75,002)	\$90,000	17%
Total State Appropriations:	\$9,757,416.01	\$6,904,362.90	(\$7,340,667)	\$14,245,030	48%
District Ad-Valorem Property Taxes					
Property Tax Revenues M&O	\$6,808,372.04	\$2,953,627.67	(\$4,366,764)	\$7,320,392	40%
Property Tax Revenues I&S	\$1,010,168.51	\$726,755.53	(\$1,110,568)	\$1,837,324	40%
Delinquent Tax Collections	\$178,559.63	\$39,519.18	(\$60,481)	\$100,000	40%
Total Ad-Valorem Tax Collections:	\$7,997,100.18	\$3,719,902.38	(\$5,537,814)	\$9,257,716	40%
Other Revenue from Operations					
Indirect Cost Recovery (from grants/contracts)	\$90,296.63	\$17,874.65	(\$32,125)	\$50,000	36%
Interest/Investment Income	\$1,496,266.67	\$477,368.21	(\$581,231)	\$1,058,599	45%
Continuing Education	\$2,238,074.91	\$754,778.41	(\$1,771,622)	\$2,526,400	30%
Other Revenue from Operations	\$3,303,295.50	\$116,408.48	(\$116,592)	\$233,000	50%
KC Plant Fund Reserves for Capital Improvements	\$11,367,450.00	\$500,000.00	\$0	\$500,000	100%
Total Other Revenue from Operations:	\$18,495,383.71	\$1,866,429.75	(\$2,501,569)	\$4,367,999	43%
Total Revenues	\$52,055,601.79	\$23,886,395.33	(\$21,430,470)	\$45,316,865	53%
Operating Expenses					
Salaries & Wages	\$18,569,212.69	\$5,148,640.70	\$16,303,642	\$21,452,282	24%
Employee Benefits	\$4,024,429.29	\$629,855.21	\$1,994,494	\$2,624,349	24%
Other Operating Expenses	\$14,529,697.23	\$3,462,283.11	\$12,322,909	\$15,785,192	22%
Debt Service - SECO Loans	\$1,049,898.36	\$0.00	\$1,837,324	\$1,837,324	0%
Capital Budget	\$12,005,450.00	\$1,151,559.33	\$2,147,740	3,299,299	35%
Employee Raises	\$0.00	\$0.00	\$68,928	\$68,928	0%
Total Expenses	\$50,178,687.57	\$10,392,338.35	\$34,675,037	\$45,067,375	23%
Net Income/(Loss)	\$1,876,914.22	\$13,494,056.98	\$13,244,567	\$249,490	



Kilgore College
November Financial Snapshot
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)
Revenues and Expenses from Auxiliary Enterprises (Grouped)

	FY 2023 Actual	November 30, 2023	Budget Variance	FY 2024 Budget	% of Annual Budget
Campus Life Revenues	\$2,438,271	\$1,331,541.00	(\$1,310,765)	\$2,642,306	50.4%
Campus Life Expenses	\$1,704,530	\$584,941.53	\$1,170,631	\$1,755,573	33.3%
Net Student Housing Activity	\$733,741	\$746,599.47	(\$140,134)	\$886,733	
Campus Store Revenues	\$1,731,260	\$462,853.83	(\$2,115,246)	\$2,578,100	18.0%
Campus Store Expenses	\$1,626,184	\$300,159.38	\$1,748,132	\$2,048,291	14.7%
Net Bookstore Activity	\$105,076	\$162,694.45	(\$367,115)	\$529,809	
Rangerette Showcase Revenues	\$86,460	\$17,517.40	(\$139,283)	\$156,800	11.2%
Rangerette Showcase Expenses	\$57,070	\$59,810.81	\$75,947	\$135,758	44.1%
Net Rangerette Showcase Activity	\$29,391	(\$42,293.41)	(\$63,335)	\$21,042	
KCEXCEL Health Club Revenues	\$39,360	\$14,688.05	(\$247,212)	\$261,900	5.6%
KCEXCEL Health Club Expenses	\$176,735	\$44,028.80	\$168,471	\$212,500	20.7%
Net Parks Fitness Center Activity	(\$137,374)	(\$29,340.75)	(\$78,741)	\$49,400	
East Texas Oil Museum Revenues	\$166,079	\$30,117.21	(\$162,392)	\$192,509	15.6%
East Texas Oil Museum Expenses	\$167,771	\$50,853.71	\$131,414	\$182,268	27.9%
Net East Texas Oil Museum Activity	(\$1,692)	(\$20,736.50)	(\$30,978)	\$10,241	
RangerPRINT Revenues	\$225,004	\$69,669.22	(\$720,331)	\$790,000	8.8%
RangerPRINT Expenses	\$831,006	\$164,145.76	\$609,854	\$774,000	21.2%
Net Printshop Activity	(\$606,002)	(\$94,476.54)	(\$110,477)	\$16,000	
Athletics Revenues	\$78,494	\$66,688.55	(\$48,465)	\$115,154	57.9%
Athletics Expenses	\$1,771,945	\$814,554.31	\$1,063,315	\$1,877,869	43.4%
Net Athletics Activity	(\$1,693,450)	(\$747,865.76)	\$1,014,849	(\$1,762,715)	
Total Net Auxiliary Services Activity:	(\$1,570,311)	(\$25,419.04)	\$224,071	(\$249,490)	



Kilgore College
December Financial Snapshot
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)
Revenues and Expenses from Operations - Excludes Auxillary

	FY 2023 Actual	December 31, 2023	Budget Variance	FY 2024 Budget	% of Annual Budget
Credit Tuition					
In-District Tuition	\$1,085,230.85	\$800,569.65	(\$414,430)	\$1,215,000	66%
Out of District Tuition	\$2,560,230.35	\$1,857,918.50	(\$1,152,082)	\$3,010,000	62%
Out of State Tuition (Texas Non-Resident)	\$320,471.10	\$186,546.55	(\$178,453)	\$365,000	51%
Early Admission/Dual Credit	\$1,836,586.70	\$1,381,890.40	\$608,190	\$773,700	179%
Total Credit Tuition:	\$5,802,519.00	\$4,226,925.10	(\$1,136,775)	\$5,363,700	79%
Course and Special Fees					
General Education Fee	\$2,860,707.50	\$2,264,211.50	(\$1,075,789)	\$3,340,000	68%
Out of District Fee	\$4,328,824.75	\$3,480,592.14	(\$1,169,408)	\$4,650,000	75%
Course Fees	\$1,825,608.30	\$1,953,211.35	(\$366,789)	\$2,320,000	84%
All Other Fees	\$988,042.34	\$1,095,685.45	(\$676,735)	\$1,772,420	62%
Total Course and Special Fees:	\$10,003,182.89	\$8,793,700.44	(\$3,288,720)	\$12,082,420	73%
State Appropriations					
State Appropriations - Formula Funding	\$9,654,902.00	\$6,889,364.98	(\$6,889,365)	\$13,778,730	50%
State Appropriations - Dual Credit FAST Funding	\$0.00	\$0.00	(\$376,300)	\$376,300	
State Appropriations - Teacher Retirement System TRS/ORP	\$102,514.01	\$23,104.34	(\$66,896)	\$90,000	26%
Total State Appropriations:	\$9,757,416.01	\$6,912,469.32	(\$7,332,561)	\$14,245,030	49%
District Ad-Valorem Property Taxes					
Property Tax Revenues M&O	\$6,808,372.04	\$3,781,905.29	(\$3,538,487)	\$7,320,392	52%
Property Tax Revenues I&S	\$1,010,168.51	\$931,101.25	(\$906,223)	\$1,837,324	51%
Delinquent Tax Collections	\$178,559.63	\$51,013.93	(\$48,986)	\$100,000	51%
Total Ad-Valorem Tax Collections:	\$7,997,100.18	\$4,764,020.47	(\$4,493,696)	\$9,257,716	51%
Other Revenue from Operations					
Indirect Cost Recovery (from grants/contracts)	\$90,296.63	\$26,223.49	(\$23,777)	\$50,000	52%
Interest/Investment Income	\$1,496,266.67	\$589,079.48	(\$469,520)	\$1,058,599	56%
Continuing Education	\$2,238,074.91	\$770,708.41	(\$1,755,692)	\$2,526,400	31%
Other Revenue from Operations	\$3,303,295.50	\$139,964.98	(\$93,035)	\$233,000	60%
KC Plant Fund Reserves for Capital Improvements	\$11,367,450.00	\$500,000.00	\$0	\$500,000	100%
Total Other Revenue from Operations:	\$18,495,383.71	\$2,025,976.36	(\$2,342,023)	\$4,367,999	46%
Total Revenues	\$52,055,601.79	\$26,723,091.69	(\$18,593,773)	\$45,316,865	59%
Operating Expenses					
Salaries & Wages	\$18,569,212.69	\$6,788,439.50	\$14,663,843	\$21,452,282	32%
Employee Benefits	\$4,024,429.29	\$830,458.80	\$1,793,891	\$2,624,349	32%
Other Operating Expenses	\$14,529,697.23	\$3,930,051.86	\$11,855,140	\$15,785,192	25%
Debt Service - SECO Loans	\$1,049,898.36	\$0.00	\$1,837,324	\$1,837,324	0%
Capital Budget	\$12,005,450.00	\$1,151,559.33	\$2,147,740	3,299,299	35%
Employee Raises	\$0.00	\$0.00	\$68,928	\$68,928	0%
Total Expenses	\$50,178,687.57	\$12,700,509.49	\$32,366,866	\$45,067,375	28%
Net Income/(Loss)	\$1,876,914.22	\$14,022,582.20	\$13,773,092	\$249,490	



Kilgore College
December Financial Snapshot
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)
Revenues and Expenses from Auxiliary Enterprises (Grouped)

	FY 2023 Actual	December 31, 2023	Budget Variance	FY 2024 Budget	% of Annual Budget
Campus Life Revenues	\$2,438,271	\$1,360,005.46	(\$1,282,301)	\$2,642,306	51.5%
Campus Life Expenses	\$1,704,530	\$638,041.54	\$1,117,531	\$1,755,573	36.3%
Net Student Housing Activity	\$733,741	\$721,963.92	(\$164,769)	\$886,733	
Campus Store Revenues	\$1,731,260	\$470,562.31	(\$2,107,538)	\$2,578,100	18.3%
Campus Store Expenses	\$1,626,184	\$390,057.80	\$1,658,233	\$2,048,291	19.0%
Net Bookstore Activity	\$105,076	\$80,504.51	(\$449,304)	\$529,809	
Rangerette Showcase Revenues	\$86,460	\$30,773.40	(\$126,027)	\$156,800	19.6%
Rangerette Showcase Expenses	\$57,070	\$75,688.82	\$60,069	\$135,758	55.8%
Net Rangerette Showcase Activity	\$29,391	(\$44,915.42)	(\$65,957)	\$21,042	
KCEXCEL Health Club Revenues	\$39,360	\$19,051.49	(\$242,849)	\$261,900	7.3%
KCEXCEL Health Club Expenses	\$176,735	\$67,637.80	\$144,862	\$212,500	31.8%
Net Parks Fitness Center Activity	(\$137,374)	(\$48,586.31)	(\$97,986)	\$49,400	
East Texas Oil Museum Revenues	\$166,079	\$33,659.46	(\$158,850)	\$192,509	17.5%
East Texas Oil Museum Expenses	\$167,771	\$65,037.61	\$117,230	\$182,268	35.7%
Net East Texas Oil Museum Activity	(\$1,692)	(\$31,378.15)	(\$41,619)	\$10,241	
RangerPRINT Revenues	\$225,004	\$79,081.25	(\$710,919)	\$790,000	10.0%
RangerPRINT Expenses	\$831,006	\$271,371.03	\$502,629	\$774,000	35.1%
Net Printshop Activity	(\$606,002)	(\$192,289.78)	(\$208,290)	\$16,000	
Athletics Revenues	\$78,494	\$67,316.55	(\$47,837)	\$115,154	58.5%
Athletics Expenses	\$1,771,945	\$917,912.46	\$959,957	\$1,877,869	48.9%
Net Athletics Activity	(\$1,693,450)	(\$850,595.91)	\$912,119	(\$1,762,715)	
Total Net Auxiliary Services Activity:	(\$1,570,311)	(\$365,297.14)	(\$115,807)	(\$249,490)	



Kilgore College
December Capital Update
Fiscal Year 2024 (September 1, 2023 to August 31, 2024)

Project	Posted Balance	Encumbrances	Budget	Total Cost	(Over) Under Budget	% Spent	% Unavailable	% Available	% Completion	Phase
Public Safety										
KCPD Squad Vehicle	-	-	46,000	-	46,000	0%	0%	100%	0%	Pending possible grant
Program Expansion										
Laird FFE & Parking Lot	531,143	468,857	1,000,000	1,000,000	(0)	53%	100%	0%		In Process
Laird FFE (HEGI)	-	1,000,554	1,000,000	1,000,554	(554)	0%	100%	0%	0%	In Process
CDL Track & Facility	66,012	-	3,352,674	66,012	3,286,662	2%	2%	98%	5%	Dirt Work
Capital Items										
Quads Demo - Ranger Village Study	-	-	868,000	-	868,000	0%	0%	100%	0%	Starting
Campus Improvements	4,500	-	265,000	4,500	260,500	2%	2%	98%	2%	In Process
Golf Carts	23,458	-	25,000	23,458	1,542	94%	94%	6%	100%	Complete
Box Truck	57,233	-	60,000	57,233	2,767	95%	95%	5%	100%	Complete
LV Reno Machining	175,621	-	400,000	175,621	224,379	44%	44%	56%	100%	Complete
ATC Chiller	99,589	-	175,000	99,589	75,411	57%	57%	43%	50%	Install 12/18/23
PE Complex Chiller	84,600	-	150,000	84,600	65,400	56%	56%	44%	50%	Install 12/18/23
Buildings & Structures										
Old Main Class Upgrades	564,229	-	710,000	564,229	145,771	79%	79%	21%	85%	Complete
Print Shop HVAC/Siding	85,966	-	300,000	85,966	214,034	29%	29%	71%	90%	To be complete 5-11-2023
Pedestrian Bridge	4,473,969	-	5,305,450	4,473,969	831,481	84%	84%	16%	77%	Renovation in process
Student One-Stop Space Study	-	-	35,000	-	35,000	0%	0%	100%	0%	
ATC Roof	307,610	-	323,000	307,610	15,390	95%	95%	5%	100%	Complete
Stark Hall Renovations	2,460,719	-	2,538,625	2,460,719	77,906	97%	97%	3%	100%	Complete
Total	\$ 8,934,650	\$ 1,469,411	\$ 16,553,749	\$ 10,404,061	\$ 6,149,689					
Debt Funded										
Buildings & Structures										
Roof Repair/ Maint	-	-	595,000.00	-	595,000.00	0%	0%	100%	0%	
Nolan Fire Alarm	-	-	148,000.00	-	148,000.00	0%	0%	100%	0%	
Carpet Gym Floor	-	-	125,000.00	-	125,000.00	0%	0%	100%	0%	
Total	\$ -	\$ -	\$ 868,000.00	\$ -	\$ 868,000.00					



TO: Board of Trustees
Kilgore College

DATE: January 11, 2024
RE: Investment Reporting

The Statement of Cash and Investments as of November 30, 2023 along with the corresponding Schedule of Cash and Investments as of November 30, 2023 has been prepared in accordance with Texas Government Code, Section 2256.023 and the Higher Education Investment Reporting Requirements issued by the State Auditor's Office. Inquiries related to this report may be directed to:

Terry Hanson
Chief Financial Officer / VP of Administrative Services
Kilgore College
1100 Broadway
Kilgore, TX 75662
903-983-7495
thanson@kilgore.edu

The investments are held in compliance with the Kilgore College investment strategy to manage and invest funds with the following objectives listed in order of their priority: safety, suitability, liquidity, diversity and yield.

Brenda S. Kays, President



Terry Hanson, Chief Financial Officer/ VP of Administrative Services

Kilgore College
Statement of Cash and Investments
November 30, 2023

	August 31, 2023 Book Value	August 31, 2023 Market Value	Change	November 30, 2023 Book Value	November 30, 2023 Market Value
Total Cash and Investments					
Bank Deposits (Cash)	\$ 25,807,734	\$ 25,807,734	\$ 2,165,348	\$ 27,973,082	\$ 27,973,082
Certificate of Deposits	8,002,952	\$ 8,002,952	202,168	\$ 8,205,120	\$ 8,205,120
TexPool	185,518	\$ 185,518	2,486	\$ 188,004	\$ 188,004
TOTAL CASH AND INVESTMENTS	<u>\$ 33,996,204</u>	<u>\$ 33,996,204</u>	<u>\$ 2,370,002</u>	<u>\$ 36,366,206</u>	<u>\$ 36,366,206</u>

Notes:

Kilgore College does not employ outside investment advisors or managers and does not have soft dollar arrangements.

Kilgore College is associated with the Kilgore College Foundation, a 501(c) 3 corporation.

The market value of the Kilgore College Foundation as of November 30, 2023 was \$24,771,000.85

Kilgore College

Schedule of Cash and Investments

November 30, 2023

FUND	Maturity Date	Rate	Operating	Restricted	Endowment	Plant Reserve	Bond Reserve	Agency	Accrued Interest	Totals
BALANCE AS OF 08/31/2023			\$ 28,783,264	\$ 360,226	\$ -	\$ 3,537,335	\$ 1,227,827	\$ -	\$ 87,552	\$ 33,996,204
Bank Deposits (Cash)		5.33%	\$ 25,605,500	\$ 357,434	\$ -	\$ 50,000	\$ 1,960,149	\$ -		\$ 27,973,082
Certificates of Deposit										
Operating Reserves CD (91 days) established 11/29/2012	11/17/2023	5.67%	4,635,447						74,889	
Plant Fund Reserve CD (91 days) established 9/15/2010	11/30/2023	5.71%	1,138,000			2,340,584			16,200	
Total Certificates of Deposit			5,773,447	-	-	2,340,584	-	-	91,089	8,205,120
TexPool			130,681			57,323				188,004
Total Cash and Investments			<u>\$ 31,509,629</u>	<u>\$ 357,434</u>	<u>\$ -</u>	<u>\$ 2,447,906</u>	<u>\$ 1,960,149</u>	<u>\$ -</u>	<u>\$ 91,089</u>	<u>\$ 36,366,206</u>

OPERATING AGREEMENT

Between Kilgore College and the Kilgore Rangerettes Forever Foundation

This Operating Agreement is made on this 22nd day of February 2024 by and between Kilgore College, a community college in the State of Texas (the "College") and the Kilgore Rangerettes Forever Foundation, Inc. (the "Foundation").

RECITALS

Whereas, the College is an institution of higher education created pursuant to Texas Education Code: Chapter 130, and

Whereas the Kilgore College Rangerettes are a world-renowned precision drill team whose name and image are trademarked by the College; and

Whereas, the Foundation is an independent 501(c)(3) nonprofit corporation established pursuant to the Texas Nonprofit Corporation Act; and

Whereas, the College has the authority to enter into such contracts as are necessary for the efficient management of the College; and

Whereas, the Foundation is organized and operated exclusively to generate, receive, hold, invest, manage, and allocate funds for the advancement, achievement, and support of the Kilgore College Rangerettes and the Rangerettes educational needs, cultural/promotional programs, and services.

Whereas, the parties desire to formalize their relationship to achieve an efficient agreement on their respective roles in the advocacy for support from the private sector and achieve coordination between them to foster the educational and cultural programs and services in support of the Kilgore College Rangerettes;

Now, therefore in consideration of the mutual covenants, promises and conditions herein contained, the College and the Foundation agree as follows:

1.0 Term

This Agreement will commence on the 22nd day of February, 2024 (the "Commencement Date") and will continue in effect for a period of three (3) years, unless earlier terminated as provided hereinafter (the "Term"). In the event that neither party has terminated this Agreement prior to the expiration of the Term

or any extensions thereof, the Term of this Agreement will be automatically extended for additional periods of three (3) years each. Either party may terminate this Agreement at any time without penalty, provided that written notice of such termination is furnished to the other party at least sixty (60) days prior to the effective date of termination.

2.0 Responsibilities of the College/Rangerettes Directors

2.1 The Kilgore College Rangerette Directors will share annually (on or before September 30) with the Foundation its priorities, projects, and resource requirements, so that the Foundation may represent the direction and needs of the Kilgore College Rangerettes to donor prospects and align its programs and campaigns consistent with the strategic objectives of the Rangerettes.

2.2 All scholarships previously established for the benefit of the Kilgore College Rangerettes, regardless of the donor, will remain under the control of the Kilgore College Foundation and will be administered by established award procedures in close coordination with the Kilgore College Rangerette Directors. For the scholarships that have been funded by the Forevers Organization, information relating to these will be made available, bi-annually, to the Foundation upon receipt of a written request to the KC Foundation.

2.3 The College's authorized agents for purposes of administration of this Agreement are the Vice President of Student Services and College President.

3.0 Responsibilities of the Foundation

3.1 The Foundation will raise, invest, and endow funds for specific Rangerette purposes in accordance with the laws of the State of Texas and any applicable federal laws. Such funds collected will be used to support and augment scholarships, activities, and travel needs of the Kilgore College Rangerettes as provided by the Directors and agreed upon by the Foundation. The Rangerettes will receive the benefit of the net funds raised or generated by the Foundation after the operating expenses and approved expenditures of the Foundation are deducted.

3.2 The Foundation will solicit gifts, where appropriate, in the name of the Foundation, for the benefit of the Rangerettes. Fundraising correspondence solicitations, activities, and advertisements concerning the Foundation will be clearly discernible as being solely from the Foundation and will utilize the tax-exempt status and tax identification number of the Foundation. The Foundation is responsible for its own logo, merchandise, and/or fundraising ventures, which may include the KRFF logo. Additionally, the Foundation will donate 10% of its logo merchandise profit to the Rangerette Showcase. With the exception of the KRFF logo, see exhibit one attached, the Foundation will not use the College's or Rangerettes' name, logos or trademarks, or the College's tax-exempt status or tax number for the purpose of raising money or soliciting donations and gifts on behalf of the Foundation without prior

written permission from the College. For clarification, the College claims a trademark in the name of the College, the name Kilgore College Rangerettes, all College logos, and all K.C. Rangerette logos, including but not limited to the K girl, without prior written permission from the College.

3.3 The Foundation will conduct its activities in such a manner as to maintain its status as a tax exempt, charitable organization under state and federal tax laws.

3.4 The Foundation will plan all of its fundraising activities and the promotion and sponsoring of programs in support of the Rangerettes, and/or the Rangerette Forever, in a manner consistent with the mission and purpose of the Foundation and the Rangerettes and in close cooperation with the Kilgore College Rangerette Directors, Kilgore College Vice President of Student Services and the Kilgore College President. The Foundation will not conduct any fundraising activity on behalf of the College without the College's knowledge/consent. All fundraising activities of the Foundation will be for the benefit of and under the name of the Foundation only.

3.5 The Foundation will be responsible for the cost of its variable expenses, including but not limited to the cost of staffing, fundraising campaigns, projects, liability insurance, and donor recognition programs.

3.6 The Foundation agrees to notify, coordinate with, and solicit comments from the Rangerette Directors/College President regarding all significant disbursements and expenditures planned by the Foundation on behalf of the Kilgore College Rangerettes and/or the College.

3.7 The Foundation will obtain prior approval from the College Board of Trustees before accepting any gift for the benefit of the College (Rangerette Organization) that contains restrictive terms or conditions or involves real estate. The Foundation will advise prospective donors that any such gifts are subject to the approval of the College under this Agreement.

3.8 The Foundation will hold, invest, manage, and allocate funds and property received in the name of the Foundation.

3.9 The Foundation will manage any revenues produced by its activities. The Foundation will observe and comply with any limitations or restrictions placed by donors on the use of funds contributed to the Foundation to the extent that is reasonably practical. The Foundation will pay from the revenue's produced by its activities and projects any administrative, operating, and other expenses incurred by the Foundation, including but not limited to certain fees, and costs in connection with the investment, sale, or re-investment of the Foundation's funds.

3.10 The Foundation's Board of Directors retains their right to refuse any contribution, donation, or gift which comes from a source which, in the Foundation Board's determination, is not in concert with the

Foundation's mission or its inherent legal, moral, and ethical standards.

3.11 The Foundation will have an accounting system in place to ensure that financial activities and donor transactions are carried out and reported in accordance with generally accepted business and accounting practices for tax exempt charitable organizations.

3.12 The Foundation will make available the reports, filings, etc. required by applicable federal or state laws or the governing laws for the Foundation if requested by the College. This request should be submitted in writing and the Foundation has 60 days to comply with this request.

3.13 The Foundation will consult with the College on any changes that directly affect the College or Rangerettes related to the nature, scope, or purpose of the Foundation. For those changes which directly affect the College or the Rangerettes, the Foundation will provide the College President with an advance copy of any proposed amendments, additions, or deletions to the Foundation By-Laws.

4.0 Relationship Between the College and the Foundation

4.1 The parties acknowledge that they are independent organizations, and that this Agreement will not be interpreted or deemed to create, either expressly or by implication, the existence of any relationship other than independent contractor, including but not limited to partnership, joint venture, joint enterprise, employment, borrowed servant, alter ego, or any other similar relationship. Each party to the Agreement will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing or future obligations, liabilities for debts of the other party to this Agreement.

4.2 Each agrees to cooperate with the other in the advancement, achievement, and support of the educational and cultural programs and services of the Kilgore College Rangerettes.

4.3 The Foundation will indemnify the College, its governing board, administrators, employees, agents, and students in their official and individual capacities, from and against any and all claims, damages, liabilities, injuries, expenses, demands, and judgments, including court costs and attorney's fees, arising out of the Foundation's performance of this Agreement or arising out of service by any such person or persons at the Foundation's (including its employees, officers and agents), direct request or on its direct behalf.

4.4 To the extent allowed by law, and without waiving any entitlement to immunity whatsoever, the College will indemnify the Foundation, its governing board, officers, and agents from and against any and all claims, damages, liabilities, injuries, expenses, demands and judgments, including reasonable court costs and attorneys' fees, resulting from the College's breach of this Agreement.

4.5 The Foundation will maintain at all times, a Directors and Officers policy or policies of insurance for the benefit of the Foundation Board of Directors. This paragraph (4.5) will survive the termination of this Agreement. To the fullest extent permitted by law, the Foundation retains and maintains charitable

immunity pursuant to Texas Civil Practices and Remedies Code § 84.001, et seq.

4.6 The Foundation will use its best efforts to comply with the spirit of a gift within existing programs. In the event that it is no longer practical to comply with the restrictions placed on a gift by a donor, due to program elimination or unfeasibility, the Foundation will try to comply with the donor intent to the extent reasonably practicable.

4.7 With respect to any Foundation hosted events on campus, the Foundation will execute a Facility Rental Agreement with the College and comply with all of the terms of the same Agreement. The Foundation will pay for the food, beverages, security, janitorial and any other customary costs related to the event at prices consistent with the amounts charged to other organizations which use the facilities. Due to the relationship with the Foundation, the College may waive charges for the rental of the facility in its sole discretion.

5.0 Governing Law

5.1 This Agreement is made under and shall be governed and construed in accordance with the laws of the State of Texas.

5.2 To the fullest extent permitted by law, the College retains and maintains its governmental immunity except to the extent that such immunity is expressly waived by the Legislature or statute, as provided by Texas Civil Practices and Remedies Code § 101.001, et seq.

5.3 Any dispute arising from or related to the interpretation or implementation of this Agreement shall be resolved by good faith negotiation between the College and the Foundation and their designees, agents, or attorneys. In the event, that good faith negotiation fails to resolve such dispute the parties will engage in mediation with a mutually agreed neutral party to a final resolution. The parties expressly waive their right to a jury trial of any such dispute.

6.0 Miscellaneous Provisions

Forever's Hosted Competitions and Other Resource Development Ventures:

6.1 With the exception of the KRFF logo, see exhibit one attached, the Foundation will not use the Rangerette or Kilgore College name, trademark, or likenesses without prior written permission of the College. Written permission must be sought in advance for each instance of competition, marketing and or resource development.

6.2 The Foundation will be in charge of all aspects of registration and delivery for such competitions and/or other ventures utilizing its website and resources. Notwithstanding the use of the shared website, such registrations shall be in the name of the Foundation and be independent of the College or

Rangerettes and shall not utilize the College or Rangerettes resources or name without prior written permission from the College..

6.3 Any competition or dance workshop run by the Foundation must be approved by the Kilgore College Rangerette Directors in advance. A copy of the actual draft contract will be provided to the Directors to ensure that the contract does not contain any expectations that would be unacceptable to the College. This approval will be submitted in writing at least six (6) months in advance of the competition or dance workshop and must be reviewed by the Directors within fifteen (15) business days or it is deemed to be approved.

6.4 A separate MOU, for each competition, must be executed at least six (6) months prior to the event clearly spelling out expectations of the Directors/Rangerettes, if any. The MOU will be submitted to the Directors/Rangerettes in writing at least 75 days in advance of the event and the Directors/Rangerettes will review within fifteen (15) business days, or it is deemed approved.

6.5 The Foundation may not use Kilgore College tax exempt status or tax identification number for such competitions or ventures or for any other purpose.

6.6 The local and regional chapters of the Rangerettes Forever's will be subject to the same guidelines and operating procedures as provided for in this document.

6.7 The Foundation will continue to use the Rangerette website for the purpose of highlighting the history of the Forever's and providing a link to the Foundation's website. However, the Foundation will no longer have any donation links to fundraising for the Foundation on the Rangerette.com website.

6.8 The Foundation and the Forever's membership will be given early access to Rangerette Revels matinee tickets and Platinum Forever's will be given early access to the Christmas show.

6.9 In regard to Revels sponsorship, the donations and events given by and conducted by the Foundation during the school year, shall be construed as the appropriate level of Revels sponsorship. This includes but is not limited to the Revels & Show-offs reception, pizza night, Online Auction, Hit the Hat and any and all monies disbursed to the College for the benefit of the Rangerette Organization.

This Agreement constitutes the entire Agreement between the parties. Modifications, amendments to the Agreement, in order to be effective, must be in writing and signed by both parties. Inaction or failure to demand strict performance of the terms hereof will not be deemed a waiver of any provisions of this Agreement. The contracting parties represent that each has the authority to execute this Agreement, to enter into the transactions contemplated by this Agreement and to perform its obligations under this Agreement.

IN WITNESS WHEREOF, the undersigned parties hereto through their authorized representatives have executed this Agreement as of the date last written below.

Kilgore College

By:

Signature
Lon Ford
President, KC Board of Trustees

February 22, 2024

KRFF logo



Kilgore Rangerettes Forever Foundation

By:

Signature
Dru Stine
President, Kilgore Rangerettes Forever
Foundation

February 22, 2024

KILGORE COLLEGE TASB POLICY CONVERSION

Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees

LEGAL policies summarize the law on a topic. LEGAL policies are compiled by TASB to provide the legal framework for key areas of college operations and are provided to the Board for foundational and background information only. These are not adopted by the Board.

LOCAL policies outline local Board mandates regarding governance issues. LOCAL policies are developed based on existing TASB model policies and may be customized to meet local needs. LOCAL policies are proposed for adoption by the board.

Procedures will be developed for implementation of policies, as appropriate, and do not require Board adoption. These will be provided for information only.

IN CONSIDERATION OF ADOPTION OF TASB LOCAL POLICY

Kilgore College Board Policy and Personnel Committee Meeting Date:

Revision 1: January 22, 2024

Original: June 1, 2022

Kilgore College Board of Trustees Meeting Date:

Revision 1: February 12, 2024

Original: June 27, 2022

Proposed LOCAL Policy for Adoption:

Section: F STUDENTS RIGHTS AND RESPONSIBILITIES

Policy: FLB Student Conduct

Summary of LOCAL Policy:

- **Revision 1:** This Local policy includes additions to the Scholastic Dishonesty Definition (pages 1-2) and a Scholastic Dishonesty Procedural Process (pages 2-4).
- **Original:** In addition to definitions, the policy defines student responsibilities, prohibited conduct, when/where students are subject to discipline, and publication requirements. A revision to the recommended LOCAL policy is requested (see narrative in red on page 4 of 5). The TASB LOCAL policy indicates that tobacco use is prohibited on campus. That section has been revised to reflect KC practice, which does not prohibit tobacco use on campus.

Procedures:

- **Revision 1:** This Local policy now includes additions to “Scholastic Dishonesty” (including a new plagiarism statement with regard the use of AI). This Local policy also includes a procedural process for “Scholastic Dishonesty” violations. All student conduct information from the policy has been added to the 2023-2024 College Catalog & Student Handbook and will be included in all subsequent Catalogs and Handbooks, as dictated in the policy. Since this policy identifies student conduct expectations, no associated procedures are necessary.
- **Original:** All student conduct information from the policy has been added to the 2022-2023 College Catalog & Student Handbook, as dictated in the policy. Since this policy identifies student conduct expectations, no associated procedures are necessary.

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT CONDUCT

FLB
(LEGAL)

**“Disruptive
Activities”**

A person commits an offense if the person, alone or in concert with others, intentionally engages in disruptive activity on the campus or property of an institution of higher education.

“Disruptive activities” are:

1. Obstructing or restraining the passage of persons in an exit, entrance, or hallway of a building without the authorization of the administration of the school;
2. Seizing control of a building or portion of a building to interfere with an administrative, educational, research, or other authorized activity;
3. Preventing or attempting to prevent by force or violence or the threat of force or violence a lawful assembly authorized by the school administration so that a person attempting to participate in the assembly is unable to participate due to the use of force or violence or due to a reasonable fear that force or violence is likely to occur;
4. Disrupting by force or violence or the threat of force or violence a lawful assembly in progress; or
5. Obstructing or restraining the passage of a person at an exit or entrance to the campus or property or preventing or attempting to prevent by force or violence or by threats of force or violence the ingress or egress of a person to or from the property or campus without the authorization of the administration of the school.

This section may not be construed to infringe on any right of free speech or expression guaranteed by the Constitution of the United States or of this state. [See FLA]

Education Code 37.123(b); 51.935(a)–(b), (e)

Note: For further information regarding conduct on college district property, see GDA. For information regarding weapons on campus, see CHF.

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT CONDUCT

FLB
(LOCAL)

Definitions

Definitions of terms used in this policy shall be as follows.

Student

A “student” shall mean an individual who is currently enrolled in the College District and any prospective or former student who has been accepted for admission or readmission to any component institution while on the premises of any component institution.

Premises

The “premises” of the College District is defined as all real property over which the College District has possession and control.

Scholastic Dishonesty

“Scholastic dishonesty” shall include, but not be limited to, cheating, plagiarism, and collusion.

“Cheating” shall include, but not be limited to:

1. Copying from another student’s test or class work;
2. Using test materials not authorized by the person administering the test;
3. Collaborating with or seeking aid from another student during a test without permission from the test administrator;
4. Knowingly using, buying, selling, stealing, or soliciting, in whole or in part, the contents of an unadministered test, paper, any assignment, or any academic product intended to be submitted for a grade or to satisfy an academic requirement;
5. The unauthorized transporting or removal, in whole or in part, of the contents of the unadministered test;
6. Substituting for another student, or permitting another student to substitute for oneself, to take a test;
7. Bribing another person to obtain an unadministered test or information about an unadministered test;
8. Manipulating a test, assignment, or final course grades;
9. Using information or devices that are not authorized;
10. Use of technology to write papers or acquire answers to tests, exams, or quizzes without instructor approval, including, but not limited to, the use of all forms of artificial intelligence, such as ChatGPT, computers/tablets, smart watches or smart phones; or
11. Any other act, whether specifically set forth herein or not, that constitutes scholastic dishonesty or misconduct of any kind.

“Plagiarism” shall be defined as the appropriating, buying, receiving as a gift, or obtaining by any means another’s work and the

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT CONDUCT

FLB
(LOCAL)

unacknowledged submission or incorporation of it in one's own written work.

"Collusion" shall be defined as the unauthorized collaboration with another person in preparing written work for fulfillment of course requirements, or assisting (or attempting to assist) any person in committing any act of scholastic dishonesty.

Disorderly Conduct

"Disorderly conduct" shall include any of the following activities occurring on premises owned or controlled by the College District:

1. Behavior of a boisterous and tumultuous character such that there is a clear and present danger of alarming persons where no legitimate reason for alarm exists.
2. Interference with the peaceful and lawful conduct of persons under circumstances in which there is reason to believe that such conduct will cause or provoke a disturbance.
3. Violent and forceful behavior at any time such that there is a clear and present danger that free movement of other persons will be impaired.
4. Behavior involving personal abuse or assault when such behavior creates a clear and present danger of causing assaults or fights.
5. Violent, abusive, indecent, profane, boisterous, unreasonably loud, or otherwise disorderly conduct under circumstances in which there is reason to believe that such conduct will cause or provoke a disturbance.
6. Willful and malicious behavior that interrupts the speaker of any lawful assembly or impairs the lawful right of others to participate effectively in such assembly or meeting when there is reason to believe that such conduct will cause or provoke a disturbance.
7. Willful and malicious behavior that obstructs or causes the obstruction of any doorway, hall, or any other passageway in a College District building to such an extent that the employees, officers, and other persons, including visitors, having business with the College District are denied entrance into, exit from, or free passage in such building.

Scholastic
Dishonesty
Procedural Process

1. Applicability. These procedures apply only to scholastic dishonesty violations ("SD Violations"). If a student violates the rules or policies of a particular program, such violation is handled in accordance with the rules and procedures of that par-

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT CONDUCT

FLB
(LOCAL)

ticular program. Student conduct violations that are non-academic in nature, shall be handled through the procedures outlined in policy FMA. All deadlines are strict and must be adhered to.

2. Procedural Process. Any proposed academic penalty in this process shall not be assessed until the process is final, including but limited to expulsion or suspension.
 - a. Any person can report a SD Violation. Faculty must attempt to discuss the allegation with the student. If a student does not respond or show for a meeting, faculty can assess a penalty and send notice to him/her. Student can ask the chair or dean to review this decision within 3 business days, otherwise it is final. The chair/dean's review is discussed below.
 - b. If faculty determines no violation occurred, the matter is dismissed. If a penalty is agreed to by student, then the matter is resolved. If no penalty is agreed to by faculty and student, faculty shall assess same and student can appeal to the dean/chair within 3 business days (it is not automatic). The penalty is final if not timely appealed.
 - c. The chair or dean (one or the other depending upon their availability or the scenario) shall review the information in the file and can meet with the faculty and/or student at their discretion. Prior conduct violations (academic or otherwise) can be considered in making this decision. The chair/dean will render his/her decision in writing. This decision is final, unless the penalty is expulsion or suspension. If the penalty is expulsion or suspension, the student can request a hearing, if request is made in writing within 3 business days. The right to a hearing is waived if not timely requested.
3. Hearing. The College District shall give the student reasonable advance notice of the hearing and the procedures related to same, via campus email or hand delivery. Hearings may be held virtually at the College District's discretion. The panel will be chosen by the College District. If the student does not appear, the penalty will be upheld. The student may have an advisor, but student must present their own evidence/arguments and any advisor cannot actively participate in the hearing. The hearing panel may put reasonable time limits on the hearing but generally a hearing will not last over 30 minutes. The burden is on the College District and is a preponderance of the evidence standard. The panel can uphold or overturn the expulsion or suspension, but cannot change a grade. The panel

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT CONDUCT

FLB
(LOCAL)

can change an expulsion to suspension or vice versa, but no other penalties are allowed. If overturned, the necessary actions will be taken by faculty, dean and/or chair to accomplish same ruling. The hearing panel's ruling is final and not appealable.

Responsibility

Each student shall be charged with notice and knowledge of, and shall be required to comply with, the contents and provisions of the College District's rules and regulations concerning student conduct.

All students shall obey the law, show respect for properly constituted authority, and observe correct standards of conduct. Each student shall be expected to:

1. Demonstrate courtesy, even when others do not;
2. Behave in a responsible manner, always exercising self-discipline;
3. Attend all classes, regularly and on time;
4. Prepare for each class and take appropriate materials and assignments to class;
5. Obey all classroom rules;
6. Respect the rights and privileges of students, faculty, and other College District staff and volunteers;
7. Respect the property of others, including College District property and facilities; and
8. Cooperate with and assist the College District staff in maintaining safety, order, and discipline.

Prohibited Conduct

Federal, State, and
Local Law

Violations of federal, state, or local law or College District policies, procedures, or rules, including the student handbook shall be prohibited.

Prohibited Weapons
and Devices

Possession, distribution, sale, or use of firearms, location-restricted knives, clubs, knuckles, firearm silencers, or other prohibited weapons or devices in violation of law or College District policies and procedures shall be prohibited. [See CHF]

Drugs and Alcohol

Behaviors regarding drugs and alcohol and associated paraphernalia shall be prohibited as described in policy FLBE.

Debts

Owing a monetary debt to the College District that is considered delinquent or writing an "insufficient funds" check to the College District shall be prohibited.

Disruptions

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT CONDUCT

FLB
(LOCAL)

“Disorderly conduct,” as defined above, or disruptive behavior shall be prohibited.

Behavior Targeting
Others

The following behavior targeting others shall be prohibited:

1. Threatening another person, including a student or employee;
2. Intentionally, knowingly, or negligently causing physical harm to any person;
3. Engaging in conduct that constitutes harassment, sexual assault, dating violence, stalking, or bullying directed toward another person, including a student or employee; [See DIA series, FFD series, and FFE as appropriate]
4. Hazing with or without the consent of a student; [See FLBC]
5. Initiations by organizations that include features that are dangerous, harmful, or degrading to the student, a violation of which also renders the organization subject to appropriate discipline; and
6. Endangering the health or safety of members of the College District community or visitors to the premises.

Property

The following behavior regarding property shall be prohibited:

1. Intentionally, knowingly, or negligently defacing, damaging, misusing, or destroying College District property or property owned by others;
2. Stealing from the College District or others; and
3. Theft, sabotage, destruction, distribution, or other use of the intellectual property of the College District or third parties without permission.

Directives

Failure to comply with directives given by College District personnel and failure to provide identification when requested to do so by College District personnel shall be prohibited.

Tobacco and
E-cigarettes

Smoking/tobacco products, including electronic cigarettes, shall be allowed in designated outdoor areas only. Such products shall be prohibited in all other areas as well as inside all facilities and vehicles owned, leased, or operated by the College District. College District regulations and municipal ordinances shall apply equally to all College District faculty, staff, students, administration, and visitors. Everyone is expected to dispose of cigarettes properly. [See FLBD]

Misuse of
Technology

The following behavior regarding misuse of technology shall be prohibited:

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1. Violating policies, rules, or agreements signed by the student regarding the use of technology resources;
2. Attempting to access or circumvent passwords or other security-related information of the College District, students, or employees or uploading or creating computer viruses;
3. Attempting to alter, destroy, disable, or restrict access to College District technology resources including but not limited to computers and related equipment, College District data, the data of others, or other networks connected to the College District's system without permission;
4. Using the internet or other electronic communications to threaten College District students, employees, or volunteers;
5. Sending, posting, or possessing electronic messages that are abusive, obscene, sexually oriented, threatening, harassing, damaging to another's reputation, or illegal;
6. Using email or websites to engage in or encourage illegal behavior or threaten the safety of the College District, students, employees, or visitors; and
7. Possessing published or electronic material that is designed to promote or encourage illegal behavior or that could threaten the safety of the College District, students, employees, or visitors.

Dishonesty

The following behavior regarding dishonesty shall be prohibited:

1. Scholastic dishonesty, as defined above;
2. Making false accusations or perpetrating hoaxes regarding the safety of the College District, students, employees, or visitors;
3. Intentionally or knowingly providing false information to the College District; and
4. Intentionally or knowingly falsifying records, passes, or other College District-related documents.

Gambling and Other
Conduct

Gambling or engaging in any other conduct that College District officials might reasonably believe will substantially disrupt the College District program or incite violence shall be prohibited.

Discipline

A student shall be subject to discipline, including suspension, in accordance with FM and FMA and/or the Student Handbook if the student violates this policy:

1. While on College District premises;

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2. As a part of or with respect to any academic program or class;
3. While attending a College District activity; or
4. While elsewhere if the behavior adversely impacts the educational environment or otherwise interferes with the College District's operations or objectives.

Publication

The student conduct rules contained in this policy and any other conduct rules of the College District developed by the College President **may also** be published in the student handbook.

KILGORE COLLEGE TASB POLICY CONVERSION

Summary of Policy for Proposed Adoption by the Kilgore College Board of Trustees

LEGAL policies summarize the law on a topic. LEGAL policies are compiled by TASB to provide the legal framework for key areas of college operations and are provided to the Board for foundational and background information only. These are not adopted by the Board.

LOCAL policies outline local Board mandates regarding governance issues. LOCAL policies are developed based on existing TASB model policies and may be customized to meet local needs. LOCAL policies are proposed for adoption by the board.

Procedures will be developed for implementation of policies, as appropriate, and do not require Board adoption. These will be provided for information only.

IN CONSIDERATION OF ADOPTION OF TASB LOCAL POLICY

Kilgore College Board Policy and Personnel Committee Meeting Date:

Revision 1: January 22, 2024

Original: August 28, 2023

Kilgore College Board of Trustees Meeting Date:

Revision 1: February 12, 2024

Original: September 11, 2023

Proposed LOCAL Policy for Adoption:

Section: FL STUDENT RIGHTS AND RESPONSIBILITIES

Policy: FLD STUDENT COMPLAINTS

Summary of LOCAL Policy:

Revision 1: This revision (Under General Provisions: Filing) eliminates the option for the student to send a complaint to an email. All complaints must be submitted using the online form. The reason for the revision is we need a centralized system to track complaints. This eliminates the possibility of a complaint being emailed to an employee that cannot assist in the process.

Original: This policy governs how student complaints are addressed, other than those governed by other Board policies, such as complaints of discrimination or harassment. Students are encouraged to resolve complaints informally, but may initiate the formal complaint process

The complaint process has three levels of escalation with timelines for filing and responses delineated within the policy.

Level One: Complaint forms must be filed within 15 days of the date the student first knew, or with reasonable diligence should have known, of the decision or action giving rise to the complaint or grievance; and with the lowest level administrator who has the authority to remedy the alleged problem.

Level Two: The student may request a conference with the academic dean or dean of students to appeal the Level One decision.

Level Three: The student may appeal the Level Two response to the appropriate vice president or designee. The decision of the Level Three administrator is final.

To meet SACSCOC requirements, complaint records will be maintained in the Office of the Vice President of Student Services. These records will include complaint forms, supporting documents provided by the student or College District personnel, and written responses to students from College District personnel. The Office of the Vice President of Student Services will organize complaint records such that patterns may be discerned. NOTE: These statements reflect current record-keeping practices.

Procedures:

Procedures are listed within the policy.

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Guiding Principles

Informal Process

The College District encourages students to discuss their concerns with the appropriate instructor or other campus administrator who has the authority to address the concerns.

Concerns should be expressed as soon as possible to allow early resolution at the lowest possible administrative level.

Informal resolution shall be encouraged but shall not extend any deadlines in this policy, except by mutual written consent.

Formal Process

A student may initiate the formal process described below by timely filing a written complaint form.

Even after initiating the formal complaint process, students are encouraged to seek informal resolution of their concerns. A student whose concerns are resolved may withdraw a formal complaint at any time.

The process described in this policy shall not be construed to create new or additional rights beyond those granted by law or Board policy, nor to require a full evidentiary hearing or “mini-trial” at any level.

Freedom from Retaliation

Neither the Board nor any College District employee shall unlawfully retaliate against any student for bringing a concern or complaint.

Notice to Students

The College District shall inform students of this policy through appropriate College District publications.

Complaints

In this policy, the terms “complaint” and “grievance” shall have the same meaning.

Other Complaint Processes

Student complaints shall be filed in accordance with this policy, except as required by the policies listed below. Some of these policies require appeals to be submitted in accordance with FLD after the relevant complaint process:

1. Complaints alleging discrimination or harassment based on race, color, sex, gender, national origin, disability, age, or religion. [See FFDA and FFDB]
2. Complaints concerning retaliation relating to discrimination and harassment. [See FFDA and FFDB]
3. Complaints concerning disciplinary decisions. [See FMA]
4. Complaints concerning a commissioned peace officer who is an employee of the College District. [See CHA]
5. Complaints concerning the withdrawal of consent to remain on campus. [See GDA]

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General Provisions

Filing

Complaints and appeal notices may be filed by completing an online form. Filings submitted by electronic communication shall be timely filed if they are received by the close of business on the deadline, as indicated by the date/time shown on the electronic communication.

Scheduling
Conferences

The College District shall make reasonable attempts to schedule conferences at a mutually agreeable time. If a student fails to appear at a scheduled conference, the College District may hold the conference and issue a decision in the student's absence.

Response

At Levels One, Two, and Three, "response" shall mean a written communication to the student from the appropriate administrator. Responses may be hand-delivered, sent by electronic communication to the student's email address of record, or sent by U.S. Mail to the student's mailing address of record. Mailed responses shall be timely if they are postmarked by U.S. Mail on or before the deadline.

Days

"Days" shall mean College District business days. In calculating time lines under this policy, the day a document is filed is "day zero." The following day is "day one."

Representative

"Representative" shall mean any person who or organization that is designated by the student to represent the student in the complaint process.

The student may designate a representative through written notice to the College District at any level of this process. If the student designates a representative with fewer than three days' notice to the College District before a scheduled conference or hearing, the College District may reschedule the conference or hearing to a later date, if desired, in order to include the College District's counsel. The College District may be represented by counsel at any level of the process.

**Consolidating
Complaints**

Complaints arising out of an event or a series of related events shall be addressed in one complaint. A student shall not file separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.

Untimely Filings

All time limits shall be strictly followed unless modified by mutual written consent.

If a complaint form or appeal notice is not timely filed, the complaint may be dismissed, on written notice to the student, at any point during the complaint process. The student may appeal the dismissal by seeking review in writing within ten days from the date of the written dismissal notice, starting at the level at which the

complaint was dismissed. Such appeal shall be limited to the issue of timeliness.

Costs Incurred

Each party shall pay its own costs incurred in the course of the complaint.

Complaint and Appeal Forms

Complaints and appeals under this policy shall be submitted in writing on an electronic form provided by the College District.

Copies of any documents that support the complaint should be attached to the complaint form. If the student does not have copies of these documents, copies may be presented at the Level One conference. After the Level One conference, no new documents may be submitted by the student unless the student did not know the documents existed before the Level One conference.

A complaint or appeal form that is incomplete in any material aspect may be dismissed but may be refiled with all the required information if the refiling is within the designated time for filing.

Complaint Records

All complaint records will be maintained in the Office of the Vice President of Student Services. These records will include complaint forms, supporting documents provided by the student or College District personnel, and written responses to students from College District personnel. The Office of the Vice President of Student Services will organize complaint records such that patterns may be discerned.

Level One

Complaint forms must be filed:

1. Within 15 days of the date the student first knew, or with reasonable diligence should have known, of the decision or action giving rise to the complaint or grievance; and
2. With the lowest level administrator who has the authority to remedy the alleged problem.

In most circumstances, students shall file Level One complaints with the department head. If the only administrator who has authority to remedy the alleged problem is the Level Two or Level Three administrator, the complaint may begin at Level Two or Level Three, respectively, following the procedure, including deadlines, for filing the complaint form at Level One.

If the complaint is not filed with the appropriate administrator, the receiving administrator must note the date and time the complaint form was received and immediately forward the complaint form to the appropriate administrator.

The appropriate administrator shall investigate as necessary and schedule a conference with the student within ten days after receipt of the written complaint. The administrator may set reasonable time limits for the conference.

Absent extenuating circumstances, the administrator shall provide the student a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the administrator may consider information provided at the Level One conference and any relevant documents or information the administrator believes will help resolve the complaint.

Level Two

If the student did not receive the relief requested at Level One or if the time for a response has expired, the student may request a conference with the academic dean or dean of students to appeal the Level One decision.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days of the date of the written Level One response or, if no response was received, within ten days of the Level One response deadline.

After receiving notice of the appeal, the Level One administrator shall prepare and forward a record of the Level One complaint to the Level Two administrator. The student may request a copy of the Level One record.

The Level One record shall include:

1. The original complaint form and any attachments.
2. All other documents submitted by the student at Level One.
3. The written response issued at Level One and any attachments.
4. All other documents relied upon by the Level One administrator in reaching the Level One decision.

The Level Two administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level One. At the conference, the student may provide information concerning any documents or information relied on by the administration for the Level One decision. The Level Two administrator may set reasonable time limits for the conference.

The Level Two administrator shall provide the student a written response within ten days following the conference. The written re-

sponse shall set forth the basis of the decision. In reaching a decision, the Level Two administrator may consider the Level One record, information provided at the Level Two conference, and any other relevant documents or information the Level Two administrator believes will help resolve the complaint.

Recordings of the Level One and Level Two conferences, if any, shall be maintained with the Level One and Level Two records.

Level Three

If the student did not receive the relief requested at Level Two or if the time for a response has expired, the student may request a conference with the appropriate vice president to appeal the Level Two decision.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days of the date of the written Level Two response or, if no response was received, within ten days of the Level Two response deadline.

After receiving notice of the appeal, the Level Two administrator shall prepare and forward a record of the Level Two complaint to the Level Three administrator. The student may request a copy of the Level Two record.

The Level Two record shall include:

1. The Level One record.
2. The written response issued at Level Two and any attachments.
3. All other documents relied upon by the Level Two administrator in reaching the Level Two decision.

The Level Three administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level Two. At the conference, the student may provide information concerning any documents or information relied on by the administration for the Level Two decision. The Level Three administrator may set reasonable time limits for the conference.

The Level Three administrator shall provide the student a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the Level Three administrator may consider the Level One and Level Two records, information provided at the Level Three conference, and any other relevant documents or information the Level Three administrator believes will help resolve the complaint.

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Recordings of the Level One, Level Two, and Level Three conferences, if any, shall be maintained with the Level One, Level Two, and Level Three records.

The decision of the Level Three administrator is final.

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**United States
Constitution**

A governmental entity, including a college district, shall take no action abridging the freedom of speech or the right of the people to petition the governing board of the entity for redress of grievances. [See FLA] *U.S. Const. Amend. I, XIV*

The governing board may confine its meetings to specified subject matter and may hold nonpublic sessions to transact business. But when the governing board sits in public meetings to conduct public business and hear the views of citizens, it may not discriminate between speakers on the basis of the content of their speech or the message it conveys. *Rosenberger v. Rector & Visitors of Univ. of Virginia*, 515 U.S. 819, 828 (1995); *City of Madison v. Wis. Emp. Rel. Comm'n*, 429 U.S. 167, 174 (1976); *Pickering v. Bd. of Educ.*, 391 U.S. 563, 568 (1968)

Texas Constitution

The citizens shall have the right, in a peaceable manner, to assemble together for their common good; and to apply to those invested with the powers of government for redress of grievances or other purposes, by petition, address, or remonstrance. *Tex. Const. Art. I, Sec. 27*

The governing board of a community college is not required to negotiate or even respond to complaints. However, the governing board must stop, look, and listen and must consider the petition, address, or remonstrance. *Prof'l Ass'n of College Educators v. El Paso County Cmty. [College] Dist.*, 678 S.W.2d 94 (Tex. App.—El Paso 1984, writ ref'd n.r.e.)

**Challenge to
Education Records**

An educational agency or institution, including a college district, shall give a student, on request, an opportunity for a hearing to challenge the content of the student's education records on the grounds that the information contained in the records is inaccurate, misleading, or in violation of the privacy rights of the student. [See FJ] 34 C.F.R. 99.21

**Appeals to the
Coordinating Board**

In accordance with 19 Administrative Code Chapter 1, Subchapter E, students may file written complaints with the Coordinating Board regarding institutions. 19 TAC 1.111(a)

If a student complaint form concerns compliance with the statutes and regulations that the Coordinating Board administers and the Coordinating Board has not referred the complaint to another entity, the Coordinating Board will initiate an investigation, as described in 19 Administrative Code 1.116(b)–(h). 19 TAC 1.111(a), .116(a)

**Exhaustion of
Administrative
Remedies**

Prior to initiating an investigation, the Coordinating Board shall require the complainant to exhaust all grievance and appeal procedures that the institution has established to address student com-

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plaints. Complainants will be encouraged to consult the institution's website and student handbook, or to contact the institution's student ombudsman, Office of Student Affairs, Office of the General Counsel, or other appropriate administrative official, for information regarding the institution's processes for resolving complaints. Upon exhaustion of the institution's procedures, the complainant shall inform the Coordinating Board of the outcome of the grievance and appeal procedures and provide all documentation concerning same. *19 TAC 1.116(b)*

Exceptions

The following is a non-exhaustive list of student complaints that are not reviewed by the Coordinating Board:

1. The Coordinating Board does not handle, investigate, or attempt to resolve anonymous complaints.
2. The Coordinating Board does not intervene in matters solely concerning an individual's grades, examination results, or evaluation of academic performance, as these are within the sole purview of the institution and its faculty.
3. The Coordinating Board does not intervene in matters solely related to student life such as student housing, dining facilities, food service, violations of the Student Code of Conduct, or student activities and organizations, as these issues are within the sole purview of the institution.
4. The Coordinating Board does not handle, investigate, or attempt to resolve complaints in matters that are or have been in litigation.
5. The Coordinating Board does not handle, investigate, or attempt to resolve complaints about religious institutions relating solely to their religious (as opposed to secular) standards and religious programs of study.
6. The Coordinating Board does not handle, investigate, or attempt to resolve student complaints against institutions not authorized by the Coordinating Board to operate in Texas. Institutions authorized by the Coordinating Board to operate in Texas are listed on the following websites:
 - a. [Texas Higher Education Data](#)¹
 - b. [Texas Higher Education Coordinating Board](#)²
7. The Coordinating Board does not handle, investigate, or attempt to resolve complaints regarding tribal institutions.
8. The Coordinating Board does not handle, investigate, or attempt to resolve complaints about criminal matters, and in-

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stead encourages students to contact local law enforcement authorities regarding these complaints.

19 TAC 1.113

Resolution

After receiving the Coordinating Board staff's recommendation, the commissioner shall consider the recommendation regarding the complaint and render a written determination thereon. If the commissioner finds the complaint is without merit, the commissioner shall dismiss the complaint. If the commissioner finds the complaint has merit, the commissioner may require the institution to take specific action(s) to remedy the complaint. In the commissioner's sole discretion, complaints regarding institutional integrity may be forwarded to the Coordinating Board for its consideration and determination. The Coordinating Board shall send a copy of the commissioner's or the Coordinating Board's, as appropriate, written determination to the complainant and the institution. As necessary, the Coordinating Board may take all appropriate actions to enforce its determination. *19 TAC 1.119*

Posting Required

Each institution, including each college district, shall post information regarding the complaint procedure outlined in 19 Administrative Code Chapter 1, Subchapter E, on its website. Such information shall:

1. Contain, at a minimum, contact information for filing student complaints with the Coordinating Board, a description of the complaint procedure outlined in Subchapter E, and the Uniform Resource Locator (URL) for Subchapter E on the Texas Secretary of State's website;
2. Be accessible from the institution's internet website home page by use of not more than three links;
3. Be searchable by keywords and phrases;
4. Be accessible to the public without requiring registration or use of a user name, a password, or another user identification; and
5. Be updated as soon as practicable if the information changes.

Each institution shall also provide each individual student of that institution with written information regarding the complaint procedure outlined in Subchapter E at the beginning of each academic year, such as in the school's catalog. Such information shall contain, at a minimum, contact information for filing student complaints with the Coordinating Board and a description of the complaint procedure outlined in Subchapter E.

19 TAC 1.112

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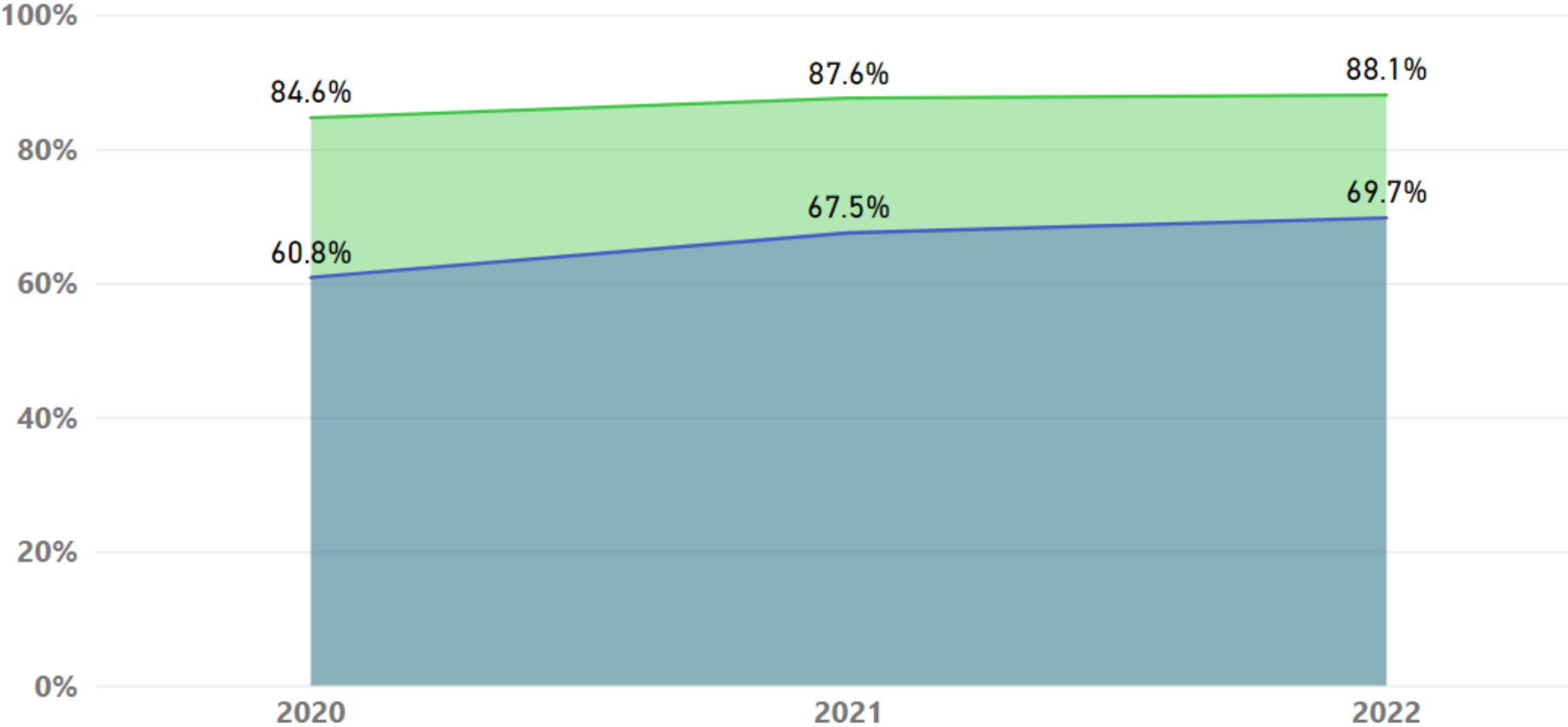
Note: See GDA for provisions concerning students barred from campus.

¹ Texas Higher Education Data: <http://www.txhighereddata.org>

² Texas Higher Education Coordinating Board: <https://www.highered.texas.gov/>

Retention Rates of First-time-in-college, Full-time Cohorts

● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Fall 2022 Cohort

Fall to Spring Retention Disaggregated

Race/Ethnicity	n	Fall to Spring Retained or Graduated	Fall to Spring Retained or Graduated
Black or African American	119	100	84.0%
Hispanics of any race	198	177	89.4%
White	320	281	87.8%
Other Race/Ethnicities	83	76	91.6%
Total	720	634	88.1%

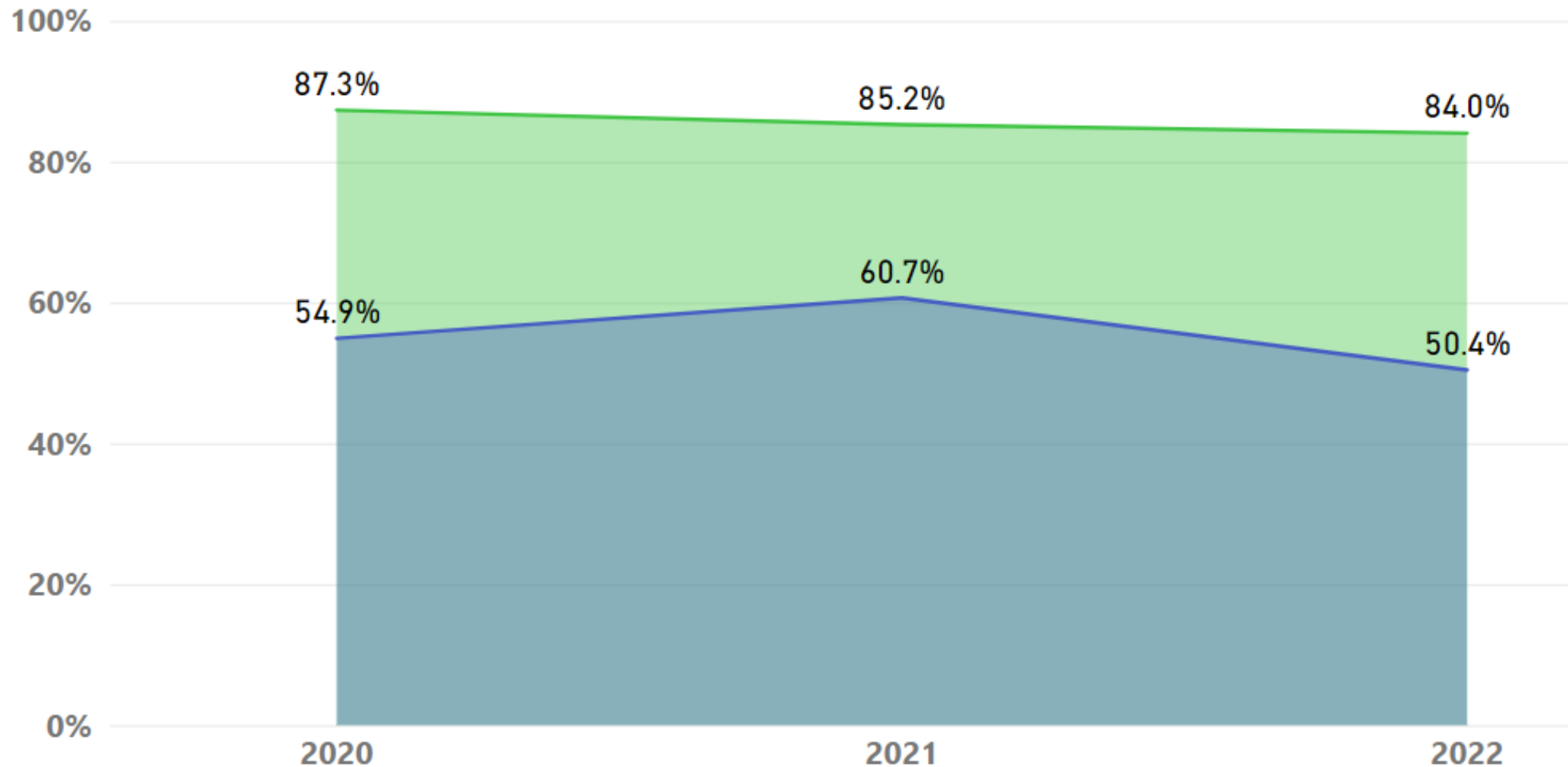
Fall 2022 Cohort

Fall to Fall Retention Disaggregated

Race/Ethnicity	n	Fall to Fall Retained or Graduated	Fall to Fall Retained or Graduated
Black or African American	119	60	50.4%
Hispanics of any race	198	152	76.8%
White	320	228	71.3%
Other Race/Ethnicities	83	62	74.7%
Total	720	502	69.7%

Trend of Black or African American Student Retention Rates of First-time-in-college, Full-time Cohorts

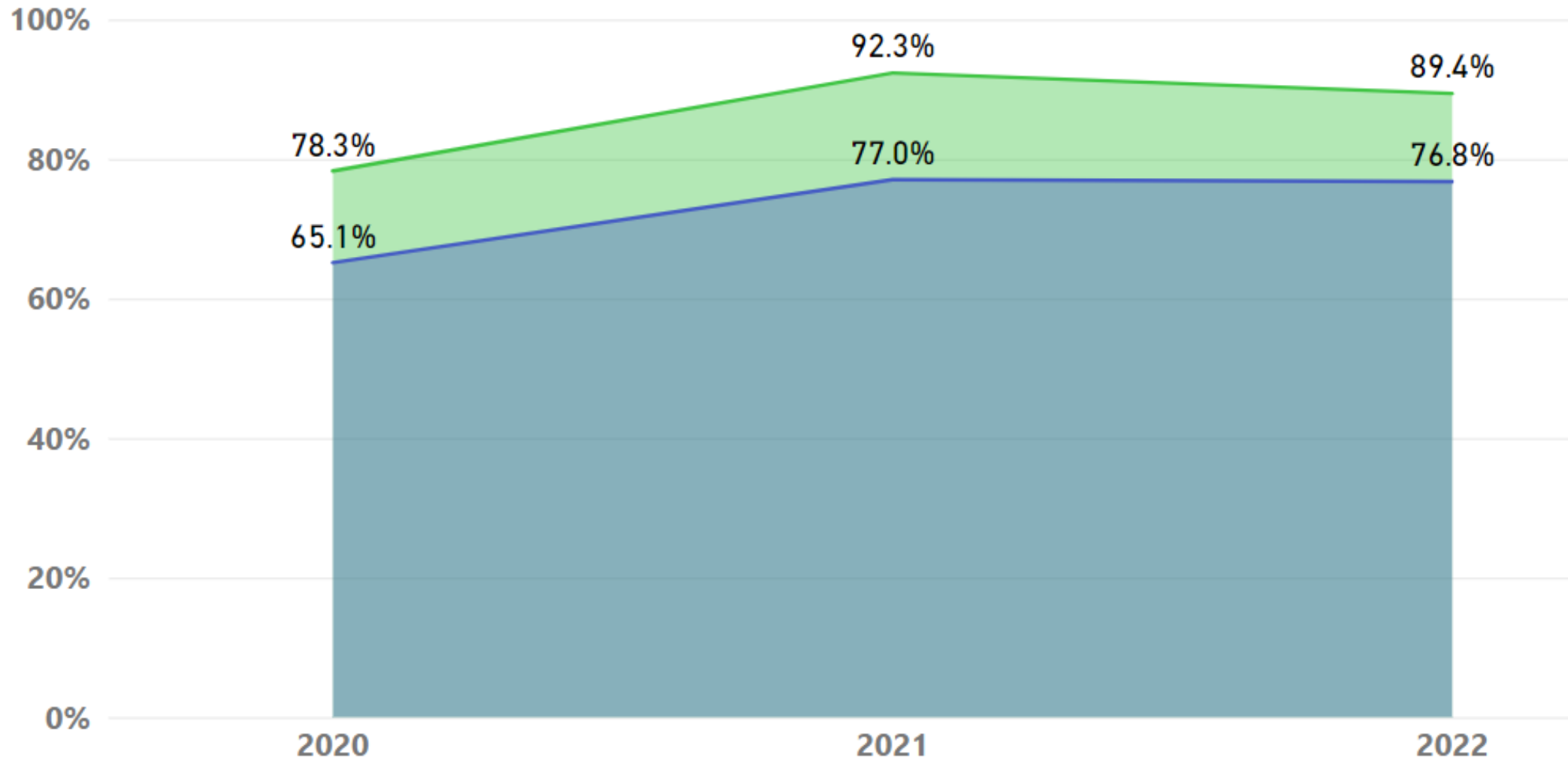
● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Trend of Hispanic Student Retention

Retention Rates of First-time-in-college, Full-time Cohorts

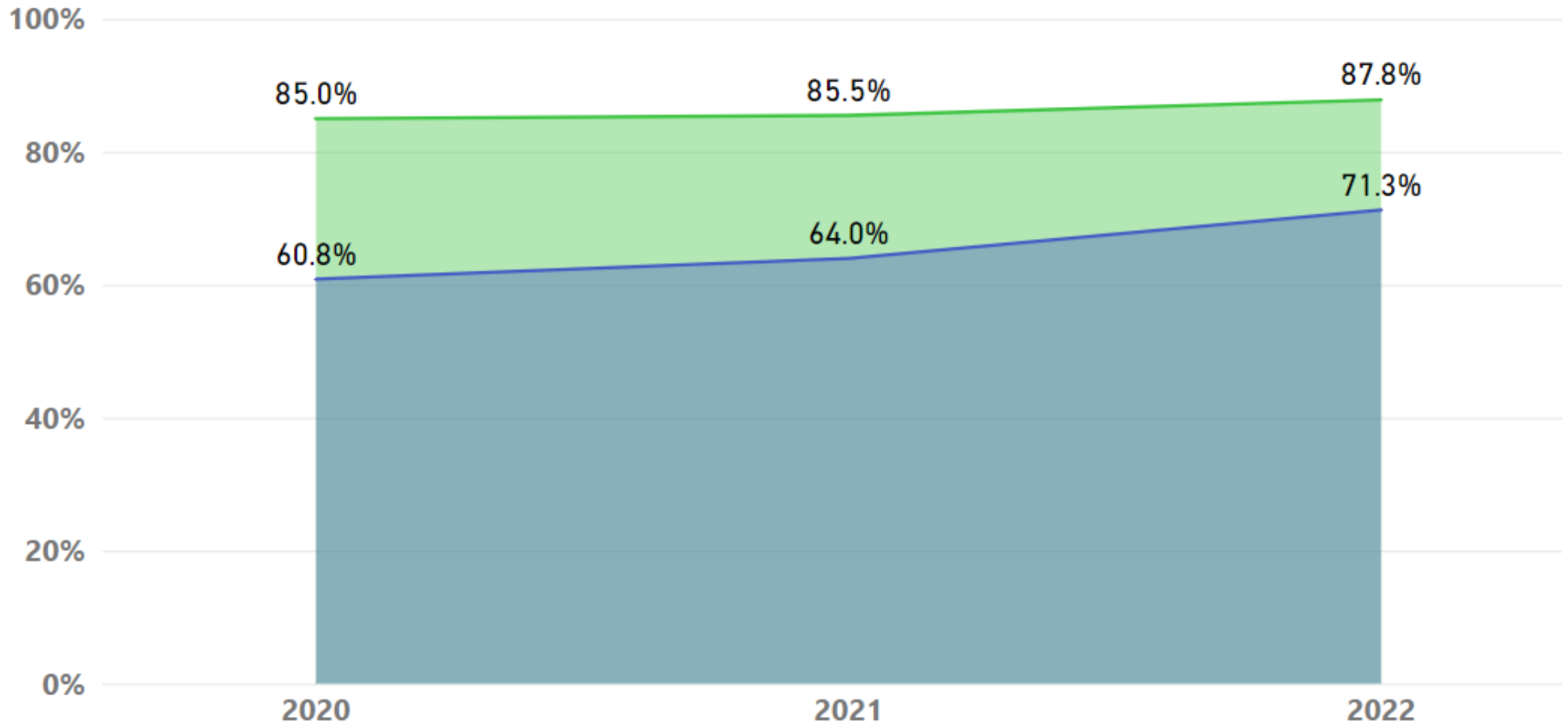
● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Trend of White Student Retention

Retention Rates of First-time-in-college, Full-time Cohorts

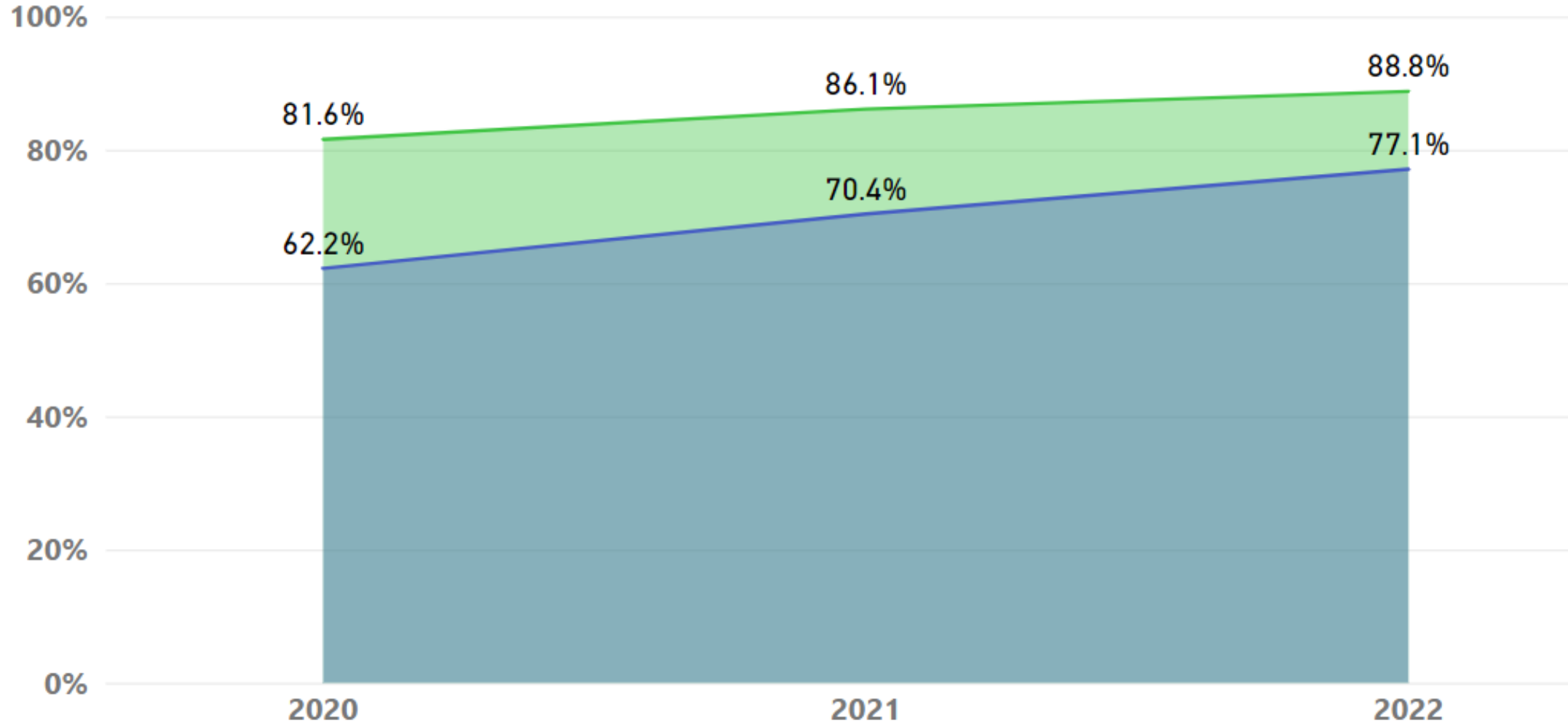
● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Trend of Workforce Education Student Retention

Retention Rates of First-time-in-college, Full-time Cohorts

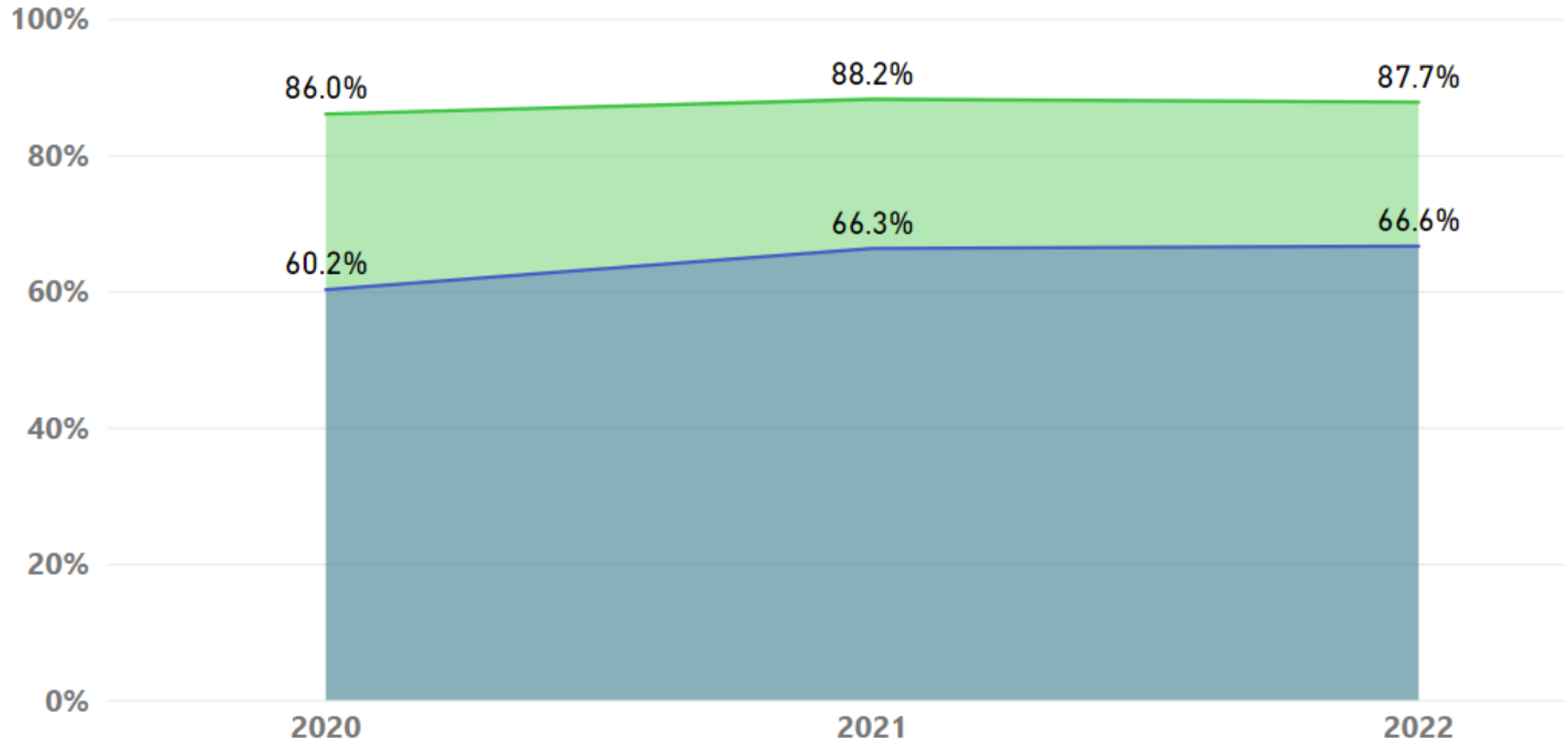
● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Trend of Academic Transfer Student Retention

Retention Rates of First-time-in-college, Full-time Cohorts

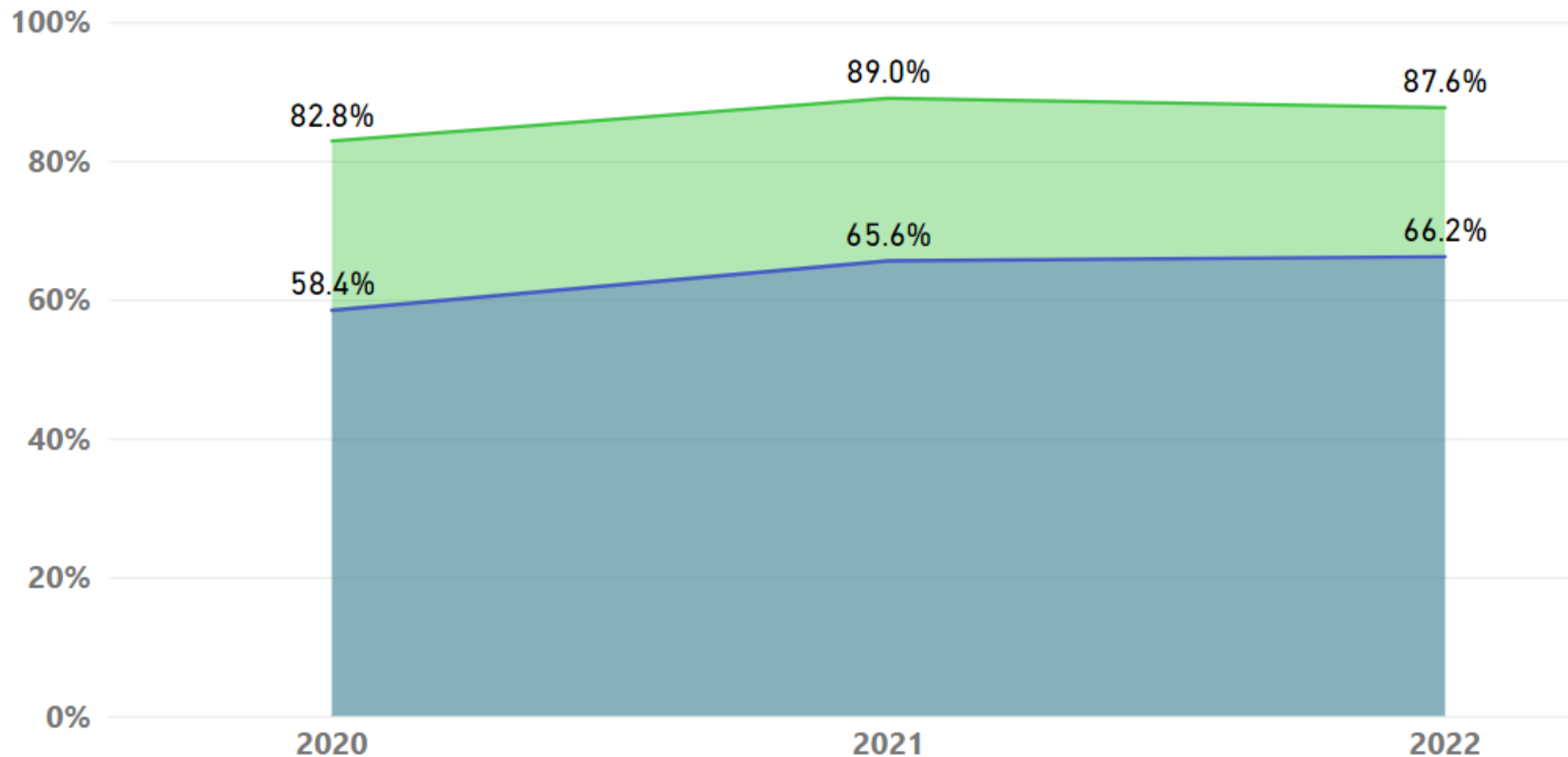
● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Trend of Male Student Retention

Retention Rates of First-time-in-college, Full-time Cohorts

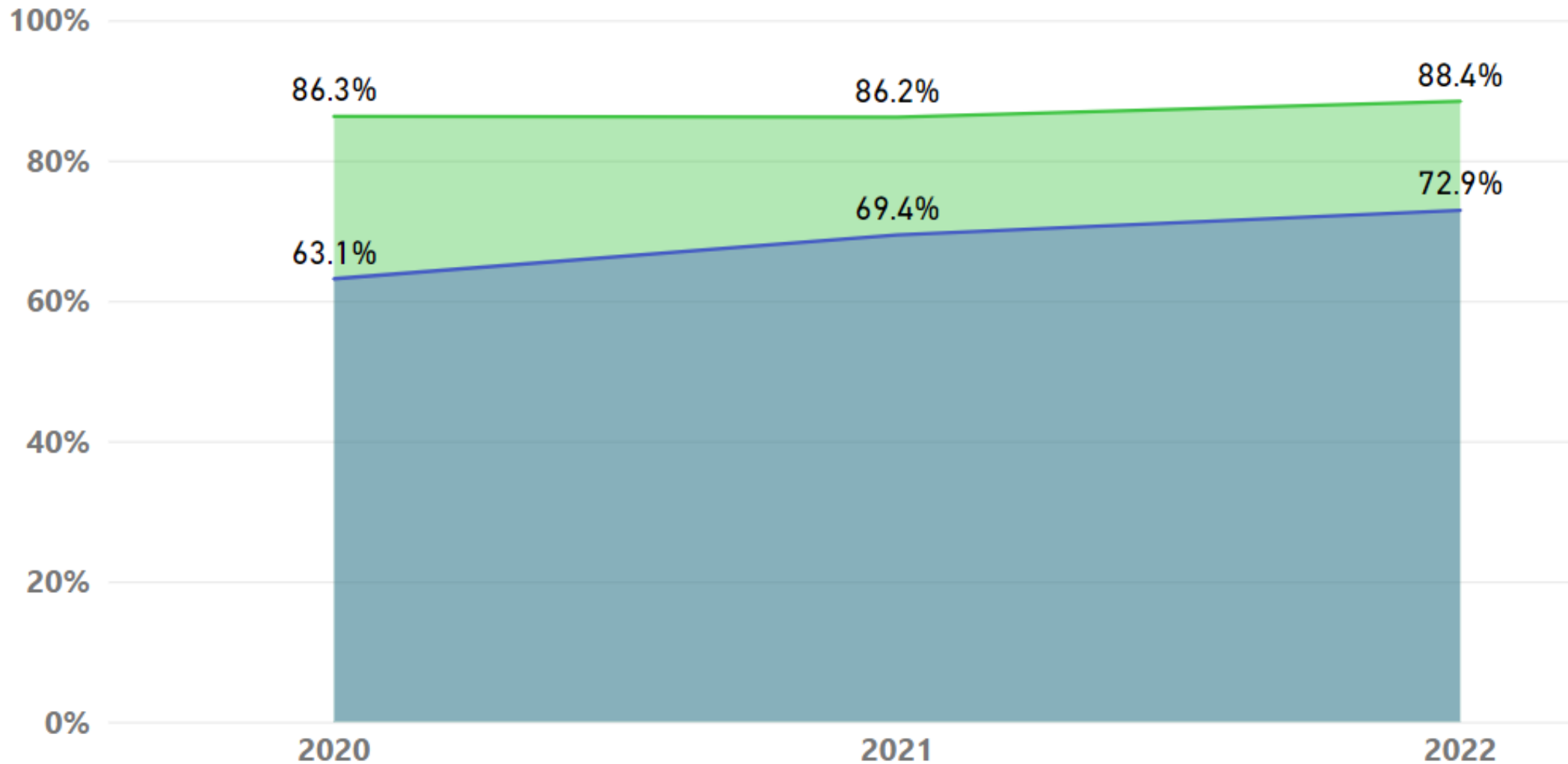
● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



Trend of Female Student Retention

Retention Rates of First-time-in-college, Full-time Cohorts

● Fall to Spring Retained or Graduated ● Fall to Fall Retained or Graduated



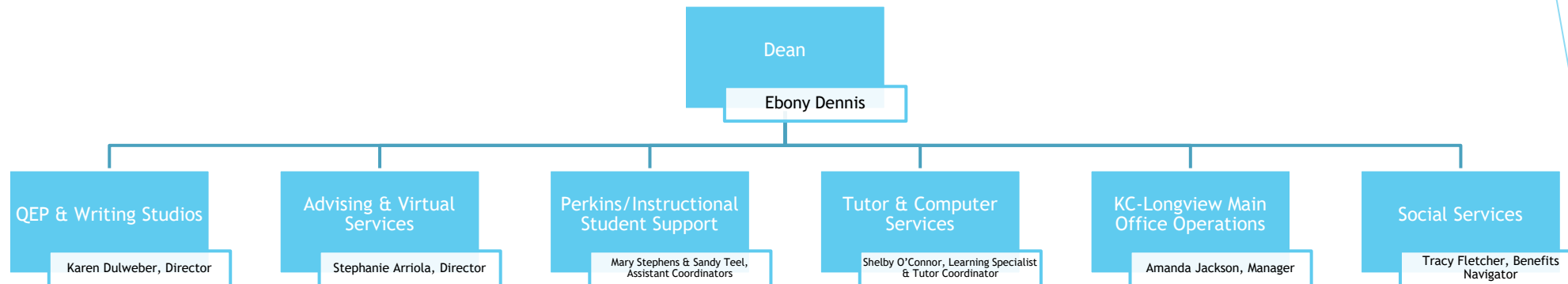
Instructional Support Services & Retention

Ebony Dennis, Dean

Our Why

We enable student success and educational attainment to maximize Kilgore College's positive impact on students, communities, and society.

Our Team



Early – Alert Efforts

Members from the respective department serves in this outreach effort.

Our Five Step Commitment to our Students and Faculty

1. We contact the students within 48-hours of receiving the early-alert assignments (except on weekends, your approved time off, and school closings).
2. The retention efforts include making the students aware of the support services available to them by:
 - ▶ The first contact by TEXT (please utilize your personal account in the Cadence/Mongoose Texting Software)
 - ▶ The second contact follow-up by PHONE (please check the J-1 system for additional phone numbers)
 - ▶ The third contact follow-up will be via EMAIL.
 - ▶ The fourth contact follow-up will be via BB Ultra Collaborate, or the Zoom platform.
 - ▶ The fifth and final contact will be IN-PERSON ON-CAMPUS;
3. All interventions will be thoroughly noted in the Early-Alert module.
4. You will provide feedback about your interventions by email to the early-alert submitter (most often the faculty member) and the dean of instructional support services & retention (me). *If the student withdraws from a class, please notify the instructor/professor that the student has withdrawn from the class. * Also, please let the instructor/professor know that you are closing the follow-up assignment and the Dean will enter a final report and close the early alert.
5. Attempt to continue to make meaningful connections with your assigned students.

Retention Outreach Efforts

- ▶ Comprehensive outreach to all students prior to the start of each semester.
- ▶ Targeted outreach efforts to students that were dropped for non-payment
- ▶ Targeted outreach efforts to students that are on financial aid warning or suspension
- ▶ Connecting students to campus and community resources



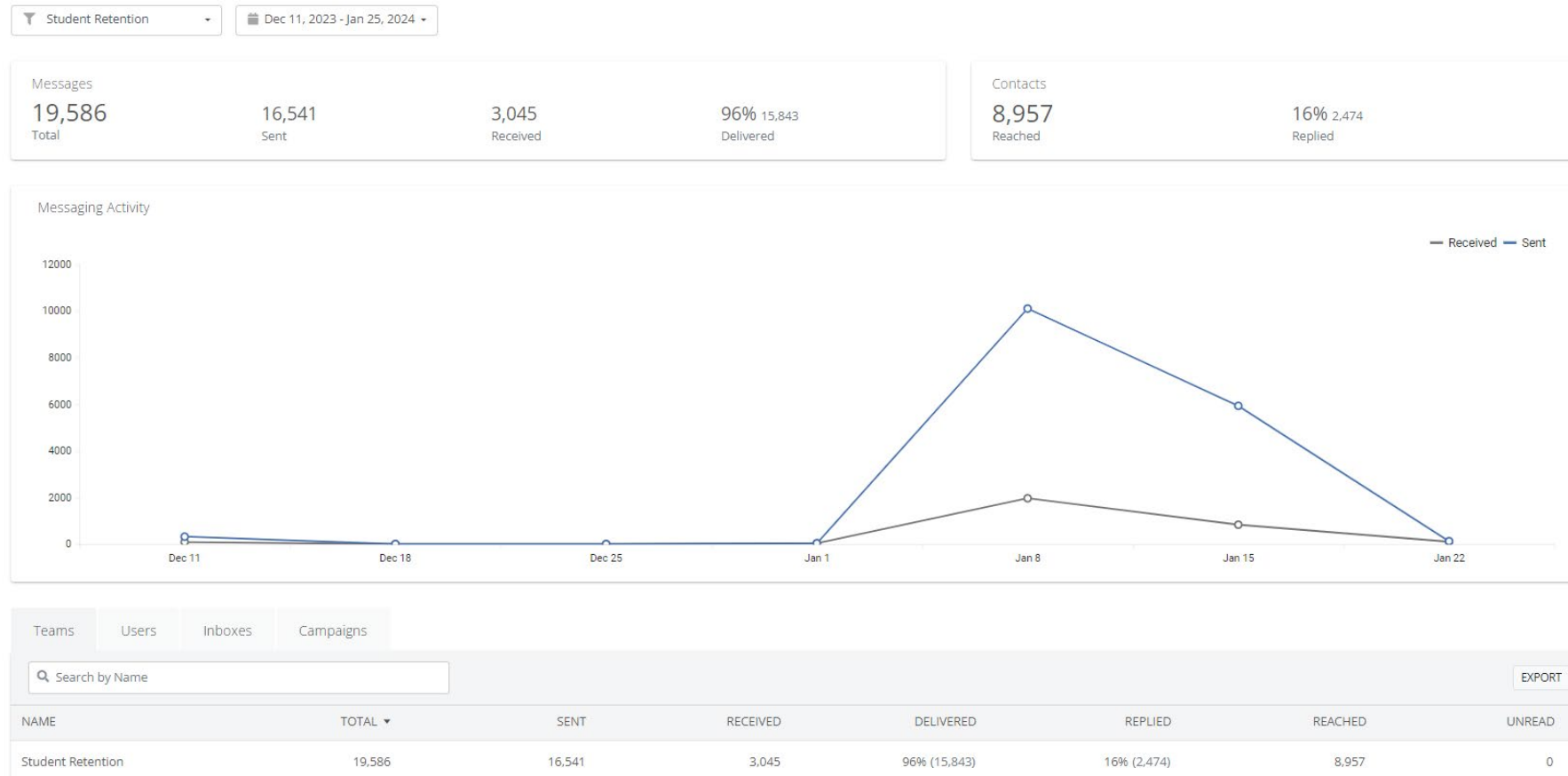
THANK YOU
for Cadence texting software!

What is the Cadence Software?

The Cadence texting platform allows us to directly connect with our students in their preferred medium — text messaging. Cadence makes it easy for any Retention member at Kilgore College to text one-on-one with students — or send personalized mass texts — from a phone, tablet or computer.

A Glimpse into Cadence: The Retention Dashboard

December 11, 2023 to January 25, 2024



Retention Outreach Efforts: Prior to the start of the Winter-Mini 2023

[Help me understand this report](#)

230
Reached

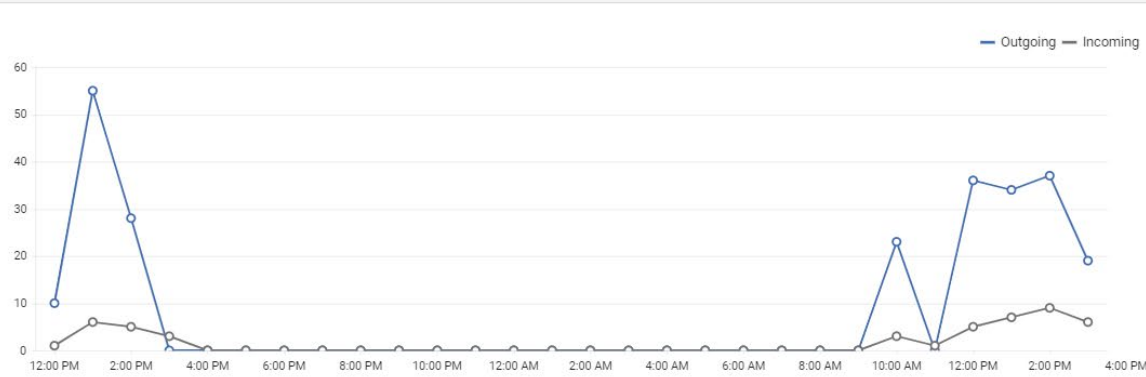
43 (19%)
Replied

46
Replies

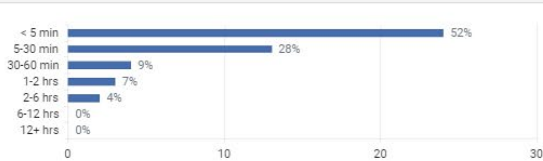
0.2
Avg. Replies

Status - Active
Created - 12/14/23, 12:36pm

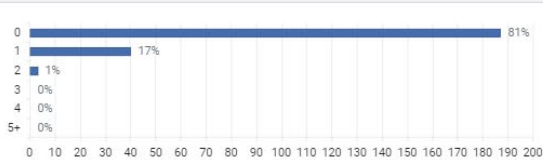
Messages



Contact Reply Time



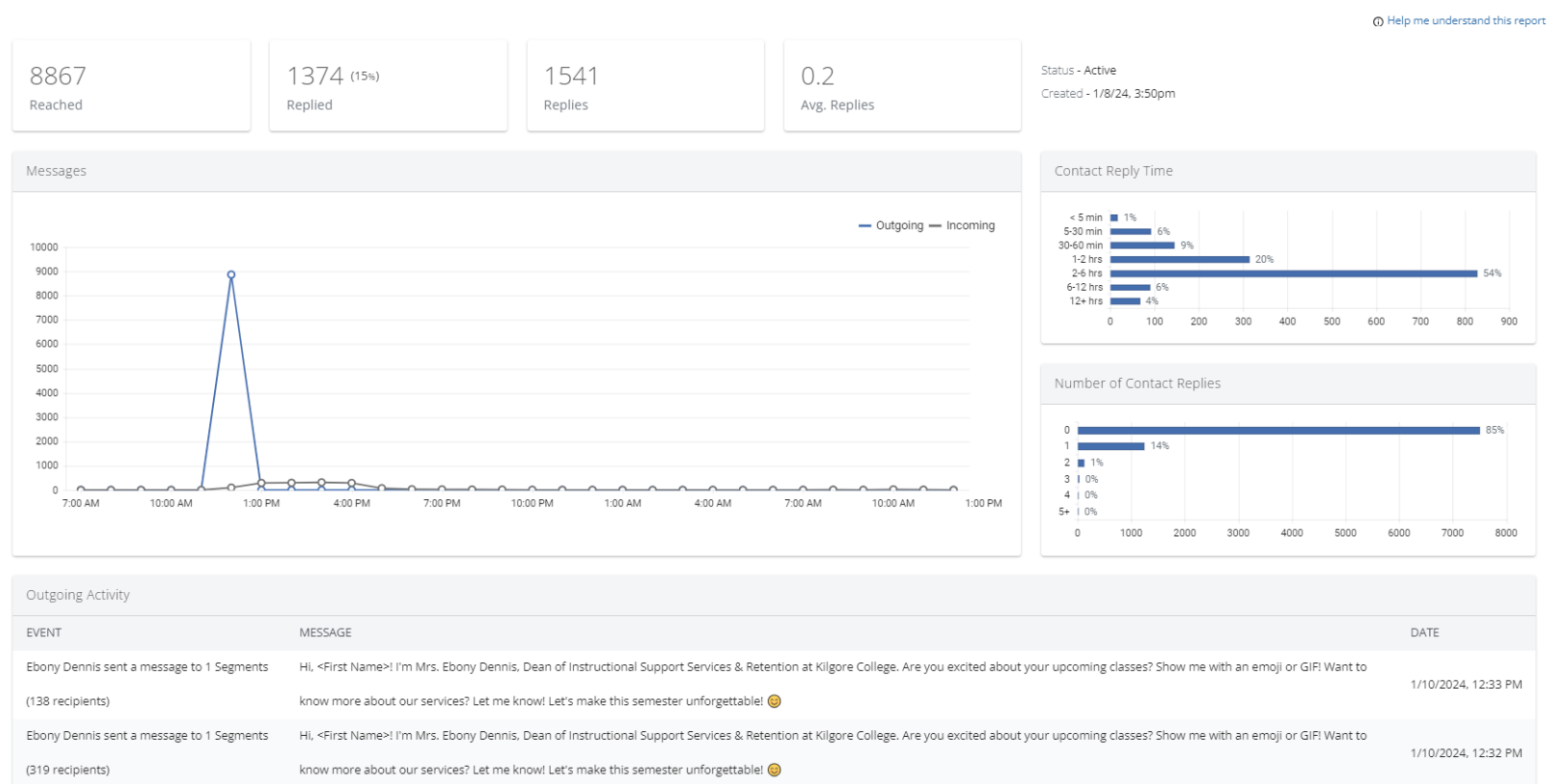
Number of Contact Replies



Outgoing Activity

EVENT	MESSAGE	DATE
Ebony Dennis sent a message	Hi, Marial This is Mrs. Ebony Dennis, the Dean of Instructional Support Services & Retention at Kilgore College. We're excited you're taking the Winter mini-course starting Monday, December 18, 2023. Please log	

Retention Outreach Efforts: Prior to the start of the Spring '24 semester



Other Upcoming Retention Outreach Efforts

- ▶ Positive text message nudges throughout the semester.
- ▶ Customized oversize postcards to be sent to students “We hate to see you go!” “Congratulations on your recent milestone!” “We are cheering for your success!”
- ▶ Power Sessions for Spring 2 and Summer
 - ▶ Let’s Get Organized! A College Survival Guide to Organization
 - ▶ Learning Styles: Discover Your Learning Advantage
 - ▶ Time [Self] Management: Take Control of Your Day
 - ▶ Note-Taking: Optimize Your Learning
 - ▶ Test-taking Strategies: Conquer Your Exams

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the right side of the slide, creating a modern, layered effect.

Questions?

Thank you for your time and support!



GREGG APPRAISAL DISTRICT

**4367 W Loop 281
Longview, TX 75604
(903) 238-8823
FAX (903) 238-8830**

Mark A. Cormier, RPA, CCA, CTA
Chief Appraiser

December 15, 2023

Dr. Brenda Kays, President
Kilgore College
1100 Broadway
Kilgore, TX 75662

RE: Gregg CAD 2024-2025 Elected Board Members

Dear Dr. Kays:

The election process for Gregg Appraisal District 2024 and 2025 Board of Directors has concluded with the following members selected:

JOHNATHAN CROMER

KEITH HONEY

A.P. MERRITT

REV. LONNIE MURPHY

ANTHONY TANNER

Please call me if you have any questions or if I can be of any assistance to you.

Again, thank you for your continued support.

Sincerely,

A handwritten signature in black ink, reading "Mark A. Cormier".

Mark A. Cormier, RPA, CCA, CTA
Chief Appraiser



RUSK COUNTY APPRAISAL DISTRICT

P.O. BOX 7 – HENDERSON, TEXAS 75653-0007
(903) 657-3578 FAX (903) 657-9073

December 19, 2023

Mr. Lon Ford, President, Board of Trustees
Kilgore College
1100 Broadway
Kilgore, Texas 75662-3204

Dear Mr. Ford:

The results of the recent election for the Board of Directors of the Rusk County Appraisal District for the term of 2024 - 2025 have been completed. I am pleased to announce the election of the following directors:

Mrs. Nesha Partin
Mr. Drew Butler
Mr. Clifford Harkless
Mr. Pat McCrory
Mr. Dennis Eby

Enclosed is a recapitulation of votes for each nominee for your review. Should you have any questions, please do not hesitate to call.

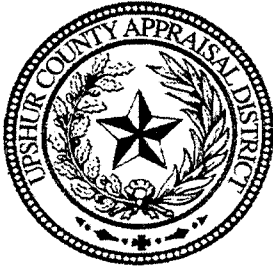
Respectfully,

Rusk County Appraisal District

Weldon R. Cook, RPA, CCA
Chief Appraiser

Enclosure

CC: Dr. Brenda Kays, President



UPSHUR COUNTY APPRAISAL DISTRICT

105 Diamond Loch Road
Gilmer, Texas 75644-9372
Telephone: (903) 843-3041
Fax: (903) 843-5764

MEMO

TO: All Taxing Entities in Upshur County

FROM: Amanda Thibodeaux, Chief Appraiser

DATE: December 27, 2023

RE: Upshur County Appraisal District 2024-2025 Board of Directors

Section 6.03(k) of the Texas Property Tax Code requires that I send you the results of the 2024-2025 Board of Directors Election.

The directors that have been elected to serve on the Board for the 2024-2025 term are:

Brandon Dodd
David Fonteno
Richard Gage
Mike Spencer
John Ussery

If you have any questions, please call.