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 April 14, 2025, beginning at 6:30PM on the 2nd floor of the Stewart McLaurin Administration Building, 895 Ross Ave., Kilgore, TX 75662 with the following members present:

Gina DeHoyos, Secretary
Janice Bagley
David Castles
Lon Ford
Jon Keller
Travis Martin
Kelvin Darden

Absent: Jon Rowe Josh Edmonson

1. CALL TO ORDER at 6:30pm

Presenter: Ms. Gina DeHoyos

A. Invocation

Presenter: Dr. Mike Jenkins

A moment of silence was observed in memory of Trustee, Jon K. Rowe, who passed away on April 9, 2025.

B. Pledge of Allegiance

Presenter: Ms. Gina DeHoyos

2. PUBLIC COMMENT

There were no public comments.

3. PRESENTATIONS

A. Employee Spotlight: 2025 Innovation Grant Award Recipients

- Matthew Gayetsky
- Tanton Johnson
- Philip Parnell
- Meghan Potter
- Karl Riley

Presenter: Dr. Brenda Kays

4. CONSENT AGENDA

Presenter: Ms. Gina DeHoyos

- A. To consider approving the minutes of the February 24, 2025 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 review prepaid legal fees for February 2025 and March 2025

Mr. David Castles moved to accept the Consent Agenda as presented. Ms. Janice Bagley seconded the motion. The motion passed unanimously.

5. BOARD COMMITTEE REPORTS & ACTION ITEMS

- A. Investment/Finance/Audit Committee Mr. Jon Keller
 - 1. INFORMATION ITEM: FY24 Annual Financial Report Audit Appendix B **Presenter:** Kristy Davis; Jaynes, Reitmeier, Boyd, & Thomas, P.C.
 - 2. INFORMATION ITEM: January FY25 Financial Snapshot and Capital Summary Appendix ${\cal C}$

Presenter: Mr. Terry Hanson

- 3. INFORMATION ITEM: Public Funds Investment Act (PFIA) Quarter 2 Appendix D **Presenter:** Mr. Terry Hanson
- B. Student Success Committee Ms. Janice Bagley, Chair
 - 1. ACTION ITEM: To consider approval of the 2025-2026 Kilgore College Catalog and Student Handbook (including Academic Calendar) *Appendix E*

Presenter: Dr. Tracy Skopek

Mr. Travis Martin moved to approve 2025-2026 Kilgore College Catalog and Student Handbook (including Academic Calendar). Mr. Kelvin Darden seconded the motion and the motion was passed unanimously.

2. INFORMATION ITEM: Spring 2025 Dual Credit Update – *Appendix F* **Presenter:** Mr. Brandon Walker

6. KILGORE COLLEGE FOUNDATION

A. INFORMATION ITEM: Foundation Update Report – Appendix G

Presenter: Mrs. Merlyn Holmes

Ms. Merlyn Holmes was congratulated on coordinating the 90th Anniversary - Blue Star Gala which raised over \$177,000.

7. BOARD PRESIDENT'S REPORT

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A. ACTION ITEM: To consider approving the Joint Election Agreement with White Oak ISD – *Appendix H*

Presenter: Dr. Brenda Kays

Mr. David Castles moved to approve the Joint Election Agreement between Kilgore College and White Oak ISD. Mr Lon Ford seconded the motion and the motion was passed unanimously.

- B. INFORMATION ITEM: Contracts and Cost Estimates for Election Services:
 - Kilgore College, City of Kilgore, KISD *Appendix I*
 - Kilgore College, City of Gladewater Appendix J
 - Kilgore College, White Oak ISD Appendix K

Presenter: Dr. Brenda Kays

C. INFORMATION ITEM: To appoint an Ad Hoc Committee to nominate Board Officers for 2025-2027

Presenter: Ms. Gina DeHoyos

Ms. DeHoyos appointed Mr. David Castles to serve as Chair of the Ad Hoc nominating committee and will be assisted by Mr. Kelvin Darden. They will present a slate of officer nominations for consideration at the June 9th Board meeting. Ms. DeHoyos thanked each trustee for completing the Board Interest Survey and for indicating their willingness to serve on a committee or as a committee chair for the next biennium.

- D. INFORMATION ITEM: Upcoming Events
 - Election Early Voting April 22, 23, 24, 25, 28, 29 8am-5pm
 - Election Day: Saturday, May 3, 2025, 7am-7pm
 - Graduation: Friday, May 9, 2:00pm, 6:00pm
 - Election Canvas: Wednesday, May 14, 4:00pm
 - Executive Committee Meeting: Monday, June 2
 - June Board Meeting: Monday, June 9, 5:45pm Dinner; 6:30pm Meeting

Presenter: Ms. Gina DeHoyos

Ms. DeHoyos also thanked Mr. Jon Keller for his service to the KC Board.

8. EXECUTIVE SESSION

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.

The Board did not go into Executive Session.

9. ADJOURNMENT

A motion to adjourn was made by Ms. Janice Bagley and seconded by Mr. Jon Keller. The meeting was adjourned at 7:53pm

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Karen Scibona, Recording Secretary
Kilgore College Board of Trustees

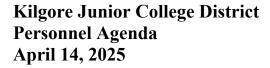
President, Kilgore College Board of Trustees

Secretary, Kilgore College Board of Trustees

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Appendix F	Spring 2025 Dual Credit Update
Appendix G	KC Foundation Update
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Appendix I	Contract & Cost Estimates for Election Services: Kilgore College, City of Kilgore, KISD
Appendix J	Contract & Cost Estimates for Election Services: Kilgore College, City of Gladewater
Appendix K	Contract & Cost Estimates for Election Services: Kilgore College, White Oak ISD

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1. Recommendation to accept employee resignations as follows:

- a. Savannah Allbritton, Administrative Assistant I PSIT, effective 2/27/2025 after 1 year and 3 months of service. *(job opportunity at Region 7)*
- b. Johnathan Santiago, Assistant Professor & Program Coordinator Radiologic Science, effective 3/21/2025 after 1 year and 7 months of service. *(other opportunities)*
- c. J. Taylor Fleet, Director ERP IT, effective 4/5/2025, after 8 years and 8 months of service. *(changes within the IT Department)*

Other - Separations

a. Belinda Tice, Director of TRIO, after 23 years and 5 months.

2. Recommendation to accept employee retirement as follows:

- a. Larry Brooks, Report Writer IT, effective 3/7/2025, after 8 years and 9 months of service.
- b. John Whitehead, Assistant Professor Legal Assisting, effective 5/31/2025 after 29 years of service.

3. Recommendation to change employment as follows:

NAME	Previous Position	New Position	NEW SALARY/ RATE OF PAY	EFFECTIVE DATE
Richard Plott	Executive Dean of Strategy, Planning, Innovation, Research, and Information Technology & CIO	Executive Dean of Institutional Effectiveness & Research & Chief Data Officer	N/C	2/17/2025
Tracie Marshall	Administrative Assistant I – Health Sciences	Specialist – Health Sciences, Dean	\$36,725	3/1/2025

4. Recommendation of employment as follows:

NAME	Position	LOCATION	SALARY/BASE RATE OF PAY	HIRE DATE
April Harris	Administrative Assistant II - RangerPRINT	Kilgore	\$32,574	2/17/2025
Benjamin Dodson	Administrative Assistant II – Cashier, Longview Office	Longview	\$32,574	3/17/2025
Lori Grisham	Assistant Professor & Program Coordinator Radiologic Science	Kilgore	\$66,912	4/1/2025
Nora Davis- Mitchell	Administrative Assistant I – PTA/Substance Abuse Counseling/Surgical Tech	Kilgore	\$30,914	3/31/2025

Final Publish Date March 27,2025

PAG - 4/14/2025

Kilgore Junior College District Annual Financial Report August 31, 2024 and 2023



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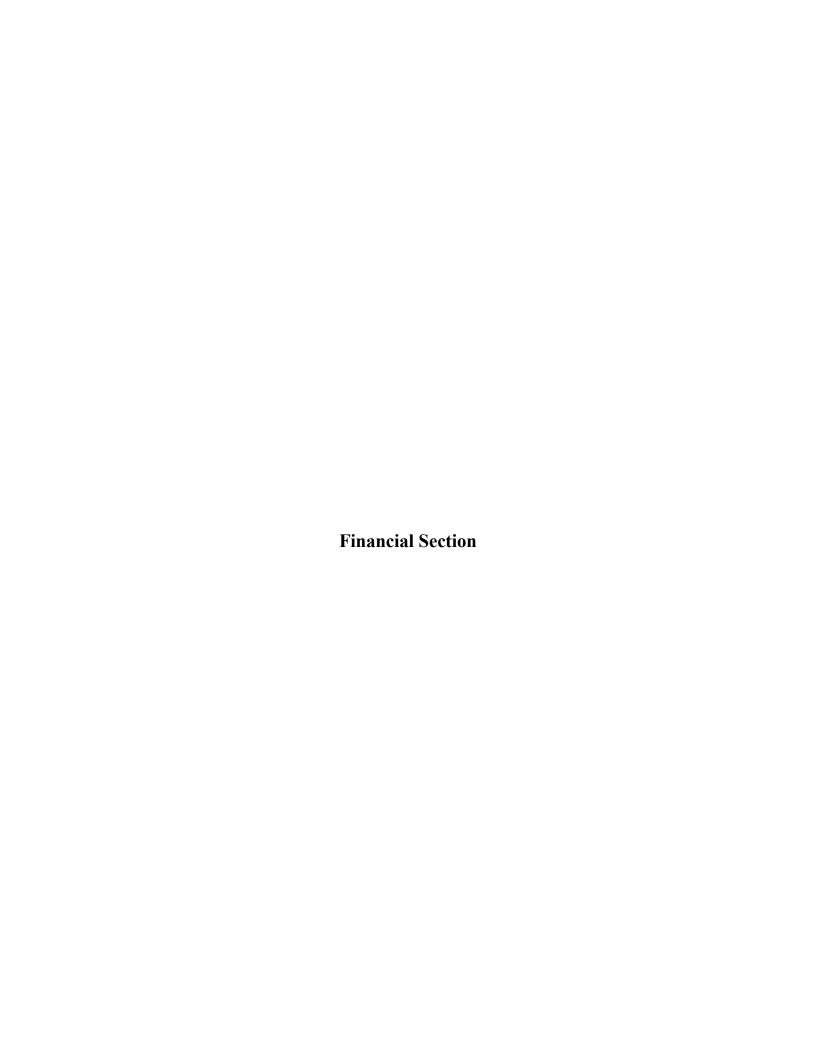
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Board of Trustees

	<u>Term Expires</u>
Officers:	
Lon Ford - President	2029
Kilgore, Texas	
Jon Rowe – Vice President	2027
Gladewater, Texas	
Josh Edmonson – Secretary	2027
Kilgore, Texas	
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 Student Learning, Engagement & Student Success and Chief Academic Officer
Dr. Mike Jenkins	Executive Vice President of Internal Collaboration and Strategic Initiatives
Dr. Staci Martin	Vice President of Student Life & College Affairs
Kara Sharman	Director of Human Resources
John Colville	Director of Information Technology







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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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023. 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, 2024 and 2023, 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 asses 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 matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the schedule of the District's proportionate share of the net pension liability on page 54, the schedule of the District's contributions to the Teacher Retirement System of Texas on page 55, the schedule of the District's proportionate share of the OPEB liability on page 56, and the schedule of the District's contributions to the Employee Retirement System of Texas on page 57 (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 April 14, 2025, 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 effectiveness of 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.

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, 2024, with fiscal years 2023 and 2022 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 2024 were \$119.8 million, decreasing by \$0.7 million from 2023. 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 2024 were \$75.3 million, decreasing by \$2.5 million from 2023, due to decreases in deferred inflows.
- Net position as of August 31, 2024 was \$44.5 million, an increase of \$1.8 million from 2023, primarily due to a significant change in the funding model for community colleges due to House Bill 8. Net position as of August 31, 2023 was \$42.7 million, an increase of \$5.6 million from 2022, primarily due to construction in progress for the pedestrian bridge, Stark Hall renovations, and Old Main renovations. Net position at August 31, 2022 was \$37.1 million.
- Total operating revenues in 2024 were \$19.0 million, a decrease of \$5.9 million comprised of a \$7.9 million decrease in federal grants and contracts associated with HEERF and a \$1.6 million increase in local grants and contracts associated with a donation from the Kilgore College Foundation in fiscal year 2024 for the Health Science facility. 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 \$1.6 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 \$57.4 million in 2024, up \$5.6 million from 2023 primarily due to increased expenses for most categories to address rising costs and support structures to improve student success, excluding scholarships and fellowships. The scholarships and fellowships have decreased steadily from 2022 to 2024 due to the full utilization of HEERF distributions for student aid related to the COVID 19 pandemic. Operating expenses were \$51.9 million in 2023, down \$1.9 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 \$40.2 million in 2024, up \$7.7 million from 2023 primarily due to state appropriations, and ad valorem taxes for maintenance and operations. Net nonoperating revenues (expenses) were \$32.5 million in 2023, up \$3.5 million from 2022 primarily due to ad valorem taxes for maintenance and operations, and investment income for interest earnings on higher cash balances.

Financial Highlights (continued)

- Capital assets (net) increased by approximately \$9.7 million in 2024, \$3.1 million in 2023 and \$1.4 million in 2022.
- Outstanding debt decreased by approximately \$0.4 million in 2024 and increased by \$3.5 million in 2024. Outstanding debt was \$16.3 million for 2022.

Statement of Net Position

The District's net position increased \$1.8 million compared to an approximate \$5.6 million increase in the prior year, increasing from \$42.7 million to \$44.5 million.

					Increase (D	Decrease)	
					2023 to	2022 to	
	_	2024	2023	2022	2024	2023	
Assets							
Current assets Noncurrent assets:	\$	30,656,224	40,357,666	43,232,554	(9,701,442)	(2,874,888)	
Capital assets, net of depreciation		76,686,428	67,020,140	63,929,260	9,666,288	3,090,880	
Other	_	6,481,617	6,677,589	1,662,025	(195,972)	5,015,564	
Total assets		113,824,269	114,055,395	108,823,839	(231,126)	5,231,556	
Deferred outflows of resources	-	5,954,600	6,435,030	5,825,617	(480,430)	609,413	
Liabilities							
Current liabilities		16,945,681	16,635,567	17,442,715	310,114	(807,148)	
Noncurrent liabilities	_	48,936,665	49,329,795	47,235,709	(393,130)	2,094,086	
Total liabilities		65,882,346	65,965,362	64,678,424	(83,016)	1,286,938	
Deferred inflows of resources	_	9,434,540	11,862,481	12,876,124	(2,427,941)	(1,013,643)	
Net Position							
Net investment in capital assets		60,997,004	55,697,351	50,988,910	5,299,653	4,708,441	
Restricted		1,095,552	(273,225)	6,458	1,368,777	(279,683)	
Unrestricted	_	(17,630,573)	(12,761,544)	(13,900,460)	(4,869,029)	1,138,916	
Total net position	\$	44,461,983	42,662,582	37,094,908	1,799,401	5,567,674	

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 \$30.7 million were sufficient to cover current liabilities of \$16.9 million, giving a current ratio of 1.8 comparable to 2.4 for fiscal year 2023. The current ratio was 2.5 for fiscal year 2022.

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 (\$17.6) million at August 31, 2024 compared to a deficit expendable net position of (\$12.8) million at August 31, 2023. Operating expenses for the same periods were \$57.4 million

Statement of Net Position (continued)

and \$51.9 million. The District continued to report a deficit in expendable net position at August 31, 2024 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 2024 and 2023 was (30.7%) and (24.6%), respectively. The ratio was (25.9%) for fiscal year 2022.

The District's accumulated cash and cash equivalent balances decreased from \$33.4 million in 2023 to \$23.6 million in 2024. This decrease is due to continued investment in capital assets. 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.

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. The four main sources of revenue are ad valorem taxes, state appropriations, federal grants and contracts, and tuition and fees. Operating revenues generally result from providing services in connection with the District's principal ongoing operations which includes non-Title IV federal grants and contracts as well as state grants and contracts received. 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, 2024, 2023 and 2022.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

2024	2023	2022
9,451,934	8,862,761	9,564,696
2,458,491	10,329,562	14,829,241
505,587	738,338	1,789,980
2,332,053	685,235	2,337,270
3,510,222	3,576,463	3,434,215
739,489	725,578	914,239
18,997,776	24,917,937	32,869,641
	9,451,934 2,458,491 505,587 2,332,053 3,510,222 739,489	9,451,934 8,862,761 2,458,491 10,329,562 505,587 738,338 2,332,053 685,235 3,510,222 3,576,463 739,489 725,578

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

Condensed Statements of Revenues, Expenses, and Changes in Net Position

(continued)

	2024	2023	2022
Operating expenses:			
Instruction	16,661,730	15,810,105	16,560,078
Public service	642,616	621,938	515,159
Academic support	3,369,377	3,100,940	2,768,584
Student services	3,337,215	3,045,747	2,661,180
Institutional support	11,602,710	9,717,198	8,752,331
Operation and maintenance			
of plant	6,050,928	5,072,669	4,891,924
Scholarships and fellowships	3,935,800	4,640,738	9,150,643
Auxiliary enterprises	5,890,952	4,955,698	4,047,949
Depreciation	5,936,085	4,899,401	4,382,758
	57,427,413	51,864,434	53,730,606
Operating loss	(38,429,637)	(26,946,497)	(20,860,965)
Non-operating revenues (expenses):			
State appropriations	18,460,927	12,289,885	12,063,294
Ad valorem taxes	9,351,384	7,997,101	6,809,405
Federal grants and contracts	11,549,167	10,287,424	9,540,219
Interest on debt	(328,703)	(136,097)	(131,281)
Other	1,196,263	2,075,858	686,147
	40,229,038	32,514,171	28,967,784
Increase in net position	\$1,799,401_	5,567,674	8,106,819

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, which caused net tuition to decrease from fiscal year 2022 to 2023. The net increase in tuition and fees from fiscal year 2023 to 2024 is attributed to the continued growth in the dual credit program and an increase in fees to cover rising operating costs.

Federal grants and contracts revenue decreased \$6.6 million in 2024 and decreased \$3.7 million in 2023, primarily due to the reduction and ending of student distributions and recognition of allowable institutional uses under HEERF assistance for COVID-19 related items, which peaked the federal grants and contracts at \$14.8 million in 2022.

Operating and Non-operating Revenues (continued)

State grants and contracts revenue remained consistent from 2023 to 2024. State grants and contracts revenue decreased \$1.0 million from 2022 to 2023, 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 \$1.8 million in 2022.

Local grants and contracts revenue increased \$1.6 million in 2024 and decreased \$1.6 million in 2023 due to contributions from the Kilgore College Foundation for the Health Science facility. Local grants and contracts approximated \$2.3 million for 2022.

Auxiliary enterprises revenue, net approximated \$3.5 million for 2024, \$3.6 million for 2023 and \$3.4 million in 2022.

State appropriations increased \$6.2 million in 2024 after holding relatively flat for 2023 and 2022. The increase is attributed to the change in funding from the State of Texas and the District's performance with student outcomes. The State of Texas changed the funding formulas for all community colleges for 2024. The new formula consists of a performance tier and a base tier. The District receives funding under both tiers with the performance tier being the largest portion. In addition, dual-credit courses that are paid through the Financial Aid for Swift Transfer (FAST) program are also included as a state appropriation and was new in fiscal year 2024.

Ad valorem tax revenue, net of collection fees and bad debt, approximated \$9.4 million for 2024, which is a \$1.4 million increase from fiscal year 2023 as taxable assessed values increased and the rate for maintenance and operations (M&O) was maintained at \$0.175 per \$100 valuation. Ad valorem tax revenue was \$8.0 million in 2023 and \$6.8 million in 2022.

Other non-operating revenues mainly consist of investment income and gifts. These revenues increased by \$0.4 million from 2023 for interest received on cash and investments for 2024. Other non-operating revenues increased by \$1.4 million from 2022 for interest received on cash and investments for 2023.

Operating and Non-operating Expenses

Operating expenses totaled \$57.4 million in 2024, which is a \$5.5 million increase from fiscal year 2023. The increase is primarily due to increased expenses for instruction of \$0.9 million, increased funding of operations and maintenance of plant for \$1.0 million to address needed maintenance projects, increased institutional support to improve student outcomes for \$1.9 million, and an increase in depreciation of \$1.0 million for the additional capital assets placed in service. Operating expenses totaled \$51.9 million in 2023, which is a \$1.9 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 were \$53.7 million for 2022.

Operating and Non-operating Expenses (continued)

Non-operating expenses totaled \$1.7 million in 2024, and \$0.1 million in 2023 and 2022. In addition to interest on debt, the District incurred a loss on disposal of capital assets of approximately \$1.4 million in 2024.

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 2024, the District had \$76.7 million invested in a broad range of capital assets, as noted in the below table. Capital asset additions were \$16.9 million and capital asset disposals were \$3.3 million in 2024. Significant additions in fiscal year 2024 included completion on the pedestrian bridge, significant roof improvements, HVAC improvements, CDL drive track and equipment purchases. Significant disposals in fiscal year 2024 included demolition of the student center and quads. 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. 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. More information on capital assets can be found in Note 6 to the financial statements.

Schedule of Capital Assets (net of accumulated depreciation)

	-	2024	2023	2022
Land	\$	4,208,950	4,208,950	4,208,950
Construction in progress		1,353,379	6,339,303	447,351
Buildings		37,435,306	33,856,991	34,342,737
Buildings - right-of-use lease assets		4,881,283	300,577	261,458
Land improvements and infrastructure		11,416,701	3,549,925	3,745,908
Leasehold improvements		1,001,543	1,088,624	1,175,704
Library books		95,579	106,289	194,258
Equipment		14,425,171	14,968,619	16,400,903
Equipment - right-of-use lease assets		1,300,894	1,640,257	1,979,620
Exhibits		41,800	53,633	65,464
Software - right-of-use subscription assets	_	525,822	906,972	1,106,907
	\$	76,686,428	67,020,140	63,929,260

Capital Assets and Debt Administration (continued)

The District had outstanding debt of \$19.4 million, \$19.8 million, and \$16.3 million as of August 31, 2024, 2023, and 2022, respectively. The decrease from 2023 to 2024 is due to regularly scheduled principal payments that was offset by the increase in lease liabilities attributed to a new lease for HVAC equipment. The increase from 2022 to 2023 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. More information on debt can be found in Note 7 to the financial statements.

Schedule of Outstanding Debt

	_	2024	2023	2022
SECO loans	\$	10,687,279	11,624,430	12,552,267
Kilgore ISD		78,367	111,257	200,355
Maintenance tax note		4,260,000	5,000,000	-
Lease liabilities		3,763,888	2,100,019	2,354,173
Subscription liabilities	_	583,295	973,418	1,167,068
	\$ _	19,372,829	19,809,124	16,273,863

Economic Factors and Next Year's Budgets and Rates

For fiscal year 2025, the District will receive another 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 2025.

Additionally, the legislation introduced the Financial Aid for Swift Transfer (FAST) program in 2024. Under this program, the State compensates \$56.87 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 \$56.87 per credit hour tuition rate for all other dual credit students from public/charter schools in Texas. The District has continued participating in this program and collaborated with independent school districts (ISDs) within its service area to subsidize material costs not covered by open educational resources (OER). As a result of this program, the District saw a significant increase in the dual-credit enrollment.

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 maintains a five-year forecasting model for this new funding structure and is developing strategies to maintain or enhance outcomes.

Economic Factors and Next Year's Budgets and Rates (continued)

When establishing the fiscal year 2025 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 2024 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 2026.

For fiscal year 2025, the District raised limited fees, targeting these additional funds for technological enhancements and rising costs. 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, 2024 and 2023

	Primary Government	
	2024	2023
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 17,201,448	26,800,248
Accounts receivable, net	12,925,182	11,280,728
Prepaid expenses	5,804	1,355,477
Inventories	523,790	921,213
Total current assets	30,656,224	40,357,666
Noncurrent assets:		
Restricted cash, cash equivalents, and investments	6,396,857	6,592,829
Capital assets, net	76,686,428	67,020,140
Other assets	84,760	84,760
Total noncurrent assets	83,168,045	73,697,729
Total assets	113,824,269	114,055,395
Deferred Outflows of Resources		
Deferred outflows of resources	5.054.600	6 425 020
Deferred outflows of resources	5,954,600	6,435,030
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	2,303,272	1,567,792
Accrued liabilities	589,216	588,620
Funds held for others	858,564	1,276,458
Unearned revenue	10,134,747	10,228,949
Compensated absences - current portion	508,553	432,318
Lease liabilities - current portion	574,514	424,156
Subscription liabilities - current portion	376,257	390,123
Notes payable - current portion	1,600,558	1,727,151
Total current liabilities	16,945,681	16,635,567
Noncurrent liabilities:		
Compensated absences	484,158	448,868
Lease liabilities	3,189,374	1,675,863
Subscription liabilities	207,038	583,295
Notes payable	13,425,088	15,008,536
Net pension liability	10,124,860	8,358,485
OPEB liability	21,506,147	23,254,748
Total noncurrent liabilities	48,936,665	49,329,795
Total liabilities	65,882,346	65,965,362
Deferred Inflows of Resources		
Deferred inflows of resources	9,434,540	11,862,481
Net Position		
Net Fosition		
Net position:		
Net investment in capital assets	60,997,004	55,697,351
Restricted for:		
Expendable:		
Education grants and debt service	1,095,552	(273,225)
Unrestricted	(17,630,573)	(12,761,544)
Total net position	\$ 44,461,983	42,662,582
1		

See accompanying notes to the financial statements.

Kilgore Junior College District Statements of Financial Position (Exhibit 1A) August 31, 2024 and 2023

	Component Unit	
	2024	2023
<u>Assets</u>		
Cash	\$ 1,601,063	992,519
Investments	26,961,983	23,522,763
	28,563,046	24,515,282
Liabilities and Net Assets		
Accounts payable	47,554	2,184
Total liabilities	47,554	2,184
Net assets:		
Without donor restrictions	181,700	127,869
With donor restrictions	28,333,792	24,385,229
Total net assets	28,515,492	24,513,098
	\$ 28,563,046	24,515,282

Statements of Revenues, Expenses, and Changes in Net Position (Exhibit 2)

Years Ended August 31, 2024 and 2023

	Primary Government	
	2024	2023
Operating revenues:		
Tuition and fees (net of scholarship allowances		
and discounts of \$9,532,121 and \$8,839,637,		
respectively)	\$ 9,451,934	4 8,862,761
Federal grants and contracts	2,458,49	
State grants and contracts	505,58	
Local grants and contracts	2,332,05	
Sales and services of educational activities	24,992	
Auxiliary enterprises (net of scholarship allowances		
and discounts of \$1,367,252 and \$1,413,873,		
respectively)	3,510,222	2 3,576,463
Other operating revenues	714,49	
Total operating revenues	18,997,77	
1 0		
Operating expenses:		
Instruction	16,661,730	0 15,810,105
Public service	642,610	6 621,938
Academic support	3,369,37	7 3,100,940
Student services	3,337,21	5 3,045,747
Institutional support	11,602,710	9,717,198
Operation and maintenance of plant	6,050,92	5,072,669
Scholarships and fellowships	3,935,800	0 4,640,738
Auxiliary enterprises	5,890,952	2 4,955,698
Depreciation and amortization	5,936,08	5 4,899,401
Total operating expenses	57,427,41	3 51,864,434
	(20, 420, 52)	-> (2504540=)
Operating loss	(38,429,63	7) (26,946,497)
Nonoperating revenues (expenses):		
State appropriations	18,460,92	7 12,289,885
Ad valorem taxes for maintenance and operations	9,351,384	
Federal grants and contracts	11,549,16	
Investment income	1,806,81	
Gifts	750,004	
Insurance proceeds	-	5,900
Interest on capital asset-related debt, leases, and		2,500
subscriptions	(328,70)	3) (136,097)
Loss on disposal of capital assets	(1,361,08	
Other nonoperating revenues (expenses), net	53	
Net nonoperating revenues	40,229,03	
rvet nonoperating revenues	10,227,03	32,311,171
Increase in net position	1,799,40	1 5,567,674
Net position - beginning of year,	42,662,58	2 37,094,908
Net position - end of year	\$ 44,461,98	3 42,662,582

See accompanying notes to the financial statements.

Statements of Activities (Exhibit 2A) Years Ended August 31, 2024 and 2023

	Component Unit		
		2024	2023
Net assets without donor restrictions:		_	
Revenue and other support:			
Contributions	\$	11,659	11,669
Net investment income		15,644	9,677
Net assets released from restrictions		2,579,180	951,805
Total revenue and other support		2,606,483	973,151
Expenses:			
Program expenses:			
Scholarships and other distributions		2,579,180	960,887
Management and general		20,411	60,400
Total expenses		2,599,591	1,021,287
Net increase (decrease) in net assets			
without donor restrictions		6,892	(48,136)
Net assets with donor restrictions:			
Revenue and other support:			
Contributions		2,720,017	1,341,253
Fundraising		46,939	129,693
Net investment income		3,807,726	2,188,935
Total revenue and other support		6,574,682	3,659,881
Net assets released from restrictions		(2,579,180)	(951,805)
Net increase in net assets with			
donor restrictions	_	3,995,502	2,708,076
Increase in net assets		4,002,394	2,659,940
Net assets - beginning of year		24,513,098	21,853,158
Net assets - end of year	\$	28,515,492	24,513,098

Statements of Cash Flows (Exhibit 3)

Years Ended August 31, 2024 and 2023

	Primary	Government
	2024	2023
Cash flows from operating activities		
Receipts from students and other customers	\$ 11,301,445	11,436,490
Receipts of grants and contracts	5,035,452	11,959,900
Other receipts	714,497	695,991
Payments to employees	(26,442,326)	(25,212,086)
Payments to suppliers and students	(22,309,155)	(22,511,811)
Net cash used in operating activities	(31,700,087)	(23,631,516)
Cash flows from noncapital financing activities		
Receipts of state appropriations	15,036,040	9,683,710
Receipts from ad valorem taxes for maintenance and operation	9,240,212	10,296,935
Receipts of grants and contracts	11,450,171	7,906,333
Receipts from gifts for other than capital purposes	750,532	478,993
Net cash provided by noncapital financing activities	36,476,955	28,365,971
Cash flows from capital and related financing activities		
Proceeds from issuance of capital debt	-	5,000,000
Proceeds from insurance	-	5,900
Purchases of capital assets	(12,071,928)	(7,742,695)
Payments on capital debt, lease, and subscription principal	(3,977,824)	(1,794,142)
Payments on capital debt, lease and subscription interest	(328,703)	(122,061)
Other payments		82,817
Net cash used in capital and related financing activities	(16,378,455)	(4,570,181)
Cash flows from investing activities	1 00 6 01 5	
Receipts from interest on investments	1,806,815	1,496,266
Net cash provided by investing activities	1,806,815	1,496,266
Net increase (decrease) in cash and cash equivalents	(9,794,772)	1,660,540
Cash and cash equivalents - beginning of year	33,393,077	31,732,537
Cash and cash equivalents - end of year	\$ 23,598,305	33,393,077
Reconciliation of operating loss to net cash		
used in operating activities:	Ф. (20.420.62 7)	(26.046.407)
Operating loss	\$ (38,429,637)	(26,946,497)
Adjustments to reconcile operating loss to net cash		
used in operating activities:	5 02 C 00 5	4 000 404
Depreciation and amortization expense	5,936,085	4,899,401
On-behalf payments	3,424,887	2,606,175
Contributions in excess of pension and OPEB expense	-	93,697
Change in assets and liabilities:	(1.121.200	(105.750)
Receivables, net	(1,434,286)	(125,752)
Inventories	397,423	(274,304)
Prepaid expenses	(327)	1,177
Accounts payable and accrued liabilities	736,076	(981,592)
Funds held for others	(417,894)	854
Unearned revenue	(94,202)	(700,658)
Compensated absences	111,525	188,670
Net pension/OPEB liability	17,774	(769,631)
Change in deferred inflows and outflows:		
Deferred outflows	480,430	(609,413)
Deferred outflows	(2,427,941)	(1,013,643)
Net cash used in operating activities	\$ (31,700,087)	(23,631,516)
Noncash capital, financing and investing activities:		
State appropriations on-behalf payments	\$ 3,424,887	2,606,175
Purchase of right-of-use lease assets	\$ 2,191,530	136,648
Purchase of right-of-use subscription assets	\$	193,755
Loss on disposal of fixed assets	\$ 1,361,088	

See accompanying notes to the financial statements.

Notes to Financial Statements

Years Ended August 31, 2024 and 2023

(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.

(2) Summary of Significant Accounting Policies

(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

Notes to Financial Statements (Continued)

(2) Summary of Significant Accounting Policies (continued)

(a) <u>Basis of Accounting</u> (continued)

revenues are recorded when earned and all expenses are recorded when a liability has 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. distinguishes operating revenues and expenses from nonoperating items. 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 encumbrances outstanding at that time are to be either canceled or appropriately

Notes to Financial Statements (Continued)

(2) Summary of Significant Accounting Policies (continued)

(b) Encumbrances (continued)

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 \$195,680 and \$185,518 at August 31, 2024 and 2023, 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.

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, 2024 and 2023 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) <u>Inventories</u>

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

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, 2024 and 2023 consist of the following:

	_	2024	2023
Deferred Outflows			
Pension related:			
Contributions subsequent to			
measurement date	\$	865,704	750,181
Changes in assumptions		957,613	1,557,458
Change in proportionate contributions		488,615	321,768
Differences between projected and actual			
investment earnings, net		1,473,414	825,792
Differences between expected and actual			
economic experience		360,752	121,197
OPEB related:			
Contributions subsequent to			
measurement date		713,332	730,265
Changes in assumptions		717,422	1,366,309
Changes in proportion and differences			
between District contributions and			
proportionate share of contributions		376,011	758,049
Differences between projected and actual			
investment earnings	_	1,737	4,011
	\$ _	5,954,600	6,435,030

Notes to Financial Statements (Continued)

(2) <u>Summary of Significant Accounting Policies</u> (continued)

(h) <u>Deferred Outflows and Inflows of Resources</u> (continued)

	_	2024	2023
Deferred Inflows			
Pension related:			
Changes in assumptions	\$	234,350	388,162
Changes in proportion and differences			
between District contributions and			
proportionate share of contributions		247,602	359,363
Differences between expected and actual			
economic experience		122,601	182,231
OPEB related:			
Changes in assumptions		6,716,656	7,188,263
Changes in proportion and differences			
between District contributions and			
proportionate share of contributions		1,544,482	3,010,747
Differences between expected and actual			
economic experience	_	568,849	733,715
	\$	9,434,540	11,862,481

(i) <u>Unearned Revenue</u>

Unearned revenue of the District at August 31, 2024 and 2023 consists of the following:

	<u> </u>	2024	2023
Tuition and fees Grants	\$	9,702,296 417,589	9,639,890 574,197
Other		14,862	14,862
	\$ _	10,134,747	10,228,949

Notes to Financial Statements (Continued)

(2) <u>Summary of Significant Accounting Policies</u> (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) <u>Use of Estimates</u>

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. Actual results could differ from those estimates.

(m) <u>Reclassifications</u>

Certain reclassifications have been made to 2023 amounts to conform to 2024 presentation.

Notes to Financial Statements (Continued)

(3) <u>Authorized Investments</u>

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, 2024 and 2023 consist of the following:

	_	2024	2023
<u>Deposits</u>	_	_	
Cash - demand deposits	\$	14,943,843	25,181,907
Cash - certificates of deposit		8,452,682	8,002,952
Cash - petty cash on hand		6,100	22,700
Total deposits	_	23,402,625	33,207,559
	_		
<u>Investments - cash equivalents</u>			
Texas Local Government Investment Pool	_	195,680	185,518
Total investments-cash equivalents		195,680	185,518
Total deposits and investments	\$_	23,598,305	33,393,077

Deposits and investments of the Foundation at August 31, 2024 and 2023 consist of the following:

	2024	2023
Deposits Cash - demand deposits Total deposits	\$ <u>1,601,063</u> <u>1,601,063</u>	992,519 992,519
Investments		
Funds of a management investment		
company	\$26,961,983_	23,522,763
Total investments	26,961,983	23,522,763
Total deposits and investments	\$ 28,563,046	24,515,282

Notes to Financial Statements (Continued)

(4) <u>Deposits and Investments</u> (continued)

The weighted average maturity of investments (in days) of the District at August 31, 2024 and 2023 consists of the following:

	2024	2023
Texas Local Government Investment Pool	36	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.

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, 2024 and 2023, 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, 2024 and 2023 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.

Notes to Financial Statements (Continued)

(4) <u>Deposits and Investments</u> (continued)

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.

(5) <u>Disaggregation of Accounts Receivable and Accrued Liabilities</u>

Accounts receivable at August 31, 2024 and 2023 consisted of the following:

	_	2024	2023
Student	\$	15,912,077	13,552,713
Taxes		1,041,969	930,797
Grants	_	939,270	736,203
	_	17,893,316	15,219,713
Less allowance for doubtful accounts	_	(4,968,134)	(3,938,985)
Accounts receivable, net	\$ _	12,925,182	11,280,728

Accrued liabilities at August 31, 2024 and 2023 consisted of the following:

		2024	2023
Salaries and benefits Interest Other payables	\$	599,612 14,036 (24,432)	577,592 14,036 (3,008)
Accrued liabilities	\$ _	589,216	588,620

Kilgore Junior College DistrictNotes to Financial Statements

Notes to Financial Statements (Continued)

(6) Capital Assets

Capital asset activity for the year ended August 31, 2024 was as follows:

		Balance September 1, 2023	Additions	Transfers and Retirements	Balance August 31, 2024
Capital assets not being depreciated:					
Land	\$	4,208,950	-	-	4,208,950
Construction in progress		6,339,303	11,136,919	(16,122,843)	1,353,379
		10,548,253	11,136,919	(16,122,843)	5,562,329
Capital assets, being depreciated:					
Buildings	\$	63,372,888	_	2,944,673	66,317,561
Buildings - right-of-use lease assets	•	1,061,805	4,891,530	- -	5,953,335
Land improvements and infrastructure		6,268,888	-	8,133,735	14,402,623
Leasehold improvements		1,872,823	_	-	1,872,823
Library books		556,161	_	_	556,161
Equipment		29,577,595	935,012	1,696,551	32,209,158
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		2,000,944	_	_	2,000,944
Total buildings and other					
capital assets		108,775,721	5,826,542	12,774,959	127,377,222
Less accumulated depreciation and amortization:					
Buildings	\$	29,515,897	1,353,154	(1,986,796)	28,882,255
Buildings - right-of-use lease assets	•	761,228	310,824	-	1,072,052
Land improvements and infrastructure		2,718,964	266,958	_	2,985,922
Leasehold improvements		784,199	87,081	_	871,280
Library books		449,872	10,710	_	460,582
Equipment		14,608,976	3,175,011	-	17,783,987
Equipment - right-of-use lease assets		395,924	339,363	_	735,287
Exhibits		1,974,803	11,833	-	1,986,636
Software - right-of-use subscription assets		1,093,971	381,151		1,475,122
Total accumulated depreciation and amortization		52,303,834	5,936,085	(1,986,796)	56,253,123
		56,471,887	(109,543)	14,761,755	71,124,099
Net capital assets	\$	67,020,140	11,027,376	(1,361,088)	76,686,428

Notes to Financial Statements (Continued)

(6) <u>Capital Assets</u> (continued)

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

	Balance		Transfers	Balance
	September 1,		and	August 31,
	2022	Additions	Retirements	2023
Capital assets not being depreciated:				
Land	\$ 4,208,950	-	-	4,208,950
Construction in progress	447,351	5,891,952		6,339,303
	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	1,807,189	193,755	-	2,000,944
Total buildings and other				
capital assets	106,974,688	2,181,146	(380,113)	108,775,721
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 subscription 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

Notes to Financial Statements (Continued)

(6) <u>Capital Assets</u> (continued)

Construction in progress at August 31, 2024 consists of:

		Spent	Remaining
	_	to Date	Commitment
		_	
Roof Repair/Replacement	\$	610,513	914,487
HVAC Repair/Replacement		301,643	1,198,357
Fine Arts Roof		108,500	16,500
Rangerette Gym		139,552	65,448
Lineman Upgrades		35,940	35,940
Laird Roof		50,000	-
Stark Fire Doors		47,998	1,980
Kilgore College Police Department			
Weather Proofing	_	59,233	
	\$	1,353,379	2,232,712

(7) <u>Long-Term Liabilities</u>

Long-term liability activity for the year ended August 31, 2024 was as follows:

		Balance			Balance	
		September 1,			August 31,	Current
	_	2023	Additions	Reductions	2024	Portion
Notes payable:	_					
SECO Loan #1	\$	5,655,544	-	455,946	5,199,598	460,522
SECO Loan #2		5,968,886	-	481,205	5,487,681	485,036
Kilgore ISD		111,257	-	32,890	78,367	50,000
Maintenance tax note		5,000,000	-	740,000	4,260,000	605,000
Compensated absences		881,186	271,292	159,767	992,711	508,553
Lease liabilities		2,100,019	2,191,530	527,661	3,763,888	574,514
Subscription liabilities		973,418	-	390,123	583,295	376,257
Net pension liability		8,358,485	1,766,375	-	10,124,860	-
OPEB liability	-	23,254,748		1,748,601	21,506,147	
	\$	52,303,543	4,229,197	4,536,193	51,996,547	3,059,882

Notes to Financial Statements (Continued)

(7) <u>Long-Term Liabilities</u> (continued)

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

		Balance			Balance	
		September 1,			August 31,	Current
	_	2022	Additions	Reductions	2023	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	
	\$	49,349,243	10,554,314	7,600,014	52,303,543	2,973,748

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 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.

Notes to Financial Statements (Continued)

(7) <u>Long-Term Liabilities</u> (continued)

As of August 31, 2024 and 2023, the District has borrowings outstanding of \$15,025,646 and \$16,735,687, respectively. Debt service requirements for these notes as of August 31, 2024, are as follows:

For the Year Ended August 31,	_	Principal	Interest	Total
2025	\$	1,600,558	295,893	1,896,451
2026		1,614,426	259,045	1,873,471
2027		1,625,655	221,003	1,846,658
2028		1,665,349	181,448	1,846,797
2029		1,705,139	140,015	1,845,154
2030-2034		6,031,017	225,680	6,256,697
2035		783,502	3,921	787,423
	_			
	\$_	15,025,646	1,327,005	16,352,651

Leases

The District leases copiers and certain buildings under lease agreements through 2053. The leases utilize incremental borrowing rates of 8.0% to 8.5% and contain annual payment terms ranging from \$18,000 to \$434,400.

Future principal and interest requirements for lease liabilities as of August 31, 2024, are as follows:

For the Year Ended August 31,	_	Principal	Interest	Total
2025	\$	574,514	147,688	722,202
2026		529,855	106,032	635,887
2027		530,443	68,627	599,070
2028		498,945	28,926	527,871
2029		82,617	10,545	93,162
2030 - 2034		246,992	44,054	291,046
2035 - 2039		273,383	34,447	307,830
2040 - 2044		323,570	24,713	348,283
2045 - 2049		379,401	14,649	394,050
2050 - 2053	_	324,168	4,245	328,413
	\$_	3,763,888	483,926	4,247,814

Notes to Financial Statements (Continued)

(7) <u>Long-Term Liabilities</u> (continued)

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 8.0% and annual payment terms ranging from \$2,750 to \$161,680.

Future principal and interest requirements for subscription liabilities as of August 31, 2024, are as follows:

For the Year Ended August 31,	Principal	Interest	Total
2025	\$ 376,257	19,493	395,750
2026	188,983	4,904	193,887
2027	18,055	372	18,427
	\$ 583,295	24,769	608,064

(8) Employees' Retirement Plan

Plan Description. The District participates in a multiple employer, cost-sharing 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.

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

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

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 2019 thru 2025. Contribution rates were as follows:

	N	Member	S	State	Di	strict
<u>Year</u>	Rate	Amount	Rate	Amount	Rate	Amount
2024	8.25%	\$ 1,515,290	8.25%	\$ 537,892	8.25%	5 1,515,290
2023	8.0%	\$ 1,304,210	8.0%	\$ 462,238	8.0%	5 1,304,210
2022	8.0%	1,159,012	7.8%	\$ 435,274	7.8%	1,122,793

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

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 or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees, and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is a surcharge an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.8% of the member's salary beginning in fiscal year 2023, 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.

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

Actuarial Assumptions. The total pension liability in the August 31, 2023 and 2022 actuarial valuations was determined using the following actuarial assumptions:

	Valuation Date				
	August 31, 2022 rolled forward to	August 31, 2021 rolled forward to			
	August 31, 2023	August 31, 2022			
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%	7.00%			
Long-term expected investment					
rate of return	7.00%	7.00%			
Municipal bond rate	4.13%	3.91%			
Salary increases	2.95% to 8.95% (includes inflation of 2.3%)	2.95% to 8.95% (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, 2023 and 2022 are the same, except as indicated otherwise above. For a full description of these assumptions please see the actuarial valuation report dated November 22, 2022.

Discount Rate. A single discount rate of 7.00% was used to measure the total pension liability as of August 31, 2023 and 2022. The single discount rate was based on the expected rate of return on 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 contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% in fiscal year 2025 and thereafter. 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.

Notes to Financial Statements (Continued)

(8) <u>Employees' Retirement Plan</u> (continued)

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, 2023 are summarized below:

		Long-Term Expected	Expected Contribution to
	Target	Geometric Real	Long-Term
Asset Class	Allocation % **	Rate of Return ***	Portfolio Returns
Global Equity:			
U.S.A.	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity*	14.0%	7.0%	1.5%
Stable Value:			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return*	-	3.6%	-
Stable Value Hedge Funds	5.0%	4.1%	0.2%
Real Return:			
Real Estate	15.0%	4.9%	1.1%
Energy, Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	-	4.4%	-
Risk Parity:			
Risk Parity	8.0%	4.5%	0.4%
Asset Allocation Leverage:			
Cash	2.0%	3.7%	-
Asset Allocation Leverage	-6.0%	4.4%	-0.1%
Inflation Expectation			2.3%
Volatility Drag****			-0.9%
Expected Return	100.00%		8.00%

^{*} Absolute Return includes Credit Sensitive Investments.

^{**} Target allocations are based on the FY 2023 policy model.

^{***} Capital Market Assumptions come from Aon Hewitt (as of June 30, 2023).

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

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 2023 net pension liability:

	_	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$_	15,137,227	10,124,860	5,957,075

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	Current Rate	1% Increase
_	(6.00%)	(7.00%)	(8.00%)
_	_		
\$_	13,002,634	8,358,485	4,594,185
	- \$_		(6.00%) (7.00%)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2024 and 2023, the District reported a liability of \$10,124,860 and \$8,358,485, 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, 2024 and 2023 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:

	2024	2023
District's proportionate share of the net pension liability State's proportionate share of the net pension liability	\$ 10,124,860	8,358,485
associated with the District	7,187,991	5,880,866
Total	\$ 17,312,851	14,239,351

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

The 2024 net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 through August 31, 2023.

The District's proportion of the collective net pension liability was 0.015% which was consistent with its proportion measured as of August 31, 2023.

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 participating employers to the plan for the period September 1, 2021 to 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.

There were no changes in assumptions since the prior measurement date.

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a COLA to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the years ended August 31, 2024 and 2023, the District recognized total pension expense of \$1,956,795 and \$655,842, respectively. Of the total pension expense, for the measurement periods ended August 31, 2024 and 2023, the District recognized pension expense of \$1,085,324 and \$562,144, respectively, and revenue of \$537,892 and \$462,238, respectively, for support provided by the State.

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

At August 31, 2024 and 2023, 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:

		2	024
	-	Deferred	Deferred
		Outflows of	Inflows of
	-	Resources	Resources
Differences between expected and actual economic experience	\$	360,752	122,601
Changes in actuarial assumptions		957,613	234,350
Differences between projected and actual investment earnings, net		1,473,414	-
Changes in proportion and differences between the District's			
contributions and the proportionate share of contributions		488,615	247,602
Contributions paid to TRS subsequent to the measurement date	_	865,704	
Total	\$_	4,146,098	604,553
		2	023
	-	Deferred 2	Deferred
	-		
	-	Deferred	Deferred
Differences between expected and actual economic experience	-	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience Changes in actuarial assumptions	- \$	Deferred Outflows of Resources	Deferred Inflows of
	- - \$	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$	Deferred Outflows of Resources 121,197 1,557,458	Deferred Inflows of Resources
Changes in actuarial assumptions Differences between projected and actual investment earnings, net	- \$	Deferred Outflows of Resources 121,197 1,557,458	Deferred Inflows of Resources
Changes in actuarial assumptions Differences between projected and actual investment earnings, net Changes in proportion and differences between the District's	\$	Deferred Outflows of Resources 121,197 1,557,458 825,792	Deferred Inflows of Resources 182,231 388,162

The \$865,704 reported as deferred outflows of resources at August 31, 2024 related to contributions paid to TRS subsequent to the measurement date at August 31, 2023 will be recognized as a reduction of the net pension liability in fiscal year 2025.

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

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		Pension
August 31,	_	Expense
	_	
2024	\$	553,736
2025		342,338
2026		1,269,734
2027		436,928
2028		73,105

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.

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 2022, 2023, and 2024 are shown in the table below.

	M		State			
<u>Year</u>	Rate	<u>Amoun</u>	<u>Rate</u>		<u>Amount</u>	
2024	6.6%	\$ 188,77	3.3%	\$	94,385	
2023	6.6%	201,78	3.3%		100,890	
2022	6.6%	243,87	71 3.3%		121,935	

Notes to Financial Statements (Continued)

(8) Employees' Retirement Plan (continued)

The total payroll for all District employees was \$24,646,134, \$22,968,480, and \$22,072,177 for the years ended August 31, 2024, 2023, and 2022, respectively. The total payroll of employees covered by ORP was \$2,860,162, \$3,057,273, and \$3,695,008 for the years ended August 31, 2024, 2023, and 2022, 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. An employee who retires or separates from employment with the District shall be eligible for payment of accrued vacation time as long as advance written notice of at least 2 weeks before last day of employment.

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 \$537,953 and \$498,742 at August 31, 2024 and 2023, respectively, based on employees currently eligible for retirement. 10% of the total liability for accrued sick leave is considered a current liability based on historical experience. The District accrued vacation liability in the amount of \$454,758 and \$382,444 at August 31, 2024 and 2023, 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.

Notes to Financial Statements (Continued)

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

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.

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.

Notes to Financial Statements (Continued)

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

	2024	2023
Retiree only	\$ 624.82	624.82
Retiree & Spouse	1,340.82	1,339.90
Retiree & Children	1,104.22	1,103.58
Retiree & Family	1,820.22	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.

		State		District
<u>Year</u>	Amount		<u> </u>	Amount
2024	\$	950,904	\$	951,603
2023		976,720		978,683
2022		968,015		997,948

Actuarial Assumptions. The total OPEB liability in the August 31, 2023 and 2022 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	Valuation Date						
	August 31, 2023	August 31, 2022					
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	3.81%	3.59%					
Salary increases	2.30% to 8.95% (includes inflation of 2.3%)	2.30% to 8.95% (includes inflation of 2.3%)					
Annual healthcare trend rates	5.60% for fiscal year 2025, 5.30% for fiscal year 2026, 5.00% for fiscal year 2027, 4.75% for fiscal year 2028, 4.60% for fiscal year 2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for fiscal year 2032 and later years	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					
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 2021					
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021 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 Mortaility within 2-year set forward for males with Ultimate MP Porjection Scale from the year 2010.	Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortaility within 2-year set forward for males with Ultimate MP Porjection Scale from the year 2010.					

Notes to Financial Statements (Continued)

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

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 was 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. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.59%. The discount rate used to determine the total OPEB liability as of the end of the measurement year was 3.81%, which amounted to an increase of 0.22%. 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 (3.81%) in measuring the 2023 OPEB liability:

	_	1% Decrease (2.81%)	Current Rate (3.81%)	1% Increase (4.81%)
District's proportionate share of the 2023 OPEB liability	\$_	24,954,794	21,506,147	18,732,312

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	\$_	27,122,063	23,254,748	20,161,825

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 2023 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 2023 OPEB liability	\$_	18,498,276	21,506,147	25,326,159

The initial healthcare trend rate is 5.6% 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 (5.6% decreasing to 4.3%) in measuring the 2022 OPEB liability:

Current Healthcare	Current Healthcare	Current Healthcare		
Cost Trend Rates	Cost Trend Rates	Cost Trend Rates		
(4.6% decreasing	(5.6% decreasing to	(6.6% decreasing		
to 3.3%)	4.3%)	to 5.3%)		
\$ 19,914,496	23,254,748	27,519,348		
•	(4.6% decreasing to 3.3%)	Cost Trend Rates (4.6% decreasing to 3.3%) Cost Trend Rates (5.6% decreasing to 4.3%)		

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2024 and 2023, the District reported a liability of \$21,506,147 and \$23,254,748, 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, 2024 and 2023 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:

	2024	2023
District's proportionate share of the net OPEB liability State's proportionate share of the net OPEB liability	\$ 21,506,147	23,254,748
associated with the District	20,471,756	22,076,248
Total	\$ 41,977,903	45,330,996

Notes to Financial Statements (Continued)

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

The 2024 OPEB liability was measured as of August 31, 2023 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, 2022 to August 31, 2023. At the measurement date of August 31, 2023, the District's proportion of the collective OPEB liability was 0.0805%, which was an increase of 0.0011% from its proportion measured as of August 31, 2022.

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.

For the years ended August 31, 2024 and 2023, the District recognized total OPEB benefit of \$2,086,651 and \$2,081,390, respectively. Of the total benefit, for the measurement period ended August 31, 2023 and 2022, the District recognized OPEB benefit of \$607,538 and \$804,125, respectively, and revenue of \$950,904 and \$976,720, respectively, for support provided by the State.

Changes Since the 2022 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 Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the percentage increase of future fees.

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 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 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, 2024 and 2023, 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:

		20)24	
	-	Deferred	De	eferred
		Outflows of	Inf	lows of
	-	Resources	Re	sources
Differences between expected and actual economic experience	\$	_		568,849
Changes in actuarial assumptions		717,422		716,656
Differences between projected and actual investment earnings		1,737		-
Changes in proportion and differences between the District's				
contributions and the proportionate share of contributions		376,011	1,	544,482
Contributions paid to ERS subsequent to the measurement date		713,332		-
T-4-1	¢.	1 000 502	0	920 097
Total	\$	1,808,502	8,	829,987
		20)23	
		Deferred	De	eferred
		Outflows of	Inf	lows of
	_	Resources	Re	sources
Differences between expected and actual economic experience	\$	_		733,715
Changes in actuarial assumptions		1,366,309		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	\$	2,858,634	10,	932,725

Notes to Financial Statements (Continued)

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

The \$713,332 reported as deferred outflows of resources related to contributions paid to ERS subsequent to the measurement date at August 31, 2024 will be recognized as a reduction of the OPEB liability beginning in fiscal year 2025.

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	OPEB
August 31,	Expense (Benefit)
2024	\$ (2,709,816)
2025	(1,912,314)
2026	(1,734,945)
2027	(1,156,196)
2028	(221,546)

(11) Related Parties

During the years ended August 31, 2024 and 2023, the District provided certain services, such as office space, utilities, and staff assistance amounting to approximately \$119,000 and \$103,000, respectively, at no cost to the Foundation.

As a public institution, the College is exempt from the related party transaction disclosures per the Financial Responsibility, Administrative Capability, Certification Procedures, Ability to Benefit regulation promulgated by the U.S. Department of Education.

(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:

	_	2024	2023
Assessed valuation of the District Less: Exemptions	\$	6,272,374,346 762,183,973	5,976,208,692 724,408,643
Net assessed valuation of the District	\$_	5,510,190,373	5,251,800,049

Notes to Financial Statements (Continued)

(12) Ad Valorem Property Taxes (continued)

Tax rates authorized and assessed (all current operations) during fiscal years 2024 and 2023 are as follows:

	 2024	2023
Tax rate per \$100 valuation authorized	\$ 0.200	0.200
Tax rate per \$100 valuation		
for assessed	0.180	0.175

Taxes levied for the years ended August 31, 2024 and 2023 were \$9,173,529 and \$7,776,567, 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, 2024 and 2023 are as follows:

		2024	 2023
Current taxes collected Delinquent taxes collected	\$	8,999,326 171,503	7,708,697 169,970
Penalties and interest collected	_	149,849	 132,831
Total collections	\$	9,320,678	8,011,498

Current tax collections for the years ended August 31, 2024 and 2023 were approximately 98% and 99%, respectively, 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, 2024 and 2023, the District, did not enter into any significant 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.

Notes 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 2024 or 2023.

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

(15) Commitments and Contingencies

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 \$-0- and \$215,673 at August 31, 2024 and 2023, respectively, for state contract and grant awards. There were no such commitments for federal contract and grant awards at August 31, 2024 and 2023.

(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.

Notes to Financial Statements (Continued)

(18) 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. 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.

GASB Statement No. 102, Certain Risk Disclosures (issued December 2023) – the objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements* (issued April 2024) – the objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (issued September 2024) – the objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2025.

(19) Subsequent Events

The District has evaluated subsequent events from the date of the statements of net position through April 14, 2025, the date on which the financial statements were available to be issued, and has determined that there are no items to disclose.



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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.014739858	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 State's proportionate share of the net pension	\$ 10,124,860	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
liability associated with the District	7,187,991	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	\$ 17,312,851	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	\$ 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	12,888,197
District's proportionate share of the net pension liability as a percentage of its covered payroll	62.1%	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	73.2%	75.6%	88.8%	75.5%	75.2%	73.7%	82.2%	78.0%	78.0%	83.3%

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

	_	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$	865,704	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	_	865,704	750,181	649,848	568,579	568,212	579,153	449,262	468,074	468,106	478,467
Contribution deficiency (excess)	_										
Covered payroll	\$	18,367,156	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	\$_	4.71%	4.60%	4.49%	4.26%	4.15%	4.46%	3.79%	4.00%	3.97%	4.06%

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

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the OPEB liability	0.080494520	0.081632940	0.080781490	0.084201820	0.081326500	0.104132200	0.097567300
District's proportionate share of the OPEB liability	\$ 21,506,147	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	20,471,756	22,076,248	28,011,426	25,795,331	27,827,761	17,802,444	33,244,123
Total	\$ 41,977,903	45,330,996	56,992,195	53,619,512	55,936,364	48,664,877	66,488,247
District's covered payroll	\$ 16,302,624	14,487,648	13,333,325	13,685,419	12,985,938	11,863,073	11,692,838
District's proportionate share of the OPEB liability as a percentage of its covered payroll	131.9%	160.5%	217.4%	203.3%	216.5%	260.2%	284.3%
Plan's fiduciary net position as a percentage of the total OPEB liability	0.6%	0.6%	0.4%	0.3%	0.2%	1.3%	2.0%

Note:

Information for measurement years prior to 2017 is not available.

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

Last Ten Fiscal Years

	_	2024	2023	2022	2021	2020	2019	2018
Contractually required contributions	\$	713,332	730,265	977,948	992,208	991,903	977,733	988,903
Contributions in relation to the contractually required contribution	_	713,332	730,265	977,948	992,208	991,903	977,733	988,903
Contribution deficiency (excess)	_							_
Covered payroll	\$_	18,367,156	16,302,624	14,487,648	13,333,325	13,685,419	12,985,938	11,863,073
Contributions as a percentage of covered payroll	\$_	3.88%	4.48%	6.75%	7.44%	7.25%	7.53%	8.34%

Note:

Information for fiscal years prior to 2018 is not available.

Notes to Required Supplementary Information – Employee Retirement System of Texas

Year Ended August 31, 2024

(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, 2023, 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 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 Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee.

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 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 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.



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

Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

			Total Educational	Auxiliary	Total		
	Unrestricted	Restricted	Activities	Enterprises	2024	2023	
Tuition and fees:	Omestricted	restricted	Tienvines	Enterprises	2021	2023	
State funded credit courses:							
In-district resident tuition \$	1,200,326	_	1,200,326	_	1,200,326	1,254,828	
Out-of-district resident tuition	3,299,430	_	3,299,430	_	3,299,430	3,936,616	
Non-resident tuition	289,255	_	289,255	_	289,255	306,967	
TPEG - credit (set aside)	302,414	_	302,414	_	302,414	304,107	
State funded continuing education	1,868,835	_	1,868,835	_	1,868,835	1,599,942	
Non-state funded educational programs	69,567	_	69,567	_	69,567	99,801	
Total tuition	7,029,827		7,029,827		7,029,827	7,502,261	
Fees:							
General education fees	2,879,750	_	2,879,750	_	2,879,750	2,860,707	
Out-of-district fees	4,458,652	_	4,458,652	_	4,458,652	4,328,825	
Laboratory fees	800,775	_	800,775	_	800,775	773,743	
Testing fees	1,011,572	_	1,011,572	_	1,011,572	776,278	
Administrative fees	1,635,929	_	1,635,929	_	1,635,929	623,317	
Special services fees	8,550	_	8,550	_	8,550	9,225	
Distance learning fees	1,159,000	_	1,159,000	_	1,159,000	828,042	
Total fees	11,954,228		11,954,228		11,954,228	10,200,137	
Scholarship allowances and discounts:							
Remissions and exemptions	(1,014,483)		(1,014,483)		(1,014,483)	(1,026,106)	
Federal grants to students	(7,220,304)	-	(7,220,304)	_	(7,220,304)	(6,083,140)	
TPEG awards	(188,546)	-	(188,546)	-	(188,546)	(291,408)	
State grants	(346,933)	-	(346,933)	-	(346,933)	(661,517)	
Local scholarships	(761,855)	_	(761,855)	_	(761,855)	(777,466)	
Total scholarship allowances	(9,532,121)		(9,532,121)		(9,532,121)	(8,839,637)	
	<u> </u>						
Total net tuition and fees	9,451,934		9,451,934		9,451,934	8,862,761	
Additional operating revenues:							
Federal grants and contracts	-	2,458,491	2,458,491	-	2,458,491	10,329,562	
State grants and contracts	-	505,587	505,587	-	505,587	738,338	
Local grants and contracts	-	2,332,053	2,332,053	-	2,332,053	685,235	
Sales and services of educational activities	24,992	-	24,992	-	24,992	29,587	
Other operating revenues	714,497		714,497		714,497	695,991	
Total additional operating revenues	739,489	5,296,131	6,035,620		6,035,620	12,478,713	
Auxiliary enterprises:							
Bookstore	-	-	-	1,049,235	1,049,235	1,731,260	
less discounts	-	-	-	(890,019)	(890,019)	(921,791)	
Dormitories	-	-	-	1,184,224	1,184,224	1,024,695	
less discounts	-	-	-	(290,568)	(290,568)	(299,481)	
Cafeteria	-	-	-	1,403,475	1,403,475	1,386,040	
less discounts	-	-	-	(186,665)	(186,665)	(192,601)	
Athletics	-	-	-	81,530	81,530	51,320	
East Texas Oil Museum	-	-	-	160,396	160,396	157,252	
Rangerette Showcase and Museum	-	-	-	522,946	522,946	86,454	
Texas Shakespeare Festival	-	-	-	369,554	369,554	499,106	
Fitness Center	-	-	-	105,343	105,343	38,216	
Student activities				771	771	15,993	
Total net auxiliary enterprises	-	-		3,510,222	3,510,222	3,576,463	
Total operating revenues \$	10,191,423	5,296,131	15,487,554	3,510,222	18,997,776	24,917,937	

In accordance with Education Code 56.033, \$302,414 and \$304,107 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended August 31,2024 and 2023, respectively.

See accompanying independent auditor's report.

Kilgore Junior College District

Schedule of Operating Expenses by Object (Schedule B)

Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

		Operating	g Expenses			
	Salaries		nefits	Other	To	tal
	and Wages	State	Local	Expenses	2024	2023
Unrestricted - educational activities:						
Instruction \$	5 11,714,094	-	466,176	1,386,553	13,566,823	13,143,441
Public service	-	-	-	6,834	6,834	2,925
Academic support	2,381,354	-	94,769	396,701	2,872,824	2,666,417
Student services	1,605,699	-	63,901	290,300	1,959,900	1,628,163
Institutional support	5,392,704	-	214,609	5,142,661	10,749,974	8,949,739
Operation and						
maintenance of plant	122,034	-	4,856	5,924,038	6,050,928	5,072,669
Scholarships and						
fellowships	-	-	-	1,239,853	1,239,853	1,359,177
Total unrestricted						
educational activities	21,215,885		844,311	14,386,940	36,447,136	32,822,531
Restricted - educational activities:						
Instruction	785,548	1,785,674	31,262	492,423	3,094,907	2,666,664
Public service	329,587	44,227	13,116	248,852	635,782	619,013
Academic support	4,150	399,593	165	92,645	496,553	434,523
Student services	771,195	404,573	30,691	170,856	1,377,315	1,417,584
Institutional support	-	790,820	50,071	61,916	852,736	767,459
Operation and	_	770,020	_	01,710	032,730	707,437
maintenance of plant	_	_		_	_	_
Scholarships and	_	_	-	_	_	_
fellowships				2,695,947	2,695,947	3,281,561
Total restricted			 -	2,093,947	2,093,947	3,201,301
educational activities	1,890,480	3,424,887	75,234	3,762,639	9,153,240	9,186,804
educational activities	1,070,400	3,424,007	75,254	3,702,037	7,133,240	7,100,004
Total educational activities	23,106,365	3,424,887	919,545	18,149,579	45,600,376	42,009,335
Auxiliary enterprises	1,539,769		241,657	4,109,526	5,890,952	4,955,698
Depreciation and amortization:						
Buildings and other improvements	_	_	_	2,018,017	2,018,017	1,419,304
Software	_	_	_	381,151	381,151	393,689
Equipment	-	-	-	3,514,374	3,514,374	3,059,475
Library books	-	-	-	10,710	10,710	15,102
Exhibits	-	-	-	11,833	11,833	13,102
Total depreciation and			-	11,033	11,033	11,031
amortization expense	-	-	-	5,936,085	5,936,085	4,899,401
•	-		-			
Total operating expenses \$	24,646,134	3,424,887	1,161,202	34,131,275	57,427,413	51,864,434

See accompanying independent auditor's report.

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

Year Ended August 31, 2024 (With Memorandum Totals for the Year Ended August 31, 2023)

			Auxiliary	To	tal
	Unrestricted	Restricted	Enterprises	2024	2023
Nonoperating revenues:					
State appropriations:					
Education and general state support	\$ 13,778,730	-	-	13,778,730	9,654,902
FAST program support	1,110,728	-	-	1,110,728	-
Hazelwood Legacy Act	146,582	-	-	146,582	28,808
State group insurance	-	1,707,286	-	1,707,286	1,480,903
State retirement matching		1,717,601		1,717,601	1,125,272
Total state appropriations	15,036,040	3,424,887	_	18,460,927	12,289,885
Maintenance ad valorem taxes	0.251.204			0.251.204	7 007 101
	9,351,384	11 540 167	-	9,351,384	7,997,101
Federal grants and contracts	1 006 015	11,549,167	-	11,549,167	10,287,424
Investment income Gifts	1,806,815	272 115	477.620	1,806,815	1,496,266
	250	272,115	477,639	750,004	656,509
Insurance proceeds	-	-	-	-	5,900
Other	532			532	
Total nonoperating revenues	26,195,021	15,246,169	477,639	41,918,829	32,733,085
Nonoperating expenses:					
Interest on capital related debt, leases,					
and subscriptions	328,703	_	_	328,703	136,097
Loss on disposal of capital assets	1,361,088			1,361,088	82,817
Total nonoperating expenses	1,689,791			1,689,791	218,914
Net nonoperating revenues	\$ 24,505,230	15,246,169	477,639	40,229,038	32,514,171

Kilgore Junior College District

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

Year Ended August 31, 2024

			Detail by Sou	ırce		Availal Current C	
		Restr	ricted				•
			Non-	Net Investment			
	Unrestricted	Expendable	Expendable	in Capital Assets	Total	Yes	No
Current:							
Unrestricted	\$ (9,546,020)	-	-	-	(9,546,020)	(9,546,020)	-
Restricted	-	1,484,398	-	-	1,484,398	-	1,484,398
Auxiliary	(9,412,818)	-	-	-	(9,412,818)	(9,412,818)	-
Plant:							
Unexpended	1,328,265	-	-	-	1,328,265	1,328,265	-
Debt service	-	(388,846)	-	-	(388,846)	-	(388,846)
Investment in plant				60,997,004	60,997,004		60,997,004
Total net position,							
August 31, 2024	(17,630,573)	1,095,552	-	60,997,004	44,461,983	(17,630,573)	62,092,556
Total net position,							
August 31, 2023	(12,761,544)	(273,225)		55,697,351	42,662,582	(12,761,544)	55,424,126
Net increase (decrease)							
in net position	\$ (4,869,029)	1,368,777		5,299,653	1,799,401	(4,869,029)	6,668,430

Kilgore Junior College District

Schedule of Expenditures of Federal Awards (Schedule E)

Year Ended August 31, 2024

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.S. Department of Education:				
Direct Programs:				
Student Financial Assistance Cluster: Federal Supplemental Education Opportunity				
Grant Program	84.007		\$ - \$	173,128
Federal Work Study Program	84.033		-	173,173
Federal Pell Grant Program Federal Direct Student Loans	84.063 84.268		-	11,202,866 5,437,903
Total Student Financial Assistance Cluster				16,987,070
TRIO Cluster:				
TRIO - Student Support Services	84.042A		-	282,902
TRIO - Upward Bound TRIO - Employment Opportunity Center	84.047A 84.066A		-	284,521 228,956
Total TRIO Cluster	84.000A		<u> </u>	
				796,379
Education Stabilization Fund:				
Pass Through From:				
Texas Higher Education Coordinating Board: COVID-19 TRUE 2 Reskilling Support Fund Grant Program	84.425C	THECB 00295	_	110,427
	04.4250	1111200 00273		
Total Education Stabilization Fund			-	110,427
Pass Through From:				
Humanities of Texas:	12 120	2022 (005		1.662
East Texas Oil Musuem Texas Shakespeare Festival	42.129 42.129	2023-6885 2023-6848	-	1,663 5,000
•				
Total Humanities of Texas Grants			-	6,663
Literacy Council of Tyler:				
Adult Education & Family Literacy Act Adult Education & Family Literacy Act	84.002 84.002	0818ALA00C	-	501,536
Adult Education & Family Literacy Act	64.002	0818ALA000		148,330
Total Adult Education & Family Literacy Act				649,866
Texas Higher Education Coordinating Board:				
Carl Perkins - Career and Technical Education - Basic Grants to States	84.048	2242020271		478,071
Total Vocational Education - State Basic Grant Program				478,071
Total U.S. Department of Education				19,028,476
U.S. Department of Defense				
Direct Program:				
GenCyber Program	12.903			84,633
Total U.S. Department of Defense				84,633
U.S. Department of Justice				
Pass Through From:				
Texas Office of Governor Justice Assistance Grant - KCPD - Squad Car	16.738	15PBJA-21-GG-00289-JAGX	_	27,500
Justice Assistance Grant - Police Academy - Simulator	16.738	15PBJA-21-GG-00289-JAGX		24,995
Total U.S. Department of Justice				52,495
U.S. Department of Health and Human Services				
Pass Through From:				
Texas Workforce Commission:	02.550	MC EDG DWAA AL		202
Entrepreneurship Bootcamp	93.558	KC-EBC-PY22-01		382
Total Texas Workforce Commission			-	382
Total U.S. Department of Health and Human Services				382
Total Federal Awards			\$ - \$	19,165,986

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

\$ 19,165,986

Kilgore Junior College District

Notes to Schedule of Expenditures of Federal Awards

Year Ended August 31, 2024

(1) Federal Revenue Reconciliation

Federal revenues for 2024 are reported in the basic financial statements as follows:

Federal grants and contracts per Exhibit 2	\$	14,007,658
Add: Federal Direct Student Loans made		5,437,903
Less: Amounts not subject to single audit	_	(279,575)
	_	

Total per Schedule of Expenditures of Federal Awards

(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, 2024. 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, 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, 2024

					Indirect
	Grant		Passed		Costs
	Contract	Th	rough to		and
Grantor Agency/Program Title	Number	Sub	recipients	Ex	penditures
Texas Higher Education Coordinating Board					
State Work Study		\$	-	\$	44,926
Nursing Shortage Grant	27009		-		17,029
Texas Education Opportunity Grant			-		171,456
Total Texas Higher Education Coordinating Board			-	_	233,411
Texas Workforce Commission					
Jobs Education for Texas 2	0823JET002		-		209,446
Total Texas Workforce Commission					209,446
Literacy Council of Tyler					
Adult Education and Literacy - State	0820AEL001		-		43,730
Total Literacy Council of Tyler			-		43,730
Texas Commission on the Arts					
Texas Shakespeare Festival			-		19,000
•			-		19,000
					
Total State Awards		\$	-	\$	505,587

Kilgore Junior College District

Notes to Schedule of Expenditures of State Awards

Year Ended August 31, 2024

(1) State Revenue Reconciliation

State revenues for 2024 are reported in the basic financial statements as follows:

State grants and contracts per Exhibit 2

\$ 505,587

Total per Schedule of Expenditures of State Awards

\$ 505,587

(2) <u>Basis of Presentation</u>

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, 2024. The information in this Schedule is presented in accordance with the requirements of 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. 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 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, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 14, 2025. 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 District'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 were not identified. We identified a certain deficiency in internal control as described in the accompanying schedule of findings and questioned costs, as item 2024-001 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 statements. 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 audit 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.

Jayres, Leitmeier, Boyd: Thewell, P.C.

April 14, 2025



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 | irbt.com

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY 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, 2024. 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, 2024.

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 District's 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, 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 in internal control over compliance 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.

Jayres, Leitmeier, Boyd: Therell, P.C.

April 14, 2025

Kilgore Junior College District Schedule of Findings and Questioned Costs Year Ended August 31, 2024

(1) Summary of Auditor's Results

Financial Statements					
Type of auditor's report issued: unr Internal control over financial repor O Material weakness(es) ider O Significant deficiency(ies) considered to be material v	ting: ntified? identified that are not	x	yes yes	x	no none reported
Noncompliance material to financia	l statements noted?		yes	X	no
Federal Awards					
Internal control over major program O Material weakness(es) iden O Significant deficiency(ies) considered to be material v Type of auditor's report issued on co Any audit findings disclosed that ar in accordance with 2 CFR section Guidance? Identification of major federal programs Assistance Listing Number(s)	ntified? identified that are not weaknesses? compliance for major programs: e required to be reported 200.516(a) of the Uniform		yes yes d	x x	no none reported
	Student Financial Assistance Clu	ıster:			
84.007	Federal Supplemental Educati		rtunity C	Grant Prog	gram
84.033	Federal Work-Study Program				
84.063	Federal Pell Grant Program				
84.268	Federal Direct Student Loans	Program			
Dollar threshold used to distinguish type B federal programs: Auditee qualified as low-risk audite			\$750,000 yes	0 x	no no

Kilgore Junior College District

Schedule of Findings and Questioned Costs (Continued)

(2) Financial Statement Findings

Finding 2024-001 – 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. As a result of audit procedures, there were material audit adjustments identified to properly state allowance for doubtful accounts, prepaid expenses, capital assets and related depreciation, accrued liabilities, unearned revenue, lease and subscription liabilities, pension and OPEB liabilities and related deferred outflows and inflows, notes payable, and grant revenue as of year-end.

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 and the material adjustments as identified. 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 and sound accounting practices. This expansion is aimed at ensuring full compliance with financial reporting standards and rectifying the control deficiency. We have added additional positions to our accounting team in 2024. However, we encountered staff turnover that delayed progress. In addition to hiring a qualified team, we are focusing on improving process documentation and reference materials for accounting staff. 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, 2025

(3) Federal Award Findings and Questioned Costs

None noted.

Kilgore Junior College DistrictSummary Schedule of Prior Audit Findings

August 31, 2024

Repeat Finding 2023-001 – 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. 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. See current year finding 2024-001.

Kilgore Junior College DistrictSummary Schedule of Prior Audit Findings

August 31, 2024

Repeat Finding 2023-001 – 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. 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. See current year finding 2024-001.



Agenda Item Summary

Information Item: January Financial Snapshot and Capital Project Report

Overview

This report provides an update on Kilgore College's financial performance for January, the fifth month of Fiscal Year 2025, and a summary of the status of ongoing capital projects. The report is at a high college level with a breakout for auxiliary enterprises.

Financial Snapshot:

Revenues: Year-to-date tuition & fee revenues are 92% and 81% (respectively) of budget with most of the college's revenue accounted for as this includes both Fall and Spring terms. Dual credit tuition exceeds the budget for the year highlighting the strong increase in dual credit enrollment. State appropriations and property taxes are based are cyclical and are within the normal cycle. Continuing education revenue is at 56% of the budget showing a \$700k higher performance than last year at this time.

Based on performance to date and assuming similar performance to last year, most revenues will meet or exceed their budget.

Expenses: Operating expenses reflect only 39% of the annual budget in comparison to being 42% into the year.

Challenges: Auxiliary expenses are higher than 42% straight line spend primarily due to timing of purchases for seasonal activity.

Capital Projects:

There are some capital projects that are 100% and have remaining funds available. The projects will be closed out in the future after verification all amounts owed have been paid. The residual funds will be used in planning for future capital project needs or to address unforeseen items related to existing capital projects. Any allocation of these funds will be presented to the board for adoption.

Recommendation

This update is informational, and no action is required at this time. Additional updates and context for variances will be provided in future reports.



Kilgore College January Financial Snapshot Fiscal Year 2025 (September 1, 2024 to August 31, 2025)

Revenues and Expenses from Operations - Excludes Auxillary

	FY 2024 Actual	1/31/2025	Budget Variance	FY 2025 Budget	% of Annual Budget
Credit Tuition					
In-District Tuition	\$995,003	\$874,927	(\$275,073)	\$1,150,000	76%
Out of District Tuition	\$2,485,613	\$2,452,443	(\$447,558)	\$2,900,000	85%
Out of State Tuition (Texas Non-Resident)	\$264,541	\$227,280	(\$72,720)	\$300,000	76%
Early Admission/Dual Credit	\$655,952	\$2,260,951	\$1,360,951	\$900,000	251%
FAST - Dual Credit	\$1,110,563	\$33,880	(\$1,066,120)	\$1,100,000	3%
Total Credit Tuition:	\$5,511,672	\$5,849,480	(\$500,520)	\$6,350,000	92%
Course and Special Fees					
General Education Fee	\$2,879,751	\$2,461,224	(\$583,776)	\$3,045,000	81%
Out of District Fee	\$4,458,652	\$3,923,369	(\$576,631)	\$4,500,000	87%
Course Fees	\$2,463,938	1,979,357.85	(\$534,505)	\$2,513,863	79%
All Other Fees	\$1,916,923	\$1,634,979	(\$598,151)	\$2,233,130	73%
Total Course and Special Fees:	\$11,719,264	\$9,998,930	(\$2,293,063)	\$12,291,993	81%
State Appropriations					
State Appropriations - Performance Based Funding	\$10,213,083	\$5,037,060	(\$5,037,060)	\$10,074,120	50%
State Appropriations - Base Tier Funding	\$3,565,647	\$2,098,490	(\$2,098,489)	4,196,979	50%
State Appropriations - Teacher Retirement System TRS/ORP	\$94,246	\$39,380	(\$50,620)	\$90,000	44%
Total State Appropriations:	\$13,872,976	\$7,174,930	(\$7,186,169)	\$14,361,099	50%
District Ad-Valorem Property Taxes					
Property Tax Revenues M&O	\$7,242,842	\$5,744,145	(\$2,200,855)	\$7,945,000	72%
Property Tax Revenues I&S	\$1,777,216	\$1,317,867	(\$529,710)	\$1,847,577	71%
Delinquent Tax Collections	\$220,154	\$72,898	(\$27,102)	\$100,000	73%
Total Ad-Valorem Tax Collections:	\$9,240,212	\$7,134,910	(\$2,757,667)	\$9,892,577	72%
Other Revenue from Operations					
Indirect Cost Recovery (from grants/contracts)	\$73,974	\$14,188	(\$35,812)	\$50,000	28%
Interest/Investment Income	\$1,610,744	\$404,870	(\$655,130)	\$1,060,000	38%
Continuing Education	\$2,255,083	\$1,837,281	(\$1,416,219)	\$3,253,500	56%
Other Revenue from Operations	\$527,718	\$91,314	(\$43,671)	\$134,985	68%
Auxiliary Revenues	\$4,446,234	\$3,229,316	(\$1,610,129)	\$4,839,445	67%
KC Plant Fund Reserves for Capital Improvements	\$500,000	\$500,000	\$500,000	\$0	0%
Total Other Revenue from Operations:	\$9,413,753	\$6,076,969	(\$3,260,961)	\$9,337,930	65%
<u> </u>					
Total Revenues	\$49,757,876	\$36,235,219	(\$15,998,380)	\$52,233,599	69%
Operating Expenses					
Salaries & Wages	\$19,343,030	\$8,766,842	\$14,436,209	\$23,203,051	38%
Employee Benefits	\$2,358,737	\$1,060,215	\$1,745,838	\$2,806,053	38%
Other Operating Expenses	\$13,596,851	\$6,795,903	\$11,004,912	\$17,800,815	38%
Auxiliary Expenses	\$6,072,861	\$2,768,021	\$3,308,082	\$6,076,103	46%
Debt Service - SECO Loans & Maintenance Notes	\$937,151	\$235,754	\$1,611,823	\$1,847,577	13%
Capital Budget	\$3,299,299	\$0	\$0	\$0	0%
HB8 Holdback	\$0	\$500,000	\$0	\$500,000	100%
Employee Raises	\$0	\$0	\$0	\$0.00	
Total Expenses	\$45,607,929	\$20,126,734	\$32,106,865	\$52,233,599	39%
Net Income/(Loss)	\$4,149,947	\$16,108,485	\$16,108,485	\$0	

4/1/2025 5:23 PM January FY25 Financial Snapshot.xlsx



Kilgore College January Financial Snapshot Fiscal Year 2025 (September 1, 2024 to August 31, 2025)

Revenues and Expenses from Auxiliary Services

	FY 2024 Actual	1/31/2025	Budget Variance	FY 2025 Budget	% of Annual Budget
Auxiliary Services Revenues					<u>.</u>
Campus Life/Housing	\$2,600,767.29	\$2,436,776.81	(\$142,573)	\$2,579,350	94.5%
Campus Store	\$1,031,875.61	\$481,407.34	(\$473,193)	\$954,600	50.4%
Rangerette Showcase	\$113,347.39	\$40,726.78	(\$105,077)	\$145,804	27.9%
KCEXCEL Health Club	\$105,365.60	\$29,766.90	(\$144,928)	\$174,695	17.0%
East Texas Oil Museum	\$163,660.08	\$57,882.65	(\$170,816)	\$228,699	25.3%
RangerPRINT	\$328,198.76	\$116,676.83	(\$534,120)	\$650,797	17.9%
Athletics	\$103,018.79	\$66,078.84	(\$39,421)	\$105,500	62.6%
Total Auxiliary Services Revenues:	\$4,446,234	\$3,229,316	(\$1,610,129)	\$4,839,445	66.7%
Auxiliary Services Expenses					
Campus Life/Housing	\$1,648,317.72	\$748,339.16	\$1,109,671	\$1,858,010	40.3%
Campus Store	\$1,066,433.09	\$460,442.49	\$418,442	\$878,884	52.4%
Rangerette Showcase	\$141,472.07	\$63,557.91	\$82,246	\$145,804	43.6%
KCEXCEL Health Club	\$178,336.22	\$84,745.59	\$89,949	\$174,695	48.5%
East Texas Oil Museum	\$188,705.09	\$92,196.01	\$136,503	\$228,699	40.3%
RangerPRINT	\$1,028,562.61	\$305,307.99	\$345,489	\$650,797	46.9%
Athletics	\$1,821,034.13	\$1,013,432.10	\$1,125,782	\$2,139,214	47.4%
Total Auxiliary Services Expenses:	\$6,072,861	\$2,768,021	\$3,308,082	\$6,076,103	45.6%
	44		4	******	
Net Profit/(Loss) from Auxiliary Services	(\$1,626,627)	\$461,295	\$1,697,953	(\$1,236,658)	



Kilgore College January Capital Update Fiscal Year 2025

Project	Posted Balance	Encumbrances	Budget	Total Cost	(Over) Under Budget	% Spent	% Unavailable	% Available	% Completion Phase	
FY 24 Projects										
Campus Improvements	73,124	-	265,000	73,124	191,876	28%	28%	72%	16% In Process	
Quads Demo - Ranger Village Study	312,853	-	868,000	312,853	555,147	36%	36%	64%	0% In Process	
otal	\$ 385,977	\$ - \$	1,133,000 \$	385,977 \$	747,023					
FY25 Buildings & Structures										
lasonry Repairs	43,975		60,000	43,975	16,025	73%	73%	27%	100% Complete	
olan Hall Roof	244,770		350,000	244,770	105,230	70%	70%	30%	100% Complete	
TOM Roof & HVAC	214,000		215,000	214,000	1,000	100%	100%	0%	100% Complete	
asters Gym Bathrooms	66,300		75,000	66,300	8,700	88%	88%	12%	100% Complete	
odson Auditiorium Baseline Updates	53,277		2,000,000.00	53,277	1,946,723	3%	3%	97%	5% In Process	
tal	\$ 622,322	\$ - \$	2,700,000 \$	622,322 \$	2,077,678					
Debt Funded										
Buildings & Structures										
oof Repair/Replacement	998,656	=	1,525,000	998,656	526,344	65%	65%	35%	100% In Process	
/AC Repair/Replacement	301,643	=	1,011,155	301,643	709,512	30%	30%	70%	80% In Process	
eferred Maintenance	647,039	-	849,385	647,039	202,346	76%	76%	24%	51% In Process	
nassigned Deferred Maintenance	=	-	257,615	-	257,615	0%	0%	100%	0%	
oof Repair/ Maint Old Main	145,070	-	145,070	145,070	-	100%	100%	0%	100% In Process	
olan Fire Alarm	69,130	-	69,130	69,130	-	100%	100%	0%	100% In Process	
arpet Gym Floor	119,785	-	119,785	119,785	-	100%	100%	0%	92% In Process	
otal	\$ 2,281,323	\$ - \$	3,977,140 \$	2,281,323 \$	1,695,817					

Debt Funded Portion of Dodson

1,022,860

Grand Total Debt Funded

5,000,000



Agenda Item Summary

Information Item: Statement of Cash and Investments as of 2/28/2024

Overview

This quarterly report provides an update on Kilgore College's cash and investment holdings as of February 28, 2025. The report is prepared in compliance with Texas Law and the Higher Education Investment Reporting Requirements. It details the college's total cash and investment positions, including bank deposits, certificates of deposit, and pooled investments.

Key Points

Total Cash and Investments: \$31,169,097 as of February 28, 2025, reflecting an increase from the prior quarter of \$3.6M. This increase is similar to last year.

Interest Rates: The report highlights interest rates around 4.4% on general deposits and certificates of deposit:

- Bank Deposits (General Rate): 4.30%,
- Operating Reserve CD: 4.48%
- Plant Fund Reserve CD: 4.45%

Investment Objectives: Kilgore College follows a conservative investment strategy, prioritizing safety, suitability, liquidity, diversity, and yield.

Recommendation

It is recommended that the board review the quarterly investment report, meeting the state reporting requirement and providing an update on the college's financial positioning. No action is necessary as this is an information item.



TO:

Board of Trustees

Kilgore College

DATE:

04/02/2025

RE:

Investment Reporting

The Statement of Cash and Investments as of February 28, 2025 along with the corresponding Schedule of Cash and Investments as of February 28, 2025 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. Kavs. President

Terry Hanson, Chief Financial Officer/ VP of Administrative Services

Kilgore Campus
1100 Broadway • Kilgore, Texas 75662 • 903,983,8209

KC-Longview 300 South High Street • Longview, Texas 75601 • 903.753,2642

kilgore.edu

EDUCATION WORKS.

Kilgore College Statement of Cash and Investments February 28, 2025

	Novemb Bool	ember 30, 2024 Book Value	November 30, 2024 Market Value	0, 2024 alue		Change	Febru Bo	February 28, 2025 Book Value	February 28, 2025 Market Value	
Total Cash and Investments										
Bank Deposits (Cash) Certificate of Deposits TexPool	₩	18,724,390 8,574,709 198,098	8 & 8 18,	18,724,390 8,574,709 198,098	8	3,570,724 99,000 2,176	& & &	22,295,114 8,673,709 200,274	\$ 22,295,114 \$ 8,673,709 \$ 200,274	_
TOTAL CASH AND INVESTMENTS	\$	27,497,198	\$ 27,	27,497,198	3	\$ 3,671,899	₩.	31,169,097	\$ 31,169,097	

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 February 28, 2025 was \$30,555,834.54

Kilgore College Schedule of Cash and Investments February 28, 2025

FUND	Maturity Date	Rate	Operating	Restricted Endowment Plant Reserve Bond Reserve Agency	wment Plant	Reserve Bon	d Reserve Ag		Accrued Interest	Totals
BALANCE AS OF 11/30/2024		•	19,560,570 \$	\$ 357,402 \$.s.	3,781,393 \$	3,787,106 \$		10,727 \$	27,497,198
Bank Deposits (Cash)		4.30%	4.30% \$ 17,176,705 \$ 357,402 \$	\$ 357,402 \$	`& '	\$ 000'09	50,000 \$ 4,711,007 \$,	69	
Certificates of Deposit Operating Reserves CD (91 days) established 11/29/2012 Plant Fund Reserve CD (91 days) established 9/15/2010	5/16/25 5/30/25	4.48% 4.45%	4,950,585		.,	2,576,627			8,497	
Total Certificates of Deposit			6,088,585	1	,	2,576,627	1		8,497	8.673.709
ТехРоо!			139,210			61,064			,	200,274
Total Cash and Investments		 ω	23,404,500	\$ 357,402 \$	ω -	2,687,691 \$	4,711,007 \$	ю. '	8,497 \$	31,169,097



Student Success Committee Catalog Update 25-26

Dr. Tracy Skopek
Vice President of Instruction &
Chief Academic Officer

KC Academic Catalog 2025-2026

Academic Catalog Update Process:

- -VPI office sends out sections to owners (late fall)
- -Training for online change process conducted (if needed)
- -Changes submitted by due date

Deadline for academic updates was January

Presented to Academic Affairs Council (AAC)

Voted on by AAC members (faculty and Deans)

Catalog is Living Document (online): www.kilgore.edu/catalog-draft



Catalog Changes

Each section is reviewed by owner for changes and updates

-Updates include personnel changes, offices, phone numbers, processes etc.

Each policy/procedure is being reviewed for compliance with TASB and/or new procedures

Student Handbook Changes KC policies



Academic Calendar

Created by Calendar Committee Lead by Registrar (made up of faculty and staff)

Reviewed by Deans, VP's and Others



Curriculum Changes and Highlights

- Medical Assisting certificate added for Dual Credit-3 new courses added
 - MDCA 1417 Procedures in Clinical Setting; MDCA 1348 Pharmacology; MDCA 1160 Clinical-Medical/Clinical Assistant
- Cosmetology Operator pathway and Barber Cert. have been updated to meet new TDLR requirements and Department of Education-number of contact hours reduced from 1200 to 1000.
- Graphic Design Certificate elevated from a Level 1 to a Level 2. Allows for embedded cert at end
 of first year of the AAS.
- Pharmacy Technician Cert added for Dual Credit
 - PHRA 1160 Clinical; PHRA 1301 Introduction to Pharmacy; PHRA 1305 Drug Classification; PHRA 1313 Community Pharmacy Practice
- Criminal Justice AAS updated to Law Enforcement and Emergency Management-now includes courses from Homeland Security program to make it more marketable to students.
 - Sunset Homeland Security Program and create Emergency Management Certification.
- Administrative Office Professional AAS and Cert added a medical component to meet area demand and student marketability.
 - POFM 1417-Medical Administrative Support; POFM 1327 Medical Insurance; POFM Basic Medical Coding; MDCA 1205 Medical Law and Ethics

Curriculum Changes and Highlights

- Industrial Maintenance removed 3 courses: MCHN 1343 Machine Shop Math; PFPB 2307 Pipe Fabrication and Installation; ENTC 1347 Safety and Ergonomics
 - Added: ELPT 2319 Programmable Logic Controllers 1; INMT 1317 Industrial Automation; OSHT 1320 Industrial Safety
- Kinesiology required change by THECB/ACGM. All one hour activity course prefixed moved from KINE to PHED
- Cheerleading Activity Courses Added: PHED 1106 Cheerleading I; PHED 1107
 Cheerleading II; PHED 2106 Cheerleading III; PHED 2107 Cheerleading IV
- Surgical Technology added a selective application process; Course loads redistributed to align with other Surg Tech program semester course loads.
- HVAC removed ENTC 1347 Safety and Ergonomics and added OSHT 1320 Industrial Safety (aligns more effectively to program and industry needs)

Dual Credit New Offerings

- Business
- Drafting
- Early Childhood
- Plumbing
- Audio Visual Tech (Longview High School)

Updated Student Processes

- Academic Probation and Suspension process reworked to align with 8-week semesters (16-week semester current).
- Reworked Appeals Process and added mandatory meetings with advisors for Academic Improvement Plan and mandatory follow ups.
- New communication process via email and text.
- Changed wording to align with Financial Aid
 - Previous Academic Probation and Suspension-New Academic Warning and Suspension
- KC Student Initiated Course Withdrawal Process
 - Allows for student to initiate but still requires discussion with faculty or advisor (previously was initiated by faculty or advisor in conjunction with student request)
 - New form created to advise student regarding implications of withdrawal (financial aid, athletics etc.)
- Updated all student disciplinary processes to follow TASB and add Dr. Parnell to process. Clarified some processes. Listed specific designee for appeals process.

QUESTIONS?



OFFICIAL KILGORE COLLEGE CALENDAR 2025-2026

MAY MINI / 2025 Enrollment Limited to 1 Course

May 12-May 29 Mini-Term 3-week classes; Final Exams May 29th; Grades due May 30th at 10 AM

May 26 (M) Memorial Day Holiday (Campus closed)

SUMMER SEMESTER / 2025

June 2-July 3 SUMMER I (MTWTh) classes; Final Exams Friday, July 3rd)

June 1 (Su) Drop for Non-Payment Summer I

June 2 (M) Summer I First Class Day; Schedule Changes 8 AM - 4 PM

June 5 (Th) Fourth Class Day; Official Reporting Day Summer I Graduation Application Deadline June 15 (Sa) Juneteenth Holiday Observed (Campus Closed) June 20 (F)

June 26 (Th) Last Day to Drop Class or Withdraw from Enrollment with W

Final Exams for Summer I July 3 (Th)

July 4 (F) Independence Day Holiday (Campus Closed)

July 7 (M) Summer I grades due at 10 AM

July 7-Aug. 7 **SUMMER II**

Drop for Non-Payment Summer II July 6 (Su)

July 7 (M) Summer II First Class Day; Schedule Changes 8 AM - 4 PM

July 10 (Th) Fourth Class Day; Official Reporting Day July 15 (M) Summer II Graduation Application Deadline

July 31 (Th) Last Day to Drop Class or Withdraw from Enrollment with W

Final Exams for Summer II: Aug. 7 (Th)

Graduation TBD

Summer II grades due by 10 AM Aug. 8 (F)

AUGUST MINI / 2025 Enrollment Limited to 1 Course

Aug. 4 – Aug. 21 Mini-Term 3-week classes; Final Exams August 21st; Grades Due August 22nd at 10 AM

FALL SEMESTER / 2025

Mar. 31-Aug.24 Fall Registration (by appointment with an advisor or through STAR Day registration events throughout the

summer; see KC website for more information)

Aug. 18 (M) Fall Employee Convocation

Aug. 22 (F) Residence Halls Open 9 AM; Cafeteria Opens

Drop for Non-Payment Fall 16 week and Fall 1st 8-week class schedule Aug. 24 (Su)

Aug. 25 (M) First Class Day for Fall 1 8-week term and 16-week term

Aug. 25-26 (M-T) Schedule Changes 8 AM - 6 PM Sept. 1 (M) Labor Day Holiday (Campus closed)

FA1 – Fall 1st 8-Week Term; Official Reporting Day Sept. 2 (T)

F16 - Fall 16-Week (12th Class Day); Official Reporting Day Sept. 10 (W)

Sept. 10-12 No registration activity

Sept. 22 (M) F16 - Fall 16-Week (20th Class Day) - Last Day for Refunds for 16-week classes (see refund dates in

the Fall registration guide)

Sept. 26 (F) Campus Closed for College-Wide Faculty and Staff Professional Development Day (all faculty/staff on

duty)

Oct. 1 (W) Fall Graduation Application Deadline

Oct. 6 (M) FA1 - Fall 1st 8-Week Term; Last Day to Drop Class or Withdraw from Enrollment with W

Oct. 14-15 (T-W) FA1- Final Exams for Fall 1st 8-week term Oct. 16 (Th) FA1 -Grades Due for Fall 1st 8-week term 10 AM

Drop for Non-Payment for Fall 2nd 8-week class schedule Oct. 19 (Su)

FA2 - First Class Day for Fall 2nd 8-week term Oct. 20 (M) Oct. 27 (M) FA2 - Fall 2nd 8-Week Term; Official Reporting Day Oct. 27 - Dec. 5 Spring and December Mini Advisement/Registration

F16 - Fall 16-Week Last Day to Drop Class or Withdraw from Enrollment with W Nov. 17 (M)

Nov. 26-28 (W-F) Thanksgiving Holidays (Campus closed)

FA2 - Fall 2nd 8-Week Term: Last Day to Drop Class or Withdraw from Enrollment with W Dec. 1 (M) Dec. 10 - 11 (W-Th) Final Exams (Exams for Friday-only classes: Dec. 5th; Saturday-only classes: Dec. 6th)

Dec. 11 (Th) Nurse Pinning and Graduation 10 AM

Cafeteria Closes 6 PM Residence Halls Close 5 PM

Dec. 12 (F) **Grades Due 10 AM**

Graduation TBD

Residence Halls Closed (Graduates Check-out 12 PM)

Dec. 15-Jan. 1 Christmas Holiday Observance (Campus Closed)

DECEMBER MINI / 2025 Enrollment Limited to 1 Course

Dec. 15 - Jan. 2 Mini-Term 3-week classes; Final Exams Jan. 2nd; Grades due Jan. 5th at 10 AM **SPRING SEMESTER / 2026**

Jan. 2 (F) All Offices Open

Jan. 5 (M) Spring Employee Convocation

Jan. 9 (F) Residence Halls Open 9 AM; Cafeteria Opens 10:45 AM

Jan. 11 (Su) Drop for Non-Payment for Spring 16 week and Spring 1st 8-week class schedule

Jan. 12 (M) First Class Day for Spring 1 8-week term and 16-week term

Jan. 12-13 (M-T) Schedule Changes 8 AM – 6 PM

Jan. 19 (M) Martin Luther King Jr. Day Holiday (Campus closed)
Jan. 20 (T) SP1 – Spring 1st 8-Week Term; Official Reporting Day

Jan. 28 (W) S16 – Spring 16-Week – (12th Class Day); Official Reporting Day

Jan. 29 – Jan. 31 No registration activity

Feb. 9 (M) S16 – Spring 16-Week – (20th Class Day) - Last Day for Refunds for 16-week classes (see refund dates

in the Spring registration guide)

Feb. 23 (M) SP1 – Spring 1st 8-Week Term; Last Day to Drop Class or Withdraw from Enrollment with W

Feb. 27 (F) Campus Closed for College-Wide Faculty and Staff Professional Development Day (all faculty/staff on

dutv)

Mar. 1 (Su)Presidential Scholarship Deadline (for Fall 2026)Mar. 3 - 4 (T-W)SP1 - Final Exams for Spring 1st 8-week termMar. 5 (Th)SP1 - Grades Due for Spring 1st 8-week term 10 AM

Mar. 9 - 13 (M-F) Spring Break (Campus closed)

Mar. 15 (Su) Drop for Non-Payment for Spring 2nd 8-week class schedule

Mar. 16 (M) SP2 - First Class Day of Spring 2nd 8-week term
Mar. 23 (M) SP2 - Spring 2nd 8-Week Term; Official Reporting Day

Mar. 30-May 10 May Mini Advisement/Registration
Mar. 30-May 31 Summer I Advisement/Registration

Mar. 30-July 5 Summer II and August Mini Advisement/Registration

Mar. 30-Aug. 12 Fall Advisement /Registration

Scholarship Priority Deadline (for Fall 2026) Good Friday Holiday (campus closed)

Apr. 3 (F) Good Friday Holiday (campus closed)
Apr. 13 (M) S16 – Spring 16-Week Last Day to Drop Class or Withdraw from Enrollment with W

Apr. 27 (M) SP2 – Spring 2nd 8-Week Term; Last Day to Drop Class or Withdraw from Enrollment with W

Apr. 30 (Th) Nurse Pinning and Graduation 10 AM

May 6 - 7 (W-Th) Final Exams (Exams for Friday-only classes-May 1st; Saturday-only classes -May 2nd)

May 7 (Th) Cafeteria Closes 6 PM

Residence Halls Close 5 PM

May 8 (F) Graduation 2 PM, 6 PM May 8 (F) Grades Due 10 AM

May 8 (F) Residence Halls Closed (Graduates Check-out 12 PM)

MAY MINI / 2026 Enrollment Limited To 1 Course

May 11 - May 28 Mini-Term 3-week classes; Final Exams May 28th; Grades due May 29th at 10 AM

May 25 (M) Memorial Day Holiday (Campus closed)

SUMMER SEMESTER / 2026 (Proposed – Subject to Change if Necessary)

May 29 (F) Residence Halls Open 9 AM

June 1 – July 2 SUMMER I

May 31 (Su) Drop for Non-Payment Summer I

June 1 (M)

First Class Day; Schedule Changes 8 AM - 4 PM

June 4 (Th)

Fourth Class Day; Official Reporting Day

June 15 (M)

Summer I Graduation Application Deadline

June 19 (F)

Juneteenth Holiday Observed (Campus Closed)

June 25 (Th) Last Day to Drop Class or Withdraw from Enrollment with W

July 2 (Th)

Final Exams for Summer I

Residence Halls Open 9 AM

Summer I grades due at 4 PM

July 3 (F) Independence Day Holiday (Campus closed)

July 6-Aug. 6 SUMMER II

July 5 (Su) Drop for Non-Payment Summer II

July 6 (M)First Class Day; Schedule Changes 8 AM - 4 PMJuly 9 (Th)Fourth Class Day; Official Reporting DayJuly 15 (W)Summer II Graduation Application Deadline

July 30 (Th) Last Day to Drop Class or Withdraw from Enrollment with W

Aug. 6 (Th) Final Exams for Summer II;

Graduation 6 PM

Aug. 7 (F) Summer II grades due by 10 AM

AUGUST MINI / 2026 Enrollment Limited to 1 Course

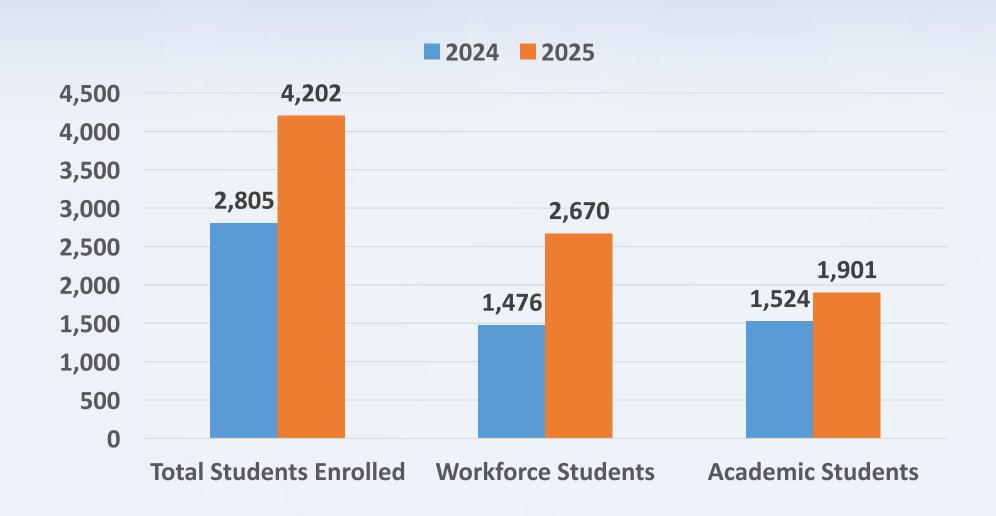
Aug. 3 – Aug. 20 Mini-Term 3-week classes; Final Exams August 20th; Grades Due August 21st at 10 AM

FALL SEMESTER / 2026

Aug. 24 (M) First Class Day

按 KILGORE COLLEGE

Dual Credit Enrollment Trends – Spring Semester



High School Enrollment Numbers



School	Un-Duplicated Students		Workforce Students
Longview High School	1,743	289	1,639
Hallsville High School	457	356	167
Pine Tree High School	366	82	313
Texas Virtual Academy at Hallsville	242	240	2
Kilgore High School	215	149	108
White Oak Center	203	160	64
Henderson High School	187	149	45
Overton Center	183	175	16
Center High School	182	0	182
Spring Hill High School	134	54	83
Sabine High School	90	83	8
Gilmer High School	64	63	1
Big Sandy High School	39	30	14
New Diana High School	36	36	0

High School Enrollment Numbers



		Academic	Workforce
School	Un-Duplicated Students	Students*	Students
Texas Home Schooled	12	12	1
East Texas Charter High School	7	7	1
Hawkins High School	7	0	7
Texas On-line Preparatory Academy	5	5	0
Trinity School Of Texas	5	5	0
Wills Point High School	5	0	5
Edgewood High School	4	0	4
Palestine High School	3	0	3
St. Mary's Catholic School	3	3	0
Beckville High School	2	2	0
Grand Saline High School	2	0	2
Avinger High School	1	0	1
Brookeland High School	1	0	1
Buna High School	1	0	1
Harleton High School	1	1	0
Jasper High School	1	0	1
Warren High School	1	0	1



House Bill 8 Dual Credit Data



On-line AA Degree for Virtual Schools – 62 hours

RECOMMENDED COURSE SEQUENCE	SEMESTERS OFFERED	MY PLAN (Semester and Year)
EDUC 1300	Fall	Freshman
MUSI 1306	Fall/Spring	Freshman
HIST 2321	Fall	Sophomore
BCIS 1305	Fall/Spring	Sophomore
SPCH 1315	Fall/Spring	Sophomore
HIST 2322	Spring	Sophomore
ENGL 1301	Fall/Spring	Junior
HIST 1301	Fall/Spring	Junior
PSYC 2301	Fall/Spring	Junior
HIST 1302	Fall/Spring	Junior
SOCI 1301	Spring	Junior
ENGL 1302	Fall/Spring	Junior
BIOL 1408	Fall	Senior
GOVT 2305	Fall/Spring	Senior
ENGL 2326	Fall	Senior
MATH 1314	Fall/Spring	Senior
GOVT 2306	Fall/Spring	Senior
ECON 2301	Fall/Spring	Senior
ENGL 2322	Spring	Senior
BIOL 1409	Spring	Senior

Co-Branded Signage at Dual Credit Sites



KILGORE COLLEGE

Dual Credit Initiatives

Continue your Journey at KC - Kilgore College

Agriculture and Culinary Pathways to SFA

Overton STAR Day

Dual Credit "Tiger Team"

Dual Credit CTE at KC: Automotive, HVAC, Cosmetology



AN EVENING CELEBRATING KILGORE COLLEGE STUDENT SUCCESS











Gala Breakdown

- 24 Gala Title Sponsors \$20,000 to \$2,500
- 71 Tables Sold Over 600 in Attendance
- 109 Silent and Live Auction Items
- 505 Truck Raffle Tickets Sold
- 50/50 and Sapphire/Diamond Earrings Game
- Over 50 Volunteers
 - KC Foundation, Employees, KC Students, Friends and Family
 - Rangerette's
 - Student Servers
 - Faith Copeland and KC Connection
 - KC Simulators
- List Goes On and On......



\$177,563.

JOINT ELECTION AGREEMENT Between Kilgore College and the White Oak Independent School District

BY THE TERMS OF THIS AGREEMENT, Kilgore College (KC), a local political subdivision, and White Oak Independent School District (WOISD) do hereby agree, pursuant to the provisions of the Texas Election Code, to hold a joint election of the General Election of KC Board of Trustees and the General Election of the White Oak Independent School District to be held on May 3, 2025 at the White Oak Administration Building, 200 S. White Oak St., White Oak, Texas 75693.

KC and the WOISD shall share equally according to the percentages set forth in the Joint Election Contract prepared by Gregg County in the expense of the early voting and election day polling locations, ballot programming, payroll of election workers, and other costs common to both elections upon receipt of satisfactory billing and invoices from WOISD reflecting the total of such expenses.

KC understands that WOISD has contracted with other local political subdivisions to provide election services. KC acknowledges, and does hereby give their consent, that such other local political subdivisions may use one or more of the same early voting locations, voting equipment, and the services of the early voting deputies and one or more of the same Election Day polling locations, voting equipment, and the services of the election workers.

In the event KC cancels its election, the election will be conducted at the same location(s) as planned, with WOISD paying all expenses for conducting the election.

This Agreement shall be valid for all elections held jointly by WOISD and KC from the date of the last of KC and WOISD to sign below, and shall continue until one of the Entities party to this Agreement gives a 30-day notice to the other Entity party that it no longer wishes to participate in the Agreement.

APPROVED by vote of the Kilgore College Board of Trustees on April 14th, 2025.

KILGORE COLLEGE

Josh Edmonson KC Board of Trustees

APPROVED by White Oak Independent School District

WHITE OAK INDEPENDENT SCHOOL DISTRICT

Jack Parker - Superintendent

Lance Noll - President of the Board

- (F) Submit notice of test for publication in local newspaper
- (G) Train early voting and election day personnel.
- (H) Prepare and deliver election supplies and forms for Early Voting and ElectionDay polling places.
- (I) Process ballots to be voted by mail.
- (J) Arrange for the use of and supervise the Central Counting Station.
- (K) Tally early voting and election day results.
- (L) Prepare early voting and election day reports.
- (M) The services set out above and the costs thereof are shown in **Exhibit A** which is attached to this contract and made a part hereof for all purposes.
- **II. ENTITIES** in connection with conducting the Joint Election, shall assume the following responsibilities and shall directly bear any attendant cost for the same:
 - (A) Accept applications from candidates for place on ballot.
 - (B) Accept campaign reports from candidates.
 - (C) Establish and arrange for the use of polling places.
 - (D) Prepare elections orders, resolutions, notices and other pertinent documents for adoption or execution by the appropriate office or body (including all Spanish translations).
 - (E) Submit notice of election for publication in local newspaper. Pay for any publication costs. Post all election notices.
 - (F) Deliver to Gregg County Elections Administrator all offices, names, measures and language to appear on ballot (including Spanish translation).
 - (G) Notify election workers of training classes.
 - (H) Appoint and notify election and alternate judges for Early Voting, Election Day,Ballot Board and Central Counting Station.
 - (I) Compensate workers' payroll for Early Voting, Election Day and Ballot Board, and Central Counting Station.
 - (J) Forward any applications for mail ballots to the early voting clerk and deliver to Gregg County Elections office.

- (K) Pay an administrative fee to Gregg County Elections Administration for tabulation, materials, and supervision of the Central Counting Station, and use of the county election programming and tabulating equipment. Said fee constitutes the total fee to be paid by the Entities for the services to be rendered by the Gregg County Elections Administrator under this contract. Further, said fee is set forth in **Exhibit A**, which exhibit is attached to this contract and made a part hereof for all purposes.
- (L) The Entities or Entity, in the event of a contested election, agree to provide competent legal counsel and representation for the EA and staff, covering any and all legal fees and costs as a result of this elections process.
- (M) Perform any and all other duties required under the Texas Election Code in order to conduct the Joint Election.

III. General Conditions:

- (A) The applicable number of <u>one</u> Election Day polling locations, <u>one</u> Early Voting polling locations for personal appearance, plus one for Early Voting by Mail will be tabulated for the Joint Election and set forth in **Exhibit C**.
- (B) The Entities election workers shall attend training conducted by the county on the use of the electronic voting machines, electronic poll books and procedures.
- (C) To the extent allowed by law, the Entities agree to save and hold harmless the Gregg County Elections Administrator and the County Elections Department of Gregg County, Texas, from any and all claims made that arise out of the failure or omission of the Entities to perform their obligations under this contract.
- (D) The Entities agree to return all voting equipment to the Gregg County Elections

 Administrator in the same condition as existed when it was received by the

 Entities and the Entities shall be responsible for any and all damages to said

 voting equipment while in the possession of the Entities.
- (E) To the extent allowed by law, the Gregg County Elections Administrator and the County Elections Department of Gregg County, Texas, agree to save and

- hold harmless the Entities from any and all claims made arising out of the failure or omission of the Gregg County Elections Administrator or the County Elections Department of Gregg County, Texas, to perform their obligations under this contract.
- (F) The contracting officer shall file copies of this contract with the County Judge and County Auditor of Gregg County, Texas, and the Entities will maintain a copy of the contract at their central office(s).
- (G) This contract shall bind and benefit the respective parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.
- (H) Except as otherwise provided in this contract, this contract shall be subject to change and modification only with the written mutual consent of each of the parties hereto.
- (I) This contract shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any party not listed in this contract.
- (J) This contract embodies and does constitute the entire agreement between the parties regarding the subject matter hereof, and there are no prior effective representations, warranties, or agreements between the parties. This contract shall supersede all prior agreements between the parties regarding the subject matter hereof.
- (K) The parties agree that this contract shall not be construed in favor of or against any party on the basis that a party did or did not author this contract.
- (L) The Entities shall enter into a Joint Election Agreement as shown in **Exhibit B** attached and incorporated by reference into this contract.
- (M) This Contract may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties hereto had signed the same document. All of such counterparts shall be construed together and shall constitute one and the same Contract.

IV. WITHDRAWAL FROM CONTACT DUE TO CANCELLATION OF ELECTION

(A) If any Entity cancels their election pursuant to Section 2.053 of the Texas Election Code, the Entity that cancels their election will not be liable for any further costs incurred by the Election Agreement in conducting the Joint Election.

V. COST OF SERVICES.

- (A) The shared expenses, as estimated by the County Elections office in **Exhibit A** for the purpose of conducting Early Voting and Election Day Voting pursuant to a Joint Election Agreement as shown in **Exhibit B** attached incorporated by reference into this contract, shall be combined and then divided between Entities proportionally based on the number of registered voters in each Entity.
- (B) **Exhibit A** is a cost estimate. The actual costs, at the rates outlined in **Exhibit A**, will be calculated after the election, and Entities will be billed pro rata for their portion.

This contract is	made and	performable i	in Gregg County, Texas.	SIGNED AND	EXECUTED THIS THE
17	DAY OF _	March	, 20 <u>_25</u>		

APPROVED:

THE OF THE PROPERTY.

GREGG COUNTY ELECTIONS ADMINISTRATOR:

Jennifer/Briggs 🔾

Elections Administrator 101 E. Methvin, Suite 112

PO Box 2827

Longview, Texas 75606

This contract is made and pe	formable in Gregg County, Texas. SIGNED AND EXECUTED THIS THE
DAY OF	, 20
	CITY OF KILGORE:
	Signature:
	Printed Name:
	City Manager
	City of Kilgore
	815 N Kilgore Street
	Kilgore, TX 75662
ATTEST:	APPROVED AS TO FORM:
City Secretary	City Attorney

mis contract is made and per	Torridable in Gregg County, Texas. Signed AND EXECUTED Inis THE
DAY OF	, 20
	APPROVED:
	KILGORE INDEPENDENT SCHOOL DISTRICT
	Dr. Andrew Baker
	Superintendent
	Kilgore ISD
	301 N. Kilgore Street

KilgoreTX75662

This contract is made and	performable in Gregg County, Te	xas. SIGNED AND EXECUTED THIS THE
26th DAY OF May	MU , 20 25.	
	APPROVED:	
	KII C	ODE COLLECT
	KILG	ORE COLLEGE
	Signature:	4.18

Title:

Kilgore College McLaurin Administration Building #20 1100 Broadway Blvd. Kilgore, TX 75662

Printed Name: JOSW Ed WONSON

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GREGG §

CONTRACT FOR ELECTION SERVICES

CITY OF KILGORE, KILGORE INDEPENDENT SCHOOL DISTRICT,
AND KILGORE COLLEGE

FOR THE MAY 3, 2025 JOINT ELECTION

THIS AGREEMENT is made and entered into by and between the designated acting Gregg County Elections Administrator and the City of Longview, being in Joint Agreement (Exhibit B) with Kilgore Independent School District and Kilgore College collectively hereinafter referred to as "Entities" and by authority of Section 31.092 and 271.002 of the Texas Election Code for the leasing and programming of electronic voting equipment, printing and tabulation of ballots, and supervision of the Central Counting Station in connection with the joint election to be held on May 3, 2025 and any subsequent Run Off election(s). Said elections hereinafter called the "Joint Election."

THIS AGREEMENT is entered into in consideration of the mutual covenants and agreements hereinafter set out. IT IS AGREED AS FOLLOWS:

- I. GREGG COUNTY ELECTIONS ADMINISTRATOR in connection with the leasing, programming, and tabulation of ballots to be used with the electronic voting equipment, shall assume the following responsibilities in connection with the Joint Election:
 - (A) Program and test the Direct Recording Electronic voting equipment needed to conduct Early and Election Day voting.
 - (B) Deliver and set up voting equipment for Early Voting and Election Day polling places.
 - (C) Program and test the Tally equipment needed to process and tabulate votes from the electronic voting machines.
 - (D) Program and test the Electronic Poll Books for Early Voting and Election Day.
 - (E) Deliver and set up Electronic Poll Books for Early Voting and Election Day polling places.

THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GREGG §

CONTRACT FOR ELECTION SERVICES CITY OF GLADEWATER AND KILGORE COLLEGE FOR THE MAY 3, 2025 JOINT ELECTION

THIS AGREEMENT is made and entered into by and between the designated acting Gregg County Elections Administrator and the City of Gladewater, being in Joint Agreement (Exhibit B) with Kilgore College collectively hereinafter referred to as "Entities" and by authority of Section 31.092 and 271.002 of the Texas Election Code for the leasing and programming of electronic voting equipment, printing and tabulation of ballots, and supervision of the Central Counting Station in connection with the joint election to be held by on May 3, 2025 and any subsequent Run Off election(s). Said elections hereinafter called the "Joint Election."

THIS AGREEMENT is entered into in consideration of the mutual covenants and agreements hereinafter set out. IT IS AGREED AS FOLLOWS:

- I. GREGG COUNTY ELECTIONS ADMINISTRATOR in connection with the leasing, programming, and tabulation of ballots to be used with the electronic voting equipment, shall assume the following responsibilities in connection with the Joint Election:
 - (A) Program and test the Direct Recording Electronic voting equipment needed to conduct Early and Election Day voting.
 - (B) Deliver and set up voting equipment for Early Voting and Election Day polling places.
 - (C) Program and test the Tally equipment needed to process and tabulate votes from the electronic voting machines.
 - (D) Program and test the Electronic Poll Books for Early Voting and Election Day.
 - (E) Deliver and set up Electronic Poll Books for Early Voting and Election Day polling places.
 - (F) Submit notice of test for publication in local newspaper

- (G) Train early voting and election day personnel.
- (H) Prepare and deliver election supplies and forms for Early Voting and Election Day polling places.
- (I) Process ballots to be voted by mail.
- (J) Arrange for the use of and supervise the Central Counting Station.
- (K) Tally early voting and election day results.
- (L) Prepare early voting and election day reports.
- (M) The services set out above and the costs thereof are shown in Exhibit A which is attached to this contract and made a part hereof for all purposes.
- **II. ENTITIES** in connection with conducting the Joint Election, shall assume the following responsibilities and shall directly bear any attendant cost for the same:
 - (A) Accept applications from candidates for place on ballot.
 - (B) Accept campaign reports from candidates.
 - (C) Establish and arrange for the use of polling places.
 - (D) Prepare elections orders, resolutions, notices and other pertinent documents for adoption or execution by the appropriate office or body (including all Spanish translations).
 - (E) Submit notice of election for publication in local newspaper. Pay for any publication costs. Post all election notices.
 - (F) Deliver to Gregg County Elections Administrator all offices, names, measures and language to appear on ballot (including Spanish translation).
 - (G) Notify election workers of training classes.
 - (H) Appoint and notify election and alternate judges for Early Voting, Election Day, Ballot Board and Central Counting Station.
 - (I) Compensate workers' payroll for Early Voting, Election Day and Ballot Board, and Central Counting Station.
 - (J) Forward any applications for mail ballots to the early voting clerk and deliver to Gregg County Elections office.
 - (K) Pay an administrative fee to Gregg County Elections Administration for tabulation, materials, and supervision of the Central Counting Station, and use

- of the county election programming and tabulating equipment. Said fee constitutes the total fee to be paid by the Entities for the services to be rendered by the Gregg County Elections Administrator under this contract. Further, said fee is set forth in Exhibit A, which exhibit is attached to this contract and made a part hereof for all purposes.
- (L) The Entities or Entity, in the event of a contested election, agree to provide competent legal counsel and representation for the EA and staff, covering any and all legal fees and costs as a result of this elections process.
- (M) Perform any and all other duties required under the Texas Election Code in order to conduct the Joint Election.

III. General Conditions:

- (A) The applicable number of one Election Day polling location, one Early Voting polling location for personal appearance, plus one for Early Voting by Mail will be tabulated for the Joint Election.
- (B) The Entities election workers shall attend training conducted by the county on the use of the electronic voting machines, electronic poll books and procedures.
- (C) To the extent allowed by law, the Entities agree to save and hold harmless the Gregg County Elections Administrator and the County Elections Department of Gregg County, Texas, from any and all claims made that arise out of the failure or omission of the Entities to perform their obligations under this contract.
- (D) The Entities agree to return all voting equipment to the Gregg County Elections

 Administrator in the same condition as existed when it was received by the

 Entities and the Entities shall be responsible for any and all damages to said

 voting equipment while in the possession of the Entities.
- (E) To the extent allowed by law, the Gregg County Elections Administrator and the County Elections Department of Gregg County, Texas, agree to save and hold harmless the Entities from any and all claims made arising out of the failure or omission of the Gregg County Elections Administrator or the County

- Elections Department of Gregg County, Texas, to perform their obligations under this contract.
- (F) The contracting officer shall file copies of this contract with the County Judge and County Auditor of Gregg County, Texas, and the Entities will maintain a copy of the contract at their central office(s).
- (G) This contract shall bind and benefit the respective parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.
- (H) Except as otherwise provided in this contract, this contract shall be subject to change and modification only with the written mutual consent of each of the parties hereto.
- (I) This contract shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any party not listed in this contract.
- (J) This contract embodies and does constitute the entire agreement between the parties regarding the subject matter hereof, and there are no prior effective representations, warranties, or agreements between the parties. This contract shall supersede all prior agreements between the parties regarding the subject matter hereof.
- (K) The parties agree that this contract shall not be construed in favor of or against any party on the basis that a party did or did not author this contract.
- (L) The Entities shall enter into a Joint Election Agreement as shown in Exhibit B attached and incorporated by reference into this contract.
- (M) This Contract may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties hereto had signed the same document. All of such counterparts shall be construed together and shall constitute one and the same Contract.

IV. WITHDRAWAL FROM CONTACT DUE TO CANCELLATION OF ELECTION

(A) If any Entity cancels their election pursuant to Section 2.053 of the Texas

Election Code, the Entity that cancels their election will not be liable for any
further costs incurred by the EA in conducting the Joint Election.

V. COST OF SERVICES.

- (A) The shared expenses, as estimated by the County Elections office in Exhibit A for the purpose of conducting Early Voting and Election Day Voting pursuant to a Joint Election Agreement as shown in Exhibit B attached incorporated by reference into this contract, shall be combined and then divided between Entities proportionally based on the number of registered voters in each Entity.
- (B) Exhibit A is a cost estimate. The actual costs, at the rates outlined in Exhibit A, will be calculated after the election, and Entities will be billed pro rata for their portion.

This contract is	s made and	performable in	Gregg County, Texas.	SIGNED AND EXECUTED THIS TH	Ε
17	_DAY OF _	March	, 20 <u>_25</u> .		

APPROVED:

THILL STATE OF THE TENT

GREGG COUNTY ELECTIONS ADMINISTRATOR:

Jennifer/Briggs U Elections Administrator 101 E. Methvin, Suite 112

PO Box 2827

Longview, Texas 75606

This contract is made and performa	able in Gregg County, Texas. SIGNED AND EXECUTED THIS THE
DAY OF	, 20
	CITY OF GLADEWATER
	Charlie Smith City Manager 519 E Broadway PO Box 1725 Gladewater, TX 75647
ATTEST:	
City Secretary	_

This contract is made and performable in	Gregg County, Texas. SIGNED AND EXECUTED THIS THE
26th DAY OF MARCH	_, 20 <u>. 25</u>
	APPROVED:
	KILGORE COLLEGE
	Signature:
	Printed Name: Tosh Edmonson
	Title: KC Board of Trustees
	•

Kilgore College McLaurin Administration Building #20 1100 Broadway Blvd. Kilgore, TX 75662 THE STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF GREGG §

CONTRACT FOR ELECTION SERVICES WHITE OAK INDEPENDENT SCHOOL DISTRICT AND KILGORE COLLEGE FOR THE MAY 3, 2025 JOINT ELECTION

THIS AGREEMENT is made and entered into by and between the designated acting Gregg County Elections Administrator and the White Oak Independent School District, being in Joint Agreement (Exhibit B) with Kilgore College collectively hereinafter referred to as "Entities" and by authority of Section 31.092 and 271.002 of the Texas Election Code for the leasing and programming of electronic voting equipment, printing and tabulation of ballots, and supervision of the Central Counting Station in connection with the joint election to be held by on May 3, 2025 and any subsequent Run Off election(s). Said elections hereinafter called the "Joint Election."

THIS AGREEMENT is entered into in consideration of the mutual covenants and agreements hereinafter set out. **IT IS AGREED AS FOLLOWS:**

- I. GREGG COUNTY ELECTIONS ADMINISTRATOR in connection with the leasing, programming, and tabulation of ballots to be used with the electronic voting equipment, shall assume the following responsibilities in connection with the Joint Election:
 - (A) Program and test the Direct Recording Electronic voting equipment needed to conduct Early and Election Day voting.
 - (B) Deliver and set up voting equipment for Early Voting and Election Day polling places.
 - (C) Program and test the Tally equipment needed to process and tabulate votes from the electronic voting machines.
 - (D) Program and test the Electronic Poll Books for Early Voting and Election Day.
 - (E) Deliver and set up Electronic Poll Books for Early Voting and Election Day polling places.
 - (F) Submit notice of test for publication in local newspaper

- (G) Train early voting and election day personnel.
- (H) Prepare and deliver election supplies and forms for Early Voting and Election Day polling places.
- (I) Process ballots to be voted by mail.
- (J) Arrange for the use of and supervise the Central Counting Station.
- (K) Tally early voting and election day results.
- (L) Prepare early voting and election day reports.
- (M) The services set out above and the costs thereof are shown in Exhibit A which is attached to this contract and made a part hereof for all purposes.
- **II. ENTITIES** in connection with conducting the Joint Election, shall assume the following responsibilities and shall directly bear any attendant cost for the same:
 - (A) Accept applications from candidates for place on ballot.
 - (B) Accept campaign reports from candidates.
 - (C) Establish and arrange for the use of polling places.
 - (D) Prepare elections orders, resolutions, notices and other pertinent documents for adoption or execution by the appropriate office or body (including all Spanish translations).
 - (E) Submit notice of election for publication in local newspaper. Pay for any publication costs. Post all election notices.
 - (F) Deliver to Gregg County Elections Administrator all offices, names, measures and language to appear on ballot (including Spanish translation).
 - (G) Notify election workers of training classes.
 - (H) Appoint and notify election and alternate judges for Early Voting, Election Day,Ballot Board and Central Counting Station.
 - (I) Compensate workers' payroll for Early Voting, Election Day and Ballot Board, and Central Counting Station.
 - (J) Forward any applications for mail ballots to the early voting clerk and deliver to Gregg County Elections office.
 - (K) Pay an administrative fee to Gregg County Elections Administration for tabulation, materials, and supervision of the Central Counting Station, and use

- of the county election programming and tabulating equipment. Said fee constitutes the total fee to be paid by the Entities for the services to be rendered by the Gregg County Elections Administrator under this contract. Further, said fee is set forth in Exhibit A, which exhibit is attached to this contract and made a part hereof for all purposes.
- (L) The Entities or Entity, in the event of a contested election, agree to provide competent legal counsel and representation for the EA and staff, covering any and all legal fees and costs as a result of this elections process.
- (M) Perform any and all other duties required under the Texas Election Code in order to conduct the Joint Election.

III. General Conditions:

- (A) The applicable number of one Election Day polling location, one Early Voting polling location for personal appearance, plus one for Early Voting by Mail will be tabulated for the Joint Election.
- (B) The Entities election workers shall attend training conducted by the county on the use of the electronic voting machines, electronic poll books and procedures.
- (C) To the extent allowed by law, the Entities agree to save and hold harmless the Gregg County Elections Administrator and the County Elections Department of Gregg County, Texas, from any and all claims made that arise out of the failure or omission of the Entities to perform their obligations under this contract.
- (D) The Entities agree to return all voting equipment to the Gregg County Elections

 Administrator in the same condition as existed when it was received by the

 Entities and the Entities shall be responsible for any and all damages to said

 voting equipment while in the possession of the Entities.
- (E) To the extent allowed by law, the Gregg County Elections Administrator and the County Elections Department of Gregg County, Texas, agree to save and hold harmless the Entities from any and all claims made arising out of the failure or omission of the Gregg County Elections Administrator or the County

- Elections Department of Gregg County, Texas, to perform their obligations under this contract.
- (F) The contracting officer shall file copies of this contract with the County Judge and County Auditor of Gregg County, Texas, and the Entities will maintain a copy of the contract at their central office(s).
- (G) This contract shall bind and benefit the respective parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.
- (H) Except as otherwise provided in this contract, this contract shall be subject to change and modification only with the written mutual consent of each of the parties hereto.
- (I) This contract shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any party not listed in this contract.
- (J) This contract embodies and does constitute the entire agreement between the parties regarding the subject matter hereof, and there are no prior effective representations, warranties, or agreements between the parties. This contract shall supersede all prior agreements between the parties regarding the subject matter hereof.
- (K) The parties agree that this contract shall not be construed in favor of or against any party on the basis that a party did or did not author this contract.
- (L) The Entities shall enter into a Joint Election Agreement as shown in Exhibit B attached and incorporated by reference into this contract.
- (M) This Contract may be executed in multiple counterparts, all of which shall be deemed originals and with the same effect as if all parties hereto had signed the same document. All of such counterparts shall be construed together and shall constitute one and the same Contract.

IV. WITHDRAWAL FROM CONTACT DUE TO CANCELLATION OF ELECTION

(A) If any Entity cancels their election pursuant to Section 2.053 of the Texas

Election Code, the Entity that cancels their election will not be liable for any
further costs incurred by the EA in conducting the Joint Election.

V. COST OF SERVICES.

- (A) The shared expenses, as estimated by the County Elections office in Exhibit A for the purpose of conducting Early Voting and Election Day Voting pursuant to a Joint Election Agreement as shown in Exhibit B attached incorporated by reference into this contract, shall be combined and then divided between Entities proportionally based on the number of registered voters in each Entity.
- (B) Exhibit A is a cost estimate. The actual costs, at the rates outlined in Exhibit A, will be calculated after the election, and Entities will be billed pro rata for their portion.

This contract is	s made and	performable i	n Gregg County, Texas.	SIGNED AND EXECUTED THIS TH	ΙE
17	_DAY OF _	March	, 20 <u>25</u> .		

APPROVED:

CONTY OF CHESCOPE OF THE POPULATION OF THE POPUL

GREGG COUNTY ELECTIONS ADMINISTRATOR:

Jennifer/Briggs Clections Administrator 101 E. Methvin, Suite 112

PO Box 2827

Longview, Texas 75606

This contract is made and perform	mable in Gregg County, Texas. SIGNED AND EXECUTED THIS THE
DAY OF	, 20
	WHITE OAK INDEPENDENT SCHOOL DISTRICT
	JACK PARKER
	Superintendent
	WHITE OAK ISD
	200 S White Oak Rd
	White Oak, TX 75693

This contract is made and performable in Gregg County, Texas. SIGNED AND EXECUTED THIS THE 20th DAY OF March, 2025.

APPROVED:

KILGORE COLLEGE

Signature:

Printed Name: Josw Ed-MonSon

Title:

Kilgore College Board of Trustees

Kilgore College McLaurin Administration Building #20 1100 Broadway Blvd. Kilgore, TX 75662