

BORGER JUNIOR COLLEGE DISTRICT
Borger, Texas

ANNUAL FINANCIAL REPORT
August 31, 2020 and 2019

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**BORGER JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL DATA
August 31, 2020**

Board of Regents

	<u>Officers</u>	Term Expires <u>May</u>
Scott Radach	Chair	2026
Dr. Shad Goldston	Vice-Chair	2024
Marlene McKinney	Secretary	2022
	<u>Members</u>	
David Speed – Spring Creek	Skellytown, Texas	2022
Patrick Nonhof	Borger, Texas	2022
Jesus Heredia, Jr.	Borger, Texas	2024
Stephanie Palmer	Borger, Texas	2024
Kenny Morrison	Borger, Texas	2026
Derek Thompson	Borger, Texas	2026

Principal Administrative Officers

Dr. Jud Hicks	President
Dr. Shannon Carroll	Vice President of Academic Affairs
Taryn Fraley	Dean of Career and Technical Education
Amber Jones	Dean of Allen Campus - Perryton
Ilene Walton	Dean of Rahl Campus - Dalhart
Teri Langwell	Chief Financial Officer
Jackie Brand	Executive Assistant to the President/Board Liason

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Independent Auditor's Report

Board of Regents
Borger Junior College District
Borger, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit of Borger Junior College District (the College) as of and for the years ended August 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College as of August 31, 2020 and 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the College's Proportionate Share of the Net Pension Liability, and the Schedule of the College's Contributions to the Pension Plan, Schedule of the College's Proportionate Share of the Net OPEB Liability, Schedule of College's Contributions to the OPEB Plan and Notes to Required Supplemental Information on pages 8-17 and pages 66-71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the College and its discretely presented component unit. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D, is likewise presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule E, and Schedule of Expenditures of State of Texas Awards, Schedule F, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Uniform Grants Management Standards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information 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 Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over the College's financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's 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 College's internal control over financial reporting and compliance.

CMMS CPAs & Advisors PLLC

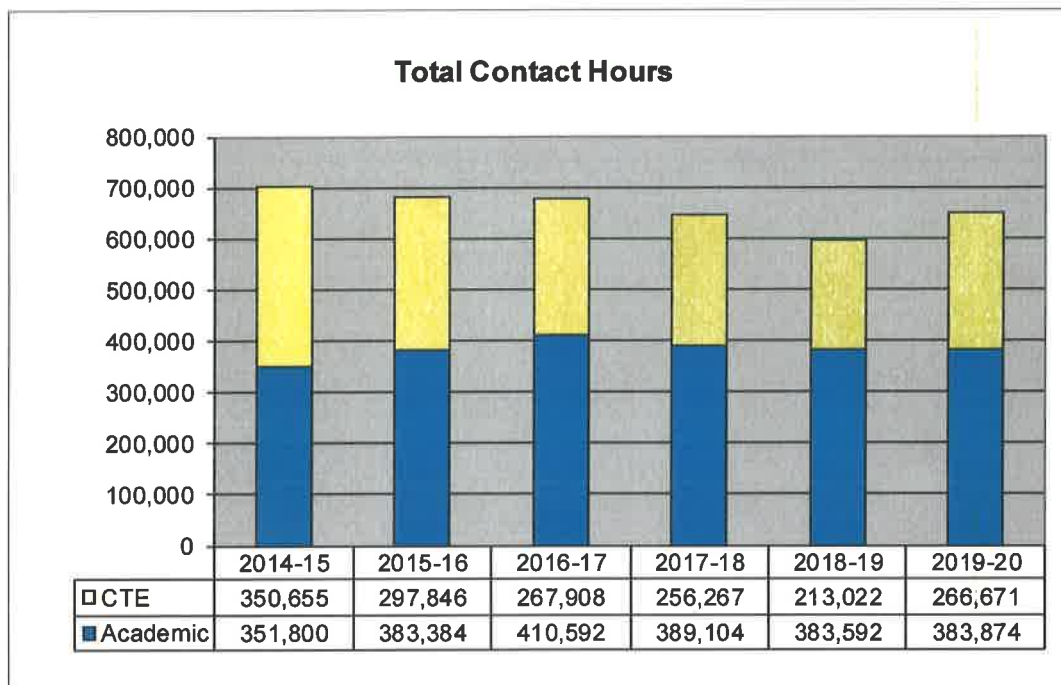
Amarillo, Texas
December 16, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Financial and Enrollment Highlights

- The institution's net position at year-end was \$998,618, a decrease of \$517,772 or 34% for the year. This decrease was primarily due to the increase in state and local benefit expense of \$417,603.
- Contact hours enrollment was up 9.0% overall with an increase of academic contact hours of 282 contact hours (0.07%) and career and technical contact hours up 53,649 or 25.18%. Much of the increase in career and technical hours had to do with continuing education.



Statements of Net Position

The Statements of Net Position include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Net position is the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources.

	Primary Institution		
	2020	2019 (restated)	2018
Current assets			
Cash and cash equivalents	\$ 1,054,697	\$ 568,345	\$ 846,252
Accounts receivables, net	1,974,726	1,737,398	1,630,600
Other current assets	94,073	23,322	47,702
Total current assets	3,123,496	2,329,065	2,524,554

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Statements of Net Position (Continued)

	Primary Institution		
	2020	2019	2018
Noncurrent assets		(restated)	
Restricted cash and cash equivalents	200,000	195,000	185,000
Capital assets, net	12,089,666	12,452,892	12,110,962
Other noncurrent assets	1,600	1,600	1,600
Total noncurrent assets	12,291,266	12,649,492	12,297,562
Total assets	<u>\$ 15,414,762</u>	<u>\$ 14,978,557</u>	<u>\$ 14,822,116</u>
Deferred outflows of resources			
Deferred outflows	\$ 5,406,879	\$ 5,944,094	\$ 988,235
Total Deferred outflows	<u>\$ 5,406,879</u>	<u>\$ 5,944,094</u>	<u>\$ 988,235</u>
Current liabilities			
Accounts payable	\$ 699,592	\$ 620,723	\$ 567,476
Accrued liabilities	-	112	27,470
Accrued compensated absences -			
current portion	93,877	93,877	87,832
Funds held for others	375,259	430,722	373,950
Unearned revenues	2,079,262	1,888,509	1,731,112
Bonds and Note payable - current portion	200,000	197,082	346,360
Total current liabilities	<u>3,447,990</u>	<u>3,231,025</u>	<u>3,134,200</u>
Noncurrent liabilities			
Notes payable	-	-	2,082
Bonds payable	205,000	405,000	600,000
Net pension liability	2,770,323	3,513,193	2,346,416
Net OPEB liability	9,865,183	8,436,134	5,800,733
Total noncurrent liabilities	<u>12,840,506</u>	<u>12,354,327</u>	<u>8,749,231</u>
Total liabilities	<u>\$ 16,288,496</u>	<u>\$ 15,585,352</u>	<u>\$ 11,883,431</u>
Deferred inflow of resources			
Deferred inflows	\$ 3,535,527	\$ 3,820,909	\$ 1,746,755
Total deferred inflows	<u>\$ 3,535,527</u>	<u>\$ 3,820,909</u>	<u>\$ 1,746,755</u>
Net Position			
Net invested in capital assets	\$ 11,684,666	\$ 11,850,810	\$ 11,162,520
Restricted for:			
Expendable:			
Student aid	649,464	560,719	587,237
Debt service	200,000	195,000	185,000
Unrestricted (deficit)	(11,535,512)	(11,090,139)	(9,754,592)
Total net position	<u>\$ 998,618</u>	<u>\$ 1,516,390</u>	<u>\$ 2,180,165</u>

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Statements of Net Position (Continued)

Cash and cash equivalents consist of cash in the local financial institution's accounts and TexPool. Unrestricted cash and cash equivalents increased by \$486,352 or 85%. The College received CARES Act funding of \$519,878. \$459,127 was expended in the current year for COVID-19 expenses related to the College and students. \$60,751 will be expended in FY 2021 for COVID-19 expenses.

Accounts receivable consists primarily of student receivables related to tuition and fees for the fall 2020 semester. Accounts receivable increased by \$237,328 or 13%, increasing the balance to \$1,974,726.

Other current assets increased by \$70,751 reflecting a balance of \$94,073. The increase was a prepaid expense for ERS benefit expense, which will be recognized in FY 2021.

Noncurrent Assets:

Restricted cash and cash equivalents consist of funds reserved for bond payments. The balance of restricted cash and cash equivalents increased \$5,000 reflecting a balance of \$200,000.

Total capital assets consist of land, library books, construction in progress, buildings, land improvements, and equipment and totals approximately \$ 27 million at year-end. Accumulated depreciation totals approximately \$15 million, resulting in net capital assets of approximately \$12 million. This reflects an increase of \$363,226 in net capital assets. Capital assets are detailed in Note 6 of the notes to the financial statements. At year-end, asset additions totaled \$508,670, and depreciation expense was \$768,361. The asset additions for this year include machinery, vehicles, and other equipment \$285,226; telecommunications and peripheral equipment \$220,225 and \$3,219 for library books. The current year additions consist primarily of assets purchased to facilitate the RNEC program.

Current Liabilities:

Accounts payable and accrued liabilities represent amounts due at year-end for goods and services received prior to year-end, but for which cash has not been expended. At year-end the balance of accounts payable was \$699,592, an increase of \$78,869 over the 2019 balance. The balance of accrued liabilities was \$0 for 2020 compared to a balance of \$112 for 2019. Accrued compensated absences stayed the same for 2020 with a balance of \$93,877. Funds held for others decreased \$55,463 (13%), bringing the balance to \$375,259.

Unearned revenues represent payments recorded primarily for tuition and fees and food service from students for the upcoming fall 2020 semester. Unearned revenues of \$2,079,262, increased \$190,753 over last year's ending balance of \$1,888,509. \$60,751 of the increase is due to unearned revenue for the CARES Act, which will be recognized in FY 2021 when the allowable expenditures are made.

Notes and bonds payable (current portion) represent the College's long-term debt which is payable within the next fiscal year. The noncurrent portion of debt, \$205,000, decreased \$200,000 from the prior year.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Noncurrent Liabilities:

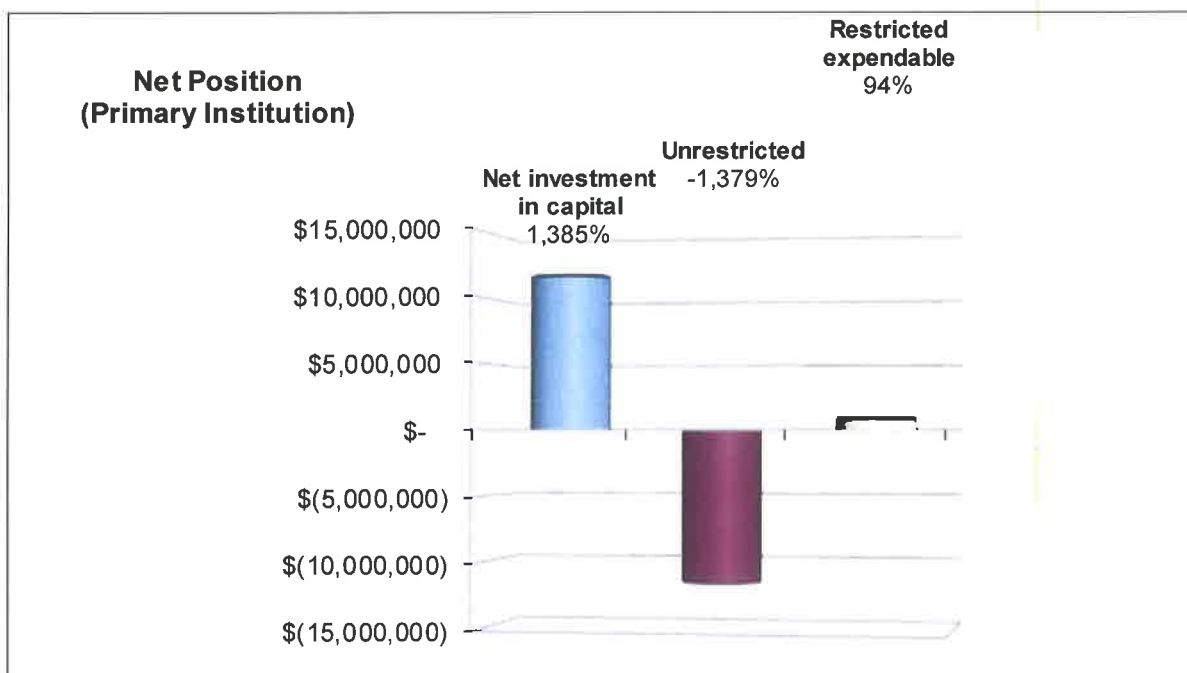
Notes and bonds payable along with net pension liability and net OPEB liability (detailed in Note 2, 9, 10, and 21 of Notes to Financial Statements) represent the College's long-term liabilities which are payable more than twelve months from year-end. Long-term debt consists primarily of revenue bonds related to the construction of the Center for Access & Innovation completed in 2002. The net pension liability of \$2,770,323, reflects a decrease of \$742,870 (see Note 10 – Employees' Retirement Plans). The net OPEB liability is \$9,865,183 for year-end 2020, which is an increase of \$1,429,049 (see Note 21 – Defined Other Postemployment Benefit Plan).

Net Position:

Net position represents the difference between the College's assets and deferred outflows of resources and liabilities and deferred inflows of resources. Total net position at August 31, 2020, was approximately \$998,600. Compared to the prior year, net position decreased approximately \$518,000 for the current year.

Restricted expendable net position consists of \$649,464 set aside for student aid and \$200,000 for debt service. These balances have specific restrictions placed on them by parties external to the College, such as donors and grant agencies.

Unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College. Unrestricted net position totals (\$11,535,512) which was a decrease of \$445,373.



**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position present the operating results of the College, as well as the nonoperating revenues and expenses.

	Primary Institution		
	2020	2019 (restated)	2018
Operating revenues			
Tuition and fees, net	\$ 1,806,541	\$ 1,448,058	\$ 1,420,417
Grants and contracts	2,396,755	1,553,943	1,483,216
Auxiliary enterprises	624,279	814,669	772,651
Other	95,787	108,172	86,365
Total operating revenues	4,923,362	3,924,842	3,762,649
Operating expenses			
Institutional expense	11,646,765	10,912,714	10,073,379
Auxiliary enterprises	1,424,133	1,631,229	1,261,840
Depreciation	768,361	779,759	786,189
Total operating expenses	13,839,259	13,323,702	12,121,408
Operating loss	(8,915,897)	(9,398,860)	(8,358,759)
Nonoperating revenues (expenses)			
State appropriations	3,172,309	3,124,720	3,306,429
Ad valorem taxes	2,440,421	2,474,830	2,467,740
Federal revenue, nonoperating	2,010,586	2,168,371	1,980,784
Gifts	911,767	372,738	433,573
Investment income, net of investment expenses	6,931	11,794	9,247
Interest on capital related debt	(12,916)	(24,852)	(31,589)
Gain (loss) on impairment of fixed assets	(96,336)	(92,145)	-
Other nonoperating revenues (expenses)	(34,637)	(12,484)	18,079
Net nonoperating revenues (expenses)	8,398,125	8,022,972	8,184,263
Decrease in net position	(517,772)	(1,375,888)	(174,496)
Net Position – Beginning of Year	1,516,390	2,180,165	9,136,803
Prior Period Adjustment	-	712,113	(6,782,142)
Net Position - Beginning of Year, Restated	1,516,390	2,892,278	2,354,661
Net Position – End of Year	\$ 998,618	\$ 1,516,390	\$ 2,180,165

Operating Revenues:

Tuition and fees, net of discounts, was \$1,806,541 for the year and represents an increase of \$358,483 or 25% compared to the previous year balance of \$1,448,058. For 2020, gross tuition and fees increased \$197,358 totaling \$3,958,659 and discounts decreased \$161,125. Federal grants to students totaled \$1,607,618 for the current year, compared to the prior year balance of \$1,836,466, a decrease of \$228,848 or 13%.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

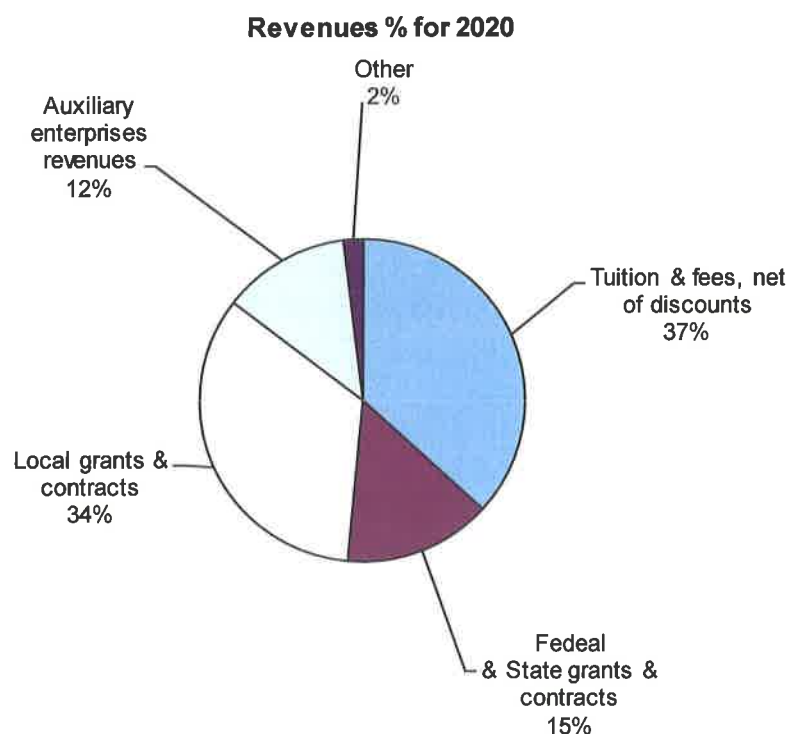
Operating Revenues: (Continued)

Gross tuition and fees are netted against discounts and scholarship allowances. Fiscal year (FY) 2020 discounts consist of federal grants to students of \$1,607,618, scholarship allowances of \$469,403, and state remissions and exemptions of \$75,097 – all totaled \$2,152,118 in discounts and allowances. In FY 2019, discounts consist of federal grants to students of \$1,836,466; scholarship allowances of \$395,212, and TPEG/state remissions and exemptions of \$81,565 – all totaled \$2,313,243 in discounts and allowances.

Grants and contracts totaled \$2,396,755 as compared to the prior year amount of \$1,553,943. This includes all restricted revenues made available by government agencies. Grant revenues are recorded only to the extent the funds have been expended for the designated purpose. Total grants and contracts increased \$842,812 from prior year. The increase was due to CARES Act grant \$459,127 and a private grant of \$250,000.

Auxiliary enterprises consist of various enterprise entities that provide goods or services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. Auxiliary revenue was \$624,279 for the year, a decrease of \$190,390 from the prior year balance of \$814,669. The Borger Community Activity Center and the residential life are the primary auxiliary components, which generated \$223,821 and \$595,274 in revenue, respectively, in the current year.

The chart below depicts the various components of operating revenue as a percentage of total revenues.



**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Operating Expenses by Functional Classification:

	Primary Institution					
	2020	%	2019	%	2018	%
Instruction	\$ 6,303,420	46%	\$ 6,103,557	46%	\$ 5,599,927	46%
Academic support	202,084	1%	183,948	1%	156,670	1%
Student services	876,744	6%	777,170	6%	818,281	7%
Institutional support	2,655,931	19%	2,550,383	19%	2,454,354	20%
Operations and maintenance of plant	1,221,523	9%	1,049,407	8%	836,952	7%
Scholarships and fellowships	387,063	3%	248,249	2%	207,195	2%
Auxiliary enterprises	1,424,133	10%	1,631,229	12%	1,261,840	10%
Depreciation	768,361	6%	779,759	6%	786,189	6%
Total by function	\$ 13,839,259	100%	\$ 13,323,702	100%	\$ 12,121,408	99%

Instruction includes expenses for all activities that are part of the College's instructional programs – academic, workforce and technical. Instruction expenses of \$6,303,420 increased \$199,863 or 3% compared to the previous year balance of \$6,103,557. Salaries account for \$3,329,841 or 52% of total instruction. Instruction continues to outdistance all other classifications, accounting for 46% of the total expenses by function.

Academic support includes expenses to provide support services for the College. This includes costs associated with libraries, academic administration, curriculum development, and technical support including computer service. Academic support totaled \$202,084, representing a 9.8% increase from the prior year balance of \$183,948.

Student services consists of expenses related to providing the office of admissions and records and activities that primarily contribute to student's emotional and physical well-being and their intellectual, cultural, and social development outside the context of the formal instructional programs. Student services expenses of \$876,744 increased by \$99,574 or 12.8% compared to the previous year-end total of \$777,170.

Institutional support consists of expenses incurred for central executive-level management, fiscal operations, administrative data processing, employee and records, support services (excluding auxiliary enterprises), and community and alumni relations (including development and fund raising). Institutional support totaling \$2,655,931 increased \$105,548 or 4.1% from the prior year total of \$2,550,383.

Operations and maintenance of plant consists of all expenses of operations and maintenance of the physical plant. Included are maintenance and repairs to buildings, utilities, and salaries and benefits for maintenance and custodial staffs. Operational and maintenance totaling \$1,221,523 increased by \$172,116 or 16.4% from the prior year total of \$1,049,407.

Scholarships and fellowships include amounts awarded for scholarships, which the College grants to students, by the College's own selection process, or from an entitlement program, equaled \$387,063 an increase of \$138,814 or 55.9%.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Operating Expenses by Functional Classification (Continued):

Auxiliary enterprises' expenses include all costs to operate the activity center, resident halls, and food service. Auxiliary enterprises totaled \$1,424,133 as compared to \$1,631,229, a decrease of \$207,076 or 13%.

Operating Expenses by Natural Classification:

	Primary Institution					
	2020	%	2019	%	2018	%
Salaries and wages	\$ 5,208,584	38%	\$ 5,306,083	40%	\$ 5,180,322	43%
State and local benefits	2,858,659	21%	2,441,056	18%	2,188,702	18%
Scholarships and fellowships	387,063	3%	248,249	2%	207,195	2%
Other expenses	3,192,459	24%	2,917,326	22%	2,497,160	21%
Auxiliary enterprises	1,424,133	9%	1,631,229	12%	1,261,840	10%
Depreciation	768,361	5%	779,759	6%	786,189	6%
Total by natural classification	\$ 13,839,259	100%	\$ 13,323,702	100%	\$ 12,121,408	100%

Salaries and wages, along with benefits, clearly represent the largest operating expense, accounting for 59% of the total expenses. Total dollar expenses for salaries and wages, decreased \$97,499 (1.8%) over last year, and, as a percentage of total expenses, salaries and wages, was at 38% of total expenditures.

State and local benefits totaled \$2,858,659 for the year, increasing \$417,603 (17.1%) from the previous year \$2,441,056. The benefit plans (health insurance, retirement, etc.) are determined by the state and are an uncontrollable expense for the College.

Nonoperating Revenues (Expenses):

State appropriations of \$3,172,309 indicates an increase in revenue of \$47,589 or 1.5% from the previous year balance of \$3,124,720.

Ad valorem taxes of \$2,440,421 were down in 2020 by 0.1.4% or \$34,409 from the prior year balance of \$2,474,830. The tax rate is capped at \$0.22 per \$100 of valuation.

Federal revenue, nonoperating of \$2,010,586 decreased \$157,785 or 7.3% from the previous year total of \$2,168,371. Federal revenue, nonoperating consists of all Title IV financial aid funds.

Current year gifts of \$911,767, generally considered one-time in nature, increased from the 2019 level by \$539,029 or 144%. This was reflective of the volatility of large, nonrecurring donations and the year-to-year fluctuations that can exist. Investment income, net of investment expenses was \$6,931.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Statements of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the College's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

	Primary Institution		
	2020	2019	2018
Cash provided (used) from:			
Operating activities	\$ (7,283,021)	\$ (7,530,739)	\$ (6,978,132)
Noncapital financing activities	8,478,911	8,123,971	8,199,738
Capital and related financing activities	(711,469)	(872,933)	(809,661)
Investing activities	6,931	11,794	9,247
Increase (decrease) in cash	491,352	(267,907)	421,192
Cash (restricted and unrestricted) – beginning of year	763,345	1,031,252	610,060
Cash (restricted and unrestricted) – end of year	\$ 1,254,697	\$ 763,345	\$ 1,031,252

The primary cash receipts from operating activities consist of tuition, fees, and grant revenues. Cash outlays include payment of wages, benefits, supplies, utilities, and scholarships. Federal funds received for student programs continue to be a significant cash source for operating activities.

State appropriations and ad valorem tax revenues are the primary sources of noncapital financing. Other noncapital financing activity includes gifts and endowments. Although the local tax rate is capped at its current level as a result of Board action in 1965, the College is the benefactor of increased values through the expansion of industry. Gifts from private donations continue to be an important revenue source.

The main financing activities include the purchase of capital assets primarily related to facilities, equipment, and technology enhancements. The reinvesting in the infrastructure of the College continues to be emphasized.

Cash and equivalents (restricted and unrestricted) balance of \$1,254,697 for FY 2020, increased \$491,352. The balance was comprised of unrestricted cash and cash equivalents of \$1,054,697 and restricted cash and cash equivalents of \$200,000.

Component Unit

The Frank Phillips College Development Corporation, considered a component unit, continues to play a vital role in providing scholarships to students attending Frank Phillips College. In 2020, the Development Corporation contributed \$54,409 in scholarships to the College as compared to \$58,538 in FY 2019. Investment income, net of expenses was \$231,906, which showed an increase of \$179,302 for the year as compared to \$52,604 in 2019. Overall, the Development Corporation's net position of \$2,097,286 increased \$213,495 from the previous year-end total net position.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2020**

Factors That Will Affect the Future for Frank Phillips College

The last several months have been a one-of-kind experience for Frank Phillips College: we are the recipient of a \$2.3 million Title III grant that among other things will allow us to purchase a new student information and an enterprise resource planning system; we just implemented a new learning management system that provides the flexibility in the classroom (face-to-face or virtual, and anything in between); we just completed our SACSCOC reaffirmation process; and student enrollments for the fall semester were on the rise. All of these events will have a strong positive impact on the college, both operationally and financially.

January 2021 will usher in a new legislative session for the state. Obviously, this will be an interesting session, as they all are. However, there does seem to be a growing and strong interest in preserving the small, rural community colleges and their value from a statewide perspective.

On a more specific front, in our effort to increase capacity, the Allen campus in Perryton is adding a new cosmetology center and related career and technical education programs. The new consortium for rural nursing began a successful start in Fall of 2020 and is expected to continue growing with the addition of a fifth participating campus. In our Board of Regents adoption of our 2020-21 goals, we have focused our efforts to maintaining enrollment as well as growing our online and CTE programs. Fall 2020 enrollments showed a 3% increase even in the face of the pandemic.

The College has successfully implemented the Boomtown Scholarship with Borger High School and the Pathways Scholarship with Perryton High School. These two scholarships will cover the 60 hours of tuition and fees toward seeking an associate's degree. The College is now working with Dalhart High School to implement the Rahl Endowed Scholarship for the Future of Dalhart Fund which will provide similar scholarship opportunities. These programs have proven to have a positive impact on helping sustain and even increasing enrollment numbers.

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FINANCIAL STATEMENTS

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BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION - PRIMARY INSTITUTION
AUGUST 31, 2020 and 2019
Exhibit 1A

	Primary Institution	
	2020	2019
		(restated)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,054,697	\$ 568,345
Accounts receivable, net	1,974,726	1,737,398
Inventories	18,882	18,882
Other assets	75,191	4,440
Total current assets	3,123,496	2,329,065
NONCURRENT ASSETS		
Restricted cash and cash equivalents	200,000	195,000
Capital assets, net	12,089,666	12,452,892
Other noncurrent assets	1,600	1,600
Total noncurrent assets	12,291,266	12,649,492
TOTAL ASSETS	\$ 15,414,762	\$ 14,978,557
DEFERRED OUTFLOW OF RESOURCES		
Deferred outflows on net pension liability	\$ 1,402,499	\$ 1,871,404
Deferred outflows related to OPEB	4,004,380	4,072,690
TOTAL DEFERRED OUTFLOWS	\$ 5,406,879	\$ 5,944,094
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 699,592	\$ 620,835
Accrued compensable absences - current portion	93,877	93,877
Funds held for others	375,259	430,722
Unearned revenues	2,079,262	1,888,509
Bonds payable - current portion	200,000	195,000
Notes payable - current portion	-	2,082
Total current liabilities	3,447,990	3,231,025
NONCURRENT LIABILITIES		
Bonds payable	205,000	405,000
Net pension liability	2,770,323	3,513,193
Net OPEB liability	9,865,183	8,436,134
Total noncurrent liabilities	12,840,506	12,354,327
TOTAL LIABILITIES	\$ 16,288,496	\$ 15,585,352

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION - PRIMARY INSTITUTION
AUGUST 31, 2020 and 2019
Exhibit 1A, Continued**

	Primary Institution	
	2020	2019
		(restated)
LIABILITIES AND NET POSITION, CONTINUED		
DEFERRED INFLOW OF RESOURCES		
Deferred inflows on net pension liability	\$ 1,073,332	\$ 555,584
Deferred inflows related to OPEB	2,461,195	3,265,325
TOTAL DEFERRED INFLOWS	<u>\$ 3,534,527</u>	<u>\$ 3,820,909</u>
NET POSITION		
Net investment in capital assets	\$ 11,684,666	\$ 11,850,810
Restricted for:		
Expendable:		
Student aid	649,464	560,719
Debt service	200,000	195,000
Unrestricted (deficit)	<u>(11,535,512)</u>	<u>(11,090,139)</u>
TOTAL NET POSITION (Schedule D)	<u>\$ 998,618</u>	<u>\$ 1,516,390</u>

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET POSITION - COMPONENT UNIT
AUGUST 31, 2020 and 2019
Exhibit 1B**

		Component Unit - Foundation	
		2020	2019
ASSETS			
Cash and cash equivalents		\$ 76,906	\$ 98,588
Short-term investments		1,722,971	1,659,174
Investments		311,608	126,029
Due from others		210	-
TOTAL ASSETS		\$ 2,111,695	\$ 1,883,791
LIABILITIES			
Due to others		\$ 14,409	\$ -
TOTAL LIABILITIES		\$ 14,409	\$ -
NET POSITION			
Net position restricted for:			
Expendable - Other, primarily donor restrictions		\$ 2,097,286	\$ 1,883,791
TOTAL NET POSITION		\$ 2,097,286	\$ 1,883,791

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

BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PRIMARY INSTITUTION
YEARS ENDED AUGUST 31, 2020 and 2019
Exhibit 2A

	Primary Institution	
	2020	2019
		(restated)
OPERATING REVENUES		
Tuition and fees, net of discounts of \$2,152,118 and \$2,313,243 in 2020 and 2019, respectively	\$ 1,806,541	\$ 1,448,058
Federal grants and contracts	459,127	-
State grants and contracts	267,255	316,497
Local grants and revenues	1,670,373	1,237,446
Auxiliary enterprises, net of discounts of \$194,816 and \$180,420 in 2020 and 2019, respectively	624,279	814,669
General operating revenues	95,787	108,172
Total operating revenues (Schedule A)	4,923,362	3,924,842
OPERATING EXPENSES		
Instruction	6,303,420	6,103,557
Academic support	202,084	183,948
Student services	876,744	777,170
Institutional support	2,655,931	2,550,383
Operation and maintenance of plant	1,221,523	1,049,407
Scholarships and fellowships	387,063	248,249
Auxiliary enterprises	1,424,133	1,631,229
Depreciation	768,361	779,759
Total operating expenses (Schedule B)	13,839,259	13,323,702
Operating loss	(8,915,897)	(9,398,860)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	3,172,309	3,124,720
Ad valorem property taxes	2,440,421	2,474,830
Federal revenue, nonoperating	2,010,586	2,168,371
Gifts	911,767	372,738
Investment income, net of investment expenses	6,931	11,794
Interest on capital related debt	(12,916)	(24,852)
Gain (loss) on impairment of capital assets	(96,336)	(92,145)
Other nonoperating revenues (expenses), net	(34,637)	(12,484)
Net nonoperating revenues (Schedule C)	8,398,125	8,022,972
Decrease in net position	(517,772)	(1,375,888)
NET POSITION - BEGINNING OF YEAR	1,516,390	2,180,165
PRIOR PERIOD ADJUSTMENT	-	712,113
NET POSITION - BEGINNING OF YEAR, RESTATED	1,516,390	2,892,278
NET POSITION - END OF YEAR	\$ 998,618	\$ 1,516,390

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

BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
COMPONENT UNIT - FOUNDATION
YEARS ENDED AUGUST 31, 2020 and 2019
Exhibit 2B

	Component Unit - Foundation	
	2020	2019
OPERATING EXPENSES		
Institutional support	\$ 6,212	\$ 651
Scholarships and fellowships	54,409	58,538
Total operating expense	60,621	59,189
Total operating loss	(60,621)	(59,189)
NONOPERATING REVENUES (EXPENSES)		
Gifts	42,210	5,591
Investment income (loss), net of investment expenses	231,906	52,604
Net nonoperating revenues	274,116	58,195
Increase (decrease) in net position	213,495	(994)
NET POSITION - BEGINNING OF YEAR	1,883,791	1,884,785
NET POSITION - END OF YEAR	<u>\$ 2,097,286</u>	<u>\$ 1,883,791</u>

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

BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS - PRIMARY INSTITUTION
YEARS ENDED AUGUST 31, 2020 and 2019
Exhibit 3A

	Primary Institution	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 2,326,007	\$ 2,349,426
Receipts from grants and contracts	2,508,845	1,501,804
Payments to suppliers for goods or services	(4,608,586)	(4,241,159)
Payments to or on behalf of employees	(7,130,231)	(7,077,748)
Payments of scholarships	(387,063)	(248,249)
Other payments or receipts	8,007	185,187
Net cash used by operating activities	(7,283,021)	(7,530,739)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	3,172,309	3,124,720
Ad valorem tax revenues	2,418,886	2,470,626
Receipts from nonoperating federal revenue	2,010,586	2,168,371
Gifts and grants (other than capital)	911,767	372,738
Other	(34,637)	(12,484)
Net cash provided by noncapital financing activities	8,478,911	8,123,971
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(508,670)	(501,721)
Principal payments on debt	(197,082)	(659,860)
Proceeds from sale of fixed assets	7,199	-
Advances on debt	-	313,500
Cash paid for interest	(12,916)	(24,852)
Net cash used by capital and related financing activities	(711,469)	(872,933)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	6,931	11,794
Net cash provided by investing activities	6,931	11,794
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	491,352	(267,907)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	763,345	1,031,252
(RESTRICTED AND UNRESTRICTED)		
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,254,697	\$ 763,345
(RESTRICTED AND UNRESTRICTED)		
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (8,915,897)	\$ (9,398,860)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	768,361	779,759
Change in deferred outflows of financial resources	537,215	(4,955,859)
Change in deferred inflows of financial resources	(286,382)	2,074,154
Changes in assets and liabilities:		
Receivables, net	(215,793)	(102,594)
Inventories	-	25,555
Other assets	(70,751)	(1,175)
Accounts payable	78,757	53,247
Unearned revenue	190,753	157,397
Funds held for others	(55,463)	56,772
Accrued liabilities	-	(21,313)
Net pension liability	(742,870)	1,166,777
Net OPEB liability	1,429,049	2,635,401
Net cash used by operating activities	\$ (7,283,021)	\$ (7,530,739)

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS - COMPONENT UNIT
YEARS ENDED AUGUST 31, 2020 and 2019
Exhibit 3B**

	Component Unit - Foundation	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers for goods or services	\$ (6,212)	\$ (651)
Payments of scholarships	(54,409)	(58,538)
Net cash used by operating activities	(60,621)	(59,189)
CASH FLOWS FROM INVESTING ACTIVITIES		
Contributions	42,210	5,591
Cash paid for purchasing investments	(235,177)	(26,000)
Investment earnings (loss)	231,906	52,604
Net cash provided by investing activities	38,939	32,195
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(21,682)	(26,994)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	98,588	125,582
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 76,906</u>	<u>\$ 98,588</u>
Reconciliation of operating income (loss) to net cash used by operating activities:		
Operating loss	\$ (60,621)	\$ (59,189)
Net cash used by operating activities	<u>\$ (60,621)</u>	<u>\$ (59,189)</u>

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 1 - REPORTING ENTITY

Borger Junior College District (Frank Phillips College or the College) was established in 1948, in accordance with the laws of the State of Texas, to serve the educational needs of Borger, Texas, and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The Frank Phillips College Development Corporation (the Foundation) is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The College does not appoint a voting majority nor does it fund or is it obligated to pay debt related to the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. During the years ended August 31, 2020 and 2019, the Foundation distributed approximately \$54,000 and \$59,000 to the College for restricted purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This amount set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.0333). When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act Program Funds

Certain Title IV Higher Education Act (HEA) Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue.

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title IV, Higher Education Act Program Funds (Continued)

When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amount is recorded as tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Budgetary Data

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

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. As of August 31, 2020, the College reported a deferred inflow of \$1,073,332 and \$2,461,195 related to the net pension liability and net OPEB liability, respectively. As of August 31, 2019 the College reported a deferred inflow of \$555,584 and \$3,265,325 related to the net pension liability and net OPEB liability, respectively.

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows (Continued)

not be recognized as an outflow of resources (expense) until then. Governments are only as permitted to report deferred outflows in circumstances specifically authorized by the GASB. As of August 31, 2020, the College reported a deferred outflow of \$1,402,499 and \$4,004,380, related to the net pension liability and the net OPEB liability, respectively. As of August 31, 2019, the College reported a deferred outflow of \$1,871,404 and \$4,072,690, related to the net pension liability and the net OPEB liability, respectively.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Restricted cash consists of restricted funds from donors.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of consumable office supplies, food, and pro shop. Inventories are valued at the lower of cost or market using the first-in, first-out (FIFO) method and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 and an estimated useful life in excess of one year. Renovations to buildings, infrastructures, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Buildings	50 years
Facilities and other improvements	20 years
Library books	15 years
Furniture, machinery, vehicles and other equipment	10 years
Telecommunications and peripheral equipment	5 years

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned Revenues

Tuition, fees, and other revenues received and related to the following fiscal year have been deferred. Tuition and fees of \$2,018,511 and \$1,888,509 have been reported as unearned revenue at August 31, 2020 and 2019, respectively. CARES Act revenue of \$60,751 and \$-0- have been reported as unearned revenue at August 31, 2020 and 2019, respectively.

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' 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.

Other Postemployment Benefits

The fiduciary net position of the Employee Retirement System of Texas (ERS) 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 OPEB liability, deferred outflows of information about assets, liabilities and additions to / deductions from ERS's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Estimates

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

Operating and Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state appropriations, federal Title IV revenue and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operations of the book store and food service are not performed by the College. When both restricted and unrestricted resources are available for use, it is the College's practice to use restricted resources first and then unrestricted resources as they are needed.

Reclassifications

Certain prior year amounts have been reclassified to confirm with current year presentations. See note 24 for prior period adjustment.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 3 - AUTHORIZED INVESTMENTS

The College 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.

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents included on Exhibit 1A, Statements of Net Position, as of August 31, 2020 and 2019, consist of the items reported below:

	<u>2020</u>	<u>2019</u>
Bank deposits		
Demand deposits	\$ 1,247,775	\$ 757,223
Cash and cash equivalents		
Petty cash on hand	3,339	2,539
TexPool	<u>3,583</u>	<u>3,583</u>
Total cash and cash equivalents	<u><u>\$ 1,254,697</u></u>	<u><u>\$ 763,345</u></u>

The following represents a reconciliation of cash and cash equivalents, as of August 31, 2020 and 2019, as reported on Exhibit 1A:

	<u>2020</u>	<u>2019</u>
Unrestricted cash and cash equivalents - current	\$ 1,054,697	\$ 568,345
Restricted cash and cash equivalents - noncurrent	<u>200,000</u>	<u>195,000</u>
Total cash and cash equivalents	<u><u>\$ 1,254,697</u></u>	<u><u>\$ 763,345</u></u>

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's investments are registered and held by the College or by its agent in the College's name.

Interest Rate Risk: In accordance with state law and College policy, the College does not purchase any investments with maturities greater than 10 years.

Credit Risk: State law limits investments in commercial paper to those rated not less than A-1 or P-1 and no-load money market mutual funds to those rated not less than AAA. As of August 31, 2020 and 2019, the College did not have any investments in commercial paper or no-load money market mutual funds.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

The following is a summary of the investments at fair value of the Foundation at August 31, 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Managed equity funds – short term	\$ 1,572,085	\$ 1,360,223
Certificates of deposit – short term	150,886	298,951
Certificates of deposit – long term	<u>311,608</u>	<u>126,029</u>
Total investments at fair value	<u>\$ 2,034,579</u>	<u>\$ 1,785,203</u>

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 to 2	2 to 3	3 to 4
August 31, 2020:					
Managed equity funds	\$ 1,572,085	\$ 1,572,085	\$ -	\$ -	\$ -
Certificates of deposit	462,494	150,887	62,435	123,896	125,276
Total	\$ 2,034,579	\$ 1,722,972	\$ 62,435	\$ 123,896	\$ 125,276

Participation in External Investment Pools

As of August 31, 2020 and 2019, the carrying amount of amounts invested in investment pools was \$3,583, for both years. Investment pools are recorded at cost, which approximated market value. All investment pools are uninsured and are not registered with the Securities and Exchange Commission. Investment pools are not subject to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

The College's investment in investment pools is TexPool Participant Services. TexPool Participant Services' regulatory oversight agent is the Texas Treasury Safekeeping Trust Company and their credit risk rating is AAAM. Their financial reports may be obtained by writing Federated Investment Management Company, 1001 Texas Avenue, Suite 1400, Houston, TX 77002.

NOTE 5 - FAIR VALUE MEASUREMENTS

The College adopted Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, as guidance on fair value measurements. The standard established a three-level valuation hierarchy for disclosure based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). An asset's fair value measurement level within the hierarchy is based on the lowest level of input that is significant to the valuation.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 5 - FAIR VALUE MEASUREMENTS (CONTINUED)

The three levels are defined as follows:

- Level 1 – Quoted prices for identical assets or liabilities in active markets.
- Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The College uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the College measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

The College did not have any assets or liabilities measured at fair value on a recurring or non-recurring basis for years ended August 31, 2020 and 2019.

The Foundation had the following:

Assets Measured at Fair Value on a Recurring Basis

		Fair Value Measurements Using:		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Fair Value</u>				
<u>August 31, 2020:</u>				
Restricted Investments:				
Certificate of deposits	\$ 462,494	\$ -	\$ 462,494	\$ -
Managed equity funds	<u>1,572,085</u>	<u>1,572,085</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,034,579</u>	<u>\$ 1,572,085</u>	<u>\$ 462,494</u>	<u>\$ -</u>
<u>August 31, 2019:</u>				
Restricted Investments:				
Certificate of deposits	\$ 424,980	\$ -	\$ 424,980	\$ -
Managed equity funds	<u>1,360,223</u>	<u>1,360,223</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,785,203</u>	<u>\$ 1,360,223</u>	<u>\$ 424,980</u>	<u>\$ -</u>

The Foundation did not have any assets or liabilities measured at fair value on a nonrecurring basis at August 31, 2020 and 2019.

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 6 - CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019 (restated)	Additions	Deductions	Balance August 31, 2020
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Total not depreciated	333,687	-	-	333,687
Other capital assets:				
Buildings	16,029,397	-	35,053	15,994,344
Building and land improvements	5,705,893	-	19,892	5,686,001
Furniture, machinery, vehicles and other equipment	2,230,102	285,226	530,264	1,985,064
Telecommunications and peripheral equipment	3,539,250	220,225	2,337,972	1,421,503
Library books	1,188,495	3,219	-	1,191,714
Total other capital assets	28,693,137	508,670	2,923,181	26,278,626
Total cost of capital assets	29,026,824	508,670	2,923,181	26,612,313
Accumulated depreciation:				
Buildings	7,211,527	259,432	5,962	7,464,997
Building and land improvements	3,695,753	183,140	5,972	3,872,921
Furniture, machinery, vehicles and other equipment	1,343,083	104,186	306,836	1,140,433
Telecommunications and peripheral equipment	3,158,628	217,103	2,500,876	874,855
Library books	1,164,941	4,500	-	1,169,441
Total accumulated depreciation	16,573,932	768,361	2,819,646	14,522,647
Capital assets, net	\$ 12,452,892	\$ (259,691)	\$ 103,535	\$ 12,089,666

Capital assets activity for the year ended August 31, 2019, was as follows:

	Balance September 1, 2018 (restated)	Additions	Deductions	Balance August 31, 2019 (restated)
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Construction in process, net	8,447	-	8,447	-
Total not depreciated	342,134	-	8,447	333,687
Other capital assets:				
Buildings	16,126,397	-	97,000	16,029,397
Building and land improvements	5,705,893	-	-	5,705,893
Furniture, machinery, vehicles and other equipment	1,738,679	491,423	-	2,230,102
Telecommunications and peripheral equipment	3,520,505	18,745	-	3,539,250

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>September 1, 2018</u> <u>(restated)</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>August 31, 2019</u> <u>(restated)</u>
Library books	1,188,495	-	-	1,188,495
Total other capital assets	28,279,969	510,168	97,000	28,693,137
Total cost of capital assets	28,622,103	510,168	105,447	29,026,824
Accumulated depreciation:				
Buildings	6,955,589	260,793	4,855	7,211,527
Building and land improvements	3,505,017	190,736	-	3,695,753
Furniture, machinery, vehicles and other equipment	1,258,271	84,812	-	1,343,083
Telecommunications and peripheral equipment	2,920,227	238,401	-	3,158,628
Library books	1,159,924	5,017	-	1,164,941
Total accumulated depreciation	15,799,028	779,759	4,855	16,573,932
Capital assets, net	<u>\$ 12,823,075</u>	<u>\$ (269,591)</u>	<u>\$ 100,592</u>	<u>\$ 12,452,892</u>

As of August 31, 2020 and 2019, the College recognized a loss of \$96,336 and \$92,145, respectively, on the impairment of fixed assets.

Included in capital assets for the year ended August 31, 2020 and 2019, are the following capital leases:

	<u>2020</u>	<u>2019</u>
Telecommunications and peripheral equipment	\$ -	\$ 225,000
Less: Accumulated depreciation	<u>-</u>	<u>225,000</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Future minimum lease payments under a noncancellable operating lease with initial or remaining terms of one year or more are as follows:

<u>Year Ending August 31,</u>	
2021	<u>\$ 36,000</u>
Total future minimum lease payments	<u>\$ 36,000</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 7 - NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019	Additions	Deductions	Balance August 31, 2020	Current
Bonds and notes					
Combined Fee Revenue Refunding Bonds -					
Series 2012	\$ 600,000	\$ -	\$ 195,000	\$ 405,000	\$ 200,000
Notes Payable	2,082	-	2,082	-	-
Total bonds and notes	602,082	-	197,082	405,000	200,000
Accrued compensated absences	93,877	93,284	93,284	93,877	93,877
Net pension liability	3,513,193	-	742,870	2,770,323	-
Net OPEB liability	8,436,134	4,677,402	3,248,353	9,865,183	-
Total	\$ 12,645,286	\$ 4,770,686	\$4,281,589	13,134,383	\$ 293,877
Due in one year				(293,877)	
				\$ 12,840,506	

Noncurrent liability activity for the year ended August 31, 2019, was as follows:

	Balance September 1, 2018	Additions	Deductions	Balance August 31, 2019	Current
Bonds and notes					
Maintenance tax notes - Series 2007	\$ 136,231	\$ -	\$ 136,231	\$ -	\$ -
Combined Fee Revenue Refunding Bonds -					
Series 2012	785,000		185,000	600,000	195,000
Notes Payable	27,211		25,129	2,082	2,082
Line of credit	-	253,500	253,500	-	-
Advance from Vendor	-	60,000	60,000	-	-
Total bonds and notes	948,442	313,500	659,860	602,082	197,082
Accrued compensated absences	87,832	110,519	104,474	93,877	93,877
Net pension liability	2,346,416	1,381,794	215,017	3,513,193	-
Net OPEB liability	5,800,733	3,462,273	826,872	8,436,134	-
Total	\$ 9,183,423	\$ 5,268,086	\$1,806,223	12,645,286	\$ 290,959
Due in one year				(290,959)	
				\$ 12,354,327	

NOTE 8 - DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2020, were as follows:

For the Year Ended August 31,	Combined Fee Revenue Refunding Bond Series 2012		Totals	
	Principal	Interest	Principal	Interest
2021	\$ 200,000	\$ 7,625	\$ 200,000	\$ 7,625
2022	205,000	2,565	205,000	2,565
Total	\$ 405,000	\$ 10,190	\$ 405,000	\$ 10,190

Total interest expense for the years ended August 31, 2020 and 2019, was approximately \$13,000 and \$25,000, respectively.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 9 - BONDS AND NOTES PAYABLE

General information related to bonds payable and the note payable is summarized below:

Combined Fee Revenue Refunding Bonds - Series 2012

On March 28, 2012, the College issued the Combined Fee Revenue Refunding Bonds - Series 2012 in the amount of \$1,800,000 to refund the Combined Fee Revenue Bonds - Series 2001 issue. The refunding was undertaken to reduce total debt service payments over the next ten years by approximately \$187,000 and resulted in an economic gain of approximately \$164,000.

The 2001 Series are considered fully redeemed and the liability has been removed from the College's books. The outstanding principal for the 2012 issue matures annually through September 1, 2021, with principal amounts ranging from \$200,000 to \$205,000 and provide for an interest rate of 2.50%. Balance outstanding at August 31, 2020 and 2019, is \$405,000 and \$600,000, respectively.

Maintenance Tax Notes - Series 2007

To renovate the College's facility, \$1,300,000 Maintenance Tax Notes, issued on June 28, 2007, interest at 4.934%. Source of revenue for debt service is all available current revenues of the College, including maintenance and operation tax revenues. The Maintenance Tax Notes matured February 1, 2019. Balance outstanding at August 31, 2019 is \$-0-.

Notes Payable to Bank

Note payable to bank issued on September 1, 2016, interest at 2.50%, monthly payments of \$989, with a maturity date of September 2019. The note is secured by a vehicle. Balance outstanding at August 31, 2020 and 2019 is \$-0- and \$968, respectively.

Note payable to a bank issued on September 1, 2016, interest at 2.50%, monthly payments of \$1,138, with a maturity date of September 2019. The note is secured by a vehicle. Balance outstanding at August 31, 2020 and 2019 is \$-0- and \$1,114, respectively.

Line of Credit

The College has a line of credit in the amount of \$300,000. All outstanding principal plus all accrued unpaid interest are due on April 15, 2021. The note bears interest at variable rates and requires monthly interest payments. The line of credit is collateralized by all accounts and general intangibles and contains various restrictive covenants. During August 2019, the College advanced and repaid \$253,500 on the line of credit. The balance outstanding at August 31, 2020 and 2019 was \$-0-, respectively.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 9 - BONDS AND NOTES PAYABLE (CONTINUED)

Advance from Vendor

The College entered into an agreement with a Vendor in which the Vendor advanced \$60,000 to the College to improve the dining experience on campus. During fiscal year 2019, the College drew the available funds and repaid the funds according to the agreement. The balance outstanding at August 31, 2020 and 2019 was \$-0-, respectively.

NOTE 10 - EMPLOYEES' RETIREMENT PLANS

Plan Description

The College participates in a cost-sharing, multiple-employer defined benefit pension plan (the Plan) that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan established and administered in accordance with the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code (IRC). 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 benefits.

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.texas.gov/TRS%20Documents/cafr2019.pdf (select *About TRS*, then *Publications*, then *Financial Reports*) or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits. State law requires the plan to be actuarially sound in order for the Legislature to consider a benefit enhancement, such as supplemental payment to the retirees. In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. These

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Benefits Provided (Continued)

increases immediately made the pension fund actuarially sound and the legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever was less. 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, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of service credit or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article XVI, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA) affirmed that the employer contribution rates for fiscal years 2018 and 2019 would remain the same. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Contributions (Continued)

Contribution rates for Plan fiscal years (September to August) 2020 and 2019 follow:

	Contribution Rates	
	<u>Plan Fiscal Year</u>	
	<u>2020</u>	<u>2019</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity	7.5%	6.8%
Employer	7.5%	6.8%

	Contributions	
	<u>Required and Made</u>	
	<u>2020</u>	<u>2019</u>
College (Employer)	\$ 204,285	\$ 198,727
Member (Employee)	352,477	321,846
Non-employer contributing agency (State)	112,632	70,201

Contributors to the plan include members, employers, and the State of Texas as the only non-employer contributing entity. 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 participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers, including junior colleges, are required to pay the employer contribution rate in the following instances:

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

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions

A change was made in the measurement date of the total pension liability for the 2019 measurement year. The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the three-year period ending August 31, 2018 and were adopted in July 2018.

The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables.

Valuation Date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual Entry Age Normal
Asset valuation method	Market Value
Single Discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate	2.63%*
Last year ending August 31 in the 2016 to 2115 projection period (100 years)	2116
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

* Source: The municipal bond rate used is 2.63% as of August 31, 2019 (i.e. the rate closest to but not later than measurement date) Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018.

Changes Since the Prior Actuarial Valuation

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

1. The total pension liability as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.
2. The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Changes Since the Prior Actuarial Valuation (Continued)

3. With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on actuarial assumptions.

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

Discount Rate

The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine this 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 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was 7.25%. 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 Systems target asset allocation as of August 31, 2019 are summarized below:

<u>Asset Class</u>	<u>FY 2019 Target Allocation*</u>	<u>New Target Allocation**</u>	<u>Long-Term Expected Geometric Real Rate of Return***</u>
Global Equity			
USA	18.00%	18.00%	6.40%
Non-U.S. developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
Stable Value			
U.S. Treasuries****	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return (Including Credit Sensitive Investments)	0.00%	0.00%	0.00%

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Discount Rate (Continued)

<u>Asset Class</u>	<u>FY 2019 Target Allocation</u> *	<u>New Target Allocation</u> **	<u>Long-Term Expected Geometric Real Rate of Return</u> ***
Real Return			
Global Inflation Linked Bonds****	3.00%	0.00%	0.00%
Real Estate	14.00%	15.00%	8.50%
Energy, Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	8.00%	5.80%/6.50%*****
Asset Allocation Leverage			
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	0.00%	(6.00)%	2.70%
Expected Return		7.23%	

* FY 2019 Target Allocation based on Strategic Asset Allocation dated 10/01/2018

** New target allocation based on the Strategic Asset Allocation dated 10/01/2019

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

**** New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

***** 5.80% (6.50%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

Sensitivity of the College's Share of the Net Pension Liability

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.250%) in measuring the 2019 Net Pension Liability.

	<u>1% Decrease Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase Discount Rate</u>
	<u>6.250%</u>	<u>7.250%</u>	<u>8.250%</u>
College's proportionate share of the net pension liability	\$ 4,258,389	\$ 2,770,323	\$ 1,564,702

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2020, the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Sensitivity of the College's Share of the Net Pension Liability (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	<u>2020</u>	<u>2019</u>
College's proportionate share of the net pension liability	\$ 2,770,323	\$ 3,513,193
State's proportionate share of the net pension liability	<u>1,672,866</u>	<u>1,147,738</u>
Total	<u>\$ 4,443,189</u>	<u>\$ 4,660,931</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. The College's proportion of the net position liability was based on the College's contributions to the pension plan relative to the contributions of all participating entities to the Plan for the period September 1, 2018, through August 31, 2019.

At August 31, 2019, the College's proportion of the collective net pension liability was .0053292736%, which is a decrease of .0010534259% from its proportion measured as of August 31, 2018 of 0.0063826995%.

For the years ended August 31, 2020 and 2019, the College recognized pension expense of \$506,567 and \$322,377 and revenue of \$262,784 and \$113,595 for support provided by the State in the Statements of Net Position – Primary Institution.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2020, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,638	\$ 96,190
Changes of assumptions	859,490	355,182
Difference between projected and actual earnings on pension plan investments	27,818	-
Changes in proportion and differences between College contributions and proportionate share of contributions	299,268	621,960
College contributions subsequent to the measurement date	<u>204,285</u>	<u>-</u>
Total	<u>\$ 1,402,499</u>	<u>\$ 1,073,332</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At August 31, 2019, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,898	\$ 86,200
Changes of assumptions	1,266,675	39,584
Difference between projected and actual earnings on pension plan investments	-	66,660
Changes in proportion and differences between College contributions and proportionate share of contributions	384,104	363,140
College contributions subsequent to the measurement date	<u>198,727</u>	<u>-</u>
Total	<u>\$ 1,871,404</u>	<u>\$ 555,584</u>

The \$204,285 and \$198,727 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended August 31, 2021 and 2020, respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31,

2021	\$ 27,469
2022	4,290
2023	114,302
2024	77,158
2025	(50,103)
Thereafter	<u>(48,234)</u>
Total	<u>\$ 124,882</u>

Optional Retirement Plan – Defined Contribution Plan

Plan Description

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 10 - EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Optional Retirement Plan – Defined Contribution Plan (Continued)

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 6.60%, respectively for 2020 and 2019. The College contributes 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amounts of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the state for the College was approximately \$275,000, \$128,000, and \$40,000, for the fiscal years ended August 31, 2020, 2019, and 2018, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College for TRS and the Optional Retirement Program.

The total payroll of employees covered by the Optional Retirement Program was approximately \$368,000, \$437,000, and \$443,000, for fiscal years 2020, 2019, and 2018, respectively.

College-Sponsored Benefit Plans

The College has a defined contribution plan qualified under Section 401(k) of the IRC. Under the provisions of the plan, employees are eligible to participate when they have attained the age of 18 and have been credited with one year of service. Employee deferral contributions are not limited by the plan. The College's contributions are discretionary. The related expense was approximately \$134,000, \$154,000, and \$124,000, for the years ended August 31, 2020, 2019, and 2018, respectively.

The College has a voluntary employee defined contribution 403(b) plan administered by the Plan's trustee. The Plan is funded by employee deferrals of compensation. Plan funds are held in trust and are administered by the College's with oversight by the Board of Regents. Full-time employees and certain part-time employees are eligible to participate and are fully vested at all times. At August 31, 2020, 2019, and 2018, there were 2, 2, and 3, respectively, Plan participants.

NOTE 11 - DEFERRED COMPENSATION PROGRAM

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 12 - COMPENSATED ABSENCES

Full-time employees earn annual leave from 80 to 120 hours per year depending on the number of years employed by the College. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year. However, accrued leave time accumulated over the set maximum (0 to 5 years a maximum of 40 hours and over 5 years a maximum of 80 hours) will be forfeited on the employee's anniversary date. Employees with at least six months of service who terminate their employment are entitled to payment for accumulated annual leave up to the set maximum as stated above.

Compensated absences liabilities are reported as a current liability as the average maturity of such liability is considered to be less than one year. As a result, the College recognized the accrued liability for unpaid annual leave in the amount of \$93,877 at August 31, 2020 and 2019. Sick leave, which can be accumulated up to 50 days, is earned at the rate of eight hours per month; however, sick leave is not paid at termination. The College's policy is to recognize the cost of sick leave when utilized by employees. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

NOTE 13 - COMMITMENTS, CONTINGENCIES AND LAWSUITS

The College participates in various state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of the College's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no other provision has been recorded in the accompanying financial statements for such contingencies. Additionally, the College's students participate in the Federal Direct Loan Program for which the proceeds are used for tuition and education-related costs. Regulations require that default rates pertaining to loans to persons attending the College not exceed certain levels at the College. In the event that specific levels were exceeded, the program could be discontinued at the College; however, the College does not anticipate this occurring. The total amount of Direct Loans made during 2020 and 2019 was \$589,203 and \$486,681, respectively.

At August 31, 2020, there were no lawsuits or claims involving the College.

On September 13, 2016, the College received a letter from the Texas Higher Education Coordinating Board (THECB) summarizing the findings from their on-site Methods of Administration Civil Rights Compliance Review. The College responded to the THECB on November 11, 2016 and developed a five year plan to address the findings. The College has estimated that it will spend approximately \$170,000 through fiscal year 2021 to comply with the findings.

NOTE 14 - RISK FINANCING

The College does not participate in public entity risk pools. Claims and judgments are accounted for in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Property and casualty risks are insured through

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 14 - RISK FINANCING (CONTINUED)

insurance contracts. Workers compensation risks are substantially covered by insurance. Health claims are fully covered by the state of Texas.

NOTE 15 - DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables at August 31, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Student receivables, net of allowance of \$396,037 for 2020 and 2019, respectively	\$ 1,756,384	\$ 1,446,392
Tuition payment processing program	-	14,426
Taxes receivable, net of allowance of \$148,142 and \$127,789 for 2020 and 2019, respectively	90,156	68,621
Government grants and contracts	86,906	198,996
Other	41,280	8,963
Total accounts receivable, net	<u><u>\$ 1,974,726</u></u>	<u><u>\$ 1,737,398</u></u>

Accounts payable at August 31, 2020 and 2019, consisted of the following:

	<u>2020</u>	<u>2019</u>
Vendors payable and other	\$ 699,592	\$ 620,835
Total accounts payable	<u><u>\$ 699,592</u></u>	<u><u>\$ 620,835</u></u>

NOTE 16 - CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2A and Schedules A and C. For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1A. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements.

NOTE 17 - HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain healthcare and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was approximately \$625 per month for the year ended August 31, 2020, (\$625 per month for the year ended August 31, 2019) and totaled \$353,207 for the year ended August 31, 2020, (\$375,316 for the year ended August 31, 2019). The cost of providing those benefits for retirees in the year ended 2020 was \$188,025 (retiree benefits for retirees cost \$155,123 in 2019). For active employees, the cost of providing benefits

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 17 - HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

was \$165,182 for the year ended 2020 (active employee benefits for employees cost \$220,193 for the year ended 2019). S.B. 1812, effective September 1, 2013, limits the amounts of the state's contribution to 50% of eligible employees in the reporting district.

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

NOTE 18 - AD VALOREM TAX

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

At August 31, 2020:

Assessed valuation of the District	\$ 1,301,331,080
Less: exemptions and abatements	<u>226,386,220</u>
Net assessed valuation of the District	<u>\$ 1,074,944,860</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$.22000	\$.5000	\$.72000
Tax rate per \$100 valuation for assessed	.22000	.0000	.22000
Taxes collected	2,362,765	-	2,362,765
Delinquent taxes collected	38,283	-	38,283
Penalties and interest collected	<u>30,750</u>	<u>-</u>	<u>30,750</u>
Total collections	<u>\$ 2,431,798</u>	<u>\$ -</u>	<u>\$ 2,431,798</u>

At August 31, 2019:

Assessed valuation of the District	\$ 1,311,906,300
Less: exemptions and abatements	<u>207,391,040</u>
Net assessed valuation of the District	<u>\$ 1,104,515,260</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$.22000	\$.5000	\$.72000
Tax rate per \$100 valuation for assessed	.22000	.0000	.22000
Taxes collected	2,408,187	-	2,408,187
Delinquent taxes collected	41,232	-	41,232
Penalties and interest collected	<u>25,595</u>	<u>-</u>	<u>25,595</u>
Total collections	<u>\$ 2,475,014</u>	<u>\$ -</u>	<u>\$ 2,475,014</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 18 - AD VALOREM TAX (CONTINUED)

Taxes levied for the years ended August 31, 2020 and 2019, were approximately \$2,591,000 and \$2,466,000, respectively, (which included penalty and interest assessed, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Tax collections for the years ended August 31, 2020 and 2019, were 91.18% and 97.67%, respectively, of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

NOTE 19 - BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax that is established by election is levied by Ochiltree County. It is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Collections are transferred to the College to be used for operation of a branch campus in Perryton, Texas. This revenue is reported under local grant contracts. Collections in fiscal years 2020 and 2019 (including penalties and interest) from Ochiltree County totaled approximately \$617,000 and \$592,000, respectively.

A branch campus maintenance tax that is established by election is levied by Dallam and Hartley Counties. It is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Collections are transferred to the College to be used for operation of a branch campus in Dalhart, Texas. This revenue is reported under local grant contracts. Collections in fiscal years 2020 and 2019 (including penalties and interest) from Dallam and Hartley Counties totaled approximately \$690,000 and \$635,000, respectively.

On behalf of the College, the Dalhart Education Foundation constructed a facility of approximately 18,000 sq. ft. estimated at \$4,500,000. On May 1, 2018, the Dalhart Education Foundation leased the building to the College for \$500 per month. The lease term was through April 30, 2019 and was renewed. The lease may be terminated in writing by either party. At August 31, 2020 and 2019, rental expense was \$6,000, respectively.

NOTE 20 - INCOME TAXES

The College is exempt from income taxes under IRC Section 115, "Income of States, Municipalities, Etc.," although unrelated business income may be subject to income taxes under IRC Section 511 (a)(2)(B), "Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations." The College had no unrelated business income tax liability for the years ended August 31, 2020 and 2019.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2019-CAFR.pdf>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877)275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

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 ten 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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Contributions (Contributions)

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. 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.

**Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year**

<u>Employer Contribution Rates</u>	<u>2020</u>	<u>2019</u>
Retiree only	\$ 624.82	\$ 621.90
Retiree and spouse	\$ 1,340.82	\$ 1,334.54
Retiree and children	\$ 1,104.22	\$ 1,099.06
Retiree and family	\$ 1,820.22	\$ 1,811.70

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

**Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31,**

	<u>2020</u>	<u>2019</u>
Current fiscal year employer contributions	\$ 178,928	\$ 159,890
Current fiscal year member contributions	-	-
Measurement year NECE on-behalf contributions	375,316	367,305

Actuarial Assumptions

The total OPEB liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Additional Actuarial Methods and Assumptions:

Valuation date	August 31, 2019
Actuarial cost method	Entry Age
Amortization	Level percent of payroll, open
Discount rate	2.97%
Remaining Amortization	30 Years
Asset Valuation Method	Not Applicable

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Actuarial Assumptions (Continued)

Projected salary increases (includes inflation)	2.5% to 9.5%, including inflation
Healthcare trend rates	7.30% for FY 2021, 7.40% for FY 2022, 7.00% for FY 2023, decreasing 0.5% per year to an ultimate rate of 4.5% for FY 2028 and later years
Inflation assumption rate	2.5%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Many 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.

Changes Since the Prior Actuarial Valuation

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Since the last valuation was prepared for this plan, assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on short-term expectations.
- The percentage of current retirees and their spouses not 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.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Changes Since the Prior Actuarial Valuation (Continued)

- The percentage of male retirees assumed to be married and electing coverage for their spouse.
- The percentage of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was changed from 3.96% to 2.97%, as a result of requirements by GASB No.74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

The following benefit revisions have been adopted since the prior measurement date.

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHD) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service Maximums.

These minor benefit change is provided for in FY2020 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate

Because the State Retiree Health Plan 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 period was 3.96%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.97%, which amounted to an increase of 0.45% from the beginning of the year. 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 (PAYGO) 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 to zero years.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the College's proportionate share of the collective Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.97%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate 1.97%	Current Single Discount Rate 2.97%	1% Increase in Discount Rate 3.97%
Proportionate share of the Net OPEB Liability	\$ 11,772,232	\$ 9,865,183	\$ 8,397,779

Healthcare Cost Trend Rates Sensitivity Analysis

The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. The following presents the College's proportionate share of the collective net OPEB Liability of the plan using the assumed healthcare cost trend rate, as well as what the net OPEB Liability would be if it were calculated using a healthcare cost trend rate that is one-percentage point lower or one-percentage point higher than healthcare cost trend rate that was used (7.3% decreasing to 4.5%) in measuring the Net OPEB Liability.

	1% Decrease in Healthcare Trend Cost (6.30% decreasing to 3.50%)	Current Healthcare Cost Trend Rate (7.30% decreasing to 4.50%)	1% Increase in Healthcare Cost Trend (8.30% decreasing to 5.50%)
Proportionate share of the Net OPEB Liability	\$ 8,283,707	\$ 9,865,183	\$11,931,811

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2020, the College reported a liability of \$9,865,184 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State OPEB support provided to the College. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

College's proportionate share of the collective Net OPEB Liability	\$ 9,865,183
State's proportionate share that is associated with the College	<u>4,377,624</u>
Total	<u>\$ 14,242,807</u>

The net OPEB liability was measured as of August 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's portion of the net OPEB liability was based on the College's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

At the measurement date August 31, 2019, the College's proportion of the collective net OPEB liability was 0.02854288%, which is an increase of 0.00007872% from its proportion measured as of August 31, 2018.

For the year ended August 31, 2020, the College recognized total OPEB expense of \$698,188 and revenue for support provided by state and federal sources of \$4,959.

At August 31, 2020, the College reported its proportionate share of the ERS's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 256,701
Changes in actuarial assumptions	702,053	2,204,494
Differences between projected and actual investment earnings	4,056	-
Changes in proportion and differences between the employer's contributions and proportionate share of contributions	<u>3,119,343</u>	<u>-</u>
Total as of August 31, 2019 measurement date	\$ 3,825,452	\$ 2,461,195
Contributions paid to ERS subsequent to the measurement date	<u>178,928</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 4,004,380</u>	<u>\$ 2,461,195</u>

At August 31, 2019, the College reported its proportionate share of the ERS's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ -	\$ 309,073
Changes in actuarial assumptions	-	2,956,252
Differences between projected and actual investment earnings	3,995	-
Changes in proportion and differences between the employer's contributions and proportionate share of contributions	<u>3,908,805</u>	<u>-</u>
Total as of August 31, 2018 measurement date	\$ 3,912,800	\$ 3,265,325
Contributions paid to ERS subsequent to the measurement date	<u>159,890</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 4,072,690</u>	<u>\$ 3,265,325</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 21 - DEFINED OTHER POSTEMPLOYMENT BENEFIT PLAN (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs (Continued)

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

Year ended August 31,

2021	\$ 179,916
2022	179,916
2023	450,410
2024	463,004
2025	86,938
Thereafter	<u>4,073</u>
Total	<u>\$ 1,364,257</u>

NOTE 22 - COMPONENT UNIT

Frank Phillips College Development Corporation - Discrete Component Unit

The Foundation was established as a separate nonprofit organization to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board Statement No. 61, *The Financial Reporting Entity Omnibus – an Amendment of GASB Statements No. 14 and No. 34*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation financial statements are included in the College's annual report as a discrete component unit (see table of contents).

NOTE 23 - NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued several new pronouncements that the College has reviewed for application to their accounting and reporting.

Recently Issued Accounting Pronouncements

GASB Statement No. 84, *Fiduciary Activities*, the objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement also provides for recognition of a liability to the beneficiaries in a

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 23 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. GASB No. 84 is effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 87, *Leases*, the objective of this statement is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit, in which a government has a 100 percent equity interest, account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 23 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required not disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about (1) the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports; (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits; (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements; (5) Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and (8) Terminology used to refer to derivative instruments. The requirements of this Statement are effective as follows (1)The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance;

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 23 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

(2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Earlier application is encouraged and is permitted by topic. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This statement achieves that objective by (1) establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions (2) requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 23 - NEW GASB PRONOUNCEMENTS (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The College is currently evaluating the effect of this statement on their financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are financially administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The College has implemented these two requirements in FY 20. All other requirements of this Statement are effective for fiscal years beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted. The College is evaluating the effect of this statement on their financial statements.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 24 - PRIOR PERIOD ADJUSTMENT

In prior years, the setup of certain assets in the fixed asset software resulted in assets that were depreciated in excess of the depreciable cost basis. The previously reported balances that have been restated as a result of the prior period adjustment are as follows:

Net Position beginning of year	
as previously reported August 31, 2019	\$ 2,180,165
Prior period adjustment	<u>712,113</u>
Net Position beginning of year	
as previously reported August 31, 2019, restated	<u>\$ 2,892,278</u>
Net Position end of year	
as previously reported August 31, 2019	\$ 804,277
Prior period adjustment	<u>712,113</u>
Net Position, end of year, restated	<u>\$ 1,516,390</u>
Capital Assets, net as previously	
reported, August 31, 2019	\$ 11,740,779
Prior period adjustment	<u>712,113</u>
Capital Assets, net August 31, 2019, restated	<u>\$ 12,452,892</u>
Total Noncurrent Assets, as previously	
reported, August 31, 2019	\$ 11,937,379
Prior period adjustment	<u>712,113</u>
Total Noncurrent Assets, restated	<u>\$ 12,649,492</u>
Total Assets, as previously	
reported, August 31, 2019	\$ 14,266,444
Prior period adjustment	<u>712,113</u>
Total Assets, restated	<u>\$ 14,978,557</u>

NOTE 25 - SUBSEQUENT EVENT

The College has evaluated for inclusion as a subsequent event disclosure only those events that occurred prior to December 16, 2020, the date the financial statements were available to be issued.

Effective October 1, 2020, the College was awarded a Title III grant award with a performance period of October 1, 2020 through September 30, 2025. The College will receive approximately \$450,000 annually for the next five years. The FY 2021 award proceeds will be for the purchase of Campus Software.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019**

NOTE 25 - SUBSEQUENT EVENT (CONTINUED)

On October 1, 2020, the College entered into an agreement to purchase the Campus Nexus Software Suite. The term of the agreement is ten years, with annual fees ranging from \$122,479 to \$159,807.

Effective October 1, 2020, the College leased property for the Cosmetology Center. The lease term is October 1, 2020 through January 1, 2028, with a monthly lease payment in the amount of \$3,000.

On October 1, 2020, the College entered into a construction agreement in the amount of \$106,346 for the Cosmetology Center renovation.

The College's ad valorem taxes are levied and tax statements are mailed October 1, each year by the County Tax Assessor-Collector (See Note 18). The FY 2021 tax statements were delayed and mailed on November 14, 2020 due to a software issue at the County Tax Assessor's office. As of December 16, 2020, the College's FY 2021 ad valorem tax collections are approximately \$96,000. To address the delay in tax collections, the College increased the existing line of credit (LOC) from \$300,000 to \$1,000,000 (See Note 9). The term of the LOC is November 17, 2020 to March 17, 2021, with interest at 3.75%. All unpaid principle and interest is due at maturity. The LOC is secured by all accounts and general intangibles of the College. At December 16, 2020, the College has advanced \$1,000,000 on the LOC.

With the anticipated spread of the COVID-19 coronavirus, various economic uncertainties could arise which may impact the College. Such potential impact is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

**BORGER JUNIOR COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Year Ended August 31, 2020**

	Measurement Year Ended August 31,					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
College's proportionate share (percentage) of the net pension liability	0.0053293%	0.0063827%	0.0073384%	0.0060714%	0.0055977%	0.0062939%
College's proportionate share (amount) of the net pension liability	\$ 2,770,323	\$ 3,513,193	\$ 2,346,416	\$ 2,294,307	\$ 1,978,712	\$ 1,681,188
State's proportionate share (amount) of the net liability associated with the College	1,672,866	1,147,738	334,122	778,780	976,625	698,014
Total	<u><u>\$ 4,443,189</u></u>	<u><u>\$ 4,660,931</u></u>	<u><u>\$ 2,680,538</u></u>	<u><u>\$ 3,073,087</u></u>	<u><u>\$ 2,955,337</u></u>	<u><u>\$ 2,379,202</u></u>
College's covered payroll (for measurement year)	\$ 5,331,167	\$ 4,969,240	\$ 4,043,089	\$ 3,783,595	\$ 3,633,564	\$ 3,235,450
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.96%	70.70%	58.04%	60.64%	54.46%	51.96%
Plan's fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note 1: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of College's respective fiscal years as opposed to the time periods covered by the measurement date.

Note 2: In accordance with GASB 68, Paragraph 138, only six years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**BORGER JUNIOR COLLEGE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS TO THE PENSION**
TEACHERS RETIREMENT SYSTEM OF TEXAS
For the Year Ended August 31, 2020**

	Fiscal Year Ended August 31,					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 204,285	\$ 180,709	\$ 211,858	\$ 240,549	\$ 193,555	\$ 165,751
Contributions in relation to the contractually required contributions	<u>(204,285)</u>	<u>(198,727)</u>	<u>(211,858)</u>	<u>(240,549)</u>	<u>(193,555)</u>	<u>(165,751)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (18,018)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	<u>\$ 4,890,074</u>	<u>\$ 5,331,167</u>	<u>\$ 4,969,240</u>	<u>\$ 4,043,089</u>	<u>\$ 3,783,595</u>	<u>\$ 3,633,564</u>
Contributions as a percentage of covered payroll	4.18%	3.39%	4.26%	5.95%	5.12%	4.56%

Note 1: GASB 68, Paragraph 81 requires that the data in this schedule be presented as of College's respective fiscal years as opposed to the time periods covered by the measurement date.

Note 2: In accordance with GASB 68, Paragraph 138, only six years of data are presented this reporting period. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

**This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY (ERS)**
Years Ended August 31,

	<u>Measurement Year Ended August, 31</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
College's Proportion of collective Net OPEB Liability	0.028542880%	0.028464160%	0.017024420%
College's Proportionate Share of collective Net OPEB Liability	\$ 9,865,183	\$ 8,436,134	\$ 5,800,733
State's Proportionate Share of the Net OPEB Liability associated with the College	<u>4,377,624</u>	<u>3,747,416</u>	<u>4,926,195</u>
Total	<u>\$ 14,242,807</u>	<u>\$ 12,183,550</u>	<u>\$ 10,726,928</u>
College's Covered Payroll	\$ 5,331,167	\$ 4,969,240	\$ 4,043,089
College's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	185.05%	169.77%	143.47%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.17%	1.27%	2.04%

Note: GASB Condition, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. Therefore the amounts reported for FY 2020, FY 2019, and FY 2018 are based on the August 31, 2019, 2018, and 2017 measurement dates.

** This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF COLLEGE'S CONTRIBUTIONS TO THE OPEB PLAN**
Years Ended August 31,

	Fiscal Year Ended August, 31		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 178,928	\$ 127,399	\$ 164,508
Contribution in relation to the contractually required contribution	<u>(178,928)</u>	<u>(159,890)</u>	<u>(164,508)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (32,491)</u>	<u>\$ -</u>
College's covered payroll	\$ 4,890,074	\$ 4,969,240	\$ 4,043,089
Contributions as a percentage of covered payroll	3.66%	3.22%	4.06%

Note: GASB Condition, Vol. 2, P50.238 requires that the data in this schedule be presented as of the College's respective fiscal year as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

** This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Years Ended August 31, 2020 and 2019**

NOTE 1 - CHANGES OF BENEFIT TERMS FOR TRS PENSION LIABILITY

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

NOTE 2 - CHANGES OF ASSUMPTIONS FOR TRS PENSION LIABILITY

Changes of Assumptions.

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to changes in the following actuarial assumptions:

- The single discount rate of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB3 by the Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on actuarial assumptions.

NOTE 3 - CHANGES OF BENEFIT TERMS FOR OPEB

The following benefit revision has been adopted since the prior measurement date.

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

These minor benefit changes have been reflected in the fiscal year 2019 Assumed Per Capita Health Benefit Costs.

NOTE 4 - CHANGES IN ASSUMPTIONS FOR OPEB

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Assumed Per Capita Health Benefit Costs and Assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations.
- 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.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Years Ended August 31, 2020 and 2019**

NOTE 4 - CHANGES IN ASSUMPTIONS FOR OPEB (CONTINUED)

- The percentage of future male retirees assumed to be married and electing coverage for their spouse.
- The percentage of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was changed from 3.96% as of August 31, 2018 to 2.97% as of August 31, 2109 as a result of requirements by GASB No. 74 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.

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OTHER SUPPLEMENTAL INFORMATION

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2020</u>	<u>2019</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 503,555	\$ -	\$ 503,555	\$ -	\$ 503,555	\$ 283,538
Out-of-district resident tuition	485,000	-	485,000	-	485,000	473,010
Non-resident tuition	151,287	-	151,287	-	151,287	169,855
TPEG - Credit (set aside)*	69,342	-	69,342	-	69,342	54,215
Non-state funded continuing education	460,861	-	460,861	-	460,861	687,298
Total tuition	<u>1,670,045</u>	<u>-</u>	<u>1,670,045</u>	<u>-</u>	<u>1,670,045</u>	<u>1,667,916</u>
FEES						
General fee	846,907	-	846,907	-	846,907	744,298
Student service fee	-	-	-	185,955	185,955	249,444
Laboratory fee	127,388	-	127,388	-	127,388	96,123
Other fees	1,128,364	-	1,128,364	-	1,128,364	1,003,520
Total fees	<u>2,102,659</u>	<u>-</u>	<u>2,102,659</u>	<u>185,955</u>	<u>2,288,614</u>	<u>2,093,385</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	-	-	-	(469,403)	(469,403)	(395,212)
TPEG allowances	-	-	-	-	-	-
Title IV Federal grants	(20,000)	-	(20,000)	-	(20,000)	(20,000)
Other Federal grants	(1,587,618)	-	(1,587,618)	-	(1,587,618)	(1,816,466)
Remissions and exemptions - state	(75,097)	-	(75,097)	-	(75,097)	(81,565)
Total scholarship allowances and discounts	<u>(1,682,715)</u>	<u>-</u>	<u>(1,682,715)</u>	<u>(469,403)</u>	<u>(2,152,118)</u>	<u>(2,313,243)</u>
Total net tuition and fees	<u>2,089,989</u>	<u>-</u>	<u>2,089,989</u>	<u>(283,448)</u>	<u>1,806,541</u>	<u>1,448,058</u>

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE A, CONTINUED
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2020</u>	<u>2019</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	-	459,127	459,127	-	459,127	-
State grants and contracts	-	267,255	267,255	-	267,255	316,497
Local grants and contracts	1,670,373	-	1,670,373	-	1,670,373	1,237,446
General operating revenues	95,787	-	95,787	-	95,787	108,172
Total additional operating revenues	<u>1,766,160</u>	<u>726,382</u>	<u>2,492,542</u>	<u>-</u>	<u>2,492,542</u>	<u>1,662,115</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	-	-	-
Less: Discounts	-	-	-	(7,339)	(7,339)	(2,539)
Residential	-	-	-	595,274	595,274	671,408
Less: Discounts	-	-	-	(187,477)	(187,477)	(177,881)
Other Auxiliary Enterprises	-	-	-	223,821	223,821	323,681
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>624,279</u>	<u>624,279</u>	<u>814,669</u>
TOTAL OPERATING REVENUES	<u>\$ 3,856,149</u>	<u>\$ 726,382</u>	<u>\$ 4,582,531</u>	<u>\$ 340,831</u>	<u>\$ 4,923,362</u>	<u>\$ 3,924,842</u>
					(Exhibit 2A)	

*In accordance with Education Code 56.033, \$69,342 and \$54,215 for years ended August 31, 2020 and 2019, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)**

	Operating Expenses			2020	2019
	Salaries and Wages	Benefits	Other Expenses		
		State	Local		
UNRESTRICTED EDUCATIONAL ACTIVITIES					
Instruction	\$ 3,329,841	\$ -	\$1,167,213	\$ 1,394,321	\$ 5,891,375
Academic support	58,800	-	20,612	115,397	178,169
Student services	305,292	-	157,216	65,760	528,268
Institutional support	1,018,607	-	674,981	836,297	2,529,885
Operation and maintenance of plant	220,324	-	77,230	896,705	1,194,259
Scholarship and fellowships	-	-	-	370,024	228,170
Total unrestricted educational activities	4,932,864	-	2,097,252	3,678,504	10,708,620
RESTRICTED EDUCATIONAL ACTIVITIES					
Instruction	-	412,045	-	-	412,045
Academic support	-	7,275	-	-	7,275
Student services	143,217	55,500	88,710	61,049	348,476
Institutional support	-	126,046	-	-	126,046
Operation and maintenance of plant	-	27,264	-	-	27,264
Scholarship and fellowships	-	-	-	17,039	17,039
Total restricted educational activities	143,217	628,130	88,710	78,088	938,145
Total educational activities	5,076,081	628,130	2,185,962	3,756,592	11,646,765
AUXILIARY ENTERPRISES	132,503	-	44,567	1,247,063	1,424,133
DEPRECIATION EXPENSE - buildings and other real estate improvements	-	-	-	442,572	459,529
DEPRECIATION EXPENSE - equipment and furniture	-	-	-	325,789	320,230
TOTAL OPERATING EXPENSES	\$ 5,208,584	\$ 628,130	\$2,230,529	\$ 5,772,016	\$ 13,839,259

(Exhibit 2A)

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE C
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2020</u>	<u>2019</u>
NONOPERATING REVENUES					
State appropriations:					
Education and general state support	\$ 2,539,220	\$ -	\$ -	\$ 2,539,220	\$ 2,643,675
State group insurance	-	358,166	-	358,166	353,039
State retirement matching	-	274,923	-	274,923	128,006
Total state appropriations	2,539,220	633,089	-	3,172,309	3,124,720
Maintenance ad valorem taxes	2,440,421	-	-	2,440,421	2,474,830
Federal revenue, nonoperating	-	2,010,586	-	2,010,586	2,168,371
Gifts	402,424	509,343	-	911,767	372,738
Investment income	460	6,471	-	6,931	11,794
Total nonoperating revenues	5,382,525	3,159,489	-	8,542,014	8,152,453
NONOPERATING EXPENSES					
Interest on capital related debt	12,916	-	-	12,916	24,852
Loss on impairment of capital assets	96,336	-	-	96,336	92,145
Other nonoperating (income) expenses	34,637	-	-	34,637	12,484
Total nonoperating expenses	143,889	-	-	143,889	129,481
NET NONOPERATING REVENUES	<u>\$ 5,238,636</u>	<u>\$ 3,159,489</u>	<u>\$ -</u>	<u>\$ 8,398,125</u>	<u>\$ 8,022,972</u>

(Exhibit 2A)

BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE D
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2020
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2019)

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
CURRENT							
Unrestricted	\$ (12,021,999)	\$ -	\$ -	\$ -	\$ (12,021,999)	\$ (12,021,999)	\$ -
Board designated	486,487	-	-	-	486,487	486,487	-
Restricted	-	649,464	-	-	649,464	-	649,464
Auxiliary enterprises	-	-	-	-	-	-	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	200,000	-	-	200,000	-	200,000
Investment in plant	-	-	-	11,684,666	11,684,666	-	11,684,666
Total net position, August 31, 2020	(11,535,512)	849,464	-	11,684,666	998,618 (Exhibit 1A)	(11,535,512)	12,534,130
Total net position, August 31, 2019, restated	(11,090,139)	755,719	-	11,850,810	1,516,390	(11,090,139)	12,606,529
NET INCREASE (DECREASE)							
IN NET POSITION	\$ (445,373)	\$ 93,745	\$ -	\$ (166,144)	\$ (517,772) (Exhibit 2A)	\$ (445,373)	\$ (72,399)

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2020**

Federal Grantor/Pass Through Grantor/ Program Title	CFDA Number	Direct Awards	Expenditures		Subrecipients Expenditures
			Pass-Through Awards	Total	
U.S. Department of Education					
Direct Programs:					
Student Financial Aid Cluster					
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007	\$ 28,109	\$ -	\$ 28,109	\$ -
Federal Work Study Program	84.033	17,039	-	17,039	-
Federal Pell Grant Program	84.063	1,559,509	-	1,559,509	-
Federal Direct Student Loans	84.268	589,203	-	589,203	-
Student Financial Aid Cluster		2,193,860	-	2,193,860	-
TRIO Cluster					
Title IV - TRIO	84.042	258,243	-	258,243	-
COVID-19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425E	244,218	-	244,218	-
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	214,909	-	214,909	-
Total COVID-19 Education Stabilization Fund CFDA #84.425		459,127	-	459,127	-
Total Direct Programs		2,911,230	-	2,911,230	-
Pass-Through From:					
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Education - Basic	84.048	-	91,032	91,032	-
Total Pass-Through from Texas Higher Education Coordinating Board		-	91,032	91,032	-
Pass-Through From:					
Amarillo College					
Carl D. Perkins Career and Technical Education	84.048	-	56,654	56,654	-
Total Pass-Through from Amarillo College		-	56,654	56,654	-
Total U.S. Department of Education		2,911,230	147,686	3,058,916	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 2,911,230	\$ 147,686	\$ 3,058,916	\$ -

See accompanying notes to Schedule of Expenditures of Federal Awards.

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2020

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue, operating - per Schedule A	\$ 459,127
Federal grants and contracts revenue, nonoperating-per Schedule C	2,010,586
Federal Direct Student Loans	<u>589,203</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 3,058,916</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule. The College did not elect to use the 10% de minimis indirect cost rate. The College did not provide pass-through funds to subrecipients for the year ended August 31, 2020.

NOTE 3 - NONCASH AWARDS

There were no federal noncash awards in fiscal year 2020 other than Federal Direct Student Loans discussed in Note 1 above.

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
YEAR ENDED AUGUST 31, 2020**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Texas Educational Opportunity Grant 2019-2020	-	\$ 65,935
Total Texas Higher Education Coordinating Board		<u>65,935</u>
Panhandle Regional Planning Commission		
High Demand Job Training		<u>105,945</u>
Total Panhandle Regional Planning Commission		<u>105,945</u>
Texas Workforce Commission		
Direct Programs:		
Skills - Hilmar		4,900
Skills - Small Business	0118SSD000	<u>21,628</u>
Total Texas Workforce Commission Skills Program		<u>26,528</u>
Jobs and Education for Texans Program	0119JET001	<u>68,847</u>
Total Texas Workforce Commission		<u>95,375</u>
Total Expenditures of State of Texas Awards		<u><u>\$ 267,255</u></u>

See accompanying notes to Schedule of Expenditures of State of Texas Awards.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
August 31, 2020**

NOTE 1 - STATE ASSISTANCE RECONCILIATION

State grants and contracts revenue – per Schedule A	<u>\$ 267,255</u>
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Total state expenditures per Schedule A expenditures of State of Texas Awards	<u>\$ 267,255</u>
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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

SINGLE AUDIT SECTION

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**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Regents
Borger Junior College District
Borger, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Borger Junior College District (the College) for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) 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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct



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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*.

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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CMMS CPAs & Advisors PLLC

Amarillo, Texas
December 16, 2020

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**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Regents
Borger Junior College District
Borger, Texas

Report on Compliance for Each Major Federal Programs

We have audited Borger Junior College District's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2020. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Programs

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.



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Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance which are described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002. Our opinion on each major federal and state program is not modified with respect to these matters.

The College's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

The College is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The College's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on it.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

The College's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

CMM5 CPAs & Advisors PLLC

Amarillo, Texas
December 16, 2020

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2020**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

The Auditor's report expresses an unmodified opinion on the basic financial statements of Borger Junior College District.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal and State Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

Type of Auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with 2 CFR
Section 200.516(a)?

☒ yes ☐ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster</u>
	<i>Student Financial Aid Cluster</i>
	U.S. Department of Education
84.007	Federal Supplemental Educational Opportunity Grant Program (FSEOG)
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.425	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs was: \$ 750,000 Federal

\$ 300,000 State

Auditee qualified as a Federal low-risk auditee? ☒ yes ☐ no

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2020**

SECTION II - Financial Statement Findings

None Reported

SECTION III - Findings and Questioned Costs - Major Federal Award Programs

Finding 2020-001

Program: Student Financial Assistance Cluster
Federal Pell Grant Program CFDA #84.063

Program Requirement: Special Test – Enrollment Reporting

Criteria: Pursuant to 2 CFR Part 200, Appendix XI, Compliance Supplement, Certification Date – the Date enrollment certified by school. At a minimum, schools are required to certify enrollment every 60 days.

Condition: Three student's enrollment status was not certified within 60 days of the Enrollment Effective Date.

Context: Testwork was performed on a sample of thirty-seven student certification dates of which three were not certified timely within 60 days.

Cause: The students applied for graduation late causing a delay in processing.

Effect: Student enrollment status are not being certified in a timely manner.

Questioned Costs: N/A

Repeat Finding: No

Recommendation: Procedure should be performed on a timely basis to certify student enrollment statuses every 60 days.

Views of Responsible Officials: See the College agrees with the recommendation.

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2020**

SECTION III - Findings and Questioned Costs - Major Federal Award Programs

Finding 2020-002

<i>Program:</i>	COVID-19 Education Stabilization Fund CFDA# 84.425E Higher Education Emergency Relief Fund – Student Aid Portion
<i>Program Requirement:</i>	Allowable Cost
<i>Criteria:</i>	Pursuant the Emergency Financial Aid Grants to Students under Section 18004 for the Coronavirus Aid, Relief, and Economic Security (CARES) Act further clarified by the Department of Education’s FAQ. “The formula provided by Congress for calculating the distribution of funds to institutions excludes students who were exclusively enrolled in distance education courses. Additionally, financial aid grants to students are for expenses related to the disruption of campus operations due to the coronavirus, and students who were enrolled exclusively in online programs would not have expenses related to the disruption of campus operations due to coronavirus.”
<i>Condition:</i>	Three students enrolled exclusively in online courses were awarded grant funds.
<i>Context:</i>	Three students from a sample of ninety three were considered to be enrolled exclusively in online courses.
<i>Cause:</i>	The College did not consider student enrolled exclusively in on line courses when determining eligibility.
<i>Effect:</i>	Ineligible students received grant funds.
<i>Questioned Costs:</i>	\$2,588 in grant funds were paid to student enrolled exclusively online.
<i>Repeat Finding:</i>	No
<i>Recommendation:</i>	The CARES Act funding was expedited to the various agencies with an emphasis to award funds to the students as quickly as possible. However, the College needs to comply with all requirements of the grant award.
<i>Views of Responsible Officials:</i>	See the College agrees with the recommendation and to comply with all requirements of the grant award.

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2020**

Finding 2020-001

Condition: Three student's enrollment status are not being certified in a timely manner.

Corrective Action Plan: See the College's response starting on page 98.

Finding 2020-002

Condition: Three students from a sample of ninety-three were considered to be enrolled in online courses.

Corrective Action Plan: See the College's response starting on page 98.

**BORGER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2020**

None Reported



Frank Phillips College

Office of the President

P.O. Box 5118 ♦ Borger, TX 79008

806-457-4217

jhicks@fpctx.edu

December 16, 2020

We have prepared the accompanying corrective action plan as required by the standards applicable to financial audits contain in *Government Auditing Standards* and by 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*. Specifically, for each finding we are providing you with the names of the contact people responsible for corrective action, the corrective action planned, and the anticipated completion date.

Dr. Jud Hicks
President
Frank Phillips College

Borger Junior College District
(Frank Phillips College)
Corrective action plan
Year ended August 31, 2020

Financial Statement Findings:

N/A - There were no findings to report in FY 2020.

Findings and Questioned Costs – Major Federal Awards Programs:

Finding 2020-001 Enrollment status was not certified timely (60 days)

Contact Person: Teri Langwell, Chief Financial Officer

Anticipated Completion Date: December 16, 2020

Corrective Action Plan: The College is in the process of implementing new software which will facilitate accurate and timely reporting and limit the amount of manual compliance activities. This new software will allow for frequent/automatic updates of student enrollment, and will also enable limitations criteria to students receiving any type of funding.

Finding 2020-002 Students enrolled exclusively online received CARES Act Funding

Contact Person: Teri Langwell, Chief Financial Officer

Anticipated Completion Date: December 16, 2020

Corrective Action Plan: The College is in the process of implementing new software which will facilitate accurate and timely reporting and limit the amount of manual compliance activities. This new software will allow for frequent/automatic updates of student enrollment, and will also enable limitations criteria to students receiving any type of funding.



Frank Phillips College

Office of the President

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December 16, 2020

We have prepared the accompanying summary schedule of prior audit findings as required by 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*. Specifically, we are reporting the status of audit findings included in the prior audit's schedule of findings and questioned costs. This schedule also includes the status of audit findings reported in the prior audit's summary schedule of prior audit findings that were not correct.

Dr. Jud Hicks
President
Frank Phillips College

Borger Junior College District
(Frank Phillips College)
Summary schedule of prior audit findings
Year ended August 31, 2020

Financial Statement Findings:

N/A - There were no findings to report in FY 2019.

Findings and Questioned Costs – Major Federal Awards Programs:

N/A - There were no findings to report in FY 2019.

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**STATISTICAL SUPPLEMENT
(Unaudited)**

Borger Junior College District
Statistical Supplement 1
Net Position by Component
Fiscal Years 2011 to 2020
(unaudited)

	For the Fiscal Year Ended August 31,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$ 11,684,666	\$ 11,138,697	\$ 11,162,520	\$ 11,170,637	\$ 11,080,422	\$ 11,309,931	\$ 11,332,812	\$ 11,535,927	\$ 11,482,158	\$ 11,426,820
Restricted - expendable	849,464	755,719	772,237	660,698	633,976	415,810	348,775	383,310	880,475	690,876
Unrestricted (deficit)	(11,535,512)	(11,090,139)	(9,754,592)	(2,694,532)	(2,352,977)	(1,995,906)	255,006	696,519	594,025	1,364,810
Total primary government net position	\$ 998,618	\$ 804,277	\$ 2,180,165	\$ 9,136,803	\$ 9,361,421	\$ 9,729,835	\$ 11,936,593	\$ 12,615,756	\$ 12,956,658	\$ 13,482,506

Borger Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2011 to 2020
(unaudited)

For the Year Ended August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING REVENUES										
Tuition and fees (net of discounts)	\$ 1,806,541	\$ 1,448,058	\$ 1,420,417	\$ 1,479,653	\$ 1,543,126	\$ 993,795	\$ 1,009,840	\$ 769,545	\$ 619,626	\$ 155,904
Governmental grants and contracts										
Federal grants and contracts	459,127	-	-	454,727	-	-	-	-	-	27,640
State grants and contracts	267,255	316,497	233,833	293,137	332,941	629,455	204,271	324,533	221,298	250,546
Local grants and revenues	1,670,373	1,237,446	1,249,383	518,201	506,561	505,564	503,138	497,850	466,171	500,454
Auxiliary enterprises	624,279	814,669	772,651	786,960	722,183	786,409	718,938	699,427	764,988	959,784
Other operating revenues	95,787	108,172	86,365	95,716	58,483	64,374	75,795	64,665	61,534	101,952
Total operating revenues	4,923,362	3,924,842	3,762,649	3,628,394	3,163,294	2,979,597	2,511,982	2,356,020	2,133,617	1,996,280
NONOPERATING REVENUES										
State appropriations	3,172,309	3,124,720	3,306,429	2,975,626	2,993,203	2,748,976	2,726,513	2,560,652	2,595,720	3,448,548
Ad valorem taxes	2,440,421	2,474,830	2,467,740	2,319,123	1,841,383	1,521,526	1,503,577	1,455,476	1,382,564	1,378,499
Federal revenue, nonoperating	2,010,586	2,168,371	1,980,784	1,904,222	1,949,963	2,152,565	1,993,812	2,177,240	2,148,755	2,726,219
Gifts	911,767	372,738	433,573	400,439	850,130	470,056	332,002	418,085	568,559	215,497
Investment income	6,931	11,794	9,247	4,555	2,130	2,094	12,642	14,746	23,282	24,353
Gain (loss) on fixed assets	(96,336)	(92,145)	-	-	(1,194)	-	-	(9,207)	23,415	246,005
Other nonoperating revenues (losses)	(34,637)	(12,484)	18,079	(10,489)	(34,608)	15,137	(10,163)	(43,795)	(42,055)	262,792
Total nonoperating revenues	8,411,041	8,047,824	8,215,852	7,593,476	7,601,007	6,910,354	6,558,383	6,573,197	6,700,240	8,301,913
TOTAL REVENUES	\$ 13,334,403	\$ 11,972,666	\$ 11,978,501	\$ 11,221,870	\$ 10,764,301	\$ 9,889,951	\$ 9,070,365	\$ 8,929,217	\$ 8,833,857	\$ 10,298,193
For the Year Ended August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING REVENUES										
Tuition and fees (net of discounts)	13.55%	12.09%	11.86%	13.19%	14.34%	10.05%	11.13%	8.62%	7.01%	1.51%
Governmental grants and contracts										
Federal grants and contracts	3.44%	0.00%	0.00%	4.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.27%
State grants and contracts	2.00%	2.64%	1.95%	2.61%	3.09%	6.36%	2.25%	3.63%	2.51%	2.43%
Local grants and contracts	12.53%	10.34%	10.43%	4.62%	4.71%	5.11%	5.55%	5.58%	5.28%	4.86%
Auxiliary enterprises	4.68%	6.80%	6.45%	7.01%	6.71%	7.95%	7.93%	7.83%	8.66%	9.32%
Other operating revenues	0.72%	0.90%	0.72%	0.85%	0.54%	0.66%	0.83%	0.72%	0.70%	0.99%
Total operating revenues	36.92%	32.78%	31.41%	32.33%	29.39%	30.13%	27.69%	26.38%	24.16%	19.38%
NONOPERATING REVENUES										
State appropriations	23.79%	26.10%	27.60%	26.52%	27.81%	27.80%	30.06%	28.68%	29.38%	33.49%
Ad valorem taxes	18.30%	20.67%	20.60%	20.67%	17.10%	15.38%	16.58%	16.30%	15.65%	13.39%
Federal revenue, nonoperating	15.08%	18.11%	16.54%	16.97%	18.11%	21.77%	21.98%	24.38%	24.32%	26.47%
Gifts	6.84%	3.11%	3.62%	3.56%	7.90%	4.75%	3.66%	4.68%	6.44%	2.09%
Investment income	0.05%	0.10%	0.08%	0.04%	0.02%	0.02%	0.14%	0.17%	0.26%	0.24%
Gain (loss) on fixed assets	-0.72%	-0.77%	0.00%	0.00%	-0.01%	0.00%	0.00%	-0.10%	0.27%	2.39%
Other nonoperating revenues	-0.26%	-0.10%	0.15%	-0.09%	-0.32%	0.15%	-0.11%	-0.49%	-0.48%	2.55%
Total nonoperating revenues	63.08%	67.22%	68.59%	67.67%	70.61%	69.87%	72.31%	73.62%	75.84%	80.62%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Borger Junior College District
Statistical Supplement 3
Program Expense by Function
Fiscal Years 2011 to 2020
(unaudited)

For the Fiscal Year Ending August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING EXPENSES										
Instruction	\$ 6,303,420	\$ 6,103,557	\$ 5,599,927	\$ 5,212,626	\$ 4,986,106	\$ 4,576,493	\$ 4,341,319	\$ 4,094,642	\$ 3,986,808	\$ 3,716,540
Academic support	202,084	183,948	156,670	163,679	135,450	145,470	177,381	158,260	195,025	186,775
Student services	876,744	777,170	818,281	825,864	867,462	718,535	505,947	551,576	665,594	1,031,212
Institutional support	2,655,931	2,550,383	2,454,354	2,093,679	1,901,551	1,778,884	1,744,864	1,672,599	1,577,756	1,782,942
Operation and maintenance of plant	1,221,523	1,049,407	836,952	780,863	862,979	784,914	786,357	754,516	736,720	891,378
Scholarships and fellowships	387,063	248,249	207,195	202,014	323,671	249,499	213,460	105,521	132,499	99,268
Auxiliary enterprises	1,424,133	1,631,229	1,261,840	1,312,532	1,284,302	1,184,304	1,188,712	1,154,941	1,208,774	1,384,104
Depreciation	768,361	779,759	786,189	807,869	722,943	685,795	678,566	690,415	732,359	798,156
Total operating expenses	13,839,259	13,323,702	12,121,408	11,399,126	11,084,464	10,123,894	9,636,606	9,182,470	9,235,535	9,890,375
NONOPERATING EXPENSES										
Interest on capital-related debt	12,916	24,852	31,589	47,367	48,251	68,021	112,922	87,649	124,170	181,071
Total nonoperating expenses	12,916	24,852	31,589	47,367	48,251	68,021	112,922	87,649	124,170	181,071
TOTAL EXPENSES	\$ 13,852,175	\$ 13,348,554	\$ 12,152,997	\$ 11,446,493	\$ 11,132,715	\$ 10,191,915	\$ 9,749,528	\$ 9,270,119	\$ 9,359,705	\$ 10,071,446

For the Fiscal Year Ending August 31,										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING EXPENSES										
Instruction	45.50%	45.72%	46.08%	45.54%	44.79%	44.90%	44.53%	44.17%	42.60%	36.90%
Academic support	1.46%	1.38%	1.29%	1.43%	1.22%	1.43%	1.82%	1.71%	2.08%	1.85%
Student services	6.33%	5.82%	6.73%	7.21%	7.79%	7.05%	5.19%	5.95%	7.11%	10.24%
Institutional support	19.17%	19.11%	20.20%	18.29%	17.08%	17.45%	17.90%	18.04%	16.86%	17.70%
Operation and maintenance of plant	8.82%	7.86%	6.89%	6.82%	7.75%	7.70%	8.07%	8.14%	7.87%	8.85%
Scholarships and fellowships	2.79%	1.86%	1.70%	1.76%	2.91%	2.45%	2.19%	1.14%	1.42%	0.99%
Auxiliary enterprises	10.28%	12.22%	10.38%	11.47%	11.54%	11.62%	12.19%	12.46%	12.91%	13.74%
Depreciation	5.55%	5.84%	6.47%	7.06%	6.49%	6.73%	6.95%	7.44%	7.82%	7.93%
Total operating expenses	99.91%	99.81%	99.74%	99.59%	99.57%	99.33%	98.84%	99.05%	98.67%	98.20%
NONOPERATING EXPENSES										
Interest on capital related debt	0.09%	0.19%	0.26%	0.41%	0.43%	0.67%	1.16%	0.95%	1.33%	1.80%
Total nonoperating expenses	0.09%	0.19%	0.26%	0.41%	0.43%	0.67%	1.16%	0.95%	1.33%	1.80%
TOTAL EXPENSES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Borger Junior College District
Statistical Supplement 4
Tuition and Fees
Fiscal Year
(unaudited)

Academic Year (Fall)	Processing Fee (per student)	Resident: Fees per semester credit hour (SCH)							
		In District Tuition	Out-of-District Tuition	General Use Fees	Student Service Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In District	Increase from Prior Year Out-of-District
2019	\$ 18	\$ 47	\$ 74	\$ 47	\$ 10	\$ 1,342	\$ 1,666	0.0%	0.0%
2018	18	47	74	47	10	1,342	1,666	8.7%	8.5%
2017	18	43	68	43	10	1,235	1,535	0.0%	0.0%
2016	18	43	68	43	10	1,235	1,535	0.0%	0.0%
2015	18	43	68	43	10	1,235	1,535	8.7%	8.7%
2014	18	40	63	40	8	1,136	1,412	0.0%	0.0%
2013	18	40	63	40	8	1,136	1,412	12.1%	9.5%
2012	18	36	59	36	8	1,013	1,289	0.0%	0.0%
2011	18	36	59	36	8	1,013	1,289	0.0%	0.0%
2010	18	36	59	36	8	1,013	1,289	5.0%	5.9%
2009	18	32	53	36	8	965	1,217		

Academic Year (Fall)	Registration Fee (per student)	Non-Resident: Fees per semester credit hour (SCH)							
		Non-resident Tuition	Non-resident Tuition	General Use Fees	Student Service Fees	Cost for 12 SCH	Cost for 12 SCH	Increase from Prior Year	Increase from Prior Year
		Out-of-State	International		Out-of-State	International	Out-of-State	International	
2019	\$ 18	\$ 93	\$ 93	\$ 47	\$ 10	\$ 1,774	\$ 1,774	0.0%	0.0%
2018	18	93	93	47	10	1,774	1,774	8.8%	8.8%
2017	18	76	76	43	10	1,631	1,631	0.0%	0.0%
2016	18	76	76	43	10	1,631	1,631	0.0%	0.0%
2015	18	76	76	43	10	1,631	1,631	9.0%	9.0%
2014	18	70	70	40	8	1,496	1,496	0.0%	0.0%
2013	18	70	70	40	8	1,496	1,496	8.9%	8.9%
2012	18	66	66	36	8	1,373	1,373	0.0%	0.0%
2011	18	66	66	36	8	1,373	1,373	0.0%	0.0%
2010	18	66	66	36	8	1,373	1,373	5.5%	5.5%
2009	18	60	60	36	8	1,301	1,301		

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

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rates		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2019-20	\$ 1,301,331,080	\$ 226,386,220	\$ 1,074,944,860	82.60%	0.02200	0.00	0.22000
2018-19	1,311,906,300	207,391,040	1,104,515,260	84.19%	0.02200	0.00	0.22000
2017-18	1,329,529,490	207,395,460	1,122,134,030	84.40%	0.02200	0.00	0.22000
2016-17	1,323,938,610	207,035,470	1,116,903,140	84.36%	0.22000	0.00	0.22000
2015-16	1,247,981,190	199,540,350	1,048,440,840	84.01%	0.22000	0.00	0.22000
2014-15	1,020,388,800	199,050,400	821,338,400	80.49%	0.22000	0.00	0.22000
2013-14	877,088,490	196,998,460	680,090,030	77.54%	0.22000	0.00	0.22000
2012-13	860,134,580	184,868,130	675,266,450	78.51%	0.22000	0.00	0.22000
2011-12	836,477,160	176,414,950	660,062,210	78.91%	0.22000	0.00	0.22000
2010-11	779,639,210	164,535,300	615,103,910	78.90%	0.22000	0.00	0.22000

Source: Local appraisal district

(a) per \$100 taxable assessed valuation

Borger Junior College District
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Fiscal Year
(unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per contact hour			
	State Appropriations	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriations per Contact Hour
2019-20	\$ 3,172,309	1,522	2,084	383,874	266,671	650,545	4.88
2018-19	3,124,720	1,484	2,106	383,592	213,022	596,614	5.24
2017-18	3,306,429	1,492	2,216	389,104	256,267	645,371	5.12
2016-17	2,975,626	1,557	1,911	410,592	267,908	678,500	4.39
2015-16	2,993,203	1,459	2,052	383,384	297,846	681,230	4.39
2014-15	2,280,532	1,348	1,692	351,800	350,655	702,455	3.25
2013-14	2,285,956	1,142	2,002	300,112	306,420	606,532	3.77
2012-13	2,015,171	1,191	1,692	318,034	291,522	609,556	3.31
2011-12	2,062,851	1,041	1,982	296,768	287,994	584,762	3.53
2010-11	2,632,570	1,247	2,111	373,890	301,055	674,945	3.90

Notes:

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

(a) source CBM001

(b) source CBM00A

Borger Junior College District
Statistical Supplement 7
Principal Tax Payers
Fiscal Year
(unaudited)

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)

Taxpayer	Type of Business	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Agrium U.S. Inc	Chemical	\$ 472,283,545	\$ 484,283,460	\$ 510,106,410	\$ 500,652,250	\$ 432,421,600	\$ 162,936,920	\$ 47,178,070	\$ 45,416,180	\$ 41,737,380	\$ 43,937,070
DCP Midstream (Duke Energy)	Energy	-	25,155,770	26,669,360	33,092,590	35,455,510	40,151,160	42,315,800	39,822,240	37,504,430	37,699,430
Southwestern Public Service	Utility	23,404,090	21,231,410	18,498,980	16,731,560	16,585,320	16,441,240	14,016,010	13,100,650	11,716,510	11,716,510
National Oil Well	Energy	-	-	-	-	8,584,720	13,481,200	7,085,930	-	-	-
Traditions Oil & Gas	Energy	-	-	-	-	8,540,810	5,557,220	6,851,210	7,451,240	-	-
Turner Energy Services	Energy	-	-	-	-	7,438,340	6,366,110	6,067,160	6,748,650	-	-
Pahandle Northern Railroad Co	Transportation	5,754,750	5,754,750	6,260,930	7,180,100	6,478,250	6,375,700	5,965,350	5,783,480	3,014,400	3,014,400
Rice Construction Company	Construction	9,785,230	10,980,240	10,271,870	9,323,880	8,540,810	4,460,990	4,107,130	3,716,850	-	-
Rice D E Trustee	Construction	-	-	-	-	4,932,070	7,870,630	-	-	-	-
Baker Corp	Energy	-	-	-	-	4,800,000	4,063,620	3,397,180	-	-	-
Eagle Rock Energy	Energy	-	-	-	-	3,051,080	4,408,260	-	-	-	-
Borger Properties	Energy	-	-	-	3,427,330	4,800,000	4,158,390	-	-	-	-
LHM Family LP	Energy	-	-	-	-	4,496,090	7,544,320	-	-	-	-
Walmart Real Estate Business	Real Estate	7,380,760	7,380,760	7,165,770	7,438,350	7,438,340	7,438,340	-	-	-	-
Walmart Stores of Texas	Retail	6,733,030	6,688,420	7,380,760	7,982,510	8,584,720	9,782,420	-	-	-	-
RS12 Hotels LLC	Hotel	4,994,550	4,593,890	4,591,250	6,624,180	7,481,470	6,669,000	-	-	-	-
Amarillo National Bank	Banking	4,921,780	4,951,810	4,951,810	4,945,780	4,932,070	4,953,470	-	-	-	-
Nov Process & Flow Tech Inc.	Energy	-	5,205,210	9,199,670	8,723,440	5,437,690	-	-	-	-	-
P&B Senior Living Group, LLC	Health Care	4,340,230	4,395,950	4,480,960	4,480,430	4,496,090	-	-	-	-	-
RAYMAC Energy, LTD	Energy	3,572,740	3,572,740	3,630,580	3,630,580	3,666,440	-	-	-	-	-
KAR Spring Ranch	Real Estate	-	-	-	-	-	4,653,330	-	-	-	-
United Supermarkets LLC	Retail	2,654,490	-	-	3,177,960	-	-	-	-	-	-
Texas Gas Services	Energy	3,164,690	3,480,340	3,382,780	-	-	-	-	-	-	-
WRB Refining LLC	Energy	-	3,280,430	3,280,430	-	-	-	-	-	-	-
IACX Rock Creek LLC	Energy	23,404,090	-	-	-	-	-	-	-	-	-
Totals		\$ 572,383,975	\$ 580,955,180	\$ 619,851,560	\$ 617,410,940	\$ 588,161,420	\$ 317,312,320	\$ 136,983,840	\$ 122,039,290	\$ 93,972,720	\$ 96,367,410
Total Taxable Value		\$ 1,074,944,860	\$ 1,104,515,260	\$ 1,122,134,030	\$ 1,116,903,140	\$ 1,048,440,840	\$ 821,338,400	\$ 680,090,030	\$ 675,266,450	\$ 660,062,210	\$ 615,103,910

% of Taxable Assessed Value (TAV) by Tax Year

Taxpayer	Type of Business	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Agrium U.S. Inc	Chemical	43.94%	43.85%	45.46%	44.83%	41.24%	19.84%	6.94%	6.73%	6.32%	7.14%
DCP Midstream (Duke Energy)	Energy	0.00%	2.28%	2.38%	2.96%	3.38%	4.89%	6.22%	5.90%	5.68%	6.13%
Southwestern Public Service	Utility	2.18%	1.92%	1.65%	1.50%	1.58%	2.00%	2.06%	1.78%	1.78%	1.90%
National Oil Well	Energy	0.00%	0.00%	0.00%	0.00%	0.82%	1.64%	1.04%	0.00%	0.00%	0.00%
Traditions Oil & Gas	Energy	0.00%	0.00%	0.00%	0.00%	0.81%	0.68%	1.01%	1.10%	0.00%	0.00%
Turner Energy Services	Energy	0.00%	0.00%	0.00%	0.00%	0.71%	0.78%	0.89%	1.00%	0.00%	0.00%
Pahandle Northern Railroad Co	Transportation	0.54%	0.52%	0.56%	0.64%	0.62%	0.78%	0.88%	0.86%	0.46%	0.49%
Rice Construction Company	Construction	0.91%	0.99%	0.92%	0.83%	0.81%	0.54%	0.60%	0.55%	0.00%	0.00%
Rice D E Trustee	Construction	0.00%	0.00%	0.00%	0.00%	0.47%	0.96%	0.00%	0.00%	0.00%	0.00%
Baker Corp	Energy	0.00%	0.00%	0.00%	0.00%	0.46%	0.49%	0.50%	0.00%	0.00%	0.00%
Eagle Rock Energy	Energy	0.00%	0.00%	0.00%	0.00%	0.29%	0.54%	0.00%	0.00%	0.00%	0.00%
Borger Properties	Energy	0.00%	0.00%	0.00%	0.31%	0.46%	0.51%	0.00%	0.00%	0.00%	0.00%
LHM Family LP	Energy	0.00%	0.00%	0.00%	0.00%	0.43%	0.92%	0.00%	0.00%	0.00%	0.00%
Walmart Real Estate Business	Real Estate	0.69%	0.67%	0.64%	0.67%	0.71%	0.91%	0.00%	0.00%	0.00%	0.00%
Walmart Stores of Texas	Retail	0.63%	0.61%	0.66%	0.71%	0.82%	1.19%	0.00%	0.00%	0.00%	0.00%
RS12 Hotels LLC	Hotel	0.46%	0.42%	0.41%	0.59%	0.71%	0.81%	0.00%	0.00%	0.00%	0.00%
Amarillo National Bank	Banking	0.46%	0.45%	0.44%	0.44%	0.47%	0.60%	0.00%	0.00%	0.00%	0.00%
Nov Process & Flow Tech Inc.	Energy	0.00%	0.47%	0.82%	0.78%	0.52%	0.00%	0.00%	0.00%	0.00%	0.00%
P&B Senior Living Group, LLC	Health Care	0.40%	0.40%	0.40%	0.40%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
RAYMAC Energy, LTD	Energy	0.33%	0.32%	0.32%	0.33%	0.35%	0.00%	0.00%	0.00%	0.00%	0.00%
KAR Spring Ranch	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%	0.00%	0.00%	0.00%	0.00%
United Supermarkets LLC	Retail	0.25%	0.00%	0.00%	0.28%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Texas Gas Services	Energy	0.29%	0.32%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
WRB Refining LLC	Energy	0.00%	0.30%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
IACX Rock Creek LLC	Energy	2.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		51.07%	53.52%	55.25%	55.27%	56.09%	38.62%	20.13%	18.07%	14.24%	15.67%

Source: Local County Appraisal District

Borger Junior College District
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Years
(unaudited)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2020	\$ 2,429,000	-	\$ 2,429,000	\$ 2,362,765	97.27%	\$ -	\$ 38,283	\$ 2,401,048	98.85%
2019	2,466,000	-	2,466,000	2,399,778	97.31%	-	30,626	2,430,404	98.56%
2018	2,451,000	-	2,451,000	2,396,249	97.77%	-	40,322	2,436,571	99.41%
2017	2,303,000	-	2,303,000	2,254,206	97.88%	-	29,813	2,284,019	99.18%
2016	1,809,048	-	1,809,048	1,763,343	97.47%	-	36,344	1,799,687	99.48%
2015	1,495,000	-	1,495,000	1,449,654	96.97%	-	38,743	1,488,397	99.56%
2014	1,471,000	-	1,471,000	1,440,167	97.90%	-	40,745	1,480,912	100.67%
2013	1,451,000	-	1,451,000	1,402,819	96.68%	-	35,832	1,438,651	99.15%
2012	1,353,000	-	1,353,000	1,305,349	96.48%	-	71,228	1,376,577	101.74%
2011	1,383,000	-	1,383,000	1,299,457	93.96%	-	23,599	1,323,056	95.67%

Sources:

- (a) as reported in the notes to the financial statements for the year of the levy
- (b) as of August 31st of the current reporting year
- (c) property tax only - does not include penalties and interest
- (d) represents cumulative collections of prior years not collected in the current year or the year of the tax levy
- (e) represents current year collections of prior years levies

Borger Junior College District
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General bonded debt:										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	-	-	-	-	-	-	-	-	-	-
Other debt:										
Revenue bonds	405,000	600,000	785,000	970,000	1,150,000	1,150,000	1,320,000	1,485,000	1,650,000	1,755,000
Notes	-	2,082	163,442	318,999	391,565	510,009	622,885	730,452	865,405	1,153,836
Capital leases obligations	-	-	-	-	-	70,660	145,640	-	-	-
Total outstanding debt	\$ 405,000	\$ 602,082	\$ 948,442	\$ 1,288,999	\$ 1,541,565	\$ 1,730,669	\$ 2,088,525	\$ 2,215,452	\$ 2,515,405	\$ 2,908,836
General Bonded Debt Ratios:										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Per FTSE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As a percentage of taxable assessed value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total outstanding debt ratios:										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Per FTSE	\$ 266	\$ 406	\$ 636	\$ 828	\$ 1,459	\$ 1,284	\$ 1,829	\$ 1,860	\$ 2,416	\$ 2,333
As a percentage of taxable assessed value	0.04%	0.29%	0.00%	0.12%	0.15%	0.21%	0.31%	0.33%	0.38%	0.47%

Notes:

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

Borger Junior College District
Statistical Supplement 10
Legal Debt Limit Margin
Last Ten Fiscal Years
(unaudited)

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Total assessed value	\$ 1,074,944,860	\$ 1,104,515,260	\$ 1,122,134,030	\$ 1,116,903,140	\$ 1,048,440,840	\$ 821,338,400	\$ 680,090,030	\$ 675,266,450	\$ 660,062,210	\$ 615,103,910
General obligation bonds:										
Statutory taxable limit for debt service	\$ 5,374,724	\$ 5,522,576	\$ 5,610,670	\$ 5,584,516	\$ 5,242,204	\$ 4,106,692	\$ 3,400,450	\$ 3,376,332	\$ 3,300,311	\$ 3,075,520
Less: Funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	5,374,724	5,522,576	5,610,670	5,584,516	5,242,204	4,106,692	3,400,450	3,376,332	3,300,311	3,075,520
Current year debt service requirements	200,000	197,082	346,360	339,929	304,288	118,444	112,875	107,568	134,953	320,874
Excess of statutory limit for debt service over current requirements	\$ 5,174,724	\$ 5,325,494	\$ 5,264,310	\$ 5,244,587	\$ 4,937,916	\$ 3,988,248	\$ 3,287,575	\$ 3,268,764	\$ 3,165,358	\$ 2,754,646
Net current requirements as a % of statutory limit	3.72%	3.57%	6.17%	6.09%	5.80%	2.88%	3.32%	3.19%	4.09%	10.43%

Notes:

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

Borger Junior College District
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended August 31	Pledged Revenues											Debt Service Requirements			
	Tuition	Technology Fee	Registration Fees	General Use Fees	Community Education Fees	Interest Income	Vending Income	Vending Commission	Bookstore Commission	Total		Principal	Interest	Total	Coverage Ratio
2020	\$ 69,342	\$ -	\$ -	\$ 299,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 369,244		\$ 195,000	\$ 5,000	\$ 200,000	1.85
2019	46,230	-	-	299,681	-	-	-	-	-	345,911		185,000	17,313	202,313	1.71
2018	46,575	-	-	303,988	-	-	-	-	-	350,563		185,000	21,938	206,938	1.69
2017	47,422	-	-	320,775	-	-	-	-	-	368,197		180,000	21,938	201,938	1.82
2016	45,967	-	-	299,518	-	-	-	-	-	345,485		170,000	30,875	200,875	1.72
2015	43,117	-	-	299,672	-	-	-	-	-	342,789		165,000	35,063	200,063	1.71
2014	35,925	-	-	282,523	-	-	-	-	-	318,448		165,000	39,859	204,859	1.55
2013	39,007	-	-	295,900	-	-	-	-	-	334,907		165,000	46,128	211,128	1.59
2012	34,072	-	-	276,700	-	-	-	-	-	310,772		150,000	71,022	221,022	1.41
2011	37,957	-	-	308,175	-	-	-	-	-	346,132		130,000	92,662	222,662	1.55

Source: Continuing Disclosure for Borger Junior College District Report filed annually with Southwest Securities.

Borger Junior College District
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

Note: Information on the Borger Junior College District is not available, thus information is presented on the closest entity to approximate the College's district which is the City of Borger.

Calendar Year	City of Borger Population	City of Borger Personal Income	City of Borger Personal Income Per Capita	City of Borger Unemployment Rate
2019	12,415	\$ 280,641,075	\$ 22,605	4.9%
2018	12,621	288,213,156	22,836	5.2%
2017	12,754	292,181,386	22,909	6.2%
2016	12,865	289,499,635	22,503	4.6%
2015	12,964	279,166,776	21,534	4.1%
2014	13,251	285,347,034	21,534	4.2%
2013	13,024	272,839,776	20,949	4.2%
2012	13,077	254,766,114	19,482	5.6%
2011	13,240	298,098,600	22,515	6.3%
2010	13,251	278,111,988	20,988	7.3%

Sources:

Population from U.S. Bureau of Census

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from the Texas Workforce Commission

Note: Information was only available for the years as indicated.

Borger Junior College District
Statistical Supplement 13
Principal Employers (in the Borger area)
(unaudited)

Current Fiscal Year

Employer	Number of Employees	% of Total Employment
Phillips 66	720	INA
Borger ISD	513	INA
Chevron Phillips Chemical Co.	246	INA
Walmart	245	INA
Golden Plains Community Hospital	207	INA
D. E. Rice Construction	300	INA
City of Borger	170	INA
United Supermarket	134	INA
Tokai Carbon	126	INA
Solvay Speciality Polymers	109	INA
Total	INA	INA

Ten Years Prior

Employer	Number of Employees	% of Total Employment
Phillips 66	INA	INA
Borger ISD	INA	INA
Chevron Phillips Chemical Co.	INA	INA
Walmart	INA	INA
Golden Plains Community Hospital	INA	INA
D. E. Rice Construction	INA	INA
City of Borger	INA	INA
United Supermarket	INA	INA
Tokai Carbon	INA	INA
Solvay Speciality Polymers	INA	INA
Total	INA	INA

Source:

Borger Economic Development Corp
Texas Metropolitan Statistical Area Data

Information for prior years is unavailable; therefore, this schedule will be implemented prospectively.

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Faculty										
Full-time	37	37	37	40	36	33	30	30	30	28
Part-time	43	35	38	38	34	38	40	43	55	45
Total	80	72	75	78	70	71	70	73	85	73
Percent										
Full-time	46.3%	51.4%	49.3%	51.3%	51.4%	46.5%	42.9%	41.1%	35.3%	38.4%
Part-time	53.8%	48.6%	50.7%	48.7%	48.6%	53.5%	57.1%	58.9%	64.7%	61.6%
Staff and Administrators										
Full-time	64	71	70	65	66	64	62	59	58	66
Part-time	23	22	17	16	17	13	9	9	9	10
Total	87	93	87	81	83	77	71	68	67	76
Percent										
Full-time	73.6%	76.3%	80.5%	80.2%	79.5%	83.1%	87.3%	86.8%	86.6%	86.8%
Part-time	26.4%	23.7%	19.5%	19.8%	20.5%	16.9%	12.7%	13.2%	13.4%	13.2%
FTSE per full-time faculty	19	40	40	39	41	41	38	40	35	45
FTSE per full-time staff member	17	21	21	24	22	21	18	20	18	19
Average annual faculty salary	\$ 45,014	\$ 43,703	\$ 43,735	\$ 42,830	\$ 40,578	\$ 40,389	\$ 40,454	\$ 37,536	\$ 37,710	\$ 40,203

Smartlist employees active by class,dept, pos

Borger Junior College District
Statistical Supplement 15
Enrollment Details
Last Ten Fiscal Years
(unaudited)

Student Classification	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	1139	74.84%	1123	75.67%	1133	75.94%	1174	75.40%	1100	75.39%	1167	86.57%	802	70.23%	1,011	84.89%	755	72.53%	843	67.60%
31-60 hours	280	18.40%	266	17.92%	269	18.03%	272	17.47%	256	17.55%	140	10.39%	235	20.58%	129	10.63%	226	21.71%	270	21.65%
> 60 hours	103	6.77%	95	6.40%	90	6.03%	111	7.13%	103	7.06%	41	3.04%	105	9.19%	51	4.28%	60	5.76%	134	10.75%
Total	1,522	100.00%	1,484	100.00%	1,492	100.00%	1,557	100.00%	1,459	100.00%	1,348	100.00%	1,142	100.00%	1,191	100.00%	1,041	100.00%	1,247	100.00%

Semester Hour Load	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	5	0.33%	17	1.15%	17	1.14%	19	1.22%	18	1.23%	20	1.48%	0	0.00%	3	0.25%	2	0.19%	2	0.16%
3-5 semester hours	357	23.46%	355	23.92%	329	22.05%	332	21.32%	318	21.80%	271	20.10%	198	17.34%	243	20.40%	214	20.56%	258	20.69%
6-8 semester hours	316	20.76%	312	21.02%	333	22.32%	355	22.80%	320	21.93%	331	24.55%	288	25.22%	238	19.98%	184	17.68%	207	16.60%
9-11 semester hours	239	15.70%	250	16.85%	235	15.75%	241	15.48%	229	15.70%	158	11.72%	155	13.57%	159	13.35%	118	11.34%	94	7.54%
12-14 semester hours	365	23.98%	314	21.16%	329	22.05%	342	21.97%	338	23.17%	329	24.41%	319	27.93%	337	28.30%	296	28.43%	381	30.55%
15-17 semester hours	186	12.22%	185	12.47%	209	14.01%	240	15.41%	204	13.98%	208	15.43%	157	13.75%	176	14.78%	203	19.50%	268	21.49%
18 and over	54	3.55%	51	3.44%	40	2.68%	28	1.80%	32	2.19%	31	2.30%	25	2.19%	35	2.94%	24	2.31%	37	2.97%
Total	1,522	100.00%	1,484	100.00%	1,492	100.00%	1,557	100.00%	1,459	100.00%	1,348	100.00%	1,142	100.00%	1,191	100.00%	1,041	100.00%	1,247	100.00%
Average course load			9		9		9		9		9		11		10		10		10	

Tuition Status	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas resident (In-District)	379	24.90%	354	23.85%	379	25.40%	449	28.84%	444	30.43%	411	30.49%	366	32.05%	399	33.50%	342	32.85%	390	31.28%
Texas resident (Out-of-state)	1076	70.70%	1049	70.69%	1036	69.44%	1027	65.96%	950	65.11%	887	65.80%	736	64.45%	763	64.06%	648	62.25%	750	60.14%
Non-resident tuition	67	4.40%	81	5.46%	77	5.16%	81	5.20%	65	4.46%	50	3.71%	40	3.50%	29	2.43%	51	4.90%	107	8.58%
Total	1,522	100.00%	1,484	100.00%	1,492	100.00%	1,557	100.00%	1,459	100.00%	1,348	100.00%	1,142	100.00%	1,191	100.00%	1,041	100.00%	1,247	100.00%

Borger Junior College District
Statistical Supplement 16
Student Profile
Last Ten Fiscal Years
(unaudited)

Gender	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	828	54.40%	808	54.45%	859	57.57%	898	57.68%	845	57.92%	778	57.72%	609	53.33%	681	57.18%	603	57.93%	679	54.45%
Male	694	45.60%	676	45.55%	633	42.43%	659	42.32%	614	42.08%	570	42.28%	533	46.67%	510	42.82%	438	42.07%	568	45.55%
Total	1,522	100.00%	1,484	100.00%	1,492	100.00%	1,557	100.00%	1,459	100.00%	1,348	100.00%	1,142	100.00%	1,191	100.00%	1,041	100.00%	1,247	100.00%

Ethnic Origin	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	755	49.61%	744	50.13%	1,061	76.77%	1,153	74.05%	1,107	75.87%	1,012	75.07%	780	68.30%	708	59.45%	663	63.69%	843	67.60%
Hispanic	593	38.96%	575	38.75%	145	10.49%	151	9.70%	178	12.20%	181	13.43%	201	17.60%	264	22.17%	250	24.02%	274	21.97%
African American	54	3.55%	74	4.99%	66	4.78%	68	4.37%	68	4.66%	60	4.45%	53	4.64%	41	3.44%	45	4.32%	82	6.58%
Asian	6	0.39%	4	0.27%	11	0.80%	9	0.58%	9	0.62%	7	0.52%	8	0.70%	5	0.42%	5	0.48%	7	0.56%
Foreign	5	0.33%	7	0.47%	9	0.65%	18	1.16%	13	0.89%	2	0.15%	5	0.44%	11	0.92%	23	2.21%	12	0.96%
Native American	40	2.63%	26	1.75%	78	5.64%	67	4.30%	60	4.11%	67	4.97%	32	2.80%	23	1.93%	17	1.63%	18	1.44%
Other	69	4.53%	54	3.64%	12	0.87%	91	5.84%	24	1.64%	19	1.41%	63	5.52%	139	11.67%	38	3.65%	11	0.89%
Total	1,522	100.00%	1,484	100.00%	1,382	100.00%	1,557	100.00%	1,459	100.00%	1,348	100.00%	1,142	100.00%	1,191	100.00%	1,041	100.00%	1,247	100.00%

Tuition Status	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	639	41.98%	589	39.69%	616	41.29%	661	42.45%	562	38.52%	475	35.24%	316	27.67%	315	26.45%	255	24.50%	241	19.33%
18-21	630	41.39%	659	44.41%	612	41.02%	638	40.98%	608	41.67%	573	42.51%	521	45.62%	530	44.50%	481	46.21%	666	53.41%
22-24	80	5.26%	61	4.11%	75	5.03%	70	4.50%	90	6.17%	94	6.97%	82	7.18%	81	6.80%	85	8.17%	87	6.98%
25-35	100	6.57%	115	7.75%	118	7.91%	129	8.29%	138	9.46%	142	10.53%	152	13.31%	182	15.28%	142	13.64%	162	12.99%
36-50	61	4.01%	49	3.30%	62	4.16%	53	3.40%	54	3.70%	60	4.45%	61	5.34%	68	5.71%	64	6.15%	74	5.93%
51 & over	12	0.79%	11	0.74%	9	0.60%	6	0.39%	7	0.48%	4	0.30%	10	0.88%	15	1.26%	14	1.34%	17	1.36%
Total	1,522	100.00%	1,484	100.00%	1,492	100.00%	1,557	100.00%	1,459	100.00%	1,348	100.00%	1,142	100.00%	1,191	100.00%	1,041	100.00%	1,247	100.00%

Average age	20	20	20	20	20	20	20	20	20	20	20	20	21	22	22	22	22	22	22	22
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Borger Junior College District
Statistical Supplement 17
Transfers to Senior Institutions
2019-2020
Fall Students as of Fall 2019
(unaudited)
(Includes only public senior colleges in Texas)

Rank	Texas Public Senior College	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of All Transfer Students	% of All Transfer Students
1	West Texas A&M University	99	-	-	99	55.0%
2	Texas Tech University	39	-	-	39	21.7%
3	Tarleton State University	11	-	-	11	6.1%
4	Texas A&M University	5	-	-	5	2.8%
5	Sam Houston State University	5	-	-	5	2.8%
6	Angelo State University	4	1	-	5	2.8%
7	Texas State University	2	-	-	2	1.1%
8	Sul Ross State University	2	-	-	2	1.1%
9	Prairie View A&M University	2	-	-	2	1.1%
10	The University of Texas at Austin	2	-	-	2	1.1%
11	The University of Texas of the Permian Basin	2	-	-	2	1.1%
12	The University of Texas at Arlington	1	-	-	1	0.6%
13	Midwestern State University	1	-	-	1	0.6%
14	The University of Texas at El Paso	1	-	-	1	0.6%
15	University of North Texas at Dallas	1	-	-	1	0.6%
16	Stephen F. Austin State University	1	-	-	1	0.6%
17	The University of Texas at Tyler	1	-	-	1	0.6%
Totals		179	1	-	180	100.00%

Source: <http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>

Borger Junior College District
Statistical Supplement 18
Capital Asset Information
Fiscal Year 2010 to 2019
(unaudited)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Academic buildings	8	8	8	8	8	7	7	7	7	7
Square footage	191,180	191,180	170,180	170,180	170,180	162,980	162,980	162,980	162,980	162,980
Library	1	1	1	1	1	1	1	1	1	1
Square footage	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Number of volumes	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900
Administrative and support buildings	2	2	2	2	2	2	2	2	2	2
Square footage	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400
Dormitories	3	3	3	3	3	3	3	3	3	3
Square footage	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640
Number of beds	246	246	246	246	246	246	246	246	246	246
Apartments	0	0	0	0	0	0	0	0	0	0
Square footage	0	0	0	0	0	0	0	0	0	0
Number of beds	0	0	0	0	0	0	0	0	0	0
Dining facilities	1	1	1	1	1	1	1	1	1	1
Square footage	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Average daily customers	158	158	158	158	158	158	158	158	158	158
Athletic facilities										
Square footage	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness centers	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Transportation										
Cars	10	10	8	8	9	9	9	10	10	9
Light trucks	6	6	6	6	6	6	6	5	6	6
Buses	6	6	6	6	3	3	3	3	3	3