

**BORGER JUNIOR COLLEGE DISTRICT**  
Borger, Texas

**ANNUAL FINANCIAL REPORT**  
August 31, 2013 and 2012

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**BORGER JUNIOR COLLEGE DISTRICT  
ORGANIZATIONAL DATA  
August 31, 2013**

**Board of Regents**

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	<u>Officers</u>	Term Expires <u>May</u>
Conny Moore	Chair	2014
Jay Campbell	Vice Chair	2018
Marlene McKinney	Secretary	2016

	<u>Members</u>	
Shad Goldston	Borger, Texas	2018
Kelly McDonald	Borger, Texas	2014
Tonya Moore	Borger, Texas	2016
Patrick Nonhof	Borger, Texas	2014
Scott Radach	Borger, Texas	2014
Chris Coon	Borger, Texas	2014

**Principal Administrative Officers**

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Dr. Jud Hicks	President
Shannon Carroll	Vice President for Academic Affairs
Dr. Lew Hunnicutt	Vice President of Extended Services
Bridey McCormack	Director of Accounting
Debra Wells	Executive Assistant to the President

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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 Borger Junior College District (the College) and its discretely presented component unit as of and for the years ended August 31, 2013 and 2012, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 College and of its discretely presented component unit as of August 31, 2013 and 2012, 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 on pages 10-19 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 audits were conducted for the purpose of forming opinions on the basic financial statements that collectively comprise of the College and its discretely presented component unit. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D, are likewise presented for purposes of additional analysis and are 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, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular 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.



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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 them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2013, 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 financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Connor McMillon Mitchell & Shennum PLLC*

Amarillo, Texas  
November 18, 2013

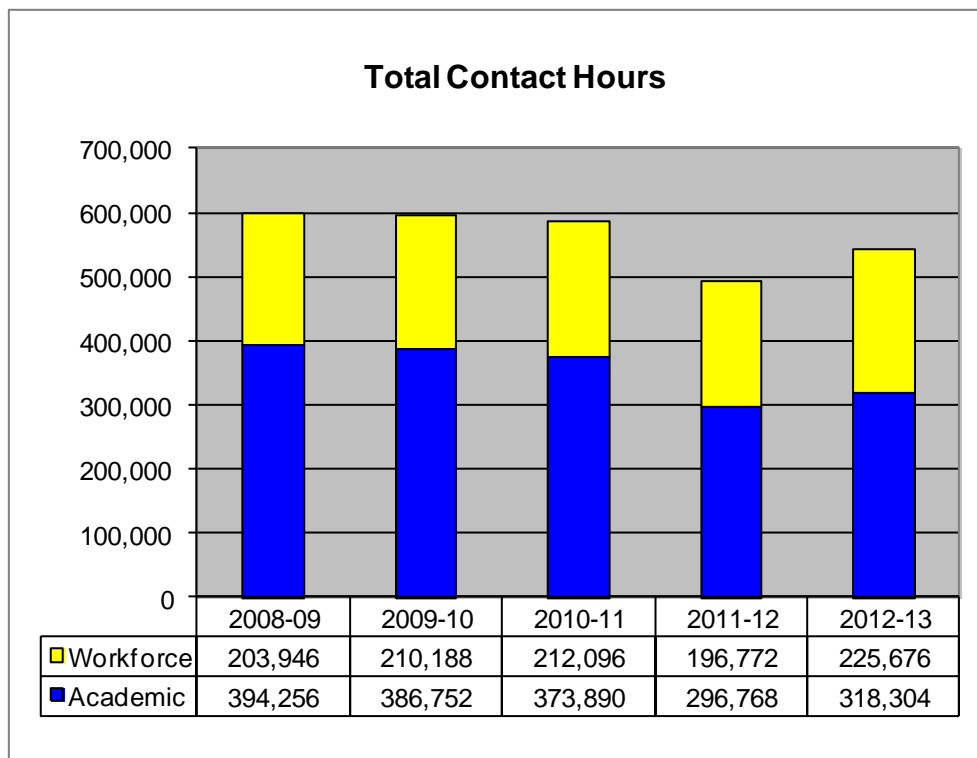
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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Financial and Enrollment Highlights**

- The institution's net position at year-end was \$12,615,756, a decrease of \$340,902 or 2.6% for the year. Investment in capital assets increased \$53,769 with current year depreciation of \$690,415.
- Contact hours enrollment showed an increase of 50,440 hours or 10.2% from 493,540 in 2011-2012 to 543,980 in 2012-2013. Academic contact hours increased 21,536 or 7.3% while workforce contact hours showed an increase of 28,904 or 14.7%.



**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 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.

	<b>Primary Institution</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Current assets</b>			
Cash and cash equivalents	\$ 857,257	\$ 1,301,044	\$ 1,804,199
Accounts receivables, net	1,251,203	1,185,152	1,207,230
Other current assets	36,859	86,851	308,689
Total current assets	<u>2,145,319</u>	<u>2,573,047</u>	<u>3,320,118</u>

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Statements of Net Position (Continued)**

	<b>Primary Institution</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Noncurrent assets</b>			
Restricted cash and cash equivalents	\$ 252,223	\$ 191,402	\$ 242,724
Other long-term investments	367,588	527,588	527,588
Capital assets, net	13,751,379	13,997,563	14,335,656
Unamortized debt insurance cost	39,859	44,841	-
Other noncurrent assets	1,600	1,600	1,600
Total noncurrent assets	<u>14,412,649</u>	<u>14,762,994</u>	<u>15,107,568</u>
<b>Total assets</b>	<u>\$ 16,557,968</u>	<u>\$ 17,336,041</u>	<u>\$ 18,427,686</u>
<b>Current liabilities</b>			
Accounts payable	\$ 27,439	\$ 10,290	\$ 14,019
Accrued liabilities	241,914	296,710	378,471
Funds held for others	168,142	209,281	333,365
Deferred revenues	1,289,265	1,347,697	1,310,489
Note payable - current portion	107,568	134,953	320,874
Total current liabilities	<u>1,834,328</u>	<u>1,998,931</u>	<u>2,357,218</u>
<b>Noncurrent liabilities</b>			
Notes payable	622,884	730,452	832,962
Bonds payable	1,485,000	1,650,000	1,755,000
Total noncurrent liabilities	<u>2,107,884</u>	<u>2,380,452</u>	<u>2,587,962</u>
<b>Total liabilities</b>	<u>3,942,212</u>	<u>4,379,383</u>	<u>4,945,180</u>
<b>Net Position</b>			
Invested in capital, net of related debt	11,535,927	11,482,158	11,426,820
Restricted for:			
Expendable:			
Student aid	841,134	685,475	690,876
Equipment	25,000	195,000	-
Unrestricted	213,695	594,025	1,364,810
<b>Total net position</b>	<u>12,615,756</u>	<u>12,956,658</u>	<u>13,482,506</u>
<b>Total liabilities and net position</b>	<u>\$ 16,557,968</u>	<u>\$ 17,336,041</u>	<u>\$ 18,427,686</u>

**Current Assets:**

Cash and cash equivalents consist of cash in the local financial institution's accounts and TexPool; all are interest-bearing accounts. Unrestricted cash and cash equivalents decreased by \$443,787 or 34.1%, which is reflected in the Statement of Cash Flows.

Accounts receivable consists primarily of student receivables related to tuition and fees for the fall 2013 semester. Accounts receivable increased by \$66,051 or 5.6%, increasing the balance to \$1,251,203.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Current Assets (Continued):**

Other current assets decreased by \$49,992 reflecting a balance of \$36,859. Included in this balance is interest receivable of \$11,976.

**Noncurrent Assets:**

Restricted cash and cash equivalents consist of agency and state scholarship funds. The balance of restricted cash and cash equivalents increased \$66,821 reflecting a balance of \$252,223. The restricted cash means it is designated for scholarships.

Capital assets consist of land, library books, construction in progress, buildings, land improvements and equipment and totals \$26.6 million at year-end. Accumulated depreciation totals \$12.9 million, resulting in net capital assets of \$13.7 million. This reflects a decrease of \$246,184 in net capital assets. Capital assets are detailed in Note 5 of the footnotes to the financial statements. At year-end, asset additions totaled \$456,688, depreciation expense was \$690,415, and the College showed a loss on the disposal of fixed assets \$9,207. The asset additions include buildings/land improvements (\$110,946); furniture, vehicles, and other equipment (\$342,543); and library books (\$3,199).

**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 \$27,439. The balance of accrued liabilities was \$241,914 for 2013 compared to a balance of \$296,710 for 2012. The current balance of accrued liabilities reflects the following: accrued employee-related liabilities (\$84,283) and year-end payable accruals (\$157,631).

Deferred revenues represent payments recorded primarily for tuition and fees, resident hall and food service from students for the upcoming fall 2013 semester. Deferred revenues (\$1,289,265) decreased \$58,432 over last year's ending balance or 4.3%.

Notes and bonds payable (current portion) represent the College's long-term debt which is payable within the next fiscal year. Total debt of \$2,215,452 decreased \$299,953 (current and noncurrent) or 11.9% from the prior year, reflecting the scheduled payment of existing debt and no additional debt incurred in the current year.

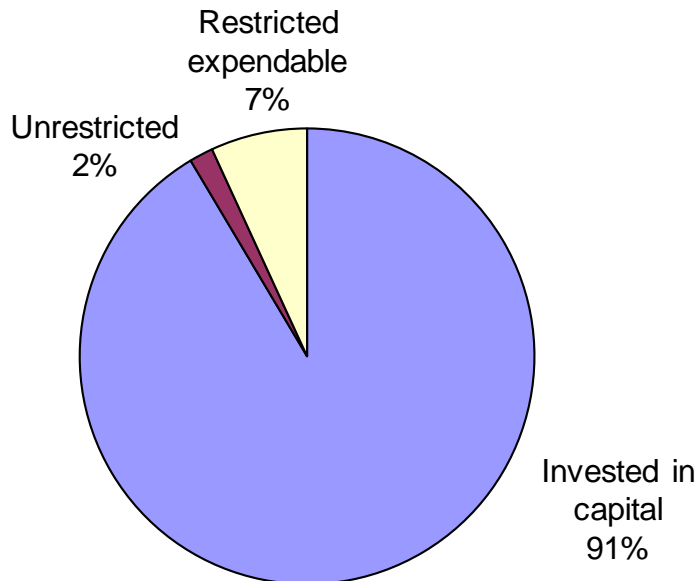
**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Noncurrent Liabilities:**

Notes and bonds payable represent the College's long-term debt which is 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.

**Net Position:**

**Net Position  
(Primary Institution)**



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, 2013, was approximately \$12.6 million. Compared to the prior year, net position decreased \$340,902 or 2.6% for the current year. Invested in capital, net of related debt of approximately \$11.5 million represents 91% of the total net position.

Restricted expendable net position consists of \$841,134 set aside for student aid. These balances have specific restrictions placed on them by parties external to the College, such as donors and grant agencies. For 2013, restricted expendable net position also includes \$25,000 to be spent in 2014 for workforce equipment.

Unrestricted net position totals \$213,695, which was a decrease of \$380,330 or 64% over the year-end 2012 balance. Unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College. This includes funds that have been designated by the governing board for specific purposes.



**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**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		
	2013	2012	2011
<b>Operating revenues</b>			
Tuition and fees, net	\$ 809,488	\$ 619,626	\$ 155,904
Grants and contracts	822,383	687,469	778,640
Auxiliary enterprises	699,427	764,988	959,784
Other	64,665	61,534	101,952
Total operating revenues	<u>2,395,963</u>	<u>2,133,617</u>	<u>1,996,280</u>
<b>Operating expenses</b>			
Institutional expense	7,377,057	7,294,402	7,708,115
Auxiliary enterprises	1,154,941	1,208,774	1,384,104
Depreciation	690,415	732,359	798,156
Total operating expenses	<u>9,222,413</u>	<u>9,235,535</u>	<u>9,890,375</u>
Operating loss	<u>(6,826,450)</u>	<u>(7,101,918)</u>	<u>(7,894,095)</u>
<b>Nonoperating revenues (expenses)</b>			
State appropriations	2,560,652	2,595,720	3,448,548
Ad valorem taxes	1,455,476	1,382,564	1,376,499
Federal revenue, nonoperating	2,177,240	2,148,755	2,726,219
Gifts	418,085	568,559	215,497
Investment income, net of investment expenses	14,746	23,282	24,353
Interest on capital related debt	(87,649)	(124,170)	(181,071)
Gain (loss) on disposal of fixed assets	(9,207)	23,415	246,005
Other nonoperating revenues (expenses)	(43,795)	(42,055)	262,792
Net nonoperating revenues (expenses)	<u>6,485,548</u>	<u>6,576,070</u>	<u>8,118,842</u>
Increase (decrease) in net position	<u>(340,902)</u>	<u>(525,848)</u>	<u>224,747</u>
<b>Net Position – Beginning of year</b>	<u>12,956,658</u>	<u>13,482,506</u>	<u>13,257,759</u>
<b>Net Position – End of year</b>	<u>\$ 12,615,756</u>	<u>\$ 12,956,658</u>	<u>\$ 13,482,506</u>

**Operating Revenues:**

Tuition and fees, net of discounts, was \$809,488 for the year and represents an increase of \$189,862 or 30.6% compared to the previous year balance of \$619,626 and the 2011 balance of \$155,904. For 2013 gross tuition and fees increased \$273,240 and discounts (primarily federal grants to students) increased \$83,378. Federal grants to students totaled \$1,911,751 for the current year, compared to the prior year balance of \$1,892,407, a decrease of \$19,344 or 1%. 2011 federal grants were \$1,892,407. Gross tuition and fees are netted against discounts and scholarship allowances. Fiscal year (FY) 2013 discounts consist of federal grants to students of \$1,911,751, scholarship allowances of \$418,365, and TPEG/State scholarship allowances of \$42,284. In FY 2012 discounts consist of federal grants to students of \$1,892,407, scholarship allowances of \$377,169 and TPEG/State scholarship allowances of \$19,446.

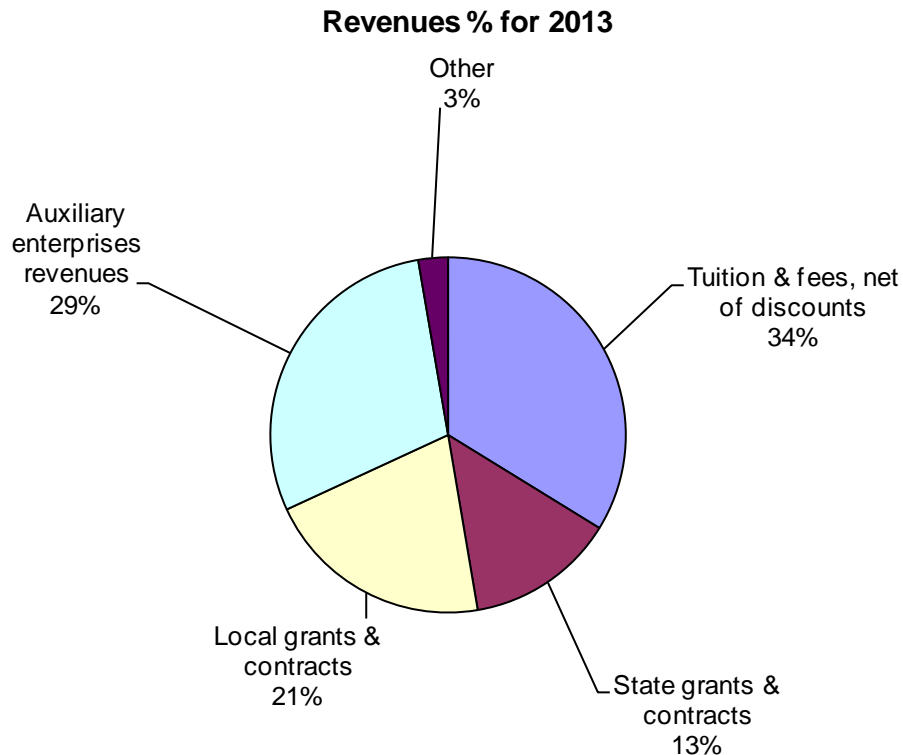
**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Operating Revenues (Continued):**

Combined federal, state, and local grants and contracts totaled \$822,383 for the year. 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 decreased \$134,914 or 19.6% over the previous year balance of \$687,469. The FY 2011 balance was \$778,640.

Auxiliary enterprises consists 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 \$699,427 for the year, a decrease of \$65,561 or 8.6% from the prior year balance of \$764,988. The FY 2011 balance was \$959,784. The Borger Community Activity Center and the residential life are the primary auxiliary components, which generated \$410,291 and \$289,136 (net of discounts) in revenue, respectively in the current year.

The chart below depicts the various components of revenue as a percentage of total revenues. Tuition & fees (net of discounts) are the largest component at 34%.



**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Operating Expenses by Functional Classification:**

	Primary Institution					
	2013	%	2012	%	2011	%
Instruction	\$ 4,094,642	44%	\$ 3,986,808	43%	\$ 3,716,540	38%
Academic support	158,260	2%	195,025	2%	186,775	2%
Student services	551,576	6%	665,594	8%	1,031,212	10%
Institutional support	1,672,599	18%	1,577,756	17%	1,782,942	18%
Operations and maintenance of plant	754,516	8%	736,720	8%	891,378	9%
Scholarships and fellowships	145,464	2%	132,499	1%	99,268	1%
Auxiliary enterprises	1,154,941	13%	1,208,774	13%	1,384,104	14%
Depreciation	690,415	7%	732,359	8%	798,156	8%
<b>Total by function</b>	<b>\$ 9,222,413</b>	<b>100%</b>	<b>\$ 9,235,535</b>	<b>100%</b>	<b>\$ 9,890,375</b>	<b>100%</b>

Instruction includes expenses for all activities that are part of the College's instructional programs – academic, workforce and technical. Instruction expenses of \$4,094,642 increased \$96,716 or 2.4% compared to the previous year balance of \$3,997,928. The FY 2011 balance was \$3,716,540. Instruction continues to outdistance all other classifications, accounting for 44% of expenses or a total expense. Salaries and benefits combined account for approximately \$3.1 million or 76.8% of total instruction.

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 \$158,260, representing a 26.9% decrease from the prior year balance of \$216,351. The FY 2011 balance was \$186,775.

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 \$551,576 decreased by \$114,018 or 17.1% compared to the previous balance of \$665,594. The FY 2011 balance was \$1,031,212.

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 \$1,672,599 increased \$127,287 or 8.2% from the prior year balance of \$1,545,312. The FY 2011 balance was \$1,782,942.

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 \$754,516 increased by \$17,796 or 2.4% from the prior year balance of \$736,720. The FY 2011 balance was \$891,378.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Operating Expenses by Functional Classification (Continued):**

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. Scholarships and fellowships increased by \$12,965 or 9.8%.

Auxiliary enterprises' expenses include all costs to operate the activity center, resident halls and food service. Auxiliary enterprises totaled \$1,154,941, a decrease of \$53,833 or 4.5% as compared to prior year balance of \$1,208,774. The FY 2011 balance was \$1,384,104.

**Operating Expenses by Natural Classification:**

	Primary Institution					
	2013	%	2012	%	2011	%
Salaries and wages	\$ 3,784,109	41%	\$ 3,827,690	41%	\$ 3,616,862	37%
State and local benefits	1,300,746	14%	1,244,422	13%	1,301,281	13%
Scholarships and fellowships	145,464	2%	132,499	1%	99,268	1%
Other expenses	2,146,738	23%	2,089,791	24%	2,690,704	27%
Auxiliary enterprises	1,154,941	13%	1,208,774	13%	1,384,104	14%
Depreciation	690,415	7%	732,359	8%	798,156	8%
<b>Total by natural classification</b>	<b>\$ 9,222,413</b>	<b>100%</b>	<b>\$ 9,235,535</b>	<b>100%</b>	<b>\$ 9,890,375</b>	<b>100%</b>

Salaries and wages, along with benefits, clearly represent the largest operating expense, accounting for 55% of the total expenses. Total dollar expenses for salaries and wages, including benefits, remained relatively the same for 2013 with a slight increase of \$12,743 over last year; and, as a percentage of total expenses salaries and wages, including benefits, increased by 1%.

Overall operating expenses decreased slightly \$13,122 or 0.1%.

**Nonoperating Revenues (Expenses):**

State appropriations of \$2,560,652 indicates a reduction (\$35,068 or 1.4%) in revenue from the previous year balance of \$2,595,720.

Ad valorem taxes of \$1,455,476 were up in 2013 by 5.3% or \$72,912 from the prior year balance of \$1,382,564. The tax rate is capped at \$0.22 per \$100 of valuation, so the increase was a result of slightly higher values in 2013 versus 2012.

Federal revenue, nonoperating of \$2,177,240 increased \$28,485 or 1.3% from the previous year balance of \$2,148,755. Federal revenue, nonoperating consists of all Title IV financial aid funds.

Current year gifts of \$418,085, generally considered one-time in nature, decreased from the 2012 level by \$150,474 or 26.5%. This was reflective of the volatility of large, nonrecurring donations and the year-to-year fluctuations that can exist.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Nonoperating Revenues (Expenses): (Continued)**

Investment income, net of investment expenses of \$14,746 decreased \$8,536 from the previous year's amount of \$23,282.

**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.

	<b>Primary Institution</b>		
	<b>2013</b>	<b>2012</b>	<b>2011</b>
Cash provided (used) from:			
Operating activities	\$ (6,160,039)	\$ (6,338,475)	\$ (7,384,059)
Noncapital financing activities	6,378,966	6,702,924	7,999,242
Capital and related financing activities	(836,057)	(952,744)	(728,906)
Investing activities	234,164	33,818	4,760
Decrease in cash	(382,966)	(554,477)	(108,963)
<b>Cash (restricted and unrestricted) – beginning of year</b>	<u>1,492,446</u>	<u>2,046,923</u>	<u>2,155,886</u>
<b>Cash (restricted and unrestricted) – end of year</b>	<u>\$ 1,109,480</u>	<u>\$ 1,492,446</u>	<u>\$ 2,046,923</u>

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. Increases in future ad valorem tax revenue are not likely given that the local tax rate is capped at its current level as a result of Board action in 1965. No evidence of significant increases in property values is readily foreseeable. 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 cash equivalents (restricted and unrestricted) for FY 2013 decreased \$382,966, compared to a decrease of \$554,477 for FY 2012 and a decrease of \$108,963 in FY 2011. The balance of cash and cash equivalents for 2013 was \$1,109,480 which was comprised of unrestricted cash and cash equivalents of \$857,257 and restricted cash and cash equivalents of \$252,223.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2013**

**Component Unit**

The Frank Phillips College Development Corporation, considered a component unit, continues to play a vital role in the College's ability to achieve its stated mission. In 2013 the Development Corporation contributed \$33,228 in scholarships to the College as compared to \$26,377 in FY 2012. In addition, the Development Corporation received gifts in the amount of \$50,975, much of which is invested to provide returns to fund future scholarships. With the investment markets showing improvement, investment income, net of expenses showed a gain of \$145,356 for the year as compared to gains of \$108,898 in 2012. Overall, the Development Corporation's net position increased \$160,237, an increase of 13.7% from the previous year-end total net position.

**Factors That Will Affect the Future for Frank Phillips College**

This past legislative session ushered in a new era for Texas community colleges in the form of performance measures. In the coming years, ten percent of our funding from state appropriations will come from performance measures leaving the remaining 90 percent coming from the traditional contact hour funding. Most community colleges see this as a positive as we will compete against ourselves to improve these performance measures. Regardless of the methodology of determining state appropriations, Frank Phillips College as well as community colleges across Texas, will still be heavily dependent on the total amount allocated for community colleges and thus subjected to the fluctuation of funding amounts in the future.

## **FINANCIAL STATEMENTS**

**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET POSITION - PRIMARY INSTITUTION  
AUGUST 31, 2013 AND 2012  
Exhibit 1A**

		<b>Primary Institution</b>	
		<b>2013</b>	<b>2012</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$	857,257	\$ 1,301,044
Accounts receivable, net		1,251,203	1,185,152
Inventories		10,306	13,005
Other assets		26,553	73,846
Total current assets		2,145,319	2,573,047
<b>NONCURRENT ASSETS</b>			
Restricted cash and cash equivalents		252,223	191,402
Other long-term investments		367,588	527,588
Capital assets, net		13,751,379	13,997,563
Unamortized debt issuance cost		39,859	44,841
Other noncurrent assets		1,600	1,600
Total noncurrent assets		14,412,649	14,762,994
<b>TOTAL ASSETS</b>		<b>\$ 16,557,968</b>	<b>\$ 17,336,041</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$	27,439	\$ 10,290
Accrued liabilities		241,914	296,710
Funds held for others		168,142	209,281
Deferred revenues		1,289,265	1,347,697
Notes payable - current portion		107,568	134,953
Total current liabilities		1,834,328	1,998,931
<b>NONCURRENT LIABILITIES</b>			
Notes payable		622,884	730,452
Bonds payable		1,485,000	1,650,000
Total noncurrent liabilities		2,107,884	2,380,452
<b>TOTAL LIABILITIES</b>		<b>3,942,212</b>	<b>4,379,383</b>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt		11,535,927	11,482,158
Restricted for:			
Expendable:			
Student aid		841,134	685,475
Equipment		25,000	195,000
Unrestricted		213,695	594,025
Total net position (Schedule D)		12,615,756	12,956,658
<b>TOTAL LIABILITIES AND NET POSITION</b>		<b>\$ 16,557,968</b>	<b>\$ 17,336,041</b>

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



**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET POSITION - COMPONENT UNIT  
AUGUST 31, 2013 AND 2012  
Exhibit 1B**

		<b>Component Unit - Foundation</b>	
		<b>2013</b>	<b>2012</b>
<b>ASSETS</b>			
Cash and cash equivalents		\$ 35,391	\$ 90,010
Short-term investments		1,294,660	1,079,804
<b>TOTAL ASSETS</b>		<b>\$ 1,330,051</b>	<b>\$ 1,169,814</b>
<b>NET POSITION</b>			
Net position restricted for:			
Expendable - Other, primarily donor restrictions		\$ 1,330,051	\$ 1,169,814
<b>TOTAL NET POSITION</b>		<b>\$ 1,330,051</b>	<b>\$ 1,169,814</b>

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, 2013 AND 2012**  
**Exhibit 2A**

	<b>Primary Institution</b>	
	<b>2013</b>	<b>2012</b>
<b>OPERATING REVENUES</b>		
Tuition and fees, net of discounts of \$2,372,400 and \$2,289,022 in 2013 and 2012, respectively	\$ 809,488	\$ 619,626
State grants and contracts	324,533	221,298
Local grants and revenues	497,850	466,171
Auxiliary enterprises, net of discounts of \$170,011 and \$147,617 in 2013 and 2012, respectively	699,427	764,988
General operating revenues	64,665	61,534
Total operating revenues (Schedule A)	<u>2,395,963</u>	<u>2,133,617</u>
<b>OPERATING EXPENSES</b>		
Instruction	4,094,642	3,986,808
Academic support	158,260	195,025
Student services	551,576	665,594
Institutional support	1,672,599	1,577,756
Operation and maintenance of plant	754,516	736,720
Scholarships and fellowships	145,464	132,499
Auxiliary enterprises	1,154,941	1,208,774
Depreciation	690,415	732,359
Total operating expenses (Schedule B)	<u>9,222,413</u>	<u>9,235,535</u>
Operating loss	<u>(6,826,450)</u>	<u>(7,101,918)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	2,560,652	2,595,720
Ad valorem property taxes	1,455,476	1,382,564
Federal revenue, nonoperating	2,177,240	2,148,755
Gifts	418,085	568,559
Investment income, net of investment expenses	14,746	23,282
Interest on capital related debt	(87,649)	(124,170)
Gain (loss) on disposal of capital assets	(9,207)	23,415
Other nonoperating revenues (expenses), net	(43,795)	(42,055)
Net nonoperating revenues (Schedule C)	<u>6,485,548</u>	<u>6,576,070</u>
Increase (decrease) in net position	(340,902)	(525,848)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>12,956,658</u>	<u>13,482,506</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 12,615,756</u></u>	<u><u>\$ 12,956,658</u></u>

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  
YEARS ENDED AUGUST 31, 2013 AND 2012  
Exhibit 2B**

	<b>Component Unit - Foundation</b>	
	<b>2013</b>	<b>2012</b>
<b>OPERATING EXPENSES</b>		
Institutional support	\$ 2,866	\$ 2,511
Scholarships and fellowships	33,228	26,377
Total operating loss	36,094	28,888
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts	50,975	55,599
Investment income, net of investment expenses	145,356	108,898
Net nonoperating revenues	196,331	164,497
Increase in net position	160,237	135,609
<b>NET POSITION - BEGINNING OF YEAR</b>	1,169,814	1,034,205
<b>NET POSITION - END OF YEAR</b>	\$ 1,330,051	\$ 1,169,814

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, 2013 AND 2012**  
**Exhibit 3A**

	<b>Primary Institution</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 1,432,841	\$ 1,396,500
Receipts from grants and contracts	769,754	710,048
Payments to suppliers for goods or services	(3,049,932)	(3,059,313)
Payments to or on behalf of employees	(5,383,675)	(5,302,552)
Payments of scholarships	(145,464)	(132,499)
Other payments or receipts	216,437	49,341
Net cash used by operating activities	<u>(6,160,039)</u>	<u>(6,338,475)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	2,560,652	2,595,720
Ad valorem tax revenues	1,459,784	1,408,530
Receipts from nonoperating federal revenue	2,177,240	2,148,755
Gifts and grants (other than capital)	225,085	568,559
Other	(43,795)	(18,640)
Net cash provided by noncapital financing activities	<u>6,378,966</u>	<u>6,702,924</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond proceeds	-	1,800,000
Purchases of capital assets	(456,688)	(585,302)
Principal payments on capital debt and leases	(299,953)	(2,193,431)
Debt issuance costs	-	(44,841)
Proceeds from sale of fixed assets	3,250	195,000
Cash paid for interest	(82,666)	(124,170)
Net cash used by capital and related financing activities	<u>(836,057)</u>	<u>(952,744)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales and maturities of investments	160,000	-
Investment earnings	74,164	33,818
Net cash provided by investing activities	<u>234,164</u>	<u>33,818</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(382,966)</u>	<u>(554,477)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,492,446</u>	<u>2,046,923</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR (RESTRICTED AND UNRESTRICTED)</b>	<u>\$ 1,109,480</u>	<u>\$ 1,492,446</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (6,826,450)	\$ (7,101,918)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	690,415	732,359
Changes in assets and liabilities:		
Receivables, net	(70,360)	(7,852)
Note receivable	-	117,000
Inventories	2,699	-
Other assets	(12,125)	94,302
Accounts payable	17,149	(3,729)
Deferred revenue	(58,432)	37,208
Funds held for others	151,861	(124,084)
Accrued liabilities	(54,796)	(81,761)
Net cash used by operating activities	<u>\$ (6,160,039)</u>	<u>\$ (6,338,475)</u>

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, 2013 AND 2012  
Exhibit 3B**

	<b>Component Unit - Foundation</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers for goods or services	\$ (2,866)	\$ (2,511)
Payments of scholarships	<u>(33,228)</u>	<u>(26,377)</u>
Net cash used by operating activities	<u>(36,094)</u>	<u>(28,888)</u>
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Gifts and grants (other than capital)	<u>50,975</u>	<u>55,599</u>
Net cash provided by noncapital financing activities	<u>50,975</u>	<u>55,599</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from sale of investments	43,000	-
Cash paid for purchasing investments	(600,913)	(474,240)
Cash received on maturities of investments	343,057	391,204
Investment earnings	<u>145,356</u>	<u>108,898</u>
Net cash provided (used) by investing activities	<u>(69,500)</u>	<u>25,862</u>
 <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(54,619)	52,573
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>90,010</u>	<u>37,437</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 35,391</u></u>	<u><u>\$ 90,010</u></u>
 <b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	<u>\$ (36,094)</u>	<u>\$ (28,888)</u>
Net cash used by operating activities	<u>\$ (36,094)</u>	<u>\$ (28,888)</u>

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

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**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, 2013 and 2012, the Foundation distributed approximately \$33,000 and \$26,000, respectively, 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 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. 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.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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 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.

**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.

**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 and pro shop. Inventories are valued at the lower of cost (FIFO) or market and are charged to expense as consumed.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation. The capitalization policy includes items valued at \$5,000 or more and useful life of greater than 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

**Deferred Revenues**

Tuition, fees, and other revenues received and related to the following fiscal year have been deferred. Tuition and fees of \$1,289,265 and \$1,347,697 have been reported as deferred revenue at August 31, 2013 and 2012, respectively.

**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.

**Reclassification**

Certain amounts in 2012 were reclassified to conform to the 2013 presentation.



**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**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, consist of the items reported below:

	<u>2013</u>	<u>2012</u>
Bank deposits		
Demand deposits	\$ 619,905	\$ 1,002,780
Cash and cash equivalents		
Petty cash on hand	3,839	3,930
TexPool	<u>485,736</u>	<u>485,736</u>
	<u>489,575</u>	<u>489,666</u>
<b>Total cash and cash equivalents</b>	<u>\$ 1,109,480</u>	<u>\$ 1,492,446</u>

	<u>2013</u>	<u>2012</u>
Unrestricted cash and cash equivalents - current	\$ 857,257	\$ 1,301,044
Restricted cash and cash equivalents - noncurrent	<u>252,223</u>	<u>191,402</u>
<b>Total cash and cash equivalents</b>	<u>\$ 1,109,480</u>	<u>\$ 1,492,446</u>

Reconciliation of cash and cash equivalents and investments to Exhibit 1A:

<u>Type of Security</u>	<u>Market Value</u>	
	<u>2013</u>	<u>2012</u>
Certificate of deposits	<u>\$ 367,588</u>	<u>\$ 527,588</u>
<b>Total investments</b>	367,588	527,588
Total cash and cash equivalents	<u>1,109,480</u>	<u>1,492,446</u>
<b>Total investments and cash and cash equivalents</b>	<u>\$ 1,477,068</u>	<u>\$ 2,020,034</u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>
		<u>Less Than 1 year</u>
Certificate of deposits	<u>\$ 367,588</u>	<u>\$ 367,588</u>
<b>Total fair value</b>	<u><b>\$ 367,588</b></u>	<u><b>\$ 367,588</b></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, 2013, the College did not have any investments in commercial paper or no-load money market mutual funds.

The following is a summary of the short-term investments at fair value of the Foundation at August 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Managed equity funds	\$ 835,484	\$ 738,107
Certificates of deposit	<u>459,176</u>	<u>341,697</u>
<b>Total short-term investments at fair value</b>	<u><b>\$ 1,294,660</b></u>	<u><b>\$1,079,804</b></u>

**Participation in External Investment Pools**

As of August 31, 2013, the carrying amount of amounts invested in investment pools was \$485,736. Investment pools are recorded at cost, which approximated market value at August 31, 2013. 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.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)**

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 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Construction in process, net	-	110,946	110,946	-
Total not depreciated	<u>333,687</u>	<u>110,946</u>	<u>110,946</u>	<u>333,687</u>
Other capital assets:				
Buildings	15,904,862	-	-	15,904,862
Land improvements	5,491,356	110,946	-	5,602,302
Furniture, machinery, vehicles and other equipment	1,264,728	45,772	19,165	1,291,335
Telecommunications and peripheral equipment	2,026,420	296,771	-	2,323,191
Library books	1,170,847	3,199	-	1,174,046
Total other capital assets	<u>25,858,213</u>	<u>456,688</u>	<u>19,165</u>	<u>26,295,736</u>
Total cost of capital assets	<u>26,191,900</u>	<u>567,634</u>	<u>130,111</u>	<u>26,629,423</u>
Accumulated depreciation:				
Buildings	5,718,664	264,101	-	5,982,765
Land improvements	2,546,684	260,966	-	2,807,650
Furniture, machinery, vehicles and other equipment	838,414	78,507	6,708	910,213
Telecommunications and peripheral equipment	1,974,284	78,127	-	2,052,411
Library books	1,116,291	8,714	-	1,125,005
Total accumulated depreciation	<u>12,194,337</u>	<u>690,415</u>	<u>6,708</u>	<u>12,878,044</u>
Capital assets, net	<u>\$13,997,563</u>	<u>\$ (122,781)</u>	<u>\$ 123,403</u>	<u>\$13,751,379</u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Construction in process, net	-	9,452	9,452	-
Total not depreciated	<u>333,687</u>	<u>9,452</u>	<u>9,452</u>	<u>333,687</u>
Other capital assets:				
Buildings	15,828,483	76,379	-	15,904,862
Land improvements	5,196,383	294,973	-	5,491,356
Furniture, machinery, vehicles and other equipment	1,565,171	130,644	431,087	1,264,728
Telecommunications and peripheral equipment	1,957,496	68,924	-	2,026,420
Library books	1,175,917	4,930	10,000	1,170,847
Total other capital assets	<u>25,723,450</u>	<u>575,850</u>	<u>441,087</u>	<u>25,858,213</u>
Total cost of capital assets	<u>26,057,137</u>	<u>585,302</u>	<u>450,539</u>	<u>26,191,900</u>
Accumulated depreciation:				
Buildings	5,454,813	263,851	-	5,718,664
Land improvements	2,295,316	251,368	-	2,546,684
Furniture, machinery, vehicles and other equipment	981,521	106,396	249,503	838,414
Telecommunications and peripheral equipment	1,872,642	101,642	-	1,974,284
Library books	1,117,189	9,102	10,000	1,116,291
Total accumulated depreciation	<u>11,721,481</u>	<u>732,359</u>	<u>259,503</u>	<u>12,194,337</u>
Capital assets, net	<u>\$14,335,656</u>	<u>\$ (147,057)</u>	<u>\$ 191,036</u>	<u>\$13,997,563</u>

Included in capital assets are the following capital leases:

	<u>2013</u>	<u>2012</u>
Furniture, machinery, vehicles and other equipment	\$ -	\$ 351,750
Less: Accumulated depreciation	<u>-</u>	<u>351,750</u>
<b>Total</b>	<u>\$ -</u>	<u>\$ -</u>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 5 - CAPITAL ASSETS (CONTINUED)**

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>	
2014	\$ 71,100
2015	71,100
2016	<u>33,900</u>
<b>Total future minimum lease payments</b>	<b><u>\$ 176,100</u></b>

**NOTE 6 - LONG-TERM LIABILITIES**

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

	<u>September 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>August 31, 2013</u>	<u>Current Portion</u>
Bonds and notes					
Notes payable to bank	\$ 32,443	\$ -	\$ 32,443	\$ -	\$ -
Maintenance tax notes - Series 2007	832,962	-	102,510	730,452	107,568
Combined Fee Revenue Refunding Bonds - Series 2012	<u>1,650,000</u>	<u>-</u>	<u>165,000</u>	<u>1,485,000</u>	<u>-</u>
Total bonds and notes	<u>2,515,405</u>	<u>-</u>	<u>299,953</u>	<u>2,215,452</u>	<u>107,568</u>
Other liabilities					
Compensated absences	<u>74,988</u>	<u>-</u>	<u>9,656</u>	<u>65,332</u>	<u>65,332</u>
Total other liabilities	<u>74,988</u>	<u>-</u>	<u>9,656</u>	<u>65,332</u>	<u>65,332</u>
	<u>\$ 2,590,393</u>	<u>\$ -</u>	<u>\$ 309,609</u>	<u>2,280,784</u>	<u>\$ 172,900</u>
Due in one year				<u>(172,900)</u>	
				<u>\$ 2,107,884</u>	

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

	<u>September 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>August 31, 2012</u>	<u>Current Portion</u>
Bonds and notes					
Notes payable to bank	\$ 223,184	\$ -	\$ 190,741	\$ 32,443	\$ 32,443
Maintenance tax notes - Series 2007	930,652	-	97,690	832,962	102,510
Combined Fee Revenue Bonds - Series 2001	1,755,000	-	1,755,000	-	-
Combined Fee Revenue Refunding Bonds - Series 2012	<u>-</u>	<u>1,800,000</u>	<u>150,000</u>	<u>1,650,000</u>	<u>-</u>
Total bonds and notes	<u>2,908,836</u>	<u>1,800,000</u>	<u>2,193,431</u>	<u>2,515,405</u>	<u>134,953</u>
Other liabilities					
Compensated absences	<u>69,279</u>	<u>5,709</u>	<u>-</u>	<u>74,988</u>	<u>74,988</u>
Total other liabilities	<u>69,279</u>	<u>5,709</u>	<u>-</u>	<u>74,988</u>	<u>74,988</u>
	<u>\$ 2,978,115</u>	<u>\$ 1,805,709</u>	<u>\$ 2,193,431</u>	<u>2,590,393</u>	<u>\$ 209,941</u>
Due in one year				<u>(209,941)</u>	
				<u>\$ 2,380,452</u>	

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 7 - DEBT OBLIGATIONS**

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

For the Year Ended August 31,	Combined Fee Revenue Refunding Bond Series 2012		Maintenance Tax Notes Series 2007		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ 18,334	\$ 107,568	\$ 36,041	\$ 107,568	\$ 54,375
2015	165,000	35,063	112,875	30,733	277,875	65,796
2016	170,000	30,875	118,444	25,164	288,444	56,039
2017	180,000	26,500	124,288	19,320	304,288	45,820
2018	185,000	21,938	130,421	13,187	315,421	35,125
2019-2022	785,000	40,063	136,856	6,752	921,856	46,815
<b>Total</b>	<b>\$ 1,485,000</b>	<b>\$ 172,773</b>	<b>\$ 730,452</b>	<b>\$ 131,197</b>	<b>\$ 2,215,452</b>	<b>\$ 303,970</b>

**NOTE 8 - BONDS AND NOTES PAYABLE**

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

Combined Fee Revenue Bonds - Series 2001

To construct the Access and Development Center, issued on June 1, 2001, authorized \$2,750,000 and all bonds were issued. Source of revenue for debt service is general use fees. Balance outstanding at August 31, 2013 and 2012 is \$-0- and \$-0-, respectively. Bonds were due in annual installments varying from \$135,000 to \$220,000 with interest rates from 6.10% to 4.60% with the final installment due September 2021. The 2001 Series Bonds were refunded in 2012.

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 \$165,000 to \$205,000 and provide for an interest rate of 2.50%.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 8 - BONDS AND NOTES PAYABLE (CONTINUED)**

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. Annual payments varying from \$107,568 to \$136,856, with a maturity date of February 1, 2019. Balance outstanding at August 31, 2013 and 2012 is \$730,452 and \$832,962, respectively.

Notes Payable to Bank

Note payable to a bank issued on July 1, 2009, interest at 3.75%. The note is payable on demand, but if no demand is made then 60 monthly payments of \$6,748, with a maturity date of July 15, 2014. The note is secured by a CD. Balance outstanding at August 31, 2013 and 2012 was \$-0- and \$32,443, respectively.

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN**

**State-Sponsored Benefit Plans**

The State of Texas has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS).

*Teacher Retirement System of Texas*

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

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas State Legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal years 2013 and 2012 and a state contribution rate of 6.4% and 6.0% for fiscal years 2013 and 2012, respectively. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2013 and 2012.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**State-Sponsored Benefit Plans (Continued)**

*Optional Retirement 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.

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. The percentages of participant salaries currently contributed by the state are 6.0% for fiscal years 2013 and 2012. The participant contribution rate is 6.65% for both years. 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.

Prior to fiscal year 2012, The State of Texas contributed to the TRS on behalf of the College, "an amount not less than 6% nor more than 10% of the aggregate compensation paid to individuals participating in the system" as stated in the Texas Constitution Article 16, Section 67(b)(3). The 2012-13 State of Texas budget provided for state funding of TRS retirement for public community colleges as "For each public community/junior college district, the combined annual General Revenue Fund contributions to the Teacher Retirement System not exceed 6.0% of each district's unrestricted General Revenue appropriation in fiscal year 2012 and fiscal year 2013." The two approaches were fundamentally different. The 2012-13 budget defined funding limits in terms of the general appropriations to community colleges, while Section 67(b) (3) of the Constitution defined minimum funding in terms of the "aggregate compensation paid" to TRS participants.

For fiscal year 2012 the College's unrestricted General Revenue appropriation did not exceed the aggregate compensation paid to TRS participants of the College. Thus, a shortfall existed in the constitutionally required funding for TRS. This provision in the 2012-13 state budget was not consistent with Texas Constitution Article 16, Section 67(b) (3). Accordingly, at August 31, 2012, a contingent liability was disclosed for approximately \$90,000.

Subsequently the 83<sup>rd</sup> Texas Legislative session passed legislation allowing community colleges to contribute the TRS shortfall to the state. During fiscal year 2013, the College paid approximately \$40,000 and \$38,000 for 2013 and 2012, respectively.



**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

**State-Sponsored Benefit Plans (Continued)**

For the fiscal years ended August 31, 2013, 2012 and 2011, the retirement expense was approximately \$218,000, \$219,000 and \$257,000, respectively.

The total payroll for all College employees was approximately \$4,015,000, \$4,039,000, and \$4,412,000 for fiscal years 2013, 2012, and 2011, respectively. The total payroll of employees covered by the TRS was approximately \$2,994,000, \$3,066,000, and \$3,270,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$366,000, \$361,000, and \$550,000 for fiscal years 2013, 2012, and 2011, respectively.

**College-Sponsored Benefits Plans**

The College has a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code. 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 \$54,000 and \$56,000 for the years ended August 31, 2013 and 2012, respectively.

**NOTE 10 - 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.

**NOTE 11 - COMPENSATED ABSENCES**

Full-time employees earn 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 classified as accrued liabilities within current liabilities 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 \$65,332 and \$74,988 at August 31, 2013 and 2012, respectively. 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.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 12 - 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. However, subsequent to year end, the College has received a 3-Year Official Cohort Default Rate Notification Letter from the Department of Education. See footnote 23 for additional information.

On August 31, 2013, claims involving the College were pending. While the ultimate liability with respect to claims asserted against the College cannot be reasonably estimated at this time, this liability, if any, to the extent not provided for by insurance, is not likely to have a material effect on the College.

**NOTE 13 - 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 insurance contracts. Workers compensation risks are substantially covered by insurance. Health claims are fully covered by the State of Texas.

**NOTE 14 - DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

Receivables at August 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Student receivables, net of allowance of \$250,338 and \$257,466 for 2013 and 2012, respectively	\$ 1,079,469	\$ 1,061,827
Taxes receivable, net of allowance of \$114,025 and \$108,794 for 2013 and 2012, respectively	48,849	53,158
Government grants and contracts	114,634	62,005
Other	<u>8,251</u>	<u>8,162</u>
<b>Total accounts receivable, net</b>	<b><u>\$ 1,251,203</u></b>	<b><u>\$ 1,185,152</u></b>

Accounts payable at August 31, 2013 and 2012, consisted of the following:

	<u>2013</u>	<u>2012</u>
Vendors payable and other	<u>\$ 27,439</u>	<u>\$ 10,290</u>
<b>Total accounts payable</b>	<b><u>\$ 27,439</u></b>	<b><u>\$ 10,290</u></b>

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 15 - 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 Schedule A. 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. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal year 2013 and 2012 for which monies have not been received nor funds expended, totaled approximately \$-0- and \$122,000, respectively. Of these amounts, approximately \$-0- for both fiscal years ended 2013 and 2012, was from federal contract and grant awards.

**NOTE 16 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$470 per month for Health Select for the year ended August 31, 2013 and totaled approximately \$330,000 for the year ended August 31, 2013. The State's contribution per full-time employee was \$438 per month for Health Select for the year ended August 31, 2012 and totaled approximately \$312,000 for the year ended August 31, 2012. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

**NOTE 17 - PROPERTY 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 personal property located in the taxing jurisdictions.

**At August 31, 2013:**

Assessed valuation of the District	\$ 860,134,580
Less: exemptions and abatements	<u>184,868,130</u>

**Net assessed valuation of the District** \$ 675,266,450

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ .22000	\$ .50000	\$ .72000
Tax rate per \$100 valuation for assessed	.22000	.00000	.22000

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 17 - PROPERTY TAX (CONTINUED)**

**At August 31, 2013** (Continued):

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 1,402,819	\$ -	\$ 1,402,819
Delinquent taxes collected	35,832	-	35,832
Penalties and interest collected	<u>25,712</u>	<u>-</u>	<u>25,712</u>
<b>Total collections</b>	<b><u>\$ 1,464,363</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,464,363</u></b>

**At August 31, 2012:**

Assessed valuation of the District	\$ 836,477,160
Less: exemptions and abatements	<u>176,414,950</u>
<b>Net assessed valuation of the District</b>	<b><u>\$ 660,062,210</u></b>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ .22000	\$ .50000	\$ .72000
Tax rate per \$100 valuation for assessed	.22000	.00000	.22000

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 1,305,349	\$ -	\$ 1,305,349
Delinquent taxes collected	71,228	-	71,228
Penalties and interest collected	<u>38,452</u>	<u>-</u>	<u>38,452</u>
<b>Total collections</b>	<b><u>\$ 1,415,029</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,415,029</u></b>

Taxes levied for the year ended August 31, 2013 and 2012 were approximately \$1,451,000 and \$1,353,000, 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, 2013 and 2012 were 100.9% and 104.6%, 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.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 18 - BRANCH CAMPUS MAINTENANCE TAX**

A branch campus maintenance tax, which is established by election, is levied by Ochiltree County. It is levied each September 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 year 2013 and 2012 (including penalties and interest) from Ochiltree County totaled approximately \$498,000 and \$467,000, respectively.

**NOTE 19 - INCOME TAXES**

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

**NOTE 20 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description**

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

ERS issues a publicly available financial report that includes financial statements and required information for SRHP. That report may be obtained by visiting the ERS website at <http://www.ers.state.tx.us/>.

**Funding Policy**

Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

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

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2013 and 2012**

**NOTE 20 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

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

The College's contributions to SRHP for the years ended August 31, 2013, 2012, and 2011 were \$7,763, \$5,198, and \$7,795, respectively, which equaled the required contributions each year.

**NOTE 21 - 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. 39, *Determining Whether Certain Organizations are Component Units*, 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 22 – NEW GASB PRONOUNCEMENTS**

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, is effective for periods beginning after December 15, 2011. This standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The College has implemented this reporting for the year ended August 31, 2013. The components of net position were renamed to reflect the requirements of this statement.

**NOTE 23 - SUBSEQUENT EVENT**

September 2013, the College received a FY 2010 3-Year Official Cohort Default Rate Notification Letter from the Department of Education. The College's cohort default rate exceeded 30% for FY 2009 and 2010 and in accordance with Section 435(a)(7) of the Higher Education Act and the implementing regulation at 34 CFR 668.17, the College has established a Default Prevention Task Force to address the cohort default rate issue. According to the Notification Letter, there will be no sanctions associated with school's 3-year cohort default rate until three years of 3-year cohort rates have been collected. The first year that schools will be subject to loss of eligibility is FY 2011 which will be released in FY 2014. Schools will have the right to appeal the Notification Letter Cohort Default Rates Calculated by the Department of Education.

This information is an integral part of the accompanying financial statements.

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## **OTHER SUPPLEMENTAL INFORMATION**



**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2013  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013</u>	<u>2012</u>
<b>TUITION</b>						
State-funded courses						
In-district resident tuition	\$ 330,677	\$ -	\$ 330,677	\$ -	\$ 330,677	\$ 321,376
Out-of-district resident tuition	558,968	-	558,968	-	558,968	503,233
Non-resident tuition	86,748	-	86,748	-	86,748	108,058
TPEG - Credit (set aside)*	51,405	-	51,405	-	51,405	45,012
Non-state funded continuing education	585,506	-	585,506	-	585,506	537,943
Total tuition	<u>1,613,304</u>	<u>-</u>	<u>1,613,304</u>	<u>-</u>	<u>1,613,304</u>	<u>1,515,622</u>
<b>FEES</b>						
General fee	655,796	-	655,796	-	655,796	626,567
Student service fee	-	-	-	155,313	155,313	143,514
Laboratory fee	92,781	-	92,781	-	92,781	84,418
Other fees	664,694	-	664,694	-	664,694	538,527
Total fees	<u>1,413,271</u>	<u>-</u>	<u>1,413,271</u>	<u>155,313</u>	<u>1,568,584</u>	<u>1,393,026</u>
<b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b>						
Scholarship allowances	-	-	-	(418,365)	(418,365)	(377,169)
TPEG allowances	(42,284)	-	(42,284)	-	(42,284)	(19,446)
Title IV Federal grants	(30,000)	-	(30,000)	-	(30,000)	(29,650)
Other Federal grants	(1,881,751)	-	(1,881,751)	-	(1,881,751)	(1,862,757)
Total scholarship allowances and discounts	<u>(1,954,035)</u>	<u>-</u>	<u>(1,954,035)</u>	<u>(418,365)</u>	<u>(2,372,400)</u>	<u>(2,289,022)</u>
Total net tuition and fees	<u>1,072,540</u>	<u>-</u>	<u>1,072,540</u>	<u>(263,052)</u>	<u>809,488</u>	<u>619,626</u>

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE A, CONTINUED  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2013  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2013</u>	<u>2012</u>
<b>ADDITIONAL OPERATING REVENUES</b>						
Federal grants and contracts	-	-	-	-	-	-
State grants and contracts	-	324,533	324,533	-	324,533	221,298
Local grants and contracts	497,850	-	497,850	-	497,850	466,171
General operating revenues	64,665	-	64,665	-	64,665	61,534
Total additional operating revenues	<u>562,515</u>	<u>324,533</u>	<u>887,048</u>	<u>-</u>	<u>887,048</u>	<u>749,003</u>
<b>AUXILIARY ENTERPRISES</b>						
Bookstore	-	-	-	-	-	-
Less: Discounts	-	-	-	(6,186)	(6,186)	(6,950)
Residential	-	-	-	459,147	459,147	449,295
Less: Discounts	-	-	-	(163,825)	(163,825)	(140,667)
Other Auxiliary Enterprises	-	-	-	410,291	410,291	463,310
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>699,427</u>	<u>699,427</u>	<u>764,988</u>
<b>TOTAL OPERATING REVENUES</b>	<u>\$ 1,635,055</u>	<u>\$ 324,533</u>	<u>\$ 1,959,588</u>	<u>\$ 436,375</u>	<u>\$ 2,395,963</u>	<u>\$ 2,133,617</u>
					(Exhibit 2A)	(Exhibit 2A)

\*In accordance with Education Code 56.033, \$51,405 and \$45,012 for years August 31, 2013 and 2012, 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, 2013  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	Operating Expenses				2013	2012
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
<b>UNRESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	\$ 2,385,270	\$ -	\$ 416,945	\$ 949,103	\$ 3,751,318	\$ 3,653,336
Academic support	50,319	-	18,287	72,655	141,261	118,918
Student services	221,326	-	50,971	9,184	281,481	360,711
Institutional support	727,535	-	194,194	646,052	1,567,781	1,486,019
Operation and maintenance of plant	275,175	-	48,954	390,077	714,206	695,080
Scholarship and fellowships	-	-	-	121,023	121,023	124,205
Total unrestricted educational activities	<u>3,659,625</u>	<u>-</u>	<u>729,351</u>	<u>2,188,094</u>	<u>6,577,070</u>	<u>6,438,269</u>
<b>RESTRICTED EDUCATIONAL ACTIVITIES</b>						
Instruction	-	343,324	-	-	343,324	333,472
Academic support	-	15,058	-	1,941	16,999	76,107
Student services	124,484	41,971	25,914	77,726	270,095	304,883
Institutional support	-	104,818	-	-	104,818	91,737
Operation and maintenance of plant	-	40,310	-	-	40,310	41,640
Scholarship and fellowships	-	-	-	24,441	24,441	8,294
Total restricted educational activities	<u>124,484</u>	<u>545,481</u>	<u>25,914</u>	<u>104,108</u>	<u>799,987</u>	<u>856,133</u>
Total educational activities	<u>3,784,109</u>	<u>545,481</u>	<u>755,265</u>	<u>2,292,202</u>	<u>7,377,057</u>	<u>7,294,402</u>
<b>AUXILIARY ENTERPRISES</b>	186,526	-	53,441	914,974	1,154,941	1,208,774
<b>DEPRECIATION EXPENSE - buildings and other real estate improvements</b>	-	-	-	525,067	525,067	515,219
<b>DEPRECIATION EXPENSE - equipment and furniture</b>	-	-	-	165,348	165,348	217,140
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 3,970,635</u>	<u>\$ 545,481</u>	<u>\$ 808,706</u>	<u>\$ 3,897,591</u>	<u>\$ 9,222,413</u>	<u>\$ 9,235,535</u>
				(Exhibit 2A)	(Exhibit 2A)	

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE C  
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2013  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2013</u>	<u>2012</u>
<b>NONOPERATING REVENUES</b>					
State appropriations:					
Education and general state support	\$ 2,015,171	\$ -	\$ -	\$ 2,015,171	\$ 2,062,851
State group insurance	-	329,562	-	329,562	312,623
State retirement matching	-	215,919	-	215,919	220,246
Total state appropriations	2,015,171	545,481	-	2,560,652	2,595,720
Maintenance ad valorem taxes	1,455,476	-	-	1,455,476	1,382,564
Federal revenue, nonoperating	-	2,177,240	-	2,177,240	2,148,755
Gifts	106,978	311,107	-	418,085	568,559
Investment income	490	14,256	-	14,746	23,282
Gain on disposal of capital assets	-	-	-	-	23,415
Other nonoperating revenues	-	-	-	-	-
Total nonoperating revenues	<u>3,578,115</u>	<u>3,048,084</u>	<u>-</u>	<u>6,626,199</u>	<u>6,742,295</u>
<b>NONOPERATING EXPENSES</b>					
Interest on capital related debt	87,649	-	-	87,649	124,170
Loss on disposal of capital assets	9,207	-	-	9,207	-
Other nonoperating expenses	43,795	-	-	43,795	42,055
Total nonoperating expenses	<u>140,651</u>	<u>-</u>	<u>-</u>	<u>140,651</u>	<u>166,225</u>
<b>NET NONOPERATING REVENUES</b>	<u>\$ 3,437,464</u>	<u>\$ 3,048,084</u>	<u>\$ -</u>	<u>\$ 6,485,548</u>	<u>\$ 6,576,070</u>
				(Exhibit 2A)	(Exhibit 2A)

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE D  
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2013  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2012)**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
<b>CURRENT</b>							
Unrestricted	\$ 213,695	\$ -	\$ -	\$ -	\$ 213,695	\$ 213,695	\$ -
Board designated	-	482,824	-	-	482,824	482,824	-
Restricted	-	383,310	-	-	383,310	-	383,310
Auxiliary enterprises	-	-	-	-	-	-	-
<b>LOAN</b>	-	-	-	-	-	-	-
<b>ENDOWMENT</b>							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
<b>PLANT</b>							
Unexpended	-	-	-	-	-	-	-
Renewals	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Investment in plant	-	-	-	11,535,927	11,535,927	-	11,535,927
Total net position, August 31, 2013	<u>213,695</u>	<u>866,134</u>	<u>-</u>	<u>11,535,927</u>	<u>12,615,756</u>	<u>696,519</u>	<u>11,919,237</u>
					(Exhibit 1A)		
Total net position, August 31, 2012	<u>594,025</u>	<u>880,475</u>	<u>-</u>	<u>11,482,158</u>	<u>12,956,658</u>	<u>1,077,581</u>	<u>11,879,077</u>
					(Exhibit 1A)		
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<u>\$ (380,330)</u>	<u>\$ (14,341)</u>	<u>\$ -</u>	<u>\$ 53,769</u>	<u>\$ (340,902)</u>	<u>\$ (381,062)</u>	<u>\$ 40,160</u>
					(Exhibit 2A)		

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2013**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass-Through Disbursements</u>
<b>U.S. Department of Education</b>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007	-	\$ 19,780
Federal Work Study Program	84.033	-	19,468
Federal Pell Grant Program	84.063	-	1,861,971
Federal Direct Student Loans	84.268	-	1,561,826
TEACH Grant	84.379	-	4,000
TRIO Cluster			
Title IV - TRIO	84.042	-	<u>204,300</u>
Total Direct Programs			<u>3,671,345</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	134202	<u>67,721</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>67,721</u>
<b>Total U.S. Department of Education</b>			<u>3,739,066</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 3,739,066</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

**BORGER JUNIOR COLLEGE DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**August 31, 2013**

**NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION**

Federal grants and contracts revenue - per Schedule A	\$ -
Nonoperating federal revenue from Schedule C	2,177,240
Federal Direct Student Loans	<u>1,561,826</u>
<b>Total federal revenues per Schedule of Expenditures of Federal Awards</b>	<b><u>\$ 3,739,066</u></b>

**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.

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
YEAR ENDED AUGUST 31, 2013**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Texas Grant	-	\$ 90,250
Work Study Awards	-	4,973
Texas Educational Opportunity Grant	-	<u>110,959</u>
Total Texas Higher Education Coordinating Board		<u>206,182</u>
Texas Comptroller's Office		
Direct Program:		
Top 10% Scholarship	-	2,000
Jobs and Education for Texans (Jet) Grant	-	<u>123,476</u>
Total Texas Comptroller's Office		<u>125,476</u>
<b>Total Expenditures of State of Texas Awards</b>		<u><u>\$ 331,658</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, 2013**

**NOTE 1 - STATE ASSISTANCE RECONCILIATION**

State grants and contracts revenue – per Schedule A Jobs and education for Texans (Jet) grant 5% match grant requirements	\$ 324,533 <u>7,125</u>
Total state expenditures per Schedule A expenditures of State of Texas Awards	<u>\$ 331,658</u>

**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 Borger Junior College District (the College) and its discretely presented component unit as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 18, 2013.

***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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***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.

*Connor, McMillon Mitchell & Sherman P.A.C.*

Amarillo, Texas  
November 18, 2013

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**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by OMB Circular A-133**

Board of Regents  
Borger Junior College District  
Borger, Texas

***Report on Compliance for Each Major Federal Program***

We have audited Borger Junior College District's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2013. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 Program***

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



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### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-001. Our opinion on each major federal 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 item 2013-001, which we consider to be a significant deficiency.

The College's response to the internal control over compliance finding 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.

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

*Connor McMillon Mitchell : Attorney at Law*

Amarillo, Texas  
November 18, 2013

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

**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      X   no
- Significant deficiency(ies) identified?                   yes      X   none reported
- Noncompliance material to financial statements noted?           yes      X   no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified?                           yes      X   no
- Significant deficiency(ies) identified?              X   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 Section 510(a) of Circular A-133?                      X   yes           no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<i>Federal Programs</i>	<i>Student Financial Aid Cluster</i>
84.007	U.S. Department of Education 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
84.379	TEACH Grant

Dollar threshold used to distinguish between Type A and Type B programs was:   \$ 300,000   Federal

Auditee qualified as a low-risk auditee?                      X   yes           no

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended August 31, 2013**

**SECTION II - Financial Statement Findings**

None

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

**Finding 2013-001**

*Program:* Student Financial Assistance Cluster

*Compliance Requirement:* Special Tests and Provisions

*Criteria:* Student status is to be reported to the National Student Loan Data System (NSLDS) in a timely and accurate manner.

*Condition:* One student dropped a class on September 17, 2012 causing their enrollment status to change from full time to half time. This change was not reported accurately to the NSLDS via the National Student Loan Clearinghouse (NSLC).

*Context:* In a sample of 21 student status changes, the status change of one student was not accurately reported.

*Questioned Cost:* N/A

*Cause:* When the College initially exports enrollment data to the NSLC for the semester the College is instructed to reinitialize the report to create a baseline record date. If a student makes changes to their schedule before the report is ran for the first time in the semester then the status is overwritten and manual corrections are required. The College failed to make the manual correction for this student.

*Effect:* The student's enrollment status affects eligibility for in-school status, deferment, and grace periods as well as the Department's payment of interest subsidies for loan holders.

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended August 31, 2013**

*Recommendation:* The College should ensure that the first report of the semester is generated at the beginning of the semester, properly reviewed and that all manual corrections are made.

*Views of Responsible Officials and Corrective Action Plan:* The College agrees with the recommendation and plans to generate the initial report on the official class day in order to create the correct baseline record date for reporting. The College will continue to review the report and make the proper manual corrections as necessary.



**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2013**

**Finding 2013-001**

*Condition:* One student dropped a class on September 17, 2012 causing their enrollment status to change from full time to half time. This change was not reported accurately to the NSLDS via the National Student Loan Clearinghouse (NSLC).

*Corrective Action Plan:* The College agrees with the recommendation and plans to generate the initial report on the official class day in order to create the correct baseline record date for reporting. The College will continue to review the report and make the proper manual corrections as necessary.

**BORGER JUNIOR COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended August 31, 2013**

N/A – There were no findings reported in the prior year.

**STATISTICAL SUPPLEMENT  
(Unaudited)**

**Borger Junior College District**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Fiscal Years 2004 to 2013**  
(unaudited)

	<b>For the Fiscal Year Ended August 31,</b>									
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Invested in capital assets, net of related debt	\$ 11,535,927	\$ 11,482,158	\$ 11,426,820	\$ 11,431,135	\$ 11,629,807	\$ 10,170,371	\$ 9,465,913	\$ 9,551,507	\$ 9,181,577	\$ 5,946,831
Restricted - expendable	866,134	880,475	690,876	699,154	921,165	794,065	752,267	673,511	674,000	702,494
Unrestricted	213,695	594,025	1,364,810	1,127,470	1,397,624	1,647,619	2,439,263	2,167,686	1,917,750	2,266,575
<b>Total primary government net position</b>	<b>\$ 12,615,756</b>	<b>\$ 12,956,658</b>	<b>\$ 13,482,506</b>	<b>\$ 13,257,759</b>	<b>\$ 13,948,596</b>	<b>\$ 12,612,055</b>	<b>\$ 12,657,443</b>	<b>\$ 12,392,704</b>	<b>\$ 11,773,327</b>	<b>\$ 8,915,900</b>

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

	For the Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>OPERATING REVENUES</b>										
Tuition and fees (net of discounts)	\$ 809,488	\$ 619,626	\$ 155,904	\$ 366,868	\$ 1,297,890	\$ 1,284,954	\$ 1,378,217	\$ 1,307,469	\$ 707,547	\$ 504,861
Governmental grants and contracts										
Federal grants and contracts	-	-	27,640	61,903	106,135	427,959	2,034,040	1,979,900	3,327,920	1,772,239
State grants and contracts	324,533	221,298	250,546	162,650	1,678,469	746,687	242,327	523,783	47,686	59,490
Local grants and revenues	497,850	466,171	500,454	411,309	473,320	386,272	350,931	365,713	390,498	229,311
Auxiliary enterprises	699,427	764,988	959,784	922,877	894,734	801,071	833,016	777,793	696,413	663,767
Other operating revenues	64,665	61,534	101,952	71,492	65,335	78,783	89,824	93,319	57,699	76,820
<b>Total operating revenues</b>	<b>2,395,963</b>	<b>2,133,617</b>	<b>1,996,280</b>	<b>1,997,099</b>	<b>4,515,883</b>	<b>3,725,726</b>	<b>4,928,355</b>	<b>5,047,977</b>	<b>5,227,763</b>	<b>3,306,488</b>
<b>NONOPERATING REVENUES</b>										
State appropriations	2,560,652	2,595,720	3,448,548	3,497,483	3,548,225	3,556,008	3,681,545	3,659,461	3,264,914	3,079,425
Ad valorem taxes	1,455,476	1,382,564	1,378,499	1,370,015	1,338,732	1,230,116	1,166,418	1,107,960	1,084,361	1,044,240
Federal revenue, nonoperating	2,177,240	2,148,755	2,726,219	2,716,379	1,755,556	1,599,178	-	-	-	-
Gifts	418,085	568,559	215,497	292,323	435,672	317,139	489,532	190,965	422,259	618,246
Investment income	14,746	23,282	24,353	21,084	36,146	100,293	161,782	138,245	59,396	39,696
Gain (loss) on disposal of fixed assets	(9,207)	23,415	246,005	(7,805)	(17,230)	(33,443)	-	-	-	-
Other nonoperating revenues (losses)	(43,795)	(42,055)	262,792	(468,571)	200,835	173,732	209,876	206,778	1,687,090	406,171
<b>Total nonoperating revenues</b>	<b>6,573,197</b>	<b>6,700,240</b>	<b>8,301,913</b>	<b>7,420,908</b>	<b>7,297,936</b>	<b>6,943,023</b>	<b>5,709,153</b>	<b>5,303,409</b>	<b>6,518,020</b>	<b>5,187,778</b>
<b>TOTAL REVENUES</b>	<b>\$ 8,969,160</b>	<b>\$ 8,833,857</b>	<b>\$ 10,298,193</b>	<b>\$ 9,418,007</b>	<b>\$ 11,813,819</b>	<b>\$ 10,668,749</b>	<b>\$ 10,637,508</b>	<b>\$ 10,351,386</b>	<b>\$ 11,745,783</b>	<b>\$ 8,494,266</b>

	For the Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>OPERATING REVENUES</b>										
Tuition and fees (net of discounts)	9.03%	7.01%	1.51%	3.90%	10.99%	12.04%	12.96%	12.63%	6.02%	5.94%
Governmental grants and contracts										
Federal grants and contracts	0.00%	0.00%	0.27%	0.66%	0.90%	4.01%	19.12%	19.13%	28.33%	20.86%
State grants and contracts	3.62%	2.51%	2.43%	1.73%	14.21%	7.00%	2.28%	5.06%	0.41%	0.70%
Local grants and contracts	5.55%	5.28%	4.86%	4.37%	4.01%	3.62%	3.30%	3.53%	3.32%	2.71%
Auxiliary enterprises	7.80%	8.66%	9.32%	9.80%	7.57%	7.51%	7.83%	7.51%	5.94%	7.82%
Other operating revenues	0.72%	0.70%	0.99%	0.76%	0.55%	0.74%	0.84%	0.91%	0.49%	0.90%
<b>Total operating revenues</b>	<b>26.71%</b>	<b>24.16%</b>	<b>19.38%</b>	<b>21.21%</b>	<b>38.23%</b>	<b>34.92%</b>	<b>46.33%</b>	<b>48.77%</b>	<b>44.51%</b>	<b>38.93%</b>
<b>NONOPERATING REVENUES</b>										
State appropriations	28.55%	29.38%	33.49%	37.14%	30.03%	33.33%	34.61%	35.35%	27.80%	36.25%
Ad valorem taxes	16.23%	15.65%	13.39%	14.55%	11.33%	11.53%	10.97%	10.70%	9.23%	12.29%
Federal revenue, nonoperating	24.27%	24.32%	26.47%	28.84%	14.86%	14.99%	0.00%	0.00%	0.00%	0.00%
Gifts	4.66%	6.44%	2.09%	3.10%	3.69%	2.97%	4.60%	1.84%	3.59%	7.28%
Investment income	0.16%	0.26%	0.24%	0.22%	0.31%	0.94%	1.52%	1.34%	0.51%	0.47%
Gain (loss) on disposal of fixed assets	-0.10%	0.27%	2.39%	-0.08%	-0.15%	-0.31%	0.00%	0.00%	0.00%	0.00%
Other nonoperating revenues	-0.49%	-0.48%	2.55%	-4.98%	1.70%	1.63%	1.96%	2.00%	14.36%	4.78%
<b>Total nonoperating revenues</b>	<b>73.29%</b>	<b>75.84%</b>	<b>80.62%</b>	<b>78.79%</b>	<b>61.77%</b>	<b>65.08%</b>	<b>53.66%</b>	<b>51.23%</b>	<b>55.49%</b>	<b>61.07%</b>
<b>TOTAL REVENUES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Borger Junior College District  
Statistical Supplement 3  
Program Expense by Function  
Fiscal Years 2004 to 2013  
(unaudited)**

For the Fiscal Year Ending August 31,										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>OPERATING EXPENSES</b>										
Instruction	\$ 4,094,642	\$ 3,986,808	\$ 3,716,540	\$ 3,470,225	\$ 3,627,995	\$ 3,912,721	\$ 3,907,856	\$ 3,706,467	\$ 3,413,388	\$ 3,107,430
Academic support	158,260	195,025	186,775	245,343	245,325	186,370	302,189	161,633	104,620	123,386
Student services	551,576	665,594	1,031,212	1,075,264	1,243,005	1,410,509	1,236,241	1,168,440	1,150,089	892,974
Institutional support	1,672,599	1,577,756	1,782,942	1,817,377	1,796,175	1,855,781	1,562,190	1,609,081	1,532,230	1,408,758
Operation and maintenance of plant	754,516	736,720	891,378	832,873	809,491	776,676	861,692	789,477	692,741	646,930
Scholarships and fellowships	145,464	132,499	99,268	128,161	149,017	144,065	171,937	91,987	65,261	55,174
Auxiliary enterprises	1,154,941	1,208,774	1,384,104	1,469,777	1,500,679	1,412,890	1,492,709	1,322,369	1,254,105	1,351,147
Depreciation	690,415	732,359	798,156	879,255	893,506	803,301	650,003	681,381	566,945	441,084
<b>Total operating expenses</b>	<b>9,222,413</b>	<b>9,235,535</b>	<b>9,890,375</b>	<b>9,918,275</b>	<b>10,265,193</b>	<b>10,502,313</b>	<b>10,184,817</b>	<b>9,530,835</b>	<b>8,779,379</b>	<b>8,026,883</b>
<b>NONOPERATING EXPENSES</b>										
Interest on capital-related debt	87,649	124,170	181,071	190,569	212,085	211,824	187,952	201,174	108,977	164,843
<b>Total nonoperating expenses</b>	<b>87,649</b>	<b>124,170</b>	<b>181,071</b>	<b>190,569</b>	<b>212,085</b>	<b>211,824</b>	<b>187,952</b>	<b>201,174</b>	<b>108,977</b>	<b>164,843</b>
<b>TOTAL EXPENSES</b>	<b>\$ 9,310,062</b>	<b>\$ 9,359,705</b>	<b>\$ 10,071,446</b>	<b>\$ 10,108,844</b>	<b>\$ 10,477,278</b>	<b>\$ 10,714,137</b>	<b>\$ 10,372,769</b>	<b>\$ 9,732,009</b>	<b>\$ 8,888,356</b>	<b>\$ 8,191,726</b>

For the Fiscal Year Ending August 31,										
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>OPERATING EXPENSES</b>										
Instruction	43.98%	42.60%	36.90%	34.33%	34.63%	36.52%	37.67%	38.09%	38.40%	37.93%
Academic support	1.70%	2.08%	1.85%	2.43%	2.34%	1.74%	2.91%	1.66%	1.18%	1.51%
Student services	5.92%	7.11%	10.24%	10.64%	11.86%	13.16%	11.92%	12.01%	12.94%	10.90%
Institutional support	17.97%	16.86%	17.70%	17.98%	17.14%	17.32%	15.06%	16.53%	17.24%	17.20%
Operation and maintenance of plant	8.10%	7.87%	8.85%	8.24%	7.73%	7.25%	8.31%	8.11%	7.79%	7.90%
Scholarships and fellowships	1.56%	1.42%	0.99%	1.27%	1.42%	1.34%	1.66%	0.95%	0.73%	0.68%
Auxiliary enterprises	12.41%	12.91%	13.74%	14.54%	14.32%	13.19%	14.39%	13.58%	14.11%	16.49%
Depreciation	7.42%	7.82%	7.92%	8.70%	8.53%	7.50%	6.27%	7.00%	6.38%	5.38%
<b>Total operating expenses</b>	<b>99.06%</b>	<b>98.66%</b>	<b>98.20%</b>	<b>98.11%</b>	<b>97.98%</b>	<b>98.02%</b>	<b>98.19%</b>	<b>97.93%</b>	<b>98.77%</b>	<b>97.99%</b>
<b>NONOPERATING EXPENSES</b>										
Interest on capital related debt	0.94%	1.34%	1.80%	1.89%	2.02%	1.98%	1.81%	2.07%	1.23%	2.01%
<b>Total nonoperating expenses</b>	<b>0.94%</b>	<b>1.34%</b>	<b>1.80%</b>	<b>1.89%</b>	<b>2.02%</b>	<b>1.98%</b>	<b>1.81%</b>	<b>2.07%</b>	<b>1.23%</b>	<b>2.01%</b>
<b>TOTAL EXPENSES</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**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		
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	0.0%	0.0%		
2008	18	32	53	36	8	965	1,217	4.4%	3.5%		
2007	13	32	53	36	5	924	1,176	6.9%	5.4%		
2006	13	30	51	33	5	864	1,116	9.1%	9.4%		
2005	13	27	46	30	5	792	1,020	11.2%	11.4%		
2004	10	24	41	27	5	712	916	0.0%	0.0%		
2003	10	24	41	27	5	712	916	23.0%	31.0%		

Academic Year (Fall)	Registration Fee (per student)	Non-Resident: Fees per semester credit hour (SCH)									
		Non-resident Tuition Out-of-State	Non-resident Tuition International	General Use Fees	Student Service Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International		
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	0.0%	0.0%		
2008	18	60	60	36	8	1,301	1,301	3.3%	3.3%		
2007	13	60	60	36	5	1,260	1,260	5.0%	5.0%		
2006	13	58	58	33	5	1,200	1,200	8.7%	8.7%		
2005	13	53	53	30	5	1,104	1,104	10.4%	10.4%		
2004	10	48	48	27	5	1,000	1,000	0.0%	0.0%		
2003	10	48	48	27	5	1,000	1,000	27.7%	27.7%		

**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)
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
2009-10	795,586,800	166,208,910	629,377,890	79.11%	0.22000	0.00	0.22000
2008-09	787,849,110	163,212,880	624,636,230	79.28%	0.22000	0.00	0.22000
2007-08	757,259,280	150,817,020	606,442,260	80.08%	0.22000	0.00	0.22000
2006-07	687,281,080	136,332,120	550,948,960	80.16%	0.22000	0.00	0.22000
2005-06	654,871,900	131,089,630	523,782,270	79.98%	0.22000	0.00	0.22000
2004-05	627,100,050	131,144,980	495,955,070	79.09%	0.22000	0.00	0.22000
2003-04	614,817,220	131,389,740	483,427,480	78.63%	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
2012-13	\$ 2,015,171	1,191	\$ 1,692	318,034	225,676	543,710	\$ 3.71
2011-12	2,062,851	1,041	1,982	296,768	196,772	493,540	4.18
2010-11	2,632,570	1,247	2,111	373,890	212,096	585,986	4.49
2009-10	2,663,017	1,171	2,274	386,752	210,188	596,940	4.46
2008-09	2,715,708	1,290	2,105	394,256	203,946	598,202	4.54
2007-08	2,715,709	1,356	2,003	394,288	297,919	692,207	3.92
2006-07	2,862,550	1,365	2,097	403,616	339,563	743,179	3.85
2005-06	2,862,542	1,217	2,352	402,032	312,285	714,317	4.01
2004-05	2,494,568	1,393	1,791	441,744	327,181	768,925	3.24
2003-04	2,494,608	1,148	2,173	373,112	371,108	744,220	3.35

**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	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Agrium U.S. Inc	Chemical	\$ 45,416,180	\$ 41,737,380	\$ 43,937,070	\$ 41,530,310	\$ 43,181,610	\$ 39,247,400	\$ 39,318,290	\$ 42,472,080	\$ 41,119,660	\$ 42,211,020
DCP Midstream (Duke Energy)	Energy	39,822,240	37,504,430	37,699,430	36,382,340	36,918,040	28,957,650	24,882,220	21,860,750	20,755,310	21,751,290
Southwestern Public Service	Utility	13,100,650	11,716,510	11,716,510	9,750,130	9,624,230	9,757,440	10,989,850	11,354,680	11,750,330	12,766,790
Traditions Oil & Gas	Energy	7,451,240	-	-	-	-	-	-	-	-	-
Turner Energy Services	Energy	6,748,650	-	-	-	3,322,570	3,902,700	-	-	-	-
R&M Energy	Energy	6,656,150	5,152,270	7,289,250	5,467,130	5,309,450	5,126,340	5,006,900	4,546,370	4,057,460	5,594,620
Pahandle Northern Railroad Co	Transportation	5,783,480	3,014,400	3,014,400	-	-	-	-	-	-	-
Amarillo National Bank	Financial Service	4,917,890	4,900,050	4,900,050	4,866,760	4,880,680	4,917,130	4,924,060	4,928,200	4,971,690	4,993,620
Linn Energy Holding	Energy	4,876,240	6,582,760	6,582,760	9,195,910	6,326,340	4,588,730	3,328,880	-	-	-
Cody Company	Energy	4,325,560	-	-	3,020,030	-	4,092,690	2,893,430	1,941,690	-	-
Vaibac Inc	Energy	3,892,350	3,111,650	3,111,650	-	-	-	-	-	-	-
Mercuria Energy Trading	Energy	3,836,680	-	-	-	-	-	-	-	-	-
Rice Construction Company	Construction	3,716,850	-	-	-	-	-	-	-	-	-
Phillips 66 (Conoco/Phillips)	Energy	3,526,530	5,079,630	5,079,630	5,851,020	6,078,150	6,839,450	6,285,950	9,040,280	8,991,880	8,778,130
Raymac Energy	Energy	3,483,750	3,459,670	3,459,670	3,459,670	3,459,670	3,613,220	4,552,810	-	-	-
SNW Operating	Energy	-	-	-	3,480,160	3,440,910	4,505,670	3,378,650	2,235,990	-	-
Praefectus LLC	Energy	-	-	-	-	3,249,880	-	-	-	-	-
Pantera Energy	Energy	-	-	-	-	-	4,048,440	4,079,380	-	-	-
OHM Operating	Energy	-	-	-	-	-	-	5,972,210	4,379,830	3,618,640	3,485,730
Air Liquide American	Industrial	-	-	-	-	-	-	2,368,380	2,119,290	-	-
Spradling Oil	Energy	-	-	-	-	-	-	2,124,480	2,022,220	-	-
Golden Plains Community Hospital	Health Care	-	3,592,890	3,592,890	3,575,110	3,622,200	3,664,260	-	-	-	-
WO Operating Company	Energy	-	3,398,870	3,398,870	9,335,600	12,359,530	10,700,990	-	-	-	-
Southwestern Bell Telephone	Utility	-	3,360,770	3,360,770	3,857,130	4,424,560	4,786,960	5,487,850	5,423,950	5,183,100	6,031,620
Walmart Stores of Texas	Retail	-	3,342,150	3,342,150	3,270,120	3,435,550	3,361,770	4,916,270	4,481,909	4,506,680	4,474,120
Laqacy Reserves Operating LP	Energy	-	2,928,630	2,928,630	3,543,200	-	4,950,690	-	-	-	-
<b>Totals</b>		<b>\$ 157,554,440</b>	<b>\$ 138,862,060</b>	<b>\$ 143,413,730</b>	<b>\$ 146,584,620</b>	<b>\$ 149,633,370</b>	<b>\$ 150,081,560</b>	<b>\$ 130,509,610</b>	<b>\$ 116,807,239</b>	<b>\$ 104,954,750</b>	<b>\$ 110,086,940</b>
<b>Total Taxable Value</b>		<b>\$ 675,266,450</b>	<b>\$ 660,062,210</b>	<b>\$ 615,103,910</b>	<b>\$ 629,377,890</b>	<b>\$ 624,636,230</b>	<b>\$ 606,442,260</b>	<b>\$ 550,948,960</b>	<b>\$ 523,782,270</b>	<b>\$ 495,955,070</b>	<b>\$ 483,427,480</b>

% of Taxable Assessed Value (TAV) by Tax Year											
Taxpayer	Type of Business	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Agrium U.S. Inc	Chemical	6.73%	6.32%	7.14%	6.60%	6.91%	6.47%	7.14%	8.11%	8.29%	8.73%
DCP Midstream (Duke Energy)	Energy	5.90%	5.68%	6.13%	5.78%	5.91%	4.78%	4.52%	4.17%	4.18%	4.50%
Southwestern Public Service	Utility	1.94%	1.78%	1.90%	1.55%	1.54%	1.61%	1.99%	2.17%	2.37%	2.64%
Traditions Oil & Gas	Energy	1.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Turner Energy Services	Energy	1.00%	0.00%	0.00%	0.00%	0.53%	0.64%	0.00%	0.00%	0.00%	0.00%
R&M Energy	Energy	0.99%	0.78%	1.19%	0.87%	0.85%	0.85%	0.91%	0.87%	0.82%	1.16%
Pahandle Northern Railroad Co	Transportation	0.86%	0.46%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Amarillo National Bank	Financial Service	0.73%	0.74%	0.80%	0.77%	0.78%	0.81%	0.89%	0.94%	1.00%	1.03%
Linn Energy Holding	Energy	0.72%	1.00%	1.07%	1.46%	1.01%	0.76%	0.60%	0.00%	0.00%	0.00%
Cody Company	Energy	0.64%	0.00%	0.00%	0.48%	0.00%	0.67%	0.53%	0.37%	0.00%	0.00%
Vaibac Inc	Energy	0.58%	0.47%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Mercuria Energy Trading	Energy	0.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rice Construction Company	Construction	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phillips 66 (Conoco/Phillips)	Energy	0.52%	0.77%	0.83%	0.93%	0.97%	1.13%	1.14%	1.73%	1.81%	1.82%
Raymac Energy	Energy	0.52%	0.52%	0.56%	0.55%	0.55%	0.60%	0.83%	0.00%	0.00%	0.00%
SNW Operating	Energy	0.00%	0.00%	0.00%	0.55%	0.55%	0.74%	0.61%	0.43%	0.00%	0.00%
Praefectus LLC	Energy	0.00%	0.00%	0.00%	0.00%	0.52%	0.50%	0.00%	0.00%	0.00%	0.00%
Pantera Energy	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.67%	0.74%	0.00%	0.00%	0.00%
OHM Operating	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%	0.84%	0.73%	0.72%
Air Liquide American	Industrial	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	0.40%	0.00%	0.00%
Spradling Oil	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.39%	0.39%	0.00%	0.00%
Golden Plains Community Hospital	Health Care	0.00%	0.54%	0.58%	0.57%	0.58%	0.60%	0.00%	0.00%	0.00%	0.00%
WO Operating Company	Energy	0.00%	0.51%	0.55%	1.48%	1.98%	1.76%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.51%	0.55%	0.61%	0.71%	0.79%	1.00%	1.04%	1.05%	1.25%
Walmart Stores of Texas	Retail	0.00%	0.51%	0.54%	0.52%	0.55%	0.55%	0.89%	0.86%	0.91%	0.93%
Laqacy Reserves Operating LP	Energy	0.00%	0.44%	0.48%	0.56%	0.00%	0.82%	0.00%	0.00%	0.00%	0.00%
<b>Totals</b>		<b>23.32%</b>	<b>21.03%</b>	<b>23.32%</b>	<b>23.28%</b>	<b>23.94%</b>	<b>24.75%</b>	<b>23.69%</b>	<b>22.32%</b>	<b>21.16%</b>	<b>22.78%</b>

Source: Local County Appraisal District

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

<b>Fiscal Year Ended August 31</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections - Year of Levy (c)</b>	<b>Percentage</b>	<b>Prior Collections of Prior Levies (d)</b>	<b>Current Collections of Prior Levies (e)</b>	<b>Total Collections (c+d+e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
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%
2010	1,374,000	-	1,374,000	1,322,861	96.28%	-	29,286	1,352,147	98.41%
2009	1,334,000	-	1,334,000	1,292,079	96.86%	-	19,479	1,311,558	98.32%
2008	1,212,000	-	1,212,000	1,175,903	97.02%	-	24,783	1,200,686	99.07%
2007	1,152,000	-	1,152,000	1,120,605	97.27%	-	40,872	1,161,477	100.82%
2006	1,091,000	-	1,091,000	1,049,828	96.23%	-	28,824	1,078,652	98.87%
2005	1,072,000	-	1,072,000	1,026,207	95.73%	-	45,623	1,071,830	99.98%
2004	1,044,000	-	1,044,000	1,012,404	96.97%	-	31,706	1,044,110	100.01%

**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									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General bonded debt:</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
<b>Net general bonded debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other debt:</b>										
Revenue bonds	1,485,000	1,650,000	1,755,000	1,885,000	2,005,000	2,120,000	2,230,000	2,352,000	2,469,000	2,581,000
Notes	730,452	865,405	1,153,836	1,592,644	1,969,355	2,300,550	2,665,720	1,379,696	1,573,943	645,788
Capital leases obligations	-	-	-	147,533	216,132	281,500	351,750	-	-	-
<b>Total outstanding debt</b>	<b>\$ 2,215,452</b>	<b>\$ 2,515,405</b>	<b>\$ 2,908,836</b>	<b>\$ 3,625,177</b>	<b>\$ 4,190,487</b>	<b>\$ 4,702,050</b>	<b>\$ 5,247,470</b>	<b>\$ 3,731,696</b>	<b>\$ 4,042,943</b>	<b>\$ 3,226,788</b>
<b>General Bonded Debt Ratios:</b>										
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
<b>Total outstanding debt ratios:</b>										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$ 281	\$ 283	\$ 226
Per FTSE	\$ 1,860	\$ 2,416	\$ 2,333	\$ 3,096	\$ 3,248	\$ 3,645	\$ 3,844	\$ 3,066	\$ 2,902	\$ 2,811
As a percentage of taxable assessed value	0.33%	0.38%	0.47%	0.58%	0.67%	0.78%	0.95%	0.71%	0.82%	0.67%

**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)**

	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
<b>Total assessed value</b>	\$ 675,266,450	\$ 660,062,210	\$ 615,103,910	\$ 629,377,890	\$ 624,636,230	\$ 606,442,260	\$ 550,948,960	\$ 523,782,270	\$ 495,955,070	\$ 483,427,480
<b>General obligation bonds:</b>										
Statutory taxable limit for debt service	\$ 3,376,332	\$ 3,300,311	\$ 3,075,520	\$ 3,146,889	\$ 3,123,181	\$ 3,032,211	\$ 2,754,745	\$ 2,618,911	\$ 2,479,775	\$ 2,417,137
Less: Funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	3,376,332	3,300,311	3,075,520	3,146,889	3,123,181	3,032,211	2,754,745	2,618,911	2,479,775	2,417,137
Current year debt service requirements	107,568	134,953	320,874	482,296	670,565	704,973	458,528	234,197	236,653	111,787
<b>Excess of statutory limit for debt service over current requirements</b>	\$ 3,268,764	\$ 3,165,358	\$ 2,754,646	\$ 2,664,593	\$ 2,452,616	\$ 2,327,238	\$ 2,296,217	\$ 2,384,714	\$ 2,243,122	\$ 2,305,350
<b>Net current requirements as a % of statutory limit</b>	3.19%	4.09%	10.43%	15.33%	21.47%	23.25%	16.65%	8.94%	9.54%	4.62%

**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
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
2010	39,697	-	-	316,750	-	-	-	-	-	356,447	120,000	98,982	218,982	1.63
2009	40,417	-	-	319,787	-	-	-	-	-	360,204	115,000	105,998	220,998	1.63
2008	42,015	-	-	332,813	-	-	-	-	-	374,828	110,000	112,708	222,708	1.68
2007	43,260	-	-	336,450	-	-	-	-	-	379,710	122,000	119,622	241,622	1.57
2006	38,842	-	-	321,275	-	-	-	-	-	360,117	117,000	126,232	243,232	1.48
2005	47,482	-	-	351,475	-	-	-	-	-	398,957	112,000	132,537	244,537	1.63
2004	39,503	-	-	318,000	-	-	-	-	-	357,503	106,000	138,507	244,507	1.46

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 Seven 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.

<b>Calendar Year</b>	<b>City of Borger Population</b>	<b>City of Borger Personal Income</b>	<b>City of Borger Personal Income Per Capita</b>	<b>City of Borger Unemployment Rate</b>
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%
2009	12,655	266,995,190	21,098	7.0%
2008	12,901	246,138,179	19,079	7.0%
2007	13,305	229,258,455	17,231	4.0%
2006	13,262	223,716,678	16,869	4.1%

**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**

<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment</b>
Phillips 66 (Conoco Phillips Refinery)	1,030	INA
Borger ISD	492	INA
Chevron Phillips Chemical Co.	352	INA
Austin Industrial	255	INA
H.B. Zachary	250	INA
Golden Plains Community Hospital	210	INA
Wal-Mart	153	INA
United Supermarket	126	INA
Sid Richardson	115	INA
<b>Total</b>	<b>INA</b>	<b>INA</b>

**Ten Years Prior**

<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment</b>
Conoco Phillips Refinery	INA	INA
Borger ISD	INA	INA
Chevron Phillips Chemical Co.	INA	INA
Austin Industrial	INA	INA
H.B. Zachary	INA	INA
Golden Plains Community Hospital	INA	INA
Wal-Mart	INA	INA
United Supermarket	INA	INA
Sid Richardson	INA	INA
<b>Total</b>	<b>INA</b>	<b>INA</b>

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)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Faculty</b>										
Full-time	30	30	28	26	30	30	30	31	32	33
Part-time	43	55	45	60	81	84	82	81	73	69
Total	73	85	73	86	111	114	112	112	105	102
<b>Percent</b>										
Full-time	41.1%	35.3%	38.4%	30.2%	27.0%	26.3%	26.8%	27.7%	30.5%	32.4%
Part-time	58.9%	64.7%	61.6%	69.8%	73.0%	73.7%	73.2%	72.3%	69.5%	67.6%
<b>Staff and Administrators</b>										
Full-time	59	58	66	70	73	66	77	70	76	72
Part-time	9	9	10	10	10	12	18	16	6	3
Total	68	67	76	80	83	78	95	86	82	75
<b>Percent</b>										
Full-time	86.8%	86.6%	86.8%	87.5%	88.0%	84.6%	81.1%	81.4%	92.7%	96.0%
Part-time	13.2%	13.4%	13.2%	12.5%	12.0%	15.4%	18.9%	18.6%	7.3%	4.0%
<b>FTSE per full-time faculty</b>	42	42	45	45	43	45	46	39	44	35
<b>FTSE per full-time staff member</b>	21	22	19	17	18	21	18	17	18	16
<b>Average annual faculty salary</b>	\$ 37,536	\$ 37,710	\$ 40,203	\$ 36,000	\$ 32,494	\$ 37,722	\$ 36,579	\$ 35,558	\$ 35,534	\$ 35,413

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

Student Classification	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	1,011	84.89%	755	72.53%	843	67.60%	931	79.50%	909	70.47%	911	67.18%	1,150	84.25%	830	68.20%	963	69.13%	773	67.33%
31-60 hours	129	10.83%	226	21.71%	270	21.65%	201	17.16%	242	18.76%	275	20.28%	185	13.55%	273	22.43%	274	19.67%	257	22.39%
> 60 hours	51	4.28%	60	5.76%	134	10.75%	39	3.33%	139	10.78%	170	12.54%	30	2.20%	114	9.37%	156	11.20%	118	10.28%
<b>Total</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>1,148</b>	<b>100.00%</b>

Semester Hour Load	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	3	0.25%	2	0.19%	2	0.16%	-	0.00%	19	1.47%	44	3.24%	86	6.30%	1	0.08%	96	6.89%	6	0.52%
3-5 semester hours	243	20.40%	214	20.56%	258	20.69%	226	19.30%	305	23.64%	268	19.76%	264	19.34%	281	23.09%	261	18.74%	191	16.64%
6-8 semester hours	238	19.98%	184	17.68%	207	16.60%	250	21.35%	261	20.23%	300	22.12%	301	22.05%	249	20.46%	306	21.97%	277	24.13%
9-11 semester hours	159	13.35%	118	11.34%	94	7.54%	135	11.53%	120	9.30%	138	10.18%	136	9.96%	118	9.70%	119	8.54%	108	9.41%
12-14 semester hours	337	28.30%	296	28.43%	381	30.55%	359	30.66%	288	22.33%	312	23.01%	318	23.30%	301	24.73%	306	21.97%	265	23.08%
15-17 semester hours	176	14.78%	203	19.50%	268	21.49%	176	15.03%	218	16.90%	219	16.15%	184	13.48%	187	15.37%	209	15.00%	210	18.29%
18 and over	35	2.94%	24	2.31%	37	2.97%	25	2.14%	79	6.13%	75	5.54%	76	5.57%	80	6.57%	96	6.89%	91	7.93%
<b>Total</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>1,148</b>	<b>100.00%</b>

Average course load                      10                      10                      10                      10                      11                      11                      10                      11                      10                      10

Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas resident (In-District)	399	33.50%	342	32.85%	390	31.28%	399	34.07%	389	30.16%	359	26.47%	482	35.31%	428	35.17%	555	39.84%	429	37.37%
Texas resident (Out-of-state)	763	64.06%	648	62.25%	750	60.14%	709	60.55%	786	60.93%	923	68.07%	814	59.63%	709	58.26%	758	54.41%	629	54.79%
Non-resident tuition	29	2.43%	51	4.90%	107	8.58%	63	5.38%	115	8.91%	74	5.46%	69	5.05%	80	6.57%	80	5.74%	90	7.84%
<b>Total</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>1,148</b>	<b>100.00%</b>

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

Gender	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	681	57.18%	603	57.93%	679	54.45%	653	55.76%	727	56.36%	759	55.97%	786	57.58%	711	58.42%	835	59.94%	680	59.23%
Male	510	42.82%	438	42.07%	568	45.55%	518	44.24%	563	43.64%	597	44.03%	579	42.42%	506	41.58%	558	40.06%	468	40.77%
<b>Total</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>1,148</b>	<b>100.00%</b>

Ethnic Origin	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	708	59.45%	663	63.69%	843	67.60%	802	68.49%	877	67.98%	1,036	76.40%	1,031	75.52%	965	79.29%	1,083	77.75%	895	77.96%
Hispanic	264	22.17%	250	24.02%	274	21.97%	267	22.80%	294	22.79%	239	17.63%	282	20.66%	195	16.02%	238	17.09%	165	14.37%
African American	41	3.44%	45	4.32%	82	6.58%	52	4.44%	59	4.57%	40	2.95%	30	2.20%	28	2.30%	38	2.73%	46	4.01%
Asian	5	0.42%	5	0.48%	7	0.56%	7	0.60%	5	0.39%	3	0.22%	2	0.15%	4	0.33%	5	0.36%	4	0.35%
Foreign	11	0.92%	23	2.21%	12	0.96%	6	0.51%	22	1.71%	30	2.21%	9	0.66%	16	1.31%	18	1.29%	14	1.22%
Native American	23	1.93%	17	1.63%	18	1.44%	25	2.13%	32	2.48%	7	0.52%	11	0.81%	6	0.49%	11	0.79%	10	0.87%
Other	139	11.67%	38	3.65%	11	0.89%	12	1.02%	1	0.08%	1	0.07%	-	0.00%	3	0.25%	-	0.00%	14	1.22%
<b>Total</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>1,148</b>	<b>100.00%</b>

Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	315	26.45%	255	24.50%	241	19.33%	327	27.92%	312	24.19%	332	24.48%	398	29.16%	312	25.64%	280	20.10%	187	16.29%
18-21	530	44.50%	481	46.21%	666	53.41%	521	44.49%	641	49.69%	609	44.91%	522	38.24%	538	44.21%	593	42.57%	547	47.65%
22-24	81	6.80%	85	8.17%	87	6.98%	70	5.98%	92	7.13%	105	7.74%	85	6.23%	83	6.82%	110	7.90%	92	8.01%
25-35	182	15.28%	142	13.64%	162	12.99%	163	13.92%	149	11.55%	167	12.32%	181	13.26%	179	14.71%	224	16.08%	192	16.72%
36-50	68	5.71%	64	6.15%	74	5.93%	69	5.89%	76	5.89%	114	8.41%	134	9.82%	91	7.48%	146	10.48%	112	9.76%
51 & over	15	1.26%	14	1.34%	17	1.36%	21	1.79%	20	1.55%	29	2.14%	45	3.30%	14	1.15%	40	2.87%	18	1.57%
<b>Total</b>	<b>1,191</b>	<b>100.00%</b>	<b>1,041</b>	<b>100.00%</b>	<b>1,247</b>	<b>100.00%</b>	<b>1,171</b>	<b>100.00%</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,356</b>	<b>100.00%</b>	<b>1,365</b>	<b>100.00%</b>	<b>1,217</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>1,148</b>	<b>100.00%</b>
Average age	22		22		22		22		22		23		22		21		23		21	

**Borger Junior College District**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2011-2012 Fall Students as of Fall 2012**  
(unaudited)  
(Includes only public senior colleges in Texas)

<b>Rank</b>	<b>Texas Public Senior College</b>	<b>Transfer Student Count Academic</b>	<b>Transfer Student Count Technical</b>	<b>Transfer Student Count Tech-Prep</b>	<b>Total of All Transfer Students</b>	<b>% of All Transfer Students</b>
1	West Texas A&M University	76	1	-	77	54.6%
2	Texas Tech University	30	1	-	31	22.0%
3	Texas A&M University	10	1	-	11	7.8%
4	Tarleton State University	9	1	-	10	7.1%
5	Midwestern State University	3	-	-	3	2.1%
6	Texas State University	3	-	-	3	2.1%
7	The University of Texas at Austin	2	-	-	2	1.4%
8	The University of North Texas	2	-	-	2	1.4%
9	The University of Texas at Arlington	1	-	-	1	0.7%
10	The University of Texas of the Permian Basin	1	-	-	1	0.7%
<b>Totals</b>		<b>137</b>	<b>4</b>	<b>-</b>	<b>141</b>	<b>100.00%</b>

**Source:** Automated Student and Adult Learner Follow-up Report - Coordinating Board

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Academic buildings</b>	7	7	7	8	8	7	7	7	6	4
Square footage	162,980	162,980	162,980	177,546	177,546	162,546	162,546	162,546	137,546	105,546
<b>Library</b>	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
<b>Administrative and support buildings</b>	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
<b>Dormitories</b>	3	3	3	3	3	3	3	3	3	2
Square footage	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	44,640
Number of beds	246	246	246	246	246	246	246	246	246	200
<b>Apartments</b>	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
<b>Dining facilities</b>	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	190	190	190	170
<b>Athletic facilities</b>										
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
<b>Plant facilities</b>	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
<b>Transportation</b>										
Cars	10	10	9	8	8	8	8	8	8	8
Light trucks	5	6	6	6	6	5	5	6	6	6
Buses	3	3	3	3	3	3	3	2	2	2