

ANGELINA COUNTY
JUNIOR COLLEGE DISTRICT

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
August 31, 2012



PREPARED BY:

BUSINESS SERVICES DEPARTMENT

ANGELINA COLLEGE
LUFKIN, TEXAS

ANGELINA COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**Angelina County
Junior College District**

INTRODUCTORY SECTION

**Comprehensive Annual
Financial Report**



Angelina College

P.O. Box 1768, Lufkin, Texas 75902-1768 • 936/639-1301 • Fax 936/639/4299 •
www.angelina.edu

December 12, 2012

To the Taxpayers of Angelina County, the Citizens of Angelina College Service Area, the Members of the Board of Trustees and the President:

We are pleased to present the following comprehensive annual financial report (CAFR) of Angelina County Junior College District (the College) for the fiscal year ended August 31, 2012. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The CAFR is organized into four sections: introductory, financial, statistical, and single audit. The introductory section includes the transmittal letter and organizational data. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A), the basic financial statements and supplemental financial information. The MD&A is designed to provide a narrative overview and analysis of the financial activities of the College and should be read in conjunction with the transmittal letter. The statistical section includes unaudited financial and demographic information.

The financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and follow any applicable Government Accounting Standards Board (GASB) and Financial Accounting Standards Board (FASB) pronouncements issued before December 1, 1989. The independent accounting firm of Axley & Rode, LLP conducted the audit of the financial statements and related notes in conformance with U.S. generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and state statutes. The independent auditors' report on MD&A, the basic financial statements, and other supplemental financial information is included within the financial section of this report. The independent auditors' report issued in accordance with *Government Auditing Standards* is in the single audit section of this report.

As a recipient of federal and state awards, the audit was also designed to meet any requirements set forth by the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State of Texas Single Audit Circular. The College is responsible for maintaining adequate internal control over compliance with applicable laws and regulations related to these programs. The auditor evaluated the adequacy of the internal controls, as well as adherence to applicable laws, and determined that there were no material weaknesses in internal control or any significant violations of applicable laws and regulations. The report can be found within the single audit section of this report.

PROFILE OF DISTRICT

Angelina County Junior College District was established as a public community college under the laws of the State of Texas by election on September 24, 1966. It is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the following degrees: Associate in Arts, Associate in Science, and Associate in Applied Science. The College's seven educational divisions (Business, Community Services, Fine Arts, Health Careers, Liberal Arts, Science & Mathematics, and Technology & Workforce) offer over 65 different areas of study. Course work includes not only credit-type courses, but also certificate programs in multiple areas to provide for the educational needs of the local communities.

The College is governed by a seven member, locally elected Board of Trustees and services 12 counties in East Texas encompassing over 10,200 square miles. The service area, as defined by the Texas Legislature, includes all of Angelina, Houston, Nacogdoches, Polk, Sabine, San Augustine, Trinity and Tyler counties; and parts of Cherokee (Wells and Alto ISDs), Newton (Burkeville, Brookeland and Newton ISDs), Jasper (Colmesneil, Brookeland and Jasper ISDs), and San Jacinto counties (Shepard and Coldspring-Oakhurst Consolidated ISDs).

The College's main campus is located on 200 wooded acres in Lufkin, Texas. Classes are also offered at various off-campus teaching centers including the Career and Technical Center in Crockett, the Jasper Higher Education & Technology Center, the Nacogdoches Center, the Sabine Center in Pineland, and several area high schools. The student body is comprised of over 5,800 credit students and 5,000 community service students mostly originating from the surrounding counties. In addition to instructional programs, the College has multiple opportunities for students to become involved in college life experiences through 25 student clubs and organizations, fine arts activities, and intercollegiate athletic programs.

MISSION AND GOALS

The mission of Angelina College is "to provide quality educational opportunities and services to aid students in reaching their full potential".

This mission is exemplified by these seven goals as stated in our college catalog:

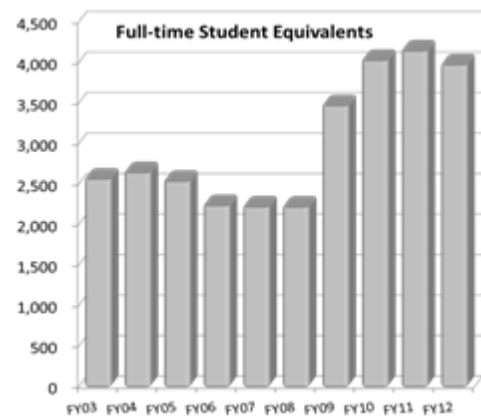
- *GOAL I - ACCESS:* Angelina College will promote, deliver, and expand educational opportunities and services. The College will provide physical, economic, and academic opportunities for post-secondary education and lifelong learning.
- *GOAL II - QUALITY INSTRUCTIONAL OUTCOMES:* Angelina College will emphasize quality instruction, rate of students transferring to four-year institutions, degree and certificate completion, job placement, and personal growth through value added to student lives.
- *GOAL III – PARTNERSHIPS, QUALITY OF LIFE:* Angelina College will build community partnerships that improve economic development, promote educational opportunities through articulation with other educational institutions, and improve the quality of life for the residents of East Texas.
- *GOAL IV – LEARNING ENVIRONMENT:* Angelina College will maintain a learning environment designed to enhance intellectual, social, and physical development.

- *GOAL V - RESOURCE MANAGEMENT:* Resources and fiscal matters of Angelina College will be managed in a sound and prudent manner while enhancing educational offerings and the physical environment to meet student and community needs.
- *GOAL VI - PERSONNEL LEADERSHIP:* Angelina College will provide leadership for our service area through a diverse, competent, dedicated faculty and staff who reflect the educational expectations of our community.
- *GOAL VII - IMAGE:* Angelina College will project a positive image to its students and the community.

FINANCIAL CONDITION

While the population of the College’s service area has grown slightly over the last ten years, the full-time student equivalent enrollment has grown dramatically by almost 55%. Public two-year community colleges throughout the state of Texas have also experienced similar growth patterns. Our enrollment is expected to continue to increase, but at a slower pace, as students continue to take advantage of the low cost but high quality education of community colleges.

Another major source of revenue for the College is property taxes. Although other parts of the country have experienced significant decreases in property values, the values in Angelina County have remained relatively stable and it is anticipated that the values will continue to remain stable in the upcoming years.



One of the challenges community colleges are facing is being able to meet growing educational demands under the continued pressure of reduced state funding. Cost saving measures, additional tuition (student growth or increased tuition rates) and increased property tax revenue have enabled the College to balance these demands against decreases in state appropriations but it is a growing concern which may impact future budgets and educational programs.

LONG-TERM PLANNING

The Board’s long-range planning committee provides leadership and guidance in developing the College’s long-term goals and strategic plans. The committee reviews educational programs, student activities, fiscal needs, and facilities to meet the future needs of the College and community. Current goals are outlined in the committee’s “2020 Vision” plan for the College.

The College also has a multi-year renewal and replacement plan which addresses new construction projects and facility renovations to ensure the long term viability of the College’s facilities. The plan covers a three year period of anticipated projects and expenditures. Projects completed this year include the building of a central pedestrian “mall”, renovation of the Central Facilities Building, renovation of the Liberal Arts Building, and replacement of the south parking

lot. Upcoming projects include the reconfiguration of the Administration Building and replacement of the horseshoe parking lot which will be funded by a combination of remaining bond proceeds and building fund transfers.

BUDGETARY PROCESS

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. Program needs are balanced against available resources in preparing the budget to ensure that the College remains fiscally sound and stable. The budget is subsequently reviewed and approved by the College's Board of Trustees. During the year, the financial impact of College expenditures is monitored through a system of budget controls to adhere to legal provisions embodied in the annual appropriated budget and to maintain a balanced budget.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Angelina County Junior College District for its comprehensive annual financial report (CAFR) for the fiscal year ended August 31, 2011. This was the first year that the College has achieved this prestigious award.

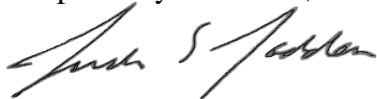
We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

We would like to express our appreciation to the staff of the business office for their hard work in preparing this report and to the accounting firm of Axley & Rode, LLP for their timely completion of the audit.

We would also like to thank the College President and Board of Trustees for providing their outstanding leadership and vision for the College.

Respectfully submitted,



Joseph E. Madden
Vice President of Business Services



Michaelyn Greene
Controllor



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Angelina County
Junior College District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
August 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



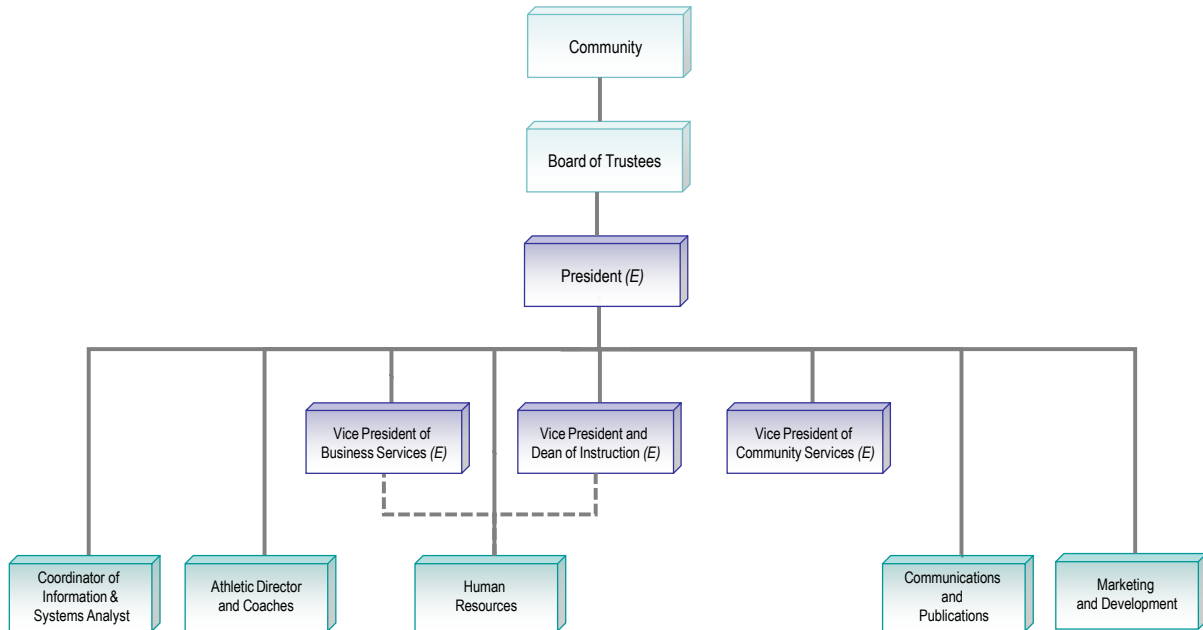
Christopher P. Mouill

President

Jeffrey R. Enzi

Executive Director

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL CHART
For the Fiscal Year Ending August 31, 2012



(E) Member of Executive Council

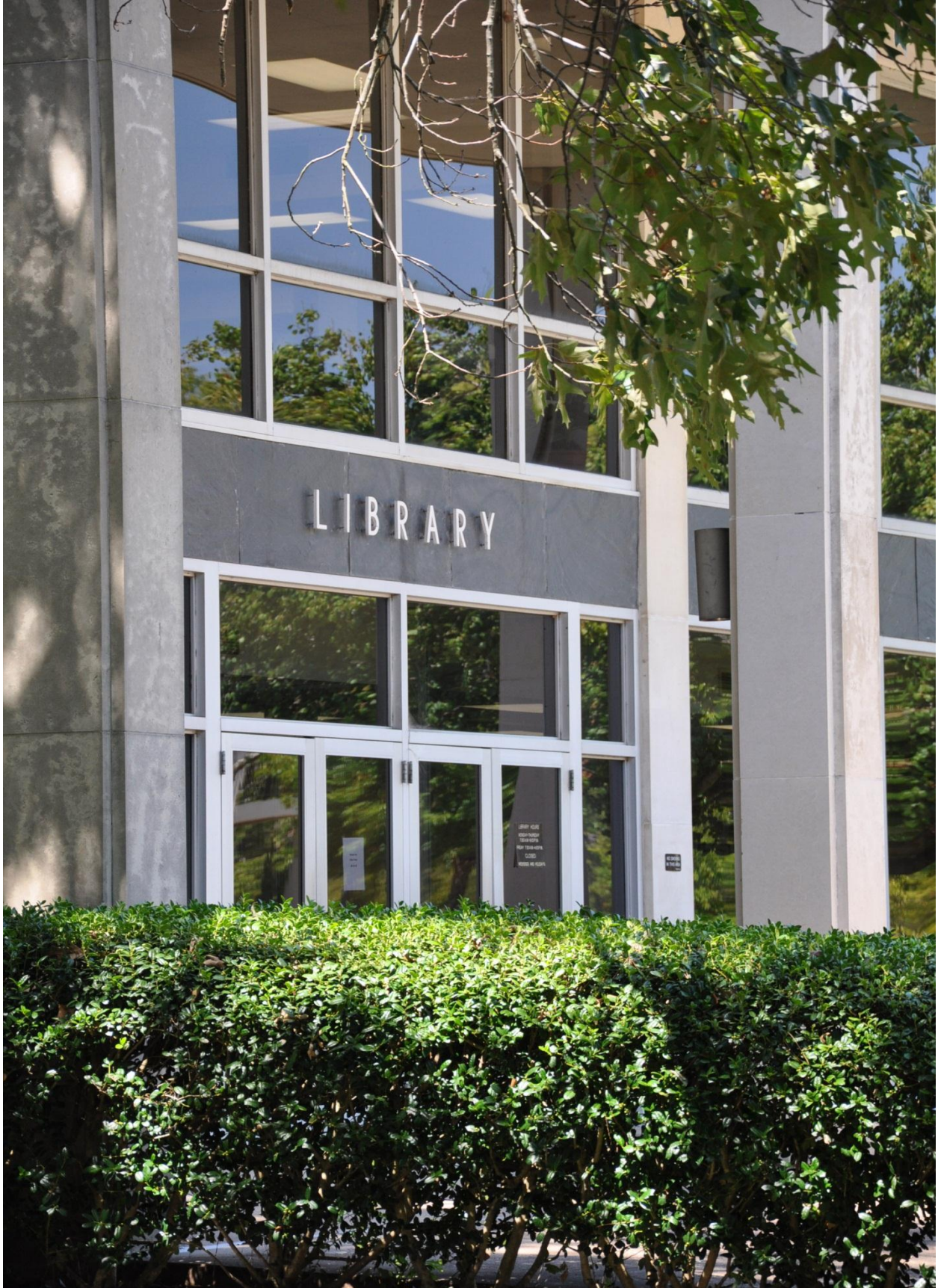
ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 PRINCIPAL OFFICIALS
 For the Fiscal Year Ending August 31, 2012

BOARD OF TRUSTEES

		TITLE	TERM EXPIRES
Joe Deason	Lufkin, Texas	President	2014
Tim Stacy	Lufkin, Texas	Vice-President	2016
Robert L. Poland, Jr.	Lufkin, Texas	Secretary	2018
Trey Henderson	Lufkin, Texas	Member	2014
Dr. Billy G. Kistler, M.D.	Lufkin, Texas	Member	2016
H.J. Shands, III	Lufkin, Texas	Member	2014
Ellen Clarke Temple	Lufkin, Texas	Member	2018

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Larry M. Phillips	President
Dr. Patricia M. McKenzie	Vice President and Dean of Instruction and Admissions
Joseph E. Madden	Vice President of Business Services
Dr. Frederick W. Kanke, Jr.	Vice President of Community Services
James N. Twohig	Dean of Student Services
Michaelyn Greene	Controller



**Angelina County
Junior College District**

FINANCIAL SECTION

**Comprehensive Annual
Financial Report**



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

We have audited the accompanying financial statements of Angelina County Junior College District, as of and for the year ended August 31, 2012, as listed in the table of contents. These financial statements are the responsibility of the Angelina County Junior College District's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements for the year ended August 31, 2011. Those financial statements were audited by other auditors whose report thereon have been dated November 30, 2011, and expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Angelina County Junior College District, as of August 31, 2012, and 2011, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2012, on our consideration of Angelina County Junior College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITORS' REPORT - CONTINUED

The management discussion and analysis on pages 13 through 20, is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Angelina County Junior College District's financial statements. The introductory section, supplemental financial information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedules of Expenditures of Federal Awards and Expenditures of State Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and the *State of Texas Single Audit Circular* and are not a required part of the financial statements. Such information, except for the statistical section, have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.



CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
November 20, 2012

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012**

The following Management's Discussion and Analysis was prepared by the management of Angelina County Junior College District (the College). As management of the College, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended August 31, 2012. The information presented should be read in conjunction with additional information we have furnished in our letter of transmittal, which can be found at the front of this report, as well as the financial statements and the accompanying notes to the financial statements, which follow this section. Responsibility for the completeness and fairness of this information rests with the preparers.

Basic Financial Statements

The comprehensive annual financial report consists of three basic financial statements that provide information on the College as a whole: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. The financial statements are designed to provide readers with a broad overview of Angelina College's finances in a manner comparable to those of a private sector college. The following information is intended to provide an overview of these statements.

Statement of Net Assets

The Statement of Net Assets presents current assets (unrestricted assets expected to provide support within a year), noncurrent assets (restricted assets expected to provide long-term benefit to the College), current liabilities (obligations which must be met within the current year), and noncurrent liabilities (obligations which are not to be settled in the current year), with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the College is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents information showing how the College's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. the accrual for compensated absences).

Statement of Cash Flows

The Statement of Cash Flows is reported on the direct method. The direct method of cash flow reporting portrays net cash flows from operations as major classes of operating receipts (e.g. receipts from students and other customers) and disbursements (e.g. payments to or on behalf of employees). GASB Statements 34 and 35 require this method to be used. The primary purpose of cash flow analysis is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also may help users assess the College's ability to generate future net cash flows, to meet its obligations as they come due, and to determine its need for external financing.

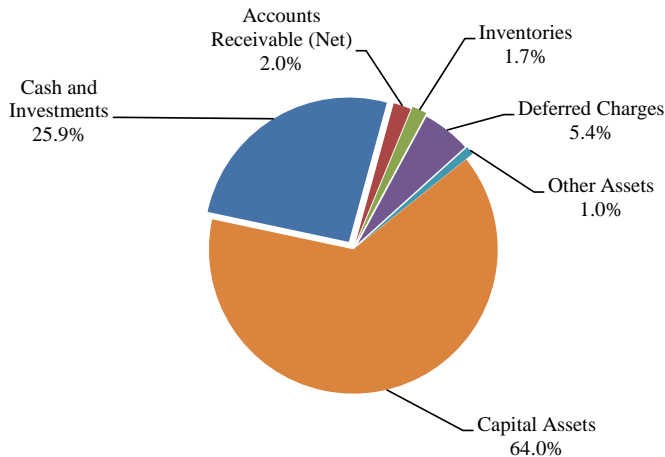
**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012**

Comparative Financial Information and Analysis

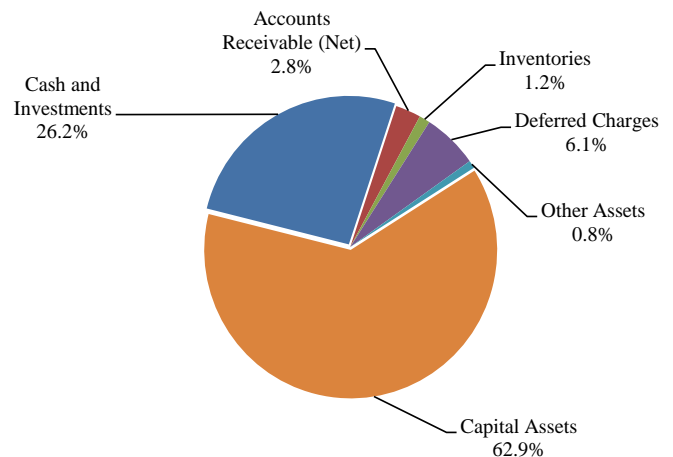
Comparison of Current to Prior Years' Net Assets

	<u>2012</u>	<u>2011</u>	<u>\$ Difference Current Year and Previous Year</u>	<u>% Difference Current Year and Previous Year</u>	<u>2010</u>	<u>\$ Difference Previous Year and Year Before</u>	<u>% Difference Previous Year and Year Before</u>
Assets							
Cash and Investments	\$ 16,735,435	\$ 16,881,814	\$ (146,379)	(0.87%)	\$ 20,482,907	\$ (3,601,093)	(17.58%)
Accounts Receivable (Net)	1,279,020	1,803,768	(524,748)	(29.09%)	1,551,540	252,228	16.26%
Inventories	1,067,703	777,369	290,334	37.35%	710,473	66,896	9.42%
Deferred Charges	3,518,979	3,943,473	(424,494)	(10.76%)	3,572,846	370,627	10.37%
Other Assets	614,783	548,371	66,412	12.11%	573,777	(25,406)	(4.43%)
Capital Assets	41,366,402	40,649,313	717,089	1.76%	36,189,483	4,459,830	12.32%
Total Assets	64,582,322	64,604,108	(21,786)	(0.03%)	63,081,026	1,523,082	2.41%
Liabilities							
Current Liabilities	7,157,514	8,339,251	(1,181,737)	(14.17%)	7,666,281	672,970	8.78%
Noncurrent Liabilities	20,556,572	21,765,649	(1,209,077)	(5.55%)	22,883,657	(1,118,008)	(4.89%)
Total Liabilities	27,714,086	30,104,900	(2,390,814)	(7.94%)	30,549,938	(445,038)	(1.46%)
Net Assets							
Invested in Capital Assets, Net of Related Debt	19,852,472	18,329,853	1,522,619	8.31%	17,808,653	521,200	2.93%
Restricted	6,863,954	6,001,447	862,507	14.37%	5,755,498	245,949	4.27%
Unrestricted	10,151,810	10,167,908	(16,098)	(0.16%)	8,966,937	1,200,971	13.39%
Total Net Assets	\$ 36,868,236	\$ 34,499,208	\$ 2,369,028	6.87%	\$ 32,531,088	\$ 1,968,120	6.05%

Year Ending 2012 - Assets



Year Ending 2011 - Assets



Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012

Accounts Receivable (Net) decreased by \$524,748 (29%) from the prior year. This resulted primarily from the reduction in receivables related to Federal Grants and Contracts – Operating. Several grants completed during the fiscal year including the Carl Perkins Vocational Education-Leadership grant and the HRSA Health Care and Other Facilities grant. In addition, the Carl Perkins Tech Prep Program's funding significantly decreased, reducing receivables as well. Receivables relating to the start-up of the Crockett Center were included in the prior year balance.

Bookstore Inventories increased \$290,334 (37%) to accommodate anticipated enrollment growth that did not occur.

Title IV Grant expenses as well as scholarship expenses for the Fall 2012 semester have been deferred. The decrease in Deferred Charges of \$424,494 (11%) was the result of a decrease in enrollment for Fall 2012.

Capital Assets compose 64% of the total assets of the College. The \$41,366,402 invested in capital assets includes land, buildings, furniture and equipment, and improvements and is the largest single component of net assets. The College uses these capital assets to provide services to students, faculty, and staff. The College's investment in its capital assets is reported net of accumulated depreciation. A portion of the capital assets was acquired with debt, some of which is still outstanding. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The decrease in Current Liabilities of \$1,181,737 (14%) is due primarily to payment of pay applications for the construction of the new Health Careers Building, renovations to the Health Careers II Building, and renovations to the Social & Behavioral Sciences Building. These pay applications were accrued at August 31, 2011. Liabilities for equipment to furnish these building projects was also included in Current Liabilities at the end of the prior year.

Tuition and fees of \$4,344,439 for the Fall 2012 semester and federal, state, and local grant receipts of \$631,405 have been deferred and are included in Current Liabilities.

Noncurrent Liabilities decreased \$1,209,077 (6%) as a result of payments on long-term indebtedness.

The assets of the College exceeded its liabilities at the close of the most recent fiscal year by \$36,868,236 (Net Assets), an increase of \$2,369,028 from the prior fiscal year. Of total Net Assets, \$10,151,810 is classified as Unrestricted Net Assets and may be used to meet the College's day-to-day obligations.

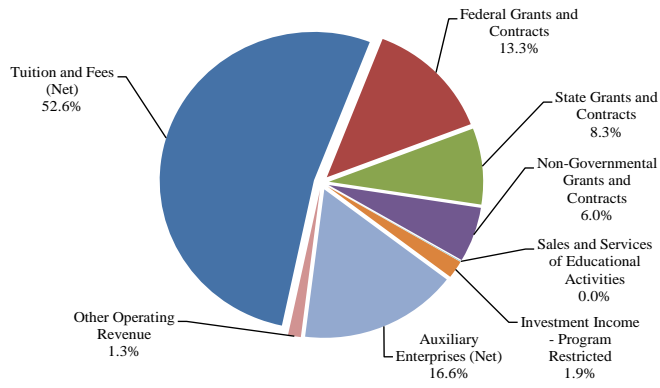
**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012**

Analysis of Significant Changes in Operations

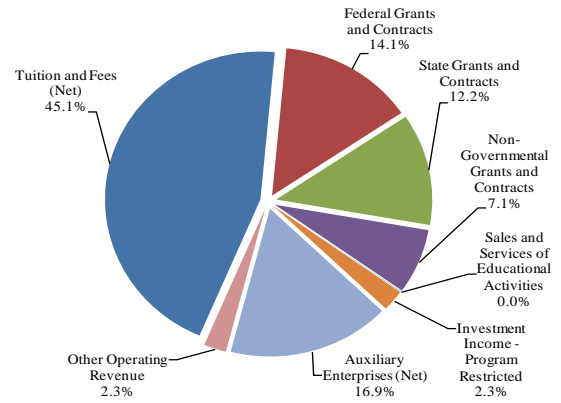
	2012	2011	\$ Difference Current Year and Previous Year	% Difference Current Year and Previous Year	2010	\$ Difference Previous Year and Year Before	% Difference Previous Year and Year Before
Operating Revenues							
Tuition and Fees (Net)	\$ 4,533,203	\$ 4,343,311	\$ 189,892	4.37%	\$ 3,994,219	\$ 349,092	8.74%
Federal Grants and Contracts	1,146,921	1,356,620	(209,699)	(15.46%)	1,310,236	46,384	3.54%
State Grants and Contracts	716,095	1,175,621	(459,526)	(39.09%)	901,557	274,064	30.40%
Non-Governmental Grants and Contracts	515,531	683,267	(167,736)	(24.55%)	344,500	338,767	98.34%
Sales and Services of Educational Activities	3,600	4,375	(775)	(17.71%)	8,750	(4,375)	(50.00%)
Investment Income - Program Restricted	165,272	222,094	(56,822)	(25.58%)	215,003	7,091	3.30%
Auxiliary Enterprises (Net)	1,434,693	1,614,141	(179,448)	(11.12%)	1,877,653	(263,512)	(14.03%)
Other Operating Revenue	116,219	224,431	(108,212)	(48.22%)	144,107	80,324	55.74%
Total Operating Revenue	8,631,534	9,623,860	(992,326)	(10.31%)	8,796,025	827,835	9.41%
Operating Expenses							
Instruction	11,604,842	12,452,764	(847,922)	(6.81%)	11,486,873	965,891	8.41%
Public Service	893,358	938,407	(45,049)	(4.80%)	895,122	43,285	4.84%
Academic Support	2,697,103	2,520,179	176,924	7.02%	2,441,377	78,802	3.23%
Student Services	1,654,914	1,645,553	9,361	0.57%	1,558,416	87,137	5.59%
Institutional Support	2,536,414	2,333,905	202,509	8.68%	2,260,856	73,049	3.23%
Operation and Maintenance of Plant	2,396,103	2,387,384	8,719	0.37%	2,359,547	27,837	1.18%
Scholarships and Fellowships	4,933,758	5,684,608	(750,850)	(13.21%)	5,321,444	363,164	6.82%
Auxiliary Enterprises	5,112,241	5,569,091	(456,850)	(8.20%)	5,393,595	175,496	3.25%
Depreciation	1,886,764	1,648,776	237,988	14.43%	1,543,802	104,974	6.80%
Total Operating Expenses	33,715,497	35,180,667	(1,465,170)	(4.16%)	33,261,032	1,919,635	5.77%
Net Operating Loss	(25,083,963)	(25,556,807)	472,844	(1.85%)	(24,465,007)	(1,091,800)	4.46%
Non-Operating Revenues							
State Appropriations	9,091,735	9,732,668	(640,933)	(6.59%)	9,824,030	(91,362)	(0.93%)
Maintenance Ad Valorem Taxes	4,425,665	4,058,716	366,949	9.04%	3,662,159	396,557	10.83%
Debt Service Ad Valorem Taxes	1,791,575	1,796,665	(5,090)	(0.28%)	1,821,383	(24,718)	(1.36%)
Federal Revenue, Non-Operating	11,603,694	11,593,356	10,338	0.09%	10,542,716	1,050,640	9.97%
Gifts	435,491	549,749	(114,258)	(20.78%)	588,142	(38,393)	(6.53%)
Investment Income (Net)	224,543	167,726	56,817	33.87%	163,500	4,226	2.58%
Other Non-Operating Revenues	258,211	257,637	574	0.22%	238,063	19,574	8.22%
Total Non-Operating Revenues	27,830,914	28,156,517	(325,603)	(1.16%)	26,839,993	1,316,524	4.91%
Non-Operating Expenses							
Interest on Capital Related Debt	953,727	1,001,592	(47,865)	(4.78%)	1,086,195	(84,603)	(7.79%)
Disposal of Capital Asset (Net)	6,868	6,010	858	14.28%	131,415	(125,405)	(95.43%)
Total Non-Operating Expenses	960,595	1,007,602	(47,007)	(4.67%)	1,217,610	(210,008)	(17.25%)
Income Before Other Revenues	1,786,356	1,592,108	194,248	12.20%	1,157,376	434,732	37.56%
Other Revenues							
Capital Contributions	8,081	230,000	(221,919)	(96.49%)	47,500	182,500	384.21%
Additions to Permanent Endowments	574,591	146,012	428,579	293.52%	27,096	118,916	438.87%
Total Other Revenues	582,672	376,012	206,660	54.96%	74,596	301,416	404.06%
Increase in Net Assets	2,369,028	1,968,120	400,908	20.37%	1,231,972	736,148	59.75%
Beginning Net Assets	34,499,208	32,531,088	1,968,120	6.05%	31,299,116	1,231,972	3.94%
Ending Net Assets	\$ 36,868,236	\$ 34,499,208	\$ 2,369,028	6.87%	\$ 32,531,088	\$ 1,968,120	6.05%

Angelina County Junior College District Management's Discussion and Analysis - Continued August 31, 2012

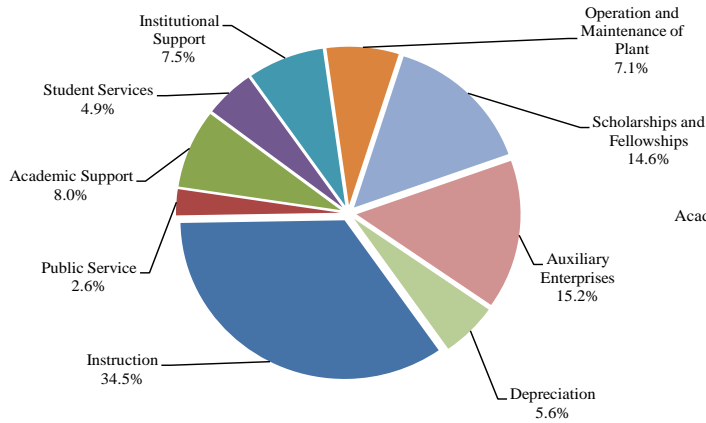
Operating Revenues – 2012



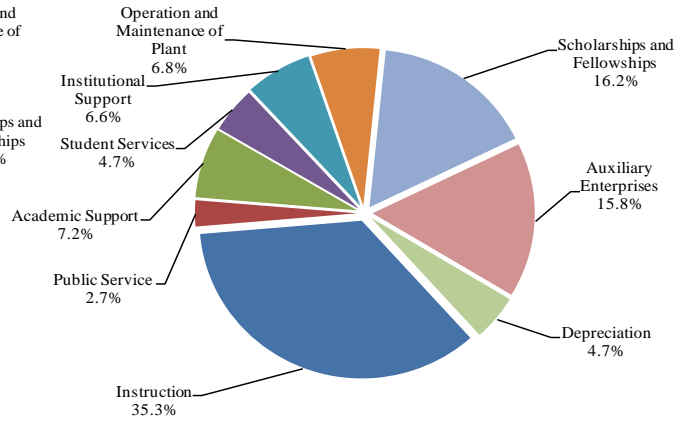
Operating Revenues - 2011



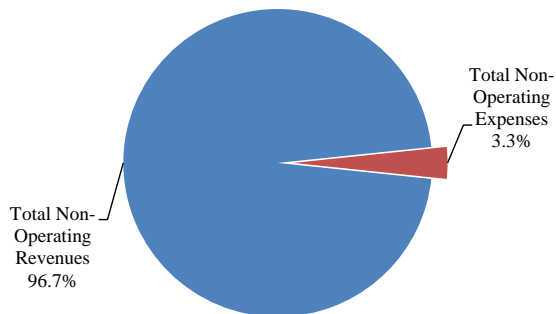
Operating Expenses - 2012



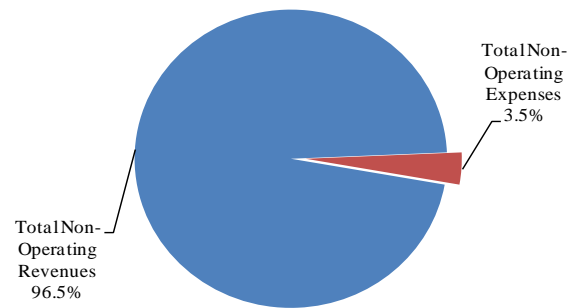
Operating Expenses - 2011



Non-Operating Revenues and Expenses - 2012



Non-Operating Revenues and Expenses - 2011



Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012

Operating revenues include all transactions that result from providing services in connection with the College's principal ongoing business activities such as tuition and fees, and sales from bookstore operations. In addition, certain federal, state, and private grants are considered operating if they are not for capital purposes and are considered a contract for services.

Net Tuition and Fees increased \$189,892 (4%) due to tuition rate increases. The completion of the Carl Perkins Vocational Education-Leadership grant, completion of the HRSA Health Care and Other Facilities grant and a decrease in the Carl Perkins Tech Prep Program funding contributed to most of the \$209,699 (15%) decrease in Federal Grants and Contracts. An overall decrease in state funding for multiple state grants and contracts, with the largest decrease being the Jobs and Education for Texans grants, caused the \$459,526 (39%) decrease in State Grants and Contracts. Non-Governmental Grants and Contracts decreased \$167,736 (25%) because the prior year included donations from a private foundation to purchase equipment for the new Health Careers Building and to renovate an older Health Careers Building. The Auxiliary Enterprises (Net) decreased \$179,448 (11%) due to the Bookstore discontinuing the sale of computers within their product line.

Operating expenses are all the costs necessary to perform and conduct the programs and primary purposes of the College. Instructional costs decreased \$847,922 (7%) primarily from fewer instructional equipment purchases paid from grants and contracts. Scholarships and Fellowships decreased \$750,850 (13%) because increased tuition allowances resulting from higher tuition rates decreased the amount of grants and scholarships disbursed to students. The Auxiliary Enterprises expenses decreased \$456,850 (8%) from decreased cost of goods sold and general overall auxiliary expense cost saving measures. Depreciation increased \$237,988 (14%) due to the completion and capitalization of multiphase building projects and equipment.

Non-operating revenues are all revenue sources that are primarily non-exchange in nature. They consist primarily of state appropriations, property tax revenue, federal Title IV revenues, investment income, and grants and contracts that do not require any services to be performed. State Appropriations decreased by \$640,933 (7%) as a result of state budget cuts. In 2012, the State of Texas has not provided approximately \$141,348 of the constitutionally required On-Behalf State Contribution for the Teacher Retirement System of Texas (TRS). See Note 24 - Contingencies for additional information. Maintenance Ad Valorem Taxes increased \$366,949 (9%) because of changes in property valuations as well as an increased tax rate.

Non-operating expenses are all expenditures that are not directly related to the basic services performed by the institution. They consist primarily of interest on capital related debt and disposal of capital assets. The College reduced interest expense on capital related debt by paying scheduled principal payments on outstanding debt.

Additional donations to the Permanent Endowments for scholarships offset decreased contributions for capital projects and equipment resulting in an overall increase in Other Revenue of \$206,660 or 55%.

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012**

Analysis of Cash Flows

	<u>2012</u>	<u>2011</u>	<u>\$ Difference Current Year and Previous Year</u>	<u>% Difference Current Year and Previous Year</u>	<u>2010</u>	<u>\$ Difference Previous Year and Year Before</u>	<u>% Difference Previous Year and Year Before</u>
Net Cash Used by							
Operating Activities	\$ (22,547,934)	\$ (21,597,313)	\$ (950,621)	4.40%	\$ (21,040,520)	\$ (556,793)	2.65%
Net Cash Provided by Non-							
Capital Financing Activities	25,009,482	24,103,904	905,578	3.76%	22,758,310	1,345,594	5.91%
Net Cash Used by Capital							
Financing Activities	(2,861,752)	(6,304,094)	3,442,342	(54.60%)	(4,394,964)	(1,909,130)	43.44%
Net Cash Provided by							
Investing Activities	(36,252)	1,491,270	(1,527,522)	(102.43%)	456,695	1,034,575	226.54%
Increase (Decrease) in							
Cash and Cash Equivalents	(436,456)	(2,306,233)	1,869,777	(81.07%)	(2,220,479)	(85,754)	3.86%
Cash and Cash Equivalents at							
September 1	10,111,112	12,417,345	(2,306,233)	(18.57%)	14,637,824	(2,220,479)	(15.17%)
Cash and Cash Equivalents at							
August 31	<u>\$ 9,674,656</u>	<u>\$ 10,111,112</u>	<u>\$ (436,456)</u>	<u>(4.32%)</u>	<u>\$ 12,417,345</u>	<u>\$ (2,306,233)</u>	<u>(18.57%)</u>

Overall, the College's year end cash balance of \$9,674,656 decreased by \$436,456 (4%) from last year's balance of \$10,111,112.

Capital Assets and Long-Term Debt

**Fixed Assets
(Net of Accumulated Depreciation)**

	<u>Year Ending</u>		<u>\$ Difference Current Year and Previous Year</u>	<u>% Difference Current Year and Previous Year</u>	<u>2010</u>	<u>\$ Difference Previous Year and Year Before</u>	<u>% Difference Previous Year and Year Before</u>
	<u>2012</u>	<u>2011</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>
Buildings and Improvements	\$ 33,378,313	\$ 33,911,677	\$ (533,364)	(1.57%)	\$ 27,176,929	\$ 6,734,748	24.78%
Land and Land Improvements	5,835,370	4,389,804	1,445,566	32.93%	4,232,979	156,825	3.70%
Library Books	284,539	287,231	(2,692)	(0.94%)	268,015	19,216	7.17%
Furniture, Machinery, and							
Equipment	1,865,605	2,060,601	(194,996)	(9.46%)	1,654,867	405,734	24.52%
Construction in Process	2,575	-	2,575	-	2,856,693	(2,856,693)	(100.00%)
Total	<u>\$ 41,366,402</u>	<u>\$ 40,649,313</u>	<u>\$ 717,089</u>	<u>1.76%</u>	<u>\$ 36,189,483</u>	<u>\$ 4,459,830</u>	<u>12.32%</u>

**Angelina County Junior College District
Management's Discussion and Analysis - Continued
August 31, 2012**

During the fiscal year, the College expended \$30,957 on library books and materials, and \$268,639 on furniture, machinery, and equipment. The College also capitalized \$675,192 for building improvements and \$1,641,803 for land improvements, which were mostly related to renovation of the Central Facilities Building, replacement of the south parking lot, and the building of a central pedestrian "mall".

At August 31, 2012, the College had \$41.4 million invested in capital assets, net of accumulated depreciation of \$27.8 million. The largest single component of capital assets is buildings totaling \$30,470,399 net of accumulated depreciation. Depreciation charges totaled \$1,886,764 for the current fiscal year.

The College currently has outstanding various forms of long-term debt. Tuition revenue, building use fees, and a portion of taxes collected are committed to pay these debt obligations as they come due.

More detailed information about the College's capital assets can be found in Note 7 - Capital Assets on pages 35-36. More detailed information about the College's long-term debt can be found in Note 8 - Long-Term Liabilities, Note 9 - Debt Obligations, and Note 10 - Bonds and Notes Payable found on pages 37-39.

Other Conditions and Factors

The Polk County Higher Education and Technology Foundation has begun construction of a College and Commerce Center in Livingston, Texas and the College has pledged \$100,000 to furnish and equip that facility for its students. The College will occupy approximately 20,000 square feet of the facility and will offer a full array of classes starting in the Spring 2014 semester.

The challenge for Angelina College and for other Texas community colleges is trying to meet the expanding educational needs of students with constrained state funding. The College's diverse revenue base of state appropriations, ad valorem tax collections, and tuition and fees revenues has lessened the impact of reductions in state funding. However, additional cuts in state appropriations could adversely affect operations.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, students, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Angelina College Business Office, P.O. Box 1768, Lufkin, Texas 75902.



BASIC FINANCIAL STATEMENTS

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 1
STATEMENTS OF NET ASSETS
August 31, 2012 and August 31, 2011

	<u>Current Year</u>	<u>Prior Year</u>
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 5,355,888	\$ 3,776,939
Short-Term Investments	300,000	450,000
Accounts Receivable (Net)	1,279,020	1,803,768
Prepaid Expenses	111,632	13,146
Inventories	1,067,703	777,369
Deferred Charges	3,518,979	3,943,473
Total Current Assets	<u>11,633,222</u>	<u>10,764,695</u>
Noncurrent Assets		
Restricted Cash and Cash Equivalents	4,318,768	6,334,173
Restricted Short-Term Investments	1,275,000	900,000
Endowment Investments	5,285,779	4,645,702
Other Noncurrent Investments	200,000	775,000
Bond Issuance Cost	503,151	535,225
Capital Assets (Net) (See Note 7)	41,366,402	40,649,313
Total Noncurrent Assets	<u>52,949,100</u>	<u>53,839,413</u>
Total Assets	<u>64,582,322</u>	<u>64,604,108</u>
Liabilities		
Current Liabilities		
Accounts Payable	635,136	1,601,435
Accrued Liabilities	195,995	519,799
Accrued Compensable Absences-Current Portion	32,483	34,170
Funds Held for Others	97,581	97,669
Deferred Revenues	4,975,844	4,941,993
Bonds Payable - Current Portion	1,220,475	1,144,185
Total Current Liabilities	<u>7,157,514</u>	<u>8,339,251</u>
Noncurrent Liabilities		
Deposits	17,800	17,810
Accrued Compensable Absences	245,317	233,910
Bonds Payable	20,293,455	21,513,929
Total Noncurrent Liabilities	<u>20,556,572</u>	<u>21,765,649</u>
Total Liabilities	<u>27,714,086</u>	<u>30,104,900</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 1 (Continued)
STATEMENTS OF NET ASSETS
August 31, 2012 and August 31, 2011

	<u>Current Year</u>	<u>Prior Year</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	19,852,472	18,329,853
Restricted		
Nonexpendable		
Student Aid	4,222,327	3,453,266
Expendable		
Student Aid	1,288,692	1,150,545
Debt Service	1,195,620	1,226,395
Other	157,315	171,241
Unrestricted	10,151,810	10,167,908
Total Net Assets (Schedule D)	<u>\$ 36,868,236</u>	<u>\$ 34,499,208</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 2
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
August 31, 2012 and August 31, 2011

	<u>Current Year</u>	<u>Prior Year</u>
Operating Revenues		
Tuition and Fees (Net of Discounts of \$5,225,037 and \$4,402,971, respectively)	\$ 4,533,203	\$ 4,343,311
Federal Grants and Contracts	1,146,921	1,356,620
State Grants and Contracts	716,095	1,175,621
Non-Governmental Grants and Contracts	515,531	683,267
Sales and Services of Educational Activities	3,600	4,375
Investment Income - Program Restricted	165,272	222,094
Auxiliary Enterprises (Net of Discounts of \$2,827,345 and \$3,065,970, respectively)	1,434,693	1,614,141
Other Operating Revenues	116,219	224,431
Total Operating Revenues (Schedule A)	<u>8,631,534</u>	<u>9,623,860</u>
Operating Expenses		
Instruction	11,604,842	12,452,764
Public Service	893,358	938,407
Academic Support	2,697,103	2,520,179
Student Services	1,654,914	1,645,553
Institutional Support	2,536,414	2,333,905
Operation and Maintenance of Plant	2,396,103	2,387,384
Scholarships and Fellowships	4,933,758	5,684,608
Auxiliary Enterprises	5,112,241	5,569,091
Depreciation	1,886,764	1,648,776
Total Operating Expenses (Schedule B)	<u>33,715,497</u>	<u>35,180,667</u>
Operating Loss	<u>(25,083,963)</u>	<u>(25,556,807)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	9,091,735	9,732,668
Maintenance Ad Valorem Taxes	4,425,665	4,058,716
Debt Service Ad Valorem Taxes	1,791,575	1,796,665
Federal Revenue, Non-Operating	11,603,694	11,593,356
Gifts	435,491	549,749
Investment Income (Net of Investment Expenses)	224,543	167,726
Interest on Capital Related Debt	(953,727)	(1,001,592)
Disposal of Capital Assets, net	(6,868)	(6,010)
Other Non-Operating Revenues	258,211	257,637
Total Non-Operating Revenue (Expenses) (Schedule C)	<u>26,870,319</u>	<u>27,148,915</u>
Income Before Other Revenues	1,786,356	1,592,108

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 2 (Continued)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
August 31, 2012 and August 31, 2011

	<u>Current Year</u>	<u>Prior Year</u>
Other Revenues		
Capital Contributions	8,081	230,000
Additions to Permanent Endowments	574,591	146,012
Total Other Revenues	<u>582,672</u>	<u>376,012</u>
Increase (Decrease) in Net Assets	2,369,028	1,968,120
Net Assets		
Net Assets - Beginning of Year	34,499,208	32,531,088
Net Assets - End of Year	<u>\$ 36,868,236</u>	<u>\$ 34,499,208</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 3
STATEMENTS OF CASH FLOWS
August 31, 2012 and August 31, 2011

	<u>Current Year</u>	<u>Prior Year</u>
Cash Flows from Operating Activities		
Receipts from Students and Other Customers	\$ 5,438,467	\$ 5,858,276
Receipts from Grants and Contracts	2,416,945	3,021,013
Investment Income, Program Restricted	165,272	222,094
Collection of Loans to Students and Employees	(21,999)	(10,927)
Other Receipts	134,751	224,065
Payments to or on Behalf of Employees	(16,826,193)	(16,083,923)
Payments to Suppliers for Goods or Services	(9,014,024)	(8,435,341)
Payments of Scholarships	(4,838,728)	(6,393,426)
Other Cash (Payments) Receipts	(2,425)	856
Net Cash Provided (Used) by Operating Activities	<u>(22,547,934)</u>	<u>(21,597,313)</u>
Cash Flows from Noncapital Financing Activities		
Receipts from State Appropriations	7,807,740	7,795,708
Ad Valorem Tax Revenues	4,408,497	4,027,078
Receipts from Non-Operating Federal Revenue	11,668,290	11,498,694
Payments for Collection of Taxes	(122,228)	(119,640)
Gifts and Grants (Other Than Capital)	989,060	630,828
Student Organization and Other Agency Transactions	(89)	13,599
Other Non-operating Revenue	258,212	257,637
Net Cash Provided (Used) by Noncapital Financing Activities	<u>25,009,482</u>	<u>24,103,904</u>
Cash Flows from Capital and Related Financing Activities		
Capital Contracts, Grants and Gifts	8,082	230,000
Ad Valorem Tax Revenue	1,785,704	1,783,394
Purchases of Capital Assets	(2,589,699)	(6,054,114)
Payment on Capital Debt and Leases	(2,065,839)	(2,263,374)
Net Cash Provided (Used) by Capital Financing Activities	<u>(2,861,752)</u>	<u>(6,304,094)</u>
Cash Flows from Investing Activities		
Proceeds from Sale and Maturity of Investments	3,016,659	2,929,886
Investment Earnings	54,355	1,870
Purchases of Investments	(3,107,266)	(1,440,486)
Net Cash Provided (Used) by Investing Activities	<u>(36,252)</u>	<u>1,491,270</u>
Increase (Decrease) in Cash and Cash Equivalents	(436,456)	(2,306,233)
Cash and Cash Equivalents - September 1	10,111,112	12,417,345
Cash and Cash Equivalents - August 31	<u>\$ 9,674,656</u>	<u>\$ 10,111,112</u>

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

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
EXHIBIT 3 (Continued)
STATEMENTS OF CASH FLOWS
August 31, 2012 and August 31, 2011

	Current Year	Prior Year
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (25,083,963)	\$ (25,556,807)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	1,886,764	1,648,776
Bad Debt Expense	413,094	430,461
Tax Collection Fee	122,228	119,640
Payments made directly by state for benefits	1,283,995	1,936,960
Changes in Assets and Liabilities		
Interest Receivable	(29,281)	(28,684)
Ad Valorem Taxes Receivable	23,038	44,909
Deferred Gift Revenue	-	4,431
Federal Receivable - Non-operating	(64,596)	94,662
Accounts Receivable (Net)	111,654	(682,689)
Inventories	(290,334)	(66,896)
Prepaid Expenses	(98,486)	(8,174)
Deferred Charges	424,493	(370,627)
Accounts Payable	(966,298)	(41,891)
Accrued Liabilities	(323,804)	128,396
Deferred Revenue	33,851	714,268
Deposits	(10)	3,300
Compensated Absences Payable	9,721	32,652
Net Cash Provided (Used) by Operating Activities	\$ (22,547,934)	\$ (21,597,313)

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

Angelina County Junior College District
Notes to Financial Statements
August 31, 2012

1. Reporting Entity

The Angelina County Junior College District (the College) was established in 1966, in accordance with the laws of the State of Texas, to serve the educational needs of Angelina and the surrounding counties. Angelina County Junior College District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. 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.

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the Angelina County Junior College District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities (BTA).

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 Chapter 56.033). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act (HEA) Program Funds - Certain Title IV 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 a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

2. Summary of Significant Accounting Policies - Continued

Basis of Accounting

The financial statements of Angelina County Junior College District 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.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the College's policy is to apply restricted resources first.

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 Trustees adopts the budget, which is prepared on the accrual basis of accounting, and amends the budget as needed throughout the year. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, the Legislative Budget Board, the Legislative Reference Library, and the 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 money market accounts.

Investments

In accordance with GASB 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 a maturity of less than one year at the fiscal year end. Long-term investments have a maturity of greater than one year at the fiscal year end.

Inventories

Inventories consisting of copier paper and supplies, postage, and bookstore stock are valued at the lower of cost under the "first-in, first-out" method, or market, and are charged to expense as consumed or sold.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. Renovations to buildings and land improvements that significantly increase the

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

2. Summary of Significant Accounting Policies - Continued

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 asset lives are charged to operating expense in the year in which the expense is incurred.

Items costing \$2,500 or more with a useful life greater than one year are capitalized and depreciated. Additionally, these items have a permanent decal affixed to them and are inventoried annually.

Items costing from \$1,000 to \$2,499 with a useful life greater than one year have a permanent decal affixed to them and are inventoried annually. However, they are neither capitalized nor depreciated. These items are expensed in the year of purchase.

Items costing less than \$1,000 but having a useful life greater than one year are expensed in the year of purchase. No separate inventory records are maintained on these items.

The College computes depreciation under the straight line method over the estimated useful life of assets. The following lives are used:

Buildings	50 years
Building Improvements	20 years
Land 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 periods after August 31, 2012 and 2011 have been deferred.

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 Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

2. Summary of Significant Accounting Policies - Continued

expenses generally result from providing services in connection with the College's principal ongoing operations. Principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, ad valorem tax collections, and Title IV grant revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of food services is not performed by the College but is contracted to an independent vendor.

Subsequent Events

Management has evaluated subsequent events through November 20, 2012, the date the statements were available to be issued.

3. Authorized Investments

The Board of Trustees of the College has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Section 2256.001, Texas Government Code). The investments of the College are in compliance with the trustees' investment policies. Such investments include: (1) mutual funds, (2) obligations of the United States or its agencies, (3) direct obligations of the State of Texas or its agencies, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

4. Deposits and Investments

Cash and deposits reported on the Statement of Net Assets consist of the following items:

Cash and Deposits

	August 31, 2012	August 31, 2011
Bank Deposits		
Demand Deposits and Money		
Market Mutual Funds	\$ 9,417,837	\$ 9,902,305
Certificates of Deposit - Short-term	1,924,663	1,651,215
Certificates of Deposit - Long-term	1,034,901	1,667,433
	12,377,401	13,220,953
Cash and Cash Equivalents		
Petty Cash on Hand	14,300	16,300
Total Cash and Deposits	\$ 12,391,701	\$ 13,237,253

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

4. Deposits and Investments - Continued

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Fair Value August 31, 2012	Fair Value August 31, 2011
U.S. Government Agencies	\$ 849,969	\$ 786,260
Mutual Funds	2,626,100	2,253,873
Corporate Bonds	589,498	377,317
Municipal Bonds	-	-
Annuity	35,648	34,604
Total Cash and Bank Deposits	12,391,701	13,237,253
Total Endowment Bank Deposits	242,519	192,507
Total Cash, Deposits, and Investments	<u>\$ 16,735,435</u>	<u>\$ 16,881,814</u>
Current (Exhibit 1)		
Cash and Cash Equivalents	\$ 5,355,888	\$ 3,776,939
Short-Term Investments	300,000	450,000
Noncurrent (Exhibit 1)		
Restricted Cash and Cash Equivalents	4,318,768	6,334,173
Restricted Short-Term Investments	1,275,000	900,000
Endowment Investments	5,285,779	4,645,702
Other Noncurrent Investments	200,000	775,000
Total Current and Noncurrent Cash and Investments	<u>\$ 16,735,435</u>	<u>\$ 16,881,814</u>

Restricted cash and investments are limited for capital acquisition, debt service, and student aid as well as other restricted purposes.

Following is a discussion of the College's investment policy related to specific investment risks:

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with state law and College policy for non-endowment funds, the College does not purchase any investments with maturities greater than 10 years. All College investments are in compliance with the Public Funds Investment Act. Maturities for the College's investments that are subject to interest rate risk are shown in the table below.

Investment Type	Fair Value	Investment Maturities (in years)		
		Less Than 1	1 to 5	5 or More
U.S. Government Securities	\$ 849,969	\$ -	\$ 326,336	\$ 523,633
Certificates of Deposit	2,959,564	1,924,663	711,390	323,511
Corporate Bonds	589,498	165,202	122,015	302,281
Annuity	35,648	-	35,648	-
Total	<u>\$ 4,434,679</u>	<u>\$ 2,089,865</u>	<u>\$ 1,195,389</u>	<u>\$ 1,149,425</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

4. Deposits and Investments - Continued

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College's policy for reducing its exposure to credit risk is to comply with state law and the College's investment policy. Investments in money market mutual funds and investment pools must be rated at least AAA. Commercial paper must be rated at least A-1 or P-1. Investments in obligations from other states, municipalities, counties, etc. must be rated at least A. The College's investments in money market mutual funds are rated Aaa-mf/AAAm at August 31, 2012 by Moody's Investors Service, Inc. and Standard & Poor's Corporation, respectively. As of August 31, 2012, the College's investments in U.S. Government Agencies are rated AAA/AA+ by Moody's and Standard and Poor's, respectively. As of August 31, 2012, the College's investments in corporate bonds are rated at least BAA1/BBB+ by Moody's and Standard and Poor's, respectively. The College's investments in mutual funds are rated at least ★★ ★ by Morningstar, Inc. as of August 31, 2012.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss that occurs due to the lack of diversification. The College's investment policy does not place a limit on the amount the College may invest in any one issuer. At August 31, 2012, more than 5% of the College's investments, excluding non-negotiable certificates of deposit, were in Federal Home Loan Mortgage Corporation. This investment is 5.97% of total investments.

Custodial Credit Risk - Custodial credit risk is the risk that the College's deposits may not be returned in the event of a bank failure. The College's policy with respect to custodial credit risk complies with state law. At August 31, 2012 and 2011, the bank balances of the College's deposits were \$7,725,681 and \$7,993,073, respectively. Of these balances, the amounts covered by FDIC insurance were \$750,000 and \$750,000 at August 31, 2012 and 2011, respectively. The remaining balances at August 31, 2012 and 2011 of \$6,975,681 and \$7,183,073 were entirely covered by pledged collateral held by the pledging financial institution's agent bank in the College's name.

5. Derivative Investments

Derivatives are investment products that may be a security or contract deriving its value from another security, currency, commodity, or index, regardless of the source of funds used. Angelina County Junior College District did not invest in derivative products during fiscal year 2012 or 2011.

6. Endowments

The investment policy of the Board of Trustees is reviewed and adopted annually. Within that investment policy, the investment objective for the endowment fund is to preserve the real purchasing power of the principal and to provide a stable source of perpetual financial support to scholarships in accordance with the endowment spending policy. The brokerage firm or other endowment manager is also adopted annually by the Board of Trustees and is required to certify familiarity and compliance with the Public Funds Investment Act of the State of Texas, and the Investment Policy of the College.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

6. Endowments - Continued

Distributions from endowment investments are required to be spent for the purposes for which the endowment was established. Scholarship distributions are made pursuant to the investment policy. For the years ended August 31, 2012 and 2011, endowment interest, dividend earnings, and capital gains and losses totaled \$158,446 and \$139,963, respectively. Unrealized gains for the years ended August 31, 2012 and August 31, 2011 totaled \$199,469 and \$194,541 respectively.

For the years ended August 31, 2012 and 2011, scholarship distributions from current year endowment interest earnings totaled \$159,994 and \$210,005, respectively. The fair value of endowment assets at August 31, 2012 and 2011 was \$5,528,298 and 4,838,209, respectively. Endowment net assets are classified as restricted nonexpendable student aid in the Statement of Net Assets.

7. Capital Assets

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

	Balance September 1, 2011	Increase	Decrease	Balance August 31, 2012
Not Depreciated				
Land	\$ 1,545,373	\$ -	\$ -	\$ 1,545,373
Construction in Process	-	2,575	-	2,575
Total Not Depreciated	<u>1,545,373</u>	<u>2,575</u>	<u>-</u>	<u>1,547,948</u>
Other Capital Assets				
Buildings	50,792,153	-	-	50,792,153
Land Improvements	5,104,426	1,641,803	-	6,746,229
Building Improvements	3,681,682	675,192	8,446	4,348,428
Library Books	1,098,498	30,957	73,447	1,056,008
Furniture, Machinery, Vehicles, and Other Equipment	3,187,774	68,939	381,368	2,875,345
Telecommunications and Peripheral Equipment	<u>1,689,683</u>	<u>199,700</u>	<u>64,873</u>	<u>1,824,510</u>
Total Capital Assets	<u>65,554,216</u>	<u>2,616,591</u>	<u>528,134</u>	<u>67,642,673</u>
Accumulated Depreciation				
Buildings	19,305,911	1,015,843	-	20,321,754
Land Improvements	2,259,995	196,237	-	2,456,232
Building Improvements	1,256,247	184,267	-	1,440,514
Library Books	811,267	33,649	73,447	771,469
Furniture, Machinery, Vehicles, and Other Equipment	1,688,421	211,685	374,501	1,525,605
Telecommunications and Peripheral Equipment	<u>1,128,435</u>	<u>245,083</u>	<u>64,873</u>	<u>1,308,645</u>
Total Accumulated Depreciation	<u>26,450,276</u>	<u>1,886,764</u>	<u>512,821</u>	<u>27,824,219</u>
Net Capital Assets	<u>\$ 40,649,313</u>	<u>\$ 732,402</u>	<u>\$ 15,313</u>	<u>\$ 41,366,402</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

7. Capital Assets - Continued

The College has an artwork collection that it does not capitalize. This collection adheres to the College's policy to (a) maintain it for public exhibition or education; (b) protect, keep unencumbered, care for, and preserve it; and (c) require proceeds from its sale to be used to acquire other collection items. Generally accepted accounting principles permit collections maintained in this manner to be charged to operations at time of acquisition rather than capitalized.

Capital assets activity for the year ended August 31, 2011 was as follows:

	Balance September 1, 2010	Increase	Decrease	Balance August 31, 2011
Not Depreciated				
Land	\$ 1,545,373	\$ -	\$ -	\$ 1,545,373
Construction in Process	2,856,693	5,243,082	8,099,775	-
Total Not Depreciated	<u>4,402,066</u>	<u>5,243,082</u>	<u>8,099,775</u>	<u>1,545,373</u>
Other Capital Assets				
Buildings	43,557,933	7,234,220	-	50,792,153
Land Improvements	4,768,176	336,250	-	5,104,426
Building Improvements	3,152,376	529,306	-	3,681,682
Library Books	1,110,861	50,025	62,388	1,098,498
Furniture, Machinery, Vehicles, and Other Equipment	2,606,072	681,736	100,034	3,187,774
Telecommunications and Peripheral Equipment	1,608,377	139,773	58,467	1,689,683
Total Other Capital Assets	<u>56,803,795</u>	<u>8,971,310</u>	<u>220,889</u>	<u>65,554,216</u>
Accumulated Depreciation				
Buildings	18,434,752	871,159	-	19,305,911
Land Improvements	2,080,570	179,425	-	2,259,995
Building Improvements	1,098,628	157,619	-	1,256,247
Library Books	842,846	30,809	62,388	811,267
Furniture, Machinery, Vehicles, and Other Equipment	1,590,157	194,622	96,358	1,688,421
Telecommunications and Peripheral Equipment	969,425	215,142	56,132	1,128,435
Total Accumulated Depreciation	<u>25,016,378</u>	<u>1,648,776</u>	<u>214,878</u>	<u>26,450,276</u>
Net Capital Assets	<u>\$ 36,189,483</u>	<u>\$ 12,565,616</u>	<u>\$ 8,105,786</u>	<u>\$ 40,649,313</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

8. Long-Term Liabilities

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

	Balance August 31, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
Bonds and Notes					
Series 1995 Revenue Bonds	\$ 1,200,000	\$ -	\$ 215,000	\$ 985,000	\$ 225,000
Series 2004 Tax Refunding Bonds	2,624,849	-	280,000	2,344,849	293,649
Series 2005 Advance Refunding Bonds	2,825,800	-	215,591	2,610,209	234,246
Series 2008 Limited Tax Bonds	9,674,649	-	270,430	9,404,219	273,733
Series 2009 Limited Tax Bonds	6,332,816	-	163,163	6,169,653	193,847
Total Bonds and Notes	<u>22,658,114</u>	<u>-</u>	<u>1,144,184</u>	<u>21,513,930</u>	<u>1,220,475</u>
Other Liabilities					
Compensated Absences Payable	268,080	224,000	214,280	277,800	32,483
Deposits Payable	17,810	14,400	14,410	17,800	-
Total Liabilities	<u>22,944,004</u>	<u>\$ 238,400</u>	<u>\$ 1,372,874</u>	<u>21,809,530</u>	<u>\$ 1,252,958</u>
Current Portion	<u>(1,178,355)</u>			<u>(1,252,958)</u>	
Total Noncurrent Portion	<u>\$ 21,765,649</u>			<u>\$ 20,556,572</u>	

Long-term liability activity for the year ended August 31, 2011 was as follows:

	Balance August 31, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
Bonds and Notes					
Series 1995 Revenue Bonds	\$ 1,400,000	\$ -	\$ 200,000	\$ 1,200,000	\$ 215,000
Series 2001 Maintenance Tax Notes	190,000	-	190,000	-	-
Series 2004 Tax Refunding Bonds	2,914,100	-	289,251	2,624,849	280,000
Series 2005 Advance Refunding Bonds	3,041,817	-	216,017	2,825,800	215,591
Series 2008 Limited Tax Bonds	9,915,572	-	240,923	9,674,649	270,430
Series 2009 Limited Tax Bonds	6,491,987	-	159,171	6,332,816	163,164
Total Bonds and Notes	<u>23,953,476</u>	<u>-</u>	<u>1,295,362</u>	<u>22,658,114</u>	<u>1,144,185</u>
Other Liabilities					
Compensated Absences Payable	235,428	211,363	178,711	268,080	34,170
Deposits Payable	14,510	21,000	17,700	17,810	-
Total Liabilities	<u>24,203,414</u>	<u>\$ 232,363</u>	<u>\$ 1,491,773</u>	<u>22,944,004</u>	<u>\$ 1,178,355</u>
Current Portion	<u>(1,319,757)</u>			<u>(1,178,355)</u>	
Total Noncurrent Portion	<u>\$ 22,883,657</u>			<u>\$ 21,765,649</u>	

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

9. Debt Obligations

The debt service requirements for the next five years and beyond are summarized below for bonds and notes issued:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,220,475	\$ 899,495	\$ 2,119,970
2014	1,314,706	845,850	2,160,556
2015	1,329,363	789,220	2,118,583
2016	1,431,862	730,875	2,162,737
2017	1,173,013	668,963	1,841,976
2018-2022	4,931,397	2,655,397	7,586,794
2023-2027	3,553,957	1,872,931	5,426,888
2028-2032	4,469,280	1,033,794	5,503,074
2033-2034	2,089,877	121,763	2,211,640
Total	<u>\$ 21,513,930</u>	<u>\$ 9,618,288</u>	<u>\$ 31,132,218</u>

10. Bonds and Notes Payable

Bonds and notes are payable semi-annually with annual obligations varying from \$1,076,063 to \$2,110,875, with interest rates from 3.00% to 7.00%. The final installment is due in 2034.

General information related to bonds and notes payable is summarized below:

	<u>August 31, 2012</u>	<u>August 31, 2011</u>
Revenue Bonds, Series 1995.		
<ul style="list-style-type: none"> • To construct a Student Activities Center. • Issued December 1, 1995, matures fiscal 2016. • \$3,000,000 was authorized and issued. • Source of revenue for debt service - building use fees (100% pledged), transfer of tuition. • Interest rate of 5.00% to 7.00%. • Coverage ratio of pledged revenues to debt service requirements was 1.62 in 2012 and 1.72 in 2011 • Outstanding balance: 	\$ 985,000	\$ 1,200,000
Limited Tax Refunding Bonds, Series 2004.		
<ul style="list-style-type: none"> • To refund the series 1994 limited tax bonds that provided funds for construction of a Community Service building and a Workforce Development Center. • Issued July 15, 2004, matures fiscal 2019. • \$4,275,000 was authorized and issued. • Source of revenue for debt service – ad valorem taxes. • Interest rate of 3.50% to 5.00%. • Outstanding balance: 	2,344,849	2,624,849

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

10. Bonds and Notes Payable – Continued

	<u>August 31, 2012</u>	<u>August 31, 2011</u>
Limited Tax Refunding Bonds, Series 2005.		
<ul style="list-style-type: none"> • To refund the series 1996 limited tax bonds that provided funds for renovation of existing facilities, construction of a Science Building, and a contribution of \$3,000,000 towards the construction of the Angelina Center for the Arts. • Issued November 1, 2005, matures fiscal 2021. • \$3,699,997 was authorized and issued. • Source of revenue for debt service – ad valorem taxes. • Interest rate of 3.00% to 4.00%. • Outstanding balance: 	2,610,209	2,825,800
Limited Tax Bonds, Series 2008.		
<ul style="list-style-type: none"> • To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center. • Issued June 15, 2008, matures fiscal 2034. • \$16,500,000 was authorized and \$10,000,000 was issued. • Source of revenue for debt service – ad valorem taxes. • Interest rate of 3.65% to 5.00%. • Outstanding balance: 	9,404,219	9,674,649
Limited Tax Bonds, Series 2009.		
<ul style="list-style-type: none"> • To construct a softball and baseball complex, Health Careers building, and a Technical Education Shop Center. • Issued June 15, 2009, matures fiscal 2034. • \$16,500,000 was authorized and \$6,500,000 was issued. • Source of revenue for debt service – ad valorem taxes. • Interest rate of 4.25% to 5.50%. • Outstanding balance: 	<u>6,169,653</u>	<u>6,332,816</u>
Total Bonds Payable	<u>\$ 21,513,930</u>	<u>\$ 22,658,114</u>

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

11. Deferred Revenues

Tuition and fees of \$4,344,439 and \$4,511,954 and federal, state, and local grants of \$631,405 and \$430,039 have been reported as deferred revenues at August 31, 2012 and August 31, 2011, respectively.

12. Pending Lawsuits and Claims

On August 31, 2012 and 2011, no claims involving the College were pending.

13. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees.

Teacher Retirement System of Texas (TRS)

Plan Description. Angelina County Junior College District contributes to the Teacher Retirement System of Texas (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 under the TRS Publications heading.

Funding policy. Contribution requirements are not actuarially determined but are established and amended by the Texas 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 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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 particular action, the time required to amortize TRS's 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 percent for fiscal years 2012, 2011, and 2010. The state contribution rate was 6.4 percent for September through December of fiscal year 2010 and the rate increased to 6.644 percent for January through August of fiscal year 2010. The state contribution rate remained 6.644 percent for fiscal year 2011. The state contribution rate was 6 percent for fiscal year 2012. In certain instances the reporting district is required to make all or a portion of the state's contribution.

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

13. Employees' Retirement Plan - Continued

In 2012, the State of Texas has not provided approximately \$141,348 of the constitutionally required On-Behalf State Contribution. See Note 24 - Contingencies for additional information. Actual contributions to TRS were equal to required contributions in 2011 and 2010.

<u>Fiscal Year Ended August 31,</u>	<u>On-Behalf State Contribution</u>	<u>Angelina College Contribution</u>	<u>Employee Contribution</u>	<u>Total Contribution</u>	<u>Covered Payroll</u>	<u>Total College Payroll</u>
2012	\$ 201,001	\$ 74,938	\$ 438,721	\$ 714,660	\$6,855,018	\$ 14,545,855
2011	385,480	95,410	450,714	931,604	7,042,403	14,857,643
2010	333,505	80,760	406,560	820,825	6,352,499	14,276,210

Optional Retirement Program (ORP)

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries contributed by the state and each participant are 6.0 percent and 6.65 percent, respectively for 2012, and 6.40 percent and 6.65 percent, respectively for 2011 and 2010. The College contributed 2.50 percent for fiscal years 2012 and 2.10 percent for 2011 and 2010 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 contracts, the state has no additional or unfunded liability for this program.

Actual contributions to ORP, which were equal to the required contributions each year, are shown below:

<u>Fiscal Year Ended August 31,</u>	<u>On-Behalf State Contribution</u>	<u>Angelina College Contribution</u>	<u>Participant Contribution</u>	<u>Total Contribution</u>	<u>Covered Payroll</u>	<u>Total College Payroll</u>
2012	\$ 267,336	\$ 68,735	333,599	\$ 669,670	\$5,016,521	\$ 14,545,855
2011	292,143	67,832	339,487	699,462	5,105,067	14,857,643
2010	303,878	72,960	352,123	728,961	5,295,083	14,276,210

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

13. Employees' Retirement Plan - Continued

Part-time Employees

Plan Description. Part-time employees who are not members of the Teacher Retirement System of Texas participate in a separate IRS 403(b) plan administered by Teacher Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF).

Funding Policy. The plan offered through TIAA-CREF is a defined contribution plan to which the employees contribute 7.5 percent and the State of Texas and the College do not contribute. Employee contributions to TIAA-CREF for the years ended August 31, 2012, 2011, and 2010 were \$157,617, \$163,289, and \$161,247, respectively, which equaled the required contributions each year.

14. Compensable Absences

Full-time employees earn annual leave from 5.83 to 10.00 hours per month depending on whether they have less than or more than five years continuous employment with the College. The College's policy is that an employee may carry their accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to total hours earned in the two years immediately preceding. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed.

The College recognized the accrued liability for the unpaid annual leave in the amounts of \$277,800 and \$268,080 for fiscal years ended August 31, 2012 and 2011, respectively. The liability is shown in the Statement of Net Assets split between current and noncurrent in the amounts of \$32,483 and \$245,317, respectively for August 31, 2012 and \$34,170 and \$233,910 respectively for August 31, 2011.

Sick leave, which can be accumulated to a maximum of 90 days, is earned at the rate of one day per month. It is paid to an employee who misses work because of personal or immediate family illness. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since sick leave is not a vested benefit and is not paid upon termination or to a deceased employee's estate.

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 as funds are expended and are presented on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Funds received but not yet expended are reported as Current Deferred Revenue on

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

15. Contract and Grant Awards - Continued

Exhibit 1. 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 years 2012 and 2011 for which monies have not been received nor funds expended totaled \$2,132,922 and \$3,535,220. Of these amounts, \$1,143,006 and \$2,105,607 were from Federal Contract and Grant Awards; \$838,566 and \$825,513 were from State Contract and Grant Awards; and \$151,350 and \$604,100 were from Private Contract and Grant Awards for the fiscal years ended 2012 and 2011, respectively.

16. Disaggregation of Receivables and Payables Balances

Receivables were as follows:

	August 31, 2012	August 31, 2011
Students and Other Customers	\$ 2,462,019	\$ 2,153,990
Allowance for Doubtful Accounts	(1,969,492)	(1,577,567)
Federal Grants and Contracts - Operating	304,034	530,734
Federal Grants and Contracts - Non-operating	53,164	117,760
Other Grants and Contracts	69,945	130,638
Loans to Students	154,288	132,288
Allowance for Doubtful Accounts	(145,484)	(124,315)
Taxes Receivable	603,853	516,403
Allowance for Uncollectible Taxes	(397,024)	(332,612)
Interest Receivable	47,450	76,732
Other Receivables	96,267	179,717
	<u>\$ 1,279,020</u>	<u>\$ 1,803,768</u>

Payables and accrued liabilities were as follows:

	August 31, 2012	August 31, 2011
Vendors	\$ 615,660	\$ 1,574,189
Students	19,476	27,246
Total Payables	<u>\$ 635,136</u>	<u>\$ 1,601,435</u>
Salaries and benefits	\$ 70,409	\$ 388,988
Sales taxes	119,804	122,228
Other	5,782	8,583
Total Accrued Liabilities	<u>\$ 195,995</u>	<u>\$ 519,799</u>

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

17. Self-Insured Plans

From September 1, 1990 through August 31, 1997, the College participated in a workers' compensation self-insurance program as permitted by Labor Code Chapter 504. The liability for unpaid claims relates to claims incurred prior to September 1, 1997. Changes in the College's undiscounted claims liability for the following fiscal years are as follows:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Liability Balance at Fiscal Year End
2012	\$ 1,982	\$ (2)	\$ 91	\$ 1,889
2011	939	1,536	493	1,982

Neither was an expenditure made nor a liability accrued based on the actuarial valuation of the present value of unpaid expected claims due to immateriality.

18. Post-Retirement 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 full-time 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 for retirees who retired from certain cost centers paid by state appropriated funds by expending annual insurance premiums. The College recognizes the cost of providing these benefits for retirees who retired from all other cost centers by expending annual insurance premiums.

	August 31, 2012	August 31, 2011	August 31, 2010
State's monthly contribution per full-time employee	\$ 438 - 1276	\$ 413 - 808	\$ 385 - 753
State's contribution for retired participants	\$250,371	\$ 473,304	\$ 461,004
Number of retired participants	105	98	96
State's contribution for active participants	\$565,287	\$ 786,033	\$ 844,549
Number of active participants	251	258	260
State's total contribution	\$815,658	\$ 1,259,337	\$ 1,305,553
Number of total participants	356	356	356

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

19. Ad Valorem Tax

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

	August 31, 2012	August 31, 2011
Assessed Valuation of the College	\$ 4,263,436,076	\$ 4,188,567,447
Less: Exemptions	558,686,746	544,233,022
Less: Abatements	4,986,670	7,640,696
Net Assessed Valuation of the College	<u>\$ 3,699,762,660</u>	<u>\$ 3,636,693,729</u>

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation - authorized	\$ 0.4000	\$ 0.5000	\$ 0.9000
Tax Rate per \$100 valuation - assessed			
- FYE August 31, 2012	\$ 0.1188	\$ 0.0482	\$ 0.1670
- FYE August 31, 2011	\$ 0.1100	\$ 0.0490	\$ 0.1590

Taxes levied for the year ended August 31, 2012 were \$6,194,333 (which includes any 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 following year in which imposed.

Tax Revenues-2012	Current Operations	Debt Service	Total
Current Taxes	\$ 4,242,856	\$ 1,718,425	\$ 5,961,281
Delinquent Taxes	107,655	43,506	151,161
Penalties and Interest	75,154	29,644	104,798
Total Tax Revenues	<u>\$ 4,425,665</u>	<u>\$ 1,791,575</u>	<u>\$ 6,217,240</u>

Taxes levied for the year ended August 31, 2011 were \$5,783,203 (which includes any penalty and interest assessed if applicable).

Tax Revenues-2011	Current Operations	Debt Service	Total
Current Taxes	\$ 3,890,618	\$ 1,729,220	\$ 5,619,838
Delinquent Taxes	101,657	40,216	141,873
Penalties and Interest	66,441	27,229	93,670
Total Tax Revenues	<u>\$ 4,058,716</u>	<u>\$ 1,796,665</u>	<u>\$ 5,855,381</u>

Tax collections for the year ended August 31, 2012 and 2011 were 96% and 97%, 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 for the use of maintenance and/or general obligation debt service.

Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012

20. 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 unrelated business income tax liability for the year ended August 31, 2012 and 2011.

21. Risk Management

The College is exposed to various risks of loss related to torts, theft, damage, or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2012, the College participated in a public entity risk sharing pool through the Texas Association of School Boards to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

22. Non-Monetary Transactions

The College receives the benefit from the use of certain facilities at its off-campus sites at no cost or costs below prevailing market rates that the College would have to pay in an exchange transaction. Included in operating revenues is \$450,360 and \$339,920 in non-monetary transactions representing the value of the use of these off-campus facilities for the years ended August 31, 2012 and 2011, respectively. A corresponding amount is also included in operating expenses.

The College also provides the use of some of its facilities to an unrelated nonprofit entity at no cost. Included in operating expenses is \$116,478 and \$110,007 in non-monetary transactions representing the value of the donation of the facilities for the years ended August 31, 2012 and 2011, respectively. A corresponding amount is also included in non-operating revenues.

23. Post-Employment Benefits Other than Pensions

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

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

**Angelina County Junior College District
Notes to Financial Statements - Continued
August 31, 2012**

23. Post-Employment Benefits Other than Pensions - Continued

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 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

The College's contributions to SRHP for the years ended August 31, 2012, 2011, and 2010, were \$64,792, \$85,904, and \$41,126, respectively, which equaled the required contributions each year.

24. Contingencies

The Texas Constitution Article XVI, Sec 67(b)(3) provides that the State of Texas must contribute "not less than six percent nor more than ten percent of the aggregate compensation paid to individuals participating in the system," referring to the State's Teacher Retirement System (TRS) including the related faculty Optional Retirement Program (ORP). During the 2011 legislative session, the Texas Legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of this requirement, but the community college appropriations restricted the State's contribution to TRS/ORP on behalf of community colleges to only six percent of each district's unrestricted general revenue appropriation for each year of the biennium state budget.

There is no pending litigation concerning this issue to construe the constitutional funding requirements; or to hold that the State biennium appropriations satisfy those requirements; or to attempt to collect any shortfall contributions from any community college district.

The College has calculated that as of August 31, 2012, the contribution that has not been paid to TRS on behalf of the College's employees is approximately \$141,348.

**SUPPLEMENTAL FINANCIAL
INFORMATION**

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE A
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011

			Total		Totals	
					Current Year	Prior Year
	Unrestricted	Restricted	Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 2,369,974	\$ -	\$ 2,369,974	\$ -	\$ 2,369,974	\$ 2,107,360
Out-of-District Resident Tuition	4,065,288	-	4,065,288	-	4,065,288	3,465,164
Non-Resident Tuition	219,229	-	219,229	-	219,229	217,122
TPEG - Credit (set aside)*	414,006	-	414,006	-	414,006	359,485
State Funded Continuing Education Courses	617,057	-	617,057	-	617,057	603,043
TPEG - Non-Credit (set aside)*	36,436	-	36,436	-	36,436	38,857
Non-State Funded Continuing Education	30,570	-	30,570	-	30,570	47,946
Total Tuition	<u>7,752,560</u>	<u>-</u>	<u>7,752,560</u>	<u>-</u>	<u>7,752,560</u>	<u>6,838,977</u>
Fees						
Student Service Fee	-	-	-	560,997	560,997	584,829
Building Use Fee	-	448,668	448,668	-	448,668	467,856
Laboratory Fee	565,225	-	565,225	-	565,225	449,194
Other Fees	221,863	-	221,863	208,927	430,790	405,426
Total Fees	<u>787,088</u>	<u>448,668</u>	<u>1,235,756</u>	<u>769,924</u>	<u>2,005,680</u>	<u>1,907,305</u>
Scholarship Allowances and Discounts						
Local Scholarships	(390,890)	-	(390,890)	(23,497)	(414,387)	(411,215)
Auxiliary Scholarships	(176,188)	-	(176,188)	(8,801)	(184,989)	(155,283)
Remissions and Exemptions-State	(139,380)	-	(139,380)	(130)	(139,510)	(134,295)
Remissions and Exemptions-Local	(4,927)	-	(4,927)	-	(4,927)	(4,509)
TPEG Allowances	(187,591)	-	(187,591)	(8,065)	(195,656)	(168,265)
Other State Grants	(207,773)	-	(207,773)	(15,628)	(223,401)	(337,770)
Title IV Federal Grants	(3,723,767)	-	(3,723,767)	(338,400)	(4,062,167)	(3,165,909)
Other Federal Grants	-	-	-	-	-	(25,725)
Total Scholarship Allowances	<u>(4,830,516)</u>	<u>-</u>	<u>(4,830,516)</u>	<u>(394,521)</u>	<u>(5,225,037)</u>	<u>(4,402,971)</u>
Total Net Tuition and Fees	<u>3,709,132</u>	<u>448,668</u>	<u>4,157,800</u>	<u>375,403</u>	<u>4,533,203</u>	<u>4,343,311</u>
Additional Operating Revenues						
Federal Grants and Contracts	61,092	1,085,829	1,146,921	-	1,146,921	1,356,620
State Grants and Contracts	9,500	706,595	716,095	-	716,095	1,175,621
Non-Governmental Grants and Contracts	450,360	65,171	515,531	-	515,531	683,267
Sales and Services of Educational Activities	3,600	-	3,600	-	3,600	4,375
Investment Income (Program Restricted)	-	165,272	165,272	-	165,272	222,094
Other Operating Revenues	(19,068)	115,961	96,893	19,326	116,219	224,431
Total Additional Operating Revenues	<u>505,484</u>	<u>2,138,828</u>	<u>2,644,312</u>	<u>19,326</u>	<u>2,663,638</u>	<u>3,666,408</u>
Auxiliary Enterprises						
Residential Life	-	-	-	522,900	522,900	568,361
Scholarship Allowances and Discounts	-	-	-	(392,272)	(392,272)	(452,412)
Net Resident Life	-	-	-	130,628	130,628	115,949
Bookstore	-	-	-	3,739,138	3,739,138	4,111,750
Scholarship Allowances and Discounts	-	-	-	(2,435,073)	(2,435,073)	(2,613,558)
Net Bookstore	-	-	-	1,304,065	1,304,065	1,498,192
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,434,693</u>	<u>1,434,693</u>	<u>1,614,141</u>
Total Operating Revenues	<u>\$ 4,214,616</u>	<u>\$ 2,587,496</u>	<u>\$ 6,802,112</u>	<u>\$ 1,829,422</u>	<u>\$ 8,631,534</u>	<u>\$ 9,623,860</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$450,442 and \$398,342 respectively were set aside for Texas Public Education Grants (TPEG).

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE B
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011

	Operating Expenses				Totals	
	Salaries and Wages	State Benefits	Local Benefits	Other Expenses	Current Year	Prior Year
Unrestricted - Educational Activities						
Instruction	\$ 8,562,189	\$ -	\$ 1,138,164	\$ 643,445	\$ 10,343,798	\$ 10,452,215
Public Service	29,899	-	3,974	8,296	42,169	68,192
Academic Support	1,548,762	-	205,876	773,100	2,527,738	2,280,200
Student Services	939,059	-	124,828	167,132	1,231,019	1,167,550
Institutional Support	1,067,268	-	141,871	1,207,946	2,417,085	2,172,474
Operation and Maintenance of Plant	835,365	-	111,044	1,359,018	2,305,427	2,255,175
Scholarships and Fellowships	-	-	-	-	-	-
Total Unrestricted Educational Activities	<u>12,982,542</u>	<u>-</u>	<u>1,725,757</u>	<u>4,158,937</u>	<u>18,867,236</u>	<u>18,395,806</u>
Restricted - Educational Activities						
Instruction	192,316	846,814	12,120	209,794	1,261,044	2,000,549
Public Service	576,792	2,957	78,882	192,558	851,189	870,215
Academic Support	16,190	153,175	-	-	169,365	239,979
Student Services	220,457	92,874	38,936	71,628	423,895	478,003
Institutional Support	13,774	105,555	-	-	119,329	161,431
Operation and Maintenance of Plant	8,057	82,619	-	-	90,676	132,209
Scholarships and Fellowships	-	-	-	4,933,758	4,933,758	5,684,608
Total Restricted Educational Activities	<u>1,027,586</u>	<u>1,283,994</u>	<u>129,938</u>	<u>5,407,738</u>	<u>7,849,256</u>	<u>9,566,994</u>
Total Educational Activities	14,010,128	1,283,994	1,855,695	9,566,675	26,716,492	27,962,800
Auxiliary Enterprises	535,727	-	117,441	4,459,073	5,112,241	5,569,091
Depreciation Expense-Buildings and Improvements	-	-	-	1,396,347	1,396,347	1,208,203
Depreciation Expense-Equipment and Furniture	-	-	-	490,417	490,417	440,573
Total Operating Expenses	<u>\$ 14,545,855</u>	<u>\$ 1,283,994</u>	<u>\$ 1,973,136</u>	<u>\$ 15,912,512</u>	<u>\$ 33,715,497</u> (Exhibit 2)	<u>\$ 35,180,667</u> (Exhibit 2)

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE C
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				Memorandum Only	
				Current Year	Prior Year
Non-Operating Revenues					
State Appropriations					
Educational and General State Support	\$ 7,651,628	\$ -	\$ -	\$ 7,651,628	\$ 7,776,673
State Group Insurance	-	815,658	-	815,658	1,259,337
State Retirement Matching	-	468,337	-	468,337	677,623
Other State Support	156,112	-	-	156,112	19,035
Total State Appropriations	<u>7,807,740</u>	<u>1,283,995</u>	<u>-</u>	<u>9,091,735</u>	<u>9,732,668</u>
Maintenance Ad Valorem Taxes	4,425,665	-	-	4,425,665	4,058,716
Debt Service Ad Valorem Taxes	-	1,791,575	-	1,791,575	1,796,665
Federal Revenue, Non-Operating	-	11,603,694	-	11,603,694	11,593,356
Gifts	21,022	410,469	4,000	435,491	549,749
Investment Income (Net of Investment Expenses)	17,700	196,209	10,634	224,543	167,726
Other Non-Operating Revenues	<u>54,783</u>	<u>36,126</u>	<u>167,302</u>	<u>258,211</u>	<u>257,637</u>
Total Non-Operating Revenues	12,326,910	15,322,068	181,936	27,830,914	28,156,517
Non-Operating Expenses					
Interest on Capital Related Debt	(34,185)	987,912	-	953,727	1,001,592
Disposal of Capital Assets, net	<u>6,868</u>	<u>-</u>	<u>-</u>	<u>6,868</u>	<u>6,010</u>
Total Non-Operating Expenses	(27,317)	987,912	-	960,595	1,007,602
Net Non-Operating Revenues	<u>\$ 12,354,227</u>	<u>\$ 14,334,156</u>	<u>\$ 181,936</u>	<u>\$ 26,870,319</u>	<u>\$ 27,148,915</u>
				(Exhibit 2)	(Exhibit 2)

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE D
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2012
With Memorandum Totals for the Year Ended August 31, 2011

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 2,083,492	\$ -	\$ -	\$ -	\$ 2,083,492	\$ 2,083,492	\$ -
Restricted	-	1,446,007	-	-	1,446,007	-	1,446,007
Auxiliary Enterprises	2,185,682	-	-	-	2,185,682	2,185,682	-
Loan	369,926	-	-	-	369,926	-	369,926
Endowment:							
Quasi:							
Unrestricted	1,388,853	-	-	-	1,388,853	-	1,388,853
Endowment:							
True	-	-	4,222,327	-	4,222,327	-	4,222,327
Plant:							
Unexpended	4,123,857	-	-	-	4,123,857	-	4,123,857
Debt Service	-	1,195,620	-	-	1,195,620	-	1,195,620
Investment in Plant	-	-	-	19,852,472	19,852,472	-	19,852,472
Total Net Assets, August 31, 2012	10,151,810	2,641,627	4,222,327	19,852,472	36,868,236 (Exhibit 1)	4,269,174	32,599,062
Total Net Assets, August 31, 2011	10,167,908	2,548,181	3,453,266	18,329,853	34,499,208 (Exhibit 1)	3,753,039	30,746,169
Net Increase (Decrease) in Net Assets	\$ (16,098)	\$ 93,446	\$ 769,061	\$ 1,522,619	\$ 2,369,028 (Exhibit 2)	\$ 516,135	\$ 1,852,893

See independent auditors' report.



**Angelina County
Junior College District**

**STATISTICAL SECTION
(UNAUDITED)**

**Comprehensive Annual
Financial Report**

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SECTION OBJECTIVES
(UNAUDITED)**

This part of Angelina County Junior College District's (the College's) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – Showing how the College's financial position has changed over time.
- Revenue Capacity – Assessing the College's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the College's financial activities take place.
- Operating Information – Providing information about how the College's financial report relates to the services it provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 1
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Fiscal Year Ended August 31,				
	2012	2011	2010	2009	2008
Invested in Capital Assets, Net of Related Debt	\$ 19,852,472	\$ 18,329,853	\$ 17,808,653	\$ 17,162,195	\$ 17,104,444
Restricted - Expendable	2,641,627	2,548,181	2,592,326	2,770,796	2,665,589
Restricted - Nonexpendable	4,222,327	3,453,266	3,163,172	2,893,184	3,001,016
Unrestricted	10,151,810	10,167,908	8,966,937	8,472,941	7,799,155
Total Net Assets	<u>\$ 36,868,236</u>	<u>\$ 34,499,208</u>	<u>\$ 32,531,088</u>	<u>\$ 31,299,116</u>	<u>\$ 30,570,204</u>

	For the Fiscal Year Ended August 31,				
	2007	2006	2005	2004	2003
Invested in Capital Assets, Net of Related Debt	\$ 15,631,874	\$ 15,150,691	\$ 15,302,661	\$ 15,119,394	\$ 15,132,290
Restricted - Expendable	2,521,888	2,467,975	1,954,095	1,900,011	1,923,133
Restricted - Nonexpendable	3,151,197	2,357,498	2,280,274	2,172,165	1,811,984
Unrestricted	6,635,185	5,958,470	4,505,326	4,047,019	2,989,703
Total Net Assets	<u>\$ 27,940,144</u>	<u>\$ 25,934,634</u>	<u>\$ 24,042,356</u>	<u>\$ 23,238,589</u>	<u>\$ 21,857,110</u>

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 2
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	\$ 4,533,203	\$ 4,343,311	\$ 3,994,219	\$ 4,232,590	\$ 3,872,967
Federal Grants and Contracts	1,146,921	1,356,620	1,310,236	1,259,075	1,355,194
State Grants and Contracts	716,095	1,175,621	901,557	718,226	575,512
Non-Governmental Grants and Contracts	515,531	683,267	344,500	467,499	332,047
Sales and Services of Educational Activities	3,600	4,375	8,750	14,310	17,850
Investment Income - Program Restricted	165,272	222,094	215,003	217,862	212,514
Auxiliary Enterprises	1,434,693	1,614,141	1,877,653	2,388,254	1,381,737
Other Operating Revenues	116,219	224,431	144,107	173,980	172,646
Total Operating Revenues	8,631,534	9,623,860	8,796,025	9,471,796	7,920,467
State Appropriations	9,091,735	9,732,668	9,824,030	10,431,792	10,366,211
Ad Valorem Taxes	6,217,240	5,855,381	5,483,542	4,722,495	3,870,282
Federal Revenue, Non-Operating	11,603,694	11,593,356	10,542,716	5,719,908	4,922,339
Gifts	435,491	549,749	588,142	449,827	463,358
Investment Income	224,543	167,726	163,500	44,875	99,392
Other Non-Operating Revenues	258,211	257,637	238,063	235,482	236,343
Total Non-Operating Revenues	27,830,914	28,156,517	26,839,993	21,604,379	19,957,925
Capital Contributions	8,081	230,000	47,500	-	1,576,902
Additions to Permanent Endowments	574,591	146,012	27,096	64,090	93,634
Extraordinary Items	-	-	-	-	-
Total Other Revenues	582,672	376,012	74,596	64,090	1,670,536
Total Revenues	\$ 37,045,120	\$ 38,156,389	\$ 35,710,614	\$ 31,140,265	\$ 29,548,928

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Tuition and Fees (Net of Discounts)	12.24%	11.38%	11.19%	13.58%	13.11%
Federal Grants and Contracts	3.10%	3.56%	3.67%	4.04%	4.59%
State Grants and Contracts	1.93%	3.08%	2.52%	2.31%	1.95%
Non-Governmental Grants and Contracts	1.39%	1.79%	0.96%	1.50%	1.12%
Sales and Services of Educational Activities	0.01%	0.01%	0.02%	0.05%	0.06%
Investment Income - Program Restricted	0.45%	0.58%	0.60%	0.70%	0.72%
Auxiliary Enterprises	3.87%	4.23%	5.26%	7.67%	4.68%
Other Operating Revenues	0.31%	0.59%	0.40%	0.56%	0.58%
Total Operating Revenues	23.30%	25.22%	24.62%	30.41%	26.81%
State Appropriations	24.54%	25.51%	27.51%	33.50%	35.07%
Ad Valorem Taxes	16.78%	15.35%	15.36%	15.17%	13.10%
Federal Revenue, Non-Operating	31.32%	30.38%	29.52%	18.37%	16.66%
Gifts	1.18%	1.44%	1.65%	1.44%	1.57%
Investment Income	0.61%	0.44%	0.46%	0.14%	0.34%
Other Non-Operating Revenues	0.70%	0.68%	0.67%	0.76%	0.80%
Total Non-Operating Revenues	75.13%	73.80%	75.17%	69.38%	67.54%
Capital Contributions	0.02%	0.60%	0.13%	0.00%	5.33%
Additions to Permanent Endowments	1.55%	0.38%	0.08%	0.21%	0.32%
Extraordinary Items	0.00%	0.00%	0.00%	0.00%	0.00%
Total Other Revenues	1.57%	0.98%	0.21%	0.21%	5.65%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 2 (Continued)
REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31,				
	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	\$ 4,651,422	\$ 4,335,141	\$ 3,257,808	\$ 2,844,744	\$ 2,540,121
Federal Grants and Contracts	1,465,623	1,517,596	1,553,014	1,524,326	1,496,023
State Grants and Contracts	508,919	298,877	481,115	523,001	395,022
Non-Governmental Grants and Contracts	286,658	272,483	276,403	235,122	277,628
Sales and Services of Educational Activities	6,825	12,950	18,725	-	-
Investment Income - Program Restricted	196,762	161,038	102,551	87,934	124,049
Auxiliary Enterprises	2,304,925	2,108,606	1,461,134	1,428,776	1,140,638
Other Operating Revenues	98,478	99,020	75,221	96,098	93,812
Total Operating Revenues	9,519,612	8,805,711	7,225,971	6,740,001	6,067,293
State Appropriations	10,340,180	10,302,355	9,482,791	9,436,818	9,377,705
Ad Valorem Taxes	3,731,027	3,503,079	3,226,482	3,091,600	2,869,820
Federal Revenue, Non-Operating	4,982,062	4,242,115	6,534,324	6,850,148	6,328,367
Gifts	426,194	382,528	322,238	327,827	1,672,611
Investment Income	461,959	206,418	53,916	30,007	70,543
Other Non-Operating Revenues	246,254	229,480	105,709	99,529	109,262
Total Non-Operating Revenues	20,187,676	18,865,975	19,725,460	19,835,929	20,428,308
Capital Contributions	-	240,172	797,761	-	-
Additions to Permanent Endowments	648,691	87,467	146,890	393,543	-
Extraordinary Items	-	-	-	-	-
Total Other Revenues	648,691	327,639	944,651	393,543	-
Total Revenues	\$ 30,355,979	\$ 27,999,325	\$ 27,896,082	\$ 26,969,473	\$ 26,495,601

	For the Year Ended August 31,				
	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	15.33%	15.48%	11.68%	10.55%	9.59%
Federal Grants and Contracts	4.83%	5.42%	5.56%	5.65%	5.65%
State Grants and Contracts	1.68%	1.07%	1.72%	1.94%	1.49%
Non-Governmental Grants and Contracts	0.94%	0.97%	0.99%	0.87%	1.05%
Sales and Services of Educational Activities	0.02%	0.05%	0.07%	0.00%	0.00%
Investment Income - Program Restricted	0.65%	0.58%	0.37%	0.32%	0.47%
Auxiliary Enterprises	7.59%	7.53%	5.24%	5.30%	4.30%
Other Operating Revenues	0.32%	0.35%	0.27%	0.36%	0.35%
Total Operating Revenues	31.36%	31.45%	25.90%	24.99%	22.90%
State Appropriations	34.07%	36.79%	33.99%	34.99%	35.40%
Ad Valorem Taxes	12.29%	12.51%	11.57%	11.46%	10.83%
Federal Revenue, Non-Operating	16.41%	15.15%	23.42%	25.40%	23.88%
Gifts	1.40%	1.37%	1.16%	1.22%	6.31%
Investment Income	1.52%	0.74%	0.19%	0.11%	0.27%
Other Non-Operating Revenues	0.81%	0.82%	0.38%	0.37%	0.41%
Total Non-Operating Revenues	66.50%	67.38%	70.71%	73.55%	77.10%
Capital Contributions	0.00%	0.86%	2.86%	0.00%	0.00%
Additions to Permanent Endowments	2.14%	0.31%	0.53%	1.46%	0.00%
Extraordinary Items	0.00%	0.00%	0.00%	0.00%	0.00%
Total Other Revenues	2.14%	1.17%	3.39%	1.46%	0.00%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 3
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Instruction	\$ 11,604,842	\$ 12,452,764	\$ 11,486,873	\$ 10,938,945	\$ 10,209,697
Public Service	893,358	938,407	895,122	952,490	930,064
Academic Support	2,697,103	2,520,179	2,441,377	2,117,408	2,150,222
Student Services	1,654,914	1,645,553	1,558,416	1,460,460	1,425,917
Institutional Support	2,536,414	2,333,905	2,260,856	2,286,355	2,250,869
Operation and Maintenance of Plant	2,396,103	2,387,384	2,359,547	2,222,365	2,118,858
Scholarships and Fellowships	4,933,758	5,684,608	5,321,444	5,318,158	4,100,908
Auxiliary Enterprises	5,112,241	5,569,091	5,393,595	2,953,991	1,930,804
Depreciation	1,886,764	1,648,776	1,543,802	1,277,504	1,260,739
Total Operating Expenses	<u>33,715,497</u>	<u>35,180,667</u>	<u>33,261,032</u>	<u>29,527,676</u>	<u>26,378,078</u>
Interest on Capital Related Debt	953,727	1,001,592	1,086,195	881,649	528,196
Loss on Disposal of Fixed Assets	6,868	6,010	131,415	2,028	12,594
Total Non-Operating Expenses	<u>960,595</u>	<u>1,007,602</u>	<u>1,217,610</u>	<u>883,677</u>	<u>540,790</u>
Total Expenses	<u>\$ 34,676,092</u>	<u>\$ 36,188,269</u>	<u>\$ 34,478,642</u>	<u>\$ 30,411,353</u>	<u>\$ 26,918,868</u>

	For the Year Ended August 31,				
	2012	2011	2010	2009	2008
Instruction	33.46%	34.40%	33.32%	35.97%	37.93%
Public Service	2.58%	2.59%	2.60%	3.13%	3.46%
Academic Support	7.78%	6.96%	7.08%	6.96%	7.99%
Student Services	4.77%	4.55%	4.52%	4.80%	5.30%
Institutional Support	7.31%	6.45%	6.56%	7.52%	8.36%
Operation and Maintenance of Plant	6.91%	6.60%	6.84%	7.31%	7.87%
Scholarships and Fellowships	14.23%	15.71%	15.43%	17.49%	15.23%
Auxiliary Enterprises	14.74%	15.39%	15.64%	9.71%	7.17%
Depreciation	5.44%	4.56%	4.48%	4.20%	4.68%
Total Operating Expenses	<u>97.22%</u>	<u>97.21%</u>	<u>96.47%</u>	<u>97.09%</u>	<u>97.99%</u>
Interest on Capital Related Debt	2.76%	2.77%	3.15%	2.90%	1.96%
Loss on Disposal of Fixed Assets	0.02%	0.02%	0.38%	0.01%	0.05%
Total Non-Operating Expenses	<u>2.78%</u>	<u>2.79%</u>	<u>3.53%</u>	<u>2.91%</u>	<u>2.01%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Change in Net Assets	<u>\$ 2,369,028</u>	<u>\$ 1,968,120</u>	<u>\$ 1,231,972</u>	<u>\$ 728,912</u>	<u>\$ 2,630,060</u>

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 3 (Continued)
PROGRAM EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31,				
	2007	2006	2005	2004	2003
Instruction	\$ 10,083,644	\$ 9,769,216	\$ 9,756,666	\$ 9,151,831	\$ 10,380,538
Public Service	958,980	969,758	929,900	970,057	361,412
Academic Support	2,132,574	2,121,016	2,066,005	1,899,775	1,890,190
Student Services	1,443,954	1,408,440	1,326,358	1,309,605	1,163,076
Institutional Support	2,082,862	1,818,627	1,771,312	1,579,402	1,646,344
Operation and Maintenance of Plant	2,103,785	2,130,309	1,938,447	1,641,426	1,724,730
Scholarships and Fellowships	4,969,889	3,811,481	5,107,214	5,621,757	5,396,766
Auxiliary Enterprises	2,812,996	2,488,475	1,573,432	1,443,723	1,325,019
Depreciation	1,203,454	1,198,516	1,166,854	1,126,438	1,084,779
Total Operating Expenses	<u>27,792,138</u>	<u>25,715,838</u>	<u>25,636,188</u>	<u>24,744,014</u>	<u>24,972,854</u>
Interest on Capital Related Debt	542,510	679,282	685,449	830,230	836,329
Loss on Disposal of Fixed Assets	15,821	7,594	6,574	13,750	23,625
Total Non-Operating Expenses	<u>558,331</u>	<u>686,876</u>	<u>692,023</u>	<u>843,980</u>	<u>859,954</u>
Total Expenses	<u>\$ 28,350,469</u>	<u>\$ 26,402,714</u>	<u>\$ 26,328,211</u>	<u>\$ 25,587,994</u>	<u>\$ 25,832,808</u>

	For the Year Ended August 31,				
	2007	2006	2005	2004	2003
Instruction	35.57%	37.00%	37.06%	35.77%	40.18%
Public Service	3.38%	3.67%	3.53%	3.79%	1.40%
Academic Support	7.52%	8.03%	7.85%	7.43%	7.32%
Student Services	5.09%	5.33%	5.04%	5.12%	4.50%
Institutional Support	7.35%	6.89%	6.73%	6.17%	6.37%
Operation and Maintenance of Plant	7.42%	8.07%	7.36%	6.41%	6.68%
Scholarships and Fellowships	17.53%	14.44%	19.40%	21.97%	20.89%
Auxiliary Enterprises	9.93%	9.43%	5.97%	5.64%	5.13%
Depreciation	4.24%	4.54%	4.43%	4.40%	4.20%
Total Operating Expenses	<u>98.03%</u>	<u>97.40%</u>	<u>97.37%</u>	<u>96.70%</u>	<u>96.67%</u>
Interest on Capital Related Debt	1.91%	2.57%	2.61%	3.25%	3.24%
Loss on Disposal of Fixed Assets	0.06%	0.03%	0.02%	0.05%	0.09%
Total Non-Operating Expenses	<u>1.97%</u>	<u>2.60%</u>	<u>2.63%</u>	<u>3.30%</u>	<u>3.33%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Change in Net Assets	<u>\$ 2,005,510</u>	<u>\$ 1,596,611</u>	<u>\$ 1,567,871</u>	<u>\$ 1,381,479</u>	<u>\$ 662,793</u>

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 4
 TUITION AND FEES
 LAST TEN ACADEMIC YEARS
 (UNAUDITED)**

Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Building Use Fee	Student Services Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2011	\$48	\$74	\$4	\$5	\$684	\$996	16.33%	16.90%
2010	40	62	4	5	588	852	11.36%	7.58%
2009	35	57	4	5	528	792	7.98%	8.64%
2008	33	53	4	5	489	729	7.95%	8.97%
2007	30	48	4	5	453	669	0.00%	0.00%
2006	30	48	4	5	453	669	5.59%	5.69%
2005	28	45	4	5	429	633	9.16%	10.47%
2004	25	40	4	5	393	573	13.91%	20.13%
2003	21	32	4	5	345	477	12.75%	15.22%
2002	19	28	4	5	306	414	4.08%	6.15%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees, and certification fees.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 4 (Continued)
 TUITION AND FEES
 LAST TEN ACADEMIC YEARS
 (UNAUDITED)**

**Non - Resident
 Fees per Semester Credit Hour (SCH)**

Academic Year (Fall)	Non-Resident Tuition Out-of- State	Building Use Fee	Student Services Fee	Cost for 12 SCH Out-of-State	Increase from Prior Year Out- of-State
2011	\$105	\$4	\$5	\$1,368	16.33%
2010	89	4	5	1,176	5.38%
2009	84	4	5	1,116	8.45%
2008	78	4	5	1,029	10.29%
2007	70	4	5	933	0.00%
2006	70	4	5	933	6.87%
2005	65	4	5	873	7.38%
2004	60	4	5	813	13.39%
2003	52	4	5	717	13.81%
2002	46	4	5	630	8.25%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees, and certification fees.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 5
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2011-12	\$ 4,263,436,076	\$ 563,673,416	\$ 3,699,762,660	86.78%	0.11880	0.04820	0.167000
2010-11	4,188,567,447	551,873,718	3,636,693,729	86.82%	0.11000	0.04900	0.159000
2009-10	4,058,206,848	492,191,065	3,566,015,783	87.87%	0.10350	0.05170	0.155200
2008-09	3,582,902,535	238,537,528	3,344,365,007	93.34%	0.10180	0.03570	0.137500
2007-08	3,473,591,068	290,798,782	3,182,792,286	91.63%	0.09700	0.02250	0.119500
2006-07	3,301,454,790	324,074,811	2,977,379,979	90.18%	0.09470	0.02430	0.119000
2005-06	3,278,809,127	366,236,487	2,912,572,640	88.83%	0.09090	0.02470	0.115600
2004-05	3,174,526,080	383,306,308	2,791,219,772	87.93%	0.08940	0.02600	0.115400
2003-04	3,051,548,692	423,983,680	2,627,565,012	86.11%	0.08450	0.02960	0.114100
2002-03	3,055,819,479	376,478,190	2,679,341,289	87.68%	0.07870	0.02930	0.108000

Source: Angelina County Central Appraisal District

Note: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 6
 STATE APPROPRIATION PER FTSE AND CONTACT HOUR
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year	Appropriation per FTSE		Appropriation per Contact Hour				State Appropriation per Contact Hour
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	
2011-12	\$ 7,651,628	3,981	\$ 1,922	1,565,846	679,626	2,245,472	3.41
2010-11	7,776,673	4,152	1,873	1,633,081	737,204	2,370,285	3.28
2009-10	7,864,085	4,035	1,949	1,602,944	651,814	2,254,758	3.49
2008-09	8,407,217	3,476	2,419	1,366,313	581,064	1,947,377	4.32
2007-08	8,407,214	2,225	3,779	1,319,837	617,518	1,937,355	4.34
2006-07	8,407,214	2,227	3,776	1,355,170	579,768	1,934,938	4.34
2005-06	8,407,214	2,244	3,747	1,382,338	572,003	1,954,341	4.30
2004-05	8,056,955	2,544	3,167	1,486,050	666,407	2,152,457	3.74
2003-04	8,057,088	2,650	3,041	1,502,670	642,664	2,145,334	3.76
2002-03	7,620,886	2,571	2,964	1,453,157	677,976	2,131,133	3.58

Note: FTSE is defined as Semester Credit Hours divided by 30 plus Non-Semester Length Technical Contact Hours divided by 900.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2011-12	2010-11	2009-10	2008-09	2007-08
Abitibi Consolidated Corp.	Manufacturing	\$ -	\$ -	\$ -	\$ 14,098	\$ 20,860
American Color Graphics Inc.	Manufacturing	-	10,825	8,821	8,631	12,812
Aspen Power LLC	Energy	20,300	35,034	-	-	-
BBL Real Estate Holding LTD	Retail	-	11,589	11,910	11,661	11,873
Brookshire Brothers Inc.	Groceries	30,308	29,467	30,492	32,806	30,645
Brookshire Brothers LTD	Groceries	-	-	-	-	-
Consolidated Comm of Texas	Utility	47,534	47,843	50,685	67,933	44,600
Crown Pine Timber 1 LP	Agricultural	12,965	14,950	16,325	19,857	17,755
Donohue Industries Inc.	Manufacturing	-	-	-	-	-
Encana Oil & Gas (USA)	Oil & Gas	-	-	32,385	29,273	-
Energy Transfer Fuel	Oil & Gas	-	-	9,187	9,494	-
Georgia Pacific Chemicals LLC	Manufacturing	19,446	11,633	11,567	11,507	14,192
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	12,337
Keystone Southloop of Lufkin LLC	Retail	13,216	13,382	13,609	13,946	11,573
Lowe's Home Centers Inc.	Retail	11,697	11,606	11,324	11,766	11,402
Lufkin GKD Partners LP	Retail	16,050	18,219	18,203	22,444	15,244
Lufkin Industries	Manufacturing	112,810	97,249	96,042	105,346	101,717
Nabors Drilling USA LP	Oil & Gas	14,019	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	11,411	10,284	-
Oncor Electric Delivery Co.	Utility Distribution	58,132	56,983	57,314	58,029	64,178
Pilgrim Industries Inc.	Food	24,666	17,822	14,410	15,412	20,925
Pineywoods Health Care Systems LP	Medical	31,468	33,059	34,320	38,365	38,985
SND Operating LLC	Oil & Gas	11,564	21,152	-	-	-
Temple-Inland FPC	Manufacturing	33,501	33,680	25,021	28,110	52,634
Texas Foundries LTD	Manufacturing	-	-	-	-	17,350
TIN Inc.	Manufacturing	16,840	18,741	31,174	34,229	34,145
TXU Communications Telephone Co.	Utility	-	-	-	-	-
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	11,423	-	-	-	-
Wal-Mart Real Estate #140	Retail	12,102	12,326	12,279	11,999	12,727
Totals		\$ 498,041	\$ 495,560	\$ 496,479	\$ 555,190	\$ 545,954
Total Taxable Assessed Value		\$ 3,699,763	\$ 3,636,694	\$ 3,566,016	\$ 3,344,365	\$ 3,182,792

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2011-12	2010-11	2009-10	2008-09	2007-08
Abitibi Consolidated Corp.	Manufacturing	-	-	-	0.42%	0.66%
American Color Graphics Inc.	Manufacturing	-	0.30%	0.25%	0.26%	0.40%
Aspen Power LLC	Energy	0.55%	0.96%	-	-	-
BBL Real Estate Holding LTD	Retail	-	0.32%	0.33%	0.35%	0.37%
Brookshire Brothers Inc.	Groceries	0.82%	0.81%	0.86%	0.98%	0.96%
Brookshire Brothers LTD	Groceries	-	-	-	-	-
Consolidated Comm of Texas	Utility	1.28%	1.32%	1.42%	2.03%	1.40%
Crown Pine Timber 1 LP	Agricultural	0.35%	0.41%	0.46%	0.59%	0.56%
Donohue Industries Inc.	Manufacturing	-	-	-	-	-
Encana Oil & Gas (USA)	Oil & Gas	-	-	0.91%	0.88%	-
Energy Transfer Fuel	Oil & Gas	-	-	0.26%	0.28%	-
Georgia Pacific Chemicals LLC	Manufacturing	0.53%	0.32%	0.32%	0.34%	0.45%
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	0.39%
Keystone Southloop of Lufkin LLC	Retail	0.36%	0.37%	0.38%	0.42%	0.36%
Lowe's Home Centers Inc.	Retail	0.32%	0.32%	0.32%	0.35%	0.36%
Lufkin GKD Partners LP	Retail	0.43%	0.50%	0.51%	0.67%	0.48%
Lufkin Industries	Manufacturing	3.05%	2.67%	2.69%	3.15%	3.20%
Nabors Drilling USA LP	Oil & Gas	0.38%	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	0.32%	0.31%	-
Oncor Electric Delivery Co.	Utility Distribution	1.57%	1.57%	1.61%	1.74%	2.02%
Pilgrim Industries Inc.	Food	0.67%	0.49%	0.40%	0.46%	0.66%
Pineywoods Health Care Systems LP	Medical	0.85%	0.91%	0.96%	1.15%	1.22%
SND Operating LLC	Oil & Gas	0.31%	0.58%	-	-	-
Temple-Inland FPC	Manufacturing	0.91%	0.93%	0.70%	0.84%	1.65%
Texas Foundries LTD	Manufacturing	-	-	-	-	0.55%
TIN Inc.	Manufacturing	0.46%	0.52%	0.87%	1.02%	1.07%
TXU Communications Telephone Co.	Utility	-	-	-	-	-
TXU Electric Delivery Company	Utility	-	-	-	-	-
Union Pacific RR Co.	Transportation	0.31%	-	-	-	-
Wal-Mart Real Estate #140	Retail	0.33%	0.34%	0.34%	0.36%	0.40%
Totals		13.48%	13.64%	13.91%	16.60%	17.16%

Source: Angelina County Central Appraisal District

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 7 (Continued)
PRINCIPAL TAXPAYERS
LAST TEN TAX YEARS
(UNAUDITED)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2006-07	2005-06	2004-05	2003-04	2002-03
Abitibi Consolidated Corp.	Manufacturing	\$ 30,487	\$ 52,200	\$ 24,824	\$ 35,412	\$ -
American Color Graphics Inc.	Manufacturing	-	-	-	-	-
Aspen Power LLC	Energy	-	-	-	-	-
BBL Real Estate Holding LTD	Retail	-	-	-	-	-
Brookshire Brothers Inc.	Groceries	30,497	31,763	28,533	26,352	25,766
Brookshire Brothers LTD	Groceries	-	-	13,938	-	14,503
Consolidated Comm of Texas	Utility	56,275	50,025	45,748	-	-
Crown Pine Timber 1 LP	Agricultural	-	-	-	-	-
Donohue Industries Inc.	Manufacturing	-	-	-	-	112,980
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Chemicals LLC	Manufacturing	-	17,839	17,614	15,131	15,251
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	-	-	-	-	-
Lowe's Home Centers Inc.	Retail	-	-	-	-	-
Lufkin GKD Partners LP	Retail	-	-	-	-	-
Lufkin Industries	Manufacturing	94,550	87,111	85,366	72,793	70,829
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	-	-	-	55,017	56,476
Pilgrim Industries Inc.	Food	21,478	23,265	24,966	14,440	-
Pineywoods Health Care Systems LP	Medical	17,486	16,013	-	13,967	-
SND Operating LLC	Oil & Gas	-	-	-	-	-
Temple-Inland FPC	Manufacturing	44,223	102,273	123,449	132,089	138,226
Texas Foundries LTD	Manufacturing	20,895	17,574	35,906	40,904	42,783
TIN Inc.	Manufacturing	67,297	-	-	-	-
TXU Communications Telephone Co.	Utility	-	-	-	54,161	55,796
TXU Electric Delivery Company	Utility	61,309	59,848	57,572	-	-
Union Pacific RR Co.	Transportation	-	-	-	-	-
Wal-Mart Real Estate #140	Retail	-	-	-	-	14,057
	Totals	\$ 444,497	\$ 457,911	\$ 457,916	\$ 460,266	\$ 546,667
Total Taxable Assessed Value		\$ 2,988,458	\$ 2,912,573	\$ 2,791,220	\$ 2,627,565	\$ 2,679,341

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2006-07	2005-06	2004-05	2003-04	2002-03
Abitibi Consolidated Corp.	Manufacturing	1.02%	1.79%	0.89%	1.35%	-
American Color Graphics Inc.	Manufacturing	-	-	-	-	-
Aspen Power LLC	Energy	-	-	-	-	-
BBL Real Estate Holding LTD	Retail	-	-	-	-	-
Brookshire Brothers Inc.	Groceries	1.02%	1.09%	1.02%	1.00%	0.96%
Brookshire Brothers LTD	Groceries	-	-	0.50%	-	0.54%
Consolidated Comm of Texas	Utility	1.88%	1.72%	1.64%	-	-
Crown Pine Timber 1 LP	Agricultural	-	-	-	-	-
Donohue Industries Inc.	Manufacturing	-	-	-	-	4.22%
Encana Oil & Gas (USA)	Oil & Gas	-	-	-	-	-
Energy Transfer Fuel	Oil & Gas	-	-	-	-	-
Georgia Pacific Chemicals LLC	Manufacturing	-	0.61%	0.63%	0.58%	0.57%
Hexion Specialty Chemicals	Manufacturing	-	-	-	-	-
Keystone Southloop of Lufkin LLC	Retail	-	-	-	-	-
Lowe's Home Centers Inc.	Retail	-	-	-	-	-
Lufkin GKD Partners LP	Retail	-	-	-	-	-
Lufkin Industries	Manufacturing	3.16%	2.99%	3.06%	2.77%	2.64%
Nabors Drilling USA LP	Oil & Gas	-	-	-	-	-
Natural Gas Pipeline	Oil & Gas	-	-	-	-	-
Oncor Electric Delivery Co.	Utility Distribution	-	-	-	2.09%	2.11%
Pilgrim Industries Inc.	Food	0.72%	0.80%	0.89%	0.55%	-
Pineywoods Health Care Systems LP	Medical	0.59%	0.55%	-	0.53%	-
SND Operating LLC	Oil & Gas	-	-	-	-	-
Temple-Inland FPC	Manufacturing	1.48%	3.51%	4.42%	5.03%	5.16%
Texas Foundries LTD	Manufacturing	0.70%	0.60%	1.29%	1.56%	1.60%
TIN Inc.	Manufacturing	2.25%	-	-	-	-
TXU Communications Telephone Co.	Utility	-	-	-	2.06%	2.08%
TXU Electric Delivery Company	Utility	2.05%	2.05%	2.06%	-	-
Union Pacific RR Co.	Transportation	-	-	-	-	-
Wal-Mart Real Estate #140	Retail	-	-	-	-	0.52%
	Totals	14.87%	15.71%	16.40%	17.52%	20.40%

Source: Angelina County Central Appraisal District

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 8
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN TAX YEARS
(UNAUDITED)**

(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage (c/b)	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2012	\$ 6,179	\$ 16	\$ 6,194	\$ 5,961	96.24%	\$ -	\$ -	\$ 5,961	96.24%
2011	5,782	1	5,783	5,620	97.18%	(14)	77	5,683	98.26%
2010	5,534	(29)	5,505	5,332	96.87%	82	28	5,442	98.86%
2009	4,599	(19)	4,580	4,448	97.12%	82	14	4,544	99.22%
2008	3,803	5	3,809	3,710	97.41%	69	6	3,785	99.37%
2007	3,556	(48)	3,508	3,409	97.16%	75	4	3,488	99.42%
2006	3,367	(20)	3,347	3,215	96.04%	111	3	3,329	99.45%
2005	3,221	(34)	3,187	3,061	96.04%	110	3	3,174	99.57%
2004	2,998	49	3,047	2,932	96.22%	99	2	3,033	99.54%
2003	2,894	(44)	2,850	2,732	95.87%	104	1	2,837	99.56%

Source: Local Tax Assessor/Collector and District records.

Notes:

- (a) Taxable Assessed Value (TAV) multiplied by total tax rate
- (b) As reported in notes to the financial statements for the year of the levy
- (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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 9
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31 (amounts expressed in thousands)				
	2012	2011	2010	2009	2008
General Bonded Debt					
Limited Tax Bonds	\$ 20,529	\$ 21,458	\$ 22,363	\$ 23,212	\$ 17,057
Less: Funds Restricted for Debt Service	(1,196)	(1,226)	(1,446)	(1,457)	(1,279)
Net General Bonded Debt	<u>\$ 19,333</u>	<u>\$ 20,232</u>	<u>\$ 20,917</u>	<u>\$ 21,755</u>	<u>\$ 15,778</u>
Other Debt					
Revenue Bonds	\$ 985	\$ 1,200	\$ 1,400	\$ 1,590	\$ 1,770
Maintenance Tax Notes	-	-	190	370	545
Long-Term Loans	-	-	-	-	-
Total Outstanding Debt	<u>\$ 20,318</u>	<u>\$ 21,432</u>	<u>\$ 22,507</u>	<u>\$ 23,715</u>	<u>\$ 18,093</u>
General Bonded Debt Ratios					
Per Capita	\$ 221	\$ 233	\$ 250	\$ 262	\$ 191
Per FTSE	4,856	4,873	5,184	6,258	4,955
As a Percentage of Taxable Assessed Value	0.52%	0.56%	0.59%	0.65%	0.53%
Total Outstanding Debt Ratios					
Per Capita	\$ 232	\$ 247	\$ 269	\$ 286	\$ 219
Per FTSE	5,104	5,162	5,578	6,822	5,682
As a Percentage of Taxable Assessed Value	0.55%	0.59%	0.63%	0.71%	0.61%

	For the Year Ended August 31 (amounts expressed in thousands)				
	2007	2006	2005	2004	2003
General Bonded Debt					
Limited Tax Bonds	\$ 7,345	\$ 7,788	\$ 8,042	\$ 8,390	\$ 8,575
Less: Funds Restricted for Debt Service	(1,228)	(1,224)	(1,151)	(1,073)	(1,071)
Net General Bonded Debt	<u>\$ 6,117</u>	<u>\$ 6,564</u>	<u>\$ 6,891</u>	<u>\$ 7,317</u>	<u>\$ 7,504</u>
Other Debt					
Revenue Bonds	\$ 1,945	\$ 2,110	\$ 2,265	\$ 2,415	\$ 2,555
Maintenance Tax Notes	710	870	1,020	1,165	1,300
Long-Term Loans	1,597	1,681	1,761	1,836	1,908
Total Outstanding Debt	<u>\$ 10,369</u>	<u>\$ 11,225</u>	<u>\$ 11,937</u>	<u>\$ 12,733</u>	<u>\$ 13,267</u>
General Bonded Debt Ratios					
Per Capita	\$ 70	\$ 76	\$ 81	\$ 86.87	\$ 90.19
Per FTSE	2,747	2,925	2,709	2,761	2,919
As a Percentage of Taxable Assessed Value	0.21%	0.23%	0.25%	0.28%	0.28%
Total Outstanding Debt Ratios					
Per Capita	\$ 118	\$ 130	\$ 140	\$ 151	\$ 159.45
Per FTSE	4,656	5,002	4,692	4,805	5,160
As a Percentage of Taxable Assessed Value	0.35%	0.39%	0.43%	0.48%	0.50%

Notes: Ratios calculated using population and Taxable Assessed Value (TAV) from the current year. Debt per student calculated using Full-Time-Student-Equivalent (FTSE) enrollment.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 10
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	For the Year Ended August 31 (amount expressed in thousands)				
	2012	2011	2010	2009	2008
Taxable Assessed Value	\$ 3,699,763	\$ 3,636,694	\$ 3,566,016	\$ 3,344,365	\$ 3,182,792
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 18,499	\$ 18,183	\$ 17,830	\$ 16,722	\$ 15,914
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	18,499	18,183	17,830	16,722	15,914
Less Current Year Debt Service Requirements	1,782	1,787	1,541	1,392	1,307
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 16,717	\$ 16,396	\$ 16,289	\$ 15,330	\$ 14,607
Net Current Requirements as a % of Statutory Limit	9.63%	9.83%	8.65%	8.33%	8.21%

	For the Year Ended August 31 (amount expressed in thousands)				
	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 2,977,380	\$ 2,912,573	\$ 2,791,220	\$ 2,627,565	\$ 2,679,341
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 14,887	\$ 14,563	\$ 13,956	\$ 13,138	\$ 13,397
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-
Total Net General Obligation Debt	14,887	14,563	13,956	13,138	13,397
Less Current Year Debt Service Requirements	444	254	348	185	300
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 14,443	\$ 14,309	\$ 13,608	\$ 12,953	\$ 13,097
Net Current Requirements as a % of Statutory Limit	2.98%	1.74%	2.49%	1.41%	2.24%

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

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 11
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

REVENUE BONDS

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)			Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Building Use			Principal	Interest	Total	
	Tuition	Fees	Total				
2012	\$ -	\$ 449	\$ 449	\$ 215	\$ 62	\$ 277	1.62
2011	-	468	468	200	72	272	1.72
2010	-	447	447	190	81	271	1.65
2009	-	385	385	180	89	269	1.43
2008	54	381	435	175	97	272	1.60
2007	246	384	630	165	105	270	2.33
2006	243	388	631	155	115	270	2.34
2005	192	419	611	150	124	274	2.23
2004	254	420	674	140	132	272	2.48
2003	218	416	634	135	141	276	2.30

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 12
 DEMOGRAPHIC AND ECONOMIC STATISTICS – TAXING DISTRICT
 LAST TEN CALANDER YEARS
 (UNAUDITED)**

Calendar Year	District Population	District Personal Income	District Personal Income Per Capita	District Unemployment Rate
2011	87,669**	*	*	7.7%
2010	86,986	2,844,111,000	32,696	8.3%
2009	86,029	2,910,790,000	33,835	8.3%
2008	83,038	2,807,182,628	33,806	4.9%
2007	82,570	2,693,996,000	32,627	4.4%
2006	82,204	2,539,450,000	30,892	4.7%
2005	81,557	2,326,549,000	28,527	5.4%
2004	81,272	2,215,506,000	27,260	6.5%
2003	80,957	2,093,846,000	25,864	6.6%
2002	80,464	2,007,878,000	24,954	6.6%

* Data not available as of reporting date.

** Estimate-Bureau of Economic Analysis number not available.

Source:

Texas Labor Market Information - <http://www.tracer2.com/>

The County Information Project, Texas Association of Counties -
<http://www.txcip.org/tac/census>

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 13
 PRINCIPAL EMPLOYERS
 CURRENT FISCAL YEAR
 (UNAUDITED)**

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
Lufkin Industries Inc.	1,824	4.91%
Lufkin Independent School District	1,340	3.60%
Pilgrim's Pride	1,250	3.36%
Brookshire Brothers, LTC	1,223	3.29%
Lufkin State Supported Living Center	1,178	3.17%
Memorial Health Systems of Texas	1,083	2.91%
Angelina College	697	1.87%
Woodland Heights Medical Center	526	1.41%
Wal-Mart Supercenter	525	1.41%
Temple-Inland Forest Products	502	1.35%
Other Angelina County Employees	27,034	72.72%
 Total	 <u><u>37,182</u></u>	 <u><u>100.00%</u></u>
 Angelina County Summary		
Number Employed	37,182	92.27%
Number Unemployed	3,114	7.73%
Total Available Labor Force	<u><u>40,296</u></u>	<u><u>100.00%</u></u>

Note: This institution previously did not present this schedule and has chosen to implement prospectively. As a result, this information is not available for prior fiscal years.

Source:

- Labor Force - Texas Labor Market Information - <http://www.tracer2.com/>
- Lufkin/Angelina County Chamber of Commerce - <http://www.lufkintexas.org/business/community/largestemployers/>
- Economic Development , City of Lufkin
- Lufkin Angelina County Economic Development Partnership

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 14
 FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year				
	2012	2011	2010	2009	2008
Faculty					
Full-Time	119	129	118	116	115
Part-Time	289	269	278	242	254
Total	408	398	396	358	369
Percent					
Full-Time	29.2%	32.4%	29.8%	32.4%	31.2%
Part-Time	70.8%	67.6%	70.2%	67.6%	68.8%
Staff and Administrators					
Full-Time	135	129	125	124	127
Part-Time	154	179	141	123	119
Total	289	308	266	247	246
Percent					
Full-Time	46.7%	41.9%	47.0%	50.2%	51.6%
Part-Time	53.3%	58.1%	53.0%	49.8%	48.4%
FTSE per Full-time Faculty	45.7	45.3	45.9	46.8	42.7
FTSE per Full-Time Staff Member	40.3	45.3	43.4	43.7	38.7
Average Annual Faculty Salary	\$ 47,045	\$ 48,191	\$ 47,848	\$ 47,441	\$ 47,212

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 14 (Continued)
 FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year				
	2007	2006	2005	2004	2003
Faculty					
Full-Time	116	117	116	109	102
Part-Time	248	235	275	305	299
Total	364	352	391	414	401
Percent					
Full-Time	31.9%	33.2%	29.7%	26.3%	25.4%
Part-Time	68.1%	66.8%	70.3%	73.7%	74.6%
Staff and Administrators					
Full-Time	120	125	118	123	123
Part-Time	125	128	133	113	136
Total	245	253	251	236	259
Percent					
Full-Time	49.0%	49.4%	47.0%	52.1%	47.5%
Part-Time	51.0%	50.6%	53.0%	47.9%	52.5%
FTSE per Full-time Faculty	39.9	39.8	41.0	45.2	49.2
FTSE per Full-Time Staff Member	38.5	37.3	40.3	40.0	40.8
Average Annual Faculty Salary	\$ 45,461	\$ 46,557	\$ 45,472	\$ 45,383	\$ 44,986

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 15
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Student Classification</u>	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	4,616	79.09%	4,649	78.74%	4,362	80.98%	3,922	79.81%	3,646	78.85%
31-60 hours	1,219	20.89%	1,248	21.14%	1,007	18.70%	968	19.70%	956	20.67%
> 60 hours	1	0.02%	7	0.12%	17	0.32%	24	0.49%	22	0.48%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

<u>Semester Hour Load</u>	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3 semester hours	33	0.57%	37	0.63%	24	0.45%	38	0.78%	16	0.35%
3-5 semester hours	1,057	18.11%	1,035	17.53%	868	16.12%	860	17.50%	816	17.65%
6-8 semester hours	1,505	25.78%	1,480	25.06%	1,377	25.56%	1,409	28.67%	1,129	24.42%
9-11 semester hours	886	15.18%	849	14.38%	774	14.37%	667	13.57%	688	14.88%
12-14 semester hours	2,039	34.95%	2,138	36.21%	2,018	37.47%	1,599	32.54%	1,617	34.96%
15-17 semester hours	265	4.54%	285	4.83%	250	4.64%	276	5.62%	291	6.29%
18 & over semester hours	51	0.87%	80	1.36%	75	1.39%	65	1.32%	67	1.45%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Average course load	9.0	9.3	9.0	9.3	9.4
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<u>Tuition Status</u>	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	2,603	44.60%	2,694	45.63%	2,442	45.34%	2,145	43.65%	1,957	42.32%
Texas Resident (Out-of-District)	3,149	53.96%	3,115	52.76%	2,797	51.93%	2,618	53.28%	2,510	54.28%
Non-Resident Tuition	84	1.44%	95	1.61%	147	2.73%	151	3.07%	157	3.40%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 15 (Continued)
ENROLLMENT DETAILS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Student Classification</u>	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	3,631	77.95%	3,579	75.25%	3,798	77.13%	3,893	77.55%	3,914	78.86%
31-60 hours	762	16.36%	918	19.30%	1,084	22.02%	1,078	21.47%	1,030	20.75%
> 60 hours	265	5.69%	259	5.45%	42	0.85%	49	0.98%	19	0.39%
Total	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%	4,963	100.00%

<u>Semester Hour Load</u>	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3 semester hours	14	0.30%	52	1.10%	33	0.67%	22	0.44%	36	0.73%
3-5 semester hours	800	17.18%	875	18.40%	865	17.57%	962	19.16%	929	18.72%
6-8 semester hours	1,079	23.16%	938	19.72%	980	19.90%	963	19.18%	999	20.13%
9-11 semester hours	664	14.26%	656	13.79%	712	14.46%	766	15.26%	773	15.58%
12-14 semester hours	1,660	35.64%	1,727	36.31%	1,871	38.00%	1,809	36.04%	1,692	34.09%
15-17 semester hours	384	8.24%	429	9.02%	385	7.82%	409	8.15%	435	8.76%
18 & over semester hours	57	1.22%	79	1.66%	78	1.58%	89	1.77%	99	1.99%
Total	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%	4,963	100.00%

Average course load	9.4	9.5	9.6	9.5	9.6
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<u>Tuition Status</u>	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	2,171	46.61%	2,255	47.41%	2,268	46.06%	2,316	46.14%	2,316	46.67%
Texas Resident (Out-of-District)	2,342	50.28%	2,364	49.71%	2,502	50.81%	2,567	51.14%	2,558	51.54%
Non-Resident Tuition	145	3.11%	137	2.88%	154	3.13%	137	2.72%	89	1.79%
Total	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%	4,963	100.00%

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 16
STUDENT PROFILE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Gender	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,727	63.86%	3,663	62.04%	3,348	62.16%	3,170	64.51%	2,919	63.13%
Male	2,109	36.14%	2,241	37.96%	2,038	37.84%	1,744	35.49%	1,705	36.87%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Ethnic Origin	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	3,684	63.12%	3,747	63.46%	4,016	74.56%	3,980	80.99%	3,716	80.36%
Hispanic	884	15.15%	1,005	17.02%	540	10.03%	398	8.10%	396	8.57%
African American	901	15.44%	883	14.96%	707	13.13%	448	9.12%	431	9.32%
Asian	40	0.69%	45	0.76%	32	0.59%	23	0.47%	24	0.52%
Foreign	24	0.41%	28	0.47%	45	0.84%	27	0.55%	16	0.35%
Native American	31	0.53%	31	0.53%	26	0.48%	8	0.16%	8	0.17%
Native Hawaiian	6	0.10%	4	0.07%	-	0.00%	-	0.00%	-	0.00%
Multiracial	136	2.33%	121	2.05%	-	0.00%	-	0.00%	-	0.00%
Other	130	2.23%	40	0.68%	20	0.37%	30	0.61%	33	0.71%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Age	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,323	22.67%	1,255	21.26%	1,021	18.96%	1,031	20.98%	868	18.77%
18 - 21	2,332	39.95%	2,353	39.85%	2,265	42.05%	2,025	41.21%	1,950	42.17%
22 - 24	602	10.32%	577	9.77%	570	10.58%	485	9.87%	528	11.42%
25 - 35	961	16.47%	1,017	17.23%	895	16.62%	823	16.75%	802	17.34%
36 - 50	514	8.81%	584	9.89%	539	10.01%	458	9.32%	391	8.46%
51 & over	104	1.78%	118	2.00%	96	1.78%	92	1.87%	85	1.84%
Total	5,836	100.00%	5,904	100.00%	5,386	100.00%	4,914	100.00%	4,624	100.00%

Average Age	23	24	24	23	23
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Texas Higher Education Coordinating Board expanded the categories of ethnicity to include Native Hawaiian and Multiracial in Fall 2010.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 16 (Continued)
 STUDENT PROFILE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Gender	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,947	63.27%	3,017	63.44%	3,134	63.65%	3,178	63.31%	3,164	63.75%
Male	1,711	36.73%	1,739	36.56%	1,790	36.35%	1,842	36.69%	1,799	36.25%
Total	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%	4,963	100.00%

Ethnic Origin	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	3,556	76.34%	3,552	74.68%	3,618	73.48%	3,744	74.58%	3,678	74.11%
Hispanic	473	10.16%	477	10.03%	506	10.28%	466	9.28%	427	8.60%
African American	572	12.28%	671	14.11%	744	15.11%	745	14.84%	775	15.62%
Asian	33	0.71%	34	0.72%	35	0.71%	34	0.68%	36	0.72%
Foreign	-	0.00%	20	0.42%	5	0.10%	6	0.12%	6	0.12%
Native American	7	0.15%	2	0.04%	5	0.10%	25	0.50%	41	0.83%
Native Hawaiian	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Multiracial	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other	17	0.36%	-	0.00%	11	0.22%	-	0.00%	-	0.00%
Total	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%	4,963	100.00%

Age	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	705	15.14%	717	15.08%	620	12.59%	619	12.33%	543	10.94%
18 - 21	1,941	41.67%	1,991	41.86%	2,041	41.45%	2,080	41.43%	2,083	41.97%
22 - 24	529	11.36%	544	11.44%	599	12.16%	583	11.61%	615	12.40%
25 - 35	932	20.00%	935	19.66%	986	20.02%	1,045	20.83%	1,022	20.59%
36 - 50	458	9.83%	467	9.82%	552	11.21%	605	12.05%	606	12.21%
51 & over	93	2.00%	102	2.14%	126	2.57%	88	1.75%	94	1.89%
Total	4,658	100.00%	4,756	100.00%	4,924	100.00%	5,020	100.00%	4,963	100.00%

Average Age	24	24	25	25	25
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**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 17
TRANSFERS TO SENIOR INSTITUTIONS
2010 FALL STUDENTS AS OF FALL 2011
(INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)
(UNAUDITED)**

	Transfer Student Count <u>Academic</u>	Transfer Student Count <u>Technical</u>	Transfer Student Count <u>Tech-Prep</u>	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Stephen F. Austin State University	454	92	26	572	55.06%
2 Texas A&M University	127	2	0	129	12.42%
3 Sam Houston State University	75	7	5	87	8.37%
4 Lamar University	57	6	0	63	6.06%
5 The University of Texas at Austin	40	1	0	41	3.95%
6 The University of Texas at Tyler	25	1	0	26	2.50%
7 University of Houston	19	1	3	23	2.21%
8 Texas State University at San Marcos	14	1	1	16	1.54%
9 Texas Tech University	9	1	1	11	1.06%
10 University of North Texas	11	0	0	11	1.06%
11 Prairie View A&M University	7	2	0	9	0.87%
12 The University of Texas at Arlington	5	2	1	8	0.77%
13 The University of Texas at San Antonio	7	0	0	7	0.67%
14 Texas A&M University at Galveston	6	0	0	6	0.58%
15 Tarleton State University	5	0	0	5	0.48%
16 Texas A&M University at Corpus Christi	4	0	0	4	0.38%
17 Angelo State University	2	0	0	2	0.19%
18 Midwestern State University	2	0	0	2	0.19%
19 The University of Texas at Dallas	2	0	0	2	0.19%
20 Texas A&M University at Commerce	2	0	0	2	0.19%
21 University of Houston - Clear Lake	1	0	1	2	0.19%
22 University of Houston at Victoria	1	1	0	2	0.19%
23 Texas Southern University	2	0	0	2	0.19%
24 Texas Woman's University	2	0	0	2	0.19%
25 Sul Ross State University	1	0	0	1	0.10%
26 University of North Texas at Dallas	1	0	0	1	0.10%
27 West Texas A&M University	1	0	0	1	0.10%
28 The University of Texas at El Paso	1	0	0	1	0.10%
29 University of Houston Downtown	1	0	0	1	0.10%
Totals	<u>884</u>	<u>117</u>	<u>38</u>	<u>1,039</u>	<u>100.00%</u>

Source:

- Automated Student and Adult Learner Follow-Up System 2-Year College Transfer Students at Texas Public Universities Pursuing Additional Education:
<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>
- Data includes Graduates, Completers, and Non-Returners

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
STATISTICAL SUPPLEMENT 18
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic Buildings	13	14	13	12	12	12	12	12	12	12
Square footage (in thousands)	278	287	256	245	245	245	245	245	245	245
Administrative and Support Buildings	3	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	19	19	19	19	19	19	19	19	19	19
Athletic Facilities	7	7	7	4	4	4	4	4	4	4
Square footage (in thousands)	53	53	53	50	50	50	50	50	50	50
Baseball Field	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Fitness Center	1	1	1	1	1	1	1	1	1	1
Softball Field	1	1	1	-	-	-	-	-	-	-
Field House	1	1	1	-	-	-	-	-	-	-
Concession/Restrooms	1	1	1	-	-	-	-	-	-	-
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	12	12	12	12	12	12	12	12	12	12
Average daily customers	425	425	425	425	425	425	425	425	425	425
Dormitories	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20	20
Number of Beds	112	112	112	112	112	112	112	112	112	112
Library	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	18	18	18	18	18	18	18	18	18	18
Number of Volumes	38115	41254	42854	43886	44235	43681	42,478	41903	41585	41299
Off Campus Facilities	6	4	3	2	2	2	2	2	1	1
Square footage (in thousands)	70	55	39	29	29	29	29	29	18	18
Other Housing - President's House	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	4	4	4	4	4	4	4	4	4	4
Other Housing	-	-	-	-	2	2	2	2	2	-
Square footage (in thousands)	-	-	-	-	6	6	6	6	6	-
Plant facilities	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	15	6	6	6	6	6	6	6	6	6
Transportation										
Cars	2	5	4	3	3	2	2	2	2	2
Light Trucks/Vans	11	11	12	11	11	10	10	10	10	10
Buses	-	-	-	-	-	1	1	1	1	1
Fire Truck	1	1	1	1	1	1	1	-	-	-



**Angelina County
Junior College District**

SINGLE AUDIT SECTION

**Comprehensive Annual
Financial Report**



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

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

We have audited the financial statements of Angelina County Junior College District, as of and for the year ended August 31, 2012, and have issued our report thereon dated November 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Angelina County Junior College District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Angelina County Junior College District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Angelina County Junior College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Angelina County Junior College District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Angelina County Junior College District's financial statements are free of 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 the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Public Funds Investment Act Compliance

We performed tests designed to verify Angelina County Junior College District's compliance with the Public Funds Investment Act. The results of our tests disclosed no instances of noncompliance with the Public Funds Investment Act.

Conclusion

This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
November 20, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
Angelina County Junior College District
Lufkin, Texas

We have audited the compliance of Angelina County Junior College District with the types of compliance requirements described in the OMB Circular A-133 and the *State of Texas Single Audit Circular*, that are applicable to each of its major federal and state programs for the year ended August 31, 2012. Angelina County Junior College District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Internal Control Over Compliance

Management of Angelina County Junior College District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered Angelina County Junior College District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on the compliance, but not for the purpose of expressing an opinion on the effectiveness of Angelina County Junior College District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Angelina County Junior College District's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR - CONTINUED**

Compliance

Compliance with requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of Angelina County Junior College District's management. Our responsibility is to express an opinion on Angelina County Junior College District's compliance based on our audit.

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 the *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State of Texas Single Audit Circular*, issued by the Governor's Office of Budget and Planning. Those standards and circulars 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 or state program occurred. An audit includes examining, on a test basis, evidence about Angelina County Junior College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Angelina County Junior College District's compliance with those requirements.

In our opinion, Angelina County Junior College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2012.

Conclusion

This report is intended for the information and use of management, the audit committee, Board of Trustees, others within the entity, the Texas Higher Education Coordinating Board, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS

Lufkin, Texas
November 20, 2012

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2012

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF EDUCATION			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Education Opportunity Grants	84.007		\$ 159,327
Federal Work-Study Program	84.033		123,283
Federal Pell Grant Program	84.063		11,321,084
Pass-Through From:			
Texas Education Agency			
Adult Education Section 231	84.002	124100017110437	303,615
Adult Education Section 231	84.002	124100087110450	82,776
Adult Education Section 231	84.002	134100017110448	23,358
Adult Education Section 231	84.002	134100087110500	12,147
			<u>421,896</u>
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education-Basic	84.048	6615	473,408
Carl Perkins Tech Prep Program	84.243	8418	12,285
			<u>12,511,283</u>
U.S. DEPARTMENT OF AGRICULTURE			
Pass-Through From:			
Stephen F. Austin State University			
Virtual Reach	10.217	09-039-10-003	7,483
U.S. DEPARTMENT OF DEFENSE			
Direct Programs:			
Procurement Technical Assistance for			
Small Business Firms	12.002		134,644
U.S. SMALL BUSINESS ADMINISTRATION			
Pass-Through From:			
University of Houston			
Small Business Development Center	59.037	R-11-0000-53801	21,387
Small Business Development Center	59.037	R-12-0062-53801	85,525
Total U.S. Small Business Administration			<u>106,912</u>

See independent auditors' report.

ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE E (Continued)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Programs:			
HRSA Health Care and Other Facilities	93.887		68,803
Pass-Through From:			
Texas Education Agency			
Adult Education for TANF Recipients	93.558	123625017110411	37,451
Total U.S. Department of Health and Human Services			<u>106,254</u>
Total Federal Awards			<u>\$ 12,866,576</u>

NOTE 1: Federal Awards Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 1,085,829
Add: Indirect Cost Recoveries - per Schedule A	61,092
Add: Non Operating Federal Revenue from Schedule C	<u>11,603,694</u>
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Assets	12,750,615
Reconciling item:	
Add: Cost of Capital Asset Acquisitions	<u>115,961</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 12,866,576</u>

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

This schedule is presented using the accrual basis of accounting. 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 that 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.

NOTE 3: Amounts passed through by Angelina College

No funds were passed-through to subrecipients by the College from the Carl Perkins Tech Prep Program, CFDA 84.243 from U. S. Department of Education through the Texas Higher Education Coordinating Board.

See independent auditors' report.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2012**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
TEXAS EDUCATION AGENCY		
Direct Programs:		
State Adult Education	120100017110437	\$ 79,112
Texas Virtual School Network Funds		27,380
Total Texas Education Agency		106,492
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Early High School Graduation		6,343
Nursing Shortage Reduction Under 70 Program		68,484
Texas College Work-Study Program		34,231
Texas Education Opportunity Grant		77,726
Texas Grant I Program		312,740
Top 10% Scholarship Program		2,000
		501,524
Pass-Through From:		
Memorial Health System of East Texas		
Hospital Based Nursing Education Partnership		108,079
Total Texas Higher Education Coordinating Board		609,603
Total State Awards		\$ 716,095

Note 1: State Awards Reconciliation

State Grants and Contracts Revenue per Schedule A	\$ 716,095
State Awards per Schedule of Expenditures of State Awards	\$ 716,095

NOTE 2: Significant Accounting Policies Used in Preparing the Schedule

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

See independent auditors' report.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
AUGUST 31, 2012**

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: **UNQUALIFIED**

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None Reported

Type of auditors' report issued on compliance for major programs: **UNQUALIFIED**

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal or State Program or Cluster*</u>
84.007	Federal Supplemental Education Opportunity Grants*
84.033	Federal Work-Study Program*
84.063	Federal Pell Grant Program*
84.002	Adult Education Section 231
84.048	Carl Perkins Vocational Education-Basic
N/A	Texas Grant I Program

Dollar threshold used to distinguish between type A and type B programs: **\$383,568**

Auditee qualified as low-risk auditee? X Yes No

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
AUGUST 31, 2012**

B. Financial Statements Findings

Findings related to the financial statements required to be reported under GAS:

None

C. Federal and State Awards Findings and Questioned Costs

Required to be reported in accordance with section 510(a) of Circular A-133 or TSAC:

None

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SCHEDULE OF CORRECTIVE ACTION
AUGUST 31, 2012**

There were no current year findings, therefore no corrective action is required.

**ANGELINA COUNTY JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AUGUST 31, 2012**

There were no prior year audit findings.