

CISCO COLLEGE DISTRICT
CISCO, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED
AUGUST 31, 2012 AND 2011

This page left intentionally blank.

CISCO COLLEGE DISTRICT
 ANNUAL FINANCIAL REPORT
 FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011
 TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Names and Terms of the Board of Regents, Principal Administrative Officers, and the Business and Financial Staff	1	
FINANCIAL SECTION		
Unqualified Opinion on General Purpose Financial Statements Submitted Together with Supporting Schedules and Schedule of Expenditures of Federal Awards as Supplementary Data	3	
Management's Discussion and Analysis	4	
Statement of Net Assets	8	1
Statement of Revenues, Expenses and Changes in Net Assets	9	2
Statement of Cash Flows	10	3
Notes to the Financial Statements	11	
SUPPLEMENTAL SCHEDULES		
Schedule of Operating Revenues	27	A
Schedule of Operating Expenses by Object	28	B
Schedule of Non-Operating Revenues and Expenses	29	C
Schedule of Net Assets by Source and Availability	30	D
Schedule of Expenditures of Federal Awards	31	E
Schedule of Expenditures of State Awards	32	F
REQUIRED STATISTICAL SUPPLEMENT		
Net Assets by Component - Last 10 Fiscal Years (Unaudited)	34	
Revenue by Source - Last 10 Fiscal Years (Unaudited)	35	
Program Expenses by Function - Last 10 Fiscal Years (Unaudited)	36	
Tuition and Fees - Last 10 Academic Years (Unaudited)	37	
Assessed Value and Taxable Assessed Value of Property - Last 10 Fiscal Years (Unaudited)	38	
State Appropriations per FTSE and Contact Hour - Last 10 Fiscal Years (Unaudited)	39	
Principal Taxpayers - Last 10 Fiscal Years (Unaudited)	40	
Property Tax Levies and Collections - Last 10 Tax Years (Unaudited)	41	
Ratios of Outstanding Debt - Last 10 Fiscal Years (Unaudited)	42	
Legal Debt Margin Information - Last 10 Fiscal Years (Unaudited)	43	
Pledged Revenue Coverage - Last 10 Fiscal Years (Unaudited)	44	
Demographic and Economic Statistics - Taxing District - Last 10 Fiscal Years (Unaudited)	45	
Principal Employers - Taxing District - Current Fiscal Year (Unaudited)	46	
Faculty, Staff and Administrators Statistics - Last 10 Fiscal Years (Unaudited)	47	
Enrollment Details - Last 5 Fiscal Years (Unaudited)	48	
Student Profile - Last 5 Fiscal Years (Unaudited)	49	
Transfers to Senior Institutions - 2010 Fall Students as of Fall 2011 (Unaudited)	50	
Capital Asset Information - Last 10 Fiscal Years (Unaudited)	51	
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	53	
Summary Schedule of Prior Audit Findings	54	
Schedule of Findings and Questioned Costs	55	
Corrective Action Plan	56	
FEDERAL AWARDS SECTION		
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	58	
SUPPLEMENTAL INFORMATION FOR SFA AUDIT		
Student Financial Aid Data	60	
Statement of Changes in SFA Program Fund Balances	61	
Schedule of Expenditures for Each SFA Program	62	

This page left intentionally blank.

CISCO COLLEGE DISTRICT
ORGANIZATIONAL DATA
FOR THE FISCAL YEAR 2011-12

Board of Regents

Officers

Brad Kimbrough	President
Ronnie Ledbetter	Vice-President
Martha Davis	Secretary

Members

		Term Expires <u>May 31,</u>
John Bailey	Cisco, Texas	2018
Martha Davis	Cisco, Texas	2016
Dr. Gary W. Harris	Cisco, Texas	2014
Charles Humphries	Cisco, Texas	2014
Joe Jarvis	Cisco, Texas	2018
Brad Kimbrough	Cisco, Texas	2016
Ronnie Ledbetter	Cisco, Texas	2018
Allen Masters	Cisco, Texas	2016
Ricky Whatley	Cisco, Texas	2018

Key Officers

Mr. Bobby Smith, President
Randal (Randy) Golson, Vice President of Instruction
Dr. Jerry Dodson - Vice President for Student Services
Joe Butler - Vice President of Information Technology & eLearning
Dr. Carol Dupree - Provost, Abilene Educational Center
Audra Taylor, Dean of Business Services and Chief Financial Officer

This page left intentionally blank.

FINANCIAL SECTION

This page left intentionally blank.

Cameron L. Gulley

CERTIFIED PUBLIC ACCOUNTANT

P. O. Box 163
Eastland, Texas 76448
(325)669-9795
cgulley@txol.net

Independent Auditor's Report

UNQUALIFIED OPINION ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER SUPPLEMENTARY INFORMATION INCLUDING THE SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Board of Regents
Cisco College District
101 College Heights
Cisco, Texas 76437

Members of the Board of Regents:

I have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Cisco College District (the "District") as of and for the years ended August 31, 2012 and 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's administrators. My responsibility is to express an opinion on them based on my audit.

I conducted my audit in accordance with accounting standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provide a reasonable basis for my opinions.

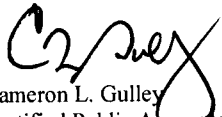
In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Cisco College District as of August 31, 2012 and 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with account principles generally accepted in the United States of America.

Management's discussion and analysis, the supplemental schedules and required statistical supplemental schedules listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America and other regulatory agencies. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion in it.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 12, 2012, on my consideration of the District's internal control over financial reporting and my 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 my 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 my audit.

The accompanying schedule of expenditures of federal awards is 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 Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,


Cameron L. Gulley
Certified Public Accountant

November 12, 2012

This page left intentionally blank.

CISCO COLLEGE
101 COLLEGE HEIGHTS
CISCO, TEXAS 76437
TELEPHONE: (254) 442-5000
FAX: (254) 442-5100

MANAGEMENT'S DISCUSSION AND ANALYSIS (M,D&A)

The following discussion of Cisco College's financial report presents our analysis and insight to the College's financial performance for the fiscal year ended August 31, 2012 including some comparative information with the fiscal years ended August 31, 2011 and 2010. Please read it in conjunction with the transmittal letter preceding this report and the College's financial statements, which follow this report.

The Basic Financial Statements

The annual financial report consists of a set of financial statements and reports as required by Government Accounting Standards Board (GASB) Statement No. 34 for a government engaged in Business Type Activities. These basic financial statements appear in Exhibits 1-3 and in the notes to the financial statements. The basic financial statements consist of the following four elements: a Statement of Net Assets; a Statement of Revenues, Expenses, and Changes in Net Assets; a Statement of Cash Flows; and the Notes to the Financial Statements. These statements are presented in a government-wide format, which means all of the funds of the College are combined into a single report. A brief explanation of the purpose of each of the components of the basic financial statements is set out below.

The Statement of Net Assets shows the combined assets of the College, as well as the combined liabilities. The difference in the total assets and the total liabilities is the net assets, which are broken out in its various components. The information shown in this statement is a snapshot of the College's accounts on August 31 of the year indicated. This is important data in determining the viability of the school and in determining the College's overall financial strength.

The Statement of Revenues, Expenses, and Changes in Net Assets shows the results of the fiscal year's operations. Revenues and expenses are arranged by their functional classifications so that a year-to-year comparison will show relevant trends. The information in this statement will assist in evaluating the College's performance for the year concluded.

The Statement of Cash Flows shows the sources and uses of cash for the fiscal year. It is divided into several categories: operating activities, non-capital financing activities, capital financing activities, and investing activities. Upon review of the Cash Flow Statement, a person knowledgeable in using this statement can determine an institution's ability to generate future cash flows, and its ability to meet financial obligations.

The Notes to the Financial Statements provide the required disclosures to comply with GASB pronouncements and other relevant information that a user might find helpful in understanding the College's financial statements as a whole.

Condensed Comparative Financial Information

Table 1 - Net Assets			
	Year Ended August 31, 2012	Year Ended August 31, 2011	Year Ended August 31, 2010
Current and Other Assets	\$9,792,292	\$12,914,860	\$12,942,741
Capital Assets	17,152,635	17,590,247	16,097,579
Total Assets	26,944,927	30,505,107	29,040,320
Current Liabilities	4,742,265	7,195,685	6,921,456
Long-term Liabilities	9,490,808	11,220,722	10,956,678
Total Liabilities	14,233,073	18,416,407	17,878,134
Net Assets:			
Invested in Capital Assets, Net of Related Debt	7,491,296	6,244,800	5,066,643
Restricted	793,065	752,929	661,704
Unrestricted and Expendable	4,427,493	5,090,971	5,433,839
Total Net Assets	\$12,711,854	\$12,088,700	\$11,162,186

Table 2 - Changes in Net Assets			
	Year Ended August 31, 2012	Year Ended August 31, 2011	Year Ended August 31, 2010
Operating Revenue:			
Tuition and Fees, Net of Discounts	\$733,390	\$211,674	\$522,925
Federal Grants and Contracts	400,351	372,397	521,622
Auxiliary Enterprises, Net of Discounts	2,365,528	3,002,274	2,662,409
Other Operating Revenues	687,151	1,087,015	880,694
Total Operating Revenues	4,186,420	4,673,360	4,587,650
Operating Expenses:			
Instruction	7,325,202	7,323,740	7,271,038
Public Service	500	250	2,886
Academic Support	1,122,086	1,357,059	1,088,040
Student Services	1,535,726	1,416,917	1,325,017
Institutional Support	3,133,267	2,756,915	2,449,923
Operating and Maintenance of Plant	1,878,738	1,922,403	1,731,670
Auxiliary Enterprises	3,338,608	3,904,067	3,851,615
Depreciation	734,062	740,127	704,087
Total Operating Expenses	19,068,189	19,421,478	18,424,276
Operating Income (Loss)	(14,881,769)	(14,748,118)	(13,836,626)

Table 2 - Changes in Net Assets (continued)			
	Year Ended August 31, 2012	Year Ended August 31, 2011	Year Ended August 31, 2010
Non-operating Revenues (Expenses):			
State Appropriations	6,920,163	6,598,411	6,785,131
Maintenance Ad Valorem Taxes	541,405	505,261	482,140
Federal Revenue	8,461,633	9,020,996	7,571,578
Interest on Capital Related Debt	(467,208)	(571,603)	(579,990)
Other Non-operating Revenue (Expense)	48,930	121,567	1,209,785
Net Non-operating Revenues (Expenses)	15,504,923	15,674,632	15,468,644
Increase (Decrease) in Net Assets	623,154	926,514	1,632,018
Net Assets - Beginning of Year	12,088,700	11,162,186	9,530,168
Adjustments	0	0	0
Net Assets - End of Year	\$12,711,854	\$12,088,700	\$11,162,186

Analysis of the College's Overall Financial Position and Results of Operations

Table 1 provides a summarization of significant financial data from the Statement of Net Assets. In FY10 and FY 11, the College experienced a spike in enrollment which started to level off this year; therefore, many items in this table were directly impacted. The data in this table reflects the decreases in Current and Other Noncurrent Assets, as well as, Current Liabilities.

Table 2 provides information concerning the College's results of operations for the past three years. There are many significant changes this year. The decrease in enrollment this year has impacted the Auxiliary Enterprises by over \$500,000 in revenue and expenses. The decrease in Federal Revenue is impacted by the drop in enrollment and the discontinuation of the Academic Competitiveness Grant (ACG). The Institutional Support expense is up due to the cut in the health insurance funding by the State Legislature.

Significant Capital Asset and Long-Term Debt Activity

Note 3 to the financial statements is a summary of the current fiscal year's capital asset activity. A review of this data shows additions to capital assets of \$404,000. These were offset by depreciation expense of \$734,000 and the sale of a wireless network tower, resulting in a net decrease of over \$430,000. Capital assets that were purchased during the year include multiple HVAC units of \$130,000; vehicle purchases of \$60,000; baseball field fencing of \$20,000; computers and related equipment of \$67,000; and library books of \$14,000.

Note 4 to the financial statements is a composite of the College's long-term liabilities for the current and previous fiscal years. During the current year, there was an addition to capital leases of \$67,000 for computers and related equipment. This long-term lease commitment is another step in the College's plan to maintain information technology equipment at the highest level possible while remaining fiscally sound. The College currently has seven lease agreements; each of the lease agreements will run for a period of 48 months. It is the College's plan to continue this rolling lease agreement process in order to achieve a high level of technology for our students and employees. During the year, the College received the last of the pledged revenue for the 9000 square foot addition to the Abilene Education Center and paid off the interim financing of \$700,000.

During the current year, it is significant to note that Moody's Investor Service upgraded the rating for the College from A3 to A2. The rating applies to Series 2002 and Series 2011 Consolidated Fund and Revenue Refunding Bonds issued by the College of which \$9,520,000 remain outstanding.

Discussion of Other Facts, Decisions, and Conditions

During the 2012 year, the College redeemed \$8,435,000 in consolidated fund revenue and refunding bonds, series 2002 and issued \$8,295,000 in consolidated fund revenue refunding bonds, series 2011. This resulted in savings of over \$1,500,000 over the life of the loan.

Cisco College faced many cuts from the state in 2011-12. The state no longer funded many programs such as the Exemption Program for Educational Aides and the Early High School Graduation scholarships. The state reduced the amount of health insurance it paid on behalf of the College; therefore, the College incurred an additional \$600,000 for health insurance expenses. The College is funded primarily by the state appropriations and tuition and fee revenue. The College will continue to maintain a tight budget and fully expects to continue quality instruction at an affordable price.

CISCO COLLEGE DISTRICT
STATEMENT OF NET ASSETS
AUGUST 31, 2012 AND AUGUST 31, 2011
EXHIBIT 1

	Fiscal Year 2012	Fiscal Year 2011
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,273,479	\$ 5,541,541
Accounts receivable (net)	962,616	1,789,092
Deferred charges	1,368,744	2,435,067
Inventories	903,400	842,569
Prepaid expenses	199,744	187,564
Total Current Assets	7,707,983	10,795,833
Noncurrent Assets		
Restricted cash and cash equivalents	447,185	612,375
Endowment investments	852,905	751,873
Other long-term investments	123,001	250,604
Deferred charges	454,983	297,940
Investments in real estate	206,235	206,235
Capital assets (net) (see note)	17,152,635	17,590,247
Total Noncurrent Assets	19,236,944	19,709,274
TOTAL ASSETS	26,944,927	30,505,107
LIABILITIES		
Current Liabilities		
Accounts payable	275,303	529,998
Accrued liabilities	274,841	357,469
Funds held for others	30,948	25,128
Deferred revenues	3,489,543	5,669,960
Notes and capital leases payable - current portion	121,630	123,130
Bonds payable - current portion	550,000	490,000
Total Current Liabilities	4,742,265	7,195,685
Noncurrent Liabilities		
Accrued compensated absences	317,994	320,213
Deposits	26,450	26,450
Notes and capital leases payable	176,364	939,059
Bonds payable	8,970,000	9,935,000
Total Noncurrent Liabilities	9,490,808	11,220,722
TOTAL LIABILITIES	14,233,073	18,416,407
NET ASSETS		
Invested in capital assets, net of related debt	7,491,296	6,244,800
Restricted for		
Expendable		
Student aid	243,065	248,019
Capital projects		
Debt service	550,000	504,910
Other		
Unrestricted	4,427,493	5,090,971
TOTAL NET ASSETS	\$ 12,711,854	\$ 12,088,700

The accompanying notes are an integral part of this statement.

CISCO COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2012 AND AUGUST 31, 2011
EXHIBIT 2

	Fiscal Year 2012	Fiscal Year 2011
OPERATING REVENUES AND EXPENSES		
Operating Revenues		
Tuition and fees (net of discounts of \$9,035,904 and \$9,621,873, respectively)	\$ 733,390	\$ 211,674
Federal grants and contracts	400,351	372,397
State grants and contracts	335,974	812,129
Nongovernmental grants and contracts	154,308	53,339
Sales and services of educational activities	69,047	74,801
Auxiliary enterprises (net of discounts of \$634,160 and \$549,702, respectively)	2,365,528	3,002,274
General operating revenues (net of discounts of \$0, both years)	127,822	146,746
Total Operating Revenues (Schedule A)	4,186,420	4,673,360
Operating Expenses		
Instruction	7,325,202	7,323,740
Public service	500	250
Academic support	1,122,086	1,357,059
Student services	1,535,726	1,416,917
Institutional support	3,133,267	2,756,915
Operation and maintenance of plant	1,878,738	1,922,403
Auxiliary enterprises	3,338,608	3,904,067
Depreciation	734,062	740,127
Total Operating Expenses (Schedule B)	19,068,189	19,421,478
Operating Income (Loss)	(14,881,769)	(14,748,118)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	6,920,163	6,598,411
Maintenance ad valorem taxes	541,405	505,261
Federal revenue, non-operating	8,461,633	9,020,996
Gifts	115,177	93,735
Investment income	36,586	27,832
Interest on capital related debt	(467,208)	(571,603)
Gain (loss) on disposal of fixed assets	(102,833)	0
Net Non-Operating Revenues (Schedule C)	15,504,923	15,674,632
Income Before Extraordinary Items	623,154	926,514
EXTRAORDINARY ITEMS:		
Extraordinary items	0	0
Increase (Decrease) in Net Assets	623,154	926,514
NET ASSETS		
Net assets - beginning of year	12,088,700	11,162,186
Prior period adjustment	0	0
Net assets - end of year	\$ 12,711,854	\$ 12,088,700

The accompanying notes are an integral part of this statement.

CISCO COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
YEARS ENDED AUGUST 31, 2012 AND AUGUST 31, 2011
EXHIBIT 3

	Fiscal Year 2012	Fiscal Year 2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 11,911,890	\$ 13,337,278
Receipts of appropriations, grants, and contracts	921,671	1,369,596
Other receipts	127,822	146,746
Payments to or on behalf of employees	(10,211,221)	(9,745,084)
Payments to suppliers for goods or services	(7,115,018)	(7,466,289)
Payments of scholarships	(9,670,064)	(10,171,578)
Net cash provided (used) by operating activities	(14,034,920)	(12,529,331)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	5,534,224	5,154,133
Ad valorem tax revenues	541,589	506,265
Federal revenue, nonoperating	8,423,932	8,907,716
Gifts and grants (other than capital)	760,177	576,735
Student organization and other agency transactions	5,820	3,801
Net cash provided (used) by non-capital financing activities	15,265,742	15,148,650
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest expense paid	(472,603)	(552,500)
Purchases of capital assets	(404,283)	(2,232,795)
Proceeds from sales of capital assets	5,000	0
Proceeds from loans and capital leases	8,362,227	885,852
Payments for debt refinancing fees	(186,150)	0
Payments on debt and capital leases	(10,031,422)	(590,443)
Net cash provided (used) by capital and related financing activities	(2,727,231)	(2,489,886)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of investments	550,000	750,000
Investment earnings	38,157	28,828
Purchases of investments	(525,000)	(649,659)
Net cash provided (used) by investing activities	63,157	129,169
Increase (decrease) in cash and cash equivalents	(1,433,252)	258,602
Cash and cash equivalents - September 1	6,153,916	5,895,314
Cash and cash equivalents - August 31	\$ 4,720,664	\$ 6,153,916
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (14,881,769)	\$ (14,748,118)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	734,062	740,127
On-behalf employee benefits paid	1,385,939	1,444,278
Changes in assets and liabilities:		
Receivables (net)	218,993	(316,054)
Deferred charges	1,066,323	104,268
Inventories	(60,831)	(126,276)
Other assets	(12,180)	(47,788)
Accounts payable	(254,695)	94,504
Accrued liabilities	(48,126)	96,642
Deferred revenue	(2,180,417)	222,654
Deposits	0	(1,700)
Compensated absences	(2,219)	8,132
Net cash provided (used) by operating activities	\$ (14,034,920)	\$ (12,529,331)

The accompanying notes are an integral part of this statement.

This page left intentionally blank.

CISCO COLLEGE DISTRICT
CISCO, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2012 AND 2011

1. Reporting Entity

Cisco College District (the “District”) was established in 1940 in accordance with the laws of the State of Texas to serve the educational needs of Cisco and the surrounding communities. District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

The Board of Regents (the “Board”), a nine member group, is the level of government which has governance responsibilities over all activities related to the education of students who attend The District. The Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for the fiscal matter concerning the District. The District has two campuses, Cisco and Abilene, which offer a wide variety of general academic and vocational courses in a two year curriculum.

2. Summary of Significant Accounting Policies

Report Guidelines

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

Tuition Discounting

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

Title IV, Higher Education Act Program Funds - Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts - The District 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.

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition.

Investments

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

Inventories

Inventories consist of consumable office supplies, physical plant supplies, book store stock, and food service supplies. Inventories are valued at the lower of cost under the "first-in, first-out" method, or market and are charged to expense when consumed.

Capital Assets

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

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

Buildings	50 years
Facilities and Other Improvements	20 years
Furniture, Machinery, Vehicles and Other Equipment	10 years
Telecommunications and Peripheral Equipment	5 years
Library Books	20 years

Deferred Revenues

Tuition and fees of \$3,480,242 and \$5,401,214 and federal, state, and local grants of \$9.301 and \$268,746 have been reported as deferred revenues at August 31, 2012 and 2011, respectively.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, federal Title IV grant revenues and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Characterization of Federal Title IV Grant Revenue

In response to guidance provided by the Government Accounting Standards Board (GASB) as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs (i.e. Pell grants) is now characterized as non-operating revenue as opposed to operating revenue.

3. Capitalized Assets

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

	Balance 9/1/11	Increases	Decreases	Balance 8/31/12
Not Depreciated:				
Land	\$ 384,779			\$ 384,779
Construction in Progress	0			0
Subtotal	384,779			384,779
Other Capital Assets:				
Buildings	19,300,845	151,521		19,452,366
Land Improvements	1,890,685	20,544		1,911,229
Library Books	199,333	14,248		213,581
Furn., Machinery, Vehicles, and Other Equip.	3,593,163	217,970	414,517	3,396,616
Subtotal	24,984,026	404,283	414,517	24,973,792
Accumulated Depreciation:				
Buildings	(4,953,162)	(355,040)		(5,308,202)
Land Improvements	(723,382)	(89,906)		(813,288)
Library Books	(43,502)	(9,797)		(53,299)
Furn., Machinery, Vehicles, and Other Equip.	(2,058,512)	(279,319)	(306,684)	(2,031,147)
Subtotal	(7,778,558)	(734,062)	(306,684)	(8,205,936)
Net Other Capital Assets	17,205,468	(329,779)	107,833	16,767,856
Net Capital Assets	\$ 17,590,247	\$ (329,779)	\$ 107,833	\$ 17,152,635

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

	Balance 9/1/10	Increases	Decreases	Balance 8/31/11
Not Depreciated:				
Land	\$ 384,779			\$ 384,779
Construction in Progress	394,799		\$ 394,799	0
Subtotal	779,578		394,799	384,779
Other Capital Assets:				
Buildings	17,276,965	2,023,880		19,300,845
Land Improvements	1,890,685			1,890,685
Library Books	182,033	17,300		199,333
Furn., Machinery, Vehicles, and Other Equip.	3,025,588	627,238	59,663	3,593,163
Subtotal	22,375,271	2,668,418	59,663	24,984,026
Accumulated Depreciation:				
Buildings	(4,602,851)	(350,311)		(4,953,162)
Land Improvements	(634,503)	(88,879)		(723,382)
Library Books	(34,346)	(9,156)		(43,502)
Furn., Machinery, Vehicles, and Other Equip.	(1,785,570)	(291,781)	(18,839)	(2,058,512)
Subtotal	(7,057,270)	(740,127)	(18,839)	(7,778,558)
Net Other Capital Assets	15,318,001	1,928,291	40,824	17,205,468
Net Capital Assets	\$ 16,097,579	\$ 1,928,291	\$ 435,623	\$ 17,590,247

4. Long-Term Liabilities

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

	Balance 9/1/11	Additions	Reductions	Balance 8/31/12	Current Portion
Leases, Bonds and Notes					
Revenue Bonds and Notes	\$ 10,425,000	\$ 8,295,000	\$ 9,200,000	\$ 9,520,000	\$ 550,000
Notes Payable	700,000		700,000	0	0
Capital Leases	362,189	67,227	131,422	297,994	121,630
Total Leases, Bonds and Notes	11,487,189	8,362,227	10,031,422	9,817,994	671,630
Other Liabilities					
Compensated Absences	320,213	226,821	229,040	317,994	0
Other - Deposits	26,450			26,450	0
Total Other Liabilities	346,664	226,821	229,040	344,444	0
Total Long-Term Liabilities	\$ 11,833,852	\$ 8,589,048	\$ 10,260,462	\$ 10,162,438	\$ 671,630

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

	Balance 9/1/10	Additions	Reductions	Balance 8/31/11	Current Portion
Leases, Bonds and Notes					
Revenue Bonds and Notes	\$ 10,895,000		\$ 470,000	\$ 10,425,000	\$ 490,000
Notes Payable	0	\$ 700,000		700,000	0
Capital Leases	296,780	185,852	120,443	362,189	123,130
Total Leases, Bonds and Notes	11,191,780	885,852	590,443	11,487,189	613,130
Other Liabilities					
Compensated Absences	312,081	229,272	221,140	320,213	0
Other - Deposits	28,150	12,600	14,300	26,450	0
Total Other Liabilities	340,231	241,872	235,440	346,664	0
Total Long-Term Liabilities	\$ 11,532,011	\$ 1,127,724	\$ 825,883	\$ 11,833,852	\$ 613,130

On December 6, 2011, the District issued \$8,295,000 in consolidated fund revenue refunding bonds to provide the resources to place in an escrow account for the purpose of generating resources for future debt service payments of \$8,435,000 of consolidated fund revenue and refunding bonds issued in 2002. Interest rates on the debt range from 2.0% - 4.0% and mature on July 1, 2026. As a result, the refunded bonds are considered defeased and the liability has been removed from the financial statements. The reacquisition price exceeded the net carrying amount of the refunded debt by \$186,150 (net of issuance costs and premiums). This amount is being amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the life of the new issue versus the refunded issue by \$1,558,922 and resulted in an economic gain of \$1,372,772.

On June 4, 2002, the District issued \$13,905,000 in revenue and refunding bonds titled "Board of Regents of Cisco Junior College District Consolidated Fund Revenue and Refunding Bonds, Series 2002" (the "Bonds") dated April 15, 2002. Interest payments are due semi-annually on January 1 and July 1 of each year commencing on January 1, 2004 and principal payments are due annually on July 1 of each year beginning July 1, 2004. Interest rates on the bonds vary from 4.00% to 5.25% with final maturity on July 1, 2026. As the preceding paragraph discusses, \$8,435,000 of the outstanding bonds were defeased on December 6, 2011 leaving \$1,990,000 remaining outstanding after the refunding.

The District has pledged the following source revenues as security for the bonds: (a) pledged tuition fees totaling the mathematical product of \$15 multiplied by the number of students regularly enrolled at the District for each regular school semester thereof and the product of \$7.50 multiplied by the number of students regularly enrolled in the District for each of the two summer school terms thereof; (b) building use fees; (c) educational service fees meaning the gross collections of a special fee charged and collected from all students enrolled at the District's Abilene Educational Center for the use of facilities; (d) the out-of-district fees; (e) the operating fees for any charges for use of the District's facilities in addition to items (a) through (f); (f) the gross revenues from the Auxiliary Enterprise fund of the District; (g) earnings of the District on all investments lawfully available for this purpose; (h) all monies deposited to the District's revenue and interest and sinking funds for the purpose of the Bonds and all investment income derived from such deposits; (i) all monies deposited to the District's reserve fund for the purpose of the Bonds and all investment income derived from such deposits; (j) and any other income, receipts, or other resources permitted by law with the exception of any revenues appropriated by the State of Texas unless prior approval has been given by the Texas Higher Education Coordinating Board.

In September, 2008, May and August, 2009, the District entered into three capital lease agreements with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the leases were as follows: lease agreement dated September 1, 2008 payable in 48 monthly installments of \$1,890 at an annual imputed interest rate of 5.88%; lease agreement dated May 1, 2009 payable in 48 monthly installments of \$352 at an annual imputed interest rate of 5.99%; lease agreement dated August 1, 2009 payable in 48 monthly installments of \$1,683 at an annual imputed interest rate of 5.34%.

In August, 2010, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated August 1, 2010 payable in 48 monthly installments of \$3,629 at an annual imputed interest rate of 4.23%. Total capitalized cost of the lease totaled \$159,974.

In October, 2010, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated October 15, 2010 payable in 48 monthly installments of \$834 at an annual imputed interest rate of 4.23%. Total capitalized cost of the lease totaled \$36,751.

In July, 2011, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated July 1, 2011 payable in 48 monthly installments of \$3,296 at an annual imputed interest rate of 2.94%. Total capitalized cost of the lease totaled \$149,101.

In August, 2012, the District entered into a capital lease agreement with Key Government Finance for a period of forty-eight (48) months for the acquisition of computer equipment. Terms of the lease were as follows: lease agreement dated August 15, 2012 payable in 48 monthly installments of \$1,502 at an annual imputed interest rate of 3.49%. Total capitalized cost of the lease totaled \$67,227.

5. Debt and Lease Obligations

Debt service requirements at August 31, 2012 were as follows:

Year Ended August 31,	Bonds Payable		
	Principal	Interest	Total
2013	\$ 550,000	\$ 333,280	\$ 883,280
2014	565,000	320,406	885,406
2015	580,000	307,005	887,005
2016	600,000	288,117	888,117
2017	620,000	268,430	888,430
2018-2022	3,405,000	1,022,069	4,427,069
2023-2026	3,200,000	343,912	3,543,912
	<u>\$ 9,520,000</u>	<u>\$ 2,883,219</u>	<u>\$ 12,403,219</u>

As of August 31, 2012 and 2011, the District was in compliance with all material aspects of the bond indentures.

Obligations under capital leases at August 31, 2012 were as follows:

Year Ended August 31,	Total
2013	\$ 127,418
2014	111,130
2015	55,956
2016	18,030
Total minimum lease payments	312,534
Less: incremental borrowing rate of interest	(14,540)
Present value of minimum lease payments	<u>\$ 297,994</u>

6. Operating Lease Commitments and Rental Agreement

On April 18, 2006 the District entered into an operating lease with Cisco Independent School District (“CISD”) for use of CISD’s community gym and football stadium. Terms of the lease were for a period of ten (10) years beginning September 1, 2006 and continuing thereafter at an annual lease payment of \$25,000. Following is the remaining lease liability:

Year ended August 31,	Total
2013	\$ 25,000
2014	25,000
2015	25,000
2016	25,000
Total Lease Liability	<u>\$ 100,000</u>

7. Authorized Investments

The District is authorized to invest in obligations and instruments as defined in the Public Funds Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

8. Deposits and Investments

Cash and Deposits include as reported on Exhibit 1, Statement of Net Assets, consist of the items reported below:

	<u>August 31, 2012</u>	<u>August 31, 2011</u>
Bank Deposits		
Demand Deposits	\$ 3,730,170	\$ 4,376,778
Time Deposits	323,321	200,434
Total Bank Deposits	<u>4,053,491</u>	<u>4,577,212</u>
Cash and Cash Equivalents		
Petty Cash on Hand	7,875	7,875
Deposits in Transit	0	0
Money Market Investments - 1st Southwest Securities	42,990	42,969
Money Market Investments - Ameriprise Financial	178,741	153,343
Cash Equivalents - LOGIC Investment Pool	580,125	578,794
Cash Equivalents - Lone Star Investment Pool	488,187	751,643
Cash Equivalents - TexStar Investment Pool	45,149	594,278
Total Cash and Cash Equivalents	<u>1,343,067</u>	<u>2,128,902</u>
Total Cash and Deposits	<u>\$ 5,396,558</u>	<u>\$ 6,706,114</u>

Reconciliation of Deposits and Investments to Exhibit 1:

Type of Security	August 31, 2012	August 31, 2011
	Market Value	Market Value
U.S. Government Securities	\$ 300,012	\$ 450,279
Total Investments	300,012	450,279
Total Cash and Deposits	5,396,558	6,706,114
Total Deposits and Investments	<u>\$ 5,696,570</u>	<u>\$ 7,156,393</u>
Cash and Temp. Investments (Ex. 1)	\$ 4,273,479	\$ 5,541,541
Restricted Cash (Ex. 1)	447,185	612,375
Endowment Investments (Ex. 1)	852,905	751,873
Other Long-Term Investments (Ex. 1)	123,001	250,604
Total Deposits and Investments (Ex. 1)	<u>\$ 5,696,570</u>	<u>\$ 7,156,393</u>

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk - The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not investing in any foreign currency.

District Policies and Legal and Contractual Provisions Governing Investments

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. Statutes authorize the District to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of August 31, 2012, the District had the following investments and maturities.

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years
U.S. Government Securities	\$ 300,012	\$	\$ 150,011	\$ 150,001	\$ 0
Certificates of Deposit	323,321	323,321			
Money Market Deposits	221,731	221,731			
Investment Pools	1,113,461	1,113,461			
Total	\$1,958,525	\$1,658,513	\$ 150,011	\$ 150,001	\$ 0

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Credit Risk - To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments in certificates of deposit or publicly funded investment pools to the top ratings issued by nationally recognized statistical rating organizations (NRSROs). As of August 31, 2012, the District's investments in U.S. government securities and investment pools were rated A1 by Standard and Poor's.

Custodial Credit Risk for Investments - To limit the risk that, in the even of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. This included securities in securities lending transactions. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District limits investments to less than 5% of its total investments. The District further limits investments in a single issuer when they would cause investment risk to be significantly greater in the governmental and business-type activities, individual major funds, aggregate non-major funds and fiduciary fund types than they are in the primary government. Usually this limitation is 20%.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires at least half of the investment portfolio to have maturities of less than one year on a weighted average maturity basis.

Foreign Currency Risk for Investments - The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by limiting all investments denominated in a foreign currency to zero.

9. Derivatives

None.

10. Property Taxes

Property taxes are levied on October 1 of each year based on the assessed value listed as of the prior January 1 for all real and business personal property located in the District.

At August 31:

	FY 2012	FY 2011
Assessed Valuation of the District	\$ 470,860,903	\$ 448,613,441
Less: Exemptions	(922,260)	(139,495)
Less: Abatements		
Net Assessed Valuation of the District	<u>\$ 469,938,643</u>	<u>\$ 448,473,946</u>

	Year End August 31, 2012			Year End August 31, 2011		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation authorized	\$.5000	\$.50000	\$1.0000	\$.5000	\$.50000	\$1.0000
Tax Rate per \$100 valuation assessed	<u>\$.1150</u>	N/A	<u>\$.1150</u>	<u>\$.1110</u>	N/A	<u>\$.1110</u>

Taxes levied for the year ended August 31, 2012 and 2011 totaled \$540,429 and \$497,961, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Taxes Collected	FY 2012 Current Operations	FY 2011 Current Operations
Current Taxes Collected	\$ 531,868	\$ 490,574
Delinquent Taxes Collected	5,148	9,600
Penalties and Interest Collected	4,557	7,527
Total Collections	<u>\$ 541,573</u>	<u>\$ 507,701</u>

Tax collections for the year ended August 31, 2012 and 2011 were 99.37% and 98.52% of the current tax levies, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

11. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the District participates is administered by the Teacher Retirement System of Texas (TRS). The percentages of participant salaries currently contributed by the state and by each participant are 6.0% and 6.4%, respectively, of annual compensation.

TRS does not separately account for each of its component government agencies, because it bears sole responsibility for retirement commitments beyond contributions fixed by the Legislature.

The state has also established optional retirement programs (ORP) for institutions of higher education. Participation in the ORP's is in lieu of participation in the TRS. The ORP provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the state and each participant are 6.0% and 6.4% , respectively. The District contributes 0% for employees who were participating in the ORP prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the District was \$487,846 and \$447,711 for the fiscal years ended August 31, 2012 and 2011, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all District employees was \$8,999,664 and \$9,219,079 for fiscal years 2012 and 2011, respectively. The total payroll of employees covered by the TRS was \$4,994,071 and \$4,980,629 and the total payroll of employees covered by ORP was \$2,831,622 and \$3,281,929 for fiscal years 2012 and 2011, respectively.

12. Deferred Compensation Program

The District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

13. Compensated Absences

Full-time employees earn annual leave from ten (10) days per year for 1-9 years of service to fifteen (15) days per year for 10+ years of service. The District's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with maximum number of days up to the number of days earned in two years. 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 District recognized the accrued liability for the unpaid annual leave in the amount of \$317,994 and \$320,213 at August 31, 2012 and 2011. Sick leave, which can be accumulated without limit, is earned at the rate of one day per month. It is paid to an employee who misses work because of illness or to the estate of an employee in the event of his/her death. The District's policy is to recognized the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicated the expenditure for sick leave to be minimal.

14. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables 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. 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 \$0 and \$0. Of these amounts \$0 and \$0 were from Federal Contract and Grant Awards; \$0 and \$0 were from State Contract and Grant Awards; \$0 and \$0 from

Local Contract and Grant Awards; and \$0 and \$0 were from Private Contract and Grant Awards for the fiscal years ended 2012 and 2011, respectively.

15. 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 employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution totaled \$898,092 for the year ended August 31, 2012 and \$996,567 for the year ended August 31, 2011. The cost of providing those benefits was \$487,846 and \$447,711 for retirees and active employees for fiscal years 2012 and 2011, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

16. Group "Pooled Risk" Self-Insurance Pool

The District is a participant in the Community Colleges of Texas Insurance Association Self-Insurance Program (the "program"). The purpose of the program is to provide the statutory benefits for the members' employees through self-insurance workers' compensation prescribed by Texas Revised Civil Statutes Annotated Art. 8309h and Texas Government Code Ch. 791 (the "Interlocal Cooperation Act"). All fund members must be members of the Community Colleges of Texas Insurance Association.

The interlocal agreement between the District and the program is for a term beginning September 1, 2011, and ending August 31, 2012. Either party may terminate the agreement upon 60 days written notice.

The required contributions for each fund member is based on the prorated percentage of the members' gross payroll compared to the gross payroll of all fund members. The interlocal agreement states that members will have no joint and several liability beyond the loss fund maximum contribution payable.

The District's loss fund maximum for the period of the contract was \$73,088 and \$90,850 for the years ended August 31, 2012 and 2011, respectively, and stop loss protection up to a limit prescribed by law was purchased for losses above this amount. The board reserved the right in the interlocal agreement to adjust this stop loss provision in the event that the fiscal soundness of the fund would justify such an adjustment and/or result in savings to fund members. All claims are processed and paid by the District through the servicing contractor employed by the fund.

17. Potential Liabilities

The District had potential claims liabilities as a result of workers' compensation claims. Its claims administrator estimated that the total potential claims liability of the District amounted to \$73,088 and \$90,850 as of August 31, 2012 and 2011, respectively. Total claims paid to date as a result of the estimated claims liabilities were \$24,098 and \$13,514 for the same periods, respectively.

18. Income Taxes

The District 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 District had no unrelated business income tax liability for the year ended August 31, 2012 and 2011.

19. Disaggregation of Receivables and Payables Balances

Receivables at August 31, 2012 and 2011 were as follows:

	August 31, 2012	August 31, 2011
Taxes Receivable	\$ 14,067	\$ 14,265
Accounts Receivable	767,878	904,910
Current Pledged Gifts Receivable	0	645,000
Federal Receivable	180,671	224,917
Total	<u>\$ 962,616</u>	<u>\$ 1,789,092</u>

Payables and Accrued Liabilities at August 31, 2012 and 2011 were as follows:

Vendors Payable	\$ 275,303	\$ 529,998
Salaries and Benefits Payable	219,294	267,420
Accrued Interest	55,547	90,049
Total Accounts Payable and Accrued Liabilities	<u>\$ 550,144</u>	<u>\$ 887,467</u>

20. Contingencies

Texas Constitution article 16, section 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 at 6.644% for 2011 and 6.0% for 2012 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 6.0% 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 college employees is \$53,297.

This page left intentionally blank.

SUPPLEMENTAL SCHEDULES

This page left intentionally blank.

CISCO COLLEGE DISTRICT
SCHEDULE OF OPERATING REVENUES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)
SCHEDULE A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Fiscal Year 2012	Total Fiscal Year 2011
Tuition						
State-funded courses						
In-district resident tuition	\$ 642,556	\$	\$ 642,556	\$	\$ 642,556	\$ 564,434
Out-of-district resident tuition	2,237,652		2,237,652		2,237,652	2,433,329
Non-resident tuition	196,727		196,727		196,727	152,326
TPEG - credit (set aside)*		187,919	187,919		187,919	200,030
Non-state funded educational programs	10,285		10,285		10,285	12,348
Total Tuition	<u>3,087,220</u>	<u>187,919</u>	<u>3,275,139</u>	<u>0</u>	<u>3,275,139</u>	<u>3,362,467</u>
Fees						
General fee	4,038,813	0	4,038,813	61,249	4,100,062	4,477,619
Student service fee	489,388		489,388		489,388	535,074
Out-of-district fees	1,760,758		1,760,758		1,760,758	1,332,248
Laboratory fee	138,149		138,149		138,149	141,572
Other fees (as needed)	67,047		67,047		67,047	64,544
Total Fees	<u>6,494,155</u>	<u>0</u>	<u>6,494,155</u>	<u>61,249</u>	<u>6,555,404</u>	<u>6,551,057</u>
Scholarship Allowances and Discounts						
Bad debt allowances	(21,919)		(21,919)		(21,919)	0
Remissions and exemptions - state		(28,513)	(28,513)		(28,513)	(50,408)
Remissions and exemptions - local	(124,967)		(124,967)	(634,160)	(759,127)	(710,061)
Title IV federal grants		(8,460,290)	(8,460,290)		(8,460,290)	(9,014,231)
TPEG awards		(192,873)	(192,873)		(192,873)	(108,805)
Other state grants		(207,342)	(207,342)		(207,342)	(288,073)
Total Scholarship Allowances and Discounts	<u>(146,886)</u>	<u>(8,889,018)</u>	<u>(9,035,904)</u>	<u>(634,160)</u>	<u>(9,670,064)</u>	<u>(10,171,578)</u>
Total Net Tuition and Fees	<u>9,434,489</u>	<u>(8,701,099)</u>	<u>733,390</u>	<u>(572,911)</u>	<u>160,479</u>	<u>(258,054)</u>
Other Operating Revenues						
Federal grants and contracts		400,351	400,351		400,351	372,397
State grants and contracts		335,974	335,974		335,974	812,129
Local grants and contracts		154,308	154,308		154,308	53,339
Sales and services of educational activities	69,047		69,047		69,047	74,801
Investment income (program restricted)		0	0		0	0
General operating revenues	127,822		127,822		127,822	146,746
Total Other Operating Revenues	<u>196,869</u>	<u>890,633</u>	<u>1,087,502</u>	<u>0</u>	<u>1,087,502</u>	<u>1,459,412</u>
Auxiliary Enterprises						
Bookstore			0	1,867,857	1,867,857	2,382,526
Food service			0	650,475	650,475	669,416
Residential life			0	420,107	420,107	420,060
Total Net Auxiliary Enterprises	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,938,439</u>	<u>2,938,439</u>	<u>3,472,002</u>
Total Operating Revenues	<u>\$ 9,631,358</u>	<u>\$ (7,810,466)</u>	<u>\$ 1,820,892</u>	<u>\$ 2,365,528</u>	<u>\$ 4,186,420</u>	<u>\$ 4,673,360</u>
				(Exhibit 2)	(Exhibit 2)	

* - In accordance with Education Code 56.033, \$187,919 of tuition was set aside for Texas Public Education Grants (TPEG).

CISCO COLLEGE DISTRICT
STATEMENT OF OPERATING EXPENSES BY OBJECT
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)
SCHEDULE B

	Salaries And Wages	Benefits		Other Expenses	Totals	
		State	Local		Fiscal Year 2012	Fiscal Year 2011
		Unrestricted - Educational and General				
Instruction	\$ 5,169,878	\$ 0	\$ 379,056	\$ 523,553	\$ 6,072,487	\$ 5,884,283
Research	0	0	0	0	0	0
Public Service	0	0	0	500	500	250
Academic Support	629,882	0	44,861	183,991	858,734	928,309
Student Services	1,045,955	0	75,837	222,900	1,344,692	1,251,614
Institutional Support	997,886	0	774,547	1,198,138	2,970,571	2,492,781
Operation and Maintenance of Plant	439,798	0	31,323	1,336,504	1,807,625	1,856,868
Scholarships and Fellowships	0	0	0	0	0	0
Total Unrestricted	<u>8,283,399</u>	<u>0</u>	<u>1,305,624</u>	<u>3,465,586</u>	<u>13,054,609</u>	<u>12,414,105</u>
Restricted - Educational and General						
Instruction	152,407	860,582	0	239,726	1,252,715	1,439,457
Research	0	0	0	0	0	0
Public Service	0	0	0	0	0	0
Academic Support	116,696	120,717	0	25,939	263,352	428,750
Student Services	18,860	172,174	0	0	191,034	165,303
Institutional Support	0	161,353	(0)	1,343	162,696	264,134
Operation and Maintenance of Plant	0	71,113	0	0	71,113	65,535
Scholarships and Fellowships	0	0	0	0	0	0
Total Restricted	<u>287,963</u>	<u>1,385,939</u>	<u>(0)</u>	<u>267,008</u>	<u>1,940,910</u>	<u>2,363,179</u>
Total Educational and General	<u>8,571,362</u>	<u>1,385,939</u>	<u>1,305,624</u>	<u>3,732,594</u>	<u>14,995,519</u>	<u>14,777,284</u>
Auxiliary Enterprises	283,890	0	0	3,054,718	3,338,608	3,904,067
Depreciation Expense - Bldgs and other real est.				444,946	444,946	439,190
Depreciation Expense - Equipment and furn.				289,116	289,116	300,937
Total Operating Expenses	<u>\$ 8,855,252</u>	<u>\$ 1,385,939</u>	<u>\$ 1,305,624</u>	<u>\$ 7,521,374</u>	<u>19,068,189</u>	<u>19,421,478</u>
					(Exhibit 2)	(Exhibit 2)

CISCO COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)
SCHEDULE C

	Unrestricted	Restricted	Auxiliary Enterprises	Fiscal Year 2012	Totals Fiscal Year 2011
NON-OPERATING REVENUES:					
State Appropriations					
Education and general state support	\$ 5,534,224		\$	\$ 5,534,224	\$ 5,154,133
State group insurance		898,093		898,093	996,567
State retirement matching		487,846		487,846	447,711
Total State Appropriations	<u>5,534,224</u>	<u>1,385,939</u>	<u>0</u>	<u>6,920,163</u>	<u>6,598,411</u>
Maintenance ad valorem taxes	541,405			541,405	505,261
Federal revenue, non-operating		8,461,633		8,461,633	9,020,996
Gifts	115,177			115,177	93,735
Investment income	36,586			36,586	27,832
Total non-operating revenues	<u>6,227,392</u>	<u>9,847,572</u>	<u>0</u>	<u>16,074,964</u>	<u>16,246,235</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	467,208			467,208	571,603
(Gain) / loss on disposal of capital assets	102,833			102,833	0
Total non-operating expenses	<u>570,041</u>	<u>0</u>	<u>0</u>	<u>570,041</u>	<u>571,603</u>
NET NON-OPERATING REVENUES	<u>\$ 5,657,351</u>	<u>\$ 9,847,572</u>	<u>\$ 0</u>	<u>\$ 15,504,923</u> (Exhibit 2)	<u>\$ 15,674,632</u> (Exhibit 2)

CISCO COLLEGE DISTRICT
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)
SCHEDULE D

	Detail by Source				Total	Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt		Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 2,942,588				\$ 2,942,588	\$ 2,942,588	
Board Designated					0		
Restricted		243,065			243,065	243,065	
Auxiliary enterprises					0		
Loan	99				99		99
Endowment:					0		
Quasi:							
Unrestricted	5,626				5,626	5,626	
Restricted					0		
Endowment							
True	1,408,759				1,408,759		1,408,759
Term (per instructions at maturity)					0		
Life Income Contracts					0		
Annuities					0		
Plant:							
Unexpended	70,421				70,421		70,421
Renewals					0		
Debt Service		550,000			550,000		550,000
Investment in Plant				7,491,296	7,491,296		7,491,296
Total Net Assets, August 31, 2012	\$ 4,427,493	\$ 793,065	\$ 0	\$ 7,491,296	\$ 12,711,854	\$ 3,191,279	\$ 9,520,575
Total Net Assets, August 31, 2011	5,090,971	752,929		6,244,800	12,088,700	3,331,863	8,756,837
Net Increase (Decrease) in Net Assets	\$ (663,478)	\$ 40,136	\$ 0	\$ 1,246,496	\$ 623,154	\$ (140,584)	\$ 763,738

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012
SCHEDULE E

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
SEOG	84.007		\$71,310
College Work Study	84.033		107,157
Pell Grant	84.063		8,283,166
Total Direct Programs			<u>8,461,633</u>
Passed Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc. Ed.	84.048	74209	257,717
College Access Challenge Grant	84.378	2510	142,634
Total Passed Through From Texas Higher Education Coordinating Board			<u>400,351</u>
Total U.S. Department of Education			<u>8,861,984</u>
Total Federal Financial Assistance			<u><u>\$8,861,984</u></u>

Note 1: Federal Assistance Reconciliation

Federal Revenues - per Schedule A:			
Federal Grants and Contracts			\$400,351
Indirect/Administrative Costs Recoveries			0
Total Federal Revenues Per Schedule A			<u>400,351</u>
Federal Revenues - per Schedule C:			
Federal Grants, Non-Operating			8,461,633
Total Federal Revenues Per Schedule C			<u>8,461,633</u>
Reconciling Items:			
ADD:			
Expenditures Not Subject to a Federal Single Audit			
Total Pass-Through and Expenditures Per Federal Schedule			<u><u>\$8,861,984</u></u>

Note 2: Student Loans Processed and Administrative Costs Recovered - Not Included in Schedule

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Proc. & Adm. Costs Recovered
Department of Education			
84.032 Federal Family Educational Loan Program	\$5,680,616		\$5,680,616
Total Department of Education	<u>\$5,680,616</u>	<u>\$0</u>	<u>\$5,680,616</u>

Note 3: Significant accounting policies used in preparing the schedule.

The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District 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 general purpose 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 District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 4: Pass through amounts included in program expenditures:

None.

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2012
SCHEDULE F

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Workforce Commission		
Passed Through from Texas State Technical College - West Texas Skills Development	1002SDF000	\$68,851
Total Passed Through Texas State Technical College - West Texas		<u>68,851</u>
Total Texas Workforce Commission		<u>68,851</u>
Texas Higher Education Coordinating Board		
Texas Grant Program		194,112
Texas Education Opportunities Grant		13,230
State Nursing Shortage Reduction Grant		26,513
JET Equipment Grant		12,408
Top 10% Scholarship		2,000
Texas College Work Study		18,860
Total Texas Higher Education Coordinating Board		<u>267,123</u>
Total State Financial Assistance		<u><u>\$335,974</u></u>

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A:		
State Financial Assistance per Schedule of Expenditures of State Awards		\$335,974
State Financial Assistance Continuing Education Tuition and Fees Included in Exhibit 2 Captioned "Tuition and Fees"		<u> </u>
Total State Revenues per Schedule A		<u><u>\$335,974</u></u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

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

REQUIRED STATISTICAL SUPPLEMENT

This page left intentionally blank.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 1
 NET ASSETS BY COMPONENT
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	For the Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt \$	7,491,296	6,244,800	5,066,643	4,587,625	4,374,471	4,137,150	3,907,643	3,325,701	2,447,296	3,223,972
Restricted-expendable	793,065	752,929	661,704	709,756	661,669	654,065	635,404	632,969	638,088	1,397,765
Restricted-nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,427,493	5,090,971	5,433,839	4,232,787	3,968,158	3,923,927	4,145,390	4,353,200	4,758,256	3,105,028
Total primary government net assets	<u>\$ 12,711,854</u>	<u>\$ 12,088,700</u>	<u>\$ 11,162,186</u>	<u>\$ 9,530,168</u>	<u>\$ 9,004,298</u>	<u>\$ 8,715,142</u>	<u>\$ 8,688,437</u>	<u>\$ 8,311,870</u>	<u>\$ 7,843,640</u>	<u>\$ 7,726,765</u>

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 2
 REVENUE BY SOURCE
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	For the Year Ended August 31, (amounts expressed in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts) \$	733	212	523	1,637	2,163	2,458	2,088	1,318	989	680
Government grants and contracts										
Federal grants and contracts	400	372	522	305	4,009	3,925	4,018	4,339	3,917	3,177
State grants and contracts	336	812	583	387	316	201	249	316	142	784
Nongovernment grants and contract	154	53	55	64	113	147	-	1	9	-
Auxiliary enterprises	2,366	3,002	2,662	2,534	2,089	1,888	1,939	1,906	1,690	1,396
Other operating revenues	197	222	243	243	405	274	100	120	120	82
Total operating revenues	4,186	4,673	4,588	5,170	9,095	8,893	8,394	8,000	6,867	6,119
State appropriations	6,920	6,598	6,785	6,714	6,530	6,293	6,471	5,462	5,192	5,231
Ad valorem taxes	541	505	482	368	425	324	280	273	245	224
Federal revenue, non-operating *	8,462	9,021	7,572	4,832	-	-	-	-	-	-
Gifts	115	94	1,175	466	510	725	300	99	29	683
Investment income	37	28	35	66	235	257	210	116	131	244
Other non-operating revenues	-	-	-	-	-	-	-	18	439	-
Total non-operating revenues	16,075	16,246	16,049	12,446	7,700	7,599	7,261	5,968	6,036	6,382
Total revenues \$	20,261	20,919	20,637	17,616	16,795	16,492	15,655	13,968	12,903	12,501

	For the Year Ended August 31, (expressed as percentages)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and fees (net of discounts)	3.62%	1.01%	2.53%	9.29%	12.88%	14.90%	13.34%	9.44%	7.66%	5.44%
Government grants and contracts										
Federal grants and contracts	1.97%	1.78%	2.53%	1.73%	23.87%	23.80%	25.67%	31.06%	30.36%	25.41%
State grants and contracts	1.66%	3.88%	2.83%	2.20%	1.88%	1.22%	1.59%	2.26%	1.10%	6.27%
Nongovernment grants and contract	0.76%	0.25%	0.27%	0.36%	0.67%	0.89%	0.00%	0.01%	0.07%	0.00%
Auxiliary enterprises	11.68%	14.35%	12.90%	14.38%	12.44%	11.45%	12.39%	13.65%	13.10%	11.17%
Other operating revenues	0.97%	1.06%	1.18%	1.38%	2.41%	1.66%	0.64%	0.86%	0.93%	0.66%
Total operating revenues	20.66%	22.33%	22.24%	29.34%	54.15%	53.92%	53.63%	57.28%	53.22%	48.95%
State appropriations	34.15%	31.54%	32.88%	38.11%	38.88%	38.16%	41.34%	39.10%	40.24%	41.84%
Ad valorem taxes	2.67%	2.41%	2.34%	2.09%	2.53%	1.96%	1.79%	1.95%	1.90%	1.79%
Federal revenue, non-operating *	41.76%	43.12%	36.69%	27.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	0.57%	0.45%	5.69%	2.65%	3.04%	4.40%	1.92%	0.71%	0.22%	5.46%
Investment income	0.18%	0.13%	0.17%	0.37%	1.40%	1.56%	1.34%	0.83%	1.02%	1.95%
Other non-operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	3.40%	0.00%
Total non-operating revenues	79.33%	77.65%	77.77%	70.65%	45.85%	46.08%	46.39%	42.72%	46.78%	51.04%
Total revenues	99.99%	99.98%	100.01%	99.99%	100.00%	100.00%	100.02%	100.00%	100.00%	99.99%

Note: Due to rounding, percentages may not add up to 100%.

* - The most recent GASB implementation guide directed the reporting of Pell grant receipts as non-operating revenue. Therefore, a significant change is evident on those lines of the above schedule.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 3
 PROGRAM EXPENSES BY FUNCTION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

For the Year Ended August 31, (amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$ 7,325	\$ 7,324	7,271	6,387	\$ 6,372	\$ 6,302	5,940	\$ 5,084	\$ 4,497	\$ 3,651
Research	-	-	-	-	-	-	-	-	-	-
Public service	1	0	3	2	2	2	-	-	-	89
Academic support	1,122	1,357	1,088	947	1,004	944	813	624	540	395
Student services	1,536	1,417	1,325	1,213	1,020	1,033	907	919	816	625
Institutional support	3,133	2,757	2,450	2,191	1,879	2,037	1,802	1,650	1,277	2,224
Operation and maintenance of plant	1,879	1,922	1,732	1,719	1,852	2,151	1,954	1,670	2,352	1,382
Scholarships and fellowships	-	-	-	-	-	-	-	-	-	-
Auxiliary enterprises	3,339	3,904	3,852	3,246	3,081	2,828	2,670	2,425	2,224	1,892
Depreciation	734	740	704	686	681	538	540	511	373	217
Total operating expenses	19,069	19,421	18,425	16,391	15,891	15,835	14,626	12,883	12,079	10,475
Interest on capital related debt	467	572	580	594	615	631	648	663	678	689
Loss on disposal of capital assets	-	-	-	-	-	-	5	-	7	-
Total non-operating expenses	467	572	580	594	615	631	653	663	685	689
Total expenses	\$ 19,536	\$ 19,993	19,005	16,985	\$ 16,506	\$ 16,466	15,279	\$ 13,546	\$ 12,764	\$ 11,164

For the Year Ended August 31, (expressed as percentages)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	37.49%	36.63%	38.26%	37.60%	38.60%	38.27%	38.88%	37.53%	35.23%	32.70%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	0.01%	0.00%	0.02%	0.01%	0.01%	0.01%	0.00%	0.00%	0.00%	0.80%
Academic support	5.74%	6.79%	5.72%	5.58%	6.08%	5.73%	5.32%	4.61%	4.23%	3.54%
Student services	7.86%	7.09%	6.97%	7.14%	6.18%	6.27%	5.94%	6.78%	6.39%	5.60%
Institutional support	16.04%	13.79%	12.89%	12.90%	11.38%	12.37%	11.79%	12.18%	10.00%	19.92%
Operation and maintenance of plant	9.62%	9.61%	9.11%	10.12%	11.22%	13.06%	12.79%	12.33%	18.43%	12.38%
Scholarships and fellowships	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Auxiliary enterprises	17.09%	19.53%	20.27%	19.11%	18.67%	17.17%	17.47%	17.90%	17.42%	16.95%
Depreciation	3.76%	3.70%	3.70%	4.04%	4.13%	3.27%	3.53%	3.77%	2.92%	1.94%
Total operating expenses	97.61%	97.14%	96.94%	96.50%	96.27%	96.15%	95.72%	95.10%	94.62%	93.83%
Interest on capital related debt	2.39%	2.86%	3.05%	3.50%	3.73%	3.83%	4.24%	4.89%	5.31%	6.17%
Loss on disposal of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%	0.05%	0.00%
Total non-operating expenses	2.39%	2.86%	3.05%	3.50%	3.73%	3.83%	4.27%	4.89%	5.36%	6.17%
Total expenses	100.00%	100.00%	99.99%	100.00%	100.00%	99.98%	99.99%	99.99%	99.98%	100.00%

Note: Due to rounding, percentages may not add up to 100%.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 4
 TUITION AND FEES
 LAST TEN ACADEMIC YEARS
 (UNAUDITED)

Resident Fees per Semester Credit Hour (SCH)									
Academic Year (Fall)	Standard Tuition	Out-of-District Fee	Other Fees (per student)	Building Use Fee	Education Service 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	\$ 32	\$ 23	\$ 5	\$ 39	\$ 15	\$ 1,092	\$ 1,368	0.00%	6.54%
2010	32	16	5	39	15	1,092	1,284	4.60%	3.88%
2009	32	16	36	39	13	1,044	1,236	12.38%	10.26%
2008	27	16	30	37	11	929	1,121	0.00%	5.66%
2007	27	11	30	37	11	929	1,061	4.38%	3.82%
2006	27	11	15	37	9	890	1,022	0.00%	3.65%
2005	27	8	15	37	9	890	986	5.70%	7.88%
2004	25	6	15	35	9	842	914	9.35%	8.55%
2003	25	6	15	31	7	770	842	27.91%	24.93%
2001	22	6	15	20	7	602	674	7.97%	7.12%

Non-Resident Fees per Semester Credit Hour (SCH)									
Academic Year (Fall)	Standard Tuition	Out-of-District Fee	Other Fees (per student)	Building Use Fee	Education Service Fee	Cost for 12 SCH Out-of-District	Increase from Prior Year Out-of-State		
2011	\$ 68	\$ 23	\$ 5	\$ 39	\$ 15	\$ 1,800	25.26%		
2010	45	16	5	39	15	1,437	3.46%		
2009	45	16	36	39	13	1,389	9.03%		
2008	40	16	30	37	11	1,274	4.94%		
2007	40	11	30	37	11	1,214	3.32%		
2006	40	11	15	37	9	1,175	3.16%		
2005	40	8	15	37	9	1,139	6.75%		
2004	38	6	15	35	9	1,067	7.24%		
2003	38	6	15	31	7	995	20.31%		
2001	35	6	15	20	7	827	5.80%		

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.
 Starting in 2010, "other fees" were charged per semester credit hour instead of per student.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 5
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2011-12	\$ 470,861	\$ 922	\$ 469,939	99.80%	0.11500	0.00000	0.11500
2010-11	448,613	139	448,474	99.97%	0.11100	0.00000	0.11100
2009-10	431,522		431,522	100.00%	0.11100	0.00000	0.11100
2008-09	368,954	5,657	363,297	98.47%	0.09863	0.00000	0.09863
2007-08	326,763	3,478	323,285	98.94%	0.10207	0.00000	0.10207
2006-07	232,144	5,900	226,244	97.46%	0.13176	0.00000	0.13176
2005-06	182,704	3,110	179,594	98.30%	0.15017	0.00000	0.15017
2004-05	166,922	5,941	160,981	96.44%	0.15017	0.00000	0.15017
2003-04	152,107	5,984	146,123	96.07%	0.15440	0.00000	0.15440
2002-03	128,912	3,824	125,088	97.03%	0.17016	0.00000	0.17016

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 6
 STATE APPROPRIATION PER FTSE AND CONTACT HOUR
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year	State Appropriation (\$000 omitted)	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Technical Contact Hours (a)	Total Contact Hours	State Appropriation per Contact Hour
2011-12	\$ 5,525	8,354	\$ 661	1,339,468	460,819	1,800,287	3.07
2010-11	5,133	8,917	576	1,436,140	539,968	1,976,108	2.60
2009-10	5,368	8,381	640	1,355,992	486,308	1,842,300	2.91
2008-09	5,483	6,809	805	1,169,976	417,194	1,587,170	3.45
2007-08	5,483	6,366	861	1,102,844	383,808	1,486,652	3.69
2006-07	4,993	6,406	779	1,152,664	429,479	1,582,143	3.16
2005-06	4,993	6,231	801	1,116,192	414,784	1,530,976	3.26
2004-05	4,531	6,564	690	1,165,984	450,316	1,616,300	2.80
2003-04	4,300	6,006	716	995,904	432,253	1,428,157	3.01
2002-03	4,174	5,488	761	937,968	420,131	1,358,099	3.07

Notes:

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

- (a) Source CBM001
- (b) Source CBM00A

CISCO 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	2010	2009	2008	2007	2006	2005	2004	2003	2002
Barclays Capital Energy	Energy		11,227	11,276							
Banc of America Leasing	Energy	3,453	3,987	4,485							
Wilks Masonry Corp	Energy	2,946	3,655	6,331							
Falcon Trading & Mfg	Energy			4,345							
Iberdrola Renewabls Inc.	Energy	7,971	15,691	15,436							
Sempra Energy Trading	Energy		10,663								
FTS Int'l Pengo	Manufacturing	8,600	10,167								
CHL Distribution Center	Manufacturing	6,702	4,984								
Enterprise Product Oper		4,800	4,108								
Shell Energy N America	Energy	4,562	3,557								
PPM Energy	Energy				17,843	26,269					
TXU Portfolio Mgmt	Energy					20,847	8,253	5,323	3,692	7,334	
Luminant Energy Co.	Energy				10,937					10,159	
Coral Gas Marketing	Energy				6,216	15,398	16,347	15,260			
Frac Tech Services, LLC	Energy	211,585	145,963	140,774	88,559	9,971	10,000	5,453			
Hill Lake Gas Storage	Energy	36,593	46,236	46,350	50,002	9,189					
Falcon Gas Storage	Energy				8,638		5,083	4,890	10,073		
Cisco Hi Lift	Manufacturing			7,666	6,640						
Bear Energy LP	Energy				5,781						
Southwestern Bell Tele	Utility	2,751	3,198		4,052	4,390	4,640	4,512	5,140	5,742	
Basic Energy Services	Energy		11,770	11,834	11,156	3,686				5,745	
Conoco Phillips	Energy						4,179				
Cisco Pipeline LP	Energy						3,863	3,616	2,770		
Union Pacific	Railroad	4,912	4,252	3,893		3,021	3,543	3,087	2,643	2,692	
AEP Texas North	Energy	3,860	3,670			3,325	3,135	3,091	2,916	2,086	
Enbridge Gathering	Energy						2,346				
Key Energy - N Tex	Energy							7,584			
General Electric Capital	Financial							2,537			
Tractebel Energy	Energy								8,513		
Fleet Cementers	Cement Plant								8,169	4,043	
Cantera Resources	Energy							2,621	2,690	2,660	
Burgess-Manning	Manufacturing					4,212		2,163	2,459	2,118	
CitiCapital Commercial	Leasing									2,313	
TXU Lone Star Pipeline	Energy									1,187	
Brookshire Grocery	Retail Grocery									1,105	
Richey Ray Mgmt	Energy									1,925	
STB Energy	Energy									1,475	
Action Contractors	Contractor									1,474	
Atmos Energy/Mid Tex	Energy	2,789									
Tenaska Gas Storage	Energy	5,761									
EDF Trading		4,069									
Totals		<u>311,354</u>	<u>283,128</u>	<u>252,390</u>	<u>209,824</u>	<u>100,308</u>	<u>61,389</u>	<u>55,353</u>	<u>48,700</u>	<u>31,651</u>	<u>31,305</u>
Total Taxable Assessed Value		<u>469,939</u>	<u>448,474</u>	<u>431,522</u>	<u>363,297</u>	<u>323,285</u>	<u>231,906</u>	<u>179,594</u>	<u>160,981</u>	<u>146,123</u>	<u>125,088</u>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Barclays Capital Energy	Energy	-	2.50%	2.61%	-	-	-	-	-	-	-
Banc of America Leasing	Energy	0.73%	0.89%	1.04%	-	-	-	-	-	-	-
Wilks Masonry Corp	Energy	0.63%	0.81%	1.47%	-	-	-	-	-	-	-
Falcon Trading & Mfg	Energy	-	-	1.01%	-	-	-	-	-	-	-
Iberdrola Renewabls Inc.	Energy	1.70%	3.50%	3.58%	-	-	-	-	-	-	-
Sempra Energy Trading	Energy	-	2.38%	-	-	-	-	-	-	-	-
CHL Pengo	Manufacturing	1.83%	2.27%	-	-	-	-	-	-	-	-
CHL Distribution Center	Manufacturing	1.43%	1.11%	-	-	-	-	-	-	-	-
Enterprise Product Oper		1.02%	0.92%	-	-	-	-	-	-	-	-
Shell Energy N America	Energy	0.97%	0.79%	-	-	-	-	-	-	-	-
PPM Energy	Energy	-	-	-	4.91%	8.13%	-	-	-	-	-
TXU Portfolio Mgmt	Energy	-	-	-	-	6.45%	3.56%	2.96%	2.29%	5.02%	8.12%
Luminant Energy Co.	Energy	-	-	-	3.01%	-	-	-	-	-	-
Coral Gas Marketing	Energy	-	-	-	1.71%	4.76%	7.05%	8.50%	-	-	-
Frac Tech	Energy	45.02%	32.55%	32.62%	24.38%	3.08%	4.31%	3.04%	-	-	-
Hill Lake Gas Storage	Energy	7.79%	10.31%	10.74%	13.76%	2.84%	-	-	-	-	-
Falcon Gas Storage	Energy	-	-	-	2.38%	-	2.19%	2.72%	6.26%	-	-
Cisco Hi Lift	Manufacturing	-	-	1.78%	1.83%	-	-	-	-	-	-
Bear Energy LP	Energy	-	-	-	1.59%	-	-	-	-	-	-
Southwestern Bell Tele	Utility	0.59%	0.71%	-	1.12%	1.36%	2.00%	2.51%	3.19%	3.93%	4.59%
Basic Energy Services	Energy	-	2.62%	2.74%	3.07%	1.14%	-	-	-	-	-
Conoco Phillips	Energy	-	-	-	-	-	1.80%	-	-	-	-
Cisco Pipeline LP	Energy	-	-	-	-	-	1.67%	2.01%	1.72%	-	-
Union Pacific	Railroad	1.05%	0.95%	0.90%	-	0.93%	1.53%	1.72%	1.64%	1.84%	1.46%
AEP Texas North	Energy	0.82%	0.82%	-	-	1.03%	1.35%	1.72%	1.81%	1.43%	1.76%
Enbridge Gathering	Energy	-	-	-	-	-	1.01%	-	-	-	-
Key Energy - N Tex	Energy	-	-	-	-	-	-	4.22%	-	-	-
General Electric Capital	Financial	-	-	-	-	-	-	1.41%	-	-	-
Tractebel Energy	Energy	-	-	-	-	-	-	-	5.29%	-	-
Fleet Cementers	Cement Plant	-	-	-	-	-	-	-	5.07%	2.77%	1.38%
Cantera Resources	Energy	-	-	-	-	-	-	-	1.63%	1.84%	2.13%
Burgess-Manning	Manufacturing	-	-	-	-	1.30%	-	-	1.34%	1.68%	1.69%
CitiCapital Commercial	Leasing	-	-	-	-	-	-	-	-	1.58%	-
TXU Lone Star Pipeline	Energy	-	-	-	-	-	-	-	-	0.81%	-
Brookshire Grocery	Retail Grocery	-	-	-	-	-	-	-	-	0.76%	-
Richey Ray Mgmt	Energy	-	-	-	-	-	-	-	-	-	1.54%
STB Energy	Energy	-	-	-	-	-	-	-	-	-	1.18%
Action Contractors	Contractor	-	-	-	-	-	-	-	-	-	1.18%
Atmos Energy/Mid Tex	Energy	0.59%	-	-	-	-	-	-	-	-	-
West Texas Utilities	Utility	1.23%	-	-	-	-	-	-	-	-	-
First National Bank Cisco	Banking	0.87%	-	-	-	-	-	-	-	-	-
Totals		<u>66.27%</u>	<u>63.13%</u>	<u>58.49%</u>	<u>57.76%</u>	<u>31.02%</u>	<u>26.47%</u>	<u>30.81%</u>	<u>30.24%</u>	<u>21.66%</u>	<u>25.03%</u>

Source: Local County Appraisal District

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 8
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN TAX YEARS
 (UNAUDITED)
 (AMOUNTS EXPRESSED IN THOUSANDS)

Fiscal Year Ended August 31,	Total Tax Levy (a)	Collections - Current Levy (b)	Percentage	Current Collections of Prior Levies (b)	Total Collections (c)	Percentage of Current Levy
2012	\$ 540	\$ 532	98.52%	5	\$ 542	100.37%
2011	498	491	98.59%	10	508	102.01%
2010	479	469	97.91%	7	481	100.42%
2009	364	356	97.80%	8	369	101.37%
2008	330	405	122.73%	7	412	124.85%
2007	298	308	103.36%	9	317	106.38%
2006	276	264	95.65%	8	272	98.55%
2005	258	248	96.12%	14	262	101.55%
2004	235	224	95.32%	11	235	100.00%
2003	219	207	94.52%	12	219	100.00%
2002	211	201	95.26%	12	213	100.95%

Source: Local Tax Assessor/Collector and District records.

(a) As of August 31st

(b) Property tax only - does not include penalties and interest

(c) Includes penalty and interest. Does not tie to Exhibit 2.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 9
 RATIOS OF OUTSTANDING DEBT
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2011	2011	2010	2009	2008	2007	2006	2005	2004	2003
Outstanding Debt										
Revenue bonds	\$ 9,520	\$ 10,425	\$ 10,895	\$ 11,345	\$ 11,775	\$ 12,195	\$ 12,595	\$ 12,980	\$ 13,345	\$ 13,700
Notes payable and capital leases obligations	298	1,062	297	287	238	362	222	-	-	-
Total Outstanding Debt	<u>\$ 9,818</u>	<u>\$ 11,487</u>	<u>\$ 11,192</u>	<u>\$ 11,632</u>	<u>\$ 12,013</u>	<u>\$ 12,557</u>	<u>\$ 12,817</u>	<u>\$ 12,980</u>	<u>\$ 13,345</u>	<u>\$ 13,700</u>

Total Outstanding Debt Ratios										
Per Capita	\$ 527	\$ 618	\$ 602	\$ 640	\$ 655	\$ 686	\$ 697	\$ 706	\$ 725	\$ 745
Per Student	\$ 1,175	\$ 1,288	\$ 1,335	\$ 1,708	\$ 1,887	\$ 1,960	\$ 2,057	\$ 1,977	\$ 2,222	\$ 2,496
Annual Debt Service Coverage By Total Pledged Reven	11.20x	10.11x	9.31x	7.88x	7.95x	7.06x	7.16x	6.58x	5.61x	4.51x

Notes: Ratios calculated using population and TOD from current year. Debt per student calculated using full-time-equivalent enrollment.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 10
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 469,939	\$ 448,474	\$ 431,522	\$ 363,297	\$ 323,284	\$ 226,245	\$ 179,594	\$ 160,981	\$ 146,123	\$ 125,088
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 2,350	\$ 2,242	\$ 2,158	\$ 1,816	\$ 1,616	\$ 1,131	\$ 898	\$ 805	\$ 731	\$ 625
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 2,350	\$ 2,242	\$ 2,158	\$ 1,816	\$ 1,616	\$ 1,131	\$ 898	\$ 805	\$ 731	\$ 625
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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.

CISCO 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
	Pledged Tuition Revenue (a)	Total Combined Fees	Gross Auxiliary Revenues	Total Other Revenue	Total Pledged Revenues	Principal	Interest	Total		
2012	\$ 141	\$ 6,592	\$ 2,944	\$ 212	\$ 9,889	\$ 550	\$ 333	883	11.20	
2011	155	6,595	3,478	249	10,477	490	546	1,036	10.11	
2010	144	5,797	3,217	278	9,436	470	543	1,013	9.31	
2009	123	4,828	2,588	446	7,985	450	563	1,013	7.88	
2008	110	4,562	2,604	684	7,960	420	581	1,001	7.95	
2007	121	4,326	2,433	274	7,154	400	613	1,013	7.06	
2006	116	4,393	2,494	277	7,280	385	631	1,016	7.17	
2005	134	3,931	2,355	224	6,644	365	645	1,010	6.58	
2004	111	3,264	2,069	251	5,695	355	660	1,015	5.61	
2003	104	2,582	1,723	164	4,573	205	810	1,015	4.51	

(a) By statute, tuition pledge is calculated at \$15 per student for the regular terms and \$7.50 per student for the summer terms.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 12
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income (a) Per Capita	District Unemployment Rate (b)
2011	18,633 \$	(a)	(a)	7.10%
2010	18,583 \$	788,022 \$	42,364	7.90%
2009	18,167 \$	679,102 \$	37,381	7.60%
2008	18,186 \$	630,934 \$	34,644	4.60%
2007	18,337 \$	604,989 \$	33,014	4.90%
2006	18,293 \$	571,109 \$	31,247	4.90%
2005	18,393 \$	522,920 \$	28,544	5.00%
2004	18,402 \$	491,547 \$	26,888	5.40%
2003	18,290 \$	468,930 \$	25,747	6.30%
2002	18,210 \$	450,915 \$	24,806	5.70%

Sources:

Population from U.S. Bureau of the Census. 2011 population is estimated.

Personal income from U.S. bureau of Economic Analysis.

Unemployment rates from Texas Workforce Commission

Notes:

(a) Data not yet available.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 13
 PRINCIPAL EMPLOYERS - TAXING DISTRICT
 CURRENT FISCAL YEAR
 (UNAUDITED)

Employer	Number of Employees	Percentage of Total Employment
Batteas Design	100-499	3.00%
Ebaa Iron	100-499	3.00%
Basic Energy Service	100-499	3.00%
Wal-Mart	100-499	0.80%
United Energex	50-99	0.80%
Gorman Milling	50-99	0.80%
Cisco College	50-99	0.80%
Enbridge	50-99	0.80%
Burgess Manning	50-99	0.80%
Morgan Bldgs Pools & Spas	50-99	0.80%
Total	1250-4290	14.60%

Source:
 Texas Workforce Commission

Note:
 Percentages are calculated using the midpoints of the ranges.

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 14
 FACULTY, STAFF AND ADMINISTRATORS STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Faculty										
Full-Time	102	98	97	90	87	83	84	75	65	71
Part-Time	133	145	139	98	96	94	88	91	86	90
Total	<u>235</u>	<u>243</u>	<u>236</u>	<u>188</u>	<u>183</u>	<u>177</u>	<u>172</u>	<u>166</u>	<u>151</u>	<u>161</u>
Percent										
Full-Time	43.4%	40.3%	41.1%	47.9%	47.5%	46.9%	48.8%	45.2%	43.0%	44.1%
Part-Time	56.6%	59.7%	58.9%	52.1%	52.5%	53.1%	51.2%	54.8%	57.0%	55.9%
Staff and Administrators										
Full-Time	120	116	116	95	92	96	95	82	73	67
Part-Time	9	8	6	4	0	0	0	0	0	0
Total	<u>129</u>	<u>124</u>	<u>122</u>	<u>99</u>	<u>92</u>	<u>96</u>	<u>95</u>	<u>82</u>	<u>73</u>	<u>67</u>
Percent										
Full-Time	93.0%	93.5%	95.1%	96.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Part-Time	7.0%	6.5%	4.9%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FTSE per Full-time Faculty	81.9	91.0	86.4	75.7	73.2	77.0	74.2	82.0	95.1	84.6
FTSE per Full-Time Staff Member	69.6	76.9	72.3	71.7	69.2	66.7	65.6	76.0	89.9	89.6
Average Annual Faculty Salary	\$ 42,222	\$ 41,547	\$ 41,717	\$ 43,223	\$ 42,733	\$ 40,181	\$ 39,533	\$ 36,675	\$ 35,556	\$ 37,061

Notes:

- (a) Full-time count under staff and administrators includes 2 state grant employees.
- (b) Faculty & staff information taken from payroll records.
- (c) Some discrepancies in full-time staff numbers are due to counting methods
- (d) FTSE calculated using CC enrollment data

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 15
 ENROLLMENT DETAILS
 LAST FIVE FISCAL YEARS
 (UNAUDITED)

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	2,724	62.61%	4,329	89.93%	3,590	84.37%	3,101	82.45%	3,227	96.62%
31-60 hours	1,032	23.72%	360	7.48%	496	11.66%	631	16.78%	94	2.81%
> 60 hours	595	13.68%	125	2.60%	169	3.97%	29	0.77%	19	0.57%
Unclassified	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	4,351	100.01%	4,814	100.01%	4,255	100.00%	3,761	100.00%	3,340	100.00%

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	219	4.62%	157	3.26%	193	4.54%	214	5.69%	6	0.18%
3-5 semester hours	1,841	38.81%	1,103	22.91%	863	20.28%	759	20.18%	631	18.89%
6-8 Semester hours	362	7.63%	1,002	20.81%	894	21.01%	851	22.63%	706	21.14%
9-11 semester hours	741	15.62%	675	14.02%	705	16.57%	560	14.89%	479	14.34%
12-14 semester hours	1,140	24.03%	1,411	29.31%	1,208	28.39%	990	26.32%	1,113	33.32%
15-17 semester hours	370	7.80%	420	8.72%	354	8.32%	338	8.99%	317	9.49%
18 & over	71	1.50%	46	0.96%	38	0.89%	49	1.30%	88	2.63%
Total	4,744	100.01%	4,814	99.99%	4,255	100.00%	3,761	100.00%	3,340	99.99%

Average course load	8.7		8.1		8.5		10.4		10.4	
---------------------	-----	--	-----	--	-----	--	------	--	------	--

Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	157	3.54%	188	3.87%	165	3.88%	145	3.86%	117	3.50%
Texas Resident (out-of-District)	4,077	91.82%	4,463	91.93%	3,884	91.28%	3,419	90.91%	3,022	90.48%
Non-Resident Tuition	150	3.38%	154	3.17%	133	3.13%	101	2.69%	89	2.66%
Tuition Exemption/Waiver	56	1.26%	50	1.03%	73	1.72%	96	2.55%	112	3.35%
Total	4,440	100.00%	4,855	100.00%	4,255	100.01%	3,761	100.01%	3,340	99.99%

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 16
 STUDENT PROFILE
 LAST FIVE 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	2,712	61.51%	2,846	59.12%	2,596	61.01%	2,290	60.89%	2,041	61.11%
Male	1,697	38.49%	1,968	40.88%	1,659	38.99%	1,471	39.11%	1,299	38.89%
Total	4,409	100.00%	4,814	100.00%	4,255	100.00%	3,761	100.00%	3,340	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	2,979	67.57%	3,232	67.14%	2,915	68.51%	2,592	68.92%	2,321	69.49%
Hispanic	877	19.89%	975	20.25%	755	17.74%	678	18.03%	559	16.74%
African American	353	8.01%	376	7.81%	310	7.29%	324	8.61%	295	8.83%
Asian	67	1.52%	84	1.74%	66	1.55%	44	1.17%	42	1.26%
Foreign	24	0.54%	37	0.77%	29	0.68%	64	1.70%	29	0.87%
Native American	41	0.93%	35	0.73%	29	0.68%	15	0.40%	21	0.63%
Not Reported	68	1.54%	75	1.56%	151	3.55%	44	1.17%	73	2.19%
Total	4,409	100.00%	4,814	100.00%	4,255	100.00%	3,761	100.00%	3,340	100.01%

Age	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	806	18.41%	845	17.55%	793	18.64%	472	12.55%	402	12.04%
18-21	1,512	34.53%	1,757	36.50%	1,614	37.93%	1,788	47.54%	1,579	47.28%
22-24	564	12.88%	634	13.17%	551	12.95%	433	11.51%	379	11.35%
25-35	939	21.44%	978	20.32%	834	19.60%	672	17.87%	573	17.16%
36-50	447	10.21%	478	9.93%	383	9.00%	325	8.64%	331	9.91%
51 & over	111	2.53%	122	2.53%	80	1.88%	71	1.89%	76	2.28%
Total	4,379	100.00%	4,814	100.00%	4,255	100.00%	3,761	100.00%	3,340	100.02%
Average Age	25		25		24		24		25	

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 17
 TRANSFERS TO SENIOR INSTITUTIONS
 2010 FALL STUDENTS AS OF FALL 2011
 (INCLUDES ONLY PUBLIC SENIOR COLLEGES IN TEXAS)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Angelo State University	15	0	0	15	8.93%
2 Tarleton State University	44	1	0	45	26.79%
3 Texas State University - San Marcus	13	0	0	13	7.74%
4 Texas Tech Health Science Center	6	0	0	6	3.57%
5 Texas Tech University	20	0	0	20	11.90%
6 University of Texas at Arlington	8	0	0	8	4.76%
7 University of Texas - San Antonio	6	0	0	6	3.57%
8 University of North Texas	13	0	0	13	7.74%
9 Other Public 4-Yr Institutions	39	3	0	42	25.00%
Totals	<u>164</u>	<u>4</u>	<u>0</u>	<u>168</u>	<u>100.00%</u>

Source: Texas Higher Ed Data/Texas Higher Education Coordinating Board

CISCO COLLEGE DISTRICT
 STATISTICAL SUPPLEMENT 18
 CAPITAL ASSET INFORMATION
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic Buildings	8	8	8	8	8	8	8	8	8	7
Square footage	135,000	135,000	126,000	126,000	126,000	126,000	126,000	126,000	126,000	65,500
Libraries	2	2	2	2	2	2	2	2	2	1
Square footage	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	16,800	14,800
Number of volumes	35,000	34,000	52,000	84,000	83,500	81,300	78,000	73,600	68,200	64,600
Administrative and Support Building	7	7	7	7	7	7	7	7	6	5
Square footage	58,500	58,500	58,500	58,500	58,500	58,500	58,500	58,500	54,300	42,300
Dormitories	6	6	6	6	6	6	6	6	6	5
Square footage	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	78,300	64,300
Number of beds	357	354	358	358	358	358	358	358	358	311
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Athletic Facilities	6	6	6	6	6	6	6	5	4	4
Square footage	30,300	30,300	30,300	30,300	30,300	30,300	30,300	22,800	22,800	22,800
Athletic Training	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Baseball/Softball Fields	1	1	1	1	1	1	1	1	0	0
Rodeo Arena	1	1	1	1	1	1	1	1	1	1
Fitness Centers	1	1	1	1	1	1	1	1	1	1
Field House	1	1	1	1	1	1	1	0	0	0
Plant Facilities	2	2	2	2	2	2	2	1	1	1
Square footage	8,200	8,200	8,200	8,200	8,200	8,200	8,200	5,700	5,700	5,700
Transportation										
Cars	6	5	5	4	4	4	4	4	3	3
Light trucks/Vans	20	19	19	17	16	16	16	16	14	12
Buses	2	2	2	1	1	1	0	0	0	0

OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION

This page left intentionally blank.

Cameron L. Gulley

CERTIFIED PUBLIC ACCOUNTANT

P. O. Box 163
Eastland, Texas 76448
(325)669-9795
cgulley@txol.net

Independent Auditor's Report

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

Board of Regents
Cisco College District
101 College Heights
Cisco, Texas 76437

Members of the Board of Regents:

I have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Cisco College District (the "District") as of and for the year ended August 31, 2012 and 2011, and have issued my report thereon dated November 12, 2012. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

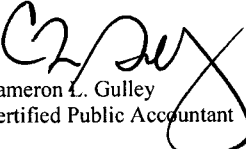
Compliance

As part of obtaining reasonable assurance about whether Cisco College District's financial statements are free of material misstatement, I performed tests of the District's compliance with certain provisions of laws, regulations, contracts, grant agreements, and noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. I have also noted other matters involving the internal control over financial reporting which I have reported to management in a separate letter dated November 12, 2012.

I have performed tests designed to verify the District's compliance with the requirements of the Public Funds Investment Act, Sec. 2256.001 of the Texas Government Code. During the year ended August 31, 2012, the results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

This report is intended for the information of the District's board of regents, the administration, The Higher Education Coordinating Board, federal awarding agencies and pass-through entities, and is not intended to be used and should not be used by anyone other than these specified parties.

Respectfully submitted,


Cameron L. Gulley
Certified Public Accountant

November 12, 2012

This page left intentionally blank.

CISCO COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2012

<u>Program</u>	<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
None reported.		

This page left intentionally blank.

CISCO COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2012

A. Summary of Auditor's Results

An unqualified opinion was issued on the general purpose financial statements.

Internal control over financial reporting:

Material weaknesses identified – no.

Significant deficiencies identified that are not considered to be material weaknesses – none reported.

The audit disclosed no noncompliance which is material to the general purpose financial statements.

Internal control over major programs:

Material weaknesses identified – no.

Significant deficiencies identified that are not considered to be material weaknesses – none reported.

An unqualified opinion was issued on compliance for major programs.

The audit disclosed no audit findings which are required to be reported in this schedule under OMB Circular A-133.

Major programs are as follows:

84.063 - Federal Pell Grant Program	\$ 8,283,166
84.033 - Federal Work-Study Program	107,157
84.007 - Federal Supplemental Educational Opportunity Grant	71,310
84.032 - Federal Family Education Loans	<u>5,680,616</u>
Total Student Financial Aid Clustered Programs	<u>\$14,142,249</u>

The threshold used to distinguish between Type A and Type B federal programs was \$300,000.

The District was classified as a low-risk auditee in the context of OMB Circular A-133.

B. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

None.

C. Findings and Questioned Costs for Federal Awards

None.

This page left intentionally blank.

CISCO COLLEGE DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2012

None required.

This page left intentionally blank.

FEDERAL AWARDS SECTION

This page left intentionally blank.

Cameron L. Gulley

CERTIFIED PUBLIC ACCOUNTANT

P. O. Box 163
Eastland, Texas 76448
(325)669-9795
cgulley@txol.net

Independent Auditor's Report

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Regents
Cisco College District
101 College Heights
Cisco, Texas 76437

Members of the Board of Regents:

Compliance

I have audited the compliance of Cisco College District with the types of compliance requirements described in the U.S. OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133 COMPLIANCE SUPPLEMENT that are applicable to each of its major federal programs for the year ended August 31, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. My responsibility is to express an opinion on the District's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States; and OMB Circular A-133, AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cisco College District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's compliance with those requirements.

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

Internal Control Over Compliance

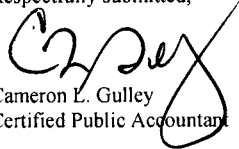
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Example Entity's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended for the information of the District's board of regents, management, The Higher Education Coordinating Board, and federal awarding agencies and pass-through entities and is not intended to be used and should not be used by anyone other than these specified parties.

Respectfully submitted,


Cameron L. Gulley
Certified Public Accountant

November 12, 2012

This page left intentionally blank.

SUPPLEMENTAL INFORMATION FOR SFA AUDIT

This page left intentionally blank.

STUDENT FINANCIAL AID DATA

Cisco College District
101 College Heights
Cisco, Texas 76437

Lead Auditor: Cameron L. Gulley, CPA
P. O. Box 163
Eastland, Texas 76448

Telephone No.: 325-669-9795

The audit was performed between November 8, 2012 and November 12, 2012, at Cisco College's facilities as follows:

Location	Description of Facility	Dates Visited
Cisco, Texas	SFA Offices/Main Campus	November 8 & 12, 2012
Cisco, Texas	Admin Offices/Main Campus	November 8 & 12, 2012

Institution's accrediting organization: Southern Association of Colleges and Schools

- Cisco College does not utilize an SFA consultant/service.
- Records for the accounting and administration of the SFA programs are located at the SFA Office and Business Office of Cisco College located at College Heights, Cisco, Texas.

This page left intentionally blank.

CISCO COLLEGE DISTRICT
STATEMENT OF CHANGES IN SFA PROGRAM FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012

	GRANTS AND COLLEGE WORK STUDY			STUDENT LOANS	TOTAL
	SEOG	Pell	Work Study	NDSL	
Fund Balance - July 1, 2011	\$0	\$0	\$0	\$99	\$99
Additions:					
Federal Awards	71,310	8,283,166	107,157		8,461,633
Institution Matching Contribution					0
Interest Income				0	0
Total Additions	71,310	8,283,166	107,157	0	8,461,633
Deductions:					
Grants	69,967	8,283,166			8,353,133
Contribution:					
Federal					
Institutional					
Wages			107,157		107,157
Administrative Expense	1,343				1,343
Total Deductions	71,310	8,283,166	107,157	0	8,461,633
Net Increase (Decrease) in Fund Balance	0	0	0	0	0
Fund Balance - June 30, 2012	\$0	\$0	\$0	\$99	\$99

CISCO COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES
FOR EACH STUDENT FINANCIAL ASSISTANCE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2012

College Work Study Program

Student Wages	\$107,157
Administrative Cost Allowance	0
	<u>\$107,157</u>

Supplemental Educational Opportunity Grant

Student Grants	\$69,967
Administrative Cost Allowance	1,343
	<u>\$71,310</u>

Pell Grant Program

Student Grants	<u>\$8,283,166</u>
----------------	--------------------