

BORGER JUNIOR COLLEGE DISTRICT
Borger, Texas

ANNUAL FINANCIAL REPORT
August 31, 2012 and 2011

TABLE OF CONTENTS

	PAGE
ORGANIZATIONAL DATA	1
INDEPENDENT AUDITOR'S REPORT	3
MANAGEMENT'S DISCUSSION AND ANALYSIS	8
FINANCIAL STATEMENTS	
Exhibit 1A Statements of Net Assets - Primary Institution.....	19
1B Statements of Net Assets - Component Unit	20
2A Statements of Revenues, Expenses, and Changes in Net Assets - Primary Institution	21
2B Statements of Revenues, Expenses, and Changes in Net Assets - Component Unit.....	22
3A Statements of Cash Flows - Primary Institution	23
3B Statements of Cash Flows - Component Unit.....	24
Notes to Financial Statements.....	25
OTHER SUPPLEMENTAL INFORMATION	
Schedule A Schedule of Operating Revenues.....	44
B Schedule of Operating Expenses by Object	46
C Schedule of Nonoperating Revenues and Expenses.....	47
D Schedule of Net Assets by Source and Availability.....	48
E Schedule of Expenditures of Federal Awards.....	49
Notes to Schedule of Expenditures of Federal Awards	50
F Schedule of Expenditures of State of Texas Awards	51
Notes to Schedule of Expenditures of State of Texas Awards.....	52

TABLE OF CONTENTS (CONTINUED)

PAGE

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards 55

Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major
Program and on Internal Control Over Compliance in Accordance
with OMB Circular A-133 59

Schedule of Findings and Questioned Costs 63

Schedule of Corrective Action for Audit Findings and Questioned Costs 65

Summary Schedule of Prior Audit Findings 66

STATISTICAL SUPPLEMENT (Unaudited) 67

**BORGER JUNIOR COLLEGE DISTRICT
ORGANIZATIONAL DATA
August 31, 2012**

Board of Regents

	<u>Officers</u>	Term Expires <u>May</u>
Conny Moore	Chair	2014
Steve Williams	Vice Chair	2016
Marlene McKinney	Secretary	2016

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

Principal Administrative Officers

Dr. Jud Hicks	President
Shannon Carroll	Vice President for Academic Affairs
Dr. Lew Hunnicutt	Dean of FPC-Perryton
Gloria Rummel	Executive Assistant to the President
Jack Stanley	Dean of Career & Technical Education

This page left blank intentionally.

Independent Auditor's Report

Board of Regents
Borger Junior College District
Borger, Texas

We have audited the accompanying financial statements of Borger Junior College District (the College) and its discretely presented component unit as of and for the years ended August 31, 2012 and 2011, which collectively comprise the College's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and of its discretely presented component unit as of August 31, 2012 and 2011, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 8 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally

This page left blank intentionally.

accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the College and its discretely presented component unit. The accompanying supplemental information listed in the table of contents, Schedules A, B, C and D, are likewise presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule E, and Schedule of Expenditures of State of Texas Awards, Schedule F, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, the Schedule of Expenditures of State of Texas Awards, and the Other Supplemental Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements and its discretely presented component unit. The statistical supplement is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and discretely presented component unit, and accordingly, we do not express an opinion or provide any assurance on it.

Connor O'Connell Mitchell & Spennum PLLC

Amarillo, Texas
November 26, 2012

This page left blank intentionally.

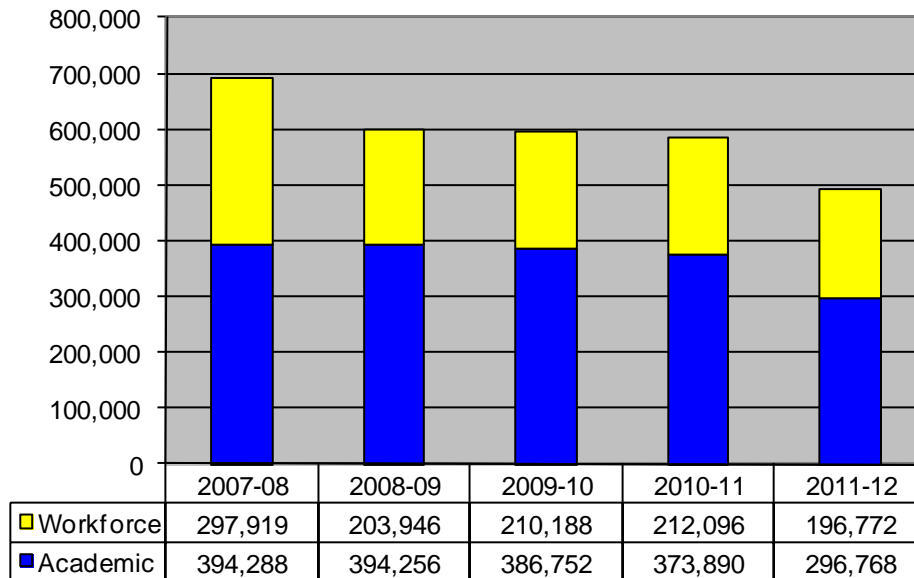
MANAGEMENT'S DISCUSSION AND ANALYSIS

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Financial and Enrollment Highlights

- The institution's net assets at year-end were \$12,956,658, a decrease of \$525,848 or 3.9% for the year. Investment in capital assets increased \$55,338 with current year depreciation of \$732,359.
- Contact hours enrollment showed a decrease of 92,446 hours or 15.8% from 585,986 in 2010-2011 to 493,540 in 2011-2012. Academic contact hours decreased 77,122 or 20.6% while workforce contact hours showed an decrease of 15,324 or 7.2%.

Total Contact Hours



Statements of Net Assets

The Statements of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. Net assets are the difference between assets and liabilities.

	Primary Institution		
	2012	2011	2010
Current assets			
Cash and cash equivalents	\$ 1,301,044	\$ 1,804,199	\$ 1,855,206
Accounts receivables, net	1,185,152	1,207,230	1,512,499
Other current assets	86,851	308,689	154,766
Total current assets	<u>2,573,047</u>	<u>3,320,118</u>	<u>3,522,471</u>

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Statements of Net Assets (Continued)

	Primary Institution		
	2012	2011	2010
Noncurrent assets			
Restricted cash and cash equivalents	\$ 191,402	\$ 242,724	\$ 300,680
Other long-term investments	527,588	527,588	527,588
Capital assets, net	13,997,563	14,335,656	15,056,312
Unamortized debt insurance cost	44,841	-	-
Other noncurrent assets	1,600	1,600	1,600
Total noncurrent assets	<u>14,762,994</u>	<u>15,107,568</u>	<u>15,886,180</u>
Total assets	<u>\$ 17,336,041</u>	<u>\$ 18,427,686</u>	<u>\$ 19,408,651</u>
Current liabilities			
Accounts payable	\$ 10,290	\$ 14,019	\$ 89,012
Accrued liabilities	296,710	378,471	515,871
Funds held for others	209,281	333,365	284,241
Deferred revenues	1,347,697	1,310,489	1,636,591
Note payable - current portion	134,953	320,874	482,296
Capital lease obligation - current portion	-	-	71,988
Total current liabilities	<u>1,998,931</u>	<u>2,357,218</u>	<u>3,079,999</u>
Noncurrent liabilities			
Notes payable	730,452	832,962	1,110,348
Bonds payable	1,650,000	1,755,000	1,885,000
Capital lease obligation	-	-	75,545
Total noncurrent liabilities	<u>2,380,452</u>	<u>2,587,962</u>	<u>3,070,893</u>
Total liabilities	<u>4,379,383</u>	<u>4,945,180</u>	<u>6,150,892</u>
Net Assets			
Invested in capital, net of related debt	11,482,158	11,426,820	11,431,135
Restricted for:			
Expendable:			
Student aid	685,475	690,876	699,154
Workforce training equipment	195,000	-	-
Unrestricted	<u>594,025</u>	<u>1,364,810</u>	<u>1,127,470</u>
Total net assets	<u>12,956,658</u>	<u>13,482,506</u>	<u>13,257,759</u>
Total liabilities and net assets	<u>\$ 17,336,041</u>	<u>\$ 18,427,686</u>	<u>\$ 19,408,651</u>

Current Assets:

The cash and cash equivalents consists of cash in the local financial institution's accounts and TexPool; all are interest-bearing accounts. Cash and cash equivalents decreased by \$503,155 or 27.9%, which is reflected in the Statement of Cash Flows.

Accounts receivable consists primarily of student receivables related to tuition and fees for the fall 2012 semester. Accounts receivable decreased by \$22,078 or 1.8%, decreasing the balance to \$1,185,152 as compared to FY 2011 accounts receivable which decreased \$305,269 or 20.2%.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Current Assets (Continued):

In 2012 other current assets decreased \$221,838 reflecting a balance of \$86,851. The balance is primarily comprised of interest receivable of \$71,393. The 2011 balance was primarily comprised of a note receivable of \$117,000, interest receivable of \$81,898, and prepaid expense.

Noncurrent Assets:

Restricted cash and cash equivalents consist of agency and state scholarship funds. The balance of restricted cash and cash equivalents decreased \$51,322 reflecting a balance of \$191,402. The restricted cash means it is designated for scholarships.

Capital assets consist of land, library books, construction in progress, buildings, land improvements and equipment and totals approximately \$26 million at year-end. Accumulated depreciation totals approximately \$12 million, resulting in net capital assets of approximately \$14 million. This reflects a decrease of \$338,093 in net capital assets. Capital assets are detailed in Note 5 of the footnotes to the financial statements. At year-end, asset additions totaled \$585,302, depreciation expense was \$732,359, and the College showed a gain on the disposal of fixed assets \$23,415. The asset additions include buildings/land improvements (\$380,804); furniture, vehicles, and other equipment (\$199,568); and library books (\$4,930).

In 2012 the College refunded the 2001 revenue bonds and issued the Combined Fee Revenue Refunding Bonds Series 2012 (Series 2012). As a result, noncurrent assets reflect an unamortized debt issuance cost of \$44,841.

Current Liabilities:

Accounts payable and accrued liabilities represent amounts due at year-end for goods and services received prior to year-end, but for which cash has not been expended. At year-end the balance of accounts payable was \$10,290. The balance of accrued liabilities was \$296,710 for 2012 compared to a balance of \$378,471 for 2011. The current balance of accrued liabilities reflects the following: accrued employee-related liabilities (\$143,136) and year-end payable accruals (\$153,574).

Deferred revenues represent payments recorded primarily for tuition and fees, resident hall and food service from students for the upcoming fall 2012 semester. Deferred revenues increased \$37,208 over last year's ending balance or 2.8%.

Notes and bonds payable (current portion) represent the College's long-term debt which is payable within the next fiscal year. Total debt of \$2,515,405 decreased \$393,431 (current and noncurrent) or 13.5% from the prior year, reflecting the scheduled payment of existing debt plus early retirement of debt of \$117,000. In 2012 the College refunded the 2001 revenue bonds and issued the Series 2012 bonds.

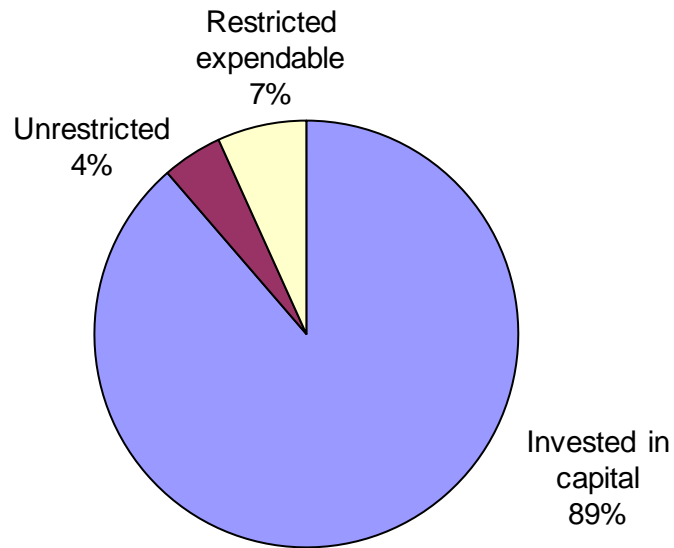
**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Noncurrent Liabilities:

Notes and bonds payable represent the College's long-term debt which is payable more than twelve months from year-end. Long-term debt consists primarily of revenue bonds related to the construction of the Center for Access & Innovation completed in 2002.

Net Assets:

**Net Assets
(Primary Institution)**



Net assets represent the difference between the College's assets and liabilities. Total net assets at August 31, 2012, were approximately \$13 million. Compared to the prior year, net assets decreased \$525,848 or 3.9% for the current year. Invested in capital, net of related debt of approximately \$11.5 million represents 89% of the total net assets.

Restricted expendable net assets consist of \$685,475 set aside for student aid. These balances have specific restrictions placed on them by parties external to the College, such as donors and grant agencies. For 2012, restricted expendable net assets also includes \$195,000 to be spent in 2013 for workforce equipment.

Unrestricted net assets total \$594,025, which was a decrease of \$770,785 or 56.5% over the year-end 2011 balance. Unrestricted net assets represent those balances from operational activities that have not been restricted by parties external to the College. This includes funds that have been designated by the governing board for specific purposes.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Statements of Revenues, Expenses and Changes in Net Assets

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

	Primary Institution		
	2012	2011	2010
Operating revenues			
Tuition and fees, net	\$ 619,626	\$ 155,904	\$ 366,868
Grants and contracts	687,469	778,640	635,862
Auxiliary enterprises	764,988	959,784	922,877
Other	61,534	101,952	71,492
Total operating revenues	<u>2,133,617</u>	<u>1,996,280</u>	<u>1,997,099</u>
Operating expenses			
Institutional expense	7,294,402	7,708,115	7,569,243
Auxiliary enterprises	1,208,774	1,384,104	1,469,777
Depreciation	732,359	798,156	879,255
Total operating expenses	<u>9,235,535</u>	<u>9,890,375</u>	<u>9,918,275</u>
Operating loss	<u>(7,101,918)</u>	<u>(7,894,095)</u>	<u>(7,921,176)</u>
Nonoperating revenues (expenses)			
State appropriations	2,595,720	3,448,548	3,497,483
Ad valorem taxes	1,382,564	1,376,499	1,370,015
Federal revenue, nonoperating	2,148,755	2,726,219	2,716,379
Gifts	568,559	215,497	292,323
Investment income, net of investment expenses	23,282	24,353	21,084
Interest on capital related debt	(124,170)	(181,071)	(190,569)
Gain (loss) on disposal of fixed assets	23,415	246,005	(7,805)
Other nonoperating revenues (expenses)	(42,055)	262,792	(468,571)
Net nonoperating revenues (expenses)	<u>6,576,070</u>	<u>8,118,842</u>	<u>7,230,339</u>
Increase (decrease) in net assets	(525,848)	224,747	(690,837)
Net Assets – Beginning of year	<u>13,482,506</u>	<u>13,257,759</u>	<u>13,948,596</u>
Net Assets – End of year	<u>\$ 12,956,658</u>	<u>\$ 13,482,506</u>	<u>\$ 13,257,759</u>

Operating Revenues:

Tuition and fees, net of discounts, was \$619,626 for the year and represents an increase of \$463,722 or 297.4% compared to the previous year balance of \$155,904. The 2010 balance was \$366,868. The vast majority of the current year increase was a result of the decrease in federal grants to students. Federal grants to students totaled \$1,892,407 for the year, compared to \$2,527,514, a decrease of \$635,107 or 25.1%. Tuition and fees before discounts for 2012 were \$2,908,648 and was under 2011 by \$280,764 or 8.8%. Gross tuition and fees are netted against discounts and scholarship allowances. Discounts consist of federal grants to students of \$1,892,407, scholarship allowances of \$377,169, and TPEG/State scholarship allowances of \$19,446.

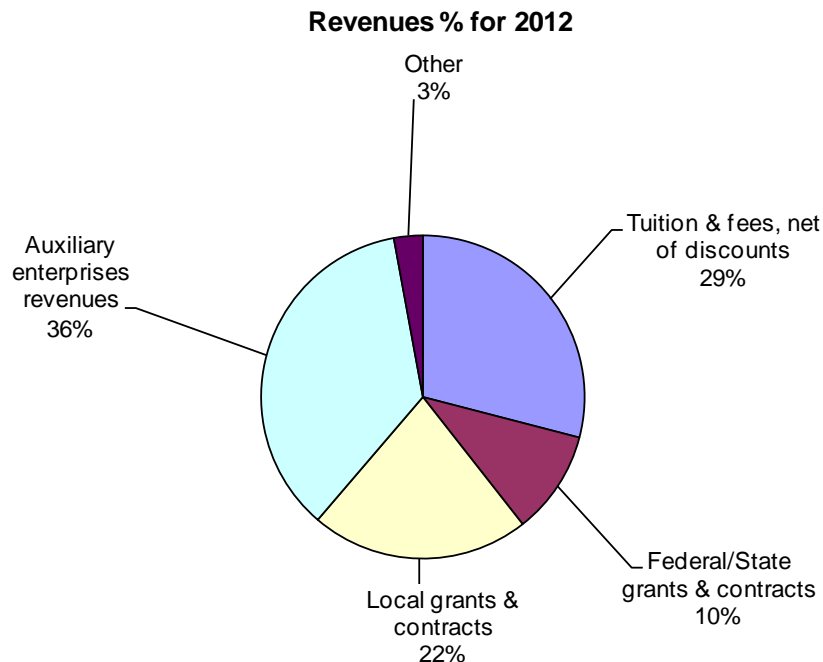
**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Operating Revenues (Continued):

Combined federal, state, and local grants and contracts totaled \$687,469 for FY 2012 as compared to \$778,640 and \$635,862 for 2011 and 2010, respectively. This includes all restricted revenues made available by government agencies. Grant revenues are recorded only to the extent the funds have been expended for the designated purpose. 2012 grants and contracts decreased \$91,171 or 11.7% over 2011.

Auxiliary enterprises consists of various enterprise entities that provide goods or services to students, faculty, staff or the general public and charge a fee directly related to the cost of those goods or services. Auxiliary revenue was \$764,988 for 2012, a decrease of \$194,796 or 20.3% from \$959,784 in FY 2011. Auxiliary enterprises was \$922,877 for FY 2010. The Borger Community Activity Center and the residential life are the primary auxiliary components, which generated \$463,310 and \$301,678 (net of discounts) in revenue, respectively.

The chart below depicts the various components of revenue as a percentage of total revenues. Auxiliary enterprises are the largest component at 36%.



**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Operating Expenses by Functional Classification:

	Primary Institution					
	2012	%	2011	%	2010	%
Instruction	\$ 3,997,926	43%	\$ 3,716,540	38%	\$ 3,470,225	35%
Academic support	216,351	2%	186,775	2%	245,343	2%
Student services	665,594	8%	1,031,212	10%	1,075,264	11%
Institutional support	1,545,312	17%	1,782,942	18%	1,817,377	19%
Operations and maintenance of plant	736,720	8%	891,378	9%	832,873	8%
Scholarships and fellowships	132,499	1%	99,268	1%	128,161	1%
Auxiliary enterprises	1,208,774	13%	1,384,104	14%	1,469,777	15%
Depreciation	732,359	8%	798,156	8%	879,255	9%
Total by function	\$ 9,235,535	100%	\$ 9,890,375	100%	\$ 9,918,275	100%

Instruction includes expenses for all activities that are part of the College's instructional program – academic, workforce and technical. Instruction expenses increased \$281,386 or 7.6% compared to the previous year. Instruction continues to outdistance all other classifications, accounting for 43% of expenses or a total expense of approximately \$4 million. Salaries and benefits combined account for approximately \$3.1 million or 78.6% of total instruction.

Academic support includes expenses to provide support services for the College. This includes costs associated with libraries, academic administration, curriculum development and technical support including computer service. Academic support totaled \$216,351, representing a 15.8% increase from last year.

Student services consists of expenses related to providing the office of admissions and records and activities that primarily contribute to student's emotional and physical well-being and their intellectual, cultural, and social development outside the context of the formal instructional programs. Student services expenses of \$665,594 decreased by \$365,618 or 35.5% compared to the previous year.

Institutional support consists of expenses incurred for central executive-level management, fiscal operations, administrative data processing, employee and records, support services (excluding auxiliary enterprises), and community and alumni relations (including development and fund raising). Institutional support totaling \$1,545,312 decreased \$237,630 or 13.3%.

Operations and maintenance of plant consists of all expenses of operations and maintenance of the physical plant. Included are maintenance and repairs to buildings, utilities, and salaries and benefits for maintenance and custodial staffs. Operational and maintenance totaling \$736,720 decreased by \$154,658 or 17.4%.

Scholarships and fellowships include amounts awarded for scholarships, which the College grants to students, by the College's own selection process, or from an entitlement program. Scholarships and fellowships increased by \$33,231 or 33.5%. The College was able to increase scholarship awards due to several generous donors.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Operating Expenses by Functional Classification (Continued):

Auxiliary enterprises' expenses include all costs to operate the activity center, resident halls, food service and bookstore. Auxiliary enterprises totaled \$1,208,774, a decrease of \$175,330 or 12.7%.

Operating Expenses by Natural Classification:

	Primary Institution					
	2012	%	2011	%	2010	%
Salaries and wages	\$ 3,827,690	41%	\$ 3,616,862	37%	\$ 3,521,643	36%
State and local benefits	1,244,422	13%	1,301,281	13%	1,200,564	12%
Scholarships and fellowships	132,499	1%	99,268	1%	128,161	1%
Other expenses	2,089,791	24%	2,690,704	27%	2,718,875	27%
Auxiliary enterprises	1,208,774	13%	1,384,104	14%	1,469,777	15%
Depreciation	732,359	8%	798,156	8%	879,255	9%
Total by natural classification	\$ 9,235,535	100%	\$ 9,890,375	100%	\$ 9,918,275	100%

Salaries and wages, along with benefits, clearly represent the largest operating expense, accounting for 54% of the total expenses. Total dollar expenses for salaries and wages, including benefits, increased by \$153,969 or 3.1% over last year; and, as a percentage of total expenses salaries and wages, including benefits, increased by 4%.

Overall operating expenses decreased \$654,840 or 6.6%.

Nonoperating Revenues (Expenses):

State appropriations of \$2,595,720 indicates a significant reduction (\$852,828 or 24.7%) in revenue from the previous year. The reductions in state appropriations include contact hour formula funding down \$569,719 and state funding of employee benefits down \$283,109. In FY 2011 state appropriations of \$3,448,548 decreased \$48,935 or 1.49% from \$3,497,483 in FY 2010. In FY 2011 the College benefitted from the State's "hold harmless" and small school supplement components of formula funding which combined totaled \$373,105.

Ad valorem taxes were up slightly in 2012 by 0.4% or \$6,065. The tax rate is capped at \$0.22 per \$100 of valuation, so the increase was a result of slightly higher values in 2012 versus 2011.

Federal revenue, nonoperating of \$2,148,755 decreased \$577,464 or 21.18% from the previous year. Federal revenue, nonoperating consists of all Title IV financial aid funds.

Current year gifts of \$568,559, generally considered one-time in nature, were above the 2011 level by \$353,062 or 163.8%. This was reflective of the volatility of large, nonrecurring donations and the year-to-year fluctuations that can exist.

Investment income, net of investment expenses of \$23,282 decreased \$1,071 from the previous year's amount of \$24,353.

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

Statements of Cash Flows

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

	Primary Institution		
	2012	2011	2010
Cash provided (used) from:			
Operating activities	\$ (6,338,475)	\$ (7,384,059)	\$ (6,741,468)
Noncapital financing activities	6,702,924	7,999,242	7,403,541
Capital and related financing activities	(952,744)	(728,906)	(878,957)
Investing activities	33,818	4,760	4,318
Decrease in cash	(554,477)	(108,963)	(212,566)
Cash (restricted and unrestricted) – beginning of year	2,046,923	2,155,886	2,368,452
Cash (restricted and unrestricted) – end of year	\$ 1,492,446	\$ 2,046,923	\$ 2,155,886

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

State appropriations and ad valorem tax revenues are the primary sources of noncapital financing. Other noncapital financing activity includes gifts and endowments. Increases in future ad valorem tax revenue are not likely given that the local tax rate is capped at its current level as a result of Board action in 1965. No evidence of significant increases in property values is readily foreseeable. Gifts from private donations continue to be an important revenue source.

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

Cash and cash equivalents for FY 2012 decreased \$554,477, compared to a decrease of \$108,963 for FY 2011, and a decrease of \$212,566 for FY 2010. The balance of cash and cash equivalents for 2012 was \$1,492,446 which was comprised of \$1,301,044 restricted cash and cash equivalents and \$191,402 unrestricted cash and cash equivalents.

Component Unit

The Frank Phillips College Development Corporation, considered a component unit, continues to play a vital role in the College's ability to achieve its stated mission. In 2012 the Development Corporation contributed \$26,377 in scholarships to the College. In addition, the Development Corporation received gifts in the amount of \$55,599, much of which is invested to provide returns to fund future scholarships. With the investment markets showing improvement,

**BORGER JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ending August 31, 2012**

investment income, net of expenses showed a gain of \$108,898 for the year as compared to gains of \$74,376 in 2011 and gains of \$43,244 in 2010. Overall, the Development Corporation's net assets increased \$135,609, an increase of 13.1% from the previous year-end total net asset balance of \$1,034,205.

Factors That Will Affect the Future for Frank Phillips College

The College dealt with two significant incidents in 2012, drastically reduced state funding (both state appropriations and state financial support of employee benefits) and a decrease in student enrollment. While appropriate expense adjustments were made, it is difficult to reduce spending to the degree necessary without disrupting the quality of education being delivered.

With that being said, the College counteracted by increasing the educational base with the development of several new workforce programs (with overwhelming support by our local industry), increasing our presence through expanded dual-credit offerings, opening a Dalhart Center in the northwest section of our service area, and expanding outside our service area with a cosmetology program in Hereford, Texas. As one would imagine, there were costs associated with these initiatives with the benefit not expected to manifest until future semesters. However, some of the manifestation of these investments may have been realized with a significant enrollment increase in fall 2012 of approximately 5.3% in contact hours above fall of 2011.

At the state level there has been noted attention given to cost efficiencies for institutions of higher education. Cost efficiencies are not achieved by simply cutting expenses, although that is a component. Cost efficiencies occur with reduced expenses in the right places without compromising educational quality. For 2012, this has been a major objective of ours.

Our goal for 2013 is to continue on the path started in 2012 with expanded programs and educational offerings both in and outside our service area. The College has chosen not to increase tuition and fee rates for the third consecutive year and has increased rates in only one of the last five years. Our goal is to continue to grow our educational base. It is uncertain how long we can sustain a no-tuition-and-fee increase policy, but we believe it is of paramount importance when trying to grow our base. These are interesting times in education and specifically for higher education, but the course for Frank Phillips College is clear. Deliver a quality education for our students, expand our educational base, and achieve those cost efficiencies that will bring about financial stability.

FINANCIAL STATEMENTS

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET ASSETS - PRIMARY INSTITUTION
AUGUST 31, 2012 AND 2011
Exhibit 1A**

	Primary Institution	
	2012	2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,301,044	\$ 1,804,199
Accounts receivable, net	1,185,152	1,207,230
Note receivable	-	117,000
Inventories	13,005	13,005
Other assets	73,846	178,684
Total current assets	<u>2,573,047</u>	<u>3,320,118</u>
NONCURRENT ASSETS		
Restricted cash and cash equivalents	191,402	242,724
Other long-term investments	527,588	527,588
Capital assets, net	13,997,563	14,335,656
Unamortized debt issuance cost	44,841	-
Other noncurrent assets	1,600	1,600
Total noncurrent assets	<u>14,762,994</u>	<u>15,107,568</u>
TOTAL ASSETS	<u><u>\$ 17,336,041</u></u>	<u><u>\$ 18,427,686</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 10,290	\$ 14,019
Accrued liabilities	296,710	378,471
Funds held for others	209,281	333,365
Deferred revenues	1,347,697	1,310,489
Notes payable - current portion	134,953	320,874
Total current liabilities	<u>1,998,931</u>	<u>2,357,218</u>
NONCURRENT LIABILITIES		
Notes payable	730,452	832,962
Bonds payable	1,650,000	1,755,000
Total noncurrent liabilities	<u>2,380,452</u>	<u>2,587,962</u>
TOTAL LIABILITIES	<u>4,379,383</u>	<u>4,945,180</u>
NET ASSETS		
Invested in capital assets, net of related debt	11,482,158	11,426,820
Restricted for:		
Expendable:		
Student aid	685,475	690,876
Workforce training equipment	195,000	-
Unrestricted	594,025	1,364,810
Total net assets (Schedule D)	<u>12,956,658</u>	<u>13,482,506</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 17,336,041</u></u>	<u><u>\$ 18,427,686</u></u>

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF NET ASSETS - COMPONENT UNIT
AUGUST 31, 2012 AND 2011
Exhibit 1B**

		<u>Component Unit - Foundation</u>	
		<u>2012</u>	<u>2011</u>
ASSETS			
Cash and cash equivalents		\$ 90,010	\$ 37,437
Short-term investments		<u>1,079,804</u>	<u>996,768</u>
TOTAL ASSETS		<u><u>\$ 1,169,814</u></u>	<u><u>\$ 1,034,205</u></u>
NET ASSETS			
Net assets restricted for:			
Expendable - Other, primarily donor restrictions		<u>\$ 1,169,814</u>	<u>\$ 1,034,205</u>
TOTAL NET ASSETS		<u><u>\$ 1,169,814</u></u>	<u><u>\$ 1,034,205</u></u>

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
PRIMARY INSTITUTION
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 2A**

	Primary Institution	
	2012	2011
OPERATING REVENUES		
Tuition and fees, net of discounts of \$2,289,022 and \$3,033,508 in 2012 and 2011, respectively	\$ 619,626	\$ 155,904
Federal grants and contracts	-	27,640
State grants and contracts	221,298	250,546
Local grants and revenues	466,171	500,454
Auxiliary enterprises, net of discounts of \$147,617 and \$147,172 in 2012 and 2011, respectively	764,988	959,784
General operating revenues	<u>61,534</u>	<u>101,952</u>
Total operating revenues (Schedule A)	<u>2,133,617</u>	<u>1,996,280</u>
OPERATING EXPENSES		
Instruction	3,997,926	3,716,540
Academic support	216,351	186,775
Student services	665,594	1,031,212
Institutional support	1,545,312	1,782,942
Operation and maintenance of plant	736,720	891,378
Scholarships and fellowships	132,499	99,268
Auxiliary enterprises	1,208,774	1,384,104
Depreciation	<u>732,359</u>	<u>798,156</u>
Total operating expenses (Schedule B)	<u>9,235,535</u>	<u>9,890,375</u>
Operating loss	<u>(7,101,918)</u>	<u>(7,894,095)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	2,595,720	3,448,548
Ad valorem property taxes	1,382,564	1,376,499
Federal revenue, nonoperating	2,148,755	2,726,219
Gifts	568,559	215,497
Investment income, net of investment expenses	23,282	24,353
Interest on capital related debt	(124,170)	(181,071)
Gain on disposal of capital assets	23,415	246,005
Other nonoperating revenues (expenses), net	<u>(42,055)</u>	<u>262,792</u>
Net nonoperating revenues (Schedule C)	<u>6,576,070</u>	<u>8,118,842</u>
Increase (decrease) in net assets	(525,848)	224,747
NET ASSETS - BEGINNING OF YEAR	<u>13,482,506</u>	<u>13,257,759</u>
NET ASSETS - END OF YEAR	<u>\$12,956,658</u>	<u>\$13,482,506</u>

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
COMPONENT UNIT
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 2B**

	Component Unit - Foundation	
	2012	2011
OPERATING EXPENSES		
Institutional support	\$ 2,511	\$ 2,498
Scholarships and fellowships	<u>26,377</u>	<u>32,122</u>
Total operating loss	<u>28,888</u>	<u>34,620</u>
NONOPERATING REVENUES (EXPENSES)		
Gifts	55,599	74,985
Investment income, net of investment expenses	<u>108,898</u>	<u>74,376</u>
Net nonoperating revenues	<u>164,497</u>	<u>149,361</u>
Increase in net assets	<u>135,609</u>	<u>114,741</u>
NET ASSETS - BEGINNING OF YEAR	<u>1,034,205</u>	<u>919,464</u>
NET ASSETS - END OF YEAR	<u><u>\$1,169,814</u></u>	<u><u>\$ 1,034,205</u></u>

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

BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS - PRIMARY INSTITUTION
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 3A

	Primary Institution	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 1,396,500	\$ 1,147,992
Receipts from grants and contracts	710,048	753,701
Payments to suppliers for goods or services	(3,059,313)	(3,969,216)
Payments to or on behalf of employees	(5,302,552)	(5,253,459)
Payments of scholarships	(132,499)	(99,268)
Other receipts	49,341	36,191
Net cash used by operating activities	<u>(6,338,475)</u>	<u>(7,384,059)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	2,595,720	3,448,548
Ad valorem tax revenues	1,408,530	1,346,186
Receipts from nonoperating federal revenue	2,148,755	2,726,219
Gifts and grants (other than capital)	568,559	215,497
Other	(18,640)	262,792
Net cash provided by noncapital financing activities	<u>6,702,924</u>	<u>7,999,242</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Bond proceeds	1,800,000	374,750
Purchases of capital assets	(585,302)	(206,244)
Principal payments on capital debt and leases	(2,193,431)	(716,341)
Debt issuance costs	(44,841)	-
Proceeds from sale of fixed assets	195,000	-
Cash paid for interest	(124,170)	(181,071)
Net cash used by capital and related financing activities	<u>(952,744)</u>	<u>(728,906)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	33,818	4,760
Net cash provided by investing activities	<u>33,818</u>	<u>4,760</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(554,477)</u>	<u>(108,963)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,046,923</u>	<u>2,155,886</u>
CASH AND CASH EQUIVALENTS - END OF YEAR (RESTRICTED AND UNRESTRICTED)	<u><u>\$ 1,492,446</u></u>	<u><u>\$ 2,046,923</u></u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (7,101,918)	\$ (7,894,095)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	732,359	798,156
Changes in assets and liabilities:		
Receivables, net	(7,852)	335,582
Note receivable	117,000	(117,000)
Inventories	-	2,887
Other assets	94,302	(20,218)
Accounts payable	(3,729)	(74,993)
Deferred revenue	37,208	(326,102)
Funds held for others	(124,084)	49,124
Accrued liabilities	(81,761)	(137,400)
Net cash used by operating activities	<u><u>\$ (6,338,475)</u></u>	<u><u>\$ (7,384,059)</u></u>

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

**BORGER JUNIOR COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS - COMPONENT UNIT
YEARS ENDED AUGUST 31, 2012 AND 2011
Exhibit 3B**

	Component Unit - Foundation	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers for goods or services	\$ (2,511)	\$ (2,498)
Payments of scholarships	<u>(26,377)</u>	<u>(32,122)</u>
Net cash used by operating activities	<u>(28,888)</u>	<u>(34,620)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Gifts and grants (other than capital)	<u>55,599</u>	<u>74,985</u>
Net cash provided by noncapital financing activities	<u>55,599</u>	<u>74,985</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchasing investments	(474,240)	(414,055)
Cash received on maturities of investments	391,204	187,039
Investment earnings	<u>108,898</u>	<u>74,376</u>
Net cash provided (used) by investing activities	<u>25,862</u>	<u>(152,640)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	52,573	(112,275)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>37,437</u>	<u>149,712</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 90,010</u></u>	<u><u>\$ 37,437</u></u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	<u>\$ (28,888)</u>	<u>\$ (34,620)</u>
Net cash used by operating activities	<u><u>\$ (28,888)</u></u>	<u><u>\$ (34,620)</u></u>

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 1 - REPORTING ENTITY

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

The Frank Phillips College Development Corporation (the Foundation) is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The College does not appoint a voting majority nor does it fund or is it obligated to pay debt related to the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements. During the years ended August 31, 2012 and 2011, the Foundation distributed approximately \$26,000 and \$32,000, respectively, to the College for restricted purposes.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

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

Tuition Discounting

Texas Public Education Grants

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title IV, Higher Education Act Program Funds

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

Other Tuition Discounts

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

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Investments

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Capital Assets

Capital assets are stated at cost at the date of acquisition, or fair value at the date of donation. The capitalization policy includes items valued at \$5,000 or more and useful life of greater than one year. Renovations to buildings, infrastructures, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are charged to operating expense in the year in which the expense is incurred.

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

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

Deferred Revenues

Tuition, fees, and other revenues received and related to the following fiscal year have been deferred. Tuition and fees of \$1,347,697 and \$1,310,489 have been reported as deferred revenue 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 Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major nonoperating revenues are state appropriations, federal Title IV revenue and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operations of the book store and food service are not performed by the College.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 3 - AUTHORIZED INVESTMENTS

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

NOTE 4 - DEPOSITS AND INVESTMENTS

Cash and cash equivalents included on Exhibit 1A, Statements of Net Assets, consist of the items reported below:

	<u>2012</u>	<u>2011</u>
Bank deposits		
Demand deposits	\$ 1,002,780	\$ 1,520,435
Cash and cash equivalents		
Petty cash on hand	3,930	3,930
TexPool	<u>485,736</u>	<u>522,558</u>
	<u>489,666</u>	<u>526,488</u>
Total cash and cash equivalents	<u>\$ 1,492,446</u>	<u>\$ 2,046,923</u>

	<u>2012</u>	<u>2011</u>
Unrestricted cash and cash equivalents - current	\$ 1,301,044	\$ 1,804,199
Restricted cash and cash equivalents - noncurrent	<u>191,402</u>	<u>242,724</u>
Total cash and cash equivalents	<u>\$ 1,492,446</u>	<u>\$ 2,046,923</u>

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

	<u>Market Value</u>	
<u>Type of Security</u>	<u>2012</u>	<u>2011</u>
Certificate of deposits	\$ <u>527,588</u>	\$ <u>527,588</u>
Total investments	527,588	527,588
Total cash and cash equivalents	<u>1,492,446</u>	<u>2,046,923</u>
Total investments and cash and cash equivalents	<u>\$ 2,020,034</u>	<u>\$ 2,574,511</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

As of August 31, 2012 the College had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		<u>1 to 2</u>	<u>3 to 4</u>
Certificate of deposits	<u>\$ 527,588</u>	<u>\$ 527,588</u>	<u>\$ —</u>
Total fair value	<u>\$ 527,588</u>	<u>\$ 527,588</u>	<u>\$ —</u>

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

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

Credit Risk: State law limits investments in commercial paper to those rated not less than A-1 or P-1 and no-load money market mutual funds to those rated not less than AAA. As of August 31, 2012, the College did not have any investments in commercial paper or no-load money market mutual funds.

The following is a summary of the short-term investments at fair value of the Foundation at August 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Managed equity funds	\$ 738,107	\$ 606,404
Certificates of deposit	<u>341,697</u>	<u>390,364</u>
Total short-term investments at fair value	<u>\$ 1,079,804</u>	<u>\$ 996,768</u>

Participation in External Investment Pools

As of August 31, 2012, the carrying amount of amounts invested in investment pools was \$485,736. Investment pools are recorded at cost, which approximated market value at August 31, 2012. All investment pools are uninsured and are not registered with the Securities and Exchange Commission. Investment pools are not subject to custodial credit risk as they are not evidenced by securities that exist in physical or book entry form.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 4 - DEPOSITS AND INVESTMENTS (CONTINUED)

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

NOTE 5 - CAPITAL ASSETS

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

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Not depreciated:				
Land	\$ 333,687	\$ -	\$ -	\$ 333,687
Construction in process, net	-	173,722	173,722	-
Total not depreciated	<u>333,687</u>	<u>173,722</u>	<u>173,722</u>	<u>333,687</u>
Other capital assets:				
Buildings	15,984,353	-	155,870	15,828,483
Land improvements	5,022,661	173,722	-	5,196,383
Furniture, machinery, vehicles and other equipment	1,532,649	32,522	-	1,565,171
Telecommunications and peripheral equipment	1,957,496	-	-	1,957,496
Library books	1,175,917	-	-	1,175,917
Total other capital assets	<u>25,673,076</u>	<u>206,244</u>	<u>155,870</u>	<u>25,723,450</u>
Total cost of capital assets	<u>26,006,763</u>	<u>379,966</u>	<u>329,592</u>	<u>26,057,137</u>
Accumulated depreciation:				
Buildings	5,216,661	265,278	27,126	5,454,813
Land improvements	2,054,432	240,884	-	2,295,316
Furniture, machinery, vehicles and other equipment	864,560	116,961	-	981,521
Telecommunications and peripheral equipment	1,706,891	165,751	-	1,872,642
Library books	1,107,907	9,282	-	1,117,189
Total accumulated depreciation	<u>10,950,451</u>	<u>798,156</u>	<u>27,126</u>	<u>11,721,481</u>
Capital assets, net	<u>\$ 15,056,312</u>	<u>\$ (418,190)</u>	<u>\$ 302,466</u>	<u>\$ 14,335,656</u>

Included in capital assets are the following capital leases:

	<u>2012</u>	<u>2011</u>
Furniture, machinery, vehicles and other equipment	\$ 351,750	\$ 351,750
Less: Accumulated depreciation	<u>351,750</u>	<u>316,468</u>
Total	<u>\$ -</u>	<u>\$ 35,282</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

<u>Year Ending August 31,</u>	
2013	\$ 19,800
2014	21,600
2015	<u>21,600</u>
Total future minimum lease payments	<u>\$ 63,000</u>

NOTE 6 - LONG-TERM LIABILITIES

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

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

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

	<u>September 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>August 31, 2011</u>	<u>Current Portion</u>
Bonds and notes					
Notes payable to bank	\$ 334,576	\$ -	\$ 111,392	\$ 223,184	\$ 223,184
Maintenance tax notes - Series 2004	234,320	-	234,320	-	-
Maintenance tax notes - Series 2007	1,023,748	-	93,096	930,652	97,690
Combined Fee Revenue Bonds - Series 2001	1,885,000	-	130,000	1,755,000	-
Total bonds and notes	<u>3,477,644</u>	<u>-</u>	<u>568,808</u>	<u>2,908,836</u>	<u>320,874</u>
Other liabilities					
Capital lease obligation	147,533	-	147,533	-	-
Compensated absences	84,483	-	15,204	69,279	69,279
Total other liabilities	<u>232,016</u>	<u>-</u>	<u>162,737</u>	<u>69,279</u>	<u>69,279</u>
	<u>\$ 3,709,660</u>	<u>\$ -</u>	<u>\$ 731,545</u>	2,978,115	<u>\$ 390,153</u>
Due in one year				<u>(390,153)</u>	
				<u>\$ 2,587,962</u>	

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 7 - DEBT OBLIGATIONS

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

For the Year Ended August 31,	Combined Fee Revenue Refunding Bond Series 2012		Notes Payable		Maintenance Tax Notes Series 2007		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ -	\$ 20,250	\$ 32,443	\$ 5,492	\$ 102,510	\$ 41,098	\$ 134,953	\$ 66,840
2014	165,000	39,188	-	-	107,568	36,041	272,568	75,229
2015	165,000	35,063	-	-	112,875	30,733	277,875	65,796
2016	170,000	30,875	-	-	118,444	25,164	288,444	56,039
2017	180,000	26,500	-	-	124,288	19,320	304,288	45,820
2018-2022	970,000	62,000	-	-	267,277	19,939	1,237,277	81,939
Total	\$ 1,650,000	\$ 213,876	\$ 32,443	\$ 5,492	\$ 832,962	\$ 172,295	\$ 2,515,405	\$ 391,663

NOTE 8 - BONDS AND NOTES PAYABLE

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

Combined Fee Revenue Bonds - Series 2001

To construct the Access and Development Center, issued on June 1, 2001, authorized \$2,750,000 and all bonds were issued. Source of revenue for debt service is general use fees. Balance outstanding at August 31, 2012 and 2011 is \$-0- and \$1,755,000, respectively. Bonds were due in annual installments varying from \$135,000 to \$220,000 with interest rates from 6.10% to 4.60% with the final installment due September 2021. The 2001 Series Bonds were refunded in 2012.

Combined Fee Revenue Refunding Bonds - Series 2012

On March 28, 2012, the College issued the Combined Fee Revenue Refunding Bonds - Series 2012 in the amount of \$1,800,000 to refund the Combined Fee Revenue Bonds - Series 2001 issue. The refunding was undertaken to reduce total debt service payments over the next ten years by approximately \$187,000 and resulted in an economic gain of approximately \$164,000. The 2001 Series are considered fully redeemed and the liability has been removed from the College's books. The outstanding principal for the 2012 issue matures annually through September 1, 2021, with principal amounts ranging from \$165,000 to \$205,000 and provide for an interest rate of 2.50%.

Maintenance Tax Notes - Series 2007

To renovate the College's facility, \$1,300,000 Maintenance Tax Notes, issued on June 28, 2007, interest at 4.934%. Source of revenue for debt service is all available current revenues of the College, including maintenance and operation tax revenues. Annual payments varying from \$102,510 to \$136,856, with a maturity date of February 1, 2019. Balance outstanding at August 31, 2012 and 2011 is \$832,962 and \$930,652, respectively.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 8 - BONDS AND NOTES PAYABLE (CONTINUED)

Notes Payable to Bank

Note payable to a bank issued on July 1, 2009, interest at 3.75%. The note is payable on demand, but if no demand is made then 60 monthly payments of \$6,748, with a maturity date of July 15, 2014. The note is secured by a CD. Balance outstanding at August 31, 2012 and 2011 was \$32,443 and \$223,184, respectively.

NOTE 9 - EMPLOYEES' RETIREMENT PLAN

State-Sponsored Benefit Plans

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

Teacher Retirement System of Texas

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas State Legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2012 and 2011 and a state contribution rate of 6.00% and 6.644% for fiscal years 2012 and 2011, respectively. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2012 and 2011.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)

State-Sponsored Benefit Plans (Continued)

Optional Retirement Plan

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

Funding Policy. Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. The percentages of participant salaries currently contributed by the state are 6.0% and 6.4% for fiscal years 2012 and 2011, respectively. The participant contribution rate is 6.65% for both years. The College contributes 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment.

Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The calculated retirement expense to the state for the College for the fiscal year ended August 31, 2012 was approximately \$219,000. The College received approximately \$123,000. See Note 12 for further information on the shortfall. For the fiscal years ended August 31, 2011 and 2010, the retirement expense to the state for the College was approximately \$257,000 and \$241,000, respectively. The amounts received represent the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was approximately \$4,039,000, \$4,412,000 and \$4,275,000 for fiscal years 2012, 2011 and 2010, respectively. The total payroll of employees covered by the TRS was approximately \$3,066,000, \$3,270,000 and \$3,131,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$361,000, \$550,000 and \$661,000 for fiscal years 2012, 2011 and 2010, respectively.

College-Sponsored Benefits Plans

The College has a defined contribution plan qualified under Section 401(k) of the Internal Revenue Code. Under the provisions of the plan, employees are eligible to participate when they have attained the age of 18 and have been credited with one year of service. Employee deferral contributions are not limited by the plan. The College's contributions are discretionary. The related expense was approximately \$56,000 and \$72,000 for the years ended August 31, 2012 and 2011, respectively.

NOTE 10 - DEFERRED COMPENSATION PROGRAM

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 11 - COMPENSATED ABSENCES

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

Compensated absences liabilities are classified as accrued liabilities within current liabilities as the average maturity of such liability is considered to be less than one year. As a result, the College recognized the accrued liability for unpaid annual leave in the amount of \$74,988 and \$69,279 at August 31, 2012 and 2011, respectively. Sick leave, which can be accumulated up to 50 days, is earned at the rate of eight hours per month; however, sick leave is not paid at termination. The College's policy is to recognize the cost of sick leave when utilized by employees. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

NOTE 12 - COMMITMENTS, CONTINGENCIES AND LAWSUITS

The College participates in various state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies. In the opinion of the College's management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no other provision has been recorded in the accompanying financial statements for such contingencies.

On August 31, 2012, claims involving the College were pending. While the ultimate liability with respect to claims asserted against the College cannot be reasonably estimated at this time, this liability, if any, to the extent not provided for by insurance, is not likely to have a material effect on the College.

Teacher Retirement System (TRS) Shortfall

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 12 - COMMITMENTS, CONTINGENCIES AND LAWSUITS (CONTINUED)

The College's unrestricted General Revenue appropriation does not exceed the aggregate compensation paid to TRS participants of the College. Thus, a shortfall exists in the constitutionally required funding for TRS. This provision in the 2012-13 state budget is not consistent with Texas Constitution Article 16, Section 67(b) (3).

Borger Junior College District does not believe the College is responsible for the shortfall in funding for TRS contributions per Section 67(b) (3) which is approximately \$96,000 for the fiscal year ended August 31, 2012. This amount is not accrued and is being disclosed as a possible contingent liability for fiscal year ended August 31, 2012.

NOTE 13 - RISK FINANCING

The College does not participate in public entity risk pools. Claims and judgments are accounted for in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. Property and casualty risks are insured through insurance contracts. Workers compensation risks are substantially covered by insurance. Health claims are fully covered by the State of Texas.

NOTE 14 - DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables at August 31, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
Student receivables, net of allowance of \$257,466 and \$205,473 for 2012 and 2011, respectively	\$ 1,061,827	\$ 1,036,505
Taxes receivable, net of allowance of \$108,794 and \$114,347 for 2012 and 2011, respectively	53,158	83,088
Government grants and contracts	62,005	84,584
Other	<u>8,162</u>	<u>3,053</u>
Total accounts receivable, net	<u>\$ 1,185,152</u>	<u>\$ 1,207,230</u>
Note receivable from Borger Economic Development Corporation, bearing interest at 0%, annual installment of \$117,000, through August 23, 2012, secured by property and land	\$ —	\$ 117,000
Total note receivable	<u>\$ —</u>	<u>\$ 117,000</u>

Accounts payable at August 31, 2012 and 2011, consisted of the following:

	<u>2012</u>	<u>2011</u>
Vendors payable and other	<u>\$ 10,290</u>	<u>\$ 14,019</u>
Total accounts payable	<u>\$ 10,290</u>	<u>\$ 14,019</u>

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 15 - CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2A and Schedule A. For federal and nonfederal contract and grant awards, funds expended, but not collected, are reported as accounts receivable on Exhibit 1A. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal year 2012 and 2011 for which monies have not been received nor funds expended, totaled approximately \$122,000 and \$63,000, respectively. Of these amounts, approximately \$0- and \$13,000 for fiscal years ended 2012 and 2011, respectively, was from federal contract and grant awards.

NOTE 16 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$438 per month for Health Select for the year ended August 31, 2012 and totaled approximately \$312,000 for the year ended August 31, 2012. The State's contribution per full-time employee was \$411 per month for Health Select for the year ended August 31, 2011 and totaled approximately \$569,000 for the year ended August 31, 2011. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

NOTE 17 - PROPERTY TAX

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

At August 31, 2012:

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

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 17 - PROPERTY TAX (CONTINUED)

At August 31, 2012 (Continued):

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

At August 31, 2011:

Assessed valuation of the District	\$ 779,639,210
Less: exemptions and abatements	<u>164,535,300</u>
Net assessed valuation of the District	<u><u>\$ 615,103,910</u></u>

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

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 1,299,457	\$ -	\$ 1,299,457
Delinquent taxes collected	23,599	-	23,599
Penalties and interest collected	<u>20,374</u>	<u>-</u>	<u>20,374</u>
Total collections	<u><u>\$ 1,343,430</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,343,430</u></u>

Taxes levied for the year ended August 31, 2012 and 2011 were approximately \$1,353,000 and \$1,383,000, respectively, (which included penalty and interest assessed, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Tax collections for the years ended August 31, 2012 and 2011 were 104.6% and 97.2%, respectively, of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 18 - BRANCH CAMPUS MAINTENANCE TAX

A branch campus maintenance tax, which is established by election, is levied by Ochiltree County. It is levied each September 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Collections are transferred to the College to be used for operation of a branch campus in Perryton, Texas. This revenue is reported under local grant contracts. Collections in fiscal year 2012 and 2011 (including penalties and interest) from Ochiltree County totaled approximately \$467,000 and \$500,000, respectively.

NOTE 19 - INCOME TAXES

The College is exempt from income taxes under Internal Revenue Code Section 115, "Income of States, Municipalities, Etc.," although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), "Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations." The College had no significant unrelated business income for the years ended August 31, 2012 and 2011.

NOTE 20 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

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

Funding Policy

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

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

**BORGER JUNIOR COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
August 31, 2012 and 2011**

NOTE 20 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

The College's contributions to SRHP for the years ended August 31, 2012, 2011, and 2010 were \$5,198, \$7,795, and \$6,883, respectively, which equaled the required contributions each year.

NOTE 21 - COMPONENT UNIT

Frank Phillips College Development Corporation - Discrete Component Unit

The Foundation was established as a separate nonprofit organization to raise funds to provide student scholarships and assistance in the development and growth of the College. Under Governmental Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

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

NOTE 22 - SUBSEQUENT EVENT

On November 15, 2012, the College entered into an agreement to refinance the Maintenance Tax Note, Series 2007. The agreement reduces the interest rate from 4.70% to 2.75%.

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

This page left blank intentionally.

OTHER SUPPLEMENTAL INFORMATION

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
TUITION						
State-funded courses						
In-district resident tuition	\$ 321,376	\$ -	\$ 321,376	\$ -	\$ 321,376	\$ 365,246
Out-of-district resident tuition	503,233	-	503,233	-	503,233	636,651
Non-resident tuition	108,058	-	108,058	-	108,058	158,106
TPEG - Credit (set aside)*	45,012	-	45,012	-	45,012	60,555
Non-state funded continuing education	<u>537,943</u>	<u>-</u>	<u>537,943</u>	<u>-</u>	<u>537,943</u>	<u>392,448</u>
Total tuition	<u>1,515,622</u>	<u>-</u>	<u>1,515,622</u>	<u>-</u>	<u>1,515,622</u>	<u>1,613,006</u>
FEES						
General fee	626,567	-	626,567	-	626,567	769,406
Student service fee	-	-	-	143,514	143,514	186,766
Laboratory fee	84,418	-	84,418	-	84,418	111,456
Other fees	<u>538,527</u>	<u>-</u>	<u>538,527</u>	<u>-</u>	<u>538,527</u>	<u>508,778</u>
Total fees	<u>1,249,512</u>	<u>-</u>	<u>1,249,512</u>	<u>143,514</u>	<u>1,393,026</u>	<u>1,576,406</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Scholarship allowances	-	-	-	(377,169)	(377,169)	(489,917)
TPEG allowances	(19,446)	-	(19,446)	-	(19,446)	(16,077)
Title IV Federal grants	(29,650)	-	(29,650)	-	(29,650)	(33,600)
Other Federal grants	<u>(1,862,757)</u>	<u>-</u>	<u>(1,862,757)</u>	<u>-</u>	<u>(1,862,757)</u>	<u>(2,493,914)</u>
Total scholarship allowances and discounts	<u>(1,911,853)</u>	<u>-</u>	<u>(1,911,853)</u>	<u>(377,169)</u>	<u>(2,289,022)</u>	<u>(3,033,508)</u>
Total net tuition and fees	<u>853,281</u>	<u>-</u>	<u>853,281</u>	<u>(233,655)</u>	<u>619,626</u>	<u>155,904</u>

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

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
ADDITIONAL OPERATING REVENUES						
Federal grants and contracts	-	-	-	-	-	27,640
State grants and contracts	-	221,298	221,298	-	221,298	250,546
Local grants and contracts	466,171	-	466,171	-	466,171	500,454
General operating revenues	<u>61,534</u>	<u>-</u>	<u>61,534</u>	<u>-</u>	<u>61,534</u>	<u>101,952</u>
Total additional operating revenues	<u>527,705</u>	<u>221,298</u>	<u>749,003</u>	<u>-</u>	<u>749,003</u>	<u>880,592</u>
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	-	-	287
Less: Discounts	-	-	-	(6,950)	(6,950)	(12,563)
Residential	-	-	-	449,295	449,295	619,965
Less: Discounts	-	-	-	(140,667)	(140,667)	(134,609)
Other Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,310</u>	<u>463,310</u>	<u>486,704</u>
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>764,988</u>	<u>764,988</u>	<u>959,784</u>
TOTAL OPERATING REVENUES	<u>\$ 1,380,986</u>	<u>\$ 221,298</u>	<u>\$ 1,602,284</u>	<u>\$ 531,333</u>	<u>\$ 2,133,617</u>	<u>\$ 1,996,280</u>
					(Exhibit 2A)	(Exhibit 2A)

*In accordance with Education Code 56.033, \$45,012 and \$60,555 for years August 31, 2012 and 2011, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

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

	Operating Expenses				2012	2011
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
UNRESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	\$ 2,408,908	\$ -	\$ 397,977	\$ 857,569	\$ 3,664,454	\$ 3,269,554
Academic support	47,520	-	8,549	84,175	140,244	159,502
Student services	276,047	-	70,204	14,460	360,711	609,253
Institutional support	658,093	-	162,957	632,525	1,453,575	1,622,075
Operation and maintenance of plant	294,211	-	49,670	351,199	695,080	826,691
Scholarship and fellowships	-	-	-	124,205	124,205	78,312
Total unrestricted educational activities	<u>3,684,779</u>	<u>-</u>	<u>689,357</u>	<u>2,064,133</u>	<u>6,438,269</u>	<u>6,565,387</u>
RESTRICTED EDUCATIONAL ACTIVITIES						
Instruction	-	333,472	-	-	333,472	446,986
Academic support	3,118	7,167	302	65,520	76,107	27,273
Student services	139,793	58,854	21,893	84,343	304,883	421,959
Institutional support	-	91,737	-	-	91,737	160,867
Operation and maintenance of plant	-	41,640	-	-	41,640	64,687
Scholarship and fellowships	-	-	-	8,294	8,294	20,956
Total restricted educational activities	<u>142,911</u>	<u>532,870</u>	<u>22,195</u>	<u>158,157</u>	<u>856,133</u>	<u>1,142,728</u>
Total educational activities	<u>3,827,690</u>	<u>532,870</u>	<u>711,552</u>	<u>2,222,290</u>	<u>7,294,402</u>	<u>7,708,115</u>
AUXILIARY ENTERPRISES	200,237	-	65,171	943,366	1,208,774	1,384,104
DEPRECIATION EXPENSE - buildings and other real estate improvements	-	-	-	515,219	515,219	506,162
DEPRECIATION EXPENSE - equipment and furniture	-	-	-	217,140	217,140	291,994
TOTAL OPERATING EXPENSES	<u>\$ 4,027,927</u>	<u>\$ 532,870</u>	<u>\$ 776,723</u>	<u>\$ 3,898,015</u>	<u>\$ 9,235,535</u> (Exhibit 2A)	<u>\$ 9,890,375</u> (Exhibit 2A)

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE C
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
YEAR ENDED AUGUST 31, 2012
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2011)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2012</u>	<u>2011</u>
NONOPERATING REVENUES					
State appropriations:					
Education and general state support	\$ 2,062,851	\$ -	\$ -	\$ 2,062,851	\$ 2,632,570
State group insurance	-	312,623	-	312,623	569,231
State retirement matching	-	220,246	-	220,246	246,747
Total state appropriations	2,062,851	532,869	-	2,595,720	3,448,548
Maintenance ad valorem taxes	1,382,564	-	-	1,382,564	1,376,499
Federal revenue, nonoperating	-	2,148,755	-	2,148,755	2,726,219
Gifts	428,549	140,010	-	568,559	215,497
Investment income	519	22,763	-	23,282	24,353
Gain on disposal of capital assets	23,415	-	-	23,415	246,005
Other nonoperating revenues	-	-	-	-	262,792
Total nonoperating revenues	<u>3,897,898</u>	<u>2,844,397</u>	<u>-</u>	<u>6,742,295</u>	<u>8,299,913</u>
NONOPERATING EXPENSES					
Interest on capital related debt	124,170	-	-	124,170	181,071
Other nonoperating expenses	42,055	-	-	42,055	-
Total nonoperating expenses	<u>166,225</u>	<u>-</u>	<u>-</u>	<u>166,225</u>	<u>181,071</u>
NET NONOPERATING REVENUES	<u>\$ 3,731,673</u>	<u>\$ 2,844,397</u>	<u>\$ -</u>	<u>\$ 6,576,070</u>	<u>\$ 8,118,842</u>
				(Exhibit 2A)	(Exhibit 2A)

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

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Nonexpendable				
CURRENT							
Unrestricted	\$ 594,025	\$ -	\$ -	\$ -	\$ 594,025	\$ 594,025	\$ -
Board designated	-	483,556	-	-	483,556	483,556	-
Restricted	-	201,919	-	-	201,919	-	201,919
Auxiliary enterprises	-	-	-	-	-	-	-
LOAN	-	-	-	-	-	-	-
ENDOWMENT							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Endowment							
True	-	-	-	-	-	-	-
Term (per instructions at maturity)	-	-	-	-	-	-	-
Life income contracts	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
PLANT							
Unexpended	-	195,000	-	-	195,000	-	195,000
Renewals	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Investment in plant	-	-	-	11,482,158	11,482,158	-	11,482,158
Total net assets, August 31, 2012	<u>594,025</u>	<u>880,475</u>	<u>-</u>	<u>11,482,158</u>	<u>12,956,658</u>	<u>1,077,581</u>	<u>11,879,077</u>
					(Exhibit 1A)		
Total net assets, August 31, 2011	<u>1,364,810</u>	<u>690,876</u>	<u>-</u>	<u>11,426,820</u>	<u>13,482,506</u>	<u>1,851,125</u>	<u>11,631,381</u>
					(Exhibit 1A)		
NET INCREASE (DECREASE) IN NET ASSETS	<u>\$ (770,785)</u>	<u>\$ 189,599</u>	<u>\$ -</u>	<u>\$ 55,338</u>	<u>\$ (525,848)</u>	<u>\$ (773,544)</u>	<u>\$ 247,696</u>
					(Exhibit 2A)		

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE E
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2012**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass-Through Disbursements</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant Program (FSEOG)	84.007	-	\$ 14,898
Federal Work Study Program	84.033	-	1,511
Federal Pell Grant Program	84.063	-	1,847,859
Federal Direct Student Loans	84.268		1,369,888
TEACH Grant	84.379	-	4,000
TRIO Cluster			
Title IV - TRIO	84.042	-	<u>205,854</u>
Total Direct Programs			<u>3,444,010</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	124242	<u>74,633</u>
Total Pass-Through from Texas Higher Education Coordinating Board			<u>74,633</u>
Total U.S. Department of Education			<u>3,518,643</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,518,643</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
August 31, 2012

NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION

Federal grants and contracts revenue - per Schedule A	\$ —
Nonoperating federal revenue from Schedule C	2,148,755
Federal Direct Student Loans	<u>1,369,888</u>
Total federal revenues per Schedule of Expenditures of Federal Awards	<u>\$ 3,518,643</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE F
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
YEAR ENDED AUGUST 31, 2012**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Texas Grant	-	\$ 108,662
Work Study Awards	-	6,783
Texas Educational Opportunity Grant	-	<u>34,771</u>
Total Texas Higher Education Coordinating Board		<u>150,216</u>
Texas Comptroller's Office		
Direct Program:		
Jet Scholarship Funds	-	142
Top 10% Scholarship	-	2,000
Jobs and Education for Texans (Jet) Grant	-	<u>19,032</u>
Total Texas Comptroller's Office		<u>21,174</u>
Texas Workforce Commission		
Direct Grant:		
Skills Development - Hilmar Cheese	-	<u>49,908</u>
Total Texas Workforce Commission		<u>49,908</u>
Total Expenditures of State of Texas Awards		<u><u>\$ 221,298</u></u>

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

BORGER JUNIOR COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS
August 31, 2012

NOTE 1 - STATE ASSISTANCE RECONCILIATION

The amount of state financial assistance per the schedule of operating revenues on Schedule A agrees to the Schedule of Expenditures of State of Texas Awards.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

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

SINGLE AUDIT SECTION

This page left blank intentionally.

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

Board of Regents
Borger Junior College District
Borger, Texas

We have audited the financial statements of Borger Junior College District (the College) and its discreetly presented component unit as of and for the year ended August 31, 2012, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 26, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances

This page left blank intentionally.

of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Connor McMillon Mitchell & Sherman PLLC

Amarillo, Texas
November 26, 2012

This page left blank intentionally.

**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each
Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

Board of Regents
Borger Junior College District
Borger, Texas

Compliance

We have audited Borger Junior College District's (the College) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2012. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2012.

Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with 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

This page left blank intentionally.

of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the College's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the board, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Connor McMillon Mitchell & Sherman PLLC

Amarillo, Texas
November 26, 2012

This page left blank intentionally.

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2012**

SECTION I - Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued:

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<i>Federal Programs</i>	<i>Student Financial Aid Cluster</i>
84.007	U.S. Department of Education Federal Supplemental Educational Opportunity Grant Program (FSEOG)
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.379	TEACH Grant

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

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

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2012**

SECTION II - Financial Statement Findings

None

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

None

**BORGER JUNIOR COLLEGE DISTRICT
SCHEDULE OF CORRECTIVE ACTION
FOR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2012**

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

**BORGER JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended August 31, 2012**

Finding 2011-01

Condition: The student's file did not have a signed direct deposit form for authorization of excess funds to be deposited to the student's account

Current Status: The College obtained the student's signature. Dr. Jud Hicks, President, spoke with the responsible personnel to ensure that the College continues to strive to improve and comply with policy and to prevent further occurrences.

**STATISTICAL SUPPLEMENT
(Unaudited)**

Borger Junior College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2003 to 2012
(unaudited)

	For the Fiscal Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$ 11,482,158	\$ 11,426,820	\$ 11,431,135	\$ 11,629,807	\$ 10,170,371	\$ 9,465,913	\$ 9,551,507	\$ 9,181,577	\$ 5,946,831	\$ 6,483,494
Restricted - expendable	880,475	690,876	699,154	921,165	794,065	752,267	673,511	674,000	702,494	687,389
Unrestricted	594,025	1,364,810	1,127,470	1,397,624	1,647,619	2,439,263	2,167,686	1,917,750	2,266,575	2,489,828
Total primary government net assets	\$ 12,956,658	\$ 13,482,506	\$ 13,257,759	\$ 13,948,596	\$ 12,612,055	\$ 12,657,443	\$ 12,392,704	\$ 11,773,327	\$ 8,915,900	\$ 9,660,711

Borger Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2003 to 2012
(unaudited)

	For the Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
OPERATING REVENUES										
Tuition and fees (net of discounts)	\$ 619,626	\$ 155,904	\$ 366,868	\$ 1,297,890	\$ 1,284,954	\$ 1,378,217	\$ 1,307,469	\$ 707,547	\$ 504,861	\$ 402,871
Governmental grants and contracts										
Federal grants and contracts	-	27,640	61,903	106,135	427,959	2,034,040	1,979,900	3,327,920	1,772,239	1,554,335
State grants and contracts	221,298	250,546	162,650	1,678,469	746,687	242,327	523,783	47,686	59,490	59,800
Local grants and revenues	466,171	500,454	411,309	473,320	386,272	350,931	365,713	390,498	229,311	203,447
Auxiliary enterprises	764,988	959,784	922,877	894,734	801,071	833,016	777,793	696,413	663,767	700,400
Other operating revenues	61,534	101,952	71,492	65,335	78,783	89,824	93,319	57,699	76,820	73,798
Total operating revenues	2,133,617	1,996,280	1,997,099	4,515,883	3,725,726	4,928,355	5,047,977	5,227,763	3,306,488	2,994,651
NONOPERATING REVENUES										
State appropriations	2,595,720	3,448,548	3,497,483	3,548,225	3,556,008	3,681,545	3,659,461	3,264,914	3,079,425	2,830,759
Ad valorem taxes	1,382,564	1,378,499	1,370,015	1,338,732	1,230,116	1,166,418	1,107,960	1,084,361	1,044,240	1,080,963
Federal revenue, nonoperating	2,148,755	2,726,219	2,716,379	1,755,556	1,599,178	-	-	-	-	-
Gifts	568,559	215,497	292,323	435,672	317,139	489,532	190,965	422,259	618,246	820,142
Investment income	23,282	24,353	21,084	36,146	100,293	161,782	138,245	59,396	39,696	47,089
Gain (loss) on disposal of fixed assets	23,415	246,005	(7,805)	(17,230)	(33,443)	-	-	-	-	-
Other nonoperating revenues (losses)	(42,055)	262,792	(468,571)	200,835	173,732	209,876	206,778	1,687,090	406,171	106,953
Total nonoperating revenues	6,700,240	8,301,913	7,420,908	7,297,936	6,943,023	5,709,153	5,303,409	6,518,020	5,187,778	4,885,906
TOTAL REVENUES	\$ 8,833,857	\$ 10,298,193	\$ 9,418,007	\$ 11,813,819	\$ 10,668,749	\$ 10,637,508	\$ 10,351,386	\$ 11,745,783	\$ 8,494,266	\$ 7,880,557

	For the Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
OPERATING REVENUES										
Tuition and fees (net of discounts)	7.01%	1.51%	3.90%	10.99%	12.04%	12.96%	12.63%	6.02%	5.94%	5.11%
Governmental grants and contracts										
Federal grants and contracts	0.00%	0.27%	0.66%	0.90%	4.01%	19.12%	19.13%	28.33%	20.86%	19.72%
State grants and contracts	2.51%	2.43%	1.73%	14.21%	7.00%	2.28%	5.06%	0.41%	0.70%	0.76%
Local grants and contracts	5.28%	4.86%	4.37%	4.01%	3.62%	3.30%	3.53%	3.32%	2.71%	2.58%
Auxiliary enterprises	8.66%	9.32%	9.80%	7.57%	7.51%	7.83%	7.51%	5.94%	7.82%	8.89%
Other operating revenues	0.70%	0.99%	0.76%	0.55%	0.74%	0.84%	0.91%	0.49%	0.90%	0.94%
Total operating revenues	24.16%	19.38%	21.21%	38.23%	34.92%	46.33%	48.77%	44.51%	38.93%	38.00%
NONOPERATING REVENUES										
State appropriations	29.38%	33.49%	37.14%	30.03%	33.33%	34.61%	35.35%	27.80%	36.25%	35.92%
Ad valorem taxes	15.65%	13.39%	14.55%	11.33%	11.53%	10.97%	10.70%	9.23%	12.29%	13.72%
Federal revenue, nonoperating	24.32%	26.47%	28.84%	14.86%	14.99%	0.00%	0.00%	0.00%	0.00%	0.00%
Gifts	6.44%	2.09%	3.10%	3.69%	2.97%	4.60%	1.84%	3.59%	7.28%	10.40%
Investment income	0.26%	0.24%	0.22%	0.31%	0.94%	1.52%	1.34%	0.51%	0.47%	0.60%
Gain (loss) on disposal of fixed assets	0.27%	2.39%	-0.08%	-0.15%	-0.31%	0.00%	0.00%	0.00%	0.00%	0.00%
Other nonoperating revenues	-0.48%	2.55%	-4.98%	1.70%	1.63%	1.96%	2.00%	14.36%	4.78%	1.36%
Total nonoperating revenues	75.84%	80.62%	78.79%	61.77%	65.08%	53.66%	51.23%	55.49%	61.07%	62.00%
TOTAL REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Borger Junior College District
Statistical Supplement 3
Program Expense by Function
Fiscal Years 2003 to 2012
(unaudited)**

	For the Fiscal Year Ending August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
OPERATING EXPENSES										
Instruction	\$ 3,997,926	\$ 3,716,540	\$ 3,470,225	\$ 3,627,995	\$ 3,912,721	\$ 3,907,856	\$ 3,706,467	\$ 3,413,388	\$ 3,107,430	\$ 3,151,931
Academic support	216,351	186,775	245,343	245,325	186,370	302,189	161,633	104,620	123,386	210,382
Student services	665,594	1,031,212	1,075,264	1,243,005	1,410,509	1,236,241	1,168,440	1,150,089	892,974	826,278
Institutional support	1,545,312	1,782,942	1,817,377	1,796,175	1,855,781	1,562,190	1,609,081	1,532,230	1,408,758	1,470,174
Operation and maintenance of plant	736,720	891,378	832,873	809,491	776,676	861,692	789,477	692,741	646,930	494,645
Scholarships and fellowships	132,499	99,268	128,161	149,017	144,065	171,937	91,987	65,261	55,174	54,007
Auxiliary enterprises	1,208,774	1,384,104	1,469,777	1,500,679	1,412,890	1,492,709	1,322,369	1,254,105	1,351,147	1,240,921
Depreciation	732,359	798,156	879,255	893,506	803,301	650,003	681,381	566,945	441,084	390,246
Total operating expenses	9,235,535	9,890,375	9,918,275	10,265,193	10,502,313	10,184,817	9,530,835	8,779,379	8,026,883	7,838,584
NONOPERATING EXPENSES										
Interest on capital-related debt	124,170	181,071	190,569	212,085	211,824	187,952	201,174	108,977	164,843	142,662
Total nonoperating expenses	124,170	181,071	190,569	212,085	211,824	187,952	201,174	108,977	164,843	142,662
TOTAL EXPENSES	\$ 9,359,705	\$ 10,071,446	\$ 10,108,844	\$ 10,477,278	\$ 10,714,137	\$ 10,372,769	\$ 9,732,009	\$ 8,888,356	\$ 8,191,726	\$ 7,981,246

	For the Fiscal Year Ending August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
OPERATING EXPENSES										
Instruction	42.71%	36.90%	34.33%	34.63%	36.52%	37.67%	38.09%	38.40%	37.93%	39.49%
Academic support	2.31%	1.85%	2.43%	2.34%	1.74%	2.91%	1.66%	1.18%	1.51%	2.64%
Student services	7.11%	10.24%	10.64%	11.86%	13.16%	11.92%	12.01%	12.94%	10.90%	10.35%
Institutional support	16.51%	17.70%	17.98%	17.14%	17.32%	15.06%	16.53%	17.24%	17.20%	18.42%
Operation and maintenance of plant	7.87%	8.85%	8.24%	7.73%	7.25%	8.31%	8.11%	7.79%	7.90%	6.20%
Scholarships and fellowships	1.42%	0.99%	1.27%	1.42%	1.34%	1.66%	0.95%	0.73%	0.68%	0.67%
Auxiliary enterprises	12.91%	13.74%	14.54%	14.32%	13.19%	14.39%	13.58%	14.11%	16.49%	15.55%
Depreciation	7.82%	7.92%	8.70%	8.53%	7.50%	6.27%	7.00%	6.38%	5.38%	4.89%
Total operating expenses	98.66%	98.20%	98.11%	97.98%	98.02%	98.19%	97.93%	98.77%	97.99%	98.21%
NONOPERATING EXPENSES										
Interest on capital related debt	1.34%	1.80%	1.89%	2.02%	1.98%	1.81%	2.07%	1.23%	2.01%	1.79%
Total nonoperating expenses	1.34%	1.80%	1.89%	2.02%	1.98%	1.81%	2.07%	1.23%	2.01%	1.79%
TOTAL EXPENSES	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Academic Year (Fall)	Processing Fee (per student)	Resident: Fees per semester credit hour (SCH)									
		In District Tuition	Out-of-District Tuition	General Use Fees	Student Service Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In District	Increase from Prior Year Out-of-District		
2011	\$ 18	\$ 36	\$ 59	\$ 36	\$ 8	\$ 1,013	\$ 1,289	0.0%	0.0%		
2010	18	36	59	36	8	1,013	1,289	5.0%	5.9%		
2009	18	32	53	36	8	965	1,217	0.0%	0.0%		
2008	18	32	53	36	8	965	1,217	4.4%	3.5%		
2007	13	32	53	36	5	924	1,176	6.9%	5.4%		
2006	13	30	51	33	5	864	1,116	9.1%	9.4%		
2005	13	27	46	30	5	792	1,020	11.2%	11.4%		
2004	10	24	41	27	5	712	916	0.0%	0.0%		
2003	10	24	41	27	5	712	916	23.0%	31.0%		
2002	10	23	33	23	5	579	699	14.0%	11.3%		

Academic Year (Fall)	Registration Fee (per student)	Non-Resident: Fees per semester credit hour (SCH)									
		Non-resident Tuition Out-of-State	Non-resident Tuition International	General Use Fees	Student Service Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International		
2011	\$ 18	\$ 66	\$ 66	\$ 36	\$ 8	\$ 1,373	\$ 1,373	0.0%	0.0%		
2010	18	66	66	36	8	1,373	1,373	5.5%	5.5%		
2009	18	60	60	36	8	1,301	1,301	0.0%	0.0%		
2008	18	60	60	36	8	1,301	1,301	3.3%	3.3%		
2007	13	60	60	36	5	1,260	1,260	5.0%	5.0%		
2006	13	58	58	33	5	1,200	1,200	8.7%	8.7%		
2005	13	53	53	30	5	1,104	1,104	10.4%	10.4%		
2004	10	48	48	27	5	1,000	1,000	0.0%	0.0%		
2003	10	48	48	27	5	1,000	1,000	27.7%	27.7%		
2002	10	40	40	23	5	783	783	10.0%	10.0%		

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

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rates		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2011-12	\$ 836,477,160	\$ 176,414,950	\$ 660,062,210	78.91%	0.22000	0.00	0.22000
2010-11	779,639,210	164,535,300	615,103,910	78.90%	0.22000	0.00	0.22000
2009-10	795,586,800	166,208,910	629,377,890	79.11%	0.22000	0.00	0.22000
2008-09	787,849,110	163,212,880	624,636,230	79.28%	0.22000	0.00	0.22000
2007-08	757,259,280	150,817,020	606,442,260	80.08%	0.22000	0.00	0.22000
2006-07	687,281,080	136,332,120	550,948,960	80.16%	0.22000	0.00	0.22000
2005-06	654,871,900	131,089,630	523,782,270	79.98%	0.22000	0.00	0.22000
2004-05	627,100,050	131,144,980	495,955,070	79.09%	0.22000	0.00	0.22000
2003-04	614,817,220	131,389,740	483,427,480	78.63%	0.22000	0.00	0.22000
2002-03	618,985,360	128,297,270	490,688,090	79.27%	0.22000	0.00	0.22000

Source: Local appraisal district

(a) per \$100 taxable assessed valuation

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

Fiscal Year	Appropriation per FTSE			Appropriation per contact hour			
	State Appropriations	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriations per Contact Hour
2011-12	\$ 2,062,851	1,041	\$ 1,982	296,768	196,772	493,540	\$ 4.18
2010-11	2,632,570	1,247	2,111	373,890	212,096	585,986	4.49
2009-10	2,663,017	1,171	2,274	386,752	210,188	596,940	4.46
2008-09	2,715,708	1,290	2,105	394,256	203,946	598,202	4.54
2007-08	2,715,709	1,356	2,003	394,288	297,919	692,207	3.92
2006-07	2,862,550	1,365	2,097	403,616	339,563	743,179	3.85
2005-06	2,862,542	1,217	2,352	402,032	312,285	714,317	4.01
2004-05	2,494,568	1,393	1,791	441,744	327,181	768,925	3.24
2003-04	2,494,608	1,148	2,173	373,112	371,108	744,220	3.35
2002-03	2,301,955	1,334	1,726	389,224	337,795	727,019	3.17

Notes:

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

(a) source CBM001

(b) source CBM00A

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

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)											
Taxpayer	Type of Business	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Agrium U.S. Inc	Chemical	\$ 41,737,380	\$ 43,937,070	\$ 41,530,310	\$ 43,181,610	\$ 39,247,400	\$ 39,318,290	\$ 42,472,080	\$ 41,119,660	\$ 42,211,020	\$ 41,608,080
DCP Midstream (Duke Energy)	Energy	37,504,430	37,699,430	36,382,340	36,918,040	28,957,650	24,882,220	21,860,750	20,755,310	21,751,290	20,873,470
Southwestern Public Service	Utility	11,716,510	11,716,510	9,750,130	9,624,230	9,757,440	10,989,850	11,354,680	11,750,330	12,766,790	13,879,100
R&M Energy	Energy	5,152,270	7,289,250	5,467,130	5,309,450	5,126,340	5,006,900	4,546,370	4,057,460	5,594,620	4,964,920
Linn Energy Holding	Energy	6,582,760	6,582,760	9,195,910	6,326,340	4,588,730	3,328,880	-	-	-	-
Conoco/Phillips	Energy	5,079,630	5,079,630	5,851,020	6,078,150	6,839,450	6,285,950	9,040,280	8,991,880	8,778,130	7,946,870
Amarillo National Bank	Financial Service	4,900,050	4,900,050	4,866,760	4,880,680	4,917,130	4,924,060	4,928,200	4,971,690	4,993,620	5,048,700
Golden Plains Community Hospital	Health Care	3,592,890	3,592,890	3,575,110	3,622,200	3,664,260	-	-	-	-	-
Raymac Energy	Energy	3,459,670	3,459,670	3,459,670	3,459,670	3,613,220	4,552,810	-	-	-	-
WO Operating Company	Energy	3,398,870	3,398,870	9,335,600	12,359,530	10,700,990	-	-	-	-	-
Southwestern Bell Telephone	Utility	3,360,770	3,360,770	3,857,130	4,424,560	4,786,960	5,487,850	5,423,950	5,183,100	6,031,620	6,667,880
Walmart Stores of Texas	Retail	3,342,150	3,342,150	3,270,120	3,435,550	3,361,770	4,916,270	4,481,909	4,506,680	4,474,120	4,694,750
Vaibac Inc	Energy	3,111,650	3,111,650	-	-	-	-	-	-	-	-
Pahandle Northern Railroad Co	Transportation	3,014,400	3,014,400	-	-	-	-	-	-	-	-
Lagacy Reserves Operating LP	Energy	2,928,630	2,928,630	3,543,200	-	4,950,690	-	-	-	-	-
SNW Operating	Energy	-	-	3,480,160	3,440,910	4,505,670	3,378,650	2,235,990	-	-	-
Cody Company	Energy	-	-	3,020,030	-	4,092,690	2,893,430	1,941,690	-	-	-
Turner Energy Services	Energy	-	-	-	3,322,570	3,902,700	-	-	-	-	-
Praefectus LLC	Energy	-	-	-	3,249,880	3,020,030	-	-	-	-	-
Pantera Energy	Energy	-	-	-	-	4,048,440	4,079,380	-	-	-	-
OHM Operating	Energy	-	-	-	-	-	5,972,210	4,379,830	3,618,640	3,485,730	3,732,920
Air Liquide American	Industrial	-	-	-	-	-	2,368,380	2,119,290	-	-	-
Spradling Oil	Energy	-	-	-	-	-	2,124,480	2,022,220	-	-	-
Totals		\$ 138,882,060	\$ 143,413,730	\$ 146,584,620	\$ 149,633,370	\$ 150,081,560	\$ 130,509,610	\$ 116,807,239	\$ 104,954,750	\$ 110,086,940	\$ 109,416,690
Total Taxable Value		\$ 660,062,210	\$ 615,103,910	\$ 629,377,890	\$ 624,636,230	\$ 606,442,260	\$ 550,948,960	\$ 523,782,270	\$ 495,955,070	\$ 483,427,480	\$ 490,688,090

% of Taxable Assessed Value (TAV) by Tax Year											
Taxpayer	Type of Business	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Agrium U.S. Inc	Chemical	6.32%	7.14%	6.60%	6.91%	6.47%	7.14%	8.11%	8.29%	8.73%	8.48%
DCP Midstream (Duke Energy)	Energy	5.68%	6.13%	5.78%	5.91%	4.78%	4.52%	4.17%	4.18%	4.50%	4.25%
Southwestern Public Service	Utility	1.78%	1.90%	1.55%	1.54%	1.61%	1.99%	2.17%	2.37%	2.64%	2.83%
R&M Energy	Energy	0.78%	1.19%	0.87%	0.85%	0.85%	0.91%	0.87%	0.82%	1.16%	1.01%
Linn Energy Holding	Energy	1.00%	1.07%	1.46%	1.01%	0.76%	0.60%	0.00%	0.00%	0.00%	0.00%
Conoco/Phillips	Energy	0.77%	0.83%	0.93%	0.97%	1.13%	1.14%	1.73%	1.81%	1.82%	1.62%
Amarillo National Bank	Financial Service	0.74%	0.80%	0.77%	0.78%	0.81%	0.89%	0.94%	1.00%	1.03%	1.03%
Golden Plains Community Hospital	Health Care	0.54%	0.58%	0.57%	0.58%	0.60%	0.00%	0.00%	0.00%	0.00%	0.00%
Raymac Energy	Energy	0.52%	0.56%	0.55%	0.55%	0.60%	0.83%	0.00%	0.00%	0.00%	0.00%
WO Operating Company	Energy	0.51%	0.55%	1.48%	1.98%	1.76%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	Utility	0.51%	0.55%	0.61%	0.71%	0.79%	1.00%	1.04%	1.05%	1.25%	1.36%
Walmart Stores of Texas	Retail	0.51%	0.54%	0.52%	0.55%	0.55%	0.89%	0.86%	0.91%	0.93%	0.96%
Vaibac Inc	Energy	0.47%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Pahandle Northern Railroad Co	Transportation	0.46%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lagacy Reserves Operating LP	Energy	0.44%	0.48%	0.56%	0.00%	0.82%	0.00%	0.00%	0.00%	0.00%	0.00%
SNW Operating	Energy	0.00%	0.00%	0.55%	0.55%	0.74%	0.61%	0.43%	0.00%	0.00%	0.00%
Cody Company	Energy	0.00%	0.00%	0.48%	0.00%	0.67%	0.53%	0.37%	0.00%	0.00%	0.00%
Turner Energy Services	Energy	0.00%	0.00%	0.00%	0.53%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%
Praefectus LLC	Energy	0.00%	0.00%	0.00%	0.52%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%
Pantera Energy	Energy	0.00%	0.00%	0.00%	0.00%	0.67%	0.74%	0.00%	0.00%	0.00%	0.00%
OHM Operating	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	1.08%	0.84%	0.73%	0.72%	0.76%
Air Liquide American	Industrial	0.00%	0.00%	0.00%	0.00%	0.00%	0.43%	0.40%	0.00%	0.00%	0.00%
Spradling Oil	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.39%	0.39%	0.00%	0.00%	0.00%
Totals		21.03%	23.32%	23.28%	23.94%	24.75%	23.69%	22.32%	21.16%	22.78%	22.30%

Source: Local County Appraisal District

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

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2012	\$ 1,353,000	-	\$ 1,353,000	\$ 1,305,349	96.48%	\$ -	\$ 71,228	\$ 1,376,577	101.74%
2011	1,383,000	-	1,383,000	1,299,457	93.96%	-	23,599	1,323,056	95.67%
2010	1,374,000	-	1,374,000	1,322,861	96.28%	-	29,286	1,352,147	98.41%
2009	1,334,000	-	1,334,000	1,292,079	96.86%	-	19,479	1,311,558	98.32%
2008	1,212,000	-	1,212,000	1,175,903	97.02%	-	24,783	1,200,686	99.07%
2007	1,152,000	-	1,152,000	1,120,605	97.27%	-	40,872	1,161,477	100.82%
2006	1,091,000	-	1,091,000	1,049,828	96.23%	-	28,824	1,078,652	98.87%
2005	1,072,000	-	1,072,000	1,026,207	95.73%	-	45,623	1,071,830	99.98%
2004	1,044,000	-	1,044,000	1,012,404	96.97%	-	31,706	1,044,110	100.01%
2003	1,081,000	-	1,081,000	1,045,344	96.70%	-	18,513	1,063,857	98.41%

Sources:

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

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

	For the Year Ended August 31									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General bonded debt:										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	-	-	-	-	-	-	-	-	-	-
Other debt:										
Revenue bonds	1,650,000	1,755,000	1,885,000	2,005,000	2,120,000	2,230,000	2,352,000	2,469,000	2,581,000	2,687,000
Notes	865,405	1,153,836	1,592,644	1,969,355	2,300,550	2,665,720	1,379,696	1,573,943	645,788	201,297
Capital leases obligations	-	-	147,533	216,132	281,500	351,750	-	-	-	-
Total outstanding debt	\$ 2,515,405	\$ 2,908,836	\$ 3,625,177	\$ 4,190,487	\$ 4,702,050	\$ 5,247,470	\$ 3,731,696	\$ 4,042,943	\$ 3,226,788	\$ 2,888,297
General Bonded Debt Ratios:										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Per FTSE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
As a percentage of taxable assessed value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total outstanding debt ratios:										
Per capita	N/A	N/A	N/A	N/A	N/A	N/A	\$ 281	\$ 283	\$ 226	\$ 202
Per FTSE	\$ 2,416	\$ 2,333	\$ 3,096	\$ 3,248	\$ 3,645	\$ 3,844	\$ 3,066	\$ 2,902	\$ 2,811	\$ 2,165
As a percentage of taxable assessed value	0.38%	0.47%	0.58%	0.67%	0.78%	0.95%	0.71%	0.82%	0.67%	0.59%

Notes:

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

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

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total assessed value	\$ 660,062,210	\$ 615,103,910	\$ 629,377,890	\$ 624,636,230	\$ 606,442,260	\$ 550,948,960	\$ 523,782,270	\$ 495,955,070	\$ 483,427,480	\$ 490,688,090
General obligation bonds:										
Statutory taxable limit for debt service	\$ 3,300,311	\$ 3,075,520	\$ 3,146,889	\$ 3,123,181	\$ 3,032,211	\$ 2,754,745	\$ 2,618,911	\$ 2,479,775	\$ 2,417,137	\$ 2,453,440
Less: Funds restricted for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Total net general obligation debt	3,300,311	3,075,520	3,146,889	3,123,181	3,032,211	2,754,745	2,618,911	2,479,775	2,417,137	2,453,440
Current year debt service requirements	134,953	320,874	482,296	670,565	704,973	458,528	234,197	236,653	111,787	66,086
Excess of statutory limit for debt service over current requirements	\$ 3,165,358	\$ 2,754,646	\$ 2,664,593	\$ 2,452,616	\$ 2,327,238	\$ 2,296,217	\$ 2,384,714	\$ 2,243,122	\$ 2,305,350	\$ 2,387,354
Net current requirements as a % of statutory limit	4.09%	10.43%	15.33%	21.47%	23.25%	16.65%	8.94%	9.54%	4.62%	2.69%

Notes:

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

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

Fiscal Year Ended August 31	Pledged Revenues										Debt Service Requirements			
	Tuition	Technology Fee	Registration Fees	General Use Fees	Community Education Fees	Interest Income	Vending Income	Vending Commission	Bookstore Commission	Total	Principal	Interest	Total	Coverage Ratio
2012	\$ 34,072	\$ -	\$ -	\$ 276,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,772	\$ 150,000	\$ 71,022	\$ 221,022	1.41
2011	37,957	-	-	308,175	-	-	-	-	-	346,132	130,000	92,662	222,662	1.55
2010	39,697	-	-	316,750	-	-	-	-	-	356,447	120,000	98,982	218,982	1.63
2009	40,417	-	-	319,787	-	-	-	-	-	360,204	115,000	105,998	220,998	1.63
2008	42,015	-	-	332,813	-	-	-	-	-	374,828	110,000	112,708	222,708	1.68
2007	43,260	-	-	336,450	-	-	-	-	-	379,710	122,000	119,622	241,622	1.57
2006	38,842	-	-	321,275	-	-	-	-	-	360,117	117,000	126,232	243,232	1.48
2005	47,482	-	-	351,475	-	-	-	-	-	398,957	112,000	132,537	244,537	1.63
2004	39,503	-	-	318,000	-	-	-	-	-	357,503	106,000	138,507	244,507	1.46
2003	44,542	-	-	333,300	-	-	-	-	-	377,842	100,000	144,142	244,142	1.55

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

**Borger Junior College District
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Seven Fiscal Years**

(unaudited)

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

Calendar Year	City of Borger Population	City of Borger Personal Income	City of Borger Personal Income Per Capita	City of Borger Unemployment Rate
2011	13,240	\$ 298,098,600	\$ 22,515	6.3%
2010	13,251	278,111,988	20,988	7.3%
2009	12,655	266,995,190	21,098	7.0%
2008	12,901	246,138,179	19,079	7.0%
2007	13,305	229,258,455	17,231	4.0%
2006	13,262	223,716,678	16,869	4.1%
2005	14,302	309,051,918	21,609	4.1%

Sources:

Population from U.S. Bureau of Census

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from the Texas Workforce Commission

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

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

Current Fiscal Year

Employer	Number of Employees	% of Total Employment
Conoco Phillips Refinery	725	INA
Borger ISD	458	INA
Chevron Phillips Chemical Co.	348	INA
H.B. Zachary	300	INA
Austin Industrial	255	INA
Golden Plains Community Hospital	215	INA
United Supermarket	156	INA
Wal-Mart	140	INA
Sid Richardson	115	INA
Total	INA	INA

Ten Years Prior

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

Source:
Borger Economic Development Corp
Texas Metropolitan Statistical Area Data

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

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

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Faculty										
Full-time	30	28	26	30	30	30	31	32	33	34
Part-time	55	45	60	81	84	82	81	73	69	70
Total	85	73	86	111	114	112	112	105	102	104
Percent										
Full-time	35.3%	38.4%	30.2%	27.0%	26.3%	26.8%	27.7%	30.5%	32.4%	32.7%
Part-time	64.7%	61.6%	69.8%	73.0%	73.7%	73.2%	72.3%	69.5%	67.6%	67.3%
Staff and Administrators										
Full-time	58	66	70	73	66	77	70	76	72	78
Part-time	9	10	10	10	12	18	16	6	3	8
Total	67	76	80	83	78	95	86	82	75	86
Percent										
Full-time	86.6%	86.8%	87.5%	88.0%	84.6%	81.1%	81.4%	92.7%	96.0%	90.7%
Part-time	13.4%	13.2%	12.5%	12.0%	15.4%	18.9%	18.6%	7.3%	4.0%	9.3%
FTSE per full-time faculty	42	45	45	43	45	46	39	44	35	39
FTSE per full-time staff member	22	19	17	18	21	18	17	18	16	17
Average annual faculty salary	\$ 37,710	\$ 40,203	\$ 36,000	\$ 32,494	\$ 37,722	\$ 36,579	\$ 35,558	\$ 35,534	\$ 35,413	\$ 36,086

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

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	755	72.53%	843	67.60%	931	79.50%	909	70.47%	911	67.18%	1,150	84.25%	830	68.20%	963	69.13%	773	67.33%	891	66.79%
31-60 hours	226	21.71%	270	21.65%	201	17.16%	242	18.76%	275	20.28%	185	13.55%	273	22.43%	274	19.67%	257	22.39%	279	20.91%
> 60 hours	60	5.76%	134	10.75%	39	3.33%	139	10.78%	170	12.54%	30	2.20%	114	9.37%	156	11.20%	118	10.28%	164	12.29%
Total	1,041	100.00%	1,247	100.00%	1,171	100.00%	1,290	100.00%	1,356	100.00%	1,365	100.00%	1,217	100.00%	1,393	100.00%	1,148	100.00%	1,334	100.00%

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	2	0.19%	2	0.16%	-	0.00%	19	1.47%	44	3.24%	86	6.30%	1	0.08%	96	6.89%	6	0.52%	104	7.80%
3-5 semester hours	214	20.56%	258	20.69%	226	19.30%	305	23.64%	268	19.76%	264	19.34%	281	23.09%	261	18.74%	191	16.64%	265	19.87%
6-8 semester hours	184	17.68%	207	16.60%	250	21.35%	261	20.23%	300	22.12%	301	22.05%	249	20.46%	306	21.97%	277	24.13%	261	19.57%
9-11 semester hours	118	11.34%	94	7.54%	135	11.53%	120	9.30%	138	10.18%	136	9.96%	118	9.70%	119	8.54%	108	9.41%	113	8.47%
12-14 semester hours	296	28.43%	381	30.55%	359	30.66%	288	22.33%	312	23.01%	318	23.30%	301	24.73%	306	21.97%	265	23.08%	288	21.59%
15-17 semester hours	203	19.50%	268	21.49%	176	15.03%	218	16.90%	219	16.15%	184	13.48%	187	15.37%	209	15.00%	210	18.29%	209	15.67%
18 and over	24	2.31%	37	2.97%	25	2.14%	79	6.13%	75	5.54%	76	5.57%	80	6.57%	96	6.89%	91	7.93%	94	7.05%
Total	1,041	100.00%	1,247	100.00%	1,171	100.00%	1,290	100.00%	1,356	100.00%	1,365	100.00%	1,217	100.00%	1,393	100.00%	1,148	100.00%	1,334	100.00%

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

Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas resident (In-District)	342	32.85%	390	31.28%	399	34.07%	389	30.16%	359	26.47%	482	35.31%	428	35.17%	555	39.84%	429	37.37%	518	38.83%
Texas resident (Out-of-state)	648	62.25%	750	60.14%	709	60.55%	786	60.93%	923	68.07%	814	59.63%	709	58.26%	758	54.41%	629	54.79%	717	53.75%
Non-resident tuition	51	4.90%	107	8.58%	63	5.38%	115	8.91%	74	5.46%	69	5.05%	80	6.57%	80	5.74%	90	7.84%	99	7.42%
Total	1,041	100.00%	1,247	100.00%	1,171	100.00%	1,290	100.00%	1,356	100.00%	1,365	100.00%	1,217	100.00%	1,393	100.00%	1,148	100.00%	1,334	100.00%

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

Gender	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	603	57.93%	679	54.45%	653	55.76%	727	56.36%	759	55.97%	786	57.58%	711	58.42%	835	59.94%	680	59.23%	768	57.57%
Male	438	42.07%	568	45.55%	518	44.24%	563	43.64%	597	44.03%	579	42.42%	506	41.58%	558	40.06%	468	40.77%	566	42.43%
Total	1,041	100.00%	1,247	100.00%	1,171	100.00%	1,290	100.00%	1,356	100.00%	1,365	100.00%	1,217	100.00%	1,393	100.00%	1,148	100.00%	1,334	100.00%

Ethnic Origin	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	663	63.69%	843	67.60%	802	68.49%	877	67.98%	1,036	76.40%	1,031	75.52%	965	79.29%	1,083	77.75%	895	77.96%	1,073	80.43%
Hispanic	250	24.02%	274	21.97%	267	22.80%	294	22.79%	239	17.63%	282	20.66%	195	16.02%	238	17.09%	165	14.37%	153	11.47%
African American	45	4.32%	82	6.58%	52	4.44%	59	4.57%	40	2.95%	30	2.20%	28	2.30%	38	2.73%	46	4.01%	69	5.17%
Asian	5	0.48%	7	0.56%	7	0.60%	5	0.39%	3	0.22%	2	0.15%	4	0.33%	5	0.36%	4	0.35%	5	0.37%
Foreign	23	2.21%	12	0.96%	6	0.51%	22	1.71%	30	2.21%	9	0.66%	16	1.31%	18	1.29%	14	1.22%	10	0.75%
Native American	17	1.63%	18	1.44%	25	2.13%	32	2.48%	7	0.52%	11	0.81%	6	0.49%	11	0.79%	10	0.87%	17	1.27%
Other	38	3.65%	11	0.89%	12	1.02%	1	0.08%	1	0.07%	-	0.00%	3	0.25%	-	0.00%	14	1.22%	7	0.52%
Total	1,041	100.00%	1,247	100.00%	1,171	100.00%	1,290	100.00%	1,356	100.00%	1,365	100.00%	1,217	100.00%	1,393	100.00%	1,148	100.00%	1,334	100.00%

Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	255	24.50%	241	19.33%	327	27.92%	312	24.19%	332	24.48%	398	29.16%	312	25.64%	280	20.10%	187	16.29%	173	12.97%
18-21	481	46.21%	666	53.41%	521	44.49%	641	49.69%	609	44.91%	522	38.24%	538	44.21%	593	42.57%	547	47.65%	566	42.43%
22-24	85	8.17%	87	6.98%	70	5.98%	92	7.13%	105	7.74%	85	6.23%	83	6.82%	110	7.90%	92	8.01%	103	7.72%
25-35	142	13.64%	162	12.99%	163	13.92%	149	11.55%	167	12.32%	181	13.26%	179	14.71%	224	16.08%	192	16.72%	247	18.52%
36-50	64	6.15%	74	5.93%	69	5.89%	76	5.89%	114	8.41%	134	9.82%	91	7.48%	146	10.48%	112	9.76%	194	14.54%
51 & over	14	1.34%	17	1.36%	21	1.79%	20	1.55%	29	2.14%	45	3.30%	14	1.15%	40	2.87%	18	1.57%	51	3.82%
Total	1,041	100.00%	1,247	100.00%	1,171	100.00%	1,290	100.00%	1,356	100.00%	1,365	100.00%	1,217	100.00%	1,393	100.00%	1,148	100.00%	1,334	100.00%
Average age	22		22		22		22		23		22		21		23		21		24	

Borger Junior College District
Statistical Supplement 17
Transfers to Senior Institutions
2010-2011 Fall Students as of Fall 2011
(unaudited)
(Includes only public senior colleges in Texas)

Rank	Texas Public Senior College	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of All Transfer Students	% of All Transfer Students
1	West Texas A&M University	107	1	-	108	64.3%
2	Texas Tech University	27	-	-	27	16.1%
3	Texas A&M University	5	-	-	5	3.0%
4	University of North Texas	4	-	1	5	3.0%
5	Texas State University	3	-	-	3	1.8%
6	Angelo State University	3	-	-	3	1.8%
7	Lamar University	3	-	-	3	1.8%
8	The University of Texas at Arlington	2	-	-	2	1.2%
9	Midwestern State University	2	-	-	2	1.2%
10	Prairie View A&M University	2	-	-	2	1.2%
11	Tarleton State University	2	-	-	2	1.2%
12	Other	6	-	-	6	3.6%
Totals		166	1	1	168	100.00%

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

Borger Junior College District
Statistical Supplement 18
Capital Asset Information
Fiscal Year 2003 to 2012
(unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic buildings	7	7	8	8	7	7	7	6	4	4
Square footage	162,980	162,980	177,546	177,546	162,546	162,546	162,546	137,546	105,546	105,546
Library	1	1	1	1	1	1	1	1	1	1
Square footage	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Number of volumes	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900	22,900
Administrative and support buildings	2	2	2	2	2	2	2	2	2	2
Square footage	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400
Dormitories	3	3	3	3	3	3	3	3	2	2
Square footage	54,640	54,640	54,640	54,640	54,640	54,640	54,640	54,640	44,640	44,640
Number of beds	246	246	246	246	246	246	246	246	200	200
Apartments	0	0	0	0	0	0	0	0	0	0
Square footage	0	0	0	0	0	0	0	0	0	0
Number of beds	0	0	0	0	0	0	0	0	0	0
Dining facilities	1	1	1	1	1	1	1	1	1	1
Square footage	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Average daily customers	158	158	158	158	158	190	190	190	170	170
Athletic facilities										
Square footage	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910	252,910
Stadiums	1	1	1	1	1	1	1	1	1	1
Gymnasiums	1	1	1	1	1	1	1	1	1	1
Fitness centers	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Transportation										
Cars	10	9	8	8	8	8	8	8	8	8
Light trucks	6	6	6	6	5	5	6	6	6	5
Buses	3	3	3	3	3	3	2	2	2	1