

**BORGER JUNIOR COLLEGE DISTRICT**  
Borger, Texas

**ANNUAL FINANCIAL REPORT**  
August 31, 2011 and 2010

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**BORGER JUNIOR COLLEGE DISTRICT  
ORGANIZATIONAL DATA  
August 31, 2011**

**Board of Regents**

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|                  | <u>Officers</u> | Term Expires<br><u>May</u> |
|------------------|-----------------|----------------------------|
| Conny Moore      | Chair           | 2014                       |
| Steve Williams   | Vice Chair      | 2016                       |
| Sandra Hilbert   | Secretary       | 2012                       |
|                  | <u>Members</u>  |                            |
| Jay Campbell     | Borger, Texas   | 2012                       |
| Shad Goldston    | Borger, Texas   | 2012                       |
| Marlene McKinney | Borger, Texas   | 2016                       |
| Tonya Moore      | Borger, Texas   | 2012                       |
| Dr. Ed Quiros    | Borger, Texas   | 2014                       |
| Scott Radach     | Borger, Texas   | 2014                       |

**Principal Administrative Officers**

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|                   |                                      |
|-------------------|--------------------------------------|
| Dr. Jud Hicks     | President                            |
| Shannon Carroll   | Vice President for Academic Affairs  |
| Dr. Lew Hunnicutt | Dean of FPC-Perryton                 |
| Bridey McCormack  | Director of Accounting               |
| Gloria Rummel     | Executive Assistant to the President |

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## 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, 2011 and 2010, 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, 2011 and 2010, 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 21, 2011 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

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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 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, are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular, 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, McMillon, Indrudell & Shennum P.A.C.*

Amarillo, Texas  
November 21, 2011



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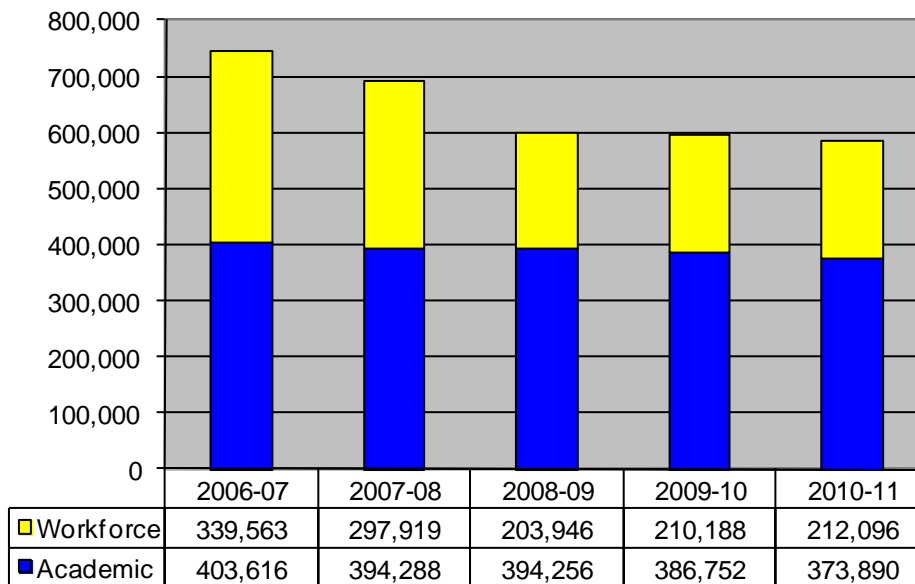
## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**Financial and Enrollment Highlights**

- The institution's net assets at year-end were \$13,482,506, an increase of \$224,747 or 1.7% for the year. Capital assets decreased \$720,656 with current year depreciation of \$798,156.
- Contact hours enrollment showed a slight decrease of 10,954 hours or 1.8% from 596,940 in 2009-2010 to 585,986 in 2010-2011. Academic contact hours decreased 12,862 or 3.3% while workforce contact hours showed an increase of 1,908 or 0.9%.

**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.

|                           | <b>Primary Institution</b> |                  |
|---------------------------|----------------------------|------------------|
|                           | <b>2011</b>                | <b>2010</b>      |
| <b>Current assets</b>     |                            |                  |
| Cash and cash equivalents | \$ 1,804,199               | \$ 1,855,206     |
| Accounts receivables, net | 1,207,230                  | 1,512,499        |
| Inventories               | 13,005                     | 15,892           |
| Other assets              | 295,684                    | 138,874          |
| Total current assets      | <u>3,320,118</u>           | <u>3,522,471</u> |

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**Statements of Net Assets (Continued)**

|                                            | <b>Primary Institution</b> |                      |
|--------------------------------------------|----------------------------|----------------------|
|                                            | <b>2011</b>                | <b>2010</b>          |
| <b>Noncurrent assets</b>                   |                            |                      |
| Restricted cash and cash equivalents       | \$ 242,724                 | \$ 300,680           |
| Other long-term investments                | 527,588                    | 527,588              |
| Capital assets, net                        | 14,335,656                 | 15,056,312           |
| Other noncurrent assets                    | 1,600                      | 1,600                |
| Total noncurrent assets                    | <u>15,107,568</u>          | <u>15,886,180</u>    |
| <b>Total assets</b>                        | <u>\$ 18,427,686</u>       | <u>\$ 19,408,651</u> |
| <b>Current liabilities</b>                 |                            |                      |
| Accounts payable                           | \$ 14,019                  | \$ 89,012            |
| Accrued liabilities                        | 378,471                    | 515,871              |
| Funds held for others                      | 333,365                    | 284,241              |
| Deferred revenues                          | 1,310,489                  | 1,636,591            |
| Note payable - current portion             | 320,874                    | 482,296              |
| Capital lease obligation - current portion | -                          | 71,988               |
| Total current liabilities                  | <u>2,357,218</u>           | <u>3,079,999</u>     |
| <b>Noncurrent liabilities</b>              |                            |                      |
| Notes payable                              | 832,962                    | 1,110,348            |
| Bonds payable                              | 1,755,000                  | 1,885,000            |
| Capital lease obligation                   | -                          | 75,545               |
| Total noncurrent liabilities               | <u>2,587,962</u>           | <u>3,070,893</u>     |
| <b>Total liabilities</b>                   | <u>4,945,180</u>           | <u>6,150,892</u>     |
| <b>Net Assets</b>                          |                            |                      |
| Invested in capital, net of related debt   | 11,426,820                 | 11,431,135           |
| Restricted for:                            |                            |                      |
| Expendable:                                |                            |                      |
| Student aid                                | 690,876                    | 699,154              |
| Unrestricted                               | 1,364,810                  | 1,127,470            |
| <b>Total net assets</b>                    | <u>13,482,506</u>          | <u>13,257,759</u>    |
| <b>Total liabilities and net assets</b>    | <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 \$51,007 or 2.7%, which is reflected in the Statement of Cash Flows.

Accounts receivables consists primarily of student receivables related to tuition and fees for the fall 2011-2012 semester. Accounts receivable decreased by \$305,269 or 20.2%, decreasing the balance to \$1,207,230.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**Current Assets (Continued):**

Other assets increased \$156,810 reflecting a balance of \$295,684. The balance is primarily comprised of note receivable of \$117,000, interest receivable of \$81,898, and prepaid expense of \$95,328.

**Noncurrent Assets:**

Restricted cash and cash equivalents consist of agency and state scholarship funds. The balance of restricted cash and cash equivalents decreased \$57,956 reflecting a balance of \$242,724. 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 \$720,656 in net capital assets. Capital assets are detailed in Note 5 of the footnotes to the financial statements. At year-end, asset additions totaled \$206,244, depreciation expense was \$798,156 and the College showed a gain on the disposal of fixed assets (Industrial Park Complex building) of \$246,005. The asset additions include buildings/land improvements (\$173,722); furniture, vehicles, and other equipment (\$32,522).

**Current Liabilities:**

Accounts payables 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 \$14,019. The balance of accrued liabilities was \$378,471 for 2011 compared to a balance of \$515,871 for 2010. The decrease of 26.6% for accrued liabilities reflects the recording of a Department of Education assessed liability of \$246,062 at year-end 2010 incurred as a result of an audit of federal financial aid. The final assessment of \$99,104 as a result of an appeal resulted in the recording of nonoperating revenue of \$146,958.

Deferred revenues represent payments recorded primarily for tuition and fees, resident hall and food service from students for the forthcoming fall 2011-2012 semester. Deferred revenues decreased \$326,102 over last year's ending balance. The deferred revenue balance of \$1,310,489, a decrease of 19.9%, is partially attributed to an enrollment decrease for the fall 2011-2012 semester.

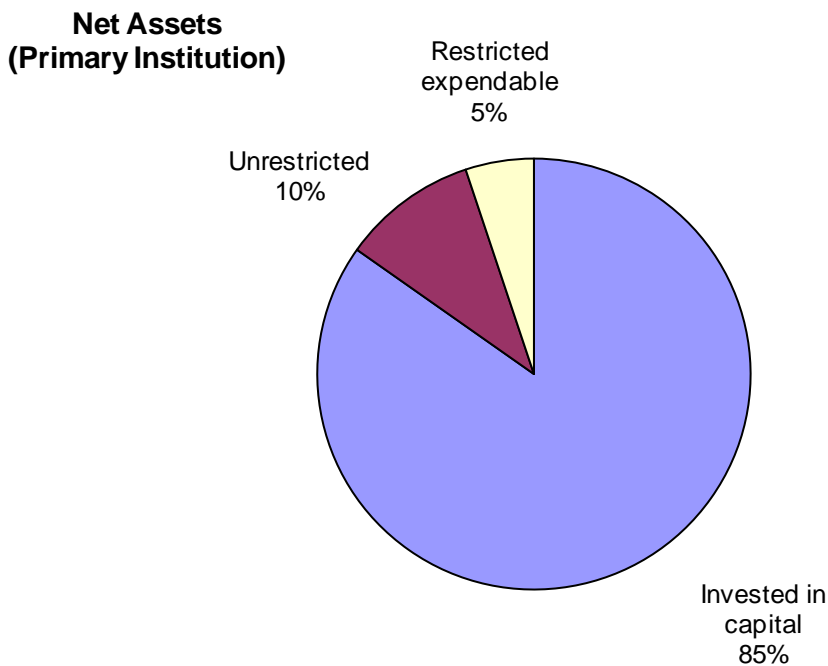
Notes and bonds payable and capital lease obligations (current portion) represent the College's long-term debt which is payable within the next fiscal year. Total debt of \$2,908,836 decreased \$716,341 (current and noncurrent) or 19.8% reflecting the scheduled payment of existing debt plus early retirement of debt of \$255,241, and no additional debt incurred in the current year.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**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 represent the difference between the College's assets and liabilities. Total net assets at August 31, 2011, were approximately \$13 million. Compared to the prior year, net assets increased \$224,747 or 1.7% for the current year. Invested in capital, net of related debt of approximately \$11 million represents 85% of the total net assets.

Restricted expendable net assets consist of \$690,876 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.

Unrestricted net assets total \$1,364,810, which was an increase of \$237,340 or 21.1% over the year-end 2010 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, 2011**

**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.

|                                               | <b>Primary Institution</b> |                      |
|-----------------------------------------------|----------------------------|----------------------|
|                                               | <b>2011</b>                | <b>2010</b>          |
| <b>Operating revenues</b>                     |                            |                      |
| Tuition and fees, net                         | \$ 155,904                 | \$ 366,868           |
| Grants and contracts                          | 778,640                    | 635,862              |
| Auxiliary enterprises                         | 959,784                    | 922,877              |
| Other                                         | 101,952                    | 71,492               |
| Total operating revenues                      | <u>1,996,280</u>           | <u>1,997,099</u>     |
| <b>Operating expenses</b>                     |                            |                      |
| Institutional expense                         | 7,708,115                  | 7,569,243            |
| Auxiliary enterprises                         | 1,384,104                  | 1,469,777            |
| Depreciation                                  | 798,156                    | 879,255              |
| Total operating expenses                      | <u>9,890,375</u>           | <u>9,918,275</u>     |
| Operating loss                                | <u>(7,894,095)</u>         | <u>(7,921,176)</u>   |
| <b>Nonoperating revenues (expenses)</b>       |                            |                      |
| State appropriations                          | 3,448,548                  | 3,497,483            |
| Ad valorem taxes                              | 1,376,499                  | 1,370,015            |
| Federal revenue, nonoperating                 | 2,726,219                  | 2,716,379            |
| Gifts                                         | 215,497                    | 292,323              |
| Investment income, net of investment expenses | 24,353                     | 21,084               |
| Interest on capital related debt              | (181,071)                  | (190,569)            |
| Loss on disposal of fixed assets              | 246,005                    | (7,805)              |
| Other nonoperating revenues (expenses)        | 262,792                    | (468,571)            |
| Net nonoperating revenues (expenses)          | <u>8,118,842</u>           | <u>7,230,339</u>     |
| Increase (decrease) in net assets             | 224,747                    | (690,837)            |
| <b>Net Assets – Beginning of year</b>         | <u>13,257,759</u>          | <u>13,948,596</u>    |
| <b>Net Assets – End of year</b>               | <u>\$ 13,482,506</u>       | <u>\$ 13,257,759</u> |

**Operating Revenues:**

Tuition and fees, net of discounts, was \$155,904 for the year and represents a decrease of \$210,964 or 57.5% compared to the previous year. The vast majority of this decrease was a result of the increase of \$131,035 in other federal grants to students of \$2,493,914, which is an increase in discounts for the year. Tuition and fees before discounts was slightly under 2010 by \$53,465 or 1.7%.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

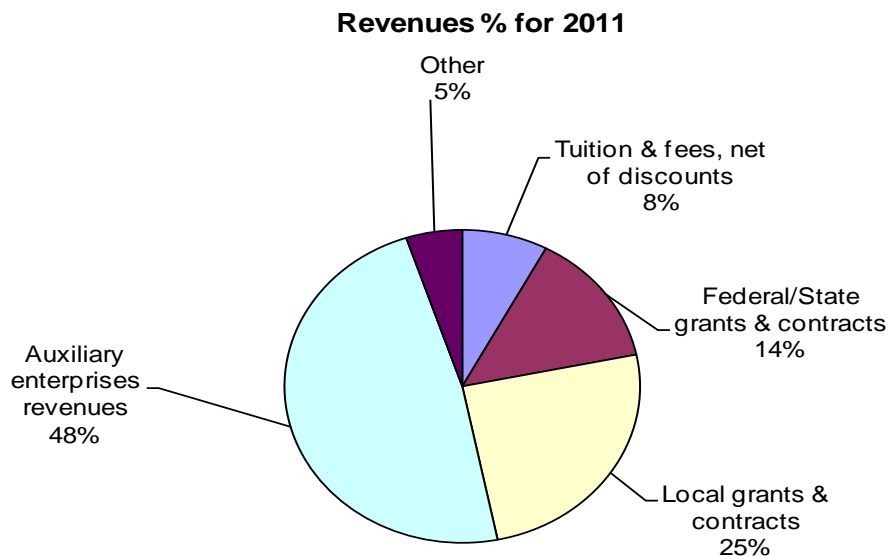
**Operating Revenues (Continued):**

Tuition and fees before discounts and allowances totaled approximately \$3 million. Gross tuition and fees are netted against discounts and scholarship allowances. Discounts consist of federal grants to students of \$2,527,514; scholarship allowances of \$489,917; and TPEG/State scholarship allowances of \$16,077.

Combined federal, state, and local grants and contracts totaled \$778,640 for the year. This includes all restricted revenues made available by government agencies. Grant revenues are recorded only to the extent the funds have been expended for the designated purpose. Total grants and contracts increased \$142,778 or 22.5% over the previous year.

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 \$959,784 for the year, an increase of \$36,907 or 4.0%. The Borger Community Activity Center and the residential life are the primary auxiliary components, which generated \$437,554 and \$485,356 (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 48%.





**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**Operating Expenses by Functional Classification:**

|                                     | <b>Primary Institution</b> |             |                     |             |
|-------------------------------------|----------------------------|-------------|---------------------|-------------|
|                                     | <b>2011</b>                | <b>%</b>    | <b>2010</b>         | <b>%</b>    |
| Instruction                         | \$ 3,716,540               | 38%         | \$ 3,470,225        | 35%         |
| Academic support                    | 186,775                    | 2%          | 245,343             | 2%          |
| Student services                    | 1,031,212                  | 10%         | 1,075,264           | 11%         |
| Institutional support               | 1,782,942                  | 18%         | 1,817,377           | 19%         |
| Operations and maintenance of plant | 891,378                    | 9%          | 832,873             | 8%          |
| Scholarships and fellowships        | 99,268                     | 1%          | 128,161             | 1%          |
| Auxiliary enterprises               | 1,384,104                  | 14%         | 1,469,777           | 15%         |
| Depreciation                        | 798,156                    | 8%          | 879,255             | 9%          |
| <b>Total by function</b>            | <b>\$ 9,890,375</b>        | <b>100%</b> | <b>\$ 9,918,275</b> | <b>100%</b> |

Instruction includes expenses for all activities that are part of the College's instructional program – academic, workforce and technical. Instruction expenses increased \$246,315 or 7.1% compared to the previous year. Instruction continues to outdistance all other classifications, accounting for 38% of expenses or a total expense of approximately \$3.7 million. Salaries and benefits combined account for approximately \$2.4 million or 64.7% 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 \$186,775.

Student services consists of expenses related to providing the office of admissions and records and activities that primarily contribute to student's emotional and physical well-being and their intellectual, cultural, and social development outside the context of the formal instructional programs. Student services expenses of \$1,031,212 decreased by \$44,052 or 4.1% 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 decreased slightly by \$34,435 or 1.9%.

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 increased by \$58,505 or 7%.

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 decreased by \$28,893 or 22.5%.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**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 decreased by \$85,673 or 5.8%.

**Operating Expenses by Natural Classification:**

|                                        | <b>Primary Institution</b> |             |                     |             |
|----------------------------------------|----------------------------|-------------|---------------------|-------------|
|                                        | <b>2011</b>                | <b>%</b>    | <b>2010</b>         | <b>%</b>    |
| Salaries and wages                     | \$ 3,616,862               | 37%         | \$ 3,521,643        | 36%         |
| State and local benefits               | 1,301,281                  | 13%         | 1,200,564           | 12%         |
| Scholarships and fellowships           | 99,268                     | 1%          | 128,161             | 1%          |
| Other expenses                         | 2,690,704                  | 27%         | 2,718,875           | 27%         |
| Auxiliary enterprises                  | 1,384,104                  | 14%         | 1,469,777           | 15%         |
| Depreciation                           | 798,156                    | 8%          | 879,255             | 9%          |
| <b>Total by natural classification</b> | <b>\$ 9,890,375</b>        | <b>100%</b> | <b>\$ 9,918,275</b> | <b>100%</b> |

Salaries and wages, along with benefits, clearly represent the largest operating expense, accounting for 50% of the total expenses. Total dollar expenses for salaries and wages, including benefits, increased by \$195,936 or 4.1% over last year. As a percentage of total expenses salaries and wages, including benefits, increased 2%.

**Nonoperating Revenues (Expenses):**

State appropriations of \$3,448,548 indicates only a slight reduction (\$48,935 or 1.4%) in revenue from the previous year. The College benefited 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 2011 by 0.5% or \$6,484. The tax rate is capped at \$0.22 per \$100 of valuation, so the increase was a result of slightly higher values in 2011 versus 2010.

Federal revenue, nonoperating of \$2,726,219 increased \$9,840 or .4% from the previous year. Federal revenue, nonoperating consists of all Title IV financial aid funds. It is anticipated that Title IV financial aid funds will continue to show increases unless there are significant changes in eligibility requirements and/or funding. The current year includes the payment of \$99,104 to the Department of Education for prior year disallowed cost.

Current year gifts of \$215,497, generally considered one-time in nature, were below the 2010 level by \$76,826 or 26.3%. 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 \$24,353 was up \$3,269 from the previous year's amount of \$21,084.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

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

Other nonoperating revenues of \$262,792 are a result of \$246,062 of income as a result of the prior year liability from the financial aid audit by the Department of Education which was appealed. The result of the audit was the accrual of a \$246,062 liability at year-end 2010; however, the appeal resulted in a final assessment in the current year of \$99,104, which is required to be netted against federal revenue. The total net increase in revenue for 2011 was \$146,958.

**Statements of Cash Flows**

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

|                                          | <b>Primary Institution</b> |                     |
|------------------------------------------|----------------------------|---------------------|
|                                          | <b>2011</b>                | <b>2010</b>         |
| Cash provided (used) from:               |                            |                     |
| Operating activities                     | \$ (7,384,059)             | \$ (6,741,468)      |
| Noncapital financing activities          | 7,999,242                  | 7,403,541           |
| Capital and related financing activities | (728,906)                  | (878,957)           |
| Investing activities                     | 4,760                      | 4,318               |
| Decrease in cash                         | (108,963)                  | (212,566)           |
| <b>Cash – beginning of the year</b>      | <b>2,155,886</b>           | <b>2,368,452</b>    |
| <b>Cash – end of year</b>                | <b>\$ 2,046,923</b>        | <b>\$ 2,155,886</b> |

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.

The decrease in cash and cash equivalents for year-end 2011 was \$108,963, compared to a decrease of \$212,566 for year-end 2010. The balance of cash and cash equivalents at year-end was \$2,046,923 comprised of cash and cash equivalents – current assets of \$1,804,199 and restricted cash and cash equivalents – noncurrent assets of \$242,724.

**BORGER JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ending August 31, 2011**

**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 2011 the Development Corporation contributed \$32,122 in scholarships to the College. In addition, the Development Corporation received gifts in the amount of \$74,985, much of which is invested to provide returns to fund future scholarships. With the investment markets showing improvement, investment income, net of expenses showed a gain of \$74,376 for the year as compared to gains of \$43,244 in 2010. Overall, the Development Corporation's net assets increased \$114,741 or 12.5% for the year.

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

Frank Phillips College continues to emphasize quality as its primary goal. Midway through this academic year the College made significant advances toward improving and expanding career and technical opportunities for students. Specifically, the College changed the organizational structure in the career and technical area, including the hiring of a seasoned and experienced Dean of Career & Technical Education. With these changes as the backdrop, the College is in the process of enhancing program offerings, and, in particular, has laid plans to offer an Instrument & Electrical Program and a Pump & Engine Program. Both of these programs are critical to the College meeting the needs of the area's industrial and manufacturing businesses. In the initial phase of the implementation of these changes, student enrollment has doubled in just one semester.

Another significant change in the direction of the College is a strong emphasis in the College's nine-county service area. The College is making a concerted effort to explore and provide additional educational opportunities to the individuals in these communities. Frank Phillips College can address the needs of these rural communities, whether it is providing additional classes, such as dual credit offerings (both academic and career and technical), continuing education, or community service. In these categories for the year ending 2011, the College recorded serving over 74,113 individuals throughout the service area. While a significant number for a small rural-serving community college, it becomes even more noteworthy when compared to a service-area population of approximately 62,000.

In the coming year the challenges will be numerous, not the least of these will be the significant cuts in state appropriations and state financial support of benefits. However, the board, faculty, staff, and administration are not deterred in fulfilling the mission of providing a wide array of educational opportunities for current and future students.

## **FINANCIAL STATEMENTS**

**BORGER JUNIOR COLLEGE DISTRICT  
STATEMENTS OF NET ASSETS - PRIMARY INSTITUTION  
AUGUST 31, 2011 AND 2010  
Exhibit 1A**

|                                                 | Primary Institution         |                             |
|-------------------------------------------------|-----------------------------|-----------------------------|
|                                                 | 2011                        | 2010                        |
| <b>ASSETS</b>                                   |                             |                             |
| <b>CURRENT ASSETS</b>                           |                             |                             |
| Cash and cash equivalents                       | \$ 1,804,199                | \$ 1,855,206                |
| Accounts receivable, net                        | 1,207,230                   | 1,512,499                   |
| Note receivable                                 | 117,000                     | -                           |
| Inventories                                     | 13,005                      | 15,892                      |
| Other assets                                    | 178,684                     | 138,874                     |
| Total current assets                            | <u>3,320,118</u>            | <u>3,522,471</u>            |
| <b>NONCURRENT ASSETS</b>                        |                             |                             |
| Restricted cash and cash equivalents            | 242,724                     | 300,680                     |
| Other long-term investments                     | 527,588                     | 527,588                     |
| Capital assets, net                             | 14,335,656                  | 15,056,312                  |
| Other noncurrent assets                         | 1,600                       | 1,600                       |
| Total noncurrent assets                         | <u>15,107,568</u>           | <u>15,886,180</u>           |
| <b>TOTAL ASSETS</b>                             | <u><u>\$ 18,427,686</u></u> | <u><u>\$ 19,408,651</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>               |                             |                             |
| <b>CURRENT LIABILITIES</b>                      |                             |                             |
| Accounts payable                                | \$ 14,019                   | \$ 89,012                   |
| Accrued liabilities                             | 378,471                     | 515,871                     |
| Funds held for others                           | 333,365                     | 284,241                     |
| Deferred revenues                               | 1,310,489                   | 1,636,591                   |
| Notes payable - current portion                 | 320,874                     | 482,296                     |
| Capital lease obligation - current portion      | -                           | 71,988                      |
| Total current liabilities                       | <u>2,357,218</u>            | <u>3,079,999</u>            |
| <b>NONCURRENT LIABILITIES</b>                   |                             |                             |
| Notes payable                                   | 832,962                     | 1,110,348                   |
| Bonds payable                                   | 1,755,000                   | 1,885,000                   |
| Capital lease obligation                        | -                           | 75,545                      |
| Total noncurrent liabilities                    | <u>2,587,962</u>            | <u>3,070,893</u>            |
| <b>TOTAL LIABILITIES</b>                        | <u>4,945,180</u>            | <u>6,150,892</u>            |
| <b>NET ASSETS</b>                               |                             |                             |
| Invested in capital assets, net of related debt | 11,426,820                  | 11,431,135                  |
| Restricted for:                                 |                             |                             |
| Expendable:                                     |                             |                             |
| Student aid                                     | 690,876                     | 699,154                     |
| Unrestricted                                    | 1,364,810                   | 1,127,470                   |
| Total net assets (Schedule D)                   | <u>13,482,506</u>           | <u>13,257,759</u>           |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>         | <u><u>\$ 18,427,686</u></u> | <u><u>\$ 19,408,651</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, 2011 AND 2010  
Exhibit 1B**

|                                                  |  | <u>Component Unit - Foundation</u> |                          |
|--------------------------------------------------|--|------------------------------------|--------------------------|
|                                                  |  | <u>2011</u>                        | <u>2010</u>              |
| <b>ASSETS</b>                                    |  |                                    |                          |
| Cash and cash equivalents                        |  | \$ 37,437                          | \$ 149,712               |
| Investments                                      |  | <u>996,768</u>                     | <u>769,752</u>           |
| <b>TOTAL ASSETS</b>                              |  | <u><u>\$ 1,034,205</u></u>         | <u><u>\$ 919,464</u></u> |
| <b>NET ASSETS</b>                                |  |                                    |                          |
| Net assets restricted for:                       |  |                                    |                          |
| Expendable - Other, primarily donor restrictions |  | <u>\$ 1,034,205</u>                | <u>\$ 919,464</u>        |
| <b>TOTAL NET ASSETS</b>                          |  | <u><u>\$ 1,034,205</u></u>         | <u><u>\$ 919,464</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, 2011 AND 2010**  
**Exhibit 2A**

|                                                                                                   | <b>Primary Institution</b> |                            |
|---------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                                   | <b>2011</b>                | <b>2010</b>                |
| <b>OPERATING REVENUES</b>                                                                         |                            |                            |
| Tuition and fees, net of discounts of \$3,033,508 and \$2,876,009 in 2011 and 2010, respectively  | \$ 155,904                 | \$ 366,868                 |
| Federal grants and contracts                                                                      | 27,640                     | 61,903                     |
| State grants and contracts                                                                        | 250,546                    | 162,650                    |
| Local grants and revenues                                                                         | 500,454                    | 411,309                    |
| Auxiliary enterprises, net of discounts of \$147,172 and \$180,203 in 2011 and 2010, respectively | 959,784                    | 922,877                    |
| Other operating revenues                                                                          | 101,952                    | 71,492                     |
| Total operating revenues (Schedule A)                                                             | <u>1,996,280</u>           | <u>1,997,099</u>           |
| <b>OPERATING EXPENSES</b>                                                                         |                            |                            |
| Instruction                                                                                       | 3,716,540                  | 3,470,225                  |
| Academic support                                                                                  | 186,775                    | 245,343                    |
| Student services                                                                                  | 1,031,212                  | 1,075,264                  |
| Institutional support                                                                             | 1,782,942                  | 1,817,377                  |
| Operation and maintenance of plant                                                                | 891,378                    | 832,873                    |
| Scholarships and fellowships                                                                      | 99,268                     | 128,161                    |
| Auxiliary enterprises                                                                             | 1,384,104                  | 1,469,777                  |
| Depreciation                                                                                      | 798,156                    | 879,255                    |
| Total operating expenses (Schedule B)                                                             | <u>9,890,375</u>           | <u>9,918,275</u>           |
| Operating loss                                                                                    | <u>(7,894,095)</u>         | <u>(7,921,176)</u>         |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                                                           |                            |                            |
| State appropriations                                                                              | 3,448,548                  | 3,497,483                  |
| Ad valorem property taxes                                                                         | 1,376,499                  | 1,370,015                  |
| Federal revenue, nonoperating                                                                     | 2,726,219                  | 2,716,379                  |
| Gifts                                                                                             | 215,497                    | 292,323                    |
| Investment income, net of investment expenses                                                     | 24,353                     | 21,084                     |
| Interest on capital related debt                                                                  | (181,071)                  | (190,569)                  |
| Gain (loss) on disposal of fixed assets                                                           | 246,005                    | (7,805)                    |
| Other nonoperating revenues (expenses), net                                                       | 262,792                    | (468,571)                  |
| Net nonoperating revenues (Schedule C)                                                            | <u>8,118,842</u>           | <u>7,230,339</u>           |
| Increase (decrease) in net assets                                                                 | 224,747                    | (690,837)                  |
| <b>NET ASSETS - BEGINNING OF YEAR</b>                                                             | <u>13,257,759</u>          | <u>13,948,596</u>          |
| <b>NET ASSETS - END OF YEAR</b>                                                                   | <u><u>\$13,482,506</u></u> | <u><u>\$13,257,759</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 -  
COMPONENT UNIT  
YEARS ENDED AUGUST 31, 2011 AND 2010  
Exhibit 2B**

|                                               | <b>Component Unit -<br/>Foundation</b> |             |
|-----------------------------------------------|----------------------------------------|-------------|
|                                               | <b>2011</b>                            | <b>2010</b> |
| <b>OPERATING EXPENSES</b>                     |                                        |             |
| Institutional support                         | \$ 2,498                               | \$ 2,954    |
| Scholarships and fellowships                  | 32,122                                 | 22,860      |
| Total operating loss                          | 34,620                                 | 25,814      |
| <b>NONOPERATING REVENUES (EXPENSES)</b>       |                                        |             |
| Gifts                                         | 74,985                                 | 88,020      |
| Investment income, net of investment expenses | 74,376                                 | 43,244      |
| Net nonoperating revenues                     | 149,361                                | 131,264     |
| Increase in net assets                        | 114,741                                | 105,450     |
| <b>NET ASSETS - BEGINNING OF YEAR</b>         | 919,464                                | 814,014     |
| <b>NET ASSETS - END OF YEAR</b>               | \$1,034,205                            | \$ 919,464  |

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, 2011 AND 2010  
Exhibit 3A**

|                                                                                   | <b>Primary Institution</b> |                       |
|-----------------------------------------------------------------------------------|----------------------------|-----------------------|
|                                                                                   | <b>2011</b>                | <b>2010</b>           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                            |                       |
| Receipts from students and other customers                                        | \$ 1,147,992               | \$ 1,338,690          |
| Receipts from grants and contracts                                                | 753,701                    | 653,186               |
| Payments to suppliers for goods or services                                       | (3,969,216)                | (3,712,516)           |
| Payments to or on behalf of employees                                             | (5,253,459)                | (5,063,396)           |
| Payments of scholarships                                                          | (99,268)                   | (128,161)             |
| Other receipts                                                                    | 36,191                     | 170,729               |
| Net cash used by operating activities                                             | <u>(7,384,059)</u>         | <u>(6,741,468)</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                            |                            |                       |
| Receipts from state appropriations                                                | 3,448,548                  | 3,497,483             |
| Ad valorem tax revenues                                                           | 1,346,186                  | 1,365,927             |
| Receipts from nonoperating federal revenue                                        | 2,726,219                  | 2,716,379             |
| Gifts and grants (other than capital)                                             | 215,497                    | 292,323               |
| Other                                                                             | 262,792                    | (468,571)             |
| Net cash provided by noncapital financing activities                              | <u>7,999,242</u>           | <u>7,403,541</u>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                   |                            |                       |
| Proceeds for capital assets                                                       | 374,750                    | -                     |
| Purchases of capital assets                                                       | (206,244)                  | (123,078)             |
| Principal payments on capital debt and leases                                     | (716,341)                  | (565,310)             |
| Cash paid for interest                                                            | (181,071)                  | (190,569)             |
| Net cash used by capital and related financing activities                         | <u>(728,906)</u>           | <u>(878,957)</u>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                            |                       |
| Investment earnings                                                               | 4,760                      | 4,318                 |
| Net cash provided by investing activities                                         | <u>4,760</u>               | <u>4,318</u>          |
| <b>DECREASE IN CASH AND CASH EQUIVALENTS</b>                                      | (108,963)                  | (212,566)             |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>                              | 2,155,886                  | 2,368,452             |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                    | <u>\$ 2,046,923</u>        | <u>\$ 2,155,886</u>   |
| <b>Reconciliation of operating loss to net cash used by operating activities:</b> |                            |                       |
| Operating loss                                                                    | \$ (7,894,095)             | \$ (7,921,176)        |
| Adjustments to reconcile operating loss to net cash used by operating activities: |                            |                       |
| Depreciation expense                                                              | 798,156                    | 879,255               |
| Changes in assets and liabilities:                                                |                            |                       |
| Receivables, net                                                                  | 335,582                    | (119,608)             |
| Note receivable                                                                   | (117,000)                  | -                     |
| Inventories                                                                       | 2,887                      | (7,125)               |
| Other assets                                                                      | (20,218)                   | (87,982)              |
| Accounts payable                                                                  | (74,993)                   | 83,056                |
| Deferred revenue                                                                  | (326,102)                  | 187,967               |
| Funds held for others                                                             | 49,124                     | 97,149                |
| Accrued liabilities                                                               | (137,400)                  | 146,996               |
| Net cash used by operating activities                                             | <u>\$ (7,384,059)</u>      | <u>\$ (6,741,468)</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, 2011 AND 2010  
Exhibit 3B**

|                                                                                   | <b>Component Unit -<br/>Foundation</b> |                           |
|-----------------------------------------------------------------------------------|----------------------------------------|---------------------------|
|                                                                                   | <b>2011</b>                            | <b>2010</b>               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                                        |                           |
| Payments to suppliers for goods or services                                       | \$ (2,498)                             | \$ (2,954)                |
| Payments of scholarships                                                          | <u>(32,122)</u>                        | <u>(22,860)</u>           |
| Net cash used by operating activities                                             | <u>(34,620)</u>                        | <u>(25,814)</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>                            |                                        |                           |
| Gifts and grants (other than capital)                                             | <u>74,985</u>                          | <u>88,020</u>             |
| Net cash provided by noncapital financing activities                              | <u>74,985</u>                          | <u>88,020</u>             |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |                                        |                           |
| Cash paid for purchasing investments                                              | (414,055)                              | (149,713)                 |
| Cash received on maturities of investments                                        | 187,039                                | 77,048                    |
| Investment earnings (loss)                                                        | <u>74,376</u>                          | <u>43,244</u>             |
| Net cash used by investing activities                                             | <u>(152,640)</u>                       | <u>(29,421)</u>           |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                           | (112,275)                              | 32,785                    |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>                              | <u>149,712</u>                         | <u>116,927</u>            |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>                                    | <u><u>\$ 37,437</u></u>                | <u><u>\$ 149,712</u></u>  |
| <b>Reconciliation of operating loss to net cash used by operating activities:</b> |                                        |                           |
| Operating loss                                                                    | <u>\$ (34,620)</u>                     | <u>\$ (25,814)</u>        |
| Net cash used by operating activities                                             | <u><u>\$ (34,620)</u></u>              | <u><u>\$ (25,814)</u></u> |

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

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**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, 2011 and 2010, the Foundation distributed approximately \$32,000 and \$23,000, 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, 2011 and 2010**

**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, 2011 and 2010**

**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 \$1,310,489 and \$1,636,591 have been reported as deferred revenue at August 31, 2011 and 2010, 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, 2011 and 2010**

**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>2011</u>         | <u>2010</u>         |
|----------------------------------------|---------------------|---------------------|
| Bank deposits                          |                     |                     |
| Demand deposits                        | \$ 1,520,435        | \$ 1,479,115        |
| Cash and cash equivalents              |                     |                     |
| Petty cash on hand                     | 3,930               | 4,213               |
| TexPool                                | <u>522,558</u>      | <u>672,558</u>      |
|                                        | <u>526,488</u>      | <u>676,771</u>      |
| <b>Total cash and cash equivalents</b> | <u>\$ 2,046,923</u> | <u>\$ 2,155,886</u> |

|                                                   | <u>2011</u>         | <u>2010</u>         |
|---------------------------------------------------|---------------------|---------------------|
| Unrestricted cash and cash equivalents - current  | \$ 1,804,199        | \$ 1,855,206        |
| Restricted cash and cash equivalents - noncurrent | <u>242,724</u>      | <u>300,680</u>      |
| <b>Total cash and cash equivalents</b>            | <u>\$ 2,046,923</u> | <u>\$ 2,155,886</u> |

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

| <u>Type of Security</u>                                | <u>Market Value</u> |                     |
|--------------------------------------------------------|---------------------|---------------------|
|                                                        | <u>2011</u>         | <u>2010</u>         |
| Certificate of deposits                                | \$ <u>527,588</u>   | \$ <u>527,588</u>   |
| <b>Total investments</b>                               | 527,588             | 527,588             |
| Total cash and cash equivalents                        | <u>2,046,923</u>    | <u>2,155,886</u>    |
| <b>Total investments and cash and cash equivalents</b> | <u>\$ 2,574,511</u> | <u>\$ 2,683,474</u> |

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

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

As of August 31, 2011 the College had the following investments and maturities:

| <u>Investment Type</u>  | <u>Fair Value</u>        | <u>Investment Maturities<br/>(in years)</u> |                          |
|-------------------------|--------------------------|---------------------------------------------|--------------------------|
|                         |                          | <u>1 to 2</u>                               | <u>3 to 4</u>            |
| Certificate of deposits | <u>\$ 527,588</u>        | <u>\$ 160,000</u>                           | <u>\$ 367,588</u>        |
| <b>Total fair value</b> | <b><u>\$ 527,588</u></b> | <b><u>\$ 160,000</u></b>                    | <b><u>\$ 367,588</u></b> |

**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; however, at August 31, 2011, the bank balance at a financial institution was \$389,255, of which \$250,000 was covered by federal insurance and the remainder was uninsured and uncollateralized.

**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, 2011, 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, 2011 and 2010.

|                                                   | <u>2011</u>              | <u>2010</u>              |
|---------------------------------------------------|--------------------------|--------------------------|
| Managed equity funds                              | \$ 606,404               | \$ 534,502               |
| Certificates of deposit                           | <u>390,364</u>           | <u>235,250</u>           |
| <b>Total short-term investments at fair value</b> | <b><u>\$ 996,768</u></b> | <b><u>\$ 769,752</u></b> |

**Participation in External Investment Pools**

As of August 31, 2011, the carrying amount of amounts invested in investment pools was \$522,558. Investment pools are recorded at cost, which approximated market value at August 31, 2011. 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, 2011 and 2010**

**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, 2011 was as follows:

|                                                       | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deductions</u> | <u>Ending<br/>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<br>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<br>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>      |

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

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

Capital assets activity for the year ended August 31, 2010 was as follows:

|                                                       | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Deductions</u> | <u>Ending<br/>Balance</u> |
|-------------------------------------------------------|------------------------------|---------------------|-------------------|---------------------------|
| Not depreciated:                                      |                              |                     |                   |                           |
| Land                                                  | \$ 308,497                   | \$ 25,190           | \$ -              | \$ 333,687                |
| Construction in process, net                          | -                            | 61,558              | 61,558            | -                         |
| Total not depreciated                                 | <u>308,497</u>               | <u>86,748</u>       | <u>61,558</u>     | <u>333,687</u>            |
| Other capital assets:                                 |                              |                     |                   |                           |
| Buildings                                             | 15,984,353                   | -                   | -                 | 15,984,353                |
| Land improvements                                     | 4,961,103                    | 61,558              | -                 | 5,022,661                 |
| Furniture, machinery, vehicles<br>and other equipment | 1,534,516                    | 31,535              | 33,402            | 1,532,649                 |
| Telecommunications and peripheral equipment           | 1,957,496                    | -                   | -                 | 1,957,496                 |
| Library books                                         | 1,171,122                    | 4,795               | -                 | 1,175,917                 |
| Total other capital assets                            | <u>25,608,590</u>            | <u>97,888</u>       | <u>33,402</u>     | <u>25,673,076</u>         |
| Total cost of capital assets                          | <u>25,917,087</u>            | <u>184,636</u>      | <u>94,960</u>     | <u>26,006,763</u>         |
| Accumulated depreciation:                             |                              |                     |                   |                           |
| Buildings                                             | 4,951,056                    | 265,605             | -                 | 5,216,661                 |
| Land improvements                                     | 1,811,044                    | 243,388             | -                 | 2,054,432                 |
| Furniture, machinery, vehicles<br>and other equipment | 772,087                      | 118,070             | 25,597            | 864,560                   |
| Telecommunications and peripheral equipment           | 1,464,587                    | 242,304             | -                 | 1,706,891                 |
| Library books                                         | 1,098,019                    | 9,888               | -                 | 1,107,907                 |
| Total accumulated depreciation                        | <u>10,096,793</u>            | <u>879,255</u>      | <u>25,597</u>     | <u>10,950,451</u>         |
| Capital assets, net                                   | <u>\$ 15,820,294</u>         | <u>\$ (694,619)</u> | <u>\$ 69,363</u>  | <u>\$ 15,056,312</u>      |

Included in capital assets are the following capital leases:

|                                                    | <u>2011</u>      | <u>2010</u>       |
|----------------------------------------------------|------------------|-------------------|
| Furniture, machinery, vehicles and other equipment | \$ 351,750       | \$ 351,750        |
| Less: Accumulated depreciation                     | <u>316,468</u>   | <u>246,142</u>    |
| <b>Total</b>                                       | <u>\$ 35,282</u> | <u>\$ 105,608</u> |

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 6 - LONG-TERM LIABILITIES**

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

|                                          | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending<br/>Balance</u> | <u>Current<br/>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                          |                              |                  |                   | (390,153)                 |                            |
|                                          |                              |                  |                   | <u>\$ 2,587,962</u>       |                            |

Long-term liability activity for the year ended August 31, 2010 was as follows:

|                                          | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending<br/>Balance</u> | <u>Current<br/>Portion</u> |
|------------------------------------------|------------------------------|------------------|-------------------|---------------------------|----------------------------|
| Bonds and notes                          |                              |                  |                   |                           |                            |
| Notes payable to bank                    | \$ 453,080                   | \$ -             | \$ 118,504        | \$ 334,576                | \$ 334,576                 |
| Maintenance tax notes - Series 2004      | 286,502                      | -                | 52,182            | 234,320                   | 54,624                     |
| Maintenance tax notes - Series 2005      | 117,251                      | -                | 117,251           | -                         | -                          |
| Maintenance tax notes - Series 2007      | 1,112,522                    | -                | 88,774            | 1,023,748                 | 93,096                     |
| Combined Fee Revenue Bonds - Series 2001 | 2,005,000                    | -                | 120,000           | 1,885,000                 | -                          |
| Total bonds and notes                    | <u>3,974,355</u>             | <u>-</u>         | <u>496,711</u>    | <u>3,477,644</u>          | <u>482,296</u>             |
| Other liabilities                        |                              |                  |                   |                           |                            |
| Capital lease obligation                 | 216,132                      | -                | 68,599            | 147,533                   | 71,988                     |
| Compensated absences                     | 85,715                       | -                | 1,232             | 84,483                    | 84,483                     |
| Total other liabilities                  | <u>301,847</u>               | <u>-</u>         | <u>69,831</u>     | <u>232,016</u>            | <u>156,471</u>             |
|                                          | <u>\$ 4,276,202</u>          | <u>\$ -</u>      | <u>\$ 566,542</u> | 3,709,660                 | <u>\$ 638,767</u>          |
| Due in one year                          |                              |                  |                   | (638,767)                 |                            |
|                                          |                              |                  |                   | <u>\$ 3,070,893</u>       |                            |

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**NOTE 7 - DEBT OBLIGATIONS**

Debt service requirements at August 31, 2011, were as follows:

| For the<br>Year Ended<br>August 31, | Combined Fee Revenue<br>Bond Series 2001 |                   | Notes Payable     |                  | Maintenance Tax Notes |                   | Totals              |                   |
|-------------------------------------|------------------------------------------|-------------------|-------------------|------------------|-----------------------|-------------------|---------------------|-------------------|
|                                     | Principal                                | Interest          | Principal         | Interest         | Principal             | Interest          | Principal           | Interest          |
| 2012                                | \$ -                                     | \$ 88,574         | \$ 223,184        | \$ 12,722        | \$ 97,690             | \$ 45,918         | \$ 320,874          | \$ 147,214        |
| 2013                                | 135,000                                  | 82,382            | -                 | -                | 102,510               | 41,098            | 237,510             | 123,480           |
| 2014                                | 145,000                                  | 75,906            | -                 | -                | 107,568               | 36,040            | 252,568             | 111,946           |
| 2015                                | 150,000                                  | 69,009            | -                 | -                | 112,875               | 30,733            | 262,875             | 99,742            |
| 2016                                | 160,000                                  | 61,685            | -                 | -                | 118,444               | 25,164            | 278,444             | 86,849            |
| 2017-2021                           | 945,000                                  | 179,131           | -                 | -                | 391,565               | 39,259            | 1,336,565           | 218,390           |
| 2022-2026                           | 220,000                                  | 5,610             | -                 | -                | -                     | -                 | 220,000             | 5,610             |
| <b>Total</b>                        | <b>\$ 1,755,000</b>                      | <b>\$ 562,297</b> | <b>\$ 223,184</b> | <b>\$ 12,722</b> | <b>\$ 930,652</b>     | <b>\$ 218,212</b> | <b>\$ 2,908,836</b> | <b>\$ 793,231</b> |

**NOTE 8 - BONDS AND NOTES PAYABLE**

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

Combined Fee Revenue Bonds - Series 2001

To construct the Access and Development Center, issued on June 1, 2001, authorized \$2,750,000 and all bonds were issued. Source of revenue for debt service is general use fees. Balance outstanding at August 31, 2011 and 2010 is \$1,755,000 and \$1,885,000, respectively. Bonds are 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.

Maintenance Tax Notes - Series 2004

To construct dormitories, \$525,000 Maintenance Tax Notes, issued on October 29, 2004, interest at 4.68%. Source of revenue for debt service is all available current revenues of the College, including maintenance and operation tax revenues. Balance outstanding at August 31, 2011 and 2010 is \$-0- and \$234,320, respectively.

Maintenance Tax Notes - Series 2007

To renovate the College's facility, \$1,300,000 Maintenance Tax Notes, issued on June 28, 2007, interest at 4.934%. Source of revenue for debt service is all available current revenues of the College, including maintenance and operation tax revenues. Annual payments varying from \$97,690 to \$136,856, with a maturity date of February 1, 2019. Balance outstanding at August 31, 2011 and 2010 is \$930,652 and \$1,023,748, respectively.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

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

Notes Payable to Bank

Note payable to a bank issued on August 6, 2007, interest at 5.75%, monthly payments of \$3,245, with a maturity date of August 15, 2011. The note is secured by transportation equipment. Balance outstanding at August 31, 2011 and 2010 is \$-0- and \$37,750, respectively.

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, 2011 and 2010 was \$223,184 and \$294,271, respectively.

Note payable to a bank issued on December 4, 2008, interest at 5.25%, monthly payments of \$646, with a maturity date of December 4, 2010. The note is secured by a vehicle. Balance outstanding at August 31, 2011 and 2010 was \$-0- and \$2,555, 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.

*Teacher Retirement System of Texas*

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

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 - EMPLOYEES' RETIREMENT PLAN (CONTINUED)**

*Teacher Retirement System of Texas*

years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2011 and 2010 and a state contribution rate of 6.644% for fiscal years 2011 and 2010. In certain instances the reporting district is required to make all or a portion of the state's contribution for fiscal years 2011 and 2010.

*Optional Retirement Plan*

*Plan Description.* Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. 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 and each participant are 6.4% and 6.65%, respectively. The College contributes 6.0% 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 retirement expense to the state for the College was approximately \$257,000 and \$241,000 for the fiscal years ended August 31, 2011 and 2010, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all College employees was approximately \$4,412,000 and \$4,275,000 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was approximately \$3,270,000 and \$3,131,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$550,000 and \$661,000 for fiscal years 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 \$72,000 and \$78,000 for the years ended August 31, 2011 and 2010, 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  
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**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 \$69,279 and \$84,483 at August 31, 2011 and 2010, 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 at August 31, 2011.

The College had commitments for capital improvements of approximately \$128,000 at August 31, 2011.

At August 31, 2011 there were no lawsuits or claims involving the College.

**NOTE 13 - RISK FINANCING**

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

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 14 - DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

Receivables at August 31, 2011 and 2010, consisted of the following:

|                                                                                                                                                                                       | <u>2011</u>         | <u>2010</u>         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Student receivables, net of allowance of \$205,473<br>and \$118,074 for 2011 and 2010, respectively                                                                                   | \$ 1,036,505        | \$ 1,392,706        |
| Taxes receivable, net of allowance of \$114,347<br>and \$110,240 for 2011 and 2010, respectively                                                                                      | 83,088              | 52,775              |
| Government grants and contracts                                                                                                                                                       | 84,584              | 59,645              |
| Other                                                                                                                                                                                 | <u>3,053</u>        | <u>7,373</u>        |
| <b>Total accounts receivable, net</b>                                                                                                                                                 | <u>\$ 1,207,230</u> | <u>\$ 1,512,499</u> |
| Note receivable from Borger Economic Development<br>Corporation, bearing interest at 0%, annual installment<br>of \$117,000, through August 23, 2012, secured by<br>property and land | <u>\$ 117,000</u>   | <u>\$ -</u>         |
| <b>Total note receivable</b>                                                                                                                                                          | <u>\$ 117,000</u>   | <u>\$ -</u>         |

Accounts payable at August 31, 2011 and 2010, consisted of the following:

|                               | <u>2011</u>      | <u>2010</u>      |
|-------------------------------|------------------|------------------|
| Vendors payable and other     | <u>\$ 14,019</u> | <u>\$ 89,012</u> |
| <b>Total accounts payable</b> | <u>\$ 14,019</u> | <u>\$ 89,012</u> |

**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 2011 and 2010 for which monies have not been received nor funds expended, totaled approximately \$63,000 and \$58,000, respectively. Of these amounts, approximately \$13,000 and \$58,000 for fiscal years ended 2011 and 2010, 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



**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 16 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS  
(CONTINUED)**

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 \$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 State's contribution per full-time employee was \$385 per month for Health Select for the year ended August 31, 2010 and totaled approximately \$590,000 for the year ended August 31, 2010. 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, 2011:**

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

|                                             | <u>Current<br/>Operations</u> | <u>Debt<br/>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<br/>Operations</u> | <u>Debt<br/>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>              |
| <b>Total collections</b>         | <b><u>\$ 1,343,430</u></b>    | <b><u>\$ —</u></b>      | <b><u>\$ 1,343,430</u></b> |

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

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

**At August 31, 2010:**

|                                               |                              |
|-----------------------------------------------|------------------------------|
| Assessed valuation of the District            | \$ 795,586,800               |
| Less: exemptions and abatements               | <u>166,208,910</u>           |
| <b>Net assessed valuation of the District</b> | <b><u>\$ 629,377,890</u></b> |

|                                             | <u>Current<br/>Operations</u> | <u>Debt<br/>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<br/>Operations</u> | <u>Debt<br/>Service</u> | <u>Total</u>               |
|----------------------------------|-------------------------------|-------------------------|----------------------------|
| Current taxes collected          | \$ 1,322,861                  | \$ —                    | \$ 1,322,861               |
| Delinquent taxes collected       | 29,286                        | —                       | 29,286                     |
| Penalties and interest collected | <u>18,941</u>                 | <u>—</u>                | <u>18,941</u>              |
| <b>Total collections</b>         | <b><u>\$ 1,371,088</u></b>    | <b><u>\$ —</u></b>      | <b><u>\$ 1,371,088</u></b> |

Taxes levied for the year ended August 31, 2011 and 2010 were approximately \$1,383,000 and \$1,374,000, 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, 2011 and 2010 were 97.2% and 99.8%, respectively, of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

**NOTE 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 2011 and 2010 (including penalties and interest) from Ochiltree County totaled approximately \$500,000 and \$402,000, respectively.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**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, 2011 and 2010.

**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.

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, 2011, 2010, and 2009 were \$7,795, \$6,883, and \$16,567, respectively, which equaled the required contributions each year.

**BORGER JUNIOR COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
August 31, 2011 and 2010**

**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 September 2, 2011, the College entered into an agreement for a capital improvement project for approximately \$41,000.

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

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## **OTHER SUPPLEMENTAL INFORMATION**

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE A  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

|                                             | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total<br/>Educational<br/>Activities</u> | <u>Auxiliary<br/>Enterprises</u> | <u>2011</u>        | <u>2010</u>        |
|---------------------------------------------|---------------------|-------------------|---------------------------------------------|----------------------------------|--------------------|--------------------|
| <b>TUITION</b>                              |                     |                   |                                             |                                  |                    |                    |
| State-funded courses                        |                     |                   |                                             |                                  |                    |                    |
| In-district resident tuition                | \$ 365,246          | \$ -              | \$ 365,246                                  | \$ -                             | \$ 365,246         | \$ 333,518         |
| Out-of-district resident tuition            | 636,651             | -                 | 636,651                                     | -                                | 636,651            | 577,940            |
| Non-resident tuition                        | 158,106             | -                 | 158,106                                     | -                                | 158,106            | 143,857            |
| TPEG - Credit (set aside)*                  | 60,555              | -                 | 60,555                                      | -                                | 60,555             | 55,950             |
| Non-state funded continuing education       | 392,448             | -                 | 392,448                                     | -                                | 392,448            | 529,654            |
| Total tuition                               | <u>1,613,006</u>    | <u>-</u>          | <u>1,613,006</u>                            | <u>-</u>                         | <u>1,613,006</u>   | <u>1,640,919</u>   |
| <b>FEES</b>                                 |                     |                   |                                             |                                  |                    |                    |
| General fee                                 | 769,406             | -                 | 769,406                                     | -                                | 769,406            | 789,471            |
| Student service fee                         | -                   | -                 | -                                           | 186,766                          | 186,766            | 189,331            |
| Laboratory fee                              | 111,456             | -                 | 111,456                                     | -                                | 111,456            | 114,073            |
| Other fees                                  | 508,778             | -                 | 508,778                                     | -                                | 508,778            | 509,083            |
| Total fees                                  | <u>1,389,640</u>    | <u>-</u>          | <u>1,389,640</u>                            | <u>186,766</u>                   | <u>1,576,406</u>   | <u>1,601,958</u>   |
| <b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b> |                     |                   |                                             |                                  |                    |                    |
| Scholarship allowances                      | -                   | -                 | -                                           | (489,917)                        | (489,917)          | (445,682)          |
| TPEG allowances                             | (16,077)            | -                 | (16,077)                                    | -                                | (16,077)           | (33,789)           |
| Title IV Federal grants                     | (33,600)            | -                 | (33,600)                                    | -                                | (33,600)           | (33,659)           |
| Other Federal grants                        | (2,493,914)         | -                 | (2,493,914)                                 | -                                | (2,493,914)        | (2,362,879)        |
| Total scholarship allowances and discounts  | <u>(2,543,591)</u>  | <u>-</u>          | <u>(2,543,591)</u>                          | <u>(489,917)</u>                 | <u>(3,033,508)</u> | <u>(2,876,009)</u> |
| Total net tuition and fees                  | <u>459,055</u>      | <u>-</u>          | <u>459,055</u>                              | <u>(303,151)</u>                 | <u>155,904</u>     | <u>366,868</u>     |

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE A, CONTINUED  
SCHEDULE OF OPERATING REVENUES  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

|                                      | <u>Unrestricted</u> | <u>Restricted</u> | <u>Total<br/>Educational<br/>Activities</u> | <u>Auxiliary<br/>Enterprises</u> | <u>2011</u>         | <u>2010</u>         |
|--------------------------------------|---------------------|-------------------|---------------------------------------------|----------------------------------|---------------------|---------------------|
| <b>ADDITIONAL OPERATING REVENUES</b> |                     |                   |                                             |                                  |                     |                     |
| Federal grants and contracts         | 27,640              | -                 | 27,640                                      | -                                | 27,640              | 61,903              |
| State grants and contracts           | -                   | 250,546           | 250,546                                     | -                                | 250,546             | 162,650             |
| Local grants and contracts           | 500,454             | -                 | 500,454                                     | -                                | 500,454             | 411,309             |
| General operating revenues           | <u>101,952</u>      | <u>-</u>          | <u>101,952</u>                              | <u>-</u>                         | <u>101,952</u>      | <u>71,492</u>       |
| Total additional operating revenues  | <u>630,046</u>      | <u>250,546</u>    | <u>880,592</u>                              | <u>-</u>                         | <u>880,592</u>      | <u>707,354</u>      |
| <b>AUXILIARY ENTERPRISES</b>         |                     |                   |                                             |                                  |                     |                     |
| Bookstore                            | -                   | -                 | -                                           | 287                              | 287                 | 17,231              |
| Less: Discounts                      | -                   | -                 | -                                           | (12,563)                         | (12,563)            | (27,092)            |
| Residential                          | -                   | -                 | -                                           | 619,965                          | 619,965             | 542,966             |
| Less: Discounts                      | -                   | -                 | -                                           | (134,609)                        | (134,609)           | (153,111)           |
| Other Auxiliary Enterprises          | <u>-</u>            | <u>-</u>          | <u>-</u>                                    | <u>486,704</u>                   | <u>486,704</u>      | <u>542,883</u>      |
| Total net auxiliary enterprises      | <u>-</u>            | <u>-</u>          | <u>-</u>                                    | <u>959,784</u>                   | <u>959,784</u>      | <u>922,877</u>      |
| <b>TOTAL OPERATING REVENUES</b>      | <u>\$ 1,089,101</u> | <u>\$ 250,546</u> | <u>\$ 1,339,647</u>                         | <u>\$ 656,633</u>                | <u>\$ 1,996,280</u> | <u>\$ 1,997,099</u> |
|                                      |                     |                   |                                             |                                  | (Exhibit 2A)        | (Exhibit 2A)        |

\*In accordance with Education Code 56.033, \$60,555 and \$55,950 for years August 31, 2011 and 2010, 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, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

|                                                                                | Operating Expenses    |                   |                   |                     | 2011                | 2010                |
|--------------------------------------------------------------------------------|-----------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
|                                                                                | Salaries and<br>Wages | Benefits          |                   | Other<br>Expenses   |                     |                     |
|                                                                                |                       | State             | Local             |                     |                     |                     |
| <b>UNRESTRICTED EDUCATIONAL ACTIVITIES</b>                                     |                       |                   |                   |                     |                     |                     |
| Instruction                                                                    | \$ 1,957,284          | \$ -              | \$ 238,679        | \$ 1,073,591        | \$ 3,269,554        | \$ 3,036,108        |
| Academic support                                                               | 63,905                | -                 | 7,063             | 88,534              | 159,502             | 205,078             |
| Student services                                                               | 291,371               | -                 | 69,529            | 248,353             | 609,253             | 630,731             |
| Institutional support                                                          | 807,454               | -                 | 106,297           | 708,324             | 1,622,075           | 1,640,260           |
| Operation and maintenance of plant                                             | 320,735               | -                 | 34,541            | 471,415             | 826,691             | 770,012             |
| Scholarship and fellowships                                                    | -                     | -                 | -                 | 78,312              | 78,312              | 98,172              |
| Total unrestricted educational activities                                      | <u>3,440,749</u>      | <u>-</u>          | <u>456,109</u>    | <u>2,668,529</u>    | <u>6,565,387</u>    | <u>6,380,361</u>    |
| <b>RESTRICTED EDUCATIONAL ACTIVITIES</b>                                       |                       |                   |                   |                     |                     |                     |
| Instruction                                                                    | -                     | 446,986           | -                 | -                   | 446,986             | 434,117             |
| Academic support                                                               | 1,680                 | 13,227            | 126               | 12,240              | 27,273              | 40,265              |
| Student services                                                               | 174,433               | 130,211           | 29,068            | 88,247              | 421,959             | 444,533             |
| Institutional support                                                          | -                     | 160,867           | -                 | -                   | 160,867             | 177,117             |
| Operation and maintenance of plant                                             | -                     | 64,687            | -                 | -                   | 64,687              | 62,861              |
| Scholarship and fellowships                                                    | -                     | -                 | -                 | 20,956              | 20,956              | 29,989              |
| Total restricted educational activities                                        | <u>176,113</u>        | <u>815,978</u>    | <u>29,194</u>     | <u>121,443</u>      | <u>1,142,728</u>    | <u>1,188,882</u>    |
| Total educational activities                                                   | <u>3,616,862</u>      | <u>815,978</u>    | <u>485,303</u>    | <u>2,789,972</u>    | <u>7,708,115</u>    | <u>7,569,243</u>    |
| <b>AUXILIARY ENTERPRISES</b>                                                   | 250,418               | -                 | 64,996            | 1,068,690           | 1,384,104           | 1,469,777           |
| <b>DEPRECIATION EXPENSE - buildings and<br/>other real estate improvements</b> | -                     | -                 | -                 | 506,162             | 506,162             | 508,993             |
| <b>DEPRECIATION EXPENSE - equipment and furniture</b>                          | -                     | -                 | -                 | 291,994             | 291,994             | 370,262             |
| <b>TOTAL OPERATING EXPENSES</b>                                                | <u>\$ 3,867,280</u>   | <u>\$ 815,978</u> | <u>\$ 550,299</u> | <u>\$ 4,656,818</u> | <u>\$ 9,890,375</u> | <u>\$ 9,918,275</u> |
|                                                                                |                       |                   |                   | (Exhibit 2A)        | (Exhibit 2A)        |                     |

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE C  
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

|                                     | <u>Unrestricted</u> | <u>Restricted</u>   | <u>Auxiliary<br/>Enterprises</u> | <u>2011</u>         | <u>2010</u>         |
|-------------------------------------|---------------------|---------------------|----------------------------------|---------------------|---------------------|
| <b>NONOPERATING REVENUES</b>        |                     |                     |                                  |                     |                     |
| State appropriations:               |                     |                     |                                  |                     |                     |
| Education and general state support | \$ 2,632,570        | \$ -                | \$ -                             | \$ 2,632,570        | \$ 2,663,017        |
| State group insurance               | -                   | 569,231             | -                                | 569,231             | 590,122             |
| State retirement matching           | -                   | 246,747             | -                                | 246,747             | 244,344             |
| Total state appropriations          | <u>2,632,570</u>    | <u>815,978</u>      | <u>-</u>                         | <u>3,448,548</u>    | <u>3,497,483</u>    |
| Maintenance ad valorem taxes        | 1,376,499           | -                   | -                                | 1,376,499           | 1,370,015           |
| Federal revenue, nonoperating       | -                   | 2,726,219           | -                                | 2,726,219           | 2,716,379           |
| Gifts                               | 73,100              | 142,397             | -                                | 215,497             | 292,323             |
| Investment income                   | 781                 | 23,572              | -                                | 24,353              | 21,084              |
| Gain on disposal of capital assets  | 246,005             | -                   | -                                | 246,005             | -                   |
| Other nonoperating revenues         | 262,792             | -                   | -                                | 262,792             | 161,308             |
| Total nonoperating revenues         | <u>1,959,177</u>    | <u>2,892,188</u>    | <u>-</u>                         | <u>4,851,365</u>    | <u>4,561,109</u>    |
| <b>NONOPERATING EXPENSES</b>        |                     |                     |                                  |                     |                     |
| Interest on capital related debt    | 181,071             | -                   | -                                | 181,071             | 190,569             |
| Loss on disposal of capital assets  | -                   | -                   | -                                | -                   | 7,805               |
| Other nonoperating expenses         | -                   | -                   | -                                | -                   | 629,879             |
| Total nonoperating expenses         | <u>181,071</u>      | <u>-</u>            | <u>-</u>                         | <u>181,071</u>      | <u>828,253</u>      |
| <b>NET NONOPERATING REVENUES</b>    | <u>\$ 4,410,676</u> | <u>\$ 3,708,166</u> | <u>\$ -</u>                      | <u>\$ 8,118,842</u> | <u>\$ 7,230,339</u> |
|                                     |                     |                     |                                  | (Exhibit 2A)        | (Exhibit 2A)        |

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE D  
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY  
YEAR ENDED AUGUST 31, 2011  
(WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2010)**

|                                              | Detail by Source  |                   |               |                                                         |                                   | Available for Current Operations |                   |
|----------------------------------------------|-------------------|-------------------|---------------|---------------------------------------------------------|-----------------------------------|----------------------------------|-------------------|
|                                              | Unrestricted      | Restricted        |               | Capital Assets<br>Net of Depreciation<br>& Related Debt | Total                             | Yes                              | No                |
|                                              |                   | Expendable        | Nonexpendable |                                                         |                                   |                                  |                   |
| <b>CURRENT</b>                               |                   |                   |               |                                                         |                                   |                                  |                   |
| Unrestricted                                 | \$ 1,364,810      | \$ -              | \$ -          | \$ -                                                    | \$ 1,364,810                      | \$ 1,364,810                     | \$ -              |
| Board designated                             | -                 | 486,315           | -             | -                                                       | 486,315                           | 486,315                          | -                 |
| Restricted                                   | -                 | 204,561           | -             | -                                                       | 204,561                           | -                                | 204,561           |
| Auxiliary enterprises                        | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| <b>LOAN</b>                                  | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| <b>ENDOWMENT</b>                             |                   |                   |               |                                                         |                                   |                                  |                   |
| Quasi:                                       |                   |                   |               |                                                         |                                   |                                  |                   |
| Unrestricted                                 | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Restricted                                   | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Endowment                                    |                   |                   |               |                                                         |                                   |                                  |                   |
| True                                         | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Term (per instructions at maturity)          | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Life income contracts                        | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Annuities                                    | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| <b>PLANT</b>                                 |                   |                   |               |                                                         |                                   |                                  |                   |
| Unexpended                                   | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Renewals                                     | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Debt service                                 | -                 | -                 | -             | -                                                       | -                                 | -                                | -                 |
| Investment in plant                          | -                 | -                 | -             | 11,426,820                                              | 11,426,820                        | -                                | 11,426,820        |
| 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><br>(Exhibit 1A) | <u>1,851,125</u>                 | <u>11,631,381</u> |
| Total net assets, August 31, 2010            | <u>1,127,470</u>  | <u>699,154</u>    | <u>-</u>      | <u>11,431,135</u>                                       | <u>13,257,759</u><br>(Exhibit 1A) | <u>1,621,447</u>                 | <u>11,636,312</u> |
| <b>NET INCREASE (DECREASE) IN NET ASSETS</b> | <u>\$ 237,340</u> | <u>\$ (8,278)</u> | <u>\$ -</u>   | <u>\$ (4,315)</u>                                       | <u>\$ 224,747</u><br>(Exhibit 2A) | <u>\$ 229,678</u>                | <u>\$ (4,931)</u> |

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2011**

| <u>Federal Grantor/Pass Through Grantor/<br/>Program Title</u>       | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Grantor's<br/>Number</u> | <u>Expenditures<br/>and<br/>Pass-Through<br/>Disbursements</u> |
|----------------------------------------------------------------------|------------------------------------|----------------------------------------------|----------------------------------------------------------------|
| <b>U.S. Department of Education</b>                                  |                                    |                                              |                                                                |
| Direct Programs:                                                     |                                    |                                              |                                                                |
| Student Financial Aid Cluster                                        |                                    |                                              |                                                                |
| FSEOG                                                                | 84.007                             | -                                            | \$ 26,000                                                      |
| Federal Work Study Program                                           | 84.033                             | -                                            | 15,375                                                         |
| Federal Pell Grant Program                                           | 84.063                             | -                                            | 2,292,546                                                      |
| Federal Direct Student Loans                                         | 84.268                             |                                              | 1,469,389                                                      |
| Academic Competitiveness Grant                                       | 84.375                             | -                                            | 76,264                                                         |
| TEACH Grant                                                          | 84.379                             | -                                            | 14,000                                                         |
| TRIO Cluster                                                         |                                    |                                              |                                                                |
| Title IV - TRIO                                                      | 84.042                             | -                                            | <u>225,921</u>                                                 |
| Total Direct Programs                                                |                                    |                                              | <u>4,119,495</u>                                               |
| Pass-Through From:                                                   |                                    |                                              |                                                                |
| Texas Higher Education Coordinating Board                            |                                    |                                              |                                                                |
| Federal Perkins Annual Application                                   | 84.048                             | 114217                                       | 71,787                                                         |
| Leveraging Education Assistance Partnership                          | 84.069 A                           | -                                            | <u>4,326</u>                                                   |
| Total Pass-Through from Texas Higher<br>Education Coordinating Board |                                    |                                              | <u>76,113</u>                                                  |
| Amarillo College                                                     | 84.243                             | 111702                                       | <u>27,640</u>                                                  |
| <b>Total U.S. Department of Education</b>                            |                                    |                                              | <u>4,223,248</u>                                               |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>                          |                                    |                                              | <u>\$ 4,223,248</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, 2011**

**NOTE 1 - FEDERAL ASSISTANCE RECONCILIATION**

|                                                                              |                            |
|------------------------------------------------------------------------------|----------------------------|
| Federal grants and contracts revenue - per Schedule A                        | \$ 27,640                  |
| Nonoperating federal revenue from Schedule C                                 | 2,726,219                  |
| Federal Direct Student Loans                                                 | <u>1,469,389</u>           |
| <b>Total federal revenues per Schedule of Expenditures of Federal Awards</b> | <b><u>\$ 4,223,248</u></b> |

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

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

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE OF TEXAS AWARDS  
YEAR ENDED AUGUST 31, 2011**

| <u>Grantor Agency/Program Title</u>                | <u>Grant<br/>Contract<br/>Number</u> | <u>Expenditures</u>      |
|----------------------------------------------------|--------------------------------------|--------------------------|
| Texas Higher Education Coordinating Board          |                                      |                          |
| Direct Programs:                                   |                                      |                          |
| Texas Grant                                        | -                                    | \$ 169,990               |
| Work Study Awards                                  | -                                    | 5,581                    |
| Texas Educational Opportunity Grant                | -                                    | 49,728                   |
| Total Texas Higher Education Coordinating Board    |                                      | <u>225,299</u>           |
| State of Texas                                     |                                      |                          |
| Direct Program:                                    |                                      |                          |
| Vocational Nursing Scholarship                     | -                                    | 314                      |
| Total State of Texas                               |                                      | <u>314</u>               |
| Texas Comptroller's Office                         |                                      |                          |
| Direct Program:                                    |                                      |                          |
| Jet Scholarship Funds                              | -                                    | 11,120                   |
| Total Texas Comptroller's Office                   |                                      | <u>11,120</u>            |
| Texas Workforce Commission                         |                                      |                          |
| Direct Grant:                                      |                                      |                          |
| Skills Development - Hilmar Cheese                 | -                                    | 13,813                   |
| Total Texas Workforce Commission                   |                                      | <u>13,813</u>            |
| <b>Total Expenditures of State of Texas Awards</b> |                                      | <b><u>\$ 250,546</u></b> |

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, 2011**

**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**



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

Board of Regents  
Borger Junior College District  
Borger, Texas

We have audited 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, 2011, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 21, 2011. 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**

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 opinion 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 preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

#### **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

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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 & Shennum PLLC*

Amarillo, Texas  
November 21, 2011

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**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, 2011. 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, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2011-01.

### **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

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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 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2011-01. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 : Sherrum PRC*

Amarillo, Texas  
November 21, 2011



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**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2011**

**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?              X   yes           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?                      X   yes           no

Identification of major programs:

| <u>CFDA Number(s)</u>   | <u>Name of Federal Program or Cluster</u>                                                             |
|-------------------------|-------------------------------------------------------------------------------------------------------|
| <i>Federal Programs</i> | <i>Student Financial Aid Cluster</i>                                                                  |
| 84.007                  | U.S. Department of Education<br>Federal Supplemental Educational Opportunity<br>Grant Program (FSEOG) |
| 84.033                  | Federal Work Study Program                                                                            |
| 84.063                  | Federal Pell Grant Program                                                                            |
| 84.268                  | Federal Direct Student Loans                                                                          |
| 84.375                  | Academic Competitiveness Grant                                                                        |
| 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, 2011**

**SECTION II - Financial Statement Findings**

None

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

**Finding 2011-01**

*Program:* 84.063 Federal Pell Grant Program

*Criteria:* The College is required to obtain student verification and authorization pursuant to Verification of Student Identification Policy of the Manual of Student Financial Services Policies and Procedures.

*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.

*Context:* A sample of 100 students files were reviewed. This finding represents one item of 100 tested.

*Effect:* A student could receive unauthorized excess fund disbursements.

*Cause:* Lack of adherence to policy.

*Recommendation:* Implement control procedures to ensure compliance with policy.

*Views of Responsible Officials and Corrective Action Plan:* The College is attempting to contact the student to obtain signature. Dr. Jud Hicks, President, will ensure that the College continues to strive to improve and comply with policy.

**BORGER JUNIOR COLLEGE DISTRICT  
SCHEDULE OF CORRECTIVE ACTION  
FOR AUDIT FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 2011**

**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.

*Corrective Action Plan:* The College is attempting to contact the student to obtain signature. Dr. Jud Hicks, President, will ensure that the College continues to strive to improve and comply with policy.

**BORGER JUNIOR COLLEGE DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended August 31, 2011**

**Finding 2010-01**

*Condition:* Proper payroll procedures and controls were not followed.

*Current Status:* The Board of Regents (the Board) evaluated and revised existing payroll procedures and controls. The Board approved modifications in the President's Compensation Policy and approved the President's Compensation Form, which will be used any time a change is made in the President's compensation.

**Finding 2010-02**

*Condition:* The student's Cost of Attendance was not properly updated and documented in the computer system in a timely manner.

*Current Status:* The College developed a report titled "Remaining Need and EFC by Student for Financial Services" to ensure that students' awards do not exceed the students' financial need.

**Finding 2010-03**

*Condition:* Five students selected for testing did not have acceptable documentation. Information was either incomplete or missing.

Current status per student:

- 1) One student's file did not have a signature or preparer's stamp on the tax return.

*Current Status:* Student's signature was obtained.

- 2) Two students did not have the student's signature on the verification worksheet.

*Current Status:* One student's signature was obtained. The other student's parent's signature was obtained.

- 3) In one student's file, the W-2 was not readable and could not be used to verify the parent's income in the verification process.

*Current Status:* The College obtained another copy of the W-2 that could verify parent's income.

- 4) One student's ISIR information conflicted with information on the student's signed tax return.

*Current Status:* The first ISIR was correct and then changed incorrectly. It was not changed back to original as student was auto zero. The College cannot access FY 2009-2010 on CPS to correct and obtain correct ISIR.

**STATISTICAL SUPPLEMENT  
(Unaudited)**

**Borger Junior College District**  
**Statistical Supplement 1**  
**Net Assets by Component**  
**Fiscal Years 2002 to 2011**  
(unaudited)

|                                                 | <b>For the Fiscal Year Ended August 31,</b> |                      |                      |                      |                      |                      |                      |                     |                     |                     |
|-------------------------------------------------|---------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
|                                                 | <b>2011</b>                                 | <b>2010</b>          | <b>2009</b>          | <b>2008</b>          | <b>2007</b>          | <b>2006</b>          | <b>2005</b>          | <b>2004</b>         | <b>2003</b>         | <b>2002</b>         |
| Invested in capital assets, net of related debt | \$ 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        | \$ 6,492,374        |
| Restricted - expendable                         | 690,876                                     | 699,154              | 921,165              | 794,065              | 752,267              | 673,511              | 674,000              | 702,494             | 687,389             | 701,166             |
| Unrestricted                                    | 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           | 2,567,860           |
| <b>Total primary government net assets</b>      | <b>\$ 13,482,506</b>                        | <b>\$ 13,257,759</b> | <b>\$ 13,948,596</b> | <b>\$ 12,612,055</b> | <b>\$ 12,657,443</b> | <b>\$ 12,392,704</b> | <b>\$ 11,773,327</b> | <b>\$ 8,915,900</b> | <b>\$ 9,660,711</b> | <b>\$ 9,761,400</b> |

**Borger Junior College District  
Statistical Supplement 2  
Revenues by Source  
Fiscal Years 2002 to 2011  
(unaudited)**

|                                         | For the Year Ended August 31, |                     |                      |                      |                      |                      |                      |                     |                     |                     |
|-----------------------------------------|-------------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
|                                         | 2011                          | 2010                | 2009                 | 2008                 | 2007                 | 2006                 | 2005                 | 2004                | 2003                | 2002                |
| <b>OPERATING REVENUES</b>               |                               |                     |                      |                      |                      |                      |                      |                     |                     |                     |
| Tuition and fees (net of discounts)     | \$ 155,904                    | \$ 366,868          | \$ 1,297,890         | \$ 1,284,954         | \$ 1,378,217         | \$ 1,307,469         | \$ 707,547           | \$ 504,861          | \$ 402,871          | \$ 307,425          |
| 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           | 1,297,441           |
| State grants and contracts              | 250,546                       | 162,650             | 1,678,469            | 746,687              | 242,327              | 523,783              | 47,686               | 59,490              | 59,800              | 121,021             |
| Local grants and revenues               | 500,454                       | 411,309             | 473,320              | 386,272              | 350,931              | 365,713              | 390,498              | 229,311             | 203,447             | 299,972             |
| Auxiliary enterprises                   | 959,784                       | 922,877             | 894,734              | 801,071              | 833,016              | 777,793              | 696,413              | 663,767             | 700,400             | 644,997             |
| Other operating revenues                | 101,952                       | 71,492              | 65,335               | 78,783               | 89,824               | 93,319               | 57,699               | 76,820              | 73,798              | 69,211              |
| <b>Total operating revenues</b>         | <b>1,996,280</b>              | <b>1,997,099</b>    | <b>4,515,883</b>     | <b>3,725,726</b>     | <b>4,928,355</b>     | <b>5,047,977</b>     | <b>5,227,763</b>     | <b>3,306,488</b>    | <b>2,994,651</b>    | <b>2,740,067</b>    |
| <b>NONOPERATING REVENUES</b>            |                               |                     |                      |                      |                      |                      |                      |                     |                     |                     |
| State appropriations                    | 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           | 2,958,927           |
| Ad valorem taxes                        | 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           | 1,090,696           |
| Federal revenue, nonoperating           | 2,726,219                     | 2,716,379           | 1,755,556            | 1,599,178            | -                    | -                    | -                    | -                   | -                   | -                   |
| Gifts                                   | 215,497                       | 292,323             | 435,672              | 317,139              | 489,532              | 190,965              | 422,259              | 618,246             | 820,142             | 1,044,308           |
| Investment income                       | 24,353                        | 21,084              | 36,146               | 100,293              | 161,782              | 138,245              | 59,396               | 39,696              | 47,089              | 97,401              |
| Gain (loss) on disposal of fixed assets | 246,005                       | (7,805)             | (17,230)             | (33,443)             | -                    | -                    | -                    | -                   | -                   | -                   |
| Other nonoperating revenues (losses)    | 262,792                       | (468,571)           | 200,835              | 173,732              | 209,876              | 206,778              | 1,687,090            | 406,171             | 106,953             | (9,691)             |
| <b>Total nonoperating revenues</b>      | <b>8,301,913</b>              | <b>7,420,908</b>    | <b>7,297,936</b>     | <b>6,943,023</b>     | <b>5,709,153</b>     | <b>5,303,409</b>     | <b>6,518,020</b>     | <b>5,187,778</b>    | <b>4,885,906</b>    | <b>5,181,641</b>    |
| <b>TOTAL REVENUES</b>                   | <b>\$ 10,298,193</b>          | <b>\$ 9,418,007</b> | <b>\$ 11,813,819</b> | <b>\$ 10,668,749</b> | <b>\$ 10,637,508</b> | <b>\$ 10,351,386</b> | <b>\$ 11,745,783</b> | <b>\$ 8,494,266</b> | <b>\$ 7,880,557</b> | <b>\$ 7,921,708</b> |

|                                         | For the Year Ended August 31, |                |                |                |                |                |                |                |                |                |
|-----------------------------------------|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                         | 2011                          | 2010           | 2009           | 2008           | 2007           | 2006           | 2005           | 2004           | 2003           | 2002           |
| <b>OPERATING REVENUES</b>               |                               |                |                |                |                |                |                |                |                |                |
| Tuition and fees (net of discounts)     | 1.51%                         | 3.90%          | 10.99%         | 12.04%         | 12.96%         | 12.63%         | 6.02%          | 5.94%          | 5.11%          | 3.88%          |
| Governmental grants and contracts       |                               |                |                |                |                |                |                |                |                |                |
| Federal grants and contracts            | 0.27%                         | 0.66%          | 0.90%          | 4.01%          | 19.12%         | 19.13%         | 28.33%         | 20.86%         | 19.72%         | 16.38%         |
| State grants and contracts              | 2.43%                         | 1.73%          | 14.21%         | 7.00%          | 2.28%          | 5.06%          | 0.41%          | 0.70%          | 0.76%          | 1.53%          |
| Local grants and contracts              | 4.86%                         | 4.37%          | 4.01%          | 3.62%          | 3.30%          | 3.53%          | 3.32%          | 2.71%          | 2.58%          | 3.79%          |
| Auxiliary enterprises                   | 9.32%                         | 9.80%          | 7.57%          | 7.51%          | 7.83%          | 7.51%          | 5.94%          | 7.82%          | 8.89%          | 8.14%          |
| Other operating revenues                | 0.99%                         | 0.76%          | 0.55%          | 0.74%          | 0.84%          | 0.91%          | 0.49%          | 0.90%          | 0.94%          | 0.87%          |
| <b>Total operating revenues</b>         | <b>19.38%</b>                 | <b>21.21%</b>  | <b>38.23%</b>  | <b>34.92%</b>  | <b>46.33%</b>  | <b>48.77%</b>  | <b>44.51%</b>  | <b>38.93%</b>  | <b>38.00%</b>  | <b>34.59%</b>  |
| <b>NONOPERATING REVENUES</b>            |                               |                |                |                |                |                |                |                |                |                |
| State appropriations                    | 33.49%                        | 37.14%         | 30.03%         | 33.33%         | 34.61%         | 35.35%         | 27.80%         | 36.25%         | 35.92%         | 37.35%         |
| Ad valorem taxes                        | 13.39%                        | 14.55%         | 11.33%         | 11.53%         | 10.97%         | 10.70%         | 9.23%          | 12.29%         | 13.72%         | 13.77%         |
| Federal revenue, nonoperating           | 26.47%                        | 28.84%         | 14.86%         | 14.99%         | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          |
| Gifts                                   | 2.09%                         | 3.10%          | 3.69%          | 2.97%          | 4.60%          | 1.84%          | 3.59%          | 7.28%          | 10.40%         | 13.18%         |
| Investment income                       | 0.24%                         | 0.22%          | 0.31%          | 0.94%          | 1.52%          | 1.34%          | 0.51%          | 0.47%          | 0.60%          | 1.23%          |
| Gain (loss) on disposal of fixed assets | 2.39%                         | -0.08%         | -0.15%         | -0.31%         | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          | 0.00%          |
| Other nonoperating revenues             | 2.55%                         | -4.98%         | 1.70%          | 1.63%          | 1.96%          | 2.00%          | 14.36%         | 4.78%          | 1.36%          | -0.12%         |
| <b>Total nonoperating revenues</b>      | <b>80.62%</b>                 | <b>78.79%</b>  | <b>61.77%</b>  | <b>65.08%</b>  | <b>53.66%</b>  | <b>51.23%</b>  | <b>55.49%</b>  | <b>61.07%</b>  | <b>62.00%</b>  | <b>65.41%</b>  |
| <b>TOTAL REVENUES</b>                   | <b>100.00%</b>                | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |



**Borger Junior College District  
Statistical Supplement 3  
Program Expense by Function  
Fiscal Years 2002 to 2011  
(unaudited)**

|                                    | For the Fiscal Year Ending August 31, |                      |                      |                      |                      |                     |                     |                     |                     |                     |
|------------------------------------|---------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | 2011                                  | 2010                 | 2009                 | 2008                 | 2007                 | 2006                | 2005                | 2004                | 2003                | 2002                |
| <b>OPERATING EXPENSES</b>          |                                       |                      |                      |                      |                      |                     |                     |                     |                     |                     |
| Instruction                        | \$ 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        | \$ 2,911,179        |
| Academic support                   | 186,775                               | 245,343              | 245,325              | 186,370              | 302,189              | 161,633             | 104,620             | 123,386             | 210,382             | 250,577             |
| Student services                   | 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             | 724,096             |
| Institutional support              | 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           | 1,319,960           |
| Operation and maintenance of plant | 891,378                               | 832,873              | 809,491              | 776,676              | 861,692              | 789,477             | 692,741             | 646,930             | 494,645             | 628,807             |
| Scholarships and fellowships       | 99,268                                | 128,161              | 149,017              | 144,065              | 171,937              | 91,987              | 65,261              | 55,174              | 54,007              | 182,265             |
| Auxiliary enterprises              | 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           | 1,274,353           |
| Depreciation                       | 798,156                               | 879,255              | 893,506              | 803,301              | 650,003              | 681,381             | 566,945             | 441,084             | 390,246             | 332,127             |
| <b>Total operating expenses</b>    | <b>9,890,375</b>                      | <b>9,918,275</b>     | <b>10,265,193</b>    | <b>10,502,313</b>    | <b>10,184,817</b>    | <b>9,530,835</b>    | <b>8,779,379</b>    | <b>8,026,883</b>    | <b>7,838,584</b>    | <b>7,623,364</b>    |
| <b>NONOPERATING EXPENSES</b>       |                                       |                      |                      |                      |                      |                     |                     |                     |                     |                     |
| Interest on capital-related debt   | 181,071                               | 190,569              | 212,085              | 211,824              | 187,952              | 201,174             | 108,977             | 164,843             | 142,662             | 185,447             |
| <b>Total nonoperating expenses</b> | <b>181,071</b>                        | <b>190,569</b>       | <b>212,085</b>       | <b>211,824</b>       | <b>187,952</b>       | <b>201,174</b>      | <b>108,977</b>      | <b>164,843</b>      | <b>142,662</b>      | <b>185,447</b>      |
| <b>TOTAL EXPENSES</b>              | <b>\$ 10,071,446</b>                  | <b>\$ 10,108,844</b> | <b>\$ 10,477,278</b> | <b>\$ 10,714,137</b> | <b>\$ 10,372,769</b> | <b>\$ 9,732,009</b> | <b>\$ 8,888,356</b> | <b>\$ 8,191,726</b> | <b>\$ 7,981,246</b> | <b>\$ 7,808,811</b> |

|                                    | For the Fiscal Year Ending August 31, |                |                |                |                |                |                |                |                |                |
|------------------------------------|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                    | 2011                                  | 2010           | 2009           | 2008           | 2007           | 2006           | 2005           | 2004           | 2003           | 2002           |
| <b>OPERATING EXPENSES</b>          |                                       |                |                |                |                |                |                |                |                |                |
| Instruction                        | 36.90%                                | 34.33%         | 34.63%         | 36.52%         | 37.67%         | 38.09%         | 38.40%         | 37.93%         | 39.49%         | 37.28%         |
| Academic support                   | 1.85%                                 | 2.43%          | 2.34%          | 1.74%          | 2.91%          | 1.66%          | 1.18%          | 1.51%          | 2.64%          | 3.21%          |
| Student services                   | 10.24%                                | 10.64%         | 11.86%         | 13.16%         | 11.92%         | 12.01%         | 12.94%         | 10.90%         | 10.35%         | 9.27%          |
| Institutional support              | 17.70%                                | 17.98%         | 17.14%         | 17.32%         | 15.06%         | 16.53%         | 17.24%         | 17.20%         | 18.42%         | 16.90%         |
| Operation and maintenance of plant | 8.85%                                 | 8.24%          | 7.73%          | 7.25%          | 8.31%          | 8.11%          | 7.79%          | 7.90%          | 6.20%          | 8.05%          |
| Scholarships and fellowships       | 0.99%                                 | 1.27%          | 1.42%          | 1.34%          | 1.66%          | 0.95%          | 0.73%          | 0.68%          | 0.67%          | 2.34%          |
| Auxiliary enterprises              | 13.74%                                | 14.54%         | 14.32%         | 13.19%         | 14.39%         | 13.58%         | 14.11%         | 16.49%         | 15.55%         | 16.33%         |
| Depreciation                       | 7.92%                                 | 8.70%          | 8.53%          | 7.50%          | 6.27%          | 7.00%          | 6.38%          | 5.38%          | 4.89%          | 4.25%          |
| <b>Total operating expenses</b>    | <b>98.20%</b>                         | <b>98.11%</b>  | <b>97.98%</b>  | <b>98.02%</b>  | <b>98.19%</b>  | <b>97.93%</b>  | <b>98.77%</b>  | <b>97.99%</b>  | <b>98.21%</b>  | <b>97.63%</b>  |
| <b>NONOPERATING EXPENSES</b>       |                                       |                |                |                |                |                |                |                |                |                |
| Interest on capital related debt   | 1.80%                                 | 1.89%          | 2.02%          | 1.98%          | 1.81%          | 2.07%          | 1.23%          | 2.01%          | 1.79%          | 2.37%          |
| <b>Total nonoperating expenses</b> | <b>1.80%</b>                          | <b>1.89%</b>   | <b>2.02%</b>   | <b>1.98%</b>   | <b>1.81%</b>   | <b>2.07%</b>   | <b>1.23%</b>   | <b>2.01%</b>   | <b>1.79%</b>   | <b>2.37%</b>   |
| <b>TOTAL EXPENSES</b>              | <b>100.00%</b>                        | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> | <b>100.00%</b> |

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

| Academic Year (Fall) | Processing Fee (per student) | Resident: Fees per semester credit hour (SCH) |                         |                  |                      |                             |                                 |                                      |                                          |  |  |
|----------------------|------------------------------|-----------------------------------------------|-------------------------|------------------|----------------------|-----------------------------|---------------------------------|--------------------------------------|------------------------------------------|--|--|
|                      |                              | In District Tuition                           | Out-of-District Tuition | General Use Fees | Student Service Fees | Cost for 12 SCH In-District | Cost for 12 SCH Out-of-District | Increase from Prior Year In District | Increase from Prior Year Out-of-District |  |  |
| 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%                                    |  |  |
| 2001                 | 5                            | 19                                            | 29                      | 21               | -                    | 508                         | 628                             | 20.4%                                | 24.1%                                    |  |  |

| 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 |  |  |
| 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%                                  |  |  |
| 2001                 | 5                              | 36                                                | 36                                 | 21               | -                    | 712                          | 712                           | 25.8%                                 | 25.8%                                  |  |  |

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

| Fiscal Year | Assessed<br>Valuation of<br>Property | Less<br>Exemptions | Taxable<br>Assessed Value<br>(TAV) | Ratio of Taxable<br>Assessed Value<br>to Assessed<br>Value | Direct Rates                          |                        |              |
|-------------|--------------------------------------|--------------------|------------------------------------|------------------------------------------------------------|---------------------------------------|------------------------|--------------|
|             |                                      |                    |                                    |                                                            | Maintenance<br>&<br>Operations<br>(a) | Debt<br>Service<br>(a) | Total<br>(a) |
| 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      |
| 2001-02     | 627,592,950                          | 126,952,696        | 500,640,254                        | 79.77%                                                     | 0.21180                               | 0.00                   | 0.21180      |

**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 |
| 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                                  |
| 2001-02     | 2,469,453              | 1,258    | 1,963                        | 387,480                        | 335,342                    | 722,822             | 3.42                                  |

**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  | 2010-11               | 2009-10               | 2008-09               | 2007-08               | 2006-07               | 2005-06               | 2004-05               | 2003-04               | 2002-03               | 2001-02               |
| Agrium U.S. Inc                                          | Chemical          | \$ 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         | \$ 45,507,120         |
| DCP Midstream (Duke Energy)                              | Energy            | 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            | 19,823,750            |
| Southwestern Public Service                              | Utility           | 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            | 13,808,260            |
| R&M Energy                                               | Energy            | 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             | 4,638,630             |
| Linn Energy Holding                                      | Energy            | 6,582,760             | 9,195,910             | 6,326,340             | 4,588,730             | 3,328,880             | -                     | -                     | -                     | -                     | -                     |
| Conoco/Phillips                                          | Energy            | 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             | 8,394,050             |
| Amarillo National Bank                                   | Financial Service | 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             | 5,129,460             |
| Golden Plains Community Hospital                         | Health Care       | 3,592,890             | 3,575,110             | 3,622,200             | 3,664,260             | -                     | -                     | -                     | -                     | -                     | -                     |
| Raymac Energy                                            | Energy            | 3,459,670             | 3,459,670             | 3,459,670             | 3,613,220             | 4,552,810             | -                     | -                     | -                     | -                     | -                     |
| WO Operating Company                                     | Energy            | 3,398,870             | 9,335,600             | 12,359,530            | 10,700,990            | -                     | -                     | -                     | -                     | -                     | -                     |
| Southwestern Bell Telephone                              | Utility           | 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             | 6,781,410             |
| Walmart Stores of Texas                                  | Retail            | 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             | 4,265,920             |
| Vaibac Inc                                               | Energy            | 3,111,650             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Pahandle Northern Railroad Co                            | Transportation    | 3,014,400             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Lagacy Reserves Operating LP                             | Energy            | 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             | 4,751,210             |
| Air Liquide American                                     | Industrial        | -                     | -                     | -                     | -                     | 2,368,380             | 2,119,290             | -                     | -                     | -                     | -                     |
| Spradling Oil                                            | Energy            | -                     | -                     | -                     | -                     | 2,124,480             | 2,022,220             | -                     | -                     | -                     | -                     |
| <b>Totals</b>                                            |                   | <b>\$ 143,413,730</b> | <b>\$ 146,584,620</b> | <b>\$ 149,633,370</b> | <b>\$ 150,081,560</b> | <b>\$ 130,509,610</b> | <b>\$ 116,807,239</b> | <b>\$ 104,954,750</b> | <b>\$ 110,086,940</b> | <b>\$ 109,416,690</b> | <b>\$ 113,099,810</b> |
| <b>Total Taxable Value</b>                               |                   | <b>\$ 615,103,910</b> | <b>\$ 629,377,890</b> | <b>\$ 624,636,230</b> | <b>\$ 606,442,260</b> | <b>\$ 550,948,960</b> | <b>\$ 523,782,270</b> | <b>\$ 495,955,070</b> | <b>\$ 483,427,480</b> | <b>\$ 490,688,090</b> | <b>\$ 500,640,254</b> |

| % of Taxable Assessed Value (TAV) by Tax Year |                   |               |               |               |               |               |               |               |               |               |               |
|-----------------------------------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Taxpayer                                      | Type of Business  | 2010-11       | 2009-10       | 2008-09       | 2007-08       | 2006-07       | 2005-06       | 2004-05       | 2003-04       | 2002-03       | 2001-02       |
| Agrium U.S. Inc                               | Chemical          | 7.14%         | 6.60%         | 6.91%         | 6.47%         | 7.14%         | 8.11%         | 8.29%         | 8.73%         | 8.48%         | 9.09%         |
| DCP Midstream (Duke Energy)                   | Energy            | 6.13%         | 5.78%         | 5.91%         | 4.78%         | 4.52%         | 4.17%         | 4.18%         | 4.50%         | 4.25%         | 3.96%         |
| Southwestern Public Service                   | Utility           | 1.90%         | 1.55%         | 1.54%         | 1.61%         | 1.99%         | 2.17%         | 2.37%         | 2.64%         | 2.83%         | 2.76%         |
| R&M Energy                                    | Energy            | 1.19%         | 0.87%         | 0.85%         | 0.85%         | 0.91%         | 0.87%         | 0.82%         | 1.16%         | 1.01%         | 0.93%         |
| Linn Energy Holding                           | Energy            | 1.07%         | 1.46%         | 1.01%         | 0.76%         | 0.60%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Conoco/Phillips                               | Energy            | 0.83%         | 0.93%         | 0.97%         | 1.13%         | 1.14%         | 1.73%         | 1.81%         | 1.82%         | 1.62%         | 1.68%         |
| Amarillo National Bank                        | Financial Service | 0.80%         | 0.77%         | 0.78%         | 0.81%         | 0.89%         | 0.94%         | 1.00%         | 1.03%         | 1.03%         | 1.02%         |
| Golden Plains Community Hospital              | Health Care       | 0.58%         | 0.57%         | 0.58%         | 0.60%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Raymac Energy                                 | Energy            | 0.56%         | 0.55%         | 0.55%         | 0.60%         | 0.83%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| WO Operating Company                          | Energy            | 0.55%         | 1.48%         | 1.98%         | 1.76%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Southwestern Bell Telephone                   | Utility           | 0.55%         | 0.61%         | 0.71%         | 0.79%         | 1.00%         | 1.04%         | 1.05%         | 1.25%         | 1.36%         | 1.35%         |
| Walmart Stores of Texas                       | Retail            | 0.54%         | 0.52%         | 0.55%         | 0.55%         | 0.89%         | 0.86%         | 0.91%         | 0.93%         | 0.96%         | 0.85%         |
| Vaibac Inc                                    | Energy            | 0.51%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Pahandle Northern Railroad Co                 | Transportation    | 0.49%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Lagacy Reserves Operating LP                  | Energy            | 0.48%         | 0.56%         | 0.00%         | 0.82%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| SNW Operating                                 | Energy            | 0.00%         | 0.55%         | 0.55%         | 0.74%         | 0.61%         | 0.43%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Cody Company                                  | Energy            | 0.00%         | 0.48%         | 0.00%         | 0.67%         | 0.53%         | 0.37%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Turner Energy Services                        | Energy            | 0.00%         | 0.00%         | 0.53%         | 0.64%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Praefectus LLC                                | Energy            | 0.00%         | 0.00%         | 0.52%         | 0.50%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Pantera Energy                                | Energy            | 0.00%         | 0.00%         | 0.00%         | 0.67%         | 0.74%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| OHM Operating                                 | Energy            | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 1.08%         | 0.84%         | 0.73%         | 0.72%         | 0.76%         | 0.95%         |
| Air Liquide American                          | Industrial        | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.43%         | 0.40%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| Spradling Oil                                 | Energy            | 0.00%         | 0.00%         | 0.00%         | 0.00%         | 0.39%         | 0.39%         | 0.00%         | 0.00%         | 0.00%         | 0.00%         |
| <b>Totals</b>                                 |                   | <b>23.32%</b> | <b>23.28%</b> | <b>23.94%</b> | <b>24.75%</b> | <b>23.69%</b> | <b>22.32%</b> | <b>21.16%</b> | <b>22.78%</b> | <b>22.30%</b> | <b>22.59%</b> |

Source: Local County Appraisal District

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

| <b>Fiscal Year Ended August 31</b> | <b>Levy (a)</b> | <b>Cumulative Levy Adjustments</b> | <b>Adjusted Tax Levy (b)</b> | <b>Collections - Year of Levy (c)</b> | <b>Percentage</b> | <b>Prior Collections of Prior Levies (d)</b> | <b>Current Collections of Prior Levies (e)</b> | <b>Total Collections (c+d+e)</b> | <b>Cumulative Collections of Adjusted Levy</b> |
|------------------------------------|-----------------|------------------------------------|------------------------------|---------------------------------------|-------------------|----------------------------------------------|------------------------------------------------|----------------------------------|------------------------------------------------|
| 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%                                         |
| 2002                               | 1,105,000       | -                                  | 1,105,000                    | 1,021,347                             | 92.43%            | -                                            | 28,439                                         | 1,049,786                        | 95.00%                                         |

**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 |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|-------------------------------------------|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                           | 2011                         | 2010                | 2009                | 2008                | 2007                | 2006                | 2005                | 2004                | 2003                | 2002                |
| <b>General bonded debt:</b>               |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| General obligation bonds                  | \$ -                         | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Notes                                     | -                            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Less: funds restricted for debt service   | -                            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Net general bonded debt</b>            | <b>-</b>                     | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| <b>Other debt:</b>                        |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Revenue bonds                             | 1,755,000                    | 1,885,000           | 2,005,000           | 2,120,000           | 2,230,000           | 2,352,000           | 2,469,000           | 2,581,000           | 2,687,000           | 2,786,995           |
| Notes                                     | 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             | 25,208              |
| Capital leases obligations                | -                            | 147,533             | 216,132             | 281,500             | 351,750             | -                   | -                   | -                   | -                   | -                   |
| <b>Total outstanding debt</b>             | <b>\$ 2,908,836</b>          | <b>\$ 3,625,177</b> | <b>\$ 4,190,487</b> | <b>\$ 4,702,050</b> | <b>\$ 5,247,470</b> | <b>\$ 3,731,696</b> | <b>\$ 4,042,943</b> | <b>\$ 3,226,788</b> | <b>\$ 2,888,297</b> | <b>\$ 2,812,203</b> |
| <b>General Bonded Debt Ratios:</b>        |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Per capita                                | N/A                          | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| Per FTSE                                  | N/A                          | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| As a percentage of taxable assessed value | N/A                          | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 | N/A                 |
| <b>Total outstanding debt ratios:</b>     |                              |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Per capita                                | N/A                          | N/A                 | N/A                 | N/A                 | N/A                 | \$ 281              | \$ 283              | \$ 226              | \$ 202              | \$ 197              |
| Per FTSE                                  | \$ 2,333                     | \$ 3,096            | \$ 3,248            | \$ 3,645            | \$ 3,844            | \$ 3,066            | \$ 2,902            | \$ 2,811            | \$ 2,165            | \$ 2,235            |
| As a percentage of taxable assessed value | 0.47%                        | 0.58%               | 0.67%               | 0.78%               | 0.95%               | 0.71%               | 0.82%               | 0.67%               | 0.59%               | 0.56%               |

**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)

|                                                                                 | 2010-11        | 2009-10        | 2008-09        | 2007-08        | 2006-07        | 2005-06        | 2004-05        | 2003-04        | 2002-03        | 2001-02        |
|---------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Total assessed value</b>                                                     | \$ 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 | \$ 500,640,254 |
| <b>General obligation bonds:</b>                                                |                |                |                |                |                |                |                |                |                |                |
| Statutory taxable limit for debt service                                        | \$ 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   | \$ 2,503,201   |
| Less: Funds restricted for repayment of<br>general obligation bonds             | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Total net general obligation debt                                               | 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      | 2,503,201      |
| Current year debt service requirements                                          | 320,874        | 482,296        | 670,565        | 704,973        | 458,528        | 234,197        | 236,653        | 111,787        | 66,086         | 32,621         |
| <b>Excess of statutory limit for debt service<br/>over current requirements</b> | \$ 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   | \$ 2,470,580   |
| <b>Net current requirements as a %<br/>of statutory limit</b>                   | 10.43%         | 15.33%         | 21.47%         | 23.25%         | 16.65%         | 8.94%          | 9.54%          | 4.62%          | 2.69%          | 1.30%          |

**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<br>Ended<br>August 31 | Pledged Revenues |                   |                      |                     |                                |                    |                   |                       |                         |            |            | Debt Service Requirements |            |                   |  |
|-----------------------------------|------------------|-------------------|----------------------|---------------------|--------------------------------|--------------------|-------------------|-----------------------|-------------------------|------------|------------|---------------------------|------------|-------------------|--|
|                                   | Tuition          | Technology<br>Fee | Registration<br>Fees | General Use<br>Fees | Community<br>Education<br>Fees | Interest<br>Income | Vending<br>Income | Vending<br>Commission | Bookstore<br>Commission | Total      | Principal  | Interest                  | Total      | Coverage<br>Ratio |  |
| 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              |  |
| 2002                              | 43,913           | -                 | -                    | 330,475             | -                              | -                  | -                 | -                     | -                       | 374,388    | 60,000     | 183,444                   | 243,444    | 1.54              |  |

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 Six Fiscal Years**

(unaudited)

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

| <b>Calendar Year</b> | <b>City of Borger Population</b> | <b>City of Borger Personal Income</b> | <b>City of Borger Personal Income Per Capita</b> | <b>City of Borger Unemployment Rate</b> |
|----------------------|----------------------------------|---------------------------------------|--------------------------------------------------|-----------------------------------------|
| 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**

| <b>Employer</b>                  | <b>Number of Employees</b> | <b>% of Total Employment</b> |
|----------------------------------|----------------------------|------------------------------|
| Conoco Phillips Refinery         | 1,030                      | INA                          |
| Borger ISD                       | 492                        | INA                          |
| Chevron Phillips Chemical Co.    | 352                        | INA                          |
| H.B. Zachary                     | 250                        | INA                          |
| Golden Plains Community Hospital | 210                        | INA                          |
| D. E. Rice Construction          | 175                        | INA                          |
| Wal-Mart                         | 153                        | INA                          |
| City of Borger                   | 137                        | INA                          |
| United Supermarket               | 126                        | INA                          |
| Northwest Insulation             | 118                        | INA                          |
| <b>Total</b>                     | <b>INA</b>                 | <b>INA</b>                   |

**Nine Years Prior**

| <b>Employer</b>                  | <b>Number of Employees</b> | <b>% of Total Employment</b> |
|----------------------------------|----------------------------|------------------------------|
| Conoco Phillips Refinery         | INA                        | INA                          |
| Borger ISD                       | INA                        | INA                          |
| Chevron Phillips Chemical Co.    | INA                        | INA                          |
| H.B. Zachary                     | INA                        | INA                          |
| Golden Plains Community Hospital | INA                        | INA                          |
| D. E. Rice Construction          | INA                        | INA                          |
| Wal-Mart                         | INA                        | INA                          |
| City of Borger                   | INA                        | INA                          |
| United Supermarket               | INA                        | INA                          |
| Northwest Insulation             | INA                        | INA                          |
| <b>Total</b>                     | <b>INA</b>                 | <b>INA</b>                   |

Source:

Borger Economic Development Corp  
Texas Metropolitan Statistical Area Data

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

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

|                                        | Fiscal Year |           |           |           |           |           |           |           |           |           |
|----------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                        | 2011        | 2010      | 2009      | 2008      | 2007      | 2006      | 2005      | 2004      | 2003      | 2002      |
| <b>Faculty</b>                         |             |           |           |           |           |           |           |           |           |           |
| Full-time                              | 28          | 26        | 30        | 30        | 30        | 31        | 32        | 33        | 34        | 31        |
| Part-time                              | 45          | 60        | 81        | 84        | 82        | 81        | 73        | 69        | 70        | 65        |
| Total                                  | 73          | 86        | 111       | 114       | 112       | 112       | 105       | 102       | 104       | 96        |
| <b>Percent</b>                         |             |           |           |           |           |           |           |           |           |           |
| Full-time                              | 38.4%       | 30.2%     | 27.0%     | 26.3%     | 26.8%     | 27.7%     | 30.5%     | 32.4%     | 32.7%     | 32.3%     |
| Part-time                              | 61.6%       | 69.8%     | 73.0%     | 73.7%     | 73.2%     | 72.3%     | 69.5%     | 67.6%     | 67.3%     | 67.7%     |
| <b>Staff and Administrators</b>        |             |           |           |           |           |           |           |           |           |           |
| Full-time                              | 66          | 70        | 73        | 66        | 77        | 70        | 76        | 72        | 78        | 67        |
| Part-time                              | 10          | 10        | 10        | 12        | 18        | 16        | 6         | 3         | 8         | 3         |
| Total                                  | 76          | 80        | 83        | 78        | 95        | 86        | 82        | 75        | 86        | 70        |
| <b>Percent</b>                         |             |           |           |           |           |           |           |           |           |           |
| Full-time                              | 86.8%       | 87.5%     | 88.0%     | 84.6%     | 81.1%     | 81.4%     | 92.7%     | 96.0%     | 90.7%     | 95.7%     |
| Part-time                              | 13.2%       | 12.5%     | 12.0%     | 15.4%     | 18.9%     | 18.6%     | 7.3%      | 4.0%      | 9.3%      | 4.3%      |
| <b>FTSE per full-time faculty</b>      | 45          | 45        | 43        | 45        | 46        | 39        | 44        | 35        | 39        | 41        |
| <b>FTSE per full-time staff member</b> | 19          | 17        | 18        | 21        | 18        | 17        | 18        | 16        | 17        | 19        |
| <b>Average annual faculty salary</b>   | \$ 40,203   | \$ 36,000 | \$ 32,494 | \$ 37,722 | \$ 36,579 | \$ 35,558 | \$ 35,534 | \$ 35,413 | \$ 36,086 | \$ 40,735 |

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

| Student Classification | Fall 2010    |                | Fall 2009    |                | Fall 2008    |                | Fall 2007    |                | Fall 2006    |                | Fall 2005    |                | Fall 2004    |                | Fall 2003    |                | Fall 2002    |                | Fall 2001    |                |
|------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| 00-30 hours            | 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%         | 849          | 67.49%         |
| 31-60 hours            | 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%         | 289          | 22.97%         |
| > 60 hours             | 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%         | 120          | 9.54%          |
| <b>Total</b>           | <b>1,247</b> | <b>100.00%</b> | <b>1,171</b> | <b>100.00%</b> | <b>1,290</b> | <b>100.00%</b> | <b>1,356</b> | <b>100.00%</b> | <b>1,365</b> | <b>100.00%</b> | <b>1,217</b> | <b>100.00%</b> | <b>1,393</b> | <b>100.00%</b> | <b>1,148</b> | <b>100.00%</b> | <b>1,334</b> | <b>100.00%</b> | <b>1,258</b> | <b>100.00%</b> |

| Semester Hour Load   | Fall 2010    |                | Fall 2009    |                | Fall 2008    |                | Fall 2007    |                | Fall 2006    |                | Fall 2005    |                | Fall 2004    |                | Fall 2003    |                | Fall 2002    |                | Fall 2001    |                |
|----------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                      | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Less than 3          | 2            | 0.16%          | -            | 0.00%          | 19           | 1.47%          | 44           | 3.24%          | 86           | 6.30%          | 1            | 0.08%          | 96           | 6.89%          | 6            | 0.52%          | 104          | 7.80%          | 7            | 0.56%          |
| 3-5 semester hours   | 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%         | 313          | 24.88%         |
| 6-8 semester hours   | 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%         | 287          | 22.81%         |
| 9-11 semester hours  | 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%          | 103          | 8.19%          |
| 12-14 semester hours | 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%         | 261          | 20.75%         |
| 15-17 semester hours | 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%         | 217          | 17.25%         |
| 18 and over          | 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%          | 70           | 5.56%          |
| <b>Total</b>         | <b>1,247</b> | <b>100.00%</b> | <b>1,171</b> | <b>100.00%</b> | <b>1,290</b> | <b>100.00%</b> | <b>1,356</b> | <b>100.00%</b> | <b>1,365</b> | <b>100.00%</b> | <b>1,217</b> | <b>100.00%</b> | <b>1,393</b> | <b>100.00%</b> | <b>1,148</b> | <b>100.00%</b> | <b>1,334</b> | <b>100.00%</b> | <b>1,258</b> | <b>100.00%</b> |

Average course load                      10                      10                      11                      11                      10                      11                      10                      10                      11                      9

| Tuition Status                | Fall 2010    |                | Fall 2009    |                | Fall 2008    |                | Fall 2007    |                | Fall 2006    |                | Fall 2005    |                | Fall 2004    |                | Fall 2003    |                | Fall 2002    |                | Fall 2001    |                |
|-------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                               | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Texas resident (In-District)  | 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%         | 495          | 39.35%         |
| Texas resident (Out-of-state) | 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%         | 670          | 53.26%         |
| Non-resident tuition          | 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%          | 93           | 7.39%          |
| <b>Total</b>                  | <b>1,247</b> | <b>100.00%</b> | <b>1,171</b> | <b>100.00%</b> | <b>1,290</b> | <b>100.00%</b> | <b>1,356</b> | <b>100.00%</b> | <b>1,365</b> | <b>100.00%</b> | <b>1,217</b> | <b>100.00%</b> | <b>1,393</b> | <b>100.00%</b> | <b>1,148</b> | <b>100.00%</b> | <b>1,334</b> | <b>100.00%</b> | <b>1,258</b> | <b>100.00%</b> |

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

| Gender       | Fall 2010    |                | Fall 2009    |                | Fall 2008    |                | Fall 2007    |                | Fall 2006    |                | Fall 2005    |                | Fall 2004    |                | Fall 2003    |                | Fall 2002    |                | Fall 2001    |                |
|--------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|              | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Female       | 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%         | 670          | 53.26%         |
| Male         | 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%         | 588          | 46.74%         |
| <b>Total</b> | <b>1,247</b> | <b>100.00%</b> | <b>1,171</b> | <b>100.00%</b> | <b>1,290</b> | <b>100.00%</b> | <b>1,356</b> | <b>100.00%</b> | <b>1,365</b> | <b>100.00%</b> | <b>1,217</b> | <b>100.00%</b> | <b>1,393</b> | <b>100.00%</b> | <b>1,148</b> | <b>100.00%</b> | <b>1,334</b> | <b>100.00%</b> | <b>1,258</b> | <b>100.00%</b> |

| Ethnic Origin    | Fall 2010    |                | Fall 2009    |                | Fall 2008    |                | Fall 2007    |                | Fall 2006    |                | Fall 2005    |                | Fall 2004    |                | Fall 2003    |                | Fall 2002    |                | Fall 2001    |                |
|------------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                  | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| White            | 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%         | 1,037        | 82.43%         |
| Hispanic         | 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%         | 142          | 11.29%         |
| African American | 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%          | 52           | 4.13%          |
| Asian            | 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%          | 3            | 0.24%          |
| Foreign          | 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%          | 10           | 0.79%          |
| Native American  | 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%          | 14           | 1.11%          |
| Other            | 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%          | -            | 0.00%          |
| <b>Total</b>     | <b>1,247</b> | <b>100.00%</b> | <b>1,171</b> | <b>100.00%</b> | <b>1,290</b> | <b>100.00%</b> | <b>1,356</b> | <b>100.00%</b> | <b>1,365</b> | <b>100.00%</b> | <b>1,217</b> | <b>100.00%</b> | <b>1,393</b> | <b>100.00%</b> | <b>1,148</b> | <b>100.00%</b> | <b>1,334</b> | <b>100.00%</b> | <b>1,258</b> | <b>100.00%</b> |

| Tuition Status | Fall 2010    |                | Fall 2009    |                | Fall 2008    |                | Fall 2007    |                | Fall 2006    |                | Fall 2005    |                | Fall 2004    |                | Fall 2003    |                | Fall 2002    |                | Fall 2001    |                |
|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        | Number       | Percent        |
| Under 18       | 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%         | 216          | 17.17%         |
| 18-21          | 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%         | 595          | 47.30%         |
| 22-24          | 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%          | 87           | 6.92%          |
| 25-35          | 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%         | 183          | 14.55%         |
| 36-50          | 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%         | 158          | 12.56%         |
| 51 & over      | 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%          | 19           | 1.51%          |
| <b>Total</b>   | <b>1,247</b> | <b>100.00%</b> | <b>1,171</b> | <b>100.00%</b> | <b>1,290</b> | <b>100.00%</b> | <b>1,356</b> | <b>100.00%</b> | <b>1,365</b> | <b>100.00%</b> | <b>1,217</b> | <b>100.00%</b> | <b>1,393</b> | <b>100.00%</b> | <b>1,148</b> | <b>100.00%</b> | <b>1,334</b> | <b>100.00%</b> | <b>1,258</b> | <b>100.00%</b> |
| Average age    | 22           |                | 22           |                | 22           |                | 23           |                | 22           |                | 21           |                | 23           |                | 21           |                | 24           |                | 23           |                |

**Borger Junior College District**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2009-2010 Fall Students as of Fall 2010**  
(unaudited)  
(Includes only public senior colleges in Texas)

| <b>Rank</b>   | <b>Texas Public Senior College</b>           | <b>Transfer Student Count Academic</b> | <b>Transfer Student Count Technical</b> | <b>Transfer Student Count Tech-Prep</b> | <b>Total of All Transfer Students</b> | <b>% of All Transfer Students</b> |
|---------------|----------------------------------------------|----------------------------------------|-----------------------------------------|-----------------------------------------|---------------------------------------|-----------------------------------|
| 1             | West Texas A&M University                    | 88                                     | 7                                       | -                                       | 95                                    | 54.6%                             |
| 2             | Texas Tech University                        | 26                                     | -                                       | -                                       | 26                                    | 14.9%                             |
| 3             | Texas A&M University                         | 4                                      | 1                                       | -                                       | 5                                     | 2.9%                              |
| 4             | University of North Texas                    | 5                                      | -                                       | -                                       | 5                                     | 2.9%                              |
| 5             | The University of Texas at Arlington         | 15                                     | -                                       | -                                       | 15                                    | 8.6%                              |
| 6             | Midwestern State University                  | 4                                      | -                                       | -                                       | 4                                     | 2.3%                              |
| 7             | Texas State University                       | -                                      | -                                       | -                                       | -                                     | 0.0%                              |
| 8             | The University of Texas of the Permian Basin | -                                      | -                                       | -                                       | -                                     | 0.0%                              |
| 9             | Prairie View A&M University                  | -                                      | -                                       | -                                       | -                                     | 0.0%                              |
| 10            | Tarleton State University                    | 5                                      | -                                       | -                                       | 5                                     | 2.9%                              |
| 11            | Texas A&M University - Corpus Christi        | -                                      | -                                       | -                                       | -                                     | 0.0%                              |
| 12            | Stephen F. Austin State University           | -                                      | -                                       | -                                       | -                                     | 0.0%                              |
| 13            | Texas Woman's University                     | 15                                     | -                                       | -                                       | 15                                    | 8.6%                              |
| 14            | The University of Texas at Austin            | 4                                      | -                                       | -                                       | 4                                     | 2.3%                              |
| <b>Totals</b> |                                              | <b>166</b>                             | <b>8</b>                                | <b>-</b>                                | <b>174</b>                            | <b>100.00%</b>                    |

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

**Borger Junior College District**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Year 2002 to 2011**  
(unaudited)

|                                             | Fiscal Year |         |         |         |         |         |         |         |         |         |
|---------------------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                             | 2011        | 2010    | 2009    | 2008    | 2007    | 2006    | 2005    | 2004    | 2003    | 2002    |
| <b>Academic buildings</b>                   | 7           | 8       | 8       | 7       | 7       | 7       | 6       | 4       | 4       | 4       |
| Square footage                              | 162,980     | 177,546 | 177,546 | 162,546 | 162,546 | 162,546 | 137,546 | 105,546 | 105,546 | 105,546 |
| <b>Library</b>                              | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Square footage                              | 23,000      | 23,000  | 23,000  | 23,000  | 23,000  | 23,000  | 23,000  | 23,000  | 23,000  | 23,000  |
| Number of volumes                           | 22,900      | 22,900  | 22,900  | 22,900  | 22,900  | 22,900  | 22,900  | 22,900  | 22,900  | 22,900  |
| <b>Administrative and support buildings</b> | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| Square footage                              | 22,400      | 22,400  | 22,400  | 22,400  | 22,400  | 22,400  | 22,400  | 22,400  | 22,400  | 22,400  |
| <b>Dormitories</b>                          | 3           | 3       | 3       | 3       | 3       | 3       | 3       | 2       | 2       | 2       |
| Square footage                              | 54,640      | 54,640  | 54,640  | 54,640  | 54,640  | 54,640  | 54,640  | 44,640  | 44,640  | 44,640  |
| Number of beds                              | 246         | 246     | 246     | 246     | 246     | 246     | 246     | 200     | 200     | 200     |
| <b>Apartments</b>                           | -           | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Square footage                              | -           | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Number of beds                              | -           | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| <b>Dining facilities</b>                    | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Square footage                              | 7,500       | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   |
| Average daily customers                     | 158         | 158     | 158     | 158     | 190     | 190     | 190     | 170     | 170     | 170     |
| <b>Athletic facilities</b>                  |             |         |         |         |         |         |         |         |         |         |
| Square footage                              | 252,910     | 252,910 | 252,910 | 252,910 | 252,910 | 252,910 | 252,910 | 252,910 | 252,910 | 252,910 |
| Stadiums                                    | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Gymnasiums                                  | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Fitness centers                             | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Tennis courts                               | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| <b>Plant facilities</b>                     | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Square footage                              | 7,500       | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   | 7,500   |
| <b>Transportation</b>                       |             |         |         |         |         |         |         |         |         |         |
| Cars                                        | 9           | 8       | 8       | 8       | 8       | 8       | 8       | 8       | 8       | 8       |
| Light trucks                                | 6           | 6       | 6       | 5       | 5       | 6       | 6       | 6       | 5       | 5       |
| Buses                                       | 3           | 3       | 3       | 3       | 3       | 2       | 2       | 2       | 1       | 1       |