

Hill College
Annual Financial Report
August 31, 2011

HILL COLLEGE

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HILL COLLEGE

ORGANIZATIONAL DATA

For the Fiscal Year 2010 - 2011

BOARD OF REGENTS

Officers

David Teel	President
Henry Lehmann	Vice-President
Karen Brackin	Secretary

Members

Term Expires August 31,

Chuck Blair	Hillsboro, Texas	2012
Karen Brackin	Itasca, Texas	2012
Jim Cato	Whitney, Texas	2016
Gwen Eubank	Whitney, Texas	2014
Bill Galiga	Hillsboro, Texas	2016
Dr. Allan Lane	Whitney, Texas	2012
Henry Lehmann	Bynum, Texas	2014
Dwight Lloyd	Itasca, Texas	2016
Tony Marley	Hillsboro, Texas	2014
Ricky Sullins	Abbott, Texas	2012
David Teel	Hillsboro, Texas	2016
Pam Timmons	Covington, Texas	2014

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. Sheryl Kappus	President
Billy Don Curbo	Vice-President of Administrative Services
Debra Hargrove	Vice-President of Human Resources and Organizational Development
Rex Parcels	Vice-President of Instruction
Dr. Robert Riza	Vice-President of Student Services
Dr. Roger Schustereit	Vice-President
Jessie White	Vice-President of Information Technology
Jessyca Brown	Dean of Institutional Effectiveness
Susan Gann	Dean of Instruction, Mathematics, Humanities, Social Sciences, Art, Behavioral Sciences, Education and Developmental Studies
Debbie Gerik	Dean of Financial Services
Bill Gilker	Campus Manager / Dean of Students (JCC)
Nancy Holland	Dean, Hill College @ Burleson
Lori Moseley	Dean of Instruction, Health Sciences
Lizza Trenkle	Dean of Instruction, Technical Programs, Business, Computer Science, and Office Administration Technology
Scott Nalley	Associate Dean of Students, Hillsboro Campus



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CERTIFIED PUBLIC ACCOUNTANTS

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KILLEEN • COPPERAS COVE • TEMPLE

Member of
American Institute & Texas Society of
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION**

Board of Regents
Hill College
Hillsboro, Texas

We have audited the accompanying financial statements of Hill College, (the College) as of and for the years ended August 31, 2011 and 2010, 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 the 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 Hill College as of August 31, 2011 and 2010, and the respective changes in financial position and cash flows 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 December 2, 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 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 4 through 9 be presented to supplement the financial

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION (CONTINUED)**

statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying statistical supplements, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas Single Audit Circular, and are also not a required part of the financial statements. The schedule of expenditures of federal awards and the schedule of expenditures of state awards 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 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 financial statements as a whole. The statistical supplements (marked "unaudited") have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Jett, Vernon & Co., P.C.

Temple, Texas
December 2, 2011

Management's Discussion and Analysis

This section of Hill College's annual financial report presents management's discussion and analysis of the financial performance of the College during the fiscal year ended August 31, 2011. This annual report contains financial statements which are in conformance with Governmental Accounting Standards Board (GASB). There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. The following summary and management's discussion and analysis is intended to provide readers with an overview of the basic financial statements. This discussion should be read in conjunction with the accompanying financial statements, notes to the financial statements, and supplemental information.

For additional information on accounting policy refer to Notes 1 and 2 in the "Notes to the Financial Statements".

Statement of Net Assets

Condensed Statement of Net Assets

	Current Year	Prior Year
Assets:		
Current Assets	\$ 14,757,845	\$ 11,912,177
Capital Assets	20,279,708	20,356,357
Other Noncurrent Assets	1,510,509	1,521,133
Total Assets	\$ 36,548,062	\$ 33,789,667
Liabilities:		
Current Liabilities	\$ 6,378,717	\$ 5,400,847
Noncurrent Liabilities	3,596,200	3,991,200
Total Liabilities	\$ 9,974,917	\$ 9,392,047
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 16,374,708	\$ 16,081,357
Restricted - nonexpendable	1,054,676	1,042,360
Restricted - expendable	950,764	779,307
Unrestricted	8,192,997	6,494,596
Total Net Assets	\$ 26,573,145	\$ 24,397,620

Changes in the “Statement of Net Assets” are derived from the activity reported in the “Statement of Revenues, Expenses, and Changes in Net Assets”. This statement is intended to give its readers an indication of the institution’s financial condition at a given point in time, for example at year’s end.

Net Assets are divided into three major categories. The first category, “Invested in Capital Assets Net of Related Debt,” represents the College’s equity in property, plant and equipment owned by the institution. The next category is “Restricted Net Assets” which is further divided into two categories: Nonexpendable and Expendable. Nonexpendable restricted net assets are assets derived from Grants and Endowments. Expendable restricted net assets are available for expenditures but must be spent in accordance with the restriction of donors and other external entities. The final category, “Unrestricted Net Assets”, is assets available to the institution for any lawful purpose of the College.

The \$2,175,525 increase in Total Net Assets when compared to the prior year is the result of capital asset activity for the year less depreciation. Significant capital projects for the year included completion of the Snap-on Automotive Center and the field house for baseball and softball.

The largest component of capital assets is the College’s investment in buildings and other real estate improvements, \$18,453,196. The buildings owned by Hill College are only 29.21% depreciated, which is an indication of the age of our facilities. Most of our buildings are relatively new and are in good repair.

The largest and most significant component of our liabilities is bonds payable. The main campus located in Hillsboro is totally paid for and debt free. All of the outstanding bond indebtedness (\$3,905,000) is for the development of the Johnson County campus. Hill College did not issue any additional debt in fiscal year 2011 and made principal payments of \$370,000.

It is also important to note that current liabilities are only 43.22% of current assets. This is an indication of the college’s ability to meet its short-term obligations as they come due and still have resources available for any unforeseen contingency.

For additional information on “Statement of Net Assets” refer to “Notes to the Financial Statements”.

Statement of Revenues, Expenses and Changes in Net Assets

Condensed Statement of Revenues, Expenses and Changes in Net Assets

	<u>Current Year</u>	<u>Prior Year</u>
Operating Revenues:		
Tuition and fees (net of discounts)	\$ 3,276,872	\$ 3,097,823
Federal grants and contracts	619,070	564,097
State grants and contracts	658,702	481,624
Non-governmental grants and contracts	1,317,309	1,174,655
Auxiliary enterprises (net of discounts)	756,118	822,299
Other operating revenues	170,039	140,661
Total Operating Revenues	6,798,110	6,281,159
Operating Expenses:		
Instruction	8,270,398	7,919,762
Public Service	12,446	18,977
Academic support	1,563,410	1,665,540
Student services	1,985,727	1,966,831
Institutional support	3,481,038	3,446,453
Operation and maintenance of plant	2,528,101	2,315,120
Scholarships and fellowships	11,570,669	4,601,736
Auxiliary enterprises	998,291	960,276
Depreciation	728,546	645,701
Total Operating Expenses	31,138,626	23,540,396
Operating Loss	(24,340,516)	(17,259,237)
Non-Operating Revenues (Expenses):		
State Appropriations	8,164,179	8,641,966
Maintenance ad valorem taxes	1,280,110	1,105,789
Branch campus maintenance tax	2,713,193	2,492,215
Federal revenue, non-operating	13,944,360	6,535,456
Gifts	364,096	-
Investment income	121,868	127,215
Interest on capital-related debt	(201,728)	(219,928)
Gain (loss) on disposal of capital assets	(1,085)	-
Amortization expense	(3,120)	(3,120)
Other non-operating revenues	119,898	29,283
Net Non-Operating Revenues	26,501,771	18,708,876
Income Before Other Revenues (Expenses)	2,161,255	1,449,639
Other Revenues (Expenses):		
Additions to permanent endowments	14,270	2,820
Increase (Decrease) in Net Assets	2,175,525	1,452,459
Net Assets at Beginning of Year	24,397,620	22,945,161
Net Assets at End of Year	\$ 26,573,145	\$ 24,397,620

The "Statement of Revenues, Expenses and Changes in Net Assets" presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. Generally speaking, operating revenues or expenditures are those earned or incurred by the institution from its normal activity of carrying out its mission of providing educational programs to the citizens of its service area.

The College is primarily dependent upon three sources of revenue: state appropriations; tuition and fees; and property taxes. Since state appropriations and property taxes are classified as Non-Operating Revenues (per GASB), Texas community colleges will generally display an operating deficit before taking into account other support. Therefore, total revenues and total expenses should be considered in assessing the change in the College's financial position.

The operating revenue reported in the "Statement of Revenues, Expenses and Changes in Net Assets" is derived from the activity reported in Schedule A "Schedule of Operating Revenues".

The Operating expenses reported in the "Statement of Revenues, Expenses and Changes in Net Assets" are derived from the activity reported in Schedule B "Schedule of Operating Expenses by Object".

The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

There was an increase of \$516,951 in Operating Revenues which is the result of an increase in tuition and fees, due to increased enrollment and increased tuition and fee rates. Refer to Statistical Supplement 6 for enrollment information and Statistical Supplement 4 for tuition and fee information.

There was an increase of \$7,792,895 in Total Non-Operating Revenues from Schedule C. This increase was due primarily to a \$7,408,904 increase in Federal Revenue, non-operating. There was a 25.9% increase in the number of students qualifying for Pell grants and an increase in the dollar amount of the grants for which the students qualified.

While an increase in net assets may be an indication of the financial health of the college, it is not necessarily a goal of the institution to always show an increase in net assets. The college's net assets increased \$2,175,525 during the year.

For additional information on "Statement of Revenues, Expenses and Changes in Net Assets" refer to "Notes to the Financial Statements".

Condensed Statement of Cash Flows

	<u>Current Year</u>	<u>Prior Year</u>
Cash Flows from		
Operating Activities	\$ (21,363,550)	\$ (16,105,374)
Noncapital Financing Activities	24,646,949	17,409,031
Capital and Related Financing Activities	(740,715)	(2,319,016)
Investing Activities	<u>1,801,541</u>	<u>1,019,814</u>
Net Increase in Cash and Cash Equivalents	4,344,225	4,455
Cash at Beginning of Year	<u>6,464,600</u>	<u>6,460,145</u>
Cash at End of Year	<u>\$ 10,808,825</u>	<u>\$ 6,464,600</u>

The “Statement of Cash Flows” is a detailed analysis of the change in cash and cash equivalents that occurred during the year. This statement consists of five components.

(1) Cash Flows from Operating Activities

This section deals with the change in cash due to the normal operating activity of the institution. Refer to the net income or loss recorded in the “Statement of Revenues, Expenses and Changes in Net Assets”.

(2) Cash Flows from Noncapital Financing Activities

For Hill College this is a combination of state appropriated funds, property tax revenue, and receipts from non-operating federal revenues.

(3) Cash Flows from Capital and Related Financing Activities

This deals with the change in cash due to acquisition or disposition of capital assets and with payments on capital debt and leases.

(4) Cash Flows from Investing Activities

This reflects cash flows resulting from investing activities.

(5) Reconciliation of Operating Income (Loss) to Net Cash used by Operating Activities

This section reconciles the net change in cash with the operating income (loss) reported in the “Statement of Revenues, Expenses, and Changes in Net Assets”. This reconciliation is necessary because of changes that may affect cash without having a corresponding effect on revenue or expense, for example: changes in accounts receivable, accounts payable, deferred revenue, etc. Items that may affect revenue or expense without affecting cash, such as depreciation, also create a need for this reconciliation.

For additional information on “Statement of Cash Flows” refer to “Notes to the Financial Statements”.

Capital Asset and Debt Administration

Hill College completed two construction projects during the year ending August 31, 2011.

- (1) Construction of a Baseball/Softball field house.
- (2) Renovations of the Snap-on Tools Automotive Center in Cleburne Texas.
- (3) During the year Hill College received \$345,000 from the Hill College Development Foundation for the construction of a Welding building. An additional donation of \$289,388 for this project is scheduled to be received during fall 2011.

For additional information concerning Capital Assets and Debt Administration, see Note 2, 5, 6, and 7.

Discussion of Currently Known Facts, Decisions, or Conditions

Hill College currently maintains an A3 bond rating with Moody's Investors Services.

Effective fall 2011, the Hill College Board of Regents approved a \$5 per semester credit hour increase in tuition for all students and for Johnson county in district students only an increase of \$5 per semester credit hour for building use fees.

FINANCIAL STATEMENTS

Hill College
Exhibit 1
Statement of Net Assets
August 31, 2011 and August 31, 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 9,431,576	\$ 4,979,532
Short Term Investments	1,828,908	3,607,998
Accounts Receivable (Net)	2,978,483	2,765,038
Deferred Charges	437,065	467,177
Prepaid Expenses	81,813	92,432
	<hr/>	<hr/>
Total Current Assets	14,757,845	11,912,177
Noncurrent Assets		
Restricted Cash and Cash Equivalents	1,377,249	1,485,068
Endowment Investments	100,368	52
Deferred Charges	32,892	36,013
Capital Assets, (Net) (See Note #5)	20,279,708	20,356,357
	<hr/>	<hr/>
Total Noncurrent Assets	21,790,217	21,877,490
	<hr/>	<hr/>
Total Assets	36,548,062	33,789,667
LIABILITIES		
Current Liabilities:		
Accounts Payable	1,016,236	198,665
Accrued Liabilities	177,620	245,425
Funds Held for Others	423,494	423,170
Deferred Revenue	4,366,367	4,163,587
Bonds Payable - Current Portion	395,000	370,000
	<hr/>	<hr/>
Total Current Liabilities	6,378,717	5,400,847
Noncurrent Liabilities		
Dorm Deposits Payable	86,200	86,200
Bonds Payable	3,510,000	3,905,000
	<hr/>	<hr/>
Total Noncurrent Liabilities	3,596,200	3,991,200
	<hr/>	<hr/>
Total Liabilities	9,974,917	9,392,047
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	16,374,708	16,081,357
Restricted for:		
Nonexpendable		
Student Aid	1,054,676	1,042,360
Expendable		
Student Aid	86,270	(85,364)
Loans	996	986
Debt Service	863,498	863,685
Unrestricted	8,192,997	6,494,596
	<hr/>	<hr/>
Total Net Assets (Schedule D)	26,573,145	24,397,620
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 36,548,062	\$ 33,789,667

The Notes to the Financial Statements are an integral part of this statement.

Hill College Foundation
 Exhibit 1-A
 Statement of Financial Position
 August 31, 2011 and August 31, 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 144,483	\$ 330,247
Investments	489,643	446,121
Receivables	-	2,022
	<hr/>	<hr/>
Total Current Assets	634,126	778,390
Noncurrent Assets:		
Receivables-restricted	333,222	326,423
Investments-restricted	5,800,013	5,785,369
Capital Assets, net of accumulated depreciation	1,373,062	1,386,090
	<hr/>	<hr/>
Total Noncurrent Assets	7,506,297	7,497,882
	<hr/>	<hr/>
Total Assets	8,140,423	8,276,272
LIABILITIES		
Current Liabilities:		
Due to Hill College	-	345,000
Deferred Lease Revenue	-	147,724
	<hr/>	<hr/>
Total Current Liabilities	-	492,724
NET ASSETS		
Invested in Capital Assets	1,373,062	1,386,090
Restricted for:		
Expendable:		
Wallace Campus and programs of Hill College	5,014,321	4,733,285
Hill College Capital Projects	745,976	703,538
Nonexpendable:		
Endowments for Hill College Scholarships	504,689	500,026
Unrestricted	502,375	460,609
	<hr/>	<hr/>
Total Net Assets	\$ 8,140,423	\$ 7,783,548
	<hr/> <hr/>	<hr/> <hr/>

Hill College
Exhibit 2
Statement of Revenues, Expenses, and Changes in Net Assets
Years Ended August 31, 2011 and August 31, 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues		
Tuition and Fees (net of discounts of \$4,351,933 and \$3,771,127, respectively)	\$ 3,276,872	\$ 3,097,823
Federal Grants and Contracts	619,070	564,097
State Grants and Contracts	658,702	481,624
Non-Governmental Grants and Contracts	1,317,309	1,174,655
Auxiliary Enterprises (net of discounts)	756,118	822,299
Other Operating Revenues	170,039	140,661
	<hr/>	<hr/>
Total Operating Revenues (Schedule A)	6,798,110	6,281,159
Operating Expenses		
Instruction	8,270,398	7,919,762
Public Service	12,446	18,977
Academic Support	1,563,410	1,665,540
Student Services	1,985,727	1,966,831
Institutional Support	3,481,038	3,446,453
Operation and Maintenance of Plant	2,528,101	2,315,120
Scholarships and Fellowships	11,570,669	4,601,736
Auxiliary Enterprises	998,291	960,276
Depreciation	728,546	645,701
	<hr/>	<hr/>
Total Operating Expenses (Schedule B)	31,138,626	23,540,396
	<hr/>	<hr/>
Operating Loss	(24,340,516)	(17,259,237)
Non-Operating Revenues (Expenses)		
State Appropriations	8,164,179	8,641,966
Maintenance Ad Valorem Taxes	1,280,110	1,105,789
Branch Campus Maintenance Tax	2,713,193	2,492,215
Federal Revenue, Non Operating	13,944,360	6,535,456
Gifts	364,096	-
Investment Income	121,868	127,215
Interest on Capital Related Debt	(201,728)	(219,928)
Gain (Loss) on Disposal of Capital Assets	(1,085)	-
Other Non-Operating Revenues	119,898	29,283
Other Non-Operating Expenses	(3,120)	(3,120)
	<hr/>	<hr/>
Net Non-Operating Revenues (Schedule C)	26,501,771	18,708,876
	<hr/>	<hr/>
Income Before Other Revenues (Expenses)	2,161,255	1,449,639
Other Revenues (Expenses)		
Additions to Permanent and Term Endowments	14,270	2,820
	<hr/>	<hr/>
Total Other Revenues	14,270	2,820
	<hr/>	<hr/>
Increase in Net Assets	2,175,525	1,452,459
Net Assets		
Net Assets - Beginning of Year	24,397,620	22,945,161
Net Assets - End of Year	<u>\$ 26,573,145</u>	<u>\$ 24,397,620</u>

The Notes to the Financial Statements are an integral part of this statement.

Hill College Foundation
Exhibit 2-A
Statement of Activities
Years Ended August 31, 2011 and August 31, 2010

	<u>2011</u>	<u>2010</u>
Operating Revenues:		
Investment Earnings	\$ 500,242	\$ 416,276
Farm and Lease Revenue	297,273	240,738
Contribution	-	282
	<hr/>	<hr/>
Total Operating Revenue	797,515	657,296
	<hr/>	<hr/>
Operating Expenses:		
Contribution to Hill College	297,388	345,000
Investment Management Fees	99,206	94,578
Legal Fees	3,621	7,798
Accounting and Audit Fees	16,788	20,004
Property Taxes	4,373	4,219
Insurance	5,198	5,198
Depreciation	13,028	13,028
Other Operating Expenses	1,038	2,007
	<hr/>	<hr/>
Total Operating Expenses	440,640	491,832
	<hr/>	<hr/>
Increase in Net Assets	356,875	165,464
Net Assets, Beginning of Year	7,783,548	7,618,084
	<hr/>	<hr/>
Net Assets, End of Year	\$ 8,140,423	\$ 7,783,548
	<hr/> <hr/>	<hr/> <hr/>

Hill College
Exhibit 3
Statement of Cash Flows
Years Ended August 31, 2011 and August 31, 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 4,032,769	\$ 4,331,240
Receipts from grants and contracts	2,629,527	722,352
Payments to suppliers for goods and services	(5,057,581)	(5,509,028)
Payments to or on behalf of employees	(11,552,272)	(11,204,994)
Payments for scholarships	(11,570,669)	(4,601,736)
Other receipts	154,676	156,792
Net cash used by operating activities	(21,363,550)	(16,105,374)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from state appropriations	6,695,006	7,265,105
Receipts from nonoperating federal revenues	13,944,360	6,535,456
Receipts from ad valorem taxes	3,993,303	3,598,004
Receipts from sale of easement	-	14,250
Receipts from student organizations and other agency transactions	10	(6,604)
Additions to permanent and term endowments	14,270	2,820
Net cash provided by noncapital financing activities	24,646,949	17,409,031
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of capital assets	1,400	-
Receipts from gifts	364,096	-
Purchases of capital assets	(654,381)	(1,759,121)
Payments on capital debt - principal	(370,000)	(355,000)
Payments on capital debt - interest	(201,728)	(219,928)
Receipts from insurance proceeds	119,898	15,033
Net cash used by capital and related financing activities	(740,715)	(2,319,016)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	1,800,000	4,503,647
Purchase of investments	(100,000)	(3,569,929)
Interest on investments	101,541	86,096
Net cash used by investing activities	1,801,541	1,019,814
Increase (decrease) in cash and cash equivalents	4,344,225	4,455
Cash and cash equivalents - September 1	6,464,600	6,460,145
Cash and cash equivalents - August 31	\$ 10,808,825	\$ 6,464,600
Reconciliation of net operating loss to net cash provided (used)		
by operating activities:		
Operating loss	\$ (24,340,516)	\$ (17,259,237)
Adjustments to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	728,546	645,701
Payments made directly by state for benefits	1,469,173	1,376,861
Changes in assets and liabilities:		
Receivables (net)	(194,703)	(1,511,976)
Prepaid expenses	10,619	(5,342)
Accounts payable	749,766	218,668
Deferred revenue	183,453	514,406
Deferred charges	30,112	(84,455)
Net cash used by operating activities	\$ (21,363,550)	\$ (16,105,374)

The Notes to the Financial Statements are an integral part of this statement.

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

1. Reporting Entity

The authorization to establish Hill College was issued in 1921 by the Attorney General of the State of Texas under the name of Hillsboro Junior College. The College first enrolled students in September of 1923. Hillsboro Junior College operated continuously until July of 1950 when it closed after an attempt to establish a countywide college system failed. The college lay dormant for eleven years during which time the charter was protected from forfeiture through the efforts of the late Senator Crawford Martin of Hillsboro. On March 3, 1962, a bond issue was passed for the purpose of building a new campus. The college opened for business in September of 1962 under a new name, Hill Junior College. The new college district was expanded by the voluntary annexation of five Hill County school districts other than the original Hillsboro school district. In 1974, the college opened an extension center in Cleburne, Texas, located in Johnson County. In 1997 and 1998, the citizens of eight Johnson County school districts approved a local maintenance and operation tax for the purpose of supporting the branch campus of Hill College in Johnson County. The Hill Junior College District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the 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 Standard 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 a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act Program Funds

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

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

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 dispersed 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 district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1. Board policy requires the College maintain a minimum fund balance equal to twenty-five percent of the current operating budget. For the years ended August 31, 2011 and August 31, 2010, respectively, the minimum unrestricted fund balance to be maintained was \$5,283,608 and \$4,910,797. The College exceeded this minimum required fund balance for both years.

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. The governing board has designated public funds investment pools comprised of \$610 and \$609 at 2011 and 2010 to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to building, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles and other equipment and 5 years for telecommunications and peripheral equipment.

Deferred Revenue

Tuition and fees of \$3,468,337 and \$3,286,994, dorm rental and food service fees of \$512,965 and \$520,884 and federal, state and local grants of \$70,383 and \$60,354 have been reported as deferred revenues 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 Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and 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 non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operations of the bookstore and cafeteria are not performed by the College.

Characterization of Title IV Grant Revenue

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

3. Authorized Investments

Hill 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. The Board of Regents of Hill College has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The investments of the College are in compliance with the Regent's investment policies. In addition, there were no instances of non-compliance with regards to the Public Funds Investment Act.

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

4. Deposits and Investments

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

Cash and Deposits

	<u>2011</u>	<u>2010</u>
Bank Deposits		
Demand Deposits	\$ 6,057,073	\$ 3,431,854
Time Deposits	4,747,802	3,028,796
	<u>10,804,875</u>	<u>6,460,650</u>
Cash and Cash Equivalents		
Petty Cash on Hand	<u>3,950</u>	<u>3,950</u>
Total Cash and Deposits	<u>\$ 10,808,825</u>	<u>\$ 6,464,600</u>

Reconciliation of Deposits and Investments to Exhibit 1:

Type of Security	<u>Market Value</u> <u>August 31, 2011</u>	<u>Market Value</u> <u>August 31, 2010</u>
Total Cash and Deposits	\$ 10,808,825	\$ 6,464,600
Certificate of Deposit	1,928,666	3,607,441
Investment Pools	610	609
Total Investments	<u>\$ 1,929,276</u>	<u>\$ 3,608,050</u>
Total Deposits and Investments	<u>\$ 12,738,101</u>	<u>\$ 10,072,650</u>
Cash and Cash Equivalents (Exhibit 1)	9,431,576	4,979,532
Restricted Cash and Cash Equivalents (Exhibit 1)	1,377,249	1,485,068
Short Term Investments (Exhibit 1)	1,828,908	3,607,998
Endowment Investments (Exhibit 1)	<u>100,368</u>	<u>52</u>
Total Deposits and Investments (Exhibit 1)	<u>\$ 12,738,101</u>	<u>\$ 10,072,650</u>

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less than 1</u>	<u>1 to 2</u>	<u>Greater than 2</u>	<u>N/A</u>
Certificates of Deposit	\$ 1,928,666	\$ 1,928,666	\$ -	\$ -	\$ -
Investment Pool	610	610	-	-	-
Total Fair Value	\$ 1,929,276	\$ 1,929,276	\$ -	\$ -	\$ -

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

Credit Risk – In accordance with state law and the District’s investment policy, investments in mutual funds and investment pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A.

Concentration of Credit Risk – The District does not place a limit on the amount the District may invest in any one issuer. None of the District’s investments are in FNMA, FHLB or similar investments.

5. Capital Assets

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

	<u>Balance</u> <u>September 1,</u> <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>August 31,</u> <u>2011</u>
<u>Not Depreciated:</u>				
Land	\$ 322,248	\$ -	\$ -	\$ 322,248
Collections	28,907	-	-	28,907
Construction in Progress	1,528,472	39,114	1,567,586	-
Subtotal	<u>1,879,627</u>	<u>39,114</u>	<u>1,567,586</u>	<u>351,155</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	23,653,516	1,853,881	-	25,507,397
Other Real Estate Improvements	561,022	-	-	561,022
Total Buildings and Other Real Estate Improvements	<u>24,214,538</u>	<u>1,853,881</u>	<u>-</u>	<u>26,068,419</u>
Library Books	860,066	35,371	16,410	879,027
Furniture, Machinery, and Equipment	2,945,511	293,602	61,980	3,177,133
Total Buildings and Other Capital Assets	<u>28,020,115</u>	<u>2,182,854</u>	<u>78,390</u>	<u>30,124,579</u>

Hill College
Notes to Financial Statements
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<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	6,693,088	421,956	-	7,115,044
Other Real Estate Improvements	498,402	1,777	-	500,179
Total Buildings and Other Real Estate Improvements	7,191,490	423,733	-	7,615,223
Library Books	579,636	37,238	16,410	600,464
Furniture, Machinery, and Equipment	1,772,259	267,575	59,495	1,980,339
Total Accumulated Depreciation	<u>9,543,385</u>	<u>728,546</u>	<u>75,905</u>	<u>10,196,026</u>
Net Capital Assets	<u>\$ 20,356,357</u>	<u>\$ 1,493,422</u>	<u>\$ 1,570,071</u>	<u>\$ 20,279,708</u>

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

	Balance September 1, 2009	Increases	Decreases	Balance August 31, 2010
<u>Not Depreciated:</u>				
Land	\$ 322,248	\$ -	\$ -	\$ 322,248
Collections	28,907	-	-	28,907
Construction in Progress	1,005,657	1,211,624	688,809	1,528,472
Subtotal	<u>1,356,812</u>	<u>1,211,624</u>	<u>688,809</u>	<u>1,879,627</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	22,800,966	919,293	66,743	23,653,516
Other Real Estate Improvements	561,022	-	-	561,022
Total Buildings and Other Real Estate Improvements	23,361,988	919,293	66,743	24,214,538
Library Books	829,880	32,496	2,310	860,066
Furniture, Machinery, and Equipment	2,594,250	351,261	-	2,945,511
Total Buildings and Other Capital Assets	<u>26,786,118</u>	<u>1,303,050</u>	<u>69,053</u>	<u>28,020,115</u>
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	6,294,460	398,628	-	6,693,088
Other Real Estate Improvements	524,696	(26,294)	-	498,402
Total Buildings and Other Real Estate Improvements	6,819,156	372,334	-	7,191,490
Library Books	544,639	37,307	2,310	579,636
Furniture, Machinery, and Equipment	1,536,198	236,061	-	1,772,259
Total Accumulated Depreciation	<u>8,899,993</u>	<u>645,702</u>	<u>2,310</u>	<u>9,543,385</u>
Net Capital Assets	<u>\$ 19,242,937</u>	<u>\$ 1,868,972</u>	<u>\$ 755,552</u>	<u>\$ 20,356,357</u>

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

6. Long-term Liabilities

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

	<u>Balance September 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2011</u>	<u>Current Portion</u>
Bonds:					
Revenue bonds	\$ 4,275,000	\$ -	\$ 370,000	\$ 3,905,000	\$ 395,000
Total long-term Liabilities	<u>\$ 4,275,000</u>	<u>\$ -</u>	<u>\$ 370,000</u>	<u>\$ 3,905,000</u>	<u>\$ 395,000</u>

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

	<u>Balance September 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance August 31, 2010</u>	<u>Current Portion</u>
Bonds:					
Revenue bonds	\$ 4,630,000	\$ -	\$ 355,000	\$ 4,275,000	\$ 370,000
Total long-term Liabilities	<u>\$ 4,630,000</u>	<u>\$ -</u>	<u>\$ 355,000</u>	<u>\$ 4,275,000</u>	<u>\$ 370,000</u>

7. Debt Obligations

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

For the Year Ended	Revenue Bonds		
<u>August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 395,000	\$ 182,595	\$ 577,595
2013	415,000	162,285	577,285
2014	435,000	142,464	577,464
2015	455,000	121,905	576,905
2016	480,000	99,812	579,812
2017-2021	<u>1,725,000</u>	<u>205,629</u>	<u>1,930,629</u>
Total	<u>\$ 3,905,000</u>	<u>\$ 914,690</u>	<u>\$ 4,819,690</u>

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

8. Bonds Payable

General information related to bonds payable is summarized below:

Revenue Bonds, Series 1998:

To construct a branch campus in Johnson County
Issued March 1, 1998
\$4,000,000; all authorized bonds have been issued
\$1,895,000 outstanding balance

Revenue Bonds, Series 2000:

To build and furnish student activity center on Cleburne campus and to provide additional parking
Issued November 15, 2000
\$1,500,000; all authorized bonds have been issued
\$1,090,000 outstanding balance

Revenue Bonds, Series 2002:

To construct and equip new classrooms and a teaching facility at the Cleburne campus
Issued September 1, 2002
\$1,300,000; all authorized bonds have been issued
\$920,000 outstanding balance

The building use fee for the availability of the administration building and the fine arts building, the library use fee, the net revenues of the cafeteria and the bookstore, and dormitory rental fees are obligated toward the retirement of indebtedness. After payment of all amounts, required to be deposited to the Bond Retirement and Reserve Fund, created and established for the payment and security of the priority bonds, remaining funds are to be placed in a Special Revenue Bond Fund.

Transfers are to be made from the Special Revenue Bond Fund to (1) the Special Revenue Bond Interest and Sinking Fund, (2) the Special Revenue Bond Reserve Fund, and (3) the Special Revenue Contingency Fund. For the year ended August 31, 2011, the College was in compliance with all significant covenants and restrictions that are contained in the various bond indentures.

Bonds payable are due in annual installments varying from \$75,000 to \$310,000 with interest rates from 4.0 percent to 6.875 percent with the final installment due in 2021.

9. Employees' Retirement Plan

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

Teacher Retirement System of Texas

Plan Description. Hill 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

Hill College
Notes to Financial Statements
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Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6% 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 particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 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 6.644% 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 1.92% for employees who were participating in the optional retirement program prior to September 1, 1995 and .18% for employees participating as of September 1, 2009. 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.

Public Agency Retirement System

In addition, the College has established a defined contribution plan for part-time employees called the Public Agency Retirement System (PARS) plan. The PARS plan, as established by the College under the provisions of the Omnibus Budget Reconciliation Act of 1990, requires 5.5% to be deducted from participants' salaries each pay period and contributed to the PARS plan administered by the Union Bank of California. The College also contributes the equivalent of 2% of participants' salaries. Contributions to the PARS plan are immediately 100% vested.

The retirement expense to the state for the College was \$592,520 and \$566,911 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 \$10,543,724 and \$10,382,256 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$6,076,374 and \$5,821,476 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Optional Retirement System was \$3,190,252 and \$2,819,584 for fiscal

Hill College
Notes to Financial Statements
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years 2011 and 2010, respectively. The total payroll of employees covered by the PARS plan was \$1,086,763 and \$1,203,715 for fiscal years 2011 and 2010, respectively.

10. Deferred Compensation Plan

Under Section 403(b) of the Internal Revenue Code, all employees of the College are eligible to defer from taxable income amounts they choose to contribute to a Tax Sheltered Annuity (TSA). Authority for this program is granted under Government Code 609.001. The general maximum contribution limit in tax years 2011 and 2010 was \$16,500, with a \$5,500 make-up provision for individuals fifty years or older in 2011 and 2010. Twenty-one employees of the College contributed a total of \$48,527 under this plan for the year 2011, and twenty employees contributed a total of \$44,202 under this plan for 2010. The College does not contribute to this plan. The deferred compensation program is not included in the basic financial statements because the program's assets are assets of the plan participants and not of the College.

11. Compensable Absences

Effective September 1, 2006, full-time employees earn vacation leave of six and two-thirds hours per month for a maximum of eighty hours per year. A maximum of forty hours may be carried over to the next fiscal year, unless special circumstances have been approved by the president. The College recognized the accrued liability for the unpaid vacation leave in the amount of \$99,777 and \$97,922 for 2011 and 2010. Full-time employees earn sick leave of eight hours per month, which can be accumulated up to sixty days maximum. It is paid to an employee who misses work because of illness. Employees who terminate their employment are not entitled to payment for accumulated sick leave. Therefore, the College does not accrue for accumulated sick leave.

12. Disaggregation of Receivables and Payables Balances

Receivables

Receivables at August 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Student Receivables	\$ 1,111,950	\$ 839,085
Taxes Receivables	342,045	321,038
Federal Receivables	1,652,993	1,612,588
State Receivables	224,709	289,531
Other Receivables	124,708	131,459
Subtotal	<u>3,456,405</u>	<u>3,193,701</u>
Allowance for doubtful accounts	<u>(477,922)</u>	<u>(428,663)</u>
Total Receivables	<u><u>2,978,483</u></u>	<u><u>2,765,038</u></u>

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

Payables

Payables at August 31, 2011 and 2010 were as follows:

	2011	2010
Vendors Payable	\$ 1,016,236	\$ 198,665
Total Payables	\$ 1,016,236	\$ 198,665

13. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. 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 already committed, e.g., multi-year awards, or funds awarded during fiscal years 2011 and 2010 for which monies have not been received nor funds expended totaled \$3,229,907 and \$4,946,034. Federal Contract and Grant Awards comprised all of these amounts.

14. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee for HealthSelect of Texas was \$413.26 for employees, \$649.60 for employee and spouse, \$571.52 for employee and child, and \$807.86 for employee and family for the year ended August 31, 2011 and totaled \$1,080,837 for 2011. For the year ended August 31, 2010, the state's contribution per full-time employee for HealthSelect of Texas was \$385.37 for employees, \$605.70 for employee and spouse, \$532.90 for employee and child, and \$753.22 for employee and family and totaled \$1,012,020. The cost of providing those benefits for 48 retirees in the year ended 2011 was \$268,298 (retiree benefits for 50 retirees cost \$252,501 for the year ended 2010). For 198 active employees, the cost of providing benefits was \$812,539 for the year ended 2011 (active employee benefits for 194 employees cost \$759,519 for the year ended 2010).

15. Ad Valorem Tax

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

Hill College
Notes to Financial Statements
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At August 31:

	<u>2011</u>	<u>2010</u>
Assessed Valuation of the District	\$ 1,805,905,793	\$ 1,792,371,641
Less: Exemptions	384,068,772	134,919,484
Net Assessed Valuation of the District	<u>\$ 1,421,837,021</u>	<u>\$ 1,657,452,157</u>

Authorized Tax Rate per \$100 valuation (current operations-maximum per enabling legislation)	.300000	.300000
Assessed Tax Rate per \$100 valuation (current operations)	.078984	.065367

Taxes levied for the year ended August 31, 2011 and 2010 amounted to \$1,269,338 and \$1,096,744, respectively, including any penalty and interest assessed. 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.

	<u>2011</u> <u>Current Operations</u>	<u>2010</u> <u>Current Operations</u>
Current Taxes Collected	\$ 1,213,792	\$ 1,052,054
Delinquent Taxes Collected	37,826	30,821
Penalties and Interest Collected	28,492	22,914
Total Collections	<u>\$ 1,280,110</u>	<u>\$ 1,105,789</u>

Tax collections for the year ended August 31, 2011 and 2010 were 95.62% and 95.93%, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to maintenance and operations expenditures.

16. Branch Campus Maintenance Tax

A branch campus maintenance tax that is established by election is levied by the school districts of Alvarado, Cleburne, Godley, Grandview, Joshua, Keene, Rio Vista and Venus. It is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the districts. Collections are transferred to Hill College to be used for the operation of a Branch Campus at Cleburne.

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

<u>Independent School District</u>	<u>Collections in Fiscal Year 2011 (including penalties and interest)</u>	<u>Collections in Fiscal Year 2010 (including penalties and interest)</u>
Alvarado	\$ 478,568	\$ 427,478
Cleburne	1,219,481	1,110,742
Godley	128,536	125,897
Grandview	139,491	126,182
Joshua	509,906	468,046
Keene	60,179	71,185
Rio Vista	71,263	65,898
Venus	105,769	96,787
Total	<u>\$ 2,713,193</u>	<u>\$ 2,492,215</u>

17. Operating Lease Commitments

Rental expenses under operating leases during fiscal year 2011 and 2010 were approximately \$57,600 and \$48,000, respectively.

Future, minimum lease rental payments under noncancellable operating leases having an initial term in excess of one year as of August 2011 are as follows:

<u>Year Ended</u>	<u>Minimum Future Lease Payments</u>
2012	\$ 56,400
2013	56,400
2014	56,400
2015	56,400
2016	56,400

18. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2011 and 2010.

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

19. Component Unit

Hill College Foundation – Discrete Component Unit

Hill College Foundation (the Foundation) was established as a separate nonprofit organization in 1975 for the purpose of providing 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). Complete financial statements of the Hill Junior College Development Foundation, Inc. can be obtained from the administrative office of Hill College.

20. Related Parties

The Hill College Johnson County Campus Development Foundation, Inc. is a nonprofit organization with the sole purpose of supporting the educational and other activities of the College. Hill College is not obligated to financially support or pay the debt of the foundation nor is it able to significantly influence the policies of this foundation. The foundation solicits donations and acts as coordinators of gifts made by other parties.

21. Postemployment Benefits Other than Pensions

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

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

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.

Hill College
Notes to Financial Statements
August 31, 2011 and 2010

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 \$1,561,265, \$1,363,005, and \$1,195,662, respectively, which amounts were funded from the College's state appropriation and equaled the required contributions each year.

SUPPLEMENTARY SCHEDULES

Hill College
Schedule A
Schedule of Operating Revenues
Year Ended August 31, 2011 (With Memorandum Totals for the Year Ended August 31, 2010)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2011 Total	2010 Total
Tuition:						
State Funded Credit Courses:						
In-District Resident Tuition	\$ 2,597,946	\$ -	\$ 2,597,946	\$ -	\$ 2,597,946	\$ 2,232,632
Out-of-District Resident Tuition	1,745,825	-	1,745,825	-	1,745,825	1,605,260
Non-Resident Tuition	176,241	-	176,241	-	176,241	176,164
TPEG - Credit (set aside)*	-	283,036	283,036	-	283,036	250,795
State-Funded Continuing Education	146,367	-	146,367	-	146,367	144,498
Non-State Funded Continuing Education	7,514	-	7,514	-	7,514	5,005
Total Tuition	4,673,893	283,036	4,956,929	-	4,956,929	4,414,354
Fees:						
Out of District Fee	882,070	-	882,070	-	882,070	831,008
Distance Learning Fee	-	-	-	-	-	2,975
General Fee	397,344	-	397,344	-	397,344	285,719
Student Service Fee	-	-	-	388,839	388,839	383,217
Building Use Fee	-	-	-	686,877	686,877	673,898
Laboratory Fee	316,746	-	316,746	-	316,746	277,779
Total Fees	1,596,160	-	1,596,160	1,075,716	2,671,876	2,454,596
Scholarship Allowances and Discounts:						
Remissions and Exemptions - State	-	-	-	(151,589)	(151,589)	(95,366)
Remissions and Exemptions - Local	-	-	-	(240)	(240)	(11,194)
Title IV Federal Grants	(2,364,477)	-	(2,364,477)	-	(2,364,477)	(1,888,460)
Other Federal Grants	(9,707)	-	(9,707)	-	(9,707)	(3,582)
TPEG Awards	(241,781)	-	(241,781)	-	(241,781)	(185,845)
Other State Grants	(92,061)	-	(92,061)	-	(92,061)	(171,289)
Other Local Grants	(1,492,078)	-	(1,492,078)	-	(1,492,078)	(1,415,391)
Total Scholarship Allowances	(4,200,104)	-	(4,200,104)	(151,829)	(4,351,933)	(3,771,127)
Total Net Tuition and Fees	2,069,949	283,036	2,352,985	923,887	3,276,872	3,097,823
Additional Operating Revenues:						
Federal Grants and Contracts	36,241	582,829	619,070	-	619,070	564,097
State Grants and Contracts	-	658,702	658,702	-	658,702	481,624
Non-Governmental Grants and Contracts	-	1,317,309	1,317,309	-	1,317,309	1,174,655
General Operating Revenues	170,039	-	170,039	-	170,039	140,661
Total Additional Operating Revenues	206,280	2,558,840	2,765,120	-	2,765,120	2,361,037
Auxiliary Enterprises:						
Residential Life	-	-	-	964,250	964,250	866,282
Less Discounts	-	-	-	(672,800)	(672,800)	(556,638)
Bookstore	-	-	-	224,227	224,227	232,397
Cosmetology	-	-	-	36,528	36,528	42,464
Concessions	-	-	-	203,663	203,663	227,793
Miscellaneous Income	-	-	-	250	250	10,001
Total Net Auxiliary Enterprises	-	-	-	756,118	756,118	822,299
Total Operating Revenues	\$ 2,276,229	\$ 2,841,876	\$ 5,118,105	\$ 1,680,005	\$ 6,798,110	\$ 6,281,159
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$283,036 and \$250,795 for years August 31, 2011 and 2010, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

Hill College
Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2011 (with Memorandum Totals for the Year Ended August 31, 2010)

	Operating Expenses					2011 Total	2010 Total
	Salaries and Wages	Benefits		Other Expenses			
		State	Local				
Unrestricted - Educational Activities							
Instruction	\$ 6,280,336	\$ -	\$ 121,033	\$ 529,086	\$ 6,930,455	\$ 6,918,786	
Public Service	-	-	-	-	-	-	
Academic Support	1,032,446	-	25,298	319,893	1,377,637	1,481,257	
Student Services	1,134,344	-	24,059	222,664	1,381,067	1,355,369	
Institutional Support	1,397,270	-	526,992	1,277,500	3,201,762	3,181,378	
Operation and Maintenance of Plant	305,163	-	35,270	2,126,639	2,467,072	2,267,545	
Scholarships and Fellowships	-	-	-	-	-	-	
Total Unrestricted Educational Activities	10,149,559	-	732,652	4,475,782	15,357,993	15,204,335	
Restricted - Educational Activities							
Instruction	\$ 121,147	\$ 928,417	\$ -	\$ 290,379	\$ 1,339,943	\$ 1,000,976	
Public Service	12,446	-	-	-	12,446	18,977	
Academic Support	2,971	182,802	-	-	185,773	184,283	
Student Services	214,868	268,474	-	121,318	604,660	611,462	
Institutional Support	2,000	277,276	-	-	279,276	265,075	
Operation and Maintenance of Plant	1,392	59,637	-	-	61,029	47,575	
Scholarships and Fellowships	-	-	-	11,570,669	11,570,669	4,601,736	
Total Restricted Educational Activities	354,824	1,716,606	-	11,982,366	14,053,796	6,730,084	
Total Educational Activities	10,504,383	1,716,606	732,652	16,458,148	29,411,789	21,934,419	
Auxiliary Enterprises	-	-	-	998,291	998,291	960,276	
Depreciation Expense - Buildings and Other Real Estate Improvements	-	-	-	423,734	423,734	372,333	
Depreciation Expense - Equipment and Furniture	-	-	-	304,812	304,812	273,368	
Total Operating Expenses	\$ 10,504,383	\$ 1,716,606	\$ 732,652	\$ 18,184,985	\$ 31,138,626	\$ 23,540,396	
					(Exhibit 2)	(Exhibit 2)	

Hill College
Schedule C
Schedule of Non-Operating 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 Enterprises</u>	<u>2011 Total</u>	<u>2010 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 6,175,822	\$ -	\$ -	\$ 6,175,822	\$ 6,703,034
State Group Insurance	-	1,080,837	-	1,080,837	1,012,020
State Retirement Matching	-	592,520	-	592,520	566,911
Texas Heritage Museum	315,000	-	-	315,000	360,001
Total State Appropriations	6,490,822	1,673,357	-	8,164,179	8,641,966
Maintenance Ad Valorem Taxes	1,280,110	-	-	1,280,110	1,105,789
Branch Campus Maintenance Tax	2,713,193	-	-	2,713,193	2,492,215
Federal Revenue, Non-Operating	13,944,360	-	-	13,944,360	6,535,456
Investment Income	85,076	18,861	17,931	121,868	127,215
Gifts	364,096	-	-	364,096	-
Other Non-Operating Revenue	119,898	-	-	119,898	29,283
Total Non-Operating Revenues	24,997,555	1,692,218	17,931	26,707,704	18,931,924
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	201,728	-	-	201,728	219,928
Loss on Disposal of Capital Assets	1,085	-	-	1,085	-
Other Non-Operating Expense	3,120	-	-	3,120	3,120
Total Non-Operating Expenses	205,933	-	-	205,933	223,048
Net Non-Operating Revenues	\$ 24,791,622	\$ 1,692,218	\$ 17,931	\$ 26,501,771	\$ 18,708,876
				(Exhibit 2)	(Exhibit 2)

Hill College
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 Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 6,287,827	\$ -	\$ -	\$ -	\$ 6,287,827	\$ 6,287,827	\$ -
Board Designated	1,400,000	-	-	-	1,400,000	1,400,000	-
Restricted	-	86,270	-	-	86,270	-	86,270
Auxiliary Enterprises	505,170	-	-	-	505,170	505,170	-
Loan	-	996	-	-	996	-	996
Endowment	-	-	1,054,676	-	1,054,676	-	1,054,676
Plant:							
Debt Service	-	863,498	-	-	863,498	-	863,498
Investment in Plant	-	-	-	16,374,708	16,374,708	-	16,374,708
Total Net Assets, August 31, 2011	8,192,997	950,764	1,054,676	16,374,708	26,573,145	8,192,997	18,380,148
					(Exhibit 1)		
Total Net Assets, August 31, 2010	6,494,596	779,307	1,042,360	16,081,357	24,397,620	6,494,596	17,903,024
					(Exhibit 1)		
Net Increase (Decrease) in Net Assets	\$ 1,698,401	\$ 171,457	\$ 12,316	\$ 293,351	\$ 2,175,525	\$ 1,698,401	\$ 477,124
					(Exhibit 2)		

HILL COLLEGE
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2011

<u>Federal Grantor/ Pass Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantors Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<i>U. S. Department of Education</i>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 86,969
Federal College Work Study Program	84.033		82,341
Federal Pell Grant Program	84.063		7,741,653
Direct Loans	84.268		5,948,172
Academic Competitiveness Grant	84.375		85,225
TRIO: Student Support Services	84.042		200,596
Fund for the Improvement of Postsecondary Education	84.116Z		62,562
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education-Basic	84.048	114220	222,559
Leveraging Educational Assistance Partnership	84.069A		4,605
Special Leveraging Educational Assistance Partnership	84.069B		6,280
Subtotal Leveraging Educational Assistance Partnership			10,885
Robert C Byrd Honors Scholarship Program	84.185A		750
Statewide Longitudinal Data Systems	84.372		2,000
State Fiscal Stabilization Fund - Government Services	84.397A		83,477
<i>Total U. S. Department of Education</i>			<u>14,527,189</u>
Total Federal Financial Assistance			<u><u>\$ 14,527,189</u></u>

Notes to Schedule on following page.

HILL COLLEGE
Schedule E (Continued)
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2011

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue per Schedule A	\$	619,070
Less: Indirect/Administrative Costs Recoveries		(36,241)
Add: Non-Operating Federal Revenue from Schedule C		13,944,360
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$	<u>14,527,189</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

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

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
US Department of Education 84.032 Federal Family Education Loan Program	<u>\$ 22,246</u>	<u>\$ -</u>	<u>\$ 22,246</u>

HILL COLLEGE
Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2011

Grantor Agency / Program Title	Grant Contract Number	Expenditures
<i>Texas Higher Education Coordinating Board</i>		
TEXAS Grant Program		\$ 195,543
TX Educational Opportunity Grant Program		53,710
Texas College Work Study Program		13,415
Early High School Graduation Scholarship Program		21,218
Certified Educational Aide Exemption Program		33,335
Top 10% Scholarship Program		8,000
Vocational Nursing Scholarship		721
Combat Exemption Program		637
Nursing Shortage Reduction Program - Regular		21,100
Nursing Shortage Reduction - Under 70 Program		18,374
Professional Nursing Scholarship		1,494
<i>Total Texas Higher Education Coordinating Board</i>		<u>367,547</u>
<i>Texas Comptroller of Public Accounts</i>		
Jobs and Education for Texans (JET) Program	3572-20	25,433
Jobs and Education for Texans (JET) Program	4776-5	125,339
Jobs and Education for Texans (JET) Program	4807-11	127,840
<i>Total Texas Comptroller of Public Accounts</i>		<u>278,612</u>
<i>Texas Workforce Commission</i>		
Skills Development	0411SDF001	12,543
Total State Financial Assistance		<u><u>\$ 658,702</u></u>

Notes to Schedule on following page.

HILL COLLEGE
Schedule F (Continued)
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2011

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	
State Grants and Contracts	\$ 658,702
Less: Indirect/Administrative Cost Recoveries	-
Total State Revenues per Schedule of Expenditures of State Awards	<u>\$ 658,702</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

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

AUDITORS' REPORT ON CONTROLS AND COMPLIANCE



LOTT, VERNON & COMPANY, P.C.
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**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
Hill College
Hillsboro, Texas

We have audited the financial statements of Hill College, as of and for the years ended August 31, 2011, and 2010, and have issued our report thereon dated December 2, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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

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

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

regulations, contracts and grant agreements, including the Public Funds Investment Act (Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Regents, 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.

Lott, Vernon & Co., P.C.

Temple, Texas
December 2, 2011



LOTT, VERNON & COMPANY, P.C.
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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 AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Regents
Hill College
Hillsboro, Texas

Compliance

We have audited Hill College's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the State of Texas Single Audit Circular that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2011. The College's major federal and state 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 and state 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. Those standards, OMB Circular A-133 and the State of Texas Single Audit Circular, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about 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, Hill College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR (CONTINUED)**

programs for the year ended August 31, 2011. However, the results of our auditing procedures disclosed an instance 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 2011-1.

Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and 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 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 2011-1. *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 or state 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR (CONTINUED)**

Hill College's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Hill College's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the Board of Regents, 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.

Jett, Verman & Co., P.C.

Temple, Texas
December 2, 2011

HILL COLLEGE
Schedule of Findings and Questioned Costs
August 31, 2011

I. Summary of Audit Results

Financial Statements

1. Type of auditor's report issued: *unqualified*

2. Internal control over financial reporting:
 Material weakness(es) identified? _____ yes X no
 Significant deficiencies identified that are not considered to be material weakness(es)? _____ yes X none reported

3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

4. Internal control over major programs:
 Material weakness(es) identified? _____ yes X no
 Significant deficiencies identified that are not considered to be material weakness(es)? X yes _____ no

5. Type of auditor's report issued on compliance for major programs: *unqualified*

6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and State of Texas Single Audit Circular and Uniform Grant Management Standards? _____ yes X no

7. Identification of major programs:

<u>Name of Federal Programs</u>	<u>Federal CFDA Number</u>	<u>Name of State Program</u>
U.S. Department of Education Student Financial Aid Cluster:		Texas Grant
SEOG	84.007	
Federal College Work Study Program	84.033	Jobs and Education for Texans (JET) Program
Federal Pell Grant Program	84.063	
William D Ford Direct Loans	84.268	
Academic Competitiveness Program	84.375	
Carl Perkins Vocational Education	84.048	

HILL COLLEGE

Schedule of Findings and Questioned Costs (Continued)

August 31, 2011

8. Dollar threshold used to distinguish between type A and type B programs: \$300,000
9. Auditee qualified as low-risk auditee? X yes no

II. Financial Statement Findings

- None.

III. Federal Awards Findings and Questioned Costs

Significant Deficiency:

2011-1 Carl Perkins Vocational Education – Lack of internal control over budgeting of program expenditures.

Condition: In our testing, we noted checks were being issued for amounts over the monthly budgeted and purchase order amounts, as well as one check being issued for multiple months.

Criteria: The purchase order is one of the primary control documents for Carl Perkins transportation and child care expenditures. The purchase order should dictate what program expenditures are monthly and should be adjusted to account for changes in the allowed amounts.

Cause: Standing purchase orders are being created for each student in the program based on the maximum amount allowed per week for a 4 week month for transportation and child care expenditures. The purchase orders were not adjusted when there was a 5 week month. The purchase orders were also not adjusted to account for the increase in the maximum amount allowed. One student changed from child care to transportation; however, the purchase order was still based on the child care allowed amount.

Effect: The effect of not properly budgeting and monitoring program expenditures resulted in six checks in our sample being issued for amounts over the purchase order amount, as well as three checks in our sample issued for payment of multiple months.

Recommendation: Purchase orders need to be more closely monitored and adjusted for amount of weeks per month being paid. When increases in amounts allowed are determined during the year, purchase orders need to be adjusted accordingly. If a student moves from one program benefit to another, the purchase orders need to be changed accordingly.

View of Responsible Officials and Planned Corrective Actions: Management will more closely monitor monthly purchase orders and make necessary adjustments throughout the year.

STATISTICAL SUPPLEMENTS (UNAUDITED)

Hill College
 Statistical Supplement 1
 Net Assets by Component
 Fiscal Years 2003 to 2011
 (Unaudited)

For the Fiscal Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$16,374,708	\$16,081,357	\$14,612,937	\$13,978,004	\$12,327,776	\$11,599,912	\$11,036,790	\$10,929,725	\$9,636,690
Restricted - expendable	950,764	779,307	731,117	840,481	857,963	764,952	712,644	678,780	1,104,429
Restricted - nonexpendable	1,054,676	1,042,360	1,048,005	862,417	845,625	803,700	834,519	625,574	615,980
Unrestricted	8,192,997	6,494,596	6,553,102	6,390,583	5,953,046	5,649,704	4,449,427	4,433,763	3,677,580
Total primary government net assets	\$ 26,573,145	\$ 24,397,620	\$ 22,945,161	\$ 22,071,485	\$ 19,984,410	\$ 18,818,268	\$ 17,033,380	\$ 16,667,842	\$ 15,036,669

Hill College
Statistical Supplement 2
Revenues by Source
Fiscal Years 2003 to 2011
(Unaudited)

For the Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	\$3,276,872	\$3,097,823	\$2,814,027	\$2,659,200	\$2,728,505	\$2,131,799	\$1,999,938	\$2,214,396	\$1,466,170
Governmental Grants and Contracts									
Federal Grants and Contracts	619,070	564,097	530,531	617,457	568,531	529,842	560,963	575,642	665,220
State Grants and Contracts	658,702	481,624	347,100	300,564	408,895	351,086	659,247	648,064	562,622
Non-Governmental Grants and Contracts	1,317,309	1,174,655	679,642	547,818	548,449	527,472	429,115	370,985	317,473
Auxiliary Enterprises	756,118	822,299	809,591	898,412	662,351	603,354	603,587	594,560	569,023
Other Operating Revenues	170,039	140,661	135,769	149,047	136,296	210,279	145,701	132,200	72,072
Total Operating Revenues	6,798,110	6,281,159	5,316,660	5,172,498	5,053,027	4,353,832	4,398,551	4,535,847	3,642,580
State Appropriations	8,164,179	8,641,966	8,323,662	8,316,059	7,196,266	7,117,732	6,741,963	6,777,503	6,189,811
Ad Valorem Taxes	1,280,110	1,105,789	997,836	955,340	850,459	822,017	795,930	763,363	713,990
Branch Campus Maintenance Tax	2,713,193	2,492,215	2,392,198	2,289,736	2,072,523	1,885,520	1,674,004	1,645,547	1,545,589
Federal Revenue, Non-operating	13,944,360	6,535,456	3,521,803	2,822,930	2,451,211	2,371,171	2,688,014	2,654,602	2,485,127
Gifts	364,096	-	-	1,256,027	111,330	1,011,116	-	-	-
Investment Income	121,868	127,215	148,420	383,011	515,767	358,819	239,006	216,297	223,454
Gain on Disposal of Fixed Assets	-	-	-	489	-	-	-	-	-
Other Non-operating Revenues	119,898	29,283	209,096	13,000	-	15,001	386	16,000	-
Total Non-Operating Revenues	26,707,704	18,931,924	15,591,005	16,036,592	13,187,556	13,581,376	12,139,303	12,073,312	11,157,971
Total Revenues	\$ 33,505,814	\$ 25,213,083	\$ 20,907,665	\$ 21,209,090	\$ 18,240,583	\$ 17,935,208	\$ 16,537,854	\$ 16,609,159	\$ 14,800,551

For the Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	9.77%	12.28%	13.46%	12.54%	14.96%	11.89%	12.09%	13.33%	9.91%
Governmental Grants and Contracts									
Federal Grants and Contracts	1.85%	2.24%	2.54%	2.91%	3.12%	2.96%	3.39%	3.47%	4.43%
State Grants and Contracts	1.97%	1.91%	1.66%	1.42%	2.24%	1.96%	3.99%	3.90%	3.80%
Non-governmental Grants and Contracts	3.93%	4.86%	3.25%	2.58%	3.00%	2.94%	2.59%	2.23%	2.14%
Auxiliary Enterprises	2.26%	3.26%	3.87%	4.24%	3.63%	3.36%	3.65%	3.58%	3.64%
Other Operating Revenues	0.61%	0.56%	0.65%	0.70%	0.75%	1.17%	0.89%	0.80%	0.49%
Total Operating Revenues	20.29%	24.91%	25.43%	24.39%	27.70%	24.28%	26.60%	27.31%	24.61%
State Appropriations	24.36%	34.28%	39.81%	39.21%	39.40%	39.89%	40.77%	40.80%	41.82%
Ad Valorem Taxes	3.82%	4.39%	4.77%	4.50%	4.66%	4.58%	4.81%	4.60%	4.83%
Branch Campus Maintenance Tax	8.10%	9.88%	11.44%	10.80%	11.36%	10.51%	10.12%	9.91%	10.44%
Federal Revenue, Non-operating	41.62%	25.82%	16.85%	13.31%	13.44%	13.22%	16.25%	15.98%	16.79%
Gifts	1.09%	0.00%	0.00%	5.92%	0.61%	5.64%	0.00%	0.00%	0.00%
Investment Income	0.36%	0.50%	0.70%	1.81%	2.83%	2.00%	1.45%	1.30%	1.51%
Other Non-operating Revenues	0.36%	0.12%	1.00%	0.06%	0.00%	0.08%	0.00%	0.10%	0.00%
Total Non-Operating Revenues	79.71%	75.09%	74.57%	75.61%	72.30%	75.72%	73.40%	72.69%	75.39%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Hill College
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2003 to 2011
(Unaudited)

For the Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$8,270,398	\$7,919,762	\$7,174,677	\$6,494,026	\$5,994,955	\$5,673,805	\$5,204,014	\$5,231,013	\$4,982,536
Public service	12,446	18,977	12,097	33,715	56,024	97,155	44,514	52,947	53,081
Academic support	1,563,410	1,665,540	1,391,346	1,461,661	1,452,681	1,374,034	1,387,738	1,172,545	1,102,078
Student services	1,985,727	1,966,831	2,149,386	1,915,447	1,739,717	1,781,026	1,778,514	1,558,570	1,457,987
Institutional support	3,481,038	3,446,453	3,165,353	3,373,472	2,574,203	2,144,351	2,232,306	1,926,226	1,952,792
Operation and maintenance of plant	2,528,101	2,315,120	2,140,964	2,129,383	1,999,734	1,806,870	1,764,011	1,653,642	1,438,228
Scholarships and fellowships	11,570,689	4,601,736	2,419,533	2,036,350	1,700,186	1,678,548	2,039,753	1,828,949	1,871,737
Auxiliary enterprises	998,291	960,276	845,426	858,623	781,307	739,256	657,997	644,052	631,350
Depreciation	728,546	645,701	704,071	595,311	544,190	576,559	963,497	493,958	474,117
Total Operating Expenses	31,138,626	23,540,396	20,002,853	18,897,988	16,842,997	15,871,604	16,072,344	14,561,902	13,963,906
Interest on capital related debt	201,728	219,928	236,877	252,978	272,777	291,977	308,980	325,178	322,564
Loss on disposal of fixed assets	1,085	-	2,189	-	-	13,029	9,127	108,936	53,897
Amortization expense	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Total Non-Operating Expenses	205,933	223,048	242,186	256,098	275,897	308,126	321,237	437,234	379,581
Total Expenses	\$ 31,344,559	\$ 23,763,444	\$ 20,245,039	\$ 19,154,086	\$ 17,118,894	\$ 16,179,730	\$ 16,393,581	\$ 14,999,136	\$ 14,343,487

For the Year Ended August 31,

	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	26.39%	33.33%	35.44%	33.90%	35.02%	35.07%	31.74%	34.88%	34.74%
Public service	0.04%	0.08%	0.06%	0.18%	0.33%	0.60%	0.27%	0.35%	0.37%
Academic support	4.99%	7.01%	6.87%	7.63%	8.49%	8.49%	8.47%	7.82%	7.68%
Student services	6.34%	8.28%	10.61%	10.00%	10.16%	11.01%	10.85%	10.39%	10.16%
Institutional support	11.11%	14.50%	15.63%	17.61%	15.04%	13.25%	13.62%	12.84%	13.61%
Operation and maintenance of plant	8.07%	9.74%	10.58%	11.12%	11.68%	11.17%	10.76%	11.03%	10.03%
Scholarships and fellowships	36.91%	19.36%	11.95%	10.63%	9.93%	10.37%	12.44%	12.19%	13.05%
Auxiliary enterprises	3.18%	4.04%	4.18%	4.48%	4.56%	4.57%	4.01%	4.29%	4.40%
Depreciation	2.32%	2.72%	3.48%	3.11%	3.18%	3.56%	5.88%	3.29%	3.31%
Total Operating Expenses	99.35%	99.06%	98.80%	98.66%	98.39%	98.09%	98.04%	97.08%	97.35%
Interest on capital related debt	0.64%	0.93%	1.17%	1.32%	1.59%	1.81%	1.88%	2.17%	2.25%
Loss on disposal of fixed assets	0.00%	0.00%	0.01%	0.00%	0.00%	0.08%	0.06%	0.73%	0.38%
Amortization expense	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Total Non-Operating Expenses	0.65%	0.94%	1.20%	1.34%	1.61%	1.91%	1.96%	2.92%	2.65%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Hill College
 Statistical Supplement 4
 Tuition and Fees
 Last Ten Academic Years
 (Unaudited)

Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Tuition	Out-of-District Fee	Student Services Fee	Library Fee	Building Use Fee	Technology Fee (per student)	Matriculation Fee (per student)	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	\$49	\$23	\$4	\$1	\$6	\$0	\$15	\$735	\$1,011	8.89%	9.06%
2009	44	21	4	1	6	0	15	575	927	3.68%	9.86%
2008	42	16	4	1	6	0	15	551	843	3.83%	7.66%
2007	40	13	4	1	6	0	15	527	783	0.00%	0.00%
2006	40	13	4	1	6	0	15	527	783	19.20%	25.88%
2005	32	8	4	1	6	0	10	526	622	0.00%	0.00%
2004	32	8	4	1	6	0	10	526	622	0.00%	0.00%
2003	32	8	4	1	6	0	10	526	622	26.44%	21.48%
2002	22	8	4	1	6	10	10	416	512	0.00%	0.00%
2001	22	8	4	1	6	10	10	416	512	2.46%	1.99%

Non - Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Tuition	Out-of-District Fee	Student Services Fee	Library Fee	Building Use Fee	Technology Fee (per student)	Matriculation Fee (per student)	Non-resident tuition (per student)	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	\$49	\$23	\$4	\$1	\$6	\$0	\$15	\$200	\$1,211	\$1,211	7.45%	7.45%
2009	44	21	4	1	6	0	15	200	1127	1127	8.05%	8.05%
2008	42	16	4	1	6	0	15	200	1,043	1,043	6.10%	6.10%
2007	40	13	4	1	6	0	15	200	983	983	0.00%	0.00%
2006	40	13	4	1	6	0	15	200	983	983	19.59%	19.59%
2005	32	8	4	1	6	0	10	200	822	822	0.00%	0.00%
2004	32	8	4	1	6	0	10	200	822	822	0.00%	0.00%
2003	32	8	4	1	6	0	10	200	822	822	15.45%	15.45%
2002	22	8	4	1	6	10	10	200	712	712	0.00%	0.00%
2001	22	8	4	1	6	10	10	200	712	712	1.42%	1.42%

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

**Hill College
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Assessed Valuation of Property</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value (TAV)</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>	<u>Maintenance & Operations (a)</u>	<u>Debt Service (a)</u>	<u>Total (a)</u>
2010-11	2,352,619,406	930,782,385	1,421,837,021	60.44%	\$ 0.078984	\$ -	\$ 0.078984
2009-10	2,332,891,358	675,439,201	1,657,452,157	71.05%	0.065367	-	0.065367
2008-09	2,207,169,913	659,387,034	1,547,782,879	70.13%	0.063644	-	0.063644
2007-08	1,999,832,355	619,374,588	1,380,457,767	69.03%	0.066775	-	0.066775
2006-07	1,741,464,612	488,834,842	1,252,629,770	71.93%	0.066472	-	0.066472
2005-06	1,598,534,451	421,575,731	1,176,958,720	73.63%	0.067800	-	0.067800
2004-05	1,530,433,891	418,677,268	1,111,756,623	72.64%	0.070000	-	0.070000
2003-04	1,401,008,271	369,805,186	1,031,203,085	73.60%	0.071500	-	0.071500
2002-03	1,345,379,020	366,320,520	979,058,500	72.77%	0.072900	-	0.072900
2001-02	1,078,993,636	209,748,253	869,245,383	80.56%	0.077700	-	0.077700

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Hill College
 Statistical Supplement 6
 State Appropriation per FTSE and Contact Hour
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2010-11	\$ 6,175,822	6,139	\$ 1,006	1,529,040	793,296	2,322,336	\$ 2.66
2009-10	6,703,034	5,420	1,237	1,483,344	792,960	2,276,304	2.94
2008-09	6,497,818	5,188	1,252	1,281,552	640,128	1,921,680	3.38
2007-08	6,497,815	5,159	1,260	1,162,384	513,840	1,676,224	3.88
2006-07	5,538,997	5,927	935	1,159,824	707,904	1,867,728	2.97
2005-06	5,538,997	4,736	1,170	970,352	508,002	1,478,354	3.75
2004-05	5,348,362	4,634	1,154	962,864	520,464	1,483,328	3.61
2003-04	5,384,501	4,983	1,081	990,800	615,584	1,606,384	3.35
2002-03	4,673,881	4,481	1,043	916,112	573,952	1,490,064	3.14
2001-02	5,138,516	3,925	1,309	814,704	498,800	1,313,504	3.91

Notes:

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

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

Hill College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Energy Transfer Fuel LP	Energy	\$ 51,540,000	\$ 47,071,000	\$ 51,847,000	\$ 47,835,000	\$ 7,735,000	-	-	-	-	-
EOG Resources	Energy	41,279,000	44,991,000	31,665,000	-	-	-	-	-	-	-
Oncor Electric Delivery	Utility	16,611,000	17,329,000	17,956,000	19,523,000	-	-	-	-	-	12,936,000
Prime Outlet Retail	Retail	14,530,000	17,985,000	19,892,000	19,782,000	23,778,000	21,818,000	21,543,000	21,524,000	21,459,000	20,796,000
Double Diamond Inc	Real Estate	13,858,000	14,127,000	-	8,310,000	8,274,000	9,258,000	11,862,000	14,732,000	15,980,000	10,973,000
Union Pacific Railroad	Railroad	11,730,000	10,224,000	9,327,000	8,249,000	7,569,000	7,317,000	7,321,000	7,372,000	6,233,000	5,278,000
Quicksilver Resources Co	Energy	10,876,000	11,921,000	16,088,000	-	-	-	-	-	-	-
Walmart Real Estate Trust	Retail	8,782,000	9,019,000	9,019,000	9,018,000	9,223,000	8,966,000	8,501,000	8,340,000	7,997,000	7,997,000
TA Operating LLC (WN Truck Stop)	Fuel	8,079,000	8,079,000	-	-	-	-	-	-	-	-
Republic Services Inc	Waste Mgmt	7,972,000	-	-	-	-	-	-	-	-	-
Comerstone E&P Co	Energy	-	13,563,000	8,881,000	-	-	-	-	-	-	-
Forrest Drilling Co	Energy	-	-	10,526,000	7,735,000	-	-	-	-	-	-
National Recreational Properties	Real Estate	-	-	9,169,000	9,197,000	9,841,000	7,161,000	-	-	-	-
Allied Waste	Waste Mgmt	-	-	-	-	6,256,000	-	-	-	-	-
Clayton Homes	Mobile Homes	-	-	-	-	-	-	-	-	-	4,458,000
CMH Manufacturing Inc	Manufacturing	-	-	-	-	-	4,239,000	-	-	-	-
Flowers Construction	Utility	-	-	-	-	-	-	-	4,475,000	-	-
Helmerich & Payne	Oil & Gas	-	-	-	-	6,894,000	-	-	-	-	-
HILCO Electric Co-op	Utility	-	-	-	-	-	-	-	-	-	4,371,000
Hill County Electric Coop	Utility	-	-	-	-	-	5,972,000	5,202,000	5,149,000	4,357,000	-
Inn at White Bluff	Resort	-	-	-	-	-	-	-	4,604,000	4,751,000	-
L B Foster Co	Manufacturing	-	-	-	-	-	-	4,077,000	-	4,015,000	-
Range Production	Energy	-	-	-	8,548,000	-	-	-	-	-	-
Southwestern Bell	Phone	-	-	-	8,282,000	9,608,000	9,290,000	9,381,000	9,119,000	10,487,000	11,234,000
TXU Electric Delivery Co	Utility	-	-	-	-	17,960,000	18,182,000	17,071,000	14,239,000	13,400,000	-
Vesuvius USA	Manufacturing	-	-	-	-	-	4,261,000	-	-	-	-
Walmart Store	Retail	-	-	-	-	-	6,033,000	5,749,000	5,452,000	5,663,000	5,549,000
Westside Real Estate Inc	Real Estate	-	-	-	-	-	-	-	-	-	7,997,000
Totals		\$ 185,257,000	\$ 194,309,000	\$ 184,370,000	\$ 146,279,000	\$ 107,138,000	\$ 88,236,000	\$ 94,968,000	\$ 95,006,000	\$ 94,342,000	\$ 81,589,000
Total Taxable Assessed Value		\$ 1,421,837,021	\$ 1,657,452,167	\$ 1,547,782,879	\$ 1,380,457,767	\$ 1,252,629,770	\$ 1,176,958,720	\$ 1,111,756,623	\$ 1,031,203,065	\$ 979,058,500	\$ 869,245,383

Taxpayer	Type of Business	% of Taxable Assessed Value(TAV) by Tax Year									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Energy Transfer Fuel LP	Energy	3.62%	2.84%	3.35%	3.45%	0.62%	-	-	-	-	-
EOG Resources	Energy	2.90%	2.71%	2.05%	-	-	-	-	-	-	-
Oncor Electric Delivery	Utility	1.17%	1.05%	1.16%	1.41%	-	-	-	-	-	1.49%
Prime Outlet Retail	Retail	1.02%	1.09%	1.29%	1.43%	1.90%	1.85%	1.94%	2.09%	2.19%	2.39%
Double Diamond Inc	Real Estate	0.97%	0.85%	-	0.60%	0.68%	0.79%	1.07%	1.43%	1.83%	1.26%
Union Pacific Railroad	Railroad	0.82%	0.62%	0.60%	0.60%	0.60%	0.62%	0.66%	0.71%	0.64%	0.61%
Quicksilver Resources Co	Energy	0.76%	0.72%	1.04%	-	-	-	-	-	-	-
Walmart Real Estate Trust	Retail	0.62%	0.54%	0.58%	0.65%	0.74%	0.76%	0.76%	0.81%	0.82%	0.92%
TA Operating LLC (WN Truck Stop)	Fuel	0.57%	0.49%	-	-	-	-	-	-	-	-
Republic Services Inc	Waste Mgmt	0.56%	-	-	-	-	-	-	-	-	-
Comerstone E&P Co	Energy	-	-	0.68%	0.56%	-	-	-	-	-	-
Forrest Drilling Co	Energy	-	0.82%	0.57%	-	-	-	-	-	-	-
National Recreational Properties	Real Estate	-	-	0.59%	0.67%	0.79%	0.61%	-	-	-	-
Allied Waste	Waste Mgmt	-	-	-	-	0.50%	-	-	-	-	-
Clayton Homes	Mobile Homes	-	-	-	-	-	-	-	-	-	-
CMH Manufacturing Inc	Manufacturing	-	-	-	-	-	0.36%	-	-	-	0.51%
Flowers Construction	Utility	-	-	-	-	-	-	-	0.43%	-	-
Helmerich & Payne	Oil & Gas	-	-	-	-	0.55%	-	-	-	-	-
HILCO Electric Co-op	Utility	-	-	-	-	-	-	-	-	-	-
Hill County Electric Coop	Utility	-	-	-	-	-	0.51%	0.47%	0.50%	0.45%	0.50%
Inn at White Bluff	Resort	-	-	-	-	-	-	-	0.45%	0.49%	-
L B Foster Co	Manufacturing	-	-	-	-	-	-	0.37%	-	0.41%	-
Range Production	Energy	-	-	-	0.62%	-	-	-	-	-	-
Southwestern Bell	Phone	-	-	-	0.60%	0.77%	0.79%	0.84%	0.88%	1.07%	-
TXU Electric Delivery Co	Utility	-	-	-	-	1.43%	1.54%	1.54%	1.38%	1.37%	1.29%
Vesuvius USA	Manufacturing	-	-	-	-	-	-	0.38%	-	-	-
Walmart Store	Retail	-	-	-	-	-	0.51%	0.52%	0.53%	0.56%	0.64%
Westside Real Estate Inc	Real Estate	-	-	-	-	-	-	-	-	-	0.82%
Totals		13.01%	11.73%	11.91%	10.59%	6.56%	8.34%	8.55%	9.21%	9.65%	10.53%

Hill College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(Unaudited)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
2011	\$ 1,269,338	\$ (1,477)	\$ 1,267,861	\$ 1,213,792	95.74%	\$ -	\$ -	\$ 1,213,792	95.74%
2010	1,096,744	(890)	1,095,854	1,052,054	96.00%	-	20,574	1,072,628	97.88%
2009	985,071	654	985,725	944,246	95.79%	19,028	9,610	972,884	98.70%
2008	921,801	(3,014)	918,787	881,856	95.98%	25,508	2,462	909,826	99.02%
2007	832,965	(4,634)	828,331	782,119	94.42%	39,342	1,392	822,853	99.34%
2006	797,684	(1,127)	796,557	749,289	94.07%	42,241	702	792,232	99.46%
2005	779,005	(2,009)	776,996	734,552	94.54%	40,594	425	775,571	99.82%
2004	737,377	256	737,633	720,385	97.66%	13,859	283	734,527	99.58%
2003	713,969	(6,829)	707,140	686,899	97.14%	17,636	146	704,681	99.65%
2002	675,404	(2,449)	672,955	657,925	97.77%	12,709	99	670,733	99.67%

Source: Local Tax Assessor/Collector and District records.

(a) As reported in 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.

Hill College
 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
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue bonds	\$ 3,905,000	\$ 4,275,000	\$ 4,630,000	\$ 4,965,000	\$ 5,280,000	\$ 5,580,000	\$ 5,870,000	\$ 6,150,000	\$ 6,415,000	\$ 5,365,000
Notes	-	-	-	-	-	-	-	-	-	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 3,905,000	\$ 4,275,000	\$ 4,630,000	\$ 4,965,000	\$ 5,280,000	\$ 5,580,000	\$ 5,870,000	\$ 6,150,000	\$ 6,415,000	\$ 5,365,000
General Bonded Debt Ratios										
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per Capita	\$ 115.23	\$ 133.65	\$ 157.55	\$ 171.77	\$ 200.46	\$ 211.85	\$ 222.86	\$ 233.49	\$ 243.56	\$ 203.69
Per FTSE	636	789	892	962	891	941	990	1,038	1,082	905
As a percentage of Taxable Assessed Value	0.27%	0.26%	0.30%	0.36%	0.42%	0.45%	0.47%	0.49%	0.51%	0.43%

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

Hill College
 Statistical Supplement 10
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Unaudited)

	For the Year Ended August 31									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Taxable Assessed Value	\$ 1,421,837,021	\$ 1,857,452,157	\$ 1,547,782,879	\$ 1,380,457,767	\$ 1,252,629,770	\$ 1,176,956,720	\$ 1,111,756,623	\$ 1,031,203,085	\$ 979,058,500	\$ 888,245,383
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	7,109,185	6,287,261	7,738,914	6,802,289	6,283,149	5,884,794	5,558,783	5,156,015	4,895,293	4,346,227
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	7,109,185	6,287,261	7,738,914	6,802,289	6,283,149	5,884,794	5,558,783	5,156,015	4,895,293	4,346,227
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 7,109,185	\$ 6,287,261	\$ 7,738,914	\$ 6,802,289	\$ 6,283,149	\$ 5,884,794	\$ 5,558,783	\$ 5,156,015	\$ 4,895,293	\$ 4,346,227
Net Current Requirements as a % of Statutory Limit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

Hill College
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues										Debt Service Requirements		
	Building Use Fee	Library Fee	Tuition	Cafeteria Net Revenue	Bookstore Net Revenue	Dormitory Rental Fees	Total	Principal	Interest	Total	Coverage Ratio		
2011	\$ 589,668	\$ 97,209	\$ 141,562	\$ 227,002	\$ 224,227	\$ 237,724	\$ 1,517,392	\$ 3,905,000	\$ 914,690	\$ 4,819,690	0.31		
2010	578,092	95,806	141,300	149,788	232,397	234,221	1,431,604	4,275,000	1,116,418	5,391,418	0.27		
2009	487,358	80,314	120,878	193,082	199,325	217,062	1,298,019	4,630,000	1,336,345	5,966,345	0.22		
2008	445,838	73,631	111,720	142,949	308,535	212,411	1,295,084	4,965,000	1,573,223	6,538,223	0.20		
2007	442,129	72,880	112,252	168,921	89,369	220,536	1,106,087	5,280,000	1,826,200	7,106,200	0.16		
2006	411,175	68,427	100,545	155,881	82,940	223,080	1,042,048	5,580,000	2,098,978	7,678,978	0.14		
2005	411,250	67,849	95,647	136,327	82,385	205,000	998,458	5,870,000	2,390,955	8,260,955	0.12		
2004	433,039	71,893	98,273	141,860	82,932	193,475	1,021,472	6,150,000	2,699,945	8,849,945	0.12		
2003	392,301	65,148	90,083	109,780	70,110	198,770	926,192	6,415,000	3,025,123	9,440,123	0.10		
2002	348,828	57,862	78,653	158,376	50,797	214,250	908,766	5,365,000	2,620,170	7,985,170	0.11		

**Hill College
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(Unaudited)**

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2010	186,023	\$ 6,304,000	\$ 33,888	8.3%
2009	192,837	5,892,000	30,554	8.8%
2008	189,570	5,722,000	30,184	8.5%
2007	185,149	5,306,000	28,658	4.1%
2006	184,822	4,981,000	26,950	4.8%
2005	182,504	4,636,000	25,402	5.1%
2004	178,273	4,510,000	25,298	6.1%
2003	174,025	4,250,000	24,422	6.2%
2002	169,352	4,067,000	24,015	5.9%
2001	165,221	3,946,000	23,883	4.1%

Sources:

Population from U.S. Bureau of the Census.
Personal income from U.S. bureau of Economic Analysis.
Unemployment rate from Texas Workforce Commission

Notes:

a. Personal income amounts from 2010 are estimated.

**Hill College
 Statistical Supplement 13
 Principal Employers
 (Unaudited)**

Current Fiscal Year

Employer	Number of Employees	Percentage of Total Employment
Cleburne ISD	1,034	20.68%
Walmart Distribution	814	16.28%
Johnson County	590	11.80%
Walmart Super Center	480	9.60%
Harris Hospital	450	9.00%
Johns Manville	350	7.00%
Outlets at Hillsboro	350	7.00%
City of Cleburne	328	6.56%
Hill College	304	6.08%
Flowers Construction	300	6.00%
Total	5,000	100.00%

Nine Years Prior

Employer	Number of Employees	Percentage of Total Employment
Walmart Distribution	741	25.78%
Johns Manville	400	13.92%
Rubbermaid	370	12.87%
Gunderson Corp	300	10.44%
Rangeaire Corp	250	8.70%
James Hardie	207	7.20%
Tree of Life, SW	206	7.17%
Hill College	165	5.74%
Technical Chemical	125	4.35%
Home Depot	110	3.83%
Total	2,874	100.00%

Source:
 Hillsboro Chamber of Commerce & Cleburne Economic Development Office

Hill College
 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
Faculty										
Full-Time	82	89	75	73	91	83	78	74	79	77
Part-Time	141	129	148	137	142	194	134	114	137	137
Total	223	218	223	210	233	277	212	188	216	214
Percent										
Full-Time	36.8%	40.8%	33.6%	34.8%	39.1%	30.0%	36.8%	39.4%	36.6%	36.0%
Part-Time	63.2%	59.2%	66.4%	65.2%	60.9%	70.0%	63.2%	60.6%	63.4%	64.0%
Staff and Administrators										
Full-Time	115	116	115	107	132	148	156	146	135	134
Part-Time	54	50	46	80	67	86	68	65	59	63
Total	169	166	161	187	199	234	224	211	194	197
Percent										
Full-Time	68.0%	69.9%	71.4%	57.2%	66.3%	63.2%	69.6%	69.2%	69.6%	68.0%
Part-Time	32.0%	30.1%	28.6%	42.8%	33.7%	36.8%	30.4%	30.8%	30.4%	32.0%
FTSE per Full-time Faculty	74.9	60.9	69.2	70.7	65.1	57.1	59.4	67.3	56.7	49.7
FTSE per Full-Time Staff Member	53.4	46.7	45.1	48.2	44.9	32.0	29.7	34.1	33.2	29.1
Average Annual Faculty Salary	\$42,369	\$42,383	\$40,943	\$41,665	\$33,914	\$36,346	\$35,004	\$32,276	\$31,437	\$32,616

Hill College
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(Unaudited)

Student Classification	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	3,367	76.02%	3,359	78.30%	2,950	79.47%	2,527	74.43%	2,643	75.73%
31-60 hours	788	17.79%	674	15.71%	532	14.33%	634	18.67%	605	17.34%
> 60 hours	274	6.19%	257	5.99%	230	6.20%	234	6.90%	242	6.93%
Total	4,429	100.00%	4,290	100.00%	3,712	100.00%	3,395	100.00%	3,490	100.00%

Semester Hour Load	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	9	0.20%	10	0.23%	11	0.30%	5	0.14%	10	0.30%
3-5 semester hours	718	16.21%	845	19.70%	780	21.01%	843	23.71%	792	22.69%
6-8 Semester hours	1,052	23.75%	999	23.29%	852	22.95%	802	22.55%	777	22.26%
9-11 semester hours	658	14.86%	542	12.63%	478	12.88%	505	14.20%	435	12.46%
12-14 semester hours	1,482	33.47%	1,317	30.70%	987	26.59%	933	26.24%	996	28.54%
15-17 semester hours	389	8.78%	395	9.21%	396	10.67%	368	10.35%	377	10.80%
18 & over	121	2.73%	182	4.24%	208	5.60%	100	2.81%	103	2.95%
Total	4,429	100.00%	4,290	100.00%	3,712	100.00%	3,556	100.00%	3,490	100.00%

Tuition Status	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	2667	60.22%	2,477	57.74%	2,118	57.06%	1,980	58.32%	2,042	58.51%
Texas Resident (out-of-District)	1,534	34.63%	1,642	38.27%	1,430	38.52%	1,220	35.94%	1,241	35.56%
Non-Resident Tuition	228	5.15%	171	3.99%	164	4.42%	195	5.74%	207	5.93%
Total	4,429	100.00%	4,290	100.00%	3,712	100.00%	3,395	100.00%	3,490	100.00%

Hill College
 Statistical Supplement 16
 Student Profile
 Last Five Fiscal Years
 (Unaudited)

Gender	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	2,725	61.53%	2,647	61.70%	2,331	62.80%	2,121	62.47%	2,148	61.55%
Male	1,704	38.47%	1,643	38.30%	1,381	37.20%	1,274	37.53%	1,342	38.45%
Total	4,429	100.00%	4,290	100.00%	3,712	100.00%	3,395	100.00%	3,490	100.00%

Ethnic Origin	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	1,836	41.45%	3,285	76.57%	2,912	78.45%	2,703	79.62%	2,761	79.10%
Hispanic	374	8.44%	628	14.64%	488	13.14%	446	13.14%	440	12.60%
African American	120	2.71%	234	5.45%	206	5.55%	170	5.00%	183	5.24%
Asian	18	0.41%	35	0.82%	24	0.65%	17	0.50%	30	0.86%
Foreign	72	1.63%	25	0.58%	22	0.59%	24	0.71%	43	1.23%
Native American	7	0.16%	51	1.19%	37	1.00%	25	0.74%	21	0.62%
Other	2,002	45.20%	32	0.75%	23	0.62%	10	0.29%	12	0.35%
Total	4,429	100.00%	4,290	100.00%	3,712	100.00%	3,395	100.00%	3,490	100.00%

Age	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,069	24.13%	1,219	28.42%	1,029	27.72%	859	25.30%	1,006	28.83%
18 - 21	1,708	38.56%	1,611	37.55%	1,457	39.25%	1,364	40.18%	1,337	38.31%
22 - 24	390	8.81%	354	8.25%	258	6.95%	275	8.10%	281	8.05%
25 - 35	747	16.87%	622	14.50%	553	14.90%	504	14.85%	479	13.72%
36 - 50	415	9.37%	398	9.28%	340	9.16%	324	9.54%	312	8.94%
51 & over	100	2.26%	86	2.00%	75	2.02%	69	2.03%	75	2.15%
Total	4,429	100.00%	4,290	100.00%	3,712	100.00%	3,395	100.00%	3,490	100.00%

Average Age	23	23	23	23	23
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Hill College
Statistical Supplement 17
Transfers to Senior Institutions
Institutions Attended, Fall 2010
(Includes only public senior colleges in Texas)
(Unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Tarleton State University	209	5	0	214	27.02%
2 The University of Texas at Arlington	156	7	0	163	20.58%
3 Texas A&M University	78	0	0	78	9.85%
4 University of North Texas	69	0	0	69	8.70%
5 Texas Tech University	47	2	0	49	6.18%
6 Stephen F. Austin University	40	0	0	40	5.05%
7 Texas State University	33	1	0	34	4.29%
8 The University of Texas at Austin	26	0	0	26	3.28%
9 Texas A&M University - Commerce	20	0	0	20	2.52%
10 Angelo State University	17	1	0	18	2.27%
11 Sam Houston State University	16	0	0	16	2.02%
12 Midwestern State University	14	0	0	14	1.77%
13 West Texas A&M University	7	1	0	8	1.01%
14 Texas A&M University - Corpus Christi	6	1	0	7	0.88%
15 The University of Texas at Tyler	6	0	0	6	0.76%
16 Texas Woman's University	4	0	0	4	0.51%
17 Texas A&M University at Galveston	4	0	0	4	0.51%
18 Sul Ross University	4	0	0	4	0.51%
19 Texas A&M University - Kingsville	3	0	0	3	0.38%
20 University of Houston - Victoria	3	0	0	3	0.38%
21 Lamar University	2	0	0	2	0.25%
22 Texas A&M International University	2	0	0	2	0.25%
23 University of North Texas at Dallas	2	0	0	2	0.25%
24 Texas Southern University	1	0	0	1	0.13%
25 The University of Texas at Dallas	1	0	0	1	0.13%
26 The University of Texas at San Antonio	1	0	0	1	0.13%
27 The University of Texas of the Permian Basin	1	0	0	1	0.13%
28 University of Houston at Clear Lake	0	1	0	1	0.13%
29 University of North Texas	0	1	0	1	0.13%
Totals	<u>772</u>	<u>20</u>	<u>0</u>	<u>792</u>	<u>100.00%</u>

Hill College
Statistical Supplement 18
Capital Asset Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Academic buildings	15	15	15	13	13	11	11	11	11	10
Square footage	178,000	178,000	178,000	177,000	191,000	125,000	125,000	125,000	125,000	112,000
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Number of volumes	63,598	64,823	63,472	65,330	64,000	69,000	61,000	59,000	55,000	57,000
Administrative and support buildings	9	9	9	11	9	10	10	10	10	10
Square footage	97,000	97,000	97,000	111,000	113,000	113,000	113,000	113,000	113,000	113,000
Dormitories	4	4	4	4	4	4	4	4	4	4
Square footage	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Number of Beds	310	310	310	310	310	310	310	310	310	310
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Average daily customers	536	520	448	575	500					
Museum	1	1	1	1	1	1	1	1	1	1
Square footage	20,000	20,000	20,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Athletic Facilities	5	4	4	4	6	6	6	6	6	6
Softball field	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Tennis courts	1	1	1	1	1	2	2	2	2	2
Baseball field	1	1	1	1	1	1	1	1	1	1
Rodeo arena	1	1	1	1	1	1	1	1	1	1
Fieldhouse-baseball & softball	1	-	-	-	-	-	-	-	-	-
Plant facilities	1	1	1	1	1	1	1	1	1	1
Square footage	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Transportation										
Cars	23	20	27	20	19	18	17	13	16	16
Light Trucks/Vans	11	11	12	9	12	21	20	20	19	21
Buses	4	4	5	5	6	2	2	2	1	1