

**KILGORE JUNIOR COLLEGE DISTRICT  
KILGORE, TEXAS**

**FINANCIAL STATEMENTS  
AUGUST 31, 2011 and 2010**

**WITH REPORT  
OF CERTIFIED PUBLIC ACCOUNTANTS**

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**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**

**ORGANIZATIONAL DATA**

**For the Fiscal Year 2011**

**BOARD OF TRUSTEES**

**OFFICERS**

Will Roberson  
Charles Hale  
James N. Walker

President  
Vice-President  
Secretary

**TERM EXPIRES**

2015  
2017  
2015

**MEMBERS**

G. Scott Andrews  
C.B. "Scooter" Griffin, Jr.  
Robert D. Heath  
R. E. Spradlin  
Joe Carrington  
Larry Woodfin

**TERM EXPIRES**

2017  
2015  
2013  
2013  
2013  
2017

**PRINCIPAL ADMINISTRATIVE OFFICERS**

Dr. William M. Holda  
Dr. Gerald Stanglin  
  
Duane J. McNaney, CPA  
  
Dr. Michael W. Jenkins  
  
Dr. Mike Turpin  
Claudia D. Miracle, CPA  
Tony Johnson  
J. Karol Pruett  
Leah Gorman  
F. Daniel Beach, CPA

President  
Vice-President of Instruction and  
Chief Academic Officer  
Vice-President of Finance and  
Chief Financial Officer  
Vice-President of Student Development  
and Chief Student Affairs Officer  
Vice-President of Institutional Planning  
Controller  
Director of Human Resources  
Assistant to the President  
Director of Development  
Director of Special Projects and  
Liaison to the Board

Louise Wiley  
Terry Booker  
Mike Earley  
Randy Lewellen  
Dr. Richard Harrison  
Dr. Julie H. Fowler

Instructional Dean  
Instructional Dean  
Instructional Dean  
Instructional Dean  
Instructional Dean  
Executive Dean

**HENRY & PETERS, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Trustees  
Kilgore Junior College District  
Kilgore, Texas

**Independent Auditors' Report**

Members of the Board:

We have audited the accompanying basic financial statements of the Kilgore Junior College District (District), 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 District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Kilgore Junior College District at August 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2011, on our consideration of the Kilgore Junior College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) on pages 7 through 12 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards for the year ended August 31, 2011 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 (STSAC), and are not a required part of the basic financial statements. The required supplemental schedules listed in the table of contents are likewise presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying statistical supplement, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

*Henry E. Peters, P.C.*

Tyler, Texas  
November 28, 2011

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

**KILGORE JUNIOR COLLEGE DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AUGUST 31, 2011 and 2010**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Kilgore Junior College District's financial performance provides an overview of the District's financial activities for the fiscal year ended August 31, 2011, with fiscal year 2010 and 2009 data presented for comparative purposes. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with and is qualified in its entirety by the financial statements and footnotes.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual financial report consists of a series of financial statements. The Texas Higher Education Coordinating Board requires all Texas public junior and community colleges to use the *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* for consistent and uniform reporting. It is intended that each public community and junior college adopt the business-type activities (BTA) model for use in preparing their annual financial reports.

The Statement of Net Assets includes all assets and liabilities. The focus of the statement is to report the net resources available to finance future operations. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the good or service is provided; and, expenses and liabilities are recognized when others provide the good or service, regardless of when cash is exchanged. The statement is useful to determine the assets available to fund services, as well as to identify what the District owes vendors, bondholders, and others at the end of the year. The Statement of Net Assets presents to the readers of the financial statements a fiscal snapshot of the District.

The Statement of Revenues, Expenses, and Changes in Net Assets provides information about the activities of the District as a whole and presents a longer-term view of the District's finances. The District is dependent on three primary sources of revenues: state appropriations, tuition and fees, and ad valorem taxes. Activities are presented as either operating or non-operating. Under this reporting model, state appropriations, ad valorem taxes, and gifts are reported as non-operating revenues. Because of the District's dependency on the non-operating revenues, there is a significant operating deficit. The utilization of long-term assets, referred to as Capital Assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

## STATEMENT OF NET ASSETS

The District's combined net assets increased \$4.5 million compared to a \$3.5 million increase in the prior year, increasing from \$62.9 million to \$67.3 million.

Condensed Statement of Net Assets (\$ in millions)	2011	2010	2009	2010 to 2011 Change
Current assets	\$ 22.9	\$ 23.7	\$ 21.6	-3.36%
Non-current assets	10.5	10.0	8.6	5.52%
Non-current - Capital assets	45.7	41.2	41.5	10.97%
Total assets	79.1	74.9	71.7	5.71%
Current liabilities	(9.2)	(9.0)	(9.0)	1.59%
Non-current liabilities	(2.6)	(3.0)	(3.3)	-11.50%
Total liabilities	(11.8)	(12.0)	(12.3)	-1.64%
Net Assets:				
Invested in capital assets, net of debt	43.1	38.2	36.9	12.88%
Restricted	9.0	8.6	7.5	5.21%
Unrestricted	15.2	16.1	15	-5.55%
Total Net Assets	\$ 67.3	\$ 62.9	\$ 59.4	7.12%

The Statement of Net Assets helps identify the entity's ability to meet future obligations. One of the analytical tools used to determine this is comparing the current assets to current liabilities, or the current ratio. Current assets are those assets which can be converted quickly to pay current obligations, while current obligations are those obligations which are expected to be satisfied within one business cycle. The District's current assets for 2011 of \$22.9 million were sufficient to cover current liabilities of \$9.2 million, giving a current ratio of 2.5 compared to 2.6 in fiscal year 2010.

Another analytical tool used to evaluate the financial stability of an entity is to compare expendable net assets to operating expenses. As of August 31, 2011 and 2010, the District had expendable net assets of \$17.7 million and \$17.5 million respectively. Operating expenses for the same period were \$47.8 million and \$48.3 million. This represents a ratio of 37.0% and 36.2% respectively.

The District's accumulated cash and cash equivalents balances increased \$1.9 million from 2010 to \$16.8 million in 2011.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Total operating revenues for fiscal year 2011 were \$15.5 million. Operating revenues decreased \$1.5 million or 9.0%.



### Operating Revenues

(\$ in millions)	2011		2010		2009	
Tuition and fees	50.2%	\$ 7.8	47.5%	\$ 8.1	45.6%	\$ 7.3
Federal grants and contracts	11.3%	1.7	11.8%	2.1	9.4%	1.5
State grant and contracts	6.4%	1.0	6.5%	1.1	8.1%	1.3
Auxiliary enterprises	28.1%	4.4	30.0%	5.1	30.6%	4.9
Other	4.0%	0.6	4.2%	0.7	6.3%	1.0
Total		\$ 15.5		\$ 17.1		\$ 16.0

The District also had \$37 million in non-operating state appropriation, tax, federal non-operating, gift, and other revenues. The largest portion of non-operating revenues comes from state appropriations which are generated from four areas: general revenue generated from contact hour reimbursement, employee/retiree group insurance payments, employee retirement contributions, and special allocations or adjustments.

### Non-Operating Revenues

(\$ in millions)	2011		2010		2009	
State Appropriations	40.6%	\$ 15.0	42.9%	\$ 15.2	43.8%	\$ 13.3
Maintenance ad valorem taxes	16.0%	5.9	16.7%	5.9	20.4%	6.2
Federal revenue, non-operating	40.2%	14.9	36.7%	13.0	26.5%	8.0
Gifts	2.1%	0.8	2.0%	0.7	4.1%	1.2
Investment, Endowment and Other	1.1%	0.4	1.7%	0.6	5.2%	1.6
Total		\$ 37.0		\$ 35.4		\$ 30.3

Total operating expenses for 2011 were \$47.8 million, which is a \$0.5 million or a 1.1% decrease from fiscal year 2010. Expenditures for instruction are the most significant and they had a \$0.1 million or a 1.0% decrease.

### Operating & Non-Operating Expenses

(\$ in millions)	2011		2010		2009	
Instruction	35.7%	\$ 17.2	35.3%	\$ 17.3	36.8%	\$ 15.5
Public service	2.1%	1.0	2.0%	1.0	2.3%	1.0
Academic support	6.8%	3.3	6.8%	3.3	7.0%	3.0
Student services	4.9%	2.4	4.7%	2.3	5.2%	2.2
Institutional support	10.8%	5.2	10.7%	5.2	11.9%	5.0
Operation and Maintenance of Plant and Depreciation	9.8%	4.6	9.7%	4.8	11.4%	4.8
Scholarships and fellowships	13.7%	6.6	13.6%	6.7	9.0%	3.8
Auxiliary enterprises	15.5%	7.5	15.7%	7.7	15.4%	6.5
Total operating Expense		\$ 47.8		\$ 48.3		\$ 41.8
Total non-operating Expense	0.7%	0.3	1.5%	0.7	1.0%	0.3
		\$ 48.1		\$ 49.0		\$ 42.1

There was an operating loss for fiscal year 2011 of \$32.2 million, with an increase in net assets of \$4.5 million, compared to fiscal year 2010 when they were \$31.2 million and \$3.5 million, respectively.

## STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the District's ability to generate net cash flows to meet its obligations as they come due, and its need for external financing. The District's total cash and cash equivalents increased by \$1.9 million to \$16.8 million in fiscal year 2011.

<b>Cash Provided By:</b> (\$ in millions)	<b>2011</b>	<b>2010</b>	<b>2009</b>
Operating Activities	\$ (25.3)	\$ (30.2)	\$ (20.1)
Non-Capital Financing Activities	33.0	31.6	25.6
Capital and Related Financing Activities	(6.4)	(3.1)	(6.0)
Investing Activities	0.6	0.5	0.6
Change in Cash and Cash Equivalents	\$ 1.9	\$ (1.2)	\$ 0.1

The primary cash receipts from operating activities consist of tuition and fees, housing board, and grant revenues. Cash outlays include payment of wages, benefits, supplies, utilities, plant maintenance, and scholarships. State and federal allocations and ad valorem taxes are the primary source of non-capital financing. Accounting standards require that we reflect this source of revenue as non-operating even though these sources are used for operating purposes in the District's budget. Cash flows from capital and capital related financing activities include proceeds from issuing debt and receiving gifts; disbursements are for principal and interest payments on debt, and payment on buildings and other capital acquisitions. Cash flows from investing activities represent the annual effect of the purchase, sale and maturity of investments.

## FINANCIAL HIGHLIGHTS

- The District's overall activities remained very stable during this year. The overall activities of the District are considered to be business-type activities. The net assets increased by \$4.5 million or 7.1%.
- As of August 31, 2011, assets of the District exceeded liabilities by \$67.3 million. Of this amount, \$15.2 million is unrestricted net assets which may be used to meet ongoing operations, down from \$16.1 million in fiscal year 2010.
- During the year, the District had revenues that were \$4.5 million more than the \$48.1 million generated in expenditures.
- The total cost of all of the District's programs decreased by \$0.9 million, or 1.8%.
- The local property tax rate remained the same as the prior year. Tax revenue collections were down 0.6% or \$37,095.
- Net tuition and fees decreased by \$319,761 or 3.9%.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The District has a Capital Asset Policy that requires assets whose original purchase price was over \$5,000 to be recorded as a capital asset. At the end of fiscal year 2011, the District had \$45.7 million invested in a broad range of capital assets, including equipment, buildings and facilities.

<b>Capital Assets at Year-end (Net of Depreciation, in Millions)</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Land	\$ 3.6	\$ 3.5	\$ 3.5
Buildings and improvements	40.7	35.9	36.4
Equipment	1.0	1.1	1.2
Books and Exhibits	0.4	0.4	0.4
Construction in Progress	-	0.3	-
Totals	\$ 45.7	\$ 41.2	\$ 41.5

### **Debt**

At year-end, the District had \$2.6 million in bonds and notes outstanding.

<b>Outstanding Debt, at Year-end (\$ in millions)</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Current Portion of long term obligations	\$ 0.3	\$ 0.4	\$ 0.8
Revenue bonds and notes (backed by specific fee revenues)	2.3	2.6	3.0
Totals	\$ 2.6	\$ 3.0	\$ 3.8

## **COMPONENT UNIT / RELATED PARTIES**

The Kilgore College Foundation is presented as a related party. The District does not feel the foundation meets the requirement of a discrete component unit based on their interpretation of Governmental Standards Board Statement No. 39. The Foundation contributed gifts of \$90,297 to the District during fiscal year 2011 as compared to the \$13,786 contributed in fiscal year 2010. Contributions have been significantly down due to lower interest rates and earnings in recent years, distributions from all endowed accounts have declined.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2011 budget, tax rates, and fees charged for the business-type activities. One of those factors is the economy. The District's employment growth has mirrored its population growth during 2001-2011, averaging minimal annual gains. Although East Texas has not been impacted as much as the rest of the nation with the economic downturn, the District started feeling the impact near the end of fiscal year 2010 and expects to see more significant negative financial impact in fiscal year 2012 and the following few years.

The District is facing future economic issues centered on the traditional funding sources. A mix of state appropriations, local property taxes, tuition and fees, state and federal grants, and private giving, fund Texas public community college districts. The District has many aging facilities. Beginning in fiscal year 2004 and continuing into fiscal year 2011, the District has done some major renovations, roof repairs and construction of a new residence hall that collectively have totaled approximately \$20.5 million. This was accomplished without having to take on additional bonded debt. This made a dramatic improvement to the campus but we foresee increased repair and maintenance costs in the near future to other buildings and improvements in parking lots.

In fiscal year 2010 and 2011, the District did experience a significant increase in state appropriations due to enrollment growth, only to have the State subsequently cut those budgets 5.0% and 7.5% respectively. As we move forward to fiscal year 2012 and 2013, we anticipate that after taking into consideration enrollment growth, health insurance, and retirement funding, our state appropriations will be reduced almost 25% due to revenue shortfalls at the State level.

Aggressive expenditure reductions and cost containment has had to occur through program closure and reduction of services. These reductions will be coupled with continued increases to tuition and fees charged to students. To continue to meet our financial challenges will require exploration of non-traditional ways of revenue generation that may include economic development, partnerships with public and private sector entities, increasing emphasis on contract training and adult education, and sophisticated fundraising and development efforts.

The District's property tax rate was not increased in fiscal year 2011 and will not be increased in fiscal year 2012. Over the past few years the District has experienced some increases in its tax base. It is expected that over the next few years the appraised value of the tax base will remain relatively flat. This may force the District to increase the tax rate in the near future.

## **CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT**

This discussion is presented in a condensed format as additional analysis. The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Kilgore College Vice President of Finance and CFO, 1100 Broadway, Kilgore, TX 75662.

## **BASIC FINANCIAL STATEMENTS**

## EXHIBIT 1

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF NET ASSETS**  
**AUGUST 31, 2011 AND 2010**

	2011	2010
<b><u>ASSETS</u></b>		
Current assets		
Cash and cash equivalents	\$ 11,096,599	\$ 9,948,629
Short-term investments	4,392,724	4,335,986
Accounts receivable, net	5,021,772	7,284,828
Note receivable, current portion	158,203	150,127
Inventories	1,152,632	1,159,852
Prepaid expenses	997,201	735,413
Other assets	84,760	84,760
Total current assets	22,903,891	23,699,595
Noncurrent assets		
Restricted cash and cash equivalents	5,683,195	4,977,203
Short-term investments - bond funds	425,000	425,000
Short-term investments - endowment	3,500,000	3,500,000
Corporate stocks - endowment	105,800	102,000
Note receivable, net of current portion	824,039	982,243
Capital assets, net	45,744,976	41,222,914
Total noncurrent assets	56,283,010	51,209,360
Total assets	\$ 79,186,901	\$ 74,908,955
<b><u>LIABILITIES</u></b>		
Current liabilities		
Accounts payable	\$ 634,486	\$ 549,216
Accrued liabilities	459,958	623,374
Funds held for others	758,786	738,674
Deferred revenue	6,666,447	6,366,110
Deposits	151,628	170,060
Long-term liabilities - current portion	540,660	620,198
Total current liabilities	9,211,965	9,067,632
Noncurrent liabilities		
Long-term liabilities	2,627,723	2,969,089
Total noncurrent liabilities	2,627,723	2,969,089
Total liabilities	11,839,688	12,036,721
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	43,139,976	38,217,915
Restricted for:		
Expendable	2,496,472	1,414,339
Nonexpendable	6,515,857	7,151,674
Unrestricted	15,194,908	16,088,306
Total net assets (Schedule D)	67,347,213	62,872,234
Total liabilities and net assets	\$ 79,186,901	\$ 74,908,955

See accompanying notes to financial statements.

## EXHIBIT 2

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b><u>REVENUES</u></b>		
Operating revenues		
Tuition and fees (net of discounts of \$6,956,546 and \$5,641,142)	\$ 7,802,173	\$ 8,121,933
Federal grants and contracts	1,752,453	2,023,629
State grants and contracts	995,043	1,106,766
Non-governmental grants and contracts	406,645	425,726
Sales and services of educational activities	108,761	163,557
Auxiliary enterprises (net of discounts of \$3,323,847 and \$2,974,723)	4,370,500	5,117,996
General operating revenues	114,064	129,323
Total operating revenues (Schedule A)	<u>15,549,639</u>	<u>17,088,930</u>
<b><u>EXPENSES</u></b>		
Operating expenses		
Instruction	17,159,488	17,298,104
Public service	1,042,295	972,446
Academic support	3,272,199	3,322,394
Student services	2,351,901	2,326,308
Institutional support	5,186,479	5,228,093
Operation and maintenance of plant	3,345,083	3,407,036
Scholarships and fellowships	6,570,785	6,660,770
Auxiliary enterprises	7,462,459	7,713,598
Depreciation	1,386,757	1,369,341
Total operating expenses (Schedule B)	<u>47,777,446</u>	<u>48,298,090</u>
Operating loss	<u>(32,227,807)</u>	<u>(31,209,160)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>		
State appropriations	15,031,234	15,240,844
Maintenance ad valorem taxes	5,900,201	5,937,296
Federal revenue, non-operating	14,901,750	12,977,916
Gifts	790,118	717,670
Investment income	284,859	214,255
Endowment income	130,109	129,792
Insurance proceeds	-	138,360
Interest on capital related debt	(105,900)	(119,631)
Loss on disposal of fixed assets	(3,212)	(28,548)
Other non-operating revenues	3,142	7,468
Other non-operating expenses	(229,515)	(542,957)
Net non-operating revenues (Schedule C)	<u>36,702,786</u>	<u>34,672,465</u>
Increase in net assets	4,474,979	3,463,305
<b><u>NET ASSETS</u></b>		
Net assets - beginning of year	62,872,234	59,408,929
Net assets - end of year	<u>\$ 67,347,213</u>	<u>\$ 62,872,234</u>

See accompanying notes to financial statements.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 14,531,203	\$ 9,637,535
Receipts of grants and contracts	3,154,142	3,556,121
Other receipts	(145,438)	(363,937)
Payments to or on behalf of employees	(23,379,524)	(22,848,645)
Payments to suppliers for goods and services	(10,369,114)	(14,062,135)
Payments to students under federal grants	(9,198,830)	(6,459,345)
Other cash payments	97,969	323,207
Net cash used by operating activities	<u>(25,309,592)</u>	<u>(30,217,199)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts of appropriations	11,797,039	11,971,682
Ad valorem tax revenues	5,900,201	5,932,660
Receipts for Title IV transactions	14,901,750	12,977,916
Gifts and grants (other than capital)	790,118	717,670
Receipts for student organization and other agency transactions	16,236,541	13,992,499
Student organization and other agency transactions	(16,609,260)	(13,954,519)
Net cash provided by non-capital financing activities	<u>33,016,389</u>	<u>31,637,908</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(5,912,030)	(2,237,694)
Payments on capital debt and leases - principal	(400,000)	(765,000)
Payments on capital debt and leases - interest	(105,900)	(119,631)
Net cash used by capital and related financing activities	<u>(6,417,930)</u>	<u>(3,122,325)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment earnings	414,967	357,984
Receipts on notes receivable	150,128	150,129
Net cash provided by investing activities	<u>565,095</u>	<u>508,113</u>
Increase (decrease) in cash and cash equivalents	1,853,962	(1,193,503)
Cash and cash equivalents beginning of year	<u>14,925,832</u>	<u>16,119,335</u>
Cash and cash equivalents end of year	<u>\$ 16,779,794</u>	<u>\$ 14,925,832</u>

See accompanying notes to financial statements.



**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010**  
**CONTINUED**

	<u>2011</u>	<u>2010</u>
Reconciliation of operating loss to net cash used		
by operating activities:		
Operating loss	\$ (32,227,807)	\$ (31,209,160)
Adjustments to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	1,386,757	1,369,341
On-behalf state benefits	3,234,196	3,269,162
Bad debt expense	87,487	75,022
Changes in assets and liabilities:		
Receivables, net	2,263,056	(4,182,023)
Inventories	7,220	(372,178)
Other assets	(261,788)	(128,550)
Accounts payable and accrued liabilities	(78,146)	221,652
Deferred revenue	300,337	677,209
Compensable absences	(20,904)	62,326
Net cash used by operating activities	<u>\$ (25,309,592)</u>	<u>\$ (30,217,199)</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

**1. REPORTING ENTITY**

Kilgore Junior College District was established in 1935, in accordance with the laws of the State of Texas, to serve the educational needs of the District and the surrounding communities. The Kilgore Junior College District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14 *The Financial Reporting Entity*. While the District receives funding from local, state, and federal sources, and must comply with 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**

**A) Reporting Guidelines**

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

**B) 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 Section 56.0333). When the student uses the award for tuition and fees and/or auxiliary charges, the amount is recorded as tuition and/or auxiliary revenue and a corresponding amount is recorded as a discount.

**Title IV, HEA Program Funds**

Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the award is used by the student for tuition and fees and/or auxiliary charges, amounts are recorded as revenues and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

**Other Tuition Discounts**

When the award is used by the student for tuition and fees and/or auxiliary charges, the amount is recorded as tuition and/or auxiliary revenue and a corresponding amount is recorded as a discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Basis of Accounting**

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

**D) Budgetary Data**

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Trustees 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.

**E) Cash and Cash Equivalents**

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

**F) 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 fund investment pools comprised of \$166,393 and \$3,965,858 at August 31, 2011 and August 31, 2010, respectively, to be short-term investments.] Long-term investments have an original maturity of greater than one year at the time of purchase.

**G) Inventories**

Inventories, consisting of consumable office supplies, physical plant supplies, bookstore stock, and food service supplies, are valued at the lower of cost, under the "first in, first out" method, or market, and are charged to expense as consumed.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**H) Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair market value at the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations of \$100,000 to buildings and 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 lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, 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.

**I) Deferred Revenues**

Tuition and fees of \$6,666,447 and \$6,366,110 have been reported as deferred revenues at August 31, 2011 and 2010, respectively.

**J) Estimates**

The preparation of the financial statements in conformity with U. S. 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.

**K) Operating and Non-Operating Revenues and Expenses**

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal and ongoing operations. The principal operating revenues are tuition and related fees, as well as revenues from the sales and services of auxiliary enterprises. The District also recognizes federal grants and contracts as operating revenue. 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 of capital assets.

**L) Characterization of Title IV Grant Revenue**

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

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

August 31, 2011 and 2010

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**M) Reclassifications**

Certain amounts in the 2010 financial statements have been reclassified to conform to the presentation in 2011.

**3. AUTHORIZED INVESTMENTS**

Kilgore Junior College District 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.

**4. DEPOSITS AND INVESTMENTS**

**Deposits and Investments**

At August 31, 2011 and 2010, the carrying amount of the District's bank deposits was \$24,907,965 and \$19,200,035, respectively, and bank balances equaled \$24,674,923 and \$18,896,954, respectively. Bank balances of \$250,000 were covered by federal depository insurance and \$24,226,412 for 2011 and \$18,950,035 for 2010 were covered by collateral pledged in the District's name. The collateral was held by the District or by its Agent. There were no uncollateralized bank balances at either year end. (This would include any bank balance that was collateralized with securities held by the pledging financial institution's department or agent, but not in the District's name). The District held \$166,393 and \$3,965,858 in state approved public investment pools at August 31, 2011 and 2010, respectively.

Cash and deposits included in cash and cash equivalents and short-term investments as reported on Exhibit 1, Statement of Net Assets, consist of the items reported below.

**Cash and Deposits**

	August 31, 2011	August 31, 2010
Bank Deposits		
Demand Deposits	\$ 16,756,634	\$ 14,904,907
Time Deposits	8,151,331	4,295,128
	24,907,965	19,200,035
Petty Cash on Hand	23,160	20,925
	\$ 24,931,125	\$ 19,220,960
Total Cash and Deposits	\$ 24,931,125	\$ 19,220,960

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

August 31, 2011 and 2010

**4. DEPOSITS AND INVESTMENTS - Continued**

**Reconciliation of Deposits and Investments to Exhibit 1:**

<u>Type of Security</u>	<u>Market Value</u> <u>August 31, 2011</u>	<u>Market Value</u> <u>August 31, 2010</u>
U.S. common stocks	\$ 105,800	\$ 102,000
Texpool	166,393	3,965,858
Total	272,193	4,067,858
Total cash and deposits	24,931,125	19,220,960
Total deposits and investments	<u>\$ 25,203,318</u>	<u>\$ 23,288,818</u>
Cash and short-term investments (Exhibit 1)	\$ 25,097,518	\$ 23,186,818
Investments (Exhibit 1)	105,800	102,000
Total deposits and investments	<u>\$ 25,203,318</u>	<u>\$ 23,288,818</u>

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
		<u>Less than 1 year</u>
Certificates of deposit	\$ 8,151,331	\$ 8,151,331
Investment pool	166,393	166,393
Total	<u>\$ 8,317,724</u>	<u>\$ 8,317,724</u>

As of August 31, 2011, the District's investments in certificates of deposit are a component of the depository contract, under which certificates are renewed and repriced every 91 days. Investments in Texpool have maturities of less than one year. The District had no investments in any one issuer that represented 5 percent or more of net assets at August 31, 2011 or 2010.

Common stocks stated at fair value as of August 31, 2011 and 2010 were:

	<u>2011</u>	<u>2010</u>
Cost	\$ 108,250	\$ 108,250
Unrealized gain/(loss)	(2,450)	(6,250)
Fair value	<u>\$ 105,800</u>	<u>\$ 102,000</u>

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

August 31, 2011 and 2010

**4. DEPOSITS AND INVESTMENTS - Continued**

**Notes Receivable**

In connection with the sale of the District's interest in KTPB FM 88.7 during the year ended August 31, 2007, the District received cash and a note receivable. The note, to be received over ten years with interest at 5.25%, had an outstanding balance at August 31, 2011 and 2010 of \$982,242 and \$1,132,370, respectively.

**5. CAPITAL ASSETS**

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

	Balance September 1, 2010	Additions	Reductions	Transfers	Balance August 31, 2011
<b><u>Not Depreciated:</u></b>					
Land	\$ 3,556,614	\$ 13,181	\$ -	\$ -	\$ 3,569,795
Construction in progress	250,203	-	-	(250,203)	-
Subtotal	<u>3,806,817</u>	<u>13,181</u>	<u>-</u>	<u>(250,203)</u>	<u>3,569,795</u>
<b><u>Other Capital Assets:</u></b>					
Land improvements and infrastructure	3,732,902	46,566	-	-	3,779,468
Buildings	52,087,174	5,529,427	-	250,203	57,866,804
Equipment	4,567,746	261,972	77,975	-	4,751,743
Exhibits	1,850,627	-	-	-	1,850,627
Library books	1,567,912	60,885	39,640	-	1,589,157
Subtotal	<u>63,806,361</u>	<u>5,898,850</u>	<u>117,615</u>	<u>250,203</u>	<u>69,837,799</u>
Total cost of capital assets	67,613,178	5,912,031	117,615	-	73,407,594
<b><u>Accumulated Depreciation:</u></b>					
Land improvements and infrastructure	2,475,599	97,887	-	-	2,573,486
Buildings	17,463,507	926,424	-	-	18,389,931
Equipment	3,437,317	300,209	74,763	-	3,662,763
Exhibits	1,829,425	15,121	-	-	1,844,546
Library books	1,184,416	47,116	39,640	-	1,191,892
Total accumulated depreciation	<u>26,390,264</u>	<u>1,386,757</u>	<u>114,403</u>	<u>-</u>	<u>27,662,618</u>
Capital assets - net	<u>\$ 41,222,914</u>	<u>\$ 4,525,274</u>	<u>\$ 3,212</u>	<u>\$ -</u>	<u>\$ 45,744,976</u>

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

August 31, 2011 and 2010

**5. CAPITAL ASSETS - Continued**

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

	Balance September 1, 2009	Additions	Reductions	Balance August 31, 2010
<b><u>Not Depreciated:</u></b>				
Land	\$ 3,556,614	\$ -	\$ -	\$ 3,556,614
Construction in progress	-	250,203	-	250,203
Subtotal	<u>3,556,614</u>	<u>250,203</u>	<u>-</u>	<u>3,806,817</u>
<b><u>Other Capital Assets:</u></b>				
Land improvements and infrastructure	3,597,702	135,200	-	3,732,902
Buildings	51,739,102	348,072	-	52,087,174
Equipment	4,306,184	334,640	73,078	4,567,746
Exhibits	1,850,627	-	-	1,850,627
Library books	1,537,745	68,949	38,782	1,567,912
Subtotal	<u>63,031,360</u>	<u>886,861</u>	<u>111,860</u>	<u>63,806,361</u>
Total cost of capital assets	66,587,974	1,137,064	111,860	67,613,178
<b><u>Accumulated Depreciation:</u></b>				
Land improvements and infrastructure	2,380,029	95,570	-	2,475,599
Buildings	16,594,177	869,330	-	17,463,507
Equipment	3,137,373	344,474	44,530	3,437,317
Exhibits	1,814,302	15,123	-	1,829,425
Library books	1,178,354	44,844	38,782	1,184,416
Total accumulated depreciation	<u>25,104,235</u>	<u>1,369,341</u>	<u>83,312</u>	<u>26,390,264</u>
Capital assets - net	<u>\$ 41,483,739</u>	<u>\$ (232,277)</u>	<u>\$ 28,548</u>	<u>\$ 41,222,914</u>



**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

August 31, 2011 and 2010

**6. LONG-TERM LIABILITIES**

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

	Balance September 1, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
<b><u>Bonds and notes</u></b>					
Note payable	\$ 80,000	\$ -	\$ 80,000	\$ -	\$ -
Revenue bonds - 2007	2,925,000	-	320,000	2,605,000	330,000
Total bonds and notes	<u>3,005,000</u>	<u>-</u>	<u>400,000</u>	<u>2,605,000</u>	<u>330,000</u>
<b><u>Other liabilities</u></b>					
Compensable absences	584,287	169,476	190,380	563,383	210,660
Total other liabilities	<u>584,287</u>	<u>169,476</u>	<u>190,380</u>	<u>563,383</u>	<u>210,660</u>
Total long-term liabilities	<u>\$ 3,589,287</u>	<u>\$ 169,476</u>	<u>\$ 590,380</u>	<u>\$ 3,168,383</u>	<u>\$ 540,660</u>

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

	Balance September 1, 2009	Additions	Reductions	Balance August 31, 2010	Current Portion
<b><u>Bonds and notes</u></b>					
Note payable	\$ 540,000	\$ -	\$ 460,000	\$ 80,000	\$ 80,000
Revenue bonds - 2007	3,230,000	-	305,000	2,925,000	320,000
Total bonds and notes	<u>3,770,000</u>	<u>-</u>	<u>765,000</u>	<u>3,005,000</u>	<u>400,000</u>
<b><u>Other liabilities</u></b>					
Compensable absences	521,961	128,352	66,026	584,287	220,198
Total other liabilities	<u>521,961</u>	<u>128,352</u>	<u>66,026</u>	<u>584,287</u>	<u>220,198</u>
Total long-term liabilities	<u>\$ 4,291,961</u>	<u>\$ 128,352</u>	<u>\$ 831,026</u>	<u>\$ 3,589,287</u>	<u>\$ 620,198</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**7. DEBT AND LEASE OBLIGATIONS**

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

Bonds Payable

For the year ended August 31,	<u>Revenue Bonds, Series 2007</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 330,000	\$ 93,452	\$ 423,452
2013	345,000	80,526	425,526
2014	360,000	67,026	427,026
2015	370,000	53,046	423,046
2016 - 2018	1,200,000	70,088	1,270,088
Total Bonds Payable	<u>\$ 2,605,000</u>	<u>\$ 364,138</u>	<u>\$ 2,969,138</u>

Operating Lease Commitments and Rental Agreements

The district had no significant operating leases or rental agreements at August 31, 2011 or 2010.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**8. BONDS AND NOTES PAYABLE**

General information related to Bonds and Notes payable is summarized below:

Combined Fee Revenue Refunding Bonds, Series 2007

Issued May 29, 2007

Purpose of bond: to advance refund Bond Series 1997

\$3,815,000; all authorized bonds have been issued

Source of revenue for debt service -- general fees and tuition (pledged revenues totaled \$8,650,316)

Bonds at 3.83% are due in annual installments varying from \$320,000 to \$415,000, with the final installment due in 2018.

Note # 14423

Note Payable – Austin Bank

Purpose of note – Renovation and HVAC Equipment

Originated October 13, 2006

Original amount = \$1,000,000

Variable interest rate of Prime less 3.39%, payable in monthly installments of \$20,000 plus interest through December 31, 2010, plus a final installment of \$20,164.70 on January 13, 2011, unsecured

Note # 13011

Note Payable – Austin Bank

Purpose of note – Maintenance and HVAC Equipment

Originated June 13, 2005

Original amount = \$1,200,000

Variable interest of Prime less 1.7%, paid in monthly installments of \$20,000, unsecured  
Matured July 31, 2010

**9. ADVANCED REFUNDING BONDS**

Refunded \$3,755,000 of Combined Fee Revenue Bonds, Series 1997

Issued refunding bonds on May 29, 2007

All authorized bonds have been issued

Combined Fee Revenue Refunding Bonds, Series 2007

Average interest rate of bonds refunded, 5.25%

Additional \$73,684 of 1997 Series sinking fund monies were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 1997 Series bonds.

The 1997 Series bonds are considered fully defeased and the liability for those bonds has been removed.

Advanced refunding of the 1997 Series bonds reduced the District's debt service payments over a ten year period ending in 2018 by approximately \$197,517.

The economic and accounting gains are determined to be immaterial.



KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**10. EMPLOYEES' RETIREMENT PLAN**

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

**Teacher Retirement System of Texas**

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

*Funding Policy.* Contribution requirements are not actuarially determined, but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% 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 year 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 year 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 legislature. For fiscal years 2011 and 2010, the percentages of participant salaries contributed by the state and by each participant were 6.40% and 6.65%, respectively, of annual compensation. The District contributes 1.31% for employees who were participating in the optional retirement plan program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the District was \$1,053,657 and \$1,007,763 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 District.

The total payroll for all District employees was \$21,373,319 and \$21,118,003 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$10,679,134 and \$10,413,715, and the total payroll of employees covered by the Optional Retirement System was \$7,709,226 and \$7,683,266 for fiscal years 2011 and 2010, respectively.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

August 31, 2011 and 2010

**11. DEFERRED COMPENSATION**

The District contributed \$22,000 as deferred compensation for fiscal years 2011 and 2010, respectively, on behalf of the President of the College, to the State of Texas 457 Plan, administered through the ERS TexaSaver Program. The District had no other deferred compensation programs in effect during fiscal years 2011 or 2010.

**12. COMPENSABLE ABSENCES**

Full time employees are granted one day of paid sick leave time per scheduled work month. Paid sick leave time that has not been taken accumulates up to a maximum of 90 days, but it is not paid should the employment relationship cease for reasons other than retirement. Full time employees are also granted ten days per year vacation time; a total of five days vacation time may be accumulated and carried forward to the following fiscal year. Unused vacation time is paid at the time employment ceases, regardless of the reason for termination.

Upon official retirement, an eligible employee is paid the greater of one month's salary or one-half of his or her accumulated sick leave time, whichever is greater. Accordingly, the District has included a liability for accrued sick leave time in the amount of \$391,914 and \$405,459 at August 31, 2011 and 2010, respectively, based on employees currently eligible for retirement. Ten percent of the total liability for accrued sick leave is considered a current liability based on historical experience. The District accrued vacation liability in the amount of \$171,469 and \$178,828 at August 31, 2011 and 2010, respectively, all of which has been classified as a current liability.

**13. PENDING LAWSUITS AND CLAIMS**

The District is not aware of any pending lawsuits or claims.

**14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**Receivables**

Primary institution receivables at August 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Student receivables	\$ 1,106,840	\$ 1,957,689
Taxes receivable	673,794	683,970
Federal receivable	4,141,983	3,843,566
Accounts receivable	74,809	556,008
Interest receivable	15,680	1,408
Insurance receivable	-	1,160,992
Sub-total	<u>6,013,106</u>	<u>8,203,633</u>
Allowance for doubtful accounts	<u>(991,334)</u>	<u>(918,805)</u>
Total receivables	<u>\$ 5,021,772</u>	<u>\$ 7,284,828</u>

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES - Continued**

**Payables and Accrued Liabilities**

Primary institution payables and accrued liabilities at August 31, 2011 and 2010 were as follows:

	<u>2011</u>	<u>2010</u>
Vendors payable	\$ 634,486	\$ 549,216
Salaries and benefits payable	193,385	318,242
Student payables	124,832	153,145
Sales tax payable	141,741	151,987
Total	<u>\$ 1,094,444</u>	<u>\$ 1,172,590</u>

**15. FUNDS HELD IN TRUST BY OTHERS**

The balances or transactions of funds held in trust by others on behalf of the District are not reflected in the financial statements. There were no such funds for the benefit of the District at August 31, 2011 or 2010.

**16. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal year 2011 for which monies have not been received nor funds expended, included \$81,614 of state awards and \$104,719 of federal awards.

**17. SELF-INSURED PLANS**

The District did not participate in any self-insured plans during fiscal years 2011 or 2010.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**18. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the 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 varies based upon coverage category. Monthly contributions were \$413.26 and \$385.38 for "Employee Only" coverage, \$649.60 and \$605.70 for "Employee and Spouse" coverage, \$571.52 and \$532.90 for "Employee and Children" coverage, and \$807.86 and \$753.22 for "Employee and Family" coverage for the years ended August 31, 2011 and 2010, respectively. Contributions totaled \$2,180,537 and \$2,261,399 for the years ended August 31, 2011 and 2010, respectively. The cost of providing those benefits for retirees was \$927,302 and \$962,885 for the years ended August 31, 2011 and 2010, respectively and for active employees was \$1,253,235 and \$1,298,514 in 2011 and 2010, respectively.

**19. AD VALOREM TAX**

The District'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.

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
Assessed Valuation of the District	\$ 4,046,582,842	\$ 4,074,768,779
Less: Exemptions and Abatements	247,796,773	248,904,419
Net Assessed Valuation of the District	<b>\$ 3,798,786,069</b>	<b>\$ 3,825,864,360</b>
	<b>FY 2011</b>	<b>FY 2010</b>
	<b>Current</b>	<b>Current</b>
	<b>Operations</b>	<b>Operations</b>
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	0.2000	0.2000
Assessed Tax Rate per \$100 valuation	0.1540	0.1540

There were no taxes authorized or assessed for debt service at August 31, 2011 or 2010. Taxes levied for the years ended August 31, 2011 and 2010, were \$5,850,131 and \$5,891,831, respectively (which includes penalty and interest if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year imposed.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**19. AD VALOREM TAX - Continued**

	<u>August 31, 2011</u>	<u>August 31, 2010</u>
<b>Taxes Collected for Current Operations</b>		
Current taxes	\$ 5,672,180	\$ 5,606,327
Delinquent taxes	155,043	151,824
Penalties, interest and fees	73,768	163,614
Total collections	<u>\$ 5,900,991</u>	<u>\$ 5,921,765</u>

Tax collections were 97% and 95% of the current tax levy for the years ended August 31, 2011 and 2010, respectively. There were no tax collections for debt service. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and/or general obligation debt service.

**20. INCOME TAXES**

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

**21. RELATED PARTIES**

The Kilgore College Foundation (Foundation) is a nonprofit organization with the sole purpose of supporting educational, scientific and charitable purposes in order to promote and support the District. The Kilgore College District does not appoint a voting majority nor does it fund or is obligated to pay debt related to this Foundation. However, the District does have the ability to significantly influence the policies of this Foundation. The Foundation is incorporated and chartered entirely separate from the College, with separate management and control, and a separate Board of Directors. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The Foundation contributed gifts of \$90,257 and \$13,786 to the District during the years ended August 31, 2011 and 2010, respectively. During both fiscal years, the District furnished certain services, such as office space, utilities and staff assistance to the Foundation. These facilities and services are not required to be repaid.

**22. STORM DAMAGE AND RELATED INSURANCE**

In March 2008, seven of the District's buildings were damaged in a hail storm. The final insurance proceeds related to this damage were recorded as a receivable on Exhibit 1 and reflected as non-operating revenue on Exhibit 2 as of August 31, 2010. The amount was received in fiscal year 2011.



KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 2011 and 2010

**23. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

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

ERS issues a publicly available financial report that includes financial statements and required 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.

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 District's contributions to SRHP for the years ended August 31, 2011, 2010 and 2009 were \$935,431, \$962,885 and \$930,246, respectively.

**24. COMMITMENTS AND CONTINGENT LIABILITIES**

In the ordinary course of business, the District has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. Several of the District's buildings contain asbestos, which will need to be removed at the time these buildings are renovated or destroyed. The District has no current plans regarding these buildings and the cost of abatement cannot be reasonably determined at this time. There were no commitments outstanding at August 31, 2011 that would be expected to have a significant impact on the financial statements.

**REQUIRED SUPPLEMENTAL SCHEDULES**

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF OPERATING REVENUES**  
**For the Year Ended August 31, 2011 (With Memorandum Totals for the Year Ended August 31, 2010)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY11 Total	FY10 Total
<b>TUITION</b>						
State funded courses						
In-district resident tuition	\$ 996,919	\$ -	\$ 996,919	\$ -	\$ 996,919	\$ 860,287
Out-of-district resident tuition	2,578,749	-	2,578,749	-	2,578,749	2,384,752
TPEG (set aside)*	204,022	-	204,022	-	204,022	182,805
Non-resident tuition	394,048	-	394,048	-	394,048	412,288
State funded continuing education	1,040,432	-	1,040,432	-	1,040,432	1,321,873
Non-state funded continuing education	26,300	-	26,300	-	26,300	27,252
Total tuition	<u>5,240,470</u>	<u>-</u>	<u>5,240,470</u>	<u>-</u>	<u>5,240,470</u>	<u>5,189,257</u>
<b>FEES</b>						
General education fees	2,741,627	-	2,741,627	561,538	3,303,165	2,942,482
Out-of-district fees	5,420,044	-	5,420,044	-	5,420,044	4,989,076
Laboratory fees	594,898	-	594,898	-	594,898	525,271
Testing fees	154,515	-	154,515	-	154,515	164,584
Administrative fees	31,570	-	31,570	-	31,570	37,910
Special services fees	320,465	-	320,465	-	320,465	339,136
Orientation fees	84,177	-	84,177	-	84,177	91,336
Distance learning fees	170,953	-	170,953	-	170,953	13,670
Total fees	<u>9,518,249</u>	<u>-</u>	<u>9,518,249</u>	<u>561,538</u>	<u>10,079,787</u>	<u>9,103,465</u>
<b>SCHOLARSHIP ALLOWANCES AND DISCOUNTS</b>						
Remissions and exemptions - state	(60,245)	-	(60,245)	(1,862)	(62,107)	(153,098)
Remissions and exemptions - local	(47,607)	-	(47,607)	(1,472)	(49,079)	(37,477)
Federal grants to students	(5,732,274)	-	(5,732,274)	(177,287)	(5,909,561)	(4,903,594)
TPEG awards	(115,058)	-	(115,058)	(3,559)	(118,617)	(72,168)
Texas grants	(387,524)	-	(387,524)	(11,985)	(399,509)	(62,974)
Miscellaneous state grants	(272,218)	-	(272,218)	(8,419)	(280,637)	(157,910)
Local scholarships	(341,620)	-	(341,620)	(10,566)	(352,186)	(428,389)
Total scholarship and allowances	<u>(6,956,546)</u>	<u>-</u>	<u>(6,956,546)</u>	<u>(215,150)</u>	<u>(7,171,696)</u>	<u>(5,815,610)</u>
Total net tuition and fees	<u>7,802,173</u>	<u>-</u>	<u>7,802,173</u>	<u>346,388</u>	<u>8,148,561</u>	<u>8,477,112</u>

\*In accordance with Education Code 56.033, \$204,022 and \$182,805 for years August 31, FY11 and FY10, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

## SCHEDULE A

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF OPERATING REVENUES**  
**For the Year Ended August 31, 2011 (With Memorandum Totals for the Year Ended August 31, 2010)**  
**CONTINUED**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY11 Total	FY10 Total
<b>OTHER OPERATING REVENUES</b>						
Federal grants and contracts	\$ -	\$ 1,752,453	\$ 1,752,453	\$ -	\$ 1,752,453	\$ 2,023,629
State grants and contracts	-	995,043	995,043	-	995,043	1,106,766
Nongovernmental grants and contracts	264,637	142,008	406,645	-	406,645	425,726
Sales and services of educational activities	108,761	-	108,761	-	108,761	163,557
Other operating revenues	114,064	-	114,064	-	114,064	129,323
<b>Total other operating revenues</b>	<b>487,462</b>	<b>2,889,504</b>	<b>3,376,966</b>	<b>-</b>	<b>3,376,966</b>	<b>3,849,001</b>
<b>AUXILIARY ENTERPRISES</b>						
Bookstore	-	-	-	4,157,210	4,157,210	4,401,286
Scholarship allowances and discounts	-	-	-	(2,330,033)	(2,330,033)	(2,129,885)
Net bookstore	-	-	-	1,827,177	1,827,177	2,271,401
Dormitories	-	-	-	994,315	994,315	1,023,079
Scholarship allowances and discounts	-	-	-	(375,413)	(375,413)	(649,773)
Net dormitories	-	-	-	618,902	618,902	373,306
Cafeteria	-	-	-	1,220,419	1,220,419	1,347,139
Scholarship allowances and discounts	-	-	-	(403,251)	(403,251)	(20,597)
Net cafeteria	-	-	-	817,168	817,168	1,326,542
Athletics	-	-	-	22,643	22,643	22,039
East Texas Oil Museum	-	-	-	170,811	170,811	181,592
Texas Shakespeare Festival	-	-	-	251,678	251,678	250,580
Child Development Center	-	-	-	121,391	121,391	128,824
Fitness Center	-	-	-	155,223	155,223	169,860
Student activities	-	-	-	39,119	39,119	38,673
<b>Total net auxiliary enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,024,112</b>	<b>4,024,112</b>	<b>4,762,817</b>
<b>Total operating revenues</b>	<b>\$ 8,289,635</b>	<b>\$ 2,889,504</b>	<b>\$ 11,179,139</b>	<b>\$ 4,370,500</b>	<b>\$ 15,549,639</b>	<b>\$ 17,088,930</b>
				(Exhibit 2)	(Exhibit 2)	

See accompanying notes to financial statements.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**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					FY11 Total	FY10 Total
	Salaries and Wages	Benefits		Other Expenses			
		State	Local				
<b>Unrestricted - Educational Activities</b>							
Instruction	\$ 12,285,712	\$ -	\$ 383,769	\$ 1,476,274	\$ 14,145,755	\$ 14,247,482	
Public service	85,706	-	1,854	102,158	189,718	217,292	
Academic support	2,395,658	-	79,779	332,277	2,807,714	2,843,018	
Student services	1,117,197	-	29,477	354,608	1,501,282	1,473,283	
Institutional support	2,300,198	-	1,035,728	1,425,475	4,761,401	4,777,912	
Operation and maintenance of plant	809,951	-	218,301	2,310,223	3,338,475	3,407,036	
Scholarship and fellowships	-	-	-	184,553	184,553	201,425	
<b>Total unrestricted educational activities</b>	<b>18,994,422</b>	<b>-</b>	<b>1,748,908</b>	<b>6,185,568</b>	<b>26,928,898</b>	<b>27,167,448</b>	
<b>Restricted - Educational Activities</b>							
Instruction	433,403	2,185,072	52,382	342,876	3,013,733	3,050,622	
Public service	428,525	15,243	80,514	328,295	852,577	755,154	
Academic support	-	426,079	-	38,406	464,485	479,376	
Student services	337,407	198,699	67,174	247,339	850,619	853,025	
Institutional support	-	409,101	-	15,977	425,078	450,181	
Operation and maintenance of plant	6,608	-	-	-	6,608	-	
Scholarships and fellowships	-	-	-	6,386,232	6,386,232	6,459,345	
<b>Total restricted educational activities</b>	<b>1,205,943</b>	<b>3,234,194</b>	<b>200,070</b>	<b>7,359,125</b>	<b>11,999,332</b>	<b>12,047,703</b>	
<b>Total educational activities</b>	<b>20,200,365</b>	<b>3,234,194</b>	<b>1,948,978</b>	<b>13,544,693</b>	<b>38,928,230</b>	<b>39,215,151</b>	
Auxiliary enterprises	1,172,954	-	182,086	6,107,419	7,462,459	7,713,598	
<b>Depreciation expense:</b>							
Buildings and other real estate improvements	-	-	-	199,659	199,659	964,903	
Equipment and furniture	-	-	-	1,187,098	1,187,098	404,438	
<b>Total operating expenses</b>	<b>\$21,373,319</b>	<b>\$ 3,234,194</b>	<b>\$ 2,131,064</b>	<b>\$21,038,869</b>	<b>\$47,777,446</b> (Exhibit 2)	<b>\$ 48,298,090</b> (Exhibit 2)	

SCHEDULE C

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
**For the Year Ended August 31, 2011 (With Memorandum Totals for the Year Ended August 31, 2010)**

	Unrestricted	Restricted	Auxiliary Enterprises	FY11 Total	FY10 Total
<b>NON-OPERATING REVENUES</b>					
State Appropriations:					
Education and general state support	\$ 11,645,557	\$ -	\$ -	\$ 11,645,557	\$ 11,831,682
State group insurance	-	2,180,537	-	2,180,537	2,261,399
State retirement matching	-	1,053,657	-	1,053,657	1,007,763
State nursing grants	-	151,483	-	151,483	140,000
Total state appropriations	<u>11,645,557</u>	<u>3,385,677</u>	<u>-</u>	<u>15,031,234</u>	<u>15,240,844</u>
Maintenance ad valorem taxes	5,900,201	-	-	5,900,201	5,937,296
Federal revenue, non-operating	-	14,901,750	-	14,901,750	12,977,916
Gifts	25,419	604,941	159,758	790,118	717,670
Investment income	281,445	-	3,414	284,859	214,255
Endowment income	-	130,109	-	130,109	129,792
Insurance proceeds	-	-	-	-	138,360
Other non-operating revenue	3,142	-	-	3,142	7,468
Total non-operating revenues	<u>17,855,764</u>	<u>19,022,477</u>	<u>163,172</u>	<u>37,041,413</u>	<u>35,363,601</u>
<b>NON-OPERATING EXPENSES</b>					
Interest on capital related debt	105,900	-	-	105,900	119,631
Disposal of fixed assets	3,212	-	-	3,212	28,548
Other non-operating expenses	229,515	-	-	229,515	542,957
Total non-operating expenses	<u>338,627</u>	<u>-</u>	<u>-</u>	<u>338,627</u>	<u>691,136</u>
Net non-operating revenues	<u>\$ 17,517,137</u>	<u>\$ 19,022,477</u>	<u>\$ 163,172</u>	<u>\$ 36,702,786</u>	<u>\$ 34,672,465</u>
				(Exhibit 2)	(Exhibit 2)

**SCHEDULE D**

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY  
For the Year Ended August 31, 2011**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 7,948,108	\$ -	\$ -	\$ -	\$ 7,948,108	\$ 7,948,108	\$ -
Restricted	-	1,164,166	-	-	1,164,166	1,164,166	-
Auxiliary enterprises	1,849,090	-	-	-	1,849,090	1,849,090	-
Endowment	-	903,272	6,515,857	-	7,419,129	-	7,419,129
Plant:							
Unexpended	5,397,710	-	-	-	5,397,710	-	5,397,710
Debt Service	-	429,034	-	-	429,034	-	429,034
Investment in plant	-	-	-	43,139,976	43,139,976	-	43,139,976
Total net assets, August 31, 2011	15,194,908	2,496,472	6,515,857	43,139,976	67,347,213 (Exhibit 1)	10,961,364	56,385,849
Total net assets, August 31, 2010	16,088,306	1,414,339	7,151,674	38,217,915	62,872,234 (Exhibit 1)	10,290,261	52,581,973
Net increase (decrease) in net assets	<u>\$ (893,398)</u>	<u>\$ 1,082,133</u>	<u>\$ (635,817)</u>	<u>\$ 4,922,061</u>	<u>\$ 4,474,979</u> (Exhibit 2)	<u>\$ 671,103</u>	<u>\$ 3,803,876</u>

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# HENRY & PETERS, PC

CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees  
Kilgore Junior College District  
Kilgore, Texas

## **Independent Auditors' Report**

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

Members of the Board:

We have audited the basic financial statements of Kilgore Junior College District, as of and for the years ended August 31, 2011 and 2010, and have issued our report thereon dated November 28, 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 Kilgore Junior College District'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 Kilgore Junior College District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Kilgore Junior College District's internal control over financial reporting.

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

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

### **Compliance And Other Matters**

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

### **Public Funds Investment Act**

We have performed tests designed to verify Kilgore Junior College District's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2011, no instances of noncompliance were found.

This report is intended for the information of the Board of Trustees, administrators, the Texas Higher Education Coordinating Board, the Texas Education Agency, the U. S. Department of Education, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Henry E. Peters, P.C.*

Tyler, Texas  
November 28, 2011

**HENRY & PETERS, PC**  
CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees  
Kilgore Junior College District  
Kilgore, Texas

**Independent Auditors' Report**

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

Members of the Board:

**Compliance**

We have audited the compliance of Kilgore Junior College District with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2011. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Kilgore Junior College District's administrators. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, Kilgore Junior College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2011.

## Internal Control Over Compliance

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

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

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.

This report is intended for the information and use of the Board of Trustees, administrators, the Texas Higher Education Coordinating Board, the Texas Education Agency, the U. S. Department of Education and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Harry E. Peters, P.C.*

Tyler, Texas  
November 28, 2011

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended August 31, 2011**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
<b><u>U.S. Department of Education</u></b>			
Direct Programs:			
Student Financial Assistance Cluster:			
SEOG Grant	84.007		\$ 76,112
Federal College Workstudy Program	84.033		169,667
Pell Grant Program	84.063		14,636,541
Direct Student Loans	84.268		15,737,557
Academic Competiveness Grant	84.375		143,850
Total Student Financial Assistance Cluster *			<u>30,763,727</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042		227,612
TRIO - Upward Bound	84.047		245,232
Total TRIO Cluster *			<u>472,844</u>
Passed-Through From:			
Texas Education Agency Adult Education *	84.002	093625017110230	367,000
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	94223	390,189
Leveraging Educational Assistance Partnership (LEAP)	84.069A		5,701
Special Leveraging Educational Assistance Partnership (SLEAP)	84.069B		8,115
Robert C. Byrd Honors Scholarships	84.185A		750
Total U.S. Department of Education			<u>32,008,326</u>
<b><u>U.S. Small Business Administration</u></b>			
Passed Through Dallas County Community College			
SBDC - Federal	59.037	10-603001-Z-0046-22	174,134
SBDC - Small Business Jobs Act	59.037	1-603001-Z-0152	14,839
Total - U.S. Small Business Administration			<u>188,973</u>
<b><u>U.S. Department of Veteran's Affairs</u></b>			
Direct Programs:			
Post 911 GI Grant	64.027		149,455
Total - U.S. Department of Veteran's Affairs			<u>149,455</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through Texas Education Agency			
Adult Education - TANF	93.558	093625017110230	25,575
Total - U.S. Department of Health and Human Services			<u>25,575</u>
Total Federal Financial Assistance			<u>\$ 32,372,329</u>
* Denotes major program			
<b><u>Note 1: Federal Assistance Reconciliation</u></b>			
Federal Grants and Contracts Revenue - per Schedule A			\$ 1,752,453
Add: Non Operating Federal Revenue - per Schedule C			14,901,750
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Assets			<u>16,654,203</u>
Reconciling Item:			
Add: Direct Student Loans			15,737,557
Less: Administrative Costs Recovered			(19,431)
Total Federal Revenues per Schedule of Expenditures of Federal Awards			<u>\$ 32,372,329</u>

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended August 31, 2011**

**Note 2: Significant accounting policies used in preparing schedules**

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

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Year Ended August 31, 2011**

**SCHEDULE F**

Pass-Through Grantor/Program Title	Grant Contract Number	Pass-Through Disbursements and Expenditures
Texas Education Agency Adult Basic Education	100100017110303	\$ 155,638
Dallas County Community College District Small Business Development Center	10-603001-Z-0046-22	109,145
Texas Higher Education Coordinating Board		
Texas Grant *		496,800
EHS Graduate		575
Educational Aid		15
Professional Nursing Shortage Reduction Program		130,240
Professional Nursing Shortage Reduction Over 70 Program		10,380
Vocational Nursing Scholarship		1,497
Professional Nursing Scholarship		9,366
Texas Educational Opportunity Grant *		116,120
Texas Top Ten Percent		18,000
Intensive Summer Program for General Education		28,554
JET		39,943
Texas Workforce Commission Closure Systems International	0809SDF001	30,253
		<u>30,253</u>
Total State Financial Assistance		<u>\$ 1,146,526</u>

\* Denotes major program

**Note 1: State Assistance Reconciliation**

State Grants and Contracts - per Schedule A	\$ 995,043
Add: State Nursing Grant - per Schedule C	151,483
Total State Revenues per Schedule A	<u>\$ 1,146,526</u>

**Note 2: Significant accounting policies used in preparing schedules**

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

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

**I. Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditors' report issued on compliance for major programs? Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program / Cluster</u>
Various	Student Financial Assistance Cluster
Various	TRIO Cluster
84.002	Adult Basic Education

Dollar threshold used to distinguish between type A and type B \$ 300,000

Auditee qualified as low - risk auditee?  X  Yes \_\_\_\_\_ No

State Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes  X  None reported

Type of auditors' report issued on compliance for major programs? Unqualified





**KILGORE JUNIOR COLLEGE DISTRICT**  
**SUMMARY SCHEDULE OF FEDERAL AND STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended August 31, 2011**

**FEDERAL PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:**

**None**

**STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:**

**None**

**STATISTICAL SUPPLEMENT (UNAUDITED)**

**Kilgore Junior College District**  
**Statistical Supplement 1**  
**Net Assets by Component**  
**Fiscal Years 2002 to 2011**  
(unaudited)  
(amounts expressed in thousands)

	For the Year Ended August 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 43,140	\$ 38,218	\$ 37,714	\$ 33,062	\$ 32,585	\$ 32,913	\$ 27,376	\$ 24,074	\$ 21,978	\$ 21,464
Restricted - expendable	2,496	1,414	616	2,145	1,693	1,435	2,259	1,493	1,221	920
Restricted - nonexpendable	6,516	7,152	6,930	5,520	5,641	5,310	5,193	4,998	4,971	5,162
Unrestricted	15,195	16,088	14,149	14,467	10,002	6,425	6,433	9,211	9,418	8,576
<b>Total primary government net assets</b>	<b>\$ 67,347</b>	<b>\$ 62,872</b>	<b>\$ 59,409</b>	<b>\$ 55,194</b>	<b>\$ 49,921</b>	<b>\$ 46,083</b>	<b>\$ 41,261</b>	<b>\$ 39,776</b>	<b>\$ 37,588</b>	<b>\$ 36,122</b>

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

For the Year Ended August 31,  
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$ 7,802	\$ 8,122	\$ 7,337	\$ 6,947	\$ 6,215	\$ 5,341	\$ 4,983	\$ 4,447	\$ 4,003	\$ 3,755
Federal Grants and Contracts	1,752	2,024	1,525	1,466	1,272	1,208	1,230	1,081	1,013	979
State Grants and Contracts	995	1,107	1,285	1,908	743	575	543	485	886	1,024
Non-Governmental Grants and Contracts	407	426	709	478	444	471	445	412	507	277
Sales and services of educational activities	109	163	116	124	124	122	143	118	104	67
Investment Income-restricted	-	-	-	-	-	-	-	-	3	4
Auxiliary enterprises	4,371	5,118	4,916	4,687	3,868	3,519	3,391	3,135	3,095	2,977
Other Operating Revenues	114	129	112	179	69	54	104	117	81	479
<b>Total Operating Revenues</b>	<b>15,550</b>	<b>17,089</b>	<b>16,000</b>	<b>15,789</b>	<b>12,735</b>	<b>11,290</b>	<b>10,839</b>	<b>9,795</b>	<b>9,692</b>	<b>9,562</b>
State Appropriations	15,031	15,241	13,280	13,467	12,958	12,851	12,450	12,473	13,379	13,953
Maintenance Ad Valorem Taxes	5,900	5,937	6,175	5,012	4,968	4,421	3,944	3,833	3,332	3,294
Federal Revenue, Non Operating	14,902	12,978	8,039	6,384	5,638	5,882	6,089	6,352	5,699	4,492
Gifts	790	718	1,238	831	955	4,259	769	1,158	399	455
Investment income	285	214	374	496	612	664	321	121	358	305
Endowment income	130	130	180	282	315	236	121	133	402	394
Insurance Proceeds	-	138	1,023	804	-	-	-	-	-	-
Other non-operating revenues	3	8	6	48	1,902	1	12	34	41	155
<b>Total Non-Operating Revenues</b>	<b>37,041</b>	<b>35,364</b>	<b>30,315</b>	<b>27,324</b>	<b>27,348</b>	<b>28,314</b>	<b>23,706</b>	<b>24,104</b>	<b>23,610</b>	<b>23,048</b>
<b>Total Revenues</b>	<b>\$ 52,591</b>	<b>\$ 52,453</b>	<b>\$ 46,315</b>	<b>\$ 43,113</b>	<b>\$ 40,083</b>	<b>\$ 39,604</b>	<b>\$ 34,545</b>	<b>\$ 33,899</b>	<b>\$ 33,302</b>	<b>\$ 32,610</b>

For the Year Ended August 31,  
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	14.84%	15.48%	15.84%	16.11%	15.51%	13.49%	14.42%	13.12%	12.02%	11.51%
Federal Grants and Contracts	3.33%	3.86%	3.29%	3.40%	3.17%	3.05%	3.56%	3.19%	3.04%	3.00%
State Grants and Contracts	1.89%	2.11%	2.77%	4.43%	1.85%	1.45%	1.57%	1.43%	2.66%	3.14%
Non-Governmental Grants and Contracts	0.77%	0.81%	1.53%	1.11%	1.11%	1.19%	1.29%	1.22%	1.52%	0.85%
Sales and services of educational activities	0.21%	0.31%	0.25%	0.29%	0.31%	0.31%	0.41%	0.35%	0.31%	0.21%
Investment Income-restricted	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Auxiliary enterprises	8.31%	9.76%	10.61%	10.87%	9.65%	8.89%	9.82%	9.25%	9.29%	9.13%
Other Operating Revenues	0.22%	0.25%	0.24%	0.42%	0.17%	0.14%	0.30%	0.35%	0.24%	1.47%
<b>Total Operating Revenues</b>	<b>29.57%</b>	<b>32.58%</b>	<b>34.55%</b>	<b>36.63%</b>	<b>31.77%</b>	<b>28.51%</b>	<b>31.38%</b>	<b>28.89%</b>	<b>29.09%</b>	<b>29.32%</b>
State Appropriations	28.58%	29.06%	28.67%	31.24%	32.33%	32.45%	36.04%	36.79%	40.17%	42.79%
Maintenance Ad Valorem Taxes	11.22%	11.32%	13.33%	11.63%	12.39%	11.16%	11.42%	11.31%	10.01%	10.10%
Federal Revenue, Non Operating	28.34%	24.74%	17.36%	14.81%	14.07%	14.85%	17.63%	18.74%	17.11%	13.77%
Gifts	1.50%	1.37%	2.67%	1.93%	2.38%	10.75%	2.23%	3.42%	1.20%	1.40%
Investment income	0.54%	0.41%	0.81%	1.15%	1.53%	1.68%	0.93%	0.36%	1.08%	0.94%
Endowment income	0.25%	0.25%	0.39%	0.65%	0.79%	0.60%	0.35%	0.39%	1.21%	1.21%
Insurance Proceeds	0.00%	0.26%	2.21%	1.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenues	0.01%	0.02%	0.01%	0.10%	4.75%	0.00%	0.03%	0.10%	0.13%	0.48%
<b>Total Non-Operating Revenues</b>	<b>70.43%</b>	<b>67.42%</b>	<b>65.45%</b>	<b>63.37%</b>	<b>68.23%</b>	<b>71.49%</b>	<b>68.62%</b>	<b>71.11%</b>	<b>70.91%</b>	<b>70.68%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Kilgore Junior College District  
Statistical Supplement 3  
Program Expenses by Function  
Fiscal Years 2002 to 2011  
(unaudited)

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 17,159	\$ 17,298	\$ 15,501	\$ 14,298	\$ 13,599	\$ 12,554	\$ 11,855	\$ 10,891	\$ 11,957	\$ 11,267
Public service	1,042	973	955	769	614	828	773	756	781	854
Academic support	3,272	3,322	2,956	2,658	2,753	2,755	2,608	2,364	2,481	2,318
Student services	2,352	2,326	2,223	2,296	2,213	2,200	2,099	1,917	2,003	1,840
Institutional support	5,187	5,228	5,044	4,205	4,177	3,805	3,945	3,500	3,526	3,903
Operation and maintenance of plant	3,345	3,407	3,494	3,199	3,197	3,285	2,858	2,692	2,699	2,748
Scholarships and fellowships	6,571	6,661	3,792	2,780	2,284	2,585	2,728	2,846	2,821	2,079
Auxiliary enterprises	7,462	7,714	6,543	5,853	5,711	5,090	4,887	4,427	4,505	4,212
Depreciation	1,387	1,369	1,302	1,236	1,210	1,135	940	946	813	885
<b>Total Operating Expenses</b>	<b>47,777</b>	<b>48,298</b>	<b>41,810</b>	<b>37,294</b>	<b>35,758</b>	<b>34,237</b>	<b>32,693</b>	<b>30,339</b>	<b>31,586</b>	<b>30,106</b>
Interest on capital related debt	106	120	139	189	301	268	236	237	249	247
Loss on disposal of fixed assets	3	29	6	28	20	10	121	28	-	-
Other non-operating expenses	230	543	144	328	167	274	9	133	-	-
<b>Total Non-Operating Expenses</b>	<b>339</b>	<b>692</b>	<b>289</b>	<b>545</b>	<b>488</b>	<b>552</b>	<b>366</b>	<b>398</b>	<b>249</b>	<b>247</b>
<b>Total Expenses</b>	<b>\$ 48,116</b>	<b>\$ 48,990</b>	<b>\$ 42,099</b>	<b>\$ 37,839</b>	<b>\$ 36,246</b>	<b>\$ 34,789</b>	<b>\$ 33,059</b>	<b>\$ 30,737</b>	<b>\$ 31,835</b>	<b>\$ 30,353</b>

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	35.66%	35.31%	36.82%	37.79%	37.52%	36.09%	35.86%	35.43%	37.56%	37.12%
Public service	2.17%	1.99%	2.27%	2.03%	1.69%	2.38%	2.34%	2.46%	2.45%	2.81%
Academic support	6.80%	6.78%	7.02%	7.02%	7.60%	7.92%	7.89%	7.69%	7.79%	7.64%
Student services	4.89%	4.75%	5.28%	6.07%	6.11%	6.32%	6.35%	6.24%	6.29%	6.06%
Institutional support	10.78%	10.67%	11.98%	11.11%	11.52%	10.94%	11.93%	11.39%	11.08%	12.86%
Operation and maintenance of plant	6.95%	6.95%	8.30%	8.45%	8.82%	9.44%	8.65%	8.76%	8.48%	9.05%
Scholarships and fellowships	13.66%	13.60%	9.01%	7.35%	6.30%	7.43%	8.25%	9.26%	8.86%	6.85%
Auxiliary enterprises	15.51%	15.75%	15.54%	15.47%	15.76%	14.63%	14.78%	14.40%	14.15%	13.88%
Depreciation	2.88%	2.79%	3.09%	3.27%	3.34%	3.26%	2.84%	3.08%	2.55%	2.92%
<b>Total Operating Expenses</b>	<b>99.30%</b>	<b>98.59%</b>	<b>99.31%</b>	<b>98.56%</b>	<b>98.65%</b>	<b>98.41%</b>	<b>98.89%</b>	<b>98.71%</b>	<b>99.22%</b>	<b>99.19%</b>
Interest on capital related debt	0.22%	0.24%	0.33%	0.50%	0.83%	0.77%	0.71%	0.77%	0.78%	0.81%
Loss on disposal of fixed assets	0.01%	0.06%	0.01%	0.07%	0.06%	0.03%	0.37%	0.09%	0.00%	0.00%
Other non-operating expenses	0.48%	1.11%	0.34%	0.87%	0.46%	0.79%	0.03%	0.43%	0.00%	0.00%
<b>Total Non-Operating Expenses</b>	<b>0.70%</b>	<b>1.41%</b>	<b>0.69%</b>	<b>1.44%</b>	<b>1.35%</b>	<b>1.59%</b>	<b>1.11%</b>	<b>1.29%</b>	<b>0.78%</b>	<b>0.81%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Kilgore Junior College District  
 Statistical Supplement 4  
 Tuition and Fees  
 Last Ten Academic Years  
 (unaudited)

Resident												
Fees per Semester Credit Hour (SCH)												
Academic Year (Fall)	In-District Tuition	Out-of-Dist Tuition	Out-of-Dist Fee	In District Building Use Fee	Out-of Dist Building Use Fees	Technology Fees	Gen Education Fee	Student Services Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2010-11	\$ 25	\$ 25	\$ 55	\$ 0	\$ 0	\$ 0	\$ 24	\$ 0	\$ 588	\$ 1248	8.89%	8.33%
2009-10	23	23	51	0	0	0	22	0	540	1152	2.27%	3.23%
2008-09	22	22	49	0	0	0	22	0	528	1116	2.33%	3.33%
2007-08	21	21	47	0	0	0	22	0	516	1080	2.38%	3.45%
2006-07	20	20	45	0	0	0	22	0	504	1,044	20.00%	19.18%
2005-06	18	18	38	0	0	0	17	0	420	876	2.94%	4.29%
2004-05	17	17	36	0	0	0	17	0	408	840	3.03%	6.06%
2003-04	16	16	33	0	0	0	17	0	396	792	6.45%	17.86%
2002-03	14	14	25	0	0	0	17	0	372	672	0.00%	5.66%
2001-02	14	14	22	10	10	3	0	4	372	636	0.00%	0.00%

Non - Resident									
Fees per Semester Credit Hour (SCH)									
Academic Year (Fall)	Non-Resident Tuition Out of State	Out-of-District Fee	Building Use Fees	Technology Fees	Gen Education Fee	Student Services Fees	Cost for 12 SCH Out of State	Increase from Prior Year Out of State	
2010-11	\$ 65	\$ 55	\$ 0	\$ 0	\$ 24	\$ 0	\$ 1,728	9.09%	
2009-10	59	51	0	0	22	0	1,584	3.94%	
2008-09	56	49	0	0	22	0	1,524	4.10%	
2007-08	53	47	0	0	22	0	1,464	4.27%	
2006-07	50	45	0	0	22	0	1,404	15.84%	
2005-06	46	38	0	0	17	0	1,212	5.21%	
2004-05	43	36	0	0	17	0	1,152	6.67%	
2003-04	40	33	0	0	17	0	1,080	25.00%	
2002-03	30	25	0	0	17	0	864	4.35%	
2001-02	30	22	10	3	0	4	828	0.00%	

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

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2010-11	\$ 4,046,583	\$ 247,787	\$ 3,798,796	93.88%	0.15400	-	0.15400
2009-10	4,074,768	248,904	3,825,864	93.89%	0.15400	-	0.15400
2008-09	3,470,209	298,632	3,171,577	91.39%	0.15400	-	0.15400
2007-08	3,377,204	165,814	3,211,390	95.09%	0.01640	-	0.01640
2006-07	3,055,914	188,408	2,867,506	93.83%	0.01640	-	0.01640
2005-06	2,635,907	130,507	2,505,400	95.05%	0.17400	-	0.17400
2004-05	2,344,797	131,677	2,213,120	94.38%	0.17890	-	0.17890
2003-04	2,327,071	327,789	1,999,282	85.91%	0.17890	-	0.17890
2002-03	2,339,222	332,125	2,007,097	85.80%	0.16890	-	0.16890
2001-02	2,256,053	318,385	1,937,668	85.89%	0.16890	-	0.16890

Source: Local Appraisal District  
Notes: Property is assessed at full market value.  
(a) per \$100 Taxable Assessed Valuation



**Kilgore Junior College District**  
**Statistical Supplement 6**  
**State Appropriation per FTSE and Contact Hour**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2010-11	\$ 11,645,557	4,770	2,441	2,101	1,026	3,127	3,724.19
2009-10	11,831,682	4,969	2,381	2,049	1,019	3,068	3,856.48
2008-09	10,183,215	4,115	2,475	1,750	904	2,655	3,835.49
2007-08	10,480,707	4,121	2,543	1,688	846	2,533	4,137.10
2006-07	10,170,125	3,558	2,858	1,564	741	2,305	4,412.29
2005-06	10,170,125	3,675	2,767	1,656	741	2,397	4,242.81
2004-05	10,156,900	3,718	2,732	1,688	718	2,406	4,221.65
2003-04	10,157,067	3,779	2,688	1,714	1,114	2,828	3,591.75
2002-03	10,692,354	4,389	2,436	1,646	1,399	3,046	3,510.86
2001-02	11,417,903	3,965	2,880	1,510	1,231	2,741	4,166.23

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

**Kilgore Junior College District**  
**Statistical Supplement 7**  
**Principal Taxpayers**  
**2011**  
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2010	2009	2008	2007	2006
Halliburton Energy Services	Oilfield service	\$ 118,009,705	\$ 107,198,701	\$ 104,912,980	\$ 75,420,732	\$ 78,818,860
Exco Partners	Oilfield service	27,021,433	71,055,194	46,329,630	-	-
B J Services Inc	Oilfield service	41,938,960	45,704,545	69,693,340	36,753,659	44,591,980
Cudd Pressure Control	Oilfield service	40,161,695	27,116,838	42,577,660	-	-
Alcoa-Southern Plastics	Manufacturing	34,235,061	26,620,129	28,659,380	-	-
XTO Energy Inc	Oilfield service	-	22,747,402	33,728,660	54,021,951	31,944,110
Danmark Energy Services Co	Oilfield service	24,772,730	20,370,779	34,596,730	61,953,659	26,188,370
AEP Southwestern Elec Co	Power company	20,045,454	18,975,974	-	18,240,377	21,102,190
ExxonMobil Corporation	Oilfield service	-	17,175,971	25,099,740	69,169,512	43,615,100
Geo-Vest of Texas	Oilfield service	-	-	36,401,200	36,837,805	34,485,420
Burlington Resources	Oilfield service	-	-	24,029,190	39,907,317	24,925,700
TXOK Energy Resources Co.	Oilfield service	-	-	-	54,876,829	54,991,430
Anadarko E&P Co	Oilfield service	-	-	-	24,747,562	19,443,700
Hunt Petroleum Corp	Oilfield service	-	-	-	-	14,322,440
Basa Resources, Inc.	Oilfield service	-	-	-	59,646,341	-
Quantum Resources	Oilfield service	26,798,701	-	-	-	-
Samson Lone Star	Oilfield service	17,017,531	-	-	-	-
SND Operating	Oilfield service	14,818,202	-	-	-	-
<b>Totals</b>		<b>\$ 364,819,472</b>	<b>\$ 356,965,533</b>	<b>\$ 446,028,510</b>	<b>\$ 531,575,744</b>	<b>\$ 394,429,300</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 3,798,786,069</b>	<b>\$3,346,971,255</b>	<b>\$ 3,766,791,404</b>	<b>\$ 2,867,505,934</b>	<b>\$ 2,505,399,574</b>

**% of Taxable Assessed Value (TAV) by Tax Year**

Taxpayer	Type of Business	2010	2009	2008	2007	2006
Halliburton Energy Services	Oilfield service	3.11%	2.82%	2.76%	1.99%	2.07%
Exco Partners	Oilfield service	0.71%	1.87%	1.22%	0.00%	0.00%
B J Services Inc	Oilfield service	1.10%	1.20%	1.83%	0.97%	1.17%
Cudd Pressure Control	Oilfield service	1.06%	0.71%	1.12%	0.00%	0.00%
Alcoa-Southern Plastics	Manufacturing	0.90%	0.70%	0.75%	0.00%	0.00%
XTO Energy Inc	Oilfield service	0.00%	0.60%	0.89%	1.42%	0.84%
Danmark Energy Services Co	Oilfield service	0.65%	0.54%	0.91%	1.63%	0.69%
AEP Southwestern Elec Co	Power company	0.53%	0.50%	0.00%	0.48%	0.56%
ExxonMobil Corporation	Oilfield service	0.00%	0.45%	0.66%	1.82%	1.15%
Geo-Vest of Texas	Oilfield service	0.00%	0.00%	0.96%	0.97%	0.91%
Burlington Resources	Oilfield service	0.00%	0.00%	0.63%	1.05%	0.66%
TXOK Energy Resources Co.	Oilfield service	0.00%	0.00%	0.00%	1.44%	1.45%
Anadarko E&P Co	Oilfield service	0.00%	0.00%	0.00%	0.65%	0.51%
Hunt Petroleum Corp	Oilfield service	0.00%	0.00%	0.00%	0.00%	0.38%
Basa Resource, Inc.	Oilfield service	0.00%	0.00%	0.00%	1.57%	0.00%
Quantum Resources	Oilfield service	0.71%	0.00%	0.00%	0.00%	0.00%
Samson Lone Star	Oilfield service	0.45%	0.00%	0.00%	0.00%	0.00%
SND Operating	Oilfield service	0.39%	0.00%	0.00%	0.00%	0.00%
<b>Totals</b>		<b>9.60%</b>	<b>9.40%</b>	<b>11.74%</b>	<b>13.99%</b>	<b>10.38%</b>

Source: Local County Appraisal District and Local Tax Office  
This institution previously did not present this schedule and chose to implement prospectively.

**Kilgore Junior College District**  
**Statistical Supplement 8**  
**Property Tax Levies and Collections**  
**Last Ten Tax Years**

(unaudited)

(amounts expressed in thousands)

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total Tax Levy (a)	Amount	Percentage of Levy	Collections in Subsequent Years (b)	Amount	Percentage of Levy
2010-11	\$ 5,850	\$ 5,672	96.96%	\$ 155	\$ 5,827	99.61%
2009-10	5,891	5,606	95.16%	151	5,757	97.73%
2008-09	5,684	5,584	98.24%	185	5,938	104.47%
2007-08	5,267	5,151	97.80%	112	5,263	99.92%
2006-07	4,820	4,671	96.91%	-	4,671	96.91%
2005-06	4,362	4,222	96.80%	76	4,222	96.80%
2004-05	3,959	3,794	95.82%	28	3,822	96.53%
2003-04	3,577	3,401	95.08%	11	3,412	95.39%
2002-03	3,398	3,224	94.86%	7	3,231	95.07%
2001-02	3,275	3,106	94.81%	4	3,110	94.93%

Source: Local Tax Assessor/Collector's and District records.

(a) As reported in notes to the financial statements for the year of the levy.

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

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

	For the Year Ended August 31 (amounts expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>General Bonded Debt</b>										
Net General Bonded Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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%
<b>Other Debt</b>										
Revenue Bonds	\$ 2,605	\$ 2,925	\$ 3,230	\$ 3,530	\$ 3,815	\$ 4,025	\$ 4,255	\$ 4,485	\$ 4,710	\$ 4,925
Notes	-	80	540	1,020	1,500	975	1,273	168	221	271
Capital Lease Obligations	-	-	-	-	-	-	-	-	-	238
Less: Funds Restricted for Debt Service	-	-	(299)	(425)	(425)	(435)	(435)	(435)	(435)	(435)
Total Outstanding Debt	\$ 2,605	\$ 3,005	\$ 3,471	\$ 4,125	\$ 4,890	\$ 4,565	\$ 5,093	\$ 4,218	\$ 4,496	\$ 4,999
Per Capita	\$ 2.37	\$ 9.46	\$ 3.16	\$ 3.75	\$ 4.45	\$ 3.25	\$ 3.62	\$ 3.00	\$ 3.20	\$ 3.55
Per Student	\$ 55	\$ 73	\$ 141	\$ 162	\$ 119	\$ 196	\$ 218	\$ 181	\$ 193	\$ 214
As a percentage of Taxable Assessed Value	0.09%	0.10%	0.12%	0.14%	0.17%	0.16%	0.18%	0.15%	0.16%	0.17%

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

**Kilgore Junior College District  
Statistical Supplement 10  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(unaudited)**

	For the Year Ended August 31 (amount expressed in thousands)								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 3,798,786	\$ 3,825,864	\$ 3,171,577	\$ 3,211,390	\$ 2,867,506	\$ 2,505,400	\$ 2,213,120	\$ 1,999,282	\$ 2,007,097
<b>General Obligation Bonds</b>									
Statutory Tax Levy Limit for Debt Service	18,994	19,129	15,858	16,057	14,338	12,527	11,066	9,996	10,035
Less: Funds Restricted for Repayment of General Obligation Notes	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	18,994	19,129	15,858	16,057	14,338	12,527	11,066	9,996	10,035
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 18,994	\$ 19,129	\$ 15,858	\$ 16,057	\$ 14,338	\$ 12,527	\$ 11,066	\$ 9,996	\$ 10,035
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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.

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

**Revenue Bonds**

Fiscal Year <small>Ended August 31</small>	Pledged Revenues (\$000 omitted)								Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Education Fee	Student Services Fees	Out-of- District Fees	Building Use Fee	Technology Fee	Other	Total	Principal	Interest	Total	
2011	\$ 1,310,117	\$ 3,303,165	\$ 598,898	\$ 5,420,044	\$ -	\$ -	\$ 757,680	\$ 11,389,904	\$ 320,000	\$ 105,900	\$ 425,900	26.74
2010	1,226,420	2,412,835	529,647	4,989,075	-	-	1,416,828	10,574,805	305,000	117,868	422,868	25.01
2009	1,005,649	2,098,495	490,645	4,153,019	-	-	902,508	8,650,316	300,000	129,454	429,454	20.14
2008	908,308	2,123,981	466,240	3,952,678	-	-	785,719	8,236,926	285,000	140,657	425,657	19.35
2007	166,373	1,942,021	426,297	3,398,162	-	-	-	5,932,853	255,000	194,926	449,926	13.19
2006	169,118	1,613,509	410,770	3,079,715	-	-	-	5,273,112	245,000	206,426	451,426	11.68
2005	168,698	1,487,945	444,451	2,848,009	-	-	-	4,949,103	230,000	217,236	447,236	11.07
2004	169,710	1,484,266	468,732	2,635,570	-	-	-	4,758,278	225,000	227,361	452,361	10.52
2003	162,893	1,428,817	426,776	1,951,425	-	-	-	3,969,911	215,000	236,934	451,934	8.78
2002	149,813	-	-	1,561,839	998,323	299,450	-	3,009,425	205,000	245,913	450,913	6.67

**Kilgore Junior College District**  
**Statistical Supplement 12**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
(unaudited)

Calendar Year	District (a) Population	District (a) Personal Income	District (a) Personal Income Per Capita	District (a) Unemployment Rate
2010	34,925	b	b	6.2%
2009	34,344	b	b	5.8%
2008	34,112	b	b	4.4%
2007	33,606	b	b	4.7%
2006	32,405	b	b	4.9%
2005	31,770	3,493,234,400	109,954	4.9%
2004	31,147	3,260,246,800	104,673	5.9%
2003	30,536	2,985,100,450	97,757	7.0%
2002	29,938	2,871,327,600	95,909	6.9%
2001	29,351	2,855,889,850	97,301	5.4%

**Sources:**

Texas Labor Market Information  
Texas Workforce Commission

**Notes:**

- a. District data is unavailable. Amounts are based on weighted averages for Gregg and Rusk Counties
- b. Not available

**Kilgore Junior College District**  
**Statistical Supplement 13**  
**Principal Employers**  
**Current Year**  
(unaudited)

Employer	2010 Number of Employees	2009 Number of Employees	2008 Number of Employees	2007 Number of Employees	2006 Number of Employees	Percentage of Total Employment (a)
Halliburton	705	731	316	409	388	-
Kilgore ISD	606	606	543	551	554	-
Vertex, RSI/General Dynamics	550	499	497	488	472	-
Kilgore College	363	363	411	386	391	-
Region VII Education Service Ctr	290	290	254	266	259	-
Martin Midstream Partners, LP	241	241	194	193	168	-
Cudd Pressure Controls	225	-	-	-	-	-
Pak-Sher, Inc	160	160	58	137	144	-
Orgill, Inc	178	-	-	-	-	-
BJ Services	155	155	157	191	167	-
City of Kilgore	155	155	144	146	147	-
Skeeter Boats	151	153	182	244	247	-
Laird Memorial Hospital	-	-	-	61	272	-
<b>Total</b>	<b>3,779</b>	<b>3,353</b>	<b>2,756</b>	<b>3,072</b>	<b>3,209</b>	<b>-</b>

**Source:**

Kilgore Economic Development Corporation  
Gladewater Economic Development Corporation  
White Oak Economic Development Corporation

**Note:**

- a. Total employment of District is undeterminable.
- b. This District previously did not present this schedule and chose to implement prospectively.



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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
<b>Faculty</b>										
Full-Time	151.00	166.00	124.00	119.00	116.25	110.25	115.75	116.75	126.00	132.00
Part-Time	53.00	73.00	51.00	58.80	50.00	48.40	45.30	44.25	36.45	25.90
<b>Total</b>	<b>204.00</b>	<b>239.00</b>	<b>175.00</b>	<b>177.80</b>	<b>166.25</b>	<b>158.65</b>	<b>161.05</b>	<b>161.00</b>	<b>162.45</b>	<b>157.90</b>
<b>Percent</b>										
Full-Time	74.02%	81.37%	51.88%	68.00%	65.38%	66.32%	71.9%	72.5%	77.6%	83.6%
Part-Time	25.98%	35.78%	21.34%	33.60%	28.12%	29.11%	28.1%	27.5%	22.4%	16.4%
<b>Staff and Administrators</b>										
Full-Time	221.00	221.00	283.00	205.00	214.54	219.00	217.00	208.00	206.00	201.00
Part-Time	43.00	41.00	33.00	28.25	31.00	35.00	30.50	22.50	27.00	31.50
<b>Total</b>	<b>264.00</b>	<b>262.00</b>	<b>316.00</b>	<b>233.25</b>	<b>245.54</b>	<b>254.00</b>	<b>247.50</b>	<b>230.50</b>	<b>233.00</b>	<b>232.50</b>
<b>Percent</b>										
Full-Time	83.71%	84.35%	89.56%	87.89%	87.37%	86.22%	87.68%	90.24%	88.41%	86.45%
Part-Time	16.29%	15.65%	10.44%	12.11%	12.63%	13.78%	12.32%	9.76%	11.59%	13.55%
Students per Full-Time Faculty	44.31	38.40	44.46	43.28	44.30	42.60	41.88	42.46	38.71	34.68
Students per Full-Time Staff Member	30.28	28.85	19.48	25.12	24.00	21.45	22.76	23.76	23.68	22.78
Average Annual Faculty Salary	\$58,070	\$51,710	\$54,549	\$53,690	\$55,700	\$53,783	\$50,154	\$46,271	\$47,577	\$44,773

**Notes:**

Information provided according to the IPED definition for faculty and staff.

**Kilgore Junior College District**  
**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
Freshman	4,899	73.22%	4,686	73.51%	3,977	72.14%	3,681	71.48%	3,323	70.75%
Sophomore	1,352	20.21%	1,239	19.44%	1,158	21.00%	1,074	20.85%	1,066	22.70%
Unclassified	192	2.87%	193	3.03%	288	5.22%	236	4.58%	168	3.58%
Associate Degree	219	3.27%	226	3.55%	53	0.96%	91	1.77%	68	1.45%
Baccalaureate or Above	29	0.43%	31	0.49%	37	0.67%	68	1.32%	72	1.53%
<b>Total</b>	<b>6,691</b>	<b>100.00%</b>	<b>6,375</b>	<b>100.00%</b>	<b>5,513</b>	<b>100.00%</b>	<b>5,150</b>	<b>100.00%</b>	<b>4,697</b>	<b>100.00%</b>

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	40	0.60%	52	0.82%	38	0.69%	37	0.72%	69	1.47%
3-5 semester hours	1,239	18.52%	1,331	20.88%	1,073	19.46%	922	17.90%	812	17.29%
6-8 Semester hours	1,274	19.04%	1,150	18.04%	937	17.00%	784	15.22%	774	16.48%
9-11 semester hours	939	14.03%	865	13.57%	809	14.67%	733	14.23%	655	13.95%
12-14 semester hours	2,257	33.73%	2,219	34.81%	1,863	33.79%	1,934	37.55%	1,644	35.00%
15-17 semester hours	824	12.32%	625	9.80%	678	12.30%	636	12.35%	616	13.11%
18 & over	118	1.76%	133	2.09%	115	2.09%	104	2.02%	127	2.70%
<b>Total</b>	<b>6,691</b>	<b>100.00%</b>	<b>6,375</b>	<b>100.00%</b>	<b>5,513</b>	<b>100.00%</b>	<b>5,150</b>	<b>100.00%</b>	<b>4,697</b>	<b>100.00%</b>

Average course load                      9.5 sch                      10.0 sch                      10.0 sch

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)	1,933	28.89%	1,786	28.02%	1,588	28.80%	1,560	30.29%	1,499	31.91%
Texas Resident (out-of-District)	4,479	66.94%	4,267	66.93%	3,647	66.15%	3,300	64.08%	2,989	63.64%
Non-Resident Tuition	279	4.17%	322	5.05%	278	5.04%	290	5.63%	209	4.45%
<b>Total</b>	<b>6,691</b>	<b>100.00%</b>	<b>6,375</b>	<b>100.00%</b>	<b>5,513</b>	<b>100.00%</b>	<b>5,150</b>	<b>100.00%</b>	<b>4,697</b>	<b>100.00%</b>

**Kilgore Junior College District**  
**Statistical Supplement 16**  
**Student Profile**  
**Last Five Fiscal Years**  
(unaudited)

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	4,140	61.87%	3,907	61.29%	3,448	62.54%	3,258	63.26%	2,979	63.42%
Male	2,551	38.13%	2,468	38.71%	2,065	37.46%	1,892	36.74%	1,718	36.58%
Total	6,691	100.00%	6,375	100.00%	5,513	100.00%	5,150	100.00%	4,697	100.00%

Ethnic Origin	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Multi-Racial	241	3.74%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
White	4,160	64.50%	4,201	65.90%	3,630	65.84%	3,438	66.76%	3,259	69.38%
Hispanic	718	11.13%	1,281	20.09%	1,057	19.17%	331	6.43%	271	5.77%
African American/Black	1,295	20.08%	556	8.72%	422	7.65%	852	16.54%	706	15.03%
Asian/Pacific Islander	60	0.93%	78	1.22%	49	0.89%	30	0.58%	29	0.62%
International	90	1.40%	32	0.50%	26	0.47%	132	2.56%	118	2.51%
Amer Indian/Alaskan	24	0.37%	120	1.88%	122	2.21%	18	0.35%	9	0.19%
Unknown	95	1.47%	107	1.68%	207	3.75%	349	6.78%	305	6.49%
Hawaiian/Pacific Islander	8	0.12%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	6,450	100.00%	6,375	100.00%	5,513	100.00%	5,150	100.00%	4,697	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	827	12.36%	835	13.10%	499	9.05%	326	6.33%	358	7.62%
18-21	2,897	43.30%	2,867	44.97%	2,685	48.70%	2,522	48.97%	2,290	48.75%
22-24	789	11.79%	775	12.16%	640	11.61%	640	12.43%	573	12.20%
25-30	883	13.20%	841	13.19%	755	13.69%	734	14.25%	650	13.84%
31-35	486	7.26%	388	6.09%	343	6.22%	321	6.23%	291	6.20%
36-50	659	9.85%	550	8.63%	490	8.89%	505	9.81%	433	9.22%
51-64	136	2.03%	108	1.69%	89	1.61%	88	1.71%	90	1.92%
65 & over	14	0.21%	11	0.17%	12	0.22%	14	0.27%	12	0.26%
Total	6,691	100.00%	6,375	100.00%	5,513	100.00%	5,150	100.00%	4,697	100.00%

Average Age	24	24	24	25	25
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**Kilgore Junior College District  
Statistical Supplement 17A  
Transfers to Senior Institutions  
2009 Fall Students as of 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 U. OF TEXAS AT TYLER	15	6	42	63	33.50%
2 STEPHEN F. AUSTIN STATE UNIV	20	2	42	64	19.00%
3 UNIVERSITY OF NORTH TEXAS	3	1	22	26	8.00%
4 U. OF TEXAS AT ARLINGTON	4	2	5	11	4.90%
5 TEXAS A&M UNIVERSITY	0	0	8	8	4.90%
6 TEXAS A&M UNIVERSITY-TEXARKANA	8	0	4	12	4.60%
7 SAM HOUSTON STATE UNIVERSITY	2	0	6	8	4.60%
8 TEXAS WOMAN'S UNIVERSITY	8	0	5	13	3.40%
9 TEXAS A&M UNIVERSITY-COMMERCE	1	1	7	9	3.40%
10 TEXAS STATE UNIV - SAN MARCOS	3	0	17	20	3.40%
11 TEXAS TECH UNIVERSITY	3	0	7	10	2.30%
12 U. OF HOUSTON - DOWNTOWN	0	0	0	0	1.90%
13 U. OF TEXAS AT AUSTIN	5	0	3	8	1.90%
14 UNIVERSITY OF HOUSTON	1	0	9	10	1.90%
OTHER PUBLIC 4YR INSTITUTIONS	2	3	15	20	2.30%
	<b>75</b>	<b>15</b>	<b>192</b>	<b>282</b>	<b>100.00%</b>

**Kilgore Junior College District  
Statistical Supplement 17B  
Transfers to Senior Institutions<sup>1</sup>  
Fall First Time Transfer Students  
(Includes only public senior colleges in Texas)  
(unaudited)**

	Fall 2009				Fall 2008				Fall 2007				Fall 2006			
	Academic Associate	Earned Core	Total Transfer Student	% Total Transfers	Academic Associate	Earned Core	Total Transfer Student	% Total Transfers	Academic Associate	Earned Core	Total Transfer Student	% Total Transfers	Academic Associate	Earned Core	Total Transfer Student	% Total Transfers
	Prior to Transfer	Curriculum Completer	Count <sup>2</sup>		Prior to Transfer	Curriculum Completer	Count <sup>2</sup>		Prior to Transfer	Curriculum Completer	Count <sup>2</sup>		Prior to Transfer	Curriculum Completer	Count <sup>2</sup>	
SAM HOUSTON STATE UNIVERSITY	2	3	5	2.7%	2	2	4	2.1%	2	2	4	1.8%	2	3	5	2.3%
STEPHEN F. AUSTIN STATE UNIV	20	32	52	28.0%	10	13	23	12.2%	9	17	26	11.7%	13	14	27	12.7%
TARLETON STATE UNIVERSITY	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%	0	0	0	0.0%
TEXAS A&M UNIVERSITY	0	0	0	0.0%	2	2	4	2.1%	5	7	12	5.4%	5	5	10	4.7%
TEXAS A&M UNIVERSITY-COMMERCE	1	1	2	1.1%	2	2	4	2.1%	2	1	3	1.4%	3	2	5	2.3%
TEXAS A&M UNIVERSITY-TEXARKANA	8	8	16	8.6%	5	7	12	6.3%	6	7	13	5.9%	6	5	11	5.2%
TEXAS STATE UNIV - SAN MARCOS	3	5	8	4.3%	1	3	4	2.1%	2	4	6	2.7%	5	5	10	4.7%
TEXAS TECH UNIVERSITY	3	3	6	3.2%	1	1	2	1.1%	3	3	6	2.7%	0	0	0	0.0%
TEXAS WOMAN'S UNIVERSITY	8	10	18	9.7%	4	3	7	3.7%	4	4	8	3.6%	1	2	3	1.4%
U. OF HOUSTON - DOWNTOWN	0	0	0	0.0%	2	1	3	1.6%	0	0	0	0.0%	1	2	3	1.4%
U. OF TEXAS AT ARLINGTON	4	4	8	4.3%	5	5	10	5.3%	5	6	11	5.0%	4	3	7	3.3%
U. OF TEXAS AT AUSTIN	5	5	10	5.4%	2	2	4	2.1%	0	0	0	0.0%	4	5	9	4.2%
U. OF TEXAS AT TYLER	15	26	41	22.0%	44	49	93	49.2%	43	52	95	42.8%	45	54	99	46.5%
UNIVERSITY OF HOUSTON	1	2	3	1.6%	1	0	1	0.5%	0	0	0	0.0%	3	3	6	2.8%
UNIVERSITY OF NORTH TEXAS	3	8	11	5.9%	6	7	13	6.9%	9	11	20	9.0%	2	5	7	3.3%
OTHER PUBLIC 4-YR INSTITUTION	2	4	6	3.2%	2	3	5	2.6%	9	9	18	8.1%	5	6	11	5.2%
<b>TOTAL</b>	<b>75</b>	<b>111</b>	<b>186</b>	<b>100.0%</b>	<b>89</b>	<b>100</b>	<b>189</b>	<b>100.0%</b>	<b>99</b>	<b>123</b>	<b>222</b>	<b>100.0%</b>	<b>99</b>	<b>114</b>	<b>213</b>	<b>100.0%</b>

<sup>1</sup>Students who were coded as first time transfer in Fall 2005 with a valid TX FICE Code and SSN, tracked back 6 years in CTC to see if they earned at least 30 hours.

<sup>2</sup>Transfers may have earned both an associate degree and core curriculum completer.

**Kilgore Junior College District**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Years 2006 to 2011**  
(unaudited)

	<b>Fiscal Year</b>				
	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
Academic buildings	15	15	14	13	13
Square footage (in thousands)	353	339	335	331	331
Libraries	1	1	1	1	1
Square footage (in thousands)	38	38	38	38	38
Number of Volumes (in thousands)	101	101	101	101	101
Administrative and support buildings	6	6	6	6	6
Square footage (in thousands)	115	115	115	115	115
Dormitories	5	5	5	5	5
Square footage (in thousands)	136	136	136	136	136
Number of Beds	490	490	490	490	490
Dining Facilities	1	1	1	1	1
Square footage (in thousands)	23	23	23	23	23
Average daily customers	410	410	410	410	410
Athletic Facilities	5	5	5	5	5
Square footage (in thousands)	119	119	119	119	119
Stadiums	1	1	1	1	1
Gymnasiums	2	2	2	2	2
Fitness Centers	1	1	1	1	1
Tennis Court	1	1	1	1	1
Plant facilities	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20
Transportation					
Cars	12	12	12	12	13
Light Trucks/Vans	16	23	23	23	24
Buses	0	0	0	0	0

