

**KILGORE JUNIOR COLLEGE DISTRICT
KILGORE, TEXAS**

**FINANCIAL STATEMENTS
AUGUST 31, 2009 and 2008**

**WITH REPORT
OF CERTIFIED PUBLIC ACCOUNTANTS**

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KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS

ORGANIZATIONAL DATA

For the fiscal year 2009 – 2008

BOARD OF TRUSTEES

OFFICERS

Larry Woodfin
Will Roberson
Charles Hale

President
Vice-President
Secretary

TERM EXPIRES

2011
2015
2011

MEMBERS

R. E. Spradlin
B. Randell Brint
James N. Walker
G. Scott Andrews
Robert D. Heath
Carlos "Scooter" Griffin, Jr.

TERM EXPIRES

2013
2013
2015
2011
2013
2015

PRINCIPAL ADMINISTRATIVE OFFICERS

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

President
Vice-President of Instruction
Vice-President of Administrative Services
Vice-President of Student Development
Vice-President of Institutional Planning
Controller
Director of Human Resources
Assistant to the President
Director of Development
Administrative Liaison to the Board

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

Instructional Dean
Instructional Dean
Instructional Dean
Instructional Dean
Executive Dean

CERTIFICATE OF BOARD

KILGORE JUNIOR COLLEGE DISTRICT GREGG KILGORE, TEXAS
Name of College County City

I, Larry Woodfin, President of the Board of Trustees of Kilgore Junior College District, do hereby certify that this report was reviewed and approved, at a meeting of the Board (approved or disapproved) held on the 14th day of December, 2009.

Attest: Charles H. H. H. Larry Woodfin
Secretary, Board of Trustees President, Board of Trustees

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, as of and for the years ended August 31, 2009 and 2008, 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, 2009 and 2008, 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 December 3, 2009, 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 8 through 13 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, 2009 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
December 3, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KILGORE JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2009 and 2008**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Kilgore Junior College District's financial performance provides an overview of the College's financial activities for the fiscal year ended August 31, 2009, with fiscal year 2008 and 2007 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 identify what the College 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 College.

The Statement of Revenues, Expenses, and Changes in Net Assets provides information about the activities of the College as a whole and presents a longer-term view of the College's finances. The College 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 College'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 College's combined net assets increased \$4.2 million compared to a \$5.3 million in the prior year, increasing from \$55.2 million to \$59.4 million.

Condensed Statement of Net Assets (\$ in millions)	2009	2008	2007	2008 to 2009 Change
Current assets	\$ 21.6	\$ 21.0	\$ 15.4	2.86%
Non-current assets	8.6	8.4	8.3	2.38%
Non-current - Capital assets	41.5	37.6	37.9	10.37%
Total assets	71.7	67.0	61.6	7.01%
Current liabilities	(9.0)	(7.7)	(6.9)	16.88%
Non-current liabilities	(3.3)	(4.1)	(4.8)	-19.51%
Total liabilities	(12.3)	(11.8)	(11.7)	4.24%
Net Assets:				
Invested in capital assets, net of debt	36.9	33.1	32.6	11.48%
Restricted	7.5	7.6	7.3	-1.32%
Unrestricted	15.0	14.5	10.0	3.45%
Total Net Assets	\$ 59.4	\$ 55.2	\$ 49.9	7.61%

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 College's current assets of \$21.6 million were sufficient to cover current liabilities of \$9.0 million, giving a current ratio of 2.4 compared to 2.7 in fiscal year 2008.

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, 2009 and 2008, the College had expendable net assets of \$15.6 million and \$16.6 million respectively. Operating expenses for the same period were \$41.8 million and \$37.3 million. This represents a ratio of 37.3% and 44.5% respectively.

The College's accumulated cash and cash equivalent balances decreased \$9,670 to \$16.1 million.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Total operating revenues for fiscal year 2009 were \$16.0 million. Operating revenues increased \$210,691 or 1.3%.

Operating Revenues						
(\$ in millions)	2009		2008		2007	
Tuition and fees	45.6%	\$ 7.3	43.7%	\$ 6.9	48.4%	\$ 6.2
Federal grants and contracts	9.4%	1.5	9.5%	1.5	10.2%	1.3
State grant and contracts	8.1%	1.3	12.0%	1.9	6.2%	0.8
Auxiliary enterprises	30.6%	4.9	29.8%	4.7	30.5%	3.9
Other	6.3%	1.0	5.0%	0.8	4.7%	0.6
Total		\$ 16.0		\$ 15.8		\$ 12.8

The College also had \$30.3 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. In fiscal year 2009, the College did report a \$1.0 million accounts receivable for insurance proceeds, in 2008 the college received a partial distribution of \$0.8 million. Final calculation of loss and eligible insurance proceeds is still being determined.

Non-Operating Revenues						
(\$ in millions)	2009		2008		2007	
State Appropriations	43.8%	\$ 13.3	49.5%	\$ 13.5	47.6%	\$ 13.0
Maintenance ad-valorem taxes	20.4%	6.2	18.3%	5.0	18.3%	5.0
Federal revenue, non-operating	26.5%	8.0	23.4%	6.4	20.5%	5.6
Gifts	4.1%	1.2	2.9%	0.8	3.3%	0.9
Investment, Endowment and Other	5.2%	1.6	5.9%	1.6	10.3%	2.8
Total		\$ 30.3		\$ 27.3		\$ 27.3

Total operating expenses totaled \$41.8 million, which is a \$4.5 million or a 12.1% increase from fiscal year 2008. Expenditures for instruction are the most significant and had a \$1.2 million or an 8.4% increase. The increase in instructional expenses is a direct reflection of our increase in enrollment.

Operating Expenses						
(\$ in millions)	2009		2008		2007	
Instruction	36.8%	\$ 15.5	37.8%	\$ 14.3	37.5%	\$ 13.6
Public service	2.3%	1.0	2.1%	0.8	1.7%	0.6
Academic support	7.0%	3.0	7.2%	2.7	7.7%	2.8
Student services	5.3%	2.2	6.1%	2.3	6.1%	2.2
Institutional support	12.0%	5.0	11.1%	4.2	11.5%	4.2
Operation and maintenance of plant and depreciation	11.4%	4.8	11.6%	4.4	12.1%	4.4
Scholarships and fellowships	9.0%	3.8	7.4%	2.8	6.3%	2.3
Auxiliary enterprises	15.5%	6.5	15.4%	5.8	15.7%	5.7
Total operating expense		41.8		37.3		35.8
Total non-operating expense	1.3%	0.3	1.3%	0.5	1.4%	0.5
		\$ 42.1		\$ 37.8		\$ 36.3

Of the total operating expenses, \$23.8 million or 56.8% is for payroll and benefits. In fiscal year 2008, payroll and benefits made up 58.3% of the total operating expenses.

There was an operating loss for fiscal year 2009 of \$25.8 million, with an increase in net assets of \$4.2 million, compared to fiscal year 2008 when they were \$21.5 and \$5.3, 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 College's ability to generate net cash flows to meet its obligations as they come due, and its need for external financing. The College's total cash and cash equivalents decreased by \$9,670 to \$16,119,335.

Cash Provided By: (\$ in millions)	2009	2008	2007
Operating activities	(\$ 20.1)	(\$ 17.3)	(\$ 18.6)
Non-capital financing activities	25.5	23.0	21.6
Capital and related financing activities	(5.9)	(1.3)	(0.7)
Investing activities	0.5	0.6	1.0
Change in cash and cash equivalents	\$ 0.0	\$ 4.9	\$ 3.3

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 allocations, federal title IV receipts, 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 College'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 College's overall activities remained very stable during this year. The overall activities of the College are considered to be business-type activities. The net assets increased by \$4.2 million or 7.6 percent.
- As of August 31, 2009, assets of the College exceeded liabilities by \$59.4 million. Of this amount, \$15.0 million is unrestricted net assets which may be used to meet ongoing operations, up from \$14.5 in fiscal year 2008.
- During the year, the College had revenues that were \$4.2 million more than the \$42.1 million generated in expenditures.
- Total cost of all of the College's programs increased by \$4.5 million, or 12.1 percent. The largest increase came in the area of instruction with a \$1.2 million increase or 8.4 percent.

- Local property tax rate decreased from prior year but revenues increased by \$1.2 million or 23.2%.
- Net tuition and fees increased \$390,588 or 5.6%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The College 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 2009, the College had \$41.5 million invested in a broad range of capital assets, including equipment, buildings, and facilities.

Capital Assets at Year-end (Net of Depreciation, in Millions)	2009	2008	2007
Land	\$ 3.5	\$ 3.5	\$ 3.5
Buildings and improvements	36.4	32.3	32.8
Equipment	1.2	1.2	1.2
Books and exhibits	0.4	0.4	0.4
Construction in progress	0.0	0.2	0.0
Totals	\$ 41.5	\$ 37.6	\$ 37.9

Debt

At year-end, the College had \$3.8 million in bonds and notes outstanding.

Outstanding Debt, at Year-end (\$ in millions)	2009	2008	2007
Current portion of long term obligations	\$ 0.8	\$ 0.8	\$ 0.8
Revenue bonds and notes (backed by specific fee revenues)	3.0	3.8	4.5
Totals	\$ 3.8	\$ 4.6	\$ 5.3

COMPONENT UNIT / RELATED PARTIES

The Kilgore College Foundation is presented as a related party. Due to the interpretation of Governmental Standards Board Statement No. 39, the College does not feel the foundation meets the requirement of a discrete component unit. The Foundation contributed gifts of \$261,576 to the College during fiscal year 2009 as compared to the \$75,400 contributed in fiscal year 2008.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The College's elected and appointed officials considered many factors when setting the fiscal year 2009 budget, tax rates, and fees that were charged for the business-type activities. One of those factors is the economy. The College's employment growth has mirrored its population growth during 2000-2009, averaging minimal annual gains. Although East Texas has not been impacted as much as the rest of the nation with the economic downturn, we expect to feel a greater impact over the next few years.

The College is facing future economic issues centered around 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. Kilgore College has many aging facilities. Beginning in fiscal year 2004 and continuing into fiscal year 2009, the College has done some major renovations and construction of a new residence hall that will total about \$15.0 million. 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 the College is expecting to have a significant increase in state appropriations due to enrollment growth. But as we move toward fiscal year 2011 and 2012 there is a concern that our state appropriations could be reduced as much as 5-10% due total revenue shortfalls at the State level.

Continued increases to tuition and fees charged to students are anticipated in the near future. Meeting 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 College's property tax revenues have been increasing at an average rate of nearly 12.2% over the last three years. This growth has been maintained by managing the tax rate in conjunction with appraisal value increases in the district. This growth in appraisal value is not expected to continue. In fiscal year 2010, the college is expecting appraisal values to decline.

In March of 2008, the College was hit by a hail storm, causing damage in excess of \$2 million. By the end of the fiscal year the College had received \$0.8 million from the insurance company and had made repairs in the amount of less than \$0.3 million. The College did expend another \$2.0 million on repairs related to the storm. \$2.1 million of the cost is specifically related to the replacement of roofs on seven buildings. The College is still expecting to collect over \$1.0 million more from the insurance company.

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 College's finances and to show the College'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 Administrative Services, 1100 Broadway, Kilgore, TX 75662.

BASIC FINANCIAL STATEMENTS

EXHIBIT 1

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF NET ASSETS
AUGUST 31, 2009 AND 2008

	2009	2008
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 12,666,993	\$ 13,042,326
Short-term investments	4,321,594	4,385,691
Accounts receivable, net	3,021,101	1,819,291
Note receivable, current portion	142,467	135,196
Inventories	787,674	837,263
Prepaid expenses	606,862	680,993
Other assets	84,760	84,760
Total current assets	21,631,451	20,985,520
Noncurrent assets		
Restricted cash and cash equivalents	3,452,342	3,086,679
Short-term investments - bond funds	425,000	425,000
Short-term investments - endowment	3,500,000	3,500,000
Corporate stocks - endowment	102,260	118,150
Note receivable, net of current portion	1,132,370	1,274,837
Capital assets, net	41,483,739	37,612,168
Total noncurrent assets	50,095,711	46,016,834
Total assets	\$ 71,727,162	\$ 67,002,354
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ 798,203	\$ 359,405
Accrued liabilities	584,206	339,848
Funds held for others	804,155	786,842
Deferred revenue	5,688,901	5,134,337
Deposits	150,807	177,003
Long-term liabilities - current portion	962,657	940,410
Total current liabilities	8,988,929	7,737,845
Noncurrent liabilities		
Long-term liabilities	3,329,304	4,069,951
Total noncurrent liabilities	3,329,304	4,069,951
Total liabilities	12,318,233	11,807,796
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	37,713,739	33,062,167
Restricted for:		
Expendable	616,007	2,145,407
Nonexpendable	6,929,723	5,520,414
Unrestricted	14,149,460	14,466,570
Total net assets	59,408,929	55,194,558
Total liabilities and net assets	\$ 71,727,162	\$ 67,002,354

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, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>		
Operating revenues		
Tuition and fees (net of discounts of \$4,200,155 and \$3,801,316)	\$ 7,337,452	\$ 6,946,864
Federal grants and contracts	1,524,838	1,465,580
State grants and contracts	1,284,854	1,908,269
Non-governmental grants and contracts	709,076	478,249
Sales and services of educational activities	115,753	124,393
Auxiliary enterprises (net of discounts of \$1,924,224 and \$1,545,752)	4,916,057	4,686,732
General operating revenues	111,721	178,974
Total operating revenues	<u>15,999,751</u>	<u>15,789,061</u>
<u>EXPENSES</u>		
Operating expenses		
Instruction	15,500,721	14,298,490
Public service	955,303	768,548
Academic support	2,955,461	2,657,596
Student services	2,223,178	2,295,740
Institutional support	5,043,820	4,205,463
Operation and maintenance of plant	3,493,782	3,199,454
Scholarships and fellowships	3,792,335	2,780,968
Auxiliary enterprises	6,542,521	5,853,052
Depreciation	1,302,484	1,235,630
Total operating expenses	<u>41,809,605</u>	<u>37,294,941</u>
Operating loss	<u>(25,809,854)</u>	<u>(21,505,880)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State appropriations	13,279,534	13,466,777
Maintenance ad valorem taxes	6,175,254	5,012,152
Federal revenue, non-operating	8,038,644	6,384,410
Gifts	1,237,737	831,286
Investment income	373,553	495,613
Endowment income	179,641	281,774
Insurance proceeds	1,022,632	803,559
Interest on capital related debt	(138,820)	(189,341)
Disposal of fixed assets	(6,285)	(28,080)
Other non-operating revenues	6,482	48,237
Other non-operating expenses	(144,147)	(327,520)
Net non-operating revenues	<u>30,024,225</u>	<u>26,778,867</u>
Increase in net assets	4,214,371	5,272,987
<u>NET ASSETS</u>		
Net assets - beginning of year	55,194,558	49,921,571
Net assets - end of year	<u>\$ 59,408,929</u>	<u>\$ 55,194,558</u>

See accompanying notes to financial statements.

EXHIBIT 3

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 12,879,365	\$ 11,805,659
Receipts of grants and contracts	3,518,018	3,851,348
Other receipts	111,721	178,974
Payments to or on behalf of employees	(20,905,613)	(18,762,554)
Payments to suppliers for goods and services	(12,346,717)	(11,540,043)
Payments to students under federal grants	(3,319,553)	(2,743,052)
Other cash payments	(74,130)	(110,071)
Net cash used by operating activities	<u>(20,136,909)</u>	<u>(17,319,739)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts of appropriations	10,274,995	10,480,707
Ad valorem tax revenues	5,911,651	5,268,513
Receipts for Title IV transactions	8,094,149	6,384,410
Gifts and grants (other than capital)	1,237,737	875,639
Receipts for student organization and other agency transactions	11,584,091	6,725,984
Student organization and other agency transactions	(11,544,448)	(6,727,207)
Net cash provided by non-capital financing activities	<u>25,558,175</u>	<u>23,008,046</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital contracts, grants and gifts	135,195	-
Proceeds from the sale of capital assets	-	132,181
Insurance proceeds	-	803,559
Purchases of capital assets	(5,120,332)	(1,352,636)
Payments on capital debt and leases - principal	(780,000)	(765,000)
Payments on capital debt and leases - interest	(138,820)	(189,341)
Net cash used by capital and related financing activities	<u>(5,903,957)</u>	<u>(1,371,237)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	473,021	547,294
Net cash provided by investing activities	<u>473,021</u>	<u>547,294</u>
(Decrease) increase in cash and cash equivalents	(9,670)	4,864,364
Cash and cash equivalents beginning of year	<u>16,129,005</u>	<u>11,264,641</u>
Cash and cash equivalents end of year	<u>\$ 16,119,335</u>	<u>\$ 16,129,005</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2009 AND 2008
CONTINUED

	<u>2009</u>	<u>2008</u>
Reconciliation of operating loss to net cash used		
by operating activities:		
Operating loss	\$ (25,809,854)	\$ (21,505,880)
Adjustments to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	1,302,484	1,235,630
On-behalf state benefits	3,004,539	2,986,069
Bad debt expense	73,192	95,572
Changes in assets and liabilities:		
Receivables, net	(105,459)	(722,411)
Inventories	49,589	(110,408)
Other assets	74,130	(110,071)
Accounts payable	541,807	(5,404)
Deferred revenue	671,063	770,082
Compensated absences	61,600	47,083
	<u> </u>	<u> </u>
Net cash used by operating activities	<u>\$ (20,136,909)</u>	<u>\$ (17,319,738)</u>

See accompanying notes to financial statements.

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

August 31, 2009 and 2008

1. REPORTING ENTITY

Kilgore Junior College District (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, 2009 and 2008

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 \$3,957,909 and \$3,918,992 at August 31, 2009 and August 31, 2008, 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, 2009 and 2008

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 \$5,688,901 and \$5,134,337 have been reported as deferred revenues at August 31, 2009 and 2008, 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 Government Account Standards Board (GASB) as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs (i.e. pell grants) is now characterized as non operating revenue as opposed to operating revenue.

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

August 31, 2009 and 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M) Reclassifications

Certain amounts in the 2008 financial statements have been reclassified to conform to the presentation in 2009.

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, 2009, the carrying amount of the District's bank deposits was \$20,386,242, and total bank balances equaled \$20,380,244. Bank balances of \$250,000 were covered by federal depository insurance and \$22,579,436 were covered by collateral pledged in the District's name.

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, 2009	August 31, 2008
Bank Deposits		
Demand Deposits	\$ 16,097,557	\$ 16,110,296
Time Deposits	4,288,685	4,391,699
	20,386,242	20,501,995
Petty Cash on Hand	21,779	18,709
	\$ 20,408,021	\$ 20,520,704
Total Cash and Deposits		

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

August 31, 2009 and 2008

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, 2009</u>	<u>Market Value</u> <u>August 31, 2008</u>
U.S. common stocks	\$ 102,260	\$ 118,150
Texpool	3,957,908	3,918,992
Total	4,060,168	4,037,142
Total cash and deposits	20,408,021	20,520,704
Total deposits and investments	<u>\$ 24,468,189</u>	<u>\$ 24,557,846</u>
Cash and short-term investments (Exhibit 1)	\$ 24,365,929	\$ 24,439,696
Investments (Exhibit 1)	102,260	118,150
Total deposits and investments	<u>\$ 24,468,189</u>	<u>\$ 24,557,846</u>

As of August 31, 2009 the District had the following debt investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>Less than 1 year</u>
Certificates of deposit	\$ 4,288,685	\$ 4,288,685
Investment pool	3,957,908	3,957,908
Total	<u>\$ 8,246,593</u>	<u>\$ 8,246,593</u>

As of August 31, 2009, 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 plan assets at August 31, 2009 or 2008.

Common Stocks stated at fair value as of August 31, 2009 and 2008 were:

	<u>2009</u>	<u>2008</u>
Cost	\$ 108,250	\$ 108,250
Unrealized gain/(loss)	(5,990)	9,900
Fair value	<u>\$ 102,260</u>	<u>\$ 118,150</u>

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

August 31, 2009 and 2008

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, 2009 and 2008 of \$1,274,837 and \$1,410,033, respectively.

5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2009 was as follows:

	Balance September 1, 2008	Additions	Reductions	Transfers	Balance August 31, 2009
<u>Not Depreciated:</u>					
Land	\$ 3,543,215	\$ 13,399	\$ -	\$ -	\$ 3,556,614
Construction in progress	193,480	-	-	(193,480)	-
Subtotal	<u>3,736,695</u>	<u>13,399</u>	<u>-</u>	<u>(193,480)</u>	<u>3,556,614</u>
<u>Other Capital Assets:</u>					
Land improvements and infrastructure	3,540,449	57,253	-	-	3,597,702
Buildings	46,851,569	4,887,533	-	-	51,739,102
Equipment	3,994,623	156,230	38,149	193,480	4,306,184
Exhibits	1,850,627	-	-	-	1,850,627
Library books	1,484,143	65,922	12,320	-	1,537,745
Subtotal	<u>57,721,411</u>	<u>5,166,938</u>	<u>50,469</u>	<u>193,480</u>	<u>63,031,360</u>
Total cost of capital assets	61,458,106	5,180,337	50,469	-	66,587,974
<u>Accumulated Depreciation:</u>					
Land improvements and infrastructure	2,290,393	89,636	-	-	2,380,029
Buildings	15,770,974	823,203	-	-	16,594,177
Equipment	2,835,629	333,608	31,864	-	3,137,373
Exhibits	1,798,515	15,787	-	-	1,814,302
Library books	1,150,427	40,249	12,322	-	1,178,354
Total accumulated depreciation	<u>23,845,938</u>	<u>1,302,483</u>	<u>44,186</u>	<u>-</u>	<u>25,104,235</u>
Capital assets - net	<u>\$ 37,612,168</u>	<u>\$ 3,877,854</u>	<u>\$ 6,283</u>	<u>\$ -</u>	<u>\$ 41,483,739</u>

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

August 31, 2009 and 2008

5. CAPITAL ASSETS - Continued

Capital assets activity for the year ended August 31, 2008 was as follows:

	<u>Balance</u> <u>September 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>August 31, 2008</u>
<u>Not Depreciated:</u>				
Land	\$ 3,511,267	\$ 31,948	\$ -	\$ 3,543,215
Construction in progress	17,840	193,480	17,840	193,480
Subtotal	<u>3,529,107</u>	<u>225,428</u>	<u>17,840</u>	<u>3,736,695</u>
<u>Other Capital Assets:</u>				
Land improvements and infrastructure	3,486,209	54,240	-	3,540,449
Buildings	46,545,665	305,904	-	46,851,569
Equipment	3,748,659	350,957	104,993	3,994,623
Exhibits	1,850,627	-	-	1,850,627
Library books	1,432,039	57,344	5,240	1,484,143
Subtotal	<u>57,063,199</u>	<u>768,445</u>	<u>110,233</u>	<u>57,721,411</u>
Total cost of capital assets	60,592,306	993,873	128,073	61,458,106
<u>Accumulated Depreciation:</u>				
Land improvements and infrastructure	2,201,963	88,430	-	2,290,393
Buildings	14,993,333	777,641	-	15,770,974
Equipment	2,595,975	316,566	76,912	2,835,629
Exhibits	1,782,683	15,832	-	1,798,515
Library books	1,118,506	37,161	5,240	1,150,427
Total accumulated depreciation	<u>22,692,460</u>	<u>1,235,630</u>	<u>82,152</u>	<u>23,845,938</u>
Capital assets - net	<u>\$ 37,899,846</u>	<u>\$ (241,757)</u>	<u>\$ 45,921</u>	<u>\$ 37,612,168</u>

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

August 31, 2009 and 2008

6. LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2009 was as follows:

	Balance September 1, 2008	Additions	Reductions	Balance August 31, 2009	Current Portion
<u>Bonds and notes</u>					
Note payable	\$ 1,020,000	\$ -	\$ 480,000	\$ 540,000	\$ 460,000
Revenue bonds - 2007	3,530,000	-	300,000	3,230,000	305,000
Total bonds and notes	<u>4,550,000</u>	<u>-</u>	<u>780,000</u>	<u>3,770,000</u>	<u>765,000</u>
<u>Other liabilities</u>					
Compensable absences	460,361	103,378	41,778	521,961	197,657
Total other liabilities	<u>460,361</u>	<u>103,378</u>	<u>41,778</u>	<u>521,961</u>	<u>197,657</u>
Total long-term liabilities	<u>\$ 5,010,361</u>	<u>\$ 103,378</u>	<u>\$ 821,778</u>	<u>\$ 4,291,961</u>	<u>\$ 962,657</u>

Long-term liability activity for the year ended August 31, 2008 was as follows:

	Balance September 1, 2007	Additions	Reductions	Balance August 31, 2008	Current Portion
<u>Bonds and notes</u>					
Note payable	\$ 1,500,000	\$ -	\$ 480,000	\$ 1,020,000	\$ 480,000
Revenue bonds - 2007	3,815,000	-	285,000	3,530,000	300,000
Total bonds and notes	<u>5,315,000</u>	<u>-</u>	<u>765,000</u>	<u>4,550,000</u>	<u>780,000</u>
<u>Other liabilities</u>					
Compensable absences	413,278	170,587	123,504	460,361	160,410
Total other liabilities	<u>413,278</u>	<u>170,587</u>	<u>123,504</u>	<u>460,361</u>	<u>160,410</u>
Total long-term liabilities	<u>\$ 5,728,278</u>	<u>\$ 170,587</u>	<u>\$ 888,504</u>	<u>\$ 5,010,361</u>	<u>\$ 940,410</u>

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

August 31, 2009 and 2008

7. DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2009 were as follows:

Bonds Payable

	<u>Revenue Bonds, Series 2007</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ended August 31,			
2010	\$ 305,000	\$ 117,868	\$ 422,868
2011	320,000	105,900	425,900
2012	330,000	93,452	423,452
2013-2017	1,860,000	262,739	2,122,739
2018	415,000	7,947	422,947
Total Bonds Payable	\$ 3,230,000	\$ 587,906	\$ 3,817,906

Notes Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ended August 31,			
Note #13011			
2010	\$ 220,000	\$ 6,181	\$ 226,181
Total Note Payable #13011	\$ 220,000	\$ 6,181	\$ 226,181
Note #14423			
2010	\$ 240,000	\$ 10,206	\$ 250,206
2011	80,000	972	80,972
Total Note Payable #14423	320,000	11,178	331,178
Total Notes Payable	\$ 540,000	\$ 17,359	\$ 557,359

Operating Lease Commitments and Rental Agreements

The district had no significant operating leases or rental agreements at August 31, 2009 or 2008.

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

August 31, 2009 and 2008

8. BONDS AND NOTES PAYABLE

General information related to Bonds and Notes payable at August 31, 2009 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 \$285,000 to \$415,000, with the final installment due in 2018.

Note # 13011

Note Payable – City National Bank

Purpose of note – Maintenance and HVAC Equipment

Originated June 13, 2005

Original amount = \$1,200,000

Variable interest of Prime less 1.7%, payable in monthly installments of \$20,000, unsecured

Note # 14423

Note Payable – City National 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

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 the next ten years 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, 2009 and 2008

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, 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 2009 and 2008 and a state contribution rate of 6.58% for fiscal year 2009 and 6.0% for fiscal year 2008. In certain instances the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal year 2009 and 6.0% for fiscal year 2008.

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. The percentages of participant salaries currently contributed by the state and each participant were 6.58% and 6.0% for fiscal years 2009 and 2008, respectively. The District contributes 1.31% for employees who were hired prior to 1986. 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 \$844,095 and \$812,196 for the fiscal years ended August 31, 2009 and 2008, 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 \$18,857,975 and \$17,365,133 for fiscal years 2009 and 2008, respectively. The total payroll of employees covered by the Teacher Retirement System was \$7,666,933 and \$7,795,314, and the total payroll of employees covered by the Optional Retirement System was \$7,230,520 and \$7,213,282 for fiscal years 2009 and 2008, respectively.

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

August 31, 2009 and 2008

11. DEFERRED COMPENSATION

During the fiscal year ended August 31, 2009, the District contributed \$22,000 as deferred compensation 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 2009 or 2008.

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 \$360,338 and \$333,279 at August 31, 2009 and 2008, 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 \$161,623 and \$127,082 at August 31, 2009 and 2008, 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 RECEIVABLES AND PAYABLES BALANCES

Receivables

Primary institution receivables at August 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Student receivables	\$ 968,226	\$ 851,374
Taxes receivable	650,682	313,017
Federal receivable	496,628	594,261
Accounts receivable	579,096	750,442
Interest receivable	1,603	1,789
Distribution receivable	140,646	-
Insurance receivable	1,022,632	-
Sub-total	<u>3,859,513</u>	<u>2,510,883</u>
Allowance for doubtful accounts	<u>(838,412)</u>	<u>(691,592)</u>
Total receivables	<u>\$ 3,021,101</u>	<u>\$ 1,819,291</u>

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

August 31, 2009 and 2008

14. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES - Continued

Payables

Primary institution payables at August 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Vendors payable	\$ 798,203	\$ 359,405
Salaries and benefits payable	398,850	218,409
Student payables	51,511	11,880
Sales tax payable	<u>133,845</u>	<u>109,559</u>
Total	<u>\$ 1,382,409</u>	<u>\$ 699,253</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, 2009 or 2008.

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 2009 for which monies have not been received nor funds expended, included \$204,993 of state awards and \$112,421 of federal awards.

17. SELF-INSURED PLANS

The District did not participate in any self-insured plans during fiscal years 2009 or 2008.

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

August 31, 2009 and 2008

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 \$360.54 and \$360.54 for "Employee Only" coverage, \$566.58 and \$566.57 for "Employee and Spouse" coverage, \$498.49 and \$498.49 for "Employee and Children" coverage, and \$704.52 and \$704.52 for "Employee and Family" coverage for the years ended August 31, 2009 and 2008, respectively. Contributions totaled \$2,129,068 and \$2,038,702 for the years ended August 31, 2009 and 2008, respectively. The cost of providing those benefits for retirees was \$930,246 and \$905,405 for the years ended August 31, 2009 and 2008, respectively and for active employees was \$1,230,198 and \$1,268,346 in 2009 and 2008, 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.

	FY 2009 Current Operations	FY 2008 Current Operations
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	0.2000	0.2000
Assessed Tax Rate per \$100 valuation	0.1540	0.1640

There were no taxes authorized or assessed for debt service at August 31, 2009 or 2008. Taxes levied for the years ended August 31, 2009 and 2008, were \$5,800,859 and \$5,266,680, 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.

	August 31, 2009	August 31, 2008
Taxes Collected for Current Operations		
Current taxes	\$ 5,584,593	\$ 4,987,873
Delinquent taxes	185,094	\$ 125,546
Penalties, interest and fees	170,899	127,229
Total collections	\$ 5,940,586	\$ 5,240,648

Tax collections were 96% and 95% of the current tax levy for the years ended August 31, 2009 and 2008, respectively. There were no tax collections for debt service. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

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

August 31, 2009 and 2008

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, 2009 and 2008.

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 \$261,576 to the District during the year ended August 31, 2009, which included a distribution receivable of \$140,646, and gifts of \$75,400 during the year ended August 31, 2008. 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. Repairs of \$261,018 were made in fiscal year 2007-2008. The remaining repairs totaling \$2,071,589 were completed in fiscal year 2008-2009. The District received \$803,559 of insurance proceeds as of August 31, 2008, and remains in negotiation with the insurance carrier, but expects to receive an additional \$1,022,632 in 2009-2010, which will bring the total insurance proceeds for hail damage to approximately \$1,826,000. The \$1,022,632 of expected insurance proceeds has been recorded as a receivable on Exhibit 1 and as non-operating revenue on Exhibit 2 as of August 31, 2009.

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

August 31, 2009 and 2008

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, 2009, 2008 and 2007 were \$930,246, \$905,405 and \$901,993, 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, 2009 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, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY09 Total	FY08 Total
TUITION						
State funded courses						
In-district resident tuition	\$ 717,631	\$ -	\$ 717,631	\$ -	\$ 717,631	\$ 668,081
Out-of-district resident tuition	1,891,628	-	1,891,628	-	1,891,628	1,524,483
TPEG (set aside)*	151,917	-	151,917	-	151,917	146,398
Non-resident tuition	369,034	-	369,034	-	369,034	370,196
State funded continuing education	1,134,278	-	1,134,278	-	1,134,278	1,059,531
Non-state funded continuing education	22,599	-	22,599	-	22,599	30,415
Total tuition	<u>4,287,087</u>	<u>-</u>	<u>4,287,087</u>	<u>-</u>	<u>4,287,087</u>	<u>3,799,104</u>
FEES						
General education fees	2,098,495	-	2,098,495	460,645	2,559,140	2,590,222
Out-of-district fees	4,153,019	-	4,153,019	-	4,153,019	3,952,678
Laboratory fees	459,985	-	459,985	-	459,985	457,327
Testing fees	139,605	-	139,605	-	139,605	124,099
Administrative fees	34,267	-	34,267	-	34,267	35,726
Special services fees	268,652	-	268,652	-	268,652	168,567
Orientation fees	82,652	-	82,652	-	82,652	65,285
Distance learning fees	13,845	-	13,845	-	13,845	21,412
Total fees	<u>7,250,520</u>	<u>-</u>	<u>7,250,520</u>	<u>460,645</u>	<u>7,711,165</u>	<u>7,415,316</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Remissions and exemptions - state	(75,041)	-	(75,041)	(2,321)	(77,362)	(98,968)
Remissions and exemptions - local	(29,041)	-	(29,041)	(898)	(29,939)	(21,911)
Federal grants to students	(3,115,201)	-	(3,115,201)	(96,346)	(3,211,547)	(2,767,722)
TPEG awards	(93,370)	-	(93,370)	(2,888)	(96,258)	(75,401)
Texas grants	(277,665)	-	(277,665)	(8,588)	(286,253)	(252,920)
Miscellaneous state grants	(159,750)	-	(159,750)	(4,941)	(164,691)	(146,982)
Local scholarships	(450,087)	-	(450,087)	(13,920)	(464,007)	(554,978)
Total scholarship and allowances	<u>(4,200,155)</u>	<u>-</u>	<u>(4,200,155)</u>	<u>(129,902)</u>	<u>(4,330,057)</u>	<u>(3,918,882)</u>
Total net tuition and fees	<u>7,337,452</u>	<u>-</u>	<u>7,337,452</u>	<u>330,743</u>	<u>7,668,195</u>	<u>7,295,538</u>

*In accordance with Education Code 56.033, \$151,917 and \$146,398 for years August 31, FY09 and FY08, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING REVENUES
For the Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)
CONTINUED

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY09 Total	FY08 Total
OTHER OPERATING REVENUES						
Federal grants and contracts	\$ -	\$ 1,524,838	\$ 1,524,838	\$ -	\$ 1,524,838	\$ 1,465,580
State grants and contracts	-	1,284,854	1,284,854	-	1,284,854	1,908,269
Nongovernmental grants and contracts	494,736	214,340	709,076	-	709,076	478,249
Sales and services of educational activities	115,753	-	115,753	-	115,753	124,393
Other operating revenues	111,721	-	111,721	-	111,721	178,974
Total other operating revenues	722,210	3,024,032	3,746,242	-	3,746,242	4,155,465
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	3,576,082	3,576,082	3,151,254
Scholarship allowances and discounts	-	-	-	(1,059,129)	(1,059,129)	(928,578)
Net bookstore	-	-	-	2,516,953	2,516,953	2,222,676
Dormitories	-	-	-	1,015,271	1,015,271	917,094
Scholarship allowances and discounts	-	-	-	(542,323)	(542,323)	(441,066)
Net dormitories	-	-	-	472,948	472,948	476,028
Cafeteria	-	-	-	991,715	991,715	945,272
Scholarship allowances and discounts	-	-	-	(192,870)	(192,870)	(176,108)
Net cafeteria	-	-	-	798,845	798,845	769,164
Athletics	-	-	-	30,680	30,680	70,102
East Texas Oil Museum	-	-	-	198,204	198,204	216,985
Texas Shakespeare Festival	-	-	-	212,149	212,149	277,275
Child Development Center	-	-	-	118,638	118,638	82,747
Fitness Center	-	-	-	200,905	200,905	184,790
Student activities	-	-	-	35,992	35,992	38,291
Total net auxiliary enterprises	-	-	-	4,585,314	4,585,314	4,338,058
Total operating revenues	\$ 8,059,662	\$ 3,024,032	\$ 11,083,694	\$ 4,916,057	\$ 15,999,751 (Exhibit 2)	\$ 15,789,061 (Exhibit 2)

SCHEDULE B

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
 SCHEDULE OF OPERATING EXPENSES BY OBJECT
 For the Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	Operating Expenses					FY09 Total	FY08 Total
	Salaries and Wages	Benefits		Other Expenses	FY09 Total		
		State	Local				
Unrestricted - Educational Activities							
Instruction	\$10,375,454	\$ -	\$ 352,116	\$ 1,867,258	\$ 12,594,828	\$10,865,301	
Public service	86,407	-	2,196	116,297	204,900	198,565	
Academic support	1,958,657	-	68,875	484,123	2,511,655	2,233,625	
Student services	958,652	-	25,370	416,892	1,400,914	1,348,758	
Institutional support	2,175,632	-	793,289	1,630,649	4,599,570	3,782,943	
Operation and maintenance of plant	1,138,452	-	329,734	2,022,146	3,490,332	3,198,793	
Scholarship and fellowships	-	-	-	90,326	90,326	37,166	
Total unrestricted educational activities	16,693,254	-	1,571,580	6,627,691	24,892,525	21,665,151	
Restricted - Educational Activities							
Instruction	438,672	2,004,105	41,940	421,176	2,905,893	3,433,189	
Public service	349,225	16,690	62,061	322,427	750,403	569,983	
Academic support	1,750	378,331	130	63,595	443,806	423,971	
Student services	344,779	185,172	57,347	234,966	822,264	946,982	
Institutional support	24,009	420,241	-	-	444,250	422,520	
Operation and maintenance of plant	3,450	-	-	-	3,450	661	
Scholarships and fellowships	-	-	-	3,702,009	3,702,009	2,743,802	
Total restricted educational activities	1,161,885	3,004,539	161,478	4,744,173	9,072,075	8,541,108	
Total educational activities	17,855,139	3,004,539	1,733,058	11,371,864	33,964,600	30,206,259	
Auxiliary enterprises	1,002,837	-	162,290	5,377,394	6,542,521	5,853,052	
Depreciation expense:							
Buildings and other real estate improvements	-	-	-	912,839	912,839	866,071	
Equipment and furniture	-	-	-	389,645	389,645	369,559	
Total operating expenses	\$18,857,976	\$ 3,004,539	\$ 1,895,348	\$18,051,742	\$41,809,605	\$37,294,941	
					(Exhibit 2)	(Exhibit 2)	

SCHEDULE C

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>FY09 Total</u>	<u>FY08 Total</u>
NON-OPERATING REVENUES					
State Appropriations:					
Education and general state support	\$ 10,274,995	\$ -	\$ -	\$ 10,274,995	\$ 10,480,707
State group insurance	-	2,160,444	-	2,160,444	2,173,874
State retirement matching	-	844,095	-	844,095	812,196
Total state appropriations	<u>10,274,995</u>	<u>3,004,539</u>	<u>-</u>	<u>13,279,534</u>	<u>13,466,777</u>
Maintenance ad valorem taxes	6,175,254	-	-	6,175,254	5,012,152
Federal revenue, non-operating	-	8,038,644	-	8,038,644	6,384,410
Gifts	144,240	896,713	196,784	1,237,737	831,286
Investment income	369,824	-	3,729	373,553	495,613
Endowment income	-	179,641	-	179,641	281,774
Insurance proceeds	1,022,632	-	-	1,022,632	803,559
Other non-operating revenue	<u>6,482</u>	<u>-</u>	<u>-</u>	<u>6,482</u>	<u>48,237</u>
Total non-operating revenues	17,993,427	12,119,537	200,513	30,313,477	27,323,808
NON-OPERATING EXPENSES					
Interest on capital related debt	138,820	-	-	138,820	189,341
Disposal of fixed assets	-	6,285	-	6,285	28,080
Other non-operating expenses	<u>88,325</u>	<u>55,822</u>	<u>-</u>	<u>144,147</u>	<u>327,520</u>
Total non-operating expenses	<u>227,145</u>	<u>62,107</u>	<u>-</u>	<u>289,252</u>	<u>544,941</u>
Net non-operating revenues	<u>\$ 17,766,282</u>	<u>\$ 12,057,430</u>	<u>\$ 200,513</u>	<u>\$ 30,024,225</u>	<u>\$ 26,778,867</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, 2009

	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	\$ 9,632,346	\$ -	\$ -	\$ -	\$ 9,632,346	\$ 9,632,346	\$ -
Restricted	-	316,592	-	-	316,592	316,592	-
Auxiliary enterprises	1,218,340	-	-	-	1,218,340	1,218,340	-
Endowment	-	-	6,929,723	-	6,929,723	-	6,929,723
Plant:							
Unexpended	3,298,774	-	-	-	3,298,774	-	3,298,774
Debt Service	-	299,415	-	-	299,415	-	299,415
Investment in plant	-	-	-	37,713,739	37,713,739	-	37,713,739
Total net assets, August 31, 2009	14,149,460	616,007	6,929,723	37,713,739	59,408,929 (Exhibit 1)	11,167,278	48,241,651
Total net assets, August 31, 2008	14,466,570	2,145,407	5,520,414	33,062,167	55,194,558 (Exhibit 1)	8,692,974	46,501,584
Net increase (decrease) in net assets	\$ (317,110)	\$ (1,529,400)	\$ 1,409,309	\$ 4,651,572	\$ 4,214,371 (Exhibit 2)	\$ 2,474,304	\$ 1,740,067

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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
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, 2009 and 2008, and have issued our report thereon dated December 3, 2009. 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 an opinion 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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Kilgore Junior College District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Kilgore Junior College District's financial statements that is more than inconsequential will not be prevented or detected by Kilgore Junior College District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Kilgore Junior College District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 grants, 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, 2009, 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. However, this report is a matter of public record and its distribution is not limited.

Henry E. Peters, P.C.

Tyler, Texas
December 3, 2009

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 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*, and the State of Texas Single Audit Circular that are applicable to each of its major federal and state programs for the year ended August 31, 2009. The District's major federal and state 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 and state 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. Those standards, OMB Circular A-133, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about 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 and state programs for the year ended August 31, 2009.

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 and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 09-A to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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

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. However, this report is a matter of public record and its distribution is not limited.

Henry E. Peters, P.C.

Tyler, Texas
December 3, 2009

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title/Program Period	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
<u>U.S. Department of Education</u>			
Direct Programs:			
SEOG Grant	84.007 ***		\$ 108,311
Federal College Workstudy Program	84.033 ***		151,183
TRIO - Student Support Services	84.042 **		227,747
TRIO - Upward Bound	84.047 **		244,131
Pell Grant Program	84.063 ***		7,779,151
Academic Competiveness Grant	84.376 ***		185,134
Passed-Through From:			
Texas Education Agency Adult Education	84.002	093625017110230	329,629
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048 *	94223	394,106
Leveraging Educational Assistance Partnership (LEAP)	84.069A		5,795
Special Leveraging Educational Assistance Partnership (SLEAP)	84.069B		7,454
Robert C. Byrd Honors Scholarships	84.185A		750
Total U.S. Department of Education			<u>9,433,391</u>
<u>U.S. Department of Veteran's Affairs</u>			
Direct Programs:			
Post 911 GI Grant	64.000	38 U.S.C. Ch 33	116
Total - U.S. Department of Veteran's Affairs			<u>116</u>
<u>U.S. Small Business Administration</u>			
Passed Through Dallas County Community College			
SBDC - Federal	59.037	9-603001-Z-0046-22	114,134
Total - U.S. Small Business Administration			<u>114,134</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through Texas Education Agency			
Adult Education - TANF	93.558	093625017110230	15,841
Total - U.S. Department of Health and Human Services			<u>15,841</u>
Total Federal Financial Assistance			<u>\$ 9,563,482</u>
* Denotes major program			
** Denotes TRIO Cluster Program			
*** Denotes Financial Aid Cluster Program			
<u>Note 1: Federal Assistance Reconciliation</u>			
Federal Grants and Contracts Revenue plus Federal Revenue, Non-Operating per Exhibit 2			<u>\$ 9,563,482</u>

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 FEDERAL AWARDS
For the Year Ended August 31, 2009

Note 3: Student Loans Processed and Administrative Costs Recovered - if not included in schedule

Federal Grantor CFDA Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Admin Cost Recovered
U.S. Department of Education 84.032*** Federal Family Education Loans	\$ 9,248,547	\$ -	\$ 9,248,547

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2009

SCHEDULE F

Pass-Through Grantor/Program Title	Grant Contract Number	Pass-Through Disbursements and Expenditures
Texas Education Agency Adult Basic Education	093625017110230	\$ 71,481
Dallas County Community College District Small Business Development Center	8-603001-Z-0046-22	154,895
Texas Higher Education Coordinating Board		
Texas Grant *		443,243
EHS Graduate		39,510
Educational Aid		47,331
Professional Nursing Shortage Reduction Program		123,012
P-16 College Readiness Grant		3,995
Texas Opportunity Grant		77,850
Professional Nursing Scholarship		9,175
Vocational Nursing Scholarship		1,272
Top 10%		4,387
Intensive Summer Program for General Education		13,816
Texas Workforce Commission *		
Key Energy	0807SDF009	116,457
Orgill, Inc.	0807SDF000	62,445
QC Manufacturing and Near Boar Resources Training Project	0807SDF004	26,654
Cleveland Steel	0808SDF004	21,106
Closure Systems International	0809SDF001	68,225
		294,887
Total State Financial Assistance		\$ 1,284,854

* Denotes major program

Note 1: State Assistance Reconciliation

State Financial Assistance	\$ 1,284,854
State Revenues per Schedule A	\$ 1,284,854

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.

Note 3: Student Loans Processed

While not listed on the Schedule of Expenditures of State Awards, the District participated in the State College Access Loan Program. The dollar amounts are not listed in the Schedule of Expenditures of State Awards, as the District is not the recipient of the funds. Loan disbursements under such programs for the year ended August 31, 2009 totaled \$9,732.

**KILGORE JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2009**

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? X Yes _____

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? X Yes _____ 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
84.048	Carl Perkins Voc. Ed.

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2009
CONTINUED

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of the State of Texas Single Audit Circular? _____ Yes X No

Identification of major programs:	
<u>Grant Number(s)</u>	<u>Name of State Program</u>
N/A	Texas Grant
Various	Texas Workforce Commission Cluster

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

Auditee qualified as low - risk auditee? _____ X Yes _____ No

II. Financial Statement Findings

No matters requiring reporting under Government Auditing Standards were noted.

III. Federal Award Findings and Questioned Costs

09-A - Insufficient Documentation

CFDA Title: TRIO - Upward Bound **CFDA Number:** 84.047

Federal Agency: U.S. Department of Education **Federal Award Year:** 08/09

Type of Finding: Significant deficiency in internal control over major program

Criteria or Specific Requirement:

Student eligibility should be adequately documented in order to support eligibility requirements met.

Condition Found:

Inadequate record keeping to support student eligibility requirements.

Information to Provide Perspective:

Proper documentation could not be provided to support student eligibility requirements including citizenship and financial verification of "low income" status.

Possible Asserted Effect:

If adequate documentation is not maintained to support student eligibility, the grant risks being in noncompliance which could result in the College being required to transfer expenses to the General Fund and not be reimbursed by the Grant Agency. Further, the College could lose the award for future periods.

Recommendation:

We recommend documentation should be maintained of verification of student eligibility requirements.

Corrective Action Plan:

See attached Corrective Action Plan prepared by Kilgore College.

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
CORRECTIVE ACTION PLAN
For the Year Ended August 31, 2009**

Audit Reference
Number

09-A Subsequent to the audit testing, Kilgore College obtained all previously missing supporting documentation for student eligibility. In the future, the Program Director will ensure that all student eligibility documentation will be properly obtained when any student enters the program. The College Internal Auditor will perform internal control testing for this program during the next fiscal year.

Name of Contact Person: Duane J. McNaney, Vice President of Administrative Services

Date: December 3, 2009

KILGORE JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF FEDERAL AND STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2009

FEDERAL PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:

08-A - Insufficient Documentation

CFDA Title: TRIO - Upward Bound

CFDA Number: 84.047

Federal Agency: U.S. Department of Education

Federal Award Year: 07/08

***Type of Finding:* Significant deficiency in internal control over major program**

Condition Found:

Inadequate record keeping of student sign in sheets to support students participation in program activities and therefore the stipend payments made.

Corrective Action Taken:

Kilgore College implemented procedures to ensure the retention of sign in sheets to support student participation in program activities and therefore the stipend payments made.

08-B - Expenditures in Excess of Allowable Costs

CFDA Title: TRIO - Upward Bound

CFDA Number: 84.047

Federal Agency: U.S. Department of Education

Federal Award Year: 07/08

***Type of Finding:* Significant deficiency in internal control over major program**

Allowable Costs

Condition Found:

It was noted during the course of the audit that expenses for program activities were in excess of the approved grant budget (for specific budget areas - not in total) and no action had been taken yet to request budget amendments to continue in compliance with the grant budget.

Corrective Action Taken:

Kilgore College submitted a budget amendment which was approved by the grant agency and the issue was rectified.

STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:

None

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STATISTICAL SUPPLEMENT (UNAUDITED)

Kilgore Junior College District
 Statistical Supplement 1
 Net Assets by Component
 Fiscal Years 2002 to 2009
 (unaudited)
 (amounts expressed in thousands)

	For the Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 36,893	\$ 33,062	\$ 32,585	\$ 32,913	\$ 27,376	\$ 24,074	\$ 21,978	\$ 21,464
Restricted - expendable	616	2,145	1,693	1,435	2,259	1,493	1,221	920
Restricted - nonexpendable	6,930	5,520	5,641	5,310	5,193	4,998	4,971	5,162
Unrestricted	14,733	14,467	10,002	6,425	6,433	9,211	9,418	8,576
Total primary government net assets	\$ 59,172	\$ 55,194	\$ 49,921	\$ 46,083	\$ 41,261	\$ 39,776	\$ 37,588	\$ 36,122

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Kilgore Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to 2009
(unaudited)

		For the Year Ended August 31, (amounts expressed in thousands)							
		2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$	6,967	\$ 6,947	\$ 6,215	\$ 5,341	\$ 4,983	\$ 4,447	\$ 4,003	\$ 3,755
Federal Grants and Contracts		1,524	1,466	1,272	1,208	1,230	1,081	1,013	979
State Grants and Contracts		1,285	1,908	743	575	543	485	886	1,024
Non-Governmental Grants and Contracts		709	478	444	471	445	412	507	277
Sales and services of educational activities		116	124	124	122	143	118	104	67
Investment Income-restricted		-	-	-	-	-	-	3	4
Auxiliary enterprises		4,904	4,687	3,868	3,519	3,391	3,135	3,095	2,977
Other Operating Revenues		112	179	69	54	104	117	81	479
Total Operating Revenues		15,617	15,789	12,735	11,290	10,839	9,795	9,692	9,562
State Appropriations		13,280	13,467	12,958	12,851	12,450	12,473	13,379	13,953
Maintenance Ad Valorem Taxes		5,938	5,012	4,968	4,421	3,944	3,833	3,332	3,294
Federal Revenue, Non Operating		8,039	6,384	5,638	5,882	6,089	6,352	5,699	4,492
Gifts		1,238	831	955	4,259	769	1,158	399	455
Investment income		374	496	612	664	321	121	358	305
Endowment income		180	282	315	236	121	133	402	394
Insurance Proceeds		1,023	804	-	-	-	-	-	-
Other non-operating revenues		6	48	1,902	1	12	34	41	155
Total Non-Operating Revenues		30,078	27,324	27,348	28,314	23,706	24,104	23,610	23,048
Total Revenues	\$	45,695	\$ 43,113	\$ 40,083	\$ 39,604	\$ 34,545	\$ 33,899	\$ 33,302	\$ 32,610

		For the Year Ended August 31, (amounts expressed in thousands)							
		2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)		15.25%	16.11%	15.51%	13.49%	14.42%	13.12%	12.02%	11.51%
Federal Grants and Contracts		3.34%	3.40%	3.17%	3.05%	3.56%	3.19%	3.04%	3.00%
State Grants and Contracts		2.81%	4.43%	1.85%	1.45%	1.57%	1.43%	2.66%	3.14%
Non-Governmental Grants and Contracts		1.55%	1.11%	1.11%	1.19%	1.29%	1.22%	1.52%	0.85%
Sales and services of educational activities		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%	0.01%	0.01%
Auxiliary enterprises		10.73%	10.87%	9.65%	8.89%	9.82%	9.25%	9.29%	9.13%
Other Operating Revenues		0.25%	0.42%	0.17%	0.14%	0.30%	0.35%	0.24%	1.47%
Total Operating Revenues		34.18%	36.63%	31.77%	28.51%	31.38%	28.69%	29.09%	29.32%
State Appropriations		29.06%	31.24%	32.33%	32.45%	36.04%	36.79%	40.17%	42.79%
Maintenance Ad Valorem Taxes		12.99%	11.63%	12.39%	11.16%	11.42%	11.31%	10.01%	10.10%
Federal Revenue, Non Operating		17.59%	14.81%	14.07%	14.85%	17.63%	18.74%	17.11%	13.77%
Gifts		2.71%	1.93%	2.38%	10.75%	2.23%	3.42%	1.20%	1.40%
Investment income		0.82%	1.15%	1.53%	1.68%	0.93%	0.36%	1.08%	0.94%
Endowment income		0.39%	0.65%	0.79%	0.60%	0.35%	0.39%	1.21%	1.21%
Insurance Proceeds		2.24%	1.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenues		0.01%	0.10%	4.75%	0.00%	0.03%	0.10%	0.13%	0.48%
Total Non-Operating Revenues		65.82%	63.37%	68.23%	71.49%	68.62%	71.11%	70.91%	70.68%
Total Revenues		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Kilgore Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to 2009
(unaudited)

		For the Year Ended August 31,							
		(amounts expressed in thousands)							
		2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$	15,501	\$ 14,298	\$ 13,599	\$ 12,554	\$ 11,855	\$ 10,891	\$ 11,957	\$ 11,267
Public service		955	769	614	828	773	756	781	854
Academic support		2,956	2,658	2,753	2,755	2,608	2,364	2,481	2,318
Student services		2,223	2,296	2,213	2,200	2,099	1,917	2,003	1,840
Institutional support		5,044	4,205	4,177	3,805	3,945	3,500	3,526	3,903
Operation and maintenance of plant		3,493	3,199	3,197	3,285	2,858	2,692	2,699	2,748
Scholarships and fellowships		3,410	2,780	2,284	2,585	2,728	2,846	2,821	2,079
Auxiliary enterprises		6,542	5,853	5,711	5,090	4,887	4,427	4,505	4,212
Depreciation		1,303	1,236	1,210	1,135	940	946	813	885
Total Operating Expenses		41,427	37,294	35,758	34,237	32,693	30,339	31,586	30,106
Interest on capital related debt		139	189	301	268	236	237	249	247
Loss on disposal of fixed assets		0	28	20	10	121	28	-	-
Other non-operating expenses		150	328	167	274	9	133	-	-
Total Non-Operating Expenses		289	545	488	552	366	398	249	247
Total Expenses	\$	41,716	\$ 37,839	\$ 36,246	\$ 34,789	\$ 33,059	\$ 30,737	\$ 31,835	\$ 30,353

		For the Year Ended August 31,							
		(amounts expressed in thousands)							
		2009	2008	2007	2006	2005	2004	2003	2002
Instruction		37.16%	37.79%	37.52%	36.09%	35.86%	35.43%	37.56%	37.12%
Public service		2.29%	2.03%	1.69%	2.38%	2.34%	2.46%	2.45%	2.81%
Academic support		7.09%	7.02%	7.60%	7.92%	7.89%	7.69%	7.79%	7.64%
Student services		5.33%	6.07%	6.11%	6.32%	6.35%	6.24%	6.29%	6.06%
Institutional support		12.09%	11.11%	11.52%	10.94%	11.93%	11.39%	11.08%	12.86%
Operation and maintenance of plant		8.37%	8.45%	8.82%	9.44%	8.65%	8.76%	8.48%	9.05%
Scholarships and fellowships		8.17%	7.35%	6.30%	7.43%	8.25%	9.26%	8.86%	6.85%
Auxiliary enterprises		15.68%	15.47%	15.76%	14.63%	14.78%	14.40%	14.15%	13.88%
Depreciation		3.12%	3.27%	3.34%	3.26%	2.84%	3.08%	2.56%	2.92%
Total Operating Expenses		99.30%	98.56%	98.65%	98.41%	98.89%	98.71%	99.22%	99.19%
Interest on capital related debt		0.33%	0.50%	0.83%	0.77%	0.71%	0.77%	0.78%	0.81%
Loss on disposal of fixed assets		0.00%	0.07%	0.06%	0.03%	0.37%	0.09%	0.00%	0.00%
Other non-operating expenses		0.37%	0.87%	0.46%	0.79%	0.03%	0.43%	0.00%	0.00%
Total Non-Operating Expenses		0.70%	1.44%	1.35%	1.59%	1.11%	1.29%	0.78%	0.81%
Total Expenses		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

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
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	1,080	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%
2000-01	14	14	22	10	10	3	0	4	372	636	0.00%	0.00%
1999-00	14	14	22	10	10	3	0	4	372	636	6.90%	8.16%
1998-99	14	14	20	8	8	3	0	4	348	588		

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	
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%	
2000-01	30	22	10	3	0	4	828	0.00%	
1999-00	30	22	10	3	0	4	828	6.15%	
1998-99	30	20	8	3	0	4	780		

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)
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	0.00000	0.17400
2004-05	2,344,797	131,677	2,213,120	94.38%	0.17890	0.00000	0.17890
2003-04	2,327,071	327,789	1,999,282	85.91%	0.17890	0.00000	0.17890
2002-03	2,339,222	332,125	2,007,097	85.80%	0.16890	0.00000	0.16890
2001-02	2,256,053	318,385	1,937,668	85.89%	0.16890	0.00000	0.16890
2000-01	2,053,659	324,731	1,728,928	84.19%	0.16890	0.00000	0.16890
1999-00	1,990,753	311,720	1,679,033	84.34%	0.16890	0.00000	0.16890
1998-99	1,848,271	123,519	1,724,752	93.32%	0.16476	0.00000	0.16476

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)

Appropriation per FTSE				Appropriation per Contact Hour			
Fiscal Year	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
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
2000-01	9,850,814	3,845	2,562	1,388	1,417	2,805	3,512.15
1999-00	9,598,719	3,815	2,516	1,330	1,431	2,761	3,477.16
1998-99	9,722,561	3,556	2,734	1,294	1,244	2,539	3,829.46

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

Kilgore Junior College District
Statistical Supplement 7
Principal Taxpayers
2009
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year			
		2008	2007	2006	2005
Halliburton Energy Services	Oilfield service	\$ 104,912,980	\$ 75,420,732	\$ 78,818,880	\$ 51,141,240
B J Services Inc	Oilfield service	\$ 89,693,340	\$ 36,753,659	44,591,980	25,593,710
Exco Partners	Oilfield service	\$ 46,329,630	\$ -	-	-
Cudd Pressure Control	Oilfield service	\$ 42,577,660	\$ -	-	-
Geo-Vest of Texas	Oilfield service	\$ 36,401,200	\$ 36,837,805	34,485,420	-
Danmark Energy Services Co	Oilfield service	\$ 34,596,730	\$ 61,953,659	26,188,370	11,016,190
XTO Energy Inc	Oilfield service	\$ 33,728,660	\$ 54,021,951	31,944,110	38,947,970
Alcoa-Southern Plastics	Manufacturing	\$ 28,659,380	\$ -	-	-
ExxonMobil Corporation	Oilfield service	\$ 25,099,740	\$ 69,169,512	43,615,100	60,642,160
Burlington Resources	Oilfield service	\$ 24,029,190	\$ 39,907,317	24,925,700	26,720,850
TXOK Energy Resources Co.	Oilfield service	\$ -	\$ 54,876,829	54,991,430	76,292,590
AEP Southwestern Elec Co	Power company	\$ -	\$ 18,240,377	21,102,190	6,090,420
Anadarko E&P Co	Oilfield service	\$ -	\$ 24,747,562	19,443,700	29,529,900
Hunt Petroleum Corp	Oilfield service	-	-	14,322,440	20,811,940
Basa Resources, Inc.	Oilfield service	\$ -	\$ 59,646,341	-	-
Totals		\$ 446,028,510	\$ 531,575,744	\$ 394,429,300	\$ 346,786,970
Total Taxable Assessed Value		\$ 3,766,791,404	\$ 2,867,505,934	\$ 2,505,399,574	\$ 2,213,119,992

% of Taxable Assessed Value (TAV) by Tax Year

Taxpayer	Type of Business	2008	2007	2006	2005
Halliburton Energy Services	Oilfield service	2.79%	2.63%	3.15%	2.31%
B J Services Inc	Oilfield service	1.85%	1.28%	1.78%	1.16%
Exco Partners	Oilfield service	1.23%	0.00%	0.00%	0.00%
Cudd Pressure Control	Oilfield service	1.13%	0.00%	0.00%	0.00%
Geo-Vest of Texas	Oilfield service	0.97%	1.28%	1.38%	0.00%
Danmark Energy Services Co	Oilfield service	0.92%	2.16%	1.05%	0.50%
XTO Energy Inc	Oilfield service	0.90%	1.88%	1.28%	1.76%
ExxonMobil Corporation	Oilfield service	0.76%	2.41%	0.00%	0.00%
Burlington Resources	Oilfield service	0.67%	1.39%	1.74%	2.74%
TXOK Energy Resources Co.	Oilfield service	0.64%	1.91%	0.99%	1.21%
AEP Southwestern Elec Co	Oilfield service	0.00%	0.64%	2.19%	3.45%
Anadarko E&P Co	Oilfield service	0.00%	0.86%	0.84%	0.00%
Hunt Petroleum Corp	Oilfield service	0.00%	0.00%	0.78%	1.33%
Basa Resource, Inc.	Oilfield service	0.00%	2.08%	0.57%	0.94%
Totals		11.86%	18.52%	15.75%	15.40%

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
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%
2000-01	2,917	2,716	93.08%	2	2,718	93.15%
1999-00	2,836	2,609	92.02%	2	2,611	92.09%
1998-99	2,842	2,652	93.34%	1	2,653	93.38%

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)											
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Bonded Debt											
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%	0.00%
Other Debt											
Revenue Bonds	\$ 3,230	\$ 3,530	\$ 3,815	\$ 4,025	\$ 4,255	\$ 4,485	\$ 4,710	\$ 4,925	\$ 5,130	\$ 5,325	\$ 5,515
Notes	540	1,020	1,500	975	1,273	168	221	271	-	-	430
Capital Lease Obligations				-	-	-	-	238	302	380	-
Less: Funds Restricted for Debt Service	(299)	(425)	(425)	(435)	(435)	(435)	(435)	(435)	(435)	(435)	(435)
Total Outstanding Debt	\$ 3,471	\$ 4,125	\$ 4,890	\$ 4,565	\$ 5,093	\$ 4,218	\$ 4,496	\$ 4,999	\$ 4,997	\$ 5,270	\$ 5,510
Per Capita	\$ 0.00	\$ 3.75	\$ 4.45	\$ 3.25	\$ 3.62	\$ 3.00	\$ 3.20	\$ 3.55	\$ 3.55	\$ 3.75	\$ 3.92
Per Student	\$ 141	\$ 162	\$ 119	\$ 196	\$ 218	\$ 181	\$ 193	\$ 214	\$ 214	\$ 226	\$ 236
As a percentage of Taxable Assessed Value	0.12%	0.14%	0.17%	0.16%	0.18%	0.15%	0.16%	0.17%	0.17%	0.18%	0.19%

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)									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Taxable Assessed Value	3,171,577	3,211,390	2,867,506	\$ 2,505,400	\$ 2,213,120	\$ 1,999,282	\$ 2,007,097	\$ 1,937,668	\$ 1,728,928	\$ 1,679,033
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	15,858	16,057	14,338	12,527	11,066	9,996	10,035	9,688	8,645	8,395
Less: Funds Restricted for Repayment of General Obligation Notes										
Total Net General Obligation Debt	15,858	16,057	14,338	12,527	11,066	9,996	10,035	9,688	8,645	8,395
Current Year Debt Service Requirements				-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 15,858	\$ 16,057	\$ 14,338	\$ 12,527	\$ 11,066	\$ 9,996	\$ 10,035	\$ 9,688	\$ 8,645	\$ 8,395
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)								Debt Service Requirements (\$000 omitted)			
	Tuition	General Education Fee	Student Services Fees	Out-of- District Fees	Building Use Fee	Technology Fee	Other	Total	Principal	Interest	Total	Coverage Ratio
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
2001	136,193			1,434,993	926,093	277,068		2,774,347	195,000	254,364	449,364	6.17
2000	133,583		366,706	1,399,270	917,446		282,568	3,099,573	190,000	262,401	452,401	6.85
1999	134,168		365,236	1,272,955	856,064		214,998	2,843,421	115,000	288,673	383,673	7.41

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
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%
2000	28,775	2,723,228,850	94,639	5.3%
1999	28,200	2,495,562,750	88,495	b

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	2008 Number of Employees	2007 Number of Employees	2006 Number of Employees	2005 Number of Employees	Percentage of Total Employment (a)
Kilgore ISD	543	551	554	560	-
Vertex, RSI	497	488	472	463	-
Kilgore College	411	386	391	375	-
Halliburton	316	409	388	332	-
Region VII Education Service Ctr	254	266	259	256	-
Martin Midstream Partners, LP	194	193	168	157	-
Skeeter Boats	182	244	247	240	-
BJ Services	157	191	167	155	-
City of Kilgore	144	146	147	150	-
Pak-Sher, Inc	58	137	144	141	-
Laird Memorial Hospital	0	61	272	270	-
Total	2,756	3,072	3,209	3,099	-

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)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Faculty											
Full-Time	124.00	119.00	116.25	110.25	115.75	116.75	126.00	132.00	134.00	101.15	105.60
Part-Time	51.00	58.80	50.00	48.40	45.30	44.25	36.45	25.90	27.20	17.85	14.40
Total	175.00	177.80	166.25	158.65	161.05	161.00	162.45	157.90	161.20	119.00	120.00
Percent											
Full-Time	69.74%	66.93%	69.92%	69.49%	71.87%	72.5%	77.6%	83.6%	83.1%	85.0%	88.0%
Part-Time	28.68%	33.07%	30.08%	30.51%	28.13%	27.5%	22.4%	16.4%	16.9%	15.0%	12.0%
Staff and Administrators											
Full-Time	283.00	205.00	214.54	219.00	213.00	204.00	206.00	201.00	191.00	190.00	180.00
Part-Time	33.00	28.25	31.00	35.00	30.50	22.50	27.00	31.50	33.50	33.50	37.00
Total	316.00	233.25	245.54	254.00	243.50	226.50	233.00	232.50	224.50	223.50	217.00
Percent											
Full-Time	89.56%	87.89%	87.37%	86.22%	87.47%	90.07%	88.41%	86.45%	85.08%	85.01%	82.95%
Part-Time	10.44%	12.11%	12.63%	13.78%	12.53%	9.93%	11.59%	13.55%	14.92%	14.99%	17.05%
Students per Full-Time Faculty	41.53	43.28	44.30	42.60	41.88	42.46	38.71	34.68	29.84	39.96	39.28
Students per Full-Time Staff Member	19.48	25.12	24.00	21.45	22.76	23.76	23.68	22.78	20.94	21.27	23.04
Average Annual Faculty Salary	\$54,549	\$53,690	\$55,700	\$53,783	\$50,154	\$46,271	\$47,577	\$44,773	\$44,158	\$46,277	\$47,482

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 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	3,977	77.22%	3,681	71.48%	3,323	70.75%	3,929	81.04%	3,530	71.21%	4,190	85.90%
Sophomore	1,158	22.49%	1,074	20.85%	1,066	22.70%	683	14.09%	1,197	24.15%	423	8.67%
Unclassified	288	5.59%	236	4.58%	168	3.58%	96	1.98%	110	2.22%	144	2.95%
Associate Degree	53	1.03%	91	1.77%	68	1.45%	63	1.30%	57	1.15%	59	1.21%
Baccalaureate or Above	37	0.72%	68	1.32%	72	1.53%	77	1.59%	63	1.27%	62	1.27%
Total	5,513	107.05%	5,150	100.00%	4,697	100.00%	4,848	100.00%	4,957	100.00%	4,878	100.00%

Semester Hour Load	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	38	0.74%	37	0.72%	69	1.47%	43	0.89%	59	1.19%	47	0.96%
3-5 semester hours	1,073	20.83%	922	17.90%	812	17.29%	769	15.86%	763	15.39%	744	15.25%
6-8 Semester hours	937	18.19%	784	15.22%	774	16.48%	690	14.23%	719	14.50%	729	14.94%
9-11 semester hours	809	15.71%	733	14.23%	655	13.95%	718	14.81%	667	13.46%	654	13.41%
12-14 semester hours	1,863	36.17%	1,934	37.55%	1,644	35.00%	1,855	38.26%	1,956	39.46%	1,931	39.59%
15-17 semester hours	678	13.17%	636	12.35%	616	13.11%	646	13.33%	655	13.21%	671	13.76%
18 & over	115	2.23%	104	2.02%	127	2.70%	127	2.62%	138	2.79%	102	2.09%
Total	5,513	107.05%	5,150	100.00%	4,697	100.00%	4,848	100.00%	4,957	100.00%	4,878	100.00%

Average course load 10.0 sch 10.0 sch 9.9 sch

Tuition Status	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,588	30.83%	1,560	30.29%	1,499	31.91%	1,514	31.29%	1,567	31.61%	1,518	31.12%
Texas Resident (out-of-District)	3,647	70.82%	3,300	64.08%	2,989	63.64%	3,134	64.78%	3,167	63.89%	3,132	64.21%
Non-Resident Tuition	278	5.40%	290	5.63%	209	4.45%	190	3.93%	223	4.50%	228	4.67%
Total	5,513	107.05%	5,150	100.00%	4,697	100.00%	4,838	100.00%	4,957	100.00%	4,878	100.00%

Fall 2002		Fall 2001	
Number	Percent	Number	Percent
3,895	85.08%	3,511	83.73%
412	9.00%	444	10.59%
165	3.60%	160	3.82%
46	1.00%	28	0.67%
60	1.32%	50	1.19%
<u>4,578</u>	<u>100.00%</u>	<u>4,193</u>	<u>100.00%</u>

Fall 2002		Fall 2001	
Number	Percent	Number	Percent
40	0.87%	29	0.69%
776	16.95%	791	18.86%
663	14.48%	578	13.78%
614	13.41%	558	13.31%
1,684	36.78%	1,467	34.99%
638	13.94%	646	15.41%
163	3.57%	124	2.96%
<u>4,578</u>	<u>100.00%</u>	<u>4,193</u>	<u>100.00%</u>

Fall 2002		Fall 2001	
Number	Percent	Number	Percent
1,340	29.27%	1,258	30.00%
3,019	65.95%	2,747	65.51%
219	4.78%	188	4.48%
<u>4,578</u>	<u>100.00%</u>	<u>4,193</u>	<u>100.00%</u>

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

	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	3,448	62.54%	3,258	63.26%	2,979	63.42%	3,041	62.73%	3,088	62.30%
Male	2,065	37.46%	1,892	36.74%	1,718	36.58%	1,807	37.27%	1,869	37.70%
Total	5,513	100.00%	5,150	100.00%	4,697	100.00%	4,848	100.00%	4,957	100.00%
Ethnic Origin										
White	3,630	65.85%	3,438	66.76%	3,259	69.38%	3,736	77.06%	3,829	77.24%
Hispanic	1,057	19.17%	331	6.43%	271	5.77%	225	4.64%	222	4.48%
African American	422	7.65%	852	16.54%	706	15.03%	725	14.95%	733	14.79%
Asian/Pacific Islander	49	0.89%	30	0.58%	29	0.62%	20	0.41%	22	0.44%
Foreign	26	0.47%	132	2.56%	118	2.51%	135	2.78%	145	2.93%
Native American	122	2.22%	18	0.35%	9	0.19%	7	0.16%	6	0.12%
Unknown	207	3.75%	349	6.78%	305	6.50%	-	0.00%	-	-
Total	5,513	100.00%	5,150	100.00%	4,697	100.00%	4,848	100.00%	4,957	100.00%
Age										
Under 18	499	9.05%	326	6.33%	358	7.62%	232	4.79%	216	4.36%
18-21	2,685	48.70%	2,522	48.97%	2,290	48.75%	2,364	48.76%	2,354	47.49%
22-24	640	11.61%	640	12.43%	573	12.20%	631	13.02%	707	14.26%
25-30	755	13.69%	734	14.25%	650	13.84%	708	14.60%	703	14.18%
31-35	343	6.22%	321	6.23%	291	6.20%	314	6.48%	320	6.46%
36-50	490	8.89%	505	9.81%	433	9.22%	500	10.31%	561	11.32%
51-64	89	1.61%	88	1.71%	90	1.92%	89	1.84%	86	1.73%
65 & over	12	0.23%	14	0.27%	12	0.26%	10	0.21%	10	0.20%
Total	5,513	100.00%	5,150	100.00%	4,697	100.00%	4,848	100.00%	4,957	100.00%
Average Age	24		25		25		25		25	

Fall 2003		Fall 2002	
Number	Percent	Number	Percent
2,989	61.28%	2,777	60.66%
1,889	38.72%	1,801	39.34%
4,878	100.00%	4,578	100.00%

Fall 2003		Fall 2002	
Number	Percent	Number	Percent
3,805	78.00%	3,670	80.17%
178	3.65%	151	3.30%
709	14.53%	596	13.02%
16	0.33%	12	0.26%
163	3.34%	144	3.15%
7	0.15%	5	0.11%
-	0.00%	-	0.00%
4,878	100.00%	4,578	100.00%

Fall 2003		Fall 2002	
Number	Percent	Number	Percent
216	4.43%	193	4.22%
2,424	49.69%	2,340	51.11%
673	13.80%	620	13.54%
675	13.84%	577	12.60%
330	6.77%	302	6.60%
472	9.68%	466	10.18%
76	1.56%	70	1.53%
12	0.25%	10	0.22%
4,878	100.00%	4,578	100.00%

**Kilgore Junior College District
 Statistical Supplement 17A
 Transfers to Senior Institutions
 2007 Fall Students as of Fall 2008
 (Includes only public senior colleges in Texas)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 U. OF TEXAS AT TYLER	36	7		43	43.43%
2 STEPHEN F. AUSTIN STATE UNIV	9	0		9	9.09%
3 UNIVERSITY OF NORTH TEXAS	9	0		9	9.09%
4 TEXAS A&M UNIVERSITY-TEXARKANA	6	0		6	6.06%
5 TEXAS A&M UNIVERSITY	5	0		5	5.05%
6 U. OF TEXAS AT ARLINGTON	5	0		5	5.05%
7 TEXAS WOMAN'S UNIVERSITY	4	0		4	4.04%
8 TEXAS TECH UNIVERSITY	3	0		3	3.03%
9 SAM HOUSTON STATE UNIVERSITY	2	0		2	2.02%
10 TEXAS A&M UNIVERSITY-COMMERCE	1	1		2	2.02%
11 TEXAS STATE UNIV - SAN MARCOS	2	0		2	2.02%
OTHER PUBLIC 4YR INSTITUTIONS	7	2		9	9.10%
	89	10	0	99	100.00%

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Figure 1			1001 m			
Station	Depth (m)	Temperature (°C)	Salinity	Density (sigma-t)	Speed (cm/s)	Direction (°)
1001	0	15.5	35.2	1.0234	10	135
1001	10	15.2	35.1	1.0233	12	140
1001	20	14.8	35.0	1.0232	15	145
1001	30	14.5	34.9	1.0231	18	150
1001	40	14.2	34.8	1.0230	20	155
1001	50	14.0	34.7	1.0229	22	160
1001	60	13.8	34.6	1.0228	25	165
1001	70	13.6	34.5	1.0227	28	170
1001	80	13.4	34.4	1.0226	30	175
1001	90	13.2	34.3	1.0225	32	180
1001	100	13.0	34.2	1.0224	35	185
1001	110	12.8	34.1	1.0223	38	190
1001	120	12.6	34.0	1.0222	40	195
1001	130	12.4	33.9	1.0221	42	200
1001	140	12.2	33.8	1.0220	45	205
1001	150	12.0	33.7	1.0219	48	210
1001	160	11.8	33.6	1.0218	50	215
1001	170	11.6	33.5	1.0217	52	220
1001	180	11.4	33.4	1.0216	55	225
1001	190	11.2	33.3	1.0215	58	230
1001	200	11.0	33.2	1.0214	60	235
1001	210	10.8	33.1	1.0213	62	240
1001	220	10.6	33.0	1.0212	65	245
1001	230	10.4	32.9	1.0211	68	250
1001	240	10.2	32.8	1.0210	70	255
1001	250	10.0	32.7	1.0209	72	260
1001	260	9.8	32.6	1.0208	75	265
1001	270	9.6	32.5	1.0207	78	270
1001	280	9.4	32.4	1.0206	80	275
1001	290	9.2	32.3	1.0205	82	280
1001	300	9.0	32.2	1.0204	85	285
1001	310	8.8	32.1	1.0203	88	290
1001	320	8.6	32.0	1.0202	90	295
1001	330	8.4	31.9	1.0201	92	300
1001	340	8.2	31.8	1.0200	95	305
1001	350	8.0	31.7	1.0199	98	310
1001	360	7.8	31.6	1.0198	100	315
1001	370	7.6	31.5	1.0197	102	320
1001	380	7.4	31.4	1.0196	105	325
1001	390	7.2	31.3	1.0195	108	330
1001	400	7.0	31.2	1.0194	110	335
1001	410	6.8	31.1	1.0193	112	340
1001	420	6.6	31.0	1.0192	115	345
1001	430	6.4	30.9	1.0191	118	350
1001	440	6.2	30.8	1.0190	120	355
1001	450	6.0	30.7	1.0189	122	360
1001	460	5.8	30.6	1.0188	125	365
1001	470	5.6	30.5	1.0187	128	370
1001	480	5.4	30.4	1.0186	130	375
1001	490	5.2	30.3	1.0185	132	380
1001	500	5.0	30.2	1.0184	135	385
1001	510	4.8	30.1	1.0183	138	390
1001	520	4.6	30.0	1.0182	140	395
1001	530	4.4	29.9	1.0181	142	400
1001	540	4.2	29.8	1.0180	145	405
1001	550	4.0	29.7	1.0179	148	410
1001	560	3.8	29.6	1.0178	150	415
1001	570	3.6	29.5	1.0177	152	420
1001	580	3.4	29.4	1.0176	155	425
1001	590	3.2	29.3	1.0175	158	430
1001	600	3.0	29.2	1.0174	160	435
1001	610	2.8	29.1	1.0173	162	440
1001	620	2.6	29.0	1.0172	165	445
1001	630	2.4	28.9	1.0171	168	450
1001	640	2.2	28.8	1.0170	170	455
1001	650	2.0	28.7	1.0169	172	460
1001	660	1.8	28.6	1.0168	175	465
1001	670	1.6	28.5	1.0167	178	470
1001	680	1.4	28.4	1.0166	180	475
1001	690	1.2	28.3	1.0165	182	480
1001	700	1.0	28.2	1.0164	185	485
1001	710	0.8	28.1	1.0163	188	490
1001	720	0.6	28.0	1.0162	190	495
1001	730	0.4	27.9	1.0161	192	500
1001	740	0.2	27.8	1.0160	195	505
1001	750	0.0	27.7	1.0159	198	510
1001	760	-0.2	27.6	1.0158	200	515
1001	770	-0.4	27.5	1.0157	202	520
1001	780	-0.6	27.4	1.0156	205	525
1001	790	-0.8	27.3	1.0155	208	530
1001	800	-1.0	27.2	1.0154	210	535
1001	810	-1.2	27.1	1.0153	212	540
1001	820	-1.4	27.0	1.0152	215	545
1001	830	-1.6	26.9	1.0151	218	550
1001	840	-1.8	26.8	1.0150	220	555
1001	850	-2.0	26.7	1.0149	222	560
1001	860	-2.2	26.6	1.0148	225	565
1001	870	-2.4	26.5	1.0147	228	570
1001	880	-2.6	26.4	1.0146	230	575
1001	890	-2.8	26.3	1.0145	232	580
1001	900	-3.0	26.2	1.0144	235	585
1001	910	-3.2	26.1	1.0143	238	590
1001	920	-3.4	26.0	1.0142	240	595
1001	930	-3.6	25.9	1.0141	242	600
1001	940	-3.8	25.8	1.0140	245	605
1001	950	-4.0	25.7	1.0139	248	610
1001	960	-4.2	25.6	1.0138	250	615
1001	970	-4.4	25.5	1.0137	252	620
1001	980	-4.6	25.4	1.0136	255	625
1001	990	-4.8	25.3	1.0135	258	630
1001	1000	-5.0	25.2	1.0134	260	635

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**Kilgore Junior College District
Statistical Supplement 17B
Transfers to Senior Institutions¹
Fall First Time Transfer Students
(Includes only public senior colleges in Texas)**

	Fall 2007				Fall 2006			
	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers
SAM HOUSTON STATE UNIVERSITY	2	2	7	2.3%	2	3	11	3.6%
STEPHEN F. AUSTIN STATE UNIV	9	17	35	11.6%	13	14	36	11.9%
TARLETON STATE UNIVERSITY	0	0	0	0.0%	0	0	0	0.0%
TEXAS A&M UNIVERSITY	5	7	15	5.0%	5	5	8	2.6%
TEXAS A&M UNIVERSITY-COMMERCE	2	1	11	3.6%	3	2	8	2.6%
TEXAS A&M UNIVERSITY-TEXARKANA	6	7	10	3.3%	6	5	13	4.3%
TEXAS STATE UNIV - SAN MARCOS	2	4	13	4.3%	5	5	18	5.9%
TEXAS TECH UNIVERSITY	3	3	11	3.6%	0	0	10	3.3%
TEXAS WOMAN'S UNIVERSITY	4	4	8	2.6%	1	2	10	3.3%
U. OF HOUSTON - DOWNTOWN	0	0	0	0.0%	1	2	5	1.7%
U. OF TEXAS AT ARLINGTON	5	6	14	4.6%	4	3	9	3.0%
U. OF TEXAS AT AUSTIN	0	0	0	0.0%	4	5	10	3.3%
U. OF TEXAS AT TYLER	43	52	89	29.4%	45	54	95	31.4%
UNIVERSITY OF HOUSTON	0	0	0	0.0%	3	3	8	2.6%
UNIVERSITY OF NORTH TEXAS	9	11	32	10.6%	2	5	27	8.9%
OTHER PUBLIC 4-YR INSTITUTION	9	9	25	8.3%	5	6	23	7.6%
TOTAL	99	123	270	89.2%	99	114	291	96.0%

¹Students 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

²Transfers may have earned both an associate degree and core curriculum completer.

Fall 2005				Fall 2004			
Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers	Earned Academic Associate Prior to Transfer	Earned Core Curriculum Completer	Total Transfer Student Count ²	% Total Transfers
0	1	8	2.6%	4	1	6	2.2%
16	22	47	15.5%	16	2	49	17.9%
1	1	5	1.7%	0	0	0	0.0%
3	2	15	5.0%	3	0	16	5.9%
2	2	6	2.0%	6	2	11	4.0%
7	11	18	5.9%	0	0	0	0.0%
6	7	15	5.0%	8	0	23	8.4%
1	3	6	2.0%	2	1	6	2.2%
2	1	9	3.0%	0	0	0	0.0%
3	4	12	4.0%	6	1	10	3.7%
0	0	0	0.0%	3	0	6	2.2%
51	61	105	34.7%	34	8	97	35.5%
0	2	5	1.7%	0	0	0	0.0%
10	15	33	10.9%	9	2	26	9.5%
3	4	19	6.3%	6	2	23	8.4%
105	136	303	100.3%	97	19	273	99.9%

hours.

**Kilgore Junior College District
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2002 to 2009**

	Fiscal Year					
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Academic buildings		14	13	13	13	13
Square footage (in thousands)		335	331	331	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	4	4
Square footage (in thousands)		136	136	136	101	101
Number of Beds		490	490	490	410	410
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
Gynmasiums		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	13	12	12
Light Trucks/Vans		23	23	24	24	22
Buses		0	0	0	0	0

2003 **2002**

13 13
331 331

1 1
38 38
101 101

6 6
115 115

4 4
101 101
410 410

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23 23
410 410

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119 119
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2 2
1 1
1 1

1 1
20 20

12 10
20 20
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