

**KILGORE JUNIOR COLLEGE DISTRICT
KILGORE, TEXAS**

**FINANCIAL STATEMENTS
AUGUST 31, 2010 and 2009**

**WITH REPORT
OF CERTIFIED PUBLIC ACCOUNTANTS**

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KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS

ORGANIZATIONAL DATA

For the fiscal year 2010

BOARD OF TRUSTEES

OFFICERS

Larry Woodfin
Will Roberson
Charles Hale

President
Vice-President
Secretary

TERM EXPIRES

2011
2015
2011

MEMBERS

R. E. Spradlin
G. Scott Andrews
C.B. "Scooter" Griffin, Jr.
Robert D. Heath
James N. Walker
Joe Carrington

TERM EXPIRES

2013
2011
2015
2013
2015
2011

PRINCIPAL ADMINISTRATIVE OFFICERS

Dr. William M. Holda
Dr. Gerald Stanglin
Duane J. McNaney, CPA
Dr. Michael W. Jenkins
Dr. Mike Turpin
Claudia D. Miracle, CPA
Tony Johnson
J. Karol Pruet
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. Richard Harrison
Dr. Julie H. Fowler

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

HENRY & PETERS, PC
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Trustees
Kilgore Junior College District
Kilgore, Texas

Independent Auditors' Report

Members of the Board:

We have audited the accompanying basic financial statements of the Kilgore Junior College District, as of and for the years ended August 31, 2010 and 2009, 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, 2010 and 2009, and the results of its operations and cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2010, 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, 2010 are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits Of States, Local Governments, And Non-Profit Organizations*, and the State of Texas Single Audit Circular (STSAC), and are not a required part of the basic financial statements. The required supplemental schedules listed in the table of contents are likewise presented for purposes of additional analysis and are not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Henry E. Peters, P.C.

Tyler, Texas
November 30, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

**KILGORE JUNIOR COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AUGUST 31, 2010 and 2009**

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, 2010, with fiscal year 2009 and 2008 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 \$3.5 million compared to a \$4.2 million in the prior year, increasing from \$59.4 million to \$62.9 million.

Condensed Statement of Net Assets

(\$ in millions)

	2010	2009	2008	2009 to 2010 Change
Current assets	\$ 24.6	\$ 21.6	\$ 21.0	13.89%
Non-current assets	9.1	8.6	8.4	5.81%
Non-current - Capital assets	41.2	41.5	37.6	-0.72%
Total assets	74.9	71.7	67.0	4.46%
Current liabilities	(9.1)	(9.0)	(7.7)	1.11%
Non-current liabilities	(2.9)	(3.3)	(4.1)	-12.12%
Total liabilities	(12.0)	(12.3)	(11.8)	-2.44%
Net Assets:				
Invested in capital assets, net of debt	38.2	37.8	33.1	1.06%
Restricted	8.6	7.5	7.6	14.67%
Unrestricted	16.1	14.1	14.5	14.18%
Total Net Assets	\$ 62.9	\$ 59.4	\$ 55.2	5.89%

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 \$24.6 million were sufficient to cover current liabilities of \$9.1 million, giving a current ratio of 2.7 compared to 2.4 in fiscal year 2009.

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, 2010 and 2009, the College had expendable net assets of \$17.5 million and \$14.8 million respectively. Operating expenses for the same period were \$48.3 million and \$41.8 million. This represents a ratio of 36.2% and 35.4%, respectively.

The College's accumulated cash and cash equivalents balance decreased \$1.2 million to \$14.9 million.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Total operating revenues for fiscal year 2010 were \$17.2 million. Operating revenues increased \$1.2 million or 7.5%.

Operating Revenues (\$ in millions)	2010		2009		2008	
Tuition and fees	47.1%	\$ 8.1	45.6%	\$ 7.3	43.7%	\$ 6.9
Federal grants and contracts	11.6%	2.0	9.4%	1.5	9.5%	1.5
State grant and contracts	7.5%	1.3	8.1%	1.3	12.0%	1.9
Auxiliary enterprises	29.7%	5.1	30.6%	4.9	29.8%	4.7
Other	4.1%	0.7	6.3%	1.0	5.0%	0.8
Total		\$ 17.2		\$ 16.0		\$ 15.8

The College also had \$35.2 million in non-operating state appropriation, tax, federal non-operating, gift, and other revenues. The largest portion of non-operating revenues comes from state appropriations which are generated from four areas: general revenue generated from contact hour reimbursement, employee/retiree group insurance payments, employee retirement contributions, and special allocations or adjustments.

Non-Operating Revenues (\$ in millions)	2010		2009		2008	
State Appropriations	42.9%	\$ 15.1	43.8%	\$ 13.3	49.5%	\$ 13.5
Maintenance ad-valorem taxes	16.7%	5.9	20.4%	6.2	18.3%	5.0
Federal revenue, non-operating	37.0%	13.0	26.5%	8.0	23.4%	6.4
Gifts	2.0%	0.7	4.1%	1.2	2.9%	0.8
Investment, Endowment and Other	1.4%	0.5	5.2%	1.6	5.9%	1.6
Total		\$ 35.2		\$ 30.3		\$ 27.3

Total operating expenses totaled \$48.3 million, which is a \$6.5 million or a 15.5% increase from fiscal year 2009. Expenditures for instruction are the most significant and had a \$1.8 million or 11.6% increase.

Operating Expenses (\$ in millions)	2010		2009		2008	
Instruction	35.3%	\$ 17.3	36.8%	\$ 15.5	37.8%	\$ 14.3
Public service	2.1%	1.0	2.3%	1.0	2.1%	0.8
Academic support	6.7%	3.3	7.0%	3.0	7.2%	2.7
Student services	4.7%	2.3	5.2%	2.2	6.1%	2.3
Institutional support	10.6%	5.2	11.9%	5.0	11.1%	4.2
Operation and Maintenance of Plant and Depreciation	9.8%	4.8	11.4%	4.8	11.6%	4.4
Scholarships and fellowships	13.7%	6.7	9.0%	3.8	7.4%	2.8
Auxiliary enterprises	15.7%	7.7	15.4%	6.5	15.4%	5.8
Total operating Expense		48.3		41.8		37.3
Total non-operating Expense	1.4%	0.7	1.0%	0.3	1.3%	0.5
Total		\$49.0		\$ 42.1		\$ 37.8

There was an operating loss for fiscal year 2010 of \$31.0 million, with an increase in net assets of \$3.5 million, compared to fiscal year 2009 when they were \$25.8 and \$4.2, 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 \$1.2 million to \$14.9 million.

Cash Provided By: (\$ in millions)	2010	2009	2008
Operating Activities	(\$ 30.1)	(\$ 20.1)	(\$ 17.3)
Non-Capital Financing Activities	31.5	25.6	23.0
Capital and Related Financing Activities	(3.1)	(6.0)	(1.5)
Investing Activities	0.5	0.6	0.7
Change in Cash and Cash Equivalents	(\$ 1.2)	\$ 0.1	\$ 4.9

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 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 \$3.5 million or 5.8%.
- As of August 31, 2010, assets of the College exceeded liabilities by \$62.9 million. Of this amount, \$16.1 million is unrestricted net assets which may be used to meet ongoing operations, up from \$14.1 million in fiscal year 2009.
- During the year, the College had revenues that were \$3.5 million more than the \$49.0 million generated in expenditures.
- Total cost of all of the College's programs increased by \$6.5 million, or 15.6%. The largest increase came in the area of instruction with a \$1.8 million increase or 11.6%.
- Local property tax rate remained the same as the prior year. Tax revenues were down 3.9% or \$237,958.
- Net tuition and fees increased \$784,481 or 10.7%.

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 2010, the College had \$41.2 million invested in a broad range of capital assets, including equipment, buildings, and facilities.

Capital Assets at Year-end (Net of Depreciation, in Millions)	2010	2009	2008
Land	\$ 3.5	\$ 3.5	\$ 3.5
Buildings and improvements	35.9	36.4	32.3
Equipment	1.1	1.2	1.2
Books and Exhibits	0.4	0.4	0.4
Construction in Progress	0.3	0.0	0.2
Totals	\$ 41.2	\$ 41.5	\$ 37.6

Debt

At year-end, the College had \$3.0 million in bonds and notes outstanding.

Outstanding Debt, at Year-end (\$ in millions)	2010	2009	2008
Current Portion of long term obligations	\$ 0.4	\$ 0.8	\$ 0.8
Revenue bonds and notes (backed by specific fee revenues)	2.6	3.0	3.8
Totals	\$ 3.0	\$ 3.8	\$ 4.6

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 \$13,786 to the College during fiscal year 2010 as compared to the \$261,576 contributed in fiscal year 2009. Contributions were significantly down due to low interest rates over the past few years, causing earnings on Foundation investments not to be significant enough for distributions to be made from all endowed accounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The College's elected and appointed officials considered many factors when setting the fiscal year 2010 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 2000-2010, averaging minimal annual gains. Although East Texas has not been impacted as much as the rest of the nation with the economic downturn, the College started feeling the impact near the end of fiscal year 2010 and expects to see more significant negative financial impact in fiscal year 2011 and the following few years.

The College is facing future economic issues centered on the traditional funding sources. A mix of state appropriations, local property taxes, tuition and fees, state and federal grants, and private giving, fund Texas public community college districts. Kilgore College has many aging facilities. Beginning in fiscal year 2004 and continuing into fiscal year 2010 which will continue into fiscal year 2011, the College has done some major renovations, roof repairs and construction of a new residence hall that has totaled about \$15.5 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 did experience a significant increase in state appropriations due to enrollment growth. But as we move forward to fiscal year 2011 and 2012 it is expected that our state appropriations could be reduced as much as 10-25% due to revenue shortfalls at the State level.

If State revenue reductions do come to fruition, aggressive expenditure reductions are expected through program closure and reduction of services. These reductions will be coupled with continued increases to tuition and fees charged to students. 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 rate was not increased in fiscal year 2010 and will not be increased in fiscal year 2011. Over the past few years the College has experienced healthy increases in its tax base. It is expected that over the next few years the appraised value of the tax base will remain relatively flat. This may force the College to increase the tax rate in the near future.

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This discussion is presented in a condensed format as additional analysis. The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the 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

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF NET ASSETS
AUGUST 31, 2010 AND 2009

<u>ASSETS</u>	<u>2010</u>	<u>2009</u>
Current assets		
Cash and cash equivalents	\$ 10,818,552	\$ 12,666,993
Short-term investments	4,335,986	4,321,594
Accounts receivable, net	7,284,828	3,021,101
Note receivable, current portion	150,127	142,467
Inventories	1,159,852	787,674
Prepaid expenses	735,413	606,862
Other assets	84,760	84,760
Total current assets	<u>24,569,518</u>	<u>21,631,451</u>
Noncurrent assets		
Restricted cash and cash equivalents	4,107,280	3,452,342
Short-term investments - bond funds	425,000	425,000
Short-term investments - endowment	3,500,000	3,500,000
Corporate stocks - endowment	102,000	102,260
Note receivable, net of current portion	982,243	1,132,370
Capital assets, net	41,222,914	41,483,739
Total noncurrent assets	<u>50,339,437</u>	<u>50,095,711</u>
Total assets	<u>\$ 74,908,955</u>	<u>\$ 71,727,162</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ 549,216	\$ 798,203
Accrued liabilities	623,374	584,206
Funds held for others	738,674	804,155
Deferred revenue	6,366,110	5,688,901
Deposits	170,060	150,807
Long-term liabilities - current portion	620,198	962,657
Total current liabilities	<u>9,067,632</u>	<u>8,988,929</u>
Noncurrent liabilities		
Long-term liabilities	<u>2,969,089</u>	<u>3,329,304</u>
Total noncurrent liabilities	<u>2,969,089</u>	<u>3,329,304</u>
Total liabilities	<u>12,036,721</u>	<u>12,318,233</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	38,217,915	37,713,739
Restricted for:		
Expendable	1,414,339	616,007
Nonexpendable	7,151,674	6,929,723
Unrestricted	<u>16,088,306</u>	<u>14,149,460</u>
Total net assets (Schedule D)	<u>62,872,234</u>	<u>59,408,929</u>
Total liabilities and net assets	<u>\$ 74,908,955</u>	<u>\$ 71,727,162</u>

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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>REVENUES</u>		
Operating revenues		
Tuition and fees (net of discounts of \$5,641,142 and \$4,200,155)	\$ 8,121,933	\$ 7,337,452
Federal grants and contracts	2,023,629	1,524,838
State grants and contracts	1,246,766	1,284,854
Non-governmental grants and contracts	425,726	709,076
Sales and services of educational activities	163,557	115,753
Auxiliary enterprises (net of discounts of \$2,974,723 and \$1,924,224)	5,117,996	4,916,057
General operating revenues	129,323	111,721
Total operating revenues (Schedule A)	<u>17,228,930</u>	<u>15,999,751</u>
<u>EXPENSES</u>		
Operating expenses		
Instruction	17,298,104	15,500,721
Public service	972,446	955,303
Academic support	3,322,394	2,955,461
Student services	2,326,308	2,223,178
Institutional support	5,228,093	5,043,820
Operation and maintenance of plant	3,407,036	3,493,782
Scholarships and fellowships	6,660,770	3,792,335
Auxiliary enterprises	7,713,598	6,542,521
Depreciation	1,369,341	1,302,484
Total operating expenses (Schedule B)	<u>48,298,090</u>	<u>41,809,605</u>
Operating loss	<u>(31,069,160)</u>	<u>(25,809,854)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
State appropriations	15,100,844	13,279,534
Maintenance ad valorem taxes	5,937,296	6,175,254
Federal revenue, non-operating	12,977,916	8,038,644
Gifts	717,670	1,237,737
Investment income	214,255	373,553
Endowment income	129,792	179,641
Insurance proceeds	138,360	1,022,632
Interest on capital related debt	(119,631)	(138,820)
Loss on disposal of fixed assets	(28,548)	(6,285)
Other non-operating revenues	7,468	6,482
Other non-operating expenses	(542,957)	(144,147)
Net non-operating revenues (Schedule C)	<u>34,532,465</u>	<u>30,024,225</u>
Increase in net assets	3,463,305	4,214,371
<u>NET ASSETS</u>		
Net assets - beginning of year	<u>59,408,929</u>	<u>55,194,558</u>
Net assets - end of year	<u>\$ 62,872,234</u>	<u>\$ 59,408,929</u>

See accompanying notes to financial statements.

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 12,726,277	\$ 12,879,365
Receipts of grants and contracts	3,696,121	3,518,018
Other receipts	136,791	111,721
Payments to or on behalf of employees	(22,914,048)	(20,905,613)
Payments to suppliers for goods and services	(17,318,270)	(12,346,717)
Payments to students under federal grants	(6,458,995)	(3,319,553)
Other cash payments	54,925	(74,130)
Net cash used by operating activities	<u>(30,077,199)</u>	<u>(20,136,909)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts of appropriations	11,831,682	10,274,995
Ad valorem tax revenues	5,932,660	5,911,651
Receipts for Title IV transactions	12,977,916	8,094,149
Gifts and grants (other than capital)	717,670	1,237,737
Receipts for student organization and other agency transactions	13,992,499	11,584,091
Student organization and other agency transactions	<u>(13,954,519)</u>	<u>(11,544,448)</u>
Net cash provided by non-capital financing activities	<u>31,497,908</u>	<u>25,558,175</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,237,694)	(5,120,332)
Payments on capital debt and leases - principal	(765,000)	(780,000)
Payments on capital debt and leases - interest	<u>(119,631)</u>	<u>(138,820)</u>
Net cash used by capital and related financing activities	<u>(3,122,325)</u>	<u>(6,039,152)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	357,984	473,021
Receipts on notes receivable	<u>150,129</u>	<u>135,195</u>
Net cash provided by investing activities	<u>508,113</u>	<u>608,216</u>
(Decrease) in cash and cash equivalents	(1,193,503)	(9,670)
Cash and cash equivalents beginning of year	<u>16,119,335</u>	<u>16,129,005</u>
Cash and cash equivalents end of year	<u>\$ 14,925,832</u>	<u>\$ 16,119,335</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, 2010 AND 2009
CONTINUED

	<u>2010</u>	<u>2009</u>
Reconciliation of operating loss to net cash used		
by operating activities:		
Operating loss	\$ (31,069,160)	\$ (25,809,854)
Adjustments to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	1,369,341	1,302,484
On-behalf state benefits	3,269,162	3,004,539
Bad debt expense	75,022	73,192
Changes in assets and liabilities:		
Receivables, net	(4,182,023)	(105,459)
Inventories	(372,178)	49,589
Other assets	(128,550)	74,130
Accounts payable	221,652	541,807
Deferred revenue	677,209	671,063
Compensated absences	62,326	61,600
	<u>\$ (30,077,199)</u>	<u>\$ (20,136,909)</u>
Net cash used by operating activities		

See accompanying notes to financial statements.

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

August 31, 2010 and 2009

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, 2010 and 2009

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 \$3,965,858 and \$3,957,908 at August 31, 2010 and August 31, 2009, 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, 2010 and 2009

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

H) Capital assets

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

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

I) Deferred revenues

Tuition and fees of \$6,366,110 and \$5,688,901 have been reported as deferred revenues at August 31, 2010 and 2009, respectively.

J) Estimates

The preparation of the financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

K) Operating and non-operating revenues and expenses

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

L) Characterization of Title IV grant revenue

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

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

August 31, 2010 and 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M) Reclassifications

Certain amounts in the 2009 financial statements have been reclassified to conform to the presentation in 2010.

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, 2010 and 2009, the carrying amount of the District's bank deposits was \$19,200,035 and \$20,386,242, respectively; and bank balances equaled \$18,896,954 and \$20,380,244, respectively. Bank balances of \$250,000 were covered by federal depository insurance and \$18,950,035 and \$20,136,242 were covered by collateral pledged in the District's name. The collateral was held by the District or by its Agent. There were no uncollateralized bank balances at either year end. (This would include any bank balance that was collateralized with securities held by the pledging financial institution's department or agent but not in the District's name). The District held \$3,965,858 and \$3,957,908 in state approved public investment pools at August 31, 2010 and 2009, respectively.

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

Cash and Deposits

	<u>August 31, 2010</u>	<u>August 31, 2009</u>
Bank Deposits		
Demand Deposits	\$ 14,904,907	\$ 16,097,557
Time Deposits	4,295,128	4,288,685
	<u>19,200,035</u>	<u>20,386,242</u>
Petty Cash on Hand	<u>20,925</u>	<u>21,779</u>
Total Cash and Deposits	<u>\$ 19,220,960</u>	<u>\$ 20,408,021</u>

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

August 31, 2010 and 2009

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, 2010</u>	<u>Market Value</u> <u>August 31, 2009</u>
U.S. common stocks	\$ 102,000	\$ 102,260
Texpool	3,965,858	3,957,908
Total	<u>4,067,858</u>	<u>4,060,168</u>
Total cash and deposits	19,220,960	20,408,021
Total deposits and investments	<u>\$ 23,288,818</u>	<u>\$ 24,468,189</u>
Cash and short-term investments (Exhibit 1)	\$ 23,186,818	\$ 24,365,929
Investments (Exhibit 1)	102,000	102,260
Total deposits and investments	<u>\$ 23,288,818</u>	<u>\$ 24,468,189</u>

As of August 31, 2010 the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> <u>Less than 1 year</u>
Certificates of deposit	\$ 4,295,128	\$ 4,295,128
Investment pool	3,965,858	3,965,858
Total	<u>\$ 8,260,986</u>	<u>\$ 8,260,986</u>

As of August 31, 2010, the District's investments in certificates of deposit are a component of the depository contract, under which certificates are renewed and repriced every 91 days. Investments in Texpool have maturities of less than one year. The District had no investments in any one issuer that represented 5 percent or more of net assets at August 31, 2010 or 2009.

Common stocks stated at fair value as of August 31, 2010 and 2009 were:

	<u>2010</u>	<u>2009</u>
Cost	\$ 108,250	\$ 108,250
Unrealized gain/(loss)	(6,250)	(5,990)
Fair value	<u>\$ 102,000</u>	<u>\$ 102,260</u>

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

August 31, 2010 and 2009

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, 2010 and 2009 of \$1,132,370 and \$1,274,837, respectively.

5. CAPITAL ASSETS

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

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

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

August 31, 2010 and 2009

5. CAPITAL ASSETS - Continued

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>3,750,094</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, 2010 and 2009

6. LONG-TERM LIABILITIES

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

	Balance September 1, 2009	Additions	Reductions	Balance August 31, 2010	Current Portion
<u>Bonds and notes</u>					
Note payable	\$ 540,000	\$ -	\$ 460,000	\$ 80,000	\$ 80,000
Revenue bonds - 2007	3,230,000	-	305,000	2,925,000	320,000
Total bonds and notes	<u>3,770,000</u>	<u>-</u>	<u>765,000</u>	<u>3,005,000</u>	<u>400,000</u>
<u>Other liabilities</u>					
Compensable absences	521,961	62,326	-	584,287	220,198
Total other liabilities	<u>521,961</u>	<u>62,326</u>	<u>-</u>	<u>584,287</u>	<u>220,198</u>
Total long-term liabilities	<u>\$ 4,291,961</u>	<u>\$ 62,326</u>	<u>\$ 765,000</u>	<u>\$ 3,589,287</u>	<u>\$ 620,198</u>

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>

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

August 31, 2010 and 2009

7. DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2010 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,			
2011	\$ 320,000	\$ 105,900	\$ 425,900
2012	330,000	93,452	423,452
2013	345,000	80,526	425,526
2014	360,000	67,026	427,026
2015	370,000	53,046	423,046
2016 - 2018	1,200,000	70,088	1,270,088
Total Bonds Payable	<u>\$ 2,925,000</u>	<u>\$ 470,038</u>	<u>\$ 3,395,038</u>

Note Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
For the year ended August 31,			
2011	\$ 80,000	\$ 972	\$ 80,972
Total Note Payable	<u>\$ 80,000</u>	<u>\$ 972</u>	<u>\$ 80,972</u>

Operating Lease Commitments and Rental Agreements

The district had no significant operating leases or rental agreements at August 31, 2010 or 2009.

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

August 31, 2010 and 2009

8. BONDS AND NOTES PAYABLE

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

Combined Fee Revenue Refunding Bonds, Series 2007

Issued May 29, 2007

Purpose of bond: to advance refund Bond Series 1997

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

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

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

Note # 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%, paid in monthly installments of \$20,000, unsecured

Matured July 31, 2010

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 a ten year period ending in 2018 by approximately \$197,517.

The economic and accounting gains are determined to be immaterial.

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

August 31, 2010 and 2009

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 2010 and 2009 and a state contribution rate of 6.644% for fiscal year 2010 and 6.58% for fiscal year 2009. In certain instances the reporting district is required to make all or a portion of the state's 6.644% contribution for fiscal year 2010 and 6.58% for fiscal year 2009.

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 were 6.40% and 6.58% and by each participant were 6.65% and 6.65% for fiscal years 2010 and 2009, respectively. The District contributes 1.31% for employees who were participating in the optional retirement plan program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the District was \$1,007,763 and \$844,095 for the fiscal years ended August 31, 2010 and 2009, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the District.

The total payroll for all District employees was \$21,118,003 and \$18,857,975 for fiscal years 2010 and 2009, respectively. The total payroll of employees covered by the Teacher Retirement System was \$10,413,715 and \$7,666,933, and the total payroll of employees covered by the Optional Retirement System was \$7,683,266 and \$7,230,520 for fiscal years 2010 and 2009, respectively.

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

August 31, 2010 and 2009

11. DEFERRED COMPENSATION

The District contributed \$22,000 as deferred compensation for fiscal years 2010 and 2009, respectively, on behalf of the President of the College, to the State of Texas 457 Plan, administered through the ERS TexaSaver Program. The District had no other deferred compensation programs in effect during fiscal years 2010 or 2009.

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 \$405,459 and \$360,338 at August 31, 2010 and 2009, 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 \$178,828 and \$161,623 at August 31, 2010 and 2009, respectively, all of which has been classified as a current liability.

13. PENDING LAWSUITS AND CLAIMS

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

14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables

Primary institution receivables at August 31, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Student receivables	\$ 1,957,689	\$ 968,226
Taxes receivable	683,970	650,682
Federal receivable	3,843,566	496,628
Accounts receivable	556,008	579,096
Interest receivable	1,408	1,603
Distribution receivable	-	140,646
Insurance receivable	<u>1,160,992</u>	<u>1,022,632</u>
Sub-total	8,203,633	3,859,513
Allowance for doubtful accounts	<u>(918,805)</u>	<u>(838,412)</u>
Total receivables	<u>\$ 7,284,828</u>	<u>\$ 3,021,101</u>

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

August 31, 2010 and 2009

14. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES - Continued

Payables

Primary institution payables at August 31, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Vendors payable	\$ 549,216	\$ 798,203
Salaries and benefits payable	318,242	398,850
Student payables	153,145	51,511
Sales tax payable	151,987	133,845
Total	<u>\$ 1,172,590</u>	<u>\$ 1,382,409</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, 2010 or 2009.

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 2010 for which monies have not been received nor funds expended, included \$94,899 of state awards and \$248,207 of federal awards.

17. SELF-INSURED PLANS

The District did not participate in any self-insured plans during fiscal years 2010 or 2009.

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

August 31, 2010 and 2009

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 \$385.38 and \$360.54 for "Employee Only" coverage, \$605.70 and \$566.58 for "Employee and Spouse" coverage, \$532.90 and \$498.50 for "Employee and Children" coverage, and \$753.22 and \$704.52 for "Employee and Family" coverage for the years ended August 31, 2010 and 2009, respectively. Contributions totaled \$2,261,399 and \$2,129,068 for the years ended August 31, 2010 and 2009, respectively. The cost of providing those benefits for retirees was \$962,885 and \$930,246 for the years ended August 31, 2010 and 2009, respectively and for active employees was \$1,298,514 and \$1,230,198 in 2010 and 2009, 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.

	August 31, 2010	August 31, 2009
Assessed Valuation of the District	\$ 4,074,768,779	\$ 4,064,079,354
Less: Exemptions and Abatements	248,904,419	297,287,950
Net Assessed Valuation of the District	\$ 3,825,864,360	\$ 3,766,791,404
	FY 2010	FY 2009
	Current	Current
	Operations	Operations
Authorized Tax Rate per \$100 valuation (Maximum per enabling legislation)	0.2000	0.2000
Assessed Tax Rate per \$100 valuation	0.1540	0.1540

There were no taxes authorized or assessed for debt service at August 31, 2010 or 2009. Taxes levied for the years ended August 31, 2010 and 2009, were \$5,891,831 and \$5,800,859, respectively (which includes penalty and interest if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year imposed.

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

August 31, 2010 and 2009

19. AD VALOREM TAX - Continued

	August 31, 2010	August 31, 2009
Taxes Collected for Current Operations		
Current taxes	\$ 5,606,327	\$ 5,584,593
Delinquent taxes	151,824	185,094
Penalties, interest and fees	163,614	170,899
Total collections	\$ 5,921,765	\$ 5,940,586

Tax collections were 95% and 96% of the current tax levy for the years ended August 31, 2010 and 2009, respectively. There were no tax collections for debt service. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

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, 2010 and 2009.

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 \$13,786 and \$261,576 to the District during the years ended August 31, 2010 and 2009, respectively. During both fiscal years, the District furnished certain services, such as office space, utilities and staff assistance to the Foundation. These facilities and services are not required to be repaid.

22. STORM DAMAGE AND RELATED INSURANCE

In March 2008, seven of the District's buildings were damaged in a hail storm. Repairs of \$261,018 were made in fiscal year 2008. The remaining repairs totaling \$2,071,589 were completed in fiscal year 2009. The District received \$803,559 of insurance proceeds in 2008. Additional expected insurance proceeds of \$1,160,992 and \$1,022,632 were recorded as a receivable on Exhibit 1 as of August 31, 2010 and 2009, respectively. The related revenue is reflected as non-operating revenue on Exhibit 2.

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

August 31, 2010 and 2009

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, 2010, 2009 and 2008 were \$962,885, \$930,246 and \$905,405, 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, 2010 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, 2010 (With Memorandum Totals for the Year Ended August 31, 2009)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY10 Total	FY09 Total
TUITION						
State funded courses						
In-district resident tuition	\$ 860,287	\$ -	\$ 860,287	\$ -	\$ 860,287	\$ 717,631
Out-of-district resident tuition	2,384,752	-	2,384,752	-	2,384,752	1,891,628
TPEG (set aside)*	182,805	-	182,805	-	182,805	151,917
Non-resident tuition	412,288	-	412,288	-	412,288	369,034
State funded continuing education	1,321,873	-	1,321,873	-	1,321,873	1,134,278
Non-state funded continuing education	27,252	-	27,252	-	27,252	22,599
Total tuition	<u>5,189,257</u>	<u>-</u>	<u>5,189,257</u>	<u>-</u>	<u>5,189,257</u>	<u>4,287,087</u>
FEES						
General education fees	2,412,835	-	2,412,835	529,647	2,942,482	2,559,140
Out-of-district fees	4,989,076	-	4,989,076	-	4,989,076	4,153,019
Laboratory fees	525,271	-	525,271	-	525,271	459,985
Testing fees	164,584	-	164,584	-	164,584	139,605
Administrative fees	37,910	-	37,910	-	37,910	34,267
Special services fees	339,136	-	339,136	-	339,136	268,652
Orientation fees	91,336	-	91,336	-	91,336	82,652
Distance learning fees	13,670	-	13,670	-	13,670	13,845
Total fees	<u>8,573,818</u>	<u>-</u>	<u>8,573,818</u>	<u>529,647</u>	<u>9,103,465</u>	<u>7,711,165</u>
SCHOLARSHIP ALLOWANCES AND DISCOUNTS						
Remissions and exemptions - state	(148,505)	-	(148,505)	(4,593)	(153,098)	(77,362)
Remissions and exemptions - local	(36,353)	-	(36,353)	(1,124)	(37,477)	(29,939)
Federal grants to students	(4,756,486)	-	(4,756,486)	(147,108)	(4,903,594)	(3,211,547)
TPEG awards	(70,003)	-	(70,003)	(2,165)	(72,168)	(96,258)
Texas grants	(61,085)	-	(61,085)	(1,889)	(62,974)	(286,253)
Miscellaneous state grants	(153,173)	-	(153,173)	(4,737)	(157,910)	(164,691)
Local scholarships	(415,537)	-	(415,537)	(12,852)	(428,389)	(464,007)
Total scholarship and allowances	<u>(5,641,142)</u>	<u>-</u>	<u>(5,641,142)</u>	<u>(174,468)</u>	<u>(5,815,610)</u>	<u>(4,330,057)</u>
Total net tuition and fees	<u>8,121,933</u>	<u>-</u>	<u>8,121,933</u>	<u>355,179</u>	<u>8,477,112</u>	<u>7,668,195</u>

*In accordance with Education Code 56.033, \$182,805 and \$151,917 for years August 31, FY10 and FY09, 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, 2010 (With Memorandum Totals for the Year Ended August 31, 2009)
CONTINUED

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY10 Total	FY09 Total
OTHER OPERATING REVENUES						
Federal grants and contracts	\$ -	\$ 2,023,629	\$ 2,023,629	\$ -	\$ 2,023,629	\$ 1,524,838
State grants and contracts	-	1,246,766	1,246,766	-	1,246,766	1,284,854
Nongovernmental grants and contracts	293,817	131,909	425,726	-	425,726	709,076
Sales and services of educational activities	163,557	-	163,557	-	163,557	115,753
Other operating revenues	129,323	-	129,323	-	129,323	111,721
Total other operating revenues	586,697	3,402,304	3,989,001	-	3,989,001	3,746,242
AUXILIARY ENTERPRISES						
Bookstore	-	-	-	4,401,286	4,401,286	3,576,082
Scholarship allowances and discounts	-	-	-	(2,129,885)	(2,129,885)	(1,059,129)
Net bookstore	-	-	-	2,271,401	2,271,401	2,516,953
Dormitories	-	-	-	1,023,079	1,023,079	1,015,271
Scholarship allowances and discounts	-	-	-	(649,773)	(649,773)	(542,323)
Net dormitories	-	-	-	373,306	373,306	472,948
Cafeteria	-	-	-	1,347,139	1,347,139	991,715
Scholarship allowances and discounts	-	-	-	(20,597)	(20,597)	(192,870)
Net cafeteria	-	-	-	1,326,542	1,326,542	798,845
Athletics	-	-	-	22,039	22,039	30,680
East Texas Oil Museum	-	-	-	181,592	181,592	198,204
Texas Shakespeare Festival	-	-	-	250,580	250,580	212,149
Child Development Center	-	-	-	128,824	128,824	118,638
Fitness Center	-	-	-	169,860	169,860	200,905
Student activities	-	-	-	38,673	38,673	35,992
Total net auxiliary enterprises	-	-	-	4,762,817	4,762,817	4,585,314
Total operating revenues	\$ 8,708,630	\$ 3,402,304	\$ 12,110,934	\$ 5,117,996	\$ 17,228,930	\$ 15,999,751
					(Exhibit 2)	(Exhibit 2)

SCHEDULE B

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2010 (With Memorandum Totals for the Year Ended August 31, 2009)

	Operating Expenses					FY10 Total	FY09 Total	
	Salaries and Wages	Benefits		Other Expenses	FY10 Total			FY09 Total
		State	Local					
Unrestricted - Educational Activities								
Instruction	\$ 11,968,806	\$ -	\$ 380,984	\$ 1,897,692	\$ 14,247,482	\$ 12,594,828		
Public service	99,498	-	2,826	114,968	217,292	204,900		
Academic support	2,299,086	-	77,579	466,353	2,843,018	2,511,655		
Student services	1,032,590	-	27,549	413,144	1,473,283	1,400,914		
Institutional support	2,314,251	-	605,640	1,858,021	4,777,912	4,599,570		
Operation and maintenance of plant	1,167,072	-	344,549	1,895,415	3,407,036	3,490,332		
Scholarship and fellowships	-	-	-	201,425	201,425	90,326		
Total unrestricted educational activities	18,881,303	-	1,439,127	6,847,018	27,167,448	24,892,525		
Restricted - Educational Activities								
Instruction	389,819	2,208,844	62,765	389,194	3,050,622	2,905,893		
Public service	384,196	18,362	71,495	281,101	755,154	750,403		
Academic support	743	424,296	21	54,316	479,376	443,806		
Student services	311,273	190,564	58,367	292,821	853,025	822,264		
Institutional support	-	427,095	-	23,086	450,181	444,250		
Operation and maintenance of plant	-	-	-	-	-	3,450		
Scholarships and fellowships	350	-	-	6,458,995	6,459,345	3,702,009		
Total restricted educational activities	1,086,381	3,269,161	192,648	7,499,513	12,047,703	9,072,075		
Total educational activities	19,967,684	3,269,161	1,631,775	14,346,531	39,215,151	33,964,600		
Auxiliary enterprises	1,150,319	-	179,475	6,383,804	7,713,598	6,542,521		
Depreciation expense:								
Buildings and other real estate improvements	-	-	-	964,903	964,903	912,839		
Equipment and furniture	-	-	-	404,438	404,438	389,645		
Total operating expenses	\$21,118,003	\$ 3,269,161	\$ 1,811,250	\$22,099,676	\$48,298,090	\$ 41,809,605		
					(Exhibit 2)	(Exhibit 2)		

See accompanying notes to financial statements.

SCHEDULE C

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2010 (With Memorandum Totals for the Year Ended August 31, 2009)

	Unrestricted	Restricted	Auxiliary Enterprises	FY10 Total	FY09 Total
NON-OPERATING REVENUES					
State Appropriations:					
Education and general state support	\$ 11,831,682	\$ -	\$ -	\$ 11,831,682	\$ 10,274,995
State group insurance	-	2,261,399	-	2,261,399	2,160,444
State retirement matching	-	1,007,763	-	1,007,763	844,095
Total state appropriations	<u>11,831,682</u>	<u>3,269,162</u>	<u>-</u>	<u>15,100,844</u>	<u>13,279,534</u>
Maintenance ad valorem taxes	5,937,296	-	-	5,937,296	6,175,254
Federal revenue, non-operating	-	12,977,916	-	12,977,916	8,038,644
Gifts	27,612	524,006	166,052	717,670	1,237,737
Investment income	210,823	-	3,432	214,255	373,553
Endowment income	-	129,792	-	129,792	179,641
Insurance proceeds	138,360	-	-	138,360	1,022,632
Other non-operating revenue	<u>7,468</u>	<u>-</u>	<u>-</u>	<u>7,468</u>	<u>6,482</u>
Total non-operating revenues	18,153,241	16,900,876	169,484	35,223,601	30,313,477
NON-OPERATING EXPENSES					
Interest on capital related debt	119,631	-	-	119,631	138,820
Disposal of fixed assets	-	28,548	-	28,548	6,285
Other non-operating expenses	<u>979,256</u>	<u>(436,299)</u>	<u>-</u>	<u>542,957</u>	<u>144,147</u>
Total non-operating expenses	<u>1,098,887</u>	<u>(407,751)</u>	<u>-</u>	<u>691,136</u>	<u>289,252</u>
Net non-operating revenues	<u>\$ 17,054,354</u>	<u>\$ 17,308,627</u>	<u>\$ 169,484</u>	<u>\$ 34,532,465</u>	<u>\$ 30,024,225</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, 2010

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted Expendable	Restricted Non-Expendable	Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
Current:							
Unrestricted	\$ 7,856,688	\$ -	\$ -	\$ -	\$ 7,856,688	\$ 7,856,688	\$ -
Restricted	-	985,305	-	-	985,305	985,305	-
Auxiliary enterprises	1,448,268	-	-	-	1,448,268	1,448,268	-
Endowment	-	-	7,151,674	-	7,151,674	-	7,151,674
Plant:							
Unexpended	6,783,350	-	-	-	6,783,350	-	6,783,350
Debt Service	-	429,034	-	-	429,034	-	429,034
Investment in plant	-	-	-	38,217,915	38,217,915	-	38,217,915
Total net assets, August 31, 2010	16,088,306	1,414,339	7,151,674	38,217,915	62,872,234 (Exhibit 1)	10,290,261	52,581,973
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
Net increase (decrease) in net assets	<u>\$ 1,938,846</u>	<u>\$ 798,332</u>	<u>\$ 221,951</u>	<u>\$ 504,176</u>	<u>\$ 3,463,305</u> (Exhibit 2)	<u>\$ (877,017)</u>	<u>\$ 4,340,322</u>

CONFIDENTIAL - SECURITY INFORMATION
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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, 2010 and 2009, and have issued our report thereon dated November 30, 2010. 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, 2010, 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.

Harry E. Peters, P.C.

Tyler, Texas
November 30, 2010

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, 2010. 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, 2010.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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.

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.

Harry E. Peters, P.C.

Tyler, Texas
November 30, 2010

KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2010

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
SEOG Grant	84.007		\$ 104,391
Federal College Workstudy Program	84.033		149,848
ARRA - Federal College Workstudy Program	84.033 - ARRA		29,503
Pell Grant Program	84.063		12,694,174
Academic Competiveness Grant	84.375		241,443
Total Student Financial Assistance Cluster *			13,219,359
TRIO Cluster:			
TRIO - Student Support Services	84.042		253,848
TRIO - Upward Bound	84.047		221,832
Total TRIO Cluster *			475,680
Passed-Through From:			
Texas Education Agency Adult Education	84.002	093625017110230	362,895
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	94223	412,971
Leveraging Educational Assistance Partnership (LEAP)	84.069A		8,806
Special Leveraging Educational Assistance Partnership (SLEAP)	84.069B		12,966
Robert C. Byrd Honors Scholarships	84.185A		1,500
ARRA - State Fiscal Stabilization Fund *	84.397	S397A090044	206,841
Total U.S. Department of Education			14,701,018
<u>U.S. Department of Veteran's Affairs</u>			
Direct Programs:			
Post 911 GI Grant	64.027		120,573
Total - U.S. Department of Veteran's Affairs			120,573
<u>U.S. Small Business Administration</u>			
Passed Through Dallas County Community College			
SBDC - Federal	59.037	9-603001-Z-0046-22	166,814
Total - U.S. Small Business Administration			166,814
<u>U.S. Department of Health and Human Services</u>			
Passed through Texas Education Agency			
Adult Education - TANF	93.558	093625017110230	13,140
Total - U.S. Department of Health and Human Services			13,140
Total Federal Financial Assistance			\$ 15,001,545
* Denotes major program			
<u>Note 1: Federal Assistance Reconciliation</u>			
Federal Grants and Contracts Revenue plus Federal Revenue, Non-Operating per Exhibit 2			\$ 15,001,545
<u>Note 2: Significant accounting policies used in preparing schedules</u>			
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, 2010

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	<u>\$12,740,131</u>	<u>\$ -</u>	<u>\$ 12,740,131</u>

SCHEDULE F

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2010**

<u>Pass-Through Grantor/Program Title</u>	<u>Grant Contract Number</u>	<u>Pass-Through Disbursements and Expenditures</u>
Texas Education Agency Adult Basic Education	100100017110303	\$ 71,760
Dallas County Community College District Small Business Development Center	10-603001-Z-0046-22	140,660
Texas Higher Education Coordinating Board		
Texas Grant *		498,175
EHS Graduate		31,338
Educational Aid		14,470
Professional Nursing Shortage Reduction Program		140,000
P-16 College Readiness Grant		2,950
Texas Educational Opportunity Grant *		112,103
Texas Top Ten Percent		9,612
Intensive Summer Program for General Education		24,401
JET		38,866
Texas Workforce Commission		
Orgill, Inc.	0808SDF000	82,860
Cleveland Steel	0808SDF004	62,604
Closure Systems International	0809SDF001	16,968
		<u>162,432</u>
Total State Financial Assistance		<u>\$ 1,246,767</u>

* Denotes major program

Note 1: State Assistance Reconciliation

State Financial Assistance	<u>\$ 1,246,767</u>
State Revenues per Schedule A	<u>\$ 1,246,767</u>

Note 2: Significant accounting policies used in preparing schedules

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

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, 2010 totaled \$6,650.

**KILGORE JUNIOR COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2010**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

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

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A - 133?

_____ Yes X No

Identification of major programs:

CFDA Number(s)

Various

Various

Name of Federal Program / Cluster

Student Financial Assistance Cluster

TRIO Cluster

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, 2010
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
N/A	Texas Educational Opportunity Grant

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

No matters requiring reporting were noted.

KILGORE JUNIOR COLLEGE DISTRICT
SUMMARY SCHEDULE OF FEDERAL AND STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2010

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: 08/09

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

Condition Found:

Inadequate record keeping to support student eligibility requirements.

Corrective Action Taken:

Kilgore College implemented procedures to ensure adequate documentation was obtained and maintained on file to support student eligibility.

STATE PRIOR AUDIT FINDINGS AND QUESTIONED COSTS:

None

STATISTICAL SUPPLEMENT (UNAUDITED)

Kilgore Junior College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002 to 2010
(unaudited)
(amounts expressed in thousands)

	For the Year Ended August 31,								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 38,218	\$ 37,714	\$ 33,062	\$ 32,585	\$ 32,913	\$ 27,376	\$ 24,074	\$ 21,978	\$ 21,464
Restricted - expendable	1,414	616	2,145	1,693	1,435	2,259	1,493	1,221	920
Restricted - nonexpendable	7,152	6,930	5,520	5,641	5,310	5,193	4,998	4,971	5,162
Unrestricted	16,088	14,149	14,467	10,002	6,425	6,433	9,211	9,418	8,576
Total primary government net assets	\$ 62,872	\$ 59,409	\$ 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 2002-2010 are available.

Kilgore Junior College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 to 2010
(unaudited)

For the Year Ended August 31,

(amounts expressed in thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$ 8,122	\$ 7,337	\$ 6,947	\$ 6,215	\$ 5,341	\$ 4,983	\$ 4,447	\$ 4,003	\$ 3,755
Federal Grants and Contracts	2,024	1,525	1,466	1,272	1,208	1,230	1,081	1,013	979
State Grants and Contracts	1,247	1,285	1,908	743	575	543	485	886	1,024
Non-Governmental Grants and Contracts	426	709	478	444	471	445	412	507	277
Sales and services of educational activities	164	116	124	124	122	143	118	104	67
Investment Income-restricted	-	-	-	-	-	-	-	3	4
Auxiliary enterprises	5,118	4,916	4,687	3,868	3,519	3,391	3,135	3,095	2,977
Other Operating Revenues	129	112	179	69	54	104	117	81	479
Total Operating Revenues	17,230	16,000	15,789	12,735	11,290	10,839	9,795	9,692	9,562
State Appropriations	15,101	13,280	13,467	12,958	12,851	12,450	12,473	13,379	13,953
Maintenance Ad Valorem Taxes	5,937	6,175	5,012	4,968	4,421	3,944	3,833	3,332	3,294
Federal Revenue, Non Operating	12,978	8,039	6,384	5,638	5,882	6,089	6,352	5,699	4,492
Gifts	718	1,238	831	955	4,259	769	1,158	399	455
Investment income	214	374	496	612	664	321	121	358	305
Endowment income	130	180	282	315	236	121	133	402	394
Insurance Proceeds	138	1,023	804	-	-	-	-	-	-
Other non-operating revenues	7	6	48	1,902	1	12	34	41	155
Total Non-Operating Revenues	35,223	30,315	27,324	27,348	28,314	23,706	24,104	23,610	23,048
Total Revenues	\$ 52,453	\$ 46,315	\$ 43,113	\$ 40,083	\$ 39,604	\$ 34,545	\$ 33,899	\$ 33,302	\$ 32,610

For the Year Ended August 31,

(amounts expressed in thousands)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	15.48%	15.84%	16.11%	15.51%	13.49%	14.42%	13.12%	12.02%	11.51%
Federal Grants and Contracts	3.86%	3.29%	3.40%	3.17%	3.05%	3.56%	3.19%	3.04%	3.00%
State Grants and Contracts	2.38%	2.77%	4.43%	1.85%	1.45%	1.57%	1.43%	2.66%	3.14%
Non-Governmental Grants and Contracts	0.81%	1.53%	1.11%	1.11%	1.19%	1.29%	1.22%	1.52%	0.85%
Sales and services of educational activities	0.31%	0.25%	0.29%	0.31%	0.31%	0.41%	0.35%	0.31%	0.21%
Investment Income-restricted	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%
Auxiliary enterprises	9.76%	10.61%	10.87%	9.65%	8.89%	9.82%	9.25%	9.29%	9.13%
Other Operating Revenues	0.25%	0.24%	0.42%	0.17%	0.14%	0.30%	0.35%	0.24%	1.47%
Total Operating Revenues	32.85%	34.55%	36.63%	31.77%	28.51%	31.38%	28.89%	29.09%	29.32%
State Appropriations	28.79%	28.67%	31.24%	32.33%	32.45%	36.04%	36.79%	40.17%	42.79%
Maintenance Ad Valorem Taxes	11.32%	13.33%	11.63%	12.39%	11.16%	11.42%	11.31%	10.01%	10.10%
Federal Revenue, Non Operating	24.74%	17.36%	14.81%	14.07%	14.85%	17.63%	18.74%	17.11%	13.77%
Gifts	1.37%	2.67%	1.93%	2.38%	10.75%	2.23%	3.42%	1.20%	1.40%
Investment income	0.41%	0.81%	1.15%	1.53%	1.68%	0.93%	0.36%	1.08%	0.94%
Endowment income	0.25%	0.39%	0.65%	0.79%	0.60%	0.35%	0.39%	1.21%	1.21%
Insurance Proceeds	0.26%	2.21%	1.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenues	0.01%	0.01%	0.10%	4.75%	0.00%	0.03%	0.10%	0.13%	0.48%
Total Non-Operating Revenues	67.15%	65.45%	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%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 are available.

Kilgore Junior College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 to 2010
(unaudited)

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

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

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2010 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
2009-10	\$ 23	\$ 23	\$ 51	\$ 0	\$ 0	\$ 0	\$ 22	\$ 0	\$ 540	\$ 1152	2.27%	3.23%
2008-09	22	22	49	0	0	0	22	0	528	1116	2.33%	3.33%
2007-08	21	21	47	0	0	0	22	0	516	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%

Non - Resident									
Fees per Semester Credit Hour (SCH)									
Academic Year (Fall)	Non-Resident Tuition Out of State	Out-of-Dist 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	
2009-10	\$ 59	\$ 51	\$ 0	\$ 0	\$ 22	\$ 0	\$ 1,584	3.94%	
2008-09	56	49	0	0	22	0	1,524	4.10%	
2007-08	53	47	0	0	22	0	1,464	4.27%	
2006-07	50	45	0	0	22	0	1,404	15.84%	
2005-06	46	38	0	0	17	0	1,212	5.21%	
2004-05	43	36	0	0	17	0	1,152	6.67%	
2003-04	40	33	0	0	17	0	1,080	25.00%	
2002-03	30	25	0	0	17	0	864	4.35%	
2001-02	30	22	10	3	0	4	828	0.00%	
2000-01	30	22	10	3	0	4	828	0.00%	

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

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2009-10	\$ 4,074,768	\$ 248,904	\$ 3,825,864	93.89%	0.15400	-	0.15400
2008-09	3,470,209	298,632	3,171,577	91.39%	0.15400	-	0.15400
2007-08	3,377,204	165,814	3,211,390	95.09%	0.01640	-	0.01640
2006-07	3,055,914	188,408	2,867,506	93.83%	0.01640	-	0.01640
2005-06	2,635,907	130,507	2,505,400	95.05%	0.17400	0.00000	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
1999-00	1,990,753	311,720	1,679,033	84.34%	0.16890	0.00000	0.16890

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

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

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
2009-10	\$ 11,831,682	4,969	2,381	2,049	1,019	3,068	3,856.48
2008-09	10,183,215	4,115	2,475	1,750	904	2,655	3,835.49
2007-08	10,480,707	4,121	2,543	1,688	846	2,533	4,137.10
2006-07	10,170,125	3,558	2,858	1,564	741	2,305	4,412.29
2005-06	10,170,125	3,675	2,767	1,656	741	2,397	4,242.81
2004-05	10,156,900	3,718	2,732	1,688	718	2,406	4,221.65
2003-04	10,157,067	3,779	2,688	1,714	1,114	2,828	3,591.75
2002-03	10,692,354	4,389	2,436	1,646	1,399	3,046	3,510.86
2001-02	11,417,903	3,965	2,880	1,510	1,231	2,741	4,166.23
2000-01	9,850,814	3,845	2,562	1,388	1,417	2,805	3,512.15

Notes:

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

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

Kilgore Junior College District
Statistical Supplement 7
Principal Taxpayers
2010
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year				
		2009	2008	2007	2006	2005
Halliburton Energy Services	Oilfield service	\$ 107,198,701	\$ 104,912,980	\$ 75,420,732	\$ 78,818,860	\$ 51,141,240
Exco Partners	Oilfield service	71,055,194	46,329,630	-	-	-
B J Services Inc	Oilfield service	45,704,545	69,693,340	36,753,659	44,591,980	25,593,710
Cudd Pressure Control	Oilfield service	27,116,838	42,577,660	-	-	-
Alcoa-Southern Plastics	Manufacturing	26,620,129	28,659,380	-	-	-
XTO Energy Inc	Oilfield service	22,747,402	33,728,660	54,021,951	31,944,110	38,947,970
Danmark Energy Services Co	Oilfield service	20,370,779	34,596,730	61,953,659	26,188,370	11,016,190
AEP Southwestern Elec Co	company	18,975,974	-	18,240,377	21,102,190	6,090,420
ExxonMobil Corporation	Oilfield service	17,175,971	25,099,740	69,169,512	43,615,100	60,642,160
Geo-Vest of Texas	Oilfield service	-	36,401,200	36,837,805	34,485,420	-
Burlington Resources	Oilfield service	-	24,029,190	39,907,317	24,925,700	26,720,850
TXOK Energy Resources Co.	Oilfield service	-	-	54,876,829	54,991,430	76,292,590
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		\$ 356,965,533	\$ 446,028,510	\$ 531,575,744	\$ 394,429,300	\$ 346,786,970
Total Taxable Assessed Value		\$ 3,346,971,255	\$ 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	2009	2008	2007	2006	2005
Halliburton Energy Services	Oilfield service	3.20%	3.13%	2.25%	2.35%	1.53%
Exco Partners	Oilfield service	2.12%	1.38%	0.00%	0.00%	0.00%
B J Services Inc	Oilfield service	1.37%	2.08%	1.10%	1.33%	0.76%
Cudd Pressure Control	Oilfield service	0.81%	1.27%	0.00%	0.00%	0.00%
Alcoa-Southern Plastics	Manufacturing	0.80%	0.86%	0.00%	0.00%	0.00%
XTO Energy Inc	Oilfield service	0.68%	1.01%	1.61%	0.95%	1.16%
Danmark Energy Services Co	Oilfield service	0.61%	1.03%	1.85%	0.78%	0.33%
AEP Southwestern Elec Co	Oilfield service	0.57%	0.00%	0.54%	0.63%	0.18%
ExxonMobil Corporation	Oilfield service	0.51%	0.75%	2.07%	1.30%	1.81%
Geo-Vest of Texas	Oilfield service	0.00%	1.09%	1.10%	1.03%	0.00%
Burlington Resources	Oilfield service	0.00%	0.72%	1.19%	0.74%	0.80%
TXOK Energy Resources Co.	Oilfield service	0.00%	0.00%	1.64%	1.64%	2.28%
Anadarko E&P Co	Oilfield service	0.00%	0.00%	0.74%	0.58%	0.88%
Hunt Petroleum Corp	Oilfield service	0.00%	0.00%	0.00%	0.43%	0.62%
Basa Resource, Inc.	Oilfield service	0.00%	0.00%	1.78%	0.00%	0.00%
Totals		10.67%	13.33%	15.88%	11.78%	10.36%

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

Kilgore Junior College District
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total Tax Levy (a)	Amount	Percentage of Levy	Collections in Subsequent Years (b)	Amount	Percentage of Levy
2009-10	\$ 5,891	\$ 5,606	95.16%	\$ 151	\$ 5,757	97.73%
2008-09	5,684	5,584	98.24%	185	5,938	104.47%
2007-08	5,267	5,151	97.80%	112	5,263	99.92%
2006-07	4,820	4,671	96.91%	-	4,671	96.91%
2005-06	4,362	4,222	96.80%	76	4,222	96.80%
2004-05	3,959	3,794	95.82%	28	3,822	96.53%
2003-04	3,577	3,401	95.08%	11	3,412	95.39%
2002-03	3,398	3,224	94.86%	7	3,231	95.07%
2001-02	3,275	3,106	94.81%	4	3,110	94.93%
2000-01	2,917	2,716	93.08%	2	2,718	93.15%

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)											
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	
General Bonded Debt												
Net General Bonded Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
As a percentage of Taxable Assessed Va	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	\$ 2,925	\$ 3,230	\$ 3,530	\$ 3,815	\$ 4,025	\$ 4,255	\$ 4,485	\$ 4,710	\$ 4,925	\$ 5,130	\$ 5,325	
Notes	80	540	1,020	1,500	975	1,273	168	221	271	-	-	
Capital Lease Obligations	-	-	-	-	-	-	-	-	238	302	380	
Less: Funds Restricted for Debt Service	-	(299)	(425)	(425)	(435)	(435)	(435)	(435)	(435)	(435)	(435)	
Total Outstanding Debt	\$ 3,005	\$ 3,471	\$ 4,125	\$ 4,890	\$ 4,565	\$ 5,093	\$ 4,218	\$ 4,496	\$ 4,999	\$ 4,997	\$ 5,270	
Per Capita	\$ 9.46	\$ 3.16	\$ 3.75	\$ 4.45	\$ 3.25	\$ 3.62	\$ 3.00	\$ 3.20	\$ 3.55	\$ 3.55	\$ 3.75	
Per Student	\$ 73	\$ 141	\$ 162	\$ 119	\$ 196	\$ 218	\$ 181	\$ 193	\$ 214	\$ 214	\$ 226	
As a percentage of Taxable Assessed Va	0.10%	0.12%	0.14%	0.17%	0.16%	0.18%	0.15%	0.16%	0.17%	0.17%	0.18%	

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)									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Taxable Assessed Value	\$ 3,825,864	\$ 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
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	19,129	15,858	16,057	14,338	12,527	11,066	9,996	10,035	9,688	8,645
Less: Funds Restricted for Repayment of General Obligation Notes										
Total Net General Obligation Debt	19,129	15,858	16,057	14,338	12,527	11,066	9,996	10,035	9,688	8,645
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 19,129	\$ 15,858	\$ 16,057	\$ 14,338	\$ 12,527	\$ 11,066	\$ 9,996	\$ 10,035	\$ 9,688	\$ 8,645
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)				Coverage Ratio
	Tuition	General Education Fee	Student Services Fees	Out-of- District Fees	Building Use Fee	Technology Fee	Other	Total	Principal	Interest	Total	
2010	\$ 1,226,420	\$ 2,412,835	\$ 529,647	\$ 4,989,075	\$ -	\$ -	\$ 1,416,828	\$ 10,574,805	\$ 305,000	\$ 117,868	\$ 422,868	25.01
2009	1,005,649	2,098,495	490,645	4,153,019	-	-	902,508	8,650,316	300,000	129,454	429,454	20.14
2008	908,308	2,123,981	466,240	3,952,678	-	-	785,719	8,236,926	285,000	140,657	425,657	19.35
2007	166,373	1,942,021	426,297	3,398,162	-	-	-	5,932,853	255,000	194,926	449,926	13.19
2006	169,118	1,613,509	410,770	3,079,715	-	-	-	5,273,112	245,000	206,426	451,426	11.68
2005	168,698	1,487,945	444,451	2,848,009	-	-	-	4,949,103	230,000	217,236	447,236	11.07
2004	169,710	1,484,266	468,732	2,635,570	-	-	-	4,758,278	225,000	227,361	452,361	10.52
2003	162,893	1,428,817	426,776	1,951,425	-	-	-	3,969,911	215,000	236,934	451,934	8.78
2002	149,813	-	-	1,561,839	998,323	299,450	-	3,009,425	205,000	245,913	450,913	6.67
2001	136,193	-	-	1,434,993	926,093	277,068	-	2,774,347	195,000	254,364	449,364	6.17

**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%
2000	29,351	2,855,889,850	97,301	5.4%
2001	28,775	2,723,288,850	94,639	5.3%

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	2009 Number of Employees	2008 Number of Employees	2007 Number of Employees	2006 Number of Employees	2005 Number of Employees	Percentage of Total Employment (a)
Halliburton	731	316	409	388	332	-
Kilgore ISD	606	543	551	554	560	-
Vertex, RSI	499	497	488	472	463	-
Kilgore College	363	411	386	391	375	-
Region VII Education Service Ctr	290	254	266	259	256	-
Martin Midstream Partners, LP	241	194	193	168	157	-
Pak-Sher, Inc	160	58	137	144	141	-
BJ Services	155	157	191	167	155	-
City of Kilgore	155	144	146	147	150	-
Skeeter Boats	153	182	244	247	240	-
Laird Memorial Hospital	-	-	61	272	270	-
Total	3,353	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)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Faculty											
Full-Time	155.00	124.00	124.00	119.00	116.25	110.25	115.75	116.75	126.00	132.00	134.00
Part-Time	248.00	51.00	51.00	58.80	50.00	48.40	45.30	44.25	36.45	25.90	27.20
Total	403.00	175.00	175.00	177.80	166.25	158.65	161.05	161.00	162.45	157.90	161.20
Percent											
Full-Time	38.46%	70.86%	70.86%	66.93%	69.92%	69.5%	71.9%	72.5%	77.6%	83.6%	83.1%
Part-Time	61.54%	29.14%	29.14%	33.07%	30.08%	30.5%	28.1%	27.5%	22.4%	16.4%	16.9%
Staff and Administrators											
Full-Time	223.00	283.00	205.00	214.54	219.00	217.00	208.00	206.00	201.00	191.00	190.00
Part-Time	48.00	33.00	28.25	31.00	35.00	30.50	22.50	27.00	31.50	33.50	33.50
Total	271.00	316.00	233.25	245.54	254.00	247.50	230.50	233.00	232.50	224.50	223.50
Percent											
Full-Time	82.29%	89.56%	87.89%	87.37%	86.22%	87.68%	90.24%	88.41%	86.45%	85.08%	85.01%
Part-Time	17.71%	10.44%	12.11%	12.63%	13.78%	12.32%	9.76%	11.59%	13.55%	14.92%	14.99%
Students per Full-Time Faculty	41.13	41.53	43.28	44.30	42.60	41.88	42.46	38.71	34.68	29.84	39.96
Students per Full-Time Staff Memt	28.59	19.48	25.12	24.00	21.45	22.76	23.76	23.68	22.78	20.94	21.27
Average Annual Faculty Salary	\$29,537	\$54,549	\$54,549	\$52,081	\$51,324	\$50,912	\$46,256	\$48,005	\$43,519	\$45,081	\$34,163

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 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	4,686	73.51%	3,977	72.14%	3,681	71.48%	3,323	70.75%	3,929	81.04%
Sophomore	1,239	19.44%	1,158	21.00%	1,074	20.85%	1,066	22.70%	683	14.09%
Unclassified	193	3.03%	288	5.22%	236	4.58%	168	3.58%	96	1.98%
Associate Degree	226	3.55%	53	0.96%	91	1.77%	68	1.45%	63	1.30%
Baccalaureate or Above	31	0.49%	37	0.67%	68	1.32%	72	1.53%	77	1.59%
Total	6,375	100.00%	5,513	100.00%	5,150	100.00%	4,697	100.00%	4,848	100.00%

Semester Hour Load	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	52	0.82%	38	0.69%	37	0.72%	69	1.47%	43	0.89%
3-5 semester hours	1,331	20.88%	1,073	19.46%	922	17.90%	812	17.29%	769	15.86%
6-8 Semester hours	1,150	18.04%	937	17.00%	784	15.22%	774	16.48%	690	14.23%
9-11 semester hours	865	13.57%	809	14.67%	733	14.23%	655	13.95%	718	14.81%
12-14 semester hours	2,219	34.81%	1,863	33.79%	1,934	37.55%	1,644	35.00%	1,855	38.26%
15-17 semester hours	625	9.80%	678	12.30%	636	12.35%	616	13.11%	646	13.33%
18 & over	133	2.09%	115	2.09%	104	2.02%	127	2.70%	127	2.62%
Total	6,375	100.00%	5,513	100.00%	5,150	100.00%	4,697	100.00%	4,848	100.00%

Average course load 9.5 sch 10.0 sch 10.0 sch

Tuition Status	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	1,786	28.02%	1,588	28.80%	1,560	30.29%	1,499	31.91%	1,514	31.29%
Texas Resident (out-of-District)	4,267	66.93%	3,647	66.15%	3,300	64.08%	2,989	63.64%	3,134	64.78%
Non-Resident Tuition	322	5.05%	278	5.04%	290	5.63%	209	4.45%	190	3.93%
Total	6,375	100.00%	5,513	100.00%	5,150	100.00%	4,697	100.00%	4,838	100.00%

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

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	3,907	61.29%	3,448	62.54%	3,258	63.26%	2,979	63.42%	3,041	62.73%
Male	2,468	38.71%	2,065	37.46%	1,892	36.74%	1,718	36.58%	1,807	37.27%
Total	<u>6,375</u>	<u>100.00%</u>	<u>5,513</u>	<u>100.00%</u>	<u>5,150</u>	<u>100.00%</u>	<u>4,697</u>	<u>100.00%</u>	<u>4,848</u>	<u>100.00%</u>

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	4,201	65.90%	3,630	65.84%	3,438	66.76%	3,259	69.38%	3,736	77.06%
Hispanic	1,281	20.09%	1,057	19.17%	331	6.43%	271	5.77%	225	4.64%
African American	556	8.72%	422	7.65%	852	16.54%	706	15.03%	725	14.95%
Asian/Pacific Islander	78	1.22%	49	0.89%	30	0.58%	29	0.62%	20	0.41%
Foreign	32	0.50%	26	0.47%	132	2.56%	118	2.51%	135	2.78%
Native American	120	1.88%	122	2.21%	18	0.35%	9	0.19%	7	0.14%
Unknown	107	1.68%	207	3.75%	349	6.78%	305	6.49%	-	0.00%
Total	<u>6,375</u>	<u>100.00%</u>	<u>5,513</u>	<u>100.00%</u>	<u>5,150</u>	<u>100.00%</u>	<u>4,697</u>	<u>100.00%</u>	<u>4,848</u>	<u>100.00%</u>

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	835	13.10%	499	9.05%	326	6.33%	358	7.62%	232	4.79%
18-21	2,867	44.97%	2,685	48.70%	2,522	48.97%	2,290	48.75%	2,364	48.76%
22-24	775	12.16%	640	11.61%	640	12.43%	573	12.20%	631	13.02%
25-30	841	13.19%	755	13.69%	734	14.25%	650	13.84%	708	14.60%
31-35	388	6.09%	343	6.22%	321	6.23%	291	6.20%	314	6.48%
36-50	550	8.63%	490	8.89%	505	9.81%	433	9.22%	500	10.31%
51-64	108	1.69%	89	1.61%	88	1.71%	90	1.92%	89	1.84%
65 & over	11	0.17%	12	0.22%	14	0.27%	12	0.26%	10	0.21%
Total	<u>6,375</u>	<u>100.00%</u>	<u>5,513</u>	<u>100.00%</u>	<u>5,150</u>	<u>100.00%</u>	<u>4,697</u>	<u>100.00%</u>	<u>4,848</u>	<u>100.00%</u>

Average Age	24	24	25	25	25
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**Kilgore Junior College District
Statistical Supplement 17A
Transfers to Senior Institutions
2008 Fall Students as of Fall 2009
(Includes only public senior colleges in Texas)**

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 U. OF TEXAS AT TYLER	44	5	39	88	33.50%
2 STEPHEN F. AUSTIN STATE UNIV	10	2	38	50	19.00%
3 UNIVERSITY OF NORTH TEXAS	6	0	15	21	8.00%
4 U. OF TEXAS AT ARLINGTON	5	1	7	13	4.90%
5 TEXAS A&M UNIVERSITY	2	0	11	13	4.90%
6 TEXAS A&M UNIVERSITY-TEXARKANA	5	0	7	12	4.60%
7 SAM HOUSTON STATE UNIVERSITY	2	0	10	12	4.60%
8 TEXAS WOMAN'S UNIVERSITY	4	0	5	9	3.40%
9 TEXAS A&M UNIVERSITY-COMMERCE	2	0	7	9	3.40%
10 TEXAS STATE UNIV - SAN MARCOS	1	0	8	9	3.40%
11 TEXAS TECH UNIVERSITY	1	0	5	6	2.30%
12 U. OF HOUSTON - DOWNTOWN	2	0	3	5	1.90%
13 U. OF TEXAS AT AUSTIN	2	0	3	5	1.90%
14 UNIVERSITY OF HOUSTON	1	0	4	5	1.90%
OTHER PUBLIC 4YR INSTITUTIONS	2	1	3	6	2.30%
	89	9	165	263	100.00%

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

	Fall 2008			Fall 2007			Fall 2006			Fall 2005		
	Academic Associate Prior to	Core Curriculum Completer	Total Transfer Student Count ²	Academic Associate Prior to	Core Curriculum Completer	Total Transfer Student Count ²	Academic Associate Prior to	Earned Core Curriculum Completer	Total Transfer Student Count ²	Academic Associate Prior to	Earned Core Curriculum Completer	Total Transfer Student Count ²
			% Total Transfers			% Total Transfers			% Total Transfers			% Total Transfers
SAM HOUSTON STATE UNIVERSITY	2	2	4	2	2	4	1.8%	3	5	0	1	1
STEPHEN F. AUSTIN STATE UNIV	10	13	23	9	17	26	11.7%	14	27	16	22	38
TARLETON STATE UNIVERSITY	0	0	0	0	0	0	0.0%	0	0	1	1	2
TEXAS A&M UNIVERSITY	2	2	4	5	7	12	5.4%	5	10	3	2	5
TEXAS A&M UNIVERSITY-COMMERCE	2	2	4	2	1	3	1.4%	2	5	2	2	4
TEXAS A&M UNIVERSITY-TEXARKANA	5	7	12	6	7	13	5.9%	5	11	7	11	18
TEXAS STATE UNIV - SAN MARCOS	1	3	4	2	4	6	2.7%	5	10	6	7	13
TEXAS TECH UNIVERSITY	1	1	2	3	3	6	2.7%	0	0	1	3	4
TEXAS WOMAN'S UNIVERSITY	4	3	7	4	4	8	3.6%	1	3	2	1	3
U. OF HOUSTON - DOWNTOWN	2	1	3	0	0	0	0.0%	2	3	1	4	0
U. OF TEXAS AT ARLINGTON	5	5	10	5	6	11	5.0%	4	7	3	4	7
U. OF TEXAS AT AUSTIN	2	2	4	0	0	0	0.0%	5	9	0	0	0
U. OF TEXAS AT TYLER	44	49	93	43	52	95	42.8%	54	99	45	61	112
UNIVERSITY OF HOUSTON	1	0	1	0	0	0	0.0%	3	6	0	2	2
UNIVERSITY OF NORTH TEXAS	6	7	13	9	11	20	9.0%	5	7	10	15	25
OTHER PUBLIC 4-YR INSTITUTION	2	3	5	9	9	18	8.1%	6	11	3	4	7
TOTAL	89	100	189	99	123	222	100.0%	99	213	105	136	241

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 hours.

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

**Kilgore Junior College District
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2003 to 2010**

	Fiscal Year							
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Academic buildings	15	14	13	13	13	13	13	13
Square footage (in thousands)	339	335	331	331	331	331	331	331
Libraries	1	1	1	1	1	1	1	1
Square footage (in thousands)	38	38	38	38	38	38	38	38
Number of Volumes (in thousands)	101	101	101	101	101	101	101	101
Administrative and support buildings	6	6	6	6	6	6	6	6
Square footage (in thousands)	115	115	115	115	115	115	115	115
Dormitories	5	5	5	5	4	4	4	4
Square footage (in thousands)	136	136	136	136	101	101	101	101
Number of Beds	490	490	490	490	410	410	410	410
Dining Facilities	1	1	1	1	1	1	1	1
Square footage (in thousands)	23	23	23	23	23	23	23	23
Average daily customers	410	410	410	410	410	410	410	410
Athletic Facilities	5	5	5	5	5	5	5	5
Square footage (in thousands)	119	119	119	119	119	119	119	119
Stadiums	1	1	1	1	1	1	1	1
Gymnasiums	2	2	2	2	2	2	2	2
Fitness Centers	1	1	1	1	1	1	1	1
Tennis Court	1	1	1	1	1	1	1	1
Plant facilities	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20
Transportation								
Cars	12	12	12	13	12	12	12	10
Light Trucks/Vans	23	23	23	24	24	22	20	20
Buses	0	0	0	0	0	0	0	0

CONFIDENTIAL
PROPERTY OF THE U.S. GOVERNMENT
NOT TO BE DISTRIBUTED OUTSIDE THE
DEFENSE ESTABLISHMENT

1954	1955	1956	1957	1958	1959	1960	1961	1962
1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9
10	10	10	10	10	10	10	10	10
11	11	11	11	11	11	11	11	11
12	12	12	12	12	12	12	12	12
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42	42	42	42	42	42	42	42	42
43	43	43	43	43	43	43	43	43
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46	46	46	46	46	46	46	46	46
47	47	47	47	47	47	47	47	47
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67	67	67	67	67	67	67	67	67
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71	71	71	71	71	71	71	71	71
72	72	72	72	72	72	72	72	72
73	73	73	73	73	73	73	73	73
74	74	74	74	74	74	74	74	74
75	75	75	75	75	75	75	75	75
76	76	76	76	76	76	76	76	76
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95	95	95	95	95	95	95	95	95
96	96	96	96	96	96	96	96	96
97	97	97	97	97	97	97	97	97
98	98	98	98	98	98	98	98	98
99	99	99	99	99	99	99	99	99
100	100	100	100	100	100	100	100	100

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