

**VICTORIA COUNTY
JUNIOR COLLEGE DISTRICT**

ANNUAL FINANCIAL REPORT

AUGUST 31, 2007

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS**

**ANNUAL FINANCIAL REPORT
AUGUST 31, 2007**

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VICTORIA, TEXAS**

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**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS**

**ORGANIZATIONAL DATA
FOR THE FISCAL YEAR 2006-2007**

BOARD OF TRUSTEES

Officers

Catherine McHaney	President
Ronald B. Walker	Vice President
Ernest G. Guajardo, Sr.	Secretary

Members

		<u>Term Expires</u>
Dr. Josie Rivera	Victoria, Texas	2012
Catherine McHaney	Victoria, Texas	2010
Ernest G. Guajardo, Sr.	Victoria, Texas	2010
Mark E. Zafereo	Victoria, Texas	2012
Roger Welder	Victoria, Texas	2008
Ronald B. Walker	Victoria, Texas	2008
Thomas M. O'Conner	Victoria, Texas	2008

Principal Administrative Officers

Jimmy Goodson, Ed. D.	President
Elaine Marcinkowska, B.S.B.A., C.P.A.	Vice President of Business and Administrative Services
Florinda Correa, M.S.	Vice President of Student Services
Patricia Vandervoort, M.A.	Vice President of Instruction
Jennifer Yancey, B.B.A.	Vice President of College Advancement and External Affairs
Keith Blundell, M.B.A., C.P.A.	Associate Vice President of Business and Administrative Services

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Victoria County Junior College District
Victoria, Texas

We have audited the accompanying basic financial statements of Victoria County Junior College District (the "District"), as of and for the year ended August 31, 2007, which collectively comprise the District's basic financial statements, 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 audit. We did not audit the financial statements of Victoria College Foundation, Inc. (the "Affiliated Organization"), which reflects total assets of \$2,542,857 and revenues of \$304,266. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Victoria College Foundation, Inc., are based solely on the report of the other auditors.

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 and the standards applicable to financial audits contained in the *State of Texas Single Audit Circular*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Victoria County Junior College District as of August 31, 2007, and the respective changes in its financial position and cash flows where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the *State of Texas Single Audit Circular*, we have also issued our report dated October 19, 2007, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *State of Texas Single Audit Circular* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 6, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Victoria County Junior College District's basic financial statements. The supplementary information and financial assistance section as denoted in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. The accompanying Schedule of Expenditures of Federal awards is 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 is not a required part of the basic financial statements of Victoria County Junior College District. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the *State of Texas Single Audit Circular*, and is also not a required part of the basic financial statements of Victoria County Junior College District. Such information, except for those schedules marked "unaudited" on which we express no opinion, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Pattillo, Brown & Hill, LLP

October 19, 2007

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS**

**Management's Discussion and Analysis
Year Ended August 31, 2007**

Analysis of Financial Position

During the fiscal year ended August 31, 2007, the College received the same base State funding that it did for the fiscal year ended August 31, 2006. This was the result of the State's "hold harmless" clause that the legislature implemented in the last regular session. Under this clause, the College was able to keep a level base funding even though overall contact hours decreased. During this time, the College's enrollment head count increased 1.4% while its contact hours decreased 2.0%. In addition, the State's funding for employee health insurance remained the same as prior year. Faculty and staff received salary increases of 3%, which were funded by additional property taxes.

In May 2006, the voters of the Victoria County Junior College District voted to approve the issuance of \$15,500,000 of limited tax bonds to primarily fund the construction of a Health Sciences Center and renovate the existing Allied Health Building. The project will also include additional and improved parking, lighting improvements and underground utility improvements. The College issued \$14,500,000 of the tax bonds in August 2006 and the remaining \$1,000,000 in tax bonds was issued in February 2007. The Health Science Center has an expected completion date of September 2008.

The College Board voted to keep the property tax rate the same as the prior year at a rate of \$0.1416 per \$100 valuation. However, property tax revenues increased 6.5% due an increase in assessed property values of 7.3%.

Interest and related investment income was up 386.2%. This was the result of the issuance of \$15,500,000 in tax bonds for construction.

Tuition and fee revenues increased 10.0% over prior year. Although semester credit hours (SCH) remained flat, the college did raise the tuition and fee rates as follows. The In-district Tuition rate increased \$1 per SCH to \$30 per SCH. The Out-of District fee was increased by \$4 per SCH to \$20 per SCH. The General fee was increased by \$1 per SCH to \$14 per SCH. The College also instituted a new Technology Fee of a flat \$10 per semester. The College received a workforce development grant from the State that paid approximately \$600,000 in continuing education tuition for area petro-chemical plant employees.

Short-term liabilities increased by \$1,007,223. This is due primarily to the increase in Accounts Payable related to the construction of new facilities mentioned above.

During the issuance of the College's new tax obligations, the Moody's and S&P credit rating agencies evaluated the college for credit worthiness. The College received a Moody's rating of Aaa and an S&P rating of AAA. There were no changes to the credit ratings of the bonds outstanding. There are no known debt limitations that could affect the financing of facilities or services.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS**

**Management's Discussion and Analysis
Year Ended August 31, 2007**

Table 1 – Condensed Financial Information

Financial Statement Category	Current Year	Prior Year
Assets		
Cash and Investments	\$ 24,707,391	\$ 25,210,165
Other Assets	1,498,988	1,330,268
Capital Assets	30,298,856	27,548,280
Total Assets	56,505,235	54,088,713
Liabilities		
Current Liabilities	3,986,422	2,979,199
Long-term Liabilities	18,395,000	18,200,000
Total Liabilities	22,381,422	21,179,199
Net Assets		
Invested in Capital Assets, Net of Related Debt	11,098,856	8,513,280
Unrestricted	5,420,774	5,714,829
Restricted	17,604,183	18,681,405
Total Net Assets	34,123,813	32,909,514
Operating Revenues		
Tuition and Fees (net of discounts)	4,205,681	3,821,570
Local, State and Federal Grants and Contracts	6,625,081	6,531,766
Auxiliary Enterprise	2,821,583	2,560,931
Other	517,317	585,922
Total Operating Revenues	14,169,662	13,500,189
Operating Expenses		
Instruction	13,662,459	12,484,640
Public Service	204,299	71,084
Academic Support	1,834,868	1,434,222
Student Support	2,166,441	2,148,052
Institutional Support	2,949,391	3,027,366
Operation and Maintenance of Plant	2,621,922	2,703,845
Scholarships and Fellowships	784,451	1,317,595
Auxiliary Enterprises	3,204,063	3,057,889
Depreciation	974,998	949,068
Total Operating Expenses	28,402,892	27,193,761
Operating Income (Loss)	(14,233,230)	(13,693,572)
Non-Operating Revenues (Expenses)		
State Appropriations	8,916,828	8,821,048
Taxes	6,019,337	5,651,584
Gifts	514,082	153,005
Interest on Capital Related Debt	(941,261)	(266,697)
Investment Related Income	1,162,703	239,132
Total Non-Operating Revenues (Expenses)	15,671,689	14,598,072
Income Before Other Revenues, (Expenses), Gains, (Losses)	1,438,459	904,500
Other Revenues, (Expenses), Gains, (Losses)	(224,160)	235,853
Increase (Decrease) in Net Assets	1,214,299	1,140,353
Beginning Net Assets	32,909,514	31,769,161
Adjustment to Net Assets	-	-
Ending Net Assets	\$ 34,123,813	\$ 32,909,514

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS**

**Management's Discussion and Analysis
Year Ended August 31, 2007**

Enrollment Highlights

Credit student enrollment rose slightly from to 3,981 in Fall of 2005 to 4,036 in Fall of 2006. This is an increase in student count of approximately 1.4% over the period. There was a 2.0% decrease in contact hours for credit students. This relatively stable enrollment is indicative of the strong economy and low unemployment rate. Non-credit enrollment realized a significant increase in annualized student headcount, from 3,363 in 2005-2006 to 4,093 in 2006-2007, an increase of 21.7%. This increase was due in part to a Skills Development Fund grant from the Texas Workforce Commission. The grant allowed the College to offer specialized training to industrial plants within its service area, thereby increasing the skill level of incumbent workers.

Credit Students	2006-2007		Fall	Spring	Summer 1	Summer 2	Annual*
	Enrollment		4,036	3,816	1,458	590	5,600
Contact Hours		732,512	684,592	174,976	37,920	1,630,000	
Non-Credit Students	2006-2007		Fall	Spring	Summer 1	Summer 2	Annual*
	Enrollment		1,461	1,567	965	1,156	4,093
Contact Hours		45,622	49,128	29,436	35,174	159,360	
2005-2006	2005-2006		Fall	Spring	Summer 1	Summer 2	Annual*
	Enrollment		722	907	900	1,544	3,363
Contact Hours		23,152	55,277	37,431	40,009	155,869	

*-Unduplicated

Certificates and Degrees Conferred

	Associate of Arts	Associate of Science	Associate of Applied Sciences	Work Force Certificates	Total Degrees & Certificates
2006 - 2007	40	85	146	223	494
2005 - 2006	37	60	182	231	510

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS**

**Management's Discussion and Analysis
Year Ended August 31, 2007**

Achieving the Dream

The Victoria College remains committed to its mission of creating and providing high-quality educational programs and services for all students. During 2006-2007, the College identified an opportunity to strengthen its ability to provide these services. Victoria College applied to and was accepted into Round 4 of the Achieving the Dream – Community Colleges Count Initiative. Achieving the Dream is a national initiative to help more community college students succeed. The initiative is particularly concerned about student groups that have faced the most significant barriers to success. Achieving the Dream supports colleges' efforts to help students stick with their studies and attain their academic goals. Participating colleges work within a culture of evidence, a collective mindset in which critical decisions affecting students are informed by data and evaluated in light of whether student achievement increases.

As a participant in Achieving the Dream, Victoria College committed to:

- rigorously examining data on student achievement;
- basing decisions on data;
- confronting and addressing achievement gaps;
- monitoring our progress closely; and
- sharing our findings broadly.

A Steering Committee consisting of senior leadership was formed and attended the kickoff institute for new colleges in the Initiative. The team gained an understanding of the values and vision of Achieving the Dream and identified the resources available to assist the College in building a "learning community". The Steering Committee developed the first year work plan and budget upon its return to Victoria. An expanded Core Team consisting of faculty, staff, students and board members was developed. Together, the team discussed the first year work plan, individually completed an assessment designed to identify perceptions relating to how the College demonstrates its ability to address student persistence, learning and attainment and began the work of analyzing the policies and practices of the college as they pertain to student success.

Over the next few years, the College will work collaboratively with its assigned Coach and Data Facilitator to develop a student-centered vision, a culture of inquiry, evidence and accountability, and a commitment to equity and excellence.

Contacting the District's Financial Management

This financial report is designated to provide a general overview of the District's finances and demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Victoria County Junior College District, 2200 East Red River, Victoria, Texas 77901.

BASIC FINANCIAL STATEMENTS

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statement of Net Assets
August 31, 2007

	Current Year	Prior Year
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 17,876,893	\$ 1,629,834
Restricted cash and cash equivalents	2,669,134	872,273
Endowment cash and cash equivalents	-	1,080
Short-term investments	624	195,105
Restricted short-term investments	39,730	14,562,399
Endowment short-term investments	1,496	511,924
Accounts receivable (net)	871,643	618,145
Endowment accounts receivable	18,648	37,274
Inventories	565,797	554,439
Prepaid expenses	42,900	120,410
Total Current Assets	22,086,865	19,102,883
Noncurrent Assets		
Endowment investments	2,081,346	3,482,448
Other noncurrent investments	2,038,168	3,955,102
Construction in progress	3,582,057	556,498
Investments in real estate	325,537	325,537
Capital assets (net) (See note 3)	26,391,262	26,666,245
Total Noncurrent Assets	34,418,370	34,985,830
Total Assets	56,505,235	54,088,713
LIABILITIES		
Current Liabilities		
Accounts payable	1,314,339	415,855
Accrued liabilities	101,488	84,983
Funds held for others	452,397	364,851
Deferred revenues	1,313,198	1,278,510
Bonds payable - current portion	805,000	835,000
Total Current Liabilities	3,986,422	2,979,199
Noncurrent Liabilities		
Bonds payable	18,395,000	18,200,000
Total Noncurrent Liabilities	18,395,000	18,200,000
Total Liabilities	22,381,422	21,179,199
NET ASSETS		
Invested in capital assets, net of related debt	11,098,856	8,513,280
Restricted for		
Nonexpendable		
Student aid	4,032,663	4,292,958
Expendable		
Student aid	309,955	313,666
Unexpended bond proceeds	13,098,222	13,943,502
Debt service	163,343	131,279
Unrestricted	5,420,774	5,714,829
Total Net Assets (Schedule D)	\$ 34,123,813	\$ 32,909,514

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

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Affiliated Organization
Statement of Financial Position
August 31, 2007

	Current Year	Prior Year
ASSETS		
Current Assets		
Cash & cash equivalents	\$ 185,078	\$ 177,119
Investments	128,827	126,966
Interest receivable	224	326
Transportation fund	1,041	-
Tuition assistance receivable	20,272	8,637
Total Current Assets	335,442	304,085
Endowment Investments		
Cash and cash equivalents	-	-
Investments	1,967,908	1,228,691
Total Endowment Investments	1,967,908	1,237,654
Property (net)	239,507	243,856
Total Assets	\$ 2,542,857	\$ 1,785,595
LIABILITIES		
Current Liabilities		
Deferred rental income	\$ 35,750	\$ 39,350
Current portion of note payable	38,832	36,900
Total Current Liabilities	74,582	76,250
Long Term Liabilities		
Notes payable	38,456	77,204
Total Long Term Liabilities	38,456	77,204
Total Liabilities	113,038	153,454
NET ASSETS		
Unrestricted net assets	299,692	273,699
Permanently restricted net assets	2,130,127	1,358,442
Total Net Assets	2,429,819	1,632,141
Total Liabilities and Net Assets	\$ 2,542,857	\$ 1,785,595

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

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statement of Revenues, Expenses and
Changes in Net Assets
For The Year Ended August 31, 2007

	Current Year	Prior Year
OPERATING REVENUES		
Tuition and fees (net of discounts of \$1,842,478 & \$1,447,801, respectively)	\$ 4,205,681	\$ 3,821,570
Federal grants and contracts	5,582,372	5,828,075
State grants and contracts	1,041,561	651,806
Non-governmental grants and contracts	1,148	51,885
Sales and services of educational activities	297,782	353,444
Auxiliary enterprises (net of discounts of \$621,513 & \$725,437, respectively)	2,821,583	2,560,931
General operating revenues	219,535	232,478
Total Operating Revenues (Schedule A)	14,169,662	13,500,189
OPERATING EXPENSES		
Instruction	13,675,794	12,484,640
Public service	204,299	71,084
Academic support	1,834,868	1,434,222
Student services	2,166,441	2,148,052
Institutional support	2,949,391	3,027,366
Operation and maintenance of plant	2,621,922	2,703,845
Scholarships and fellowships	771,116	1,317,595
Auxiliary enterprises	3,204,063	3,057,889
Depreciation	974,998	949,068
Total Operating Expenses (Schedule B)	28,402,892	27,193,761
Operating (Loss)	(14,233,230)	(13,693,572)
Non-Operating Revenues (Expenses)		
State allocations	8,916,828	8,821,048
Maintenance ad valorem taxes		
Taxes for maintenance and operations	4,734,480	4,504,894
Taxes for general obligation bonds	1,284,857	1,146,690
Gifts	514,082	153,005
Investment income (net of investment expenses)	1,130,996	310,906
Net increase (decrease) in fair value of investments	31,707	(71,774)
Interest on capital related debt	(941,261)	(266,697)
Total Non-Operating Revenues (Expenses) (Schedule C)	15,671,689	14,598,072
Income Before Other Revenues, Expenses, Gains and Losses	1,438,459	904,500
Other Revenues, (Expenses), Gains, (Losses)		
Additions to (deletions of) permanent and term endowments	(219,413)	254,634
Transfers of endowments	(4,747)	(18,781)
Total Other Revenues, (Expenses), Gains, (Losses)	(224,160)	235,853
Increase in Net Assets	1,214,299	1,140,353
NET ASSETS		
Net Assets - Beginning of Year	32,909,514	31,769,161
Net Assets - End of Year	\$ 34,123,813	\$ 32,909,514

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

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Affiliated Organization
Statement of Activities
For The Year Ended August 31, 2007

	Current Year	Prior Year
UNRESTRICTED NET ASSETS		
Support and revenues		
Contributions	\$ 251,750	\$ 179,126
Interest and dividends	6,016	3,755
Rental income	46,500	45,870
Total unrestricted support and revenues	304,266	228,751
Net assets released from restrictions	11,849	20,000
Total unrestricted support and revenues And reclassifications	316,115	248,751
Expenses		
Program	208,415	144,203
Management and general	21,284	24,787
Fundraising	60,423	27,419
Total unrestricted expenses	290,122	196,409
Increase in unrestricted net assets	25,993	52,342
PERMANENTLY RESTRICTED NET ASSETS		
Support and revenues		
Contributions	609,814	186,291
Interest and dividends	70,289	43,953
Net increase (decrease) in fair value of investments	103,431	(20,075)
Total permanently restricted support and revenues	783,534	210,169
Net assets released from restrictions	(11,849)	(20,000)
Total permanently restricted support and revenues And reclassifications	771,685	190,169
Increase in net assets	797,678	242,511
NET ASSETS		
Net Assets - Beginning of Year	1,632,141	1,389,630
Net Assets - End of Year	\$ 2,429,819	\$ 1,632,141

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

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statement of Cash Flows
For The Year Ended August 31, 2007

	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 7,359,734	\$ 6,735,945
Receipts from grants and contracts	6,390,209	6,531,766
Other receipts	219,535	232,478
Payments to suppliers for goods or services	(5,065,648)	(6,019,799)
Payments to or on behalf of employees	(20,609,989)	(19,094,280)
Payments of scholarships and fellowships	(771,116)	(1,317,595)
Net cash provided (used) by operating activities	(12,477,275)	(12,931,485)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state allocations	8,916,828	8,821,048
Receipts from ad valorem tax revenues	4,734,480	4,504,894
Gifts and grants (other than capital)	262,962	153,005
Student organization and other agency transactions	87,546	28,970
Transfers to Victoria College Foundation, Inc.	(4,747)	(18,781)
Net cash provided by non-capital financing activities	13,997,069	13,489,136
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from ad valorem tax revenues	1,284,857	1,146,690
Proceeds on issuance of capital debt	1,000,000	14,500,000
Purchases of capital assets	(3,725,574)	(1,001,548)
Proceeds from disposal of capital assets	-	31,177
Payments on capital debt - principal	(835,000)	(1,365,000)
Payments on capital debt - interest	(941,261)	(266,697)
Net cash provided (used) by capital and related financing activities	(3,216,978)	13,044,622
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of investments	18,658,928	1,050,000
Investment earnings	1,130,996	310,906
Purchase of investments	(49,900)	(17,644,247)
Net cash provided (used) by investing activities	19,740,024	(16,283,341)
Increase (decrease) in cash and cash equivalents	18,042,840	(2,681,068)
Cash and cash equivalents - September 1	2,503,187	5,184,255
Cash and cash equivalents - August 31	\$ 20,546,027	\$ 2,503,187
Cash & cash equivalents	\$ 17,876,893	\$ 1,629,834
Restricted cash and cash equivalents	2,669,134	872,273
Endowment cash and cash equivalents	-	1,080
Total cash and cash equivalents	\$ 20,546,027	\$ 2,503,187

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statement of Cash Flows
For The Year Ended August 31, 2007
(Continued)

	Current Year	Prior Year
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating (loss)	\$ (14,233,230)	\$ (13,693,572)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation expense	974,998	949,068
Changes in assets and liabilities:		
Receivables (net)	(234,872)	(68,722)
Inventories	(11,358)	11,597
Prepaid expenses	77,510	(82,410)
Accounts payable	898,484	(165,798)
Accrued liabilities	16,505	4,986
Deferred revenue	34,688	113,366
Net cash provided (used) by operating activities	\$ (12,477,275)	\$ (12,931,485)

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

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Notes to the Financial Statements
August 31, 2007

1. Reporting Entity

Victoria County Junior College District (the “District”) was created by a vote of the electorate of Victoria County, Texas, at an election held on December 2, 1947, in accordance with the laws of the State of Texas to serve the educational needs of Victoria County and the surrounding communities. The Board of Trustees (the “Board”), a seven-member group, is the level of government, which has governing responsibilities over all activities related to public junior colleges within the jurisdiction of the District. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters, including taxing authority. The District receives funding from local, State of Texas and federal sources and must comply with the spending, reporting and record keeping requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Furthermore, all activities and organizations over which the Board exercises oversight responsibility have been included in the basic financial statements. The 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*.

2. Summary of Significant Accounting Policies

Report Guidelines

The significant accounting policies followed by the 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 Standards 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.

Tuition Discounting

Texas Public Education Grants – Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG), is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the student uses the award for tuition, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act Program Funds – Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amounts are recorded as revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

2. Summary of Significant Accounting Policies (Continued)

Tuition Discounting (Continued)

Other Tuition Discounts – The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year-end that is provided for in the subsequent year's budget are reported as designations of net assets since they do not constitute expenditures or liabilities. All encumbrances outstanding for the year ended August 31, 2007, were canceled.

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 1st. The District's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordination Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning.

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.

Investments

In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. [The governing board has designated public funds investment pools comprised of short-term maturities in the amounts of \$41,850 and \$15,269,428 for the years ended August 31, 2007, and 2006, respectively, to be short-term investments] Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of consumable office supplies, physical plant supplies, foodservice stock, and bookstore stock. Inventories are valued at cost under the "first-in, first-out" method and at average cost for bookstore stock and are charged to expense as consumed.

2. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair 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 in excess of one year. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred. Repairs and maintenance of \$100,000 or that extend the building life also are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets applying the half-year convention. The following lives are used:

Buildings	50 years
Buildings and Improvements	20 years
Library Books	15 years
Furniture, Machinery and Equipment	10 years
Telecommunications and Peripheral Equipment	5 years

Deferred Revenues

Tuition and fees of \$1,309,568 and \$1,278,510 and federal, state and local grants of \$3,630 and \$0 have been reported as deferred revenues at August 31, 2007, and 2006, respectively.

Donor Restricted Endowments

Only earnings are available for expenditure for designated purposes from donor-restricted endowments. The District has set minimum endowment amounts. Smaller amounts may be endowed, but no expenditures will be made from those endowments until the minimum is met either through the addition of earnings and/or additional contributions.

Endowment assets are delineated as such on the Statement of Net Assets and are restricted for student aid.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires the District management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters. During its fiscal year ended August 31, 2007, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past year.

2. **Summary of Significant Accounting Policies** (Continued)

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees. The District also recognizes as non-operating revenue allocations from the state. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

3. **Capital Assets Activity**

Capital asset activity for the year ended August 31, 2007, was as follows:

	Primary Institution				Balance 08/31/07
	Balance 09/01/06	Changes During Year			
		Additions	Deletions	Reclassifications	
<u>Not Depreciated:</u>					
Land	\$ 325,537		\$ -	\$ -	\$ 325,537
Construction in Progress	556,498	3,515,857	-	(490,298)	3,582,057
Subtotal	882,035	3,515,857	-	(490,298)	3,907,594
<u>Other Capital Assets:</u>					
Library Volumes and Periodicals	1,512,404	90,537	(490,018)	-	1,112,923
Buildings	30,846,903	-	-	490,298	31,337,201
Site Improvements	5,281,232	-	-	-	5,281,232
Telecommunications and Peripheral Equipment	755,810	22,140	-	-	777,950
Machinery, Equipment, Furniture and Vehicles	750,412	97,040	-	-	847,452
Subtotal	39,146,761	209,717	(490,018)	490,298	39,356,758
<u>Accumulated Depreciation:</u>					
Library Volumes and Periodicals	950,591	65,817	(490,018)	-	526,390
Buildings	8,382,662	562,884	-	-	8,945,546
Site Improvements	2,140,851	221,540	-	-	2,362,391
Telecommunications and Peripheral Equipment	588,337	58,184	-	-	646,521
Machinery, Equipment, Furniture and Vehicles	418,075	66,573	-	-	484,648
Subtotal	12,480,516	974,998	(490,018)	-	12,965,496
Net Other Capital Assets	26,666,245	(765,281)	-	490,298	26,391,262
Net Capital Assets	\$ 27,548,280	\$ 2,750,576	\$ -	\$ -	\$ 30,298,856

3. Capital Assets Activity (Continued)

Capital asset activity for the year ended August 31, 2006, was as follows:

	Primary Institution				
	Balance	Changes During Year			Balance
	<u>09/01/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassifications</u>	<u>08/31/06</u>
<u>Not Depreciated:</u>					
Land	\$ 325,537	\$ -	\$ -	\$ -	\$ 325,537
Construction in Progress	-	556,498	-	-	556,498
Subtotal	<u>325,537</u>	<u>556,498</u>	<u>-</u>	<u>-</u>	<u>882,035</u>
<u>Other Capital Assets:</u>					
Library Volumes and Periodicals	1,452,362	91,219	(31,177)	-	1,512,404
Buildings	30,779,213	67,690	-	-	30,846,903
Site Improvements	5,281,232	-	-	-	5,281,232
Telecommunications and Peripheral Equipment	630,757	125,053	-	-	755,810
Machinery, Equipment, Furniture and Vehicles	589,324	161,088	-	-	750,412
Subtotal	<u>38,732,888</u>	<u>445,050</u>	<u>(31,177)</u>	<u>-</u>	<u>39,146,761</u>
<u>Accumulated Depreciation:</u>					
Library Volumes and Periodicals	918,591	63,177	(31,177)	-	950,591
Buildings	7,830,696	551,966	-	-	8,382,662
Site Improvements	1,919,311	221,540	-	-	2,140,851
Telecommunications and Peripheral Equipment	532,219	56,118	-	-	588,337
Machinery, Equipment, Furniture and Vehicles	361,808	56,267	-	-	418,075
Subtotal	<u>11,562,625</u>	<u>949,068</u>	<u>(31,177)</u>	<u>-</u>	<u>12,480,516</u>
Net Other Capital Assets	<u>27,170,263</u>	<u>(504,018)</u>	<u>-</u>	<u>-</u>	<u>26,666,245</u>
Net Capital Assets	<u>\$ 27,495,800</u>	<u>\$ 52,480</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,548,280</u>

4. Current and Non-current Liabilities

Current liabilities activity for the year ended August 31, 2007, was as follows:

	Balance	Additions	Reductions	Balance
	<u>9/1/2006</u>			<u>8/31/2007</u>
Accounts payable	\$ 415,855	\$ 12,516,824	\$ 11,618,340	\$ 1,314,339
Accrued liabilities	84,983	19,195,094	19,178,589	101,488
Funds held for others	364,851	87,546	-	452,397
Deferred revenues	1,278,510	34,688	-	1,313,198
Bonds				
General obligation bonds	570,000	530,000	570,000	530,000
Revenue bonds	265,000	275,000	265,000	275,000
	<u>\$ 2,979,199</u>	<u>\$ 32,639,152</u>	<u>\$ 31,631,929</u>	<u>\$ 3,986,422</u>

4. Current and Non-current Liabilities (Continued)

Current liabilities activity for the year ended August 31, 2006, was as follows:

	Balance <u>9/1/2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>8/31/2006</u>
Accounts payable	\$ 581,653	\$ 9,444,780	\$ 9,610,578	\$ 415,855
Accrued liabilities	79,997	18,472,813	18,467,827	84,983
Funds held for others	335,881	28,970	-	364,851
Deferred revenues	1,163,950	114,560	-	1,278,510
Bonds				
General obligation bonds	1,110,000	570,000	1,110,000	570,000
Revenue bonds	255,000	265,000	255,000	265,000
	<u>\$ 3,526,481</u>	<u>\$ 28,896,123</u>	<u>\$ 29,443,405</u>	<u>\$ 2,979,199</u>

Non-current liabilities activity for the year ended August 31, 2007, was as follows:

	Balance <u>9/1/2006</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>8/31/2007</u>
Bonds				
General obligation bonds	\$ 13,930,000	\$ 1,000,000	\$ 530,000	\$ 14,400,000
Revenue bonds	4,270,000	-	275,000	3,995,000
	<u>\$ 18,200,000</u>	<u>\$ 1,000,000</u>	<u>\$ 805,000</u>	<u>\$ 18,395,000</u>

Non-current liabilities activity for the year ended August 31, 2006, was as follows:

	Balance <u>9/1/2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>8/31/2006</u>
Deferred revenues	\$ 1,194	\$ -	\$ 1,194	\$ -
Bonds				
General obligation bonds	-	14,500,000	570,000	13,930,000
Revenue bonds	4,535,000	-	265,000	4,270,000
	<u>\$ 4,536,194</u>	<u>\$ 14,500,000</u>	<u>\$ 836,194</u>	<u>\$ 18,200,000</u>

5. Debt and Lease Obligations

Debt service requirements at August 31, 2007 were as follows:

For the Year Ended <u>August 31,</u>	<u>Revenue Bonds</u>		<u>General Obligation Bonds</u>		<u>General Obligation Bonds</u>	
	<u>1999 Combined Fee Revenue Bonds</u>		<u>2006 Limited Tax Bonds</u>		<u>2007 Limited Tax Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 275,000	\$ 200,467	\$ 100,000	\$ 665,261	\$ 430,000	\$ 57,200
2009	285,000	187,749	100,000	660,761	470,000	22,230
2010	300,000	175,209	500,000	656,261	100,000	3,900
2011	310,000	161,859	575,000	633,761	-	-
2012	325,000	147,909	600,000	607,886	-	-
2013-2017	1,885,000	497,020	3,445,000	2,599,011	-	-
2018-2022	890,000	65,568	4,335,000	1,699,995	-	-
2023-2027	-	-	4,275,000	561,444	-	-
Totals	<u>\$ 4,270,000</u>	<u>\$ 1,435,781</u>	<u>\$ 13,930,000</u>	<u>\$ 8,084,380</u>	<u>\$ 1,000,000</u>	<u>\$ 83,330</u>

The District currently has no capital lease obligations.

6. Bonds Payable

General information related to bonds payable is summarized below:

- Combined Fee Revenue Bonds, Series 1999
- Issued to construct General Services and Technology Buildings and associated improvements
- Issued June 1, 1999
- Amount authorized and issued - \$6,000,000
- Source of revenue for debt service – Tuition, general fee and general fund interest

- Limited Tax Bonds, Series 2006
- Issued to construct Health Sciences Center, Remodel existing Allied Health Building and associated improvements
- Issued August 1, 2006
- Amount authorized and issued - \$14,500,000
- Source of revenue for debt service – ad valorem taxes

- Limited Tax Bonds, Series 2007
- Issued to construct Health Sciences Center, Remodel existing Allied Health Building and associated improvements
- Issued February 15, 2007
- Amount authorized and issued - \$1,000,000
- Source of revenue for debt service – ad valorem taxes

Bonds payable are due in annual installments varying from \$100,000 to \$1,150,000 with interest rates from 3.90% to 6.00% with the final installment due in 2027. The 1999 combined Fee Revenue Bonds may be redeemed beginning August 15, 2009.

Debt Service for the 1999 combined Fee Revenue Bonds was \$481,367 for the year ended August 31, 2007. Revenues totaling \$1,284,857 were available to meet this obligation.

7. Short Term Debt

The District used no short-term debt for the year ended August 31, 2007.

8. Disaggregation of Receivables and Payables Balances

Receivables

Receivables at August 31, 2007, were as follows:

	<u>Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Taxes	\$ 388,073	\$ (388,073)	\$ -
Receivable from Title IV students	145,093	-	145,093
Federal receivables	631,276	-	631,276
Installment contracts receivable	113,806	(113,806)	-
Vendor receivable	67,713	-	67,713
Accounts receivable (net)	<u>1,345,961</u>	<u>(501,879)</u>	<u>844,082</u>
Interest receivable			
District accounts receivable	27,561	-	27,561
Endowment accounts receivable	18,648	-	18,648
Total Receivables	<u>\$ 1,392,170</u>	<u>\$ (501,879)</u>	<u>\$ 890,291</u>

8. Disaggregation of Receivables and Payables Balances (Continued)

Receivables at August 31, 2006, were as follows:

	<u>Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Taxes	\$ 388,073	\$ (388,073)	\$ -
Receivable from Title IV students	102,637	-	102,637
Federal receivables	408,643	-	408,643
Installment contracts receivable	95,833	(95,833)	-
Vendor receivable	49,436	-	49,436
Accounts receivable (net)	<u>1,044,622</u>	<u>(483,906)</u>	<u>560,716</u>
Interest receivable			
District accounts receivable	57,429	-	57,429
Endowment accounts receivable	37,274	-	37,274
Total Receivables	<u>\$ 1,139,325</u>	<u>\$ (483,906)</u>	<u>\$ 655,419</u>

Payables

Payables at August 31, 2007 and 2006, were as follows:

	<u>2007</u>	<u>2006</u>
Accounts payable	\$ 1,314,339	\$ 415,855
Accrued payroll	75,753	61,606
Employee benefits payable	<u>25,735</u>	<u>23,377</u>
Accrued liabilities	<u>101,488</u>	<u>84,983</u>
Total Payables	<u>\$ 1,415,827</u>	<u>\$ 500,838</u>

9. Authorized Investments

The 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.

10. Deposits and Investments

At August 31, 2007, the carrying amount of the District's deposits was \$20,546,027 and total bank balances equaled \$20,652,241. Bank balances of \$100,000 are covered by federal depository insurance and \$ 20,552,241 was covered by collateral pledged in the District's name. The collateral was held in the safekeeping departments of unrelated banks, which act as the pledging bank's agent.

Beginning September 1, 1997, the District adopted Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This GASB requires that investments be reported at fair value on the balance sheet. The District utilizes quoted market price as its indicator of fair value.

10. **Deposits and Investments** (Continued)

At August 31, 2007, the District had no outstanding commitments to sell securities. Cash and cash equivalents reported on Exhibit 1, Statement of Net Assets, are comprised of the items reported below:

	8/31/2007	8/31/2006
Petty cash on hand	\$ 20,812	\$ 47,631
Demand deposits	<u>20,525,215</u>	<u>2,455,556</u>
Total Cash and Deposits	<u>\$ 20,546,027</u>	<u>\$ 2,503,187</u>

The amortized cost and estimated fair values of investment securities at August 31 are summarized as follows:

	Rate	Maturity	2007		2006	
			Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
U.S. Government Securities						
FNMA	6.870%	7/17/2007	\$ -	\$ -	\$ 251,741	\$ 243,212
FHLB	5.625%	4/11/2011	-	-	1,348,057	1,339,894
FHLB	5.600%	4/6/2010	-	-	499,721	497,434
FHLB	5.400%	4/7/2009	750,000	749,594	-	-
FNMA	5.400%	4/7/2009	-	-	750,000	746,450
FNMA	5.275%	2/9/2015	250,000	246,800	-	-
FHLB	5.275%	2/9/2015	550,000	542,959	796,677	775,158
FFCB	5.125%	2/11/2015	149,860	147,445	148,809	144,561
FNMA	4.510%	1/28/2010	800,000	793,082	795,847	781,748
FHLB	4.500%	3/9/2010	350,000	346,703	347,929	341,660
FHLB	4.020%	5/15/2008	800,000	793,936	795,017	785,449
FNMA	3.550%	1/30/2007	-	-	1,043,004	1,042,276
FHLMC	3.500%	10/15/2007	499,938	498,995	494,629	490,723
FHLB	3.200%	3/10/2006	-	-	(9,188)	-
FNMA	2.750%	10/27/2006	-	-	247,081	248,985
			<u>\$ 4,149,798</u>	<u>\$ 4,119,514</u>	<u>\$ 7,509,324</u>	<u>\$ 7,437,550</u>

Uncategorized Investments

Type	2007		2006	
	Cost	Estimated Fair Value	Cost	Estimated Fair Value
Tex Pool	<u>\$ 41,850</u>	<u>\$ 41,850</u>	<u>\$ 15,269,428</u>	<u>\$ 15,269,428</u>
	<u>\$ 41,850</u>	<u>\$ 41,850</u>	<u>\$ 15,269,428</u>	<u>\$ 15,269,428</u>

The amortized cost and estimated market values of investment securities at August 31, 2007, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

10. **Deposits and Investments** (Continued)

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value 8/31/2007	Market Value 8/31/2006
U.S. Government Securities	\$ 4,119,514	\$ 7,437,550
Tex Pool	41,850	15,269,428
Real Estate Investments	-	-
Total Investments	\$ 4,161,364	\$ 22,706,978
Total Cash and Deposits	\$ 20,546,027	\$ 2,503,187
Total Investments	4,161,364	22,706,978
Total Deposits and Investments	\$ 24,707,391	\$ 25,210,165
Cash and Temporary Investments (Exhibit 1)	\$ 20,546,027	\$ 2,503,187
Investments (Exhibit 1)	4,161,364	22,706,978
Total Deposits and Investments	\$ 24,707,391	\$ 25,210,165

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures. The District has the following risks related to deposits and investments:

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

Credit Risk – In accordance with state law and the District’s investment policy, investments in mutual funds and investment pools must be rated at least AAA, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A. All U.S. Government Securities and Tex Pool investments of the District are rated AAA.

Concentration of Credit Risk – The District does not place a limit on the amount the District may invest in any one issuer. More than 5% of the District’s investments are in FHLB (50.3%), FNMA (41.2%), FHLMC (6.6%) and FFCB (1.94%).

During the year ended August 31, 2007, the District realized no gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments during the year ended August 31, 2007 was \$69,460. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end was \$30,285.

During the year ended August 31, 2006, the District realized no gain or loss from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net increase in the fair value of investments during the year ended August 31, 2006 was \$71,774. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized loss on investments held at year-end was \$99,745.

11. Derivatives

The District has invested in various obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States. It is the opinion of the District's administration that these securities do not represent investment in a derivative.

12. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the District participated is administered by the Teacher Retirement System of Texas (the "System"). The percentages of participant salaries currently contributed by the state and by each participant are 6.0% and 6.4% respectively, of annual compensation.

The Teacher Retirement System does not separately account for each of its component government agencies, because it bears sole responsibility for retirement commitments beyond contributions fixed by the Legislature.

The state has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation of the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the state and each participant are 6.00% and 6.65%, respectively. The District contributes 8.5% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfounded liability for this program.

The retirement expense to the State for the District was \$602,175 and \$574,336 for the fiscal years ended August 31, 2007, and 2006, 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 \$13,712,439 and \$12,953,257 for the fiscal years ended August 31, 2007, and 2006, respectively. The total payroll of employees covered by the Teacher Retirement System was \$8,316,049 and \$8,095,474, and the total payroll of employees covered by the Optional Retirement System was \$3,833,973 and \$3,532,248 for the fiscal years ended August 31, 2007, and 2006, respectively.

13. Deferred Compensation Program

The District does not have employees participating in the deferred compensation program that was instituted pursuant to authority granted in Government code 609.001.

14. Compensated Absences

Full-time employees of the District accrue sick leave based on the length of their contract. Sick leave may be accumulated up to eighty days, but no employee will receive compensation for sick leave upon termination of employment with the District. Since the District has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made. Administrative, clerical, and maintenance personnel receive vacation time based on length of employment. Vacation must be taken by August 31; the carry-over of vacation time is not allowed unless specifically authorized by the President. In the opinion of the administration, the liability for compensable absences is not material to the basic financial statements of the District.

15. Pending Lawsuits

On occasion, the District may become party to litigation and claims arising in the normal course of operations. The District is currently not involved in any litigation.

16. Operating Lease Commitments and Rental Agreement

Expenses include \$172,169 for the year ended August 31, 2007, of rentals paid or due under operating leases. Expenses include \$189,620 for the year ended August 31, 2006, of rentals paid or due under operating expenses.

The District has leased a building owned by Victoria College Foundation, Inc., its discrete component unit. The lease commenced on July 1, 2003, and ends on July 1, 2010. The minimum guaranteed rental payments are \$3,935 per month and will increase each year on the anniversary date by any percentage increase in the Consumer Price Index (CPI) unless waived by the Foundation. However, any decrease in the CPI will not result in a decrease in the minimum rent.

Minimum rentals for the next three years and beyond are:

08-31-08	\$47,220
08-31-09	\$47,220
To 07-01-10	\$39,350

The District has negotiated a contract for copier leases beginning September 1, 2004, and ending August 31, 2008. Minimum rentals for the next year is:

8-31-08	\$77,780
---------	----------

The District has entered into an agreement for purchase of computer licenses beginning September 1, 2007, and ending August 31, 2010. Payments for the next three years are as follows:

8-31-08	\$96,000
8-31-09	\$96,000
8-31-10	\$96,000

The District had no noncancellable operating leases with terms in excess of one year for the year ended August 31, 2007.

17. Funds Held in Trust by Others

No funds are held in trust by others on behalf of the District.

18. Self-Insured Plans

The District has a self-insured arrangement for coverage of workers' compensation. Workers' compensation plans are on a pay-as-you-go basis, in which no assets are set aside. Estimated future payments for incurred claims are charged to current operations.

19. Contract and Grant Award

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 District has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal year August 31, 2007, and 2006, for which monies have not been received nor funds expended totaled \$2,643,195 and \$5,145,928, respectively. Of this amount \$2,373,729 and \$4,208,572 was from Federal Contract and Grant Awards, and \$269,466 and \$937,356 was from State Contract and Grant Awards, respectively.

20. 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 with individual coverage was \$360 per month for the year ended August 31, 2007 (\$343 per month for the year ended August 31, 2006) and \$623,013 for the year ended August 31, 2007 (\$593,533 for the year ended August 31, 2006). The state's contribution for a full-time employee with individual and children coverage was \$498 per month for the year ended August 31, 2007 (\$475 per month for the year ended August 31, 2006) and \$323,021 for the year ended August 31, 2007 (\$273,519 for the year ended August 31, 2006). The state's contribution for a full-time employee with individual and spouse coverage was \$567 per month for the year ended August 31, 2007 (\$540 per month for the year ended August 31, 2006) and \$115,580 for the year ended August 31, 2007 (\$148,957 for the year ended August 31, 2006).

The state's contribution for a full-time employee with family coverage was \$705 per month for the year ended August 31, 2007 (\$671 per month for the year ended August 31, 2006) and \$355,078 for the year ended August 31, 2007 (\$362,340 for the year ended August 31, 2006).

The cost of providing those benefits for 116 retirees was \$547,810, which consisted of \$506,396 from the state and \$41,414 from the District, and for 265 active employees was \$1,459,582 which consisted of \$968,808 from the state and \$490,774 from the District for the year, ended August 31, 2007. The cost of providing those benefits for 114 retirees was \$500,882, which consisted of \$466,927 from the state and \$33,955 from the District, and for 270 active employees was \$1,389,780 which consisted of \$928,856 from the state and \$460,924 from the District for the year, ended August 31, 2006.

21. Discrete Component Unit

Victoria College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization in 1978, to raise funds to provide student scholarships and assistance in the development and growth of the District. Under Governmental Accounting Standards Board (GASB) Statement 39 *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation financial statements are included in the District's annual report as a discrete component unit (see table of contents). Complete financial statements of the Victoria College Foundation, Inc. can be obtained from the administrative office of the Foundation and/or the District.

22. Property Tax

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

As of August 31:

	<u>2007</u>	<u>2006</u>	
Assessed Valuation of the District:	\$ 4,757,836,263	\$ 4,468,418,881	
Less: Exemptions	(512,677,808)	(513,512,634)	
Net Assessed Valuation of the District	<u>\$ 4,245,158,455</u>	<u>\$ 3,954,906,247</u>	
	<u>2007</u>		
	<u>Current</u>	<u>Debt</u>	
	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Tax Rate per \$100 valuation authorized	<u>\$ 0.500000</u>	<u>\$ 0.500000</u>	<u>\$ 1.000000</u>
Tax Rate per \$100 valuation assessed	<u>\$ 0.111300</u>	<u>\$ 0.030300</u>	<u>\$ 0.141600</u>
	<u>2006</u>		
	<u>Current</u>	<u>Debt</u>	
	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Tax Rate per \$100 valuation authorized	<u>\$ 0.500000</u>	<u>\$ 0.500000</u>	<u>\$ 1.000000</u>
Tax Rate per \$100 valuation assessed	<u>\$ 0.112900</u>	<u>\$ 0.028700</u>	<u>\$ 0.141600</u>

Taxes levied for the year ended August 31, 2007 and 2006 were \$6,011,144 and \$5,572,626, respectively. Penalties and interest are not assessed. Taxes are due on receipt of the tax bill and are considered delinquent as of February 1 of the succeeding year and subject to lien as of July 1 of that year.

	<u>2007</u>		
	<u>Current</u>	<u>Debt</u>	
<u>Taxes Collected</u>	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Current taxes collected	\$ 4,349,356	\$ 1,180,333	\$ 5,529,689
Delinquent taxes collected	325,950	88,265	414,215
Penalties and interest collected	64,747	17,751	82,498
Less discounts & commissions	(5,573)	(1,492)	(7,065)
Total collections	<u>\$ 4,734,480</u>	<u>\$ 1,284,857</u>	<u>\$ 6,019,337</u>
	<u>2006</u>		
	<u>Current</u>	<u>Debt</u>	
<u>Taxes Collected</u>	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Current taxes collected	\$ 3,577,213	\$ 871,375	\$ 4,448,588
Delinquent taxes collected	870,559	260,055	1,130,614
Penalties and interest collected	57,122	15,260	72,382
Less discounts & commissions	-	-	-
Total collections	<u>\$ 4,504,894</u>	<u>\$ 1,146,690</u>	<u>\$ 5,651,584</u>

22. Property Tax (Continued)

Tax collections for the years ended August 31, 2007 and 2006 were 99.11% and 98.68% of the current tax levy, respectively. Uncollected taxes are fully reserved at August 31. The use of tax proceeds is restricted to maintenance and operations and/or general obligation debt service.

23. 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, 2006, and 2005.

24. Subsequent Events

In the opinion of the District's administration, no events have occurred subsequent to the statement of net assets date that would materially affect the financials.

**OVERALL COMPLIANCE AND
INTERNAL CONTROLS SECTION**

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

To the Board of Trustees
Victoria County Junior College District
Victoria, Texas

We have audited the basic financial statements of Victoria County Junior College District, as of and for the year ended August 31, 2007, and have issued our report thereon dated October 19, 2007. 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 and the standards applicable to financial audits contained in the *State of Texas Single Audit Circular*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Victoria County Junior College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Victoria County 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 Victoria County 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 inconsequential will not be prevented or detected by Victoria County 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 Victoria County Junior College District's internal control.

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

We noted certain other matters that we reported to management of the Victoria County Junior College District in a separate letter dated October 19, 2007.

Public Funds Investment Act

We have performed tests designed to verify the District's compliance with the requirements of the Public funds Investment Act. During the year ended August 31, 2007, no instances of noncompliance were found.

This report is intended for the information of the audit committee, Board of Trustees, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Brent Hill, C.P.

October 19, 2007

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

To the Board of Trustees
Victoria County Junior College District
Victoria, Texas

Compliance

We have audited the compliance of Victoria County Junior College District, with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2007. Victoria County Junior College District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. We have audited the compliance of Victoria County Junior College District with the types of compliance requirements described in the *State of Texas Single Audit Circular* that are applicable to each of its major state programs for the year ended August 31, 2007. Victoria County Junior College District's major 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 Victoria County Junior College District's management. Our responsibility is to express an opinion on Victoria County Junior College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*; and the standards applicable to financial audits contained in 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 Victoria County 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 Victoria County Junior College District's compliance with those requirements.

In our opinion, Victoria County 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, 2007.

Internal Control Over Compliance

The management of Victoria County 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, we do not express an opinion on the effectiveness of the Victoria County Junior College District's internal control over compliance.

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 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 program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal 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 requirements of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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

This report is intended for the information and use of the audit committee, Board of Trustees, management, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Pattillo, Bonni Hill, C.P.

October 19, 2007

**SUPPLEMENTAL INFORMATION
AND
FINANCIAL ASSISTANCE SECTION**

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Operating Revenues
For the Year Ended August 31, 2007

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
Tuition:						
State funded credit courses						
In-district resident tuition	\$ 1,126,406	\$ -	\$ 1,126,406	\$ -	\$ 1,126,406	\$ 1,205,488
Out-of-district resident tuition	963,897	-	963,897	-	963,897	943,115
Non-resident tuition	14,736	-	14,736	-	14,736	17,983
TPEG (set aside)*	202,460	-	202,460	-	202,460	169,608
State funded continuing education	1,080,784	-	1,080,784	-	1,080,784	700,649
Non-state funded continuing education	103,094	-	103,094	-	103,094	51,895
Total Tuition	<u>3,491,377</u>	<u>-</u>	<u>3,491,377</u>	<u>-</u>	<u>3,491,377</u>	<u>3,088,738</u>
Fees:						
General fee	1,181,646	-	1,181,646	-	1,181,646	1,013,003
Out-of-district fees	706,951	-	706,951	-	706,951	537,011
Laboratory fee	192,513	-	192,513	-	192,513	198,532
Other fees						
Course fee	141,302	-	141,302	-	141,302	113,709
Distance education fee	334,370	-	334,370	-	334,370	318,378
Total Fees	<u>2,556,782</u>	<u>-</u>	<u>2,556,782</u>	<u>-</u>	<u>2,556,782</u>	<u>2,180,633</u>
Scholarship Allowances and Discounts:						
Remissions and exemptions - state	(29,334)	-	(29,334)	-	(29,334)	(23,189)
Title IV federal grants	(1,087,623)	-	(1,087,623)	-	(1,087,623)	(1,042,269)
Other federal grants	(6,165)	-	(6,165)	-	(6,165)	(4,440)
TPEG awards	(30,234)	-	(30,234)	-	(30,234)	(9,366)
Other state grants	(608,368)	-	(608,368)	-	(608,368)	(306,433)
Other local scholarships	(80,754)	-	(80,754)	-	(80,754)	(62,104)
Total Scholarship Allowances	<u>(1,842,478)</u>	<u>-</u>	<u>(1,842,478)</u>	<u>-</u>	<u>(1,842,478)</u>	<u>(1,447,801)</u>
Total Net Tuition and Fees	<u>4,205,681</u>	<u>-</u>	<u>4,205,681</u>	<u>-</u>	<u>4,205,681</u>	<u>3,821,570</u>
Additional Operating Revenues:						
Federal grants and contracts	40,773	5,541,599	5,582,372	-	5,582,372	5,828,075
State grants and contracts	17,901	1,023,660	1,041,561	-	1,041,561	651,806
Nongovernmental grants and contracts	-	1,148	1,148	-	1,148	51,885
Sales and services of educational activities	297,782	-	297,782	-	297,782	353,444
General operating revenues	219,535	-	219,535	-	219,535	232,478
Total Additional Operating Revenues	<u>575,991</u>	<u>6,566,407</u>	<u>7,142,398</u>	<u>-</u>	<u>7,142,398</u>	<u>7,117,688</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	3,124,177	3,124,177	2,989,045
Title IV federal grants	-	-	-	(551,560)	(551,560)	(680,493)
Other federal grants	-	-	-	(50,760)	(50,760)	(30,116)
Other state grants	-	-	-	(4,133)	(4,133)	-
Other local scholarships	-	-	-	(15,060)	(15,060)	(14,828)
Net Bookstore	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,502,664</u>	<u>2,502,664</u>	<u>2,263,608</u>
Food service	-	-	-	303,582	303,582	275,710
Facilities rentals	-	-	-	15,337	15,337	21,613
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,821,583</u>	<u>2,821,583</u>	<u>2,560,931</u>
Total Operating Revenues	<u>\$ 4,781,672</u>	<u>\$ 6,566,407</u>	<u>\$ 11,348,079</u>	<u>\$ 2,821,583</u>	<u>\$ 14,169,662</u>	<u>\$ 13,500,189</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.003, \$202,460 and \$169,608 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended August 31, 2007 and 2006, respectively.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2007

	Operating Expenses				Current Year Total	Prior Year Total
	Salaries and Wages	Benefits		Other Expenses		
		State Benefits	Local Benefits			
Unrestricted - Educational Activities						
Instruction	\$ 7,039,037	\$ -	\$ 830,279	\$ 1,739,404	\$ 9,608,720	\$ 8,932,705
Public service	27,897	-	3,412	168,612	199,921	69,639
Academic support	1,110,251	-	140,420	409,979	1,660,650	1,288,985
Student services	973,001	-	103,904	295,943	1,372,848	1,301,545
Institutional support	1,802,909	-	226,788	636,786	2,666,483	2,746,807
Operation and maintenance of plant	777,560	-	155,254	1,567,095	2,499,909	2,581,308
Scholarships and fellowships	-	-	-	81,891	81,891	91,558
Total Unrestricted Educational Activities	<u>11,730,655</u>	<u>-</u>	<u>1,460,057</u>	<u>4,899,710</u>	<u>18,090,422</u>	<u>17,012,547</u>
Restricted - Educational Activities						
Instruction	1,206,562	1,307,215	205,290	1,348,007	4,067,074	3,551,935
Public service	-	4,378	-	-	4,378	1,445
Academic support	-	174,218	-	-	174,218	145,237
Student services	319,436	202,806	54,350	217,001	793,593	846,507
Institutional support	-	282,908	-	-	282,908	280,559
Operation and maintenance of plant	-	122,013	-	-	122,013	122,537
Scholarships and fellowships	-	-	-	689,225	689,225	1,226,037
Total Restricted Educational Activities	<u>1,525,998</u>	<u>2,093,538</u>	<u>259,640</u>	<u>2,254,233</u>	<u>6,133,409</u>	<u>6,174,257</u>
Total Educational Activities	13,256,653	2,093,538	1,719,697	7,153,943	24,223,831	23,186,804
Auxiliary Enterprises	288,378	-	102,559	2,813,126	3,204,063	3,057,889
Depreciation Expense						
Buildings and other real estate improvements	-	-	-	784,424	784,424	773,506
Equipment and furniture	-	-	-	124,757	124,757	112,385
Library volumes and periodicals	-	-	-	65,817	65,817	63,177
Total Operating Expenses	<u>\$ 13,545,031</u>	<u>\$ 2,093,538</u>	<u>\$ 1,822,256</u>	<u>\$ 10,942,067</u>	<u>\$ 28,402,892</u> (Exhibit 2)	<u>\$ 27,193,761</u> (Exhibit 2)

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2007

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Current Year</u>	<u>Prior Year</u>
Non-Operating Revenues					
State Allocations:					
Education and general state support	\$ 6,816,088	\$ -	\$ -	\$ 6,816,088	\$ 6,816,087
State group insurance	-	1,478,028	-	1,478,028	1,399,477
State retirement matching	-	602,175	-	602,175	574,336
Dramatic enrollment funding	-	20,537	-	20,537	31,148
Total State allocations	<u>6,816,088</u>	<u>2,100,740</u>	<u>-</u>	<u>8,916,828</u>	<u>8,821,048</u>
Ad valorem taxes:					
Taxes for maintenance and operations	4,734,480	-	-	4,734,480	4,504,894
Taxes for general obligation bonds	-	1,284,857	-	1,284,857	1,146,690
Gifts	147,872	366,210	-	514,082	153,005
Investment income	237,881	820,667	72,448	1,130,996	310,906
Net (decrease) in fair value of investments	31,707	-	-	31,707	(71,774)
Total Non-Operating Revenues	<u>11,968,028</u>	<u>4,572,474</u>	<u>72,448</u>	<u>16,612,950</u>	<u>14,864,769</u>
Non-Operating Expenses					
Interest on capital related debt	-	941,261	-	941,261	266,697
Total Non-Operating Expenses	<u>-</u>	<u>941,261</u>	<u>-</u>	<u>941,261</u>	<u>266,697</u>
Net Non-Operating Revenues	<u>\$ 11,968,028</u>	<u>\$ 3,631,213</u>	<u>\$ 72,448</u>	<u>\$ 15,671,689</u> (Exhibit 2)	<u>\$ 14,598,072</u> (Exhibit 2)

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Net Assets by Source and Availability
For the Year Ended August 31, 2007

	Detail by Source				
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Current Year Total
		Expendable	Non-Expendable		
Current					
Unrestricted	\$ 3,241,141	\$ -	\$ -	\$ -	\$ 3,241,141
Restricted for:					
Nonexpendable:					
Student aid	-	-	4,032,663	-	4,032,663
Expendable:					
Student aid	-	309,955	-	-	309,955
Unexpended bond proceeds	-	13,098,222	-	-	13,098,222
Auxiliary enterprises	2,179,633	-	-	-	2,179,633
Plant					
Debt Service	-	163,343	-	-	163,343
Investment in Plant	-	-	-	11,098,856	11,098,856
Total Net Assets, August 31, 2007	<u>5,420,774</u>	<u>13,571,520</u>	<u>4,032,663</u>	<u>11,098,856</u>	<u>34,123,813</u> (Exhibit 1)
Total Net Assets, August 31, 2006	<u>6,271,327</u>	<u>14,388,447</u>	<u>4,292,958</u>	<u>7,956,782</u>	<u>32,909,514</u> (Exhibit 1)
Net Increase (Decrease) in Net Assets	<u>\$ (850,553)</u>	<u>\$ (816,927)</u>	<u>\$ (260,295)</u>	<u>\$ 3,142,074</u>	<u>\$ 1,214,299</u> (Exhibit 2)

SCHEDULE D

	Available for Current Operations		Prior Year Total	Available for Current Operations	
	Yes	No		Yes	No
Current					
Unrestricted	\$ 3,241,141	\$ -	\$ 3,854,873	\$ 3,854,873	\$ -
Restricted for:					
Nonexpendable:					
Student aid	-	4,032,663	4,292,958	-	4,292,958
Expendable:					
Student aid	-	309,955	313,666	-	313,666
Student aid	-	13,098,222	13,943,502	-	13,943,502
Auxiliary enterprises	2,179,633	-	1,859,956	1,859,956	-
Plant					
Debt Service	-	163,343	131,279	-	131,279
Investment in Plant	-	11,098,856	8,513,280	-	8,513,280
Total Net Assets, August 31, 2007	<u>5,420,774</u>	<u>28,703,039</u>	<u>32,909,514</u> (Exhibit 1)	<u>5,714,829</u>	<u>27,194,685</u>
Total Net Assets, August 31, 2006	<u>6,271,327</u>	<u>26,638,187</u>	<u>31,769,161</u> (Exhibit 1)	<u>5,683,145</u>	<u>26,086,016</u>
Net Increase (Decrease) in Net Assets	<u>\$ (850,553)</u>	<u>\$ 2,064,852</u>	<u>\$ 1,140,353</u> (Exhibit 2)	<u>\$ 31,684</u>	<u>\$ 1,108,669</u>

SCHEDULE E

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2007**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
U.S. DEPARTMENT OF LABOR			
<i>Direct Programs:</i>			
Community Based Job Training Grants	17.261	CB-15223-06-60	\$ 634,681
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Programs:</i>			
SEOG	84.007	P007A047874	101,346
Strengthening Institutions - Hispanic Serving Institutions	84.031	P031S030025-04	389,920
Federal College Workstudy Program	84.033	P033A047874	87,319
Student Support Services	84.042	P042A010722-05	205,613
Federal Pell Grant Program	84.063	P063P042339	2,901,966
Educational Opportunity Centers Program	84.066	P066A020156-04	179,340
Academic Competitiveness Grant	84.375	-	27,425
Total Direct Programs			<u>3,892,929</u>
<i>Pass Through From Texas Education Agency:</i>			
Adult Basic Education	84.002	064100017110091	195,033
Adult Basic Education - Institutional	84.002	074100087110181	91,587
Adult Basic Education - English Literacy & Civics Ed	84.002	064100087110126	84,472
Total Adult Basic Education			<u>371,092</u>
<i>Pass Through From Texas Higher Education Coordinating Board:</i>			
Leveraging Educational Assistance Partnership	84.069a	-	4,962
Special Leveraging Educational Assistance Partnership	84.069b	-	8,373
Carl Perkins Voc. Ed. - Formula	84.048	64254	334,585
Carl Perkins Voc. Ed. - Tech Prep	84.243	61725	226,354
Total Texas Higher Education Coordinating Board			<u>574,274</u>
Total U.S. Department of Education			<u>4,838,295</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through From the University of Texas - Medical Branch at Galveston:</i>			
Model State - Supported Area Health Education Centers	93.107	U77HP01066-03	82,000
Total Health Education & Training Centers			<u>82,000</u>
<i>Passed Through From Texas Education Agency:</i>			
Temporary Assistance for Needy Families	93.558	063625017110083	27,396
Total U.S. Department of Health and Human Services			<u>109,396</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,582,372</u>

Notes to the Schedule on the following page.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2007**

Note 1: Federal Assistance Reconciliation

Federal Assistance Reconciliation

Federal grants and contracts revenue per Schedule A	\$ 5,582,372
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 5,582,372</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

See Note 2 of the notes to the basic financial statements for the District's significant accounting policies. The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. 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 issued by various entities in the preparation of the schedule.

Note 3: Expenditures not Subject to Federal Single Audit

All expenditures are subject to Federal Single Audit.

Note 4: Student Loans Processed and Administrative Costs Recovered - Not Included in Schedule

Federal Grantor/ CFDA Number/ Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Processed & Admin. Costs Recovered
Department of Education 84.032 Federal Family Education Loan Program	\$ 3,029,223	\$ -	\$ 3,029,223

Note 5: Nonmonetary Federal Assistance Received

No nonmonetary federal assistance was received.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2007
(Continued)

Note 6: Amounts Passed Through by the District

The following amounts were passed-through to the listed subrecipients by the District. These amounts were from the Carl Perkins Voc. Ed. - Tech Prep program CFDA 84.243 from the U.S. Department of Education through the Texas Higher Education Coordinating Board.

Bloomington ISD	\$	574
Calhoun County ISD		2,120
Cuero ISD		1,327
Edna ISD		621
El Campo ISD		402
Ganado ISD		448
Goliad ISD		654
Gonzales ISD		973
Hallettsville ISD		1,226
Industrial ISD		1,509
Moulton ISD		75
Nixon-Smilely ISD		346
Nordheim ISD		78
Refugio ISD		609
Shiner ISD		327
Victoria ISD		1,474
Waelder ISD		79
Woodsboro ISD		222
Yoakum ISD		780
Yorktown ISD		<u>667</u>
 Total Amount Passed-Through	 \$	 <u>14,511</u>

SCHEDULE F

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2007**

Grantor Agency/ Program Title	Grant Contract Number	Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Texas College Workstudy Program	-	\$ 14,558
Law Enforcement Officer Standards & Education	-	885
Early High School Graduation (HB 1479)	-	42,104
Texas Public Education Grant Program	-	204,423
Texas Grant Program	-	94,080
Certified Ed Aide Program	-	19,916
Financial Aid - Prof Nursing	-	5,857
Financial Aid - LVN Nursing	-	1,300
Nursing and Allied Health	-	7,146
Professional Nursing Shortage Reduction	-	13,391
Dramatic Enrollment Funding	-	20,537
TexPrep	-	8,653
Rising 11th Graders	-	36,057
Summer Bridge Lighthouse	-	47,573
TABE Testing	-	4,931
Total Texas Higher Education Coordinating Board		<u>521,411</u>
TEXAS EDUCATION AGENCY		
Adult Basic Education	060100017110091	43,126
Temporary Assistance for Needy Families	060110017110083	14,340
Total Texas Education Agency		<u>57,466</u>
UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON		
Pecan Valley Area Health Education Center	-	<u>177,796</u>
TEXAS WORKFORCE COMMISSION		
Skills Development Fund	1906SDF000	<u>693,642</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u><u>\$ 1,450,315</u></u>

Notes to the Schedule on the following page.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Notes to Schedule of Expenditures of State Awards
For the Year Ended August 31, 2007

Note 1: State Assistance Reconciliation

State Assistance Reconciliation

per Schedule of Expenditures of State Awards	\$ 1,450,315
Less: Early High School Graduation (HB1479)	(42,104)
Financial Aid - Prof & LVN Nursing	(7,157)
Professional Nursing Shortage Program	(13,391)
Nursing and Allied Health	<u>(7,146)</u>
Total included in "Tuition and Fees"	<u>(69,798)</u>
Less current year expenditures from programs:	
Texas Public Education Grant Program	(204,423)
Texas Grant Program	(94,080)
Dramatic Enrollment Funding	(20,537)
Certified Ed Aide Program	<u>(19,916)</u>
	<u>(338,956)</u>
Total State Revenues per Schedule A	<u>\$ 1,041,561</u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2007**

I. Summary of Auditors' Results

- | | |
|--|--|
| 1. Type of auditors' report on financial statements: | Unqualified. |
| 2. Regarding internal control over financial reporting:
Material weakness(es) identified: | None. |
| Reportable condition(s) identified that are not considered to be material weaknesses: | None reported. |
| 3. Noncompliance which is material to the financial statements: | None. |
| 4. Regarding internal control over major programs:
Material weakness(es) identified: | None. |
| Reportable condition(s) identified that are not considered to be material weaknesses: | None reported. |
| 5. Type of auditors' report on compliance for major programs: | Unqualified. |
| 6. Did the audit disclose findings which are required to be reported under Sec. 510(a): | No. |
| 7. Major programs include: | |
| Federal: | CFDA 84.007
CFDA 84.033
CFDA 84.063
CFDA 84.375
CFDA 84.042
CFDA 84.066
CFDA 84.002a |
| State: | TWC - Skills Development |
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$300,000. |
| 9. Low risk auditee: | Yes. |

II. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

The audit disclosed no finding required to be reported.

III. Findings and Questioned Costs for Federal Awards

None.

III. Findings and Questioned Costs for State Awards

None.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2007**

There were no findings in the prior year for either federal or state programs.

STATISTICAL SUPPLEMENT

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002 through 2007
(unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,					
	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 11,099	\$ 8,513	\$ 21,596	\$ 21,191	\$ 20,085	\$ 16,403
Restricted - expendable	13,571	14,389	388	441	494	502
Restricted - nonexpendable	4,033	4,293	4,102	3,534	4,286	3,909
Unrestricted	5,421	5,715	5,683	5,092	4,316	6,637
Total primary government net assets	\$ 34,124	\$ 32,910	\$ 31,769	\$ 30,258	\$ 29,181	\$ 27,451

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2007 are available.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002 through 2007
(unaudited)

	For the Year Ended August 31,					
	(amounts expressed in thousands)					
	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$ 4,206	\$ 3,822	\$ 3,555	\$ 3,629	\$ 3,112	\$ 2,849
Governmental Grants and Contracts						
Federal Grants and Contracts	5,569	5,828	5,631	5,321	4,765	3,884
State Grants and Contracts	1,042	652	365	612	988	956
Local Grants and Contracts	-	-	-	-	-	-
Non-Governmental Grants and Contracts	1	52	6	-	59	73
Sales and services of educational activities	298	353	330	268	149	151
Auxiliary enterprises	2,821	2,561	2,610	2,766	2,406	2,385
Other Operating Revenues	219	232	242	276	117	160
Total Operating Revenues	14,156	13,500	12,739	12,872	11,596	10,458
State Appropriations	8,917	8,821	8,524	8,517	9,217	9,769
Ad Valorem Taxes	6,019	5,651	5,602	5,373	5,010	4,955
Gifts	514	153	689	187	435	297
Investment income	1,131	311	308	187	246	317
Other non-operating revenues	32	(72)	(53)	(35)	(38)	(5)
Total Non-Operating Revenues	16,613	14,864	15,070	14,229	14,870	15,333
Total Revenues	\$ 30,769	\$ 28,364	\$ 27,809	\$ 27,101	\$ 26,466	\$ 25,791

	For the Year Ended August 31,					
	(amounts expressed in thousands)					
	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	13.67%	13.47%	12.78%	13.39%	11.76%	11.05%
Governmental grants and contracts						
Federal grants and contracts	18.10%	20.55%	20.25%	19.63%	18.00%	15.06%
State grants and contracts	3.39%	2.30%	1.31%	2.26%	3.73%	3.71%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.00%	0.18%	0.02%	0.00%	0.22%	0.28%
Sales and services of educational activities	0.97%	1.24%	1.19%	0.99%	0.56%	0.59%
Auxiliary enterprises	9.17%	9.03%	9.39%	10.21%	9.09%	9.25%
Other operating revenues	0.71%	0.82%	0.87%	1.02%	0.44%	0.62%
Total Operating Revenues	46.01%	47.60%	45.81%	47.50%	43.81%	40.55%
State appropriations	28.98%	31.10%	30.65%	31.43%	34.83%	37.88%
Ad valorem taxes	19.56%	19.92%	20.14%	19.83%	18.93%	19.21%
Gifts	1.67%	0.54%	2.48%	0.69%	1.64%	1.15%
Investment income	3.68%	1.10%	1.11%	0.69%	0.93%	1.23%
Other non-operating revenues	0.10%	-0.25%	-0.19%	-0.13%	-0.14%	-0.02%
Total Non-Operating Revenues	53.99%	52.40%	54.19%	52.50%	56.19%	59.45%
Total Revenues	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 2002-2007 are available.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002 through 2007
(unaudited)

For the Year Ended August 31,						
(amounts expressed in thousands)						
	2007	2006	2005	2004	2003	2002
Instruction	\$ 13,663	\$ 12,485	\$ 11,362	\$ 10,976	\$ 11,369	\$ 11,194
Public service	204	71	-	-	-	-
Academic support	1,835	1,434	1,280	1,397	1,246	1,324
Student services	2,167	2,148	2,003	1,949	1,983	1,663
Institutional support	2,949	3,027	2,569	2,377	2,479	2,458
Operation and maintenance of plant	2,622	2,704	2,152	2,036	2,095	2,168
Scholarships and fellowships	771	1,318	1,980	2,216	2,033	1,879
Auxiliary enterprises	3,204	3,058	3,070	3,014	2,655	2,558
Depreciation	975	949	923	794	723	719
Total Operating Expenses	28,390	27,194	25,339	24,759	24,583	23,963
Interest on capital related debt	941	267	322	384	442	496
Total Non-Operating Expenses	941	267	322	384	442	496
Total Expenses	\$ 29,331	\$ 27,461	\$ 25,661	\$ 25,143	\$ 25,025	\$ 24,459

For the Year Ended August 31,						
(amounts expressed in thousands)						
	2007	2006	2005	2004	2003	2002
Instruction	46.58%	45.46%	44.28%	43.65%	45.43%	45.77%
Public service	0.70%	0.26%	0.00%	0.00%	0.00%	0.00%
Academic support	6.26%	5.22%	4.99%	5.56%	4.98%	5.41%
Student services	7.39%	7.82%	7.81%	7.75%	7.92%	6.80%
Institutional support	10.05%	11.02%	10.01%	9.45%	9.91%	10.05%
Operation and maintenance of plant	8.94%	9.85%	8.39%	8.10%	8.37%	8.86%
Scholarships and fellowships	2.63%	4.80%	7.72%	8.81%	8.12%	7.68%
Auxiliary enterprises	10.92%	11.14%	11.96%	11.99%	10.61%	10.46%
Depreciation	3.32%	3.46%	3.60%	3.16%	2.89%	2.94%
Total Operating Expenses	96.79%	99.03%	98.75%	98.47%	98.23%	97.97%
Interest on capital related debt	3.21%	0.97%	1.25%	1.53%	1.77%	2.03%
Total Non-Operating Expenses	3.21%	0.97%	1.25%	1.53%	1.77%	2.03%
Total Expenses	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 2002-2007 are available.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
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-District Fees	General Fees	Registration Fee (per student)	Facilities Use Fees
2006	\$ 30	\$ 20	\$ 14	\$ -	\$ -
2005	27	14	12	-	-
2004	27	14	-	2	8
2003	22	11	-	2	8
2002	20	10	-	2	8
2001	20	10	-	2	7
2000	19	10	-	2	5
1999	18	9	-	2	5
1998	17	9	-	2	5
1997	16	8	-	2	5

Non-resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Fees	Registration Fee (per student)	Facilities Use Fees
2006	\$ 55	\$ 55	\$ 14	\$ -	\$ -
2005	55	55	12	-	-
2004	55	55	-	2	8
2003	55	55	-	2	8
2002	100	100	-	2	8
2001	100	100	-	2	7
2000	100	100	-	2	5
1999	100	100	-	2	5
1998	100	100	-	2	5
1997	100	100	-	2	5

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

Resident
Flat fees per semester

Technology Fees	Student Services Fees	Transcript/Diploma 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
\$ 10	\$ -	\$ -	\$ 538	\$ 778	14.96%	22.33%
-	-	-	468	636	2.63%	1.92%
-	10	2	456	624	15.15%	18.18%
-	10	2	396	528	6.45%	7.32%
-	10	2	372	492	3.33%	2.50%
-	10	2	360	480	3.45%	2.56%
24	10	2	348	468	4.19%	5.88%
24	10	-	334	442	8.44%	6.25%
10	10	-	308	416	5.84%	7.49%
5	10	-	291	387		

Non-resident
Flat fees per semester

Technology Fees	Student Services Fees	Transcript/Diploma Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
\$ 10	\$ -	\$ -	\$ 838	\$ 838	4.23%	4.23%
-	-	-	804	804	1.52%	1.52%
-	10	2	792	792	0.00%	0.00%
-	10	2	792	792	-40.54%	-40.54%
-	10	2	1,332	1,332	0.91%	0.91%
-	10	2	1,320	1,320	0.00%	0.00%
24	10	2	1,320	1,320	0.15%	0.15%
24	10	-	1,318	1,318	1.07%	1.07%
10	10	-	1,304	1,304	0.38%	0.38%
5	10	-	1,299	1,299		

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Assessed Valuation of Property</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value (TAV)</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>
2006-07	\$ 4,757,836	\$ 512,677	\$ 4,245,159	89.22%
2005-06	4,468,419	513,513	3,954,906	88.51%
2004-05	4,296,112	521,420	3,774,692	87.86%
2003-04	3,778,842	230,649	3,548,193	93.90%
2002-03	3,736,823	188,802	3,548,021	94.95%
2001-02	4,215,371	685,670	3,529,701	83.73%
2000-01	4,057,943	722,964	3,334,979	82.18%
1999-00	3,936,589	683,943	3,252,646	82.63%
1998-99	3,829,321	665,041	3,164,280	82.63%
1997-98	3,694,072	701,119	2,992,953	81.02%

Source: Victoria County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Direct Rate

Maintenance & Operations (a)	Debt Service (a)	Total (a)
\$ 0.1113	\$ 0.0303	\$ 0.1416
0.1129	0.0287	0.1416
0.1148	0.0313	0.1461
0.1166	0.0325	0.1491
0.1070	0.0324	0.1394
0.1085	0.0309	0.1394
0.1059	0.0335	0.1394
0.1087	0.0307	0.1394
0.1027	0.0380	0.1407
0.1042	0.0380	0.1422

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years

(unaudited)

(amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE				Appropriation per Contact Hour			
	State Appropriation	FTSE	(a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2006-07	\$ 6,837		2,767	\$ 2,471	1,051	579	1,630	\$ 4.19
2005-06	6,847		2,720	2,517	1,073	591	1,664	4.11
2004-05	6,809		2,926	2,327	1,099	627	1,726	3.94
2003-04	6,809		2,908	2,341	1,113	623	1,736	3.92
2002-03	7,054		2,815	2,506	1,076	625	1,701	4.15
2001-02	7,692		2,793	2,754	1,047	652	1,699	4.53
2000-01	7,296		2,852	2,558	1,033	725	1,758	4.15
1999-00	7,114		2,809	2,533	1,011	692	1,703	4.18
1998-99	6,662		2,802	2,378	881	833	1,714	3.89
1997-98	6,407		2,734	2,343	857	836	1,693	3.78

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

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT

VICTORIA, TEXAS

Statistical Supplement 7

Principal Taxpayers

Last Ten Tax Years

(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2006	2005	2004	2003	2002
Invista	Manufacturing	\$ 428,491	\$ 461,648	\$ 462,791	\$ -	\$ -
AEP Texas Central Co.	Utility	51,016	55,279	53,731	51,987	49,356
Equistar Chemicals LP	Manufacturing	45,499	52,201	49,849	49,276	51,452
E. I DuPont De Nemours & Co	Manufacturing	32,672	40,473	38,696	536,526	549,543
Air Liquide America Corp.	Manufacturing	27,680	30,141	33,292	35,161	43,356
Southwestern Bell Telephone	Utility	26,208	28,900	28,212	32,497	35,797
Union Gas Operating Co.	Natural Gas	34,505	27,454	21,085	16,453	18,924
Tyco Plastics LP	Manufacturing	25,909	22,957	-	-	-
South Texas Electric Co-op, Inc.	Utility	20,508	-	-	-	-
Victoria Hospital LLC	Hospital	19,537	19,975	20,785	20,021	20,023
H S Victoria LP	Shopping Mall	-	20,747	21,132	-	-
Carlisle Plastics Inc.	Manufacturing	-	-	24,793	24,734	24,865
Victoria Retail Properties LP	Shopping Mall	-	-	-	26,067	26,848
H E Butt Grocery Co.	Grocery Store	-	-	-	14,650	-
Central Power & Light	Utility	-	-	-	-	17,080
MRO Commercial Inc.	Shopping Mall	-	-	-	-	-
James Wayne A	Real Estate	-	-	-	-	-
Victoria Regional Medical Center	Hospital	-	-	-	-	-
VTK Limited	Office Building	-	-	-	-	-
New York Life Insurance Co.	Shopping Mall	-	-	-	-	-
Norwest Bank Texas NA	Banking	-	-	-	-	-
Health Care Property Investors	Medical	-	-	-	-	-
Willmington Trust Co. Trustee	Office Building	-	-	-	-	-
Lyondell Petrochemical Company	Manufacturing	-	-	-	-	-
Plaza Associates	Office Building	-	-	-	-	-
Victoria Bank & Trust Co.	Banking	-	-	-	-	-
Totals		\$ 712,025	\$ 759,775	\$ 754,366	\$ 807,372	\$ 837,244
Total Taxable Assessed Value		\$ 4,212,710	\$ 3,954,906	\$ 3,774,692	\$ 3,548,193	\$ 3,548,021

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2006	2005	2004	2003	2002
Invista	Manufacturing	10.17%	11.67%	12.26%	-	-
AEP Texas Central Co.	Utility	1.21%	1.40%	1.42%	1.47%	1.39%
Equistar Chemicals LP	Manufacturing	1.08%	1.32%	1.32%	1.39%	1.45%
E. I DuPont De Nemours & Co	Manufacturing	0.78%	1.02%	1.03%	15.12%	15.49%
Air Liquide America Corp.	Manufacturing	0.66%	0.76%	0.88%	0.99%	1.22%
Southwestern Bell Telephone	Utility	0.62%	0.73%	0.75%	0.92%	1.01%
Union Gas Operating Co.	Natural Gas	0.82%	0.69%	0.56%	0.46%	0.53%
Tyco Plastics LP	Manufacturing	0.62%	0.58%	-	-	-
South Texas Electric Co-op, Inc.	Utility	0.49%	-	-	-	-
Victoria Hospital LLC	Hospital	0.46%	0.51%	0.55%	0.56%	0.56%
H S Victoria LP	Shopping Mall	-	0.52%	0.56%	-	-
Carlisle Plastics Inc.	Manufacturing	-	-	0.66%	0.70%	0.70%
Victoria Retail Properties LP	Shopping Mall	-	-	-	0.73%	0.76%
H E Butt Grocery Co.	Grocery Store	-	-	-	0.41%	-
Central Power & Light	Utility	-	-	-	-	0.48%
MRO Commercial Inc.	Shopping Mall	-	-	-	-	-
James Wayne A	Real Estate	-	-	-	-	-
Victoria Regional Medical Center	Hospital	-	-	-	-	-
VTK Limited	Office Building	-	-	-	-	-
New York Life Insurance Co.	Shopping Mall	-	-	-	-	-
Norwest Bank Texas NA	Banking	-	-	-	-	-
Health Care Property Investors	Medical	-	-	-	-	-
Willmington Trust Co. Trustee	Office Building	-	-	-	-	-
Lyondell Petrochemical Company	Manufacturing	-	-	-	-	-
Plaza Associates	Office Building	-	-	-	-	-
Victoria Bank & Trust Co.	Banking	-	-	-	-	-
Totals		16.90%	19.21%	19.07%	22.75%	23.60%

Source: Victoria County Appraisal District

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
2001	2000	1999	1998	1997
\$ -	\$ -	\$ -	\$ -	\$ -
41,463	-	-	-	-
54,751	59,870	69,249	63,684	-
586,771	594,325	608,979	610,079	545,927
49,712	53,587	56,198	57,630	24,276
36,476	38,959	38,088	41,205	43,360
66,461	-	-	-	-
-	-	-	-	-
-	-	-	-	-
18,534	18,534	18,528	-	-
-	-	-	-	-
23,015	22,722	24,910	26,137	-
-	-	-	-	-
-	9,754	-	-	-
18,588	59,870	57,969	51,769	66,371
20,382	22,096	20,800	-	-
-	10,461	-	-	-
-	-	18,712	-	13,566
-	-	10,117	-	-
-	-	-	22,500	22,500
-	-	-	14,540	-
-	-	-	14,367	14,367
-	-	-	10,617	-
-	-	-	-	63,855
-	-	-	-	14,367
-	-	-	-	13,996
\$ 916,153	\$ 890,178	\$ 923,550	\$ 912,528	\$ 822,585
\$ 3,529,701	\$ 3,334,979	\$ 3,252,646	\$ 3,164,280	\$ 2,992,953

% of Taxable Assessed Value (TAV) by Tax Year				
2001	2000	1999	1998	1997
-	-	-	-	-
1.17%	-	-	-	-
1.55%	1.80%	2.13%	2.01%	-
16.62%	17.82%	18.72%	19.28%	18.24%
1.41%	1.61%	1.73%	1.82%	0.81%
1.03%	1.17%	1.17%	1.30%	1.45%
1.88%	-	-	-	-
-	-	-	-	-
-	-	-	-	-
0.53%	0.56%	0.57%	-	-
-	-	-	-	-
0.65%	0.68%	0.77%	0.83%	-
-	-	-	-	-
-	0.29%	-	-	-
0.53%	1.80%	1.78%	1.64%	2.22%
0.58%	0.66%	0.64%	-	-
-	0.31%	-	-	-
-	-	0.58%	-	0.45%
-	-	0.31%	-	-
-	-	-	0.71%	0.75%
-	-	-	0.46%	-
-	-	-	0.45%	0.48%
-	-	-	0.34%	-
-	-	-	-	2.13%
-	-	-	-	0.48%
-	-	-	-	0.47%
25.96%	26.69%	28.39%	28.84%	27.48%

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years

(unaudited)

(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Current Levy (c)	Percentage	Prior Collections of Prior Levies (d)
2007	\$ 5,970	\$ (8)	\$ 5,962	\$ 5,829	97.77%	\$ -
2006	5,600	(18)	5,582	5,465	97.90%	-
2005	5,515	26	5,541	5,406	97.56%	80
2004	5,290	3	5,293	5,179	97.85%	81
2003	4,962	(17)	4,945	4,832	97.71%	84
2002	4,909	(2)	4,907	4,740	96.60%	143
2001	4,645	(24)	4,621	4,498	97.34%	110
2000	4,532	(29)	4,503	4,379	97.25%	111
1999	4,471	-	4,471	4,324	96.71%	135
1998	4,256	-	4,256	4,158	97.70%	87
1997	4,364	-	4,364	4,264	97.71%	85

Source: Local Tax Assessor/Collector and District records.

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

(b) As of August 31st of the current reporting year. Adjustment information not available from 1997 to 1999.

These statements are issued prospectively.

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

(d) Represents cumulative collections of prior years not collected in the current year of the tax levy.

(e) Represents current year collections of prior year levies.

	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
\$	-	\$ 5,829	97.77%
	75	5,540	99.25%
	23	5,509	99.42%
	9	5,269	99.55%
	5	4,921	99.51%
	3	4,886	99.57%
	2	4,610	99.76%
	2	4,492	99.76%
	2	4,461	99.78%
	1	4,246	99.77%
	1	4,350	99.68%

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,				
	(amounts expressed in thousands)				
	2007	2006	2005	2004	2003
General Bonded Debt					
General obligation bonds	\$ 14,930	\$ 14,500	\$ 1,110	\$ 2,195	\$ 3,225
Notes	-	-	-	-	-
Less: Funds restricted for debt service	(163)	(131)	(101)	(58)	(38)
Net general bonded debt	<u>14,767</u>	<u>14,369</u>	<u>1,009</u>	<u>2,137</u>	<u>3,187</u>
Other Debt					
Revenue bonds	4,270	4,535	4,790	5,030	5,260
Notes	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Total Outstanding Debt	<u>\$ 19,037</u>	<u>\$ 18,904</u>	<u>\$ 5,799</u>	<u>\$ 7,167</u>	<u>\$ 8,447</u>

General Bonded Debt Ratios

Per Capita	\$ 171.33	\$ 167.77	\$ 11.78	\$ 25.02	\$ 37.44
Per FTSE	5,337	5,283	345	735	1,136
As a percentage of Taxable Assessed Value	0.35%	0.36%	0.03%	0.06%	0.09%

Total Outstanding Debt Ratios

Per Capita	\$ 220.87	\$ 220.72	\$ 67.72	\$ 83.92	\$ 99.24
Per FTSE	6,880	6,950	1,982	2,465	3,010
As a percentage of Taxable Assessed Value	0.45%	0.48%	0.15%	0.20%	0.24%

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

For the Year Ended August 31,

(amounts expressed in thousands)

2002	2001	2000	1999	1998
\$ 4,210	\$ 5,140	\$ 6,045	\$ 6,895	\$ 7,675
-	-	-	-	-
(25)	(72)	(95)	(212)	(93)
4,185	5,068	5,950	6,683	7,582
5,475	5,680	5,875	6,000	-
-	-	-	-	-
-	-	-	-	-
\$ 9,660	\$ 10,748	\$ 11,825	\$ 12,683	\$ 7,582

\$ 49.35	\$ 60.27	\$ 70.85	\$ 80.20	\$ 92.37
1,494	1,777	2,118	2,385	2,773
0.12%	0.15%	0.18%	0.21%	0.25%

\$ 113.92	\$ 127.82	\$ 140.80	\$ 152.21	\$ 92.37
3,448	3,769	4,210	4,526	2,773
0.27%	0.32%	0.36%	0.40%	0.25%

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,				
	(amount expressed in thousands)				
	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 4,245,159	\$ 3,954,906	\$ 3,774,692	\$ 3,548,193	\$ 3,548,021
General Obligation Bonds					
Statutory Tax Levy Limit for Debt Service	\$ 21,226	\$ 19,775	\$ 18,873	\$ 17,741	\$ 17,740
Less: Funds Restricted for Repayment of General Obligation Bonds	(163)	(131)	(101)	(58)	(38)
Total Net General Obligation Debt	21,063	19,644	18,772	17,683	17,702
Current Year Debt Service Requirements	1,288	1,136	1,161	1,154	1,153
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 19,775	\$ 18,508	\$ 17,611	\$ 16,529	\$ 16,549
Net Current Requirements as a % of Statutory Limit	5.30%	5.08%	5.62%	6.18%	6.29%

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.

For the Year Ended August 31,				
(amount expressed in thousands)				
2002	2001	2000	1999	1998
<u>\$ 3,529,701</u>	<u>\$ 3,334,979</u>	<u>\$ 3,252,646</u>	<u>\$ 3,164,280</u>	<u>\$ 2,992,953</u>
\$ 17,649	\$ 16,675	\$ 16,263	\$ 15,821	\$ 14,965
(25)	(72)	(95)	(212)	(93)
17,624	16,603	16,168	15,609	14,872
1,141	1,155	1,138	1,152	1,169
<u>\$ 16,483</u>	<u>\$ 15,448</u>	<u>\$ 15,030</u>	<u>\$ 14,457</u>	<u>\$ 13,703</u>
6.32%	6.49%	6.41%	5.94%	7.19%

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31,	Pledged Revenues (\$000 omitted)						Total
	Tuition (a)	General Fee	Facility Use Fees	Registration Fees	Investment Income		
2007	\$ 133	\$ 1,182	\$ -	\$ -	\$ 238	\$ 1,553	
2006	131	1,013	-	-	199	1,343	
2005	133	958	-	-	139	1,230	
2004	138	-	679	161	61	1,039	
2003	134	-	657	155	59	1,005	
2002	129	-	667	155	126	1,077	
2001	130	-	598	161	265	1,154	
2000	130	-	386	157	256	929	
1999	-	-	-	-	-	-	
1998	-	-	-	-	-	-	

(a)- Per the bond covenant, tuition is pledged at \$15 per student for Fall and Spring semesters and \$7.50 per student for Summer semesters.

Debt Service Requirements (\$000 omitted)				
--	--	--	--	--

Principal	Interest	Total	Coverage Ratio
\$ 265	\$ 216	\$ 481	3.23
255	232	487	2.76
240	246	486	2.53
230	260	490	2.12
215	273	488	2.06
205	285	490	2.20
195	297	492	2.35
125	367	492	1.89
-	-	-	-
-	-	-	-

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

<u>Calendar Year</u>	<u>District Population</u>	<u>District Personal Income (a) (thousands of dollars)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2006	86,191	a	a	3.6%
2005	85,734	\$ 2,629,240	\$ 30,667	4.6%
2004	85,635	2,517,587	29,399	6.1%
2003	85,400	2,387,084	27,952	6.2%
2002	85,119	2,318,156	27,234	5.9%
2001	84,798	2,275,727	26,837	4.1%
2000	84,088	2,231,228	26,534	4.4%
1999	83,984	2,040,988	24,302	4.2%
1998	83,326	1,979,817	23,760	3.6%
1997	82,080	1,823,857	22,220	5.8%

Sources:

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

Notes:

a. Not yet available.

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(unaudited)

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment (2)</u>	<u>Industry / Service Type</u>
Victoria ISD	2,114	10.98%	Education
The Inteplast Group	1,700	8.83%	Plastic Products
Formosa Plastic	1,500	7.79%	Petrochemical/Plastics
Citizens Medical Center	1,400	7.27%	Hospital
DeTar Healthcare System	1,000	5.20%	Hospital
Dow - Seadrift Operations	660	3.43%	Petrochemical
Alcoa	630	3.27%	Alumina/Alumina Chemicals
Victoria County	616	3.20%	Government
Calhoun ISD	613	3.18%	Education
Total	10,233	53.17%	

Source:

Texas Workforce Commission

<http://www.tracer2.com/cgi/dataanalysis/labForceReport.asp?menuchoice=LABFORCE>

Victoria Economic Development Board

<http://www.victoriaedc.com/index.php?module=ContentExpress&file=index&func=display&ceid=71&meid=95>

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT

VICTORIA, TEXAS

Statistical Supplement 14

Faculty, Staff, and Administrators Statistics

Last Ten Fiscal Years

(unaudited)

	For the Year Ended August 31,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Faculty										
Full-Time	101	100	98	98	102	120	118	111	116	108
Part-Time	73	58	79	60	87	92	99	91	95	86
Total	174	158	177	158	189	212	217	202	211	194
Percent										
Full-Time	58.0%	63.3%	55.4%	62.0%	54.0%	56.6%	54.4%	55.0%	55.0%	55.7%
Part-Time	42.0%	36.7%	44.6%	38.0%	46.0%	43.4%	45.6%	45.0%	45.0%	44.3%
Staff and Administrators										
Full-Time	175	165	165	165	166	155	145	146	128	135
Part-Time	4	6	7	6	6	4	5	7	14	17
Total	179	170	172	171	172	159	150	153	142	152
Percent										
Full-Time	97.8%	97.1%	95.9%	96.5%	96.5%	97.5%	96.7%	95.4%	90.1%	88.8%
Part-Time	2.2%	3.5%	4.1%	3.5%	3.5%	2.5%	3.3%	4.6%	9.9%	11.2%
FTSE per Full-time Faculty	27.4	27.2	29.9	29.7	27.6	23.3	24.2	25.3	24.2	25.3
FTSE per Full-Time Staff Member	15.8	16.5	17.7	17.6	17.0	18.0	19.7	19.2	21.9	20.3
Average Annual Faculty Salary	\$47,473	\$45,247	\$44,349	\$43,262	\$42,511	\$41,656	\$42,511	\$41,656	\$40,274	\$39,243

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

<u>Student Classification</u>	<u>Fall 2006</u>		<u>Fall 2005</u>		<u>Fall 2004</u>		<u>Fall 2003</u>		<u>Fall 2002</u>	
	<u>Number</u>	<u>Percent</u>								
00-30 hours	2,366	58.62%	2,375	59.66%	2,415	59.84%	2,535	59.76%	2,377	59.01%
31-60 hours	1,091	27.03%	1,093	27.46%	1,058	26.21%	1,098	25.88%	1,084	26.91%
> 60 hours	579	14.35%	513	12.89%	563	13.95%	609	14.36%	567	14.08%
Total	4,036	100.00%	3,981	100.00%	4,036	100.00%	4,242	100.00%	4,028	100.00%

<u>Semester Hour Load</u>	<u>Fall 2006</u>		<u>Fall 2005</u>		<u>Fall 2004</u>		<u>Fall 2003</u>		<u>Fall 2002</u>	
	<u>Number</u>	<u>Percent</u>								
Less than 3	39	0.97%	25	0.63%	31	0.77%	30	0.71%	65	1.61%
3-5 semester hours	933	23.12%	853	21.43%	804	19.92%	995	23.46%	895	22.22%
6-8 Semester hours	963	23.86%	917	23.03%	938	23.24%	964	22.73%	908	22.54%
9-11 semester hours	662	16.40%	664	16.68%	679	16.82%	722	17.02%	670	16.63%
12-14 semester hours	1,142	28.30%	1,230	30.90%	1,233	30.55%	1,196	28.19%	1,083	26.89%
15-17 semester hours	171	4.24%	146	3.67%	172	4.26%	177	4.17%	221	5.49%
18 & over	126	3.12%	146	3.67%	179	4.44%	158	3.72%	186	4.62%
Total	4,036	100.00%	3,981	100.00%	4,036	100.00%	4,242	100.00%	4,028	100.00%

Average course load	8.69	8.89	9.05	8.70	8.93
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<u>Tuition Status</u>	<u>Fall 2006</u>		<u>Fall 2005</u>		<u>Fall 2004</u>		<u>Fall 2003</u>		<u>Fall 2002</u>	
	<u>Number</u>	<u>Percent</u>								
Texas Resident (in-District)	2,146	53.17%	2,166	54.41%	2,275	56.37%	2,339	55.14%	2,275	56.48%
Texas Resident (out-of-District)	1,865	46.21%	1,781	44.74%	1,728	42.81%	1,868	44.04%	1,734	43.05%
Non-Resident Tuition	25	0.62%	34	0.85%	33	0.82%	35	0.83%	19	0.47%
Total	4,036	100.00%	3,981	100.00%	4,036	100.00%	4,242	100.00%	4,028	100.00%

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

Gender	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent								
Female	2,712	67.20%	2,623	65.89%	2,652	65.71%	2,749	64.77%	2,554	63.41%
Male	1,324	32.80%	1,358	34.11%	1,384	34.29%	1,495	35.23%	1,474	36.59%
Total	4,036	100.00%	3,981	100.00%	4,036	100.00%	4,244	100.00%	4,028	100.00%

Ethnic Origin	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent								
White	2,432	60.26%	2,433	61.12%	2,495	61.82%	2,679	63.12%	2,603	64.62%
Hispanic	1,307	32.38%	1,285	32.28%	1,292	32.01%	1,296	30.54%	1,173	29.12%
African American	209	5.18%	186	4.67%	178	4.41%	183	4.31%	184	4.57%
Asian	59	1.46%	52	1.31%	47	1.16%	58	1.37%	51	1.27%
Foreign	16	0.40%	12	0.30%	10	0.25%	14	0.33%	8	0.20%
Native American	13	0.32%	13	0.33%	14	0.35%	14	0.33%	9	0.22%
Total	4,036	100.00%	3,981	100.00%	4,036	100.00%	4,244	100.00%	4,028	100.00%

Age	Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent								
Under 18	486	12.04%	447	11.23%	384	9.51%	500	11.78%	404	10.03%
18 -21	1,588	39.35%	1,575	39.56%	1,647	40.81%	1,717	40.46%	1,692	42.01%
22 - 24	569	14.10%	608	15.27%	601	14.89%	597	14.07%	538	13.36%
25 - 35	831	20.59%	797	20.02%	797	19.75%	790	18.61%	751	18.64%
36 - 50	454	11.25%	460	11.55%	495	12.26%	529	12.46%	525	13.03%
51 & over	108	2.68%	94	2.36%	112	2.78%	111	2.62%	118	2.93%
Total	4,036	100.00%	3,981	100.00%	4,036	100.00%	4,244	100.00%	4,028	100.00%
Average Age	24.70		24.70		25.09		24.86		25.19	

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 17
Transfers to Senior Institutions
2003 Fall Students as of Fall 2004
(Includes only public senior colleges in Texas)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 University of Houston - Victoria	274	14	14	302	36.92%
2 Texas A&M University - College Station	113			113	13.81%
3 Texas State University	102			102	12.47%
4 University of Texas - Austin	79	1		80	9.78%
5 Texas A&M University - Corpus Christi	49		4	53	6.48%
6 University of Texas - San Antonio	32		1	33	4.03%
7 Texas A&M University - Kingsville	23			23	2.81%
8 Sam Houston State University	20		1	21	2.57%
9 Texas Tech University	19	1	1	21	2.57%
10 University of Houston - University Park	10			10	1.22%
11 Stephen F. Austin State University	8			8	0.98%
12 University of North Texas	6			6	0.73%
13 University of Texas - Dallas	6			6	0.73%
14 University of Texas - Pan American	4			4	0.49%
15 University of Texas Health Science Center - San Antonio	4			4	0.49%
16 Angelo State University	3			3	0.37%
17 Prairie View A&M University	2		1	3	0.37%
18 Texas A&M University - Galveston	3			3	0.37%
19 University of Houston - Downtown	3			3	0.37%
20 University of Texas - Arlington	3			3	0.37%
21 Lamar University	1		1	2	0.24%
22 Tarleton State University	1		1	2	0.24%
23 Texas Women's University	2			2	0.24%
24 University of Houston - Clear Lake	2			2	0.24%
25 University of Texas - Tyler	2			2	0.24%
26 University of Texas Medial Branch Galveston	2			2	0.24%
27 Sul Ross State University	1			1	0.12%
28 Texas A&M University - Commerce	1			1	0.12%
29 Texas Tech University Health Science Center	1			1	0.12%
30 University of Texas Health Science Center - Houston	1			1	0.12%
31 University of Texas Southwestern Medical Ctr Dallas	1			1	0.12%
Totals	778	16	24	818	100.00%

VICTORIA COUNTY JUNIOR COLLEGE DISTRICT
VICTORIA, TEXAS
Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2003 through 2007

	For the Year Ended August 31,				
	2007	2006	2005	2004	2003
Academic buildings	9	9	9	9	8
Square footage	245,030	245,030	245,030	245,030	212,698
Libraries	1	1	1	1	1
Square footage	49,768	49,768	49,768	49,768	49,768
Number of Volumes	295,923	295,923	289,953	287,001	280,321
Administrative and support buildings	2	2	2	2	2
Square footage	22,509	22,509	22,509	22,509	22,509
Museums	1	1	1	1	1
Square footage	8,850	8,850	8,850	8,850	8,850
Student Center	1	1	1	1	1
Square footage	32,332	32,332	32,332	32,332	32,332
Dining Facilities	1	1	1	1	1
Average daily customers	1,000	1,000	1,000	1,000	1,000
Bookstore	1	1	1	1	1
Athletic Facilities	2	2	2	2	2
Square footage	73,308	73,308	73,308	73,308	73,308
Gymnasiums	1	1	1	1	1
Fitness Centers	1	1	1	1	1
Tennis Courts	1	1	1	1	1
Plant facilities	1	1	1	1	1
Square footage	27,000	27,000	27,000	27,000	27,000
Transportation					
Light Trucks/Vans	2	2	2	2	2
Ambulances	1	1	1	1	1