

**Grayson County College**  
**Annual Financial Report**  
**August 31, 2010**

**Grayson County College  
Annual Financial Report  
Year Ended August 31, 2010**

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**Grayson County College**

**Organizational Data  
For the Fiscal Year 2009 - 2010**

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Board of Trustees

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Officers

		<u>Term Expires</u>
Mrs. Janet Gott	President	2011
Mr. Bill McFatridge	Vice-President	2015
Mr. Bobby Brown	Secretary	2015

Members

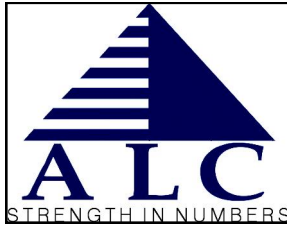
Mr. Jack Norman	Howe, Texas	2011
Mrs. Ruby Jo Williams	Sherman, Texas	2013
Mr. Ralph Jones	Denison, Texas	2013
Dr. Mary Moses	Sherman, Texas	2011

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Principal Administrative and Business Officers

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Dr. Alan Scheibmeir	President
Mr. Giles Brown	Vice President for Business Services
Dr. Jeanie Hardin	Vice President for Instructional Services
Mr. Gary Paikowski	Vice President for Information Technology
Dr. Roy Renfro	Vice President for Resource and Community Development
Mr. Marc Payne	Vice President for Student Services



# ADAMI, LINDSEY & COMPANY, L.L.P.

*Certified Public Accountants*

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DAROLD P. ADAMI  
JAMES A. LINDSEY  
DAROLD P. ADAMI, JR.  
BELINDA W. DEVINCENTIS

## Independent Auditor's Report

Board of Trustees  
Grayson County College  
Denison, Texas

Members of the Board:

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of Grayson County College (College) as of and for the years ended August 31, 2010 and 2009, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and discretely presented component unit of Grayson County College as of August 31, 2010 and 2009, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2010 on our consideration of the College'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 should be considered in assessing the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the 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 opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplementary schedules and statistical supplement listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular, and are not a required part of the basic financial statements. The supplementary schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, net assets by source and availability, schedule of expenditures of federal awards and schedule of expenditures of state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated all material respects in relation to the basic financial statements taken as a whole. The organizational data and the statistical supplement have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Adami, Lindsey & Company, L.L.P.*

Sherman, Texas  
December 13, 2010

**GRAYSON COUNTY COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2010**

Management's discussion and analysis of Grayson County College's financial performance provides an overview of the college's financial activities for the fiscal year ended August 31, 2010. It should be read in conjunction with the college's financial statements which follow.

**FINANCIAL HIGHLIGHTS**

- Grayson County College continued its pattern of good financial performance, again increasing total net assets. For fiscal year 2009-2010, total net assets increased \$1,375,014, or 3.9%. In fiscal year 2008-2009 total net assets increased \$4,619,909, and in fiscal year 2007-2008 the increase was \$604,004.
- Unrestricted net assets also increased in fiscal year 2009-2010, growing from \$18,746,846 to \$20,298,112, for an 8.3% increase.
- Total assets decreased very slightly, falling from \$102,854,336 to \$102,608,718, or 0.2%.
- Total liabilities decreased \$1,620,632 to \$66,073,202. This 2.4% decrease came primarily from a decline in long-term bonds payable.
- Operating revenue increased 4.2% to \$9,813,599. The largest amount of this increase can be attributed to higher enrollment, particularly among students receiving Pell Grants and other forms of financial aid.
- Operating expenses grew \$6,575,555, or 22.0%, with the largest increases coming from the categories of scholarships and fellowships, operation and maintenance of plant facilities, and instruction.
- Net non-operating revenues grew \$2,936,591, or 11.6%, to \$28,080,561. The large increase in Federal grants, primarily Pell Grants, was partially off-set by a higher level of interest on capital-related debt.
- At August 31, 2010, the college was nearing the end of its facilities renewal program which is funded by \$44,790,000 in general obligation bonds that were authorized by voters in May 2007. All major projects are on schedule to be closed out early in 2011, but some minor funding will remain after that. The complete authorization of bond funds will be spent by December 31, 2012.

**EXPLANATION OF FINANCIAL STATEMENTS**

The Annual Financial Report consists of a series of financial statements. The core statements are known as *the Statement of Net Assets*, *the Statement of Revenue, Expenses, and Changes in Net Assets* and *the Statement of Cash Flows*. These statements comply with all the Statements issued by the Governmental Accounting Standards Board (GASB) that are currently in effect. Most significantly, they comply with GASB Statements 34 and 35, which are landmark pronouncements that changed the basic structure of financial reporting for governmental entities.

The *Statement of Net Assets* reflects assets, liabilities and net assets at a particular date of measurement, in this case August 31, 2010. In many respects it is similar to a balance sheet. The elements of the statement are classified as current assets, non-current assets, current liabilities, non-current liabilities, and net assets. The term "net assets" replaces the former term "fund balance." Net assets are further broken down as invested in capital assets, restricted, and unrestricted.

The *Statement of Revenues, Expenses and Changes in Net Assets* provides information on the change in net assets from the end of the prior fiscal year to the end of the current fiscal year by reporting on operating revenues, operating expenses, non-operating revenues and expenses and other revenues and expenses. Operating income (loss), which is the net of operating revenue and operating expenses, shows the financial result of the college's operations. Significantly, appropriations from the State of Texas and ad valorem taxes from local property owners are reported in non-operating revenues and expenses because they do not come from our users, but rather from taxes on those that do not directly benefit from our services.

The *Statement of Cash Flows* provides relevant information about the cash receipts and cash payments of the college during the fiscal year. The *Statement of Cash Flows* is intended to compliment the accrual basis of accounting used in the financial statements by providing information about financing, capital and investing activities.

## CONDENSED COMPARATIVE FINANCIAL INFORMATION

The following statements are condensed presentations of the *Statement of Net Assets* and the *Statement of Revenues, Expenses and Changes in Net Assets*. These are provided as summaries. For more complete presentations, please see the actual statements shown in following sections of this Annual Financial Report.

### Condensed Statement of Net Assets August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>Assets</u></b>		
Capital assets (net accumulated depreciation)	\$ 68,100,717	\$49,432,028
All other assets	34,508,001	53,422,308
Total assets	<u>102,608,718</u>	<u>102,854,336</u>
<b><u>Liabilities</u></b>		
Non-current liabilities	57,737,178	60,162,318
All other liabilities	8,336,024	7,531,516
Total liabilities	<u>66,073,202</u>	<u>67,693,834</u>
<b><u>Net Assets</u></b>		
Invested in capital assets (net of related debt)	13,065,543	13,663,358
Restricted	3,171,861	2,750,298
Unrestricted.	20,298,112	18,746,846
Total Net Assets	<u>\$ 36,535,516</u>	<u>\$35,160,502</u>

### Condensed Statement of Revenues, Expenses and Changes in Net Assets for Years Ended August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b><u>Operating Revenue</u></b>		
Tuition and fees (net of discounts)	\$ 4,434,892	\$ 4,393,415
Operating grants and contracts	3,109,272	2,297,479
Auxiliary enterprises (net of discounts)	2,026,511	2,518,417
Other operating revenues	242,924	210,219
Total Operating Revenues	<u>9,813,599</u>	<u>9,419,530</u>
<b><u>Operating Expenses</u></b>		
Instruction	12,498,247	11,236,520
Public service	705,655	623,262
Academic support	1,531,288	1,517,008
Student services	2,098,517	1,972,321
Institutional support	3,491,956	3,146,440
Operation and maintenance of plant	4,909,414	3,574,374
Scholarships and fellowships	5,919,836	2,973,561
Auxiliary enterprises	3,969,656	3,825,308
Depreciation	1,404,577	1,084,797
Total Operating Expenses	<u>36,529,146</u>	<u>29,953,591</u>
<b><u>Operating Income (Loss)</u></b>	<b>(26,715,547)</b>	<b>(20,534,061)</b>
<b><u>Non-Operating Revenues (Expenses)</u></b>		
State appropriations	9,095,185	9,058,756
Ad valorem taxes	12,231,489	11,796,376
Net other non-operating revenues (expenses)	6,753,887	5,288,838
Net Non-Operating revenues (expenses)	<u>28,080,561</u>	<u>25,143,970</u>
<b><u>Income before Transfers</u></b>	<b>1,365,014</b>	<b>4,609,909</b>

Transfers	10,000	10,000
<b><u>Increase in Net Assets</u></b>	1,375,014	4,619,909
<b><u>Net Assets - Beginning of Year</u></b>	35,160,502	30,540,593
<b><u>Net Assets - End of Year</u></b>	<u>\$ 36,535,516</u>	<u>\$ 35,160,502</u>

## DISCUSSION OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

Grayson County College uses a standard set of financial ratios to judge its financial position and the results of its operations. The ratios that the college uses are widely used in higher education and come from *Strategic Financial Analysis for Higher Education, 6<sup>th</sup> edition*.

The college compares the ratios from its current fiscal year with those of past years, with the statewide average for Texas community colleges, and with standards set by the Texas Higher Education Coordinating Board (THECB).

	<u>GCC</u>			2009 Average for Texas Comm. <u>Colleges</u>	THECB <u>Minimum</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>		
Return on Net Assets	3.9%	15.1%	2.0%	7.0%	0.0%
Operating Margin	9.5%	13.3%	8.3%	6.0%	0.0%
Primary Reserve Ratio	0.60	0.70	0.62	0.39	0.08
Viability Ratio	0.41	0.36	0.28	3.36	0.25
Composite Index	3.68	5.55	3.24	5.41	1.00

Grayson County College had solid results for fiscal year 2009-2010, improving in most categories over fiscal year 2007-2008 but not achieving the stellar results of 2008-2009. In all cases, the college's results were substantially better than the standards set by THECB.

**Return on Net Assets:** Calculated by dividing the change in net assets by net assets at the start of the fiscal year, this ratio provides information of the degree of change in the college's wealth from one year to the next. For fiscal year 2009-2010, Grayson County College's return was 3.9%, much higher than the THECB minimum of 0.0%.

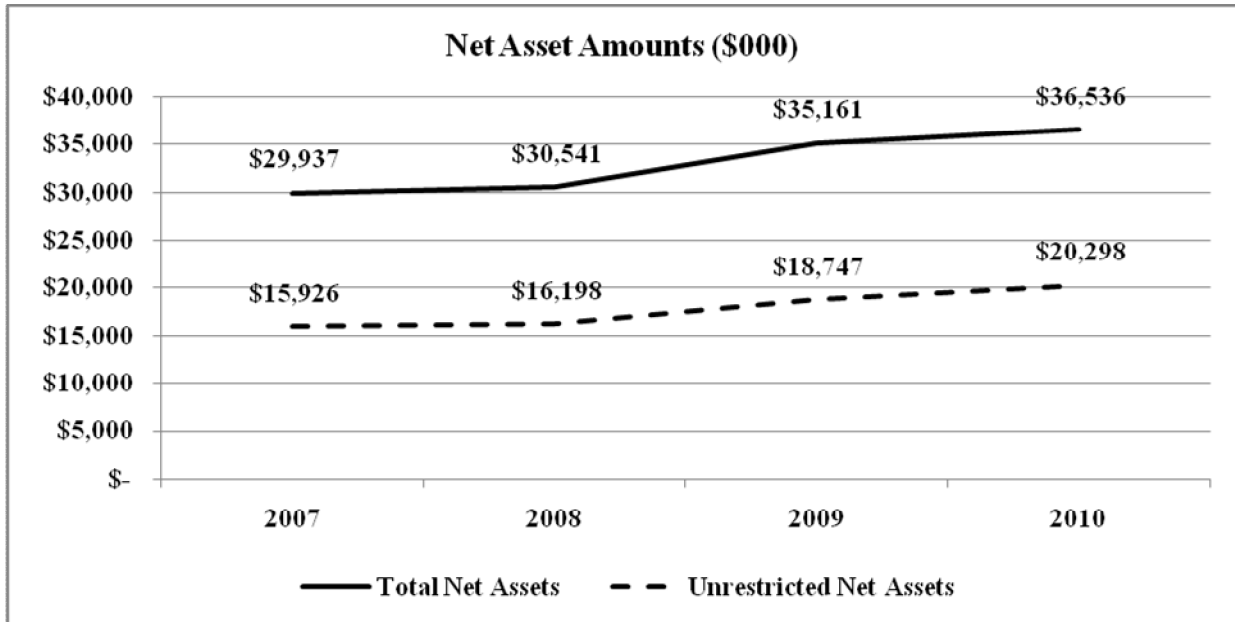
**Operating Margin:** This ratio indicates an operating surplus or deficit. Grayson's 2009-2010 ratio of 9.5% greatly surpasses the THECB minimum of 0.0%.

**Primary Reserve Ratio:** Dividing expendable reserves by total expenses produces this ratio which is a gauge of financial strength and flexibility. Multiplying this ratio by 12 shows how long a school can survive without revenue in terms of months. Grayson County College's primary reserve ratio of 0.60 indicates that the school could survive over seven months without revenue. The minimum from the THECB is 0.08.

**Viability Ratio:** Dividing expendable reserves by total non-current liabilities produces the viability ratio. Grayson County College's ratio reflects the addition of the \$44,700,000 in general obligation debt but is improving over time as the debt load is paid off. Even with the debt load as it is, the college's viability ratio of 0.41 is well above the THECB minimum of 0.25.

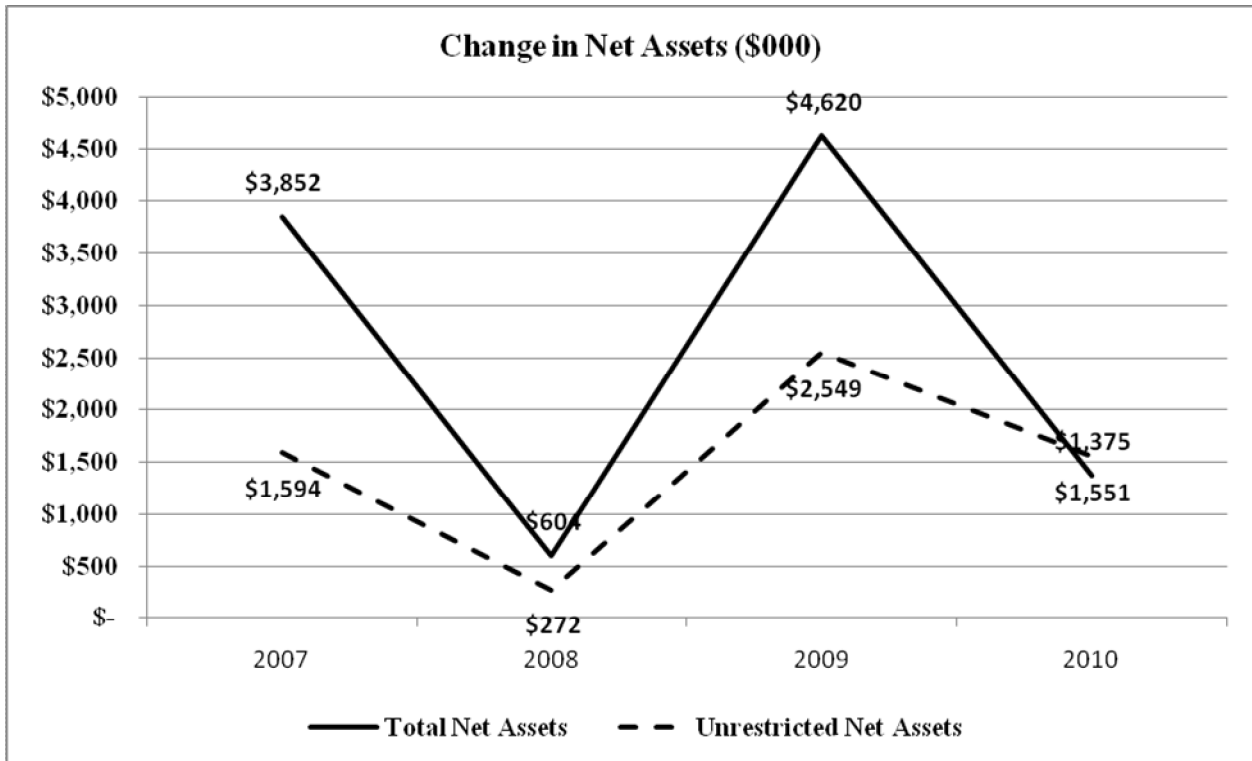
**Composite Index:** This is a capstone measure of financial health that is calculated by blending the four ratios that are explained above. Grayson's composite index of 3.68 is solidly above the THECB minimum of 1.00.

The amount of net assets indicates the wealth of a school. The unrestricted segment of total net assets has the most flexibility in meeting financial opportunities or challenges.



The change in net assets indicates the increase or decrease in wealth. The unrestricted segment of total net assets generally reflects the on-going business activity of the school.

The change in net assets indicates the increase or decrease in wealth. The unrestricted segment of total net assets generally reflects the on-going business activity of the school.



The Grayson County College Foundation is a component unit of Grayson County College. In accordance with GASB Statement 39, the financial statements of the foundation are presented with those of the college. The prescribed presentation is for the foundation's statement to be presented separately in a format known as a discrete presentation. For fiscal year 2009-2010 the net assets of the foundation increased \$746,011. This compares with an increase of \$987,283 in the prior fiscal year.

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

The financial report is designed to provide citizens, taxpayers, students and other customers, investors and creditors with a general overview of the college's finances and to demonstrate the college's accountability for the money it receives. Requests for additional financial information may be directed to the Vice President for Business Services, Grayson County College, Denison, Texas, 75020.

## **Basic Financial Statements**

**Grayson County College**  
**Statement of Net Assets**  
**August 31, 2010 and 2009**

**Exhibit 1**

	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 5,058,687	\$ 2,209,394
Short-Term Investments	19,169,427	42,698,011
Receivables (net of allowance for doubtful / uncollectible accounts)	1,549,050	1,275,827
Prepaid Expenses	185,435	176,947
Inventories for Resale	739,203	517,197
<b>Total Current Assets</b>	<b>26,701,802</b>	<b>46,877,376</b>
<b>Noncurrent Assets</b>		
Other Long-Term Investments	7,000,000	5,108,442
Escrow Deposit for Sewer Line	806,200	--
Capital Assets (net of accumulated depreciation)	66,747,781	49,432,028
Bond Issuance Costs (net of accumulated amortization)	1,352,935	1,436,490
<b>Total Noncurrent Assets</b>	<b>75,906,916</b>	<b>55,976,960</b>
<b>Total Assets</b>	<b>102,608,718</b>	<b>102,854,336</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	4,609,120	3,887,887
Accrued Liabilities	296,731	260,359
Funds Held for Others	507,165	489,356
Deferred Revenues	507,161	674,813
Deposits Payable	48,805	36,780
Notes and Leases Payable (current portion)	67,194	26,721
Bonds Payable (current portion)	2,299,848	2,155,600
<b>Total Current Liabilities</b>	<b>8,336,024</b>	<b>7,531,516</b>
<b>Noncurrent Liabilities</b>		
Accrued Compensated Absences	153,609	163,539
Notes and Leases Payable (net of current portion)	--	67,194
Bonds Payable (net of current portion)	57,583,569	59,931,585
<b>Total Noncurrent Liabilities</b>	<b>57,737,178</b>	<b>60,162,318</b>
<b>Total Liabilities</b>	<b>66,073,202</b>	<b>67,693,834</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	13,065,543	13,663,358
Restricted for:		
Student Financial Aid Programs	386,863	330,359
Instructional Programs	51,577	53,372
Loans	46,451	45,930
Capital Projects	1,880,276	1,842,659
Debt Service	800,229	470,778
Other	6,465	7,200
Unrestricted	20,298,112	18,746,846
<b>Total Net Assets (Schedule D)</b>	<b>\$ 36,535,516</b>	<b>\$ 35,160,502</b>

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

**Grayson County College  
Affiliated Organizations  
Statement of Financial Position  
August 31, 2010 and 2009**

	<b>Grayson County College Foundation, Inc.</b>	
	<b>2010</b>	<b>2009</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 458,025	\$ 470,741
Short-Term Investments	184,624	174,712
Accrued Interest Receivable	5,170	7,547
<b>Total Current Assets</b>	<b>647,819</b>	<b>653,000</b>
<b>Noncurrent Assets</b>		
Long-Term Investments	6,165,983	5,378,703
Capital Assets (net of accumulated depreciation)	1,105,413	1,134,294
<b>Total Noncurrent Assets</b>	<b>7,271,396</b>	<b>6,512,997</b>
<b>Total Assets</b>	<b>\$ 7,919,215</b>	<b>\$ 7,165,997</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 10,803	\$ 3,596
<b>Total Current Liabilities</b>	<b>10,803</b>	<b>3,596</b>
<b>Noncurrent Liabilities</b>	--	--
<b>Total Liabilities</b>	<b>10,803</b>	<b>3,596</b>
<b>Net Assets</b>		
Unrestricted	605,413	634,294
Temporarily Restricted	2,215,703	2,175,034
Permanently Restricted	5,087,296	4,353,073
<b>Total Net Assets</b>	<b>7,908,412</b>	<b>7,162,401</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 7,919,215</b>	<b>\$ 7,165,997</b>

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

**Grayson County College**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Years Ended August 31, 2010 and 2009**

**Exhibit 2**

	<b>2010</b>	<b>2009</b>
<b>Operating Revenues</b>		
Tuition and Fees (net of discounts of \$3,089,894 and \$1,993,078)	\$ 4,434,892	\$ 4,393,415
Federal Grants and Contracts	1,112,090	1,017,040
State Grants and Contracts	1,618,430	951,811
Non-Governmental Grants and Contracts	378,752	328,628
Sales and Services of Educational Activities	52,884	48,991
Auxiliary Enterprises (net of discounts of \$1,554,278 and \$1,012,276)	2,026,511	2,518,417
Other Operating Revenues	190,040	161,228
<b>Total Operating Revenues (Schedule A)</b>	<b>9,813,599</b>	<b>9,419,530</b>
<b>Operating Expenses</b>		
Instruction	12,498,247	11,236,520
Public Service	705,655	623,262
Academic Support	1,531,288	1,517,008
Student Services	2,098,517	1,972,321
Institutional Support	3,491,956	3,146,440
Operation and Maintenance of Plant	4,909,414	3,574,374
Scholarships and Fellowships	5,919,836	2,973,561
Auxiliary Enterprises	3,969,656	3,825,308
Depreciation	1,404,577	1,084,797
<b>Total Operating Expenses (Schedule B)</b>	<b>36,529,146</b>	<b>29,953,591</b>
<b>Operating Income (Loss)</b>	<b>(26,715,547)</b>	<b>(20,534,061)</b>
<b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	9,095,185	9,058,756
Ad-Valorem Taxes for Maintenance and Operations	8,873,861	8,395,686
Ad-Valorem Taxes for General Obligation Bonds	3,357,628	3,400,690
Federal Grants and Contracts, Non-Operating	9,092,385	4,962,538
Gifts	--	42,943
Investment Income (Net of Investment Expenses)	149,310	358,074
Interest on Capital Related Debt	(2,070,971)	(943,500)
Gain (Loss) of Disposition of Property	(417,357)	(132,023)
Other Non-Operating Revenues (Expenses)	520	806
<b>Net Non-Operating Revenues (Expenses) (Schedule C)</b>	<b>28,080,561</b>	<b>25,143,970</b>
<b>Income Before Transfers</b>	<b>1,365,014</b>	<b>4,609,909</b>
<b>Transfer from GCC Foundation (Component Unit)</b>	<b>10,000</b>	<b>10,000</b>
<b>Increase in Net Assets</b>	<b>1,375,014</b>	<b>4,619,909</b>
<b>Net Assets - Beginning of Year</b>	<b>35,160,502</b>	<b>30,540,593</b>
<b>Net Assets - End of Year</b>	<b>\$ 36,535,516</b>	<b>\$ 35,160,502</b>

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

**Grayson County College  
Affiliated Organizations  
Statement of Activities  
Years Ended August 31, 2010 and 2009**

	<b>Grayson County College Foundation, Inc.</b>	
	<b>2010</b>	<b>2009</b>
<b>Revenues</b>		
Gifts and Contributions	\$ 773,391	\$ 1,664,881
Gifts in Kind - Grayson County College	181,732	179,895
Other Income	3,500	--
Interest / Investment Income	103,534	(99,070)
Unrealized Investment Income	182,162	(105,636)
<b>Total Revenues</b>	<b>1,244,319</b>	<b>1,640,070</b>
<b>Expenses</b>		
Salary and Wages	144,972	143,393
Services and Supplies	84,334	244,878
Scholarships	230,121	226,273
Depreciation	28,881	28,243
<b>Total Expenses</b>	<b>488,308</b>	<b>642,787</b>
<b>Income Before Transfers</b>	<b>756,011</b>	<b>997,283</b>
<b>Transfer to Grayson County College</b>	<b>(10,000)</b>	<b>(10,000)</b>
<b>Change in Net Assets</b>	<b>746,011</b>	<b>987,283</b>
<b>Net Assets - Beginning of Year</b>	<b>7,162,401</b>	<b>6,175,118</b>
<b>Net Assets - End of Year</b>	<b>\$ 7,908,412</b>	<b>\$ 7,162,401</b>

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

**Grayson County College**  
**Statement of Cash Flows**  
**Years Ended August 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from Students and Other Customers	\$ 6,581,053	\$ 6,887,572
Receipts of Grants and Contracts	2,911,459	2,401,227
Other Cash Receipts	495	826
Payments to or on Behalf of Employees	(15,842,069)	(14,636,536)
Payments to Suppliers for Goods and Services	(11,697,039)	(8,815,910)
Payments of Scholarships	(5,919,836)	(2,973,561)
<b>Net Cash (Used in) Operating Activities</b>	<b>(23,965,937)</b>	<b>(17,136,382)</b>
 <b>Cash Flows from Noncapital Financing Activities</b>		
Ad-Valorem Tax Revenues	12,157,351	11,640,894
Receipts of State Appropriations	6,979,383	6,955,072
Receipts of Grants and Contracts (Nonoperating)	9,083,944	4,974,546
Receipts from Student Organizations and Other Agency Transactions	1,706,535	1,602,703
Payments to Student Organizations and Other Agency Transactions	(1,688,727)	(1,740,012)
Receipts of Gifts	--	42,943
Transfer from GCC Foundation (Component Unit)	10,000	10,000
Other	521	806
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>28,249,007</b>	<b>23,486,952</b>
 <b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Sale of Capital Assets	18,666	--
Purchases of Capital Assets	(18,989,826)	(14,772,026)
Payment on Capital Debt and Leases	(4,221,303)	(3,119,549)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(23,192,463)</b>	<b>(17,891,575)</b>
 <b>Cash Flows from Investing Activities</b>		
Proceeds from Sale and Maturity of Investments	35,627,631	13,000,000
Investment Earnings	129,054	353,029
Purchase of Investments	(13,997,999)	(7,862,129)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>21,758,686</b>	<b>5,490,900</b>
 <b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,849,293</b>	<b>(6,050,105)</b>
 <b>Cash and Cash Equivalents - Beginning of Year</b>	<b>2,209,394</b>	<b>8,259,499</b>
 <b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 5,058,687</b>	<b>\$ 2,209,394</b>

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

	<u>2010</u>	<u>2009</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>		
<b>(Used in) Operating Activities</b>		
Operating Income (Loss)	\$ (26,715,547)	\$ (20,534,061)
Adjustments to Reconcile Operating Income (Loss) to Net Cash		
(Used in) Operating Activities		
Depreciation	1,404,577	1,084,797
State-Paid Employee Benefits	2,115,802	2,103,684
Change in Assets and Liabilities		
Receivables (net)	(162,993)	99,206
Prepaid Expenses	(8,488)	(23,462)
Inventories for Resale	(222,006)	(123,703)
Escrow Deposit for Sewer Line	(806,200)	--
Accounts Payable	554,705	543,400
Accrued Liabilities	29,840	(43,692)
Deferred Revenues	(167,652)	(244,201)
Deposits Payable	12,025	1,650
Total Adjustments	<u>2,749,610</u>	<u>3,397,679</u>
<b>Net Cash (Used in) Operating Activities</b>	<u>\$ (23,965,937)</u>	<u>\$ (17,136,382)</u>

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

**Grayson County College  
Affiliated Organizations  
Statement of Cash Flows  
Years Ended August 31, 2010 and 2009**

	<b>Grayson County College Foundation, Inc.</b>	
	<b>2010</b>	<b>2009</b>
<b>Cash Flows from Operating Activities</b>		
Change in Net Assets	\$ 746,011	\$ 987,283
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	28,881	28,243
Net (Gains) Losses on Investments	182,163	329,961
Non-Cash Gifts Received	--	(500,000)
Change in Operating Assets and Liabilities:		
Accrued Interest Receivable	2,377	(7,547)
Accounts Payable	7,207	1,850
Net Cash Provided by Operating Activities	<u>966,639</u>	<u>839,790</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of Investments	(2,544,750)	(2,967,034)
Proceeds from Sale of Investments	1,565,395	1,368,586
Purchases of Capital Assets	--	(44,845)
Net Cash Provided by (Used in) Investing Activities	<u>(979,355)</u>	<u>(1,643,293)</u>
<b>Cash Flows from Financing Activities</b>	<u>--</u>	<u>--</u>
<b>Net Increase (Decrease) in Cash</b>	(12,716)	(803,503)
<b>Cash - Beginning of Year</b>	<u>470,741</u>	<u>1,274,244</u>
<b>Cash - End of Year</b>	<u>\$ 458,025</u>	<u>\$ 470,741</u>

**SUPPLEMENTARY SCHEDULE TO STATEMENT OF CASH FLOWS**

<b>Noncash Investing and Financing Activities</b>		
Gift of Capital Asset Received	<u>\$ --</u>	<u>\$ 500,000</u>

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

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 1 - REPORTING ENTITY**

Grayson County College (College) was established in 1963, in accordance with the laws of the State of Texas, to serve the educational needs of Grayson County and the surrounding areas. The Board of Trustees (Board), a seven-member group, has governance responsibilities over all activities related to the College. The Board has decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters of the College.

Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*), establishes the standards for defining and reporting on the financial reporting entity. This statement defines the financial reporting entity as consisting of (1) the primary government; (2) organizations for which the primary government is financially accountable; and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A primary government is financially accountable for those organizations if the primary government appoints a voting majority of an organization's governing body, and either can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The College is considered to be a special purpose, primary government according to this standard. Although the College receives funding from local, state and federal agencies and must comply with the spending, reporting and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity. One organization, the Grayson County College Foundation (Foundation) meets the criteria of GASB Statements No. 14 and 39 and has been presented as a discrete component unit of the College (see Note 16).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Guidelines**

The College prepares its financial statements in conformity with accounting principles generally accepted in the United States of America applicable to governmental units in conjunction with the *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* issued by the Texas Higher Education Coordinating Board (Coordinating Board). The College 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 College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB Statement No. 34) established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the effects of internal service activities to the already required fund financial statements and notes. GASB Statement No. 34 also requires governments to present its net assets (or equity) into the following three components:

*Invested in Capital Assets, Net of Related Debt* ó This component consists of capital assets net of accumulated depreciation and reduced by the outstanding debt that is attributable to the acquisition, construction or improvement of those assets.

*Restricted* ó This component includes those assets upon which constraints have been placed on their utilization. Such constraints may be placed externally (by creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* ó This component represents the net assets that are available for use to fulfill the educational purposes of the College. It includes all net assets that are not classified as "invested in capital assets, net of related debt" or "restricted."

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting**

The financial statements of the College are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**C. Revenue Classifications**

The College distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. Operating revenues include charges for services and program-specific grants and contributions. Charges for services include assessments to students and others who purchase, use or directly benefit from the goods, services or privileges provided. Revenues in this category include tuition and fees, and sales of auxiliary or educational activities. Program-specific grants and contributions arise from nonexchange transactions with other governments, organizations or individuals that are restricted for use in a particular program. Revenues in this category include program-specific grants and contracts with federal, state and other organizations, and investment income restricted to a specific program.

Non-operating revenues include all revenues that are not classified as operating revenues as discussed above. Revenues in this category include state allocations, property taxes and grants, contributions and investment earnings that are not restricted to a specific program.

**D. Tuition Discounting**

Texas Public Education Grants ó 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 award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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

Texas Grants ó Texas Grant funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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

**E. Budgetary Data**

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting except that depreciation expense is not budgeted. A copy of the approved budget and subsequent amendments must be filed with the Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

**F. Cash and Cash Equivalents**

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

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Investments**

The College's investments are reported at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The information for determining the fair value of investments is derived from published sources, if available, and from professional investment advisors. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase. Public funds investment pools are also considered to be short-term investments. Long-term investments have an original maturity of greater than one year at the time of purchase.

**H. Property Taxes**

The College's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within the taxing district of the College. The assessed value of the roll on January 1, 2009, was \$9,979,063,000. Exemptions and abatements of \$3,079,341,000 are allowed, resulting in a taxable value of \$6,899,722,000. The tax levy of \$11,941,596 is the result of multiplying the value of the tax roll by the tax rates set by the Board. The tax rates assessed for the year ended August 31, 2010 to finance Unrestricted Current Fund operations and debt service for general obligation bonds were \$0.13278 and \$0.05094 per \$100 valuation, respectively.

Property tax collections during the year ended August 31, 2010 were \$11,527,719 for current taxes, \$312,758 for delinquent taxes, and \$241,220 for penalties, interest and attorney fees. Tax collections for the year ended August 31, 2010 were 99% of the current tax levy. Other taxes (from non-property sources) collected during the year ended August 31, 2010 totaled \$66,988.

Property taxes are due on October 1 each year and become delinquent on February 1. The allowance for uncollectible taxes is based upon historical experience of the College.

**I. Inventories**

Goods held for resale by the College's auxiliary enterprises as of August 31, 2010 and 2009 are recorded as inventory. The inventory items are valued at cost or estimated cost calculated as a percentage of retail.

**J. Capital Assets**

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. The College's capitalization policy includes real or personal property with a value equal to or greater than \$5,000 and has an estimated life of greater than two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are charged to operating expense in the year in which the expense is incurred. The College reports depreciation under a single-line item as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

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

The College does not own any collections and has not adopted any specific policies in regard to accounting for collections.

**K. Deferred Revenues**

Tuition, fees and other revenues received and related to future periods have been deferred.

**L. Estimates**

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

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Income Taxes**

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

**N. Restricted Resources**

When the College incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless unrestricted assets will have to be returned because they were not used.

**NOTE 3 - AUTHORIZED INVESTMENTS**

**Authorized Investments**

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Section 2256.001 Texas Government Code). These 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 or obligations authorized by statute.

The Foundation, as a nonprofit organization, is not subject to the Public Funds Investment Act. As a result, the Foundation can and does invest in other types of investments, including corporate equities, corporate debt instruments, mutual funds and common investment trusts investing in corporate equities and debt, and land and other property.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**Cash and Deposits**

Cash and Deposits at August 31, 2010 and 2009, as reported on the Statement of Net Assets (Exhibit 1), consist of the following items:

	<b>2010</b>	<b>2009</b>
Petty Cash	\$ 4,170	\$ 4,170
Bank Deposits:		
Demand Accounts	5,054,517	(391,169)
Time and Savings Accounts	<u>11,754,804</u>	<u>28,404,293</u>
Total Cash and Deposits	<u>\$ 16,813,491</u>	<u>\$ 28,017,294</u>

*Custodial credit risk* for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned or the College will not be able to recover collateral securities in the possession of an outside party. The College's policy requires deposits to be 100% secured by collateral valued at market less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance. At August 31, 2010 and 2009, the College's deposits are not exposed to custodial credit risk.

**Investments**

The following schedule summarizes the College's investments as of August 31, 2010:

Type of Security	Fair Value	Credit Rating	Investment Maturities (in Years)		
			Less than 1	1 to 2 Years	More than 2
Money Market and Investment Pools	<u>\$ 14,414,623</u>	AAA	<u>\$ 14,414,623</u>	<u>\$ --</u>	<u>\$ --</u>
Total Investments	<u>\$ 14,414,623</u>		<u>\$ 14,414,623</u>	<u>\$ --</u>	<u>\$ --</u>

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

The following schedule summarizes the College's investments as of August 31, 2009:

Type of Security	Fair Value	Credit Rating	Investment Maturities (in Years)		
			Less than 1	1 to 2 Years	More than 2
U.S. Government Securities	\$ 2,060,700	AAA	\$ --	\$ 2,060,700	\$ --
U.S. Government Agency Securities	4,059,302	AAA	1,011,560	3,047,742	--
Repurchase Agreements	2,596,393	AAA	2,596,393	--	--
Money Market and Investment Pools	13,282,158	AAA	13,282,158	--	--
<b>Total Investments</b>	<b>\$ 21,998,553</b>		<b>\$ 16,890,111</b>	<b>\$ 5,108,442</b>	<b>\$ --</b>

*Credit risk* is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. In accordance with State law and the College's investment policy, investments in mutual funds and external pools must be rated at least AAA, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A.

*Custodial credit risk* for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The underlying securities of the College's investment in repurchase agreements are held by the investment's counterparty and not in the name of the College; these investments totaled \$2,596,393 at August 31, 2009.

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The College's policy provides that investments to be purchased must have final maturities of five years or less.

*Concentration of credit risk* is the risk of loss attributed to the magnitude of the College's investments in a single issuer. The College's policy does not place a limit on the amount that may be invested in any one issuer. This risk does not apply to U.S. Government securities or investments in an external investment pool. At August 31, 2010, the College did not have a concentration of credit risk in its investment portfolio. As of August 31, 2009, more than 5% of the College's investments are in FHLB bonds (8.5%).

The Public Funds Investment Act (discussed on previous pages) also requires the College to have independent auditors perform test procedures related to investment practices as prescribed by that legislation. The College is in substantial compliance with the requirements of the Public Funds Investment Act.

**Reconciliation**

The following table reconciles Deposits and Investments presented with this note and amounts reported in the Statement of Net Assets (Exhibit 1):

	<b>2010</b>	<b>2009</b>
Cash and Deposits	\$ 16,813,491	\$ 28,017,294
Investments	14,414,623	21,998,553
Total Deposits and Investments	<u>\$ 31,228,114</u>	<u>\$ 50,015,847</u>
Cash and Cash Equivalents (Exhibit 1)	\$ 5,058,687	\$ 2,209,394
Short-Term Investments (Exhibit 1)	19,169,427	42,698,011
Other Long-Term Investments (Exhibit 1)	7,000,000	5,108,442
Total Deposits and Investments	<u>\$ 31,228,114</u>	<u>\$ 50,015,847</u>

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 5 - CAPITAL ASSETS**

A summary of the changes in the College's capital assets during the year ended August 31, 2010 is shown below:

	Balance Sept. 1, 2009	Additions	Retirements	Balance August 31, 2010
<b>Not Depreciated</b>				
Land	\$ 1,251,740	\$ --	\$ --	\$ 1,251,740
Construction in Progress	15,570,869	6,851,692	12,808,409	9,614,152
Total - Not Depreciated	<u>16,822,609</u>	<u>6,851,692</u>	<u>12,808,409</u>	<u>10,865,892</u>
<b>Other Capital Assets</b>				
Buildings and Improvements	33,068,691	23,402,972	1,600,160	54,871,503
Facilities and Other Improvements	4,563,764	636,357	11,852	5,188,269
Furniture, Vehicles and Other Equipment	4,527,508	1,024,359	144,391	5,407,476
Library Books	1,001,562	30,717	--	1,032,279
Subtotal	<u>43,161,525</u>	<u>25,094,405</u>	<u>1,756,403</u>	<u>66,499,527</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	5,524,455	777,060	1,179,173	5,122,342
Facilities and Other Improvements	1,292,763	193,876	3,467	1,483,172
Furniture, Vehicles and Other Equipment	3,060,989	372,357	137,739	3,295,607
Library Books	673,899	42,618	--	716,517
Subtotal	<u>10,552,106</u>	<u>1,385,911</u>	<u>1,320,379</u>	<u>10,617,638</u>
Net - Other Capital Assets	<u>32,609,419</u>	<u>23,708,494</u>	<u>436,024</u>	<u>55,881,889</u>
Totals	<u>\$ 49,432,028</u>	<u>\$ 30,560,186</u>	<u>\$ 13,244,433</u>	<u>\$ 66,747,781</u>

A summary of the changes in the College's capital assets during the year ended August 31, 2009 is shown below:

	Balance Sept. 1, 2008	Additions	Retirements	Balance August 31, 2009
<b>Not Depreciated</b>				
Land	\$ 1,251,740	\$ --	\$ --	\$ 1,251,740
Construction in Progress	3,657,207	14,615,142	2,701,480	15,570,869
Total - Not Depreciated	<u>4,908,947</u>	<u>14,615,142</u>	<u>2,701,480</u>	<u>16,822,609</u>
<b>Other Capital Assets</b>				
Buildings and Improvements	30,401,757	3,083,100	416,166	33,068,691
Facilities and Other Improvements	4,188,417	410,020	34,673	4,563,764
Furniture, Vehicles and Other Equipment	3,779,150	762,421	14,063	4,527,508
Library Books	960,861	40,701	--	1,001,562
Subtotal	<u>39,330,185</u>	<u>4,296,242</u>	<u>464,902</u>	<u>43,161,525</u>
<b>Accumulated Depreciation</b>				
Buildings and Improvements	5,264,911	572,899	313,355	5,524,455
Facilities and Other Improvements	1,126,881	171,343	5,461	1,292,763
Furniture, Vehicles and Other Equipment	2,777,271	297,781	14,063	3,060,989
Library Books	631,125	42,774	--	673,899
Subtotal	<u>9,800,188</u>	<u>1,084,797</u>	<u>332,879</u>	<u>10,552,106</u>
Net - Other Capital Assets	<u>29,529,997</u>	<u>3,211,445</u>	<u>132,023</u>	<u>32,609,419</u>
Totals	<u>\$ 34,438,944</u>	<u>\$ 17,826,587</u>	<u>\$ 2,833,503</u>	<u>\$ 49,432,028</u>

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 5 - CAPITAL ASSETS (Continued)**

**Construction in Progress**

As of August 31, 2010, the College is involved in various projects for the construction, renovation and improvement to buildings. Contracts for construction and architectural services have been executed totaling approximately \$8,717,000, of which approximately \$7,552,000 was incurred through August 31, 2009. The remaining amounts due under these contracts, totaling approximately \$1,165,000, are expected to be incurred during the year ending August 31, 2011.

**NOTE 6 - RECEIVABLES**

Details of the College's receivables, including the allowance for uncollectible amounts, as of August 31, 2010 and 2009 are as follows:

	2010	2009
Accounts Receivable	\$ 68,099	\$ 46,773
Tuition and Fees Receivable	614,287	496,727
Property Taxes Receivable	855,269	766,281
Interest Receivable	69,011	41,361
Loans Receivable	30,757	31,253
Federal Receivables	289,047	308,926
State Receivables	286,103	173,273
Total Receivables	2,212,573	1,864,594
Allowance for Uncollectible Accounts	(663,523)	(588,767)
Totals	\$ 1,549,050	\$ 1,275,827

**NOTE 7 - LONG-TERM DEBT**

The following schedule summarizes the changes in the long-term indebtedness of the College for the year ended August 31, 2010:

	Balance Sept. 1, 2009	Additions	Retirements	Balance August 31, 2010	Due Within One Year
General Obligations Bonds	\$ 44,665,000	\$ --	\$ 1,200,000	\$ 43,465,000	\$ 1,310,000
Revenue Bonds	16,525,000	--	965,000	15,560,000	1,000,000
Unamortized Premium on Bonds	963,359	--	48,168	915,191	--
Deferred Bonds Payable	(66,174)	--	(9,400)	(56,774)	(10,152)
Total Bonds Payable	62,087,185	--	2,203,768	59,883,417	2,299,848
Notes and Capital Leases Payable	93,915	--	26,721	67,194	67,194
Total Bonds and Notes Payable	62,181,100	--	2,230,489	59,950,611	2,367,042
Compensated Absences	205,481	222,359	235,829	192,011	38,402
Totals	\$ 62,386,581	\$ 222,359	\$ 2,466,318	\$ 60,142,622	\$ 2,405,444

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The following schedule summarizes the changes in the long-term indebtedness of the College for the year ended August 31, 2009:

	Balance Sept. 1, 2008	Additions	Retirements	Balance August 31, 2009	Due Within One Year
General Obligations Bonds	\$ 44,765,000	\$ --	\$ 100,000	\$ 44,665,000	\$ 1,200,000
Revenue Bonds	17,460,000	--	935,000	16,525,000	965,000
Unamortized Premium on Bonds	1,011,527	--	48,168	963,359	--
Deferred Bonds Payable	(75,198)	--	(9,024)	(66,174)	(9,400)
Total Bonds Payable	63,161,329	--	1,074,144	62,087,185	2,155,600
Notes and Capital Leases Payable	118,865	--	24,950	93,915	26,721
Total Bonds and Notes Payable	63,280,194	--	1,099,094	62,181,100	2,182,321
Compensated Absences	268,551	216,807	279,877	205,481	41,942
Totals	<u>\$ 63,548,745</u>	<u>\$ 216,807</u>	<u>\$ 1,378,971</u>	<u>\$ 62,386,581</u>	<u>\$ 2,224,263</u>

**Bonds Payable**

The College has the following bond issues outstanding as of August 31, 2010.

On February 20, 2002, the College issued Consolidated Fund Revenue Bonds, New Series 2002 in the amount of \$5,215,000 for the purposes of constructing, improving, enlarging, equipping and maintaining property and buildings. Various revenues, including tuition, general use fees, and gross revenues of the College's auxiliary enterprises, are pledged for the debt service of these bonds. Principal payments from \$125,000 to \$400,000 are due beginning on August 15, 2002 through 2022. Semiannual interest payments at interest rates ranging from 4.0% to 4.875% are due beginning August 15, 2002. The balance outstanding on this bond issue as of August 31, 2010 is \$3,655,000.

On March 25, 2003, the College issued Consolidated Fund Revenue Improvement and Refunding Bonds, New Series 2003 in the amount of \$6,620,000 for the purposes of constructing, improving, enlarging, equipping and maintaining property and buildings and refunding certain bonded debt outstanding. Various revenues, including tuition, general use fees, and gross revenues of the College's auxiliary enterprises, are pledged for the debt service of these bonds. Principal payments from \$280,000 to \$350,000 are due beginning on August 15, 2003 through 2023. Semiannual interest payments at interest rates ranging from 3.0% to 4.5% are due beginning August 15, 2003. The balance outstanding on this bond issue as of August 31, 2010 is \$4,230,000.

On January 15, 2004, the College issued Consolidated Fund Revenue Bonds, New Series 2004 in the amount of \$10,000,000 for the purposes of constructing, improving, enlarging, equipping and maintaining property and buildings. Various revenues, including tuition, general use fees, and gross revenues of the College's auxiliary enterprises, are pledged for the debt service of these bonds. Principal payments from \$300,000 to \$700,000 are due beginning on August 15, 2005 through 2024. Semiannual interest payments at interest rates ranging from 2.5% to 4.4% are due beginning August 15, 2004. The balance outstanding on this bond issue as of August 31, 2010 is \$7,675,000.

On November 27, 2007, the College issued General Obligation Bonds, Series 2007 in the amount of \$9,630,000 for the purposes of renovating, constructing and equipping College buildings. These bonds are payable from a continuing direct annual ad valorem tax levied by the College on all taxable property to provide for the payment of principal and interest. Principal payments from \$300,000 to \$695,000 are due beginning on August 15, 2009 through 2029. Semiannual interest payments at interest rates ranging from 4% to 5% are due beginning February 15, 2009. The balance outstanding on this bond issue as of August 31, 2010 is \$9,330,000.

On January 22, 2008, the College issued General Obligation Bonds, Series 2008 in the amount of \$35,135,000 for the purposes of renovating, constructing and equipping College buildings. These bonds are payable from a continuing direct annual ad valorem tax levied by the College on all taxable property to provide for the payment of principal and interest. Principal payments from \$100,000 to \$2,600,000 are due beginning on August 15, 2009 through 2029. Semiannual interest payments at interest rates ranging from 3.375% to 5% are due beginning February 15, 2009. The balance outstanding on this bond issue as of August 31, 2010 is \$34,135,000.

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**Bonds Payable (Continued)**

The principal and interest requirements related to the bonded indebtedness are listed below:

Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Total Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 1,310,000	\$ 1,814,931	\$ 1,000,000	\$ 636,913	\$ 2,310,000	\$ 2,451,844
2012	1,435,000	1,764,354	1,030,000	603,052	2,465,000	2,367,406
2013	1,575,000	1,703,605	1,070,000	566,314	2,645,000	2,269,919
2014	1,690,000	1,637,105	1,115,000	526,899	2,805,000	2,164,004
2015	1,885,000	1,574,137	1,155,000	484,336	3,040,000	2,058,473
2016 - 2020	10,540,000	6,757,043	5,780,000	1,738,180	16,320,000	8,495,223
2021 - 2025	12,720,000	4,565,956	4,410,000	440,175	17,130,000	5,006,131
2026 - 2030	12,310,000	1,520,169	--	--	12,310,000	1,520,169
Total	<u>\$ 43,465,000</u>	<u>\$ 21,337,300</u>	<u>\$ 15,560,000</u>	<u>\$ 4,995,869</u>	<u>\$ 59,025,000</u>	<u>\$ 26,333,169</u>

**Advance Refunding / Bonds Payable - Deferred**

In prior years, the College defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the assets of the trust account and liabilities for the defeased bonds are not included in the College's financial statements. In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt by Proprietary Activities*, the difference between the book value of the old debt and the amount required to retire the debt is deferred and is not reported on the statement of activities.

This deferral is amortized over the original life of the old bonds or the life of the new bonds, whichever is less. Amortization of the deferred bonds payable will be as follows:

<u>Year Ending August 31,</u>	
2011	\$ 10,152
2012	10,527
2013	11,279
2014	12,032
2015	12,784
2016 - 2020	--
Total	<u>\$ 56,774</u>

As of August 31, 2010, all of the defeased bonds have been retired.

**Notes and Capital Leases Payable**

On April 24, 2007, the College executed a tax-exempt equipment lease with Textron Financial Corporation for the acquisition of golf course equipment. This note bears interest at the rate of 6.38% and is payable in monthly installments of \$2,651, including principal and interest, beginning May 24, 2007 through April 24, 2011. On May 24, 2011, a final balloon payment of \$46,350 is due to retire the balance of the note. The value of the equipment purchased under this lease totaled \$147,793. Amortization of these assets is included with depreciation expense.

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**Notes and Capital Leases Payable (Continued)**

The following table shows the debt service requirements for the remaining note payable through its ultimate retirement.

Year Ended August 31,	Textron Financial
2011	\$ 70,356
2012	--
Total Debt Service	70,356
Less Interest Portion	(3,162)
Notes and Leases Payable	\$ 67,194

**Interest Expense**

During the year ended August 31, 2010, the College incurred interest costs of \$2,531,368 on its bonds, notes and capital leases payable. Of this amount, \$2,022,803 was charged to expense and \$508,565 was capitalized as a component of construction costs. In accordance with generally accepted accounting principles (SFAS 62, *Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants*, and FASB Accounting Standards Codification 835, *Interest*), the College reduced the amount of capitalized interest by the investment earnings of the related tax-exempt borrowings (\$46,355). As a result, the College has capitalized \$462,210 in net interest costs with its capital assets during the year ended August 31, 2010.

During the year ended August 31, 2009, the College incurred interest costs of \$2,603,294 on its bonds, notes and capital leases payable. Of this amount, \$943,500 was charged to expense and \$1,659,794 was capitalized as a component of construction costs. In accordance with generally accepted accounting principles, the College reduced the amount of capitalized interest by the investment earnings of the related tax-exempt borrowings (\$1,035,015). As a result, the College has capitalized \$624,779 in net interest costs with its capital assets during the year ended August 31, 2009.

**Compensated Absences**

The sole component of the compensated absences liability as of August 31, 2010 is accrued annual (vacation) leave for employees. See Note 9 for fuller discussion. This obligation will be paid by the fund or department for which the employee works at the time of utilization. As of August 31, 2010, \$184,601 is expected to be paid by the Current Unrestricted Fund and \$7,410 is expected to be paid by the College's auxiliary enterprises. The College believes that approximately \$38,402 of this liability will be paid to employees during the year ending August 31, 2011 and, accordingly, has classified that portion of the liability as a current obligation. The balance of the liability (\$153,609) is considered long-term.

**NOTE 8 - EMPLOYEES' RETIREMENT PLAN**

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

**Teacher Retirement System of Texas**

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

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 8 - EMPLOYEES' RETIREMENT PLAN (Continued)**

**Teacher Retirement System of Texas (Continued)**

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2010 and 2009 and a state contribution rate of 6.644% for January through August 2010, 6.4% for September through December 2009, and 6.58% for fiscal year 2008. In certain instances, the College is required to make all or a portion of the state's contribution for fiscal years 2010 and 2009.

**Optional Retirement Plan**

*Plan Description.* 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 in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Section 67, and Texas Government Code, Title 8, Subtitle C.

*Funding Policy.* Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the State and each participant are 6% and 6.55%, respectively. The College contributes 1.31% 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 unfunded liability for this program.

The retirement expense to the state for the College was \$638,239 and \$611,377 for the fiscal years ended August 31, 2010 and 2009, respectively. The retirement paid by the State represents the expended appropriations made by the State Legislature on behalf of the College and are recorded as State Appropriations in the financial statements.

The total payroll for all College employees was \$13,892,279 and \$13,088,742 for the years ended August 31, 2010 and 2009, respectively. The total payroll for employees covered by the TRS was \$6,984,181 and \$6,499,229 and the total payroll for employees covered by the optional retirement program was \$4,598,149 and \$4,429,212 for the fiscal years ended August 31, 2010 and 2009, respectively.

**NOTE 9 - COMPENSATED ABSENCES**

Full-time employees who work twelve months during the year are allowed to accumulate annual leave based upon the number of hours required for the workweek and the number of years employed at the College. For employees with a 35-hour regular workweek, six (6) hours per month are accrued for those employees with less than 15 years of service and nine (9) hours are accrued per month with more than 15 years of service. For employees with a 40-hour regular workweek, seven (7) hours per month are accrued for those employees with less than 15 years of service and 10 hours per month are accrued with more than 15 or more years of service, 9 hours of annual leave are accrued. The maximum number of hours that may be carried forward to the next fiscal year is 105 and 120 for employees with 35-hour and 40-hour workweeks, respectively. A calculated percentage is applied to part-time contractual employees to determine their accrual rates.

Full-time hourly employees with less than 15 years of employment are allowed to accumulate annual leave at the rate of four percent of regular hours worked. Full-time hourly employees with 15 or more years of service have an accumulation rate of six percent of regular hours worked. The maximum number of hours that may be carried forward to the next fiscal year is 105 for this group of employees. One-half of vacation leave accrued during a fiscal year must be utilized during that year for all employees that are eligible to accrue vacation.

The College has recognized the accrued liability for the unpaid annual leave in the fund in which the employee works. Accrued compensated absences payable of \$192,011 and \$205,481 is recorded in the financial statements as of August 31, 2010 and 2009, respectively. These amounts are payable to the employees (or their beneficiaries) upon termination or death.

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 9 - COMPENSATED ABSENCES (Continued)**

Full-time employees who work twelve months during the year are allowed to accumulate sick leave based upon the number of hours required for the workweek. Six (6) hours per month are accrued for employees with a 35-hour regular workweek and seven (7) hours per month are accrued for employees with a 40-hour regular workweek. Sick leave for instructional employees with nine-month or ten-and-one-half month contracts is accrued over a ten-month period. Full-time hourly employees are allowed to accumulate sick leave at the rate of four percent of regular hours worked. Full-time instructional employees shall accrue a maximum of 400 hours. Full-time noninstructional employees may accrue a maximum of 420 hours for those employees whose regular workweek is 35 hours and 480 hours for those employees whose regular workweek is 40 hours. A calculated percentage is applied to part-time employees to determine their accrual rates. The College's policy is to recognize sick leave when paid. No liability has been recorded in the financial statements since the College's experience indicates the expenditure for sick leave to be minimal.

Additionally, the College has established a sick leave pool to benefit employees who suffer or are affected by a catastrophic injury or illness. Employees may contribute up to ten percent of accumulated sick leave to the pool. Receipt of benefits from the pool is not contingent upon prior contributions. A committee of College personnel makes benefit payment decisions. No liability for the sick leave pool has been recorded in these financial statements.

**NOTE 10 - DEFERRED COMPENSATION PROGRAM**

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001.

**NOTE 11 - PENDING LAWSUITS AND CLAIMS**

As of August 31, 2010, there are no material lawsuits and claims pending or threatened against the College.

**NOTE 12 - CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years August 31, 2010 and 2009 for which monies have not been received nor funds expended totaled \$894,912 and \$1,223,940. Of these amounts, \$305,986 and \$267,081 were from Federal Contract and Grant Awards; \$588,926 and \$767,416 were from State Contract and Grant Awards; and \$0 and \$189,443 were from Local Contract and Grant Awards for the fiscal years ended August 31, 2010 and 2009, respectively.

The College receives a portion of its revenues from government grants and contracts, all of which are subject to audit by federal and state agencies. The determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the respective agencies. As a result, there exists a contingency to refund any amount received in excess of allowable costs. The amount, if any, of expenses which may be disallowed by the grantor agencies cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

**NOTE 13 - RISK MANAGEMENT**

The College 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. Except for workers' compensation insurance, the College carries commercial insurance for all risks of loss. The College accounts for risk management issues in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

**Grayson County College  
Notes to the Financial Statements  
August 31, 2010 and 2009**

**NOTE 13 - RISK MANAGEMENT (Continued)**

The College participates in the Workers' Compensation Fund of the Texas Public Junior and Community College Employee Benefits Consortium (Fund) administered by Claims Administrative Services, Inc. The College is responsible for the payment of all claims until a certain threshold is reached. Whenever the claims exceed the threshold, a commercial insurance policy pays the excess claims. The Fund's specific retention of loss is \$200,000, with an aggregate limit of \$5,000,000; the College's maximum fund loss is \$109,450. Premiums of \$45,773 and \$35,723 for this insurance were allocated to the College for the years ended August 31, 2010 and 2009, respectively.

The following schedule summarizes the changes in claims liabilities for the years ended August 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Claims Liabilities - Beginning of Year	\$ 107,544	\$ 88,166
Incurred Claims	99,516	71,318
Change in Prior Year Claim Estimates	23,435	(19,251)
Payment on Claims	<u>(79,641)</u>	<u>(32,689)</u>
Claims Liabilities - End of Year	<u>\$ 150,854</u>	<u>\$ 107,544</u>

The claims liability is reported in accrued liabilities in the financial statements and includes \$86,548 and \$34,753 of estimated claims incurred but not reported, as determined actuarially by the administrator at August 31, 2010 and 2009, respectively.

**NOTE 14 - POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS**

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

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

*Funding Policy.* Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with GASB Statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

The College's contributions to SRHP for the years ended August 31, 2010, 2009 and 2008 were \$68,158, \$63,764 and \$63,043, respectively, which equaled the required contributions each year.

**NOTE 15 – SUBSEQUENT EVENTS**

In October 2010, the College issued Consolidated Fund Revenue Refunding Bonds, Series 2010. The proceeds from these bonds will be used for the advance refunding of \$15,560,000 of the College's revenue bonds (Series 2002, 2003 and 2004) at the earliest redemption date (November 4, 2010 for Series 2002 and 2003 and August 15, 2011 for Series 2004). This advance refunding is expected to save the College approximately \$1,000,000 in interest costs.

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 16 - GRAYSON COUNTY COLLEGE FOUNDATION - DISCRETE COMPONENT UNIT**

The Foundation was established as a separate nonprofit organization in 1991 to raise funds to provide student scholarships and assistance in the development and growth of the College. Under GASB Statement No. 39, the Foundation is a component unit of the College because: 1) the College provides financial resources to the Foundation and the economic resources received or held by the Foundation are entirely or almost entirely for the direct benefit of the College; 2) the College is entitled to or has the ability to otherwise access a majority of the economic resources received or held by the Foundation; and 3) the economic resources held by the Foundation that the College is entitled to or has the ability to otherwise access are significant to the College.

Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Separate financial statements of the Foundation are not prepared; therefore, selected disclosures are included in the College's financial statements.

**GENERAL AND SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Foundation maintains its accounts in accordance with the principles of fund accounting. Resources for various purposes are classified into funds that are in accordance with activities or objectives specified by donors. Separate accounts are maintained for each fund. For reporting purposes, however, the Foundation classifies net assets and revenues, expenses, gains, and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted Net Assets** ó Net assets that are not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.

**Temporarily Restricted Net Assets** ó Net assets that are subject to donor-imposed stipulations that require the passage of time and / or the occurrence of a specific event.

**Permanently Restricted Net Assets** ó Net assets required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

**Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. The carrying amounts of other investments (real estate) are based upon the historical cost of those investments. Realized and unrealized gains and losses are reported in the statement of activities.

**Capital Assets and Depreciation**

Capital assets are recorded at cost or at estimated fair market value at the date of the gift if donated. Such donations are reported as unrestricted support unless the donor has restricted the asset to a specific purpose. Assets donated with specific restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives are fifty years for buildings and improvements and ten years for equipment.

**Contributions**

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

**Grayson County College**  
**Notes to the Financial Statements**  
**August 31, 2010 and 2009**

**NOTE 16 - GRAYSON COUNTY COLLEGE FOUNDATION - DISCRETE COMPONENT UNIT (Continued)**

**GENERAL AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Services**

The services of the Foundation employees and certain operating costs have been donated by the College. The estimated value of these contributed services is \$181,732 and \$179,895 for the years ended August 31, 2010 and 2009, respectively, and has been included in revenues and expenses in the accompanying financial statements.

**Federal Income Taxes**

The income of the Foundation, except for unrelated business income, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation had no unrelated business income during the years ended August 31, 2010 and 2009.

**Use of Estimates**

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

**INVESTMENTS**

The following schedule summarizes the Foundation's investments as of August 31, 2010 and 2009:

<u>Type of Security</u>	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Government Securities	\$ 350,505	\$ 368,618	\$ 295,196	\$ 297,623
U.S. Government Agency Securities	352,893	372,187	376,653	397,253
Equity Securities	3,146,039	3,103,379	2,486,226	2,332,716
Corporate Obligations	883,726	949,327	880,012	907,079
Municipal Bonds	232,085	237,061	524,788	534,787
Money Market and Investment Pools	1,321,454	1,320,035	1,083,966	1,083,957
Total Investments	<u>\$ 6,286,702</u>	<u>\$ 6,350,607</u>	<u>\$ 5,646,841</u>	<u>\$ 5,553,415</u>

**CAPITAL ASSETS**

The following schedule summarizes the Foundation's capital assets as of August 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Land	\$ 506,000	\$ 506,000
Buildings and Improvements	489,490	489,490
Facilities and Other Improvements	17,345	17,345
Equipment	192,893	192,893
Less:		
Accumulated Depreciation	<u>(100,315)</u>	<u>(71,434)</u>
Net Capital Assets	<u>\$ 1,105,413</u>	<u>\$ 1,134,294</u>

Land valued at \$500,000 was gifted to the Foundation during the year ended August 31, 2009; this land is subject to a reversionary clause if construction of an educational facility in Fannin County is not begun by January 1, 2014. A decision to proceed with the construction of the educational facility has not yet been made. In connection with this possible construction, the Foundation has been awarded a federal grant for construction in the amount of \$2,000,000 with a \$2,000,000 matching requirement.

## **Supplementary Schedules and Reports**

**Grayson County College**  
**Schedule of Operating Revenues**  
**Year Ended August 31, 2010**  
**With Memorandum Totals for Year Ended August 31, 2009**

**Schedule A**

	Unrestricted	Restricted	Total		Totals	
			Educational Activities	Auxiliary Enterprises	2010	2009
<b>Tuition</b>						
State Funded Courses						
In-District Resident Tuition	\$3,216,802	\$ --	\$ 3,216,802	\$ --	\$ 3,216,802	\$ 2,528,227
Out-of-District Resident Tuition	1,546,391	--	1,546,391	--	1,546,391	1,375,712
Non-Resident Tuition	277,021	--	277,021	--	277,021	581,237
TPEG *	504,287	--	504,287	--	504,287	227,295
Non-State Funded Educational Programs	80,193	--	80,193	--	80,193	44,489
<b>Total Tuition</b>	<b>5,624,694</b>	<b>--</b>	<b>5,624,694</b>	<b>--</b>	<b>5,624,694</b>	<b>4,756,960</b>
<b>Fees</b>						
General Fee	888,217	--	888,217	--	888,217	772,116
Student Service Fee	--	--	--	222,026	222,026	193,028
Laboratory Fee	352,719	--	352,719	--	352,719	246,330
Other	437,130	--	437,130	--	437,130	418,059
<b>Total Fees</b>	<b>1,678,066</b>	<b>--</b>	<b>1,678,066</b>	<b>222,026</b>	<b>1,900,092</b>	<b>1,629,533</b>
<b>Scholarship Allowances and Discounts</b>						
Scholarship Allowances	(195,120)	--	(195,120)	(5,166)	(200,286)	(182,088)
Remissions and Exemptions	(99,580)	--	(99,580)	(1,645)	(101,225)	(91,081)
TPEG Allowances	(171,674)	--	(171,674)	(1,559)	(173,233)	(177,512)
Federal Grants to Students	(1,933,074)	--	(1,933,074)	(77,062)	(2,010,136)	(1,185,019)
Other Federal Grants	--	--	--	--	--	--
State Grants to Students	(181,720)	(416,057)	(597,777)	(7,237)	(605,014)	(357,378)
<b>Total Scholarship Allowances and Discounts</b>	<b>(2,581,168)</b>	<b>(416,057)</b>	<b>(2,997,225)</b>	<b>(92,669)</b>	<b>(3,089,894)</b>	<b>(1,993,078)</b>
<b>Total Net Tuition and Fees</b>	<b>4,721,592</b>	<b>(416,057)</b>	<b>4,305,535</b>	<b>129,357</b>	<b>4,434,892</b>	<b>4,393,415</b>
<b>Other Operating Revenues</b>						
Federal Grants and Contracts	20,725	1,091,365	1,112,090	--	1,112,090	1,017,040
State Grants and Contracts	30,155	1,588,275	1,618,430	--	1,618,430	951,811
Non-Governmental Grants and Contracts	--	378,752	378,752	--	378,752	328,628
Sales and Services of Educational Activities	52,884	--	52,884	--	52,884	48,991
Investment Income (Program Restricted)	--	--	--	--	--	--
Other Operating Revenues	188,342	--	188,342	1,698	190,040	161,228
<b>Total Other Operating Revenues</b>	<b>292,106</b>	<b>3,058,392</b>	<b>3,350,498</b>	<b>1,698</b>	<b>3,352,196</b>	<b>2,507,698</b>
<b>Auxiliary Enterprises</b>						
Residential Life (Net of Discounts of \$291,078)	--	--	--	258,204	258,204	249,746
Bookstore (Net of Discounts of \$1,263,200)	--	--	--	1,414,551	1,414,551	1,846,735
Golf Course	--	--	--	353,480	353,480	421,106
Other	--	--	--	276	276	830
<b>Total Net Auxiliary Enterprises</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,026,511</b>	<b>2,026,511</b>	<b>2,518,417</b>
<b>Total Operating Revenues</b>	<b>\$5,013,698</b>	<b>\$2,642,335</b>	<b>\$ 7,656,033</b>	<b>\$2,157,566</b>	<b>\$ 9,813,599</b>	<b>\$ 9,419,530</b>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$277,021 of tuition was set aside for Texas Public Education Grants (TPEG).

**Grayson County College**  
**Schedule of Operating Expenses by Object**  
**Year Ended August 31, 2010**  
**With Memorandum Totals for Year Ended August 31, 2009**

**Schedule B**

	Operating Expenses					Totals	
	Salaries and Wages	Benefits		Other Expenses	2010	2009	
		State Benefits	Local Benefits				
<b>EDUCATIONAL ACTIVITIES</b>							
<b>Unrestricted</b>							
Instruction	\$ 7,391,557	\$ --	\$ 928,762	\$ 933,511	\$ 9,253,830	\$ 8,391,885	
Public Service	277,197	--	60,121	105,546	442,864	402,252	
Academic Support	821,872	--	91,391	468,490	1,381,753	1,381,811	
Student Services	1,288,051	--	156,260	256,977	1,701,288	1,542,780	
Institutional Support	1,560,161	--	173,509	1,500,429	3,234,099	2,885,727	
Operation and Maintenance of Plant	712,758	--	243,231	3,919,662	4,875,651	3,545,394	
Scholarships and Fellowships	--	--	--	--	--	--	
<b>Total Unrestricted</b>	<b>12,051,596</b>	<b>--</b>	<b>1,653,274</b>	<b>7,184,615</b>	<b>20,889,485</b>	<b>18,149,849</b>	
<b>Restricted</b>							
Instruction	1,039,355	1,374,085	150,215	680,762	3,244,417	2,844,635	
Public Service	117,218	77,811	31,336	36,426	262,791	221,010	
Academic Support	--	135,270	--	14,265	149,535	135,197	
Student Services	117,202	231,169	4,475	44,382	397,228	429,541	
Institutional Support	238	256,683	--	937	257,858	260,713	
Operation and Maintenance of Plant	--	33,763	--	--	33,763	28,980	
Scholarships and Fellowships	--	--	--	5,919,836	5,919,836	2,973,561	
<b>Total Restricted</b>	<b>1,274,013</b>	<b>2,108,781</b>	<b>186,026</b>	<b>6,696,608</b>	<b>10,265,428</b>	<b>6,893,637</b>	
<b>Total Educational Activities</b>	<b>13,325,609</b>	<b>2,108,781</b>	<b>1,839,300</b>	<b>13,881,223</b>	<b>31,154,913</b>	<b>25,043,486</b>	
<b>Auxiliary Enterprises</b>	<b>536,432</b>	<b>7,021</b>	<b>172,438</b>	<b>3,253,765</b>	<b>3,969,656</b>	<b>3,825,308</b>	
<b>Depreciation Expense</b>							
Buildings and Other Improvements	--	--	--	988,741	988,741	744,242	
Equipment and Furniture	--	--	--	415,836	415,836	340,555	
<b>Total</b>	<b>\$13,862,041</b>	<b>\$2,115,802</b>	<b>\$2,011,738</b>	<b>\$18,539,565</b>	<b>\$36,529,146</b>	<b>\$29,953,591</b>	
				<b>(Exhibit 2)</b>	<b>(Exhibit 2)</b>		

**Grayson County College**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2010**  
**With Memorandum Totals for Year Ended August 31, 2009**

**Schedule C**

	Unrestricted	Restricted	Auxiliary Enterprises	Totals	
				2010	2009
<b>Non-Operating Revenues</b>					
<b>State Appropriations</b>					
Education and General State Support	\$ 6,952,266	\$ --	\$ --	\$ 6,952,266	\$ 6,955,072
Dramatic Enrollment Growth	27,117	--	--	27,117	--
State Group Insurance	--	1,477,563	--	1,477,563	1,492,307
State Retirement Matching	--	638,239	--	638,239	611,377
Total State Appropriations	6,979,383	2,115,802	--	9,095,185	9,058,756
Ad-Valorem Taxes for Maintenance and Operations	8,873,861	--	--	8,873,861	8,395,686
Ad-Valorem Taxes for General Obligation Bonds	3,357,628	--	--	3,357,628	3,400,690
Federal Grants and Contracts, Non-Operating	9,092,385	--	--	9,092,385	4,962,538
Gifts	--	--	--	--	42,943
Investment Income (net of Investment Expenses)	148,464	846	--	149,310	358,074
Other	--	520	--	520	806
<b>Total Non-Operating Revenues</b>	<b>28,451,721</b>	<b>2,117,168</b>	<b>--</b>	<b>30,568,889</b>	<b>26,219,493</b>
<b>Non-Operating Expenses</b>					
Interest on Capital-Related Debt	2,070,971	--	--	2,070,971	943,500
Loss of Disposition of Property	417,357	--	--	417,357	132,023
<b>Total Non-Operating Expenses</b>	<b>2,488,328</b>	<b>--</b>	<b>--</b>	<b>2,488,328</b>	<b>1,075,523</b>
<b>Net Non-Operating Revenues</b>	<b>\$25,963,393</b>	<b>\$ 2,117,168</b>	<b>\$ --</b>	<b>\$28,080,561</b>	<b>\$25,143,970</b>
				<b>(Exhibit 2)</b>	<b>(Exhibit 2)</b>

**Grayson County College**  
**Schedule of Net Assets by Source and Availability**  
**Year Ended August 31, 2010**  
**With Memorandum Totals for Year Ended August 31, 2009**

**Schedule D**

	Detail by Source					Available for Current Operations	
	Restricted			Capital Assets, Net of Depreciation & Related Debt	Total	Yes	No
	Unrestricted	Expendable	Non- Expendable				
Current Funds:							
Unrestricted	\$ 9,865,130	\$ --	\$ --	\$ --	\$ 9,865,130	\$ 9,865,130	\$ --
Restricted	--	444,905	--	--	444,905	--	444,905
Auxiliary Enterprises	921,456	--	--	--	921,456	921,456	--
Loan Funds	--	46,451	--	--	46,451	--	46,451
Endowment Funds:							
True Endowments	--	--	--	--	--	--	--
Term Endowments	--	--	--	--	--	--	--
Plant Funds:							
Unexpended	7,405,621	1,880,276	--	--	9,285,897	7,405,621	1,880,276
Renewals and Replacements	2,105,905	--	--	--	2,105,905	2,105,905	--
Debt Service	--	800,229	--	--	800,229	--	800,229
Investment in Plant	--	--	--	13,065,543	13,065,543	--	13,065,543
Total Net Assets - August 31, 2010	20,298,112	3,171,861	--	13,065,543	36,535,516	20,298,112	16,237,404
Total Net Assets - August 31, 2009	18,746,846	2,750,298	--	13,663,358	35,160,502	18,746,846	16,413,656
Net Increase (Decrease) in Net Assets	\$ 1,551,266	\$ 421,563	\$ --	\$ (597,815)	\$ 1,375,014	\$ 1,551,266	\$ (176,252)

**Grayson County College**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2010**

**Schedule E**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass-Through Disbursements and Expenditures
<b>U.S. Small Business Administration</b>			
Passed through Dallas County Community College District:			
Small Business Development Center (SBDC)	59.037	9-603001-Z-0046-23	\$ 1,714
Small Business Development Center (SBDC)	59.037	10-603001-Z-0076-24	45,528
Subtotal - Small Business Development Center (SBDC)			<u>47,242</u>
Total U.S. Small Business Administration			<u>47,242</u>
<b>U.S. Department of Education</b>			
Direct Programs:			
Federal Supplemental Education Opportunity Grant (FSEOG) *	84.007		<u>34,060</u>
Federal Workstudy Program *	84.033		<u>76,885</u>
Federal Pell Grant Program *	84.063		<u>8,895,766</u>
Academic Competitiveness Grant *	84.375		<u>106,400</u>
Passed through Texas Education Agency:			
Adult Basic Education (Section 231) 2009-2010	84.002	104100017110325	221,491
English Literacy and Civics Education (Section 231) 2009-2010	84.002	104100087110323	85,173
Adult Basic Education (Section 231) 2009-2010	84.002	114100017110332	25,258
English Literacy and Civics Education (Section 231) 2009-2010	84.002	114100087110398	8,717
Subtotal - Adult Basic Education			<u>340,639</u>
Passed through Texas Higher Education Coordinating Board:			
Carl Perkins Vocational Education - Annual Application	84.048	104218	254,104
Passed through Texas Higher Education Coordinating Board:			
Leveraging Educational Assistance Partnership	84.069A		4,862
Leveraging Educational Assistance Partnership	84.069B		6,637
Subtotal - Leveraging Educational Assistance Partnership			<u>11,499</u>
Passed through Texas Higher Education Coordinating Board:			
Carl Perkins Vocational Education - Tech Prep	84.243	101711	<u>291,051</u>
Passed through Texas Higher Education Coordinating Board:			
State Fiscal Stabilization Fund (Government Services Fund)	84.397A	3609	<u>122,440</u>
Total U.S. Department of Education			<u>10,132,844</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through Texas Education Agency:			
Temporary Assistance for Needy Families (TANF) 2009-2010	93.558	103625017110304	<u>24,389</u>
Total U.S. Department of Health and Human Services			<u>24,389</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 10,204,475</u>

**Grayson County College  
Schedule of Expenditures of Federal Awards  
Year Ended August 31, 2010**

**Note 1: Federal Assistance Reconciliation**

Federal Grants and Contracts per Schedule A	\$ 1,112,090
Federal Grants and Contracts, Non-operating per Schedule C	9,092,385
Reconciling Items:	
None	--
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$ 10,204,475

**Note 2: Significant Accounting Policies Used in Preparing the Schedule**

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

**Note 3: Expenditures Not Subject to Single Audit**

None

**Note 4: Student Loans Processed and Administrative Costs Recovered**

Federal Grantor and CFDA Number Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Processed and Admin. Costs Recovered
U.S. Department of Education			
Federal Family Education Loan Program (CFDA 84.032)	\$ 5,974,261	\$ --	\$ 5,974,261
Federal Direct Student Loan Program (CFDA #84.268)	80,867	--	80,867
Total Department of Education	\$ 6,055,128	\$ --	\$ 6,055,128

**Note 5: Nonmonetary Federal Assistance Received**

None

**Note 6: Amounts Passed-Through by the College**

The following amounts were passed-through to the listed recipients by the College. These amounts were from the Carl Perkins Vocational Education - Tech Prep program (CFDA #84.243) from the U.S. Department of Education through the Texas Higher Education Coordinating Board.

	<u>Perkins - Tech Prep</u>
North Central Texas College	\$ 43,248
Pottsboro Independent School District	5,000
Little Elm Independent School District	4,997
S & S Consolidated Independent School District	4,680
Denison Independent School District	2,850
Sherman Independent School District	<u>1,393</u>
Total Amount Passed-Through	<u><u>\$ 62,168</u></u>

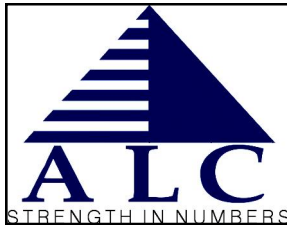
**Grayson County College**  
**Schedule of Expenditures of State Awards**  
**Year Ended August 31, 2010**

**Schedule F**

Grantor Agency/ Program Title	Grant Contract Number	Expenditures
Passed through Texas Higher Education Coordinating Board		
College Work Study Program (2009-2010)		\$ 13,334
Early High School Graduation (HB 1479)		19,918
Certified Educational Aide Program		10,236
TopTen Percent		16,000
Student Financial Aid (Texas Grant)		391,162
Financial Aid - Professional / Vocational Nursing		7,607
Nursing Shortage Reduction		89,824
College Readiness Special Advisors		4,761
Total Passed through Texas Higher Education Coordinating Board		<u>552,842</u>
Passed through Dallas County Community College District		
Small Business Development Center (SBDC) 2008-2009	9-603001-Z-0046-23	25,081
Small Business Development Center (SBDC) 2009-2010	10-603001-Z-0076-24	91,821
Total Passed through Dallas County Community College District		<u>116,902</u>
Passed through Texas Education Agency		
Adult Basic Education	100100017110325	72,262
Temporary Assistance for Needy Families (TANF)	103625017110304	7,377
Total Passed through Texas Education Agency		<u>79,639</u>
Passed through Texas Workforce Commission / Workforce Texoma		
Skill Development Fund	2509SDF000	421,190
Skill Development Fund	2510SDF000	194,376
Total Passed through Texas Workforce Commission / Workforce Texoma		<u>615,566</u>
Passed through Office of the Governor Criminal Justice Division		
Law Enforcement Training and Education for Peace Officers	SF-10-A10-21282-01	53,745
Total Passed through Office of the Governor Criminal Justice Division		<u>53,745</u>
Passed through Texas Department of Agriculture		
Viticulture and Enology Certificate Agreement	EVER0809-04	101,472
Viticulture Outreach Education Team Agreement	EVER0809-02	50,078
Total Passed through Texas Department of Agriculture		<u>151,550</u>
Passed through Comptroller of Public Accounts		
Jobs and Education for Texans Grant	3595-10	35,200
Jobs and Education for Texans Grant	3572-19	12,986
Total Passed through Comptroller of Public Accounts		<u>48,186</u>
Total State Financial Assistance		<u>\$ 1,618,430</u>
<b>Note 1: State Assistance Reconciliation</b>		
State Grants and Contracts per Exhibit 2		\$ 1,618,430
Reconciling Items:		
None		--
Total Expenditures per Schedule of State Financial Assistance		<u>\$ 1,618,430</u>

**Note 2: Significant Accounting Policies Used in Preparing the Schedule**

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



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BELINDA W. DEVINCENTIS

### **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Grayson County College  
Denison, Texas

Members of the Board:

We have audited the financial statements of the business-type activities and discretely presented component unit of Grayson County College (College) as of and for the year ended August 31, 2010, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 13, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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

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

**Compliance and Other Matters**

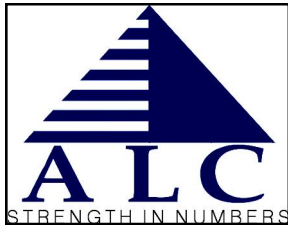
As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 that are required to be reported under *Government Auditing Standards*.

We have also performed tests designed to verify the College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2010, no instances of noncompliance were found.

This report is intended solely for the information and use of the College's trustees, administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Adami, Lindsey & Company, L.L.P.*

Sherman, Texas  
December 13, 2010



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BELINDA W. DEVINCENTIS

## **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**

Board of Trustees  
Grayson County College  
Denison, Texas

Members of the Board:

### **Compliance**

We have audited the compliance of Grayson County College (College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* and the State of Texas Single Audit Circular that are applicable to each of its major federal and state programs for the year ended August 31, 2010. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major and state federal programs is the responsibility of the College's administrators. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

In our opinion, Grayson County College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2010.

### **Internal Control over Compliance**

The administration of the College 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 College'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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

This report is intended solely for the information and use of the College's trustees, administration and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Adami, Lindsey & Company, L.L.P.*

Sherman, Texas

December 13, 2010

**Grayson County College  
Schedule of Findings and Questioned Costs  
Year Ended August 31, 2010**

**Part I Summary of Auditor's Results**

Financial Statements

Type of Auditor's Report Issued on the Financial Statements  
Unqualified

Internal Control Findings Disclosed in the Audit of the Financial Statements	
Material Weaknesses Identified	No
Significant Deficiencies Identified that are not Considered to be Material Weaknesses	None Reported

Noncompliance Material to the Financial Statements  
None

Federal and State Awards

Internal Control Findings Disclosed in the Audit of Major Programs	
Material Weaknesses Identified	No
Significant Deficiencies Identified that are not Considered to be Material Weaknesses	None Reported

Type of Auditor's Report on Compliance for Major Programs  
Unqualified

Did the Audit Disclose Findings Required to be Reported under Section .510(a)  
No

Major Programs - Federal

Student Financial Aid Programs Cluster	
Federal Supplemental Educational Opportunity Grant (FSEOG)	CFDA #84.007
Federal Family Education Loan Program	CFDA #84.032
Federal Workstudy Program	CFDA #84.033
Federal Pell Grant Program	CFDA #84.063
Federal Direct Student Loan Program	CFDA #84.268
Academic Competitiveness Grant	CFDA #84.375
State Fiscal Stabilization Fund (Government Services Fund)	CFDA #84.397A

Major Programs - State

Skills Development Fund (2509SDF000)	
Skills Development Fund (2510SDF000)	
Viticulture and Enology Certificate Agreement (EVER0809-04)	
Viticulture Outreach Education Team Agreement (EVER0809-02)	

Dollar Threshold Used to Distinguish Between Type A and Type B Programs  
\$300,000

Low Risk Auditee  
Yes

**Part II Findings Related to the Financial Statements**

None

**Part III Findings and Questioned Costs Related to the Federal and State Awards**

None

**Grayson County College  
Schedule of Status of Prior Year Findings  
Year Ended August 31, 2010**

**None**

**Statistical Supplement**

**(Unaudited)**

**Grayson County College  
Net Assets by Component  
Fiscal Years 2002 to 2010  
(Unaudited)**

	For the Fiscal Year Ended August 31,								
	(amounts expressed in thousands)								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in Capital Assets, Net of Related Debt	\$ 13,066	\$ 13,664	\$ 13,102	\$ 11,667	\$ 9,567	\$ 8,674	\$ 7,396	\$ 1,596	\$ 570
Restricted - Expendable	3,172	2,750	1,241	1,945	1,797	1,736	1,738	1,691	1,707
Restricted - Nonexpendable	--	--	--	398	389	386	388	2,742	2,632
Unrestricted	20,298	18,747	16,198	15,926	14,332	11,429	10,705	9,548	8,177
Total Primary Government Net Assets	<u>\$ 36,536</u>	<u>\$ 35,161</u>	<u>\$ 30,541</u>	<u>\$ 29,936</u>	<u>\$ 26,085</u>	<u>\$ 22,225</u>	<u>\$ 20,227</u>	<u>\$ 15,577</u>	<u>\$ 13,086</u>

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

**Grayson County College**  
**Revenues by Source**  
**Fiscal Years 2002 to 2010**  
**(Unaudited)**

For the Fiscal Year Ended August 31,

	(amounts expressed in thousands)								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$ 4,435	\$ 4,394	\$ 4,022	\$ 3,832	\$ 3,288	\$ 3,074	\$ 3,003	\$ 2,417	\$ 2,289
Governmental Grants and Contracts									
Federal Grants and Contracts	1,112	1,017	946	2,216	1,258	1,305	1,138	831	1,038
State Grants and Contracts	1,618	952	1,640	1,326	1,265	423	570	453	432
Local Grants and Contracts	--	--	--	--	960	--	--	--	--
Non-Governmental Grants and Contracts	379	329	14	10	18	18	25	111	72
Sales & Services of Educational Activities	53	49	50	45	39	65	67	65	69
Investment Income (Program Restricted)	--	--	--	97	58	30	44	113	59
Auxiliary enterprises	2,027	2,518	2,552	2,199	2,046	1,988	1,927	1,991	1,878
Other Operating Revenue	190	161	153	179	139	135	128	101	86
Total Operating Revenues	<u>9,814</u>	<u>9,420</u>	<u>9,377</u>	<u>9,904</u>	<u>9,071</u>	<u>7,038</u>	<u>6,902</u>	<u>6,082</u>	<u>5,923</u>
State Appropriations	9,095	9,059	8,993	8,469	8,372	7,599	7,537	7,835	8,181
Ad Valorem Taxes	12,231	11,796	8,664	8,451	7,402	6,588	5,869	5,192	4,430
Federal Revenue, Non-Operating	9,092	4,963	3,180	3,183	3,141	3,740	3,564	3,155	2,662
Gifts	--	43	--	--	--	--	--	--	--
Investment Income	149	358	592	891	706	355	190	114	173
Gain on Disposition of Fixed Assets	--	--	--	--	--	--	--	--	335
Other non-operating revenues	1	--	--	--	--	--	--	--	--
Total Non-Operating Revenues	<u>30,568</u>	<u>26,219</u>	<u>21,429</u>	<u>20,994</u>	<u>19,621</u>	<u>18,282</u>	<u>17,160</u>	<u>16,296</u>	<u>15,781</u>
Total Revenues	<u>\$ 40,382</u>	<u>\$ 35,639</u>	<u>\$ 30,806</u>	<u>\$ 30,898</u>	<u>\$ 28,692</u>	<u>\$ 25,320</u>	<u>\$ 24,062</u>	<u>\$ 22,378</u>	<u>\$ 21,704</u>

For the Fiscal Year Ended August 31,

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	10.98%	12.33%	13.06%	12.40%	11.46%	12.14%	12.48%	10.80%	10.55%
Governmental Grants and Contracts									
Federal Grants and Contracts	2.75%	2.85%	3.07%	7.17%	4.38%	5.15%	4.73%	3.71%	4.78%
State Grants and Contracts	4.01%	2.67%	5.32%	4.29%	4.41%	1.67%	2.37%	2.02%	1.99%
Local Grants and Contracts	0.00%	0.00%	0.00%	0.00%	3.35%	0.00%	0.00%	0.00%	0.00%
Non-Governmental Grants and Contracts	0.94%	0.92%	0.05%	0.03%	0.06%	0.07%	0.10%	0.50%	0.33%
Sales & Services of Educational Activities	0.13%	0.14%	0.16%	0.15%	0.14%	0.26%	0.28%	0.29%	0.32%
Investment Income (Program Restricted)	0.00%	0.00%	0.00%	0.31%	0.20%	0.12%	0.18%	0.50%	0.27%
Auxiliary enterprises	5.02%	7.07%	8.28%	7.12%	7.13%	7.85%	8.01%	8.90%	8.65%
Other Operating Revenue	0.47%	0.45%	0.50%	0.58%	0.48%	0.53%	0.53%	0.45%	0.40%
Total Operating Revenues	<u>24.30%</u>	<u>26.43%</u>	<u>30.44%</u>	<u>32.05%</u>	<u>31.62%</u>	<u>27.80%</u>	<u>28.68%</u>	<u>27.18%</u>	<u>27.29%</u>
State Appropriations	22.52%	25.42%	29.19%	27.41%	29.18%	30.01%	31.32%	35.01%	37.69%
Ad Valorem Taxes	30.29%	33.10%	28.12%	27.35%	25.80%	26.02%	24.39%	23.20%	20.41%
Federal Revenue, Non-Operating	22.51%	13.93%	10.32%	10.30%	10.95%	14.77%	14.81%	14.10%	12.27%
Gifts	0.00%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment Income	0.37%	1.00%	1.92%	2.88%	2.46%	1.40%	0.79%	0.51%	0.80%
Gain on Disposition of Fixed Assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.54%
Other non-operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Revenues	<u>75.70%</u>	<u>73.57%</u>	<u>69.56%</u>	<u>67.95%</u>	<u>68.38%</u>	<u>72.20%</u>	<u>71.32%</u>	<u>72.82%</u>	<u>72.71%</u>
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

**Note:**

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

**Grayson County College**  
**Program Expenses by Function**  
**Fiscal Years 2002 to 2010**  
**(Unaudited)**

For the Fiscal Year Ended August 31,									
(amounts expressed in thousands)									
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 12,498	\$ 11,237	\$ 10,379	\$ 11,242	\$ 9,864	\$ 9,045	\$ 8,563	\$ 8,286	\$ 8,341
Public Service	706	623	543	448	473	411	370	430	434
Academic Support	1,531	1,517	1,276	1,175	944	1,249	964	839	848
Student Services	2,098	1,972	2,013	1,660	1,509	1,425	1,527	1,344	1,310
Institutional Support	3,492	3,147	3,253	2,731	2,568	2,340	2,279	1,916	1,922
Operation and Maintenance of Plant	4,909	3,574	3,425	3,038	2,765	2,347	2,365	2,020	1,839
Scholarships and Fellowships	5,920	2,974	2,298	1,853	1,999	2,344	2,215	2,118	1,730
Auxiliary Enterprises	3,970	3,825	3,269	3,026	3,037	2,775	2,652	2,686	2,488
Depreciation Expense	1,405	1,085	988	887	742	638	519	434	360
Total Operating Expenses	<u>36,529</u>	<u>29,954</u>	<u>27,444</u>	<u>26,060</u>	<u>23,901</u>	<u>22,574</u>	<u>21,454</u>	<u>20,073</u>	<u>19,272</u>
Interest on Capital Related Debt	2,071	943	820	792	817	859	608	418	236
Loss on Disposal of Fixed Assets	417	132	67	205	123	152	99	107	--
Other Nonoperating Expenses	--	--	--	--	--	--	--	33	--
Total Nonoperating Expenses	<u>2,488</u>	<u>1,075</u>	<u>887</u>	<u>997</u>	<u>940</u>	<u>1,011</u>	<u>707</u>	<u>558</u>	<u>236</u>
Total Expenses	<u>\$ 39,017</u>	<u>\$ 31,029</u>	<u>\$ 28,331</u>	<u>\$ 27,057</u>	<u>\$ 24,841</u>	<u>\$ 23,585</u>	<u>\$ 22,161</u>	<u>\$ 20,631</u>	<u>\$ 19,508</u>

For the Fiscal Year Ended August 31,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	32.02%	36.20%	36.62%	41.54%	39.70%	38.35%	38.64%	40.16%	42.75%
Public Service	1.81%	2.01%	1.92%	1.66%	1.90%	1.74%	1.67%	2.08%	2.22%
Academic Support	3.92%	4.89%	4.50%	4.34%	3.80%	5.30%	4.35%	4.07%	4.35%
Student Services	5.38%	6.36%	7.11%	6.14%	6.07%	6.04%	6.89%	6.51%	6.72%
Institutional Support	8.95%	10.14%	11.48%	10.09%	10.34%	9.92%	10.28%	9.29%	9.85%
Operation and Maintenance of Plant	12.58%	11.52%	12.09%	11.23%	11.13%	9.95%	10.67%	9.79%	9.43%
Scholarships and Fellowships	15.17%	9.58%	8.11%	6.85%	8.05%	9.94%	10.00%	10.27%	8.87%
Auxiliary Enterprises	10.18%	12.33%	11.54%	11.18%	12.23%	11.77%	11.97%	13.02%	12.75%
Depreciation Expense	3.60%	3.50%	3.49%	3.28%	2.99%	2.71%	2.34%	2.10%	1.85%
Total Operating Expenses	<u>93.62%</u>	<u>96.54%</u>	<u>96.87%</u>	<u>96.32%</u>	<u>96.22%</u>	<u>95.71%</u>	<u>96.81%</u>	<u>97.30%</u>	<u>98.79%</u>
Interest on Capital Related Debt	5.31%	3.04%	2.89%	2.93%	3.29%	3.64%	2.74%	2.03%	1.21%
Loss on Disposal of Fixed Assets	1.07%	0.43%	0.24%	0.76%	0.50%	0.64%	0.45%	0.52%	0.00%
Other Nonoperating Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.00%
Total Nonoperating Expenses	<u>6.38%</u>	<u>3.46%</u>	<u>3.13%</u>	<u>3.68%</u>	<u>3.78%</u>	<u>4.29%</u>	<u>3.19%</u>	<u>2.70%</u>	<u>1.21%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

**Grayson County College  
Tuition and Fees  
Last Ten Academic Years  
(Unaudited)**

Resident Fees per Semester Credit Hour (SCH)
---

Academic Year (Fall)	Fees per student			In-District Tuition	Out-of District Tuition	General Fee	Student Service Fee	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
	Matriculation Fee	Student ID Fee	International Fee								
2009	\$ 10	\$ 2	\$ --	\$ 35	\$ 54	\$ 8	\$ 2	\$ 552	\$ 780	0.00%	0.00%
2008	10	2	--	35	54	8	2	552	780	4.55%	18.18%
2007	10	2	--	33	44	8	2	528	660	0.00%	0.00%
2006	10	2	--	33	44	8	2	528	660	0.00%	0.00%
2005	10	2	--	33	44	8	2	528	660	2.33%	10.00%
2004	10	2	--	32	39	8	2	516	600	13.16%	13.64%
2003	10	2	--	28	34	7	2	456	528	11.76%	10.00%
2002	10	2	--	24	30	7	2	408	480	6.25%	5.26%
2001	10	2	--	22	28	7	2	384	456	0.00%	0.00%
2000	10	2	--	22	28	7	2	384	456		

Non-Resident Fees per Semester Credit Hour (SCH)
---

Academic Year (Fall)	Fees per student			Non-Resident Tuition Out of State	Non-Resident Tuition International	General Fee	Student Service Fee	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
	Matriculation Fee	Student ID Fee	International Fee								
2009	\$ 10	\$ 2	\$ 225	\$ 103	\$ 103	\$ 8	\$ 2	\$ 1,368	\$ 1,593	0.00%	0.00%
2008	10	2	225	103	103	8	2	1,368	1,593	9.62%	8.15%
2007	10	2	225	93	93	8	2	1,248	1,473	0.00%	0.00%
2006	10	2	225	93	93	8	2	1,248	1,473	0.00%	0.00%
2005	10	2	225	93	93	8	2	1,248	1,473	5.05%	4.25%
2004	10	2	225	88	88	8	2	1,188	1,413	10.00%	8.28%
2003	10	2	225	80	80	7	2	1,080	1,305	15.38%	12.40%
2002	10	2	225	68	68	7	2	936	1,161	5.41%	30.74%
2001	10	2	--	64	64	7	2	888	888	0.00%	0.00%
2000	10	2	--	64	64	7	2	888	888		

**Grayson County College**  
**Assessed Value and Taxable Assessed Value of Property**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2009 - 2010	\$ 9,979,063	\$ 3,079,341	\$ 6,899,722	69.14%	\$ 0.13278	\$ 0.05094	\$ 0.18372
2008 - 2009	9,300,832	2,926,033	6,374,799	68.54%	0.13000	0.05436	0.18436
2007 - 2008	8,602,533	2,736,999	5,865,534	68.18%	0.13974	0.00000	0.13974
2006 - 2007	8,022,443	2,479,299	5,543,144	69.10%	0.14774	0.00000	0.14774
2005 - 2006	7,241,918	2,221,560	5,020,358	69.32%	0.14002	0.00000	0.14002
2004 - 2005	6,570,126	1,938,514	4,631,612	70.50%	0.13411	0.00000	0.13411
2003 - 2004	6,000,661	1,724,927	4,275,734	71.25%	0.12626	0.00000	0.12626
2002 - 2003	5,466,662	1,355,385	4,111,277	75.21%	0.12000	0.00000	0.12000
2001 - 2002	4,954,414	1,160,887	3,793,527	76.57%	0.11031	0.00000	0.11031
2000 - 2001	4,354,471	809,687	3,544,784	81.41%	0.10311	0.00000	0.10311

Source: Local Appraisal District

Notes: Property is assessed at full market value

(a) per \$100 Taxable Assessed Valuation

**Grayson County College**  
**State Appropriations per FTSE and Contact Hour**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	State Appropriation (amounts expressed in thousands)	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	
2009 - 2010	\$ 6,979	\$ 4,541	\$ 1,537	1,481	895	2,376	\$ 2.94
2008 - 2009	6,955	3,927	1,771	1,312	734	2,046	3.40
2007 - 2008	6,955	3,490	1,993	1,171	621	1,792	3.88
2006 - 2007	6,539	3,487	1,875	1,195	602	1,797	3.64
2005 - 2006	6,489	3,368	1,927	1,135	611	1,746	3.72
2004 - 2005	6,041	3,500	1,726	1,147	698	1,845	3.27
2003 - 2004	6,041	3,528	1,712	1,156	657	1,813	3.33
2002 - 2003	5,945	3,307	1,798	1,114	592	1,706	3.48
2001 - 2002	6,387	3,247	1,967	1,084	598	1,682	3.80
2000 - 2001	6,298	2,900	2,172	980	514	1,494	4.22

**Note:**

FTSE is defined as the number of full-time students plus total hours taken by part-time students divided by 24.

(a) Source: CBM001

(b) Source: CBM00A

**Grayson County College  
Principal Taxpayers  
Last Ten Years  
(Unaudited)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Oncor Electric	Utility	\$ 68,250	\$ 69,764	\$ 75,177	\$ 72,258	\$ 74,687	\$ 69,049	\$ 65,081	\$ 60,402	\$ 62,099	\$ 59,187
UHS of Texoma, Inc	Hospital	99,900	61,845	31,914	--	--	--	--	--	--	--
Gulf Crossing Pipeline Co	Energy	58,747	--	--	--	--	--	--	--	--	--
Sherman Town Center LP	Retail	43,125	43,236	49,469	50,862	50,654	--	--	--	--	--
Texas Instruments	Manufacturing	27,981	39,745	--	--	20,007	38,001	42,647	56,023	60,234	44,562
Universal Health Services	Medical	44,400	--	--	--	--	--	--	--	--	--
XTO Energy, Inc.	Utility	53,261	35,486	46,631	34,646	38,453	27,928	--	--	--	--
Kwikset Corporation	Manufacturing	31,103	34,073	40,953	29,886	27,786	31,351	30,485	40,978	41,815	38,225
Union Pacific Railroad	Transportation	34,277	33,798	30,712	--	--	16,414	20,881	18,155	20,031	--
Energy Transfer Fuel LP	Energy	--	28,288	28,625	36,113	21,584	--	--	--	--	--
Verizon Southwest	Utility	--	22,691	30,765	27,310	25,633	25,633	37,063	37,063	37,318	34,892
Sherman Grayson Hospital LLC	Hospital	27,309	--	--	--	--	--	--	--	--	--
MEMC Southwest, Inc.	Manufacturing	--	21,693	23,722	23,450	18,995	18,990	18,990	19,740	23,649	--
Globitech Incorporated	Manufacturing	--	--	21,942	21,000	--	--	--	--	--	--
Woodmont Sherman LP	Retail	--	--	--	17,920	--	--	--	--	--	--
Walmart Stores, Inc.	Retail	--	--	--	18,786	18,807	18,829	18,950	19,820	19,889	19,933
Tyson Fresh Meats, Inc.	Food	--	--	--	--	41,385	--	--	--	--	--
Venoco, Inc.	Energy	--	--	--	--	--	15,752	--	--	--	--
A-S 71 Sherman	Retail	--	--	--	--	--	42,669	--	--	--	--
Southwestern Bell Telephone	Utility	--	--	--	--	--	--	14,822	--	--	17,812
Folger Coffee Company	Manufacturing	--	--	--	--	--	--	22,501	22,396	30,365	31,792
Chevron USA, Inc.	Energy	--	--	--	--	--	--	25,239	21,615	21,846	30,325
Johnson & Johnson	Manufacturing	--	--	--	--	--	--	--	37,838	51,903	49,552
Sherman Mall Associates	Retail	--	--	--	--	--	--	--	--	--	16,994
Totals		<u>\$ 488,353</u>	<u>\$ 390,619</u>	<u>\$ 379,910</u>	<u>\$ 332,231</u>	<u>\$ 337,991</u>	<u>\$ 304,616</u>	<u>\$ 296,659</u>	<u>\$ 334,030</u>	<u>\$ 369,149</u>	<u>\$ 343,274</u>
Total Taxable Assessed Value		<u>\$ 6,899,722</u>	<u>\$ 6,374,799</u>	<u>\$ 5,865,534</u>	<u>\$ 5,543,144</u>	<u>\$ 5,020,358</u>	<u>\$ 4,631,612</u>	<u>\$ 4,275,734</u>	<u>\$ 4,111,277</u>	<u>\$ 3,793,527</u>	<u>\$ 3,544,784</u>

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Oncor Electric	Utility	0.99%	1.09%	1.28%	1.30%	1.49%	1.49%	1.52%	1.47%	1.64%	1.67%
UHS of Texoma, Inc	Hospital	1.45%	0.97%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gulf Crossing Pipeline Co	Energy	0.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sherman Town Center LP	Retail	0.63%	0.68%	0.84%	0.92%	1.01%	0.00%	0.00%	0.00%	0.00%	0.00%
Texas Instruments	Manufacturing	0.41%	0.62%	0.00%	0.00%	0.40%	0.82%	1.00%	1.36%	1.59%	1.26%
Universal Health Services	Medical	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
XTO Energy, Inc.	Utility	0.77%	0.56%	0.80%	0.63%	0.77%	0.60%	0.00%	0.00%	0.00%	0.00%
Kwikset Corporation	Manufacturing	0.45%	0.53%	0.70%	0.54%	0.55%	0.68%	0.71%	1.00%	1.10%	1.08%
Union Pacific Railroad	Transportation	0.50%	0.53%	0.52%	0.00%	0.00%	0.35%	0.49%	0.44%	0.53%	0.00%
Energy Transfer Fuel LP	Energy	0.00%	0.44%	0.49%	0.65%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
Verizon Southwest	Utility	0.00%	0.36%	0.52%	0.49%	0.51%	0.55%	0.87%	0.90%	0.98%	0.98%
Sherman Grayson Hospital LLC	Hospital	0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MEMC Southwest, Inc.	Manufacturing	0.00%	0.34%	0.40%	0.42%	0.38%	0.41%	0.44%	0.48%	0.62%	0.00%
Globitech Incorporated	Manufacturing	0.00%	0.00%	0.37%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Woodmont Sherman LP	Retail	0.00%	0.00%	0.00%	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Walmart Stores, Inc.	Retail	0.00%	0.00%	0.00%	0.34%	0.37%	0.41%	0.44%	0.48%	0.52%	0.56%
Tyson Fresh Meats, Inc.	Food	0.00%	0.00%	0.00%	0.00%	0.82%	0.00%	0.00%	0.00%	0.00%	0.00%
Venoco, Inc.	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.00%	0.00%	0.00%	0.00%
A-S 71 Sherman	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.92%	0.00%	0.00%	0.00%	0.00%
Southwestern Bell Telephone	Utility	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%	0.00%	0.00%	0.50%
Folger Coffee Company	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.54%	0.80%	0.90%
Chevron USA, Inc.	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	0.53%	0.58%	0.86%
Johnson & Johnson	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.92%	1.37%	1.40%
Sherman Mall Associates	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%
		<u>7.09%</u>	<u>6.12%</u>	<u>6.46%</u>	<u>5.99%</u>	<u>6.73%</u>	<u>6.57%</u>	<u>6.94%</u>	<u>8.12%</u>	<u>9.73%</u>	<u>9.69%</u>

Source: County Appraisal District

**Grayson County College  
Property Tax Levies and Collections  
Last Ten Tax Years  
(Unaudited)**

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C + D + E)	Cumulative Collections of Adjusted Levy
2010	\$ 12,064	\$ (86)	\$ 11,978	\$ 11,535	96.30%	\$ --	\$ --	\$ 11,535	96.30%
2009	11,414	81	11,495	11,108	96.63%	--	222	11,330	98.56%
2008	8,261	122	8,383	8,126	96.93%	134	31	8,291	98.90%
2007	8,314	(28)	8,286	8,038	97.01%	206	9	8,253	99.60%
2006	7,102	133	7,235	6,995	96.68%	198	10	7,203	99.56%
2005	6,426	(35)	6,391	6,167	96.50%	210	5	6,382	99.86%
2004	5,657	7	5,664	5,452	96.26%	195	2	5,649	99.74%
2003	5,042	4	5,046	4,850	96.12%	180	1	5,031	99.70%
2002	4,384	(22)	4,362	4,231	97.00%	124	1	4,356	99.86%
2001	3,851	(10)	3,841	3,697	96.25%	142	--	3,839	99.95%

Amounts expressed in thousands

Source: Local Tax Assessor Collector and College records

- (a) As reported in the notes to the financial statements for the year of the levy.
- (b) As of August 31st of the current reporting year.
- (c) Property tax only -- does not include penalties and interest
- (d) Represents cumulative collections of prior years not collected in the current year or the year of levy.
- (e) Represents current year collections of prior year levies.

**Grayson County College**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
**(Unaudited)**

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>General Bonded Debt</b>										
General Obligation Bonds	\$ 43,465	\$ 44,665	\$ 44,765	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Notes and Capital Leases	--	--	--	--	--	--	--	--	--	--
Less: Funds Restricted for Debt Service	(800)	(471)	--	--	--	--	--	--	--	--
Net General Bonded Debt	42,665	44,194	44,765	--	--	--	--	--	--	--
<b>Other Debt</b>										
Revenue Bonds	15,560	16,525	17,460	18,360	19,239	19,991	20,734	11,162	6,675	1,665
Notes and Capital Leases	67	93	119	142	60	82	405	520	490	283
Total Outstanding Debt	\$ 58,292	\$ 60,812	\$ 62,344	\$ 18,502	\$ 19,299	\$ 20,073	\$ 21,139	\$ 11,682	\$ 7,165	\$ 1,948
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 355.45	\$ 371.99	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Per FTSE	9,396	11,254	12,827	--	--	--	--	--	--	--
As a percentage of Taxable Assessed Value	0.77%	0.80%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 485.65	\$ 511.87	\$ 525.48	\$ 156.16	\$ 165.28	\$ 173.26	\$ 183.84	\$ 102.80	\$ 63.67	\$ 17.61
Per FTSE	12,837	15,486	17,864	5,306	5,730	5,735	5,992	3,533	2,207	672
As a Percentage of Taxable Assessed Value	1.05%	1.10%	1.12%	0.33%	0.38%	0.43%	0.49%	0.28%	0.19%	0.05%

Notes:

Ratios calculated using population and TAV from corresponding fiscal year.

Debt per student ratios calculated using full-time equivalent enrollment for corresponding fiscal year.

**Grayson County College  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)**

	For the Year Ended August 31 (amounts expressed in thousands)									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Taxable Assessed Value	<u>\$6,899,722</u>	<u>\$6,374,799</u>	<u>\$5,865,534</u>	<u>\$5,543,144</u>	<u>\$5,020,358</u>	<u>\$4,631,612</u>	<u>\$4,275,734</u>	<u>\$4,111,277</u>	<u>\$3,793,527</u>	<u>\$3,544,784</u>
<b>General Obligations Bonds</b>										
Statutory Tax Levy Limit for Debt Service	\$ 34,499	\$ 31,874	\$ 29,328	\$ 27,716	\$ 25,102	\$ 23,158	\$ 21,379	\$ 20,556	\$ 18,968	\$ 17,724
Less Funds Restricted for Repayment of General Obligation Bonds	800	471	--	--	--	--	--	--	--	--
Total Net General Obligation Debt	33,699	31,403	29,328	27,716	25,102	23,158	21,379	20,556	18,968	17,724
Current Year Debt Service Requirements	3,061	3,123	--	--	--	--	--	--	--	--
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 30,638</u>	<u>\$ 28,280</u>	<u>\$ 29,328</u>	<u>\$ 27,716</u>	<u>\$ 25,102</u>	<u>\$ 23,158</u>	<u>\$ 21,379</u>	<u>\$ 20,556</u>	<u>\$ 18,968</u>	<u>\$ 17,724</u>
Net Current Requirements as a % of Statutory Limit	<u>6.55%</u>	<u>8.32%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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.

**Grayson County College  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year Ended August 31,	Pledged Revenues (\$000 omitted)									Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Use Fee	Student Service Fee	Registration Fees	Laboratory Fees	Community Education Fees	Investment Income	Auxiliary Enterprises	Total	Principal	Interest	Total	
2010	\$ 1,386	\$ 888	\$ 222	\$ 307	\$ 353	\$ 80	\$ 158	\$ 3,197	\$ 6,591	\$ 965	\$ 667	\$ 1,632	4.04
2009	1,178	772	193	276	246	44	168	3,210	6,087	935	694	1,629	3.74
2008	1,042	676	169	231	201	89	354	2,841	5,603	900	722	1,622	3.45
2007	984	674	168	223	184	162	532	2,595	5,522	880	747	1,627	3.39
2006	845	648	162	189	175	144	368	2,392	4,923	850	772	1,622	3.04
2005	780	597	171	184	181	86	226	2,473	4,698	1,051	814	1,865	2.52
2004	740	598	171	176	181	68	87	2,376	4,397	532	568	1,100	4.00
2003	502	557	159	144	182	52	80	2,326	4,002	612	399	1,011	3.96
2002	228	548	157	146	167	53	120	2,207	3,626	292	230	522	6.95
2001	187	488	139	134	141	115	316	2,050	3,570	157	138	295	12.10

**Grayson County College  
Demographic and Economic Statistics - Taxing District  
Last Ten Fiscal Years  
(Unaudited)**

<u>Calendar Year</u>	<u>District Population</u>	<u>District Personal Income</u>	<u>District Personal Income per Capita</u>	<u>District Unemployment Rate</u>
2009	120,030	(a)	(a)	8.1%
2008	118,804	3,624,919,000	30,015	5.3%
2007	118,641	3,412,174,000	28,901	4.7%
2006	118,478	3,230,638,000	27,591	4.9%
2005	116,763	3,059,973,000	26,207	5.2%
2004	115,855	2,856,052,000	24,652	6.1%
2003	114,984	2,694,267,000	23,424	7.0%
2002	113,642	2,622,248,000	23,064	6.6%
2001	112,537	2,601,876,000	23,114	5.2%
2000	110,595	2,559,023,000	23,046	4.0%

(a) Information is not yet available

**Sources:**

Population from U.S. Bureau of Census

Person income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission

**Grayson County College  
Principal Employers  
Current Year and Nine Years Prior  
(Unaudited)**

**Current Fiscal Year**

Employer	Number of Employees	Percentage of Total County Employment
Tyson Fresh Meats	1,000 - 1,249	2.30%
Texoma Health Care Systems	1,000 - 1,249	2.22%
Wilson N. Jones Regional Health Systems	1,000 - 1,249	1.91%
Sherman ISD	750 - 999	1.80%
CIGNA Company	750 - 999	1.63%
Texas Instruments	750 - 999	1.43%
Ruiz Foods	500 - 749	1.34%
Denison ISD	500 - 749	1.16%
City of Sherman	250 - 499	0.86%
Grayson County	250 - 499	0.86%
<b>Total</b>	<b><u>6,750 - 9,240</u></b>	

**Source:**

Texas Workforce Commission

**Notes:**

Percentages are calculated using the midpoints of the ranges.

Information for nine years prior is unavailable and the College has chosen to implement this schedule prospectively.

**Grayson County College**  
**Faculty, Staff and Administrative Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	For the Year Ended August 31,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>Faculty</b>										
Full-Time	95	90	86	88	87	93	83	94	98	97
Part-Time	152	153	145	142	137	122	122	116	119	120
Total	<u>247</u>	<u>243</u>	<u>231</u>	<u>230</u>	<u>224</u>	<u>215</u>	<u>205</u>	<u>210</u>	<u>217</u>	<u>217</u>
<b>Percent</b>										
Full-Time	38.5%	37.0%	37.2%	38.3%	38.8%	43.3%	40.5%	44.8%	45.2%	44.7%
Part-Time	61.5%	63.0%	62.8%	61.7%	61.2%	56.7%	59.5%	55.2%	54.8%	55.3%
<b>Staff and Administrators</b>										
Full-Time	135	134	130	116	119	118	113	111	108	108
Part-Time	--	--	--	--	--	--	--	--	--	--
Total	<u>135</u>	<u>134</u>	<u>130</u>	<u>116</u>	<u>119</u>	<u>118</u>	<u>113</u>	<u>111</u>	<u>108</u>	<u>108</u>
<b>Percent</b>										
Full-Time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Part-Time	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FTSE per Full-Time Faculty	47.8	43.6	40.6	39.6	38.7	37.6	42.5	35.2	33.1	29.9
FTSE per Full-Time Staff Member	33.6	29.3	26.8	30.1	28.3	29.7	31.2	29.8	30.1	26.9
Average Annual Faculty Salary	\$ 53,734	\$ 53,058	\$ 47,740	\$ 46,836	\$ 46,500	\$ 45,600	\$ 44,700	\$ 43,600	\$ 42,500	\$ 41,600

**Grayson County College  
Enrollment Details  
Last Five Fiscal Years  
(Unaudited)**

Student Classification	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	3,968	84.21%	3,382	82.05%	3,015	81.12%	3,086	81.75%	3,023	81.37%
31-60 hours	538	11.42%	594	14.41%	655	17.62%	558	14.78%	525	14.13%
> 60 hours	206	4.37%	146	3.54%	47	1.26%	131	3.47%	167	4.50%
<b>Total</b>	<b>4,712</b>	<b>100.00%</b>	<b>4,122</b>	<b>100.00%</b>	<b>3,717</b>	<b>100.00%</b>	<b>3,775</b>	<b>100.00%</b>	<b>3,715</b>	<b>100.00%</b>

Semester Hour Load	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	13	0.28%	13	0.32%	18	0.48%	18	0.48%	10	0.27%
3-5 semester hours	714	15.15%	663	16.08%	541	14.55%	555	14.70%	622	16.74%
6-8 semester hours	1,055	22.39%	809	19.63%	775	20.85%	793	21.01%	761	20.48%
9-11 semester hours	456	9.68%	648	15.72%	640	17.22%	655	17.35%	584	15.72%
12-14 semester hours	1,876	39.81%	1,473	35.73%	1,206	32.46%	1,202	31.84%	1,159	31.20%
15-17 semester hours	499	10.59%	462	11.21%	474	12.75%	486	12.87%	504	13.57%
18 & over	99	2.10%	54	1.31%	63	1.69%	66	1.75%	75	2.02%
<b>Total</b>	<b>4,712</b>	<b>100.00%</b>	<b>4,122</b>	<b>100.00%</b>	<b>3,717</b>	<b>100.00%</b>	<b>3,775</b>	<b>100.00%</b>	<b>3,715</b>	<b>100.00%</b>

Tuition Status	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	3,328	70.63%	2,817	68.34%	2,552	68.65%	2,631	69.70%	2,644	71.17%
Texas Resident (Out-of-District)	1,046	22.20%	944	22.90%	825	22.20%	780	20.66%	771	20.75%
Non-Resident Tuition	338	7.17%	361	8.76%	340	9.15%	364	9.64%	300	8.08%
<b>Total</b>	<b>4,712</b>	<b>100.00%</b>	<b>4,122</b>	<b>100.00%</b>	<b>3,717</b>	<b>100.00%</b>	<b>3,775</b>	<b>100.00%</b>	<b>3,715</b>	<b>100.00%</b>

**Grayson County College  
Student Profile  
Last Five Fiscal Years  
(Unaudited)**

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	2,881	61.14%	2,508	60.84%	2,296	61.77%	2,353	62.33%	2,289	61.62%
Male	1,831	38.86%	1,614	39.16%	1,421	38.23%	1,422	37.67%	1,426	38.38%
Total	<u>4,712</u>	<u>100.00%</u>	<u>4,122</u>	<u>100.00%</u>	<u>3,717</u>	<u>100.00%</u>	<u>3,775</u>	<u>100.00%</u>	<u>3,715</u>	<u>100.00%</u>

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	3,583	76.04%	3,208	77.82%	2,908	78.24%	3,034	80.38%	3,098	83.39%
African American	329	6.98%	240	5.82%	222	5.97%	207	5.48%	229	6.16%
Hispanic	318	6.75%	260	6.31%	218	5.86%	225	5.96%	185	4.98%
Native American	286	6.07%	207	5.02%	169	4.55%	159	4.21%	92	2.48%
International	135	2.87%	161	3.91%	154	4.14%	120	3.18%	75	2.02%
Asian	61	1.29%	46	1.12%	46	1.24%	30	0.79%	36	0.97%
Total	<u>4,712</u>	<u>100.00%</u>	<u>4,122</u>	<u>100.00%</u>	<u>3,717</u>	<u>100.00%</u>	<u>3,775</u>	<u>100.00%</u>	<u>3,715</u>	<u>100.00%</u>

	Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	602	12.77%	575	13.95%	483	12.99%	486	12.88%	267	7.19%
18-21	1,759	37.33%	1,660	40.27%	1,530	41.16%	1,562	41.38%	1,601	43.10%
22-24	596	12.65%	523	12.69%	410	11.03%	435	11.52%	452	12.17%
25-30	738	15.66%	562	13.63%	528	14.21%	466	12.34%	489	13.16%
31-35	299	6.35%	244	5.92%	246	6.62%	287	7.60%	296	7.97%
36-50	568	12.05%	446	10.82%	437	11.76%	445	11.79%	502	13.51%
51-64	135	2.87%	98	2.38%	76	2.04%	86	2.28%	106	2.85%
61 & over	15	0.32%	14	0.34%	7	0.19%	8	0.21%	2	0.05%
Total	<u>4,712</u>	<u>100.00%</u>	<u>4,122</u>	<u>100.00%</u>	<u>3,717</u>	<u>100.00%</u>	<u>3,775</u>	<u>100.00%</u>	<u>3,715</u>	<u>100.00%</u>

Average Age	25	25	25	25	26
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**Grayson County College**  
**Transfers to Senior Institutions**  
**2007 - 2008 Graduates, Completers and Non-Returners**  
**(Unaudited)**

Institution	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
Angelo State University	5		1	6	1.19%
Lamar University	1			1	0.20%
Midwestern State University	9		3	12	2.39%
Prairie View A & M University	1	1		2	0.40%
Sam Houston State University	5		1	6	1.19%
Stephen F. Austin State University	25		1	26	5.17%
Sul Ross State University	1			1	0.20%
Tarleton State University	6			6	1.19%
Texas A & M International University	1			1	0.20%
Texas A & M University	69	3		72	14.30%
Texas A & M University at Commerce	74	10	4	88	17.50%
Texas A & M University at Corpus Christi	3		1	4	0.80%
Texas A & M University at Galveston	1			1	0.20%
Texas A & M University at Kingsville	1			1	0.20%
Texas State University	9			9	1.79%
Texas Tech University	38	2	2	42	8.35%
Texas Woman's University	28	3	4	35	6.96%
The University of Texas at Arlington	16	2	6	24	4.77%
The University of Texas at Austin	19	5		24	4.77%
The University of Texas at Dallas	14	4		18	3.58%
The University of Texas at San Antonio	1			1	0.20%
The University of Texas at Tyler	9	1	1	11	2.19%
University of North Texas	92	9	5	106	21.07%
West Texas A & M University	5		1	6	1.19%
Totals	<u>433</u>	<u>40</u>	<u>30</u>	<u>503</u>	<u>100.00%</u>

**Grayson County College  
Capital Asset Information  
Fiscal Years 2006 to 2010  
(Unaudited)**

	Fiscal Year				
	2010	2009	2008	2007	2006
Academic Buildings	18	18	18	18	18
Square Footage	337,500	304,320	304,320	304,320	304,320
Libraries	1	1	1	1	1
Square Footage	18,503	18,503	18,503	18,503	18,503
Number of Volumes	51,800	51,800	51,800	51,800	51,800
Administrative and support buildings	3	3	3	3	3
Square Footage	39,953	34,553	34,553	34,553	34,553
Dormitories	2	2	2	2	2
Square Footage	51,121	51,121	51,121	51,121	51,121
Number of Beds	180	180	180	180	180
Golf Course	2	2	2	2	2
Square Footage	4,122	4,122	4,122	4,122	4,122
Dining Facilities	1	1	1	1	1
Square Footage	9,750	9,750	9,750	9,750	9,750
Average Daily Customers	300	300	300	300	300
Athletic Facilities	4	4	3	3	3
Square Footage	29,753	29,753	25,379	25,379	25,379
Gymnasiums	1	1	1	1	1
Baseball Field	1	1	1	1	1
Softball Field	1	1	1	1	1
Batting Cage	1	1	--	--	--
Plant Facilities	3	3	3	3	3
Square Footage	6,797	6,797	6,797	6,797	6,797
Transportation					
Cars	3	3	2	2	2
Light Trucks/Vans	24	24	24	23	23
Buses	3	3	2	2	2