

**VICTORIA COUNTY  
JUNIOR COLLEGE DISTRICT**

**ANNUAL FINANCIAL REPORT**

**AUGUST 31, 2006**

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

**ANNUAL FINANCIAL REPORT  
AUGUST 31, 2006**

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VICTORIA, TEXAS**

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

**ORGANIZATIONAL DATA  
FOR THE FISCAL YEAR 2005-2006**

**BOARD OF TRUSTEES**

**Officers**

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

**Members**

		<u>Term Expires</u>
Bruce Chinn	Victoria, Texas	2010
Catherine McHaney	Victoria, Texas	2010
Ernest G. Guajardo, Sr.	Victoria, Texas	2012
Mark E. Zafereo	Victoria, Texas	2012
Robert J. Hewitt	Victoria, Texas	2008
Ronald B. Walker	Victoria, Texas	2008
Thomas M. O'Conner	Victoria, Texas	2008

**Principal Administrative Officers**

Dr. Jimmy Goodson	President
Elaine Marcinkowska, C.P.A.	Vice President of Business and Administrative Services
Florinda Correa, M.S.	Vice President of Student Services
Patricia Vandervoort, M.A.	Vice President of Arts and Sciences
Dr. Craig Follins	Vice President of Workforce and Economic Development
Keith Blundell, M.B.A., C.P.A.	Comptroller

## **FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying basic financial statements of Victoria County Junior College District (the "District"), as of and for the year ended August 31, 2006, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Victoria College Foundation, Inc. (the "Affiliated Organization"), which reflects total assets of \$1,785,595 and revenues of \$228,751. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Victoria College Foundation, Inc., are based solely on the report of the other auditors.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Victoria County Junior College District as of August 31, 2006, and the respective changes in its financial position and cash flows where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* and the *State of Texas Single Audit Circular*, we have also issued our report dated October 13, 2006, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *State of Texas Single Audit Circular* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Victoria County Junior College District's basic financial statements. The supplementary information and financial assistance section as denoted in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. The accompanying Schedule of Expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Victoria County Junior College District. The accompanying Schedule of Expenditures of State Awards is presented for purposes of additional analysis as required by the *State of Texas Single Audit Circular*, and is also not a required part of the basic financial statements of Victoria County Junior College District. Such information, except for those schedules marked "unaudited" on which we express no opinion, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Patullo, Brown & Hill, C.C.P.*

October 13, 2006

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

**Management's Discussion and Analysis  
Year Ended August 31, 2006**

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**Analysis of Financial Position**

During the fiscal year ended August 31, 2006, the College received the same base State funding that it did for the fiscal year ended August 31, 2005. This was the result of the State's "hold harmless" clause that the legislature implemented in the last regular session. Under this clause, the College was able to keep a level base funding even though overall contact hours decreased. During this time, the College's enrollment head count decreased 1.3% while its contact hours decreased 6.9%. In addition, the State's funding for employee health insurance remained the same as prior year. Faculty and staff received salary increases of 3%, which were funded by additional property taxes. There were no changes in tuition rates.

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

Using existing unrestricted fund balances, the College renovated the Student Center Building. Included in the renovation was a remodel of the College's bookstore. Approximately 1,600 square feet were added to the bookstore.

The College Board approved a 3.1% reduction in the property tax rate from \$0.1461 to \$0.1416 per \$100 valuation. However, property tax revenues increased 4.8% due an increase in assessed property values of 6.6%.

Interest and related investment income was down 5.9%. This was the result of a combination of a 1.0% increase in interest income and a \$71,774 decrease in market values at year end. The decline in market values is due to the College buying fixed long-term investments during a period of rising interest rates. The College holds all of its investment to maturity.

Tuition and fees per semester credit hour did not change during the year. However, the Board did take action in the prior year to eliminate the Registration Fee, Facility Use Fee, Student Service Fee and the Transcript Fee and replace them with one General Fee. The new General Fee was set at a rate that had a neutral effect on fee revenues. The College received a workforce development grant from the State that paid approximately \$300,000 in continuing education tuition for area petro-chemical plant employees.

During the fiscal year ended August 31, 2005, the College received a gift from the Johnson Foundation of \$450,000 to assist in the renovation of the Continuing Education Center.

Long-term liabilities increased by \$13,663,806. The final principal payment of \$1,110,000 was paid on the 1997 Tax Refunding Bonds and principal of \$255,000 was paid on the 1999 Revenue Bonds. In addition, the College issued \$14,500,000 in new 2006 Limited Tax Bonds.

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

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

**Management's Discussion and Analysis  
Year Ended August 31, 2006**

**Table 1 – Condensed Financial Information**

Financial Statement Category	Current Year	Prior Year
<b>Assets</b>		
Cash and Investments	\$ 25,210,165	\$ 11,145,303
Other Assets	1,330,268	1,190,733
Capital Assets	27,548,280	27,495,800
Total Assets	54,088,713	39,831,836
<b>Liabilities</b>		
Current Liabilities	2,979,199	3,526,481
Long-term Liabilities	18,200,000	4,536,194
Total Liabilities	21,179,199	8,062,675
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	7,956,782	21,595,800
Unrestricted	6,271,327	5,683,145
Restricted	18,681,405	4,490,216
Total Net Assets	32,909,514	31,769,161
<b>Operating Revenues</b>		
Tuition and Fees (net of discounts)	3,821,570	3,554,649
Local, State and Federal Grants and Contracts	6,531,766	6,001,416
Auxiliary Enterprise	2,560,931	2,609,987
Other	585,922	573,097
Total Operating Revenues	13,500,189	12,739,149
<b>Operating Expenses</b>		
Instruction	12,484,640	11,361,546
Public Service	71,084	-
Academic Support	1,434,222	1,280,081
Student Support	2,148,052	2,002,903
Institutional Support	3,027,366	2,569,021
Operation and Maintenance of Plant	2,703,845	2,151,804
Scholarships and Fellowships	1,317,595	1,980,246
Auxiliary Enterprises	3,057,889	3,069,586
Depreciation	949,068	923,300
Total Operating Expenses	27,193,761	25,338,487
Operating Income (Loss)	(13,693,572)	(12,599,338)
<b>Non-Operating Revenues (Expenses)</b>		
State Appropriations	8,821,048	8,524,095
Taxes	5,651,584	5,602,128
Gifts	153,005	689,404
Interest on Capital Related Debt	(266,697)	(321,811)
Investment Related Income	239,132	254,203
Total Non-Operating Revenues (Expenses)	14,598,072	14,748,019
Income Before Other Revenues, (Expenses), Gains, (Losses)	904,500	2,148,681
<b>Other Revenues, (Expenses), Gains, (Losses)</b>	235,853	320,113
Increase (Decrease) in Net Assets	1,140,353	2,468,794
Beginning Net Assets	31,769,161	30,258,260
Adjustment to Net Assets	-	(957,893)
Ending Net Assets	\$ 32,909,514	\$ 31,769,161

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

**Management's Discussion and Analysis  
Year Ended August 31, 2006**

**Enrollment Highlights**

Credit student enrollment dipped slightly from to 4,038 in the Fall of 2004 to 3,981 in the Fall of 2005. This is a decrease in student count of approximately 1.4% over the period and a decrease of 6.2% since the Fall of 2003. A portion of the decrease was due initially to a decrease in Early Admissions students, which have since begun to recover and show signs of long-term growth. Another factor affecting enrollment is the health of the economy. Because a large portion of our student body (approximately 49.1%) is comprised of non-traditional students, when the economy is strong the enrollment counts and contact hours tend to decrease. This downward tendency is expressed in the 4.3 % decrease in Contact Hours, which fell from 772,560 to 739,344, between Fall 2004 and Fall 2005 which indicates students took less hours per student and implying possible increased employment levels. Additionally, the College has responded to changes in course demand by eliminating some of the programs with low demand levels, such as Drafting, and is currently analyzing the community demands to determine what programs and class offerings should be enhanced to best support the interest of our service area.

<b>Credit Students</b>	<b>2005-2006</b>		<b>Fall</b>	<b>Spring</b>	<b>Summer 1</b>	<b>Summer 2</b>	<b>Annual*</b>
	Enrollment		3,981	3,711	1,529	593	5,531
	Contact Hours		739,344	693,552	190,544	39,680	1,663,120
<b>Non-Credit Students</b>	<b>2004-2005</b>		<b>Fall</b>	<b>Spring</b>	<b>Summer 1</b>	<b>Summer 2</b>	<b>Annual*</b>
	Enrollment		4,038	3,907	1,399	529	5,590
	Contact Hours		772,560	748,016	187,184	35,680	1,743,440

  

<b>Non-Credit Students</b>	<b>2005-2006</b>		<b>Fall</b>	<b>Spring</b>	<b>Summer 1</b>	<b>Summer 2</b>	<b>Annual*</b>
	Enrollment		722	907	900	1,544	3,363
	Contact Hours		23,152	55,277	37,431	40,009	155,869
<b>Non-Credit Students</b>	<b>2004-2005</b>		<b>Fall</b>	<b>Spring</b>	<b>Summer 1</b>	<b>Summer 2</b>	<b>Annual*</b>
	Enrollment		924	1,416	692	1,155	3,442
	Contact Hours		69,279	71,506	26,836	44,192	211,813

\*-Unduplicated

**Certificates and Degrees Conferred**

	<b>Associate of Arts</b>	<b>Associate of Science</b>	<b>Associate of Applied Sciences</b>	<b>Work Force Certificates</b>	<b>Total Degrees &amp; Certificates</b>
<b>2005 - 2006</b>	37	60	182	231	510
<b>2004 - 2005</b>	35	58	183	254	530

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

**Management's Discussion and Analysis  
Year Ended August 31, 2006**

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**Pursuit of the Texas Quality Initiative**

While Victoria College continues to remain focused on Strategic Enrollment Management and associated initiatives such as Closing The Gaps, it has broadened its strategic management efforts to embrace the systemic criteria and framework as presented in the Texas Quality Initiative. This initiative encompasses overall organizational excellence. The goals include the delivery of ever-improving value to students and stakeholders, as well as improvement of organizational effectiveness and capabilities. In January 2006, key faculty and staff leaders participated in an extensive workshop, "2006 Core Values for Education", based upon the Baldrige National Quality Award Criteria for Education. As follow-up to the workshop, an organizationally inclusive Planning and Assessment Committee was formed for the purpose of continued self-assessment to increase cross-campus communications and to purposefully address areas identified for improvement. These efforts are still in the early stages, but the purpose, as stated by the Texas Quality Foundation, is "for integrating key requirements within a results-oriented framework that creates a basis for action and feedback" through the presence of:

- "visionary leadership;
- learning-centered education;
- organizational and personal learning;
- valuing faculty, staff, and partners;
- agility;
- focus on the future;
- managing for innovation;
- management by fact;
- social responsibility;
- focus on results and creating value;
- and systems perspective."

Annual recognition awards are presented to institutions, which successfully embody excellence in education. The tangible results of these efforts require a longer-term focus but already include improved campus communications across departments, active review and improvement of stated Success Factors, and associated data tracking to more closely mirror stated College objectives. Activation of the S.W.A.T. (Strategic Wisdom for an Awesome Tomorrow) Campaign, New-Employee Orientation Program review, and a process review to aid in more efficient and systematic records management is also in development. Clearly the desired goals of these efforts warrant continued time, attention, and focus.

**Contacting the District's Financial Management**

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

# **BASIC FINANCIAL STATEMENTS**

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statement of Net Assets**  
**August 31, 2006**

	Current Year	Prior Year
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & cash equivalents	\$ 1,629,834	\$ 3,978,076
Restricted cash and cash equivalents	872,273	677,213
Endowment cash and cash equivalents	1,080	528,966
Short-term investments	195,105	119
Restricted short-term investments	14,562,399	10
Endowment short-term investments	511,924	131
Accounts receivable (net)	618,145	554,163
Endowment accounts receivable	37,274	32,534
Inventories	554,439	566,036
Prepaid expenses	120,410	38,000
Total Current Assets	19,102,883	6,375,248
<b>Noncurrent Assets</b>		
Endowment investments	3,482,448	3,477,147
Other noncurrent investments	3,955,102	2,483,641
Construction in progress	556,498	-
Investments in real estate	325,537	325,537
Capital assets (net) (See note 3)	26,666,245	27,170,263
Total Noncurrent Assets	34,985,830	33,456,588
Total Assets	54,088,713	39,831,836
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	415,855	581,653
Accrued liabilities	84,983	79,997
Funds held for others	364,851	335,881
Deferred revenues	1,278,510	1,163,950
Bonds payable - current portion	835,000	1,365,000
Total Current Liabilities	2,979,199	3,526,481
<b>Noncurrent Liabilities</b>		
Deferred revenue	-	1,194
Bonds payable	18,200,000	4,535,000
Total Noncurrent Liabilities	18,200,000	4,536,194
Total Liabilities	21,179,199	8,062,675
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	7,956,782	21,595,800
Restricted for		
Nonexpendable		
Student aid	4,292,958	4,101,833
Expendable		
Student aid	313,666	287,654
Unexpended bond proceeds	13,943,502	-
Debt service	131,279	100,729
Unrestricted	6,271,327	5,683,145
Total Net Assets (Schedule D)	\$ 32,909,514	\$ 31,769,161

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Affiliated Organization**  
**Statement of Financial Position**  
**August 31, 2006**

	Current Year	Prior Year
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & cash equivalents	\$ 177,119	\$ 172,767
Investments	126,966	86,590
Total Current Assets	304,085	259,357
<b>Endowment Investments</b>		
Cash and cash equivalents	-	-
Investments	1,228,691	1,104,650
Interest receivable	326	-
Tuition assistance receivable	8,637	10,021
Allowance for uncollectible accounts	-	(10,021)
Total Endowment Investments	1,237,654	1,104,650
Property (net)	243,856	248,625
Total Assets	\$ 1,785,595	\$ 1,612,632
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Deferred rental income	\$ 39,350	\$ 38,000
Current portion of note payable	36,900	33,861
Total Current Liabilities	76,250	71,861
<b>Long Term Liabilities</b>		
Notes payable	77,204	151,141
Total Long Term Liabilities	77,204	151,141
Total Liabilities	153,454	223,002
<b>NET ASSETS</b>		
Unrestricted net assets	273,699	221,357
Permanently restricted net assets	1,358,442	1,168,273
Total Net Assets	1,632,141	1,389,630
Total Liabilities and Net Assets	\$ 1,785,595	\$ 1,612,632

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statement of Revenues, Expenses and**  
**Changes in Net Assets**  
**For The Year Ended August 31, 2006**

	Current Year	Prior Year
<b>OPERATING REVENUES</b>		
Tuition and fees (net of discounts of \$1,447,801 & \$1,095,688, respectively)	\$ 3,821,570	\$ 3,554,649
Federal grants and contracts	5,828,075	5,630,733
State grants and contracts	651,806	364,685
Non-governmental grants and contracts	51,885	5,998
Sales and services of educational activities	353,444	330,491
Investment income - program restricted	-	5,673
Auxiliary enterprises (net of discounts of \$725,437 & \$697,558, respectively)	2,560,931	2,609,987
General operating revenues	232,478	236,933
Total Operating Revenues (Schedule A)	13,500,189	12,739,149
<b>OPERATING EXPENSES</b>		
Instruction	12,484,640	11,361,546
Public service	71,084	-
Academic support	1,434,222	1,280,081
Student services	2,148,052	2,002,903
Institutional support	3,027,366	2,569,021
Operation and maintenance of plant	2,703,845	2,151,804
Scholarships and fellowships	1,317,595	1,980,246
Auxiliary enterprises	3,057,889	3,069,586
Depreciation	949,068	923,300
Total Operating Expenses (Schedule B)	27,193,761	25,338,487
Operating (Loss)	(13,693,572)	(12,599,338)
<b>Non-Operating Revenues (Expenses)</b>		
State allocations	8,821,048	8,524,095
Maintenance ad valorem taxes		
Taxes for maintenance and operations	4,504,894	4,400,517
Taxes for general obligation bonds	1,146,690	1,201,611
Gifts	153,005	689,404
Investment income (net of investment expenses)	310,906	308,059
Net increase (decrease) in fair value of investments	(71,774)	(53,856)
Interest on capital related debt	(266,697)	(321,811)
Total Non-Operating Revenues (Expenses) (Schedule C)	14,598,072	14,748,019
Income Before Other Revenues, Expenses, Gains and Losses	904,500	2,148,681
<b>Other Revenues, (Expenses), Gains, (Losses)</b>		
Additions to permanent and term endowments	254,634	332,171
Transfers of endowments	(18,781)	(12,058)
Total Other Revenues, (Expenses), Gains, (Losses)	235,853	320,113
Increase in Net Assets	1,140,353	2,468,794
<b>NET ASSETS</b>		
Net Assets - Beginning of Year	31,769,161	30,258,260
Adjustment to Net Assets (See note 25)	-	(957,893)
Net Assets - End of Year	\$ 32,909,514	\$ 31,769,161

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Affiliated Organization**  
**Statement of Activities**  
**For The Year Ended August 31, 2006**

	Current Year	Prior Year
<b>UNRESTRICTED NET ASSETS</b>		
<b>Support and Revenues</b>		
Contributions	\$ 179,126	\$ 178,922
Interest and dividends	3,755	23,225
Rental income	45,870	44,400
Total Unrestricted Support and Revenues	228,751	246,547
<b>Expenses</b>		
Program	144,203	116,656
Management and general	24,787	71,628
Fundraising	27,419	1,845
Total Unrestricted Expenses	196,409	190,129
Increase in Unrestricted Net Assets	32,342	56,418
<b>Permanently Restricted Net Assets</b>		
Support and revenues		
Contributions	186,291	117,812
Interest and dividends	43,953	817
Net increase (decrease) in fair value of investments	(20,075)	63,120
Increase in Unrestricted Net Assets	210,169	181,749
Increase in Net Assets	242,511	238,167
<b>NET ASSETS</b>		
Net Assets - Beginning of Year	1,389,630	1,151,463
Net Assets - End of Year	\$ 1,632,141	\$ 1,389,630

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statement of Cash Flows**  
**For The Year Ended August 31, 2006**

	Current Year	Prior Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 6,735,945	\$ 6,495,127
Receipts from grants and contracts	6,531,766	6,001,416
Other receipts	232,478	236,933
Payments to suppliers for goods or services	(6,019,799)	(5,127,045)
Payments to or on behalf of employees	(19,094,280)	(17,213,551)
Payments of scholarships and fellowships	(1,317,595)	(1,980,246)
Net cash provided (used) by operating activities	(12,931,485)	(11,587,366)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state allocations	8,821,048	8,524,095
Receipts from ad valorem tax revenues	4,504,894	4,400,517
Gifts and grants (other than capital)	153,005	689,404
Student organization and other agency transactions	28,970	7,045
Transfers to Victoria College Foundation, Inc.	(18,781)	(12,058)
Net cash provided by non-capital financing activities	13,489,136	13,609,003
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Receipts from ad valorem tax revenues	1,146,690	1,201,611
Proceeds on issuance of capital debt	14,500,000	-
Purchases of capital assets	(1,001,548)	(960,955)
Disposal of capital assets	31,177	104,375
Payments on capital debt - principal	(1,365,000)	(1,325,000)
Payments on capital debt - interest	(266,697)	(321,811)
Net cash provided (used) by capital and related financing activities	13,044,622	(1,301,780)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturity of investments	1,050,000	747,153
Investment earnings	310,906	313,732
Purchase of investments	(17,644,247)	(5,000,000)
Net cash provided (used) by investing activities	(16,283,341)	(3,939,115)
Increase (decrease) in cash and cash equivalents	(2,681,068)	(3,219,258)
Cash and cash equivalents - September 1	5,184,255	8,403,513
Cash and cash equivalents - August 31	\$ 2,503,187	\$ 5,184,255
Cash and cash equivalents	\$ 1,629,834	\$ 3,978,076
Restricted cash and cash equivalents	872,273	677,213
Endowment cash and cash equivalents	1,080	528,966
Total cash and cash equivalents	\$ 2,503,187	\$ 5,184,255

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statement of Cash Flows**  
**For The Year Ended August 31, 2006**  
(Continued)

	Current Year	Prior Year
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating (loss)	\$ (13,693,572)	\$ (12,599,338)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Depreciation expense	949,068	923,300
Changes in assets and liabilities:		
Receivables (net)	(68,722)	(42,056)
Inventories	11,597	(3,087)
Prepaid expenses	(82,410)	(38,000)
Accounts payable	(165,798)	149,141
Accrued liabilities	4,986	(6,991)
Deferred revenue	113,366	29,665
Net cash provided (used) by operating activities	\$ (12,931,485)	\$ (11,587,366)

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Notes to the Financial Statements**  
**August 31, 2006**

**1. Reporting Entity**

Victoria County Junior College District (the “District”) was created by a vote of the electorate of Victoria County, Texas, at an election held on December 2, 1947, in accordance with the laws of the State of Texas to serve the educational needs of Victoria County and the surrounding communities. The Board of Trustees (the “Board”), a seven-member group, is the level of government, which has governing responsibilities over all activities related to public junior colleges within the jurisdiction of the District. Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters, including taxing authority. The District receives funding from local, State of Texas and federal sources and must comply with the spending, reporting and record keeping requirements of these funding source entities. However, the District is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. Furthermore, all activities and organizations over which the Board exercises oversight responsibility have been included in the basic financial statements. The District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity*.

**2. Summary of Significant Accounting Policies**

Report Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board’s *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The District applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The District is reported as a special-purpose government engaged in business type activities.

Tuition Discounting

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

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

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

### Tuition Discounting (Continued)

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

### Basis of Accounting

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year-end that is provided for in the subsequent year's budget are reported as designations of net assets since they do not constitute expenditures or liabilities. All encumbrances outstanding for the year ended August 31, 2006, were canceled.

### Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1<sup>st</sup>. The District's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordination Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning.

### Cash and Cash Equivalents

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

### Investments

In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. [The governing board has designated public funds investment pools comprised of short-term maturities in the amounts of \$15,269,428 and \$260 for the years ended August 31, 2006, and 2005, respectively, to be short-term investments] Long-term investments have an original maturity of greater than one year at the time of purchase.

### Inventories

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

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

### Capital Assets

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

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

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

### Deferred Revenues

Tuition and fees of \$1,278,510 and \$1,163,929 and federal, state and local grants of \$0 and \$1,215 have been reported as deferred revenues at August 31, 2006, and 2005, respectively.

### Donor Restricted Endowments

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

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

### Use of Estimates

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

### Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, injuries to employees; and natural disasters. During its fiscal year ended August 31, 2006, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past year.

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

Operating and Non-Operating Revenue and Expense Policy

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

3. **Capital Assets Activity**

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

	Primary Institution			
	Balance	Changes During Year		Balance
	<u>9/1/2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>8/31/2006</u>
<b><u>Not Depreciated:</u></b>				
Land	\$ 325,537	\$ -	\$ -	\$ 325,537
Construction in Progress	-	556,498	-	556,498
Subtotal	<u>325,537</u>	<u>556,498</u>	<u>-</u>	<u>882,035</u>
<b><u>Other Capital Assets:</u></b>				
Library Volumes and Periodicals	1,452,362	91,219	(31,177)	1,512,404
Buildings	30,779,213	67,690	-	30,846,903
Site Improvements	5,281,232	-	-	5,281,232
Telecommunications and Peripheral Equipment	630,757	125,053	-	755,810
Machinery, Equipment, Furniture and Vehicles	589,324	161,088	-	750,412
Subtotal	<u>38,732,888</u>	<u>445,050</u>	<u>(31,177)</u>	<u>39,146,761</u>
<b><u>Accumulated Depreciation:</u></b>				
Library Volumes and Periodicals	918,591	63,177	(31,177)	950,591
Buildings	7,830,696	551,966	-	8,382,662
Site Improvements	1,919,311	221,540	-	2,140,851
Telecommunications and Peripheral Equipment	532,219	56,118	-	588,337
Machinery, Equipment, Furniture and Vehicles	361,808	56,267	-	418,075
Subtotal	<u>11,562,625</u>	<u>949,068</u>	<u>(31,177)</u>	<u>12,480,516</u>
Net Other Capital Assets	<u>27,170,263</u>	<u>(504,018)</u>	<u>-</u>	<u>26,666,245</u>
Net Capital Assets	<u>\$ 27,495,800</u>	<u>\$ 52,480</u>	<u>\$ -</u>	<u>\$27,548,280</u>

### 3. Capital Assets Activity (Continued)

Capital asset activity for the year ended August 31, 2005, was as follows:

	Primary Institution				
	Balance	Changes During Year			Balance
	09/01/04	Additions	Deletions	Reclassifications	08/31/05
<u>Not Depreciated:</u>					
Land	\$ 325,537	\$ -	\$ -	\$ -	\$ 325,537
Construction in Progress	-	830,939	-	(830,939)	-
Subtotal	<u>325,537</u>	<u>830,939</u>	<u>-</u>	<u>(830,939)</u>	<u>325,537</u>
<u>Other Capital Assets:</u>					
Library Volumes and Periodicals	1,467,366	89,371	(104,375)	-	1,452,362
Buildings	29,948,274	-	-	830,939	30,779,213
Site Improvements	5,281,232	-	-	-	5,281,232
Telecommunications and Peripheral Equipment	615,060	-	-	15,697	630,757
Machinery, Equipment, Furniture and Vehicles	564,376	40,645	-	(15,697)	589,324
Subtotal	<u>37,876,308</u>	<u>130,016</u>	<u>(104,375)</u>	<u>830,939</u>	<u>38,732,888</u>
<u>Accumulated Depreciation:</u>					
Library Volumes and Periodicals	-	61,497	(104,375)	961,469	918,591
Buildings	7,287,257	543,439	-	-	7,830,696
Site Improvements	1,697,771	221,540	-	-	1,919,311
Telecommunications and Peripheral Equipment	476,794	47,453	-	7,972	532,219
Machinery, Equipment, Furniture and Vehicles	323,985	49,371	-	(11,548)	361,808
Subtotal	<u>9,785,807</u>	<u>923,300</u>	<u>(104,375)</u>	<u>957,893</u>	<u>11,562,625</u>
Net Other Capital Assets	<u>28,090,501</u>	<u>(793,284)</u>	<u>-</u>	<u>(126,954)</u>	<u>27,170,263</u>
Net Capital Assets	<u>\$ 28,416,038</u>	<u>\$ 37,655</u>	<u>\$ -</u>	<u>\$ (957,893)</u>	<u>\$ 27,495,800</u>

### 4. Current and Non-current Liabilities

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

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

**4. Current and Non-current Liabilities (Continued)**

Current liabilities activity for the year ended August 31, 2005, was as follows:

	Balance			Balance
	<u>09/01/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>08/31/05</u>
Accounts payable	\$ 432,512	\$ 7,942,700	\$ 7,793,559	\$ 581,653
Accrued liabilities	86,988	14,390,635	14,397,626	79,997
Funds held for others	328,836	335,881	328,836	335,881
Deferred revenues	1,134,285	1,163,950	1,134,285	1,163,950
Bonds				
General obligation bonds	1,085,000	1,110,000	1,085,000	1,110,000
Revenue bonds	240,000	255,000	240,000	255,000
	<u>\$ 3,307,621</u>	<u>\$ 25,198,166</u>	<u>\$ 24,979,306</u>	<u>\$ 3,526,481</u>

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

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

Non-current liabilities activity for the year ended August 31, 2005, was as follows:

	Balance			Balance
	<u>9/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>8/31/2005</u>
Deferred revenues	\$ 1,194	\$ -	\$ -	\$ 1,194
Bonds				
General obligation bonds	1,110,000	-	1,110,000	-
Revenue bonds	4,790,000	-	255,000	4,535,000
	<u>\$ 5,901,194</u>	<u>\$ -</u>	<u>\$ 1,365,000</u>	<u>\$ 4,536,194</u>

**5. Debt and Lease Obligations**

Debt service requirements at August 31, 2006 were as follows:

For the Year Ended <u>August 31,</u>	<u>Revenue Bonds</u>		<u>General Obligation Bonds</u>	
	<u>1999 Combined Fee Revenue Bonds</u>		<u>2006 Limited Tax Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2007	\$ 265,000	\$ 216,367	\$ 570,000	\$ 717,780
2008	275,000	200,467	100,000	665,261
2009	285,000	187,749	100,000	660,761
2010	300,000	175,209	500,000	656,261
2011	310,000	161,859	575,000	633,761
2012-2016	1,795,000	581,310	3,290,000	2,753,003
2017-2021	1,305,000	129,187	4,145,000	1,892,270
2022-2025	-	-	5,220,000	823,063
Totals	<u>\$ 4,535,000</u>	<u>\$ 1,652,148</u>	<u>\$ 14,500,000</u>	<u>\$ 8,802,160</u>

The District currently has no capital lease obligations.

**6. Bonds Payable**

General information related to bonds payable is summarized below:

- Combined Fee Revenue Bonds, Series 1999
- Issued to construct General Services and Technology Buildings and associated improvements
- Issued June 1, 1999
- Amount authorized and issued - \$6,000,000
- Source of revenue for debt service – Tuition, general fee and general fund interest
  
- Limited Tax Bonds, Series 2006
- Issued to construct Health Sciences Center, Remodel existing Allied Health Building and associated improvements
- Issued August 1, 2006
- Amount authorized and issued - \$14,500,000
- Source of revenue for debt service – ad valorem taxes

Bonds payable are due in annual installments varying from \$471,859 to \$1,287,780 with interest rates from 4.50% to 6.00% with the final installment due in 2025. The 1999 combined Fee Revenue Bonds may be redeemed beginning August 15, 2009.

Debt Service for the 1999 combined Fee Revenue Bonds was \$486,668 for the year ended August 31, 2006. Revenues totaling \$1,343,181 were available to meet this obligation.

**7. Short Term Debt**

The District used no short-term debt for the year ended August 31, 2006.

**8. Disaggregation of Receivables and Payables Balances**

**Receivables**

Receivables at August 31, 2006, were as follows:

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

**8. Disaggregation of Receivables and Payables Balances (Continued)**

Receivables at August 31, 2005, were as follows:

	<u>Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Receivable</u>
Taxes	\$ 398,784	\$ (398,784)	\$ -
Receivable from Title IV students	39,774	-	39,774
Federal receivables	441,100	-	441,100
Installment contracts receivable	68,447	(68,447)	-
Vendor receivable	52,122	-	52,122
Accounts receivable (net)	<u>1,000,227</u>	<u>(467,231)</u>	<u>532,996</u>
Interest receivable			
District accounts receivable	21,167	-	21,167
Endowment accounts receivable	32,534	-	32,534
Total Receivables	<u>\$ 1,053,928</u>	<u>\$ (467,231)</u>	<u>\$ 586,697</u>

**Payables**

Payables at August 31, 2006 and 2005, were as follows:

	<u>2006</u>	<u>2005</u>
Accounts payable	\$ 415,855	\$ 581,653
Accrued payroll	61,606	59,355
Employee benefits payable	23,377	20,642
Accrued liabilities	84,983	79,997
Total Payables	<u>\$ 500,838</u>	<u>\$ 661,650</u>

**9. Authorized Investments**

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

**10. Deposits and Investments**

At August 31, 2006, the carrying amount of the District's deposits was \$2,503,187 and total bank balances equaled \$2,755,131. Bank balances of \$100,000 are covered by federal depository insurance and \$ 2,655,131 was covered by collateral pledged in the District's name. The collateral was held in the safekeeping departments of unrelated banks, which act as the pledging bank's agent.

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

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

At August 31, 2006, the District had no outstanding commitments to sell securities. Cash and cash equivalents reported on Exhibit 1, Statement of Net Assets, are comprised of the items reported below:

	8/31/2006	8/31/2005
Petty cash on hand	\$ 47,631	\$ 28,550
Demand deposits	<u>2,455,556</u>	<u>5,155,705</u>
Total Cash and Deposits	<u>\$ 2,503,187</u>	<u>\$ 5,184,255</u>

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

	Rate	Maturity	2006		2005	
			Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
<b>U.S. Government Securities</b>						
FNMA	6.870%	07/17/07	\$ 251,741	\$ 243,212	\$ 263,680	\$ 252,119
FHLB	5.625%	04/11/11	1,348,057	1,339,894	-	-
FHLB	5.600%	04/06/10	499,721	497,434	-	-
FNMA	5.400%	04/07/09	750,000	746,450	-	-
FHLB	5.275%	02/09/15	796,677	775,158	800,000	796,677
FFCB	5.125%	02/11/15	148,809	144,561	149,823	148,791
FNMA	4.510%	01/28/10	795,847	781,748	800,000	795,846
FHLB	4.500%	03/09/10	347,929	341,660	350,000	347,929
FHLB	4.020%	05/15/08	795,017	785,449	800,000	795,017
FNMA	3.550%	01/30/07	1,043,004	1,042,276	1,050,000	1,043,004
FHLMC	3.500%	10/15/07	494,629	490,723	501,109	494,127
FHLB	3.200%	03/10/06	(9,188)	-	1,050,000	1,040,813
FNMA	2.750%	10/27/06	247,081	248,985	249,865	246,466
			<u>\$ 7,509,324</u>	<u>\$ 7,437,550</u>	<u>\$ 6,014,477</u>	<u>\$ 5,960,789</u>
<b>Uncategorized Investments</b>						
Type			2006		2005	
			Cost	Estimated Fair Value	Cost	Estimated Fair Value
Tex Pool			\$ 15,269,428	\$ 15,269,428	\$ 260	\$ 260
			<u>\$ 15,269,428</u>	<u>\$ 15,269,428</u>	<u>\$ 260</u>	<u>\$ 260</u>

The amortized cost and estimated market values of investment securities at August 31, 2006, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

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

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

Type of Security	Market Value 8/31/2006	Market Value 8/31/2005
U.S. Government Securities	\$ 7,437,550	\$ 5,960,788
Tex Pool	15,269,428	260
Real Estate Investments	-	-
Total Investments	\$ 22,706,978	\$ 5,961,048
Total Cash and Deposits	\$ 2,503,187	\$ 5,184,255
Total Investments	22,706,978	5,961,048
Total Deposits and Investments	\$ 25,210,165	\$ 11,145,303
Cash and Temporary Investments (Exhibit 1)	\$ 2,503,187	\$ 5,184,255
Investments (Exhibit 1)	22,706,978	5,961,048
Total Deposits and Investments	\$ 25,210,165	\$ 11,145,303

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

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

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

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

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

During the year ended August 31, 2005, the District realized a net gain of \$500 from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in fair value of investments. Realized gains and losses on investments that have been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. The net decrease in the fair value of investments reported in the prior year. The net decrease in the fair value of investments during the year ended August 31, 2005 was \$53,856. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end was \$27,971.

**11. Derivatives**

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

**12. Employees' Retirement Plan**

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

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

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

The retirement expense to the State for the District was \$574,336 and \$545,274 for the fiscal years ended August 31, 2006, and 2005, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all District employees was \$12,953,257 and \$12,383,211 for the fiscal years ended August 31, 2006, and 2005, respectively. The total payroll of employees covered by the Teacher Retirement System was \$8,095,474 and \$7,208,294, and the total payroll of employees covered by the Optional Retirement System was \$3,532,248 and \$3,678,377 for the fiscal years ended August 31, 2006, and 2005, respectively.

**13. Deferred Compensation Program**

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

**14. Compensated Absences**

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

**15. Pending Lawsuits**

On occasion, the District may become party to litigation and claims arising in the normal course of operations. The District is currently the defendant in a lawsuit in which the plaintiff alleges that tenure was wrongfully denied. It is the intention of the District to vigorously contest this case. The process of obtaining depositions is underway. Management believes that the liabilities, if any, arising from this litigation will not be material to the financial statements.

**16. Operating Lease Commitments and Rental Agreement**

Expenses include \$189,620 for the year ended August 31, 2006, of rentals paid or due under operating leases. Expenses include \$178,953 for the year ended August 31, 2005, of rentals paid or due under operating expenses.

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

Minimum rentals for the next four years and beyond are:

8-31-06	\$47,220
8-31-07	\$47,220
8-31-08	\$47,220
To 7-01-10	\$39,350

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

8-31-06	\$77,780
8-31-07	\$77,780

The District has entered into an agreement for purchase of computer licenses beginning September 1, 2004, and ending August 31, 2007. Payments for the next year is as follows:

8-31-07	\$95,880
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The District had no noncancellable operating leases with terms in excess of one year for the year ended August 31, 2006.

**17. Funds Held in Trust by Others**

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

**18. Self-Insured Plans**

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

**19. Contract and Grant Award**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as accounts receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal year August 31, 2006, and 2005, for which monies have not been received nor funds expended totaled \$5,145,928 and \$2,396,251, respectively. Of this amount \$4,208,572 and \$2,117,481 was from Federal Contract and Grant Awards, and \$937,356 and \$278,770 was from State Contract and Grant Awards, respectively.

**20. Post Retirement Health Care and Life Insurance Benefits**

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee with individual coverage was \$343 per month for the year ended August 31, 2006 (\$315 per month for the year ended August 31, 2005) and \$593,533 for the year ended August 31, 2006 (\$461,980 for the year ended August 31, 2005). The state's contribution for a full-time employee with individual and children coverage was \$475 per month for the year ended August 31, 2006 (\$436 per month for the year ended August 31, 2005) and \$330,503 for the year ended August 31, 2006 (\$316,057 for the year ended August 31, 2005). The state's contribution for a full-time employee with individual and spouse coverage was \$540 per month for the year ended August 31, 2006 (\$496 per month for the year ended August 31, 2005) and \$155,434 for the year ended August 31, 2006 (\$1,784,631 for the year ended August 31, 2005).

The state's contribution for a full-time employee with family coverage was \$671 per month for the year ended August 31, 2006 (\$616 per month for the year ended August 31, 2005) and \$354,330 for the year ended August 31, 2006 (\$355,023 for the year ended August 31, 2005).

The cost of providing those benefits for 114 retirees was \$506,655, which consisted of \$466,927 from the state and \$33,955 from the District, and for 270 active employees was \$1,384,966 which consisted of \$928,856 from the state and \$460,924 from the District for the year, ended August 31, 2006. The cost of providing those benefits for 109 retirees was \$455,831, which consisted of \$428,740 from the state and \$27,091 from the District, and for 270 active employees was \$1,292,204 which consisted of \$745,574 from the state and \$546,630 from the District for the year, ended August 31, 2005.

**21. Discrete Component Unit**

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

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

**22. Property Tax**

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

As of August 31:

	<u>2006</u>	<u>2005</u>
Assessed Valuation of the District:	\$ 4,468,418,881	\$ 4,296,112,276
Less: Exemptions	<u>(513,512,634)</u>	<u>(521,420,428)</u>
Net Assessed Valuation of the District	<u>\$ 3,954,906,247</u>	<u>\$ 3,774,691,848</u>
	<u>2006</u>	
	<u>Current</u>	<u>Debt</u>
	<u>Operations</u>	<u>Service</u>
	<u>Total</u>	
Tax Rate per \$100 valuation authorized	<u>\$ 0.500000</u>	<u>\$ 0.500000</u>
Tax Rate per \$100 valuation assessed	<u>\$ 0.112900</u>	<u>\$ 0.028700</u>
	<u>2005</u>	
	<u>Current</u>	<u>Debt</u>
	<u>Operations</u>	<u>Service</u>
	<u>Total</u>	
Tax Rate per \$100 valuation authorized	<u>\$ 0.500000</u>	<u>\$ 0.500000</u>
Tax Rate per \$100 valuation assessed	<u>\$ 0.114800</u>	<u>\$ 0.031300</u>

Taxes levied for the year ended August 31, 2006 and 2005 were \$5,572,626 and \$5,514,825, respectively. Penalties and interest are not assessed. Taxes are due on receipt of the tax bill and are considered delinquent as of February 1 of the succeeding year and subject to lien as of July 1 of that year.

	<u>2006</u>		
	<u>Current</u>	<u>Debt</u>	
<u>Taxes Collected</u>	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Current taxes collected	\$ 3,577,213	\$ 871,375	\$ 4,448,588
Delinquent taxes collected	870,559	260,055	1,130,614
Penalties and interest collected	57,122	15,260	72,382
Less discounts & commissions	-	-	-
Total collections	<u>\$ 4,504,894</u>	<u>\$ 1,146,690</u>	<u>\$ 5,651,584</u>
	<u>2005</u>		
	<u>Current</u>	<u>Debt</u>	
<u>Taxes Collected</u>	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Current taxes collected	\$ 3,618,194	\$ 986,367	\$ 4,604,561
Delinquent taxes collected	724,138	197,303	921,441
Penalties and interest collected	59,820	16,306	76,126
Less discounts & commissions	-	-	-
Total collections	<u>\$ 4,402,152</u>	<u>\$ 1,199,976</u>	<u>\$ 5,602,128</u>

Tax collections for the years ended August 31, 2006 and 2005 were 98.68% and 98.15% of the current tax levy, respectively. Uncollected taxes are fully reserved at August 31. The use of tax proceeds is restricted to maintenance and operations and/or general obligation debt service.

**23. Income Taxes**

The District is exempt from income taxes under internal Revenue Code Section 115, Income of States, Municipalities, Etc. although unrelated business income may be subject to income taxes under internal Revenue code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The District had no unrelated business income tax liability for the years ended August 31, 2005, and 2004.

**24. Subsequent Events**

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

**25. Adjustment to Net Assets**

In fiscal year 2005, the District was required to implement the depreciation of library volumes and periodicals. As of August 31, 2005, there was an adjustment to net assets of \$957,893 to establish the accumulated depreciation for the previous fiscal years.

**OVERALL COMPLIANCE AND  
INTERNAL CONTROLS SECTION**



PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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

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

We have audited the basic financial statements of Victoria County Junior College District, as of and for the year ended August 31, 2006, and have issued our report thereon dated October 13, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the standards applicable to financial audits contained in the *State of Texas Single Audit Circular*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Victoria County Junior College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

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

**Public Funds Investment Act**

We have performed tests designed to verify the District's compliance with the requirements of the Public funds Investment Act. During the year ended August 31, 2006, no instances of noncompliance were found.

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

*Dattillo, Brown & Hall, LLP.*

October 13, 2006



PATTILLO, BROWN & HILL, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

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

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

**Compliance**

We have audited the compliance of Victoria County Junior College District, with the types of compliance requirements described in the *U.S. Office of Management and Budget ("OMB") Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2006. Victoria County Junior College District's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. We have audited the compliance of Victoria County Junior College District with the types of compliance requirements described in the *State of Texas Single Audit Circular* that are applicable to each of its major state programs for the year ended August 31, 2006. Victoria County Junior College District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of Victoria County Junior College District's management. Our responsibility is to express an opinion on Victoria County Junior College District's compliance based on our audit.

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

In our opinion, Victoria County Junior College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2006.

## Internal Control Over Compliance

The management of Victoria County Junior College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular*.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants would be material in relation to a major federal or state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*Pattillo, Brown & Hill LLP*

October 13, 2006

**SUPPLEMENTAL INFORMATION  
AND  
FINANCIAL ASSISTANCE SECTION**

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2006**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
<b>Tuition:</b>						
State funded credit courses						
In-district resident tuition	\$ 1,205,488	\$ -	\$ 1,205,488	\$ -	\$ 1,205,488	\$ 1,173,189
Out-of-district resident tuition	943,115	-	943,115	-	943,115	881,186
Non-resident tuition	17,983	-	17,983	-	17,983	16,567
TPEG set aside (set aside)*	169,608	-	169,608	-	169,608	155,184
State funded continuing education	700,649	-	700,649	-	700,649	462,574
Non-state funded continuing education	51,895	-	51,895	-	51,895	47,355
Total Tuition	<u>3,088,738</u>	<u>-</u>	<u>3,088,738</u>	<u>-</u>	<u>3,088,738</u>	<u>2,736,055</u>
<b>Fees:</b>						
General fee	1,013,003	-	1,013,003	-	1,013,003	958,213
Facilities use fee	-	-	-	-	-	111
Student service fee	-	-	-	-	-	42
Out-of-district fees	537,011	-	537,011	-	537,011	483,022
Laboratory fee	198,532	-	198,532	-	198,532	204,667
Other fees						
Registration fee	-	-	-	-	-	(204)
Course fee	113,709	-	113,709	-	113,709	125,601
Distance education fee	318,378	-	318,378	-	318,378	142,816
Transcript fee	-	-	-	-	-	14
Total Fees	<u>2,180,633</u>	<u>-</u>	<u>2,180,633</u>	<u>-</u>	<u>2,180,633</u>	<u>1,914,282</u>
<b>Scholarship Allowances and Discounts:</b>						
Remissions and exemptions - state	(23,189)	-	(23,189)	-	(23,189)	(30,775)
Title IV federal grants	(1,042,269)	-	(1,042,269)	-	(1,042,269)	(993,920)
Other federal grants	(4,440)	-	(4,440)	-	(4,440)	-
TPEG awards	(9,366)	-	(9,366)	-	(9,366)	-
Other state grants	(306,433)	-	(306,433)	-	(306,433)	-
Other local scholarships	(62,104)	-	(62,104)	-	(62,104)	(70,993)
Total Scholarship Allowances	<u>(1,447,801)</u>	<u>-</u>	<u>(1,447,801)</u>	<u>-</u>	<u>(1,447,801)</u>	<u>(1,095,688)</u>
Total Net Tuition and Fees	<u>3,821,570</u>	<u>-</u>	<u>3,821,570</u>	<u>-</u>	<u>3,821,570</u>	<u>3,554,649</u>
<b>Additional Operating Revenues:</b>						
Federal grants and contracts	51,516	5,776,559	5,828,075	-	5,828,075	5,630,733
State grants and contracts	11,418	640,388	651,806	-	651,806	364,685
Nongovernmental grants and contracts	-	51,885	51,885	-	51,885	5,998
Sales and services of educational activities	353,444	-	353,444	-	353,444	330,491
Investment income (program restricted)	-	-	-	-	-	5,673
General operating revenues	232,478	-	232,478	-	232,478	236,933
Total Additional Operating Revenues	<u>648,856</u>	<u>6,468,832</u>	<u>7,117,688</u>	<u>-</u>	<u>7,117,688</u>	<u>6,574,513</u>
<b>Auxiliary Enterprises:</b>						
Bookstore	-	-	-	2,989,045	2,989,045	3,071,985
Title IV federal grants	-	-	-	(680,493)	(680,493)	(678,779)
Other federal grants	-	-	-	(30,116)	(30,116)	-
Other local scholarships	-	-	-	(14,828)	(14,828)	(18,779)
Net Bookstore	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,263,608</u>	<u>2,263,608</u>	<u>2,374,427</u>
Food service	-	-	-	275,710	275,710	213,184
Facilities rentals	-	-	-	21,613	21,613	22,376
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,560,931</u>	<u>2,560,931</u>	<u>2,609,987</u>
Total Operating Revenues	<u>\$ 4,470,426</u>	<u>\$ 6,468,832</u>	<u>\$ 10,939,258</u>	<u>\$ 2,560,931</u>	<u>\$ 13,500,189</u>	<u>\$ 12,739,149</u>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.003, \$169,608 and \$155,184 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended August 31, 2006 and 2005, respectively.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Schedule of Operating Expenses by Object**  
**For the Year Ended August 31, 2006**

	Operating Expenses				Current Year Total	Prior Year Total
	Salaries and Wages	Benefits		Other Expenses		
		State Benefits	Local Benefits			
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 6,679,357	\$ -	\$ 783,493	\$ 1,469,855	\$ 8,932,705	\$ 8,623,524
Public service	9,137	-	1,120	59,382	69,639	-
Academic support	918,323	-	117,266	253,396	1,288,985	1,155,694
Student services	927,426	-	98,336	275,783	1,301,545	1,227,965
Institutional support	1,773,950	-	223,952	748,905	2,746,807	2,332,574
Operation and maintenance of plant	774,787	-	146,784	1,659,737	2,581,308	2,053,756
Scholarships and fellowships	-	-	-	91,558	91,558	81,634
<b>Total Unrestricted Educational Activities</b>	<b>11,082,980</b>	<b>-</b>	<b>1,370,951</b>	<b>4,558,616</b>	<b>17,012,547</b>	<b>15,475,147</b>
<b>Restricted - Educational Activities</b>						
Instruction	1,070,590	1,225,694	181,361	1,074,290	3,551,935	2,738,022
Public service	-	1,445	-	-	1,445	-
Academic support	-	145,237	-	-	145,237	124,387
Student services	326,665	198,341	55,338	266,163	846,507	774,938
Institutional support	-	280,559	-	-	280,559	236,447
Operation and maintenance of plant	-	122,537	-	-	122,537	98,048
Scholarships and fellowships	-	-	-	1,226,037	1,226,037	1,898,612
<b>Total Restricted Educational Activities</b>	<b>1,397,255</b>	<b>1,973,813</b>	<b>236,699</b>	<b>2,566,490</b>	<b>6,174,257</b>	<b>5,870,454</b>
<b>Total Educational Activities</b>	<b>12,480,235</b>	<b>1,973,813</b>	<b>1,607,650</b>	<b>7,125,106</b>	<b>23,186,804</b>	<b>21,345,601</b>
<b>Auxiliary Enterprises</b>	<b>288,378</b>	<b>-</b>	<b>94,954</b>	<b>2,674,557</b>	<b>3,057,889</b>	<b>3,069,586</b>
<b>Depreciation Expense</b>						
Buildings and other real estate improvemen	-	-	-	773,506	773,506	764,979
Equipment and furniture	-	-	-	112,385	112,385	96,824
Library volumes and periodicals	-	-	-	63,177	63,177	61,497
<b>Total Operating Expenses</b>	<b>\$ 12,768,613</b>	<b>\$ 1,973,813</b>	<b>\$ 1,702,604</b>	<b>\$ 10,748,731</b>	<b>\$ 27,193,761</b> (Exhibit 2)	<b>\$ 25,338,487</b> (Exhibit 2)

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Schedule of Non-Operating Revenues and Expenses**  
**For the Year Ended August 31, 2006**

	Unrestricted	Restricted	Auxiliary Enterprises	Current Year	Prior Year
<b>Non-Operating Revenues</b>					
<b>State Allocations:</b>					
Education and general state support	\$ 6,816,087	\$ -	\$ -	\$ 6,816,087	\$ 6,809,061
State group insurance	-	1,399,477	-	1,399,477	1,169,760
State retirement matching	-	574,336	-	574,336	545,274
Dramatic enrollment funding	31,148	-	-	31,148	-
Total State allocations	<u>6,847,235</u>	<u>1,973,813</u>	<u>-</u>	<u>8,821,048</u>	<u>8,524,095</u>
Ad valorem taxes:					
Taxes for maintenance and operations	4,504,894	-	-	4,504,894	4,400,517
Taxes for general obligation bonds	-	1,146,690	-	1,146,690	1,201,611
Gifts	153,005	-	-	153,005	689,404
Investment income	203,100	64,391	43,415	310,906	308,059
Net (decrease) in fair value of investments	(27,181)	(44,593)	-	(71,774)	(53,856)
Total Non-Operating Revenues	<u>11,681,053</u>	<u>3,140,301</u>	<u>43,415</u>	<u>14,864,769</u>	<u>15,069,830</u>
<b>Non-Operating Expenses</b>					
Interest on capital related debt	-	266,697	-	266,697	321,811
Total Non-Operating Expenses	<u>-</u>	<u>266,697</u>	<u>-</u>	<u>266,697</u>	<u>321,811</u>
Net Non-Operating Revenues	<u>\$ 11,681,053</u>	<u>\$ 2,873,604</u>	<u>\$ 43,415</u>	<u>\$ 14,598,072</u> (Exhibit 2)	<u>\$ 14,748,019</u> (Exhibit 2)

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Schedule of Net Assets by Source and Availability**  
**For the Year Ended August 31, 2006**

	Detail by Source				
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Current Year Total
		Expendable	Non-Expendable		
Current					
Unrestricted	\$ 4,411,371	\$ -	\$ -	\$ -	\$ 4,411,371
Restricted for:					
Nonexpendable:					
Student aid	-	-	4,292,958	-	4,292,958
Expendable:					
Student aid	-	313,666	-	-	313,666
Unexpended bond proceeds	-	13,943,502	-	-	13,943,502
Auxiliary enterprises	1,859,956	-	-	-	1,859,956
Plant					
Debt Service	-	131,279	-	-	131,279
Investment in Plant	-	-	-	7,956,782	7,956,782
Total Net Assets, August 31, 2006	<u>6,271,327</u>	<u>14,388,447</u>	<u>4,292,958</u>	<u>7,956,782</u>	<u>32,909,514</u> (Exhibit 1)
Total Net Assets, August 31, 2005	<u>5,683,145</u>	<u>388,383</u>	<u>4,101,833</u>	<u>21,595,800</u>	<u>31,769,161</u> (Exhibit 1)
Net Increase (Decrease) in Net Assets	<u>\$ 588,182</u>	<u>\$14,000,064</u>	<u>\$ 191,125</u>	<u>\$ (13,639,018)</u>	<u>\$ 1,140,353</u> (Exhibit 2)

**SCHEDULE D**

	Available for Current Operations		Prior Year Total	Available for Current Operations	
	Yes	No		Yes	No
Current					
Unrestricted	\$ 4,411,371	\$ -	\$ 3,654,621	\$ 3,654,621	\$ -
Restricted for:					
Nonexpendable:					
Student aid	-	4,292,958	4,101,833	-	4,101,833
Expendable:					
Student aid	-	313,666	287,654	-	287,654
Student aid	-	13,943,502	-	-	-
Auxiliary enterprises	1,859,956	-	2,028,524	2,028,524	-
Plant					
Debt Service	-	131,279	100,729	-	100,729
Investment in Plant	-	7,956,782	21,595,800	-	21,595,800
Total Net Assets, August 31, 2006	<u>6,271,327</u>	<u>26,638,187</u>	<u>31,769,161</u> (Exhibit 1)	<u>5,683,145</u>	<u>26,086,016</u>
Total Net Assets, August 31, 2005	<u>5,683,145</u>	<u>26,086,016</u>	<u>30,258,260</u> (Exhibit 1)	<u>5,092,372</u>	<u>25,165,888</u>
Net Increase (Decrease) in Net Assets	<u>\$ 588,182</u>	<u>\$ 552,171</u>	<u>\$ 1,510,901</u> (Exhibit 2)	<u>\$ 590,773</u>	<u>\$ 920,128</u>

**SCHEDULE E**

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT  
VICTORIA, TEXAS  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2006**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Pass-Through Disbursements and Expenditures</b>
<b>U.S. DEPARTMENT OF LABOR</b>			
<i>Direct Programs:</i>			
Community Based Job Training Grants	17.261	CB-15223-06-60	\$ 529,462
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Direct Programs:</i>			
SEOG	84.007	P007A047874	102,978
Strengthening Institutions - Hispanic Serving Institutions	84.031	P031S030025-04	479,715
Federal College Workstudy Program	84.033	P033A047874	83,161
Student Support Services	84.042	P042A010722-05	245,734
Federal Pell Grant Program	84.063	P063P042339	3,180,023
Educational Opportunity Centers Program	84.066	P066A020156-04	197,964
Childcare Access Means Parents in School	84.335	P335A020134-05	18,392
Total Direct Programs			<u>4,307,967</u>
<i>Pass Through From Texas Education Agency:</i>			
Adult Basic Education	84.002	064100017110091	183,959
Adult Basic Education - Institutional	84.002	074100087110181	71,139
Adult Basic Education - English Literacy & Civics Ed	84.002	064100087110126	95,362
Total Adult Basic Education			<u>350,460</u>
<i>Pass Through From Texas Higher Education Coordinating Board:</i>			
Carl Perkins Voc. Ed. - Formula	84.048	64254	303,335
Carl Perkins Voc. Ed. - Tech Prep	84.243	61725	222,838
Total CFDA Number 84.010A			<u>526,173</u>
Total U.S. Department of Education			<u>5,184,600</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through From the University of Texas - Medical Branch at Galveston:</i>			
Model State - Supported Area Health Education Centers	93.107	U77HP01066-03	80,285
Rural Health Careers Education Project	93.189	-	4,860
Total Health Education & Training Centers			<u>85,145</u>
<i>Passed Through From Texas Education Agency:</i>			
Temporary Assistance for Needy Families	93.558	063625017110083	28,868
Total U.S. Department of Health and Human Services			<u>114,013</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 5,828,075</u>

Notes to the Schedule on the following page.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT  
VICTORIA, TEXAS  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2006**

**Note 1: Federal Assistance Reconciliation**

**Federal Assistance Reconciliation**

Federal grants and contracts revenue per Schedule A	\$ 5,828,075
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u>\$ 5,828,075</u>

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

See Note 2 of the notes to the basic financial statements for the District's significant accounting policies. The expenditures included in the schedule are reported for the District's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**Note 3: Expenditures not Subject to Federal Single Audit**

All expenditures are subject to Federal Single Audit.

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

Federal Grantor/ CFDA Number/ Program Name	New Loans Processed	Administrative Costs Recovered	Total Loans Processed & Admin. Costs Recovered
Department of Education 84.032 Federal Family Education Loan Program	<u>\$ 3,209,035</u>	<u>\$ -</u>	<u>\$ 3,209,035</u>

**Note 5: Nonmonetary Federal Assistance Received**

No nonmonetary federal assistance was received.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2006**  
**(Continued)**

**Note 6: Amounts Passed Through by the District**

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

Austwell - Tivoli ISD	\$	263
Bloomington ISD		2,205
Calhoun County ISD		1,811
Cuero ISD		2,706
Edna ISD		1,061
El Campo ISD		403
Ganado ISD		1,123
Goliad ISD		2,035
Gonzales ISD		2,047
Hallettsville ISD		2,039
Industrial ISD		1,752
Louise ISD		82
Moulton ISD		873
Nixon-Smiley ISD		85
Nordheim ISD		193
Palacios ISD		182
Refugio ISD		83
Shiner ISD		1,068
Tidehaven ISD		96
Victoria ISD		8,915
Waelder ISD		539
Woodsboro ISD		1,320
Yoakum ISD		2,721
Yorktown ISD		<u>1,185</u>
 Total Amount Passed-Through	 \$	 <u>34,787</u>

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT  
VICTORIA, TEXAS  
Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2006**

<b>Grantor Agency/ Program Title</b>	<b>Grant Contract Number</b>	<b>Expenditures</b>
<b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>		
Texas College Workstudy Program	-	\$ 13,104
Law Enforcement Officer Standards & Education	-	669
Early High School Graduation (HB 1479)	-	58,960
Texas Public Education Grant Program	-	170,743
Texas Grant Program	-	128,339
Texas Grant II Program	-	36,830
Certified Ed Aide Program	-	20,327
Financial Aid - Prof Nursing	-	9,522
Financial Aid - LVN Nursing	-	1,215
Professional Nursing Shortage Reduction	-	31,148
State Military Tuition Assistance	-	2,260
TABE Testing	-	4,678
Total Texas Higher Education Coordinating Board		<u>477,795</u>
<b>TEXAS EDUCATION AGENCY</b>		
Adult Basic Education	060100017110091	43,991
Temporary Assistance for Needy Families	060110017110083	13,457
Total Texas Education Agency		<u>57,448</u>
<b>UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON</b>		
Pecan Valley Area Health Education Center	-	<u>161,320</u>
<b>TEXAS WORKFORCE COMMISSION</b>		
Skills Development Fund	1906SDF000	<u>414,587</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u><u>\$ 1,111,150</u></u>

Notes to the Schedule on the following page.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT  
VICTORIA, TEXAS  
Notes to Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2006**

**Note 1: State Assistance Reconciliation**

<b>State Assistance Reconciliation</b>	
per Schedule of Expenditures of State Awards	\$ <u>1,111,150</u>
Less: Early High School Graduation (HB1479)	(58,960)
Financial Aid - Prof & LVN Nursing	(10,737)
Professional Nursing Shortage Program	(31,148)
State Military Tuition Assistance	<u>(2,260)</u>
Total included in "Tuition and Fees"	<u>(103,105)</u>
Less current year expenditures from programs:	
Texas Public Education Grant Program	(170,743)
Texas Grant Program	(165,169)
Certified Ed Aide Program	<u>(20,327)</u>
	<u>(356,239)</u>
Total State Revenues per Schedule A	<u><u>\$ 651,806</u></u>

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

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT  
VICTORIA, TEXAS  
Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2006**

**I. Summary of Auditors' Results**

- |   |  |
|---|--|
| 1. Type of auditors' report on financial statements:                                    | Unqualified.   |
| 2. Regarding internal control over financial reporting:                                 |  |
| Material weakness(es) identified:   | None.  |
| Reportable condition(s) identified that are not considered to be material weaknesses:   | None reported.   |
| 3. Noncompliance which is material to the financial statements:                         | None.  |
| 4. Regarding internal control over major programs:                                      |  |
| Material weakness(es) identified:   | None.  |
| Reportable condition(s) identified that are not considered to be material weaknesses:   | None reported.   |
| 5. Type of auditors' report on compliance for major programs:                           | Unqualified.   |
| 6. Did the audit disclose findings which are required to be reported under Sec. 510(a): | No.  |
| 7. Major programs include:  |  |
| Federal:  | CFDA 17.261<br>CFDA 84.031<br>CFDA 84.048<br>CFDA 84.243 |
| State:  | TWC - Skills Development                                 |
| 8. Dollar threshold used to distinguish between Type A and Type B programs:             | \$300,000.   |
| 9. Low risk auditee:  | Yes.   |

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

The audit disclosed no finding required to be reported.

**III. Findings and Questioned Costs for Federal Awards**

*None.*

**III. Findings and Questioned Costs for State Awards**

*None.*

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT  
VICTORIA, TEXAS  
Summary Schedule of Prior Audit Findings  
For the Year Ended August 31, 2006**

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

# **STATISTICAL SUPPLEMENT**

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 1**  
**Net Assets by Component**  
**Fiscal Years 2002 through 2006**  
(unaudited)  
(amounts expressed in thousands)

	<b>For the Fiscal Year Ended August 31,</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Invested in capital assets, net of related debt	\$ 7,957	\$ 21,596	\$ 21,191	\$ 20,085	\$ 16,403
Restricted - expendable	14,389	388	441	494	502
Restricted - nonexpendable	4,293	4,102	3,534	4,286	3,909
Unrestricted	6,271	5,683	5,092	4,316	6,637
<b>Total primary government net assets</b>	<b>\$ 32,910</b>	<b>\$ 31,769</b>	<b>\$ 30,258</b>	<b>\$ 29,181</b>	<b>\$ 27,451</b>

**Note:** Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2006 are available.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 2**  
**Revenues by Source**  
**Fiscal Years 2002 through 2006**  
(unaudited)

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

	<b>For the Year Ended August 31,</b>				
	<b>(amounts expressed in thousands)</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Tuition and fees (net of discounts)	13.47%	12.78%	13.39%	11.76%	11.05%
Governmental grants and contracts					
Federal grants and contracts	20.55%	20.25%	19.63%	18.00%	15.06%
State grants and contracts	2.30%	1.31%	2.26%	3.73%	3.71%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.18%	0.02%	0.00%	0.22%	0.28%
Sales and services of educational activities	1.24%	1.19%	0.99%	0.56%	0.59%
Auxiliary enterprises	9.03%	9.39%	10.21%	9.09%	9.25%
Other operating revenues	0.82%	0.87%	1.02%	0.44%	0.62%
<b>Total Operating Revenues</b>	<b>47.60%</b>	<b>45.81%</b>	<b>47.50%</b>	<b>43.81%</b>	<b>40.55%</b>
State appropriations	31.10%	30.65%	31.43%	34.83%	37.88%
Ad valorem taxes	19.92%	20.14%	19.83%	18.93%	19.21%
Gifts	0.54%	2.48%	0.69%	1.64%	1.15%
Investment income	1.10%	1.11%	0.69%	0.93%	1.23%
Other non-operating revenues	-0.25%	-0.19%	-0.13%	-0.14%	-0.02%
<b>Total Non-Operating Revenues</b>	<b>52.40%</b>	<b>54.19%</b>	<b>52.50%</b>	<b>56.19%</b>	<b>59.45%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Note:** Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2006 are available.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 3**  
**Program Expenses by Function**  
**Fiscal Years 2002 through 2006**  
(unaudited)

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

	<b>For the Year Ended August 31,</b>				
	<b>(amounts expressed in thousands)</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Instruction	45.46%	44.28%	43.65%	45.43%	45.77%
Public service	0.26%	0.00%	0.00%	0.00%	0.00%
Academic support	5.22%	4.99%	5.56%	4.98%	5.41%
Student services	7.82%	7.81%	7.75%	7.92%	6.80%
Institutional support	11.02%	10.01%	9.45%	9.91%	10.05%
Operation and maintenance of plant	9.85%	8.39%	8.10%	8.37%	8.86%
Scholarships and fellowships	4.80%	7.72%	8.81%	8.12%	7.68%
Auxiliary enterprises	11.14%	11.96%	11.99%	10.61%	10.46%
Depreciation	3.46%	3.60%	3.16%	2.89%	2.94%
<b>Total Operating Expenses</b>	<b>99.03%</b>	<b>98.75%</b>	<b>98.47%</b>	<b>98.23%</b>	<b>97.97%</b>
Interest on capital related debt	0.97%	1.25%	1.53%	1.77%	2.03%
<b>Total Non-Operating Expenses</b>	<b>0.97%</b>	<b>1.25%</b>	<b>1.53%</b>	<b>1.77%</b>	<b>2.03%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**Note:** Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2006 are available.

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 4**  
**Tuition and Fees**  
**Last Ten Academic Years**  
(unaudited)

<b>Resident</b>
<b>Fees per Semester Credit Hour (SCH)</b>

Academic Year (Fall)	In-District Tuition	Out-of-District Fees	General Fees	Registration Fee (per student)	Facilities Use Fees
2005	\$ 27	\$ 14	\$ 12	\$ -	\$ -
2004	27	14	-	2	8
2003	22	11	-	2	8
2002	20	10	-	2	8
2001	20	10	-	2	7
2000	19	10	-	2	5
1999	18	9	-	2	5
1998	17	9	-	2	5
1997	16	8	-	2	5
1996	15	8	-	2	5

<b>Non-resident</b>
<b>Fees per Semester Credit Hour (SCH)</b>

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Fees	Registration Fee (per student)	Facilities Use Fees
2005	\$ 55	\$ 55	\$ 12	\$ -	\$ -
2004	55	55	-	2	8
2003	55	55	-	2	8
2002	100	100	-	2	8
2001	100	100	-	2	7
2000	100	100	-	2	5
1999	100	100	-	2	5
1998	100	100	-	2	5
1997	100	100	-	2	5
1996	80	80	-	2	5

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

<b>Resident</b>
<b>Flat fees per semester</b>

Technology Fees	Student Services Fees	Transcript/Diploma Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
\$ -	\$ -	\$ -	468	636	2.63%	1.92%
-	10	2	456	624	15.15%	18.18%
-	10	2	396	528	6.45%	7.32%
-	10	2	372	492	3.33%	2.50%
-	10	2	360	480	3.45%	2.56%
24	10	2	348	468	4.19%	5.88%
24	10	-	334	442	8.44%	6.25%
10	10	-	308	416	5.84%	7.49%
5	10	-	291	387	6.20%	4.59%
-	10	-	274	370		

<b>Non-resident</b>
<b>Flat fees per semester</b>

Technology Fees	Student Services Fees	Transcript/Diploma Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
\$ -	\$ -	\$ -	804	804	1.52%	1.52%
-	10	2	792	792	0.00%	0.00%
-	10	2	792	792	-40.54%	-40.54%
-	10	2	1,332	1,332	0.91%	0.91%
-	10	2	1,320	1,320	0.00%	0.00%
24	10	2	1,320	1,320	0.15%	0.15%
24	10	-	1,318	1,318	1.07%	1.07%
10	10	-	1,304	1,304	0.38%	0.38%
5	10	-	1,299	1,299	23.24%	23.24%
-	10	-	1,054	1,054		

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

(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Assessed Valuation of Property</u>	<u>Less: Exemptions</u>	<u>Taxable Assessed Value (TAV)</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>
2005-06	\$ 4,468,419	\$ 513,513	\$ 3,954,906	88.51%
2004-05	4,296,112	521,420	3,774,692	87.86%
2003-04	3,778,842	230,649	3,548,193	93.90%
2002-03	3,736,823	188,802	3,548,021	94.95%
2001-02	4,215,371	685,670	3,529,701	83.73%
2000-01	4,057,943	722,964	3,334,979	82.18%
1999-00	3,936,589	683,943	3,252,646	82.63%
1998-99	3,829,321	665,041	3,164,280	82.63%
1997-98	3,694,072	701,119	2,992,953	81.02%
1996-97	3,602,839	693,751	2,909,088	80.74%

Source: Victoria County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

<b>Direct Rate</b>
--------------------

	<b>Maintenance &amp; Operations (a)</b>		<b>Debt Service (a)</b>		<b>Total (a)</b>
\$	0.1129	\$	0.0287	\$	0.1416
	0.1148		0.0313		0.1461
	0.1166		0.0325		0.1491
	0.1070		0.0324		0.1394
	0.1085		0.0309		0.1394
	0.1059		0.0335		0.1394
	0.1087		0.0307		0.1394
	0.1027		0.0380		0.1407
	0.1042		0.0380		0.1422
	0.1046		0.0454		0.1500

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

(unaudited)

(amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2005-06	\$ 6,847	2,720	\$ 2,517	1,073	591	1,664	\$ 4.11
2004-05	6,809	2,926	2,327	1,099	627	1,726	3.94
2003-04	6,809	2,908	2,341	1,113	623	1,736	3.92
2002-03	7,054	2,815	2,506	1,076	625	1,701	4.15
2001-02	7,692	2,793	2,754	1,047	652	1,699	4.53
2000-01	7,296	2,852	2,558	1,033	725	1,758	4.15
1999-00	7,114	2,809	2,533	1,011	692	1,703	4.18
1998-99	6,662	2,802	2,378	881	833	1,714	3.89
1997-98	6,407	2,734	2,343	857	836	1,693	3.78
1996-97	5,439	2,647	2,055	842	803	1,645	3.31

Notes:

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

(a) Source CBM001

(b) Source CBM00A

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 7**  
**Principal Taxpayers**  
**Last Ten Tax Years**  
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)				
		2005	2004	2003	2002	2001
Invista	Manufacturing	\$ 461,648	\$ 462,791	\$ -	\$ -	\$ -
AEP Texas Central Co.	Utility	55,279	53,731	51,987	49,356	41,463
Equistar Chemicals LP	Manufacturing	52,201	49,849	49,276	51,452	54,751
E. I DuPont De Nemours & Co	Manufacturing	40,473	38,696	536,526	549,543	586,771
Air Liquide America Corp.	Manufacturing	30,141	33,292	35,161	43,356	49,712
Southwestern Bell Telephone	Utility	28,900	28,212	32,497	35,797	36,476
Union Gas Operating Co.	Natural Gas	27,454	21,085	16,453	18,924	66,461
Tyco Plastics LP	Manufacturing	22,957	-	-	-	-
H S Victoria LP	Shopping Mall	20,747	21,132	-	-	-
Victoria Hospital LLC	Hospital	19,975	20,785	20,021	20,023	18,534
Carlisle Plastics Inc.	Manufacturing	-	24,793	24,734	24,865	23,015
Victoria Retail Properties LP	Shopping Mall	-	-	26,067	26,848	-
H E Butt Grocery Co.	Grocery Store	-	-	14,650	-	-
Central Power & Light	Utility	-	-	-	17,080	18,588
MRO Commercial Inc.	Shopping Mall	-	-	-	-	20,382
James Wayne A	Real Estate	-	-	-	-	-
Victoria Regional Medical Center	Hospital	-	-	-	-	-
VTK Limited	Office Building	-	-	-	-	-
New York Life Insurance Co.	Shopping Mall	-	-	-	-	-
Norwest Bank Texas NA	Banking	-	-	-	-	-
Health Care Property Investors	Medical	-	-	-	-	-
Willmington Trust Co. Trustee	Office Building	-	-	-	-	-
Lyondell Petrochemical Company	Manufacturing	-	-	-	-	-
Plaza Associates	Office Building	-	-	-	-	-
Victoria Bank & Trust Co.	Banking	-	-	-	-	-
Totals		\$ 759,775	\$ 754,366	\$ 807,372	\$ 837,244	\$ 916,153
Total Taxable Assessed Value		\$ 3,954,906	\$ 3,774,692	\$ 3,548,193	\$ 3,548,021	\$ 3,529,701

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year				
		2005	2004	2003	2002	2001
Invista	Manufacturing	11.67%	12.26%	-	-	-
AEP Texas Central Co.	Utility	1.40%	1.42%	1.47%	1.39%	1.17%
Equistar Chemicals LP	Manufacturing	1.32%	1.32%	1.39%	1.45%	1.55%
E. I DuPont De Nemours & Co	Manufacturing	1.02%	1.03%	15.12%	15.49%	16.62%
Air Liquide America Corp.	Manufacturing	0.76%	0.88%	0.99%	1.22%	1.41%
Southwestern Bell Telephone	Utility	0.73%	0.75%	0.92%	1.01%	1.03%
Union Gas Operating Co.	Natural Gas	0.69%	0.56%	0.46%	0.53%	1.88%
Tyco Plastics LP	Manufacturing	0.58%	-	-	-	-
H S Victoria LP	Shopping Mall	0.52%	0.56%	-	-	-
Victoria Hospital LLC	Hospital	0.51%	0.55%	0.56%	0.56%	0.53%
Carlisle Plastics Inc.	Manufacturing	-	0.66%	0.70%	0.70%	0.65%
Victoria Retail Properties LP	Shopping Mall	-	-	0.73%	0.76%	-
H E Butt Grocery Co.	Grocery Store	-	-	0.41%	-	-
Central Power & Light	Utility	-	-	-	0.48%	0.53%
MRO Commercial Inc.	Shopping Mall	-	-	-	-	0.58%
James Wayne A	Real Estate	-	-	-	-	-
Victoria Regional Medical Center	Hospital	-	-	-	-	-
VTK Limited	Office Building	-	-	-	-	-
New York Life Insurance Co.	Shopping Mall	-	-	-	-	-
Norwest Bank Texas NA	Banking	-	-	-	-	-
Health Care Property Investors	Medical	-	-	-	-	-
Willmington Trust Co. Trustee	Office Building	-	-	-	-	-
Lyondell Petrochemical Company	Manufacturing	-	-	-	-	-
Plaza Associates	Office Building	-	-	-	-	-
Victoria Bank & Trust Co.	Banking	-	-	-	-	-
Totals		19.21%	19.98%	21.39%	23.60%	25.96%

Source: Victoria County Appraisal District

<b>Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)</b>				
<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
59,870	69,249	63,684	-	-
594,325	608,979	610,079	545,927	545,927
53,587	56,198	57,630	24,276	24,276
38,959	38,088	41,205	43,360	43,360
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
18,534	18,528	-	-	-
22,722	24,910	26,137	-	-
-	-	-	-	-
9,754	-	-	-	-
59,870	57,969	51,769	66,371	66,371
22,096	20,800	-	-	-
10,461	-	-	-	-
-	18,712	-	13,566	13,566
-	10,117	-	-	-
-	-	22,500	22,500	22,500
-	-	14,540	-	-
-	-	14,367	14,367	14,367
-	-	10,617	-	-
-	-	-	63,855	63,855
-	-	-	14,367	14,367
-	-	-	13,996	13,996
<b>\$ 890,178</b>	<b>\$ 923,550</b>	<b>\$ 912,528</b>	<b>\$ 822,585</b>	<b>\$ 822,585</b>
<b>\$ 3,334,979</b>	<b>\$ 3,252,646</b>	<b>\$ 3,164,280</b>	<b>\$ 2,992,953</b>	<b>\$ 2,909,088</b>

<b>% of Taxable Assessed Value (TAV) by Tax Year</b>				
<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
-	-	-	-	-
-	-	-	-	-
1.80%	2.13%	2.01%	-	-
17.82%	18.72%	19.28%	18.24%	18.77%
1.61%	1.73%	1.82%	0.81%	0.83%
1.17%	1.17%	1.30%	1.45%	1.49%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
0.56%	0.57%	-	-	-
0.68%	0.77%	0.83%	-	-
-	-	-	-	-
0.29%	-	-	-	-
1.80%	1.78%	1.64%	2.22%	2.28%
0.66%	0.64%	-	-	-
0.31%	-	-	-	-
-	0.58%	-	0.45%	0.47%
-	0.31%	-	-	-
-	-	0.71%	0.75%	0.77%
-	-	0.46%	-	-
-	-	0.45%	0.48%	0.49%
-	-	0.34%	-	-
-	-	-	2.13%	2.20%
-	-	-	0.48%	0.49%
-	-	-	0.47%	0.48%
<b>26.69%</b>	<b>28.39%</b>	<b>28.84%</b>	<b>27.48%</b>	<b>28.28%</b>

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

(unaudited)

(amounts expressed in thousands)

<b>Fiscal Year Ended August 31</b>	<b>Levy (a)</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy (b)</b>	<b>Collections - Current Levy (c)</b>	<b>Percentage</b>	<b>Prior Collections of Prior Levies (d)</b>
2006	\$ 5,600	\$ (15)	\$ 5,585	\$ 5,465	97.85%	\$ -
2005	5,515	26	5,541	5,406	97.56%	16
2004	5,290	3	5,293	5,179	97.85%	62
2003	4,962	(17)	4,945	4,832	97.71%	74
2002	4,909	(1)	4,908	4,740	96.58%	139
2001	4,645	(23)	4,622	4,498	97.32%	107
2000	4,532	(29)	4,503	4,379	97.25%	109
1999	4,471	-	4,471	4,324	96.71%	133
1998	4,256	-	4,256	4,158	97.70%	86
1997	4,364	-	4,364	4,264	97.71%	84
1996	4,300	-	4,300	4,194	97.53%	96

Source: Local Tax Assessor/Collector and District records.

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

(b) As of August 31st of the current reporting year. Adjustment information not available from 1996 to 1999.

These statements are issued prospectively.

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

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

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

	<b>Current Collections of Prior Levies (e)</b>	<b>Total Collections (c+d+e)</b>	<b>Cumulative Collections of Adjusted Levy</b>
\$	-	\$ 5,465	97.85%
	65	5,487	99.03%
	19	5,260	99.38%
	10	4,916	99.41%
	5	4,884	99.51%
	3	4,608	99.70%
	2	4,490	99.71%
	1	4,458	99.71%
	1	4,245	99.74%
	1	4,349	99.66%
	1	4,291	99.79%

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

	<b>For the Year Ended August 31,</b>				
	<b>(amounts expressed in thousands)</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>General Bonded Debt</b>					
General obligation bonds	\$ 14,500	\$ 1,110	\$ 2,195	\$ 3,225	\$ 4,210
Notes	-	-	-	-	-
Less: Funds restricted for debt service	(131)	(101)	(58)	(38)	(25)
Net general bonded debt	<u>14,369</u>	<u>1,009</u>	<u>2,137</u>	<u>3,187</u>	<u>4,185</u>
<b>Other Debt</b>					
Revenue bonds	4,535	4,790	5,030	5,260	5,475
Notes	-	-	-	-	-
Capital lease obligations	-	-	-	-	-
Total Outstanding Debt	<u>\$ 18,904</u>	<u>\$ 5,799</u>	<u>\$ 7,167</u>	<u>\$ 8,447</u>	<u>\$ 9,660</u>

**General Bonded Debt Ratios**

Per Capita	\$ 167.77	\$ 11.78	\$ 25.02	\$ 37.44	\$ 49.35
Per FTSE	5,283	345	735	1,136	1,494
As a percentage of Taxable Assessed Value	0.36%	0.03%	0.06%	0.09%	0.12%

**Total Outstanding Debt Ratios**

Per Capita	\$ 220.72	\$ 67.72	\$ 83.92	\$ 99.24	\$ 113.92
Per FTSE	6,950	1,982	2,465	3,010	3,448
As a percentage of Taxable Assessed Value	0.48%	0.15%	0.20%	0.24%	0.27%

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

**For the Year Ended August 31,**

**(amounts expressed in thousands)**

<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
\$ 5,140	\$ 6,045	\$ 6,895	\$ 7,675	\$ 8,700
-	-	-	-	-
(72)	(95)	(212)	(93)	(46)
5,068	5,950	6,683	7,582	8,654
5,680	5,875	6,000	-	-
-	-	-	-	-
-	-	-	-	-
\$ 10,748	\$ 11,825	\$ 12,683	\$ 7,582	\$ 8,654

\$ 60.27	\$ 70.85	\$ 80.20	\$ 92.37	\$ 106.09
1,777	2,118	2,385	2,773	3,269
0.15%	0.18%	0.21%	0.25%	0.30%

\$ 127.82	\$ 140.80	\$ 152.21	\$ 92.37	\$ 106.09
3,769	4,210	4,526	2,773	3,269
0.32%	0.36%	0.40%	0.25%	0.30%

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

	<b>For the Year Ended August 31,</b>				
	<b>(amount expressed in thousands)</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Taxable Assessed Value	\$ 3,954,906	\$ 3,774,692	\$ 3,548,193	\$ 3,548,021	\$ 3,529,701
<b>General Obligation Bonds</b>					
Statutory Tax Levy Limit for Debt Service	\$ 19,775	\$ 18,873	\$ 17,741	\$ 17,740	\$ 17,649
Less: Funds Restricted for Repayment of General Obligation Bonds	(131)	(101)	(58)	(38)	(25)
Total Net General Obligation Debt	19,644	18,772	17,683	17,702	17,624
Current Year Debt Service Requirements	1,136	1,161	1,154	1,153	1,141
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 18,508	\$ 17,611	\$ 16,529	\$ 16,549	\$ 16,483
Net Current Requirements as a % of Statutory Limit	5.08%	5.62%	6.18%	6.29%	6.32%

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

**For the Year Ended August 31,**

**(amount expressed in thousands)**

<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
\$ 3,334,979	\$ 3,252,646	\$ 3,164,280	\$ 2,992,953	\$ 2,909,088
\$ 16,675	\$ 16,263	\$ 15,821	\$ 14,965	\$ 14,545
(72)	(95)	(212)	(93)	(46)
16,603	16,168	15,609	14,872	14,499
1,155	1,138	1,152	1,169	1,786
\$ 15,448	\$ 15,030	\$ 14,457	\$ 13,703	\$ 12,713
6.49%	6.41%	5.94%	7.19%	11.96%

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

**Revenue Bonds**

<b>Fiscal Year</b> <b>Ended August 31,</b>	<b>Pledged Revenues (\$000 omitted)</b>					
	<b>Tuition</b>	<b>General Fee</b>	<b>Facility Use Fees</b>	<b>Registration Fees</b>	<b>Investment Income</b>	<b>Total</b>
2006	\$ 3,089	\$ 1,013	\$ -	\$ -	\$ 199	\$ 4,301
2005	2,736	958	-	-	139	3,833
2004	2,623	-	679	161	61	3,524
2003	2,102	-	657	155	59	2,973
2002	1,879	-	667	155	126	2,827
2001	1,999	-	598	161	265	3,023
2000	1,858	-	386	157	256	2,657
1999	-	-	-	-	-	-
1998	-	-	-	-	-	-
1997	-	-	-	-	-	-

<b>Debt Service Requirements (\$000 omitted)</b>				
--	--	--	--	--

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>
\$	255	\$ 232	\$ 487	8.83
	240	246	486	7.89
	230	260	490	7.19
	215	273	488	6.09
	205	285	490	5.77
	195	297	492	6.14
	125	367	492	5.40
	-	-	-	-
	-	-	-	-
	-	-	-	-

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

<b>Calendar Year</b>	<b>District Population</b>	<b>District Personal Income (a) (thousands of dollars)</b>	<b>District Personal Income Per Capita</b>	<b>District Unemployment Rate</b>
2005	85,648	a	a	4.6%
2004	85,635	\$ 2,517,587	\$ 29,399	6.1%
2003	85,400	2,387,084	27,952	6.2%
2002	85,119	2,318,156	27,234	5.9%
2001	84,798	2,275,727	26,837	4.1%
2000	84,088	2,231,228	26,534	4.4%
1999	83,984	2,040,988	24,302	4.2%
1998	83,326	1,979,817	23,760	3.6%
1997	82,080	1,823,857	22,220	5.8%
1996	81,573	1,749,036	21,441	5.5%

**Sources:**

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

**Notes:**

a. Not yet available.

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

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment (2)</u>	<u>Industry / Service Type</u>
Victoria ISD	2,215	20.67%	Education
The Inteplast Group	1,700	15.86%	Plastic Products
Formosa Plastic	1,500	14.00%	Petrochemical/Plastics
Citizens Medical Center	1,250	11.66%	Hospital
DeTar Healthcare System	1,004	9.37%	Hospital
Dow - Seadrift Operations	660	6.16%	Petrochemical
Alcoa	630	5.88%	Alumina/Alumina Chemicals
City of Victoria	609	5.68%	Government
Calhoun ISD	600	5.60%	Education
Victoria County	550	5.13%	Government
Total	<u>10,718</u>	<u>50.76%</u>	

**Source:**

Texas Workforce Commission

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

Victoria Economic Development Board

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

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 14**  
**Faculty, Staff, and Administrators Statistics**  
**Last Ten Fiscal Years**  
(unaudited)

	For the Year Ended August 31,									
	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<b>Faculty</b>										
Full-Time	92	98	98	102	120	118	111	116	108	94
Part-Time	66	79	60	87	92	99	91	95	86	73
Total	158	177	158	189	212	217	202	211	194	167
<b>Percent</b>										
Full-Time	58.2%	55.4%	62.0%	54.0%	56.6%	54.4%	55.0%	55.0%	55.7%	56.3%
Part-Time	41.8%	44.6%	38.0%	46.0%	43.4%	45.6%	45.0%	45.0%	44.3%	43.7%
<b>Staff and Administrators</b>										
Full-Time	165	165	165	166	155	145	146	128	135	151
Part-Time	5	7	6	6	4	5	7	14	17	20
Total	170	172	171	172	159	150	153	142	152	171
<b>Percent</b>										
Full-Time	97.1%	95.9%	96.5%	96.5%	97.5%	96.7%	95.4%	90.1%	88.8%	88.3%
Part-Time	2.9%	4.1%	3.5%	3.5%	2.5%	3.3%	4.6%	9.9%	11.2%	11.7%
FTSE per Full-time Faculty	29.6	29.9	29.7	27.6	23.3	24.2	25.3	24.2	25.3	28.2
FTSE per Full-Time Staff Member	16.5	17.7	17.6	17.0	18.0	19.7	19.2	21.9	20.3	17.5
Average Annual Faculty Salary	\$45,247	\$44,349	\$43,262	\$42,511	\$41,656	\$42,511	\$41,656	\$40,274	\$39,243	\$37,695



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

<b>Gender</b>	<b>Fall 2005</b>		<b>Fall 2004</b>		<b>Fall 2003</b>		<b>Fall 2002</b>		<b>Fall 2001</b>	
	<b>Number</b>	<b>Percent</b>								
Female	2,623	65.89%	2,652	65.71%	2,749	64.77%	2,554	63.41%	2,554	63.69%
Male	1,358	34.11%	1,384	34.29%	1,495	35.23%	1,474	36.59%	1,456	36.31%
<b>Total</b>	<b>3,981</b>	<b>100.00%</b>	<b>4,036</b>	<b>100.00%</b>	<b>4,244</b>	<b>100.00%</b>	<b>4,028</b>	<b>100.00%</b>	<b>4,010</b>	<b>100.00%</b>

<b>Ethnic Origin</b>	<b>Fall 2005</b>		<b>Fall 2004</b>		<b>Fall 2003</b>		<b>Fall 2002</b>		<b>Fall 2001</b>	
	<b>Number</b>	<b>Percent</b>								
White	2,433	61.12%	2,495	61.82%	2,679	63.12%	2,603	64.62%	2,584	64.44%
Hispanic	1,285	32.28%	1,292	32.01%	1,296	30.54%	1,173	29.12%	1,168	29.13%
African American	186	4.67%	178	4.41%	183	4.31%	184	4.57%	191	4.76%
Asian	52	1.31%	47	1.16%	58	1.37%	51	1.27%	44	1.10%
Foreign	12	0.30%	10	0.25%	14	0.33%	8	0.20%	14	0.35%
Native American	13	0.33%	14	0.35%	14	0.33%	9	0.22%	9	0.22%
<b>Total</b>	<b>3,981</b>	<b>100.00%</b>	<b>4,036</b>	<b>100.00%</b>	<b>4,244</b>	<b>100.00%</b>	<b>4,028</b>	<b>100.00%</b>	<b>4,010</b>	<b>100.00%</b>

<b>Age</b>	<b>Fall 2005</b>		<b>Fall 2004</b>		<b>Fall 2003</b>		<b>Fall 2002</b>		<b>Fall 2001</b>	
	<b>Number</b>	<b>Percent</b>								
Under 18	447	11.23%	384	9.51%	500	11.78%	404	10.03%	190	4.74%
18 -21	1,575	39.56%	1,647	40.81%	1,717	40.46%	1,692	42.01%	1,862	46.43%
22 - 24	608	15.27%	601	14.89%	597	14.07%	538	13.36%	592	14.76%
25 - 35	797	20.02%	797	19.75%	790	18.61%	751	18.64%	728	18.15%
36 - 50	460	11.55%	495	12.26%	529	12.46%	525	13.03%	530	13.22%
51 & over	94	2.36%	112	2.78%	111	2.62%	118	2.93%	108	2.69%
<b>Total</b>	<b>3,981</b>	<b>100.00%</b>	<b>4,036</b>	<b>100.00%</b>	<b>4,244</b>	<b>100.00%</b>	<b>4,028</b>	<b>100.00%</b>	<b>4,010</b>	<b>100.00%</b>

<b>Average Age</b>	<b>24.70</b>	<b>25.09</b>	<b>24.86</b>	<b>25.19</b>	<b>25.33</b>
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**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2000 Fall Students as of Fall 2001**  
**(Includes only public senior colleges in Texas)**

	<b>Transfer Student Count Academic</b>	<b>Transfer Student Count Technical</b>	<b>Transfer Student Count Tech-Prep</b>	<b>Total of all Sample Transfer Students</b>	<b>% of all Sample Transfer Students</b>
1 University of Houston - Victoria	237	7	0	244	30.58%
2 Texas A&M University - College Station	137	0	4	141	17.67%
3 University of Texas - Austin	86	1	1	88	11.03%
4 Southwest Texas State University	77	6	2	85	10.65%
5 Texas A&M University - Corpus Christi	45	0	4	49	6.14%
6 University of Houston - University Park	16	0	22	38	4.76%
7 Sam Houston State University	31	1	4	36	4.51%
8 University of Texas - San Antonio	30	0	0	30	3.76%
9 Texas A&M University - Kingsville	20	1	1	22	2.76%
10 Texas Tech University	18	1	0	19	2.38%
11 University of North Texas	8	0	0	8	1.00%
12 Stephen F. Austin State University	6	0	0	6	0.75%
13 Tarleton State University	4	0	0	4	0.50%
14 University of Texas - Dallas	4	0	0	4	0.50%
15 University of Houston - Downtown	2	0	1	3	0.38%
16 Angelo State University	2	0	1	3	0.38%
17 Texas Women's University	1	0	1	2	0.25%
18 Texas A&M University - Commerce	2	0	0	2	0.25%
19 University of Houston - Clear Lake	2	0	0	2	0.25%
20 University of Texas Health Science Center - San Antoni	2	0	0	2	0.25%
21 University of Texas Medial Branch Galveston	2	0	0	2	0.25%
22 Texas Tech University Health Science Center	2	0	0	2	0.25%
23 University of Texas - Arlington	1	0	0	1	0.13%
24 Prairie View A&M University	1	0	0	1	0.13%
25 University of Texas - Tyler	1	0	0	1	0.13%
26 Midwestern State University	1	0	0	1	0.13%
27 Sul Ross State University	1	0	0	1	0.13%
28 University of Texas - El Paso	1	0	0	1	0.13%
<b>Totals</b>	<b>740</b>	<b>17</b>	<b>41</b>	<b>798</b>	<b>100.00%</b>

**VICTORIA COUNTY JUNIOR COLLEGE DISTRICT**  
**VICTORIA, TEXAS**  
**Statistical Supplement 18**  
**Schedule of Capital Asset Information**  
**Fiscal Years 2002 through 2006**

	<b>For the Year Ended August 31,</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Academic buildings	9	9	9	8	8
Square footage	245,030	245,030	245,030	212,698	212,698
Libraries	1	1	1	1	2
Square footage	49,768	49,768	49,768	49,768	58,618
Number of Volumes	295,923	289,953	287,001	280,321	251,056
Administrative and support buildings	2	2	2	2	2
Square footage	22,509	22,509	22,509	22,509	22,509
Museums	1	1	1	1	-
Square footage	8,850	8,850	8,850	8,850	-
Student Center	1	1	1	1	1
Square footage	32,332	32,332	32,332	32,332	32,332
Dining Facilities	1	1	1	1	1
Average daily customers	1,000	1,000	1,000	1,000	1,000
Bookstore	1	1	1	1	1
Athletic Facilities	2	2	2	2	2
Square footage	73,308	73,308	73,308	73,308	73,308
Gymnasiums	1	1	1	1	1
Fitness Centers	1	1	1	1	1
Tennis Courts	1	1	1	1	1
Plant facilities	1	1	1	1	1
Square footage	27,000	27,000	27,000	27,000	8,000
Transportation					
Light Trucks/Vans	2	2	2	2	2
Ambulances	1	1	1	1	1