



2011

**Financial Statements and
Report of Independent
Certified Public Accountants**

August 31, 2011

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MIDLAND COLLEGE DISTRICT

ORGANIZATIONAL DATA

As of August 31, 2011

BOARD OF TRUSTEES

Officers

Mr. Steven C. Kiser	President
Ms. Charlene R. McBride	Vice-President
Mr. Stephen N. Castle	Secretary

Members

		Term Expires
Mr. Stephen N. Castle	Midland, Texas	2012
Ms. Linda Cowden	Midland, Texas	2016
Mr. Neil Florer	Midland, Texas	2012
Mr. Will R. Green	Midland, Texas	2014
Mr. Steven C. Kiser	Midland, Texas	2016
Mr. G. Larry Lawrence	Midland, Texas	2016
Ms. Charlene R. McBride	Midland, Texas	2012
Mr. Kenneth A. Peeler	Midland, Texas	2014
Mr. Ralph Way	Midland, Texas	2014

ADMINISTRATIVE OFFICERS

Dr. Steve Thomas	President
Dr. Richard C. Jolly	Executive Vice President
Mr. Rick Bender	Vice President of Administrative Services
Ms. Rita Nell Diffie	Vice President of Student Services
Dr. Rex Peebles	Vice President of Instruction
Mr. Dennis Sever	Vice President of Information Technology & Facilities
Mr. Bob Vincent	Director of Accounting



JOHNSON MILLER & CO., CPA's PC

Certified Public Accountants

A Professional Corporation

An Independent Member Of BDO Seidman Alliance

Midland, Texas
Odessa, Texas
Hobbs, New Mexico

Independent Auditors' Report

The Board of Trustees
Midland College District
Midland, Texas

We have audited the accompanying financial statements of Midland College District (the "District") as of and for the years ended August 31, 2011 and 2010 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 basic financial statements based on our audits.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express and opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The organizational data and statistical supplement on page 1 and pages 60 through 78 are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *Provisions of the State of Texas Single Audit Circular*, and is not a required part of the basic purpose financial statements. In addition, the supplementary data presented in schedules A, B, C and D is presented for additional purposes and is not a required part of the basic financial statements. The schedules of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The organizational data and statistical supplement have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Johnson Miller & Co., CPA's PC

Midland, Texas
December 8, 2011

Overview of the Financial Statements and Financial Analysis

The Management's Discussion and Analysis is designed to provide an easy to read analysis of Midland College District's financial activities for the years ended August 31, 2011, 2010 and 2009. This overview is based on facts, decisions and conditions known as of the date of the independent auditor's report. There are three financial statements presented: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets and the Statement of Cash Flows. These statements provide both long-term and short-term financial information on the District as a whole and should be read in conjunction with the notes to the basic financial statements.

Management has prepared the financial statements and the related footnote disclosures along with the discussion and analysis. Responsibility for the completeness and fairness of this information rests with the preparers.

Financial and Enrollment Highlights

- The District's assets exceeded liabilities by approximately \$81.7 million and \$75.9 million for the fiscal years ended August 31, 2011 and 2010, respectively. Of these amounts, unrestricted net assets were \$12.2 million for fiscal year 2011 and \$10.9 million for fiscal year 2010.
- The District's financial position as a whole was strengthened as total net assets increased by approximately \$5.8 million during fiscal year 2011 and by approximately \$4.6 million during fiscal year 2010. Of these amounts, unrestricted net assets increased by approximately \$1.3 million and \$131,000 for fiscal years 2011 and 2010, respectively.
- The total taxable value in the District increased by approximately \$700 million, or 6.3%, from 2010 to 2011 and by \$655 million or 6.3% from 2009 to 2010. Taxable values were approximately \$11.7 billion in 2011 and \$11 billion in 2010.
- Capital assets increased by approximately \$1.2 million during fiscal year 2011 and by approximately \$8.6 million during fiscal year 2010.
- Bonds payable decreased by approximately \$2.1 million in fiscal year 2011 and by approximately \$2 million during fiscal year 2010.
- During fiscal year 2011 the unduplicated head count of credit students increased by 405 students, duplicated head count of credit students increased by 851, and contact hours for all students increased by approximately 98,000.
- During fiscal year 2010 the unduplicated head count of credit students increased by 1,118 students, duplicated head count of credit students increased by 1,831, and contact hours for all students increased by approximately 249,000.

The Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. Net assets – the difference between assets and liabilities – are one way to measure the financial health of the District. The purpose of the Statement of Net Assets is to present a fiscal snapshot of the District.

From the data presented, readers of the Statement of Net Assets are able to determine the resources that are available to continue the operations of the institution. Readers are also able to determine the amount the institution owes vendors, bondholders and lending institutions. Finally, the Statement of Net Assets provides a picture of the net assets and their availability for expenditure by the institution.

	Condensed Statement of Net Assets				
	(in thousands)				
	August 31,			Increase/(Decrease)	
	2011	2010	2009	2010 to 2011	2009 to 2010
Assets					
Current Assets	\$ 29,049	25,673	24,275	3,376	1,398
Non-current Assets	8,096	9,866	17,495	(1,770)	(7,629)
Capital Assets - (Non-current)	101,675	100,455	91,810	1,220	8,645
Total Assets	\$ 138,820	135,994	133,580	2,826	2,414
Liabilities:					
Current Liabilities	\$ 10,237	10,973	11,086	(736)	(113)
Non-current Liabilities	46,922	49,153	51,189	(2,231)	(2,036)
Total Liabilities	\$ 57,159	60,126	62,275	(2,967)	(2,149)
Net Assets:					
Invested in capital assets, net of related debt	\$ 56,980	55,616	51,224	1,364	4,392
Restricted-Nonexpendable	5,016	4,793	4,644	223	149
Restricted-Expendable	7,485	4,594	4,702	2,891	(108)
Unrestricted	12,180	10,865	10,735	1,315	130
Total Net Assets	\$ 81,661	75,868	71,305	5,793	4,563
 Current Ratio	 2.84	 2.34	 2.19		

Net assets are divided into three major categories. The first category, invested in capital assets, net of debt, reflects the institution's equity in property, plant and equipment. The next category, restricted net assets, is divided into nonexpendable and expendable. The corpus, or nonexpendable restricted resources, is only available for investment purposes. Expendable restricted net assets are available for expenditure by the institution, but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net assets, which are available to the institution for any lawful purpose. As of August 31, 2011, assets of the District exceeded liabilities by approximately \$81.7 million. Of this amount, approximately \$12.2 million is unrestricted and may be used to meet ongoing obligations.

The Statement of Net Assets (Continued)

In 2011 the District's assets increased by approximately \$2.8 million while liabilities decreased by approximately \$3 million, resulting in an increase in net assets of approximately \$5.8 million. Major changes in the Statement of Net Assets are as follows:

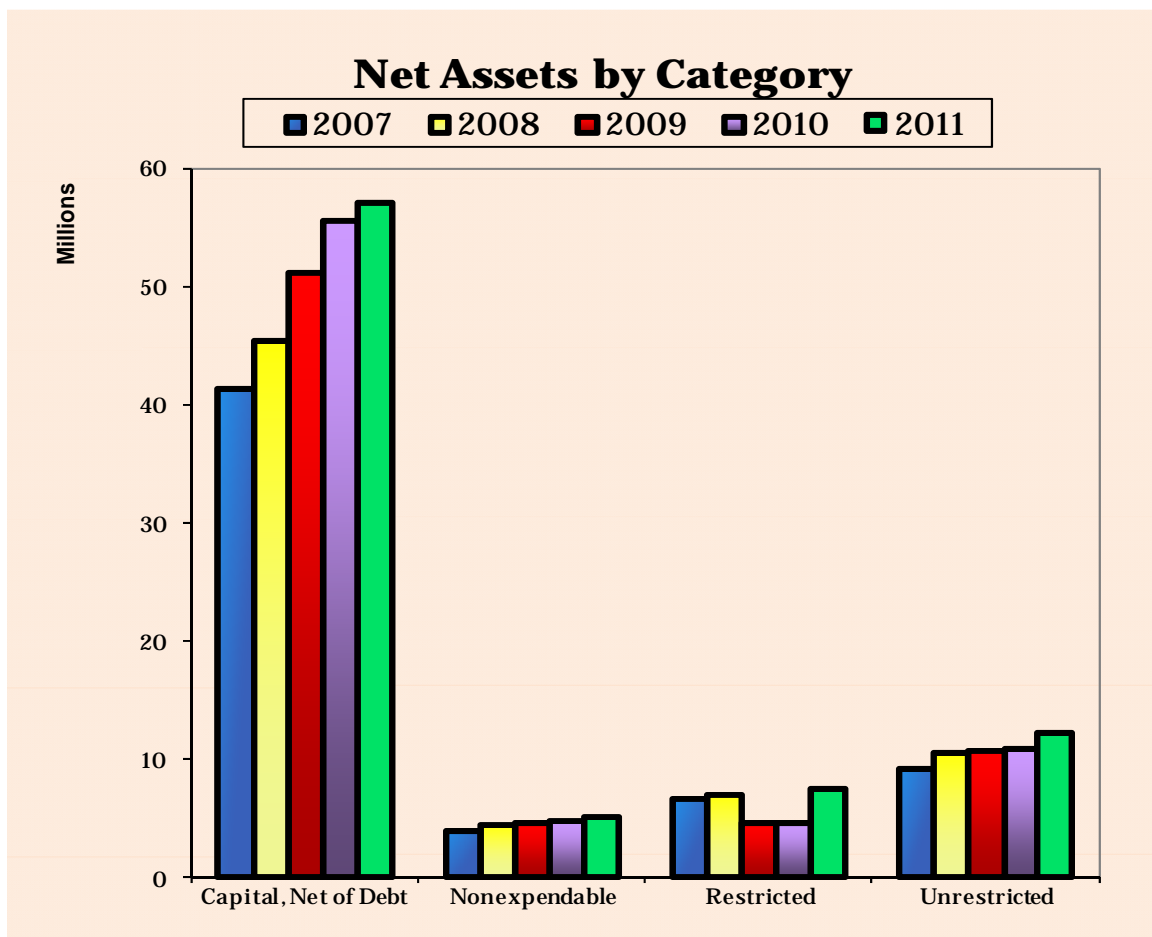
- Capital assets increased by approximately \$1.2 million. The increase includes additions of approximately \$5 million, less disposals of approximately \$216 thousand and depreciation of approximately \$3.5 million. Additions include construction in progress on the F. Marie Hall SimLife Center and the Pevehouse Administration Building and improvements to the campus computer network infrastructure.
- Bonds payable decreased by approximately \$2.1 million as a result of scheduled debt service payments.

In 2010 the District's assets increased by approximately \$2.4 million while liabilities decreased by approximately \$2.1 million, resulting in an increase in net assets of approximately \$4.6 million. Major changes in the Statement of Net Assets are as follows:

- Capital assets increased by approximately \$8.6 million. The increase includes additions of approximately \$11.6 million, less depreciation of approximately \$2.8 million. Additions include the construction of new facilities primarily funded by the 2005 series general obligation bond.
- Restricted cash, cash equivalents and restricted short-term investments decreased as funds were expended on construction projects.
- Bonds payable decreased by approximately \$2 million as a result of scheduled debt service payments.

The following graph illustrates the comparative changes in net assets by category over the past five years. The District's financial position is strong and stable as reflected in the chart. Unrestricted net assets are critical to support the District's overall mission, therefore it is important that unrestricted net assets be adequately maintained. The chart illustrates that unrestricted net assets have grown in a consistent manner and that the District has not been required to use these resources to fund operations. The growth in Capital, net of debt, reflects the substantial investments the District has made in its physical plant. Restricted net assets represent balances of funds that have been received to fund specific projects. Accordingly, these balances will increase and decrease as funds are received and subsequently disbursed to fund these specific projects.

The Statement of Net Assets (Continued)



Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the District, as well as the non-operating revenues and expenses. Generally, operating revenues are those revenues received in exchange for the District providing goods and services. Operating expenses are those amounts paid to acquire or produce the goods and services in return for the operating revenues. Non-operating revenues are funds received with no direct relationship to the goods and services being provided. Accordingly, state appropriations and ad valorem taxes, while budgeted for operations, are classified as non-operating revenue for financial reporting purposes.

The following chart reflects a summary of the Statement of Revenues, Expenses and Changes in Net Assets for the years ended August 31, 2011, 2010 and 2009. This summary indicates the operating loss and the overall increase in net assets for each of the years displayed.

Statement of Revenues, Expenses and Changes in Net Assets (Continued)

Summary of Statement of Revenues, Expenses and Changes in Net Assets			
(in thousands)			
	2011	2010	2009
Operating Revenues	\$ 17,955	18,694	15,518
Operating Expenses	(54,836)	(53,145)	(48,018)
Operating Loss	\$ (36,881)	(34,451)	(32,500)
Non-operating revenues	\$ 44,863	41,573	43,140
Non-operating expenses	(2,190)	(2,559)	(6,883)
Increase in Net Assets	\$ 5,792	4,563	3,757

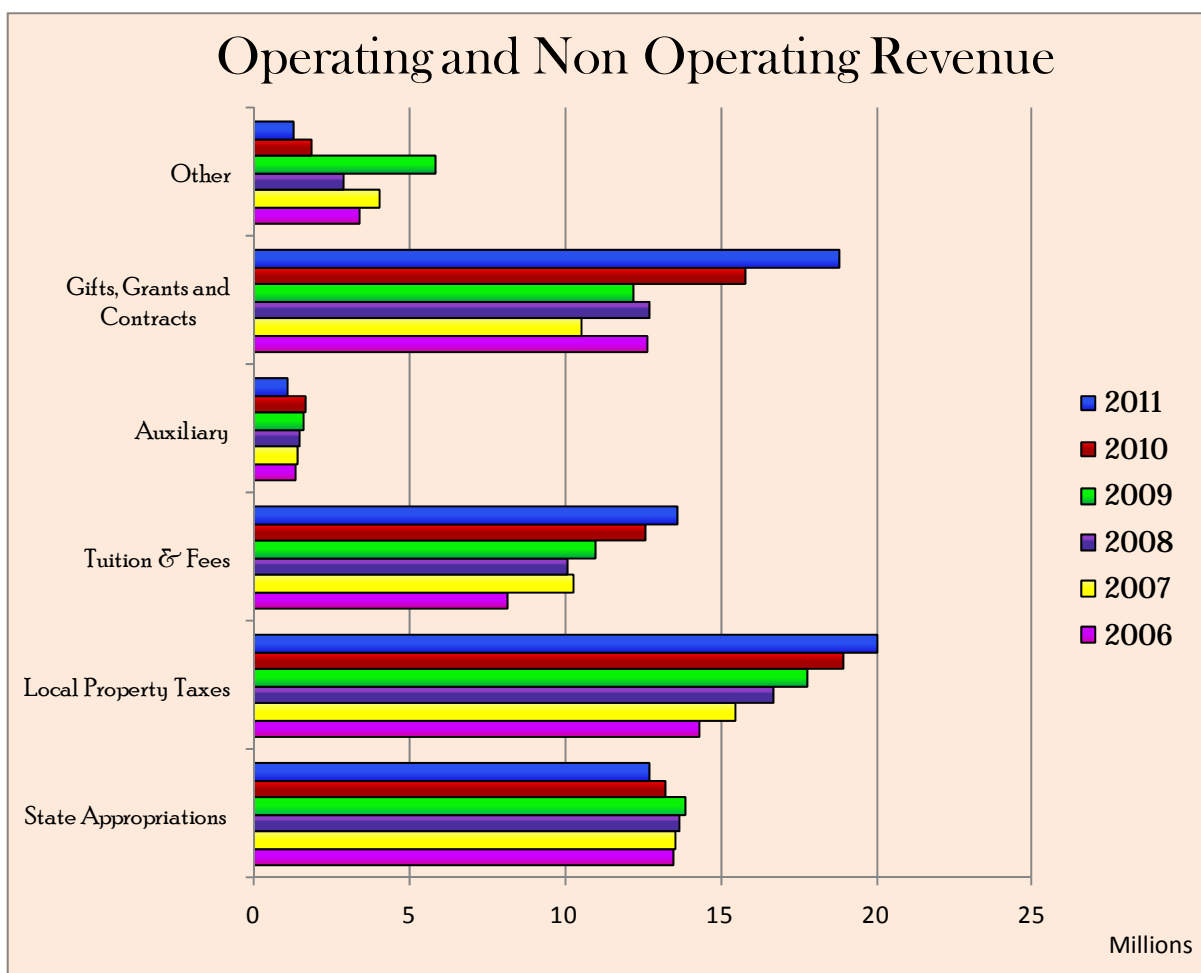
Revenues

Major changes in operating and non-operating revenue are as follows:

- Gross tuition and fee revenue for 2011 exceeded 2010 amounts by approximately \$995 thousand, or 8%. This increase is attributed to (1) growth in enrollment, and (2) an increase in tuition and fee rates. The unduplicated head count exceeded the prior year by approximately 3.8% and contact hours were approximately 3.3% higher in 2011 compared to 2010. In-district tuition and fee rates increased by approximately 5% while out-of-district and nonresident rates each increased approximately 6% and 4% respectively. (Statistical Supplements #4, #6 and #19).
- Gross tuition and fee revenue for 2010 exceeded 2009 amounts by approximately \$1.6 million, or 15%. This increase is attributed to (1) a significant growth in enrollment, and (2) an increase in tuition and fee rates. The 2010 unduplicated head count exceeded the prior year by approximately 12% and contact hours were approximately 9% higher in 2010 compared to 2009. In-district tuition and fee rates increased by approximately 5% while out-of-district and nonresident rates each increased approximately 7%. (Statistical Supplements #4, #6 and #19).
- State appropriated revenue for 2011 was approximately \$519,000 less than 2010, due to mid-year reductions imposed by the legislature on previously appropriated funding.
- State appropriated revenue for 2010 was approximately \$656,000 less than 2009, due to a 5% reduction in formula funding imposed by the legislature.

Revenues (Continued)

The following presentation graphically displays short-term revenue trends.



- Property tax revenue in 2011 exceeded the prior year by approximately \$1.1 million, or 5.6%, while 2010 revenues exceeded 2009 amounts by approximately \$1.2 million, or 6.7%. Revenues are higher primarily as a result of increases in the net assessed values of the District of approximately 6% for both 2011 and 2010. The tax rate, per \$100 of valuation, was \$0.1699 for 2011 and 0.1719 for 2010.
- Revenues from gifts, grants and contracts are not consistent from year to year, as private funds are given for specific purposes and many governmental grants are non-recurring. In 2011 federal Pell grants were higher than the prior year by approximately \$1.2 million, while other federal revenues were lower resulting in an overall decrease in federal revenue of approximately \$329 thousand. Other gifts and contracts during 2011 included the receipt of more than \$3 million in private gifts for the purpose of constructing a hospital simulation center.

Revenues (Continued)

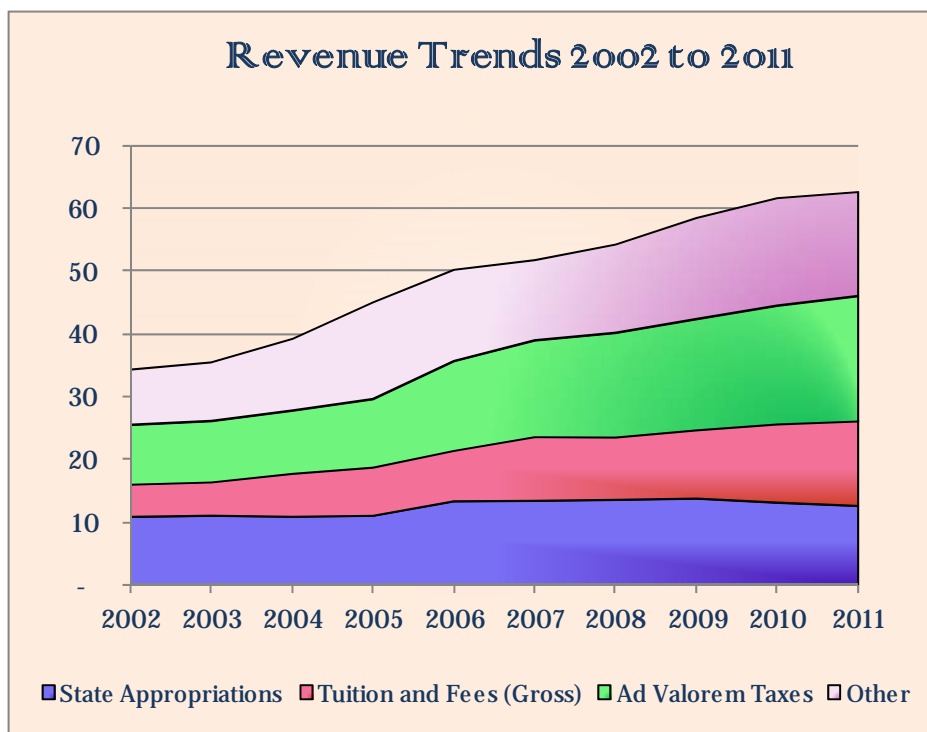
- In 2010 federal grant revenues (operating and non-operating) exceeded 2009 amounts by approximately \$3.9 million. This increase is due in large part to 2010 Pell awards exceeding the prior year by approximately \$2.2 million. In addition, the District received reimbursements under a Higher Education - Rural Science Education Cooperative Hispanic Serving Institutions grant for purchases of laboratory equipment.

The preceding discussion illustrates short-term trends in institutional funding. A review of longer term trends indicate that although state appropriations have risen in total over time, the rate of increase has not kept pace with other sources of income. As a result, state appropriations represent a declining portion of total institutional revenues, resulting in more dependence on local revenue sources. Statistical Supplement #2, in the back of this report, indicates the following percentage increases in revenue from 2002 through 2011.

Tuition and fees	171%
State appropriations	16%
Property tax (excluding tax for 2005 bond)	83%
Property tax (including tax for 2005 bond)	110%

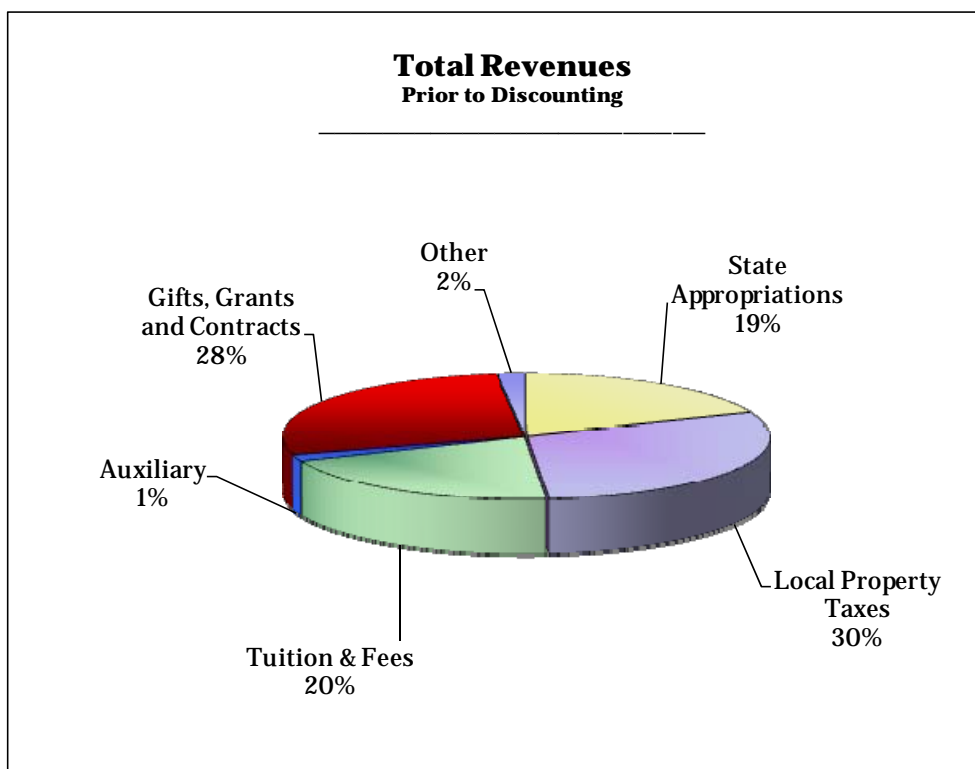
During the same period of time (2002 through 2011), student contact hours increased 28% and annual unduplicated credit student headcount increased 60%. (Statistical Supplements #6 and #19)

The following chart graphically illustrates the changes in revenues from 2002 through 2011.



Revenues (Continued)

The chart below reflects revenues from all sources. For purposes of this presentation, tuition, fees and auxiliary revenues are shown prior to scholarship discounts. The Statements of Revenues, Expenses and Changes in Net Assets reflect these revenues net of scholarships.



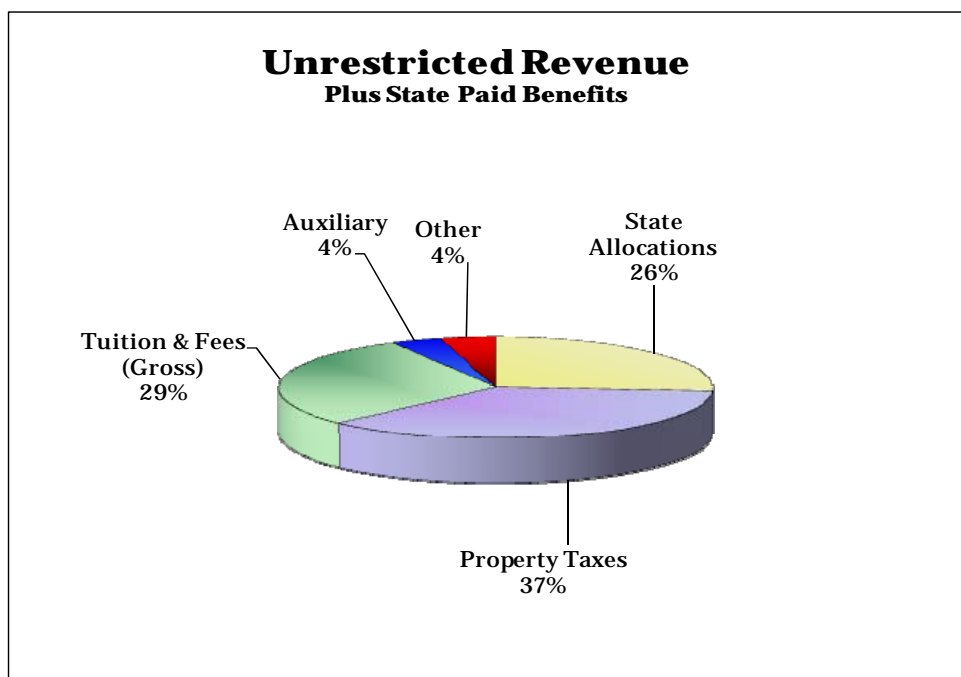
The following table illustrates the composition of total revenue for 2011 compared to 2002.

	Percentage of Total Revenues	
	2011	2002
State Appropriations	19%	30%
Local Property Taxes	30%	26%
Tuition and Fees (Gross)	20%	14%
Gifts, Grants & Contracts	28%	23%
Auxiliary Services	1%	3%
Other	2%	4%
	100%	100%

A substantial portion of scholarships and capital projects are funded from private gifts, grants and contracts. This includes a growing amount of instructional equipment and operating costs which are funded from annual grants made by the Midland College Foundation, Inc. While each year the District receives substantial revenue from private sources, the amounts are not consistent from year-to-year.

Revenues (Continued)

Restricted resources are important to accomplish specific objectives; however, unrestricted resources are critical to ensure that the institution’s core mission is supported. Many revenues have donor or grantor restrictions with respect to how the funds can be used. The following chart reflects the source of funds supporting only the District’s unrestricted operations. Benefits provided by the state are considered restricted, but are included in the graphic because they support the District’s unrestricted operations.



Operating Expenses by Functional Classification

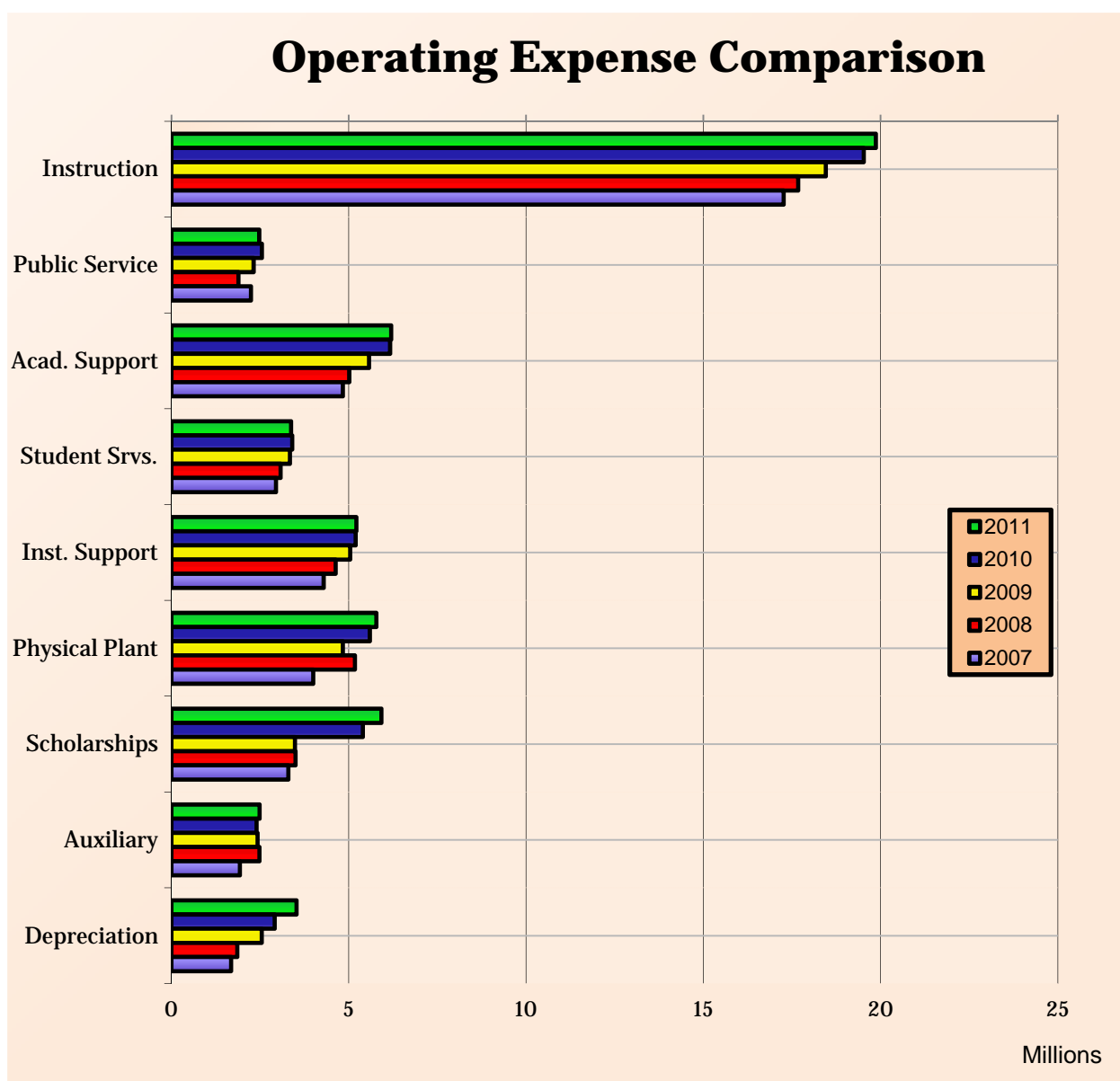
Functional classifications are the traditional categories that have been used to show expenses. They represent the type of programs and services provided. The chart on the following page shows the District’s 2011 expenses compared to the 2010, 2009, 2008, and 2007 expenses.

Total expenses for 2011 exceeded 2010 by approximately \$1.7 million or 3.2%. Depreciation expense accounted for approximately \$614,000 and scholarships accounted for approximately \$525,000 of the increase. Unrestricted and auxiliary expenses increased by only \$334,000. Most of this increase was the result of an across the board salary increase of 2.5% which was offset by the elimination of several positions during 2011.

Total operating expenses for 2010 exceeded 2009 by approximately \$5.1 million, or 10.6%. As a part of this increase, unrestricted and auxiliary expenses rose by \$2.2 million (6.2%) and restricted expenses rose by approximately \$2.6 million (19%). Included in the higher unrestricted expenses was an increase of approximately \$832,000 in salaries and benefits, largely attributed to a 3% across the board salary increase. Other factors that contributed to the increase included technology expenditures made as a part of a process to upgrade the District’s technology infrastructure.

Operating Expenses by Functional Classification (Continued)

Approximately \$770,000 was expended to replace computers in labs, faculty offices and staff offices. In addition, approximately \$731,000 was expended to upgrade network hardware. Depreciation expense exceeded the prior year by approximately \$367,000 as a result of bond projects being completed and new assets being placed in service. Restricted expenses exceed the prior year primarily because of a substantial increase in federal Pell grants and the receipt of several new grants in 2010.



Statement of Cash Flows

The Statement of Cash Flows provides information about cash receipts and cash payments during the year. This statement also helps users assess the District's ability to generate net cash flows needed to meet its obligations as they come due and its need for external financing.

Summary of Statement of Cash Flows

	2011	2010	2009
Cash Provided By (Used in):			
Operating Activities	\$ (30,552,822)	(28,008,376)	(26,194,566)
Non-Capital Financing Activities	35,616,236	33,673,988	30,093,719
Capital and Related Financing Activities	(3,492,397)	(11,548,111)	(14,571,196)
Investing Activities	(3,326,729)	617,403	5,440,847
Changes in Cash and Cash Equivalents	<u>\$ (1,755,712)</u>	<u>(5,265,096)</u>	<u>(5,231,196)</u>

The primary cash receipts from operating activities consist of tuition and fees, housing, board and grant revenue. Cash outlays include payment of wages, benefits, supplies, utilities and scholarships. State allocations and ad valorem taxes were the primary source of non-capital financing. Accounting standards require that we reflect this source of revenue as non-operating, even though these resources are classified as operating revenues in the District's budget.

Cash flows from Capital and Related Financing Activities include proceeds from the issuance of debt, principal and interest disbursements and payments for buildings and other capital acquisitions.

Cash flows from investing activities represent the annual effect of the purchase, sale and maturity of investments, along with interest received from those investments.

Capital Assets and Debt Administration

The table below reflects the District's year-end capital asset balances, net of accumulated depreciation.

Schedule of Capital Assets
(in thousands)

	2011	2010	2009	2008
Land	\$2,553	2,553	2,553	2,552
Library Books and Collections	505	479	477	482
Construction in Progress	3,143	13,716	16,599	32,175
Buildings	83,329	72,508	63,941	38,004
Land Improvements	5,503	5,313	3,136	1,694
Furniture, Equipment, Vehicles	6,642	5,886	5,104	4,374
	<u>\$101,675</u>	<u>100,455</u>	<u>91,810</u>	<u>79,281</u>

Capital Assets and Debt Administration (Continued)

Capital assets additions totaled approximately \$5 million and \$11.6 million in 2011 and 2010, respectively. Additions in 2011 included construction in progress on the F. Marie Hall SimLife Center and the Pevehouse Administration Building and improvements to the campus computer network infrastructure. During 2010 major additions and renovations were made to the Scharbauer Student Center, Cogdell Learning Center and the physical education building. In addition a softball facility was constructed.

As of August 31, 2011 and 2010, the District’s bond rating by Moody’s Investors Service (“Moody’s”) and Standard and Poor’s (S&P) is “Aa3” and “AA”, respectively.

The District had outstanding debt of approximately \$48.2 million and \$50.3 million as of August 31, 2011 and 2010, respectively.

Schedule of Outstanding Debt
(in thousands)

	2011	2010	2009	2008
General Obligation Bonds	\$ 34,267	35,800	37,268	38,671
Revenue Bonds	13,912	14,482	15,027	15,735
Notes	-	-	-	150
	\$ 48,179	50,282	52,295	54,556

Economic Factors That Will Affect the Future

The District relies heavily on ad valorem taxes, state appropriations and tuition as its primary sources of operating revenue. The District continues to enjoy the benefits of a strong local economy which has resulted in increases in taxable values. Subsequent to this reporting period, the District’s tax base increased by approximately 6% in 2012 and is expected to remain strong. Tuition and fee revenues also continue to trend higher as a result of both enrollment and rate increases. This source of revenue is also expected to remain strong, although the vibrant local economy may result in some enrollment challenges. As a result of a significant revenue shortfall at the state level, mid-year reductions to previously appropriated funds were imposed in 2011 and 2010. Subsequently, 2012 appropriations were reduced to even lower levels though base year enrollments had increased. The District expects continued erosion of state support for community college education.

In the face of diminishing state support, the District made the painful decision to close two vocational programs and to increase tuition beginning in the fall of 2011. The District will continue to make necessary adjustments to internal budgetary allocations and to consider increases in other revenue sources in order to absorb the impact of reductions in state funding, with the goal of minimizing its impact upon the core mission of the institution: instruction, student services and public service.

The institution’s overall financial position is strong – and continues to strengthen. This is possible because of the strong local economy and a supportive community. Property values are stable and the tax base continues to expand. Increases in tuition revenue and local property tax revenue continue to provide the offset for reduced state funding.

Economic Factors That Will Affect the Future (Continued)

The District is not aware of any additional facts, decisions or conditions that are expected to have a significant effect on the financial position or results of operations during 2011-12 or subsequent fiscal years.

Rick Bender
Vice President of Administrative Services

FINANCIAL STATEMENTS

Midland College District
STATEMENTS OF NET ASSETS
Years ended August 31,

Exhibit 1

	<u>2011</u>	<u>2010</u>
ASSETS:		
Current Assets:		
Cash and cash equivalents (Note 4)	\$ 5,522,359	5,368,995
Short-term investments (Note 4)	19,052,772	16,028,533
Accounts receivable, net (Notes 5 and 10)	2,380,692	2,357,800
Deferred charges (Note 2)	2,061,053	1,846,144
Inventories (Note 2)	4,233	4,016
Prepaid expenses	7,858	47,221
Deposits	<u>20,472</u>	<u>20,472</u>
Total current assets	<u>29,049,439</u>	<u>25,673,181</u>
Non-current Assets:		
Restricted cash and cash equivalents (Note 4)	3,027,217	4,936,293
Endowment investments (Note 4)	4,597,678	4,263,942
Deferred charges (Note 2)	429,658	471,637
Capital assets, net (Note 6)	101,674,552	100,455,279
Other assets-Split Interest Agreements (Note 19)	<u>40,910</u>	<u>194,047</u>
Total non-current assets	<u>109,770,015</u>	<u>110,321,198</u>
Total Assets	<u>\$ 138,819,454</u>	<u>135,994,379</u>
LIABILITIES:		
Current Liabilities:		
Accounts payable (Note 10)	\$ 2,442,086	3,581,949
Accrued liabilities	670,800	780,761
Accrued compensable absences – current portion (Notes 7 and 13)	580,706	573,494
Funds held for others	68,598	63,243
Deferred revenues	4,212,544	3,807,876
Bonds payable – current portion (Notes 7, 8 and 9)	2,193,582	2,102,789
Deposits	<u>68,700</u>	<u>62,650</u>
Total current liabilities	<u>10,237,016</u>	<u>10,972,762</u>
Non-current Liabilities:		
Accrued compensable absences (Notes 7 and 13)	936,266	974,148
Bonds payable – non-current portion (Notes 7, 8 and 9)	<u>45,985,280</u>	<u>48,178,862</u>
Total non-current liabilities	<u>46,921,546</u>	<u>49,153,010</u>
Total Liabilities	<u>57,158,562</u>	<u>60,125,772</u>

Midland College District**Exhibit 1****STATEMENTS OF NET ASSETS (CONTINUED)****Years ended August 31,**

	<u>2011</u>	<u>2010</u>
NET ASSETS:		
Invested in capital assets, net of related debt	56,980,348	55,616,005
Restricted for:		
Nonexpendable:		
Student aid	4,170,012	3,947,658
Instructional programs	845,985	845,644
Expendable:		
Student aid	2,831,986	2,739,994
Instructional programs	1,083,927	904,833
Capital projects	3,343,277	841,477
Debt service	225,050	107,427
Unrestricted	<u>12,180,307</u>	<u>10,865,569</u>
Total Net Assets (Schedule D)	<u>81,660,892</u>	<u>75,868,607</u>
Total Liabilities and Net Assets	\$ <u>138,819,454</u>	<u>135,994,379</u>

The notes to the financial statements are an integral part of these statements.

Midland College District

Exhibit 2

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS**

Years ended August 31,

	2011	2010
REVENUES		
Operating revenues		
Tuition and fees (net of discounts of \$3,965,339 and \$3,201,236, respectively)	\$ 9,595,412	9,364,568
Federal grants and contracts	3,787,431	4,843,758
State grants and contracts	653,076	565,098
Local grants and contracts	816,996	893,852
Non-governmental grants and contracts	884,564	577,642
Sales and services of educational activities	399,000	283,114
Investment income – program restricted	276,985	338,602
Auxiliary enterprises (net of discounts of \$536,538 and \$517,014, respectively)	1,042,315	1,132,532
General operating revenues	498,907	694,623
Total operating revenues (Schedule A)	17,954,686	18,693,789
EXPENSES		
Operating expenses		
Instruction	19,866,246	19,525,084
Public service	2,474,617	2,551,206
Academic support	6,196,985	6,165,862
Student services	3,374,108	3,404,560
Institutional support	5,214,522	5,194,819
Operation and maintenance of plant	5,777,841	5,594,092
Scholarships and fellowships (net of discounts of \$3,384,418 and \$2,980,673, respectively)	5,920,646	5,396,022
Auxiliary enterprises (net of discounts of \$536,538 and \$517,014, respectively)	2,485,029	2,400,809
Depreciation	3,525,817	2,912,237
Total operating expenses (Schedule B)	54,835,811	53,144,691
OPERATING LOSS	(36,881,125)	(34,450,902)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	12,686,691	13,205,939
Maintenance ad valorem taxes	16,932,448	15,899,873
Debt service ad valorem taxes	3,072,104	3,035,776
Federal revenue, non-operating	6,850,456	6,123,404
Gifts	2,083,151	1,801,945
Investment income	33,299	67,907
Contributions in aid of construction	3,044,185	931,052
Other non-operating revenue	-	461,903
Interest on capital related debt	(2,131,674)	(2,032,603)
Gain (loss) on disposal of fixed assets	(16,096)	15,952
Additions to permanent endowments	160,825	29,485
Other non-operating expenses	(41,979)	(526,396)
Net non-operating revenues (Schedule C)	42,673,410	39,014,237

Midland College District

Exhibit 2

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS (CONTINUED)**

Years ended August 31,

	<u>2011</u>	<u>2010</u>
Increase in net assets	5,792,285	4,563,335
Net assets – beginning of year	<u>75,868,607</u>	<u>71,305,272</u>
Net assets – end of year	\$ <u>81,660,892</u>	<u>75,868,607</u>

The notes to the financial statements are an integral part of these statements.

Midland College District

Exhibit 3

STATEMENTS OF CASH FLOWS

Years ended August 31,

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 11,228,165	10,990,460
Receipts from grants and contracts	6,114,105	7,761,718
Payments to suppliers for goods and services	(15,229,791)	(14,729,198)
Payments to or on behalf of employees	(27,551,789)	(27,194,892)
Payments for scholarships and fellowships	(6,102,200)	(5,674,922)
Other receipts	<u>988,688</u>	<u>838,458</u>
Net cash used in operating activities	<u>(30,552,822)</u>	<u>(28,008,376)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	9,461,352	9,923,523
Receipts from ad valorem taxes	16,943,939	15,861,638
Receipts from non-operating federal revenue	6,850,456	6,123,404
Receipts from gifts or grants for other than capital purposes	2,083,151	1,801,945
Receipts from student organizations and other agency transactions	57,442	46,894
Payments to student organizations and other agency transactions	(52,087)	(37,424)
Receipts from private gifts for endowment purposes	313,962	18,501
Other non-operating receipts	-	461,903
Other non-operating payments	<u>(41,979)</u>	<u>(526,396)</u>
Net cash provided by non-capital financing activities	<u>35,616,236</u>	<u>33,673,988</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from ad valorem taxes – debt services	3,074,219	3,028,248
Receipts from capital grants and gifts	3,044,185	931,052
Purchases of capital assets	(5,405,218)	(11,491,388)
Payments on capital debt – principal	(2,102,790)	(2,012,973)
Payments on capital debt – interest	<u>(2,102,793)</u>	<u>(2,003,050)</u>
Net cash used in financing activities	<u>(3,492,397)</u>	<u>(11,548,111)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	3,200,000	5,224,056
Interest on investments	31,247	68,688
Purchase of investments	<u>(6,557,976)</u>	<u>(4,675,341)</u>
Net cash (used in) provided by investing activities	<u>(3,326,729)</u>	<u>617,403</u>
(Decrease) in cash and cash equivalents	<u>(1,755,712)</u>	<u>(5,265,096)</u>
Cash and cash equivalents – September 1	<u>10,305,288</u>	<u>15,570,384</u>
Cash and cash equivalents – August 31	\$ <u>8,549,576</u>	<u>10,305,288</u>

Midland College District**Exhibit 3****STATEMENTS OF CASH FLOWS (CONTINUED)**

Years ended August 31,

	<u>2011</u>	<u>2010</u>
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	\$ (36,881,125)	(34,450,902)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	3,525,817	2,912,237
Payments made directly by state for benefits	3,225,339	3,282,416
Changes in related assets and liabilities:		
Receivables, net	(34,445)	644,862
Deferred expenses	(214,909)	(213,289)
Inventories	(217)	1,308
Prepaid expenses	39,364	(1,909)
Accounts payable	(629,256)	(443,175)
Accrued liabilities	42,612	(58,512)
Compensated absences	(30,670)	72,315
Deferred revenue	<u>404,668</u>	<u>246,273</u>
Net cash used by operating activities	\$ <u>(30,552,822)</u>	<u>(28,008,376)</u>

The notes to the financial statements are an integral part of these statements.

Midland College District

NOTES TO FINANCIAL STATEMENTS

August 31, 2011 and 2010

NOTE 1 – REPORTING ENTITY

Midland College District (the “District”) was established in 1972, in accordance with the laws of the State of Texas, to serve the educational needs of the public and the surrounding communities. The District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (“GASB”) Statement No. 14. While the District receives funding from local, state and federal sources, and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting 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 Standard Board (“FASB”) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The District is reported as a special-purpose government engaged in business-type activities.

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 award for tuition is used by the student, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act Program Funds

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 dispersed directly to the student, the amount is recorded as a scholarship expense.

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 dispersed directly to the student, the amount is recorded as a scholarship expense.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the District have been prepared on the accrual basis of accounting. 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 the 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 were provided for in the subsequent year's budget, are reported as designations of net assets since they do not constitute expenditures or liabilities.

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.

Pledges

The District recognizes pledges in the financial statements when all applicable eligibility requirements, including time requirements, are met. Pledges are reported as deferred revenues prior to the fulfillment of all applicable eligibility requirements.

Deferred Revenue and Expenditures

Deferred revenue relates to student tuition, fees received during the current fiscal period for classes to be held in the following period. Similarly, deferred expenditures represent scholarship funds expended in the current period relating to the following period.

Bond issuance costs are reflected as deferred charges under non-current assets.

Inventories

Inventories are stated at the lower of cost, determined using the first-in, first-out method, or market.

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. Long-term investments have an original maturity of greater than one year at the time of purchase. The District considers investments in public fund investment pools to be short-term.

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for current operating funds for the fiscal year beginning September 1. The budget, which is prepared on the accrual basis of accounting, is adopted by the

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data (Continued)

District's Board of Trustees. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library and Governor's Office of Budget and Planning by December 1.

Capital Assets

Capital assets are recorded at cost. Donated capital assets are valued at their estimated fair market value on the date received. 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. The District reports depreciation under a single-line as a business-type unit. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

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

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees. 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. The operations of the dining hall and bookstore are not performed by the college.

Characterization of Title IV Grant Revenue

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

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

GASBS No. 45

In addition to pensions, many state and local governmental employers provide other postemployment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes *postemployment healthcare*, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers.

The approach followed in this Statement generally is consistent with the approach adopted in Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, with modifications to reflect differences between pension benefits and OPEB. Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses financial statement and disclosure requirements for reporting by administrators or trustees of OPEB plan assets or by employers or sponsors that include OPEB plan assets as trust or agency funds in their financial reports.

This Statement generally provides for prospective implementation—that is, that employers set the beginning net OPEB obligation at zero as of the beginning of the initial year. Implementation is required in three phases based on a government's total annual revenues in the first fiscal year ending after June 15, 1999.

The definitions and cutoff points for that purpose are the same as those in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement is effective for periods beginning after December 15, 2006, for *phase 1 governments* (those with total annual revenues of \$100 million or more); after December 15, 2007, for *phase 2 governments* (those with total annual revenues of \$10 million or more, but less than \$100 million); and after December 15, 2008, for *phase 3 governments* (those with total annual revenues of less than \$10 million). Earlier implementation is encouraged.

GASBS No. 50

GASB Statement 50, *Pension Disclosures*, became effective for periods beginning after June 15, 2007 and amends certain portions of GASB Statement 25 and Statement 27. This statement more closely aligns the financial reporting requirements for pensions with those for OPEB.

GASBS No. 55

GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, is intended to establish the GAAP hierarchy for state and local governments in the GASB accounting literature instead of the audit literature (SAS No. 69). The ladder of the state and local government GAAP hierarchy is as follows:

Category A: Officially established accounting principles – GASB statements and interpretations

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (Continued)

GASBS No. 55 (Continued)

Category B: GASB technical bulletins and, if specifically made applicable to state and local governmental entities by the AICPA and cleared by the GASB, AICPA Industry Audit and Accounting Guides and AICPA Statements of Position

Category C: AICPA practice bulletins, if specifically made applicable to state and local governmental entities and cleared by the GASB, as well as consensus positions of a group of accountants organized by the GASB

Category D: Implementation guides (Q&A's) published by the GASB staff, as well as practices that are widely recognized and prevalent in state and local governments

If the accounting treatment for a transaction or event is not specified by a pronouncement or established in practice as described in categories A-D, an entity should consider accounting principles for similar transactions or events within categories A-D.

This pronouncement became effective in March 2009 upon its issuance.

GASBS No. 56

GASB Statement 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, is intended to incorporate accounting and financial reporting guidance previously only contained in the AICPA auditing literature. GASB No. 56 addresses the following three issues from the AICPA's literature:

Related Party Transactions: Requires disclosure if the substance of a particular transaction is significantly different from its form because of the involvement of related parties, financial statements should recognize the substance of the transaction, rather than merely its legal form.

Subsequent Events: GASB No. 56 describes two types of subsequent events:

Recognized events consist of those events that provide additional evidence with respect to conditions that existed at the date of the statement of net assets and affect the estimates inherent in the process of preparing financial statements. All information that becomes available prior to the issuance of the financial statements should be used in evaluating the conditions on which the estimates were based. The financial statements should be adjusted for any changes in estimates resulting from the use of such evidence.

Unrecognized events consist of those events that provide evidence with respect to conditions that did not exist at the date of the statement of net assets but arose subsequent to that date. These events should not result in adjustment of the financial statements. Some of these events, however, may be of such a nature that their disclosure is essential to a user's understanding of the financial statements.

Identifying recognized events that require adjustment of the financial statements calls for the exercise of professional judgment and knowledge of the facts and circumstances.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (Continued)

GASBS No. 56 (Continued)

Going Concern Considerations: Continuation of a legally separate governmental entity as a going concern is assumed in financial reporting in the absence of significant information to the contrary. Information that may significantly contradict the going concern assumption would relate to a governmental entity's inability to continue to meet its obligations as they become due without substantial disposition of assets outside the ordinary course of governmental operations, restructuring of debt, submission to the oversight of a separate fiscal assistance authority or financial board review, or similar actions. Under GASB No. 56, financial statement preparers have a responsibility to evaluate whether there is substantial doubt about a government's ability to continue as a going concern for 12 months beyond the financial statement date. If it is determined that there is substantial doubt about a governmental entity's ability to continue as a going concern, the notes to the financial statements should include disclosure.

This pronouncement became effective in March 2009 upon its issuance.

GASBS No. 57

GASB Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, was issued in December 2009. GASB No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. GASB No. 57 establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total members and by the agent multiple-employer OPEB plans in which they participate. GASB No. 57 also clarifies the requirements of GASB No.'s 43 and 45 related to the coordination of the timing and frequency of OPEB measurements by agent employers and the agent multiple-employer OPEB plans in which they participate. These requirements apply to all state and local governmental agent multiple-employer OPEB plans that are administered as trusts, or equivalent arrangements, and to state and local governmental employers that participate in such plans.

An agent employer with fewer than 100 total plan members in its individual-employer OPEB plan may elect to base its reported actuarial information on measurement calculations in accordance with the alternative measurement method, regardless of the number of total plan members in the agent multiple-employer OPEB plan in which the employer participates.

Agent multiple-employer OPEB plans, who are required to obtain an actuarial valuation for purposes of measuring the actuarially determined information to be reported in the schedules of required supplementary information and related disclosures per GASB No. 43, can meet these reporting requirements by reporting aggregated individual-employer OPEB plan information determined by actuarial evaluations or measurements using the alternative method for individual-employer OPEB plans that are eligible.

If actuarially determined information about an agent employer's individual OPEB plan also is included in aggregated information reported by the agent multiple-employer OPEB plan, then the agent employer should obtain actuarial valuations of its individual-employer OPEB plan at least as frequently as is required for the agent multiple-employer OPEB plan in which it participates. The agent multiple-employer OPEB plan and each of its participating employers should obtain actuarial valuations as of the same actuarial valuation date.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (Continued)

GASBS No. 57 (Continued)

The provisions of GASB No. 57 related to the use of the alternative measurement method became effective upon issuance. Those provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

NOTE 3 – AUTHORIZED INVESTMENTS

The Board of Trustees of the District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Section 2256.001, Texas Government Code). The investments of the District are in compliance with Trustees' investment policies. 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.

NOTE 4 – DEPOSITS AND INVESTMENTS

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act of 1995 (Section 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) collateralized mortgage 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, (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by this state or the United States or its instrumentalities, (5) obligations of political subdivisions rated not less than A by a national investment rating firm, (6) certificates of deposit, (7) repurchase agreements and (8) other instruments and obligations authorized by statute.

Cash and Short-Term Investments: Investment policies for cash and short-term investments, as set forth by the Board of Trustees, authorize the District to invest in interest-bearing time deposits, short-term cash funds, money market funds, intermediate cash fund, U.S. Government-backed obligations and commercial paper. All investments must be held by the financial institutions organized under Federal or State law.

Investments: Investment policies as set forth by the Board of Trustees also authorize the District to invest in bonds or other securities.

Deposits: At August 31, 2011 and 2010, the carrying amount of the District's deposits was \$8,544,476 and \$10,300,188, respectively; and bank balances equaled \$8,952,693 and \$9,892,232. Bank balances of \$776,696 and \$409,456 are covered by federal depository insurance and \$8,175,997 and \$9,482,776 were covered by collateral pledged in the District's name. The collateral was held by the District or by its Agent. There were no uncollateralized bank balances at either year end. (This would have included any bank balance that was collateralized with securities held by the pledging financial institution's department or agent but not in the District's name). The District held \$19,052,772 and \$16,028,533 in state approved public investment pools at August 31, 2011 and 2010, respectively.

Midland College District
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
August 31, 2011 and 2010

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and Deposits included on Exhibit 1, Statement of Net Assets, consist of the items reported below:

Cash and Deposits		2011	2010
Bank Deposits			
Demand Deposits	\$	514,399	382,050
Money Market Deposits		8,030,077	9,918,138
		8,544,476	10,300,188
Petty Cash on Hand		5,100	5,100
Total Cash and Deposits	\$	8,549,576	10,305,288

Reconciliation of Deposits and Investments to Exhibit 1

Type of Security		August 31, 2011 Market Value	August 31, 2010 Market Value
U.S. Government Securities	\$	4,547,885	4,263,942
Public Funds Investment Pools		19,052,772	16,028,533
Bond Mutual Funds		49,793	-
Total Investments	\$	23,650,450	20,292,475
Total Cash and Deposits	\$	8,549,576	10,305,288
Total Investments		23,650,450	20,292,475
Total Deposits and Investments	\$	32,200,026	30,597,763
Cash and Temporary Investments (Exhibit 1)	\$	27,602,348	26,333,821
Investments (Exhibit 1)		4,597,678	4,263,942
Total Deposits and Investments	\$	32,200,026	30,597,763

As of August 31, 2011 the District had the following investments and maturities:

Investment Type	Investment Maturities in Years				
	Fair Value	Less than 1	1 to 2	2 to 5	5 to 10
Public Funds Investment Pools	\$ 19,052,772	19,052,772	-	-	-
U.S. Government Securities	4,547,885	713,279	523,510	1,473,620	1,837,476
Bond Mutual Funds	49,793	-	49,793	-	-
Total Fair Value	\$ 23,650,450	19,766,051	573,303	1,473,620	1,837,476

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

Investment Type	Investment Maturities in Years				
	Fair Value	Less than 1	1 to 2	2 to 5	5 to 10
Public Funds Investment Pools	\$ 16,028,533	16,028,533	-	-	-
U.S. Government Securities	4,263,942	407,656	738,360	1,442,189	1,675,737
Total Fair Value	\$ 20,292,475	16,436,189	738,360	1,442,189	1,675,737

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 4 – DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk: In order to limit exposure to fair value losses arising from increasing interest rates, the District has established maturity limitations for each fund group. Operating funds are primarily invested in instruments that offer high liquidity and have maturities corresponding with the short to intermediate operating needs of the District. Plant funds and other capital project funds have maturities which correspond to the associated project or debt service dates. Endowment funds are invested in long-term treasury or agency securities. In addition, state law limits the maturities of collateralized mortgage obligations to no more than 10 years and limits maturities of commercial paper and banker's acceptances to no more than 270 days. Repurchase agreements are limited to 2 years and reverse repurchase agreements are not to exceed 90 days.

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, commercial paper must be rated at least A-1 or P-1 and investments in obligations of states, agencies, counties, cities and other political subdivisions must be rated at least A. Applicable credit ratings of investments at August 31, 2011 and 2010 are reported below:

Investment Type	Credit Rating
U.S. Government Securities	S&P: AAA
TexPool	S&P: AAAM
Lone Star Government Overnight	S&P: AAAM
TexSTAR	S&P: AAAM
Texas Daily	S&P: AAAM

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 TexPool Local Government Investment Pool (25%), Texas Daily Local Government Investment Pool (18%), TexSTAR Local Government Investment Pool (10%) and Lone Star Government Overnight Pool (7%).

Custodial Credit Risk: The District's investments have no custodial credit risk.

NOTE 5 – AD VALOREM TAXES RECEIVABLE

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

At August 31, 2011:	
Assessed valuation of the District	\$ 12,792,105,810
Less exemptions	<u>1,070,269,848</u>
Net assessed valuation of the District	\$ <u>11,721,835,962</u>
At August 31, 2010:	
Assessed valuation of the District	\$ 12,219,385,190
Less exemptions	<u>1,197,660,762</u>
Net assessed valuation of the District	\$ <u>11,021,724,428</u>

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 5 – AD VALOREM TAXES RECEIVABLE (CONTINUED)

At August 31, 2011:

	<u>Maintenance and Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$.3000	.50000	.8000
Assessed tax rate per \$100 valuation	\$.1439	.0260	.1699

At August 31, 2010:

	<u>Maintenance and Operations</u>	<u>Debt Service</u>	<u>Total</u>
Authorized tax rate per \$100 valuation (Maximum per enabling legislation)	\$.3000	.50000	.8000
Assessed tax rate per \$100 valuation	\$.1446	.0273	.1719

Taxes levied for the years ended August 31, 2011 and 2010 are \$19,915,399 and \$18,949,430, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

At August 31, 2011:

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 16,503,131	2,970,845	19,473,976
Delinquent taxes collected	426,559	76,788	503,347
Penalties and interest collected	<u>147,687</u>	<u>26,585</u>	<u>174,272</u>
Total collections	\$ <u>17,077,377</u>	<u>3,074,218</u>	<u>20,151,595</u>

At August 31, 2010:

<u>Taxes Collected</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 15,503,971	2,928,010	18,431,981
Delinquent taxes collected	396,846	74,947	471,793
Penalties and interest collected	<u>133,922</u>	<u>25,291</u>	<u>159,213</u>
Total collections	\$ <u>16,034,739</u>	<u>3,028,248</u>	<u>19,062,987</u>

Tax collections (including penalties, interest and delinquent collections) for the years ended August 31, 2011 and 2010 were in excess of 100% of the respective year tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 5 – AD VALOREM TAXES RECEIVABLE (CONTINUED)

Ad valorem taxes receivable includes the following:

	<u>2011</u>	<u>2010</u>
Current unrestricted fund	\$ 516,598	534,277
Debt service fund	<u>82,465</u>	<u>85,718</u>
	599,063	619,995
Allowance for uncollectible taxes	<u>209,672</u>	<u>216,998</u>
Net ad valorem taxes receivable	\$ <u><u>389,391</u></u>	<u><u>402,997</u></u>

NOTE 6 – CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2011, was as follows:

	<u>Balance September 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance August 31, 2011</u>
<u>Not Depreciated:</u>				
Land	\$ 2,553,002	-	-	2,553,002
Collectibles	-	42,000	-	42,000
Construction in process	<u>13,716,238</u>	<u>2,004,037</u>	<u>12,576,901</u>	<u>3,143,374</u>
Subtotal	<u>16,269,240</u>	<u>2,046,037</u>	<u>12,576,901</u>	<u>5,738,376</u>
<u>Other Capital Assets:</u>				
Buildings	90,951,982	12,770,824	-	103,722,806
Land improvements	5,834,305	474,411	-	6,308,716
Library books	1,823,135	46,259	-	1,869,394
Furniture, machinery, vehicles and other equipment	<u>12,201,318</u>	<u>2,201,085</u>	<u>843,031</u>	<u>13,559,372</u>
Subtotal	<u>110,810,740</u>	<u>15,492,579</u>	<u>843,031</u>	<u>125,460,288</u>
<u>Accumulated Depreciation:</u>				
Buildings	18,443,612	1,950,674	-	20,394,286
Land improvements	521,486	284,706	-	806,192
Library books	1,344,100	62,145	-	1,406,245
Furniture, machinery, vehicles and other equipment	<u>6,315,503</u>	<u>1,228,292</u>	<u>626,406</u>	<u>6,917,389</u>
Subtotal	<u>26,624,701</u>	<u>3,525,817</u>	<u>626,406</u>	<u>29,524,112</u>
Net other capital assets	<u>84,186,039</u>	<u>11,966,762</u>	<u>216,625</u>	<u>95,936,176</u>
Net capital assets	\$ <u><u>100,455,279</u></u>	<u><u>14,012,799</u></u>	<u><u>12,793,526</u></u>	<u><u>101,674,552</u></u>

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 6 – CAPITAL ASSETS (CONTINUED)

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

	Balance September 1, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance August 31, <u>2010</u>
Not Depreciated:				
Land	\$ 2,553,002	-	-	2,553,002
Construction in process	<u>16,598,846</u>	<u>6,493,591</u>	<u>9,376,199</u>	<u>13,716,238</u>
Subtotal	<u>19,151,848</u>	<u>6,493,591</u>	<u>9,376,199</u>	<u>16,269,240</u>
Other Capital Assets:				
Buildings	80,767,992	10,183,990	-	90,951,982
Land improvements	3,468,262	2,366,043	-	5,834,305
Library books	1,760,185	62,950	-	1,823,135
Furniture, machinery, vehicles and other equipment	<u>10,513,363</u>	<u>1,857,158</u>	<u>169,203</u>	<u>12,201,318</u>
Subtotal	<u>96,509,802</u>	<u>14,470,141</u>	<u>169,203</u>	<u>110,810,740</u>
Accumulated Depreciation:				
Buildings	16,827,019	1,616,593	-	18,443,612
Land improvements	331,762	189,724	-	521,486
Library books	1,283,046	61,054	-	1,344,100
Furniture, machinery, vehicles and other equipment	<u>5,409,659</u>	<u>1,044,866</u>	<u>139,022</u>	<u>6,315,503</u>
Subtotal	<u>23,851,486</u>	<u>2,912,237</u>	<u>139,022</u>	<u>26,624,701</u>
Net other capital assets	<u>72,658,316</u>	<u>11,557,904</u>	<u>30,181</u>	<u>84,186,039</u>
Net capital assets	\$ <u>91,810,164</u>	<u>18,051,495</u>	<u>9,406,380</u>	<u>100,455,279</u>

NOTE 7 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended August 31, 2011, was as follows:

	Balance September 1, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Balance August 31, <u>2011</u>	<u>Current Portion</u>
Bonds					
General obligation bonds	\$ 35,799,651	-	1,532,789	34,266,862	1,597,582
Revenue bonds	<u>14,482,000</u>	-	<u>570,000</u>	<u>13,912,000</u>	<u>596,000</u>
Total bonds	<u>50,281,651</u>	-	<u>2,102,789</u>	<u>48,178,862</u>	<u>2,193,582</u>
Other liabilities					
Compensated absences	<u>1,547,642</u>	<u>44,931</u>	<u>75,601</u>	<u>1,516,972</u>	<u>580,706</u>
Total long-term liabilities	\$ <u>51,829,293</u>	<u>44,931</u>	<u>2,178,390</u>	<u>49,695,834</u>	<u>2,774,288</u>

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 7 – LONG-TERM LIABILITIES (CONTINUED)

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

	Balance September 1, 2009	Additions	Reductions	Balance August 31, 2010	Current Portion
<u>Bonds</u>					
General obligation bonds	\$ 37,267,625	-	1,467,974	35,799,651	1,532,789
Revenue bonds	<u>15,027,000</u>	-	<u>545,000</u>	<u>14,482,000</u>	<u>570,000</u>
Total bonds	<u>52,294,625</u>	-	<u>2,012,974</u>	<u>50,281,651</u>	<u>2,102,789</u>
<u>Other liabilities</u>					
Compensated absences	<u>1,475,328</u>	<u>150,960</u>	<u>78,646</u>	<u>1,547,642</u>	<u>573,494</u>
Total long-term liabilities	\$ <u>53,769,953</u>	<u>150,960</u>	<u>2,091,620</u>	<u>51,829,293</u>	<u>2,676,283</u>

NOTE 8 – DEBT OBLIGATIONS

Bonds Payable

Debt service requirements at August 31, 2011, were as follows:

For the Year Ended August 31,	Revenue Bonds		General Obligation Bonds		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 596,000	675,332	1,597,582	1,416,937	2,193,582	2,092,269
2013	633,000	647,437	1,673,424	1,358,509	2,306,424	2,005,946
2014	654,000	617,623	1,750,954	1,296,518	2,404,954	1,914,141
2015	689,000	583,693	1,834,516	1,228,654	2,523,516	1,812,347
2016	720,000	551,428	1,923,653	1,154,717	2,643,653	1,706,145
2017-2021	3,825,000	2,200,770	11,152,181	4,458,743	14,977,181	6,659,513
2022-2026	4,610,000	1,189,182	14,334,552	1,657,788	18,944,552	2,846,970
2027-2028	<u>2,185,000</u>	<u>136,591</u>	-	-	<u>2,185,000</u>	<u>136,591</u>
Total	\$ <u>13,912,000</u>	<u>6,602,056</u>	<u>34,266,862</u>	<u>12,571,866</u>	<u>48,178,862</u>	<u>19,173,922</u>

NOTE 9 – BONDS PAYABLE AND NOTES PAYABLE

General information related to bonds and notes payable is summarized below:

1998 Revenue Bonds (O'Shaughnessy Residence Hall)

- District Building Revenue Bond, Series 1998
- The bond was used to build a women's resident hall.
- Issued on June, 1, 1998
- Original amount issued \$3,500,000; amount authorized \$3,500,000
- Source of payment – pledged revenues

Bonds payable are due in semi-annual installments varying from \$161,245 to \$162,050 at an interest rate of 4.5%. The final installment is due in 2013.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 9 – BONDS PAYABLE AND NOTES PAYABLE (CONTINUED)

1999 Revenue Bonds (Men's Residence Hall)

- District Building Revenue Bond, Series 1999
- The bond was used to build a men's residence hall.
- Issued on September 1, 1999
- Original amount issued \$3,500,000; amount authorized \$3,500,000
- Source of payment – pledged revenues

Bonds payable are due in semi-annual installments varying from \$162,737 to \$164,349 at an interest rate of 4.7%. The final installment is due in 2014.

2008 Revenue Bonds

- District Building Revenue Bond and Refunding, Series 2008
- The bond was used to complete construction and purchase equipment for college buildings and facilities.
- Issued on July 30, 2008
- Original amount issued, \$12,355,000; amount authorized, \$12,355,000
- Source of payment – pledged revenues

Bonds payable are due in semi-annual installments varying from \$133,418 to \$639,033, at an interest rate of 4.94%. The final installment is due in 2028.

2005 General Obligation Bonds

- General Obligation Bonds, Series 2005
- The bonds will be used for construction & equipment of college buildings & facilities.
- Issued on July, 1 2005
- Original amount issued \$40,775,000: amount authorized \$41,769,999
- Bond issued at net premium of \$1,636,765
- Source of payment – Ad valorem taxes

Bonds payable are due in semi-annual installments varying from \$74,766 to \$3,234,766 with interest rates ranging from 3.5% to 5.0%. The final installment is due in 2026.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 10 – DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, were as follows:

	<u>2011</u>	<u>2010</u>
Student Receivables	\$ 793,170	620,497
Taxes Receivable	599,063	619,995
State Receivable	111,924	186,721
Federal Receivable	688,049	973,351
Accounts Receivable	893,870	623,047
Interest Receivable	<u>44,984</u>	<u>42,932</u>
Subtotal	3,131,060	3,066,543
Allowance for Doubtful Accounts	<u>(750,368)</u>	<u>(708,743)</u>
Total Receivables	\$ <u>2,380,692</u>	<u>2,357,800</u>

Payables

Payables at August 31, were as follows:

	<u>2011</u>	<u>2010</u>
Vendors Payable	\$ 2,274,657	3,446,724
Students Payable	<u>167,429</u>	<u>135,225</u>
Total Payables	\$ <u>2,442,086</u>	<u>3,581,949</u>

NOTE 11 – EMPLOYEES' RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for almost all its employees.

Teacher Retirement System of Texas

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

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 11 – EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Teacher Retirement System of Texas (Continued)

Funding Policy. Contribution requirements are not actually determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.40% for the fiscal years 2011 and 2010 and a state contribution rate of 6.644% for fiscal year 2011 and 6.40% for September through December 2009 and 6.644% for the remainder of fiscal year 2010. In certain instances the reporting district is required to make all or a portion of the state's 6.40% contribution for fiscal year 2011 and 6.40% for fiscal year 2010.

Optional Retirement Plan

Plan Description. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The Optional Retirement Program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actually determined but are established and amended by Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.40% and 6.65%, respectively. The College contributes .91% for employees who were participating in the Optional Retirement Program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the District was \$1,160,835 and \$1,169,386 for the fiscal years ended August 31, 2011 and 2010, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College.

The total payroll for all District employees was \$24,033,538 and \$23,889,503 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$12,476,043 and \$12,148,870 and the total payroll of employees covered by the Optional Retirement System was \$8,078,657 and \$8,300,318 for fiscal years 2011 and 2010, respectively.

NOTE 12 – 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 was \$2,051,558 and \$2,113,030 for the years ended August 31, 2011 and 2010, respectively, for retired and active employees. The cost of providing these benefits for retirees is not separable from the cost of providing benefits for the active employees.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 13 – COMPENSATED ABSENCES

Accumulated unpaid vacation pay is accrued as incurred in accordance with NCGA Statement 4, *Accounting and Financial Reporting for Claims and Judgments and Compensated Absences*.

Employees can earn annual vacation leave at the rate of 10 days per year for the first 10 years up to a maximum of 20 days per year after 20 years of service. There is no requirement that annual leave be taken, but the maximum permissible accumulation is 15 days for employees with less than ten years of service. Employees with 10-20 years of service may accumulate up to 22-1/2 days and employees with over 20 years of service may accumulate up to 30 days. At termination, employees are paid for any accumulated annual vacation leave not to exceed their annual entitlement. The liability for accumulated unpaid vacation leave was approximately \$535,000 and \$573,000 on August 31, 2011 and 2010, respectively.

Employees earn sick leave at the rate of 1-1/2 days per month for the first six months of employment, and at a rate of one day for each month thereafter. Sick days may be accumulated up to 90 days. Upon retirement, or upon termination with 10 years or more service, the employee may be paid for any accumulated sick leave in excess of 30 days, at a rate of 1/2 of the employee's current base salary. If an employee terminates prior to 10 years of service, all accumulated sick leave is forfeited. The accrued sick leave amounted to approximately \$847,000 and \$957,000 on August 31, 2011 and 2010, respectively.

NOTE 14 – SELF INSURED WORKERS COMPENSATION

Effective December 1991 through August 1996, the District participated in a public entity risk pool for workers compensation. The participants of the pool include several other community and junior college districts and public school districts. Effective September 1996, the District has worker's compensation insurance through a fully funded insurance provider. The District maintains a liability for any outstanding claims incurred from December 1991 through August 1996 based on the administrator's evaluation.

The plan provided coverage to each participant in amounts up to the lesser of each participant's individual loss fund or \$200,000. The District's loss fund at August 31, 2011 and 2010 was \$2,970 and \$1,358, respectively. Each workers compensation claim in excess of \$200,000 is covered by a "stop-loss" policy. The plan does not provide for any other type of insurance. The District retains no risk of loss for any other types of claims as the District purchases insurance from commercial insurance carriers for all other types of risk coverage. As of August 31, 2011, the District had an estimated claims accrual of approximately \$2,970 for workers compensation claims and had paid claims in 2011 totaling approximately \$582.

NOTE 15 – FUND BALANCES

Ending fund balances at August 31 were as follows:

	<u>2011</u>	<u>2010</u>
Current funds:		
Fund balance, unrestricted	\$ 10,993,892	9,679,154
Fund balance, auxiliary enterprises	1,186,415	1,186,415
Fund balance, restricted	<u>7,259,190</u>	<u>4,486,304</u>
Total, current fund balance	19,439,497	15,351,873
Fund balance, endowment and similar funds	5,015,997	4,793,302
Fund balance, plant funds	<u>57,205,398</u>	<u>55,723,432</u>
Fund balance, primary government	\$ <u>81,660,892</u>	<u>75,868,607</u>

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 16 – LITIGATION

In the ordinary course of business, the District is involved with various claims and potential litigation. Management does not believe that any of these matters will have a material adverse effect on the financial position of the District.

NOTE 17 – CONTRACTS AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are report as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2011 and 2010 for which monies have not been received nor funds expended total \$3,253,865 and \$2,292,510. Of these amounts, \$3,253,865 and \$2,163,124 were from Federal Contract and Grant Awards; and \$-0- and \$129,386 were from State Contract and Grant Awards for the fiscal years ended 2011 and 2010, respectively.

NOTE 18 – 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, 2011 and 2010.

NOTE 19 – SPLIT INTEREST AGREEMENTS

The District has a beneficial interest in a split interest agreement in which it will receive 25% of the remaining assets upon the death of the lead beneficiaries. The District recognized \$2,316 and \$10,984 representing the discounted present value of the expected distributions for the years ended August 31, 2011 and 2010, respectively. In July, the District received notification from the trustee that two lead beneficiaries had passed away, resulting in recognition of an additional \$133,671 in revenue from the expected payout for the two beneficiaries.

NOTE 20 – COMMITMENTS

As of August 31, 2011, the District has awarded the following contracts for construction projects:

Pevehouse Administration Building Renovations	\$	894,287
Magnetic Door Locks		405,870
F. Marie Hall SimLife Center		1,451,000
Art Printmaking Lab		219,657
Warehouse Shade Cover/Softball Concession		362,000

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 21 – RELATED PARTY

Midland College Foundation, Inc. (the “Foundation”), an independent corporation organized for the purpose of fund raising to benefit the District, made contributions of \$3,990,935 and \$1,429,138 in fiscal years 2011 and 2010, respectively. The Foundation advanced funds to the District for the completion of the expansion of the Cogdell Learning Center. Future allocations from a Federal Title V grant will be used to repay the funds advanced. At year end 2011, \$383,968 was payable to the Foundation for this advance. Two trustees of the District are also on the Board of Directors of the Foundation.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (IN ACCORDANCE WITH GASB STATEMENT NO. 45)

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

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

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

The employer’s share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB Statement No. 45.

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

The District’s contributions to SRHP for the years ended August 31, 2011, 2010 and 2009 were \$59,286, \$44,138 and \$34,612, respectively, which equaled the required contributions each year.

Midland College District

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

August 31, 2011 and 2010

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (IN ACCORDANCE WITH GASB STATEMENT NO. 45) (CONTINUED)

In addition to the SRHP, the District also contributes funds for dental and life insurance benefits for retirees. The District's contributions for the years ended August 31, 2011, 2010 and 2009 were \$37,092, \$35,683 and \$32,665, respectively, which equaled the required contributions each year.

NOTE 23 – SUBSEQUENT EVENTS

Management of the District has performed an evaluation of the District's activity through December 8, 2011, the date these financial statements were available for issuance and noted no significant event that would require recording or disclosure.

REQUIRED SUPPLEMENTAL INFORMATION

Midland College District

Schedule A

SCHEDULE OF DETAILED OPERATING REVENUES

Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2011 Total</u>	<u>2010 Memorandum Total</u>
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 3,645,498	-	3,645,498	-	3,645,498	3,362,478
Out-of-district resident tuition	3,370,343	-	3,370,343	-	3,370,343	3,096,876
Non-resident tuition	544,582	-	544,582	-	544,582	536,578
TPEG – credit (set aside) *	383,776	-	383,776	-	383,776	354,040
State-funded continuing education	1,481,829	-	1,481,829	-	1,481,829	1,091,552
TPEG – non-credit (set aside) *	94,704	-	94,704	-	94,704	69,674
Non-state funded continuing educational programs	<u>250,570</u>	<u>-</u>	<u>250,570</u>	<u>-</u>	<u>250,570</u>	<u>272,594</u>
Total tuition	<u>9,771,302</u>	<u>-</u>	<u>9,771,302</u>	<u>-</u>	<u>9,771,302</u>	<u>8,783,792</u>
Fees:						
General use fee	1,948,570	-	1,948,570	-	1,948,570	1,903,199
Lab fees	449,131	-	449,131	-	449,131	456,882
Distance learning fee	763,164	-	763,164	-	763,164	735,431
Installment plan fees	40	-	40	-	40	30
Private flight instruction	489,758	-	489,758	-	489,758	559,508
Other	<u>138,786</u>	<u>-</u>	<u>138,786</u>	<u>-</u>	<u>138,786</u>	<u>126,962</u>
Total fees	<u>3,789,449</u>	<u>-</u>	<u>3,789,449</u>	<u>-</u>	<u>3,789,449</u>	<u>3,782,012</u>
Scholarship allowances and discounts:						
Scholarships	(898,871)	-	(898,871)	-	(898,871)	(1,190,691)
Remissions and exemptions - state	(202,320)	-	(202,320)	-	(202,320)	(148,778)
Remissions and exemptions - local	(378,600)	-	(378,600)	-	(378,600)	(71,785)
Title IV federal grants	(2,053,618)	-	(2,053,618)	-	(2,053,618)	(1,340,483)
TPEG awards	(194,892)	-	(194,892)	-	(194,892)	(204,011)
Other state grants	(209,269)	-	(209,269)	-	(209,269)	(218,897)
Other local grants	<u>(27,769)</u>	<u>-</u>	<u>(27,769)</u>	<u>-</u>	<u>(27,769)</u>	<u>(26,591)</u>
Total scholarship allowances	<u>(3,965,339)</u>	<u>-</u>	<u>(3,965,339)</u>	<u>-</u>	<u>(3,965,339)</u>	<u>(3,201,236)</u>
Total net tuition and fees	<u>9,595,412</u>	<u>-</u>	<u>9,595,412</u>	<u>-</u>	<u>9,595,412</u>	<u>9,364,568</u>

Midland College District

Schedule A

SCHEDULE OF DETAILED OPERATING REVENUES (CONTINUED)

**Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total Educational Activities</u>	<u>Auxiliary Enterprises</u>	<u>2011 Total</u>	<u>2010 Memorandum Total</u>
Additional operating revenues:						
Federal grants and contracts	-	3,787,431	3,787,431	-	3,787,431	4,843,758
State grants and contracts	-	653,076	653,076	-	653,076	565,098
Local grants and contracts	581,302	235,694	816,996	-	816,996	893,852
Non-governmental grants and contracts	556,132	217,792	773,924	110,640	884,564	577,642
Sales and services of educational activities	399,000	-	399,000	-	399,000	283,114
Investment income (program restricted)	-	261,584	261,584	15,401	276,985	338,602
General operating revenues	<u>381,729</u>	<u>117,178</u>	<u>498,907</u>	<u>-</u>	<u>498,907</u>	<u>694,623</u>
Total additional operating revenues	<u>1,918,163</u>	<u>5,272,755</u>	<u>7,190,918</u>	<u>126,041</u>	<u>7,316,959</u>	<u>8,196,689</u>
Auxiliary enterprises:						
Bookstore **	-	-	-	268,905	268,905	278,749
Residential/food service (net of discounts of \$536,538 and \$517,014, respectively)	-	-	-	604,258	604,258	692,350
Athletics	-	-	-	28,742	28,742	20,737
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,410</u>	<u>140,410</u>	<u>140,696</u>
Total net auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,042,315</u>	<u>1,042,315</u>	<u>1,132,532</u>
Total Operating Revenues (Exh. 2)	\$ <u>11,513,575</u>	<u>5,272,755</u>	<u>16,786,330</u>	<u>1,168,356</u>	<u>17,954,686</u> (Exhibit 2)	<u>18,693,789</u> (Exhibit 2)

* In accordance with Education Code 56.033, \$478,480 and \$423,714 for years ended August 31, 2011 and 2010, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

** The Midland College Bookstore is outsourced. Bookstore revenue is derived from lease payments. Accordingly, there are no scholarship allowances and discounts related to bookstore revenues.

Midland College District

Schedule B

**SCHEDULE OF OPERATING EXPENSES
BY OBJECT**

**Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)**

	Operating Expenses			2011 Total	2010 Memorandum Total
	Salaries and Wages	Benefits State	Local		
Unrestricted - Educational Activities					
Instruction	\$ 12,209,472	-	1,758,768	1,970,231	15,938,471
Public service	686,376	-	75,629	155,656	917,661
Academic support	3,068,877	-	321,324	1,679,040	5,069,241
Student services	1,803,962	-	245,970	392,597	2,442,529
Institutional support	2,810,351	-	444,751	1,471,634	4,726,736
Operation and maintenance of plant	871,271	-	327,196	4,184,643	5,383,110
Scholarships and fellowships	-	-	-	16,388	16,388
Total Unrestricted Educational Activities	21,450,309	-	3,173,638	9,870,189	34,494,136
Restricted – Educational Activities					
Instruction	698,213	2,002,644	109,498	1,117,420	3,927,775
Public service	373,403	-	95,063	1,088,490	1,556,956
Academic support	281,510	329,088	80,557	436,589	1,127,744
Student services	224,388	363,312	72,244	271,635	931,579
Institutional support	-	487,786	-	-	487,786
Operation and maintenance of plant	-	42,509	-	352,222	394,731
Scholarships and fellowships	-	-	-	5,904,258 *	5,904,258
Total Restricted Educational Activities	1,577,514	3,225,339	357,362	9,170,614	14,330,829
Total Educational Activities	23,027,823	3,225,339	3,531,000	19,040,803 **	48,824,965
Auxiliary Enterprises	778,094	-	187,410	1,519,525	2,485,029
Depreciation Expense – Buildings and other real estate improvements	-	-	-	2,235,381	2,235,381
Depreciation Expense – Equipment and furniture	-	-	-	1,290,436	1,290,436
Total Operating Expenses	\$ 23,805,917	3,225,339	3,718,410	24,086,145	54,835,811
				(Exhibit 2)	(Exhibit 2)

* net of discounts of \$3,384,418

** net of discounts of \$536,538

Midland College District

Schedule C

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2011 Total</u>	<u>2010 Memorandum Total</u>
NON-OPERATING REVENUES:					
State appropriations					
Education and general state support	\$ 8,878,553	-	-	8,878,553	9,339,756
State group insurance	-	2,064,504	-	2,064,504	2,113,030
State retirement matching	-	1,160,835	-	1,160,835	1,169,386
Professional nursing shortage reduction	-	121,500	-	121,500	110,000
American Airpower Heritage Museum	-	461,299	-	461,299	473,767
Total state appropriations	8,878,553	3,808,138	-	12,686,691	13,205,939
Maintenance ad valorem taxes	16,932,448	-	-	16,932,448	15,899,873
Debt service ad valorem taxes	-	3,072,104	-	3,072,104	3,035,776
Federal Revenue, non-operating	-	6,850,456	-	6,850,456	6,123,404
Gifts	-	2,083,151	-	2,083,151	1,801,945
Investment income	23,340	9,959	-	33,299	67,907
Gain on sale of assets	-	-	-	-	15,952
Contributions in aid of construction	-	3,044,185	-	3,044,185	931,052
Additions to permanent endowments	-	160,825	-	160,825	29,485
Other non-operating revenue	-	-	-	-	461,903
Total non-operating revenues	25,834,341	19,028,818	-	44,863,159	41,573,236
NON-OPERATING EXPENSES:					
Interest on capital related debt	-	(2,131,674)	-	(2,131,674)	(2,032,603)
Loss on disposal of capital assets	(16,096)	-	-	(16,096)	-
Other non-operating expense	-	(41,979)	-	(41,979)	(526,396)
Total non-operating expenses	(16,096)	(2,173,653)	-	(2,189,749)	(2,558,999)
Net non-operating revenues	\$ 25,818,245	16,855,165	-	42,673,410 (Exhibit 2)	39,014,237 (Exhibit 2)

Midland College District

Schedule D

SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY

Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted Expendable	Non- Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:							
Unrestricted	\$ 10,900,780	-	-	-	10,900,780	10,900,780	-
Board designated	93,112	-	-	-	93,112	93,112	-
Restricted	-	7,259,190	-	-	7,259,190	7,259,190	-
Auxiliary enterprises	1,186,415	-	-	-	1,186,415	1,186,415	-
Endowment:							
Quasi:							
Unrestricted	-	-	-	-	-	-	-
Endowment:							
True	-	-	5,015,997	-	5,015,997	-	5,015,997
Plant:							
Debt service	-	225,050	-	-	225,050	-	225,050
Investment in plant	-	-	-	56,980,348	56,980,348	-	56,980,348
Total Net Assets, August 31, 2011	12,180,307	7,484,240	5,015,997	56,980,348	81,660,892 (Exhibit 1)	19,439,497	62,221,395
Total Net Assets, August 31, 2010	<u>10,865,569</u>	<u>4,593,731</u>	<u>4,793,302</u>	<u>55,616,005</u>	<u>75,868,607</u> (Exhibit 1)	<u>15,351,873</u>	<u>60,516,734</u>
Net Increase in Net Assets	\$ <u>1,314,738</u>	<u>2,890,509</u>	<u>222,695</u>	<u>1,364,343</u>	<u>5,792,285</u> (Exhibit 2)	<u>4,087,624</u>	<u>1,704,661</u>

Midland College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended August 31, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Document/ Pass-Through Grantor's Number</u>	<u>Pass-Through Disbursement and Expenditures</u>
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Education			
Opportunity Grant	84.007	P007A104070	\$ 49,577
Federal College Work-Study Program	84.033	P033A104070	72,105
Federal Pell Grant Program	84.063	P063P103245	6,619,850
Federal Direct Student Loans	84.268	P268K113245	317,401
Academic Competiveness Grant	84.375	P375A103245	96,088
Higher Education – Institution Aid –			
Rural Science Education Cooperative Hispanic			
Serving Institutions	84.031C	P031C080077	302,282
Higher Education – Institutional Aid –			
Title V Cooperative Hispanic Serving			
Institutions	84.031S	P031S080021	553,228
TRIO Cluster:			
Student Support Services	84.042A	P042A100039	250,930
Upward Bound	84.047A	P047A090014	247,340
Pass-Through From:			
Texas Education Agency			
Adult Basic Education – Federal/Corrections	84.002A	114100017110339	227,639
Texas Higher Education Coordinating Board			
Carl Perkins – Voc. Ed. – Basic	84.048	114231	196,523
Carl Perkins – WECM	84.048	111202	<u>151,838</u>
Subtotal – CFDA 84.048			348,361
Leveraging Education Assistance			
Partnership (LEAP)	84.069A	-	5,430
Special Leveraging Education Assistance			
Partnership (SLEAP)	84.069B	-	7,406
Carl Perkins – Voc. Ed. Tech Prep.	84.243	111715	251,667
Texas Tech University			
ARRA – State Fiscal Stabilization	84.397A	04183-7	<u>199,882</u>
Total U.S. Department of Education			<u>9,549,186</u>

Midland College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Document/ Pass-Through Grantor's Number</u>	<u>Pass-Through Disbursement and Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Hispanic Serving Institutions Assisting Communities	14.514	HSIAC-07-TX-29	52,415
Hispanic Serving Institutions Assisting Communities	14.514	HSIAC-10-TX-04	<u>125,487</u>
Total U.S. Department of Housing and Urban Development			<u>177,902</u>
<u>U.S. Department of Labor</u>			
Pass-Through From:			
Texas Workforce Commission ARRA-WIA Dislocated Workers	17.260	1110XSD000	486,813
Permian Basin Regional Planning Commission ARRA-Program of Competitive Grants for Worker Training & Placement in High Growth & Emerging Industry Sectors	17.275	SG/DFA-PY08-19	<u>31,446</u>
Total U.S. Department of Labor			<u>518,259</u>
<u>National Science Foundation</u>			
Pass-Through From:			
University of Texas System Alliance for Minority Participation	47.076	HRD-0703584	32,412
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Texas Tech University Area Health Education Centers Point of Service Maintenance and Enhancement	93.107	5-U77HP16497-02-00	82,283
Texas Education Agency Adult Basic Education – Federal TANF	93.558	113625017110318	32,632
Pitt Community College ARRA-Health Information Technology	93.721	90CC007801	323,249
ARRA-Health Information Technology	93.721	90CC007802	<u>239,365</u>
Subtotal – CFDA 93.721			562,614
Total Department of Health and Human Services			<u>677,529</u>
Total Federal Financial Assistance			\$ <u>10,955,288</u>

Midland College District

Schedule E

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended August 31, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Document/ Pass-Through Grantor's Number</u>	<u>Pass-Through Disbursement and Expenditures</u>
<i>Note 1: Federal Assistance Reconciliation</i>			
Federal Grants and Contracts revenue – per Schedule A			\$ 3,787,431
Non-Operating Federal Revenue from Schedule C			6,850,456
Federal Direct Student Loans			<u>317,401</u>
 Total Federal Revenues per Schedule of Expenditures of Federal Awards			 \$ <u>10,955,288</u>

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. Some amounts reported in the schedule may differ from amounts used in the preparation of the general purpose financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 2: Amounts passed-through by the District

The following amounts were passed-through to the listed sub-recipients by the college. These amounts were from the Rural Science Education Cooperative Grant program CFDA 84.031C from U.S. Department of Education.

Sul Ross University	\$ <u>63,627</u>
Total amount passed-through Midland College District	\$ <u>63,627</u>

The following amounts were passed-through to the listed sub-recipients by the District. These amounts were from the Carl Perkins – Voc. Ed. Tech Prep Grant program CFDA 84.243 from the Texas Higher Education Coordinating Board.

Howard College	\$ 77,630
Odessa Junior College	<u>77,729</u>
Total amounts passed-through Midland College District	\$ <u>155,359</u>

Midland College District

Schedule F

SCHEDULE OF EXPENDITURES OF STATE AWARDS

Year Ended August 31, 2011

State Grantor/Pass-Through Grantor/ Program Title	Grant/Contract Number	Pass-Through Disbursement and Expenditures
Direct Programs:		
Comptroller of Public Accounts		
JET – Diesel	3595-6	\$ 129,004
JET – Nursing	3572-31	<u>27,405</u>
Subtotal Comptroller of Public Accounts		156,409
 Texas Education Agency		
Adult Basic Education	110100017110339	126,713
 Texas Higher Education Coordinating Board		
Intensive College Readiness Program	-	47,013
Nursing Shortage Reduction	-	75,553
Texas College Work Study	-	26,709
Texas Grant	-	181,435
Texas Education Opportunity Grant	-	<u>83,685</u>
Subtotal Texas Higher Education Coordinating Board		<u>414,395</u>
 Total State Financial Assistance		 \$ <u><u>697,517</u></u>
 <i>Note 1: State Assistance Reconciliation</i>		
Total State Financial Assistance		\$ 697,517
Nursing Shortage Reduction revenue reported on Schedule C		(75,553)
Intensive College Readiness program receipts in excess of expenditures		<u>31,112</u>
 Total State Revenues per Schedule A		 \$ <u><u>653,076</u></u>

Note 2: Significant Accounting Policies Used in Preparing the Schedule

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 which 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. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

SINGLE AUDIT REPORTS



**Independent Auditors' 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**

The Board of Trustees
Midland College District
Midland, Texas

We have audited the financial statements of Midland College District (the "District") as of and for the year ended August 31, 2011, and have issued our report thereon dated December 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

We have performed tests designed to verify the District's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended August 31, 2011, no instances of noncompliance were noted.

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

Johnson Miller & Co., CPA's PC

Midland, Texas
December 8, 2011



JOHNSON MILLER & CO., CPA's PC

Certified Public Accountants

A Professional Corporation

An Independent Member Of BDO Seidman Alliance

Midland, Texas
Odessa, Texas
Hobbs, New Mexico

**Independent Auditors' Report on
Compliance With Requirements That Could Have a Direct and
Material Effect on Each Major Program and on Internal
Control Over Compliance in Accordance with OMB Circular A-133
and the Provisions of the State of Texas Single Audit Circular**

The Board of Trustees
Midland College District
Midland, Texas

Compliance

We have audited Midland College District's (the "District") compliance with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Provisions of the State of Texas Single Audit Circular* that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2011. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization* and the *Provisions of the State of Texas Single Audit Circular*. Those standards, OMB Circular A-133 and the *Provisions of 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the 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 programs to determine the 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 Provisions of the State of Texas Single Audit Circular but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Johnson Miller & Co., CPA's PC

Midland, Texas
December 8, 2011

Midland College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

August 31, 2011

The Board of Trustees
Midland College District
Midland, Texas

SECTION I - SUMMARY OF AUDITOR'S RESULTS

<u>Type of Auditor's Report issued</u>	Unqualified
Internal control over financial reporting:	
Material Weaknesses Identified?	No
Significant Deficiencies Identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No
<u>Federal and State Awards</u>	
Internal control over major programs:	
Material Weaknesses Identified?	No
Significant Deficiencies Identified that are not considered to be material weaknesses?	None reported
Type of Auditor's Report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 and State of Texas Single Audit Circular?	No

Midland College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2011

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.007	Student Financial Aid Cluster: Federal Supplemental Education Opportunity Grant
84.033	Federal College Workstudy Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.375	Academic Competitiveness Grant
84.397A	ARRA – State Fiscal Stabilization
17.260	Texas Workforce Commission ARRA – WIA Dislocated Workers
93.721	Pitt Community College: ARRA – Health Information Technology
	<u>Name of State Program or Cluster</u>
N/A	Comptroller of Public Accountants JET-Diesel
N/A	Texas Education Agency Adult Basic Education
Dollar threshold used to distinguish between type A and type B programs:	Federal programs threshold \$325,659; State programs threshold \$300,000
Auditee qualified as low-risk auditee?	Yes
Section II – FINANCIAL STATEMENT FINDINGS	No matters were reported.

Midland College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2011

Section III – Federal or State Award Findings and Questioned Costs

No matters were reported.

Midland College District

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

August 31, 2010

Section III – Federal or State Award Findings and Questioned Costs

No matters were reported.

STATISTICAL SUPPLEMENT

**Midland College District
Statistical Supplement 1
Net Assets by Component
Fiscal Years 2002-2011**
(unaudited)
(amounts expressed in thousands)

	For the Fiscal Year Ended August 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 56,980	55,616	51,224	45,506	41,441	37,892	34,671	31,788	29,545	29,793
Restricted - expendable	7,485	4,594	4,702	7,008	6,680	5,225	3,395	2,723	3,387	2,811
Restricted - nonexpendable	5,016	4,793	4,644	4,400	3,965	3,795	3,167	3,069	3,053	3,037
Unrestricted	12,180	10,866	10,735	10,634	9,275	7,096	6,228	5,807	4,825	4,805
Total primary government net assets	\$ 81,661	75,869	71,305	67,548	61,361	54,008	47,461	43,387	40,810	40,446

**Midland College District
Statistical Supplement 2
Revenues by Source
Fiscal Years 2002-2011
(unaudited)**

For the Year Ended August 31,

(amounts in 000's)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (net of discounts)	\$ 9,595	9,365	8,024	7,522	7,603	5,803	5,344	4,617	3,564	3,541
Federal Grants and Contracts	3,787	4,844	3,202	2,013	2,690	3,867	4,036	3,875	2,997	2,351
State Grants and Contracts	653	565	271	278	183	275	228	289	983	1,856
Local Grants and Contracts	817	894	829	861	736	612	756	633	399	470
Non-Governmental Grants and Contracts	885	578	722	1,073	699	796	271	152	119	26
Sales and services of educational activities	399	283	194	200	217	240	239	236	353	407
Investment income-program restricted	277	339	499	615	624	306	171	223	230	296
Auxiliary enterprises (net of discounts)	1,042	1,132	1,040	1,030	942	859	873	824	699	794
Other operating revenues	499	694	737	673	698	614	475	520	574	487
Total Operating Revenues	17,954	18,694	15,518	14,265	14,392	13,372	12,393	11,369	9,918	10,228
State Appropriations	12,687	13,206	13,862	13,656	13,498	13,418	11,113	10,954	11,117	10,941
Ad Valorem Taxes	20,004	18,936	17,743	16,676	15,419	14,312	10,917	10,068	9,763	9,519
Federal Revenue, non-operating	6,850	6,123	3,873	3,780	3,849	4,303	4,678	4,581	3,871	2,834
Gifts	2,083	1,802	1,622	1,505	1,443	1,882	2,138	1,176	833	837
Investment income	33	68	334	1,389	2,456	2,201	215	87	102	89
Contributions in aid of construction	3,044	931	1,572	2,313	731	176	3,557	1,048	-	-
Gain on disposal of fixed assets	-	16	-	-	-	16	-	-	-	-
Additions to permanent endowments	161	29	103	348	145	700	171	52	-	-
Other non-operating revenues	-	462	4,031	487	-	-	-	-	-	-
Total Non-Operating Revenues	44,862	41,573	43,140	40,154	37,541	37,008	32,789	27,966	25,686	24,220
Total Revenues	\$ 62,816	60,267	58,658	54,419	51,933	50,380	45,182	39,335	35,604	34,448

For the Year Ended August 31,

(% of total)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (net of discounts)	15.27%	15.55%	13.68%	13.83%	14.64%	11.52%	11.84%	11.74%	10.01%	10.28%
Federal Grants and Contracts	6.02%	8.03%	5.45%	3.69%	5.17%	7.67%	8.93%	9.85%	8.42%	6.82%
State Grants and Contracts	1.04%	0.94%	0.46%	0.51%	0.35%	0.55%	0.50%	0.73%	2.76%	5.39%
Local Grants and Contracts	1.29%	1.48%	1.40%	1.57%	1.41%	1.20%	1.67%	1.61%	1.12%	1.36%
Non-Governmental Grants and Contracts	1.41%	0.96%	1.23%	1.97%	1.35%	1.58%	0.60%	0.39%	0.33%	0.08%
Sales and services of educational activities	0.64%	0.47%	0.33%	0.37%	0.42%	0.48%	0.53%	0.60%	0.99%	1.18%
Investment income-program restricted	0.44%	0.56%	0.85%	1.13%	1.20%	0.61%	0.38%	0.57%	0.65%	0.86%
Auxiliary enterprises (net of discounts)	1.66%	1.88%	1.77%	1.89%	1.81%	1.71%	1.93%	2.09%	1.96%	2.30%
Other operating revenues	0.79%	1.15%	1.26%	1.24%	1.34%	1.22%	1.05%	1.32%	1.62%	1.42%
Total Operating Revenues	28.56%	31.02%	26.43%	26.20%	27.69%	26.54%	27.43%	28.90%	27.86%	29.69%
State Appropriations	20.21%	21.91%	23.64%	25.10%	26.00%	26.63%	24.60%	27.85%	31.22%	31.76%
Ad Valorem Taxes	31.85%	31.42%	30.26%	30.65%	29.70%	28.41%	24.16%	25.60%	27.42%	27.63%
Federal Revenue, non-operating	10.90%	10.16%	6.60%	6.95%	7.41%	8.54%	10.35%	11.65%	10.87%	8.23%
Gifts	3.32%	2.99%	2.77%	2.77%	2.78%	3.74%	4.73%	2.99%	2.34%	2.43%
Investment income	0.05%	0.11%	0.57%	2.55%	4.73%	4.37%	0.48%	0.22%	0.29%	0.26%
Contributions in aid of construction	4.85%	1.54%	2.68%	4.25%	1.41%	0.35%	7.87%	2.66%	-	-
Gain on disposal of fixed assets	-	0.03%	-	-	-	0.03%	-	-	-	-
Additions to permanent endowments	0.26%	0.05%	0.18%	0.64%	0.28%	1.39%	0.38%	0.13%	-	-
Other non-operating revenues	-	0.77%	6.87%	0.89%	-	-	-	-	-	-
Total Non-Operating Revenues	71.44%	68.98%	73.57%	73.80%	72.31%	73.46%	72.57%	71.10%	72.14%	70.31%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Midland College District
Statistical Supplement 3
Program Expenses by Function
Fiscal Years 2002-2011
(unaudited)**

For the Year Ended August 31,

(amounts in 000's)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction		19,525	18,456	17,676	17,266	16,686	16,042	13,840	14,014	13,513
Public service	2,475	2,551	2,316	1,887	2,242	2,430	2,195	2,054	2,699	1,964
Academic support	6,197	6,166	5,572	5,014	4,834	4,688	4,465	4,433	2,580	3,529
Student services	3,374	3,405	3,342	3,077	2,948	2,706	2,608	2,393	2,444	2,399
Institutional support	5,214	5,195	5,040	4,630	4,292	3,908	3,526	3,266	3,015	2,952
Operation and maintenance of plant	5,778	5,594	4,835	5,173	4,000	4,118	3,581	3,142	3,383	4,385
Scholarships & fellowships(net of discounts)	5,921	5,396	3,484	3,498	3,296	3,760	3,905	4,099	3,610	2,798
Auxiliary enterprises (net of discounts)	2,485	2,401	2,427	2,482	1,929	1,813	1,753	1,639	1,480	1,326
Depreciation	3,526	2,912	2,545	1,856	1,680	1,599	1,520	1,477	1,299	1,236
Total Operating Expenses	34,970	53,145	48,017	45,293	42,487	41,708	39,595	36,343	34,524	34,102
Interest on capital related debt	2,132	2,033	1,913	1,919	2,017	2,083	501	462	483	331
Loss on disposal of fixed assets	16	-	32	28	13	-	6	6	21	69
Other non-operating expenses	42	526	4,938	992	63	41	8	-	39	12
Total Non-Operating Expenses	2,190	2,559	6,883	2,939	2,093	2,124	515	468	543	412
Total Expenses	\$ 37,160	55,704	54,900	48,232	44,580	43,832	40,110	36,811	35,067	34,514

For the Year Ended August 31,

(% of total)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	0.00%	35.05%	33.61%	36.64%	38.74%	38.07%	40.00%	37.60%	39.96%	39.15%
Public service	6.66%	4.58%	4.22%	3.91%	5.03%	5.54%	5.47%	5.58%	7.70%	5.69%
Academic support	16.68%	11.07%	10.15%	10.40%	10.84%	10.70%	11.13%	12.04%	7.36%	10.23%
Student services	9.08%	6.11%	6.09%	6.38%	6.61%	6.17%	6.50%	6.50%	6.97%	6.95%
Institutional support	14.03%	9.33%	9.18%	9.60%	9.63%	8.92%	8.79%	8.87%	8.60%	8.55%
Operation and maintenance of plant	15.55%	10.04%	8.81%	10.72%	8.97%	9.39%	8.93%	8.54%	9.65%	12.70%
Scholarships and fellowships	15.93%	9.69%	6.35%	7.25%	7.39%	8.58%	9.74%	11.14%	10.29%	8.12%
Auxiliary enterprises	6.69%	4.31%	4.42%	5.15%	4.33%	4.14%	4.37%	4.45%	4.22%	3.84%
Depreciation	9.49%	5.23%	4.64%	3.85%	3.77%	3.65%	3.79%	4.01%	3.70%	3.58%
Total Operating Expenses	94.11%	95.41%	87.47%	93.90%	95.31%	95.16%	98.72%	98.73%	98.45%	98.81%
Interest on capital related debt	5.74%	3.65%	3.48%	3.98%	4.52%	4.75%	1.25%	1.25%	1.38%	0.96%
Loss on disposal of fixed assets	0.04%	-	0.06%	0.06%	0.03%	-	0.01%	0.02%	0.06%	0.20%
Other non-operating expenses	0.11%	0.94%	8.99%	2.06%	0.14%	0.09%	0.02%	-	0.11%	0.03%
Total Non-Operating Expenses	5.89%	4.59%	12.53%	6.10%	4.69%	4.84%	1.28%	1.27%	1.55%	1.19%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Midland College District
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)**

Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	In-District Tuition	Out-of-District Tuition	Technology Fees	Student Activity Fees	General Use Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2010-11	\$ -	\$ 49	\$ 73	\$ -	\$ -	\$ 14	\$ 756	\$ 1,044	5.00%	6.10%
2009-10	-	46	68	-	-	14	720	984	5.26%	6.49%
2008-09	-	43	63	-	-	14	684	924	7.55%	18.46%
2007-08	-	43	55	-	-	10	636	780	-	-
2006-07	-	43	55	-	-	10	636	780	17.78%	14.04%
2005-06	-	37	49	-	-	8	540	684	-	14.00%
2004-05	-	37	42	-	-	8	540	600	4.65%	4.17%
2003-04	-	36	41	-	-	7	516	576	16.22%	23.08%
2002-03	-	31	33	-	-	6	444	468	-	-
2001-02	-	31	33	-	-	6	444	468	8.82%	8.33%

Non - Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Student Activity Fees	General Use Fee	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2010-11	\$ -	\$ 106	\$ 106	\$ -	\$ -	\$ 14	\$ 1,440	\$ 1,440	4.35%	4.35%
2009-10	-	101	101	-	-	14	1,380	1,380	6.48%	6.48%
2008-09	-	94	94	-	-	14	1,296	1,296	14.89%	14.89%
2007-08	-	84	84	-	-	10	1,128	1,128	-	-
2006-07	-	84	84	-	-	10	1,128	1,128	9.30%	9.30%
2005-06	-	78	78	-	-	8	1,032	1,032	2.38%	2.38%
2004-05	-	76	76	-	-	8	1,008	1,008	23.53%	23.53%
2003-04	-	61	61	-	-	7	816	816	15.25%	15.25%
2002-03	-	53	53	-	-	6	708	708	-	-
2001-02	-	53	53	-	-	6	708	708	5.36%	5.36%

Note: In addition students may incur course related fees such as laboratory fees, testing fees and certification fees.

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

Fiscal Year	(amounts expressed in thousands)				Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2010-11	\$ 12,792,106	\$ 1,070,270	\$ 11,721,836	91.63%	\$ 0.143940	\$ 0.025960	\$ 0.169900
2009-10	12,219,385	1,197,661	11,021,724	90.20%	0.144600	0.027328	0.171928
2008-09	11,660,357	1,293,329	10,367,028	88.91%	0.144600	0.028310	0.172910
2007-08	9,672,151	977,526	8,694,625	89.89%	0.157154	0.033966	0.191120
2006-07	7,985,268	536,613	7,448,655	93.28%	0.167481	0.038719	0.206200
2005-06	6,772,061	462,783	6,309,278	93.17%	0.179400	0.045300	0.224700
2004-05	6,120,653	461,916	5,658,737	92.45%	0.190600	-	0.190600
2003-04	5,668,701	456,955	5,211,746	91.94%	0.185200	0.005400	0.190600
2002-03	5,515,729	443,637	5,072,092	91.96%	0.185200	0.005400	0.190600
2001-02	5,580,072	412,052	5,168,020	92.62%	0.177800	0.005400	0.183200

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**Midland College District
Statistical Supplement 6
State Appropriation per FTSE and Contact Hours
Last Ten Fiscal Years
(unaudited)**

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation (000's)	FTSE (1)	State Appropriation per FTSE	Academic Contact Hours (a) (000's)	Voc/Tech Contact Hours (a,b) (000's)	Total Contact Hours (000's)	State Appropriation per Contact Hour
2010-11	\$ 8,879	4,518	\$ 1,965	1,966	1,062	3,028	\$ 2.93
2009-10	9,340	4,348	2,148	1,898	1,032	2,930	3.19
2008-09	9,877	3,989	2,476	1,742	939	2,681	3.68
2007-08	9,877	3,988	2,477	1,673	973	2,646	3.73
2006-07	9,371	4,041	2,319	1,715	944	2,659	3.52
2005-06	9,371	4,012	2,336	1,691	936	2,627	3.57
2004-05	8,039	4,031	1,994	1,682	943	2,625	3.06
2003-04	8,079	3,967	2,037	1,671	885	2,556	3.16
2002-03	7,870	3,686	2,135	1,539	853	2,392	3.29
2001-02	8,499	3,607	2,356	1,485	875	2,360	3.60

(a) Source CBM001
(b) Source CBM00A

Notes:

(1) FTSE is calculated by the following formula:

$$\frac{(\text{Total Semester Hours Taken by Credit Students (a)})}{30} + \frac{(\text{Total Contact Hours Taken by CE Students(b)})}{900}$$

	Voc-Tech Contact Hrs (000's)		
	Credit	CE	Total
10-11	863	199	1062
09-10	879	153	1032
08-09	782	157	939
07-08	779	194	973
06-07	740	204	944
05-06	717	219	936
04-05	716	227	943
03-04	650	235	885
02-03	660	193	853
01-02	620	255	875

**Midland College District
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Pioneer Natural Res	Oil & Gas	\$ 623,147	539,294	625,549	488,618	481,708	357,957	268,212	241,937	254,337	290,553
Endeavor Energy Res LP	Oil & Gas	341,212	150,342	178,262	130,594	144,955	85,373	49,153	34,054	30,006	26,246
Chevron USA Inc	Oil & Gas	157,078	154,984	194,148	185,222	178,526	152,643	125,693	64,441	-	-
BP America Prod Co	Oil & Gas	130,595	106,426	93,550	85,107	79,680	71,756	54,782	59,521	67,940	-
Fasken Land & Minerals Ltd	Oil & Gas	108,376	-	-	-	-	-	-	-	-	-
COG Operating LLC	Oil & Gas	97,730	64,612	-	-	-	-	-	-	-	-
Henry Petroleum LP	Oil & Gas	76,388	-	-	59,226	61,276	40,159	-	-	-	-
TRA Midland Properties	Investment	75,718	71,206	66,020	-	-	-	-	-	-	-
TXU Electric Delivery Co	Utility	61,736	63,775	67,490	64,594	63,446	-	-	-	-	-
Mobil Producing Tx & NM-Dev/Gas	Oil & Gas	56,922	-	-	47,193	50,716	44,193	38,984	35,964	41,213	48,549
LCX Energy LLC	Oil & Gas	-	142,070	180,265	150,369	146,258	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	-	93,564	97,815	-	-	39,428	28,040	29,764	27,455	22,159
Borets-Weatherfod (SOS)	Oil & Gas	-	56,909	-	-	-	-	-	-	-	-
Big Dog Drilling Co	Oil & Gas	-	-	83,559	-	-	-	-	-	-	-
Dawson Geophysycal	Oil & Gas	-	-	67,634	72,273	55,815	-	-	-	-	-
Southwestern Bell Tele	Utility	-	-	-	52,745	48,996	51,470	50,653	55,870	62,096	61,201
Perenco LLC	Oil & Gas	-	-	-	-	-	73,253	50,758	26,302	-	-
Oncor Elec Delivery LP	Utility	-	-	-	-	-	61,072	59,315	57,366	59,376	58,982
Mobil Producing Tx & NM	Oil & Gas	-	-	-	-	-	-	27,851	-	-	28,539
Texaco E & P Inc	Oil & Gas	-	-	-	-	-	-	-	34,499	96,992	130,609
CMS Oil & Gas Company	Oil & Gas	-	-	-	-	-	-	-	-	24,667	-
Midland Park Mall LP	Retail	-	-	-	-	-	-	-	-	24,571	24,571
ARCO Permian	Oil & Gas	-	-	-	-	-	-	-	-	-	113,906
Totals		\$ 1,728,902	1,443,182	1,654,292	1,335,941	1,311,376	977,304	753,441	639,718	688,653	805,315
Total Taxable Assessed Value		\$ 11,021,724	10,367,028	8,694,625	7,448,655	6,309,278	5,658,737	5,211,746	5,072,092	5,168,020	4,539,277

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Pioneer Natural Res	Oil & Gas	6.01%	5.20%	6.03%	4.71%	4.65%	6.33%	5.15%	4.77%	4.92%	6.40%
Endeavor Energy Res LP	Oil & Gas	3.29%	1.45%	1.72%	1.26%	1.40%	1.51%	0.94%	0.67%	0.58%	0.58%
Chevron USA Inc	Oil & Gas	1.52%	1.49%	1.87%	1.79%	1.72%	2.70%	2.41%	1.27%	-	-
BP America Prod Co	Oil & Gas	1.26%	1.03%	0.90%	0.82%	0.77%	1.27%	1.05%	1.17%	1.31%	-
Fasken Land & Minerals Ltd	Oil & Gas	1.05%	-	-	-	-	-	-	-	-	-
COG Operating LLC	Oil & Gas	0.94%	0.62%	-	-	-	-	-	-	-	-
Henry Petroleum LP	Oil & Gas	0.74%	-	-	0.57%	0.59%	0.71%	-	-	-	-
TRA Midland Properties	Investment	0.73%	0.69%	0.64%	-	-	-	-	-	-	-
TXU Electric Delivery Co	Utility	0.60%	0.62%	0.65%	0.62%	0.61%	-	-	-	-	-
Mobil Producing Tx & NM-Dev/Gas	Oil & Gas	0.55%	-	-	0.46%	0.49%	0.78%	0.75%	0.71%	0.80%	1.07%
LCX Energy LLC	Oil & Gas	-	1.37%	1.74%	1.45%	1.41%	-	-	-	-	-
Oxy USA WTP LP	Oil & Gas	-	0.90%	0.94%	-	-	0.70%	0.54%	0.59%	0.53%	0.49%
Borets-Weatherfod (SOS)	Oil & Gas	-	0.55%	-	-	-	-	-	-	-	-
Big Dog Drilling Co	Oil & Gas	-	-	0.81%	-	-	-	-	-	-	-
Dawson Geophysycal	Oil & Gas	-	-	0.65%	0.70%	0.54%	-	-	-	-	-
Southwestern Bell Tele	Utility	-	-	-	0.51%	0.47%	0.91%	0.97%	1.10%	1.20%	1.35%
Perenco LLC	Oil & Gas	-	-	-	-	-	1.29%	0.97%	0.52%	-	-
Oncor Elec Delivery LP	Utility	-	-	-	-	-	1.08%	1.14%	1.13%	1.15%	1.30%
Mobil Producing Tx & NM	Oil & Gas	-	-	-	-	-	-	0.53%	-	-	0.63%
Texaco E & P Inc	Oil & Gas	-	-	-	-	-	-	-	0.68%	1.88%	2.88%
CMS Oil & Gas Company	Oil & Gas	-	-	-	-	-	-	-	-	0.48%	-
Midland Park Mall LP	Retail	-	-	-	-	-	-	-	-	0.48%	0.54%
ARCO Permian	Oil & Gas	-	-	-	-	-	-	-	-	-	2.51%
Totals		16.69%	13.92%	15.95%	12.89%	12.65%	17.28%	14.45%	12.61%	13.33%	17.75%

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

Fiscal Year Ended	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections-Year of Levy (c)	Percentages	Prior Collections of Prior Levies* (d)	Current Collections of Prior Levies* (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2010-11	\$ 19,915	\$ (4)	\$ 19,911	\$ 19,643	98.65%	\$ -	\$ -	\$ 19,643	98.65%
2009-10	18,949	(5)	18,944	18,643	98.41%	-	190	18,833	99.41%
2008-09	17,925	24	17,949	17,574	97.91%	185	50	17,809	99.22%
2007-08	16,617	(1)	16,616	16,326	98.25%	218	24	16,568	99.71%
2006-07	15,359	(13)	15,346	15,142	98.67%	216	12	15,370	100.16%
2005-06	14,177	(6)	14,171	13,979	98.65%	217	7	14,203	100.23%
2004-05	10,786	-	10,786	10,576	98.05%	191	(13)	10,754	99.70%
2003-04	9,933	30	9,963	9,750	97.86%	216	(20)	9,946	99.83%
2002-03	9,667	14	9,681	9,469	97.81%	180	1	9,650	99.68%
2001-02	9,468	(12)	9,456	9,225	97.56%	189	1	9,415	99.57%

* "Collections for prior Years" does not include penalties or interest. It includes taxes only.

Source: Local Tax Assessor/Collector's and District records.

**Midland College District
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)**

	For the Years Ended August 31 (amounts expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Bonded Debt										
General Obligation Bonds	\$ 34,267	35,800	37,268	38,671	40,017	41,307	42,391	-	-	-
Contractual Obligation Bonds	-	-	-	-	-	-	-	-	-	270
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds Restricted for Debt Service	(188)	(128)	(85)	(174)	(95)	(110)	(246)	-	-	(4)
Net General Bonded Debt	34,079	35,672	37,183	38,497	39,922	41,197	42,145	-	-	266
Other Debt										
Revenue Bonds	13,912	14,482	15,027	15,735	7,331	8,035	8,708	9,351	9,964	9,850
Notes	-	-	-	150	266	378	487	109	213	311
Capital Lease Obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 47,991	50,154	52,210	54,382	47,519	49,610	51,340	9,460	10,177	10,427
Per Capita	\$ 350	368	394	422	382	408	428	80	87	90
Per Student	10,622	11,535	13,087	13,638	11,759	12,365	12,736	2,385	2,760	2,891
As a % of Taxable Assessed Value	0.41%	0.46%	0.50%	0.63%	0.64%	0.79%	0.91%	0.18%	0.20%	0.20%

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

**Midland College District
Statistical Supplement 10
Legal Debt Margin Information**

(unaudited)

	For the Years Ended August 31 (amounts expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Taxable Assessed Value	\$ 11,721,836	11,021,724	10,367,028	8,694,625	7,448,655	6,309,278	5,658,737	5,211,746	5,072,092	5,168,020
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 58,609	55,109	51,835	43,473	37,243	31,546	28,294	26,059	25,360	25,840
Less: Funds Restricted for Repayment of General Obligation Bonds	(188)	(128)	(85)	(174)	(95)	(110)	(246)	-	-	-
Total Net General Obligation Debt	58,421	54,981	51,750	43,299	37,148	31,436	28,048	26,059	25,360	25,840
Current Year Debt Service Requirements	3,004	2,989	2,970	2,955	2,937	2,991	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 55,417	51,992	48,780	40,344	34,211	28,445	28,048	26,059	25,360	25,840
Net Current Requirements as a % of Statutory Limit	4.80%	5.19%	5.57%	6.40%	7.63%	9.13%	0.00%	0.00%	0.00%	0.00%

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

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)				Debt Service Requirements (\$000 omitted)			
	Tuition, Fees & Other Rev	General Use Fee	Operating Expense	Total	Principal	Interest	Total	Coverage Ratio
2011	\$ 5,349	\$ 1,949	\$ -	\$ 7,298	\$ 570	\$ 702	\$ 1,272	5.74
2010	5,259	1,903	-	7,162	545	727	1,272	5.63
2009	4,762	1,721	-	6,483	708	555	1,263	5.13
2008	5,205	1,285	-	6,490	739	339	1,078	6.02
2007	-	1,281	-	1,281	704	373	1,077	1.19
2006	-	1,119	-	1,119	673	405	1,078	1.04
2005	-	1,111	-	1,111	643	435	1,078	1.03
2004	-	1,002	-	1,002	613	465	1,078	0.93
2003	-	828	-	828	386	397	783	1.06
2002	-	763	-	763	370	282	652	1.17

Contractual Obligation Bonds

Fiscal Year Ended August 31	Ad Valorem Taxes	Interest Income	Operating Expense	Total	Principal	Interest	Total	Coverage Ratio
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00
2010	-	-	-	-	-	-	-	0.00
2009	-	-	-	-	-	-	-	0.00
2008	-	-	-	-	-	-	-	0.00
2007	-	-	-	-	-	-	-	0.00
2006	-	-	-	-	-	-	-	0.00
2005	-	-	-	-	-	-	-	0.00
2004	-	-	-	-	-	-	-	0.00
2003	286	-	-	286	270	6	276	1.04
2002	275	-	-	275	255	17	272	1.01

**Midland College District
Statistical Supplement 12
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)**

Calendar Year	District Population (a)	District Personal Income (a) (000's)	District Personal Income Per Capita (a) (000's)	District Unemployment Rate (a)
2010	136,975	\$ 7,699,660	\$ 56,212	5.3%
2009	136,238	7,166,734	52,605	5.6%
2008	132,502	7,706,973	58,165	2.9%
2007	128,954	6,588,769	51,094	2.9%
2006	123,391	6,067,540	49,173	3.4%
2005	120,628	5,140,616	42,615	3.7%
2004	119,249	4,543,467	38,101	4.4%
2003	118,014	4,022,393	34,084	4.9%
2002	116,987	3,796,682	32,454	4.8%
2001	115,782	4,038,379	34,879	3.8%

Sources:

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

Notes:

(a) Numbers used above are for Midland County, and includes Greenwood ISD which is not in our district, as we are unable to obtain district specific information.

**Midland College District
Statistical Supplement 13
Principal Employers
Current & Prior Fiscal Years
(unaudited)**

Employer	2011		2010		2009		2008		2007		2006	
	Number of Employees	Percentage of Total Employment (A)	Number of Employees	Percentage of Total Employment (A)	Number of Employees	Percentage of Total Employment (A)	Number of Employees	Percentage of Total Employment (A)	Number of Employees	Percentage of Total Employment (A)	Number of Employees	Percentage of Total Employment (A)
Midland Independent School District	3,000	4.23%	3,000	4.23%	2,887	4.07%	2,836	4.16%	2,826	4.15%	2,847	4.80%
Midland Memorial Hospital	1,610	2.27%	1,500	2.11%	1,645	2.32%	1,600	2.35%	1,500	2.20%	1,382	2.33%
Midland College	1,243	1.75%	1,183	1.67%	1,170	1.65%	1,230	1.81%	1,258	1.85%	1,262	2.13%
City Of Midland	984	1.39%	980	1.38%	937	1.32%	917	1.35%	962	1.41%	881	1.49%
Midland County	549	0.77%	624	0.88%	608	0.86%	678	0.99%	583	0.86%	560	0.94%
Pioneer Natural Gas Resources	-	-	600	0.85%	-	-	-	-	-	-	-	-
Texas Health & Human Services Call Center	-	-	500	0.70%	440	0.62%	-	-	-	-	-	-
Key Energy	-	-	480	0.68%	480	0.68%	564	0.83%	500	0.73%	2,200	3.71%
Basic Energy Services	-	-	476	0.67%	429	0.60%	-	-	-	-	-	-
Warren Equipment Companies	-	-	464	0.65%	620	0.87%	534	0.78%	620	0.91%	629	1.06%
Halliburton	-	-	-	-	400	0.56%	-	-	-	-	-	-
Dawson Geophysical	-	-	-	-	-	-	1,451	2.13%	1,200	1.76%	609	1.03%
Patterson-UTI Drilling Co.	-	-	-	-	-	-	-	-	750	1.10%	-	-
Cingular Wireless LLC	-	-	-	-	-	-	-	-	600	0.88%	1,100	1.86%
Oxy Permian Basin	-	-	-	-	-	-	-	-	-	-	800	1.35%
Total	7,386	10.41%	9,807	13.82%	9,616	13.55%	9,810	14.40%	10,799	15.85%	12,270	20.70%

Source:

Midland Development Corporation
Midland Chamber of Commerce - Economic Development

Note: A

We are unable to obtain the all current year data, the Midland Development Corporation provided figures in previous years. Information obtained from Texas Industry Profiles contained the following ranges; 100-499 employees, 500-999 employees and over 1,000. There are 94 employers that have 100 or more employees. The city information is updated.

Note: B

Percentages are calculated using the midpoints of the ranges.

**Midland College District
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)**

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Faculty										
Full-Time	135	154	155	141	134	129	119	116	110	109
Part-Time	195	184	160	156	135	120	135	125	129	134
Total	330	338	315	297	269	249	254	241	239	243
Percent										
Full-Time	40.9%	45.6%	49.2%	47.5%	49.8%	51.8%	46.9%	48.1%	46.0%	44.9%
Part-Time	59.1%	54.4%	50.8%	52.5%	50.2%	48.2%	53.1%	51.9%	54.0%	55.1%
Staff and Administrators										
Full-Time	264	254	256	249	239	241	237	226	209	206
Part-Time	358	357	320	375	358	369	354	356	361	342
Total	622	611	576	624	597	610	591	582	570	548
Percent										
Full-Time	42.4%	41.6%	44.4%	39.9%	40.0%	39.5%	40.1%	38.8%	36.7%	37.6%
Part-Time	57.6%	58.4%	55.6%	60.1%	60.0%	60.5%	59.9%	61.2%	63.3%	62.4%
Students per Full-Time Faculty	47.1	40.5	37.3	40.7	43.4	43.3	46.5	46.5	45.8	46.4
Students per Full-Time Staff Member	24.1	24.5	22.6	23.0	24.3	23.2	23.3	23.9	24.1	24.6
Average Annual Faculty Salary	\$55,834	55,216	54,623	52,021	50,636	49,335	49,446	47,783	47,498	47,196
Notes:										
Fall Headcount	6358	6230	5784	5733	5819	5589	5531	5392	5041	5060

**Midland College District
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)**

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	4,085	53.09%	4,010	53.62%	4,062	56.06%	3,937	53.27%	4,522	54.49%
Male	3,610	46.91%	3,468	46.38%	3,184	43.94%	3,454	46.73%	3,777	45.51%
Total	7,695	100.00%	7,478	100.00%	7,246	100.00%	7,391	100.00%	8,299	100.00%

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	4,311	56.03%	4,280	57.23%	4,389	60.57%	4,593	62.15%	5,177	62.37%
African American	372	4.83%	429	5.74%	389	5.37%	345	4.67%	355	4.28%
Hispanic	2,068	26.87%	2,409	32.21%	2,200	30.36%	2,219	30.02%	2,443	29.44%
Asian	125	1.62%	162	2.17%	137	1.89%	117	1.58%	120	1.45%
Native American	39	0.51%	36	0.48%	27	0.37%	31	0.42%	37	0.45%
International	39	0.51%	33	0.44%	50	0.69%	52	0.70%	126	1.52%
Unknown	741	9.63%	129	1.73%	54	0.75%	34	0.46%	41	0.49%
Total	7,695	100.00%	7,478	100.00%	7,246	100.00%	7,391	100.00%	8,299	100.00%

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	1,126	14.63%	1,243	16.62%	1,102	15.21%	1,352	18.29%	1,298	15.64%
18 -21	2,713	35.27%	2,549	34.09%	2,442	33.71%	2,332	31.56%	2,457	29.60%
22 - 24	979	12.72%	865	11.57%	909	12.54%	830	11.23%	887	10.69%
25 - 35	1,529	19.87%	1,494	19.98%	1,382	19.07%	1,379	18.66%	1,676	20.20%
36 - 50	859	11.16%	822	10.99%	894	12.34%	933	12.62%	1,238	14.92%
51 & over	489	6.35%	505	6.75%	517	7.13%	565	7.64%	743	8.95%
Total	7,695	100.00%	7,478	100.00%	7,246	100.00%	7,391	100.00%	8,299	100.00%

Average Age	24.0	24.0	24.0	23.0	24.0
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Data Source: CBM001
CBM00A

**Midland College District
Statistical Supplement 17
Transfers to Senior Institutions
2009 Fall Students as of Fall 2010
(Includes only public senior colleges in Texas)**

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Midland Transfer Students	% of all Midland Transfer Students
1 The University of Texas at Austin	588	-	2	590	26.09%
2 Texas A&M University	456	2	-	458	20.25%
3 The University of Texas of the Permian Basin	245	28	9	282	12.47%
4 Texas Tech University	233	10	4	247	10.92%
5 Angelo State University	119	3	5	127	5.61%
6 University of North Texas	120	3	1	124	5.48%
7 Texas State University	91	5	2	98	4.33%
8 The University of Texas at Arlington	66	3	-	69	3.05%
9 Sam Houston State University	59	-	-	59	2.61%
10 Texas Tech University Health Science Center	49	1	-	50	2.21%
11 West Texas A&M University	34	-	2	36	1.59%
12 Sul Ross State University	26	-	-	26	1.15%
13 The University of Texas at San Antonio	15	1	-	16	0.71%
14 The University of Texas at El Paso	8	-	1	9	0.40%
15 Tarleton State University	8	-	-	8	0.35%
16 University of Houston	8	-	-	8	0.35%
17 Midwestern State University	6	-	-	6	0.27%
18 Texas A&M University - Commerce	6	-	-	6	0.27%
19 Texas Women's University	6	-	-	6	0.27%
20 Texas A&M University at Galveston	5	-	-	5	0.22%
21 The University of Texas Medical Branch at Galveston	5	-	-	5	0.22%
22 Texas A&M University at Corpus Christi	4	-	-	4	0.18%
23 The Univ of Texas Health Science Center at Houston	3	-	-	3	0.13%
24 The University of Texas at Tyler	3	-	-	3	0.13%
25 Lamar University	2	-	-	2	0.09%
26 Stephen F. Austin State University	1	1	-	2	0.09%
27 Texas A&M University System Health Science Center	2	-	-	2	0.09%
28 Texas Southern University	2	-	-	2	0.09%
29 The University of Texas at Dallas	2	-	-	2	0.09%
30 The University of Texas Health Science Center at San Antonio	2	-	-	2	0.09%
31 Texas A&M University - San Antonio	1	-	-	1	0.04%
32 The University of Texas - Pan American	1	-	-	1	0.04%
33 University of Houston-Clearlake	1	-	-	1	0.04%
34 University of Houston-Downtown	1	-	-	1	0.04%
35 University of Houston-Victoria	1	-	-	1	0.04%
Totals	2,179	57	26	2,262	100.00%

**Midland College District
Statistical Supplement 18
Schedule of Capital Asset Information
Fiscal Years 2002 to 2011**

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Academic buildings	22	22	20	19	19	19	19	17	16	16
Square footage (in thousands)	520	520	494	489	410	410	382	375	368	368
Libraries	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	52	52	52	50	50	50	50	50	50	50
Number of Volumes (in thousands)	66	65	64	62	62	64	62	63	60	60
Administrative and support buildings	5	4	4	4	4	4	4	4	4	4
Square footage (in thousands)	70	58	58	58	58	58	58	58	58	58
Dormitories	3	3	3	3	3	3	3	3	3	2
Square footage (in thousands)	91	91	91	91	91	91	91	91	91	62
Number of Beds	286	286	286	286	286	286	286	286	286	192
Apartments	10	10	10	10	10	10	10	10	10	10
Square footage (in thousands)	12	12	12	12	12	12	12	12	12	12
Number of beds	20	20	20	20	20	20	20	20	20	20
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	11	11	11	11	11	11	11	11	11	11
Average daily customers	650	650	579	579	579	532	532	532	532	357
Athletic Facilities	6	5	5	3	3	3	3	3	3	3
Square footage (in thousands)	136	118	118	117	117	117	117	117	117	117
Multipurpose Center	1	1	1	1	1	1	1	1	1	1
Gymnasiums	2	1	1	1	1	1	1	1	1	1
Softball Dressing Facility	1	1	1	0	0	0	0	0	0	0
Baseball Practice Facility	1	1	1	0	0	0	0	0	0	0
Tennis Pro Shop	1	1	1	1	1	1	1	1	1	1
Plant facilities	2	2	2	2	2	1	1	1	1	1
Square footage (in thousands)	26	26	26	26	26	7	7	7	7	7
Chapel	1	1	1	1	1	1	1	0	0	0
Square footage (in thousands)	2	2	2	2	2	2	2	0	0	0
Childrens Center	1	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	11	11	11	6	6	6	6	6	6	6
Transportation										
Cars	9	4	3	3	6	6	6	7	6	6
Light Trucks/Vans	22	21	19	24	22	22	18	17	17	17
Heavy trucks	4	4	4	4	4	2	2	2	2	2
Buses	7	7	7	6	6	0	1	0	0	0

**Midland College District
Statistical Supplement 19
Head Count Enrollment Trend
Credit Hour Students Only
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Fall	Spring	Sum I	Sum II	Duplicated Total	Unduplicated Total
2001-02	5,065	5,109	1,596	1,249	13,019	6,948
2002-03	5,041	5,410	1,707	1,380	13,538	7,606
2003-04	5,392	5,666	1,974	1,410	14,442	8,086
2004-05	5,531	5,797	1,881	1,548	14,757	8,456
2005-06	5,589	5,923	2,356	1,974	15,842	8,591
2006-07	5,819	6,076	2,158	2,184	16,237	9,039
2007-08	5,733	6,288	2,381	2,411	16,813	9,453
2008-09	5,784	6,321	2,530	2,546	17,181	9,608
2009-10	6,230	6,803	3,080	2,899	19,012	10,726
2010-11	6,358	7,316	3,507	2,682	19,863	11,131

Data Source: CBM001