

RANGER COLLEGE DISTRICT

ANNUAL FINANCIAL AND COMPLIANCE REPORT

FOR THE YEAR ENDED AUGUST 31, 2011

RANGER COLLEGE DISTRICT

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RANGER COLLEGE DISTRICT

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**RANGER COLLEGE DISTRICT
ORGANIZATIONAL DATA
For the Year Ended August 31, 2011**

Board of Regents

Officers

Doug Crawley	Chairman
Waymond Greenwood	Vice Chairman
A.J. Ratliff	Secretary

Members

		<u>Term Expires</u>
Gay A. Wolford	Ranger, Texas	2012
Joe Walraven	Ranger, Texas	2012
Waymond Greenwood	Ranger, Texas	2014
Doug Crawley	Ranger, Texas	2014
A.J. Ratliff	Ranger, Texas	2014
Ron Butler	Ranger, Texas	2016
Randy Fambro	Strawn, Texas	2016
Sandi Herod	Ranger, Texas	2016
Jackie Stephens	Ranger, Texas	2016

Key Administrative Personnel

Dr. William Campion	President
Dr. Don Bostic	Executive Vice President
Mr. Van Evans	Associate Vice President
Mr. John Slaughter	Assistant to the President, Dean of Enrollment Management
Ms. Tammy Adams	Chief Financial Officer
Mr. Billy Adams	Dean of Student Learning
Mr. Johnny Gann	Dean of Students
Ms. Laura Yeck	Assistant to the President, Human Resources

FINANCIAL SECTION



Snow, Garrett & Company
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Regents
Ranger College

We have audited the accompanying financial statements of the Ranger College District as of and for the years ended August 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2012, on our consideration of the Ranger College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, 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 financial statements, and other knowledge we obtained during our audit of the 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 an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ranger College District's financial statements as a whole. The accompanying financial information listed as supplemental information, statistical supplement, and the schedule of expenditures of state awards in the table of contents are presented for purposes of additional analysis and are not required parts of the 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 also not a required part of the financial statements. The supplemental information and the schedules of expenditures 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The statistical supplement has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Snow, Garrett & Company

Snow, Garrett & Company, CPA's
January 17, 2012

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010

This section of the Ranger College District's annual financial report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2011 and 2010. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

FINANCIAL HIGHLIGHTS

The College's net assets increased from August 31, 2010 to August 31, 2011 by \$579,507, and increased from August 31, 2009 to August 31, 2010 by \$8,643. As of August 31, 2011 and 2010, the College's net assets were \$3,783,034 and \$3,229,202 which includes \$1,271,344 and \$1,306,497 in investment in capital assets, net of related debt, \$559,086 and \$463,853 in restricted net assets, and \$1,949,775 and \$1,433,177 in unrestricted net assets, respectively.

Operating expenses for fiscal years 2011 and 2010 were \$7,711,927 and \$6,346,803, of which \$2,562,779 and \$2,241,683 were expended for instruction, \$1,519,891 and \$1,447,579 were expended for auxiliary enterprises, and \$1,027,166 and \$855,540 were expended for institutional support, respectively. In fiscal years 2011 and 2010, depreciation expense was \$235,466 and \$134,082, respectively.

Operating revenues for fiscal years 2011 and 2010 were \$2,929,882 and \$2,107,390, which includes \$1,478,986 and \$1,200,799 in tuition and fees (net of discounts), \$616,932 and \$397,536 in auxiliary revenue (net of discounts), and \$190,100 and \$234,907 in local grants and contracts, respectively.

Net non-operating revenues for fiscal years 2011 and 2010 were \$5,361,552 and \$4,248,056, which includes \$2,438,122 and \$2,477,105 in state allocations, \$2,528,332 and \$1,399,259 in federal grants, and \$237,348 and \$225,184 in ad-valorem taxes for maintenance and operations, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the College's financial statements. The College's financial statements are comprised of three components: 1) basic financial statements, 2) notes to the financial statements, and 3) other supplementary information in addition to the basic financial statements.

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010

The basic financial statements. The financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the statement of net assets is designed to be similar to bottom line results for the College. This statement combines and consolidates current financial resources with capital assets and related debt.

The statement of revenues, expenses, and changes in net assets focuses on both the gross costs and the net costs of the College's activities which are supported mainly by tuition and fees and by federal, state and other revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various College services to students and the public.

The final required financial statement, the statement of cash flows, reports cash receipts, cash payments, and net changes in cash resulting from operating, financing, and investing activities.

The basic financial statements can be found on pages 12 through 16 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 18 through 31 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information included to supplement and provide more detail to the basic financial statements. The supplementary information can be found on pages 33 through 36 of this report.

FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

Statement of Net Assets

The statement of net assets presents current assets (non restricted assets expected to provide support within a year), non current assets (restricted assets expected to provide long term benefit), current liabilities (obligations which must be met within the current year), and non-current liabilities (obligations which are not settled in the current year.) All assets and liabilities are presented using the accrual basis of accounting, which is similar to the accounting by most private-sector institutions. Net assets, the difference between assets and liabilities, are one way to measure the financial position of the College. As of August 31, 2011, net assets were \$3,783,034 which was an increase of \$579,507 from the period ended August 31, 2010. As of August 31, 2010, net assets were \$3,203,527, which was an increase of \$8,643 from the period ended August 31, 2009. The College's August 31, 2009 net assets were adjusted in the prior year to reflect the correction of accounting errors of previously reported August 31, 2009 balances. These adjustments resulted in restated amounts for August 31, 2009. The College's financial position remains strong with adequate liquid assets at a reasonable level of unrestricted net assets.

RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010

Net Assets			
As of August 31,			
	<u>2011</u>	<u>Restated 2010</u>	<u>Restated 2009</u>
Current Assets	\$ 3,925,250	\$ 2,936,316	\$ 1,772,553
Non-current Assets			
Capital Assets, Net of Depreciation	2,095,874	2,264,326	1,615,708
Other	577,355	485,893	715,800
Total Assets	<u>6,598,479</u>	<u>5,686,535</u>	<u>4,104,061</u>
Current Liabilities	2,169,305	1,657,368	765,857
Non-current Liabilities	648,969	825,640	117,645
Total Liabilities	<u>2,818,274</u>	<u>2,483,008</u>	<u>883,502</u>
Net Assets			
Net Investment in Capital Assets	1,271,344	1,306,497	1,445,642
Restricted for: Expendable	559,086	463,853	406,398
Unrestricted	1,949,775	1,433,177	1,368,519
Total Net Assets	<u>\$ 3,780,205</u>	<u>\$ 3,203,527</u>	<u>\$ 3,220,559</u>

Investment in capital assets (e.g., land, building and improvements, land improvements, leasehold improvements, library books, and vehicles and equipment) less any related debt used to acquire those assets that is still outstanding was \$1,271,344 and \$1,306,497 at August 31, 2011 and 2010, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2011 and 2010, an additional \$559,086 (or 15%) and \$463,853 (or 14%), respectively, of the College's net assets represents resources that are subject to external restrictions on how they may be used. All restricted net assets of the College are being held for future construction and scholarships. The remaining portion of the College's net assets at August 31, 2011 and 2010 (\$1,949,775 and \$1,433,177, respectively) may be used to meet the College's ongoing obligations.

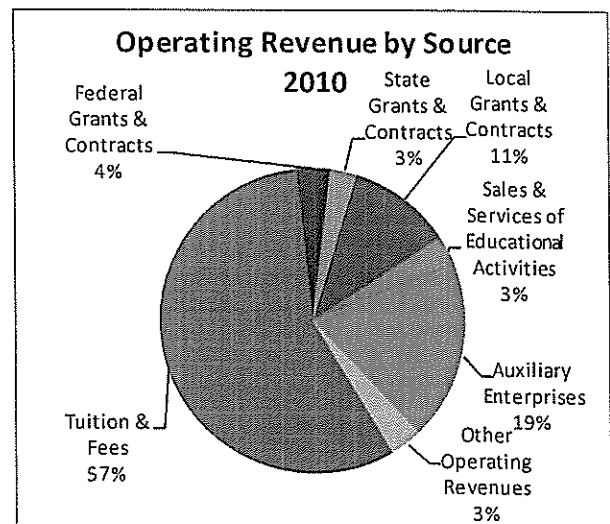
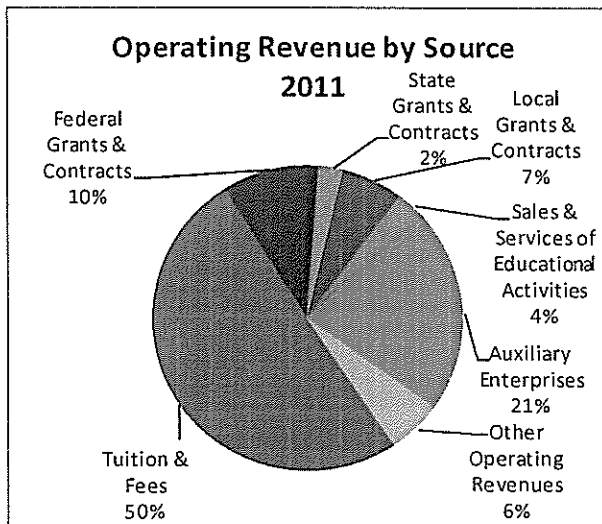
Statement of Revenues, Expenses and Changes in Net Assets

The statement of revenues, expenses and changes in net assets presents the operating results of the College, as well as the non-operating revenue and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria, dormitories, bookstore, etc.) and Federal, State and local grants. State Allocations and property tax receipts, while budgeted for operations, are considered non operating revenues and depreciation is shown in operating expenses according to accounting principles generally accepted in the United States of America.

**RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010**

**Operating Results for the Years Ended
August 31,**

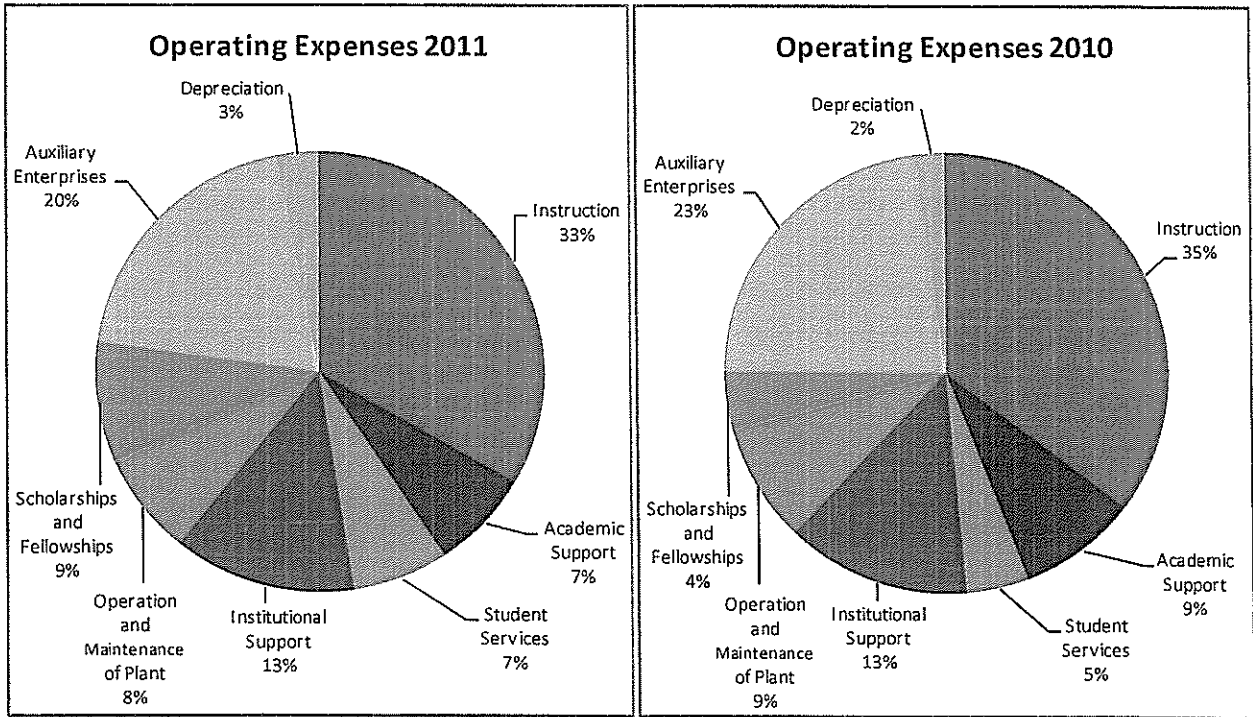
	2011	2010	2009
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 1,478,986	\$ 1,200,799	\$ 804,167
Federal Grants and Contracts	300,092	74,418	-
State Grants and Contracts	72,486	58,300	63,862
Local Grants and Contracts	190,100	234,907	-
Sales and Services of Educational Activities	102,837	69,393	50,936
Auxiliary Enterprises (Less Discounts)	616,932	397,536	607,723
Other Operating Revenues	168,449	72,037	55,398
Total Operating Revenues	<u>2,929,882</u>	<u>2,107,390</u>	<u>1,582,086</u>
Less Operating Expenses	<u>7,711,927</u>	<u>6,346,803</u>	<u>5,663,547</u>
Net Operating Loss	<u>(4,782,045)</u>	<u>(4,239,413)</u>	<u>(4,081,461)</u>
Non-Operating Revenues (Expenses)			
State Allocations	2,438,122	2,477,105	2,668,688
Ad-Valorem Taxes for Maintenance and Operations	237,348	225,184	190,400
Federal Revenue, Non-Operating	2,528,332	1,399,259	1,110,008
Gifts	-	30,304	37,672
Investment Income (Net of Investment Expense)	204,685	152,521	162,569
Interest on Capital Related Debt	(46,935)	(31,897)	(1,933)
Loss on Disposal of Capital Assets	-	(4,420)	-
Total Non-Operating Revenues (Expenses)	<u>5,361,552</u>	<u>4,248,056</u>	<u>4,167,404</u>
Change in Net Assets	579,507	8,643	85,943
Net Assets, Beginning of Year	3,203,527	3,223,609	3,137,666
Prior Period Adjustment	-	(3,050)	-
Net Assets, Beginning of Year, Restated	<u>3,203,527</u>	<u>3,220,559</u>	<u>3,137,666</u>
Net Assets, End of Year	<u>\$ 3,783,034</u>	<u>\$ 3,229,202</u>	<u>\$ 3,223,609</u>
Total Revenues	<u>\$ 8,338,369</u>	<u>\$ 6,391,763</u>	<u>\$ 5,751,423</u>



RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010

Operating Expenses
For the Years Ended August 31,

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating Expenses			
Instruction	\$ 2,562,779	\$ 2,241,683	\$ 1,733,738
Academic Support	569,388	558,300	286,959
Student Services	530,852	284,474	298,386
Institutional Support	1,027,166	855,540	796,697
Operation and Maintenance of Plant	575,727	552,649	565,994
Scholarships and Fellowships	690,658	272,496	657,223
Auxiliary Enterprises	1,519,891	1,447,579	1,109,660
Depreciation	235,466	134,082	214,890
Total	<u>\$ 7,711,927</u>	<u>\$ 6,346,803</u>	<u>\$ 5,663,547</u>
 Total Expenses (Including Interest Expense and Loss on Disposal of Capital Assets)	 <u>\$ 7,758,862</u>	 <u>\$ 6,383,120</u>	 <u>\$ 5,665,480</u>



RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. The College's investment in total capital assets as of August 31, 2011 and 2010 amounts to \$2,095,874 and \$2,264,326, respectively, (net of accumulated depreciation). Investments in capital assets include land, construction in progress, buildings and improvements, land improvements, leasehold improvements, library books, and vehicles and equipment.

Major capital asset events during the current fiscal year include the following:

- Purchase of a Hydraulic Simulator; and
- Improvements to a resident hall's roof.

Major capital asset events during the prior fiscal year include the following:

- Leasehold improvements to the Brown County facility;
- Purchase of a 2009 Ford truck; and
- Purchase of the Campus Connect software.

	Capital Assets, Net		
	August 31,		
	<u>2011</u>	<u>2010</u>	<u>Restated 2009</u>
Capital Assets			
Land	\$ 60,366	\$ 60,366	\$ 60,366
Construction in Progress	50,413	-	-
Building and Improvements	3,269,918	3,269,918	3,250,872
Land Improvements	298,608	298,608	290,427
Leasehold Improvements	702,840	702,840	-
Library Books	150,185	150,185	150,185
Vehicles and Equipment	881,384	864,783	824,545
Total	<u>5,413,714</u>	<u>5,346,700</u>	<u>4,576,395</u>
Less Accumulated Depreciation	<u>(3,317,840)</u>	<u>(3,082,374)</u>	<u>(2,960,687)</u>
Net Capital Assets	<u>\$ 2,095,874</u>	<u>\$ 2,264,326</u>	<u>\$ 1,615,708</u>

Additional information on the College's capital assets can be found in Note 6 on page 24 of this report.

Long-term debt. At August 31, 2011 and 2010, the College had total debt outstanding of \$842,799 and \$979,944, respectively. Of this amount, \$735,203 and \$862,743, represents maintenance tax notes and \$107,596 and \$117,201 in notes payable at August 31, 2011 and 2010, respectively. The College's total debt decreased by a net amount of \$137,145 during the current fiscal year due to regular scheduled payments and increased by \$809,878 in the prior fiscal year due to the issuance of \$925,000 in maintenance tax notes net of regular scheduled payments of \$115,122.

**RANGER COLLEGE DISTRICT
Management's Discussion and Analysis
August 31, 2011 and 2010**

Additional information on the College's long-term debt can be found in Notes 7 and 8 on pages 25 through 26 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Regents adopted the College's 2011 – 2012 budget and tax rate on September 1, 2011. The annual budget is developed to provide efficient, effective and economic uses of the College's resources, as well as, a means to accomplish the highest priority objectives. Through the budget, the Board of Regents sets the direction of the College, allocates its resources and establishes its priorities.

In considering the College budget for fiscal year 2012, the Board of Regents and management considered the following factors:

- The most predominant driver in budget decisions was the overall state of the economy and the decrease in State appropriations and benefits over the next few years.
- The College's new nursing and cosmetology programs are expected to grow in fiscal year 2012.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Ranger College District's finances and to show the College's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Dean of Finance at 1100 College Circle, Ranger, Texas 76470.

RANGER COLLEGE DISTRICT
Statements of Net Assets
August 31, 2011 and August 31, 2010

EXHIBIT 1

	2011	Restated 2010
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,545,317	\$ 1,010,917
Short-Term Investments	266,835	266,835
Accounts Receivable (net)	1,102,683	763,325
Inventories	-	197,637
Prepaid Expenses	145,839	130,263
Deferred Charges	863,826	541,589
Deposits	750	25,750
Total Current Assets	3,925,250	2,936,316
Non-Current Assets		
Restricted Cash and Cash Equivalents	288,506	246,707
Restricted Short-Term Investments	54,769	54,769
Other Long-Term Investments	215,811	162,302
Issuance Costs	18,269	22,115
Capital Assets, net of Accumulated Depreciation (See Note 6)	2,095,874	2,264,326
Total Non-Current Assets	2,673,229	2,750,219
Total Assets	\$ 6,598,479	\$ 5,686,535

RANGER COLLEGE DISTRICT
Statements of Net Assets
August 31, 2011 and August 31, 2010

EXHIBIT 1

	<u>2011</u>	<u>Restated 2010</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 316,930	\$ 299,016
Accrued Compensable Absences - Current Portion	64,359	7,562
Deferred Revenues	1,583,714	1,157,573
Notes Payable - Current Portion	204,302	193,217
Total Current Liabilities	<u>2,169,305</u>	<u>1,657,368</u>
Non-Current Liabilities		
Accrued Compensable Absences	10,472	38,913
Notes Payable	638,497	786,727
Total Non-Current Liabilities	<u>648,969</u>	<u>825,640</u>
Total Liabilities	<u>2,818,274</u>	<u>2,483,008</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	1,271,344	1,306,497
Restricted for:		
Expendable		
Student Aid	359,967	264,749
Other	199,119	199,104
Unrestricted	1,949,775	1,433,177
Total Net Assets (Schedule D)	<u>\$ 3,780,205</u>	<u>\$ 3,203,527</u>

RANGER COLLEGE DISTRICT
Statements of Revenues, Expenses, and Changes in Net Assets
For the Years Ended August 31, 2011 and August 31, 2010

EXHIBIT 2

	2011	2010
REVENUES		
Operating Revenues		
Tuition and Fees (Net of Discounts of \$1,569,850 and \$820,191, respectively)	\$ 1,478,986	\$ 1,200,799
Federal Grants and Contracts	300,092	74,418
State Grants and Contracts	72,486	58,300
Local Grants and Contracts	190,100	234,907
Sales and Services of Educational Activities	102,837	69,393
Auxiliary Enterprises (Net of Discounts of \$782,759 and \$814,550, respectively)	616,932	397,536
Other Operating Revenues	168,449	72,037
Total Operating Revenues (Schedule A)	2,929,882	2,107,390
EXPENSES		
Operating Expenses		
Instruction	2,564,998	2,264,255
Academic Support	569,998	561,403
Student Services	530,852	284,474
Institutional Support	1,027,166	855,540
Operation and Maintenance of Plant	575,727	552,649
Scholarships and Fellowships	690,658	272,496
Auxiliary Enterprises	1,519,891	1,447,579
Depreciation	235,466	134,082
Total Operating Expenses (Schedule B)	7,714,756	6,372,478
Operating Loss	(4,784,874)	(4,265,088)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	2,438,122	2,477,105
Maintenance Ad Valorem Taxes	237,348	225,184
Federal Revenue, Non-Operating	2,528,332	1,399,259
Gifts	-	30,304
Investment Income	204,685	152,521
Interest on Capital Related Debt	(46,935)	(31,897)
Loss on Disposal of Capital Assets	-	(4,420)
Net Non-Operating Revenues (Expenses) (Schedule C)	5,361,552	4,248,056
Change in Net Assets	576,678	(17,032)
NET ASSETS		
Net Assets - Beginning of Year	3,203,527	3,223,609
Prior Period Adjustment	-	(3,050)
Net Assets - Beginning of Year, Restated	3,203,527	3,220,559
Net Assets - End of Year	\$ 3,780,205	\$ 3,203,527

The Notes to the Financial Statements are an integral part of this statement.

RANGER COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2011 and August 31, 2010

EXHIBIT 3

	<u>2011</u>	<u>Restated 2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Students and Other Customers	\$ 2,078,442	\$ 1,554,459
Receipts from Grants and Contracts	594,657	339,739
Payments to or on Behalf of Employees	(3,322,129)	(2,834,828)
Payments to Suppliers for Goods or Services	(2,813,860)	(2,642,652)
Payments of Scholarships	(598,766)	(360,257)
Other receipts (payments)	168,449	72,037
	<u>(3,893,207)</u>	<u>(3,871,502)</u>
Net Cash Used by Operating Activities		
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	1,946,918	1,961,199
Receipts from Ad Valorem Taxes	184,529	227,394
Receipts from Non-Operating Federal Revenue	2,434,031	1,436,155
Receipts from Gifts and Grants (Other Than Capital)	-	30,304
	<u>4,565,478</u>	<u>3,655,052</u>
Net Cash Provided by Non-Capital Financing Activities		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of Capital Assets	(67,014)	(787,120)
Proceeds from Maintenance Tax Notes	28,636	925,000
Payments for Debt Issuance Costs	-	(25,000)
Payments on Capital Debt - Principal	(165,781)	(115,122)
Payments on Capital Debt - Interest	(43,089)	(29,012)
	<u>(247,248)</u>	<u>(31,254)</u>
Net Cash Used by Capital and Related Financing Activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from Investment Earnings	151,176	146,667
Purchase of Certificates of Deposit	-	(321,604)
	<u>151,176</u>	<u>(174,937)</u>
Net Cash Provided (Used) by Investing Activities		
Increase (Decrease) in Cash and Cash Equivalents	576,199	(422,641)
Cash and Cash Equivalents - September 1	<u>1,257,624</u>	<u>1,680,265</u>
Cash and Cash Equivalents - August 31	<u>\$ 1,833,823</u>	<u>\$ 1,257,624</u>
Reconciliation to Exhibit 1:		
Cash and Cash Equivalents	\$ 1,545,317	\$ 1,010,917
Restricted Cash and Cash Equivalents	288,506	246,707
	<u>\$ 1,833,823</u>	<u>\$ 1,257,624</u>
Total Cash and Cash Equivalents		
Non-Cash Investing Activities:		
Net Increase in Fair Value of Investments	<u>\$ 53,509</u>	<u>\$ 5,854</u>

The Notes to the Financial Statements are an integral part of this statement.

RANGER COLLEGE DISTRICT
Statements of Cash Flows
For the Years Ended August 31, 2011 and August 31, 2010

EXHIBIT 3

	2011	Restated 2010
Reconciliation of Operating Loss to Net Cash Used By		
Operating Activities:		
Operating Loss	\$ (4,784,874)	\$ (4,265,088)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation Expense	235,466	134,082
Payments Made Directly by State for Benefits	491,204	515,906
Changes in Assets and Liabilities:		
Receivables, Net	(192,238)	(384,088)
Inventories	197,637	(32,117)
Deffered Charges	(322,237)	(541,589)
Other Assets	9,424	(88,236)
Accounts Payable	17,914	2,364
Deferred Revenue	426,141	784,522
Compensated Absences	28,356	2,742
Net Cash Used By Operating Activities	\$ (3,893,207)	\$ (3,871,502)

**NOTES TO THE
FINANCIAL STATEMENTS**

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

1. REPORTING ENTITY

Ranger College District (the College) was established in 1926, in accordance with the laws of the State of Texas, to serve the educational needs of Ranger and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in the Governmental Accounting Standards Board (GASB) Statement No. 14 *The Financial Reporting Entity*. While the College 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Report Guidelines

The significant accounting policies followed by the College 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 College applies all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities (BTA).

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

Other Tuition Discounts

The College 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 discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Regents adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purpose of cash flows, the College'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.

Non-Current Cash and Investments

Non-current cash and investments are set aside and classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited to obligations, such as, scholarships, grant requirements, and maintenance tax notes.

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.

Inventories

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

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The College has no formal capitalization policy, however capital assets are defined and include all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

Deferred Revenues

Revenues, primarily consisting of tuition, fees, meal charges, and resident hall charges related to academic terms in the next fiscal year are recorded on the balance sheet as deferred revenue in the current fiscal year. Tuition and fees of \$1,583,714 and \$1,157,573 have been reported as deferred revenue at August 31, 2011 and August 31, 2010, respectively.

Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the years ended August 31, 2011 and 2010.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Revenues and Expenses

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. 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.

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.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources then towards unrestricted resources, when both restricted and unrestricted resources are available to pay an expense.

Prior Year Restatement

Certain errors of previously reported August 31, 2010 balances were discovered during the current year. The effect of the restatements had no effect on the change in net assets of the 2010 fiscal year. A reconciliation of the adjustments made to the August 31, 2010 balances is as follows:

Adjustment to August 31, 2010 balances previously reported:

Adjustment to deferred charges (asset)	\$541,589
Adjustment to deferred revenues (liability)	<u>(541,589)</u>
Total adjustments to August 31, 2010 balances	<u>\$ -</u>

3. AUTHORIZED INVESTMENTS

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

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

4. DEPOSITS AND INVESTMENTS

The College's deposits and investments are invested pursuant to the Investment Policy.

The College is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. US. Government obligations, State of Texas direct obligations, and obligations of states, agencies, countries and cities;
2. Collateralized Mortgage Obligations;
3. Bankers acceptance, Commercial Paper, and Repurchase Agreements;
4. Certificates of Deposits;
5. Share Certificates;
6. SEC regulated no-load money market mutual funds and SEC registered no-load mutual funds; and
7. Investment Pools.

No other investments shall be made without approval of a majority of the Board of Regents. Ranger College will invest only in Certificates of Deposit, however the College may hold investments that were authorized investments at the time of purchase or receipt.

Cash and Deposits

Cash and Cash Equivalents reported on Exhibit 1, Statements of Net Assets, consist of the items reported below:

<u>Cash and Cash Equivalents</u>	<u>August 31, 2011</u>	<u>August 31, 2010</u>
Bank Deposits		
Deposits with Financial Institutions	<u>\$ 1,832,323</u>	<u>\$ 1,244,488</u>
Total Bank Deposits	1,832,323	1,244,488
Petty Cash	<u>1,500</u>	<u>13,136</u>
Total Cash and Cash Equivalents	<u>\$ 1,833,823</u>	<u>\$ 1,257,624</u>

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

4. DEPOSITS AND INVESTMENTS (Continued)

Investments

Investments reported on Exhibit 1, Statements of Net Assets, consist of the items reported below:

<u>Types of Investments</u>	<u>Credit Rating</u>	<u>Market Value August 31, 2011</u>	<u>Market Value August 31, 2010</u>
Short-Term Investments			
Certificates of Deposit - Current	n/a	\$ 266,835	\$ 266,835
Certificates of Deposit - Restricted	n/a	<u>54,769</u>	<u>54,769</u>
Total Short-Term Investments		321,604	321,604
Other Long-Term Investments			
US Common Stock:			
Chevron - 2,142 shares	AA	211,715	158,680
BP PLC - 104 shares	AA	<u>4,096</u>	<u>3,622</u>
Total Other Long-Term Investments		<u>215,811</u>	<u>162,302</u>
Total Investments		<u>\$ 537,415</u>	<u>\$ 483,906</u>

Interest Rate Risk – In accordance with the College’s investment policy, the College does not purchase any investments with maturities greater than one year. As of August 31, 2011 and August 31, 2010, the College was not exposed to interest rate risk.

Credit Risk – The College has no formal policy addressing credit risk. However, the safety of principal is the primary objective of the College’s investment policy. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. As of August 31, 2011 and August 31, 2010, the College’s investments in common stock were rated AA by Standard & Poor’s.

Concentration of Credit Risk - The College does not place a limit on the amount that may be invested in any one issue. As of August 31, 2011 and August 31, 2010, 60% and 66%, respectively, of the College’s investments were included in certificates of deposit.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the College’s name. At August 31, 2011 and August 31, 2010, the College’s cash and cash equivalents and short-term investments were not exposed to custodial credit risk.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the College, and are held by either the counterparty’s trust department or agent but not in the College’s name. At August 31, 2011 and August 31, 2010, the College’s investment securities were not exposed to custodial credit risk.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

4. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of Deposits and Investments Between Note 4 and Exhibit 1 for Primary Government:

	<u>August 31, 2011</u>	<u>August 31, 2010</u>
Per Note 4:		
Cash and Cash Equivalents	\$ 1,833,823	\$ 1,257,624
Investments	<u>537,415</u>	<u>483,906</u>
 Total Deposits and Investments	 <u>\$ 2,371,238</u>	 <u>\$ 1,741,530</u>
 Per Exhibit 1:		
Cash and Cash Equivalents	\$ 1,545,317	\$ 1,010,917
Restricted Cash and Cash Equivalents	288,506	246,707
Short-Term Investments	266,835	266,835
Restricted Short-Term Investments	54,769	54,769
Other Long-Term Investments	<u>215,811</u>	<u>162,302</u>
 Total Deposits and Investments	 <u>\$ 2,371,238</u>	 <u>\$ 1,741,530</u>

5. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Receivables at August 31, 2011 and 2010 were as follows:

	<u>August 31, 2011</u>	<u>August 31, 2010</u>
Student Receivables (Net of Allowances of \$121,657 and \$111,020 for 2011 and 2010, respectively)	\$ 835,856	\$ 614,122
Taxes Receivable (Net of Allowances of \$21,053 and \$21,490 for 2011 and 2010, respectively)	80,538	27,719
Federal, State, and Local Grants Receivable	173,578	111,256
Other Accounts Receivable	<u>12,711</u>	<u>10,228</u>
 Total Accounts Receivable	 <u>\$ 1,102,683</u>	 <u>\$ 763,325</u>

Payables

Payables at August 31, 2011 and 2010 were as follows:

	<u>August 31, 2011</u>	<u>August 31, 2010</u>
Vendor Payable	\$ 180,391	\$ 290,890
Student Payable	91,892	-
Salary and Benefit Payable	<u>44,647</u>	<u>8,126</u>
 Total Accounts Payable	 <u>\$ 316,930</u>	 <u>\$ 299,016</u>

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

6. CAPITAL ASSETS

Capital assets activity for the years ended August 31, 2011 and 2010 was as follows:

	Balance 9/1/2010	Increases	Decreases	Balance 8/31/2011
<u>Not Depreciated:</u>				
Land	\$ 60,366	\$ -	\$ -	\$ 60,366
Construction in Progress	-	50,413	-	50,413
Subtotal	60,366	50,413	-	110,779
<u>Other Capital Assets:</u>				
Buildings and Improvements	3,269,918	-	-	3,269,918
Land Improvements	298,608	-	-	298,608
Leasehold Improvements	702,840	-	-	702,840
Library Books	150,185	-	-	150,185
Vehicles and Equipment	864,783	16,601	-	881,384
Subtotal	5,286,334	16,601	-	5,302,935
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	2,089,310	61,881	-	2,151,191
Land Improvements	216,321	6,089	-	222,410
Leasehold Improvements	19,312	117,393	-	136,705
Library Books	59,053	10,012	-	69,065
Vehicles and Equipment	698,378	40,091	-	738,469
Subtotal	3,082,374	235,466	-	3,317,840
Net Other Capital Assets	2,203,960	(218,865)	-	1,985,095
Net Capital Assets	<u>\$ 2,264,326</u>	<u>\$ (168,452)</u>	<u>\$ -</u>	<u>\$ 2,095,874</u>

	Restated Balance 9/1/2009	Increases	Decreases / Adjustments	Balance 8/31/2010
<u>Not Depreciated:</u>				
Land	\$ 60,366	\$ -	\$ -	\$ 60,366
Subtotal	60,366	-	-	60,366
<u>Other Capital Assets:</u>				
Buildings and Improvements	3,250,872	19,046	-	3,269,918
Land Improvements	290,427	8,181	-	298,608
Leasehold Improvements	-	702,840	-	702,840
Library Books	150,185	-	-	150,185
Vehicles and Equipment	824,545	59,553	19,315	864,783
Subtotal	4,516,029	789,620	19,315	5,286,334
<u>Accumulated Depreciation:</u>				
Buildings and Improvements	2,027,625	61,685	-	2,089,310
Land Improvements	210,267	6,054	-	216,321
Leasehold Improvements	-	19,312	-	19,312
Library Books	49,040	10,013	-	59,053
Vehicles and Equipment	673,755	37,018	12,395	698,378
Subtotal	2,960,687	134,082	12,395	3,082,374
Net Other Capital Assets	1,555,342	655,538	6,920	2,203,960
Net Capital Assets	<u>\$ 1,615,708</u>	<u>\$ 655,538</u>	<u>\$ 6,920</u>	<u>\$ 2,264,326</u>

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

7. LONG-TERM LIABILITIES

Long-term liability activity for the years ended August 31, 2011 and 2010 was as follows:

	Balance September 1, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
Maintenance Tax Note Payable	\$ 862,743	\$ -	\$ 127,540	\$ 735,203	\$ 134,118
Notes Payable	117,201	28,636	38,241	107,596	70,184
Compensated Absences	46,475	46,740	18,384	74,831	64,359
Total Long-Term Liabilities	\$ 1,026,419	\$ 75,376	\$ 184,165	\$ 917,630	\$ 268,661

	Restated Balance September 1, 2009	Restated Additions / Adjustments	Reductions	Balance August 31, 2010	Current Portion
Maintenance Tax Note Payable	\$ -	\$ 925,000	\$ 62,257	\$ 862,743	\$ 128,280
Notes Payable	170,066	-	52,865	117,201	64,937
Compensated Absences	43,733	3,191	449	46,475	7,562
Total Long-Term Liabilities	\$ 213,799	\$ 928,191	\$ 115,571	\$ 1,026,419	\$ 200,779

8. DEBT OBLIGATIONS

General information related to notes payable is summarized below:

Maintenance Tax Note Payable

- Maintenance Tax Notes, Series 2009
- To renovate and equip the real estate leased in Brown County for administrative offices and classrooms.
- Issued November 17, 2009.
- Original balance of \$925,000 is payable in thirteen semi-annual installments, which includes interest at a rate of 4.5%.
- Final installment is due May 15, 2016.
- Source of revenue for debt service – unrestricted revenue.
- Outstanding principal balance of \$735,203 and \$862,743 at August 31, 2011 and August 31, 2010, respectively.

The maintenance tax notes payable is due in semi-annual installments of \$82,838 with an interest rate of 4.5% with the final installment due May 15, 2016.

Notes payable

Note Payable – First Financial Bank

- To purchase land and building in Comanche County.
- Issued September 1, 2004.
- Original balance of \$142,000 is payable in 120 monthly installments of \$1,577, which includes interest at a rate of 6%.
- Final installment due September 1, 2014.
- Source of revenue for debt service – unrestricted revenue.
- Outstanding balances of \$53,586 and \$67,499 at August 31, 2011 and August 31, 2010, respectively.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

8. DEBT OBLIGATIONS (Continued)

Note Payable – First Financial Bank

- To provide improvements to dormitories.
- Issued August 14, 2006.
- Original balance of \$75,000 is due and renewed annually.
- Renewed July 19, 2011 for \$54,010, adding \$28,636, and due July 18, 2012, with an interest rate of 2.1%.
- Source of revenue for debt service – unrestricted revenue.
- Outstanding balances of \$54,010 and \$25,374 at August 31, 2011 and August 31, 2010, respectively.

Note Payable – First Financial Bank

- To provide purchase a 32 passenger bus.
- Issued February 1, 2007.
- Original balance of \$91,516 is payable in four annual installments of \$25,798, which includes interest at a rate of 5.683%.
- Final installment due October 15, 2010.
- Source of revenue for debt service – unrestricted revenue.
- Outstanding balances of \$0 and \$24,328 at August 31, 2011 and August 31, 2010, respectively.

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

Year Ended August 31,	Notes Payable			Maintenance Tax Note Payable		
	Notes Principal	Interest	Total	Note Principal	Interest	Total
2012	\$ 70,184	\$ 4,952	\$ 75,136	\$ 134,118	\$ 31,559	\$ 165,677
2013	17,172	1,749	18,921	140,221	25,456	165,677
2014	18,231	690	18,921	146,602	19,075	165,677
2015	2,009	8	2,017	153,274	12,403	165,677
2016	-	-	-	160,988	4,688	165,676
Total	<u>\$107,596</u>	<u>\$ 7,399</u>	<u>\$114,995</u>	<u>\$735,203</u>	<u>\$ 93,181</u>	<u>\$828,384</u>

9. EMPLOYEES' RETIREMENT PLAN

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

Teacher Retirement System of Texas

Plan Description. The College contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, 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 and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report with required supplementary information which can be obtained from the TRS website, www.trs.state.tx.us, under the TRS Publications heading.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

9. EMPLOYEES' RETIREMENT PLAN (Continued)

Funding Policy. Contribution requirements are not actuarially determined but are legally 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 10.0% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4% for fiscal years 2011, 2010, and 2009, and a state contribution rate of 6.644% for fiscal years 2011 and 2010 and 6.58% for fiscal year 2009. In certain instances the College is required to make all or a portion of the state's 6.644% contribution, limited to 6.4% for the period September through December 2009 and increased to 6.644% for the period January through August 2011. State contributions to TRS made on behalf of the College's employees for the years ended August 31, 2011 and August 31, 2010 were \$72,593 and \$85,320, respectively.

Optional Retirement Plan

Plan Description. The State has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.4% and 6.65%, respectively. The College contributes an additional 1.31% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the College was \$56,038 and \$54,709 for the fiscal years ended August 31, 2011 and August 31, 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 College employees was \$3,080,574 and \$2,627,335 for the fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$1,409,342 and \$1,299,132, and the total payroll of employees covered by the Optional Retirement Program was \$875,599 and \$854,829 for fiscal years 2011 and 2010, respectively.

10. COMPENSABLE ABSENCES

Full-time employees earn annual leave at a rate of eight hours per month to a maximum of eighty hours each year. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum of twenty days (160 hours). Employees who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for unpaid annual leave in the amount of \$74,831 and \$46,475 as of August 31, 2011 and August 31, 2010, respectively.

Sick leave is earned at the rate of eight hours per month per contract length and can be accumulated up to a maximum of 45 days (360 hours). The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since all accrued sick leave is forfeited by employees upon termination of employment.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

11. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENT

In fiscal year 2011, the College rented facilities in Stephenville and Brownwood, Texas.

- The term of the Stephenville lease held for cosmetology instruction is \$2,650 monthly rental for four years beginning on May 1, 2010 through April 30, 2014.
- The term of the Stephenville lease held for education instruction is \$1,000 monthly rental for three years beginning November 1, 2009 through October 31, 2012.
- The term of the Brownwood lease held for education instruction is amortized over a seven year period beginning July 1, 2009 through June 30, 2016 at \$2,357 per month.
- The term of the Brownwood lease held for cosmetology instruction is \$1,750 monthly rental for one year beginning January 1, 2011 through December 31, 2011.

The College entered into several 60 month operating leases with Xerox for copiers at various locations. The lease agreements are payable in monthly installments totaling \$1,508, beginning February 2010.

Payments on the above leases of \$104,180 and \$71,025 were included in rent expense for the year ended August 31, 2011 and 2010, respectively.

The net future minimum lease rental payments under operating leases having an initial term in excess of one year as of August 31, 2011 are as follows:

Year Ended August 31,	Amount
2012	\$ 90,180
2013	81,180
2014	67,580
2015	37,241
2016	<u>23,571</u>
Total	<u>\$ 299,752</u>

12. RISK MANAGEMENT

The College has the responsibility for making and carrying out decisions that will minimize the adverse effects of accidental losses that involve the College's assets. Accordingly, commercial insurance coverages are obtained to include general liability, property and casualty, employee and automobile liability, fidelity, public official's liability and certain other risks. The amounts of settlements during each of the past three fiscal years have not exceeded insurance coverage.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

13. POST RETIREMENT, HEALTH CARE, AND LIFE INSURANCE BENEFITS

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$325 per month for the year ended August 31, 2011, and totaled \$362,573 for the year. The cost of providing those benefits for 36 retirees was \$182,214 and for 58 active employees amounted to \$180,359. The State's contribution per full-time employee was \$385 per month for the year ended August 31, 2010, and totaled \$375,877 for the year. The cost of providing those benefits for 37 retirees was \$173,931 and for 47 active employees amounted to \$201,946.

14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

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

Funding Policy. Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of 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 costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The State's contributions to SRHP on the College's behalf for the years ended August 31, 2011, 2010, and 2009 were \$362,573, \$375,877, and \$432,078, respectively, which equaled the required contributions each year. The College does not provide any other postemployment benefits other than those discussed in Notes 13 and 14.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

15. AD VALOREM TAX

The College's ad valorem property taxes are 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 College.

	At August 31, 2011	At August 31, 2010
Assessed Valuation of the College	\$ 91,708,600	\$ 92,266,590
Less: Exemptions	-	-
Less: Abatements	-	-
	\$ 91,708,600	\$ 92,266,590

	Current Operations	Debt Service	Total
At August 31, 2011			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ -	\$ 0.50000
Tax Rate per \$100 valuation of assessed	\$ 0.24880	\$ -	\$ 0.24880
At August 31, 2010			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ -	\$ 0.50000
Tax Rate per \$100 valuation of assessed	\$ 0.23500	\$ -	\$ 0.23500

Taxes levied for the years ended August 31, 2011 and 2010 were \$228,171 and \$216,828, 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.

August 31, 2011			
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 224,905	\$ -	\$ 224,905
Delinquent Taxes Collected	7,035	-	7,035
Penalties and Interest Collected	5,408	-	5,408
	\$ 237,348	\$ -	\$ 237,348

August 31, 2010			
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 208,564	\$ -	\$ 208,564
Delinquent Taxes Collected	12,056	-	12,056
Penalties and Interest Collected	4,564	-	4,564
	\$ 225,184	\$ -	\$ 225,184

Tax collections for the years ended August 31, 2011 and 2010 were each 102% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of current operations / maintenance.

RANGER COLLEGE DISTRICT
Notes to the Financial Statements
August 31, 2011 and August 31, 2010

16. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal and non-federal contract and grant awards, funds expended, but not collected, are both included in Accounts Receivable (net) on Exhibit 1. Contract and grant awards that are not yet funded and for which the College 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 totaled \$390,561 and \$1,001, respectively, of which all were from Federal Contract and Grant Awards.

SUPPLEMENTAL INFORMATION

RANGER COLLEGE DISTRICT
Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Totals	
					August 31, 2011	August 31, 2010
Tuition						
State Funded Credit Courses						
In-District Resident Tuition	\$ 5,748	\$ -	\$ 5,748	\$ -	\$ 5,748	\$ 8,189
Out-of-District Resident Tuition	2,002,888	-	2,002,888	-	2,002,888	1,307,309
Non-Resident Tuition	83,727	-	83,727	-	83,727	18,723
TPEG - credit (set aside)*	117,151	-	117,151	-	117,151	74,245
State Funded Continuing Education	80,971	-	80,971	-	80,971	173,036
Non-State Funded Continuing Education	-	-	-	-	-	-
Non-course remedial instruction	-	-	-	-	-	-
Total Tuition	2,290,485	-	2,290,485	-	2,290,485	1,581,502
Fees						
General Fee	348,184	-	348,184	-	348,184	175,930
Laboratory Fee	14,369	-	14,369	-	14,369	10,396
Registration fees	212,678	-	212,678	-	212,678	145,307
Educational Service fees	108,544	-	108,544	-	108,544	66,222
Other fees	74,576	-	74,576	-	74,576	41,633
Total Fees	758,351	-	758,351	-	758,351	439,488
Scholarship Allowances and Discounts						
Scholarship Allowances	(153,144)	-	(153,144)	-	(153,144)	(103,580)
Title IV Federal Program	(1,398,795)	-	(1,398,795)	-	(1,398,795)	(696,001)
TPEG Awards	(17,692)	-	(17,692)	-	(17,692)	(17,911)
Other State Grants	(219)	-	(219)	-	(219)	(2,699)
Total Scholarship Allowances	(1,569,850)	-	(1,569,850)	-	(1,569,850)	(820,191)
Total Net Tuition and Fees	1,478,986	-	1,478,986	-	1,478,986	1,200,799
Additional Operating Revenues						
Federal Grants and Contracts	-	300,092	300,092	-	300,092	74,418
State Grants and Contracts	-	72,486	72,486	-	72,486	58,300
Local Grants and Contracts	190,100	-	190,100	-	190,100	234,907
Sales and Services of Educational Activities	102,837	-	102,837	-	102,837	69,393
Other Operating Revenues	168,449	-	168,449	-	168,449	72,037
Total Additional Operating Revenues	461,386	372,578	833,964	-	833,964	509,055
Auxiliary Enterprises						
Residential life	-	-	-	287,326	287,326	305,021
Less Discounts	-	-	-	(237,837)	(237,837)	(254,820)
Bookstore	-	-	-	402,503	402,503	372,327
Less Discounts	-	-	-	(173,663)	(173,663)	(182,456)
Food Services	-	-	-	709,862	709,862	534,738
Less Discounts	-	-	-	(371,259)	(371,259)	(377,274)
Total Net Auxiliary Enterprises	-	-	-	616,932	616,932	397,536
Total Operating Revenues	\$ 1,940,372	\$ 372,578	\$ 2,312,950	\$ 616,932	\$ 2,929,882	\$ 2,107,390
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$117,151 and \$74,245 for years August 31, 2011 and 2010, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

RANGER COLLEGE DISTRICT
Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2011
(With Memorandum Totals for the Year Ended August 31, 2010)

	Operating Expenses				Totals	
	Salaries and Wages	Benefits		Other Expenses	August 31, 2011	August 31, 2010
		State Benefits	Local Benefits			
Unrestricted Educational Activities						
Instruction	\$ 1,708,509	\$ -	\$ 192,346	322,677	\$ 2,223,532	\$ 1,865,451
Academic Support	380,307	-	42,815	70,714	493,836	479,719
Student Services	225,155	-	25,348	38,628	289,131	242,959
Institutional Support	373,995	-	42,104	542,722	958,821	778,435
Operation and Maintenance of Plant	125,104	-	479	444,932	570,515	551,779
Total Unrestricted Educational Activities	2,813,070	-	303,092	1,419,673	4,535,835	3,918,343
Restricted Educational Activities						
Instruction	15,328	312,216	-	11,703	339,247	380,097
Academic Support	6,054	69,498	-	-	75,552	77,062
Student Services	109,972	41,145	22,620	67,984	241,721	40,701
Institutional Support	-	68,345	-	-	68,345	75,574
Operation and Maintenance of Plant	5,212	-	-	-	5,212	870
Scholarships and Fellowships	-	-	-	690,658	690,658	272,496
Total Restricted Educational Activities	136,566	491,204	22,620	770,345	1,420,735	846,800
Total Educational Activities	2,949,636	491,204	325,712	2,190,018	5,956,570	4,765,143
Auxiliary Enterprises	111,658	-	-	1,408,233	1,519,891	1,447,579
Depreciation Expense - Buildings and Land Improvements	-	-	-	185,363	185,363	87,052
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	50,103	50,103	47,030
Total Operating Expenses	\$ 3,061,294	\$ 491,204	\$ 325,712	\$ 3,833,717	\$ 7,711,927 (Exhibit 2)	\$ 6,346,804 (Exhibit 2)

RANGER COLLEGE DISTRICT
Schedule C
Schedule of Non-Operating Revenues and Expenses
For the 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>Totals</u>	
				<u>August 31, 2011</u>	<u>August 31, 2010</u>
Non-Operating Revenues					
State Appropriations					
Education and General State Support	\$ 1,946,918	\$ -	\$ -	\$ 1,946,918	\$ 1,961,199
State Group Insurance	-	362,573	-	362,573	375,877
State Retirement Matching	-	128,631	-	128,631	140,029
Total State Appropriations	<u>1,946,918</u>	<u>491,204</u>	<u>-</u>	<u>2,438,122</u>	<u>2,477,105</u>
Maintenance Ad Valorem Taxes	237,348	-	-	237,348	225,184
Federal Revenue, Non-Operating	-	2,528,332	-	2,528,332	1,399,259
Gifts	-	-	-	-	30,304
Investment Income	<u>204,685</u>	<u>-</u>	<u>-</u>	<u>204,685</u>	<u>152,521</u>
Total Non-Operating Revenue	2,388,951	3,019,536	-	5,408,487	4,284,373
Non-Operating Expenses					
Interest on Capital Related Debt	46,935	-	-	46,935	31,897
Loss on Disposal of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,420</u>
Total Non-Operating Expenses	<u>46,935</u>	<u>-</u>	<u>-</u>	<u>46,935</u>	<u>36,317</u>
Net Non-Operating Revenues (Expenses)	<u>\$ 2,342,016</u>	<u>\$3,019,536</u>	<u>\$ -</u>	<u>\$ 5,361,552</u>	<u>\$ 4,248,056</u>
				(Exhibit 2)	(Exhibit 2)

RANGER COLLEGE DISTRICT
Schedule D
Schedule of Net Assets by Source and Availability
For the 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	Restricted Non-Expendable	Capital Assets Net of Depreciation and Related Debt	Total	Yes	No
Current							
Unrestricted	\$ 1,892,821	\$	\$	\$	\$ 1,892,821	\$ 1,892,821	\$
Board Designated					-		
Restricted							
Student Aid		359,967			359,967	359,967	
Instructional Programs					-		
Auxiliary Enterprises	56,954				56,954		56,954
Loan							
Endowment							
Quasi							
Unrestricted							
Restricted							
Endowment							
True							
Term (per instructions at maturity)							
Life Income Contracts							
Annuities							
Plant							
Unexpended							
Capital Projects		199,119			199,119		199,119
Debt Service							
Investment in Plant				1,271,344	1,271,344		1,271,344
Totals							
Net Assets, August 31, 2011	1,949,775	559,086	-	1,271,344	3,780,205 (Exhibit 1)	2,252,788	1,527,417
Net Assets, August 31, 2010	1,433,177	463,853	-	1,306,497	3,203,527 (Exhibit 1)	1,645,250	1,558,277
Net Increase (Decrease) in Net Assets	<u>\$ 516,598</u>	<u>\$ 95,233</u>	<u>\$ -</u>	<u>\$ (35,153)</u>	<u>\$ 576,678</u> (Exhibit 2)	<u>\$ 607,538</u>	<u>\$ (30,860)</u>

STATISTICAL SUPPLEMENT

RANGER COLLEGE DISTRICT
Statistical Supplement 1
Net Assets by Component
Last Ten Fiscal Years
 (unaudited)
 (amounts expressed in thousands)

	For the Year Ended August 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 1,271	\$ 1,307	\$ 1,446	\$ 1,493	\$ 1,624	\$ 1,752	\$ 1,938	\$ 2,208	\$ 2,377	\$ 1,942
Restricted - expendable	559	464	406	190	182	175	169	165	171	177
Unrestricted	1,950	1,433	1,369	1,455	1,004	869	908	763	222	713
Total primary government net assets	\$ 3,780	\$ 3,204	\$ 3,221	\$ 3,138	\$ 2,810	\$ 2,796	\$ 3,015	\$ 3,136	\$ 2,770	\$ 2,832

RANGER COLLEGE DISTRICT
Statistical Supplement 2
Revenues by Source
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31,

(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$ 1,479	\$ 1,201	\$ 804	\$ 857	\$ 593	\$ 536	\$ 507	\$ 543	\$ 509	\$ 213
Governmental Grants and Contracts										
Federal Grants and Contracts	300	74	-	993	1,123	1,218	1,253	1,041	1,089	981
State Grants and Contracts	73	58	64	113	32	37	46	532	62	210
Local Grants and Contracts	190	235	-	-	-	-	-	-	-	-
Sales and services of educational activities	103	69	51	41	44	45	43	50	43	53
Auxiliary enterprises	617	398	608	675	536	511	464	416	720	744
Other Operating Revenues	168	72	55	71	35	52	49	54	53	59
Total Operating Revenues	2,930	2,107	1,582	2,750	2,363	2,399	2,362	2,636	2,476	2,260
State Appropriations	2,438	2,477	2,669	2,572	2,541	2,535	2,495	2,503	2,666	2,833
Ad Valorem Taxes	237	225	190	188	187	174	161	171	162	160
Federal Grants, Non-Operating	2,528	1,399	1,110	-	200	170	141	97	132	33
Gifts	-	30	38	114	73	23	62	23	2	13
Investment income	205	153	162	156	(12)	(8)	(12)	(3)	(3)	(5)
Other non-operating revenues	-	-	-	-	3	(11)	29	-	-	100
Total Non-Operating Revenues	5,408	4,284	4,169	3,030	2,992	2,884	2,876	2,791	2,959	3,134
Total Revenues	\$ 8,338	\$ 6,391	\$ 5,751	\$ 5,780	\$ 5,355	\$ 5,283	\$ 5,238	\$ 5,427	\$ 5,435	\$ 5,394

For the Year Ended August 31,

(percentage of total)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	17.74%	18.79%	13.98%	14.83%	11.07%	10.15%	9.68%	10.01%	9.37%	3.95%
Governmental Grants and Contracts										
Federal Grants and Contracts	3.60%	1.16%	0.00%	17.18%	20.97%	23.06%	23.92%	19.17%	20.04%	18.19%
State Grants and Contracts	0.88%	0.91%	1.11%	1.96%	0.60%	0.70%	0.88%	9.80%	1.14%	3.89%
Non-Governmental Grants and Contracts	2.28%	3.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sales and services of educational activities	1.24%	1.08%	0.89%	0.71%	0.82%	0.85%	0.82%	0.92%	0.79%	0.98%
Auxiliary enterprises	7.40%	6.23%	10.57%	11.68%	10.01%	9.67%	8.86%	7.67%	13.25%	13.79%
Other Operating Revenues	2.01%	1.13%	0.96%	1.23%	0.65%	0.98%	0.94%	1.00%	0.98%	1.09%
Total Operating Revenues	35.14%	32.97%	27.51%	47.58%	44.13%	45.41%	45.09%	48.57%	45.56%	41.90%
State Appropriations	29.24%	38.76%	46.41%	44.50%	47.45%	48.00%	47.63%	46.12%	49.05%	52.52%
Ad Valorem Taxes	2.84%	3.52%	3.30%	3.25%	3.49%	3.29%	3.07%	3.15%	2.98%	2.97%
Federal Grants, Non-Operating	30.32%	21.89%	19.30%	0.00%	3.73%	3.22%	2.69%	1.79%	2.43%	0.61%
Gifts	0.00%	0.47%	0.66%	1.97%	1.36%	0.44%	1.18%	0.42%	0.05%	0.24%
Investment income	2.46%	2.39%	2.82%	2.70%	-0.22%	-0.15%	-0.23%	-0.06%	-0.06%	-0.09%
Other non-operating revenues	0.00%	0.00%	0.00%	0.00%	0.06%	-0.21%	0.55%	0.00%	0.00%	1.85%
Total Non-Operating Revenues	64.86%	67.03%	72.49%	52.42%	55.87%	54.59%	54.91%	51.43%	54.44%	58.10%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

RANGER COLLEGE DISTRICT
Statistical Supplement 3
Program Expenses by Function
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31,										
(amounts expressed in thousands)										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$ 2,542	\$ 2,264	\$ 1,734	\$ 1,784	\$ 1,779	\$ 1,608	\$ 1,663	\$ 1,786	\$ 1,823	\$ 1,814
Academic support	565	561	287	168	172	243	224	271	264	399
Student services	564	284	298	289	274	310	313	288	330	332
Institutional support	1,022	856	797	831	843	949	891	819	830	918
Operation and maintenance of plant	576	553	566	613	607	616	481	389	414	529
Scholarships and fellowships	691	273	657	568	651	628	687	568	667	346
Auxiliary enterprises	1,520	1,448	1,110	1,028	866	958	791	755	1,063	1,078
Depreciation	235	134	215	157	147	192	198	185	106	96
Total Operating Expenses	7,715	6,373	5,664	5,438	5,339	5,504	5,248	5,061	5,497	5,512
Interest on capital related debt	47	32	2	15	12	8	12	4	3	5
Loss on disposal of capital assets	-	4	-	-	-	11	-	-	-	-
Total Non-Operating Expenses	47	36	2	15	12	19	12	4	3	5
Total Expenses	\$ 7,762	\$ 6,409	\$ 5,666	\$ 5,453	\$ 5,351	\$ 5,523	\$ 5,260	\$ 5,065	\$ 5,500	\$ 5,517

For the Year Ended August 31,										
(percentage total)										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	32.75%	35.33%	30.59%	32.71%	33.26%	29.11%	31.62%	35.26%	33.14%	32.88%
Academic support	7.28%	8.75%	5.07%	3.08%	3.21%	4.40%	4.26%	5.35%	4.80%	7.23%
Student services	7.27%	4.43%	5.26%	5.30%	5.12%	5.61%	5.95%	5.69%	6.00%	6.02%
Institutional support	13.17%	13.36%	14.07%	15.24%	15.75%	17.18%	16.94%	16.17%	15.09%	16.64%
Operation and maintenance of plant	7.42%	8.63%	9.99%	11.24%	11.34%	11.15%	9.14%	7.68%	7.53%	9.59%
Scholarships and fellowships	8.90%	4.26%	11.60%	10.42%	12.17%	11.37%	13.06%	11.21%	12.13%	6.27%
Auxiliary enterprises	19.58%	22.59%	19.59%	18.85%	16.18%	17.35%	15.04%	14.91%	19.33%	19.54%
Depreciation	3.03%	2.09%	3.79%	2.88%	2.75%	3.49%	3.76%	3.65%	1.93%	1.74%
Total Operating Expenses	99.40%	99.44%	99.96%	99.72%	99.78%	99.66%	99.77%	99.92%	99.95%	99.91%
Interest on capital related debt	0.61%	0.50%	0.04%	0.28%	0.22%	0.14%	0.23%	0.08%	0.05%	0.09%
Loss on disposal of capital assets	0.00%	0.06%	0.00%	0.00%	0.00%	0.20%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	0.61%	0.56%	0.04%	0.28%	0.22%	0.34%	0.23%	0.08%	0.05%	0.09%
Total Expenses	100.01%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

RANGER 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 (per student)	In-District Tuition	Out-of-District Tuition	General Service Fees	Educational Service Fee	Student Records Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	from Prior Year In-District	Increase from Prior Year Out-of-District			
2010-11	\$ 10	\$ 50	\$ 61	\$ 10	\$ 65	\$ 10	\$ 915	\$ 1,047	6.40%	5.54%			
2009-10	10	50	61	10	10	10	860	992	2.87%	18.66%			
2008-09	7	54	54	7	10	10	836	836	0.00%	-5.43%			
2007-08	7	54	58	7	10	10	836	884	35.49%	32.93%			
2006-07	7	37	41	7	-	5	617	665	4.05%	3.74%			
2005-06	6	37	41	6	-	5	593	641	6.46%	5.95%			
2004-05	6	34	38	6	-	5	557	605	0.00%	0.00%			
2003-04	6	34	38	6	-	5	557	605	14.85%	22.22%			
2002-03	6	28	34	6	-	5	485	495	5.21%	5.10%			
2001-02	6	26	32	6	-	5	461	471	5.98%	5.84%			

Non - Resident Fees per Semester Credit Hour (SCH)													
Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Service Fees	Educational Service Fee	Student Records Fee	Cost for 12 SCH Out of State	Cost for 12 SCH International	from Prior Year Out of State	Increase from Prior Year International			
2010-11	\$ 10	\$ 73	\$ 73	\$ 10	\$ 65	\$ 10	\$ 1,191	\$ 1,191	4.84%	4.84%			
2009-10	10	73	73	10	10	10	1,136	1,136	18.83%	18.83%			
2008-09	7	64	64	7	10	10	956	956	0.00%	0.00%			
2007-08	7	64	64	7	10	10	956	956	29.72%	29.72%			
2006-07	7	47	47	7	-	5	737	737	3.37%	3.37%			
2005-06	6	47	47	6	-	5	713	713	5.32%	5.32%			
2004-05	6	44	44	6	-	5	677	677	0.00%	0.00%			
2003-04	6	44	44	6	-	5	677	677	21.54%	21.54%			
2002-03	6	34	34	6	-	5	557	557	15.80%	15.80%			
2001-02	6	32	32	6	-	5	481	481	5.95%	5.95%			

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

RANGER COLLEGE DISTRICT
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

(amounts expressed in thousands) Direct Rate

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value	Taxable Assessed (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2010-11	\$ 91,709	\$ -	\$ 91,709	91,709	100.00%	0.24880	0.00000	0.24880
2009-10	92,267	-	92,267	92,267	100.00%	0.23500	0.00000	0.23500
2008-09	92,307	-	92,307	92,307	100.00%	0.24000	0.00000	0.24000
2007-08	78,594	8	78,586	78,586	99.99%	0.24000	0.00000	0.24000
2006-07	74,291	16	74,275	74,275	99.98%	0.24000	0.00000	0.24000
2005-06	73,231	73	73,158	73,158	99.90%	0.24000	0.00000	0.24000
2004-05	66,224	-	66,224	66,224	100.00%	0.24000	0.00000	0.24000
2003-04	65,488	-	65,488	65,488	100.00%	0.24000	0.00000	0.24000
2002-03	66,518	-	66,518	66,518	100.00%	0.24000	0.00000	0.24000
2001-02	64,268	40	64,228	64,228	99.94%	0.24000	0.00000	0.24000

Source: Local Appraisal District
Notes: Property is assessed at full market value.
(a) per \$100 Taxable Assessed Valuation

RANGER COLLEGE DISTRICT

Statistical Supplement 6

State Appropriation per FTSE

Last Ten Fiscal Years

(unaudited)

(amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hours
2010-11	\$ 1,947	2,811	\$ 693	479	257	736	2.65
2009-10	1,961	1,789	1,096	314	156	470	4.17
2008-09	2,089	2,183	957	258	149	407	5.13
2007-08	2,089	2,652	788	265	161	426	4.90
2006-07	2,090	2,962	706	271	168	439	4.76
2005-06	2,090	3,118	670	260	187	447	4.68
2004-05	2,087	3,091	675	274	156	430	4.85
2003-04	2,087	3,661	570	262	149	411	5.08
2002-03	2,156	3,033	711	301	155	456	4.73
2001-02	2,341	2,582	907	299	137	436	5.37

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

(a) Source CBM001

(b) Source CBM00A

RANGER COLLEGE DISTRICT
Statistical Supplement 7
Principal Taxpayers
Last Six Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)					
		2011	2010	2009	2008	2007	2006
TXU Electric Delivery Co.	Utility	\$ -	\$ -	\$ -	\$ -	\$ 3,218	\$ 3,084
Union Pacific RR CO.	Transportation	3,444	2,984	2,727	2,417	2,197	2,097
Southwestern Bell Telephone	Utility	1,240	1,444	1,692	1,850	2,122	1,965
North Ridge Corporation	Oil & Gas	-	890	1,376	1,666	1,651	1,875
Cook Canyon Ranch	Ranching	2,329	2,282	20,927	18,882	1,443	-
Sand Dollar Drilling LP	Oil & Gas	-	-	-	-	3,781	1,728
Loves Country Store, Inc.	Retail	1,808	1,783	-	877	877	962
Ranger Gas Gathering LLC	Gas	988	1,016	1,148	1,032	992	926
Stephens & Johnson Opr. Co.	Oil & Gas	1,950	785	930	1,072	-	830
Eastland Operating LLC	Oil & Gas	-	-	1,133	1,124	862	807
West Texas LPG LLC	Gas	1,694	1,604	933	725	-	770
Lynn Garner	Ranching	-	-	-	1,161	836	-
Oncor Electric Delivery Co.	Utility	2,801	2,871	2,871	3,123	-	-
CDX Gas LLC	Gas	-	-	4,633	2,955	-	-
Sunoco Pipeline LP	Utility	1,042	-	-	742	-	-
Bradley Earl T & Maria	Ranching	839	826	-	813	-	-
USA Compression Part. LP	Equipment Lease	954	1,544	2,626	740	-	-
Lambrech Construction Inc.	Construction	-	-	1,815	-	-	-
West Texas Gulf Pipeline	Gas	1,919	1,623	1,569	-	-	-
The Alter Company	Oil & Gas	-	-	1,097	-	-	-
S & J Operating Co.	Oil & Gas	-	-	1,028	-	-	-
Enervest Operating	Oil & Gas	-	2,994	-	-	-	-
GCF Family Limited Partnership	Ranching	1,393	965	-	-	-	-
Totals		\$ 22,401	\$ 23,611	\$ 46,505	\$ 39,179	\$ 17,979	\$ 15,044
Total Taxable Assessed Value		\$ 91,709	\$ 92,267	\$ 92,307	\$ 78,566	\$ 47,275	\$ 73,156

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year					
		2011	2010	2009	2008	2007	2006
TXU Electric Delivery Co.	Utility	-	-	-	-	6.81%	4.22%
Union Pacific RR CO.	Transportation	3.73%	3.23%	2.95%	2.62%	4.65%	2.87%
Southwestern Bell Telephone	Utility	1.34%	1.57%	1.83%	2.00%	4.49%	2.69%
North Ridge Corporation	Oil & Gas	-	0.96%	1.49%	1.80%	3.49%	2.56%
Cook Canyon Ranch	Ranching	2.52%	2.47%	22.67%	20.46%	3.05%	-
Sand Dollar Drilling LP	Oil & Gas	-	-	-	-	8.00%	2.36%
Loves Country Store, Inc.	Retail	1.96%	1.93%	-	0.95%	1.86%	1.31%
Ranger Gas Gathering LLC	Gas	1.07%	1.10%	1.24%	1.12%	2.10%	1.27%
Stephens & Johnson Opr. Co.	Oil & Gas	2.11%	0.85%	1.01%	1.16%	-	1.13%
Eastland Operating LLC	Oil & Gas	-	-	1.23%	-	1.82%	1.10%
West Texas LPG LLC	Gas	1.84%	1.74%	1.01%	0.79%	-	1.05%
Lynn Garner	Ranching	-	-	-	1.26%	1.77%	-
Oncor Electric Delivery Co.	Utility	3.04%	3.11%	3.11%	3.38%	-	-
CDX Gas LLC	Gas	-	-	5.02%	3.20%	-	-
Sunoco Pipeline LP	Utility	1.13%	-	-	0.80%	-	-
Bradley Earl T & Maria	Ranching	0.91%	0.90%	-	0.88%	-	-
USA Compression Partners LP	Equipment Lease	1.03%	1.67%	2.84%	0.80%	-	-
Lambrech Construction Inc.	Construction	-	-	1.97%	-	-	-
West Texas Gulf Pipeline	Gas	2.08%	1.76%	1.70%	-	-	-
The Alter Company	Oil & Gas	-	-	1.19%	-	-	-
S & J Operating Co.	Oil & Gas	-	-	1.12%	-	-	-
Enervest Operating	Oil & Gas	-	3.24%	-	-	-	-
GCF Family Limited Partnership	Ranching	1.51%	1.05%	-	-	-	-
		24.28%	25.59%	50.38%	49.87%	38.03%	20.56%

Source: Local County Appraisal District

Note: Information not available prior to 2006

RANGER COLLEGE DISTRICT
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2011	\$ 228	\$ -	\$ 228	\$ 225	98.68%	\$ -	\$ 7	\$ 232	101.75%
2010	217	-	217	209	96.31%	-	12	221	101.84%
2009	197	-	197	178	90.36%	-	9	187	94.92%
2008	191	-	191	180	94.24%	-	8	188	98.43%
2007	173	-	178	168	94.38%	-	14	182	102.25%
2006	176	-	176	157	89.20%	-	11	168	95.45%
2005	159	-	159	129	81.13%	-	25	154	96.86%
2004	157	-	157	146	92.99%	-	17	163	103.82%
2003	160	-	160	129	80.63%	-	27	156	97.50%
2002	154	-	154	143	92.86%	-	29	172	111.69%

Source: Ranger Independent School District.

Notes:

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

RANGER COLLEGE DISTRICT

Statistical Supplement 9

Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Bonded Debt										
Limited Tax Bonds - General Obligation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Limited Tax Refunding Bonds - General Obligation	-	-	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Net General Bonded Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Debt										
Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	843	980	170	222	273	209	105	109	114	53
Capital Lease Obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 843	\$ 980	\$ 170	\$ 222	\$ 273	\$ 209	\$ 105	\$ 109	\$ 114	\$ 53
General Bonded Debt Ratios										
Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Outstanding Debt Ratios										
Per Capita	\$ 46.52	\$ 53.94	\$ 9.33	\$ 12.11	\$ 14.94	\$ 11.41	\$ 5.74	\$ 5.98	\$ 6.27	\$ 2.94
Per FTSE	300	548	78	84	92	67	34	30	38	21
As a percentage of Taxable Assessed Value	0.92%	1.06%	0.18%	0.28%	0.37%	0.29%	0.16%	0.17%	0.17%	0.08%

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

RANGER COLLEGE DISTRICT
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31 (amount expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Taxable Assessed Value	\$ 91,709	\$ 92,267	\$ 92,307	\$ 78,594	\$ 74,291	\$ 73,231	\$ 66,224	\$ 65,448	\$ 66,518	\$ 64,268
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	459	461	462	393	371	366	331	327	333	321
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	459	461	462	393	371	366	331	327	333	321
Current Year Debt Service Requirements	204	193	52	41	-	-	-	10	10	10
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 255	\$ 268	\$ 410	\$ 352	\$ 371	\$ 366	\$ 331	\$ 317	\$ 323	\$ 311
Net Current Requirements as a % of Statutory Limit	44.49%	41.84%	11.27%	10.43%	0.00%	0.00%	0.00%	3.06%	3.01%	3.11%

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.

RANGER 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	Technology Fee	Registration Fees	Laboratory Fees	Building Use Fees	Interest Income	Meal Plan Revenues	Bookstore Commission	Total	Principal	Interest	Total	Coverage Ratio
2011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2010	-	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-	-

RANGER COLLEGE DISTRICT
Statistical Supplement 12
Demographic and Economic Statistics
Last Ten Fiscal Years
(unaudited)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2010	18,122 (a)	\$ (b)	\$ (b)	7.5%
2009	18,167	679,102	37,381	8.1%
2008	18,212	695,414	38,184	5.1%
2007	18,325	602,890	32,900	4.0%
2006	18,277	571,109	31,247	4.0%
2005	18,320	522,920	28,544	4.5%
2004	18,281	491,547	26,888	5.3%
2003	18,213	468,930	25,747	5.6%
2002	18,178	450,915	24,806	5.9%
2001	18,031	431,656	23,940	5.0%

Sources:

Population and personal income obtained from U.S. Bureau of Economic Analysis.
Unemployment rate obtained from Texas Workforce Commission.

Notes:

- (a) Population for 2010 is a preliminary estimate.
- (b) Not available.

RANGER COLLEGE DISTRICT
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(unaudited)

Employer	2011	
	Number of Employees	Percentage of Total Employment
Ranger College	50-99	20.41%
Ranger Independent School District	50-99	20.41%
Ranger Care Center	50-99	20.41%
Love's Truck Stop	20-49	9.46%
City of Ranger	20-49	9.46%
Abtex Beverages	10-19	3.97%
Freddy's Garage/Machine Shop	10-19	3.97%
Dairy Queen	10-19	3.97%
Great Western Dining	10-19	3.97%
Lawrence Brothers IGA	10-19	3.97%
Total	250-520	100.00%

Source:

Texas Workforce Commission
Texas Metropolitan Statistical Area Data

Note:

Percentages are calculated using the midpoints of the ranges.

RANGER COLLEGE DISTRICT

Statistical Supplement 14

Faculty, Staff, and Administrators Statistics

Last Ten Fiscal Years

(unaudited)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Faculty										
Full-Time	38	31	28	30	29	28	27	28	28	22
Part-Time	13	32	43	36	31	22	24	34	34	35
Total	51	63	71	66	60	50	51	62	62	57
Percent										
Full-Time	74.5%	49.2%	39.4%	45.5%	48.3%	56.0%	52.9%	45.2%	45.2%	38.6%
Part-Time	25.5%	50.8%	60.6%	54.5%	51.7%	44.0%	47.1%	54.8%	54.8%	61.4%
Staff and Administrators										
Full-Time	38	29	31	32	36	31	40	46	46	53
Part-Time	1	11	5	3	4	9	8	13	13	6
Total	39	40	36	35	40	40	48	59	59	59
Percent										
Full-Time	97.4%	72.5%	86.1%	91.4%	90.0%	77.5%	83.3%	78.0%	78.0%	89.8%
Part-Time	2.6%	27.5%	13.9%	8.6%	10.0%	22.5%	16.7%	22.0%	22.0%	10.2%
FTSE per Full-Time Faculty	74	92	78	89	102	111	114	131	108	117
FTSE per Full-Time Staff Member	74	99	70	83	82	101	77	80	66	49
Average Annual Faculty Salary	\$32,264	\$34,081	\$30,401	\$29,116	\$30,390	\$29,116	\$28,903	\$27,710	\$27,168	\$26,383

RANGER COLLEGE DISTRICT
Statistical Supplement 15
 Enrollment Details
 Last Five Fiscal Years
 (unaudited)

Student Classification	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
0 - 30 hours	1,458	91.81%	908	91.16%	824	92.58%	737	90.65%	848	97.47%
31 - 60 hours	98	6.17%	70	7.03%	60	6.74%	72	8.86%	19	2.18%
> 60 hours	32	2.02%	18	1.81%	6	0.67%	4	0.49%	3	0.34%
Total	1,588	100.00%	996	100.00%	890	100.00%	813	100.00%	870	100.00%

Semester Hour Load	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	0	0.00%	0	0.00%	0	0.00%	0	0.00%		
3-5 semester hours	476	29.97%	267	28.46%	216	24.55%	190	23.37%		
6-8 Semester hours	284	17.88%	168	17.91%	104	11.82%	98	12.05%		
9-11 semester hours	110	6.93%	85	9.06%	32	3.64%	21	2.58%		
12-14 semester hours	219	13.79%	169	18.02%	138	15.68%	103	12.67%		
15-17 semester hours	414	26.07%	170	18.12%	280	31.82%	287	35.30%		
18 & over	85	5.35%	79	8.42%	110	12.50%	114	14.02%		
Total	1,588	100.00%	938	100.00%	880	100.00%	813	100.00%		

Average course load 11.0 14.0

Tuition Status	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	47	2.96%	44	4.42%	38	4.27%	38	4.68%	42	4.82%
Texas Resident (out-of-District)	1,473	92.75%	913	91.66%	811	91.12%	728	89.54%	743	85.40%
Non-Resident Tuition	68	4.28%	39	3.92%	41	4.61%	47	5.78%	85	9.78%
Total	1,588	99.99%	996	100.00%	890	100.00%	813	100.00%	870	100.00%

RANGER COLLETE 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	745	46.91%	489	49.10%	427	47.98%	392	48.22%	409	47.01%
Male	843	53.09%	507	50.90%	463	52.02%	421	51.78%	461	52.99%
Total	1,588	100.00%	996	100.00%	890	100.00%	813	100.00%	870	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	1,039	65.44%	690	69.29%	603	67.77%	583	71.70%	577	66.32%
Hispanic	297	18.70%	205	20.58%	201	22.58%	153	18.82%	124	14.25%
African American	84	5.29%	87	8.73%	69	7.75%	62	7.63%	147	16.90%
Asian	2	0.13%	3	0.30%	4	0.45%	5	0.62%	3	0.34%
Foreign	9	0.57%	4	0.40%	6	0.67%	2	0.25%	1	0.11%
Native American	8	0.50%	5	0.50%	5	0.56%	8	0.98%	11	1.26%
Other	149	9.38%	2	0.20%	2	0.22%	-	0.00%	7	0.80%
Total	1,588	100.01%	996	100.00%	890	100.00%	813	100.00%	870	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	499	31.42%	396	39.76%	299	33.60%	238	29.27%	271	31.15%
18 - 21	698	43.95%	479	48.09%	481	54.04%	472	58.06%	475	54.60%
22 - 24	112	7.05%	29	2.91%	32	3.60%	38	4.67%	44	5.06%
25 - 35	187	11.78%	58	5.82%	53	5.96%	47	5.78%	42	4.83%
36 - 50	78	4.91%	26	2.61%	21	2.36%	13	1.60%	36	4.14%
51 & over	14	0.88%	8	0.80%	4	0.45%	5	0.62%	2	0.23%
Total	1,588	100.00%	996	100.00%	890	100.00%	813	100.00%	870	100.00%

Average Age	20	20	20	21	20
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RANGER COLLEGE DISTRICT
Statistical Supplement 17
Transfers to Senior Institutions
Students as of Fall 2010
(Includes only public senior colleges in Texas)
(unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Tarleton State University	114	4	0	118	49.37%
2 Angelo State University	24	0	0	24	10.04%
3 Texas Tech University	18	0	0	18	7.53%
4 Midwestern State University	13	1	0	14	5.86%
5 Texas State University	12	0	0	12	5.02%
6 Texas A&M University	10	0	0	10	4.18%
7 University of North Texas	6	0	0	6	2.51%
8 University of Texas at Austin	5	0	0	5	2.09%
9 University of Texas at San Antonio	5	0	0	5	2.09%
10 Lamar University	3	0	0	3	1.26%
11 Texas A&M University - Kingsville	3	0	0	3	1.26%
12 West Texas A&M University	3	0	0	3	1.26%
13 Sam Houston State University	2	0	0	2	0.84%
14 Sul Ross State University	2	0	0	2	0.84%
15 Texas A&M University - Commerce	2	0	0	2	0.84%
16 University of Houston - Victoria	2	0	0	2	0.84%
17 University of Texas at Arlington	2	1	0	3	1.26%
18 University of Texas of the Permian Basin	2	0	0	2	0.84%
19 Prarie View A&M University	1	0	0	1	0.42%
20 Texas A&M University - Corpus Christi	1	0	0	1	0.42%
21 University of Houston	1	0	0	1	0.42%
22 University of Texas at Dallas	1	0	0	1	0.42%
23 University of Texas at Tyler	1	0	0	1	0.42%
Totals	233	6	0	239	100.00%

RANGER COLLEGE DISTRICT
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2010 to 2011
(unaudited)

	Fiscal Year	
	2011	2010
Academic Buildings	1	1
Square footage (in thousands)	5	5
Libraries	1	1
Square footage (in thousands)	15	15
Number of volumes (in thousands)	23	23
Administrative and supportive buildings	12	12
Square footage (in thousands)	77	77
Dormitories	9	9
Square footage (in thousands)	88	88
Number of beds	394	394
Dining facilities	1	1
Square footage (in thousands)	19	19
Average daily customers	227	227
Athletic Facilities	1	1
Square footage (in thousands)	13	13
Stadiums	0	0
Gymnasiums	1	1
Fitness Centers	0	0
Tennis Courts	0	0
Bookstore	1	1
Square footage (in thousands)	2	2
Transportation		
Cars	0	0
Light trucks/vans	5	5
Buses	2	2
Heavy trucks	0	0

Note: Information not available prior to fiscal year 2010.

**OVERALL COMPLIANCE AND
INTERNAL CONTROLS SECTION**



Snow, Garrett & Company

CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Regents
Ranger College District

We have audited the financial statements of the Ranger College District as of and for the year ended August 31, 2011, and have issued our report thereon dated January 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 11-1, 11-2, 11-3, 11-4, and 11-5 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 11-6, 11-7, 11-8, and 11-9 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the Public Funds Investment Act (Chapter 2256, Texas Government Code), 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*.

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

We noted certain other matters that we reported to management of the College in a separate letter dated January 17, 2012.

The College's response to the findings identified in our audit is described in the accompanying corrective action plan. We did not audit the College's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the College's Board of Regents, others within the entity, 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.

Snow, Garrett & Company

Snow, Garrett & Company, CPA's
January 17, 2012

RANGER COLLEGE DISTRICT
Summary Schedule of Prior Audit Findings
For the Year Ended August 31, 2011

There were no findings or questioned costs noted in the prior year relative to Federal or State awards.

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

Material weakness(es) identified? X yes no

Significant deficiencies identified that are not considered to be material weaknesses? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiencies identified that are not considered to be material weaknesses? yes X 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? yes X no

Identification of Major Programs:

U.S. Department of Education:

Student Financial Assistance Cluster of Programs:

CFDA # 84.007	Federal Supplemental Education Opportunity Grant
CFDA #84.032	Federal Family Education Loans
CFDA # 84.033	Federal College Workstudy Program
CFDA # 84.063	Federal Pell Grant
CFDA # 84.375	Academic Competitiveness Grant

Dollar threshold used to distinguish between Type A and Type B federal programs: \$ 300,000

Auditee qualified as a low-risk auditee? yes X no

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2011

Section II – Financial Statement Findings

Findings required to be reported in accordance with *Government Auditing Standards*:

11-1 & Financial Accounting and Reporting Process - Material Weakness
10-1

Criteria: Timely and accurate financial reports are essential to perform analysis of financial condition, review data for accuracy and completeness, monitor compliance with budget appropriations, prepare long-range financial plans and to safeguard assets.

Condition: Breakdowns in internal control occurred resulting in inadequate preparation and review of financial reports, accounting records, and reconciliations and errors in recording numerous transactions in the general ledger. Material adjusting entries were necessary to correct the balances and transactions reported in the general ledger in order to prepare accurate financial statements.

Effect: Due to numerous material audit adjustments in order to properly report the College's financial information for the fiscal year end, the financial reports prepared throughout the fiscal year could have been relied upon in error.

Cause: It appears these conditions are the result of weaknesses in internal controls regarding monitoring of financial information, reconciliation of financial reports to the related documentation, and recording transactions in the general ledger in a timely manner.

Auditor's Recommendation: The College should develop and implement policies and procedures to include strong internal controls related to financial reporting and monitoring, including the preparation of reconciliations and recording of financial transactions in the general ledger in a timely manner to produce more useful and accurate financial reports.

11-2 & Cash Reconciliation Process - Material Weakness
10-2

Criteria: The cash reconciliation process is a control designed to help identify errors in entries related to cash receipts and disbursements. Appropriate controls over cash require complete and timely reconciliations of all bank accounts.

Condition: Reconciliations of the College's cash accounts were not performed timely during the fiscal year. Timely reconciliations and timely research and resolution of reconciling items is an important control over cash and deposits.

Effect: Significant adjusting entries were necessary to correct the transactions reported in the cash accounts throughout the fiscal year.

Cause: The failure to prepare timely cash reconciliations during the fiscal year resulted in bookkeeping errors of cash general ledger entries.

Auditor's Recommendation: Cash reconciliations should be prepared in a timely manner each month and all unreconciled differences should be immediately researched and resolved. Any bookkeeping errors that are identified should be researched, thoroughly reviewed, and immediately corrected. The source of any errors should be identified and additional controls should be implemented to prevent those errors from recurring in the future. The reconciliation should be prepared and reviewed by appropriately trained personnel. The reconciliation procedures should be thoroughly documented and continually reviewed to ensure that they remain appropriate as the College's finances and systems change over time.

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2011

Section II – Financial Statement Findings (Continued)

11-3 & Recording receipts in the general ledger - Material Weakness
10-3

Criteria: Recording receipts accurately and timely to the general ledger as they are received and deposited is necessary to reduce the risk of misappropriation or fraudulent activity.

Condition: The College did not record receipts accurately and timely in the general ledger as they were deposited or wired into the bank account. Significant amounts of deposits and incoming wires were not recorded in the general ledger until several months after the funds were received. Numerous year end adjustments were needed to reclassify receipts to the correct revenue accounts in the general ledger.

Effect: The lack of recording receipts accurately and timely into the general ledger could result in incorrect financial statements and the understatement of revenue.

Cause: The lack of recording receipts accurately and timely in the general ledger when received appears to be due to College personnel not knowing what the receipt was for or what transaction code to use. Also, deposit slips from outside offices were not sent to the Bursar's office regularly in order for the deposits to be properly recorded into the general ledger.

Auditor's recommendation: The College should record all receipts accurately into the general ledger as they are received. Also, the outside education centers should forward deposits to the Bursar's office regularly to properly record receipts into the general ledger.

11-4 & Basis of accounting used in preparing financial statements - Material Weakness
10-4

Criteria: The College's financial statements are required to be reported in accordance with Generally Accepted Accounting Principles (GAAP) and on the accrual basis of accounting. When preparing the financial statements using the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liabilities are incurred.

Condition: The College was not preparing financial statements or recording financial transactions using the accrual basis of accounting as required by GAAP. Revenue was recorded when funds were received rather than when the services were provided to the student.

Effect: Using the improper basis of accounting to record financial transactions could result in revenue being under or over stated in the College's financial statements.

Cause: There is no formal process for the recording of transactions using the accrual basis of accounting. The College's accounting system is not being used properly to enable the College to report all transactions under the accrual basis of accounting.

Auditor's recommendation: The College should prepare the financial statements and record financial transactions using the accrual basis of accounting as required by GAAP. The College should consider using their accounting software as designed by linking the student accounts receivable package to the general ledger package correctly so that when a student enrolls and begins attending classes, the revenue is recognized and recorded into the general ledger and a related receivable is recorded. When the payment is received, the receivable is relieved in the general ledger.

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2011

Section II – Financial Statement Findings (Continued)

11-5 Recording tuition and fee and related discounts for scholarships and grants awarded - Material Weakness

Criteria: The College receives or sets aside various grants and scholarships to be passed through to students. When the award is used to the student for tuition and fees, the amount should be recorded as tuition revenue and a corresponding tuition discount.

Condition: The College did not record tuition and fee revenues or discounts related to scholarships and grants awarded throughout the fiscal year. Numerous year end adjustments were needed to record tuition revenue and discounts related to various scholarship and grant awards used by students for tuition and fees.

Effect: The lack of recording tuition and fee revenue and discounts for grants and scholarships awarded into the general ledger could result in incorrect financial statements and the understatement of gross revenue.

Cause: The lack of recording of tuition and fee revenue and discounts in the general ledger appears to be due to the lack of knowledge on the part of College personnel that tuition and fee revenues and discounts related to scholarships and grants awarded should be recorded and how to obtain the amounts to be recorded for these awards.

Auditor's recommendation: The College should develop and implement procedures and controls over recording tuition and fee revenues and discounts related to scholarship and grant awards monthly into the general ledger.

11-6 & 10-5 Adjusting journal entries - Significant Deficiency

Criteria: Adjusting journal entries may significantly affect the general ledger. Proper preparation, review, and approval of journal entries are crucial controls of financial reporting and accounting.

Condition: Journal entries recorded in the general ledger included significant amounts of adjustments to cash accounts for transactions that were not recorded or were recorded incorrectly. These journal entries were not reviewed or properly classified in the general ledger and included limited explanation and supporting documentation.

Effect: Improper journal entries could result in significant errors in the general ledger or misstatements to the financial statements.

Cause: Improper journal entries appear to be caused by the lack of supporting documentation, detailed explanations, and a proper approval process for the adjustments.

Auditor's recommendation: The College should develop and implement controls over journal entries to assure that entries are properly prepared, supported, and reviewed. These controls over journal entries will ensure that the adjustments are being recorded correctly in the College's general ledger.

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2011

Section II – Financial Statement Findings (Continued)

11-7 Recording State benefit contributions - Significant Deficiency

Criteria: Noncash contributions from other entities for staff benefits should be recorded as revenues and expenses as required by Governmental Accounting Standards.

Condition: The College did not record revenues or expenses related to noncash contributions received from other entities for retirement and health insurance benefits.

Effect: The lack of recording noncash contributions in the general ledger when benefits are received could result in misstated financial statements.

Cause: The unrecorded noncash contributions for retirement and health insurance benefits appear to be the result of College personnel not knowing that these noncash contributions should be recorded and how to determine the amounts to be recorded.

Auditor's recommendation: The College should develop and implement procedures and controls over recording revenues and expenses related to noncash contributions received from other entities on a monthly basis.

11-8 Numerous old outstanding checks - Significant deficiency

Criteria: Monthly bank account reconciliations are the primary internal control procedure related to cash accounts. To aid in the preparation of bank reconciliations and to reflect an accurate cash balance in the financial statements, all checks outstanding more than six months should be investigated and written off, if necessary.

Condition: Several bank account reconciliations included very old outstanding checks, dating back to 2007. The College does not have a formal, clearly defined policy for the disposition of outstanding checks.

Effect: The financial statements could be misstated if the amount of outstanding checks over six months old is material.

Cause: The numerous old outstanding checks appear to be the result of the College's lack of internal control procedures to address unreconciled items on bank reconciliations.

Auditor's recommendation: To aid in the preparation of bank reconciliations and to reflect an accurate cash balance, the College should establish a formal, written policy concerning outstanding checks based on current State escheat laws. Such a policy should specify aging milestones with required actions.

RANGER COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2011

Section II – Financial Statement Findings (Continued)

11-9 Use of check signature stamps - Significant deficiency

Criteria: Internal control over purchases, accounts payable, and cash disbursements is most effective when there is a clear separation of duties between the purchasing department, the person approving invoices for payment, and the person signing the checks. A responsible official should review all checks and initial the related source documents before the checks are mailed. Someone other than the accounts payable clerk should stamp the signature on the checks and be responsible for mailing.

Condition: Authorized check signers are allowed to use signature stamps to sign checks; however, the signature stamps were in the custody of the accounts payable clerk and other employees had access to the stamps.

Effect: Allowing invoices to be processed by one person and having custody of check stamps by the same person can create the opportunity for the misappropriation of assets.

Cause: This significant deficiency appears to be due to a lack of segregation of duties related to disbursements and a lack of implementing and monitoring internal control procedures.

Auditor's recommendation: All signature stamps should be in the custody of the employee whose name is on the stamp and properly secured when not in use. The College should only allow an employee other than the check preparer to use the signature stamp.

Section III – Federal Award Findings and Questioned Costs

Findings/Noncompliance	Program	Questioned Costs
No findings or questioned costs were noted.		

RANGER COLLEGE DISTRICT
Corrective Action Plan
August 31, 2011

Ranger College respectfully submits the following corrective action plan for the year ended August 31, 2011.

The findings from the August 31, 2011 Schedule of Findings and Questioned Costs are discussed below. The finding numbers are consistent with the numbers assigned in the schedule.

Finding – Financial Statements

The College's Chief Financial Officer (CFO) agrees with the findings. A new CFO was employed in September 2011. The necessary corrective actions are being reviewed and implemented.

11-1 Recommendation: The College should develop and implement policies and procedures to include strong internal controls related to financial reporting and monitoring, including the preparation of reconciliations and recording of financial transactions in the general ledger in a timely manner to produce more useful and accurate financial reports.

Action Taken: Policies and procedures will be implemented to prepare reconciliations monthly and to promptly record financial transactions in the general ledger.

11-2 Recommendation: Cash reconciliations should be prepared in a timely manner each month and all unreconciled differences should be immediately researched and resolved. Any bookkeeping errors that are identified should be researched, thoroughly reviewed, and immediately corrected. The source of any errors should be identified and additional controls should be implemented to prevent those errors from recurring in the future. The reconciliation should be prepared and reviewed by appropriately trained personnel. The reconciliation procedures should be thoroughly documented and continually reviewed to ensure that they remain appropriate as the College's finances and systems change over time.

Action Taken: Procedures and processes will be implemented to ensure that cash reconciliations are prepared and reviewed by trained personnel within two weeks of the receipt of the monthly bank statements and that all differences not reconciled are identified, researched, and resolved.

RANGER COLLEGE DISTRICT
Corrective Action Plan
August 31, 2011

- 11-3 Recommendation: The College should record all receipts accurately into the general ledger as they are received. Also, the outside education centers should forward deposits to the Bursar's office regularly to properly record receipts into the general ledger.

Action Taken: A process has been implemented to add controls related to recording all receipts and deposits including receipts from outside education centers.

- 11-4 Recommendation: The College should prepare the financial statements and record financial transactions using the accrual basis of accounting as required by GAAP. The College should consider using their accounting software as designed by linking the student accounts receivable package to the general ledger package correctly so that when a student enrolls and begins attending classes, the revenue is recognized and recorded into the general ledger and a related receivable is recorded. When the payment is received, the receivable is relieved in the general ledger.

Action Taken: A purchase order has been issued to implement the first step to upgrade the POISE Fiscal system. Once this upgrade is in place and tested, the second phase which is an additional conversion will be budgeted and planned for in subsequent years. The accrual system is currently being used for accounts payable and a report of the receivables will be produced and the related adjustment made as of the end of the next fiscal year.

- 11-5 Recommendation: The College should develop and implement procedures and controls over recording tuition and fee revenues and discounts related to grant and scholarship awards monthly into the general ledger.

Action Taken: The College upgraded the Student Billing system to generate monthly reports to record tuition and fee revenue and discounts related to grants and scholarship awards in the general ledger. This process began in September 2011 and has been completed monthly thereafter.

- 11-6 Recommendation: The College should develop and implement controls over journal entries to assure that entries are properly prepared, supported, and reviewed. These controls over journal entries will ensure that the adjustments are being recorded correctly in the College's general ledger.

Action Taken: Beginning September 2011, journal entries are being prepared and recorded monthly and maintained in a binder with supporting documentation.

RANGER COLLEGE DISTRICT
Corrective Action Plan
August 31, 2011

- 11-7 Recommendation: The College should develop and implement procedures and controls over recording revenues and expenses related to noncash contributions received from other entities on a monthly basis.

Action Taken: Procedures have been implemented to properly document controls over recording revenues and expenses related to noncash contributions received from other entities.

- 11-8 Recommendation: To aid in the preparation of bank reconciliations and to reflect an accurate cash balance, the College should establish a formal, written policy concerning outstanding checks based on current State escheat laws. Such a policy should specify aging milestones with required actions.

Action Taken: The CFO is investigating procedures required by the State to develop a formal written policy to properly address old outstanding checks during the bank reconciliation process.

- 11-9 Recommendation: All signature stamps should be in the custody of the employee whose name is on the stamp and properly secured when not in use. The College should only allow an employee other than the check preparer to use the signature stamp.

Action Taken: The signature stamps remain in the custody of the person whose name is on the stamp at all times. A procedure has been implemented to create a log to record when a signature stamp is used. The log will include the date the stamp was used and the employee's name.

FEDERAL AWARDS SECTION



Snow, Garrett & Company
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S 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**

To the Board of Regents
Ranger College District

Compliance

We have audited the Ranger College District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2011. The College's major federal 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 programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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

In our opinion, the College 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 programs for the year ended August 31, 2011.

Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 solely for the information and use of management, the College's Board of Regents, others within the entity, 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.

Snow, Garrett & Company

Snow, Garrett & Company, CPA's
January 17, 2012

RANGER COLLEGE DISTRICT
Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2011

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 24,283
Federal Family Education Loans	84.032		1,439,748
Federal College Workstudy Program	84.033		42,770
Federal Pell Grant	84.063		2,430,129
Academic Competitiveness Grant	84.375		31,150
Total Student Financial Aid Cluster			3,968,080
TRIO Cluster			
TRIO - Student Support Services Grant	84.042A		197,417
Pass-Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education Basic Grants -			
Texas Counselors' Network	84.048	114401	52,339
Total U.S. Department of Education			4,217,836
U.S. Department of Energy			
Pass-Through From:			
State Energy Conservation Office			
ARRA - Energy Sector Training Centers Program	81.041	CS0097	50,336
Total Federal Financial Assistance			\$ 4,268,172

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 300,092
Add: Non-Operating Federal Revenue from Schedule C	2,528,332
Total Federal Revenues per Statement of Revenues, Expenses and changes in Net Assets	\$ 2,828,424
Reconciling Items:	
Federal Family Education Loans	1,439,748
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$ 4,268,172

Note 2: Significant Accounting Policies used in Preparing the Schedule.

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College 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 to the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor CFDA Number / Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education			
84.032 Federal Family Education Loans	\$ 1,439,748	\$ -	\$ 1,439,748

STATE AWARDS SECTION

RANGER COLLEGE DISTRICT
Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2011

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board Toward Excellence, Access, and Success (Texas) Initial Grant		\$ 51,620
Texas Education Opportunity Grant	003603	11,570
Jet Grant Program	3572-38	9,296
Total State Financial Assistance		<u>\$ 72,486</u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Revenues - per Schedule of Expenditures of State Awards State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 72,486
Reconciling Items	<u>-</u>
Total State Revenues per Exhibit 2 and Schedule A	<u>\$ 72,486</u>

Note 2: Significant Accounting Policies used in Preparing the Schedule.

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

