

***NORTHEAST TEXAS COMMUNITY COLLEGE  
AND  
NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION***

***ANNUAL FINANCIAL REPORT***

***FOR THE FISCAL YEARS ENDED***

***AUGUST 31, 2009 AND 2008***

***PREPARED BY:***

***ADMINISTRATIVE SERVICES DEPARTMENT  
NORTHEAST TEXAS COMMUNITY COLLEGE***

***MOUNT PLEASANT, TEXAS***

# *C O N T E N T S*

		Page
<b>INTRODUCTORY SECTION</b>		
	Organizational Data	i
 <b>FINANCIAL SECTION</b>		
<u>Independent Auditors' Report</u>		
	Independent Auditors' Report on Financial Statements	1 - 2
 <u>Management's Discussion and Analysis</u>		
	Management's Discussion and Analysis (required supplementary information)	3 - 9
 <u>Financial Statements</u>		
Exhibit 1	Statements of Net Assets	10-11
Exhibit 2	Statements of Revenues, Expenses, and Changes In Net Ass0 . 5 ( e ) 3 0 1 4 .	

Supplemental Schedules Continued)

Schedule D	Schedule of Net assets by Source and Availability	40
Schedule E	Balance Sheet	41
Schedule F	Statement of Changes in Fund Balance	42

**STATISTICAL SECTION - (Unaudited)**

<u>Contents</u>		43
Statistical Supplement 1	Net Assets by Component	44
Statistical Supplement 2	Revenues by Source	45
Statistical Supplement 3	Program Expenses by Function	46
Statistical Supplement 4	Tuition and Fees	47
Statistical Supplement 5	Taxable Assessed Value of Property	48
Statistical Supplement 6	State Appropriation per FTSE and Contact Hour	49
Statistical Supplement 7	Principal Taxpayers	50
Statistical Supplement 8	Property Tax Levies and Collections	51
Statistical Supplement 9	Ratios of Outstanding Debt	52
Statistical Supplement 10	Legal Debt Margin Information	53
Statistical Supplement 11	Pledged Revenue Coverage	54
Statistical Supplement 12	Demographic and Economic Statistics-Taxing District	55



Northeast Texas Community College  
Mt. Pleasant, Texas  
Organizational Data  
For the Fiscal Year 2009

**Board of Trustees**

**Officers**

Dr. Dan McCauley-Mount Pleasant, TX	(2006-2012)	Board President
Mr. Chuck Johns-Pittsburg, TX	(2008-2014)	Board Vice President
Mr. Sid Greer-Daingerfield, TX	(2006-2012)	Board Secretary

**Members**

Mr. Bill Priefert, Mount Pleasant, TX	(2008-2014)
Mr. John Bryan, Naples, TX	(2008-2014)
Mrs. Latrel McCallum, Mount Pleasant, TX	(2004-2010)
Mr. Jerry Massey, Pittsburg, TX	(2004-2010)

**Principal Administrative Officers**

Dr. Brad Johnson	President
Dr. Ron Clinton	Executive Vice President for Instruction
Dr. Judy Traylor	Vice President for Student and Outreach Services
Dr. Jonathan McCullough	Vice President for Institutional Advancement
Ms. M. Beth Thompson	Vice President for Administrative Services

***INDEPENDENT AUDITORS' REPORT***

WILF & HENDERSON, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

The management's discussion and analysis information on pages 3-9 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Northeast Texas Community College and Northeast Texas Community College Foundation Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and State Awards are presented for purposes of





## Management's Discussion and Analysis (MD&A)

This section of Northeast Texas Community College's Annual Financial Report presents management's discussion and analysis of the College's financial activity during fiscal years ending 2007, 2008 and 2009. Since this management's discussion and analysis is designed to focus on current activities resulting from decisions or conditions of fact, please read in conjunction with the College's basic financial statements (pages 10-15) and the footnotes (pages 16-36). The College endeavors to present an objective and credible analysis of the year's financial activities to students and the public. However, the completeness and fairness of this information rests with the College.

### Using This Annual Report

#### Management Discussion and Analysis (MD&A)

### College Foundation as a Discrete Component Unit

The College is considered to be a special purpose primary government according to the definition of GASB 14 and therefore the College is the prime focus for this financial presentation. However, the Northeast Texas Community College Foundation is provided for the exclusive benefit of the Northeast Texas Community College. For this reason, the College's Foundation is included in this report, albeit as a discrete component. Any management discussion relating to the College's Foundation is considered for its significance in estimating the College's Annual Financial Report.

### Statement of Net Assets (Balance Sheet)

The Statement of Net Assets is a point of time financial statement. The purpose of the Statement of Net Assets is to present to the readers a fiscal snapshot of the College for the current fiscal year ended. The Statement of Net Assets includes the following:

- Assets (current, capital and other non-current),
- Liabilities (current and non-current), and
- Net Assets.

#### Statement of Net Assets

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>			
Current	\$ 2,885,765	\$ 2,226,889	\$ 2,020,256
Net Capital Assets	24,405,535	24,582,547	24,616,985
Other Non-Current	3,164,072	3,322,414	3,695,472
<b>Total Assets</b>	<b>31,455,372</b>	<b>30,741,260</b>	<b>31,343,413</b>
<b><u>Liabilities</u></b>			
Current	4,170,345	3,738,181	3,677,955
Non-Current	17,351,000	17,750,122	18,309,577
<b>Total Liabilities</b>	<b>21,521,345</b>	<b>21,488,303</b>	<b>22,007,532</b>
<b>Net Assets</b>	<b>\$ 9,934,027</b>	<b>\$ 9,252,957</b>	<b>\$ 9,355,881</b>

The definition of current assets means the ability of the College to pay obligations out of the proceeds of current operations. The total assets include the College's capital assets (net of depreciation). The capital assets include buildings, equipment and other improvements, furniture, machinery, vehicles and other

equipment, and telecommunications and peripheral equipment. In determining the net capital assets, the College must first identify the historical costs and the net book value of the assets. In accordance with the guidelines, the College can provide more useful information about the long-term effects of short-term decisions primarily by including the cost of consuming the capital assets used in providing services.

Net assets are divided into three major categories:

- ✓ The first asset category, invested in capital assets and reserve for debt service, provides the College's equity in property, plant and equipment.

✓ The second asset category, restricted assets, is available for investment purposes. Temporary restricted assets are maintained

external entities.

- ✓ The third asset category is the unrestricted assets and is available to both the College and the Foundation for any lawful purpose.

As of August 31, 2009, 2008 and 2007, the College's net assets were \$9,934,027, \$ 9,252,957, and, \$0 355 881 respectively. From the data presented, readers of the Statement of Net Assets are able to determine the Net Assets available to continue the operations of the institution. They are also able to determine how much the College owes vendors, investors and lending institutions.

The Statement of Net Assets provides information about the College's net assets and the changes in net assets. The Statement of Net Assets is prepared in accordance with the guidelines and the changes in net assets influenced the above Statement of Net Assets. The changes in net assets are

by the institution operating and non-operating and any other revenues, expenses, gains and losses reported or spent by the College.

Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to support the activities of the College. Non-operating revenues are revenues received for which goods and services are not provided. For example, Ad Valorem taxes for maintenance and operations of the College and for payment of general obligation bonds are non-operating revenues because there is no direct relationship between the revenues and the goods and services that the College provides.

Statement of Expenses

	2009	2008	2007
Total Operating Expenses	14,129,700	13,852,751	13,773,984
<b>Total, Operating (Loss)</b>	<b>(12,289,007)</b>	<b>(11,366,301)</b>	<b>(10,659,581)</b>
Net Non-Operating Revenues	10,960,550	11,963,877	10,960,550
Capital Contributions	300,319	-	351,593
<b>Increase (Decrease) in Net Assets</b>	<b>681,070</b>	<b>(102,074)</b>	<b>550,967</b>
<b>Net Assets at Beginning of Year</b>	<b>0,252,057</b>	<b>0,355,881</b>	<b>9,905,014</b>
<b>Net Assets End of Year</b>	<b>0,933,127</b>	<b>0,253,807</b>	<b>10,455,981</b>

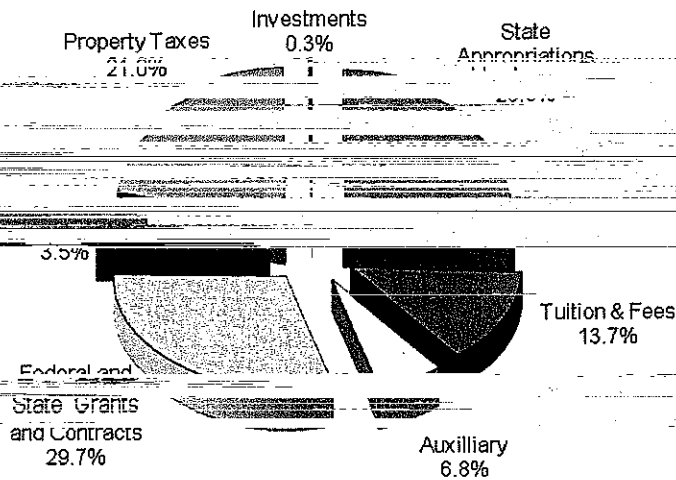
**Operating and Non-Operating Revenues**

In an effort to further expand and enhance the interpretation of the College's financial reports, we recapped the operating and non-operating revenues to show, graphically, the significance of revenue sources and how it relates to the overall revenue representation:

**Revenues: Operating and Non-Operating**  
For the Years Ended August 31, 2009, 2008 and 2007

	2009	2008	2007
<b>Operating Revenues:</b>			
Net tuition and fees	\$ 2,850,418	\$ 2,730,822	\$ 2,808,248
Federal grants and contracts	1,201,005	1,602,859	1,665,214
State grants and contracts	1,150,066	1,100,000	1,000,000
Sales and services of educational activities	58,896	31,999	34,902
Net auxiliary enterprises	1,312,758	1,213,794	1,223,905
<b>Net Non-Operating Revenues:</b>			
State appropriations	5,352,521	5,218,816	5,113,281
Property taxes	4,279,000	3,967,416	3,967,806
Investment and other income	57,973	124,968	167,812
<b>Total Non-Operating Revenues</b>	<b>13,644,211</b>	<b>12,786,912</b>	<b>11,943,370</b>
Capital Contributions	300,319	-	-
<b>Total Revenues, Operating and Non-Operating</b>	<b>\$ 21,184,808</b>	<b>\$ 19,783,340</b>	<b>\$ 19,507,987</b>

Revenue by Source  
Operating & Non-Operating



In comparing the fiscal periods ended August 31, 2009 and 2008:

- Net tuition and fee revenues increased \$119,596 and Net auxiliary enterprises increased \$98,464 as a result of increased enrollment.

a total of \$500,140 in scholarships for 447 students.

- Operating Federal grants and contracts decreased \$401,836 primarily due to the non-renewal of the Federal Gear Up grant.
- State grants and contracts increased \$900,262 primarily due to the award of a Skills Development grant from the Texas Workforce Commission
- Property taxes increased \$410,587 primarily as a result of increases in the taxable value of properties in the tri-county area and increase in tax rate.
- Pell grants increased \$890,000 as a result of increased Pell awards and increased number of Pell awards.
- Investment and other income decreased \$66,005 as a result of lower market rates for short term investments.

In comparing the fiscal periods ended August 31, 2008 and 2007:

- Federal grants and contracts decreased \$60,275 primarily as a result of reductions in U.S. Department of Education, U.S. Department of Health and Human Services and National Science Foundation grants.
- The Nashport Texas Community College Foundation, as a component of the College, contributed a total of \$140,951 in scholarship for 124 students.
- State grants and contracts increased \$800,610 as a result of increased state grants for properties in the tri-county area.
- Investment and other income decreased \$47,844 as a result of lower market rates for short term investments.

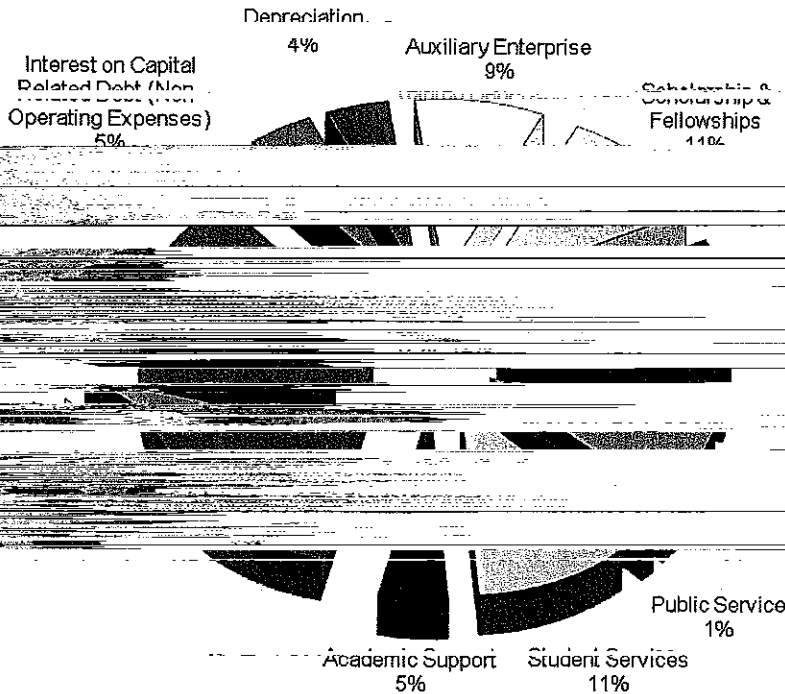
Additionally, the methodology is being presented to illustrate the use of the College's resources:

**Expenses: Operating and Non-Operating**  
**For the Years Ended August 31, 2009, 2008 and 2007**

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Operating Expenses:</b>			
Public service	222,596	304,041	295,830
Academic support	287,362	211,229	684,571
Student services	2,233,236	1,435,800	1,570,252
Institutional support	2,451,352	2,488,991	2,257,954
Operation and maintenance of plant	1,519,603	1,400,400	1,017,380
Scholarship & fellowships	2,139,247	1,545,616	1,506,041
Auxiliary enterprise	1,835,070	1,738,130	1,696,651
Depreciation	901,263	901,056	882,907
<b>Total, Operating Expenses</b>	<u>19,526,280</u>	<u>17,832,737</u>	<u>17,223,209</u>
<b>Non-Operating Expenses:</b>			
Interest on capital related debt	944,773	999,311	1,059,870
Other non-operating expenses	29,680	34,334	34,654

**Total Expenses, Operating and Non-Operating: \$ 20,500,733      \$ 19,866,382      \$ 19,327,733**

**Expenses by Source**  
**Operating & Non-Operating**



In comparing the fiscal periods ended August 31, 2009 and 2008:

- Instruction expenses increased \$229,878 primarily as a result of increased salary cost for new positions, salary increases and increased cost of benefits.
- Student services increased \$736,527 primarily as a result in the increase in number of grants awarded to the college for these activities.
- Scholarships and fellowships increased \$522,631 primarily as a result of increased number of students receiving awards and increased levels of awards.
- Auxiliary enterprises increased \$94,940 primarily as a result of increased cost of textbooks and increased sales volume.

In comparing the fiscal periods ended August 31, 2008 and 2007:

- Instruction expenses increased \$1,091,346 primarily as a result of increased number of students receiving awards and increased levels of awards.
- Student services increased \$1,091,346 primarily as a result of increased number of students receiving awards and increased levels of awards.
- Auxiliary enterprises increased \$41,470 as a result of increased cost of food service and salary increases.

### Analysis of Net Assets

Total Net Assets of \$9,934,027, consisting of investments in capital assets net of related debt of \$8,067,880, restricted for debt service of \$718,290, temporarily restricted of \$152 and unrestricted of \$1,152,703. The pledged revenues in interest sinking fund are not sufficient to pay the debt service payment in the future expenses.

### Net Assets

	2009	2008	2007
Investment in Capital Assets Net of Related Debt	\$ 8,067,880	\$ 7,654,270	\$ 7,531,961
Restricted for debt service	718,290	807,831	789,746
Temporarily Restricted	152	-	1,359
Unrestricted	1,152,703	790,856	1,032,815
<b>Total Net Assets</b>	<b>\$ 9,934,027</b>	<b>\$ 9,252,957</b>	<b>\$ 9,355,881</b>

### Long Term Debt

In the fiscal period ended August 31, 2009, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2007, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2008, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2009, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2008, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2007, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2009, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2008, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period. In the fiscal period ended August 31, 2007, the college entered into a 4.25% capital lease payable to a bank secured by equipment. The lease is payable over a five year period.

## Capital Assets

In the fiscal period ended August 31, 2000, the College expended approximately \$20,000 in general revenue bond funds to design the new agriculture facility to be constructed in 2001. The college also expended approximately \$2,500,000. The college also expended \$115,565 in general revenue funds to purchase replacement computers and network equipment for instructional and administrative purposes and replacing the roof on the Whatley center for performing arts.

In the fiscal period ended August 31, 2008, the College expended approximately \$477,000 in general revenue bond funds to construct a soccer field with parking and an adjacent student activity center. The college also expended approximately \$226,000 of operating funds to replace its waste water treatment plant which was originally installed when the College opened in 1984. In addition, the College completed the installation of a \$92,000 replacement boiler which was financed through the issuance of a capital lease agreement in the prior year.

On October 14, 2009, Standard & Poor's affirmed the College's debt rating of BBB-. Management does not believe it has any additional financing alternatives available.

## Statement of Cash Flows

The final statement presented by the Northeast Texas Community College is the Statement of Cash Flows. The Statement of Cash Flows presents detailed information about the cash activity of the institution during the year. The statement is divided into five parts:

*Part 1* shows the cash flow from operating activities. The bulk of receipts from students and other customers, appropriations, grants and other cash payments.

*Part 2* shows the cash flow from non-capital and related financing activities. Part of the ad valorem local tax revenues pays for maintenance and operations of the College and the rest is for the settlement of general obligation bonds (note 7).

*Part 3* reflects the cash flows from capital and related financing activities. It shows payments

*Part 4* shows the cash flows from investing activities whose proceeds from sale and purchase of

*Part 5* reconciles the net cash used in the operating income or loss that is reflected on the Statement of Net Assets under the line item 'Cash and Cash Equivalents'.

## Financial Condition and Outlook

year bringing the fund balance back over \$1,000,000.

Given the current economy, we anticipate continued downward pressure on our primary revenue sources over the next three years as a result of anticipated downward pressure on enrollment and the college's housing



***FINANCIAL STATEMENTS***



**NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION, INC.**  
**COMPONENT UNIT**  
**STATEMENTS OF NET ASSETS**  
**August 31, 2009 and 2008**

<b>ASSETS</b>	<b>2009</b>	<b>2008</b>
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	\$ 1,387,589	\$ 122,724
Investments (Note 4)	1,181,204	2,155,487
Accounts receivable (Note 10)	314,394	552,628
<b>Total Current Assets</b>	<b><u>2,883,187</u></b>	<b><u>2,830,839</u></b>
<b>Noncurrent Assets</b>		
Long - term investments (Note 4)	1,196,271	1,134,541
Property, plant, and equipment, net of accumulated depreciation (Note 6)	492,152	548,157
Other assets	41,250	41,250
<b>Total Noncurrent Assets</b>	<b><u>1,729,673</u></b>	<b><u>1,723,948</u></b>
 <b>Total Assets</b>	 <b><u>4,612,860</u></b>	 <b><u>4,554,787</u></b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable (Note 10)	4,189	7,731
Deferred revenue	244,736	256,574
Due to Northeast Texas Community College	661,777	458,666
<b>Total Current Liabilities</b>	<b><u>910,702</u></b>	<b><u>722,971</u></b>
<b>Total Liabilities</b>	<b><u>910,702</u></b>	<b><u>722,971</u></b>
<b>Net assets:</b>		
Restricted		
Nonexpendable:		
Permanently	1,535,241	1,320,902
Expendable:		
Temporarily	1,660,603	1,942,272
Unrestricted	506,314	568,642
<b>Total Net Assets</b>	<b><u>\$ 3,702,158</u></b>	<b><u>\$ 3,831,816</u></b>

The accompanying Notes to the Financial Statements are an integral part of these financial statements.

**NORTHEAST TEXAS COMMUNITY COLLEGE**  
**EXHIBIT 2**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Years Ended August 31, 2009 and 2008**

<b>REVENUES</b>	<b>2009</b>	<b>2008</b>
<b>Operating Revenues</b>		
Tuition and fees (net of grant and scholarship allowances of \$2,021,655 2009 and \$ 1,710,057, 2008)	\$ 2,850,418	\$ 2,730,822
Federal grants and contracts	1,201,003	1,602,839
State grants and contracts	1,152,956	343,694
Non-Governmental grants and contracts	142,172	130,753
Sales and services of educational activities	58,896	31,999
Auxiliary enterprises (net of grant and scholarship allowances of \$625,645, 2009 and \$542,703, 2008 )	1,312,258	1,213,794
Other operating revenues	519,570	412,535
<b>Total Operating Revenues (Schedule A)</b>	<b>7,237,273</b>	<b>6,466,436</b>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Instruction	7,240,361	7,010,483
Public service	222,596	304,941
Academic support	987,362	917,229
Student services	2,233,336	1,496,809
Institutional support	2,451,352	2,488,991
Operation and maintenance of plant	1,518,693	1,429,482
Scholarships and fellowships	2,138,247	1,545,616
Auxiliary enterprises	1,833,070	1,738,130
Depreciation	901,263	901,056
<b>Total Operating Expenses (Schedule B)</b>	<b>19,526,280</b>	<b>17,832,737</b>
<b>Operating Income (Loss)</b>	<b>(12,289,007)</b>	<b>(11,366,301)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State allocations	5,352,521	5,218,816
Ad-valorem taxes		
Taxes for maintenance & operations	3,286,079	2,853,799
Taxes on general obligations bonds	1,091,924	1,113,617
Federal revenue, non operating	3,855,714	2,975,712
Investment income (net of investment expenses)	57,973	124,968
Interest on capital related debt	(944,773)	(999,311)
Other non - operating expenses	(29,680)	(24,224)
<b>Net non-operating revenues (Schedule C)</b>	<b>12,669,758</b>	<b>11,263,377</b>
<b>Capital Contributions</b>	<b>300,319</b>	<b>-</b>
<b>Increase (Decrease) in Net Assets</b>	<b>681,070</b>	<b>(102,924)</b>
<b>Net Assets - Beginning of Year</b>	<b>9,252,957</b>	<b>9,355,881</b>
<b>Net Assets - End of Year</b>	<b>\$ 9,934,027</b>	<b>\$ 9,252,957</b>

The accompanying "Notes to the Financial Statement" are an integral part of this statement.

**NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION, INC.**  
**COMPONENT UNIT**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**For the Years Ended August 31, 2009 and 2008**

	<b>2009</b>	<b>2008</b>
<b>REVENUES</b>		
<b>Operating Revenues</b>		
Federal Grants and Contracts	\$ 913,300	\$ 769,164
State Grants and Contracts	605,122	715,179
Local Grants and Contracts	368,842	335,968
<b>Total Operating Revenues</b>	<b>1,887,264</b>	<b>1,820,311</b>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Public Service	2,425,113	1,977,768
Scholarships	300,140	262,853
Depreciation	47,272	25,186
<b>Total Operating Expenses</b>	<b>2,772,525</b>	<b>2,265,807</b>
<b>Operating (Loss)</b>	<b>(885,261)</b>	<b>(445,496)</b>
<b>Non-Operating Revenues (Expenses)</b>		
Investment income (loss)	(4,263)	201,199
<b>Net non-operating revenues</b>	<b>(4,263)</b>	<b>201,199</b>
<b>(Loss) Before Other Revenues, Expenses, Gains, Losses</b>	<b>(889,524)</b>	<b>(244,297)</b>
<b>OTHER REVENUES, (EXPENSES), GAINS, LOSSES</b>		
Additions to Endowments	254,389	145,119
Gains (losses) on investments	(35,430)	(237,219)
Contributions	540,907	611,823
<b>Total Other Revenues, Expenses, Gains, Losses</b>	<b>759,866</b>	<b>519,723</b>
<b>Increase (Decrease) in Net Assets</b>	<b>(129,658)</b>	<b>275,426</b>
<b>Net Assets - Beginning of Year</b>	<b>3,831,816</b>	<b>3,556,390</b>

**NORTHEAST TEXAS COMMUNITY COLLEGE**  
**EXHIBIT 3**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended August 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from students and other customers	\$ 4,722,539	\$ 4,121,098
Receipts of grants and contracts for operating activities	2,148,962	1,903,161
Loans to students and employees	-	9,420
Other receipts	638,054	453,991
Payments to or on behalf of employees	(10,041,886)	(8,776,603)
Payments to suppliers for goods or services	(6,241,077)	(5,415,540)
Payments of scholarships	(2,138,247)	(1,545,616)
<b>Net cash provided (used) by operating activities</b>	<u><b>(10,911,655)</b></u>	<u><b>(9,250,089)</b></u>
<b>Cash Flows From Noncapital Financing Activities</b>		
State allocations	4,811,635	3,993,489
Federal revenues	3,150,305	3,093,003
Ad valorem tax revenues	4,348,514	3,948,820
<b>Net cash provided (used) by non-capital financing activities</b>	<u><b>12,310,454</b></u>	<u><b>11,035,312</b></u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Interest and other expense on capital related debt	(262,688)	(494,310)
Purchases of capital assets	(308,168)	(866,617)
Proceeds on issuance of capital debt	526,612	-
Payments on capital debt and leases	(1,926,577)	(1,157,857)
<b>Net cash provided (used) by capital and related financing activities</b>	<u><b>(1,970,821)</b></u>	<u><b>(2,518,784)</b></u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale and maturity of investments	1,188,000	-
Investment earnings	57,973	124,968
Purchases of investments	(1,344,858)	(843,476)
<b>Net cash provided (used) by investing activities</b>	<u><b>(98,885)</b></u>	<u><b>(718,508)</b></u>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>(670,907)</b>	<b>(1,452,069)</b>
<b>Cash and cash equivalents - September 1,</b>	<u><b>2,063,055</b></u>	<u><b>3,515,124</b></u>
<b>Cash and cash equivalents - August 31,</b>	<u><u><b>\$ 1,392,148</b></u></u>	<u><u><b>\$ 2,063,055</b></u></u>
<b>Noncash investing, capital, and financing activities</b>		
Capital lease	115,765	-
Contributions of Capital Assets	300,319	-
<b>Total Noncash investing, capital, and financing activities</b>	<u><u><b>\$ 416,084</b></u></u>	<u><u><b>\$ -</b></u></u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (12,289,007)	\$ (11,366,301)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	901,263	901,056
Staff benefits paid directly by state	465,156	1,225,327
Changes in assets and liabilities		
Receivables, net	(352,256)	(99,012)
Inventories	(58,449)	13,175
Prepaid expense	(64,718)	37,946
Due from component unit	(203,111)	(130,563)
Other assets	2,978	3,110
Deferred charges	26,920	26,351
Accounts payable	58,330	37,690
Accrued liabilities	(21,908)	26,130
Deposits payable	6,735	4,906
Funds held for others	18,794	(23,799)
Deferred revenue	597,618	84,475
Loans to students and employees	-	9,420
<b>Net cash provided (used) by operating activities</b>	<u><u><b>\$ (10,911,655)</b></u></u>	<u><u><b>\$ (9,250,089)</b></u></u>

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

*NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION, INC.*  
*COMPONENT UNIT*  
*STATEMENTS OF CASH FLOWS*  
*For the Years Ended August 31, 2009 and 2008*

	<b>2009</b>	<b>2008</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from grants and contracts for operating activities	\$ 2,075,379	\$ 1,756,532
Payments of scholarships and support of college	(97,029)	(132,290)
Payments on grants and contract costs	(2,412,922)	(1,970,457)
<b>Net cash provided (used) by operating activities</b>	<b>(434,572)</b>	<b>(346,215)</b>
<b>Cash Flows From Noncapital Financing Activities</b>		
Additions to permanent and term endowment and other contributions	833,578	756,942
<b>Net cash provided (used) by noncapital financing activities</b>	<b>833,578</b>	<b>756,942</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from sale of investments	1,435,443	24,419
Investment income (loss)	(4,263)	201,199
Purchase of capital assets	(7,000)	(364,335)
Purchase of investments		

**NORTHEAST TEXAS COMMUNITY COLLEGE  
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION**

AUGUST 31, 2000 AND 2000

**Note 1 - Reporting Entity**

Northeast Texas Community College (the College) was formed in January, 1975, within a state approved district encompassing Camp Morris and Titus Counties in Northeast Texas in accordance with the laws of the State of Texas. The College is considered to be a special purpose district and is not a governmental entity. The College is considered to be a special purpose district and is not a governmental entity. The College is considered to be a special purpose district and is not a governmental entity. The College is considered to be a special purpose district and is not a governmental entity.

In defining the College's reporting entity for financial reporting purposes, management has considered all of the potential component units addressed in defining the College's reporting entity. The College has determined that the following are not component units of the College for financial reporting purposes.

Northeast Texas Community College Foundation – The Foundation is organized for the exclusive support of Northeast Texas Community College. The Foundation is a thirty-two member board and the members of the College Board of Trustees are members of the Board of Directors of the Foundation.

**Note 2 - Summary of Significant Accounting Policies**

**Reporting Guidelines**

The significant accounting policies followed by Northeast Texas Community College (the College) and Northeast Texas Community College Foundation in preparing these financial statements are in accordance with *Community and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is

**Tuition Discounting**

Texas Public Education Grants. Certain tuition amounts are required to be set aside for use in scholarship by the student. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Title IV, HEA 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 restricted revenue. When funds are awarded to students and used for tuition and fees the amounts are recorded as revenue, and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.



NORTHEAST TEXAS COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009 AND 2008

Note 2 - Summary of Significant Accounting Policies (continued)

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 and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis whereby all revenues are

Budgetary data

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

Cash and cash equivalents

The College's cash and cash equivalents include all cash and cash equivalents held in checking and savings accounts with original maturities of three months or less from the date of acquisition.

Investments

The College's investments are reported in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Pensions in Proprietary Funds.

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, physical plant supplies and bookstore stock. Inventories are stated at lower of cost or market using the first in, first out (FIFO) method and are expensed as they are consumed.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture

NORTHEAST TEXAS COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2000 AND 2000

Note 2. Summary of Significant Accounting Policies (continued)

Professional Fees

Tuition and Fees of \$ 1,976,912 and \$1,571,329 and federal, state and local grants of \$225,843 and \$ 33,808

**Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles

Actual results could differ from those estimates.

**Operating and Non-Operating Revenues and Expenses**

The College's revenues and expenses are primarily from its operating activities. The College is a DTA and receives state and federal grants and other income from non-operating activities. Revenues 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 allocations, Title IV federal revenue, and property tax collections. Operating expenses include the cost of sales and services, administrative expenses

**Characterization of Title IV Grant Revenue**

In response to guidance provided by the Government Accounting Standards Board (GASB) as (i.e. Pell grants) is now characterized as non operating revenue as opposed to operating revenue.

**Reclassifications**

Certain reclassifications have been made to the prior year to conform to current year presentation.

**NORTHEAST TEXAS COMMUNITY COLLEGE**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2009 AND 2008**

**Note 3 - Authorized Investments**

Northeast Texas Community College and Northeast Texas Community College Foundation 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, (3) obligations of the State of Texas, (4) obligations of the State of Texas, and (5) other investments authorized by statute.

**Note 4 - Deposits and Investments**

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

	2009	2008
Cash and Deposits		
Demand Deposits	\$ 712,411	\$ 260,123
Time Deposits	2,036,000	1,843,999
Petty Cash	7,361	7,400
<b>Total Cash and Deposits</b>	<b>\$ 2,755,772</b>	<b>\$ 2,111,522</b>

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

Type of Security	Fair Value	Fair Value
	August 31, 2009	August 31, 2008
U.S. Government Agencies	\$ 280,224	\$ 280,224
Investment Pool	189,715	1,140,119
Mutual Fund	287,661	249,754
<b>Total</b>	<b>417,600</b>	<b>1,069,707</b>
<b>Total Cash and Deposits</b>	<b>2,755,772</b>	<b>2,111,522</b>
<b>Total Deposits and Investments</b>	<b>\$ 3,229,140</b>	<b>\$ 2,706,280</b>
Cash and Cash Equivalents (Exhibit 1)	\$ 527,636	\$ 967,332
Restricted Cash and Cash Equivalents (Exhibit 1)	864,510	1,005,700
Restricted Investments (Exhibit 1)	1,836,001	1,733,234
<b>Total Deposits and Investments</b>	<b>\$ 3,229,140</b>	<b>\$ 2,706,280</b>

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2009 AND 2008**

**Note 4 - Deposits and Investments - (continued)**

Cash and Deposits for Northeast Texas Community College Foundation, Inc. reported on Exhibit 1 consist of the following:

	2009	2008
Cash and Deposits	\$ 163	-
Demand Deposits	146,333	122,724
Time Deposits	1,357,363	1,217,000
<b>Total Cash and Deposits</b>	<b>\$ 1,503,859</b>	<b>\$ 1,339,724</b>

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

Type of Security	Fair Value August 31, 2009	Fair Value August 31, 2008
U.S. Government Agencies	\$ 96,571	\$ 144,141
Cash and Cash Equivalents	112,867	112,178
Mutual Funds	2,050,707	1,610,709
<b>Total Investments</b>	<b>2,201,205</b>	<b>1,867,028</b>
<b>Total Cash and Deposits</b>	<b>1,503,859</b>	<b>1,339,724</b>
<b>Total Deposits and Investments</b>	<b>\$ 3,705,064</b>	<b>\$ 3,206,752</b>
Cash and Cash Equivalents	\$ 1,387,589	\$ 122,724
Short-term Investments	1,181,204	2,155,487
Long-term Investments	1,136,271	928,541
<b>Total Deposits and Investments</b>	<b>\$ 3,705,064</b>	<b>\$ 3,206,752</b>

As of August 31, 2009 the College had the following investments and maturities:

Investment Type	Credit Rating	Market Value	Investment Maturities (in years)		
			Less than 1	1-2	2-3
AIM Treasury Cash Management	NT/A	\$ 2,026,000	\$ 2,026,000	\$ -	\$ -
AIM Treasury Cash Management	AAA	282,664	282,664	-	-
Investment Dept	AAA	180,713	180,713	-	-
<b>Total Market Value</b>		<b>\$ 2,509,377</b>	<b>\$ 2,509,377</b>	<b>\$ -</b>	<b>\$ -</b>

NORTHEAST TEXAS COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2009 AND 2008

Note 4 - Deposits and Investments - (continued)

Interest Rate Risk: In accordance with state law and Northeast Texas Community College policy, the College does not purchase any investments with maturities greater than 10 years.

Credit Risk: In accordance with state law and the College's investment policy, investments in mutual funds and investment pools must be rated at least A A A, commercial paper must be rated at least A-1 or P-1, and investments in obligations from other states, municipalities, counties, etc. must be rated at least A.

Concentration of Credit Risk: The College does not place a limit on the amount that may be invested in any one issuer. More than 50% of the College's investments are in investment pools (90%) in certificates of deposit (81%) and in Mutual Funds (11%).

Custodial Credit Risk: At August 31, 2009, the College had money on deposit at 12 banks. The carrying balances equaled \$2,031,487 and \$2,765,064. Bank balances of \$1,200,000 are covered by federal depository insurance and \$1,831,487 was covered by collateral pledged in Northeast Texas Community College's name. The collateral was held in the safekeeping departments of banks which act as agents for the College.

Note 5 - Derivatives

The College had no derivatives at August 31, 2009 or 2008.

NORTHEAST TEXAS COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2009 AND 2008

**Note 6- Capital Assets**

Capital assets activity for the year ended August 31, 2009 was as follows:

For the Year Ended August 31, 2009

	Balance		Balance	
	August 31, 2008	Increases	Decreases	August 31, 2009
<b>NOT DEPRECIATED:</b>				
Land	\$ 1,420,209	\$ -	\$ -	\$ 1,420,209
Construction in Process	2,672	97,861	-	100,533
Subtotal	\$ 1,422,881	\$ 97,861	\$ -	\$ 1,520,742
<b>Other Capital Assets:</b>				
Buildings	28,977,589	260,223	-	29,237,812
Equipment Purchased with Capital Assets	22,300	115,765	-	22,300
Furniture, Machinery, Vehicles, and other Equipment	1,745,303	211,784	232,293	1,724,794
Library Books	960,891	24,484	797	984,578
Telecommunications and Peripheral Equipment	874,991	14,134	889,123	899,992
<b>Accumulated Depreciation:</b>				
Buildings	7,002,670	616,056	7,610,696	
Equipment Purchased with Capital Assets	2,300	18,176	18,176	18,176
Furniture, Machinery, Vehicles and Other Equipment				
Telecommunications and Peripheral Equipment	761,261	73,173		834,434
Subtotal	\$ 9,491,108	\$ 901,263	\$ 233,090	\$ 10,159,281
Net Other Capital Assets	\$ 23,159,666	\$ (274,873)	\$ -	\$ 22,884,793

Note 6 – Capital Assets (continued)

Foundation

For the Year Ended August 31, 2009

	Balance August 31, 2008	Increases	Decreases	Balance August 31, 2009
<u>Net Decreases:</u>	140,400			140,400
Construction in Process	15,733	-	15,733	-
Subtotal	\$ 156,133	\$ -	\$ 15,733	\$ 140,400
<u>Other Capital Assets:</u>				
Buildings	196,024	-	-	196,024
Furniture, Machinery, Vehicles, and other Equipment	164,410	7,000		171,410
Telecommunications and Peripheral Equipment	75,097			75,097
Subtotal	\$ 435,521	\$ 7,000	\$ -	\$ 442,521
<u>Accumulated Depreciation:</u>				
Buildings	3,471	6,942	-	10,413
Furniture, Machinery, Vehicles and Other Equipment	32,517	25,313		57,830
Telecommunications and Peripheral Equipment	7,509	15,017	-	22,526
Subtotal	\$ 43,497	\$ 47,272	\$ -	\$ 90,769
Net Other Capital Assets	\$ 392,024	\$ (40,272)	\$ -	\$ 351,752
<b>Net Capital Assets</b>	<b>\$ 548,157</b>	<b>\$ (40,272)</b>	<b>\$ 15,733</b>	<b>\$ 492,152</b>

**AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2009 AND 2008**

**Notes to Financial Statements (continued)**

Capital assets schedule for the year ended August 31, 2008

**For the Year Ended August 31, 2008**

	Balance		Balance	
	August 31, 2007		August 31, 2008	
<b>Not Depreciated:</b>				
Land	\$	1,387,353	\$	32,856
Construction in Process		2,672		-
Purchased with Capital Lease		35,200		92,000
Subtotal	\$	1,445,225	\$	1,427,881
<b>Other Capital Assets:</b>				
Buildings		28,260,195		717,304
Equipment Purchased with				
Furniture, Machinery,				
Vehicles, and other				
Equipment		1,701,817		42,486
Laboratory Equipment				
Telecommunications and				
Equipment		660,100		6,700
Subtotal		29,961,992		766,490
<b>Accumulated Depreciation:</b>				
Buildings		6,407,861		594,309
Equipment Purchased with				
Capital Lease				2,300
Furniture, Machinery,				
Vehicles and Other				
Equipment				
Laboratory Equipment				
Telecommunications and				
Equipment		655,906		105,425
Subtotal	\$	8,594,887	\$	901,056
			\$	4,835
			\$	9,491,108
<b>Net Capital Assets</b>	<b>\$</b>	<b>24,616,985</b>	<b>\$</b>	<b>57,562</b>
			<b>\$</b>	<b>92,000</b>
			<b>\$</b>	<b>24,582,547</b>



**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2009 AND 2008

**Note 6 – Capital Assets – (continued)**

**Foundation**

**For the Year Ended August 31, 2008**

	<b>Balance</b>		<b>Balance</b>	
	<b>August 31, 2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>August 31, 2008</b>
<b>Not Depreciated:</b>				
Land	\$ 135,400	\$ 5,000	\$	\$ 140,400
Construction in Process	-	15,733	-	15,733
Subtotal	\$ 135,400	\$ 20,733	\$ 0	\$ 156,133
<b>Other Capital Assets:</b>				
Buildings	-	196,024	-	196,024
Furniture, Machinery, Vehicles, and other Equipment	43,285	121,125	-	164,410
Telecommunications and Data Network Equipment	-	75,087	-	75,087
Subtotal	\$ 43,285	\$ 392,236	\$ 0	\$ 435,521
<b>Accumulated Depreciation:</b>				
Buildings	-	3,471	-	3,471
Furniture, Machinery, Vehicles, and other Equipment	18,311	14,206	-	32,517
Subtotal	\$ 18,311	\$ 25,186	\$ 0	\$ 43,497
Net Other Capital Assets	\$ 24,974	\$ 367,050	\$ 0	\$ 392,024
Net Capital Assets	\$ 160,374	\$ 397,702	\$ 0	\$ 549,157

The College was engaged in constructing an agriculture instructional facility for the approximate amount of \$2,500,000 to be paid from the 2006 revenue bond proceeds and private donations. The college was also engaged in construction a softball concession building for the approximate amount of \$90,000 to be paid from private donations. As of August 31, 2009, \$42,270 and \$58,263 of these amounts, respectively, had been expended and reported as construction in progress.

**NORTHEAST TEXAS COMMUNITY COLLEGE  
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 2009 AND 2008**

Long-term liability activity for the year ended August 31, 2009 was as follows:

	Balance August 31, 2009	Increases	Decreases	Balance August 31, 2008	Current Portion
Leases, bonds, and notes					
Revenue bonds	4,380,000	185,000	3,815,000	4,750,000	
General obligation bonds	14,924,380	711,763	1,042,348	14,593,795	978,360
Unamortized premium	49,111		49,111	-	-
Notes payable	26,612	26,612	-	-	26,612
Leases payable	117,765	22,808	175,180	65,393	
<b>Total long-term obligations</b>	<b>\$ 19,202,097</b>	<b>\$ 854,140</b>	<b>\$ 1,465,641</b>	<b>\$ 18,590,596</b>	<b>\$ 1,239,596</b>

Long-term liability activity for the year ended August 31, 2008 was as follows:

	Balance August 31, 2007	Increases	Decreases	Balance August 31, 2008	Current Portion
Leases, bonds, and notes					
Revenue bonds	4,380,000	185,000	3,815,000	4,750,000	
Unamortized premium	170,748	124,632	49,111	246,269	
Notes payable	26,612	26,612	-	53,224	26,612
Leases payable	92,000		22,708	69,292	16,202
<b>Total long-term obligations</b>	<b>\$ 19,805,124</b>	<b>\$ 676,462</b>	<b>\$ 1,279,489</b>	<b>\$ 19,202,097</b>	<b>\$ 1,451,975</b>

**1994 Series Limited Tax Refunding Bonds (Dated September 28, 1994):**

1994 Series Limited Tax Refunding Bonds of \$6,050,000 (maturity value) were issued to refund a portion of bonds. The bonds bear interest from 19.19% to 20.22% (effective rate of 5.55% to 6.15% considering bond premium) and mature through 2009. The bonds are secured with the proceeds of a continuing, direct ad valorem tax levied, within the limitations prescribed by law, against all taxable property within the District. All proceeds from the bonds were used to pay for the defeasance of the 1994 Series. All bonds authorized were issued on the date of issue. The aggregate value of the bonds plus unamortized bond premium

NORTH TEXAS COLLEGE  
THE NORTH TEXAS COLLEGE FOUNDATION  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2009 AND 2008**

**Note 7 – Bonds and Notes Payable - (continued)**

**2002 Series Limited Tax Bonds**

The 2002 Series Limited Tax Bonds were issued for the construction and equipment of academic buildings in the district and the purchase of necessary sites. At an election on November 5, 2002, the voters approved the

authority granted at the November 5, 2002 election. The bonds were issued in part as Current Interest Bonds

at August 31, 2009 and 2008

\$0 and \$90,000, respectively. Of these bonds were outstanding. The Current Interest Bonds were

equal to the years to maturity and the compound semiannual rate for such periods between the bonds over interest from 2.700% to 5.950%. Bonds outstanding at August 31, 2009 and 2008 under this issue totaled

\$0 and \$90,000, respectively. At August 31, 2009 and 2008, the bonds issued but unissued

bonds totaled \$7,005,837.

**2006 Series Revenue Financing System Refunding and Improvement Bonds**

The 2006 Series Revenue Financing System Refunding and Improvement Bonds were issued to advance refund the College's outstanding 1992 Series Dormitory System Revenue Bonds and the outstanding 1994 Series

and Building Use Fee Revenue Refunding and Revenue Bonds, to pay the cost of issuing the bonds and rate of 4.19%. Bonds outstanding at August 31, 2009 and 2008 under this issue totaled \$5,815,000 and \$4,000,000, respectively.

**Notes Payable**

The College has an unsecured 3.95% note payable to a bank dated March 18, 2004. The note is due in four balance of the note at August 31, 2009 and 2008 was \$0 and \$98,296 respectively.

The College has a 4.55% note payable to a vendor dated March 10, 2005 secured by equipment. The note is due in four installments of \$15,267.25 each. The balance of the note at August 31, 2009 and 2008 was \$61,019 respectively.

The College entered into a 3% note payable to a bank dated June 26, 2009 secured by equipment. The note is due in one installment of \$26,612. The balance of the note at August 31, 2009 was \$26,612.

The College has a 4.45% note payable to a bank dated August 12, 2007 secured by equipment. The note is due in four installments of \$17,272.25 each. The balance of the note at August 31, 2009 and 2008 was \$53,089 and \$69,292 respectively.

**NORTHEAST TEXAS COMMUNITY COLLEGE  
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

AUGUST 31, 2009 AND 2008

**Note 7 – Bonds and Notes Payable - (continued)**

The College entered into a 4.25% maintenance tax note payable to a bank on April 21, 2000 in the amount of \$510,000. The note was paid in full on August 18, 2009.

**Tax Bonds**

Tax bonds and revenue bonds are due in annual installments varying from \$1,000,000 to \$1,255,000 with interest rates from 2.50% to 14.5% and the final installment due in 2033. The principal and interest expense for the next five years and beyond for the unrefunded tax obligation bonds are as follows:

Years Ending August 31	Principal	Interest	Total Requirements
2010	\$ 978,360 (A)	21,640 \$	1,000,000
2011	943,353 (A)	61,647	1,005,000
2012	916,874 (A)	103,126	1,020,000
2013	883,149 (A)	146,851	1,030,000
2014	842,828 (A)	187,162	1,030,000
2015-2019	3,662,499 (A)	1,687,501	5,350,000
2020-2024	2,816,346 (A)	2,803,654	5,620,000
2025-2029	2,165,641 (A)	3,744,359	5,910,000
2030-2033	1,384,735 (A)	3,561,785	4,946,520
	<b>\$ 14,593,195</b>	<b>\$ 12,521,125</b>	<b>\$ 40,921,520</b>

(A) Compound Interest Bonds and Tax Refunding Bonds are stated at their current accreted value

In 2009 and 2008, the College had \$112,650 and \$459,000, respectively, in unrefunded tax obligation bonds.

\$100,000 in 2009 and 2008

The orders authorizing the issuance of the tax obligation bonds require the Board of Trustees to annually levy a tax on the property of the College to pay the principal and interest on the bonds. The tax collections that are restricted for payment of the bond principal and interest are to be deposited into the retirement or indebtedness fund.

AND NORTHWESTERN COLLEGE FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS

AUGUST 31 2009 AND 2008

**Note 7 – Bonds and Notes Payable – (continued)**

**Revenue Bonds**

Debt service requirements for the revenue bonds are as follows:

Years Ending August 31,	Principal	Interest	Total Requirements
2010	\$ 190,000	\$ 153,665	\$ 343,665
2011	200,000	145,865	345,865
2012	200,000	137,000	337,000
2013	220,000	129,065	349,065
2014	225,000	120,165	345,165
2015 - 2019	670,000	507,925	1,177,925
2020 - 2024	750,000	370,637	1,120,637
2025 - 2029	920,000	196,956	1,116,956
2030 - 2031	430,000	19,032	449,032
	<b>\$ 3,815,000</b>	<b>\$ 1,780,975</b>	<b>\$ 5,595,975</b>

**Notes Payable**

Debt service requirements for the notes payable are as follows:

Years Ending August 31,	Principal	Interest	Total Requirements
2010	\$ 26,612	\$ 179	\$ 26,791



NORTH EAST TEXAS COMMUNITY COLLEGE  
 AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2009 AND 2008**

**Note 8 – Pension Plan – (continued)**

The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is a voluntary election. The program is currently funded by the state and each participant and is currently funded by the state and each participant at 5.90% and 6.65% respectively. The College currently contributes 1.00% toward the program. The program was established on 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 of the State for the College was \$465,156, \$428,220, and \$264,722 for the fiscal years ended August 31, 2009, 2008, and 2007 respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total amount of contributions for the program was \$3,858,000, \$3,755,357, and \$3,000,250 for the fiscal years 2009, 2008, and 2007, respectively.

**Note 9 – Compensable Absences**

Full-time College employees earn vacation of 5-15 days per year based on years of service and sick leave benefits of 8 hours a month. The amount of vacation accumulated by an employee after August 31 is limited to 40 hours. The amount of vacation accumulated by an employee after August 31 is limited to 40 hours. The College has accrued \$61,490 and \$59,133 for August 31, 2009 and 2008, respectively, in the financial statements for vacation to be carried over to the next fiscal year. Administrative believes that all of the accrued vacation will be used by the employees in the next fiscal year. Sick leave can be accumulated up to 400 hours and is not used in any

Receivables at August 31, 2009 were as follows:

	College	Foundation
Tuition and Fees Receivable	270,001	-
Scholarship and Bursary Receivable	-	20,102
State Appropriations	75,730	-
Contracts and Grants Receivable	1,612,996	285,291
Other Receivables	31,453	-
<b>Subtotal</b>	<b>2,491,543</b>	<b>314,394</b>
Allowance for Doubtful Accounts	420,959	-
<b>Total Receivables</b>	<b>\$ 2,070,584</b>	<b>\$ 314,394</b>

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2009 AND 2008

Note 10. Disaggregation of Receivables and Payables Balances (continued)

Payables at August 31, 2009 were as follows:

	College	Foundation
Accounts payable:		
<b>Vendors Payable</b>	<b>\$ 425,964</b>	<b>\$ 4,189</b>
Accrued Liabilities:		
Accrued payroll liabilities	\$ 33,040	\$ -
Interest payable	18,884	-
<b>Total Accrued Liabilities</b>	<b>51,924</b>	<b>-</b>
Deposits payable:		
<b>Student housing deposits payable</b>	<b>\$ 91,730</b>	<b>\$ -</b>

Receivables at August 31, 2009 were as follows:

	College	Foundation
Tuition and Fees Receivable	\$ 545,247	\$ -
Taxes Receivable	348,332	-
Scholarship and Pledges Receivable	-	102,364
Contracts and Grants Receivable	560,417	450,264
Other Receivables	10,638	-
<b>Subtotal</b>	<b>1,464,634</b>	<b>552,628</b>
Allowance for Doubtful Accounts	(356,936)	-
<b>Total Receivables</b>	<b>\$ 1,107,698</b>	<b>\$ 552,628</b>

Payables at August 31, 2008 were as follows:

	College	Foundation
Accounts Payable:		
<b>Vendors Payable</b>	<b>\$ 367,634</b>	<b>\$ 7,731</b>
Accrued Liabilities:		
Accrued payroll liabilities	\$ 57,305	\$ -
Interest payable	33,909	-
<b>Total Accrued Liabilities</b>	<b>91,214</b>	<b>-</b>
Deposits payable:		
<b>Student housing deposits payable</b>	<b>\$ 84,995</b>	<b>\$ -</b>





**AUGUST 31, 2009 AND 2008**

**Note 14 – Ad Valorem Tax**

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

	At August 31,		
	2009	2008	
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate assessed per \$100 valuation for 2009	\$ 0.0700	\$ 0.0242	\$ 0.0942
Tax rate assessed per \$100 valuation for 2008	\$ 0.0000	\$ 0.0250	\$ 0.0250

excluding any penalty and interest assessed. 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.

	2009			2008		
	<u>Operations</u>	<u>Service</u>	<u>Total</u>	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Current Taxes	\$ 5,000,174	\$ 1,905,550	\$ 6,905,724	\$ 2,907,020	\$ 1,107,007	\$ 4,014,027
Delinquent Taxes	77,560	13,553	91,113	60,721	3,232	63,953
<b>Total</b>	<b>\$ 5,077,734</b>	<b>\$ 1,919,103</b>	<b>\$ 6,996,837</b>	<b>\$ 2,967,741</b>	<b>\$ 1,110,239</b>	<b>\$ 4,077,980</b>

**Note 15 – Income Taxes**

The College is exempt from income taxes under Internal Revenue Code Section 115. Income of states and municipalities, etc., although unrelated business income, may be subject to income taxes under Internal Revenue Code Section 115. Income of states and municipalities, etc., although unrelated business income, may be subject to income taxes under Internal Revenue Code Section 115.

Municipalities, etc., although unrelated business income, may be subject to income taxes under Internal Revenue Code Section 115. Income of states and municipalities, etc., although unrelated business income, may be subject to income taxes under Internal Revenue Code Section 115.

Income of states and municipalities, etc., although unrelated business income, may be subject to income taxes under Internal Revenue Code Section 115.

**NORTHEAST TEXAS COMMUNITY COLLEGE  
AND NORTHEAST TEXAS COMMUNITY COLLEGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2009 AND 2008**

**Note 16 - Northeast Texas Community College Foundation, Inc. (the Foundation)** - For the year ended August 31, 2009, Northeast Texas Community College Foundation, Inc. (the Foundation) was established in 1967 as a separate nonprofit corporation to raise funds to provide student scholarship and assistance in the development and growth of the College. Under Government Standards Board Statement No. 30, Determining Whether Certain Organizations are Government Entities, an organization should report as a discretely presented component unit if those organizations that raise and hold economic resources for the direct benefit of a government unit.

Accordingly, the Foundation financial statements are included in the College's annual report as a discrete component unit. Complete financial statements of Northeast Texas Community College Foundation, Inc. can be obtained from the administrative office of the Foundation.

**Note 17 - Contingencies and Commitments**

**Litigation:** The College is made a defendant in numerous lawsuits primarily in the course of its operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded in the accompanying financial statements and accordingly, no provision for losses has been recorded.

**Grants:** The college is a recipient of numerous federal, state and local grants. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded in the accompanying financial statements and accordingly, no provision for losses has been recorded. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded in the accompanying financial statements and accordingly, no provision for losses has been recorded. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded in the accompanying financial statements and accordingly, no provision for losses has been recorded.

**Note 18 - Postemployment Benefits Other than Pensions**

**Plan Description:** Northeast Texas Community College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit system. The SRHP provides medical benefits to retired employees of the State of Texas. The SRHP provides medical benefits to retired employees of the State of Texas. The SRHP provides medical benefits to retired employees of the State of Texas. The SRHP provides medical benefits to retired employees of the State of Texas.

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

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 cost of the retirees and the amounts contributed by the retirees.

over a period not to exceed thirty years:

The State's commitments to SRFB for the years ended 12/31/2000, 2001 and 2002 are \$627,060, \$830,080 and \$806,584 respectively.

***SUPPLEMENTAL SCHEDULES***

NORTHEAST TEXAS COMMUNITY COLLEGE  
 SCHEDULE OF DETAILED OPERATING REVENUES  
 SCHEDULE A

For the Year Ended August 31, 2009 (With Memorandum Totals for the Year Ended August 31, 2008)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2009 Total	Memorandum 2008 Total
<b>Tuition</b>						
State funded courses						
In-district resident tuition	\$ 847,447	\$ -	\$ 847,447	\$ -	\$ 847,447	\$ 808,437
Out-of-district resident tuition	590,033		590,033		590,033	597,512
TPEG (set aside)*	109,309		109,309		109,309	54,250
Non-resident tuition	208,247		208,247		208,247	174,081
State funded continuing education	308,585		308,585		308,585	167,103
Non-state funded continuing education	31,189		31,189		31,189	23,841
<b>Total Tuition</b>	<b>2,094,810</b>	<b>-</b>	<b>2,094,810</b>	<b>-</b>	<b>2,094,810</b>	<b>1,825,224</b>
<b>Fees</b>						
General fees	1,695,647		1,695,647		1,695,647	1,602,487
Student service fees				160,250	160,250	160,618
Out-of-district fees	568,258		568,258		568,258	575,461
Laboratory fees	261,713		261,713		261,713	222,713
Other fees	91,395		91,395		91,395	54,376
<b>Total Fees</b>	<b>2,617,013</b>	<b>-</b>	<b>2,617,013</b>	<b>160,250</b>	<b>2,777,263</b>	<b>2,615,655</b>
<b>Scholarship Allowances and Discounts</b>						
Scholarship allowances	(457,294)		(457,294)		(457,294)	(435,100)
Remissions and exemptions	(63,043)		(63,043)		(63,043)	(47,216)
TPEG allowances	(109,309)		(109,309)		(109,309)	(54,250)
Federal grants to students	(1,392,009)		(1,392,009)		(1,392,009)	(1,173,491)
<b>Total Scholarship Allowances</b>	<b>(2,021,655)</b>	<b>-</b>	<b>(2,021,655)</b>	<b>-</b>	<b>(2,021,655)</b>	<b>(1,710,057)</b>
<b>Total Net Tuition and Fees</b>	<b>2,690,168</b>	<b>-</b>	<b>2,690,168</b>	<b>160,250</b>	<b>2,850,418</b>	<b>2,730,822</b>
<b>Other Operating Revenues</b>						
Federal grants and contracts	76,305	1,124,698	1,201,003		1,201,003	1,602,839
State grants and contracts		1,152,956	1,152,956		1,152,956	343,694
Nongovernmental grants and contracts		142,172	142,172		142,172	130,753
Sales and services of educational activities	58,896		58,896		58,896	31,999
Other operating revenues	344,239		344,239	175,331	519,570	412,535
<b>Total Other Operating Revenues</b>	<b>479,440</b>	<b>2,419,826</b>	<b>2,899,266</b>	<b>175,331</b>	<b>3,074,597</b>	<b>2,521,820</b>
<b>Auxiliary Enterprises</b>						
Residential life				404,369	404,369	438,900

*NORTHEAST TEXAS COMMUNITY COLLEGE  
SCHEDULE B  
SCHEDULE OF OPERATING EXPENSES BY FUNCTIONAL AND NATURAL CLASSIFICATIONS  
For the Year Ended August 31, 2009 (with Memorandum Totals for the Year Ended August 31, 2008)*

	<b>Salaries and Wages</b>	<b>State Benefits</b>	<b>Local Benefits</b>	<b>Other Expenses</b>	<b>Total 8/31/2009</b>	<b>Memorandum Total 8/31/2008</b>
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 5,195,374		290,638	398,039	\$ 5,884,051	\$ 5,501,180
Public Service	54,194		3,032	129,635	186,861	178,467
Academic Support	726,116		40,620	104,011	870,747	806,840
Student Services	636,236		35,592	86,403	758,231	624,157
Institutional Support	1,199,902		67,125	915,349	2,182,376	2,302,359
Operation and Maintenance of Plant	531,342		29,724	872,293	1,433,359	1,354,197
Scholarships and Fellowships			-		-	-
<b>Total Unrestricted Educational Activities:</b>	<b>\$ 8,343,164</b>	<b>\$ -</b>	<b>\$ 466,731</b>	<b>\$ 2,505,730</b>	<b>\$ 11,315,625</b>	<b>\$ 10,767,200</b>
<b>Restricted - Educational Activities</b>						
Instruction	\$ 309,303	\$ 834,383		\$ 212,624	\$ 1,356,310	\$ 1,509,303
Public Service	7,453	8,704		19,578	35,735	126,474
Academic Support	-	116,615		-	116,615	110,389
Student Services	583,524	102,180		789,401	1,475,105	872,652
Institutional Support	54,327	192,705		21,944	268,976	186,632
Operation and Maintenance of Plant	-	85,334		-	85,334	75,285
Scholarships and Fellowships				2,138,247	2,138,247	1,545,616
<b>Total Restricted Educational Activities</b>	<b>\$ 954,60</b>	<b>\$ 85,334</b>				

**NORTHEAST TEXAS COMMUNITY COLLEGE**

**SCHEDULE C**

**SCHEDULE OF NON - OPERATING REVENUES AND EXPENSES**

*For the Year Ended August 31, 2009(With Memorandum totals for the Year Ended August 31, 2008)*

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Auxiliary Enterprises</b>	<b>Total 8/31/2009</b>	<b>Memorandum Totals 8/31/2008</b>
<b>Non - Operating Revenues</b>					
State appropriations:					
Education and general state support	\$ 3,990,179			\$ 3,990,179	3,990,216
State group insurance		874,764		874,764	796,988
State retirement matching		465,156		465,156	428,339
Professional nursing shortage reduction		22,422		22,422	3,273
Ad-valorem taxes	3,286,079	1,091,924		4,378,003	3,967,416
Federal revenue, non operating		3,855,714		3,855,714	2,975,712
Investment income		57,973		57,973	124,968



NORTHEAST TEXAS COMMUNITY COLLEGE  
 SCHEDULE D  
 SCHEDULE OF NET ASSETS BY SOURCE AND AVAILABILITY  
 For the Year Ended August 31, 2009 (With Memorandum totals for the Year Ended August 31, 2008)

	Detail By Source						
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Available for Current Operations	
		Expendable	Unexpended Bond Proceeds			Yes	No
Current							
Unrestricted	\$ 1,152,703	\$	\$	\$	\$ 1,152,703	\$ 1,152,703	\$
Loan		152			152		152
Plant							
Investment in plant		718,290		8,062,882	8,781,172		8,781,172
<b>Total Net Assets, August 31, 2009</b>	<b>1,152,703</b>	<b>718,442</b>	<b>0</b>	<b>8,062,882</b>	<b>9,934,027</b>	<b>1,152,703</b>	<b>8,781,324</b>
<b>Total Net Assets, August 31, 2008</b>	<b>790,856</b>	<b>807,831</b>	<b>0</b>	<b>7,654,270</b>	<b>9,252,957</b>	<b>790,856</b>	<b>8,462,101</b>
<b>Net Increase (Decrease) in Net Assets</b>	<b>\$ 361,847</b>	<b>\$ (89,389)</b>	<b>\$ 0</b>	<b>\$ 408,612</b>	<b>\$ 681,070</b>	<b>\$ 361,847</b>	<b>\$ 319,223</b>

See independent auditors' report.



**NORTHEAST TEXAS COMMUNITY COLLEGE  
SCHEDULE F  
STATEMENT OF CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED AUGUST 31, 2009**

***STATISTICAL SUPPLEMENT  
(UNAUDITED)***

## **Statistical Section**

This part of the College's comprehensive annual financial report presents detailed information as a context for  
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Northeast Texas Community College  
 Statistical Supplement 1  
 Net Assets by Component  
 Fiscal Years 2002 to 2009  
 (unaudited)

	For the Fiscal Year Ended August 31,									
	2009	2008	2007	2006	2005	2004	2003	2002		
Invested in capital assets, net of related debt	\$8,062,882	\$7,654,270	\$7,531,961	\$7,219,657	\$6,868,646	\$6,670,953	\$6,934,610	\$6,228,567		
Restricted - expendable	718,442	807,831	791,105	608,270	401,710	362,096	401,032	397,966		
Unrestricted	1,152,703	790,856	1,032,815	977,087	907,310	949,141	481,606	980,723		
<b>Total primary government net assets</b>	<b>\$ 9,934,027</b>	<b>\$ 9,252,957</b>	<b>\$ 9,355,881</b>	<b>\$ 8,805,014</b>	<b>\$ 8,177,666</b>	<b>\$ 7,982,190</b>	<b>\$ 7,817,248</b>	<b>\$ 7,607,256</b>		

**Note:** Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Northeast Texas Community College  
 Statistical Supplement 2  
 Revenues by Source  
 Fiscal Years 2002 to 2009  
 (unaudited)

	For the Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$2,850,418	\$2,730,822	\$2,808,248	\$2,672,106	\$2,167,101	\$2,169,998	\$1,832,136	\$1,667,829
Governmental Grants and Contracts	1,201,003	1,602,839	1,661,207	1,677,166	1,776,909	1,909,817	1,679,810	467,968
Federal Grants and Contracts	1,152,956	343,694	303,909	574,001	604,566	501,634	880,839	678,046
State Grants and Contracts	142,172	130,753	115,822	99,802	113,586	111,093	84,557	352,932
Non-governmental Grants and Contracts	1,085,242							
Sales and services of educational activities	340,156	486,348	486,348	486,348	486,348	486,348	486,348	486,348
	6,425,820	6,322,148	6,369,854	6,369,854	6,369,854	6,369,854	6,369,854	6,369,854
	4,998,581	4,607,933	4,603,402	4,603,402	4,603,402	4,603,402	4,603,402	4,603,402
	3,345,281	3,204,174	2,958,441	3,081,798	3,081,798	3,248,982	3,081,798	2,796,487
	2,664,491	2,997,290	2,997,290	2,997,290	2,997,290	2,997,290	2,997,290	2,997,290
	167,812	55,906	55,906	55,906	55,906	55,906	55,906	55,906
Contributions								
Gain on disposal of capital assets				147,589	4,100			17,398
<b>Total Revenues</b>	<b>\$13,644,211</b>	<b>\$12,286,912</b>	<b>\$11,945,386</b>	<b>\$11,212,961</b>	<b>\$10,953,911</b>	<b>\$10,923,716</b>	<b>\$10,315,778</b>	<b>\$10,217,775</b>
	\$ 20,881,484	\$ 18,753,348	\$ 18,507,007	\$ 17,658,781	\$ 17,276,059	\$ 17,293,570	\$ 16,281,431	\$ 14,829,335

For the Year Ended August 31,

	For the Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	13.65%	14.56%	15.17%	15.15%	12.54%	12.55%	11.25%	11.25%
Governmental grants and contracts	5.75%	8.55%	8.98%	9.51%	10.29%	11.04%	10.32%	3.16%
Federal grants and contracts	5.52%	1.83%	1.64%	3.25%	3.50%	2.90%	5.41%	4.57%
State grants and contracts	0.68%	0.70%	0.63%	0.57%	0.66%	0.64%	0.52%	2.38%
Non-governmental grants and contracts	0.28%	0.17%	0.19%	0.15%	0.21%	0.16%	0.18%	0.20%
Sales and services of educational activities	6.28%	6.47%	6.61%	5.89%	6.90%	6.72%	6.67%	6.97%
Auxiliary enterprises	2.49%	2.20%	2.23%	1.93%	2.50%	2.81%	2.29%	2.58%
Other operating revenues	34.66%	34.48%	35.45%	36.43%	36.59%	36.83%	36.64%	31.10%
<b>Total Operating Revenues</b>	<b>25.63%</b>	<b>27.83%</b>	<b>27.65%</b>	<b>28.34%</b>	<b>26.67%</b>	<b>26.62%</b>	<b>27.07%</b>	<b>33.31%</b>
State appropriations	20.97%	21.16%	20.90%	18.97%	18.55%	17.11%	17.63%	19.32%
Ad valorem taxes	18.46%	15.87%	15.11%	15.11%	17.84%	18.79%	18.41%	16.16%
Federal Revenue, Non Operating	0.28%	0.67%	0.91%	0.32%	0.32%	0.65%	0.26%	0.12%
Investment income	0.00%	0.00%	0.00%	0.84%	0.00%	0.00%	0.00%	0.00%
Contributions	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%
Gain on disposal of capital assets	65.34%	65.52%	64.55%	63.57%	63.41%	63.17%	63.36%	68.90%
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Northeast Texas Community College  
 Statistical Supplement L3  
 Program Expenses by Function  
 Fiscal Years 2002 to 2009  
 (unaudited)

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$7,240,361	\$7,010,483	\$6,653,768	\$6,561,461	\$6,075,398	\$5,536,415	\$6,006,220	\$5,644,694
Public service	222,596	304,941	295,839	376,344	713,536	546,000	574,619	250,416
Academic support	987,362	917,229	884,371	759,418	790,797	800,439	827,786	911,078
Student services	2,233,336	1,496,809	1,678,155	1,523,805	1,376,129	1,275,110	1,012,905	1,022,857
Institutional support	2,451,352	2,488,991	2,257,954	2,078,964	2,073,787	2,137,074	2,040,704	1,857,087
Operation and maintenance of plant	1,518,693	1,429,482	1,347,323	1,366,895	882,907	721,458	598,445	552,022
<b>Total Operating Expenses</b>	<b>19,526,280</b>	<b>17,223,209</b>	<b>16,234,872</b>	<b>16,234,872</b>	<b>17,223,209</b>	<b>16,234,872</b>	<b>16,387,428</b>	<b>15,456,808</b>
Interest on capital related debt	944,773	999,311	1,059,870	1,078,410	908,905	1,035,407	1,035,407	1,035,407
Loss on disposal of fixed assets	-	-	-	-	-	-	-	29,298
<b>Total Non-Operating Expenses</b>	<b>29,680</b>	<b>24,224</b>	<b>24,654</b>	<b>18,151</b>	<b>27,460</b>	<b>37,403</b>	<b>7,798</b>	<b>4,526</b>
<b>Total Expenses</b>	<b>\$ 20,500,733</b>	<b>\$ 18,856,272</b>	<b>\$ 18,307,733</b>	<b>\$ 17,331,433</b>	<b>\$ 17,323,793</b>	<b>\$ 16,558,916</b>	<b>\$ 16,041,051</b>	<b>\$ 14,756,251</b>

	For the Fiscal Year Ended August 31,							
	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	35.37%	37.18%	36.34%	37.86%	35.07%	33.43%	37.44%	38.25%
Public service	1.09%	1.62%	1.62%	2.17%	4.12%	3.30%	3.58%	1.70%
Academic support	4.82%	4.86%	4.83%	4.38%	4.56%	4.83%	5.16%	6.17%
Student services	10.89%	7.94%	9.17%	8.79%	7.94%	7.70%	6.31%	6.93%
Institutional support	11.96%	13.20%	12.33%	12.00%	11.97%	12.91%	12.72%	12.59%
Operation and maintenance of plant	7.41%	7.58%	7.36%	7.89%	6.52%	6.30%	6.40%	7.38%
Scholarships and fellowships	10.43%	8.20%	8.34%	7.74%	11.47%	11.72%	11.72%	11.31%
Auxiliary enterprises	8.94%	9.22%	9.27%	8.69%	9.48%	9.60%	9.31%	9.09%
Depreciation	4.40%	4.78%	4.82%	4.16%	3.45%	3.33%	2.70%	2.63%
<b>Total Operating Expenses</b>	<b>95.25%</b>	<b>94.57%</b>	<b>94.08%</b>	<b>93.67%</b>	<b>94.59%</b>	<b>93.34%</b>	<b>95.35%</b>	<b>96.05%</b>
Interest on capital related debt	4.61%	5.30%	5.79%	6.22%	5.25%	6.25%	4.46%	3.92%
Loss on disposal of fixed assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.15%	0.00%
Other non-operating expenses	0.14%	0.13%	0.13%	0.10%	0.16%	0.23%	0.05%	0.03%
<b>Total Non-Operating Expenses</b>	<b>4.75%</b>	<b>5.43%</b>	<b>5.92%</b>	<b>6.33%</b>	<b>5.41%</b>	<b>6.66%</b>	<b>4.65%</b>	<b>3.95%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.



Northeast Texas Community College  
 Statistical Supplement 4  
 Tuition and Fees  
 Last Ten Academic Years  
 (unaudited)

502

382

2

Cost for  
12 SCH  
Out of State

Student  
Services  
Fee/Act

Building Use  
Fee

Technology  
Fee

General  
Service Fee

Non-Resident  
Tuition  
Out of State

Registration  
Fee  
(per student)

Academic Year  
(Fall)

Northeast Texas Community College  
 Statistical Supplement 5  
 Taxable Assessed Value of Property  
 Last Ten Fiscal Years  
 (unaudited)  
 (amounts expressed in thousands)

Tax Roll Year	Taxable Assessed Value (TAV)	Direct Rate		
		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2008	\$ 4,433,694	0.072767	0.024352	0.097119
2007	4,258,908	0.066629	0.024953	0.091582
2006	3,918,384	0.066758	0.029472	0.096230
2005	3,311,968	0.063920	0.032310	0.096230
2004	3,195,566	0.064180	0.034880	0.099060
2003	2,927,359	0.063900	0.036100	0.100000
2002	2,841,977	0.062000	0.038000	0.100000
2001	2,896,573	0.061700	0.038300	0.100000
2000	2,559,351	0.059500	0.040500	0.100000
1999	2,233,597	0.057250	0.042750	0.100000

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

Northeast Texas Community College  
 Statistical Supplement 6  
 State Appropriation per FTSE and Contact Hour  
 Last Ten Fiscal Years  
 (unaudited)

Fiscal Year	State		Appropriation per FTSE		Appropriation per Contact Hour				State Appropriation per Contact Hour
	Appropriation	FTSE (a)	FTSE (a)	Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	Appropriation per Contact Hour	
2008-09	\$ 5,352,521	1,866	1,866	2,868	812,032	301,792	1,113,824	\$ 4.81	
2007-08	5,218,816	1,896	1,896	2,753	800,296	329,334	1,129,630	4.62	
2006-07	5,113,281	1,674	1,674	3,055	761,776	294,116	1,055,892	4.84	
2005-06	4,998,581	1,730	1,730	2,889	798,352	263,710	1,062,062	4.71	
2004-05	4,607,933	1,879	1,879	2,452	852,288	261,766	1,114,054	4.14	
2003-04	4,603,402	1,968	1,968	2,339	882,220	268,128	1,150,348	4.00	
2002-03	4,406,873	1,886	1,886	2,337	741,104	416,922	1,158,026	3.81	
2001-02	4,939,116	1,649	1,649	2,995	700,992	297,176	998,168	4.95	
2000-01	4,793,540	1,457	1,457	3,290	603,712	255,986	859,698	5.58	
1999-00	4,571,141	1,518	1,518	3,011	639,276	312,020	951,296	4.81	

**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







Northeast Texas Community College  
 Statistical Supplement 10  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 (unaudited)

	For the Fiscal Year Ended August 31									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Taxable Assessed Value	\$ 4,433,693,457	\$ 4,258,908,176	\$ 3,918,383,612	\$ 3,311,968,407	\$ 3,195,566,951	\$ 2,927,359,577	\$ 2,902,438,634	\$ 2,935,538,359	\$ 2,559,351,510	\$ 2,233,597,902
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	22,168,467	21,294,541	19,591,918	16,559,842	15,977,835	14,636,798	14,512,193	14,677,692	12,796,758	11,167,990
Less: Funds Restricted for Repayment of General Obligation Bonds										
Total Net General Obligation Debt	22,168,467	21,294,541	19,591,918	16,559,842	15,977,835	14,636,798	14,512,193	14,677,692	12,796,758	11,167,990
Current Year Debt Service Requirements	1,000,000	1,158,150	1,145,587	1,132,388	1,126,279	1,068,780	1,089,062	1,088,751	1,039,477	959,001
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 21,168,467	\$ 20,136,391	\$ 18,446,331	\$ 15,427,454	\$ 14,851,556	\$ 13,568,018	\$ 13,423,131	\$ 13,588,941	\$ 11,757,281	\$ 10,208,989
Net Current Requirements as a % of Statutory Limit	4.51%	5.44%	5.85%	6.84%	7.05%	7.30%	7.50%	7.42%	8.12%	8.59%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to 50.50 per hundred dollars taxable assessed valuation.

Northeast Texas Community College  
Statistical Supplement 11  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(unaudited)

Revenue Bonds

Fiscal Year	Pledged Revenues					Debt Service Requirements			Coverage Ratio	
	Tuition and Fees	Dorm Fees	Other Fees	Continuing Education	Bookstore Revenues	Other Revenues	Principal	Interest		Total
2008-09	\$ 2,862,914	\$ 404,369	\$ 353,108	\$ 339,774	\$ 1,533,534	\$ 403,135	\$ 185,000	\$ 161,168	\$ 346,168	17.03
2007-08	2,747,136	438,900	277,089	190,944	1,317,597	436,534	175,000	168,365	343,365	15.75
2006-07	2,727,566	369,323	266,061	263,633	1,325,690	448,530	95,000	253,790	348,790	15.48
2005-06	2,538,175	295,523	341,391	255,389	1,236,924	363,208	250,000	115,180	365,180	13.78
2004-05	2,167,101	248,801	-	-	-	-	235,000	130,005	365,005	6.62
2003-04	2,169,998	262,632	-	-	-	-	220,000	143,735	363,735	6.69
2002-03	1,862,136	238,978	-	-	-	-	210,000	156,465	366,465	5.73
2001-02	1,667,829	228,026	-	-	-	-	198,000	168,233	366,233	5.18
2000-01	1,614,164	136,019	-	-	-	-	190,000	175,546	365,546	4.79
1999-00	1,482,207	131,309	-	-	-	-	185,000	189,879	374,879	4.30



Northeast Texas Community college  
 Statistical Supplement 12  
 Demographic and Economic Statistics - Taxing District  
 Last Ten Fiscal Years  
 (unaudited)

Calendar Year	District Population (1)	District Personal Income (2) (a)	District Personal Income Per Capita (a)	County Unemployment Rate			National Unemployment Rate (4)
				Camp County (3)	Morris County (3)	Titus County (3)	
2008	54,726	\$ 1,637,904	\$ 29,929	5.0%	6.2%	4.3%	5.8%
2007	56,370	1,514,516	26,867	4.8%	6.4%	4.7%	5.1%
2006	56,052	1,387,000	24,745	5.1%	5.5%	4.1%	4.6%
2005	55,296	1,386,710	25,078	5.0%	5.3%	4.1%	5.1%
2004	54,143	-	-	4.5%	6.8%	4.6%	5.4%
2003	53,962	-	-	6.4%	9.7%	4.9%	5.8%
2002	53,431	-	-	5.2%	7.0%	3.9%	4.8%
2001	50,311	-	-	5.3%	7.2%	4.2%	4.0%
2000	50,552	-	-	6.6%	11.0%	5.7%	4.1%
1999	49,742	-	-	8.1%	12.7%	6.5%	3.8%

**Sources:**

- (1) Population from Texas State Data Center
- (2) Personal income from U.S. Bureau of Economic Analysis. Data is from the year 2006.
- (3) Unemployment rate from U.S. Department of Labor
- (4) National Unemployment rate from U.S. Department of Labor

**Notes:**

- (a) This institution previously did not present this information and chose to implement prospectively.

Northeast Texas Community College  
Statistical Supplement 13  
Principal Employers  
Current Fiscal Year  
(unaudited)

Employer	Approximate Number of Employees	Percentage of Total Employment	Approximate Number of Employees	Percentage of Total Employment	Approximate Number of Employees	Percentage of Total Employment
Pilgrim's Pride	3,000	3.95%	4,000	5.27%	4,000	5.27%
US Steel (fmrly Lone Star Steel) *	N/A	N/A	2,000	2.63%	2,000	2.63%
Mt. Pleasant ISD	968	1.28%	966	1.27%	940	1.24%
Titus Regional Medical Center	740	0.97%	650	0.86%	400	0.53%
Texas Utilities	482	0.63%	600	0.79%	400	0.53%
Wal-Mart Supercenter	460	0.61%	450	0.59%	400	0.53%
Priefert Manufacturing	485	0.64%	595	0.78%	450	0.59%
Northeast Texas Community College	357	0.47%	360	0.47%	340	0.45%
Big Tex Trailer World, Inc.	200	0.26%	462	0.61%	300	0.40%
Diamond C Trailers	85	0.11%	85	0.11%	300	0.40%
City of Mt. Pleasant	153	0.20%	155	0.20%	150	0.20%
AEP SWEPCO	170	0.22%				
Total	7,100	9.35%	10,323	13.60%	9,680	12.75%

**Source:**

**Note:**

This institution previously did not present this schedule and chose to implement prospectively.

\* Data not available for release

Northeast Texas Community College  
 Statistical Supplement 14  
 Faculty, Staff, and Administrators Statistics  
 Last Seven Fiscal Years  
 (unaudited)

	2009	2008	2007	2006	2005	2004	2003
<b>Faculty</b>							
Full-Time	59	60	55	58	53	53	55
Part-Time	142	102	102	96	75	113	90
Total	201	162	157	154	128	166	145
<b>Percent</b>							
Full-Time	29.4%	37.0%	35.0%	37.7%	41.4%	31.9%	37.9%
Part-Time	70.6%	63.0%	65.0%	62.3%	58.6%	68.1%	62.1%
<b>Staff and Administrators</b>							
Full-Time	140	144	140	147	130	125	129
Part-Time	5	5	6	9	11	12	9
Total	145	149	146	156	141	137	138
<b>Percent</b>							
Full-Time	96.6%	96.6%	95.9%	94.2%	92.2%	91.2%	93.5%
Part-Time	3.4%	3.4%	4.1%	5.8%	7.8%	8.8%	6.5%
FTSE per Full-time Faculty	32	32	30	30	35	37	34
FTSE per Full-Time Staff Member	13	13	12	12	14	16	15
Average Annual Faculty Salary	\$51,053	\$51,607	\$50,151	\$46,491	\$44,206	\$ 44,107	\$42,780

**Source:**  
 Human Resources IPEDS

**Note:**

Northeast Texas Community College  
 Statistical Supplement 15  
 Enrollment Details  
 Last Five Fiscal Years  
 (unaudited)

Student Classification	Fiscal 2009		Fiscal 2008		Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	4,370	69.23%	4,290	68.19%	4,083	65.90%	4,329	69.82%	4,788	74.66%
Sophomore	1,228	19.46%	1,251	19.89%	895	14.44%	1,224	19.74%	1,047	16.33%
Unclassified	680	10.77%	660	10.49%	1,174	18.95%	597	9.63%	539	8.40%
Associate Degree	29	0.46%	90	1.43%	9	0.15%	18	0.29%	14	0.22%
Baccalaureate or above	5	0.08%	0	0.00%	35	0.56%	32	0.52%	25	0.39%
<b>Total</b>	<b>6,312</b>	<b>100.00%</b>	<b>6,291</b>	<b>100.00%</b>	<b>6,196</b>	<b>100.00%</b>	<b>6,200</b>	<b>100.00%</b>	<b>6,413</b>	<b>100.00%</b>

Semester Hour Load	Fiscal 2009		Fiscal 2008		Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	147	2.33%	220	3.50%	108	1.75%	150	2.42%	131	2.04%
3-5 semester hours	1,890	29.94%	1,869	29.71%	2,120	34.21%	2,112	34.07%	2,153	33.57%
6-8 Semester hours	1,408	22.31%	1,513	24.05%	1,174	18.94%	1,380	22.25%	1,344	20.96%
9-11 semester hours	609	9.65%	566	9.00%	691	11.15%	596	9.61%	608	9.48%
12-14 semester hours	1,661	26.31%	1,632	25.94%	1,434	23.15%	1,508	24.32%	1,664	25.95%
15-17 semester hours	437	6.92%	392	6.23%	528	8.52%	350	5.65%	381	5.94%
18 & over	160	2.53%	99	1.57%	141	2.28%	104	1.68%	132	2.06%
<b>Total</b>	<b>6,312</b>	<b>100.00%</b>	<b>6,291</b>	<b>100.00%</b>	<b>6,196</b>	<b>100.00%</b>	<b>6,200</b>	<b>100.00%</b>	<b>6,413</b>	<b>100.00%</b>

Average course load 9.7 9.4 8.8 8.5 8.7

Tuition Status	Fiscal 2009		Fiscal 2008		Fiscal 2007		Fiscal 2006		Fiscal 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In-District	3,707	58.73%	3,582	56.94%	3,619	58.41%	3,609	58.21%	3,775	58.86%
Out-of-District	2,240	35.49%	2,387	37.94%	2,261	36.49%	2,246	36.23%	2,328	36.30%
Nonresident	182	2.88%	168	2.67%	154	2.49%	153	2.47%	149	2.32%
Tuition Exemption for Texas Resident	29	0.46%	32	0.51%	27	0.44%	38	0.61%	38	0.59%
Foreign Classified In-Dist Resident	125	1.98%	86	1.37%	90	1.45%	83	1.34%	49	0.76%
Foreign Classified Out-of-Dist Resident	9	0.14%	8	0.13%	5	0.08%	8	0.13%	5	0.08%
Foreign Pending In-Dist Resident	15	0.24%	23	0.37%	36	0.58%	59	0.95%	62	0.97%
Foreign Pending Out-of-Dist Resident	5	0.08%	5	0.08%	4	0.06%	0	0.00%	7	0.11%
Visiting Student Due To Natural Disaster	0	0.00%	0	0.00%	0	0.00%	4	0.06%	0	0.00%
<b>Total</b>	<b>6,312</b>	<b>100.00%</b>	<b>6,291</b>	<b>100.00%</b>	<b>6,196</b>	<b>100.00%</b>	<b>6,200</b>	<b>100.00%</b>	<b>6,413</b>	<b>100.00%</b>

Source: CBM004 and CBM00A reports submitted to the State of Texas Coordinating Board

**Northeast Texas Community College  
Statistical Supplement 16  
Student Profile  
Last Five Fiscal Years**

Northeast Texas Community College  
 Statistical Supplement 17  
 Transfers to Senior Institutions  
 2007-2008 Graduates, Completers and Non-Returners  
 (Includes only public senior colleges in Texas)

	Transfer Student Count	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Transfer Students	% of all Transfer Students
1	1				1	0.27%
2	2				2	0.54%
3	8				8	2.17%
4	26		1		27	7.34%
5	3				3	0.82%
6	44		1		45	12.23%
7	63		2	1	66	17.93%
8	1				1	0.27%
9	72		6	1	79	21.47%
10	1				1	0.27%
11	6				6	1.63%
12	8				8	2.17%
13	7		1		8	2.17%
14	9				9	2.45%
15	16				16	4.35%
17	3				3	0.82%
19	51		1		52	13.86%
20	1		7		8	2.17%
24	24				24	6.52%
<b>Totals</b>	<b>347</b>	<b>19</b>	<b>2</b>	<b>368</b>	<b>100.00%</b>	

<http://www.txhighereddata.org/reports/performance/ctcasalf/ctcadd/>

Northeast Texas Community College  
Statistical Supplement 18  
Schedule of Capital Asset Information  
Fiscal Years 2002 to 2009

2009      2008      2007      2006      2005      2004      2003      2002

***FEDERAL FINANCIAL ASSISTANCE INFORMATION***



WILF & HENDERSON, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

**Compliance and Other Matters**

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

We noted certain other matters that we reported to management of Northeast Texas Community College and Northeast Texas Community College Foundation, Inc. in a separate letter dated December 11, 2009.

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



**WILF & HENDERSON, P.C.**  
**Certified Public Accountants**



**Internal Control over Compliance**


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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect non compliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

  
**WILF & HENDERSON, P. C.**  
**Certified Public Accountants**



*NORTHEAST TEXAS COMMUNITY COLLEGE*  
*SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*  
*For the Year Ended August 31, 2009*  
*Page 2 of 2*

**Note 1: Federal Financial Assistance Reconciliation**

<b>Federal Grants and Contracts Revenue - Per Schedule A - College</b>	\$	1,201,003
<b>Federal Grants and Contracts Revenue - Per Schedule C - College</b>		3,855,714
<b>Federal Grants and Contracts Revenue - Foundation</b>		913,300
<b>Total Federal Revenues per Schedule of Expenditures of Federal Awards</b>	\$	<b>5,970,017</b>

**Note 2: Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the college for the purposes of the award. The expenditures reported may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and

**NORTHEAST TEXAS COMMUNITY COLLEGE  
FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED AUGUST 31, 2009**

**A: Summary of Audit Results**

*Financial Statements*

The auditor's report expresses an unqualified opinion on the financial statements of Northeast Texas Community College.  
Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ yes      X   no
  - Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

*Federal Awards*

Internal control over major programs:

- Material weaknesses identified? \_\_\_\_\_ yes      X   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      X   none reported

The auditor's report on compliance for the major federal awards programs for Northeast Texas Community College expresses an unqualified opinion.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes      X   no

***NORTHEAST TEXAS COMMUNITY COLLEGE  
FEDERAL SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2009***

**Prior year audit disclosed no findings or questioned costs.**



***STATE FINANCIAL ASSISTANCE INFORMATION***

# WINC Independent Auditors' Report on Compliance with

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## Requirements Applicable to each Major State Program and Internal Control over Compliance in Accordance with State of Texas Single Audit Circular

December 11, 2009

Board of Trustees  
Northeast Texas Community College and  
Northeast Texas Community College Foundation  
Mt. Pleasant, Texas

Members of the Board:

### **Compliance**

We have audited the compliance of Northeast Texas Community College and Northeast Texas Community College Foundation, Inc. with the types of compliance requirements described in the *Uniform Grant Management Standards* issued by the State of Texas that are applicable to each of its major state programs for the years ended August 31, 2009. Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and responses. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s management. Our responsibility is to express an opinion on Northeast Texas Community College and Northeast Texas Community College Foundation, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with

*Board of Trustees*  
*Page 2*  
*December 11, 2009*

**Internal Control over Compliance**

The management of Northeast Texas Community College and Northeast Texas Community

**NORTHEAST TEXAS COMMUNITY COLLEGE**  
**SCHEDULE H**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For the Year Ended August 31, 2009**  
**Page 1 of 2**

<u>Grantor/Program/Title</u>	<u>Grant Contract Number</u>	<u>Pass Through Disbursements and Expenditures</u>
<b>Texas Education Agency</b>		
Adult Basic Education		\$ 25,705
Temporary Assist to Needy Families		11,201
Rider 82		164
STAR Reading/TX Learns		2,523
Temporary Assist to Needy Families	(A) 0710580171200011	605,122
<b>Total Texas Education Agency</b>		<b>644,715</b>
<b>U.S. Small Business Administration</b>		
<b>SBDC State</b>		<b>9,557</b>
<b>Texas Higher Education Coordinating Board</b>		
Texas Grant Program	N/A	145,870
Texas Grant II	N/A	19,910
College Readiness		1,200
Tech Prep Mini		1,200
Early High School Graduation		13,578
Certified Education Aide Program		29,359
Nursing Scholarship		774
Nursing shortage		22,422
P-16 Program		6,493
<b>Total Texas Higher Education Coordinating Board</b>		<b>240,806</b>
<b>Texas College Workstudy</b>		<b>10,919</b>
<b>Texas Workforce Commission</b>		
Skills Development Fund		13,231
Skills Development Fund RAMA	* 0708SDF002	861,272
<b>Total Skills Development</b>		<b>874,503</b>
<b>Total State Financial Assistance</b>		<b>\$ 1,780,500</b>

\* Major Program

(A) Denotes state financial assistance program for the Component Unit  
 Northeast Texas Community College Foundation

***SCHEDULE OF EXPENDITURES OF STATE AWARDS***

***For the Year Ended August 31, 2009***

***Page 2 of 2***

**Note 1: Significant Accounting Policies**

The accompanying schedule of expenditures of state awards has been prepared on the accrual basis of accounting. The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported represent funds which have been expended by the college for the purposes of the award. The expenditures



***NORTHEAST TEXAS COMMUNITY COLLEGE  
STATE SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED AUGUST 31, 2009***

**Prior year audit disclosed no findings or questioned costs.**