Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 7/1/2008 , and ending 6/30/2009

B Check if applicable
- [ ] Address change
- [ ] Name change
- [ ] Initial return
- [ ] Termination
- [x] Amended return
- [ ] Application pending

Please use IRS label or print or type. See Specific Instructions

C Name of organization: Texas College
Doing Business As
Number and street (or P O box if mail is not delivered to street address) / Room/suite: 2404 N Grand Avenue
City or town, state or country, and ZIP + 4: Tyler TX 75102

D Employer identification number: 75-0917417
E Telephone number: 903-593-8311
G Gross receipts $ 15,058,333

F Name and address of principal officer: James E. Harris 2404 N Grand Ave., Tyler, TX 75102

H(a) Is this a group return for affiliates? [ ] Yes [X] No
H(b) Are all affiliates included? [ ] Yes [ ] No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ www texascollege edu

K Type of organization [X] Corporation [ ] Trust [ ] Association [ ] Other ▶ **L** Year of formation 1984 **M** State of legal domicile TX

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: To ensure that graduates experience a balanced, intellectual, psycho-social, and spiritual development aimed at making them active and productive members of society

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	25
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	24
5	Total number of employees (Part V, line 2a)	5	226
6	Total number of volunteers (estimate if necessary)	6	
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	4,775,111	6,121,462
	9	Program service revenue (Part VIII, line 2g)	6,796,889	8,657,500
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	72,267	0
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,083,023	279,371
	12	Total revenue–add lines 8 through 11 (must equal Part VIII, column (A), line 12)	13,727,290	15,058,333
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	3,352,188	2,917,584
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	295,514	440,611
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 78,533		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	10,042,657	11,426,624
	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	13,690,359	14,784,819
	19	Revenue less expenses Subtract line 18 from line 12	36,931	273,514
			Beginning of Year	**End of Year**
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	10,208,592	10,323,325
	21	Total liabilities (Part X, line 26)	2,608,247	2,694,865
	22	Net assets or fund balances Subtract line 21 from line 20	7,600,345	7,628,460

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SCANNED FEB 15 2011

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here
▶ Signature of officer — Date 1/21/2011
▶ James E Harris V P of Business
Type or print name and title

Paid Preparer's Use Only
Preparer's signature ▶ — Date 1-15-11 — Check if self-employed ▶ [ ] — Preparer's identifying number (see instructions) P81910650
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ The Wesley Peachtree Group, CPAs, 1100 W Peachtree St NW , Atlanta, GA 30309 — EIN ▶ — Phone no ▶ 404-874-0555

May the IRS discuss this return with the preparer shown above? (see instructions) [X] Yes [ ] No

616 11

Part III **Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission

To ensure that gradutes experience a balanced intellectual, psycho-social, and spiritual development aimed at making them active and productive members of society

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses $ 8,402,272 including grants of $ 2,917,584) (Revenue $ 7,029,448)

Texas College is an institution of higher education that provides quality education to its students

4b (Code) (Expenses $ 1,959,610 including grants of $ 0) (Revenue $ 1,628,052)

Auxiliary enterprises support the College's mission of providing quality educational opportunities These services include, but are not limited to food service, campus housing, campus post office, parking, vending, campus stores and athletics

4c (Code) (Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4d Other program services. (Describe in Schedule O)

(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e Total program service expenses ▶ $ 10,361,882 *(Must equal Part IX, Line 25, column (B))*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		X
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13	X	
14a	Did the organization maintain an office, employees, or agents outside of the U S ?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22	X	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23		X
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

					Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	57			
b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0			
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	226			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?			3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a		X
b	If "Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.					
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c		
6a	Did the organization solicit any contributions that were not tax deductible?			6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b		
7	**Organizations that may receive deductible contributions under section 170(c).**					
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?			7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d				
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g		X
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h		X
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8		X
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**					
a	Did the organization make any taxable distributions under section 4966?			9a		X
b	Did the organization make a distribution to a donor, donor advisor, or related person?			9b		X
10	**Section 501(c)(7) organizations.** Enter					
a	Initiation fees and capital contributions included on Part VIII, line 12	10a				
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b				
11	**Section 501(c)(12) organizations.** Enter					
a	Gross income from members or shareholders	11a				
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b				
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?			12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b				

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code)*

Section A. Governing Body and Management

For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O See instructions

				Yes	No
1a	Enter the number of voting members of the governing body	1a 25			
b	Enter the number of voting members that are independent	1b 24			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9a	Does the organization have local chapters, branches, or affiliates?		9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13		X
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization? Describe the process in Schedule O (see instructions)	15b	X	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► TX

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection Indicate how you make these available Check all that apply

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization ► James E Harris 903-593-8311
2404 N Grand Ave , Tyler, TX 75102

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers; key employees, highest compensated employees, and former such persons

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
The Honorable Ralph Hall Board Member	1	X						0	0	0
Bishop Thomas L Hoyt Jr Board Member	1	X						0	0	0
The Honorable Jesse Jones Board Member	1	X						0	0	0
Mr Herman Martin Board Member	1	X						0	0	0
Ms Estelle Brooks Board Member	1	X						0	0	0
Dr Patricia N. Donley-McKenzie Board Member	1	X						0	0	0
Ms Dorothy Pheanorville Board Member	1	X						0	0	0
Mr Willie Robinson Board Member	1	X						0	0	0
Dr. I E Willis Board Member	1	X						0	0	0
Ms Pamela E Bethel LeDuff Board Member	1	X						0	0	0
Rev W E Lockett Board Member	1	X						0	0	0
Mrs Pene' Long-Woods Board Member	1	X						0	0	0
Rev Dr. Donald R Madlock Sr Board Member	1	X						0	0	0
Rev C E Mitchell Board Member	1	X						0	0	0
Mr Charles J King Jr Board Member	1	X						0	0	0
Bishop Henry Williamson Board Member	1	X						0	0	0
Bishop Kenneth Carter Board Member	1	X						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
Mr Tyrone Davis Board Member	1	X						0	0	0
Ms Evelyn Parker Board Member	1	X						0	0	0
Dr Jerry M Cunningham Sr Vice Chairman	1	X		X				0	0	0
Bishop Ronald Cunningham Chairman	1.	X		X				0	0	0
Mr. Leon McCowan Sr Secretary	1	X		X				0	0	0
Mr James E Harris V Pres Business & Finance	40				X			84,000	0	0
Ms Orenthia Mason V Pres Student Affairs	40				X			76,667	0	0
Rev Reggie Brazzle V. Pres. Enrollment Services	40				X			65,000	0	0
Dr Johnnye Jones V Pres Academic Affairs	40				X			64,944	0	0
Dr Dwight Fennell President	40					X		150,000	0	0
	0							0	0	0
	0							0	0	0
	0							0	0	0
1b Total ▶								440,611	0	0

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 1

		Yes	No
3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization

(A) Name and business address		(B) Description of services	(C) Compensation
Thompson Hospitality	505 Huntmar Park Dr , Suite 350 Herndon VA 2	Food Service	730,725
RBHR	401 Deer Creek Dr DeSoto TX 75115	Constructive/Renovation	429,307
Henson Mechanical	P O Box 495458 Garland TX 75049	Constructive/Renovation	133,196
			0
			0

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 3

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a	0				
	b Membership dues	1b	0				
	c Fundraising events	1c	0				
	d Related organizations	1d	749,993				
	e Government grants (contributions)	1e	5,371,469				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	0				
	g Noncash contributions included in lines 1a-1f $ 0						
	h **Total.** Add lines 1a–1f ▶			6,121,462			
Program Service Revenue		Business Code					
	2a Tuition and Fees	611600		7,029,448	7,029,448		
	b Auxiliary Enterprises	611710		1,628,052	1,628,052		
	c			0			
	d			0			
	e			0			
	f All other program service revenue			0			
	g **Total.** Add lines 2a–2f ▶			8,657,500			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶			0			
	4 Income from investment of tax-exempt bond proceeds ▶			0			
	5 Royalties ▶			0			
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)	0	0				
	d Net rental income or (loss) ▶			0			
	7a Gross amount from sales of assets other than inventory	(i) Securities 0	(ii) Other 0				
	b Less. cost or other basis and sales expenses	0	0				
	c Gain or (loss)	0	0				
	d Net gain or (loss) ▶			0			
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c) See Part IV, line 18	a	0				
	b Less direct expenses	b	0				
	c Net income or (loss) from fundraising events ▶			0			
	9a Gross income from gaming activities See Part IV, line 19	a	0				
	b Less direct expenses	b	0				
	c Net income or (loss) from gaming activities ▶			0			
	10a Gross sales of inventory, less returns and allowances	a	0				
	b Less cost of goods sold	b	0				
	c Net income or (loss) from sales of inventory ▶			0			
	Miscellaneous Revenue	Business Code					
	11a Other Income	900099		279,371	279,371		
	b			0			
	c			0			
	d All other revenue			0			
	e **Total.** Add lines 11a–11d ▶			279,371			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶			15,058,333	8,936,871	0	0

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	2,917,584	2,917,584		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	440,611		440,611	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	0			
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	0			
10	Payroll taxes	0			
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	0			
12	Advertising and promotion	0			
13	Office expenses	0			
14	Information technology	0			
15	Royalties	0			
16	Occupancy	0			
17	Travel	0			
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	0			
20	Interest	0			
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	0	0	0	0
23	Insurance	0			
24	Other expenses Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Instruction	2,100,851	2,100,851		
b	Academic Support	1,934,019	1,608,577	325,442	
c	Student Services	1,725,220	1,725,220		
d	Institutional Support	3,706,924	50,040	3,578,351	78,533
e	Auxiliary Enterprises	1,959,610	1,959,610		
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	14,784,819	10,361,882	4,344,404	78,533
26	**Joint Costs.** Check here ▶ ☐ if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing	493,853	1	114,198
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net	219,239	3	185,952
	4	Accounts receivable, net	2,585,536	4	3,232,462
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L	0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	0	6	0
	7	Notes and loans receivable, net	0	7	0
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	62,109	9	22,812
	10a	Land, buildings, and equipment cost basis — 10a 12,985,890			
	b	Less accumulated depreciation Complete Part VI of Schedule D — 10b 8,368,254	4,961,003	10c	5,415,191
	11	Investments–publicly traded securities	1,448,852	11	1,352,710
	12	Investments–other securities See Part IV, line 11	0	12	0
	13	Investments–program-related. See Part IV, line 11	0	13	0
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11	438,000	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	10,208,592	16	10,323,325
Liabilities	17	Accounts payable and accrued expenses	875,702	17	864,510
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable	0	24	0
	25	Other liabilities Complete Part X of Schedule D	1,732,545	25	1,830,355
	26	**Total liabilities.** Add lines 17 through 25	2,608,247	26	2,694,865
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	6,215,100	27	6,180,441
	28	Temporarily restricted net assets	32,535	28	95,309
	29	Permanently restricted net assets	1,352,710	29	1,352,710
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	7,600,345	33	7,628,460
	34	Total liabilities and net assets/fund balances	10,208,592	34	10,323,325

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990 [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits?	3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Texas College

Employer identification number: 75-0917417

Part I Reason for Public Charity Status (All organizations must complete this part) (see instructions)

The organization is not a private foundation because it is. (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☒ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)

9 ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I b ☐ Type II c ☐ Type III–Functionally integrated d ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the organizations the organization supports

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support
									0
									0
									0
									0
									0
Total									0

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

	Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1	Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	0	0	0			0
2	Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0			0
3	The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0			0
4	**Total** Add lines 1-3	0	0	0	0	0	0
5	The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6	**Public support.** Subtract line 5 from line 4.						0

Section B. Total Support

	Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7	Amounts from line 4	0	0	0	0	0	0
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	0	0	0			0
9	Net income from unrelated business activities, whether or not the business is regularly carried on						0
10	Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	0	0	0			0
11	**Total support.** Add lines 7 through 10						0

12 Gross receipts from related activities, etc (see instructions) | 12 |

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . ▶ ☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	0 00%
15	Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	0 00%

16a **33 1/3% support test–2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support test–2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

17a **10%-facts-and-circumstances-test–2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

b **10%-facts-and-circumstances test–2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a ,or 17b, check this box and see instructions ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	0	0	0			0
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	0	0	0			0
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	0	0	0			0
5 The value of services or facilities furnished by a governmental unit to the organization without charge	0	0	0			0
6 **Total.** Add lines 1-5	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						0
c Add lines 7a and 7b	0	0	0	0	0	0
8 **Public support** (Subtract line 7c from line 6)						0

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	0	0	0			0
13 **Total support.** (Add lines 9, 10c, 11, and 12)						0

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ► ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	0 00%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	0 00%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	0 00%
18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	0 00%

19a **33 1/3% support tests–2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

b **33 1/3% support tests–2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ► ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10, Part II, line 17a or 17b, or Part III, line 12 Provide any other additional information. (see instructions)

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
Texas College	75-0917417

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of certified historic structure

☐ Preservation of open space

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ ___________

4 Number of states where property subject to conservation easement is located ▶ ___________

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ ___________

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ ___________

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? . ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ ___________

(ii) Assets included in Form 990, Part X ▶ $ ___________

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ $ ___________

b Assets included in Form 990, Part X ▶ $ ___________

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

			Amount
c	Beginning balance	1c	
d	Additions during the year	1d	
e	Distributions during the year	1e	
f	Ending balance	1f	0

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☒ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	1,352,710				
b	Contributions	30,455				
c	Investment earnings or losses	-30,455				
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance	1,352,710				

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ %
b Permanent endowment ▶ 100%
c Term endowment ▶ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

			Yes	No
(i)	unrelated organizations	3a(i)	X	
(ii)	related organizations	3a(ii)		X
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	405,828		440,461
b Buildings	0	6,605,217	3,336,076	3,402,912
c Leasehold improvements	0	0	0	0
d Equipment	0	5,974,845	4,992,129	1,571,818
e Other	0	0	0	0
Total. Add lines 1a–1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				5,415,191

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products	0	
Closely-held equity interests . .	0	
Other	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶	0	

Part VIII Investments—Program Related. See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
	0	
Total *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶	0	

Part IX Other Assets. See Form 990, Part X, line 15

(a) Description	(b) Book value
	0
	0
	0
	0
	0
	0
	0
	0
	0
	0
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15)* . . ▶	0

Part X Other Liabilities. See Form 990, Part X, line 25

(a) Description of liability	(b) Amount
Federal income taxes	0
Line of credit	1,527,004
Note payable	270,000
Allowance for investment market losses	33,351
	0
	0
	0
	0
	0
	0
	0
Total *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	1,830,355

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	15,058,333
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	14,784,819
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	273,514
4	Net unrealized gains (losses) on investments	4	-30,455
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4–8	9	-30,455
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	243,059

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	14,843,389
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12.				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	14,843,389
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total revenue Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12)			5	14,843,389

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	14,999,763
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d	214,944		
e	Add lines **2a** through **2d**			2e	214,944
3	Subtract line **2e** from line **1**			3	14,784,819
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	0
5	Total expenses Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18)			5	14,784,819

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Part V Line 3a Permenantley restricted funds not intended for use

Part XIII Line 2d Loss on sale of land held for resale

Part XIV **Supplemental Information** *(continued)*

SCHEDULE E (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
▶ Attach to Form 990 or Form 990-EZ

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Texas College

Employer identification number: 75-0917417

			YES	NO
1	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1	X	
2	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	2	X	
3	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe If "No," please explain	3	X	
	The College admits students of any race, national or ethnic origin The college does not discriminate on the basis of race, color, national or ethnic origin in the administration of its educational policies, scholarships or loan programs The College's non-discrimination statement appears in all brochures and applications for admission.			
4	Does the organization maintain the following?			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	4a	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	4d	X	
	If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
5	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	5a		X
b	Admissions policies?	5b		X
c	Employment of faculty or administrative staff?	5c		X
d	Scholarships or other financial assistance?	5d		X
e	Educational policies?	5e		X
f	Use of facilities?	5f		X
g	Athletic programs?	5g		X
h	Other extracurricular activities?	5h		X
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
6a	Does the organization receive any financial aid or assistance from a governmental agency?	6a	X	
b	Has the organization's right to such aid ever been revoked or suspended?	6b	X	
	If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement			
7	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	7	X	

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No 1545-0047
2008
Open to Public Inspection

Name of the organization: Texas College

Employer identification number: 75-0917417

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000 Check this box if no one recipient received more than $5,000 Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			
			0	0			

2 Enter total number of section 501(c)(3) and government organizations . . . ▶

3 Enter total number of other organizations . ▶

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
Privately Funded Scholarships	0	2,917,584	0	FMV	
	0	0	0		
	0	0	0		
	0	0	0		
	0	0	0		
	0	0	0		
	0	0	0		

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Texas College

Employer identification number: 75-0917417

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply ☐ Compensation committee ☒ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☐ Form 990 of other organizations ☒ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	6a		X
b	Any related organization?	6b		X
	If "Yes" to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0
	(i)	0	0	0	0	0	0	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8 Also complete this part for any additional information

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
Texas College	75-0917417

Form 990 Part VI Section C Line 19, The College makes this information available upon request

Form 990 Part VI Section A Line 10, The College presents the Form 990 to its finance committee for review before it is filed The College plans to implement an acknowledgement form for each member signing indicating their approval

Form 990 Part VI Section B Line 12c, Trustees are required to disclose at the nest convening Board of Trustee meeting any conflict of interest Board members with a conflict of interest with a matter for vote must abstain from voting The College's audit committe is responsible for ensuring adherence to the policy

Form 990 Part VI Section B Line 15b, The Board of Trustees, based on predetermined areas of performance, evaluates the work of the President of the College annually The Board's Evaluation and Compensation Committee evaluates the performance When additional compensation is deemed appropriate, a review of salaries of Presidents at peer institutions is conducted to assist in arriving at a recommendation to the Executive Committee for approval Compensation for top officers of the College are at the discretion of the President The discretion is performed by 1) previous salary history, 2) market data from CUPA survey published in the Chronicle of Higher Education

Form Amendments

Form 990 Part III Line 4a To report correct program services revenues and expenditures

Form 990 Part IV To mark appropriate check boxes

Name of the organization	Employer identification number
Texas College	75-0917417

Form 990 Part V To mark appropriate check boxes

Form 990 Part VI To mark appropriate check boxes

Form 990 Part VIII To show correct allocation of revenues

Form Schedule D Part V To enter endowment fund and mark appropriate check boxes

Form Schedule I New form entered to report grants to individuals in the United States

Form Schedule R New form to report related tax organizations

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public Inspection

Name of the organization: Texas College

Employer identification number: 75-0917417

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	
			0	0	

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
Christian Methodist Episcopal Church 1616 E Illinois Avenue, Dallas, TX 75216	Financial support	TX	501 (c)(3)	1	Board of Trustees

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		
					0	0			0		

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
					0	0	%
					0	0	%
					0	0	%
					0	0	%
					0	0	%
					0	0	%
					0	0	%

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV

		Line	Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b		X
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	X	
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n		X
o	Reimbursement paid to other organization for expenses	1o		X
p	Reimbursement paid by other organization for expenses	1p		X
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)			0
(2)			0
(3)			0
(4)			0
(5)			0
(6)			0

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization See instructions regarding exclusion for certain investment partnerships

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		
					0			0		

Part VII, Section B, Line 1 (990) - Highest Compensated Independent Contractors

	Contractor's Name	Check if Business	Street Address	City	State	Zip Code	Foreign Country
1	Henson Mechanical	X	P O Box 495458	Garland	TX	75049	
2	RBHR	X	401 Deer Creek Dr	DeSoto	TX	75115	
3	Thompson Hospitality	X	505 Huntmar Park Dr , Suite 350	Herndon	VA	20170	
4							
5							
6							
7							
8							
9							
10							

1,293,228

Description of Services	Compensation	Explanation
Constructive/Renovation	133,196	
Constructive/Renovation	429,307	
Food Service	730,725	

Part VIII, Lines 1a-h (990) - Contributions, Gifts, Grants, and Other Amounts

		Cash		Non Cash
1	Federated Campaigns		1	
2	Membership dues		2	
3	Fundraising events		3	
4	Related organizations	749,993	4	
5	Government grants (contributions)	5,371,469	5	0
6	All other contributions, gifts, grants, and similar amounts not included above.			
	Other contributions total	0	6	0
7	Total	6,121,462	7	0

Part X, Line 3 (990) - Pledges and Grants Receivable

			Pledges and grants receivable		Allowance for doubtful accounts	
			Beginning	End	Beginning	End
1		1				
2	Pledges receivable	2	219,239	185,952		
3		3				
4		4				
5		5				
6		6				
7		7				
8		8				
9		9				
10		10				
11		11				
12	Total pledges and grants receivable	12	219,239	185,952	0	0

Part X, Line 4 (990) - Accounts Receivable

			Accounts receivable		Allowance for doubtful accounts	
			Beginning	End	Beginning	End
1	Accounts receivable	1	9,128,612	9,712,407	6,670,305	6,479,945
2		2				
3		3				
4		4				
5		5				
6		6				
7		7				
8		8				
9		9				
10		10				
11	Total accounts receivable	11	9,128,612	9,712,407	6,670,305	6,479,945

Part X, Lines 10a and 10b (990) - Land, Buildings, and Equipment

	Category or Item	Land	Buildings	Leasehold Improve-ments	Equipment	Other	Check if Investment Asset	Check if Asset Disposed	Cost/Other Basis	Beginning Accumulated Depreciation	Ending Accumulated Depreciation	Disposals/ Adjustments	Beginning Balance	Ending Balance
									13,423,890	8,024,887	8,368,254	359,555	5,399,003	5,415,191
1	Land held for investment						X		438,000	0		-438,000	438,000	0
2	Land improvements	X							405,828	0		74,682	405,828	480,510
3	Building and improvements		X						6,605,217	0		133,771	6,605,217	6,738,988
4	Equipment, furnishings and equipment				X				5,974,845	0		589,102	5,974,845	6,563,947
5						X			0	8,024,887	8,368,254		-8,024,887	-8,368,254
6									0	0			0	0
7									0	0			0	0
8									0	0			0	0
9									0	0			0	0
10									0	0			0	0
11									0	0			0	0
12									0	0			0	0
13									0	0			0	0
14									0	0			0	0
15									0	0			0	0
16									0	0			0	0
17									0	0			0	0
18									0	0			0	0
19									0	0			0	0
20									0	0			0	0

Part X, Lines 11 and 12 (990) - Investments - Securities

Check one box below to indicate how securities are reported

[ ] Cost

[X] End of year market value (FMV)

	Securities at end of year	Publicly Traded Securities?	Financial Derivatives	Closely-Held Equity Interests	Number of Shares/ Face Value	Value at Time of Donation	Beginning Balance Book Value FMV	Ending Balance Book Value FMV
						0	1,448,852	1,352,710
1	Stocks	X			0 00	0	792,160	645,405
2	Bonds	X			0 00	0	656,692	673,954
3	Allowance for investment losses	X			0 00	0	0	33,351
4					0 00	0	0	0
5					0 00	0	0	0
6					0 00	0	0	0
7					0 00	0	0	0
8					0 00	0	0	0
9					0 00	0	0	0
10					0 00	0	0	0
11					0 00	0	0	0
12					0 00	0	0	0
13					0 00	0	0	0
14					0 00	0	0	0
15					0 00	0	0	0
16					0 00	0	0	0
17					0 00	0	0	0
18					0 00	0	0	0
19					0 00	0	0	0
20					0 00	0	0	0

Part X, Line 25 (990) - Other Liabilities

		1,605,316	1,830,355
	Description	Beginning	End
1	Line of credit	1,432,545	1,527,004
2	Note payable	172,771	270,000
3	Allowance for investment market losses		33,351
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

Part X (Sch D (990)) - Other Liabilities

1,830,355

	Description	Amount
1	Federal Income Taxes	
2	Line of credit	1,527,004
3	Note payable	270,000
4	Allowance for investment market losses	33,351
5		0
6		0
7		0
8		0
9		0
10		0
11		0
12		0
13		0
14		0
15		0
16		0
17		0
18		0
19		0
20		0
21		0

Lines 6a and 6b (Sch E (990/990EZ)) - Financial Aid or Government Agency Assistance

Does the organization receive any financial aid or assistance from a governmental agency? [X] Yes [ ] No

Has the organization's right to such aid ever been revoked or suspended? [X] Yes [ ] No

If "Yes" to either question above, please explain.

In May 1996, Texas College lost its accredidation, which resulted in the revocation of its federal financial aid program. The college has since regained its accredidation and now receives federal financial aid

Texas College

Financial Statements as of June 30, 2009 and 2008 Together with Independent Auditor's Report

The Wesley Peachtree Group

Texas College

FINANCIAL STATEMENTS AS OF JUNE 30, 2009 AND 2008
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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THE WESLEY PEACHTREE GROUP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
TEXAS COLLEGE:

We have audited the accompanying balance sheets of **TEXAS COLLEGE**, "the College", (a Texas non-profit corporation), as of June 30, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **TEXAS COLLEGE** as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated September 4, 2009 and September 5, 2008, for the years ended June 30, 2009 and 2008, respectively, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other

In North Carolina registered under the name of ***Murphy and Company, P.C.***
Member of American Institute of Certified Public Accountants
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Web Site www.wpg-inc.com

INDEPENDENT AUDITOR'S REPORT
(Continued)

matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the internal control over financial reporting or on compliance. These reports are an integral part of audits performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report for assessing the results of our audits.

September 4, 2009

The Wesley Peachtree Group
Certified Public Accountants

TEXAS COLLEGE

BALANCE SHEETS
AS OF JUNE 30, 2009 AND 2008

	2009				2008			
		Restricted				Restricted		
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total
ASSETS:								
Cash and certificates of deposit	$ 18,889	$ 95,309	$ -	$ 114,198	$ 493,853	$ -	$ -	$ 493,853
Accounts and loans receivable, *less allowance for doubtful accounts*	3,232,462	-	-	3,232,462	2,585,536	-	-	2,585,536
Pledges receivable	185,952	-	-	185,952	219,239	-	-	219,239
Prepaid expenses	22,812	-	-	22,812	62,109	-	-	62,109
Investments, *at market value*	-	-	1,319,359	1,319,359	63,607	32,535	1,352,710	1,448,852
Allowance for investment market losses due from unrestricted net assets	-	-	33,351	33,351	-	-	-	-
Land held for investment, *at market value*	-	-	-	-	438,000	-	-	438,000
Property, plant and equipment, at cost, *net of accumulated depreciation*	5,415,191	-	-	5,415,191	4,961,003	-	-	4,961,003
Total assets	$ 8,875,306	$ 95,309	$ 1,352,710	$ 10,323,325	$ 8,823,347	$ 32,535	$ 1,352,710	$ 10,208,592
LIABILITIES AND NET ASSETS:								
Liabilities:								
Accounts payable	$ 838,490	$ -	$ -	$ 838,490	$ 673,635	$ -	$ -	$ 673,635
Accrued expenses	26,020	-	-	26,020	202,067	-	-	202,067
Allowance for investment market losses due to permanently restricted net assets	33,351	-	-	33,351	-	-	-	-
Lines of credit	1,527,004	-	-	1,527,004	1,432,545	-	-	1,432,545
Note payable	270,000	-	-	270,000	300,000	-	-	300,000
Total liabilities	2,694,865	-	-	2,694,865	2,608,247	-	-	2,608,247
Net Assets:								
Unrestricted	6,180,441	-	-	6,180,441	6,215,100	-	-	6,215,100
Temporarily restricted		95,309	-	95,309		32,535	-	32,535
Permanently restricted	-	-	1,352,710	1,352,710	-	-	1,352,710	1,352,710
Total net assets	6,180,441	95,309	1,352,710	7,628,460	6,215,100	32,535	1,352,710	7,600,345
Total liabilities and net assets	$ 8,875,306	$ 95,309	$ 1,352,710	$ 10,323,325	$ 8,823,347	$ 32,535	$ 1,352,710	$ 10,208,592

The accompanying notes are an integral part of these financial statements

TEXAS COLLEGE

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009				2008			
		Restricted				Restricted		
	Unrestricted	Temporarily	Permanently	Total	Unrestricted	Temporarily	Permanently	Total
OPERATING REVENUES:								
Revenues, gains, and other support:								
Tuition and fees	$ 7,029,448	$ -	$ -	$ 7,029,448	$ 6,796,889	$ -	$ -	$ 6,796,889
Less: Scholarships and fellowships	(2,917,584)	-	-	(2,917,584)	(3,352,188)	-	-	(3,352,188)
Net Tuition and fees	4,111,864	-	-	4,111,864	3,444,701	-	-	3,444,701
Government grants	-	5,371,469	-	5,371,469	-	3,434,314	-	3,434,314
Private gifts and grants								
United Negro College Fund	449,097	200,000	-	649,097	616,298	-	-	616,298
Others	100,896	-	-	100,896	316,162	408,337	-	724,499
Sales and services of auxiliary enterprises	1,628,052	-	-	1,628,052	1,727,108	-	-	1,727,108
Other income	279,371	-	-	279,371	355,915	-	-	355,915
Net assets released from restrictions	5,508,695	(5,508,695)	-	-	3,833,587	(3,833,587)	-	-
Total operating revenues	12,077,975	62,774	-	12,140,749	10,293,771	9,064	-	10,302,835
OPERATING EXPENSES:								
Instruction	2,100,851	-	-	2,100,851	1,879,428	-	-	1,879,428
Academic support	1,934,019	-	-	1,934,019	1,083,972	-	-	1,083,972
Student services	1,725,220	-	-	1,725,220	825,100	-	-	825,100
Institutional support	4,147,535	-	-	4,147,535	4,633,882	-	-	4,633,882
Auxiliary enterprises	1,959,610	-	-	1,959,610	1,843,522	-	-	1,843,522
Total operating expenses	11,867,235	-	-	11,867,235	10,265,904	-	-	10,265,904
Net operating change in net assets	**210,740**	**62,774**	-	**273,514**	**27,867**	**9,064**	-	**36,931**
NONOPERATING REVENUES AND (EXPENSES):								
Loss on investments	(30,455)	-	-	(30,455)	72,267	-	-	72,267
Loss on sale of land held for investment	(214,944)	-	-	(214,944)	-	-	-	-
Net nonoperating change in net assets	(245,399)	-	-	(245,399)	72,267	-	-	72,267
CHANGE IN NET ASSETS	(34,659)	62,774	-	28,115	100,134	9,064	-	109,198
NET ASSETS, *at beginning of the year*	6,215,100	32,535	1,352,710	7,600,345	5,713,624	424,813	1,352,710	7,491,147
Transfers of net assets	-	-	-	-	401,342	(401,342)	-	-
NET ASSETS, *at end of the year*	**$ 6,180,441**	**$ 95,309**	**$ 1,352,710**	**$ 7,628,460**	**$ 6,215,100**	**$ 32,535**	**$ 1,352,710**	**$ 7,600,345**

The accompanying notes are an integral part of these financial statements

TEXAS COLLEGE

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	$ 28,115	$ 109,198
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	378,657	316,760
(Increase) Decrease in accounts and loans receivable (net)	(646,926)	34,274
Decrease in pledges receivable	33,287	91,032
Decrease (Increase) in prepaid expenses	39,297	(6,467)
Decrease in accounts payable, deposits, and accrued expenses	(11,192)	(1,459,463)
Net cash used in operating activities	(178,762)	(914,666)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net sales (purchases) of investments	129,493	(8,451)
Sale of land held for investments	438,000	-
Purchases of property and equipment	(832,845)	(480,255)
Net cash used in investing activities	(265,352)	(488,706)
CASH FLOWS FROM FINANCING ACTIVITIES:		
NET proceeds from lines of credit	94,459	870,939
Proceeds from note payable	-	300,000
Payments on note payable	(30,000)	-
Net cash provided by financing activities	64,459	1,170,939
Net decrease in cash and cash equivalents	**(379,655)**	**(232,433)**
CASH AND CERTIFICATES OF DEPOSIT, *at Beginning of Period*	493,853	726,286
CASH AND CERTIFICATES OF DEPOSIT, *at End of Period*	**$ 114,198**	**$ 493,853**
Supplemental Disclosures-		
Cash paid for interest costs	$ 43,233	$ 64,605
Donated equipment included in revenue	$ -	$ 6,114
Food service invoices converted to note payable	$ -	$ 300,000
Principal payment forgiven on note payable	$ 30,000	$ -

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

1. DESCRIPTION OF THE ORGANIZATION:

TEXAS COLLEGE, "the College", was founded in 1894 by a group of ministers of the Christian Methodist Episcopal Church (the "C.M.E. Church"). Texas College is a historically black institution of higher learning with a primary focus on liberal arts education. The College awards the baccalaureate degree in the arts and the sciences to students in one of three major divisions – Business and Social Sciences; Humanities and Education; and Natural and Computation Sciences. The College also awards one associate of arts degree in early childhood education.

The College is currently accredited by the Southern Association of Colleges and Schools ("SACS"). SACS requires an institution to maintain compliance with the *Principles on Accreditation* which includes standards for institutional purpose, institutional effectiveness, the educational program, educational support services, athletics and administrative processes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS:

Basis of Accounting–
The financial statements of the College have been prepared on the accrual basis of accounting. The accounts of the College are maintained in accordance with the principles of fund accounting whereby resources are classified into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund. For external financial reporting purposes, the funds and accounts have been converted to conform to the basis of presentation described below.

Basis of Presentation–
The financial statements are presented based on the concept of "net assets". Net assets of the College and changes therein are classified and reported as follows:

- *Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.

- *Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the College and/or the passage of time. When the stipulations expire or have been met by action of the College, restricted net assets are reclassified to unrestricted net assets and reported in the *Statement of Activities* as net assets released from restrictions. The College's policy is to record net assets whose restrictions expire in the same reporting period as unrestricted net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS: *(Continued)*

- *Permanently restricted net assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by the College. Generally, the donors of these assets permit the College to use all or part of the income earned on related investments for general or specific purposes.

Reclassification–
Certain amounts in the accompanying financial statements for 2008 have been reclassified to conform with the 2009 presentation.

Nonoperating Activities–
The nonoperating activity recorded in the accompanying *Statement of Activities* consist of investment gains and losses on endowed funds and a loss on the sale of land held for investment.

Cash and Certificates of Deposit–
Certificates of deposit include certificates with original maturities of one year or less.

Concentration of Credit Risk–
The College had cash balances in financial institutions which exceeded federal government insurance limits.

Fair Value of Financial Instruments–
The carrying amount of cash, certificates of deposit, and accounts receivable approximates fair value because of the short maturity of these financial instruments. The carrying value of investments is based upon values provided by an external investment manager or quoted market values. *See Note 4.*

A reasonable estimate of the fair value of the notes receivable from students under government loan programs and advances from Federal government for student loans could not be made because the notes receivable are not salable and can only be assigned to the U.S. Government or its designees.

The carrying amount of the note payable approximates fair value because the financial instrument bears interest at a rate which approximates current market rates for notes with similar maturities and credit quality.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS: *(Continued)*

Investments–

The College's investments are stated at market value. *(See Note 4).* The cost assigned to investments acquired by gift is the market value at date of donation. All gains and losses arising from the sale, collection, or other disposition of investments and ordinary income derived from investments are accounted for in the net assets group owning such assets, except for income derived from investments of endowment and similar funds. That income is accounted for as temporarily restricted net assets if restricted, or if unrestricted, as unrestricted net assets.

Use of Estimates–

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingencies and the reported revenues and expenses. Actual results could differ from those estimates. Significant estimates used in the preparation of the accompanying financial statements are disclosed in various sections of the notes to the financial statements.

Land, Buildings and Equipment–

Purchased land, buildings and equipment are stated at cost and donated plant and equipment are recorded at estimated fair value as of the date of contribution. Buildings and equipment are depreciated using the straight-line method over the estimated useful lives of the respective assets (buildings – 30 to 40 years; equipment – 3 to 15 years; and library books – 10 years). A summary of land, buildings and equipment at June 30, 2009 and 2008 are as follows:

	2009	2008
Land improvements	$ 480,510	$ 405,828
Buildings and improvements	6,738,988	6,605,217
Equipment, furnishings and vehicles	6,563,947	5,974,845
Total property and equipment	13,783,445	12,985,890
Less: Accumulated depreciation	(8,368,254)	(8,024,887)
Property and equipment, net	**$ 5,415,191**	**$ 4,961,003**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS: *(Continued)*

Depreciation expense was $378,657 and $316,760 for the years ended June 30, 2009 and 2008, respectively.

***Allowance for Doubtful Accounts*–**

Accounts and loans receivable are reported net of allowances for doubtful accounts and include receivables from students for tuition and fees and loans extended under the Federal Perkins loan program. The determination of the allowances for doubtful accounts is based upon an analysis of the receivables and reflects amounts which, in management's judgment, are adequate to provide for potential uncollectible accounts or losses after giving consideration to the growth and composition of the receivable balances, current economic conditions, and past collection and loss experience. The following allowances are recorded in the accompanying balance sheets.

	2009	2008
Student accounts receivable	$ 9,102,300	$ 8,674,249
Due from Government/others	477,889	136,854
Perkins loan program	132,218	132,218
	9,712,407	8,943,321
Less: Student accounts receivable allowance	(6,347,727)	(6,225,567)
Less: Student loans receivable allowance	(132,218)	(132,218)
Net accounts and loans receivables	**$ 3,232,462**	**$ 2,585,536**

***Fundraising Expenses*–**

The College incurred fundraising expenses of $10,237 and $83,282 in 2009 and 2008, as determined by costs allocated to its institutional development and public relations offices.

***Functional Allocation of Expenses*–**

The College's primary program service is instruction. Expenses reported as academic support, institutional support, student services, and auxiliary enterprises are incurred in support of this primary program service. For the years ended June 30, 2009 and 2008, the following expenses have been allocated among the programs and activities benefited:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS:
(Continued)

	2009	2008
Operation and maintenance of plant	$ 1,548,210	$ 777,140
Depreciation	378,657	316,760
	$ 1,926,867	**$ 1,093,900**

Income Taxes–
The College is exempt from Federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code") whereby only unrelated business income, as defined by Section 512(a)(1) of the Code, is subject to Federal income tax.

Interest Expense–
Interest expense for the years ended June 30, 2009 and 2008 was $82,848 and $66,994, respectively.

3. PLEDGES RECEIVABLE:

Pledges receivable, representing unconditional promises to give to the College from various donors, are summarized as follows at June 30, 2009 and 2008:

	2009	2008
Unconditional promises expected to be collected in:		
Less than one year	$ 93,750	$ 93,750
One year to five years	106,920	145,750
More than five years	-	-
	200,670	239,500
Less:		
Unamortized discount at 5.00%	(14,718)	(20,261)
	$ 185,952	**$ 219,239**

4. INVESTMENTS:

Investments at June 30, 2009 and 2008 consisted of:

	2009		2008	
	Cost	Market	Cost	Market
Held by Smith Barney-				
Stocks	$ 651,791	$ 645,405	$ 752,831	$ 792,160
Bonds	642,828	673,954	655,929	656,692
Total Investments	**$1,294,619**	**$1,319,359**	**$1,408,760**	**$1,448,852**

The College also had certain real estate held for investment with an estimated fair market value of $438,000 at the date of donation in fiscal year 2007. The property was sold in 2009 for $223,056. The applicable loss of $214,944 on the sale is recorded in the accompanying *Statement of Activities.*

Effective June 1, 2008, the College adopted Statement of Financial Accounting Standards (SFAS) No. 157, *Fair Value Measurements.* SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with Generally Acceptable Accounting Principles (GAAP), and expands disclosures about fair value measurements. The new standard provides a consistent definition of fair value, which focuses on exit price, the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The three-level valuation hierarchy for disclosure of fair value measurements is defined as follows:

Level 1 - Valuation based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations where all significant inputs are observable and can be derived principally from or corroborated with observable market data.

4. INVESTMENTS: *(Continued)*

Level 3 - Valuations based on unobservable inputs are used when little or no market data is 5 available. The fair value hierarchy gives lowest priority to Level 3 inputs.

The College's investments are Level 1 valuations.

5. NOTE PAYABLE:

Note payable consisted of the following at June 30, 2009 and 2008:

	2009	2008
Note payable to a vendor, which is unsecured, due in July 2017 bearing interest at 10% and payable annually. *See Note 7.*	$ 270,000	$ 300,000

The maturity of note payable at June 30, 2009 for the next five years is as follows:

Fiscal Year Ending June 30,	
2010	$ 30,000
2011	30,000
2012	30,000
2013	30,000
2014	30,000
Thereafter	120,000
	$ 270,000

As further disclosed in *Note 7*, this note payable is forgivable as long as the vendor's food service contract is in effect.

6. BANK LINE OF CREDIT:

The College has a $750,000 line of credit with a commercial bank secured by accounts receivable balances bearing interest at 4.25% and (6.00% in 2008) payable monthly of which $700,000 was outstanding at June 30, 2009 and $750,000 at June 30, 2008. This line-of-credit is currently under a forbearance agreement as described in *Note 11.*

6. BANK LINE OF CREDIT: *(Continued)*

The College has a $1,021,309 line of credit with a securities brokerage firm secured by investments held in their portfolio that were set aside for permanently endowed funds and bearing interest at 5.75%, payable monthly, of which $827,004 and $682,545 was outstanding at June 30, 2009 and 2008, respectively, no maturity date.

7. COMMITMENTS AND CONTINGENCIES:

All Federal and State funds received by the College are subject to audit by the applicable governmental agencies and they can assess liabilities against the College. The governmental agencies can also limit or terminate the College's participation in the programs for failure to comply with grant regulations and administrative requirements. The College believes that it is in substantial compliance with the applicable grant regulations and administrative requirements.

The College is in the process of liquidating its participation in the Federal Perkins Student loan program. The liquidation process involves the College assigning student loans (which have been fully reserved as doubtful of collection in the accompanying financial statements) to the Federal government. The remaining loans to be assigned are $132,218 as of June 30, 2008 and 2009. If such loans are not ultimately accepted by the Federal government, the College will be liable to repay the Federal government for its approximate 90% interest in the loans. The College believes that it will ultimately assign these loans.

The College has been named defendant in several lawsuits. In the opinion of the College's management and legal counsel, the ultimate outcome of the litigation will not have a material adverse affect on the College's financial position.

The College has guaranteed a bank loan, having an original principal balance of $4,500,000 ($2,109,516 and $2,434,135 outstanding balance at June 30, 2009 and 2008, respectively) of the Christian Methodist Episcopal Church. The College has granted the bank a security interest in all of its property. Among other restrictive covenants in the guaranty agreement, the College has agreed to maintain a tangible net worth, not to incur additional indebtedness without the bank's consent and not to sell, encumber or transfer any of its property without prior consent of the bank.

7. COMMITMENTS AND CONTINGENCIES: *(Continued)*

On August 1, 2007, the College entered into a 10-year contract with a food service vendor. In consideration thereof, the vendor agreed to waive $300,000 of its outstanding invoices to the College. This arrangement is supported by a $300,000 unsecured note payable to the vendor bearing interest at 10% per annum due in annual installments of $30,000 plus accrued interest through July 31, 2017. The note was discounted to its present value of $172,771 as of June 30, 2008. The annual installment plus accrued interest will be forgiven each year the food service contract is in effect and no event of default, as defined, has occurred. As of June 30, 2009, the discounted net present value of the note was $160,048.

8. PENSION PLAN:

The College sponsors a defined contribution plan for all full-time employees who become eligible after one year of service. Participants may contribute up to 5% of their annual earnings and are matched by the College. The College contributed $49,997 and $37,386 to the plan during the years ended June 30, 2009 and 2008, respectively.

9. RELATED PARTY TRANSACTIONS:

The College receives substantial support from the C.M.E. Church whose presiding Bishop of the Eighth Episcopal District is also Chairman of the Board of Trustees.

10. NET ASSETS:

As of June 30, 2009 and 2008, temporarily and permanently restricted net assets were available as follows.

	2009	2008
Temporarily restricted net assets-		
For government and private sponsored programs	$ 71,837	$ 9,063
For Federal Perkins loan programs	23,472	23,472
	$ 95,309	**$ 32,535**

10. NET ASSETS: *(Continued)*

	2009	2008
Permanently restricted net assets-		
Perpetual endowment funds required to be retained permanently either by explicit donor stipulation or by SPMIFA	$ 1,352,710	$ 1,352,710

The Board of Trustees of the College has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. In accordance with SPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the College and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the College.
- The investment polices of the College.

Allowance for Investment Market Losses**–**
From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the College to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature that are reported in unrestricted net assets were $33,351 as of June 30, 2009.

Strategies Employed for Achieving Objectives**–**
To satisfy its long-term rate-of-return objectives, the College relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy**–**
The College has a policy of limiting the appropriation for current operating needs to income earned from interest, dividends and rent, not to exceed the budgeted spending rate.

11. SUBSEQUENT EVENTS:

On August 20, 2009, the College was notified by a lender that effective September 1, 2009, their loan would be declared in default. The College has entered into a forbearance agreement with the lender whereby the lender agrees to forbear exercising its rights until April 1, 2010. At that time, the College shall pay in full any principal, interest or other charges outstanding. Additionally, in lieu of the payment required by the loan documents, the College shall make principal payments of $200,000 each on October 1, 2009 and March 1, 2010.

The date through which subsequent events have been evaluated is September 18, 2009.