

**Laredo Community College District**

**Audited Financial Statements and  
Single Audit Reports**

**Year Ended August 31, 2012**

**Laredo Community College District**  
**August 31, 2012**

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# LAREDO COMMUNITY COLLEGE DISTRICT

## ORGANIZATIONAL DATA

### For the Fiscal Year 2012

#### Board of Trustees

#### Officers

Cynthia Mares	President	November 2016
Carlos Carranco, Jr.	Vice President	November 2014
Jesse A. Porras	Secretary	November 2014

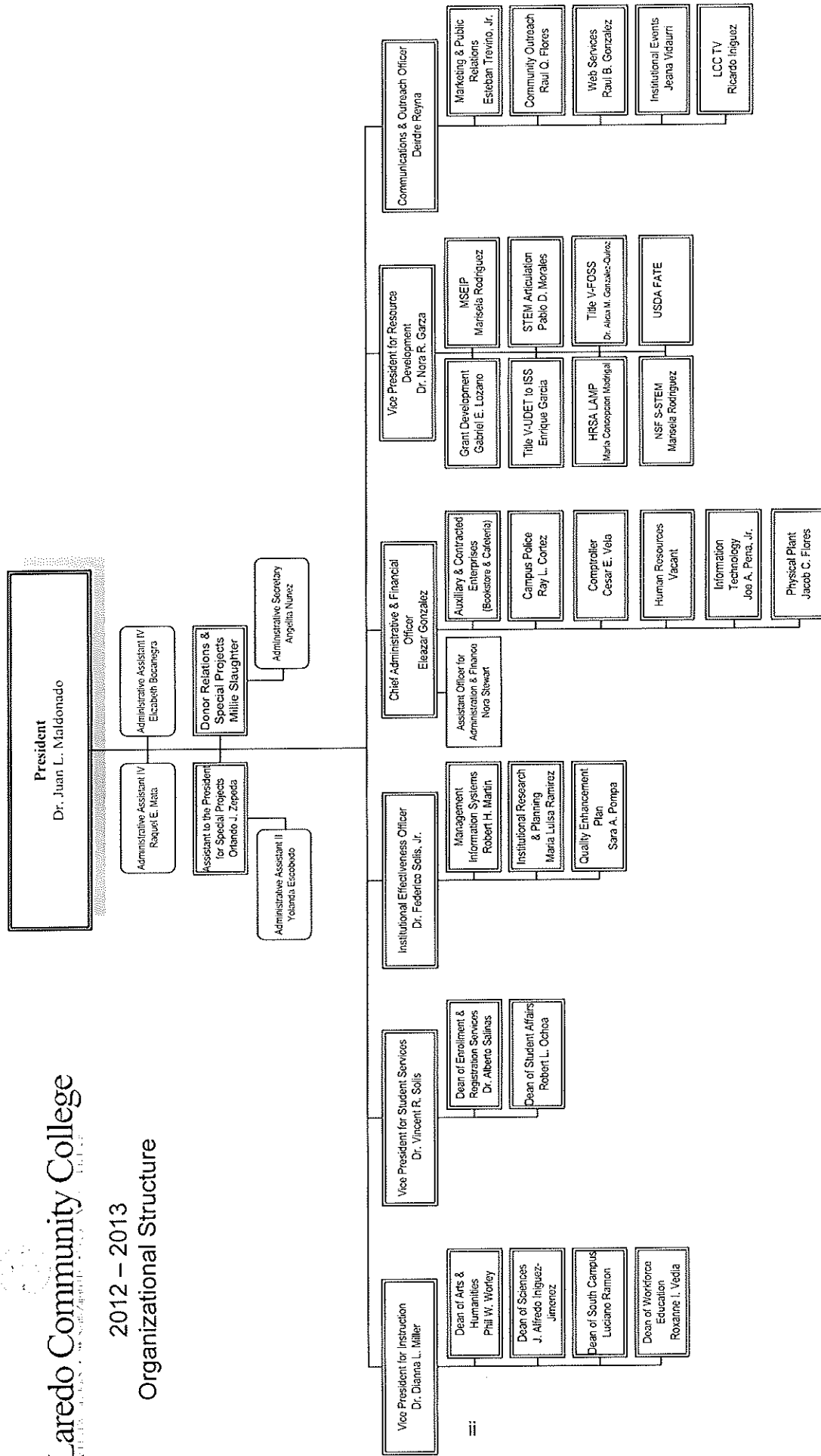
#### Term Expires

Hilario Cavazos, III	Laredo, Texas	November 2014
Leonides G. Cigarroa, Jr., M.D.	Laredo, Texas	November 2016
Rene De La Viña	Laredo, Texas	November 2018
Gilberto Martinez, Jr., Ed.D.	Laredo, Texas	November 2018
Mercurio Martinez, Jr.	Laredo, Texas	November 2016
Allen Tijerina	Laredo, Texas	November 2018

#### Principal Administrative Officers

Juan L. Maldonado, Ph.D.	President
Eleazar Gonzalez	Chief Administrative & Financial Officer
Dianna Miller, Ph.D.	Vice President for Instruction
Federico Solis, Jr. Ph.D.	Institutional Effectiveness Officer
Vincent Solis, Ph.D.	Vice President for Student Services
Nora R. Garza, Ph.D.	Vice President for Resource Development
Deirdre Reyna	Communications and Outreach Officer

**2012 – 2013  
 Organizational Structure**



## **FINANCIAL SECTION**

Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA



## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees  
Laredo Community College District  
Laredo, Texas

We have audited the accompanying basic financial statements of the Laredo Community College District (the "District"), as of and for the year ended August 31, 2012, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2012, and the respective changes in financial position, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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

the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying introductory section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and are also not a required part of the basic financial statements. The supplemental schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, net assets by source and availability, and schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*Canales, Marga & Baum, PLLC*

Laredo, Texas  
December 13, 2012



**Laredo Community College District  
Management Discussion and Analysis  
Year Ending August 31, 2012**

***Overview of the Financial Statements and Financial Analysis***

This section of Laredo Community College's Annual Financial Report presents Management's Discussion and Analysis of the College's financial position and activities for the year ended August 31, 2012, and comparative information for the year ended August 31, 2011 and August 31, 2010. Since the emphasis of discussion about these statements will be on current activities, resulting change and currently known facts, it should be read in conjunction with the College's Basic Financial Statements and the footnotes.

The financial statements of this annual report consist of three parts – Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information. The financial statements, consisting of the Statement of Net Assets; the Statements of Revenues, Expenses, and Changes in Net Assets; and the Statements of Cash Flows are prepared in accordance with the Governmental Accounting Standards Board Statements No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; and No. 35 (GASB 35), *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

These three statements will assist the reader in determining whether the College, as a whole, is performing financially better this year as compared to last year. These statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

This discussion and analysis of the College's financial statements provides an overview of its financial activities for the year.

***Financial Highlights***

- The College's total combined net assets were \$44,222,832 at August 31, 2012. Of this amount, \$18,227,739 may be used to meet the College's ongoing obligations.
- During the fiscal year, the College's combined net assets increased by \$4,672,747 or 11.81%.
- During fiscal year 2012, the balance of cash and cash equivalents increased by \$33,962,721 or 70.35%. The increase was primarily due to the receipt of funds from the issuance of Maintenance Tax Notes and Revenue Bonds. Tuition and Fees receivables increased by \$1,427,281 or 20.30%.
- Capital assets, net of accumulated depreciation, at August 31, 2012, had an increase of \$19,992,905 from August 31, 2011. Changes to capital assets include an increase to buildings of \$33,654,324 due to the addition of three new buildings and the capitalization of remodeling costs to the Moore and the Historical Chapel buildings. Changes also included an increase to land improvements of \$1,022,187, an increase to furniture and equipment of \$2,884,660, an increase of \$111,215 to library books and a decrease to construction in process of \$13,627,954.

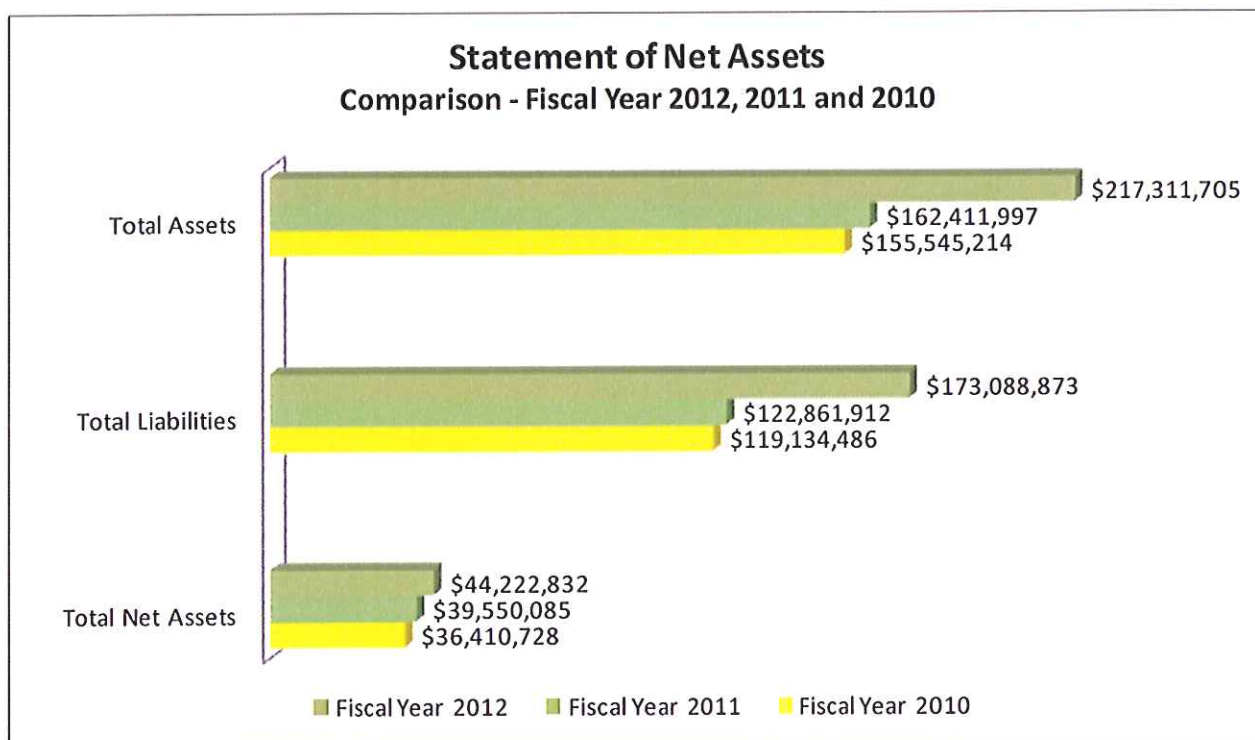
***Statement of Net Assets***

The statement of net assets presents the assets, liabilities and net assets of the College as of the end of the fiscal year. The purpose of the statement of net assets is to present to the readers of the financial statements a fiscal snapshot of Laredo Community College.

From the data presented, readers of the statement of net assets are able to determine the assets that are available to continue the operations of the College. They are also able to determine how much the College owes vendors, investors and lending institutions. Finally, the statement of net assets provides a picture of the net assets (assets minus liabilities) of the institution for the years ended August 31.

Condensed financial information from the Statements of Net Assets is as follows:

<b>Statement of Net Assets</b>			
	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Assets:</b>			
Current assets	\$ 96,802,300	\$ 61,894,797	\$ 72,989,602
Capital assets	120,509,405	100,517,200	82,555,612
Other non-current assets	-	-	-
<b>Total assets</b>	<b>217,311,705</b>	<b>162,411,997</b>	<b>155,545,214</b>
<b>Liabilities:</b>			
Current liabilities	23,623,518	23,853,811	16,998,877
Non-current liabilities	149,465,355	99,008,101	102,135,609
<b>Total liabilities</b>	<b>173,088,873</b>	<b>122,861,912</b>	<b>119,134,486</b>
<b>Investment in capital assets, net of related debt</b>	<b>13,260,689</b>	<b>8,389,756</b>	<b>9,985,526</b>
<b>Restricted net assets</b>	<b>12,734,404</b>	<b>15,445,033</b>	<b>11,630,442</b>
<b>Unrestricted net assets</b>	<b>18,227,739</b>	<b>15,715,296</b>	<b>14,794,760</b>
<b>Total net assets</b>	<b>\$ 44,222,832</b>	<b>\$ 39,550,085</b>	<b>\$ 36,410,728</b>



The total assets of the College increased \$54,899,708 or 33.80% compared to the prior year, from \$162,411,997 in 2011 to \$217,311,705 in 2012. Within the assets section, current assets increased by 56.40% - equal to \$34,907,503. This increase is due to an increase in cash and cash equivalents of \$33,962,721. The increase in cash and cash equivalents is attributed to the receipt of maintenance tax note proceeds and revenue bond proceeds for Phase II of the Facilities Master Plan. Also increasing in this section were property taxes receivable which increased by \$173,656 and Tuition and Fee receivables which increased by \$1,427,281, compared to the prior year. Also increasing in this area were prepaid expenses which increased by \$68,611 compared to the prior year. These increases were mainly offset by decreases to Federal receivables of \$103,352 and decreases to other receivables of \$621,018.

Also within this section, capital assets, net of accumulated depreciation, increased by \$19,992,205 or 19.89%. The increase was primarily due to an increase in buildings of \$33,654,324 during fiscal year 2012. The increase in buildings was attributed to the capitalization of the Lewis Energy Academic Building, the capitalization of the Visual and Performing Arts Building, the capitalization of the Moore Vocational Building the capitalization of the Chapel, and the acquisition of the Carlos Jose De Llano Complex. In addition, there was an increase of \$1,022,187 in land improvements due to the capitalization of the North Side Parking Lot project and an increase of \$2,884,660 in furniture and equipment attributed to the acquisition of furniture and equipment for the Lewis Energy Academic Building and the Visual and Performing Arts Building. Other increases in capital assets included an increase to library books of \$111,215. The increases were offset by decreases in construction in process in the amount of \$13,627,954 attributed to the capitalization of Facilities Master Plan Phase I projects and a \$517,710 decrease in leasehold interest due to fiscal year 2012 disposals.

On the liability side, the total liabilities of the College increased by \$50,226,961 or 40.88% compared to fiscal year 2011, from \$122,861,912 in 2011 to \$173,088,873 in 2012. Within this net change, current liabilities decreased by \$230,293, or 0.97%, due primarily to decreases in accounts payable of \$952,060, decreases in capital leases payable of \$112,965 and decreases in retainage payable of \$364,663. These decreases were offset by increases in bonds payable – current portion of \$616,893, increases in deferred revenues for Fall 2013 tuition and fees that were unearned at year-end of \$100,799 and an increase of \$419,872 in compensated absences payable – current portion.

Non-current liabilities increased by \$50,457,254, or 50.96% from \$99,008,101 in 2011 to \$149,465,355 in 2012. The primary change that contributed toward this increase was an increase to bonds payable – noncurrent of \$50,651,059 due to the issuance of Maintenance Tax Notes Series 2011 in the amount of \$40,730,000 and the issuance of Revenue Bonds Series 2011 in the amount of \$12,390,000.

The increase in total assets from 2011 to 2012 of \$54,899,708 and the increase in total liabilities of \$50,226,961 yields an increase in total net assets of \$4,672,747. Thirty percent of net assets, \$13,260,689, reflect the College's investment in capital assets net of related debt. Restricted net assets such as endowment gifts, grants from third-party agencies with expenditure restrictions, student loan funds, and assets designated for debt service represent an additional 29%. The remaining forty one percent of net assets, \$18,227,739 are unrestricted net assets and may be used for educational or general operations by the College.

The total assets of the College from fiscal year 2010 to 2011 increased by \$6,866,783 or 4.41%, from \$155,545,214 in 2010 to \$162,411,997 in 2011. Within the assets section, current assets decreased by 15.20% - equal to \$11,094,805. This decrease was due to a decrease in short term investments of \$27,405,994. The decrease in short term investments was attributed to Treasury Bill investments maturing during fiscal year 2011. Also decreasing in this section were property taxes receivable which decreased by \$519,065 and Federal receivables which decreased by \$60,729, compared to fiscal year 2010. These decreases were mainly offset by an increase to cash and cash equivalent of \$14,431,578 and increase of \$1,754,539 in tuition and fees receivable.

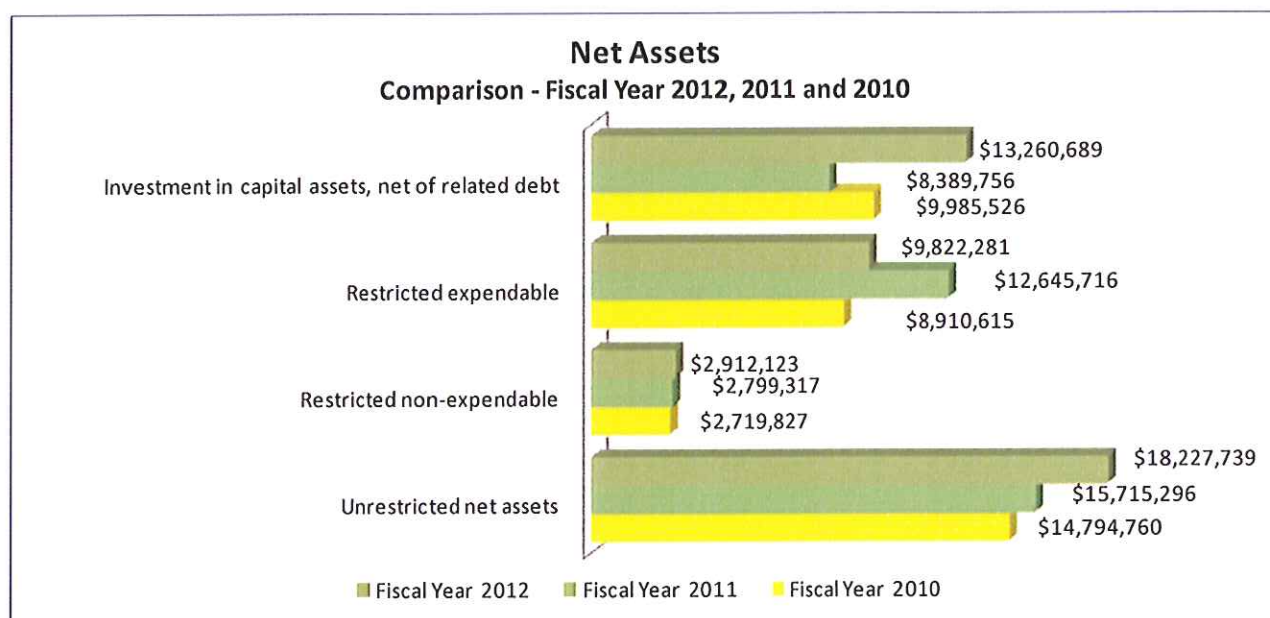
Also within this section, capital assets, net of accumulated depreciation, increased by \$17,961,588. The increase was primarily due to an increase in construction in progress of \$15,638,803 during fiscal year 2011. The increase in construction in progress was attributed to construction projects for Phase I and II of the Facilities Master Plan at August 31, 2011. In addition, there was an increase of \$3,410,291 in land

improvements due to the capitalization of the South Campus Recreation Complex and an increase of \$99,372 in buildings attributed to the capitalization of the paint room storage addition to the Raquel Gonzalez Automotive Technology Center. The increases were offset by decreases in buildings in the amount of \$818,809 attributed to the disposal of the Fort McIntosh dorm complex and a \$143,795 decrease in furniture and equipment due to fiscal year 2011 equipment and furniture disposals.

Total liabilities of the College increased from fiscal year 2010 to fiscal year 2011 by \$3,727,426 or 3.13%, from \$119,134,486 in 2010 to \$122,861,912 in 2011. Within this net change, current liabilities increased by \$6,854,934, or 40.33%, due primarily to an increase of \$3,240,106 in deferred revenues for Fall 2012 tuition and fees that were unearned at fiscal year-end 2011 and an increase of \$2,530,376 in accounts payable.

Non-current liabilities decreased by \$3,127,508, or 3.06% from \$102,135,609 in 2010 to \$99,008,101 in 2011. The primary change that contributed toward this decrease was a decrease to bonds payable – noncurrent of \$3,452,465 due to principal payments and associated amortization of bond discount, premium and deferred loss during fiscal year 2011.

The increase in total assets from 2010 to 2011 of \$6,866,783 and the increase in total liabilities of \$3,727,426 yielded an increase in total net assets of \$3,139,357. Twenty one percent of net assets, \$8,389,756, reflect the College's investment in capital assets net of related debt. Restricted net assets such as endowment gifts, grants from third-party agencies with expenditure restrictions, student loan funds, and assets designated for debt service represent an additional 39%. The remaining forty percent of net assets, \$15,715,296 were unrestricted net assets at fiscal year-end 2011.



### Statement of Revenues, Expenses and Changes in Net Assets

The purpose of the statement of revenues, expenses and changes in net assets is to present the operating and non-operating revenues received by the College, and operating and non-operating expenses incurred by the College, as well as any other revenues or expenses received or spent by the College.

Generally, operating revenues and expenses are transactions that occur in carrying out the mission of the College. Operating revenues are received in exchange for services while operating expenses are incurred to provide these services. Non-operating revenues are revenues for which goods and services are not provided. Non-operating expenses are incurred in activities that are outside of the College's mission. State appropriations, Title IV funds and ad valorem tax revenues are reported as non-operating in compliance with GASB.



The following summary is prepared from the College's Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended August 31:

**Statement of Revenues, Expenses and Changes in Net Assets**

	2012	2011	2010
Operating Revenues	\$ 18,727,066	\$ 17,846,964	\$ 16,999,328
Operating Expenses	74,996,845	78,053,894	75,021,438
Operating Loss	(56,269,779)	(60,206,930)	(58,022,110)
Non-operating revenues and expenses	60,942,526	63,346,287	60,536,248
Increase in net assets	4,672,747	3,139,357	2,514,138
Net assets at beginning of year	39,550,085	36,410,728	33,896,590
<b>Net assets at end of year</b>	<b>\$ 44,222,832</b>	<b>\$ 39,550,085</b>	<b>\$ 36,410,728</b>

The statement of revenues, expenses and changes in net assets reflects an increase to net assets of \$4,672,747 for fiscal year 2012, compared to an increase of \$3,139,357 for fiscal year 2011.

As is normal, operations yielded a loss for the year of \$56,269,779. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

The operating loss decreased by \$3,937,152 or 6.54%, from \$60,206,931 in fiscal year 2011, to \$56,269,779 in fiscal year 2012. Operating revenues increased by \$880,102, and total operating expenses decreased by \$3,057,050.

Total operating revenues increased by \$880,102, which primarily consisted of an increase of \$647,577 in auxiliary enterprise revenue, an increase of \$544,489 in federal grants and contracts revenue, an increase of \$256,532 in nongovernment grants and contracts and an increase of \$301,900 in general operating revenues. In addition, the College experienced decreases in state grant revenues of \$646,211 and investment income of \$124,624.

For Fiscal Year 2011, the statement of revenues, expenses and changes in net assets reflects an increase to net assets of \$3,139,357, compared to an increase of \$2,514,138 for fiscal year 2010.

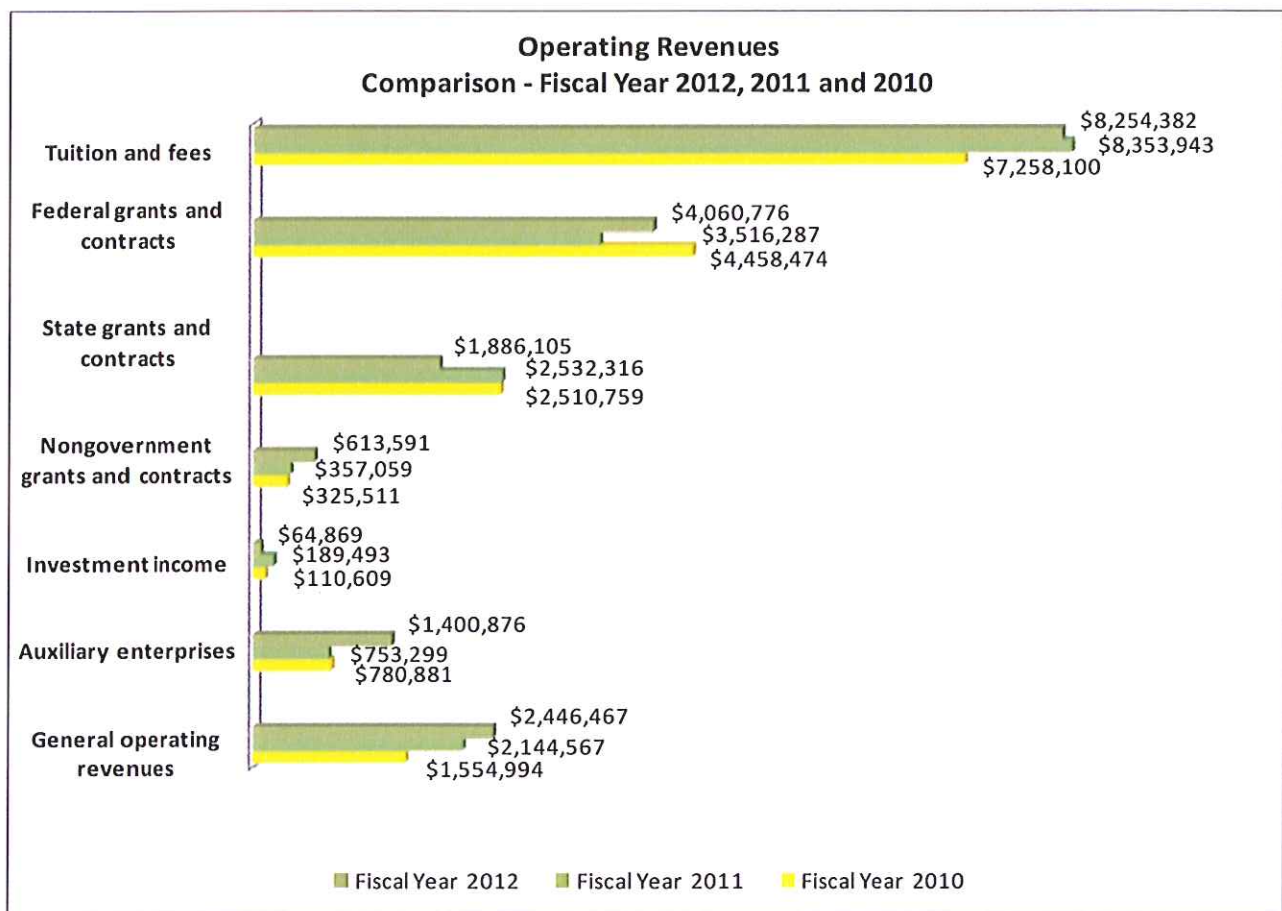
As is normal, operations yielded a loss for the year of \$60,206,930. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

The operating loss increased by \$2,184,820 or 3.77%, from \$58,022,110 in fiscal year 2010, to \$60,206,930 in fiscal year 2011. Operating revenues increased by \$847,636, and total operating expenses increased by \$3,032,456.

Total operating revenues increased by \$847,636, which primarily consisted of an increase of \$1,095,843 in tuition and fees, an increase of \$78,884 in investment income, increases of \$21,557 and \$31,548 in state and nongovernment grants and contracts and an increase of \$589,573 in general operating revenues. In addition, the College experienced decreases in federal grant revenues of \$942,187 and auxiliary enterprise revenue of \$27,582.

Operating revenues, used to fund operating expenses, consisted of the following percentages of the total:

Operating revenues	2012		2011		2010	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Tuition and fees (net of discounts)	\$ 8,254,382	44.08%	\$ 8,353,943	46.81%	\$ 7,258,100	42.70%
Federal grants and contracts	4,060,776	21.68%	3,516,287	19.70%	4,458,474	26.23%
State grants and contracts	1,886,105	10.07%	2,532,316	14.19%	2,510,759	14.77%
Nongovernment grants and contracts	613,591	3.28%	357,059	2.00%	325,511	1.91%
Investment income (program restricted)	64,869	0.35%	189,493	1.06%	110,609	0.65%
Auxiliary enterprises (net of discounts)	1,400,876	7.48%	753,299	4.22%	780,881	4.59%
Other operating revenues	2,446,467	13.06%	2,144,567	12.02%	1,554,994	9.15%
<b>Total</b>	<b>\$ 18,727,066</b>	<b>100.00%</b>	<b>\$ 17,846,964</b>	<b>100.00%</b>	<b>\$ 16,999,328</b>	<b>100.00%</b>

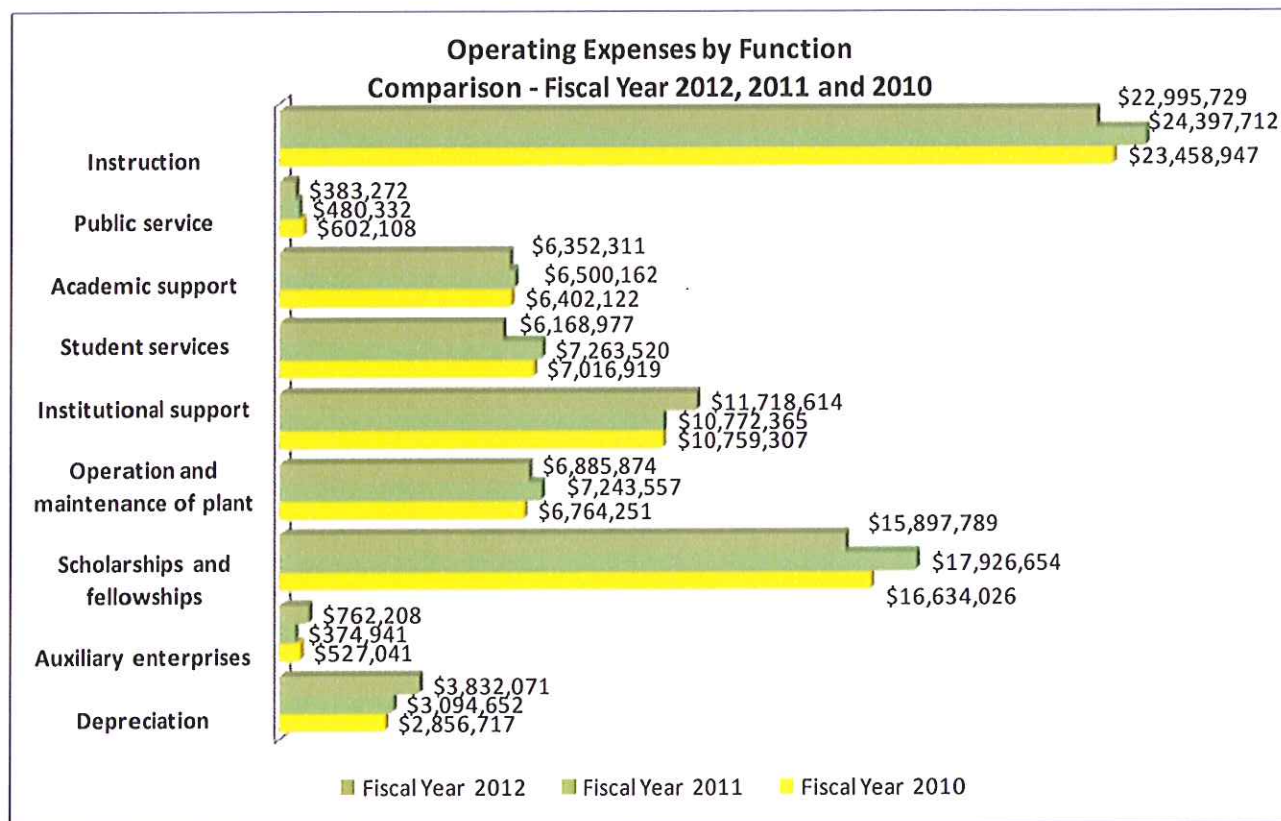


For 2012 operating expenses decreased by 3.92%, or \$3,057,050 compared to the prior year. The decrease in operating expenses was due to the result of budgeted level spending reductions associated with State appropriation cuts. An analysis of operating expenses by function indicates the most significant year-to-year reduction in expenditures to be in scholarships by \$2,028,865 or 11.32% and in instruction by \$1,401,983 or 5.75%. The decrease in scholarship expense is primarily due to a decrease in funds available from grants and scholarships to help students meet their educational needs. The decrease in instructional expenditures is due to a decrease in benefit expenditures due to State reductions in health and retirement benefit contributions.

During 2011 operating expenses increased by 4.04%, or \$3,032,457 for the year. The increase in operating expenses was due to the result of budgeted level spending associated with increased operating costs associated with enrollment growth. An analysis of operating expenses by function indicates the most significant year-to-year expense change to be in scholarships by \$1,292,628 or 43% and instruction by \$938,765 or 31%. The increase in scholarship expense is primarily due to an increase in funds available to help students meet their educational needs.

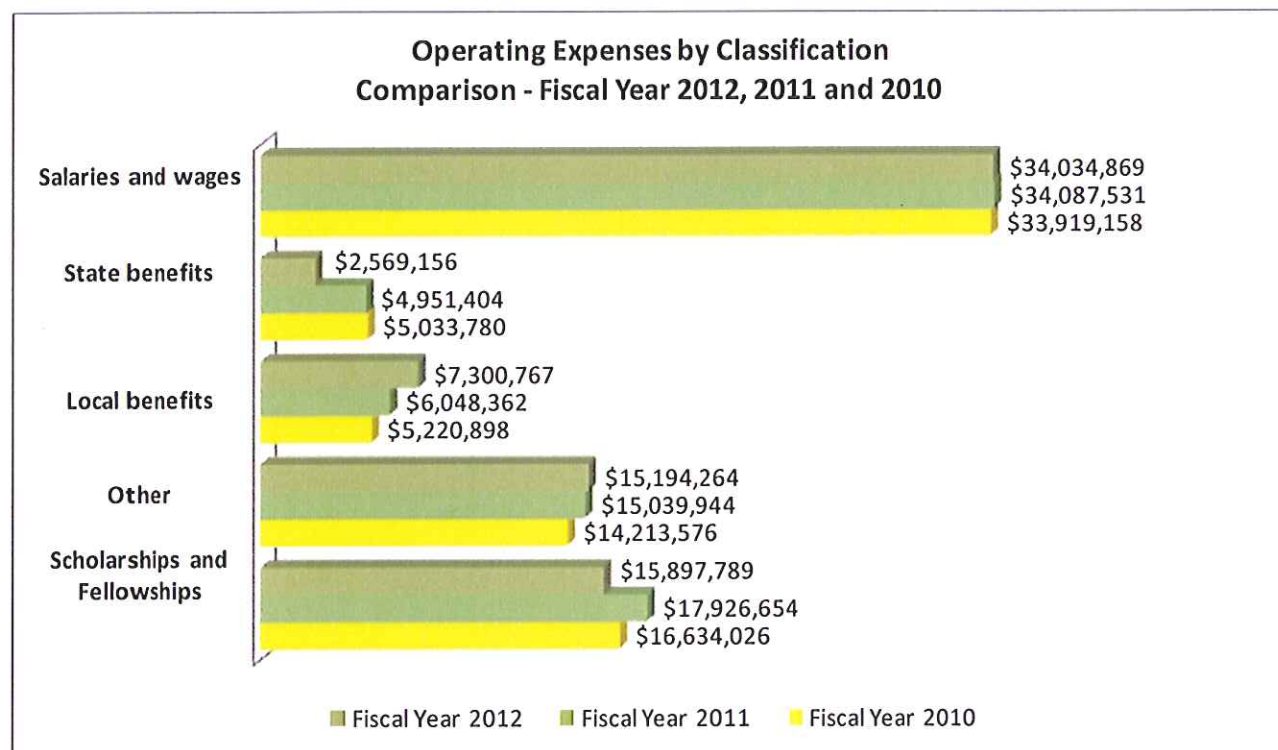
Operating expenses, including depreciation, may be viewed by their function or by natural (object) classification as illustrated below:

Operating Expenses by Function	2012		2011		2010	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 22,995,729	30.66%	\$ 24,397,712	31.26%	\$ 23,458,947	31.27%
Public service	383,272	0.51%	480,332	0.62%	602,108	0.80%
Academic support	6,352,311	8.47%	6,500,162	8.33%	6,402,122	8.53%
Student services	6,168,977	8.23%	7,263,520	9.31%	7,016,919	9.35%
Institutional support	11,718,614	15.63%	10,772,365	13.80%	10,759,307	14.34%
Operation and maintenance of plant	6,885,874	9.18%	7,243,557	9.28%	6,764,251	9.02%
Scholarships and fellowships	15,897,789	21.20%	17,926,654	22.97%	16,634,026	22.17%
Auxiliary enterprises	762,208	1.02%	374,941	0.48%	527,041	0.70%
Depreciation	3,832,071	5.11%	3,094,652	3.96%	2,856,717	3.81%
<b>Total</b>	<b>\$ 74,996,845</b>	<b>100.00%</b>	<b>\$ 78,053,895</b>	<b>100.00%</b>	<b>\$ 75,021,438</b>	<b>100.00%</b>





Operating Expenses by Classification	2012		2011		2010	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 34,034,869	45.38%	\$ 34,087,531	43.67%	\$ 33,919,158	45.21%
State benefits	2,569,156	3.43%	4,951,404	6.34%	5,033,780	6.71%
Local benefits	7,300,767	9.73%	6,048,362	7.75%	5,220,898	6.96%
Other	15,194,264	20.26%	15,039,944	19.27%	14,213,576	18.95%
Scholarships and fellowships	15,897,789	21.20%	17,926,654	22.97%	16,634,026	22.17%
<b>Total</b>	<b>\$ 74,996,845</b>	<b>100.00%</b>	<b>\$ 78,053,895</b>	<b>100.00%</b>	<b>\$ 75,021,438</b>	<b>100.00%</b>



Net non-operating revenues (expenses) decreased over fiscal year 2011 by 3.79%, or \$2,403,761. The decrease in revenues was due primarily to a decrease in State appropriations of \$3,245,940. The decrease in State appropriations was due to State reductions in health and retirement benefit contributions of \$1,269,973 and \$1,112,276 respectively and a reduction of \$863,961 in general appropriations. In addition, there was an increase of \$1,404,031 in interest on capital related debt due to interest payments on debt issued for the Facilities Master Plan Phase I. The decrease was offset by an increase in maintenance and operations tax revenue of \$2,361,186 or 11.17% compared to the prior year.

For 2011, net non-operating revenues (expenses) increased over fiscal year 2010 by 4.64%, or \$2,810,039. The increase in revenues was due primarily to increases in ad valorem taxes and Federal Revenue, Non-Operating in the amount of \$275,029 and \$3,544,633, respectively. The increase was offset by an increase in interest on capital related debt of \$1,338,449. The increase in interest on capital related debt was attributed to interest payments on new debt issued for the Facilities Master Plan Phase I.

The Statement of Revenues, Expenses, and Changes in Net Assets reflect a positive year with an increase in net assets at the end of the year.

Some highlights of the information presented on the Statements of Revenues, Expenses, and Changes in Net Assets are as follows:



- Tuition and fees were discounted by \$12,616,309 and \$10,631,923 in fiscal years 2012 and 2011 respectively, which consisted of federal, state, local and private grants that were provided as financial aid to students and other remissions and exemptions.
- Tax collections for maintenance and operations increased 8.93% from \$20,657,109 in 2011 to \$22,501,125 in 2012.
- The tax rates assessed in fiscal years 2011 and 2012 were \$0.23812 and \$0.25854 respectively.

### ***Statement of Cash Flows***

The final statement in our presentation is the statement of cash flows. It presents detailed information about the cash activity of the College during the year. The statement is divided into five sections. The first section reports the operating cash flows used by the College in its operating activities. For the year, the primary sources of operating cash inflows were tuition and fees and grant revenues. Conversely, the primary operating cash outflows were payments of salaries and fringe benefits. Net cash outflows for the year were \$53,939,159.

The second section reports cash flows from noncapital financing activities. This section includes cash received and spent for non-operating, non-investing, and non-capital financing purposes. The College experienced a net cash inflow for the year of \$62,448,321. The primary sources of cash were receipts from state appropriations, receipts from non-operating federal revenue and ad valorem (property) taxes levied for the maintenance and operation of plant, which generated an inflow of \$13,617,534 \$25,321,007 and \$23,331,480 respectively.

For 2011, the College experienced a net cash inflow of \$64,004,934. The primary sources of cash were receipts from state appropriations, receipts from non-operating federal revenue and ad valorem (property) taxes levied for the maintenance and operation of plant, which generated an inflow of \$16,863,474, \$25,314,801 and \$21,663,015 respectively.

The third section reflects the cash flows from financing activities. This section deals with the cash used for the acquisition and construction of capital assets. Net cash inflows for the year were \$24,772,276. The primary cash inflows were receipts from the issuance of capital debt in the amount of \$53,120,000 for the financing of the Facilities Master Plan Phase II and ad-valorem taxes of \$4,307,134. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of \$24,074,347 and payments on capital debt, leases, principal, interest and fees of \$8,592,068.

For 2011, net cash outflows for the year were \$24,126,657. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of \$19,779,006 and payments on capital debt, leases, principal, interest and fees of \$8,663,654. The primary cash inflows were ad-valorem taxes of \$4,269,388.

The fourth section reports cash flows from investing activities. It reports cash used for investment purposes and the proceeds and interest received from investing activities. For 2012, the College experienced a net cash inflow of \$681,283 from receipts from interest on investments.

For Fiscal Year 2011, the College experienced a net cash inflow of \$28,203,225. The primary cash inflows were receipts from sales and maturities of investments of \$27,405,994 and receipts from interest on investments of \$797,231.

The fifth section reconciles the net cash used by operating activities to the operating income or loss reflected on the statement of revenues, expenses and changes in net assets.

### Statement of Cash Flows

	2012	2011	2010
Cash provided (used) by			
Operating Activities	\$ (53,939,159)	\$ (53,649,924)	\$ (55,136,628)
Non-capital financing activities	62,448,321	64,004,934	58,779,882
Financing activities	24,772,276	(24,126,657)	25,375,784
Investing activities	681,283	28,203,225	(22,475,350)
Net increase (decrease) in cash	33,962,721	14,431,578	6,543,688
Cash and cash equivalents - September 1	48,276,357	33,844,779	27,301,091
<b>Cash and cash equivalents - August 31</b>	<b>\$ 82,239,078</b>	<b>\$ 48,276,357</b>	<b>\$ 33,844,779</b>

### ***Capital Assets and Long-Term Debt***

During the year, \$49,495,528 of new assets was capitalized. This amount is composed of the following:

- \$16,452,808 increase to buildings due to the capitalization of the Lewis Energy Academic Building
- \$11,510,838 of construction in progress related to the Facilities Master Plan phase II projects
- \$ 9,698,988 increase to buildings due to the capitalization of the Visual and Performing Arts Building
- \$ 4,336,575 increase to buildings due to the capitalization of the Moore Vocational Building
- \$ 2,902,190 of new equipment was capitalized
- \$ 1,633,175 increase due to the acquisition of new buildings at the Carlos Jose De Llano Complex
- \$ 1,532,778 increase to buildings due to the capitalization of the Historic Chapel Renovation project
- \$ 1,022,187 increase to land improvements due to the capitalization of the North side parking lot.
- \$ 277,361 for the acquisition of land for the Carlos Jose de Llano Complex
- \$ 121,766 of new library books was capitalized.
- \$ 6,862 for a capital lease of computer equipment.

Long-term debt increased by \$50,651,059 during fiscal year 2012. The increase is due primarily to the issuance of Maintenance Tax Notes in the amount of \$40,730,000 and the issuance of Revenue Bonds in the amount of \$12,390,000 for the financing of Phase II of the Facilities Master Plan.

Long-term debt decreased by \$3,452,465 during fiscal year 2011. The decrease is due primarily to principal payments on long-term debt.

### ***Economic Outlook***

The College is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the coming fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

Increases in ad valorem taxes, federal grants, operating revenues, and decreases in operating expenses largely offset the decrease in state appropriations and the loss of tuition and fee revenue attributed to decreases in enrollment during the 2012 spring semester and the 2012 summer sessions.

Laredo Community College is financially sound and the economic outlook remains bright. As of August 31, 2012, the District's Unrestricted Net Assets totaled \$18,227,739. As a whole, Laredo Community College's net assets increased by 11.81% or \$4,672,747 from \$39,550,085 in fiscal year 2011 to \$44,222,832 in fiscal year 2012. For fiscal years 2011 and 2010 the College's net assets increased by 8.62% or \$3,139,357 from \$36,410,728 in fiscal year 2010 to \$39,550,085 in fiscal year 2011.

***Request for Information***

This financial report is intended to provide a general overview of Laredo Community College's finances. Requests for additional financial information may be addressed to Laredo Community College's Comptroller's Office, West End Washington St., Laredo, Texas 78040.

**Laredo Community College District**  
**Statement of Net Assets**  
**August 31, 2012 and August 31, 2011**  
**Exhibit 1**

Assets	Current Year	Prior Year
<b>Current assets</b>		
Cash and cash equivalents	\$ 82,239,078	\$ 48,276,357
Property taxes receivable (net of allowances of \$1,176,682 and \$1,156,580)	1,535,405	1,361,749
Tuition and fees receivable (net of allowances of \$162,429 and \$507,839)	8,458,449	7,031,168
Federal receivables (net of allowances of \$239,891 and \$80,890)	1,882,353	1,985,705
Other receivables (net of allowances of \$8,649 and \$140,933)	1,902,987	2,524,005
Inventories	4,418	4,814
Prepaid expenses	779,610	710,999
Total current assets	<u>\$ 96,802,300</u>	<u>\$ 61,894,797</u>
<b>Noncurrent assets</b>		
Capital assets, net of accumulated depreciation	120,509,405	100,517,200
Total non-current assets	<u>\$ 120,509,405</u>	<u>\$ 100,517,200</u>
<b>Total assets</b>	<u>\$ 217,311,705</u>	<u>\$ 162,411,997</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	3,746,727	4,698,787
Accrued liabilities	384,290	351,656
Deferred revenues	11,988,773	11,887,974
Funds held for others	494,537	465,339
Compensated absences - current portion	1,427,865	1,007,993
Capital leases payable - current portion	482,044	595,009
Accreted interest payable - current portion	548,033	548,033
Bonds payable - current portion	4,069,358	3,452,465
Retainage payable - current portion	481,891	846,554
Total current liabilities	<u>\$ 23,623,518</u>	<u>\$ 23,853,811</u>
<b>Noncurrent liabilities</b>		
Compensated absences - noncurrent portion	377,279	708,848
Capital leases payable - noncurrent portion	290,675	700,944
Accreted interest payable - noncurrent	1,474,439	926,406
Bonds payable (net)	147,322,962	96,671,903
Total noncurrent liabilities	<u>\$ 149,465,355</u>	<u>\$ 99,008,101</u>
<b>Total liabilities</b>	<u>\$ 173,088,873</u>	<u>\$ 122,861,912</u>
<b>Net assets</b>		
Investment in capital assets, net of related debt	13,260,689	8,389,756
Restricted for		
Nonexpendable - endowment corpus	2,912,123	2,799,317
Expendable		
Student aid	2,666,027	2,737,806
Plant funds	1,048,162	5,408,818
Other	143,776	115,119
Debt service reserve	4,931,563	3,775,451
Auxiliary	1,032,753	608,522
Unrestricted	18,227,739	15,715,296
Total net assets	<u>\$ 44,222,832</u>	<u>\$ 39,550,085</u>

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

**Laredo Community College District**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Years Ended August 31, 2012 and August 31, 2011**  
**Exhibit 2**

Revenues	Current Year	Prior Year
Operating revenues		
Tuition and fees (net of discounts of \$12,616,309 and \$10,631,923)	\$ 8,254,382	\$ 8,353,943
Federal grants and contracts	4,060,776	3,516,287
State grants and contracts	1,886,105	2,532,316
Nongovernment grants and contracts	613,591	357,059
Investment income (program restricted)	64,869	189,493
Auxiliary enterprises (net of discounts of \$0 and \$20,138)	1,400,876	753,299
Other operating revenues	2,446,467	2,144,567
Total operating revenues - Schedule A	<u>\$ 18,727,066</u>	<u>\$ 17,846,964</u>
 Expenses		
Operating expenses		
Instruction	22,995,729	24,397,712
Public service	383,272	480,332
Academic support	6,352,311	6,500,162
Student services	6,168,977	7,263,520
Institutional support	11,718,614	10,772,365
Operation and maintenance of plant	6,885,874	7,243,557
Scholarships and fellowships	15,897,789	17,926,654
Auxiliary enterprises	762,208	374,941
Depreciation	3,832,071	3,094,652
Total operating expenses - Schedule B	<u>\$ 74,996,845</u>	<u>\$ 78,053,895</u>
 Operating income (loss)	<u>\$ (56,269,779)</u>	<u>\$ (60,206,931)</u>
 Non-operating revenues (expenses)		
State Appropriations	13,617,534	16,863,474
Professional nursing shortage reduction	45,102	100,815
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	23,505,136	21,143,950
Taxes for general obligation bonds	4,307,134	4,269,388
Federal Revenue, Non-Operating	25,321,007	25,314,801
Investment income	681,283	797,231
Interest on capital related debt	(6,628,904)	(5,224,873)
Other non-operating revenues (expenses)	(19,434)	(5,850)
Additions to permanent endowments	104,000	40,737
Gain/(Loss) on sale of Asset	(1,889)	-
Capital gifts	11,557	46,615
Net other non-revenues (expenses) - Schedule C	<u>\$ 60,942,526</u>	<u>\$ 63,346,287</u>
 Income before cumulative effect of a change in accounting principle	4,672,747	3,139,357
 Cumulative effect of a change in accounting principle		
 Increase (decrease) in net assets	4,672,747	3,139,357
 Net assets - September 1, 2011 and September 1, 2010	39,550,085	36,410,728
Restatements (prior period adjustment)	-	-
Restated net assets - September 1, 2011 and September 1, 2010	<u>39,550,085</u>	<u>36,410,728</u>
 Net assets - August 31, 2012 and August 31, 2011	<u>\$ 44,222,832</u>	<u>\$ 39,550,085</u>

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

Laredo Community College  
Statement of Cash Flows  
Years Ended August 31, 2012 and 2011  
Exhibit 3

	Current Year	Prior Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 9,698,576	\$ 8,942,205
Receipts from grants and contracts	5,979,911	7,789,440
Payments to suppliers for goods and services	(12,570,488)	(9,852,940)
Payments to or on behalf of employees	(43,816,491)	(45,003,132)
Payments for scholarships and fellowships	(15,677,134)	(17,670,064)
Other receipts (payments)	2,446,467	2,144,567
Net cash provided (used) by operating activities	<u>\$ (53,939,159)</u>	<u>\$ (53,649,924)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	13,617,534	16,863,474
Receipts from <i>Ad Valorem</i> taxes - maintenance & operations	23,331,480	21,663,015
Receipts (Payments) from (to) student organizations and other agency transactions	29,198	22,092
Receipts from private gifts for endowment purposes	104,000	40,737
Receipts from non-operating federal revenue	25,321,007	25,314,801
Receipts from professional nursing shortage reduction	45,102	100,815
Net cash provided (used) by non-capital financing activities	<u>\$ 62,448,321</u>	<u>\$ 64,004,934</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Receipts from the issuance of capital debt	53,120,000	-
Receipts from <i>Ad Valorem</i> Taxes - general obligation bonds	4,307,134	4,269,388
Receipts from capital grants and gifts	11,557	46,615
Acquisition and construction of capital assets	(24,074,347)	(19,779,006)
Payments on capital debt and leases-principal	(4,409,714)	(3,881,193)
Payments on capital debt and leases-interest and fees	(4,182,354)	(4,782,461)
Net cash provided (used) by capital and related financing activities	<u>\$ 24,772,276</u>	<u>\$ (24,126,657)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from sales and maturities of investments	-	27,405,994
Receipts from interest on investments	681,283	797,231
Net cash provided (used) by investing activities	<u>\$ 681,283</u>	<u>\$ 28,203,225</u>
Increase (decrease) in cash and cash equivalents	33,962,721	14,431,578
Cash and cash equivalents - September 1	<u>48,276,357</u>	<u>33,844,779</u>
Cash and cash equivalents - August 31	<u><u>\$ 82,239,078</u></u>	<u><u>\$ 48,276,357</u></u>

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

Laredo Community College  
Statement of Cash Flows  
Years Ended August 31, 2012 and 2011  
Exhibit 3

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Reconciliation of net operating income (loss) to net cash provided (used)  
by operating activities

Operating income (loss)	\$ (56,269,780)	\$ (60,206,931)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	3,832,071	3,094,651
Accrued <i>Ad Valorem</i> Tax	173,656	(519,065)
<b>Changes in Assets and Liabilities:</b>		
Receivables (net)	(876,567)	(1,691,793)
Inventories	396	(248)
Prepaid Expenses	(68,611)	(187,570)
Accounts Payable	(952,060)	2,530,376
Accrued Liabilities	32,634	6,385
Compensated Absences	88,303	84,165
Deferred Revenue	100,799	3,240,106
Net cash provided (used) by operating activities	\$ <u>(53,939,159)</u>	\$ <u>(53,649,924)</u>

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

**Laredo Community College District**  
**Notes to Financial Statements**  
**August 31, 2012**

**Note 1 – Reporting Entity**

Laredo Community College (the College) was established in 1947 (as Laredo Junior College) in accordance with the laws of the State of Texas, to serve the educational needs of the public and the surrounding communities. The Laredo Community College District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

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

**Report Guidelines**

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

**Tuition Discounting**

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

Title IV, Higher Education Act Program Funds. Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

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

**Basis of Accounting**

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

**Budgetary Data**

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

**Cash and cash equivalents**

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



## **Investments**

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity greater than one year at the time of purchase.

## **Inventories**

Inventories consist of consumable office supplies and physical plant supplies. Inventories are valued at FIFO and are charged to expense as consumed.

## **Capital assets**

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation, with one exception. The cost of several of the College's buildings could not be obtained. In lieu of cost, each building's estimated replacement cost was adjusted using the consumer price index of the year the College received title to the building to determine a capitalized value. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

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

## **Deferred revenues**

Tuition and fees of \$10,900,013 and \$9,996,453 and federal, state, and local grants of \$1,088,759 and \$1,837,541 have been reported as deferred revenues at August 31, 2012 and August 31, 2011 respectively.

## **Estimates**

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

## **Operating and non-operating revenue and expense policy**

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

The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of the bookstore and cafeteria is not performed by the College.

## **Characterization of Title IV Grant Revenue**

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

### **Note 3 – Authorized Investments**

The Board of Trustees of Laredo Community College has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Chapter 2256.001, Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

### **Note 4 – Deposits, Securities and Investments**

At August 31, 2012 and 2011, the carrying amount of the College's deposits was \$82,239,078 and \$48,276,357, respectively, and total demand deposits equaled \$82,220,328 and \$48,257,607, respectively. Deposits of \$258,411 and \$258,402 are covered by federal depository insurance and \$81,961,917 and \$47,999,108 were covered by \$94,777,743 and \$71,514,395 respectively, of collateral pledged in the College's name.

	August 31, 2012	August 31, 2011
<b><u>Cash and Deposits</u></b>		
Bank Deposits		
Demand Deposits	\$ 82,220,328	\$ 48,257,607
Total Bank Deposits	82,220,328	48,257,607
 Cash on Hand	 18,750	 18,750
 Total Cash and Deposits	 \$ 82,239,078	 \$ 48,276,357

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1 for the Reporting Entity as a Whole:

#### Total Deposits and Investments:

Per Note 4:

Total Investments	\$ -
Total Cash and Deposits	82,239,078
Total per Note 4	\$ 82,239,078

Per Exhibit 1:

Cash and Cash Equivalents	\$ 82,239,078
Other short-term Investments	-
Total per Exhibit 1	\$ 82,239,078

Concentration of Credit Risk: Laredo Community College does not place a limit on the amount the college may invest in any one issuer. Fifty seven percent (57%) of the college's investments are in Falcon International Bank and forty three percent (43%) are in BBVA Compass Bank.

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

Credit Risk: Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. Laredo Community College's investments are unrated.

Investment Category section for August 31, 2011 is included for comparison purposes only.

**Investment Categories as of August 31, 2011**

	<b>August 31, 2011</b>	<b>August 31, 2010</b>
<b><u>Cash and Deposits</u></b>		
Bank Deposits		
Demand Deposits	<u>\$ 48,257,607</u>	<u>\$ 33,832,029</u>
Total Bank Deposits	48,257,607	33,832,029
 Cash on Hand	 <u>18,750</u>	 <u>12,750</u>
 Total Cash and Deposits	 <u>\$ 48,276,357</u>	 <u>\$ 33,844,779</u>

**Reconciliation of Deposits and Investments between Note 4 and Exhibit 1 for the Reporting Entity as a Whole:**

**Total Deposits and Investments:**

Per Note 4:

Total Investments	\$ -
Total Cash and Deposits	<u>48,276,357</u>
Total per Note 4	<u>\$ 48,276,357</u>

Per Exhibit 1:

Cash and Cash Equivalents	\$ 48,276,357
 Other short-term Investments	 <u>-</u>
Total per Exhibit 1	<u>\$ 48,276,357</u>

**Concentration of Credit Risk:** Laredo Community College does not place a limit on the amount the college may invest in any one issuer. Eighty percent (80%) of the college's investments are in Falcon International Bank.

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

**Credit Risk:** Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. Laredo Community College's investments are unrated.

**Note 5 - Derivatives**

Derivatives are investment products that may be a security of contract that derives its value from another security, currency, commodity or index, regardless of the source of funds used. The College's investment policy prohibits investing in derivatives.

## Note 6 - Capital Assets

Capital assets activity for the year ended August 31, 2012 was as follows:

	Balance September 1, 2011	Increases	Decreases	Balance August 31, 2012
<u>Not depreciated</u>				
Land	\$ 5,167,354	\$ 277,361	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in process	25,138,792	11,510,838	25,138,792	11,510,838
Subtotal	30,316,066	11,788,199	25,138,792	16,965,473
<u>Other capital assets</u>				
Buildings	63,319,905	33,654,324	-	96,974,229
Land Improvements	24,522,828	1,022,187	-	25,545,015
Library books	3,149,689	121,766	10,551	3,260,904
Leasehold Interest	957,992	6,862	524,572	440,282
Furniture, machinery, vehicles, and other equipment	6,971,209	1,762,036	17,530	8,715,715
Telecommunications and peripheral equipment	6,742,722	1,140,154	-	7,882,876
Subtotal	105,664,345	37,707,329	552,653	142,819,021
<u>Accumulated Depreciation</u>				
Buildings	14,558,458	1,436,035	-	15,994,493
Land Improvements	9,073,915	1,126,526	-	10,200,441
Library books	1,855,129	164,148	10,551	2,008,726
Furniture, machinery, vehicles, and other equipment	4,891,518	586,759	9,640	5,468,637
Telecommunications and peripheral equipment	5,084,191	518,601	-	5,602,792
Subtotal	35,463,211	3,832,069	20,191	39,275,089
Net other capital assets	70,201,134	33,875,260	532,462	103,543,932
Net capital assets	<u>\$ 100,517,200</u>	<u>\$ 45,663,459</u>	<u>\$ 25,671,254</u>	<u>\$ 120,509,405</u>

Capital assets activity for the year ended August 31, 2011 is included for comparison purposes.

	Balance September 1, 2010	Increases	Decreases	Balance August 31, 2011
<u>Not depreciated</u>				
Land	\$ 5,167,354	\$ -	\$ -	\$ 5,167,354
Water rights	9,920	-	-	9,920
Construction in process	9,499,989	20,242,251	4,603,448	25,138,792
Subtotal	14,677,263	20,242,251	4,603,448	30,316,066
<u>Other capital assets</u>				
Buildings	64,039,342	99,372	818,809	63,319,905
Land Improvements	21,112,537	3,410,291	-	24,522,828
Library books	3,066,824	108,621	25,756	3,149,689
Leasehold Interest	964,535	620,826	627,369	957,992
Furniture, machinery, vehicles, and other equipment	6,430,939	617,668	77,398	6,971,209
Telecommunications and peripheral equipment	5,174,611	1,634,508	66,397	6,742,722
Subtotal	100,788,788	6,491,286	1,615,729	105,664,345
<u>Accumulated Depreciation</u>				
Buildings	13,805,688	1,132,252	379,482	14,558,458
Land Improvements	8,047,119	1,026,796	-	9,073,915
Library books	1,710,223	170,662	25,756	1,855,129
Furniture, machinery, vehicles, and other equipment	4,479,380	482,382	70,244	4,891,518
Telecommunications and peripheral equipment	4,868,029	282,559	66,397	5,084,191
Subtotal	32,910,439	3,094,651	541,879	35,463,211
Net other capital assets	67,878,349	3,396,635	1,073,850	70,201,134
Net capital assets	\$ 82,555,612	\$ 23,638,886	\$ 5,677,298	\$ 100,517,200

## Note 7 - Long-Term Liabilities

Long-Term liability activity for the year August 31, 2012 was as follows:

	Balance August 31, 2011	Additions	Reductions	Balance August 31, 2012	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 41,661,943	\$ -	\$ (1,560,000)	\$ 40,101,943	\$ 980,915
Contractual obligation bonds	2,590,000	-	(485,000)	2,105,000	500,000
Discounts	(244,949)	-	11,186	(233,762)	(11,186)
Premium	2,187,291	2,006,396	(222,725)	3,970,961	222,725
Deferred loss on advance refunding	(2,199,917)	-	123,095	(2,076,822)	(123,095)
Revenue bonds	54,740,000	12,390,000	(1,675,000)	65,455,000	1,735,000
Tax Note	1,390,000	40,730,000	(50,000)	42,070,000	765,000
Total bonds	<u>\$ 100,124,368</u>	<u>\$ 55,126,396</u>	<u>\$ (3,858,443)</u>	<u>\$ 151,392,320</u>	<u>\$ 4,069,358</u>
<u>Other liabilities</u>					
Retainage payable	846,554	394,006	(758,669)	481,891	481,891
Accreted interest payable	1,474,439	548,033	-	2,022,472	548,033
Compensated absences	1,716,841	154,213	(65,911)	1,805,144	1,427,865
Capital leases	1,295,953	116,481	(639,714)	772,719	482,044
Total other liabilities	<u>5,333,787</u>	<u>1,212,733</u>	<u>(1,464,295)</u>	<u>5,082,226</u>	<u>2,939,833</u>
Total long-term liabilities	<u>\$ 105,458,155</u>	<u>\$ 56,339,129</u>	<u>\$ (5,322,738)</u>	<u>\$ 156,474,546</u>	<u>\$ 7,009,191</u>

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

	Balance August 31, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 43,161,943	\$ -	\$ (1,500,000)	\$ 41,661,943	\$ 1,560,000
Contractual obligation bonds	3,055,000	-	(465,000)	2,590,000	485,000
Discounts	(256,135)	-	11,186	(244,949)	(11,186)
Premium	2,309,037	-	(121,746)	2,187,291	121,746
Deferred loss on advance refunding	(2,323,012)	-	123,095	(2,199,917)	(123,095)
Revenue bonds	55,915,000	-	(1,175,000)	54,740,000	1,370,000
Tax Note	1,420,000	-	(30,000)	1,390,000	50,000
Total bonds	<u>\$ 103,281,833</u>	<u>\$ -</u>	<u>\$ (3,157,465)</u>	<u>\$ 100,124,368</u>	<u>\$ 3,452,465</u>
<u>Other liabilities</u>					
Retainage payable	\$ 298,349	\$ 798,669	\$ (250,464)	\$ 846,554	\$ 846,554
Accreted interest payable	1,038,713	435,726	-	1,474,439	548,033
Compensated absences	1,632,676	279,709	(195,543)	1,716,841	1,007,993
Capital leases	1,278,118	729,028	(711,193)	1,295,953	595,009
Total other liabilities	<u>4,247,856</u>	<u>2,243,132</u>	<u>(1,157,200)</u>	<u>5,333,787</u>	<u>2,997,589</u>
Total long-term liabilities	<u>\$ 107,529,689</u>	<u>\$ 2,243,132</u>	<u>\$ (4,314,665)</u>	<u>\$ 105,458,155</u>	<u>\$ 6,450,054</u>

## Note 8 - Debt and Lease Obligations

Debt Service requirements at August 31, 2012 were as follows:

For the Years Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 980,915	\$ 2,466,057	\$ 1,735,000	\$ 2,989,416	\$ 765,000	\$ 1,829,094	\$ 500,000	\$ 76,915
2014	983,399	2,460,962	1,795,000	2,935,846	815,000	1,813,244	515,000	59,415
2015	214,279	3,234,401	1,855,000	2,871,581	1,680,000	1,788,794	535,000	40,875
2016	233,350	3,210,330	1,925,000	2,804,430	1,730,000	1,738,394	555,000	20,813
2017	1,705,000	1,746,480	1,995,000	2,733,080	1,800,000	1,669,494	-	-
2018-2022	9,865,000	7,381,575	11,200,000	12,440,068	10,130,000	7,206,970	-	-
2023-2027	12,365,000	4,881,350	13,820,000	9,857,163	12,780,000	4,553,476	-	-
2028-2032	13,755,000	1,787,538	17,525,000	6,288,178	12,370,000	1,379,588	-	-
2033-2036	-	-	13,605,000	1,516,051	-	-	-	-
Total	<u>\$40,101,943</u>	<u>\$27,168,693</u>	<u>\$65,455,000</u>	<u>\$44,435,813</u>	<u>\$42,070,000</u>	<u>\$21,979,054</u>	<u>\$2,105,000</u>	<u>\$198,018</u>

Obligations under capital leases at August 31, 2012 were as follows:

For the year ended August 31,	Total
2013	\$530,834
2014	257,590
2015	55,228
Total Minimum Lease Payments	843,652
Less Amount Representing Interest Costs	70,933
Present value of minimum lease payments	\$772,719

Debt Service requirements at August 31, 2011 are provided for comparison purposes only.

For the Years Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 1,560,000	\$ 1,889,822	\$ 1,370,000	\$ 2,517,053	\$ 50,000	\$ 61,094	\$ 485,000	\$ 93,284
2013	980,915	2,466,057	1,415,000	2,471,628	55,000	59,594	500,000	76,915
2014	983,399	2,460,962	1,465,000	2,424,458	55,000	57,944	515,000	59,415
2015	214,279	3,234,401	1,515,000	2,370,093	55,000	56,294	535,000	40,875
2016	233,350	3,210,330	1,575,000	2,313,142	60,000	54,644	555,000	20,813
2017-2021	9,405,000	7,842,615	8,845,000	10,594,541	320,000	238,151	-	-
2022-2026	11,825,000	5,420,115	10,890,000	8,552,595	405,000	158,239	-	-
2027-2031	14,785,000	2,458,838	13,840,000	5,778,977	390,000	50,000	-	-
2032	1,675,000	75,375	13,825,000	1,860,864	-	-	-	-
Total	<u>\$41,661,943</u>	<u>\$29,058,515</u>	<u>\$54,740,000</u>	<u>\$38,883,351</u>	<u>\$1,390,000</u>	<u>\$735,960</u>	<u>\$2,590,000</u>	<u>\$291,302</u>

Obligations under capital leases at August 31, 2011 were as follows:

For the year ended August 31,	Total
2012	\$ 687,433
2013	498,733
2014	223,362
2015	21,000
Total Minimum Lease Payments	1,430,528
Less Amount Representing Interest Costs	134,575
Present value of minimum lease payments	\$ 1,295,953

#### **Note 9 – Bonds & Variable Rate Notes Payable**

General information related to bonds payable is summarized below:

- General Obligation Bond, Series 2001
- To purchase land and construct 2<sup>nd</sup> campus.
- Issued 03/01/2001
- \$25,000,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3.70% to 5.375%
- Maturity date – August 2031



- General Obligation Bond, Series 2002
- To construct 2nd campus.
- Issued 05/15/2002
- \$25,000,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 4% to 5.50%
- Maturity date – August 2032
  
- Revenue Bond, Series 2005
- To fund deferred maintenance projects.
- Issued 09/01/2005
- \$5,470,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 3% to 4.12%
- Maturity date – August 2030
  
- Public Property Finance Contractual Obligations Bond, Series 2005
- To purchase management information system.
- Issued 09/01/2005
- \$5,170,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3% to 3.75%
- Maturity date – August 2016
  
- Limited Tax Refunding Bond, Series 2005
- To partially refund the general obligation bonds, series 2001 and 2002.
- Issued 12/15/2005
- \$23,459,157; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3.50% to 4.75%
- Maturity date – August 2031
  
- Combined Fee Revenue Refunding Bond, Series 2006
- To partially refund the revenue bond, series 2001.
- Issued 10/01/2006
- \$9,195,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 4.00% to 4.50%
- Maturity date – August 2026
  
- Limited Tax Refunding Bond, Series 2006
- To partially refund the general obligation bond, series 2002.
- Issued 09/06/2006
- \$17,642,786; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 4.00% to 4.50%
- Maturity date – August 2032
  
- Combined Fee Revenue Refunding Bond, Series 2009
- To refund the Revenue bond, series 1998.
- Issued 08/01/2009
- \$3,645,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 4.00%
- Maturity date – August 2018

- Combined Fee Revenue Bond, Series 2010
- To fund Facilities Master Plan Phase 1 – construction of Academic and Visual & Performing Arts Building.
- Issued 04/15/2010
- \$32,005,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 3.00% to 4.50%
- Maturity date – August 2035
- Combined Fee Revenue Refunding Bond, Series 2010
- To refund the Revenue bond, series 2001.
- Issued 04/15/2010
- \$6,300,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 3.00% to 4.25%
- Maturity date – August 2035
- Maintenance Tax Note, Series 2010
- Phase 1 – To fund Facilities Master Plan Phase I. To renovate Moore Vocational Building.
- Issued 04/15/2010
- \$1,420,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3.00% to 4.375%
- Maturity date – August 2035
- Maintenance Tax Note, Series 2011
- To fund Facilities Master Plan Phase II – maintenance and renovation of existing facilities.
- Issued 11/02/2011
- \$40,730,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2031
- Combined Fee Revenue Bond, Series 2011
- To fund Facilities Master Plan Phase II. To purchase, acquire, construct and equip facilities.
- Issued 11/02/2011
- \$12,390,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 4.25%
- Maturity date – August 2026

#### **Note 10 – Defeased Bonds Outstanding**

The College defeased outstanding general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for the future debt service payments on the old bonds. Accordingly, neither the trust account assets nor the defeased bonds are included in the College's financial statements.

Bond issue	Year refunded	Par value outstanding at August 31, 2012
Limited tax bonds, series 2002	2005	\$ 4,140,000
Limited tax bonds, series 2002	2006	17,645,000
Total		<u>\$ 21,785,000</u>

## **Note 11 – Employees' Retirement Plan**

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

### **Teacher Retirement System of Texas**

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

**Funding Policy.** Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of no less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4 percent for fiscal years 2012 and 2011 and a state contribution rate of 6 percent for fiscal year 2012 and a state contribution rate of 6.64 percent for fiscal year 2011. In certain instances the reporting district is required to make all or a portion of the state's 6.00 and 6.64 percent contribution for fiscal year 2012 and 2011.

### **Optional Retirement Plan**

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

**Funding Policy.** Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6 percent and 6.65 percent, respectively. The College contributes 2.50 percent for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the College was \$663,268 and \$1,775,544 for the fiscal years ended August 31, 2012, and August 31, 2011, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the college.

The total payroll for all College employees was \$34,034,870 and \$34,087,531 for the fiscal years ended August 31, 2012, and 2011, respectively. The total payroll of employees covered by the Teacher Retirement System was \$20,586,143 and \$20,418,220 and the total payroll of employees covered by the Optional Retirement Program was \$9,924,610 and \$10,248,531 for fiscal years 2012 and 2011, respectively.

## **Note 12 – Deferred Compensation Plan**

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001.

## **Note 13 – Compensable Absences**

Regular College personnel employed on a twelve-month basis are entitled to ten working days (80 hours) per fiscal year as vacation time.

Terminating employees are paid their accrued vacation from the current fiscal year's budget. This amount is recoverable due to a policy change put into effect in 2003; whereby, the position vacated by the terminating employee is kept vacant until the amount paid for the vacation time is recovered. Accordingly, no accrual is made at year end for vacation due to employees.

Regular College personnel employed on a twelve-month basis are entitled to twelve days (96 hours) per fiscal year as sick leave and can accumulate indefinitely. The payment of accrued sick leave will be paid to those employees who retire under the Teacher Retirement system while they are employed by the College. The maximum number of hours that will be paid for early retirement is 360 and 720 for regular retirement. Accrued Sick Leave as of August 31, 2012 and August 31, 2011 was \$1,744,484 and \$1,662,808, respectively.

#### **Note 14 - Pending Lawsuits**

On occasion, the College may become party to litigation and claims arising in the normal course of operations. After consultation with legal counsel, management believes that the liabilities, if any, arising from such litigation and claims will not be material to the financial statements.

#### **Note 15 - Disaggregation of Receivables and Payable Balances**

##### **Receivables**

Receivables at August 31, 2012 and August 31, 2011 were as follows:

	Receivable	Allowance for doubtful accounts	Net receivable August 31, 2012	Net receivable August 31, 2011
Student receivables	\$ 8,620,879	\$ (162,429)	\$ 8,458,449	\$ 7,031,168
Federal grant receivables	2,120,547	(239,891)	1,880,656	1,985,705
State grant receivables	145,575	-	145,575	280,570
Local grant receivables	84,151	(40)	84,111	95,490
Current taxes receivable	2,712,087	(1,176,682)	1,535,405	1,361,749
Other receivables	1,683,607	(8,609)	1,674,998	2,147,945
Total accounts receivable	<u>\$ 15,366,846</u>	<u>\$ (1,587,651)</u>	<u>\$ 13,779,195</u>	<u>\$ 12,902,628</u>

##### **Payables**

Payables at August 31, 2012 and August 31, 2011 were as follows:

	August 31, 2012	August 31, 2011
Accounts payable - construction	\$ 1,527,121	\$ 2,210,156
Payroll payables	750,447	986,516
Accrued utility liability	384,290	351,656
Accounts payable - trade	1,469,159	1,502,116
Retainage payable	481,891	846,554
Total accounts payable trade	<u>\$ 4,612,908</u>	<u>\$ 5,896,998</u>

#### **Note 16 – Contracts and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract

and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2012 and 2011 for which monies have not been received nor funds expended totaled \$12,737,397 and \$8,644,264. Of these amounts, \$12,623,184 and \$7,902,058 were from Federal Contract and Grant Awards; \$46,684 and \$688,076 were from State Contract and Grant Awards; \$0 and \$0 from Local Contract and Grant Awards; and \$67,529 and \$54,130 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2012 and 2011, respectively.

#### **Note 17—Risk Management**

The District maintains insurance for all insurable risks for which it may be liable for claims. In fiscal year 2012, the more significant of this included \$1,000,000 of general liability insurance, property insurance covering the District's buildings and personal property in a combined amount of \$182,409,148 and \$2,000,000 annual aggregate in school professional legal liability. In 2012, there was a decrease of \$23,983,781 in the District's buildings and personal property insurance coverage due to the reassessment of contents and personal property and an increase of \$25,388,630 in building insurance coverage due to the addition of two new buildings. These adjustments resulted in a net increase of \$1,404,849 in building and personal property insurance coverage.

#### **Note 18 – Post Retirement Health Care & Life Insurance Benefits**

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums.

The state's contribution for full-time active and retired employees for the year ended August 31, 2012 totaled \$1,905,887 for the year. Compare the state's contribution to that provided for the year ended August 31, 2011, when the contribution for full-time active and retired employees totaled \$3,175,860 for the year. The cost of providing these benefits for retirees is not separable from the cost of providing benefits for the active employees.

#### **Note 19 – Property Taxes**

College property taxes are levied and become a lien on all taxable property on October 1 of each year, based on assessed values as of January 1 of the same year and become delinquent on February 1 of the succeeding year. The use of General Operations tax proceeds is restricted for maintenance and operations, and the use of Debt Service tax proceeds is restricted to the payment of debt service obligations. Delinquent taxes receivable are recognized as deferred revenues. Upon collection, delinquent taxes are recognized as revenues.

For the year ended August 31, 2012:

**Total Gross Assessed Valuation: \$12,249,345,658**

**Certified Taxable Value: \$10,614,922,560**

	<b>Authorized Tax Rate</b>	<b>Tax Cap</b>	<b>Tax Levied</b>	<b>Percent Collected</b>	<b>Tax Collected</b>
<b>Property Taxes</b>					
General Operations Tax Collected	.218988/\$100	.40/\$100	\$ 23,044,054	97.64%	\$22,501,125
Penalty & Interest Collected					445,585
Tax Payer Refunds					(80,493)
 Debt Service Tax Collected	 .039552/\$100	 .50/\$100	 4,191,036	 97.64%	 4,091,675
Penalty & Interest Collected					83,400
Tax Payer Refunds					
 Total Property Taxes Collected					<u><u>\$27,041,293</u></u>

Property tax information for the year ended August 31, 2011 is provided for comparison purposes only.

For the year ended August 31, 2011:

**Total Gross Assessed Valuation: \$12,190,836,594**

**Certified Taxable Value: \$10,663,550,947**

	Authorized Tax Rate	Tax Cap	Tax Levied	Percent Collected	Tax Collected
<b>Property Taxes</b>					
General Operations Tax Collected	.199850/\$100	.40/\$100	\$ 21,221,358	97.34%	\$20,657,108
Penalty & Interest Collected					443,072
Tax Payer Refunds					(98,736)
 Debt Service Tax Collected	 .038270/\$100	 .50/\$100	 4,080,940	 97.34%	 3,972,325
Penalty & Interest Collected					88,729
Tax Payer Refunds					
 Total Property Taxes Collected					<u>\$25,062,498</u>

#### **Note 20 – Income Taxes**

The College is a non-profit, tax-exempt institution under Section 115 of the Internal Revenue Code, Income of States, Municipalities, etc. Although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on unrelated Business Income of Charitable, etc., Organizations. The college had no unrelated business income tax liability for the years ended August 31, 2012 and August 31, 2011.

#### **Note 21 - Subsequent Events**

The College's Board of Trustees approved \$12.4 million dollars in revenue bonds and \$40.7 million in maintenance tax notes in November 2011 for the financing of Phase II of the Facilities Master Plan. Proceeds from these issuances are being used for the renovation and refurbishment of instructional and administrative facilities at the Fort McIntosh and South Campuses.

The total cost for the Facilities Master Plan is projected to be \$136,545,000. Work is currently under way on the development of a \$50 million dollar financing plan for FY 2013 that will cover construction costs for the third and final phase of the Facilities Master Plan.

#### **Note 22 – Post employment Benefits Other than Pensions**

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

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

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It

is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

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

The college's contributions to SHRP for the years ended August 31, 2012, 2011, and 2010, were \$83,485, \$93,822, and \$91,669, respectively, which equaled the required contributions each year.

#### **Note 23 – Bad Debt Expense**

In accordance with GAAP and Board policy CDA (local), bad debt expense was recognized for the years ended August 31, 2012 and August 31, 2011 in the following amounts, \$307,455 and \$180,225, respectively. At year end, the reserve for uncollectible accounts was \$410,969 and \$729,662.

#### **Note 24 – SACS Accreditation**

During the reaffirmation process of Laredo Community College's 10-year accreditation in 2010, SACS identified four areas of non-compliance with accreditation standards primarily related to inadequate procedures and reporting standards to inform and guide institutional improvement. As a result, SACS put the district on notice and began a two-year monitoring of Laredo Community College outside the regular decennial review period.

On June 28, 2012, SACS released a notice indicating that the district failed to resolve all outstanding areas of non-compliance within the allotted two year period. The College's accreditation was re-affirmed for 'good cause', which reflects SACS view that Laredo Community College is on the path toward remedying non-compliance with accreditation standards. In the process of reaffirming LCC for 'good cause', SACS also imposed a twelve month public probation on LCC, which requires the district to submit a follow up report in February 2013 that fully resolves all areas of non-compliance.

Over the past two years, senior leadership has identified and rectified weaknesses in the internal management of its re-accreditation efforts by creating an Institutional Effectiveness unit which centralized the current and ongoing oversight accreditation process. In addition, the college purchased data monitoring and reporting software that is expected to facilitate reporting to SACS.

In order to properly execute the report, management has hired an external consultant with relevant experience in the area of Institutional Effectiveness. The timeline, which remains on track, calls for the completion of a draft copy of the report and multiple reviews in advance of the submission date. The Board of Trustees is actively engaged in the process, which provides an added layer of oversight that bodes well for a favorable resolution.

The outcome of the report should be publicly released by the end of July 2013.

#### **Note 25 – State Appropriations for TRS and ORP**

During the 2011 legislative session, the Texas Legislature limited the State's contribution to TRS and ORP on behalf of community colleges to only six percent of each district's unrestricted General Revenue appropriation. Since the General Revenue appropriation is less than the anticipated total of the College's compensation to be paid to employees who are TRS or ORP participants, the amount appropriated to the College for retirement contributions was less than the required by the state constitution.

The state agencies responsible for the administration of the TRS/ORP funds appear to have taken the position that any shortfalls between the amounts the State is supposed to deposit to TRS/ORP participants retirement accounts and the amounts available in the appropriations should be made up by the community colleges. These agencies have not identified any legal basis or authority that places such responsibility on the community colleges.

As of December 5, 2012, the state agencies responsible for the administration of TRS/ORP have not sought to enforce the position that the community colleges are responsible for the appropriation shortfalls. At this point there is no pending litigation regarding this matter and no attempts have been made to collect any shortfall contributions from any community college district. Because there does not appear to be any legal requirement imposed on community colleges to make up

such State appropriation shortfalls, and because the state constitutional requirement does not appear to be ambiguous, it is not clear whether such suits, if prosecuted, would be successful.



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Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA



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

Members of the Board of Trustees  
Laredo Community College District  
Laredo, Texas

We have audited the financial statements of the Laredo Community College District (the "District") as of and for the year ended August 31, 2012, and have issued our report thereon dated December 13, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances

of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the District in a separate letter dated December 13, 2012.

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Canales, Garza & Baum, PLLC*

Laredo, Texas  
December 13, 2012



Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH  
OMB CIRCULAR A-133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Members of the Board of Trustees  
Laredo Community College District  
Laredo, Texas

Compliance

We have audited the compliance of the Laredo Community College District (the "District") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2012. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, that District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a

direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the board of trustees, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Comales, Hargis & Baum, PLLC*

Laredo, Texas  
December 13, 2012

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## **SCHEDULES**

**Schedule of Detailed Operating Revenues**  
**Laredo Community College District**  
**Year Ended August 31, 2012 (With Memorandum Totals for the Year Ended August 31, 2011)**  
**Schedule A**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
<b>Tuition</b>						
State funded courses						
In-district resident tuition	\$ 6,768,026	\$ -	\$ 6,768,026	\$ -	\$ 6,768,026	\$ 7,042,746
Out-of-state tuition	708,702	-	708,702	-	708,702	651,690
TPEG (set aside)*	441,123	-	441,123	-	441,123	460,363
Out-of-district resident tuition	1,059,219	-	1,059,219	-	1,059,219	1,021,501
State funded continuing education	185,984	-	185,984	-	185,984	159,314
Non-state funded continuing education	102,826	-	102,826	-	102,826	139,636
Total Tuition	<u>\$ 9,265,880</u>	<u>\$ -</u>	<u>\$ 9,265,880</u>	<u>\$ -</u>	<u>\$ 9,265,880</u>	<u>\$ 9,475,250</u>
<b>Fees</b>						
General use fee	\$ 5,115,256	\$ -	\$ 5,115,256	\$ -	\$ 5,115,256	\$ 5,317,774
Installment fee	69,825	-	69,825	-	69,825	77,725
Health services fee	118,874	-	118,874	-	118,874	69,456
Matriculation fee	363,135	-	363,135	-	363,135	382,335
Late registration fee	31,340	-	31,340	-	31,340	17,300
Malpractice fee	13,148	-	13,148	-	13,148	12,624
Graduation fee	200	-	200	-	200	2,581
Instructional Support Fee	1,433,233	-	1,433,233	-	1,433,233	985,324
Technology fee	1,434,098	-	1,434,098	-	1,434,098	986,007
Student service fee	1,428,244	-	1,428,244	-	1,428,244	900,659
Distance education fee	506,442	-	506,442	-	506,442	350,923
Parking/street maint. Fee	238,093	-	238,093	-	238,093	-
Diff. tuition fee (development)	129,660	-	129,660	-	129,660	-
Diff. tuition fee (3 peat)	226,986	-	226,986	-	226,986	-
Lab fee	246,851	-	246,851	-	246,851	186,469
Assessment fee	71,240	-	71,240	-	71,240	181,958
Installment loan late payment fee	31,250	-	31,250	-	31,250	32,930
Add/drop fee	57,341	-	57,341	-	57,341	-
Other fees	89,595	-	89,595	-	89,595	6,551
Total fees	<u>\$ 11,604,811</u>	<u>\$ -</u>	<u>\$ 11,604,811</u>	<u>\$ -</u>	<u>\$ 11,604,811</u>	<u>\$ 9,510,616</u>
<b>Scholarships allowances and discounts</b>						
Scholarship allowances	(424,506)	-	(424,506)	-	(424,506)	(477,768)
Remissions and exemptions	(299,264)	-	(299,264)	-	(299,264)	(177,386)
Pell grants	(10,389,610)	-	(10,389,610)	-	(10,389,610)	(7,941,336)
Other federal grants	(711,271)	-	(711,271)	-	(711,271)	(770,192)
Texas grants	(544,082)	-	(544,082)	-	(544,082)	(863,819)
TPEG allowances	(222,012)	-	(222,012)	-	(222,012)	(380,965)
Other state grants	(11,762)	-	(11,762)	-	(11,762)	(17,511)
Other	(13,802)	-	(13,802)	-	(13,802)	(2,946)
Total scholarship allowances	<u>\$ (12,616,309)</u>	<u>\$ -</u>	<u>\$ (12,616,309)</u>	<u>\$ -</u>	<u>\$ (12,616,309)</u>	<u>\$ (10,631,923)</u>
<b>Total net tuition and fees</b>	<u>\$ 8,254,382</u>	<u>\$ -</u>	<u>\$ 8,254,382</u>	<u>\$ -</u>	<u>\$ 8,254,382</u>	<u>\$ 8,353,943</u>
<b>Other operating revenues</b>						
Federal grants and contracts	\$ -	\$ 4,060,776	\$ 4,060,776	\$ -	\$ 4,060,776	\$ 3,516,287
State grants and contracts	-	1,886,105	1,886,105	-	1,886,105	2,532,316
Nongovernmental grants and contracts	-	613,591	613,591	-	613,591	357,059
Investment income (program restricted)	-	64,869	64,869	-	64,869	189,493
Other operating revenues	510,075	1,936,392	2,446,467	-	2,446,467	2,144,567
<b>Total other operating revenues</b>	<u>\$ 510,075</u>	<u>\$ 8,561,733</u>	<u>\$ 9,071,808</u>	<u>\$ -</u>	<u>\$ 9,071,808</u>	<u>\$ 8,739,722</u>
<b>Auxiliary enterprises</b>						
Student activities	\$ -	\$ -	\$ -	\$ 955,274	\$ 955,274	\$ 196,035
Cafeteria	-	-	-	-	-	38,442
Campus housing	-	-	-	-	-	28,959
Residential	-	-	-	20,237	20,237	31,109
Scholarship allowances and discounts	-	-	-	-	-	(20,138)
Bookstore	-	-	-	425,365	425,365	478,892
<b>Total net auxiliary enterprises</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,400,876</u>	<u>\$ 1,400,876</u>	<u>\$ 753,299</u>
<b>Total operating revenues (Exhibit 2)</b>	<u>\$ 8,764,457</u>	<u>\$ 8,561,733</u>	<u>\$ 17,326,190</u>	<u>\$ 1,400,876</u>	<u>\$ 18,727,066</u>	<u>\$ 17,846,964</u>

\*In accordance with Education Code 56.033, \$441,123 and \$460,363 of tuition was set aside for Texas Public Education Grants (TPEG).



Laredo Community College  
Schedule B

Schedule of Operating Expenses by Object  
Year Ended August 31, 2012 (with Memorandum Totals for the Year Ended August 31, 2011)

	Operating Expenses					FY 2012 Total	FY 2011 Total
	Salaries and Wages	Benefits		Other Expenses			
		State	Local				
Unrestricted - Educational Activities							
Instruction	\$ 16,230,582	\$ -	\$ 3,505,206	\$ 611,954	\$ 20,347,742	\$ 20,183,068	
Research	-	-	-	-	-	-	
Public Service	171,884	-	35,930	9,457	217,271	222,972	
Academic Support	2,376,817	-	514,646	289,926	3,181,389	3,557,590	
Student Services	3,379,516	-	734,226	526,528	4,640,270	5,432,856	
Institutional Support	6,841,851	-	1,528,079	2,789,261	11,159,191	9,766,361	
Operation and Maintenance of Plant	1,762,697	-	499,621	3,302,566	5,564,884	5,369,458	
Scholarships and Fellowships	-	-	-	220,655	220,655	256,590	
Total Unrestricted Educational Activities	30,763,347	-	6,817,708	7,750,347	45,331,402	44,788,895	
Restricted - Educational Activities							
Instruction	795,521	1,371,237	118,719	362,510	2,647,987	4,214,644	
Research	-	-	-	-	-	-	
Public Service	106,032	22,383	15,494	22,092	166,001	257,361	
Academic Support	1,020,263	273,592	229,338	1,647,729	3,170,922	2,942,572	
Student Services	977,268	350,884	72,113	128,442	1,528,707	1,830,664	
Institutional Support	443	551,060	79	7,841	559,423	1,006,003	
Operation and Maintenance of Plant	4,561	-	706	1,315,723	1,320,990	1,874,099	
Scholarships and Fellowships	-	-	-	15,677,134	15,677,134	17,670,064	
Total Restricted Educational Activities	2,904,088	2,569,156	436,449	19,161,471	25,071,164	29,795,407	
Total Educational Activities	33,667,435	2,569,156	7,254,157	26,911,818	70,402,566	74,584,302	
Auxiliary Enterprises	367,434	-	46,610	348,164	762,208	374,941	
Depreciation Expense - Buildings & other real estate	-	-	-	2,562,561	2,562,561	2,159,048	
Depreciation Expense - Equipment & furniture	-	-	-	1,105,361	1,105,361	764,941	
Depreciation Expense - Library Books	-	-	-	164,149	164,149	170,662	
Total Operating Expenses	\$ 34,034,869	\$ 2,569,156	\$ 7,300,767	\$ 31,092,053	\$ 74,996,845	\$ 78,053,895	

Laredo Community College District  
Schedule of Non-Operating Revenues and Expenses  
Year Ended August 31, 2012 (With Memorandum Totals for the Year Ended August 31, 2011)  
Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	Current Year	Prior Year
Non-operating revenues					
State appropriations	\$ 11,048,379	\$ -	-	\$ 11,048,379	\$ 11,912,070
State Group Insurance	-	1,905,887	-	1,905,887	3,175,860
State Retirement Matching	-	663,268	-	663,268	1,775,544
Professional nursing shortage reduction	-	45,102	-	45,102	100,815
Maintenance ad valorem taxes	-	-	-	-	-
Taxes for maintenance & operations	23,505,136	-	-	23,505,136	21,143,950
Taxes for general obligation bonds	-	4,307,134	-	4,307,134	4,269,388
Federal Revenue, Non Operating	-	25,321,007	-	25,321,007	25,314,901
Investment income	419,735	261,548	-	681,283	797,231
Additions to permanent endowments	-	104,000	-	104,000	40,737
Capital Gifts	-	11,557	-	11,557	46,615
Other non-operating revenues (expenses)	-	-	-	-	-
Total non-operating revenues	<u>\$ 34,973,250</u>	<u>\$ 32,619,503</u>	<u>\$ -</u>	<u>\$ 67,592,753</u>	<u>\$ 68,577,010</u>
Non-operating expenses					
Gain / Loss on Assets	-	1,889	-	1,889	-
Interest on capital related debt	-	6,628,904	-	6,628,904	5,224,873
Other non-operating (revenues) expenses	-	19,434	-	19,434	5,850
Total non-operating expenses	<u>\$ -</u>	<u>\$ 6,650,227</u>	<u>\$ -</u>	<u>\$ 6,650,227</u>	<u>\$ 5,230,723</u>
Net non-operating revenues	<u>\$ 34,973,250</u>	<u>\$ 25,969,276</u>	<u>\$ -</u>	<u>\$ 60,942,526</u>	<u>\$ 63,346,287</u>

Laredo Community College District  
Schedule of Net Assets by Source and Availability  
August 31, 2012 (With Memorandum Totals for August 31, 2011)  
Schedule D

	Detail by source					Available for current operations?	
	Unrestricted	Restricted		Non-expendable	Capital assets net of depreciation & related debt	Total	
		Expendable					
Current							
Unrestricted	\$ 16,422,595	\$ -	\$ -	\$ -	\$ -	\$ 16,422,595	\$ -
Board designated	1,805,144	-	-	-	-	1,805,144	1,805,144
Restricted	-	-	-	-	-	-	-
Auxiliary enterprises	-	1,032,753	-	-	-	1,032,753	-
Endowment	-	-	-	2,912,123	-	2,912,123	2,912,123
Student Aid	-	2,666,027	-	-	-	2,666,027	-
Other	-	143,776	-	-	-	143,776	-
Plant	-	-	-	-	-	-	-
Unexpended	-	1,048,162	-	-	-	1,048,162	1,048,162
Debt service	-	4,931,563	-	-	-	4,931,563	4,931,563
Investment in plant	-	-	-	-	13,260,689	13,260,689	13,260,689
Total net assets, August 31, 2012	\$ 18,227,739	\$ 9,822,281	\$ 2,912,123	\$ 2,912,123	\$ 13,260,689	\$ 44,222,832	\$ 20,265,151
Total net assets, August 31, 2011	15,715,296	12,645,716	2,799,317	2,799,317	8,389,756	39,550,085	17,459,902
Net increase (decrease) in net assets	\$ 2,512,443	\$ (2,823,435)	\$ 112,806	\$ 112,806	\$ 4,870,933	\$ 4,672,747	\$ 2,805,249
							\$ 1,867,498

**Laredo Community College District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2012**  
**Schedule E**

Federal Grantor/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
<b>U.S. Department of Education</b>			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007A		\$ 665,682
Federal College Work-Study Program	84.033A		540,781
Federal Pell Grant Program	84.063P		23,189,910
William D. Ford Federal Direct Loan Program	84.268		924,633
Title III - Stem Articulation	84.031C		498,884
Title V- Teaching, Technology, and Learning	84.031S		543,215
Title V- Distance Education Technology	84.031S		775,072
Trio Student Support Services	84.042A		221,797
Trio Upward Bound	84.047A		402,432
Minority Science and Engineering Improvement Program	84.120A		<u>166,096</u>
Pass-Through From:			
Texas Education Agency			
Adult Basic Education	84.002A	124100017110399	664,587
Adult Basic Education	84.002A	134100017110479	32,612
Adult Basic Education	84.002A	124100087110427	102,000
Adult Basic Education	84.002A	134100087110511	<u>12,590</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Program	84.048	124252	<u>464,074</u>
<b>Total U.S. Department of Education</b>			<u>\$ 29,204,365</u>
<b>U.S. Department of Agriculture</b>			
Direct Programs:			
USDA - Increasing Multicultural Diversity in Agriculture	10.223		\$ 145,631
USDA - SABOR	10.223		110,409
Pass Through:			
Texas State University - San Marcos	10.223	8000001640.1A	<u>115,153</u>
<b>Total U.S. Department of Agriculture</b>			<u>\$ 371,193</u>
<b>National Science Foundation</b>			
Direct Programs:			
Providing Resources and Opportunities in STEM (PRO-STEM)	47.076	DUE-1060588	<u>\$ 39,485</u>
<b>Total National Science Foundation</b>			<u>\$ 39,485</u>
<b>U.S. Small Business Administration</b>			
Direct Programs:			
Laredo Community College Import/Export Program	59.000		\$ 485
Laredo Community College Small Business Center	59.000		<u>7,018</u>
<b>Total U.S. Small Business Administration</b>			<u>\$ 7,503</u>
<b>SCHEDULE E (Continued)</b>			
<b>U.S. Department of Health &amp; Human Services</b>			
Direct Programs:			
Nursing Workforce Diversity (LAMP)	93.178	D19HP24302	\$ 3,266
Scholarships for Disadvantaged Students	93.925	T08HP22511	14,960
Pass-Through from:			
Texas Education Agency			
TANF	93.558	123625017110374	70,952
Pass-Through from:			
South Texas Workforce Development Board			
Child Care	93.596		<u>42,026</u>
<b>Total U.S. Department of Health &amp; Human Services</b>			<u>\$ 131,204</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 29,753,750</u>

**SCHEDULE E (Continued)****Note 1: Federal Assistance Reconciliation**

Federal Grants and Contracts revenue - per Schedule A	\$	4,060,776
Add: Indirect/Administrative Costs Recoveries		145,773
Add: Capital Outlays		226,195
Add: Non Operating Federal Revenue		<u>25,321,006</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards	\$	<u>29,753,750</u>

**Note 2: Significant accounting policies used in preparing the schedule.**

The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the college for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**Note 3: Amounts passed-through by the college**

The following amounts were passed-through to the listed sub recipients by the college. These amounts were from the Title V - TTL program, CFDA 84.031S, from U.S. Department of Education, from CFDA the Adult Basic Education program, CFDA 84.002, from U.S Department of Education through the Texas Education Agency, and from the USDA - Increasing Multicultural Diversity, CFDA 10.223, from U.S. Department of Agriculture.

Texas A&M International University	\$	283,053
Second Chance Adult Education		103,685
Texas State University - San Marcos		<u>8,065</u>
Total amount passed-through	\$	<u>394,803</u>

**Laredo Community College District  
Schedule of Expenditures of State Awards  
Year Ended August 31, 2012  
Schedule F**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
<b>Texas Education Agency</b>		
State Adult Basic Education	120100017110399	\$ 160,988
State Temporary Assistance for Needy Families	123625017110374	47,667
<b>Total Education Agency</b>		<u>\$ 208,655</u>
<b>Texas Higher Education Coordinating Board</b>		
Texas College Work-Study		72,594
Texas Grant Initial		603,670
Texas Grant Renewal		582,637
Texas Educational Opportunity Grant Initial		82,215
Texas Educational Opportunity Grant Renewal		197,505
Collegiate G Force	2482	19,140
Nursing Innovation Grant Program		50,919
STARR Study		150
Nursing Shortage Reduction Program (Regular)		20,925
Nursing Shortage Reduction Program (Under 70)		24,176
<b>Total Texas Higher Education Coordinating Board</b>		<u>\$ 1,653,931</u>
<b>Comptroller of Public Accounts</b>		
Jobs and Education for Texas	4807.13	<u>\$ 54</u>
<b>Commission on Law Enforcement Officers Standards and Education</b>		
Law Enforcement Officer Standards and Education		<u>\$ 1,484</u>
<b>Texas Association of School Boards</b>		
Loss Prevention		<u>\$ 6,178</u>
<b>Texas Department of State Health Services</b>		
Emergency Medical Services	2012-040083	<u>\$ 13,784</u>
<b>Texas Parks and Wildlife Department</b>		
Paseo Del Indio Trail	RT-0719	<u>1,417</u>
Pass Through From The Research Foundation of State University of New York at Buffalo State College		
Survey of Texas Hornshell	60515	<u>2,706</u>
<b>Total Texas Parks and Wildlife Department</b>		
<b>Texas Workforce Commission</b>		
SDF - LCC in Partnership with a Logistics Consortium	2111SDF000	24,576
SDF - LCC in Paternership with Doctors Hospital of Laredo	2112SDF000	17,660
Pass Through From Texas State Technical College Waco		
TSTC - Health Care Training Program	1310SDF000	50
Pass Through From Workforce Solutions of South Texas		
Project Ole	01-2011-OLE	<u>711</u>
<b>Total Texas Workforce Commission</b>		<u>\$ 42,997</u>
<b>Total State Financial Assistance</b>		<u><u>\$ 1,931,206</u></u>

Notes to Schedule on Following Page.

**SCHEDULE F (Continued)**

Note 1 : State Awards Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$ 1,886,105
Add: Indirect/Administrative Cost Recoveries	-
Add: Capital Outlays	-
Add: Non-Operating State Revenue	<u>45,101</u>
Total State Revenues per Schedule of Expenditures of State Awards	<u>\$ 1,931,206</u>

Note 2: Amounts passed-through by the college

The following amounts were passed-through to the listed sub recipients by the college. These amounts were from the Adult Basic Education program, CFDA 84.002, from U.S. Department Education through the Texas Education agency.

Second Chance Adult Education	<u>\$ 47,145</u>
Total amount passed-through	<u>\$ 47,145</u>

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## **STATISTICAL SUPPLEMENT SECTION**

Laredo Community College  
Statistical Supplement 1  
Net Assets by Component  
Last Ten Fiscal Years  
(unaudited)  
(amounts expressed in thousands)

	For the Year Ended August 31,									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Invested in capital assets, net of related debt	\$13,260,689	\$8,389,756	\$9,985,526	\$4,039,427	\$3,976,856	\$1,210,259	\$6,178,628	\$1,555,234	\$2,543,678	\$6,238,950
Restricted - expendable	9,822,281	12,645,710	8,910,615	10,590,356	10,661,492	11,063,623	8,878,776	13,234,896	14,708,566	11,776,146
Restricted - nonexpendable	2,912,123	2,798,317	2,719,827	2,622,086	1,633,943	1,958,506	1,930,742	1,771,196	1,512,305	1,007,636
Unrestricted	18,227,739	15,715,296	14,794,760	16,644,722	12,221,527	8,796,588	7,978,382	5,206,393	4,194,465	2,680,028
<b>Total primary government net assets</b>	<b>\$ 44,222,832</b>	<b>\$ 39,550,085</b>	<b>\$ 36,410,728</b>	<b>\$ 33,896,590</b>	<b>\$ 28,693,788</b>	<b>\$ 23,028,976</b>	<b>\$ 24,966,528</b>	<b>\$ 21,767,709</b>	<b>\$ 22,956,014</b>	<b>\$ 21,702,760</b>

Laredo Community College  
Statistical Supplement 2  
Revenues by Source  
Last Ten Fiscal Years  
(unaudited)

For the Year Ended August 31, (amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	\$8,254,382	\$8,353,943	\$7,258,100	\$6,968,193	\$6,517,255	\$5,814,999	\$5,895,429	\$5,191,014	\$4,458,615	\$3,860,979
Federal Grants and Contracts	4,060,776	3,516,287	4,458,474	4,201,478	3,301,665	3,189,192	2,911,279	3,088,958	3,286,112	3,516,225
State Grants and Contracts	1,886,105	2,532,316	2,510,759	2,845,714	2,445,609	2,265,006	2,051,600	1,402,828	1,715,489	2,990,058
Non-Governmental Grants and Contracts	613,591	357,059	325,511	646,167	258,430	147,967	292,546	582,864	334,237	367,295
Investment income (program restricted)	64,869	189,493	110,609	203,930	196,600	161,659	148,995	63,711	82,901	113,503
Auxiliary enterprises	1,400,876	753,299	780,881	719,814	682,728	750,037	688,118	627,004	579,866	610,403
Other Operating Revenues	2,446,467	2,144,567	1,554,994	1,226,271	962,616	1,016,352	923,833	631,724	820,448	592,713
<b>Total Operating Revenues</b>	<b>19,727,066</b>	<b>17,846,944</b>	<b>16,999,328</b>	<b>16,811,567</b>	<b>14,364,903</b>	<b>13,325,212</b>	<b>12,911,800</b>	<b>11,588,093</b>	<b>11,277,668</b>	<b>12,051,176</b>
State Appropriations	13,617,534	16,863,474	17,054,956	17,873,004	17,844,064	17,556,876	17,282,524	15,851,903	14,968,924	15,498,016
Professional Nursing Shortage Reduction	45,102	100,815	35,221	39,725	34,061	5,135	-	-	-	-
Ad Valorem Taxes	27,812,270	25,413,337	25,138,309	23,835,144	21,744,942	20,260,535	18,256,803	16,751,308	15,294,706	12,857,409
Gifts	11,557	46,815	46,897	83,099	472,255	113,789	2,366	5,837	1,035	1,889
Investment income	681,293	797,231	659,749	1,036,805	1,163,864	1,302,258	1,546,064	703,519	749,193	1,482,716
Federal Revenue, Non-Operating	25,321,007	25,314,801	21,770,168	14,959,530	12,264,881	11,653,004	11,855,773	12,323,611	11,654,554	11,355,877
Additions to permanent endowments	104,000	40,737	50,100	360,000	90,262	20,839	157,200	257,430	442,200	45,808
Other non-operating revenues	-	-	-	-	76,664	3,607	-	-	-	456,700
<b>Total Non-Operating Revenues</b>	<b>67,592,753</b>	<b>68,577,010</b>	<b>64,755,400</b>	<b>58,187,307</b>	<b>53,614,319</b>	<b>50,988,100</b>	<b>49,084,137</b>	<b>45,893,608</b>	<b>43,130,612</b>	<b>41,698,415</b>
<b>Total Revenues</b>	<b>\$ 86,319,819</b>	<b>\$ 86,423,974</b>	<b>\$ 81,754,728</b>	<b>\$ 74,998,874</b>	<b>\$ 67,979,222</b>	<b>\$ 64,314,312</b>	<b>\$ 61,995,937</b>	<b>\$ 57,481,701</b>	<b>\$ 54,408,280</b>	<b>\$ 53,749,591</b>

For the Year Ended August 31, (amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition and Fees (Net of Discounts)	9.56%	9.67%	8.88%	9.29%	9.59%	9.04%	9.51%	9.03%	8.19%	7.18%
Federal Grants and Contracts	4.70%	4.07%	5.45%	5.60%	4.86%	4.93%	4.70%	5.37%	6.04%	6.54%
State Grants and Contracts	2.19%	2.93%	3.07%	3.79%	3.60%	3.52%	3.31%	2.44%	3.15%	5.56%
Non-Governmental Grants and Contracts	0.71%	0.41%	0.40%	0.86%	0.38%	0.23%	0.47%	1.01%	0.61%	0.68%
Investment income (program restricted)	0.08%	0.22%	0.14%	0.27%	0.29%	0.23%	0.24%	0.11%	0.15%	0.21%
Auxiliary enterprises	1.62%	0.87%	0.96%	0.96%	1.00%	1.17%	1.11%	1.09%	1.07%	1.14%
Other Operating Revenues	2.83%	2.48%	1.90%	1.64%	1.42%	1.58%	1.49%	1.10%	1.51%	1.10%
<b>Total Operating Revenues</b>	<b>21.69%</b>	<b>20.65%</b>	<b>20.79%</b>	<b>22.42%</b>	<b>21.13%</b>	<b>20.72%</b>	<b>20.83%</b>	<b>20.16%</b>	<b>20.73%</b>	<b>22.42%</b>
State Appropriations	15.78%	19.51%	20.86%	23.83%	26.25%	27.30%	27.89%	27.58%	27.55%	28.83%
Professional Nursing Shortage Reduction	0.05%	0.12%	0.04%	0.05%	0.05%	0.01%	0.00%	0.00%	0.00%	0.00%
Ad Valorem Taxes	32.22%	29.41%	30.75%	31.78%	31.99%	31.50%	29.45%	29.14%	28.11%	23.92%
Gifts	0.01%	0.05%	0.06%	0.11%	0.69%	0.18%	0.00%	0.01%	0.00%	0.00%
Investment income	0.79%	0.92%	0.81%	1.38%	1.71%	2.02%	2.49%	1.22%	1.38%	2.76%
Federal Revenue, Non-Operating	29.33%	29.29%	26.63%	19.95%	18.04%	18.12%	19.09%	21.44%	21.42%	21.13%
Additions to permanent endowments	0.12%	0.05%	0.06%	0.48%	0.13%	0.03%	0.25%	0.45%	0.81%	0.05%
Other non-operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.01%	0.00%	0.00%	0.95%
<b>Total Non-Operating Revenues</b>	<b>78.31%</b>	<b>79.35%</b>	<b>79.21%</b>	<b>77.58%</b>	<b>78.87%</b>	<b>79.17%</b>	<b>79.17%</b>	<b>79.84%</b>	<b>79.27%</b>	<b>77.59%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Laredo Community College  
Statistical Supplement 3  
Program Expenses by Function  
Last Ten Fiscal Years  
(unaudited)

For the Year Ended August 31, (amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$22,995,729	\$24,397,712	\$23,458,947	\$22,111,261	\$21,241,920	\$21,949,831	\$21,338,284	\$21,023,969	\$19,184,463	\$19,496,450
Public service	393,272	490,333	602,108	540,355	505,948	315,639	87,024	-	39,697	55,147
Academic support	6,352,311	6,500,162	6,402,122	6,391,862	5,076,716	2,562,365	2,346,533	2,647,728	2,303,635	2,223,255
Student services	6,168,977	7,263,520	7,016,919	6,771,758	6,503,155	5,244,406	4,822,704	4,734,766	3,774,229	3,819,476
Institutional support	11,718,614	10,772,364	10,759,307	8,960,865	8,828,994	11,686,697	10,240,866	8,351,102	7,695,947	6,928,883
Operation and maintenance of plant	6,685,874	7,243,557	6,764,251	6,119,791	6,485,590	8,225,049	5,274,798	5,473,217	3,523,586	2,850,802
Scholarships and fellowships	15,897,789	17,925,654	16,634,026	11,762,189	8,994,383	9,225,876	8,796,859	9,030,090	9,169,662	10,023,607
Auxiliary enterprises	762,208	374,941	527,041	496,304	518,321	367,166	382,626	401,229	288,000	266,621
Depreciation	3,832,071	3,094,652	2,856,717	3,021,225	3,100,989	3,158,823	3,027,689	2,895,706	2,205,870	1,287,757
<b>Total Operating Expenses</b>	<b>74,996,845</b>	<b>78,053,895</b>	<b>75,021,438</b>	<b>66,176,210</b>	<b>61,255,916</b>	<b>62,735,862</b>	<b>56,317,203</b>	<b>54,557,807</b>	<b>48,185,089</b>	<b>48,941,998</b>
Interest on capital related debt	6,628,904	5,224,673	3,886,424	3,619,862	3,818,021	3,533,380	3,711,045	4,111,714	4,168,196	4,499,112
Loss on disposal of fixed assets	19,434	5,850	-	-	-	-	-	-	-	-
Other non-operating expenses	1,889	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating Expenses</b>	<b>6,650,227</b>	<b>5,230,723</b>	<b>4,219,152</b>	<b>3,619,862</b>	<b>3,818,021</b>	<b>3,533,380</b>	<b>3,711,045</b>	<b>4,115,199</b>	<b>4,171,846</b>	<b>4,503,127</b>
<b>Total Expenses</b>	<b>\$ 81,647,072</b>	<b>\$ 83,284,618</b>	<b>\$ 79,240,590</b>	<b>\$ 69,796,072</b>	<b>\$ 65,073,937</b>	<b>\$ 66,269,242</b>	<b>\$ 60,028,248</b>	<b>\$ 58,673,006</b>	<b>\$ 52,356,735</b>	<b>\$ 51,445,125</b>

For the Year Ended August 31, (amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	28.16%	29.29%	29.60%	31.68%	32.64%	33.12%	35.55%	35.83%	36.64%	37.90%
Public service	0.47%	0.58%	0.76%	0.77%	0.78%	0.48%	0.14%	0.00%	0.08%	0.11%
Academic support	7.78%	7.80%	8.08%	9.16%	7.80%	3.87%	3.91%	4.51%	4.40%	4.32%
Student services	7.56%	8.72%	8.86%	9.70%	9.99%	7.91%	8.03%	8.07%	7.21%	7.42%
Institutional support	14.35%	12.93%	13.58%	12.84%	13.57%	17.64%	17.06%	14.23%	14.70%	13.47%
Operation and maintenance of plant	8.43%	8.70%	8.54%	8.77%	9.57%	12.41%	8.78%	9.33%	6.73%	5.54%
Scholarships and fellowships	19.47%	21.52%	20.99%	16.85%	13.82%	13.92%	14.65%	15.39%	17.51%	19.48%
Auxiliary enterprises	0.93%	0.45%	0.67%	0.71%	0.80%	0.55%	0.64%	0.68%	0.55%	0.50%
Depreciation	4.69%	3.72%	3.61%	4.33%	4.77%	4.77%	5.04%	4.21%	2.50%	2.50%
<b>Total Operating Expenses</b>	<b>91.85%</b>	<b>93.72%</b>	<b>94.68%</b>	<b>94.81%</b>	<b>94.13%</b>	<b>94.67%</b>	<b>93.82%</b>	<b>92.99%</b>	<b>92.03%</b>	<b>91.25%</b>
Interest on capital related debt	8.12%	6.27%	4.90%	5.19%	5.87%	5.33%	6.18%	7.01%	7.96%	8.75%
Loss on disposal of fixed assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating expenses	0.02%	0.01%	0.42%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%
<b>Total Non-Operating Expenses</b>	<b>8.15%</b>	<b>6.28%</b>	<b>5.32%</b>	<b>5.19%</b>	<b>5.87%</b>	<b>5.33%</b>	<b>6.18%</b>	<b>7.01%</b>	<b>7.97%</b>	<b>8.75%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Laredo Community College  
Statistical Supplement 4  
Tuition and Fees  
Last Ten Fiscal Years  
(unaudited)

Resident  
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	In-District Tuition	Out-of-District Tuition	Technology Fees	Instr Support Fee	Student Activity Fees	General Use Fees	Health Service Fee	Student Svc Fee	Parking/ Street Maint Fee	Cost for 12 SCH In- District	Cost for 12 SCH Out-of-District	Increase from Prior Year In- District	Increase from Prior Year Out- of-District
2011-12	\$ 15	\$ 42	\$ 84	\$ 7.5	\$ 7.5	\$ 5	\$ 27	\$ 5	\$ 60	\$ 10	\$ 1,158	\$ 1,662	11.56%	7.78%
2010-11	15	42	84	5	5	1	27	3	60	0	1,038	1,542	24.48%	15.25%
2009-10	15	42	84	2.5	2.5	1	20	3	0	0	834	1,338	2.96%	3.72%
2008-09	15	40	80	2.5	2.5	1	20	3	0	0	810	1,290	0.00%	0.00%
2007-08	15	40	80	2.5	2.5	1	20	3	0	0	810	1,290	17.39%	16.22%
2006-07	15	35	70	0	0	1	20	3	0	0	690	1,110	5.50%	6.94%
2005-06	15	32	64	0	0	1	20	3	0	0	654	1,038	10.10%	8.81%
2004-05	15	30	60	0	0	1	17	3	0	0	594	954	16.47%	17.78%
2003-04	15	25	50	0	0	1	15	3	0	0	510	810	13.33%	13.45%
2002-03	15	22	44	0	0	1	13	3	0	0	450	714	-	-

Non - Resident  
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	Non-Resident Tuition	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Instr Support Fee	Student Activity Fees	General Use Fees	Health Service Fee	Student Svc Fee	Parking/ Street Maint Fee	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2011-12	\$ 15	\$ 128	\$ 128	\$ 128	\$ 7.5	\$ 7.5	\$ 5	\$ 27	\$ 5	\$ 60	\$ 10	\$ 2,190	\$ 2,190	17.36%	17.36%
2010-11	15	128	128	128	5	5	1	27	3	60	0	2,070	2,070	16.95%	16.95%
2009-10	15	128	128	128	2.5	2.5	1	20	3	0	0	1,866	1,866	5.42%	5.42%
2008-09	15	120	120	120	2.5	2.5	1	20	3	0	0	1,770	1,770	0.00%	0.00%
2007-08	15	120	120	120	2.5	2.5	1	20	3	0	0	1,770	1,770	15.69%	15.69%
2006-07	15	105	105	105	0	0	1	20	3	0	0	1,530	1,530	7.59%	7.59%
2005-06	15	96	96	96	0	0	1	20	3	0	0	1,422	1,422	8.22%	8.22%
2004-05	15	90	90	90	0	0	1	17	3	0	0	1,314	1,314	18.38%	18.38%
2003-04	15	75	75	75	0	0	1	15	3	0	0	1,110	1,110	8.19%	8.19%
2002-03	15	70	70	70	0	0	1	13	3	0	0	1,026	1,026	-	-

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

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

Fiscal Year	Assessed Valuation of Property	(amounts expressed in thousands)		Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations		Debt Service (a)	Total Direct Rate (a)
		Less: Exemptions	Value			(a)	(a)		
2012-13	12,330,318	1,721,394	10,608,924	86.04%	\$	0.22354	\$	0.03422	0.25776
2011-12	12,249,346	1,634,423	10,614,922	86.66%		0.21899		0.03955	0.25854
2010-11	12,190,837	1,527,286	10,663,551	87.47%		0.19985		0.03827	0.23812
2009-10	12,072,472	1,502,789	10,569,683	87.55%		0.18400		0.04320	0.22720
2008-09	11,637,166	1,150,109	10,487,057	90.12%		0.18700		0.03410	0.22110
2007-08	10,555,088	1,043,974	9,511,114	90.11%		0.18310		0.03910	0.22220
2006-07	9,374,079	920,475	8,453,604	90.18%		0.18770		0.04280	0.23050
2005-06	8,597,478	1,022,433	7,575,045	88.11%		0.19032		0.04340	0.23371
2004-05	7,869,726	978,039	6,891,687	87.57%		0.19400		0.04200	0.23600
2003-04	7,121,188	986,537	6,134,651	86.15%		0.18600		0.05000	0.23600

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

Laredo Community College  
Statistical Supplement 6  
State Appropriation per FTSE  
Last Ten Fiscal Years  
(unaudited)  
(amounts expressed in thousands)

Fiscal Year	Appropriation per FTSE		Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours
2011-12	\$ 10,837	7,362	\$ 1,472	2,157	1,542	3,699
2010-11	12,208	7,370	1,656	2,971	851	3,822
2009-10	12,654	6,781	1,866	2,285	1,431	3,716
2008-09	12,851	6,085	2,112	2,613	779	3,392
2007-08	12,851	6,000	2,142	2,410	781	3,191
2006-07	12,851	6,000	2,142	2,414	912	3,326
2005-06	12,851	6,159	2,087	2,470	926	3,396
2004-05	11,637	6,301	1,847	2,559	954	3,513
2003-04	11,426	6,001	1,904	2,395	875	3,270
2002-03	11,852	5,879	2,016	2,307	930	3,237
					\$	
						2.93
						3.19
						3.41
						3.79
						4.03
						3.86
						3.78
						3.31
						3.49
						3.66

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

Laredo Community College  
Statistical Supplement 7  
Principal Taxpayers  
Last Ten Tax Years  
(unaudited)

Taxpayer	Type of Business	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Laredo Texas Hospital Co. LP	Medical	\$ 106,298	\$ 103,827	\$ 102,046	\$ 104,960	\$ 105,123	\$ 105,055	\$ 99,842	\$ 96,859	\$ 100,486	\$ -
Laredo WLE LP	Utility	89,916	97,604	102,784	-	-	-	-	-	-	-
AEP Texas Central Company	Utility	70,752	53,471	58,796	68,457	66,400	90,828	83,522	97,611	61,566	74,048
LaredoMDN Limited Partnership	Retail	-	-	-	-	-	-	-	-	-	-
Laredo Regional Medical Ctr. LP	Medical	39,869	41,405	42,263	44,354	43,618	45,983	45,150	48,471	42,233	32,421
International Bank of Commerce	Bank	35,148	36,034	34,535	35,790	33,899	35,505	33,833	36,116	-	-
Wal-Mart Real Estate Business Trust	Commercial Real Estate	21,041	21,043	20,957	-	-	33,480	21,355	-	-	-
Kidam Ind. Dev. Partnership Ltd.	Development	29,443	30,143	31,116	34,156	33,724	31,910	29,350	28,873	27,079	28,170
Southwestern Bell Telephone Co.	Utility	-	-	20,484	31,871	-	30,087	25,713	25,246	25,090	25,030
H E Butt Grocery Company	Grocery	30,493	28,284	28,609	29,168	28,751	28,720	25,807	-	24,234	28,120
Fanas Development LTD	Development	29,908	25,978	28,035	-	-	-	-	-	-	-
WRI Trautmann LP	Commercial Real Estate	27,521	27,738	26,760	26,959	-	28,890	25,411	24,855	-	-
Electric Transmission of Texas LLC	Utility	41,458	40,635	40,721	36,509	62,452	-	-	-	-	-
Mall Del Norte LLC	Retail	52,068	51,752	52,647	52,630	52,617	-	-	-	-	-
The GEO Group Inc	Commercial Business	50,531	49,979	53,005	52,769	32,232	-	-	-	-	-
Laredo Leveal LLC	Commercial Business	-	20,541	20,541	24,458	29,831	-	-	21,867	21,866	22,141
Webb County Correctional Center Corp	Correctional Center	-	-	-	-	-	-	-	-	32,221	32,283
Enterprise Laredo Associates	Enterprise	-	-	-	-	-	-	-	-	20,564	-
Webb Hospital Holdings LLC	Medical	-	-	-	-	-	-	-	-	16,680	19,616
United States Cold Storage	Cold Storage	-	-	-	-	-	-	-	-	-	16,209
Lowe's Home Center Inc.	Conglomerate	-	-	-	-	-	-	-	-	-	14,132
Texas Cable Partners LP	Utility	-	-	-	-	-	-	-	-	-	-
Lone Star Mat Associates	Retail	-	-	-	-	-	-	-	-	-	-
Paragon Cable	Utility	-	-	-	-	-	-	-	-	-	-
Transport International Pool Inc.	Commercial Business	-	-	-	-	-	-	-	-	-	-
BBVA Compass	Bank	19,633	-	20,444	-	-	-	-	-	-	-
Halliburton Energy Services	Oil Services & Drilling	68,455	37,397	-	-	-	-	-	-	-	-
Gemini Rio Norte H ET AL	Real Estate	21,317	20,871	-	-	-	-	-	-	-	-
San Isidro Northeast LTD	Development	-	-	10,724	33,018	-	-	-	-	-	-
<b>Totals</b>		<b>\$ 734,051</b>	<b>\$ 689,703</b>	<b>\$ 694,799</b>	<b>\$ 574,741</b>	<b>\$ 488,637</b>	<b>\$ 480,540</b>	<b>\$ 434,852</b>	<b>\$ 423,941</b>	<b>\$ 373,197</b>	<b>\$ 296,170</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 10,508,924</b>	<b>\$ 10,514,922</b>	<b>\$ 10,663,551</b>	<b>\$ 10,569,583</b>	<b>\$ 10,487,057</b>	<b>\$ 8,453,604</b>	<b>\$ 7,575,045</b>	<b>\$ 6,891,687</b>	<b>\$ 6,134,551</b>	<b>\$ 5,952,018</b>

Taxpayer	Type of Business	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Laredo Texas Hospital Co. LP	Medical	1.00%	0.98%	0.96%	0.96%	0.99%	1.00%	1.18%	1.31%	1.45%	-
Laredo WLE LP	Utility	0.85%	0.92%	0.97%	-	-	-	-	-	-	-
AEP Texas Central Company	Utility	0.67%	0.50%	0.55%	0.64%	0.63%	0.87%	0.95%	0.89%	0.89%	1.21%
LaredoMDN Limited Partnership	Retail	-	-	-	-	-	-	-	-	-	-
Laredo Regional Medical Ctr. LP	Medical	0.38%	0.39%	0.40%	0.42%	0.41%	0.48%	0.58%	0.54%	0.47%	0.53%
International Bank of Commerce	Bank	0.33%	0.37%	0.33%	0.34%	0.32%	0.34%	0.40%	0.48%	-	-
Wal-Mart Real Estate Business Trust	Commercial Real Estate	0.20%	0.20%	0.20%	-	-	-	0.25%	-	-	-
Kilham Ind. Dev. Partnership Ltd.	Development	0.26%	0.28%	0.29%	0.32%	0.32%	0.30%	0.35%	0.38%	0.39%	0.46%
Southwestern Bell Telephone Co.	Utility	0.00%	0.00%	0.19%	0.30%	0.29%	0.29%	0.34%	0.39%	0.38%	0.47%
H E Butt Grocery Company	Grocery	0.29%	0.27%	0.27%	0.27%	0.27%	0.27%	0.31%	0.34%	0.50%	0.46%
Fanas Development LTD	Development	0.28%	0.24%	0.26%	-	-	-	-	-	-	-
WRI Trautmann LP	Commercial Real Estate	0.25%	0.25%	0.25%	0.25%	-	0.28%	0.31%	0.33%	-	-
Mall Del Norte LLC	Utility	0.39%	0.38%	0.38%	0.34%	0.59%	-	-	-	-	-
The GEO Group Inc	Retail	0.49%	0.49%	0.50%	0.49%	0.50%	-	-	-	-	-
Laredo Leveal LLC	Commercial Business	0.48%	0.47%	0.50%	0.49%	0.30%	-	-	-	-	-
Webb County Correctional Center Corp	Correctional Center	0.00%	0.19%	0.19%	0.23%	0.28%	-	-	0.29%	0.32%	0.36%
Enterprise Laredo Associates	Enterprise	-	-	-	-	-	-	-	-	0.47%	0.53%
Webb Hospital Holdings LLC	Medical	-	-	-	-	-	-	-	-	-	-
United States Cold Storage	Cold Storage	-	-	-	-	-	-	-	-	0.24%	0.32%
Lowe's Home Center Inc.	Conglomerate	-	-	-	-	-	-	-	-	-	0.25%
Texas Cable Partners LP	Utility	-	-	-	-	-	-	-	-	-	0.23%
Lone Star Mat Associates	Retail	-	-	-	-	-	-	-	-	-	-
Paragon Cable	Utility	-	-	-	-	-	-	-	-	-	-
Transport International Pool Inc.	Commercial Business	-	-	-	-	-	-	-	-	-	-
BBVA Compass	Bank	0.18%	-	0.19%	-	-	-	-	-	-	-
Halliburton Energy Services	Oil Services & Drilling	0.64%	0.35%	-	-	-	-	-	-	-	-
Gemini Rio Norte H ET AL	Real Estate	0.20%	0.20%	-	-	-	-	-	-	-	-
San Isidro Northeast LTD	Development	-	-	0.10%	0.31%	-	-	-	-	-	-
<b>Totals</b>		<b>6.92%</b>	<b>6.50%</b>	<b>6.55%</b>	<b>5.39%</b>	<b>4.62%</b>	<b>4.58%</b>	<b>5.26%</b>	<b>5.60%</b>	<b>5.42%</b>	<b>4.83%</b>

Source: Local County Appraisal District



**Laredo Community College  
Statistical Supplement 8  
Property Tax Levies and Collections  
Last Ten Tax Years**

(unaudited)  
(amounts expressed in thousands)

Fiscal Year	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Percentage of Levy
2011-12	\$ 25,956	\$ -	\$ 25,956	\$ 26,593	102.45%	\$ -	\$ 813	\$ 27,406	105.59%
2010-11	24,044	-	24,044	24,629	102.43%	-	833	25,462	105.90%
2009-10	24,014	-	24,014	23,327	97.14%	-	1,025	24,352	101.41%
2008-09	23,187	-	23,187	22,263	96.02%	-	788	23,051	99.41%
2007-08	21,134	-	21,134	20,417	96.61%	-	844	21,261	100.60%
2006-07	19,571	-	19,571	18,913	96.64%	-	849	19,762	100.98%
2005-06	17,727	-	17,727	17,028	96.06%	-	805	17,833	100.60%
2004-05	16,320	-	16,320	15,583	95.48%	-	767	16,350	100.18%
2003-04	14,478	-	14,478	13,928	96.20%	-	937	14,865	102.67%
2002-03	12,892	-	12,892	12,044	93.42%	-	525	12,569	97.49%

\* "Collection in Subsequent Years" does not include penalties and interest. It includes taxes only.

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

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

For the Year Ended August 31 (amounts expressed in thousands)										
	2012	2011	2010	2009	2008	2007 (a)	2006	2005	2004	2003
<b>General Bonded Debt</b>										
General Obligation Bonds	\$ 67,271	\$ 70,720	\$ 74,174	\$ 77,525	\$ 80,709	\$ 83,865	\$ 87,674	\$ 91,910	\$ 95,008	\$ 98,106
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds Restricted for Debt Service	1,399	1,074	736	280	467	511	465	418	420	101
Net General Bonded Debt	\$ 65,872	\$ 69,646	\$ 73,438	\$ 77,245	\$ 80,242	\$ 83,354	\$ 87,209	\$ 91,492	\$ 94,588	\$ 98,005
Per Capita	\$ 256.81	\$ 276.78	\$ 304.17	\$ 326.01	\$ 344.16	\$ 360.11	\$ 388.12	\$ 407.18	\$ 420.96	\$ 436.17
Per Student	8,948	9,450	10,830	12,694	13,374	13,892	14,160	14,855	15,358	15,912
As a percentage of Taxable Assessed Value	0.62%	0.66%	0.69%	0.73%	0.77%	0.99%	1.15%	1.21%	1.25%	1.29%
<b>Other Debt</b>										
Revenue Bonds	\$ 109,891	\$ 93,623	\$ 97,353	\$ 36,682	\$ 38,881	\$ 41,076	\$ 43,606	\$ 45,432	\$ 47,781	\$ 50,134
Contractual Obligations	2,303	2,881	3,455	4,034	4,611	5,186	5,764	-	-	-
Notes	64,049	2,126	2,236	-	-	-	-	-	-	-
Capital Lease Obligations	773	1,296	1,278	785	618	449	304	57	29	40
Total Outstanding Debt	\$ 242,888	\$ 169,572	\$ 177,760	\$ 118,746	\$ 124,352	\$ 130,065	\$ 136,883	\$ 136,981	\$ 142,398	\$ 148,179

**Total Outstanding Debt Ratios**

Per Capita	\$ 946.95	\$ 673.89	\$ 736.26	\$ 501.16	\$ 533.35	\$ 561.91	\$ 609.19	\$ 609.63	\$ 633.74	\$ 659.47
Per Student	32,992	23,008	26,214	19,515	20,725	21,678	22,225	22,241	23,120	24,059
As a percentage of Taxable Assessed Value	2.29%	1.60%	1.67%	1.12%	1.19%	1.54%	1.81%	1.81%	1.88%	1.96%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment. (a) Funds restricted for Debt Service was adjusted for Accreted I

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

	For the Year Ended August 31 (amount expressed in thousands)									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Taxable Assessed Value	\$ 10,608,924	\$ 10,614,922	\$ 10,663,551	\$ 10,569,683	\$ 10,487,057	\$ 8,453,604	\$ 7,575,045	\$ 6,891,687	\$ 6,134,651	\$ 5,692,018
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	53.045	53.075	53.318	52.848	52.435	42.268	37.875	34.458	30.673	28.460
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	53.045	53.075	53.318	52.848	52.435	42.268	37.875	34.458	30.673	28.460
Current Year Debt Service Requirements	4.562	4.450	4.263	3.940	4.019	3.676	3.286	3.098	3.089	3.644
Excess of Statutory Limit for Debt Service over Current Requirement:	\$ 48,483	\$ 48,625	\$ 49,055	\$ 48,908	\$ 48,416	\$ 38,592	\$ 34,589	\$ 31,360	\$ 27,584	\$ 24,816
Net Current Requirements as a % of Statutory Limit	8.60%	8.38%	8.00%	7.46%	7.66%	8.70%	8.68%	8.99%	10.07%	12.80%

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

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)										Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	Instructional Support Fee	Registration Fees	Laboratory Fees	Interest Income	Vending Commission	Bookstore Commission	General Use Fees	Total	Principal	Interest	Total	Coverage Ratio
2012	\$ 2,242	\$ 1,434	\$ 1,433	\$ -	\$ -	\$ 358	\$ -	\$ -	\$ 4,354	\$ 9,821	\$ 1,675	\$ 2,892	\$ 4,567	2.15
2011	2,324	986	985	-	-	513	-	-	3,739	8,547	1,175	2,584	3,759	2.27
2010	2,264	-	-	-	-	398	-	-	3,369	6,031	1,090	1,365	2,455	2.46
2009	2,008	-	-	-	-	585	-	-	3,027	5,620	1,016	1,203	2,219	2.53
2008	1,851	-	-	-	-	761	-	-	2,137	4,749	970	1,246	2,216	2.14
2007	1,731	-	-	-	-	582	-	-	2,108	4,421	1,041	1,179	2,220	1.99
2006	1,544	-	-	-	-	521	-	-	1,858	3,923	648	1,723	2,371	1.65
2005	1,510	-	-	-	-	180	-	-	1,948	3,638	782	1,567	2,349	1.55
2004	334	-	-	-	-	146	-	-	1,967	2,447	751	1,602	2,353	1.04
2003	273	-	-	-	-	217	-	-	1,997	2,487	730	1,635	2,365	1.05

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2011	256,496	\$ 6,408,612	24,984	8.1%
2010	251,632	5,977,993	23,757	8.6%
2009 (a)	241,438	5,410,463	22,409	8.7%
2008 (a)	236,941	5,294,677	22,346	5.9%
2007 (a)	233,152	4,920,183	21,103	4.8%
2006 (a)	231,470	4,536,284	19,598	5.4%
2005 (a)	224,695	4,217,465	18,770	6.0%
2004	218,806	3,887,856	17,769	6.7%
2003	212,675	3,636,049	17,097	7.4%
2002	206,772	3,432,111	16,599	7.3%

**Source:**

Texas Workforce Commission  
U.S. Bureau of Labor Statistics Data  
U.S. Bureau of Economic Analysis: Regional Economic Accounts

**Notes:**

(a) Amounts from 2005 thru 2009 are preliminary for the District Population and the District Income.

**Laredo Community College  
Statistical Supplement 13  
Principal Employers  
(unaudited)**

**Current Fiscal Year**

Employer	Sector	Number of Employees	Percentage of Total Employment
United Independent School District	Education	6,179	6.84%
Laredo Independent School District	Education	4,500	4.98%
City of Laredo	City	2,371	2.62%
Laredo Sector Border Patrol	Immigration	2,000	2.21%
H.E.B. Grocery	Grocery Store	1,552	1.72%
Webb County	County	1,500	1.66%
Laredo Medical Center	Medical Services	1,500	1.66%
McDonald's Restaurant	Fast Food	1,200	1.33%
Texas A&M International University	Education	1,215	1.35%
Wal-Mart	Retail	937	1.04%
Total		<u>22,954</u>	<u>22.36%</u>

**Source:**

Laredo Development Foundation

**Note:**

Percentages are calculated using the midpoints of the ranges.

**Five Years Prior**

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	4,876-6,179	9.18%
Laredo Independent School District	3,990-4,500	7.28%
City of Laredo	2,238-2,371	4.00%
Laredo Sector Border Patrol	1,730-2,000	2.99%
H.E.B. Grocery	1,245-1,626	2.40%
Webb County	1,400-1,500	2.50%
Laredo Medical Center	1,377-1,300	2.41%
McDonald's Restaurant	1,425-1,200	2.48%
Laredo National Bank	1,275-1,129	2.13%
Texas A&M International University	1,030-1,215	2.10%
Wal-Mart	1,234-1,144	2.10%
Total	<u>21,820-24,164</u>	<u>37.07%</u>

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

		Fiscal Year									
		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Faculty</b>											
Full-Time		196	197	198	198	185	203	224	217	200	199
Part-Time		119	122	126	112	45	140	125	134	132	127
Total		315	319	324	310	230	343	349	351	332	326
<b>Percent</b>											
Full-Time		62.2%	61.8%	61.1%	63.9%	80.4%	59.2%	64.2%	61.8%	60.2%	61.0%
Part-Time		37.8%	38.2%	38.9%	36.1%	19.6%	40.8%	35.8%	38.2%	39.8%	39.0%
<b>Staff and Administrators</b>											
Full-Time		447	450	445	430	425	416	386	353	310	328
Part-Time		129	133	123	97	45	135	11	15	8	19
Total		576	583	568	527	470	551	397	368	318	347
<b>Percent</b>											
Full-Time		77.6%	77.2%	78.3%	81.6%	90.4%	75.5%	97.2%	95.9%	97.5%	94.5%
Part-Time		22.4%	22.8%	21.7%	18.4%	9.6%	24.5%	2.8%	4.1%	2.5%	5.5%
Students per Full-time Faculty		48	51	46	42	42	40	44	57	58	56
Students per Full-Time Staff Member		21	22	21	19	18	20	26	35	37	34
Average Annual Faculty Salary		\$55,401	\$55,435	\$55,782	\$55,120	\$55,375	\$52,981	\$52,539	\$51,989	\$52,315	\$43,578

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

Student Classification	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	7,183	71.62%	6,764	67.44%	6,226	62.08%	5,323	53.08%	4,880	52.68%
Sophomore	1,573	15.68%	2,351	23.44%	2,091	20.85%	1,903	18.97%	1,981	21.38%
Unclassified	269	2.68%	475	4.74%	529	5.27%	659	6.57%	433	4.67%
Associate*	259	2.58%	382	3.81%	382	3.81%	359	3.58%	507	5.47%
Baccalaureate or Above**	72	0.72%	57	0.57%	36	0.36%	12	0.12%	30	0.32%
Total	9,356	93.29%	10,029	100.00%	9,264	92.37%	8,256	82.32%	7,831	84.53%

Semester Hour Load	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	85	0.85%	129	1.29%	144	1.44%	166	1.66%	235	2.54%
3-5 semester hours	1,838	18.33%	1,996	19.90%	1,916	19.10%	1,615	16.10%	1,356	14.64%
6-8 Semester hours	2,026	20.20%	2,064	20.58%	1,955	19.49%	1,742	17.37%	1,651	17.82%
9-11 semester hours	2,001	19.95%	2,081	20.75%	1,863	18.58%	1,735	17.30%	1,607	17.35%
12-14 semester hours	2,989	29.80%	3,238	32.29%	2,881	28.73%	2,480	24.73%	2,445	26.39%
15-17 semester hours	391	3.90%	488	4.87%	474	4.73%	491	4.90%	529	5.71%
18 & over	26	0.26%	33	0.33%	31	0.31%	27	0.27%	8	0.09%
Total	9,356	93.29%	10,029	100.00%	9,264	92.37%	8,256	82.32%	7,831	84.53%

Average course load	9.0	9.0	9.0	9.0	9.0
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Tuition Status	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	7,952	79.29%	8,759	87.34%	7,988	79.65%	7,114	70.93%	6,789	73.28%
Texas Resident (Out-of-District)	763	7.61%	750	7.48%	742	7.40%	680	6.78%	545	5.88%
Non-Resident Tuition	291	2.90%	263	2.62%	244	2.43%	270	2.69%	244	2.63%
Tuition Exempt	118	1.18%	29	0.29%	30	0.30%	19	0.19%	108	1.17%
Foreign	232	2.31%	228	2.27%	260	2.59%	173	1.72%	145	1.57%
Total	9,356	93.29%	10,029	100.00%	9,264	92.37%	8,256	82.32%	7,578	81.80%

Notes:



**Laredo Community College**  
**Statistical Supplement 16**  
**Student Profile**  
**Last Five Fiscal Years**  
(unaudited)

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	5,231	55.91%	5,711	56.94%	5,344	57.69%	4,754	57.58%	4,573	58.40%
Male	4,125	44.09%	4,318	43.06%	3,920	42.31%	3,502	42.42%	3,258	41.60%
Total	9,356	100.00%	10,029	100.00%	9,264	100.00%	8,256	100.00%	7,831	100.00%

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	123	1.31%	159	1.59%	144	1.55%	111	1.34%	120	1.53%
Hispanic	8,996	96.15%	9,366	93.39%	8,876	95.81%	7,857	95.17%	7,401	94.51%
African American	19	0.20%	28	0.28%	17	0.18%	15	0.18%	12	0.15%
Asian	31	0.33%	34	0.34%	34	0.37%	28	0.34%	26	0.33%
Foreign	116	1.24%	122	1.22%	157	1.69%	223	2.70%	226	2.89%
Native American	6	0.06%	6	0.06%	4	0.04%	7	0.08%	8	0.10%
Native Hawaiian	2	0.02%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Multiracial	5	0.05%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Unknown	58	0.62%	314	3.13%	32	0.35%	15	0.18%	38	0.49%
Total	9,356	100.00%	10,029	100.00%	9,264	100.00%	8,256	100.00%	7,831	100.00%

	Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	604	6.46%	561	5.59%	575	6.21%	352	4.26%	139	1.77%
18 -21	5,137	54.91%	5,042	50.27%	4,553	49.15%	4,074	49.35%	3,794	48.45%
22 - 24	1,400	14.96%	1,632	16.27%	1,409	15.21%	1,349	16.34%	1,401	17.89%
25 - 35	1,551	16.58%	1,923	19.17%	1,816	19.60%	1,613	19.54%	1,593	20.34%
36 - 50	514	5.49%	689	6.87%	727	7.85%	714	8.65%	737	9.41%
51 & over	150	1.60%	182	1.81%	184	1.99%	154	1.87%	167	2.13%
Total	9,356	100.00%	10,029	100.00%	9,264	100.00%	8,256	100.00%	7,831	100.00%

Average Age	23	24	24	24	25
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**Laredo Community College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**2011 Fall Students as of Fall 2010**  
(Includes only public senior colleges in Texas)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Texas A&M International University	1,175	78	115	1,368	74.59%
2 University of Texas - San Antonio	87	4	6	97	5.29%
3 Texas A&M University	65	1	3	69	3.76%
4 University of Texas - Austin	73	3	2	78	4.25%
5 Lamar University	3	0	0	3	0.16%
6 Texas A&M University - Kingsville	45	0	1	46	2.51%
7 University of Texas - Pan American	28	1	0	29	1.58%
8 Angelo State University	6	1	0	7	0.38%
9 University of Texas Health Science Center - San Antonio	5	1	0	6	0.33%
10 Texas A&M University - Corpus Christi	13	0	0	13	0.71%
11 Texas Tech University	1	0	0	1	0.05%
12 University of North Texas	6	0	0	6	0.33%
13 University of Houston	4	0	0	4	0.22%
14 Texas Women's University	3	1	0	4	0.22%
15 West Texas A&M University	2	0	0	2	0.11%
16 Sam Houston State University	5	0	1	6	0.33%
17 Midwestern State University	2	0	1	3	0.16%
18 University of Texas - Brownsville	4	0	1	5	0.27%
19 University of Houston - Clear Lake	0	0	0	0	0.00%
20 Texas A&M University System Health Science Center	0	0	0	0	0.00%
21 Texas A&M University - Commerce	1	0	0	1	0.05%
22 Texas A&M University - San Antonio	2	0	0	2	0.11%
23 Stephen F. Austin State University	1	0	0	1	0.05%
24 University of Texas - Arlington	0	0	1	1	0.05%
25 Texas A&M University at Galveston	0	0	0	0	0.00%
26 University of Texas - Dallas	1	0	1	2	0.11%
27 Texas Southern University	1	0	0	1	0.05%
28 University of Houston - Downtown	1	0	0	1	0.05%
29 Texas State University - San Marcos	65	2	9	76	4.14%
30 University of Texas Medical Branch - Galveston	1	0	0	1	0.05%
31 Prairie View A&M University	1	0	0	1	0.05%
<b>Totals</b>	<b>1,601</b>	<b>92</b>	<b>141</b>	<b>1,834</b>	<b>100.00%</b>

Source: Texas Higher Education Coordinating Board

**Laredo Community College**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Last Ten Fiscal Years**  
(unaudited)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Academic buildings	33	31	31	31	31	31	31	31	31	28
Square footage (in thousands)	560,079	401,534	401,534	401,534	401,534	401,534	401,534	401,534	401,534	346,225
Libraries	2	2	2	2	2	2	2	2	2	1
Square footage (in thousands)	47,886	47,886	47,886	47,886	47,886	47,886	47,886	47,886	47,886	26,417
Number of Volumes (in thousands)	154,287	151,404	149,259	146,923	143,797	137,823	129,626	122,693	116,661	108,628
Administrative and support buildings	12	12	12	12	12	12	12	12	12	11
Square footage (in thousands)	49,951	49,951	49,951	49,951	48,682	48,682	48,682	48,682	48,682	37,236
Dormitories	2	2	2	8	8	8	8	8	8	8
Square footage (in thousands)	3,119	3,119	3,119	13,782	13,782	13,782	13,782	13,782	13,782	13,782
Number of Beds	12	12	12	182	182	182	182	182	182	182
Apartment	14	14	14	14	14	14	14	14	14	14
Square footage (in thousands)	20,594	20,594	20,594	20,594	20,594	20,594	20,594	20,594	20,594	20,594
Number of Beds	39	39	39	39	39	39	39	39	39	39
Dining Facilities	3	2	2	2	2	2	2	2	2	1
Square footage (in thousands)	27,026	22,842	22,842	22,842	22,842	22,842	22,842	22,842	22,842	11,776
Average daily customers	N/A	556	927	881	859	880	818	759	(a)	(a)
Athletic Facilities	13	13	5	5	5	5	5	5	4	4
Square footage (in thousands)	709,766	709,766	99,926	99,926	99,926	99,926	99,926	99,926	89,500	89,500
Stadiums	0	0	0	0	0	0	0	0	0	0
Gymnasiums	2	2	2	2	2	2	2	2	1	1
Baseball Field	2	2	1	1	1	1	1	1	1	1
Fitness Area	1	1	0	0	0	0	0	0	0	0
Soccer Field	2	2	0	0	0	0	0	0	0	0
Swimming Pool Complex	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	1	1	1	1	1	1	1	1
Plant Facilities	8	7	9	9	9	9	9	9	9	9
Square footage (in thousands)	126,791	18,913	24,337	24,337	24,337	24,337	24,337	24,337	24,337	24,337
Other Buildings	19	19	19	19	18	18	18	18	18	18
Square footage (in thousands)	32,770	32,770	32,770	32,770	32,570	32,570	32,570	32,570	32,570	32,570
Transportation	33	28	23	25	23	23	21	21	19	18
Cars	12	8	8	7	5	5	5	5	5	5
Light Trucks/Vans	21	20	20	18	18	18	16	16	14	13
Buses	0	0	0	0	0	0	0	0	0	0

Note.

(a) The average daily customer average is only available after fiscal year 2004 because the College changed providers in 2005.

**Laredo Community College**  
**Statistical Supplement 19**  
**Contact Hours**  
**Last Ten Fiscal Years**  
(unaudited)

<b>Fiscal Year</b>	<b>Contact Hours</b>		<b>Total</b>
	<b>Academic</b>	<b>Voc Tech</b>	
2011-12	2,157,280	1,542,208	3,699,488
2010-11	2,970,688	851,680	3,822,368
2009-10	2,284,592	1,431,472	3,716,064
2008-09	2,613,248	779,104	3,392,352
2007-08	2,410,272	781,216	3,191,488
2006-07	2,413,808	911,680	3,325,488
2005-06	2,469,712	925,760	3,395,472
2004-05	2,559,328	954,448	3,513,776
2003-04	2,394,576	875,376	3,269,952
2002-03	2,306,976	930,384	3,237,360

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Laredo Community College District  
Federal Schedule of Findings and Questioned Costs  
Year Ended August 31, 2012

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

***Federal Awards***

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

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

Type of auditors' report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	Student Financial Assistance Programs – Cluster
84.007	Federal SEOG
84.033	Federal College Work Study Program
84.063	Federal Pell Grant
84.268	William D. Ford Federal Direct Loan Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 892,613

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.

Laredo Community College District  
State Schedule of Findings and Questioned Costs  
Year Ended August 31, 2012

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

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

Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

***State Awards***

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes   X   no

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

Type of auditors' report issued on compliance for major programs: Unqualified

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

Identification of major programs:

<u>Number(s)</u>	<u>Name of State Program or Cluster</u>
None	Texas Grant
None	Texas Educational Opportunity Grant

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

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

**Section II - Financial Statement Findings**

None.

**Section III - State Award Findings and Questioned Costs**

None.

Laredo Community College District  
Federal Summary Schedule of Prior Audit Findings  
Year Ended August 31, 2012

**Summary of Prior Audit Findings**

***Federal Award Findings and Questioned Costs***

None.



Laredo Community College District  
State Summary Schedule of Prior Audit Findings  
Year Ended August 31, 2012

**Summary of Prior Audit Findings**

***State Award Findings and Questioned Costs***

None.