

**Laredo Community College District**

**Audited Financial Statements and  
Single Audit Reports**

**Year Ended August 31, 2013**

**Laredo Community College District  
August 31, 2013**

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# **LAREDO COMMUNITY COLLEGE DISTRICT**

## **ORGANIZATIONAL DATA**

### **For the Fiscal Year 2013**

#### 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

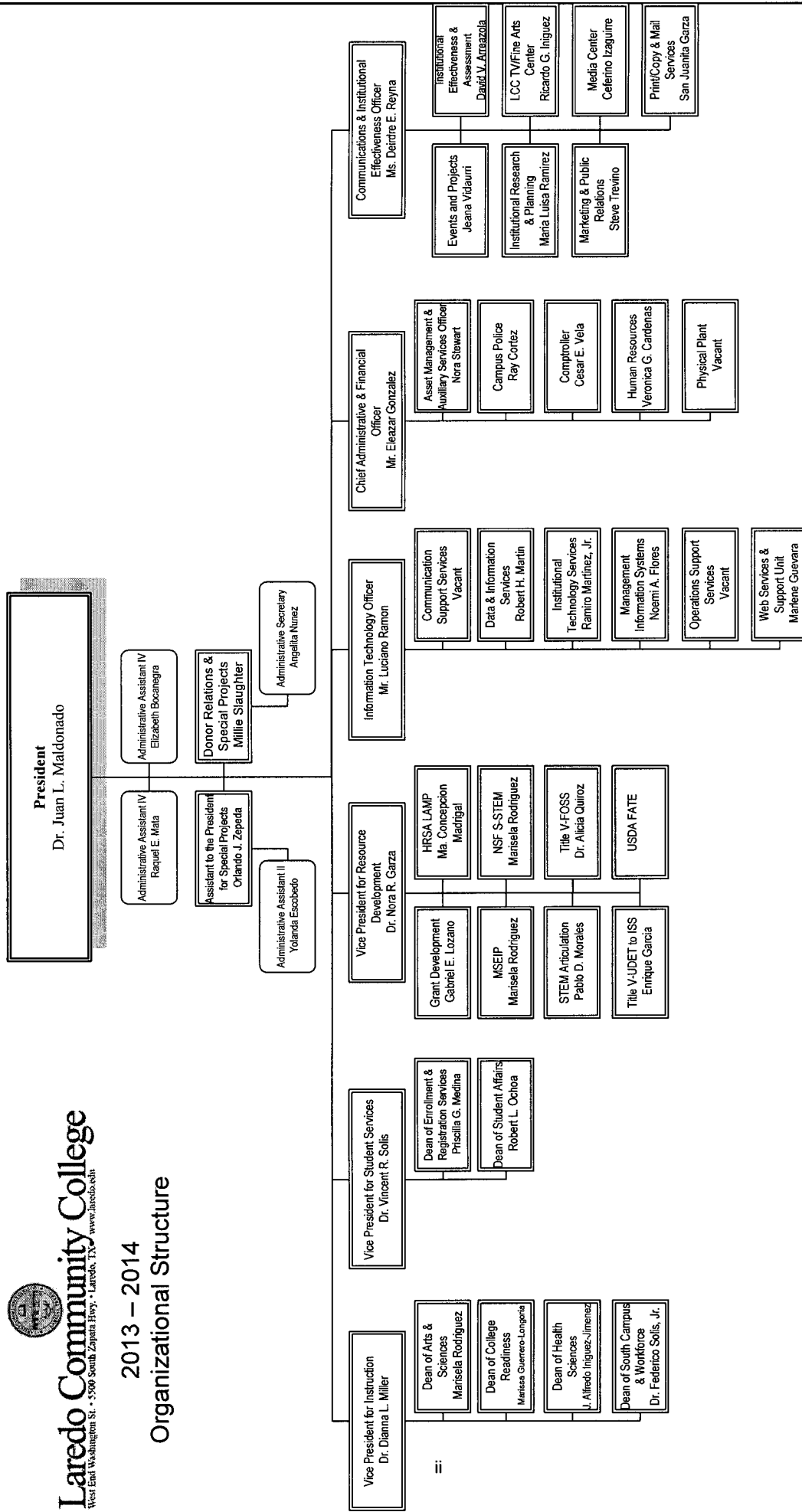
Juan L. Maldonado, Ph.D.	President
Dianna L. Miller, Ed.D.	Vice President for Instruction
Vincent Solis, Ed.D.	Vice President for Student Services
Deirdre E. Reyna	Communications and Institutional Effectiveness Officer
Eleazar Gonzalez	Chief Administrative & Financial Officer
Luciano Ramon	Information Technology Officer
Nora R. Garza, Ph.D.	Vice President for Resource Development



**Laredo Community College**  
West End Washington St. • 5500 Santa Zepeda Hwy. • Laredo, TX • www.lcc.edu

2013 – 2014

## Organizational Structure



## **FINANCIAL SECTION**

Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA (Ret.)  
Guadalupe Garcia-Wright, CPA



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

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, 2013 as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **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, 2013, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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 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.

### *Other Information*

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 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion 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 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 do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, 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* in considering the District's internal control over financial reporting and compliance.

*Canales, Marga & Baum, PLLC*

Laredo, Texas  
December 10, 2013

**Laredo Community College District  
Management Discussion and Analysis  
Year Ending August 31, 2013**

***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, 2013, and comparative information for the year ended August 31, 2012 and August 31, 2011. 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 Position; the Statements of Revenues, Expenses, and Changes in Net Position; 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 Position was \$43,991,259 at August 31, 2013. Of this amount, \$17,144,968 may be used to meet the College's ongoing obligations.
- Tuition and Fee revenue net of discounts increased by \$525,619 or 6.37% from \$8,254,382 in 2012 to \$8,780,001 in 2013.
- The College's total liabilities decreased 1.60% or \$2,773,807 from \$173,088,873 in 2012 to \$170,315,066 in 2013.
- During the fiscal year, the College's combined Net Position decreased by \$231,573 or 0.52%.
- Capital assets, net of accumulated depreciation, at August 31, 2013, had an increase of \$18,799,254 from August 31, 2012. Changes to capital assets include an increase to buildings of \$8,938,271 due to the capitalization of remodeling costs to the Adkins, Eloy Garcia, and Hachar Academic Buildings. Changes also included an increase to land improvements of \$51,441, an increase to furniture and equipment of \$2,146,822, an increase of \$75,621 to library books and an increase to construction in process of \$11,615,936.

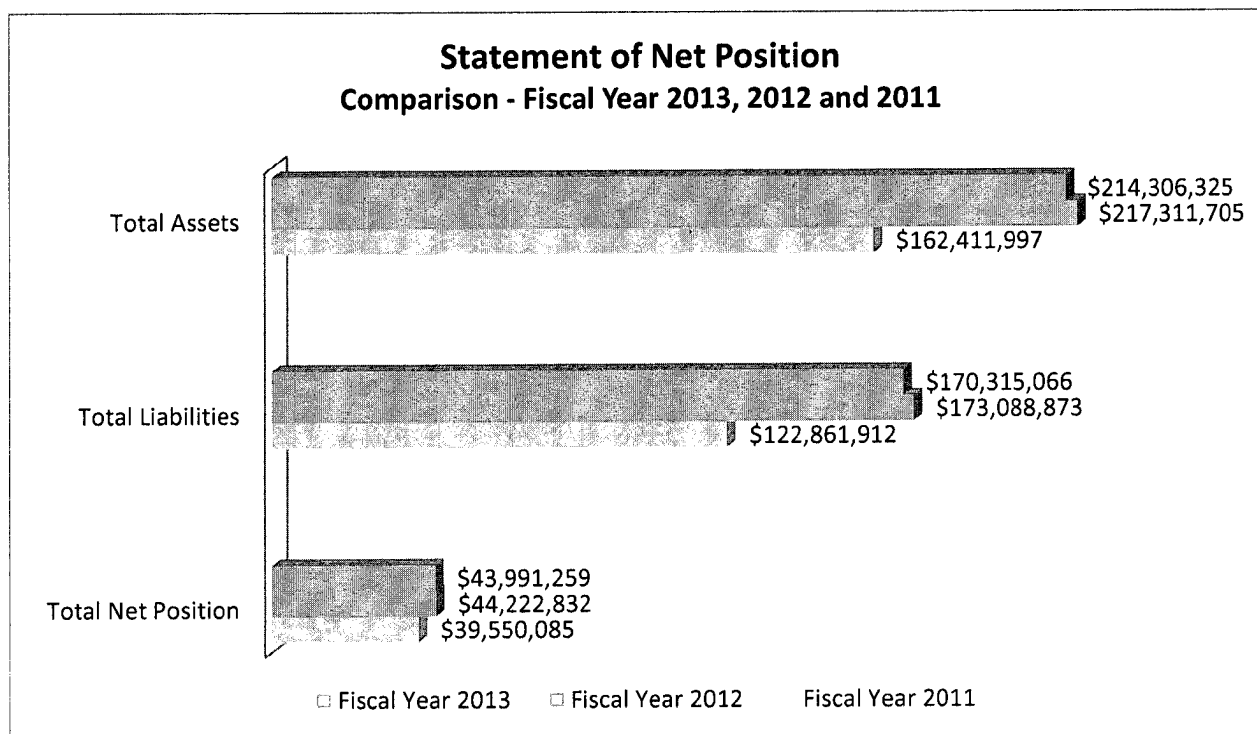
***Statement of Net Position***

The statement of net position presents the assets, liabilities and net position of the College as of the end of the fiscal year. The purpose of the statement of net position 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 position 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 position provides a picture of the net position (assets minus liabilities) of the institution for the years ended August 31.

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

<b>Statement of Net Position</b>			
	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Assets:</b>			
Current assets	\$ 74,997,666	\$ 96,802,300	\$ 61,894,797
Capital assets	139,308,659	120,509,405	100,517,200
Other non-current assets	-	-	-
<b>Total assets</b>	<b>214,306,325</b>	<b>217,311,705</b>	<b>162,411,997</b>
<b>Liabilities:</b>			
Current liabilities	23,336,749	23,623,518	23,853,811
Non-current liabilities	146,978,317	149,465,355	99,008,101
<b>Total liabilities</b>	<b>170,315,066</b>	<b>173,088,873</b>	<b>122,861,912</b>
Investment in capital assets, net of related debt	12,311,996	13,260,689	8,389,756
Restricted net assets	14,534,295	12,734,404	15,445,033
Unrestricted net assets	17,144,968	18,227,739	15,715,296
<b>Total Net Position</b>	<b>\$ 43,991,259</b>	<b>\$ 44,222,832</b>	<b>\$ 39,550,085</b>



The total assets of the College decreased \$3,005,380 or 1.38% compared to the prior year, from \$217,311,705 in 2012 to \$214,306,325 in 2013. Within the assets section, current assets decreased by 22.52% - equal to \$21,804,634. This decrease is due to a decrease in cash and cash equivalents of \$20,574,856. The decrease in cash and cash equivalents is attributed to the payment of construction costs for the second phase of the Facilities Master Plan. Also decreasing in this section were tuition and fees receivable which decreased by \$591,560 and federal receivables which decreased by \$758,087, compared to the prior year. The \$758,087 decrease in federal receivables is mainly attributed to a decrease in Title V grant receivables. Also decreasing in this area were prepaid expenses which decreased by \$84,093 compared to the prior year. These decreases were slightly offset by an increase to property taxes receivable of \$130,513.

Also within this section, capital assets, net of accumulated depreciation, increased by \$18,799,254 or 15.60%. The increase was primarily due to an increase in construction in process of \$11,615,936 during fiscal year 2013. The increase in construction in process was attributed to unfinished construction projects for the second phase of the Facilities Master Plan. In addition, there was an increase of \$8,938,271 in buildings due to the capitalization of renovation costs for the Adkins, Eloy Garcia, and Hachar Buildings. For Fiscal Year 2013 there was an increase of \$2,146,822 in furniture and equipment attributed to the renovation of the Adkins, Eloy Garcia, and Hachar Buildings as well as an increase of \$962,190 in leasehold interest equipment. Other increases in capital assets include an increase to library books of \$75,621 and an increase of \$51,441 to land improvements. The increases were offset by increases in accumulated depreciation of \$4,548,684 and Fiscal Year 2013 amortization expense on leasehold interest equipment of \$489,537.

On the liability side, the total liabilities of the College decreased by \$2,773,807 or 1.60% compared to fiscal year 2012, from \$173,088,873 in 2012 to \$170,315,066 in 2013. Within this net change, current liabilities increased by \$1,140,766, or 4.83%, due primarily to an increase in accounts payable of \$1,260,553. The increase in accounts payable is attributed to an increase in construction invoices outstanding at year end. In addition, there were increases in retainage payable of \$558,605, attributed to an increase in construction costs for the Facilities Master Plan Phase II, an increase in bonds payable current portion of \$127,484, an increase in accreted interest payable of \$101,278, and an increase in capital leases payable of \$105,029. These decreases were offset by a decrease of \$1,090,566 in deferred revenues for fall 2013 tuition and fees that were unearned at year-end. The decrease in deferred revenues for fall 2013 was attributed to a 7% decrease in enrollment for the fall 2013 semester.

Non-current liabilities decreased by \$3,914,573, or 2.62% from \$149,465,355 in 2012 to \$145,550,782 in 2013. The primary change that contributed toward this decrease was a decrease to bonds payable – noncurrent of \$4,196,842 due to principal payments made during fiscal year 2013. This decrease was partially offset by an increase of \$614,860 to capital leases payable due to the acquisition of equipment under capital lease agreements.

The decrease in total assets from 2012 to 2013 of \$3,005,380 and the decrease in total liabilities of \$2,773,807 yields a decrease in net position of \$231,573. Twenty eight percent of the College's net position, \$12,311,996, 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 33%. The remaining 39% of the College's net position, \$17,144,968 are unrestricted net assets and may be used for educational or general operations by the College.

The total assets of the College increased \$54,899,708 or 33.80% 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.

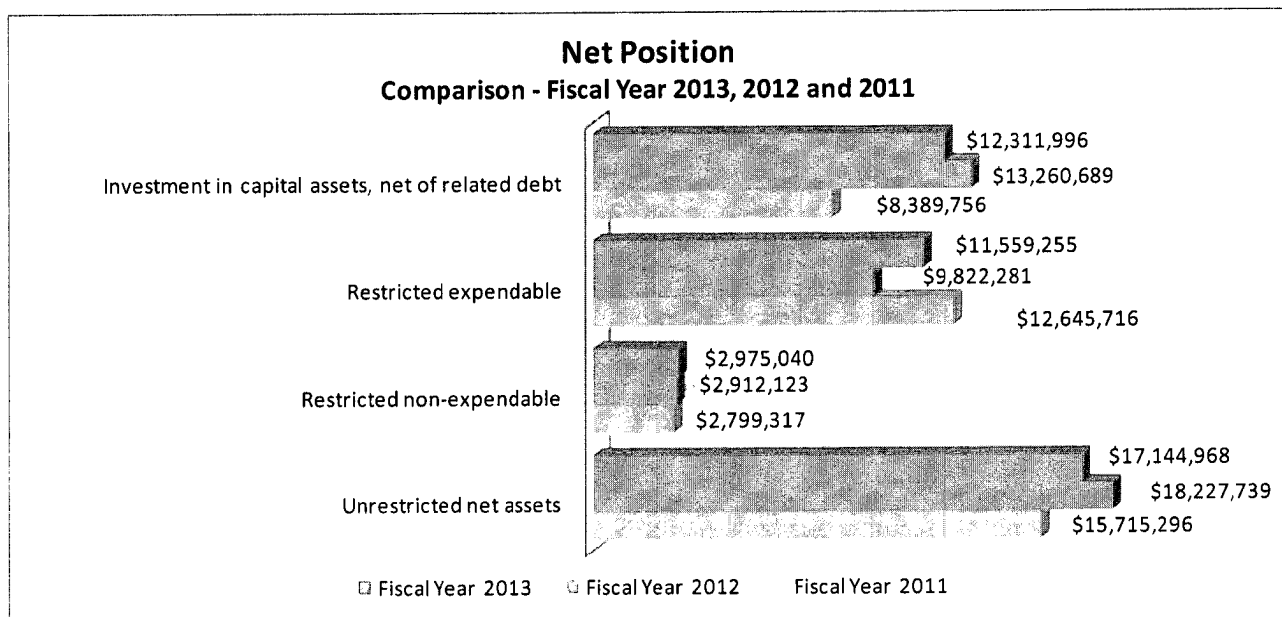
Also within this section, capital assets, net of accumulated depreciation, increased by \$19,992,205 or 19.89%. The increase was primarily due to an increase in buildings of \$33,654,324 during fiscal year 2012.

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 amortization.

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 net position of \$4,672,747. Thirty percent of the College's net position, \$13,260,689, reflects 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 41% percent, \$18,227,739 are unrestricted net assets and may be used for educational or general operations by the College.



### **Statement of Revenues, Expenses and Changes in Net Position**

The purpose of the statement of revenues, expenses and changes in net position 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 Position for the fiscal years ended August 31:

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

	2013	2012	2011
Operating Revenues	\$ 18,649,602	\$ 18,727,066	\$ 17,846,964
Operating Expenses	<u>76,187,010</u>	<u>74,996,845</u>	<u>78,053,894</u>
Operating Loss	(57,537,408)	(56,269,779)	(60,206,930)
Non-operating revenues and expenses	57,281,128	60,942,526	63,346,287
Increase in Net Position	(256,280)	4,672,747	3,139,357
Net Position at beginning of year	44,222,832	39,550,085	36,410,728
Prior Period Adjustment	24,707	-	-
Restated Net Position at beginning of year	44,247,539	39,550,085	36,410,728
<b>Net Position at end of year</b>	<b><u>\$ 43,991,259</u></b>	<b><u>\$ 44,222,832</u></b>	<b><u>\$ 39,550,085</u></b>

The statement of revenues, expenses and changes in net position reflects a decrease to net position of \$256,280 for fiscal year 2013, compared to an increase of \$4,672,747 for fiscal year 2012.

As is normal, operations yielded a loss for the year of \$57,537,408. 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 \$1,267,629 or 2.25%, from \$56,269,779 in fiscal year 2012, to \$57,537,408 in fiscal year 2013. Operating revenues decreased by \$77,464, and total operating expenses increased by \$1,190,165.

Total operating revenues decreased by \$77,464, which primarily consisted of a decrease of \$729,456 in other operating revenues, a decrease in state grants and contracts of \$332,601 and a decrease of \$137,443 in auxiliary enterprise revenue. These decreases were offset by an increase of \$525,619 in tuition and fee revenue and an increase of \$491,284 in federal grants and contracts revenue.

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

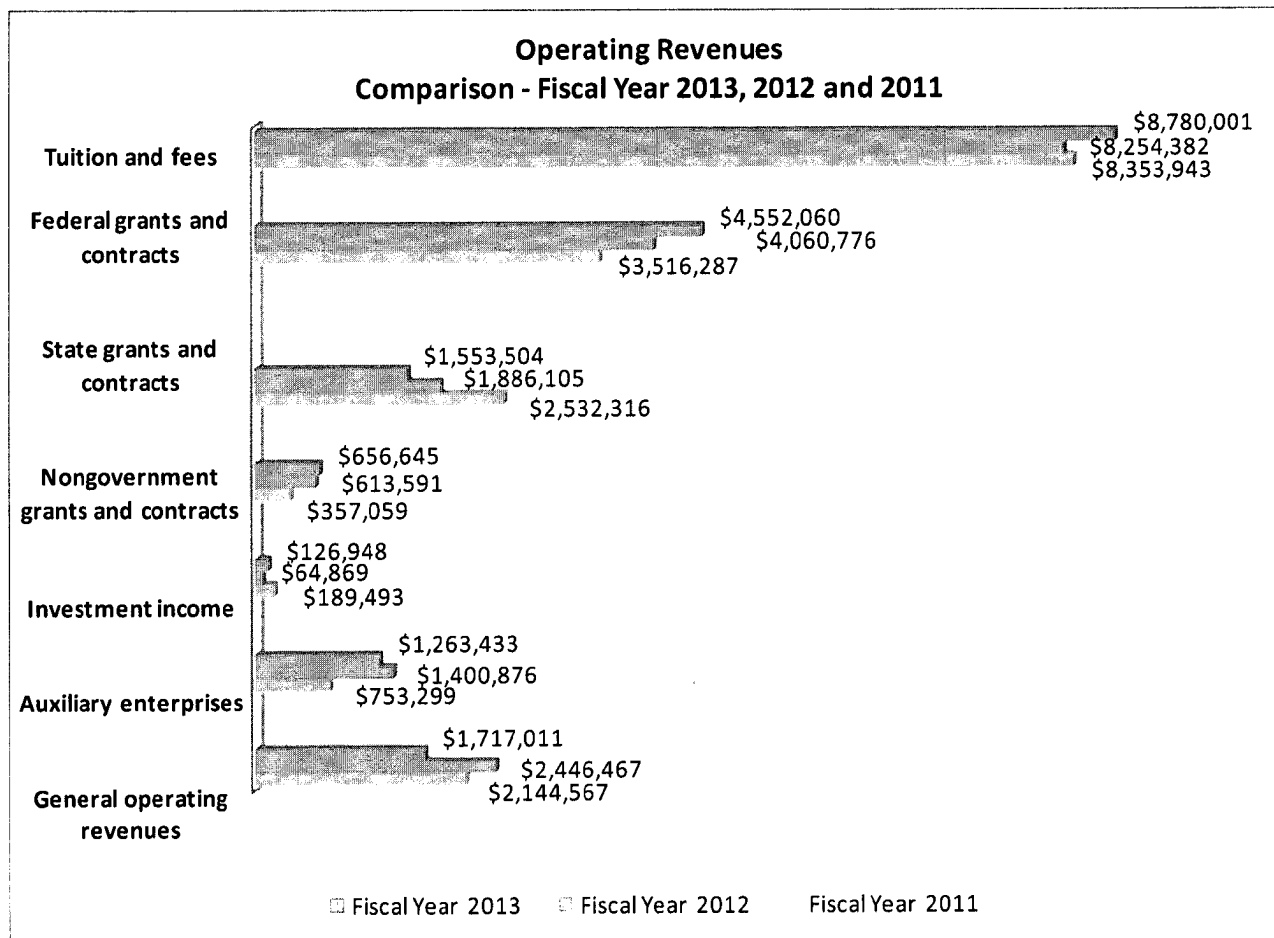
As is normal, operations yielded a loss for the year of \$60,206,930. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

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	2013		2012		2011	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Tuition and fees (net of discounts)	\$ 8,780,001	47.08%	\$ 8,254,382	44.26%	\$ 8,353,943	44.61%
Federal grants and contracts	4,552,060	24.41%	4,060,776	21.77%	3,516,287	18.78%
State grants and contracts	1,553,504	8.33%	1,886,105	10.11%	2,532,316	13.52%
Nongovernment grants and contracts	656,645	3.52%	613,591	3.29%	357,059	1.91%
Investment income (program restricted)	126,948	0.68%	64,869	0.35%	189,493	1.01%
Auxiliary enterprises (net of discounts)	1,263,433	6.77%	1,400,876	7.51%	753,299	4.02%
Other operating revenues	1,717,011	9.21%	2,446,467	13.12%	2,144,567	11.45%
<b>Total</b>	<b>\$ 18,649,602</b>	<b>100.00%</b>	<b>\$ 18,727,066</b>	<b>100.42%</b>	<b>\$ 17,846,964</b>	<b>95.30%</b>



For 2013 operating expenses increased by 1.59%, or \$1,190,165 compared to the prior year. The increase in operating expenses was due to the budgeted level spending associated with increased personnel costs and increased operating costs associated with newly expanded facilities. An analysis of operating expenses by function indicates the most significant year-to-year increase in expenditures to be in institutional support by \$1,931,698 or 16.48% and in instruction by \$1,434,624 or 6.24%. In addition, during fiscal year 2013 there was a decrease of \$4,086,311 or 25.70% in scholarship expenses. 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.

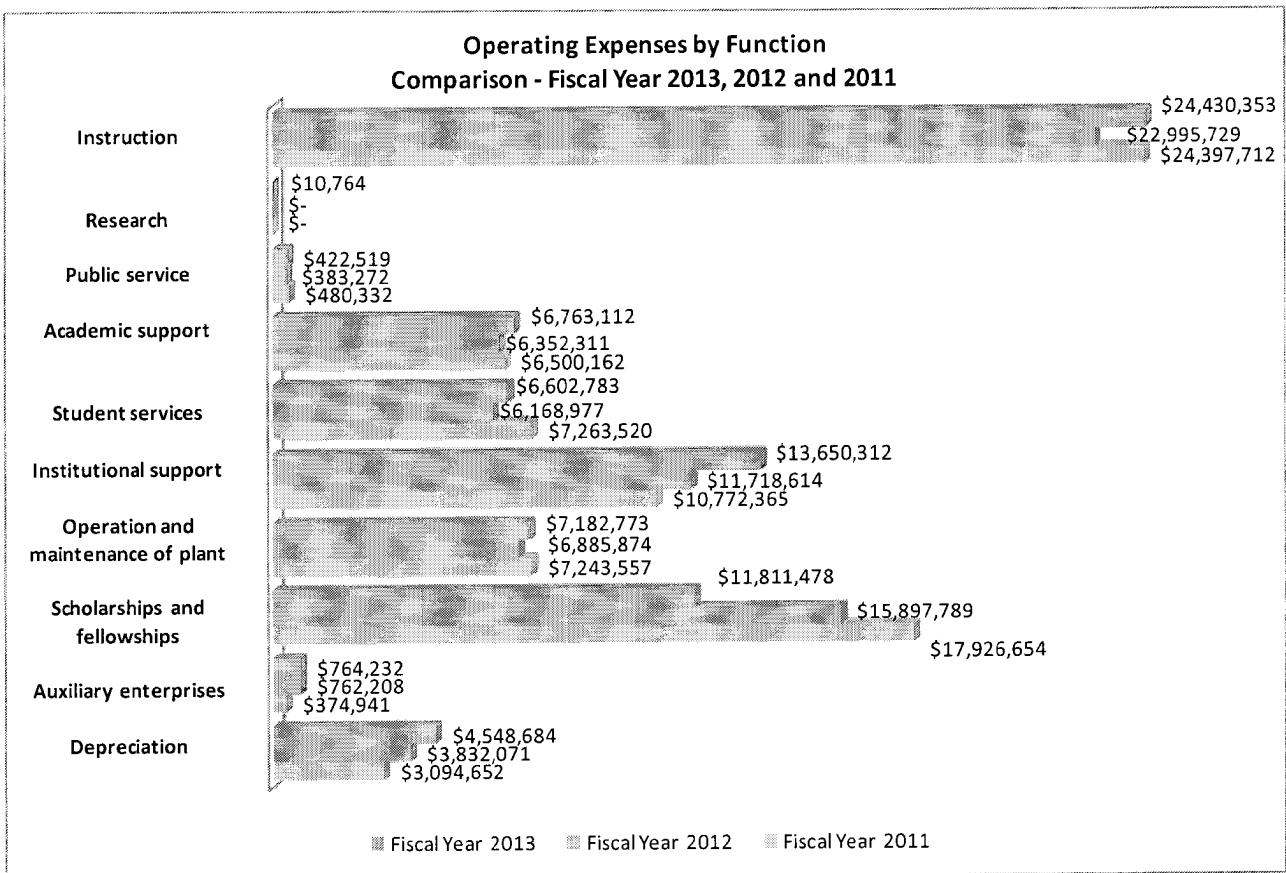
For 2012 operating expenses decreased by 3.92%, or \$3,057,050 compared to the prior year. The decrease in operating expenses was due to the result of budgeted level spending reductions associated with State appropriation cuts. An analysis of operating expenses by function indicates the most significant 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.

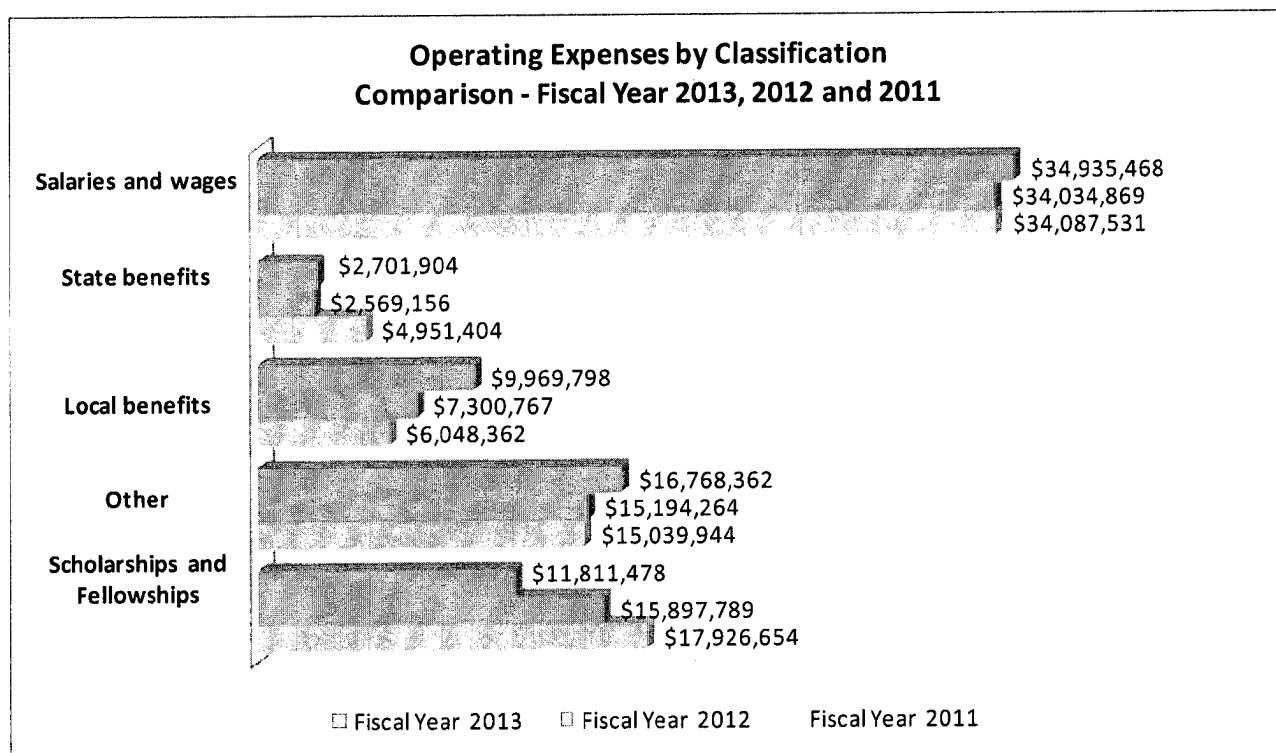


Operating expenses, including depreciation, may be viewed by their function or by natural (object) classification as illustrated below:

Operating Expenses by Function	2013		2012		2011	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 24,430,353	32.07%	\$ 22,995,729	30.66%	\$ 24,397,712	31.26%
Research	10,764	0.01%	-	0.00%	-	0.00%
Public service	422,519	0.55%	383,272	0.51%	480,332	0.62%
Academic support	6,763,112	8.88%	6,352,311	8.47%	6,500,162	8.33%
Student services	6,602,783	8.67%	6,168,977	8.23%	7,263,520	9.31%
Institutional support	13,650,312	17.92%	11,718,614	15.63%	10,772,365	13.80%
Operation and maintenance of plant	7,182,773	9.43%	6,885,874	9.18%	7,243,557	9.28%
Scholarships and fellowships	11,811,478	15.50%	15,897,789	21.20%	17,926,654	22.97%
Auxiliary enterprises	764,232	1.00%	762,208	1.02%	374,941	0.48%
Depreciation	4,548,684	5.97%	3,832,071	5.11%	3,094,652	3.96%
<b>Total</b>	<b>\$ 76,187,010</b>	<b>100.00%</b>	<b>\$ 74,996,845</b>	<b>100.00%</b>	<b>\$ 78,053,895</b>	<b>100.00%</b>



Operating Expenses by Classification	2013		2012		2011	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 34,935,468	45.85%	\$ 34,034,869	44.67%	\$ 34,087,531	45.45%
State benefits	2,701,904	3.55%	2,569,156	3.37%	4,951,404	6.60%
Local benefits	9,969,798	13.09%	7,300,767	9.58%	6,048,362	8.06%
Other	16,768,362	22.01%	15,194,264	19.94%	15,039,944	20.05%
Scholarships and fellowships	11,811,478	15.50%	15,897,789	20.87%	17,926,654	23.90%
<b>Total</b>	<b>\$ 76,187,010</b>	<b>100.00%</b>	<b>\$ 74,996,845</b>	<b>98.44%</b>	<b>\$ 78,053,895</b>	<b>104.08%</b>



Net non-operating revenues (expenses) decreased over fiscal year 2012 by 6.01%, or \$3,661,398. The decrease in revenues was due primarily to a decrease in federal revenues of \$3,065,904 and a decrease in tax revenue for debt service of \$525,475. The decrease in federal revenues was due to a reduction of Title IV revenue. The decrease in tax revenue for general obligation bonds was due to a reduction in debt service requirements for fiscal year 2013. In addition, there was an increase of \$738,768 in interest on capital related debt due to interest payments on debt issued for the Facilities Master Plan Phase I and II. The decrease in tax revenue for general operating bonds was offset by an increase in maintenance and operations tax revenue of \$722,107 or 3.07% compared to the prior year.

For 2012, 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 Position reflect a 0.52% decrease in net position at the end of the year.

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

- Tuition and fees were discounted by \$13,715,296 and \$12,616,309 in fiscal years 2013 and 2012 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 3.45% from \$22,501,125 in 2012 to \$23,276,442 in 2013.
- The tax rates assessed in fiscal years 2012 and 2013 were \$0.258540 and \$0.257764 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 \$51,650,801.

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 \$60,017,074. 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 \$13,561,791, \$22,255,103 and \$24,096,730 respectively.

For 2012, the College experienced a net cash inflow 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 outflows for the year were \$29,638,457. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of

\$21,587,401 and payments on capital debt, leases, principal, interest and fees of \$11,839,208. The primary cash inflows were ad-valorem taxes of \$3,781,659.

For 2012, 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 2013, the College experienced a net cash inflow of \$697,328 from receipts from interest on investments.

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 position.

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

	2013	2012	2011
Cash provided (used) by			
Operating Activities	\$ (51,650,801)	\$ (53,939,159)	\$ (53,649,924)
Non-capital financing activities	60,017,074	62,448,321	64,004,934
Financing activities	(29,638,457)	24,772,276	(24,126,657)
Investing activities	697,328	681,283	28,203,225
Net increase (decrease) in cash	(20,574,856)	33,962,721	14,431,578
Cash and cash equivalents - September 1	82,239,078	48,276,357	33,844,779
<b>Cash and cash equivalents - August 31</b>	<b>\$ 61,664,222</b>	<b>\$ 82,239,078</b>	<b>\$ 48,276,357</b>

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

During fiscal year 2013, \$32,827,187 of new assets was capitalized. This amount is composed of the following:

- \$20,605,648 increase to construction in process related to the Facilities Master Plan Phase II projects
- \$ 3,943,860 increase to buildings due to the capitalization of renovation costs to the Hachar Vocational Building
- \$ 2,745,965 increase to buildings due to the capitalization of renovation costs to the Adkins Building
- \$ 2,248,446 increase to buildings due to the capitalization of renovation costs to the Eloy Garcia Building
- \$ 2,176,273 of new equipment was capitalized
- \$ 962,190 for capital lease of computer equipment
- \$ 51,441 increase to land improvements due to the capitalization of the Moore Welding Canopy

- \$ 93,364 of new library books was capitalized

During fiscal year 2012, \$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 process 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

During fiscal year 2011, \$26,733,537 of new assets was capitalized. This amount is composed of the following:

- \$20,242,251 of construction in process related to the Facilities Master Plan phase I and II projects
- \$3,410,291 increase to land improvements due to the capitalization of the South Campus Recreation Complex
- \$2,252,176 of new equipment was capitalized. Only equipment with a value of \$5,000 or more is capitalized.
- \$620,826 for a capital lease of computer equipment
- \$108,621 of new library books was capitalized

Long-term debt decreased by \$4,196,842 during fiscal year 2013. The decrease is due primarily to principal payments on long-term debt.

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 tuition and fee revenue, increases in ad-valorem tax revenues and conservative spending practices have contributed to the College's overall financial stability.

Laredo Community College is financially sound and the economic outlook remains bright. As of August 31, 2013, the District's Unrestricted Net Assets totaled \$17,144,968 and the College's net position is \$43,991,259.

### ***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 Position**  
**August 31, 2013 and August 31, 2012**  
**Exhibit 1**

Assets	Current Year	Prior Year
<b>Current assets</b>		
Cash and cash equivalents	\$ 61,664,222	\$ 82,239,078
Property taxes receivable (net of allowances of \$1,218,086 and \$1,176,682)	1,665,918	1,535,405
Tuition and fees receivable (net of allowances of \$306,345 and \$162,429)	7,866,799	8,458,449
Federal receivables (net of allowances of \$206,609 and \$239,891)	1,124,266	1,882,353
Other receivables (net of allowances of \$26,519 and \$8,649)	1,976,510	1,902,987
Inventories	4,434	4,418
Prepaid expenses	695,517	779,610
<b>Total current assets</b>	<b><u>\$ 74,997,666</u></b>	<b><u>\$ 96,802,300</u></b>
<b>Noncurrent assets</b>		
Capital assets, net of accumulated depreciation	139,308,659	120,509,405
<b>Total non-current assets</b>	<b><u>\$ 139,308,659</u></b>	<b><u>\$ 120,509,405</u></b>
<b>Total assets</b>	<b><u>\$ 214,306,325</u></b>	<b><u>\$ 217,311,705</u></b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	5,007,280	3,746,727
Accrued liabilities	383,548	384,290
Deferred revenues	10,898,207	11,988,773
Funds held for others	513,282	494,537
Compensated absences - current portion	1,488,245	1,427,865
Capital leases payable - current portion	587,073	482,044
Accreted interest payable - current portion	649,311	548,033
Bonds payable - current portion	4,196,842	4,069,358
Retainage payable - current portion	1,040,496	481,891
<b>Total current liabilities</b>	<b><u>\$ 24,764,284</u></b>	<b><u>\$ 23,623,518</u></b>
<b>Noncurrent liabilities</b>		
Compensated absences - noncurrent portion	100,579	377,279
Capital leases payable - noncurrent portion	905,535	290,675
Accreted interest payable - noncurrent	1,418,548	1,474,439
Bonds payable (net)	143,126,120	147,322,962
<b>Total noncurrent liabilities</b>	<b><u>\$ 145,550,782</u></b>	<b><u>\$ 149,465,355</u></b>
<b>Total liabilities</b>	<b><u>\$ 170,315,066</u></b>	<b><u>\$ 173,088,873</u></b>
<b>Net Position</b>		
Investment in capital assets, net of related debt	12,311,996	13,260,689
<b>Restricted for</b>		
Nonexpendable - endowment corpus	2,975,040	2,912,123
<b>Expendable</b>		
Student aid	2,571,310	2,666,027
Plant funds	2,503,622	1,048,162
Other	190,251	143,776
Debt service reserve	5,236,432	4,931,563
Auxiliary	1,057,640	1,032,753
Unrestricted	17,144,968	18,227,739
<b>Total Net Position</b>	<b><u>\$ 43,991,259</u></b>	<b><u>\$ 44,222,832</u></b>

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 Position**  
**Years Ended August 31, 2013 and August 31, 2012**  
**Exhibit 2**

	Current Year	Prior Year
<b>Revenues</b>		
Operating revenues		
Tuition and fees (net of discounts of \$13,715,296 and \$12,616,309)	\$ 8,780,001	\$ 8,254,382
Federal grants and contracts	4,552,060	4,060,776
State grants and contracts	1,553,504	1,886,105
Nongovernment grants and contracts	656,645	613,591
Investment income (program restricted)	126,948	64,869
Auxiliary enterprises	1,263,433	1,400,876
Other operating revenues	1,717,011	2,446,467
Total operating revenues - Schedule A	<u>\$ 18,649,602</u>	<u>\$ 18,727,066</u>
<b>Expenses</b>		
Operating expenses		
Instruction	24,430,353	22,995,729
Research	10,764	-
Public service	422,519	383,272
Academic support	6,763,112	6,352,311
Student services	6,602,783	6,168,977
Institutional support	13,650,312	11,718,614
Operation and maintenance of plant	7,182,773	6,885,874
Scholarships and fellowships	11,811,478	15,897,789
Auxiliary enterprises	764,232	762,208
Depreciation	4,548,684	3,832,071
Total operating expenses - Schedule B	<u>\$ 76,187,010</u>	<u>\$ 74,996,845</u>
 Operating income (loss)	 <u>\$ (57,537,408)</u>	 <u>\$ (56,269,779)</u>
 <b>Non-operating revenues (expenses)</b>		
State Appropriations	13,561,791	13,617,534
Professional nursing shortage reduction	31,293	45,102
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	24,227,243	23,505,136
Taxes for general obligation bonds	3,781,659	4,307,134
Federal Revenue, Non-Operating	22,255,103	25,321,007
Investment income	697,328	681,283
Interest on capital related debt	(7,367,672)	(6,628,904)
Other non-operating revenues (expenses)	34,478	(19,434)
Additions to permanent endowments	53,412	104,000
Gain/(Loss) on sale of Asset	-	(1,889)
Capital gifts	6,493	11,557
Net other non-revenues (expenses) - Schedule C	<u>\$ 57,281,128</u>	<u>\$ 60,942,526</u>
 Income before cumulative effect of a change in accounting principle	 (256,280)	 4,672,747
 Cumulative effect of a change in accounting principle		
 Increase (decrease) in Net Position	 (256,280)	 4,672,747
 Net Position - September 1, 2012 and September 1, 2011	 44,222,832	 39,550,085
Restatements (prior period adjustment)	24,707	-
Restated Net Position - September 1, 2012 and September 1, 2011	<u>44,247,539</u>	<u>39,550,085</u>
 Net Position - August 31, 2013 and August 31, 2012	 <u>\$ 43,991,259</u>	 <u>\$ 44,222,832</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, 2013 and 2012**  
**Exhibit 3**

	Current Year	Prior Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 9,672,185	\$ 9,698,576
Receipts from grants and contracts	7,446,054	5,979,911
Payments to suppliers for goods and services	(11,108,283)	(12,570,488)
Payments to or on behalf of employees	(47,823,490)	(43,816,491)
Payments for scholarships and fellowships	(11,554,278)	(15,677,134)
Other receipts (payments)	1,717,011	2,446,467
Net cash provided (used) by operating activities	<u>\$ (51,650,801)</u>	<u>\$ (53,939,159)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	13,561,791	13,617,534
Receipts from <i>Ad Valorem</i> taxes - maintenance & operations	24,096,730	23,331,480
Receipts (Payments) from (to) student organizations and other agency transactions	18,745	29,198
Receipts from private gifts for endowment purposes	53,412	104,000
Receipts from non-operating federal revenue	22,255,103	25,321,007
Receipts from professional nursing shortage reduction	31,293	45,102
Net cash provided (used) by non-capital financing activities	<u>\$ 60,017,074</u>	<u>\$ 62,448,321</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	3,781,659	4,307,134
Receipts from capital grants and gifts	6,493	11,557
Acquisition and construction of capital assets	(21,587,401)	(24,074,347)
Payments on capital debt and leases-principal	(4,462,959)	(4,409,714)
Payments on capital debt and leases-interest and fees	(7,376,249)	(4,182,354)
Net cash provided (used) by capital and related financing activities	<u>\$ (29,638,457)</u>	<u>\$ 24,772,276</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from interest on investments	697,328	681,283
Net cash provided (used) by investing activities	<u>\$ 697,328</u>	<u>\$ 681,283</u>
Increase (decrease) in cash and cash equivalents	(20,574,856)	33,962,721
Cash and cash equivalents - September 1	<u>82,239,078</u>	<u>48,276,357</u>
Cash and cash equivalents - August 31	<u><u>\$ 61,664,222</u></u>	<u><u>\$ 82,239,078</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, 2013 and 2012**  
**Exhibit 3**

	Current Year	Prior Year
<b>Reconciliation of net operating income (loss) to net cash provided (used) by operating activities</b>		
Operating income (loss)	\$ (57,537,408)	\$ (56,269,780)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	4,548,684	3,832,071
Accrued <i>Ad Valorem</i> Tax	130,513	173,656
<b>Changes in Assets and Liabilities:</b>		
Receivables (net)	1,145,701	(876,567)
Inventories	(16)	396
Prepaid Expenses	84,093	(68,611)
Accounts Payable	1,285,260	(952,060)
Accrued Liabilities	(742)	32,634
Compensated Absences	(216,320)	88,303
Deferred Revenue	(1,090,566)	100,799
Net cash provided (used) by operating activities	<u>\$ (51,650,801)</u>	<u>\$ (53,939,159)</u>

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

**Laredo Community College District**  
**Notes to Financial Statements**  
**August 31, 2013**

**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. 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 \$10,010,637 and \$10,900,013 and federal, state, and local grants of \$ 887,570 and \$1,088,759 have been reported as deferred revenues at August 31, 2013 and August 31, 2012 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.

### **Prior Year Restatement**

During the course of the year-end audit, an adjustment was made to the Fiscal Year 2013 beginning net assets. The adjustment was as follows:

- Correction for amortization expenses charged in Fiscal Year 2011 & 2012 - \$24,707

These expenses were overstated in Fiscal Year 2011 and 2012 due to a calculation error. These expenses are associated with lease hold equipment acquired in Fiscal Year 2011 and 2012.

### **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, 2013 and 2012, the carrying amount of the College's deposits was \$61,664,222 and \$82,239,078, respectively, and total demand deposits equaled \$61,638,772 and \$82,220,328, respectively. Deposits of \$258,418 and \$258,411 are covered by federal depository insurance and \$61,380,354 and \$81,961,917 were covered by \$75,255,081 and \$94,777,743 respectively, of collateral pledged in the College's name.

	<b>August 31, 2013</b>	<b>August 31, 2012</b>
<b><u>Cash and Deposits</u></b>		
Bank Deposits		
Demand Deposits	<u>\$ 61,638,772</u>	<u>\$ 82,220,328</u>
Total Bank Deposits	61,638,772	82,220,328
 Cash on Hand	<u>25,450</u>	<u>18,750</u>
 Total Cash and Deposits	<u>\$ 61,664,222</u>	<u>\$ 82,239,078</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>61,664,222</u>
Total per Note 4	<u>\$ 61,664,222</u>

Per Exhibit 1:

Cash and Cash Equivalents	\$ 61,664,222
Other short-term Investments	<u>-</u>
Total per Exhibit 1	<u>\$ 61,664,222</u>

**Concentration of Credit Risk:** Laredo Community College does not place a limit on the amount the college may invest in any one issuer. Seventy percent (70%) of the college's investments are in Falcon International Bank and thirty percent

(30%) 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, 2012 is included for comparison purposes only.

**Investment Categories as of August 31, 2012**

	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.

**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, 2013 was as follows:

	Balance September 1, 2012	Increases	Decreases	Balance August 31, 2013
<b><u>Not depreciated</u></b>				
Land	\$ 5,444,715	\$ -	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in process	11,510,838	20,605,648	8,989,712	23,126,774
Subtotal	<u>16,965,473</u>	<u>20,605,648</u>	<u>8,989,712</u>	<u>28,581,409</u>
<b><u>Other capital assets</u></b>				
Buildings	96,974,229	8,938,270	-	105,912,499
Land Improvements	25,545,015	51,441	-	25,596,456
Library books	3,260,904	93,364	17,743	3,336,525
Leasehold Interest	440,282	962,190	489,537	912,935
Furniture, machinery, vehicles, and other equipment	8,715,715	1,499,214	29,452	10,185,477
Telecommunications and peripheral equipment	7,882,876	677,059	-	8,559,935
Subtotal	<u>142,819,021</u>	<u>12,221,538</u>	<u>536,732</u>	<u>154,503,827</u>
<b><u>Accumulated Depreciation</u></b>				
Buildings	15,994,493	1,819,369	-	17,813,862
Land Improvements	10,200,441	1,150,683	-	11,351,124
Library books	2,008,726	167,013	17,743	2,157,996
Furniture, machinery, vehicles, and other equipment	5,468,637	723,180	29,452	6,162,365
Telecommunications and peripheral equipment	5,602,792	688,438	-	6,291,230
Subtotal	<u>39,275,089</u>	<u>4,548,683</u>	<u>47,195</u>	<u>43,776,577</u>
Net other capital assets	<u>103,543,932</u>	<u>7,672,855</u>	<u>489,537</u>	<u>110,727,250</u>
Net capital assets	<u>\$ 120,509,405</u>	<u>\$ 28,278,503</u>	<u>\$ 9,479,249</u>	<u>\$ 139,308,659</u>

Capital assets activity for the year ended August 31, 2012 is included for comparison purposes.

	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	\$ 100,517,200	\$ 45,663,459	\$ 25,671,254	\$ 120,509,405

## Note 7 - Long-Term Liabilities

Long-Term liability activity for the year August 31, 2013 was as follows:

	Balance September 1, 2012	Additions	Reductions	Balance August 31, 2013	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 40,101,943	\$ -	\$ (980,915)	\$ 39,121,028	\$ 983,399
Contractual obligation bonds	2,105,000	-	(500,000)	1,605,000	515,000
Discounts	(233,762)	-	11,186	(222,576)	(11,186)
Premium	3,970,961	-	(222,725)	3,748,236	222,725
Deferred loss on advance refunding	(2,076,822)	-	123,095	(1,953,726)	(123,095)
Revenue bonds	65,455,000	-	(1,735,000)	63,720,000	1,795,000
Tax Note	42,070,000	-	(765,000)	41,305,000	815,000
Total bonds	<u>\$ 151,392,320</u>	<u>\$ -</u>	<u>\$ (4,069,358)</u>	<u>\$ 147,322,962</u>	<u>\$ 4,196,842</u>
<u>Other liabilities</u>					
Retainage payable	481,891	920,647	(362,043)	1,040,496	1,040,496
Accreted interest payable	2,022,472	689,471	(644,085)	2,067,859	649,311
Compensated absences	1,805,144	294,157	(510,477)	1,588,824	1,488,245
Capital leases	772,719	1,201,933	(482,044)	1,492,608	587,073
Total other liabilities	<u>5,082,226</u>	<u>3,106,209</u>	<u>(1,998,649)</u>	<u>6,189,787</u>	<u>3,765,125</u>
Total long-term liabilities	<u>\$ 156,474,546</u>	<u>\$ 3,106,209</u>	<u>\$ (6,068,008)</u>	<u>\$ 153,512,749</u>	<u>\$ 7,961,968</u>

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

	Balance September 1, 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>



## **Note 8 - Debt and Lease Obligations**

Debt Service requirements at August 31, 2013 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
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	1,785,000	1,661,770	2,065,000	2,662,325	1,870,000	1,597,644	-	-
2019-2023	10,340,000	6,910,255	11,660,000	11,979,725	10,575,000	6,758,076	-	-
2024-2028	12,930,000	4,315,850	14,470,000	9,240,582	13,395,000	3,941,026	-	-
2029-2033	10,930,000	1,162,588	18,405,000	5,409,602	9,440,000	843,288	-	-
2034-2036	-	-	9,550,000	809,226	-	-	-	-
Total	<u>\$39,121,028</u>	<u>\$24,702,636</u>	<u>\$63,720,000</u>	<u>\$41,446,397</u>	<u>\$41,305,000</u>	<u>\$20,149,960</u>	<u>\$1,605,000</u>	<u>\$121,103</u>

Obligations under capital leases at August 31, 2013 were as follows:

For the year ended August 31,	Total
2014	\$ 625,461
2015	423,099
2016	367,871
2017	<u>177,372</u>
Total Minimum Lease Payments	1,593,803
Less Amount Representing Interest Costs	(101,195)
Present value of minimum lease payments	<u>\$1,492,608</u>

Debt Service requirements at August 31, 2012 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
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	<u>55,228</u>
Total Minimum Lease Payments	843,652
Less Amount Representing Interest Costs	<u>(70,933)</u>
Present value of minimum lease payments	<u>\$772,719</u>

#### **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$0.00 and \$630,000, respectively.
- **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
- Outstanding Principle balance as of 8/31/13 and 8/31/12 is \$5,190,000 and \$5,235,000, respectively.

- **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$1,605,000 and \$ 2,105,000, respectively.
- **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$22,609,157 and \$22,809,157, respectively.
- **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$7,280,000 and \$7,840,000, respectively.
- **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$16,511,871 and \$16,662,786, respectively.
- **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$2,690,000 and \$2,920,000, respectively.
- **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
- Outstanding Principle balance as of August 31, 2013 and 2012 is \$31,670,000 and \$31,845,000, respectively.
- **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
  - Outstanding Principle balance as of August 31, 2013 and 2012 is \$5,125,000 and \$5,530,000, respectively.
- **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
  - Outstanding Principle balance as of August 31, 2013 and 2012 is \$1,285,000 and \$1,340,000, respectively.
- **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
  - Outstanding Principle balance as of August 31, 2013 and 2012 is \$40,020,000 and \$40,730,000, respectively.
- **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
  - Outstanding Principle balance as of August 31, 2013 and 2012 is \$11,765,000 and \$12,085,000, respectively.

#### **Note 10 – Advance Refunding of Bonds**

On April 15, 2010, Laredo Community College issued Combined Fee Revenue Refunding Bonds, Series 2010 totaling \$6,300,000 issued for the purposes of refunding certain of the District's outstanding bonds and for paying the costs of issuance of the Bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$6,359,045.88 after payments of \$66,028.59 in underwriters fees, insurance, bond counsel fees and other issuance cost were deposited and used to purchase securities. The refunding will result in a net economic savings of approximately \$414,341.91 and a gross savings of \$573,049.13. On August 1, 2010 the Combined Fee Revenue Building and Refunding Bonds, Series 2001 were paid.

On August 1, 2009, Laredo Community College issued Combined Fee Revenue Refunding Bonds, Series 2009 totaling \$3,645,000 issued for the purposes of refunding certain of the District's outstanding bonds and for paying the costs of issuance of the Bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$3,654,524.70 after payments of \$147,987.34 in underwriters fees, insurance, bond counsel fees and other issuance cost were deposited and used to purchase securities. The refunding will result in a net economic savings of approximately \$142,069.50 and a gross savings of \$201,850.90. On September 17, 2009 the Combined Fee Revenue Building Bonds, Series 1998 were paid.

On October 1, 2006, Laredo Community College issued Combined Fee Revenue Refunding Bonds, Series 2006 totaling \$9,195,000 issued for the purposes of refunding certain of the District's outstanding bonds and for paying the costs of issuance of the Bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$9,193,049.31 after payments of \$261,038.36 in underwriters fees, insurance, bond counsel fees and other issuance cost were deposited and used to purchase securities. The refunding will result in a net economic savings of approximately \$301,339.35 and a gross savings of \$432,485.95. On August 1, 2010 portions of the outstanding Combined Fee Revenue Fee Building and Refunding Bonds, Series 2001 were paid.

On August 28, 2006, Laredo Community College issued Limited Tax Refunding Bonds, Series 2006 totaling \$17,642,786.20 issued as both current interest bonds and premium capital appreciation bonds for the purpose of refunding portions of the District's Limited Tax Bonds, Series 2002 in order to lower the overall debt service requirements of the District and to pay the costs associated with the issuance of the bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$18,852,171.43 after payments of \$337,759.80 in underwriters fees, insurance, bond counsel fees and other issuance costs were deposited and used to purchase securities. On August 1, 2012 portions of the outstanding Limited Tax Bonds, Series 2002 were paid.

On December 20, 2005, Laredo Community College issued Limited Tax Refunding Bonds, Series 2005 totaling \$23,459,157 issued as both current interest bonds and premium capital appreciation bonds to refund portions of Laredo Community College's outstanding Limited Tax Bonds, Series 2001 and its Limited Tax Bonds, Series 2002 in order to lower the overall debt service requirements of the District and to pay the costs associated with the issuance of the bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$25,040,277.61, after payments of \$457,946.97 in underwriters fees, insurance, bond counsel fees and other issuance costs, were deposited and used to purchase securities. The refunding will result in a net economic savings of approximately \$662,374.32 and a gross savings of \$731,450.56. In August 31, 2010 portions of the Limited Tax Bonds, Series 2001 were paid and on August 31, 2012 portions of the Limited Tax Bonds, Series 2002 were paid.

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

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

#### **Teacher Retirement System of Texas – Defined Benefit Plan**

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 2013 and 2012 and a state contribution rate of 6.4 percent for fiscal year 2013 and a state contribution rate of 6 percent for fiscal year 2012. In certain instances the reporting district is required to make all or a portion of the state's 6.4 percent for fiscal year 2013 and 6 percent contribution for fiscal year 2012.

#### **Optional Retirement Plan – Defined Contribution Plan**

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 6 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 \$692,746 and \$663,268 for the fiscal years ended August 31, 2013, and August 31, 2012, 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 \$34,935,468 and \$34,034,870 for the fiscal years ended August 31, 2013, and 2012, respectively. The total payroll of employees covered by the Teacher Retirement System was \$20,758,866 and \$20,586,143 and the total payroll of employees covered by the Optional Retirement Program was \$9,758,398 and \$9,924,610 for fiscal years 2013 and 2012, 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, 2013 and August 31, 2012 was \$1,528,115 and \$1,744,484, respectively.

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

On August 31, 2013, various lawsuits and claims involving the College were pending. 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, 2013 and August 31, 2012 were as follows:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Student Receivables	\$ 8,173,144	\$ 8,620,879
Federal Grants Receivable	1,330,875	2,120,547
State Grants Receivable	133,244	145,575
Local Grants Receivable	17,011	84,151
Property Taxes Receivable	2,884,003	2,712,087
Other Receivables	1,852,774	1,683,607
Subtotal	<u>14,391,053</u>	<u>15,366,846</u>
Allowance for Doubtful Accounts	(1,757,560)	(1,587,651)
<b>Total Receivables</b>	<u><b>\$ 12,633,493</b></u>	<u><b>\$ 13,779,195</b></u>

## **Payables**

Payables at August 31, 2013 and August 31, 2012 were as follows:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Accounts Payable - Construction	\$ 1,558,281	\$ 1,527,121
Salaries & Benefits Payable	1,758,489	750,447
Accrued Liabilities	383,548	384,290
Other Payables	1,690,510	1,469,159
Retainage Payable	1,040,496	481,891
Subtotal	<u>6,431,324</u>	<u>4,612,908</u>
<b>Total Payables</b>	<u>\$ 6,431,324</u>	<u>\$ 4,612,908</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 2013 and 2012 for which monies have not been received nor funds expended totaled \$3,777,845 and \$4,397,942. Of these amounts, \$3,208,439 and \$4,283,729 were from Federal Contract and Grant Awards; \$569,406 and \$46,684 were from State Contract and Grant Awards; \$0 and \$0 from Local Contract and Grant Awards; and \$0 and \$67,529 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2013 and 2012, respectively.

## **Note 17 - Risk Management**

The District maintains insurance for all insurable risks for which it may be liable for claims.

The more significant of this include \$1,000,000 of general liability insurance for fiscal years 2013 and 2012, property insurance covering the District's buildings and personal property in a combined amount of \$182,409,148 and 181,004,299 for fiscal years 2013 and 2012, respectively, and \$2,000,000 annual aggregate in school professional legal liability for fiscal years 2013 and 2012. In 2013, 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, 2013 totaled \$2,009,157 for the year. Compare the state's contribution to that provided for the year ended August 31, 2012, when the contribution for full-time active and retired employees totaled \$1,905,887 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, 2013:

**Total Gross Assessed Valuation: \$12,330,317,763**

**Certified Taxable Value: \$10,608,924,028**

<b>Property Taxes</b>	<b>Authorized Tax Rate</b>	<b>Tax Cap</b>	<b>Tax Levied</b>	<b>Percent Collected</b>	<b>Tax Collected</b>
General Operations Tax Collected	.223541/\$100	.40/\$100	\$ 23,545,509	98.86%	\$23,276,442
Penalty & Interest Collected					417,366
Tax Payer Refunds					(121,522)
Debt Service Tax Collected	.034223/\$100	.50/\$100	3,637,176	98.86%	3,595,622
Penalty & Interest Collected					69,705
Tax Payer Refunds					-
Total Property Taxes Collected					<u>\$27,237,613</u>

Property tax information for the year ended August 31, 2012 is provided for comparison purposes only.

For the year ended August 31, 2012:

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

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

<b>Property Taxes</b>	<b>Authorized Tax Rate</b>	<b>Tax Cap</b>	<b>Tax Levied</b>	<b>Percent Collected</b>	<b>Tax Collected</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>\$27,041,292</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, 2013 and August 31, 2012.



## **Note 21 – 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 SHRP. 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, 2013, 2012, and 2011, were \$89,156, \$83,485, and \$93,822 respectively, which equaled the required contributions each year.

## **Note 22 – Bad Debt Expense**

In accordance with GAAP and Board policy CDA (local), bad debt expense was recognized for the years ended August 31, 2013 and August 31, 2012 in the following amounts, \$128,504 and \$307,455, respectively. At year end, the reserve for uncollectible accounts was \$539,473 and \$410,969.

## **Note 23 – SACS Accreditation**

On June 28, 2012, Southern Association of Colleges and Schools Commission on Colleges (SACSOC) released a notice indicating that the College continued its accreditation for good cause but placed the College on probation for 12 months to allow time for the College to address Institutional Effectiveness reporting deficiencies.

During this time the College worked diligently to address the perceived deficiencies in its reporting to the SACSOC and prepared for site visits to the College.

On June 27, 2013, the College received notification that the probationary status was lifted and all issues related to its reporting processes have been remedied.

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Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA (Ret.)  
Guadalupe Garcia-Wright, CPA



**INDEPENDENT AUDITOR'S 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, 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, the basic financial statements of the Laredo Community College District (the "District") as of and for the year ended August 31, 2013, and have issued our report thereon dated December 10, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Canales, Hargis & Baum, PLLC*

Laredo, Texas  
December 10, 2013

Aaron Canales, CPA  
Juan José Garza, CPA  
J. Clayton Baum, CPA (Ret.)

Guadalupe Garcia-Wright, CPA



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-  
133 AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the compliance of the Laredo Community College District (the "District") with the types of compliance requirements described in the *(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, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

## Opinion on Each Major Federal and State Program

In our opinion, that District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2013.

## Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

*Canales, Hargis & Baum, PLLC*

Laredo, Texas  
December 10, 2013

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## **SCHEDULES**



**Schedule of Detailed Operating Revenues**  
**Laredo Community College District**  
**Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)**  
**Schedule A**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
<b>Tuition</b>						
State funded courses						
In-district resident tuition	\$ 7,446,072	\$ -	\$ 7,446,072	\$ -	\$ 7,446,072	\$ 6,768,026
Out-of-state tuition	823,062	-	823,062	-	823,062	708,702
TPEG (set aside)*	483,523	-	483,523	-	483,523	441,123
Out-of-district resident tuition	1,130,646	-	1,130,646	-	1,130,646	1,059,219
State funded continuing education	272,913	-	272,913	-	272,913	185,984
Non-state funded continuing education	68,226	-	68,226	-	68,226	102,826
Total Tuition	<u>\$ 10,224,442</u>	<u>\$ -</u>	<u>\$ 10,224,442</u>	<u>\$ -</u>	<u>\$ 10,224,442</u>	<u>\$ 9,265,880</u>
<b>Fees</b>						
General use fee	\$ 6,210,757	\$ -	\$ 6,210,757	\$ -	\$ 6,210,757	\$ 5,115,256
Installment fee	75,975	-	75,975	-	75,975	69,825
Health services fee	110,138	-	110,138	-	110,138	118,874
Matriculation fee	335,160	-	335,160	-	335,160	363,135
Late registration fee	43,510	-	43,510	-	43,510	31,340
Malpractice fee	21,232	-	21,232	-	21,232	13,148
Graduation fee	93	-	93	-	93	200
Instructional Support Fee	1,330,032	-	1,330,032	-	1,330,032	1,433,233
Technology fee	1,330,926	-	1,330,926	-	1,330,926	1,434,098
Student service fee	1,323,168	-	1,323,168	-	1,323,168	1,428,244
Distance education fee	462,288	-	462,288	-	462,288	506,442
Parking/street maint. Fee	220,508	-	220,508	-	220,508	238,093
Diff. tuition fee (development)	87,894	-	87,894	-	87,894	129,660
Diff. tuition fee (3 peat)	243,729	-	243,729	-	243,729	226,986
Lab fee	231,601	-	231,601	-	231,601	246,851
Assessment fee	70,872	-	70,872	-	70,872	71,240
Installment loan late payment fee	31,540	-	31,540	-	31,540	31,250
Add/drop fee	49,190	-	49,190	-	49,190	57,341
Other fees	92,243	-	92,243	-	92,243	89,595
Total fees	<u>\$ 12,270,856</u>	<u>\$ -</u>	<u>\$ 12,270,856</u>	<u>\$ -</u>	<u>\$ 12,270,856</u>	<u>\$ 11,604,811</u>
<b>Scholarships allowances and discounts</b>						
Scholarship allowances	(490,721)	-	(490,721)	-	(490,721)	(424,506)
Remissions and exemptions	(338,448)	-	(338,448)	-	(338,448)	(299,264)
Pell grants	(10,983,288)	-	(10,983,288)	-	(10,983,288)	(10,389,610)
Other federal grants	(701,153)	-	(701,153)	-	(701,153)	(711,271)
Texas grants	(672,473)	-	(672,473)	-	(672,473)	(544,082)
TPEG allowances	(435,865)	-	(435,865)	-	(435,865)	(222,012)
Other state grants	(84,626)	-	(84,626)	-	(84,626)	(11,762)
Other	(8,723)	-	(8,723)	-	(8,723)	(13,802)
Total scholarship allowances	<u>\$ (13,715,297)</u>	<u>\$ -</u>	<u>\$ (13,715,297)</u>	<u>\$ -</u>	<u>\$ (13,715,297)</u>	<u>\$ (12,616,309)</u>
Total net tuition and fees	<u>\$ 8,780,001</u>	<u>\$ -</u>	<u>\$ 8,780,001</u>	<u>\$ -</u>	<u>\$ 8,780,001</u>	<u>\$ 8,254,382</u>
<b>Other operating revenues</b>						
Federal grants and contracts	\$ -	\$ 4,552,060	\$ 4,552,060	\$ -	\$ 4,552,060	\$ 4,060,776
State grants and contracts	-	1,553,504	1,553,504	-	1,553,504	1,886,105
Nongovernmental grants and contracts	-	656,645	656,645	-	656,645	613,591
Investment income (program restricted)	-	126,948	126,948	-	126,948	64,869
Other operating revenues	466,887	1,250,124	1,717,011	-	1,717,011	2,446,467
Total other operating revenues	<u>\$ 466,887</u>	<u>\$ 8,139,281</u>	<u>\$ 8,606,168</u>	<u>\$ -</u>	<u>\$ 8,606,168</u>	<u>\$ 9,071,808</u>
<b>Auxiliary enterprises</b>						
Student activities	\$ -	\$ -	\$ -	\$ 886,341	\$ 886,341	\$ 955,274
Cafeteria	-	-	-	-	-	-
Campus housing	-	-	-	-	-	-
Residential	-	-	-	24,727	24,727	20,237
Scholarship allowances and discounts	-	-	-	-	-	-
Bookstore	-	-	-	352,365	352,365	425,365
Total net auxiliary enterprises	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,263,433</u>	<u>\$ 1,263,433</u>	<u>\$ 1,400,876</u>
Total operating revenues (Exhibit 2)	<u>\$ 9,246,888</u>	<u>\$ 8,139,281</u>	<u>\$ 17,386,169</u>	<u>\$ 1,263,433</u>	<u>\$ 18,649,802</u>	<u>\$ 18,727,066</u>

\*In accordance with Education Code 56.033, \$483,523 and \$441,123 of tuition was set aside for Texas Public Education Grants (TPEG).

**Laredo Community College  
Schedule B**

**Schedule of Operating Expenses by Organization  
Year Ended August 31, 2013 (with Memorandum Totals for the Year Ended August 31, 2012)**

	Operating Expenses					FY 2013 Total	FY 2012 Total
	Salaries and Wages	State	Benefits	Local	Other Expenses		
Unrestricted - Educational Activities							
Instruction	\$ 16,226,878	\$ -	\$ -	\$ 4,790,047	\$ 745,237	\$ 21,762,162	\$ 20,347,742
Research	-	-	-	-	-	-	-
Public Service	176,393	-	-	50,829	8,913	236,135	217,271
Academic Support	2,292,104	-	-	680,260	342,572	3,314,936	3,181,389
Student Services	3,430,184	-	-	1,018,782	655,043	5,104,009	4,640,270
Institutional Support	7,602,045	-	-	2,244,334	3,176,563	13,022,942	11,159,191
Operation and Maintenance of Plant	1,758,458	-	-	650,459	3,432,995	5,841,912	5,564,884
Scholarships and Fellowships	-	-	-	-	257,200	257,200	220,655
<b>Total Unrestricted Educational Activities</b>	<b>31,486,062</b>	<b>-</b>	<b>-</b>	<b>9,434,711</b>	<b>8,618,523</b>	<b>49,539,296</b>	<b>45,331,402</b>
Restricted - Educational Activities							
Instruction	889,221	1,410,250	-	132,999	235,721	2,668,191	2,647,987
Research	6,915	570	-	686	2,593	10,764	-
Public Service	96,042	22,447	-	12,865	55,030	186,384	166,001
Academic Support	1,177,602	285,880	-	260,783	1,723,911	3,448,176	3,170,922
Student Services	895,415	356,400	-	78,706	168,253	1,498,774	1,528,707
Institutional Support	-	626,357	-	-	1,013	627,370	559,423
Operation and Maintenance of Plant	36,709	-	-	2,808	1,301,344	1,340,861	1,320,990
Scholarships and Fellowships	-	-	-	-	11,554,278	11,554,278	15,677,134
<b>Total Restricted Educational Activities</b>	<b>3,101,904</b>	<b>2,701,904</b>	<b>-</b>	<b>488,847</b>	<b>15,042,143</b>	<b>21,334,798</b>	<b>25,071,164</b>
<b>Total Educational Activities</b>	<b>34,587,966</b>	<b>2,701,904</b>	<b>-</b>	<b>9,923,558</b>	<b>23,660,666</b>	<b>70,874,094</b>	<b>70,402,566</b>
<b>Auxiliary Enterprises</b>	<b>347,502</b>	<b>-</b>	<b>-</b>	<b>46,240</b>	<b>370,490</b>	<b>764,232</b>	<b>762,208</b>
<b>Depreciation Expense - Buildings &amp; other real estate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,970,052</b>	<b>2,562,561</b>
<b>Depreciation Expense - Equipment &amp; furniture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,411,619</b>	<b>1,105,361</b>
<b>Depreciation Expense - Library Books</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,013</b>	<b>164,149</b>
<b>Total Operating Expenses</b>	<b>\$ 34,935,468</b>	<b>\$ 2,701,904</b>	<b>\$ -</b>	<b>\$ 9,969,798</b>	<b>\$ 24,031,156</b>	<b>\$ 76,187,010</b>	<b>\$ 74,996,845</b>

**Laredo Community College District**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2013 (With Memorandum Totals for the Year Ended August 31, 2012)**  
**Schedule C**

	Unrestricted	Restricted	Auxiliary Enterprises	Current Year	Prior Year
<b>Non-operating revenues</b>					
State appropriations	\$ 10,859,888	\$ -	\$ -	\$ 10,859,888	\$ 11,048,379
State Group Insurance	-	2,009,157	-	2,009,157	1,905,887
State Retirement Matching	-	692,746	-	692,746	663,268
Professional nursing shortage reduction	-	31,293	-	31,293	45,102
Maintenance ad valorem taxes	-	-	-	-	-
Taxes for maintenance & operations	24,227,243	-	-	24,227,243	23,505,136
Taxes for general obligation bonds	-	3,781,659	-	3,781,659	4,307,134
Federal Revenue, Non Operating	-	22,255,103	-	22,255,103	25,321,007
Investment income	449,587	247,741	-	697,328	681,283
Additions to permanent endowments	-	53,412	-	53,412	104,000
Capital Gifts	-	6,493	-	6,493	11,557
Other non-operating revenues (expenses)	-	-	-	-	-
<b>Total non-operating revenues</b>	<b>\$ 35,536,718</b>	<b>\$ 29,077,604</b>	<b>\$ -</b>	<b>\$ 64,614,322</b>	<b>\$ 67,592,753</b>
<b>Non-operating expenses</b>					
Gain / Loss on Assets	-	-	-	-	1,889
Interest on capital related debt	-	7,367,672	-	7,367,672	6,628,904
Other non-operating (revenues) expenses	-	(34,478)	-	(34,478)	19,434
<b>Total non-operating expenses</b>	<b>\$ -</b>	<b>\$ 7,333,194</b>	<b>\$ -</b>	<b>\$ 7,333,194</b>	<b>\$ 6,650,227</b>
<b>Net non-operating revenues</b>	<b>\$ 35,536,718</b>	<b>\$ 21,744,410</b>	<b>\$ -</b>	<b>\$ 57,281,128</b>	<b>\$ 60,942,526</b>

**Laredo Community College District**  
**Schedule of Net Position by Source and Availability**  
**August 31, 2013 (With Memorandum Totals for August 31, 2012)**  
**Schedule D**

	Detail by source					Available for current operations?	
	Restricted			Capital assets net of depreciation & related debt	Total		
	Unrestricted	Expendable	Non-expendable			Yes	No
Current							
Unrestricted	\$ 15,556,144	\$ -	\$ -	\$ -	\$ 15,556,144	\$ -	\$ -
Board designated	1,588,824	-	-	-	1,588,824	-	1,588,824
Restricted							
Auxiliary enterprises	-	1,057,640	-	-	1,057,640	1,057,640	-
Endowment	-	-	2,975,040	-	2,975,040	-	2,975,040
Student Aid	-	2,571,310	-	-	2,571,310	2,571,310	-
Other	-	190,251	-	-	190,251	190,251	-
Plant							
Unexpended	-	2,503,622	-	-	2,503,622	-	2,503,622
Debt service	-	5,236,432	-	-	5,236,432	-	5,236,432
Investment in plant	-	-	-	12,311,996	12,311,996	-	12,311,996
Total Net Position, August 31, 2013	\$ 17,144,968	\$ 11,559,255	\$ 2,975,040	\$ 12,311,996	\$ 43,991,259	\$ 19,375,345	\$ 24,615,914
Total Net Position, August 31, 2012	\$ 18,227,739	\$ 9,822,281	\$ 2,912,123	\$ 13,260,689	\$ 44,222,832	\$ 20,265,151	\$ 23,957,681
Net increase (decrease) in Net Position	\$ (1,082,771)	\$ 1,736,974	\$ 62,917	\$ (948,693)	\$ (231,573)	\$ (889,806)	\$ 658,233

**Laredo Community College District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2013**  
**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	84.007		\$ 645,558
Federal College Work-Study Program	84.033		486,213
Federal Pell Grant Program	84.063		21,123,332
Title III - Stem Articulation	84.031C		680,156
Title V- Teaching, Technology, and Learning	84.031S		370,054
Title V- Distance Education Technology	84.031S		495,209
Title V - FOSS	84.031S		423,737
Trio Student Support Services	84.042A		251,392
Trio Upward Bound	84.047A		409,497
Minority Science and Engineering Improvement Program	84.120A		144,447
Pass-Through From:			
Texas Education Agency			
Adult Basic Education	84.002	134100017110479	741,464
Adult Basic Education	84.002	134100087110511	100,882
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Program	84.048	09849	490,982
<b>Total U.S. Department of Education</b>			<b>\$ 26,362,923</b>
<b>U.S. Department of Agriculture</b>			
Direct Programs:			
USDA - SABOR	10.223		90,459
Pass Through:			
Texas State University - San Marcos	10.223	8000001640.1B	65,878
<b>Total U.S. Department of Agriculture</b>			<b>\$ 156,337</b>
<b>National Science Foundation</b>			
Direct Programs:			
Providing Resources and Opportunities in STEM (PRO-STEM)	47.076		\$ 101,597
<b>U.S. Small Business Administration</b>			
Direct Programs:			
Laredo Community College Small Business Center	59.000		\$ 51,033
<b>U.S. Department of Health &amp; Human Services</b>			
Direct Programs:			
Nursing Workforce Diversity (LAMP)	93.178		\$ 257,718
Pass-Through from:			
Texas Education Agency			
TANF	93.558	133625017110452	33,688

(continued)

**SCHEDULE E (Continued)**

Pass-Through from:

South Texas Workforce Development Board

Child Care

93.596

11211C04

52,773

**Total U.S. Department of Health & Human Services**

\$ 344,179

**Total Federal Financial Assistance**

\$ 27,016,069

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A

\$ 4,552,060

Add: Indirect/Administrative Costs Recoveries

208,906

Add: Non Operating Federal Revenue

22,255,103

Total Federal Revenues per Schedule of Expenditures of Federal Awards

\$ 27,016,069

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 the U.S. Department of Education and the Title V - FOSS, CFDA 84.031S, from the U.S. Department of Education.

Texas A&amp;M International University

\$ 333,859

Total amount passed-through

\$ 333,859

**Laredo Community College District  
Schedule of Expenditures of State Awards  
Year Ended August 31, 2013  
Schedule F**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
<b>Texas Education Agency</b>		
Direct Programs:		
State Adult Basic Education	130100017110479	\$ 171,006
State Temporary Assistance for Needy Families	133625017110452	42,095
Pass Through from Harris County		
Harris County Dep of Ed - ICA		<u>927</u>
<b>Total Education Agency</b>		<u>\$ 214,028</u>
<b>Texas Higher Education Coordinating Board</b>		
Direct Programs:		
Texas College Work-Study	08811	40,993
Texas Grant Initial		330,187
Texas Grant Renewal		470,138
Texas Educational Opportunity Grant Initial		156,719
Texas Educational Opportunity Grant Renewal		116,400
Collegiate G Force	07071	30,860
Collegiate G Force	2482	5,270
Nursing Innovation Grant Program	05685	33,132
T-Stem	9260	113,695
Nursing Shortage Reduction Program (Regular)		7,375
Nursing Shortage Reduction Program (Under 70)		23,920
Pass Through from Alamo Community Colleges		
Accelerate Texas - VAST Consortium	10790	<u>10,094</u>
<b>Total Texas Higher Education Coordinating Board</b>		<u>\$ 1,338,783</u>
<b>Commission on Law Enforcement Officers Standards and Education</b>		
Law Enforcement Officer Standards and Education		<u>\$ 242</u>
<b>Texas Association of School Boards</b>		
Loss Prevention		<u>\$ 772</u>
<b>Texas Parks and Wildlife Department</b>		
Pass Through From The Research Foundation of State		
University of New York at Buffalo State College		
Survey of Texas Hornshell	60515	<u>\$ 10,194</u>
<b>Texas Workforce Commission</b>		
Direct Programs:		
SDF - LCC in Paternership with Doctors Hospital of Laredo	2112SDF000-2	15,824
Pass Through From Workforce Solutions of South Texas		
Project Ole	01-2011-OLE	<u>8,000</u>
<b>Texas Workforce Commission</b>		<u>\$ 23,824</u>
<b>Total State Financial Assistance</b>		<u><u>\$ 1,587,843</u></u>

Notes to Schedule on Following Page.

(continued)

## SCHEDULE F (Continued)

### Note 1 : State Awards Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$ 1,553,504
Add: Indirect/Administrative Cost Recoveries	3,044
Add: Non-Operating State Revenue	<u>31,295</u>
Total State Revenues per Schedule of Expenditures of State Awards	<u>\$ 1,587,843</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

For fiscal year 2013, the college had no subrecipients of state funds.



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## **STATISTICAL SUPPLEMENT SECTION**

**Laredo Community College**  
**Statistical Supplement 1**  
**Net Position by Component**  
**Last Five Fiscal Years**  
(unaudited)  
(amounts expressed in thousands)

	For the Year Ended August 31,				
	2013	2012	2011	2010	2009
Invested in capital assets, net of related debt	20,052,050	\$13,260,689	\$8,389,756	\$9,985,526	\$4,039,427
Restricted - expendable	3,819,201	9,822,281	12,645,716	8,910,615	10,590,356
Restricted - nonexpendable	2,975,040	2,912,123	2,799,317	2,719,827	2,622,085
Unrestricted	17,144,968	18,227,739	15,715,296	14,794,760	16,644,722
<b>Total primary government net position</b>	<b>\$ 43,991,259</b>	<b>\$ 44,222,832</b>	<b>\$ 39,550,085</b>	<b>\$ 36,410,728</b>	<b>\$ 33,896,590</b>

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

For the Year Ended August 31,					
(amounts expressed in thousands)					
	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	\$8,780,001	\$8,254,382	\$8,353,943	\$7,258,100	\$6,968,193
Federal Grants and Contracts	4,552,060	4,060,776	3,516,287	4,458,474	4,201,478
State Grants and Contracts	1,553,504	1,886,105	2,532,316	2,510,759	2,845,714
Non-Governmental Grants and Contracts	656,645	613,591	357,059	325,511	646,167
Investment income (program restricted)	126,948	64,869	189,493	110,609	203,930
Auxiliary enterprises	1,263,433	1,400,876	753,299	780,881	719,814
Other Operating Revenues	1,717,011	2,446,467	2,144,567	1,554,994	1,226,271
<b>Total Operating Revenues</b>	<b>18,649,602</b>	<b>18,727,066</b>	<b>17,846,964</b>	<b>16,999,328</b>	<b>16,811,567</b>
State Appropriations	13,561,791	13,617,534	16,863,474	17,054,956	17,873,004
Professional Nursing Shortage Reduction	31,293	45,102	100,815	35,221	39,725
Ad Valorem Taxes	28,008,902	27,812,270	25,413,337	25,138,309	23,835,144
Gifts	6,493	11,557	46,615	46,897	83,099
Investment income	697,328	681,283	797,231	659,749	1,036,805
Federal Revenue, Non-Operating	22,255,103	25,321,007	25,314,801	21,770,168	14,959,530
Additions to permanent endowments	53,412	104,000	40,737	50,100	360,000
Other non-operating revenues	34,478	-	-	-	-
<b>Total Non-Operating Revenues</b>	<b>64,648,800</b>	<b>67,592,753</b>	<b>68,577,010</b>	<b>64,755,400</b>	<b>58,187,307</b>
<b>Total Revenues</b>	<b>\$ 83,298,402</b>	<b>\$ 86,319,819</b>	<b>\$ 86,423,974</b>	<b>\$ 81,754,728</b>	<b>\$ 74,998,874</b>

For the Year Ended August 31,					
(amounts expressed in thousands)					
	2013	2012	2011	2010	2009
Tuition and Fees (Net of Discounts)	10.54%	9.56%	9.67%	8.88%	9.29%
Federal Grants and Contracts	5.46%	4.70%	4.07%	5.45%	5.60%
State Grants and Contracts	1.86%	2.19%	2.93%	3.07%	3.79%
Non-Governmental Grants and Contracts	0.79%	0.71%	0.41%	0.40%	0.86%
Investment income (program restricted)	0.15%	0.08%	0.22%	0.14%	0.27%
Auxiliary enterprises	1.52%	1.62%	0.87%	0.96%	0.96%
Other Operating Revenues	2.06%	2.83%	2.48%	1.90%	1.64%
<b>Total Operating Revenues</b>	<b>22.39%</b>	<b>21.69%</b>	<b>20.65%</b>	<b>20.79%</b>	<b>22.42%</b>
State Appropriations	16.28%	15.78%	19.51%	20.86%	23.83%
Professional Nursing Shortage Reduction	0.04%	0.05%	0.12%	0.04%	0.05%
Ad Valorem Taxes	33.62%	32.22%	29.41%	30.75%	31.78%
Gifts	0.01%	0.01%	0.05%	0.06%	0.11%
Investment income	0.84%	0.79%	0.92%	0.81%	1.38%
Federal Revenue, Non-Operating	26.72%	29.33%	29.29%	26.63%	19.95%
Additions to permanent endowments	0.06%	0.12%	0.05%	0.06%	0.48%
Other non-operating revenues	0.04%	0.00%	0.00%	0.00%	0.00%
<b>Total Non-Operating Revenues</b>	<b>77.61%</b>	<b>78.31%</b>	<b>79.35%</b>	<b>79.21%</b>	<b>77.58%</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>

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

For the Year Ended August 31,					
(amounts expressed in thousands)					
	2013	2012	2011	2010	2009
Instruction	\$24,430,353	\$22,995,729	\$24,397,712	\$23,458,947	\$22,111,261
Research	10,764	-	-	-	-
Public service	422,519	383,272	480,333	602,108	540,355
Academic support	6,763,112	6,352,311	6,500,162	6,402,122	6,391,862
Student services	6,602,783	6,168,977	7,263,520	7,016,919	6,771,758
Institutional support	13,650,312	11,718,614	10,772,364	10,759,307	8,960,865
Operation and maintenance of plant	7,182,773	6,885,874	7,243,557	6,764,251	6,119,791
Scholarships and fellowships	11,811,473	15,897,789	17,926,654	16,634,026	11,762,189
Auxiliary enterprises	764,232	762,208	374,941	527,041	496,904
Depreciation	4,548,684	3,832,071	3,094,652	2,856,717	3,021,225
<b>Total Operating Expenses</b>	<b>76,187,010</b>	<b>74,996,845</b>	<b>78,053,895</b>	<b>75,021,438</b>	<b>66,176,210</b>
Interest on capital related debt	7,367,672	6,628,904	5,224,873	3,886,424	3,619,862
Loss on disposal of fixed assets	-	1,889	-	-	-
Other non-operating expenses	-	19,434	5,850	332,728	-
<b>Total Non-Operating Expenses</b>	<b>7,367,672</b>	<b>6,650,227</b>	<b>5,230,723</b>	<b>4,219,152</b>	<b>3,619,862</b>
<b>Total Expenses</b>	<b>\$ 83,554,682</b>	<b>\$ 81,647,072</b>	<b>\$ 83,284,618</b>	<b>\$ 79,240,590</b>	<b>\$ 69,796,072</b>

For the Year Ended August 31,					
(amounts expressed in thousands)					
	2013	2012	2011	2010	2009
Instruction	29.24%	28.16%	29.29%	29.60%	31.68%
Research	0.01%	0.00%	0.00%	0.00%	0.00%
Public service	0.51%	0.47%	0.58%	0.76%	0.77%
Academic support	8.09%	7.78%	7.80%	8.08%	9.16%
Student services	7.90%	7.56%	8.72%	8.86%	9.70%
Institutional support	16.34%	14.35%	12.93%	13.58%	12.84%
Operation and maintenance of plant	8.60%	8.43%	8.70%	8.54%	8.77%
Scholarships and fellowships	14.14%	19.47%	21.52%	20.99%	16.85%
Auxiliary enterprises	0.91%	0.93%	0.45%	0.67%	0.71%
Depreciation	5.44%	4.69%	3.72%	3.61%	4.33%
<b>Total Operating Expenses</b>	<b>91.18%</b>	<b>91.85%</b>	<b>93.72%</b>	<b>94.68%</b>	<b>94.81%</b>
Interest on capital related debt	8.82%	8.12%	6.27%	4.90%	5.19%
Loss on disposal of fixed assets	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating expenses	0.00%	0.02%	0.01%	0.42%	0.00%
<b>Total Non-Operating Expenses</b>	<b>8.82%</b>	<b>8.15%</b>	<b>6.28%</b>	<b>5.32%</b>	<b>5.19%</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>

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 District	Cost for SCH Out-of- District	12 Out-of- District	Increase from Prior Year District	In- District	Increase from Prior Year Out-of-District
2012-13	\$ 15	\$ 50	\$ 100	\$ 7.5	\$ 7.5	\$ 5	\$ 35	\$ 5	\$ 60	\$ 10	\$ 1,350	\$ 1,950		16.58%		17.33%
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		24.46%		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		0.00%		0.00%

Non - Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	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 SCH International	12 International	Increase from Prior Year Out of State	Increase from Prior Year International
2012-13	\$ 15	\$ 152	\$ 152	\$ 7.5	\$ 7.5	\$ 5	\$ 35	\$ 5	\$ 60	\$ 10	\$ 2,574	\$ 2,574		24.35%	24.35%
2011-12	15	128	128	7.5	7.5	5	27	5	60	10	2,190	2,190		17.36%	17.36%
2010-11	15	128	128	5	5	1	27	3	60	0	2,070	2,070		16.95%	16.95%
2009-10	15	128	128	2.5	2.5	1	20	3	0	0	1,866	1,866		5.42%	5.42%
2008-09	15	120	120	2.5	2.5	1	20	3	0	0	1,770	1,770		0.00%	0.00%
2007-08	15	120	120	2.5	2.5	1	20	3	0	0	1,770	1,770		15.69%	15.69%
2006-07	15	105	105	0	0	1	20	3	0	0	1,530	1,530		7.59%	7.59%
2005-06	15	96	96	0	0	1	20	3	0	0	1,422	1,422		8.22%	8.22%
2004-05	15	90	90	0	0	1	17	3	0	0	1,314	1,314		18.38%	18.38%
2003-04	15	75	75	0	0	1	15	3	0	0	1,110	1,110		0.00%	0.00%

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)**

(amounts expressed in thousands)

Direct Rate

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2013-14	12,716,456	1,735,502	10,980,953	86.35%	\$ 0.22265	\$ 0.03257	0.25522
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

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	State Appropriation per Contact Hour
2012-13	\$ 10,646	6,864	\$ 1,551	2,212	1,255	3,467	\$ 3.07
2011-12	10,837	7,362	1,472	2,157	1,542	3,699	2.93
2010-11	12,208	7,370	1,656	2,971	851	3,822	3.19
2009-10	12,654	6,781	1,866	2,285	1,431	3,716	3.41
2008-09	12,851	6,085	2,112	2,613	779	3,392	3.79
2007-08	12,851	6,000	2,142	2,410	781	3,191	4.03
2006-07	12,851	6,000	2,142	2,414	912	3,326	3.86
2005-06	12,851	6,159	2,087	2,470	926	3,396	3.78
2004-05	11,637	6,301	1,847	2,559	954	3,513	3.31
2003-04	11,426	6,001	1,904	2,395	875	3,270	3.49

**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	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)										
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	
Laredo Texas Hospital Co. LP	Medical	\$ 104,484	\$ 106,398	\$ 103,827	\$ 102,046	\$ 104,560	\$ 105,123	\$ 105,055	\$ 99,842	\$ 98,859	\$ 100,486	
Laredo WLE LP	Utility	97,224	89,916	97,604	102,764	-	-	-	-	-	-	
AEP Texas Central Company	Utility	85,868	70,752	53,471	58,799	68,457	66,400	90,828	83,522	67,611	61,556	
Laredo/MDN Limited Partnership	Retail	-	-	-	-	-	-	-	-	48,471	-	
Laredo Regional Medical Ctr. Lp	Medical	40,213	39,869	41,405	42,263	44,354	43,618	46,082	46,151	42,233	32,421	
International Bank of Commerce	Bank	34,247	35,148	39,034	34,635	35,790	33,899	35,505	33,833	36,116	-	
Wal-mart Real Estate Business Trust	Commercial Real Estate	21,369	21,041	21,043	20,957	-	-	-	-	-	-	
Killam Ind. Dev. Partnership Ltd.	Development	29,575	29,443	30,143	31,116	34,158	33,724	31,910	29,350	28,873	27,079	
Southwestern Bell Telephone Co.	Utility	-	-	-	20,494	31,871	-	30,087	28,713	29,249	26,090	
H E Butt Grocery Company	Grocery	30,025	30,493	28,284	28,808	29,168	28,751	28,720	26,515	25,807	34,234	
Farias Development LTD	Development	36,413	29,908	25,979	28,035	-	-	-	-	-	-	
WRI Trautmann Lp.	Commercial Real Estate	27,737	27,621	27,738	26,790	26,959	-	28,890	26,411	24,855	-	
Electric Transmission of Texas LLC	Utility	42,868	41,458	40,635	40,721	36,509	62,452	-	-	-	-	
Mall Del Norte LLC	Retail	52,068	52,068	51,752	52,647	52,630	52,617	-	-	-	-	
The GEO Group Inc	Commercial Business	52,160	50,531	49,979	53,005	52,769	32,232	-	-	-	-	
Laredo Levcal LLC	Commercial Business	16,109	-	20,541	20,541	24,498	29,831	-	-	-	-	
Webb County Correctional Center Corp	Correctional Center	-	-	-	-	-	-	-	-	21,867	21,866	
Enterprise Laredo Associates	Enterprise	-	-	-	-	-	-	-	-	-	32,221	
Webb Hospital Holdings LLC	Medical	17,983	-	-	-	-	-	-	-	-	20,564	
United States Cold Storage	Cold Storage	-	-	-	-	-	-	-	-	-	16,680	
Dorel Laredo Holdings LLC	Real Estate	24,608	-	-	-	-	-	-	-	-	-	
WRI Independence Plaza LLC	Commercial Real Estate	19,700	-	-	-	-	-	-	-	-	-	
Shiloh Texas Properties LTD	Development	18,455	-	-	-	-	-	-	-	-	-	
Union Pacific Railroad Company	Railroad	17,578	-	-	-	-	-	-	-	-	-	
BRE Select Hotel TX LP	Lodging	16,256	-	-	-	-	-	-	-	-	-	
BBVA Compass	Bank	18,421	19,633	-	20,444	-	-	-	-	-	-	
Halliburton Energy Services	Oil Services & Drilling	73,423	68,455	37,397	-	-	-	-	-	-	-	
Gemini Rio Norte H ET AL	Real Estate	21,194	21,317	20,871	-	-	-	-	-	-	-	
San Isidro Northeast LTD	Development	-	-	-	10,734	33,018	-	-	-	-	-	
Totals		\$ 897,978	\$ 734,051	\$ 689,703	\$ 694,799	\$ 574,741	\$ 488,647	\$ 480,540	\$ 444,852	\$ 423,941	\$ 373,197	
Total Taxable Assessed Value		\$ 10,980,953	\$ 10,608,924	\$ 10,614,922	\$ 10,663,551	\$ 10,569,583	\$ 10,487,057	\$ 8,453,604	\$ 7,575,045	\$ 6,891,687	\$ 6,134,651	

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 Ended August 31,	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Percentage of Levy
2012-13	\$ 25,834	\$ -	\$ 25,834	\$ 26,872	104.02%	\$ -	\$ 796	\$ 27,668	107.10%
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%

\* "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)

	2013	2012	2011	2010	2009	2008	2007 (a)	2006	2005	2004
<b>General Bonded Debt</b>										
General Obligation Bonds	\$ 63,824	\$ 67,271	\$ 70,720	\$ 74,174	\$ 77,525	\$ 80,709	\$ 83,865	\$ 87,674	\$ 91,910	\$ 95,008
Less: Funds Restricted for Debt Service	(1,402)	(1,399)	(1,074)	(736)	(280)	(467)	(511)	(465)	(418)	(420)
Net General Bonded Debt	\$ 62,422	\$ 65,872	\$ 69,646	\$ 73,438	\$ 77,245	\$ 80,242	\$ 83,354	\$ 87,209	\$ 91,492	\$ 94,588
Per Capita	\$ 240.85	\$ 256.81	\$ 276.78	\$ 304.17	\$ 326.01	\$ 344.16	\$ 360.11	\$ 388.12	\$ 407.18	\$ 420.96
Per Student	9,094	8,948	9,450	10,830	12,694	13,374	13,892	14,160	14,855	15,358
As a percentage of Taxable Assessed Value	0.57%	0.62%	0.66%	0.69%	0.73%	0.77%	0.99%	1.15%	1.21%	1.25%
<b>Other Debt</b>										
Revenue Bonds	\$ 105,166	\$ 109,891	\$ 93,623	\$ 97,353	\$ 36,682	\$ 38,881	\$ 41,076	\$ 43,606	\$ 45,432	\$ 47,781
Contractual Obligations	1,726	2,303	2,881	3,455	4,034	4,611	5,186	5,764	-	-
Notes	61,455	64,049	2,126	2,236	-	-	-	-	-	-
Capital Lease Obligations	1,493	773	1,296	1,278	785	618	449	304	57	29
Total Outstanding Debt	\$ 232,262	\$ 242,888	\$ 169,572	\$ 177,760	\$ 118,746	\$ 124,352	\$ 130,065	\$ 136,883	\$ 136,981	\$ 142,398

**Total Outstanding Debt Ratios**

Per Capita	\$ 896.17	\$ 946.95	\$ 673.89	\$ 736.26	\$ 501.16	\$ 533.35	\$ 561.91	\$ 609.19	\$ 609.63	\$ 633.74
Per Student	33,838	32,992	23,008	26,214	19,515	20,725	21,678	22,225	22,241	23,120
As a percentage of Taxable Assessed Value	2.12%	2.29%	1.60%	1.67%	1.12%	1.19%	1.54%	1.81%	1.81%	1.88%

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 Tax Years**

(unaudited)

(amounts expressed in thousands)

General Obligation Bonds							
Fiscal Year Ended August 31,	Taxable Assessed Value	Statutory Tax Levy Limited for Debt Service	<b>Less: Funds Restricted for Repayment of General Obligation Bonds</b>	Total Net General Obligation Debt	Current Year Debt Services Requirements	Excess of Statutory Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Statutory Limit
2013	\$ 10,980,953	\$ 54,905	\$ -	\$ 54,905	5,786	\$ 49,119	10.54%
2012	10,608,924	53,045	-	53,045	4,562	48,483	8.60%
2011	10,614,922	53,075	-	53,075	4,450	48,625	8.38%
2010	10,663,551	53,318	-	53,318	4,263	49,055	8.00%
2009	10,569,683	52,848	-	52,848	3,940	48,908	7.46%
2008	10,487,057	52,435	-	52,435	4,019	48,416	7.66%
2007	8,453,604	42,268	-	42,268	3,676	38,592	8.70%
2006	7,575,045	37,875	-	37,875	3,286	34,589	8.68%
2005	6,891,687	34,458	-	34,458	3,098	31,360	8.99%
2004	6,134,651	30,673	-	30,673	3,089	27,584	10.07%

\* "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 11  
Pledged Revenue Coverage  
Last Ten Fiscal Years  
(unaudited)**

**Revenue Bonds**

Fiscal Year Ended August	Pledged Revenues (\$000 omitted)										Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	Instructional			Interest Income	General Use Fees	Total	Principal	Interest	Total	Coverage Ratio		
			Support Fee	Support Fee	Support Fee									
2013	\$ 2,471	\$ 1,331	\$ 1,330	\$ 1,330	\$ 1,330	\$ 372	\$ 6,873	\$ 12,377	\$ 1,735	\$ 3,015	\$ 4,750	2.61		
2012	2,242	1,434	1,433	1,433	1,433	358	4,354	9,821	1,675	2,892	4,567	2.15		
2011	2,324	986	985	985	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		

**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
2012	259,172	\$ 6,769,544	26,120	7.1%
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%

**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	6,073	6.59%
Laredo Independent School District	Education	4,200	4.56%
City of Laredo	City	2,407	2.61%
Laredo Sector Border Patrol	Immigration	1,978	2.15%
H.E.B. Grocery	Grocery Store	1,668	1.81%
McDonald's Restaurant	Fast Food	1,539	1.67%
Webb County	County	1,500	1.63%
Laredo Medical Center	Medical Services	1,500	1.63%
Texas A&M International University	Education	1,220	1.32%
Convergys	Industrial	1,200	1.30%
<b>Total</b>		<b>23,285</b>	<b>25.26%</b>

**Source:**

Laredo Development Foundation  
Texas Workforce Commission

**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	8.64%
Laredo Independent School District	3,990-4,500	6.77%
City of Laredo	2,238-2,407	3.73%
Laredo Sector Border Patrol	1,730-2,000	2.96%
H.E.B. Grocery	1,245-1,668	2.26%
McDonald's Restaurant	1,425-1,200	2.20%
Webb County	1,400-1,500	2.33%
Laredo Medical Center	1,377-1,500	2.31%
Texas A&M International University	1,030-1,220	2.00%
Convergys	1200	1.30%
Laredo National Bank	1,275-1,129	2.00%
Wal-Mart	1,234-1,144	1.96%
<b>Total</b>	<b>23,020-24,447</b>	<b>38.45%</b>

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

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Faculty</b>										
Full-Time	200	196	197	198	198	185	203	224	217	200
Part-Time	160	119	122	126	112	45	140	125	134	132
Total	360	315	319	324	310	230	343	349	351	332
<b>Percent</b>										
Full-Time	55.6%	62.2%	61.8%	61.1%	63.9%	80.4%	59.2%	64.2%	61.8%	60.2%
Part-Time	44.4%	37.8%	38.2%	38.9%	36.1%	19.6%	40.8%	35.8%	38.2%	39.8%
<b>Staff and Administrators</b>										
Full-Time	449	447	450	445	430	425	416	386	353	310
Part-Time	153	129	133	123	97	45	135	11	15	8
Total	602	576	583	568	527	470	551	397	368	318
<b>Percent</b>										
Full-Time	74.6%	77.6%	77.2%	78.3%	81.6%	90.4%	75.5%	97.2%	95.9%	97.5%
Part-Time	25.4%	22.4%	22.8%	21.7%	18.4%	9.6%	24.5%	2.8%	4.1%	2.5%
Students per Full-time Faculty	44	48	51	46	42	42	40	44	57	58
Students per Full-Time Staff Member	19	21	22	21	19	18	20	26	35	37
Average Annual Faculty Salary	\$55,395	\$55,401	\$55,435	\$55,782	\$55,120	\$55,375	\$52,981	\$52,539	\$51,989	\$52,315



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

Student Classification	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	7,183	71.62%	6,947	69.27%	6,764	67.44%	6,226	62.08%	5,323	53.08%
Sophomore	1,573	15.68%	2,227	22.21%	2,351	23.44%	2,091	20.85%	1,903	18.97%
Unclassified	269	2.68%	410	4.09%	475	4.74%	529	5.27%	659	6.57%
Associate*	259	2.58%	414	4.13%	382	3.81%	382	3.81%	359	3.58%
Baccalaureate or Above**	72	0.72%	78	0.78%	57	0.57%	36	0.36%	12	0.12%
Total	9,356	93.29%	10,076	100.47%	10,029	100.00%	9,264	92.37%	8,256	82.32%

Semester Hour Load	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	85	0.85%	126	1.26%	129	1.29%	144	1.44%	166	1.66%
3-5 semester hours	1,838	18.33%	1,947	19.41%	1,996	19.90%	1,916	19.10%	1,615	16.10%
6-8 Semester hours	2,026	20.20%	2,210	22.04%	2,064	20.58%	1,955	19.49%	1,742	17.37%
9-11 semester hours	2,001	19.95%	2,237	22.31%	2,081	20.75%	1,863	18.58%	1,735	17.30%
12-14 semester hours	2,989	29.80%	3,084	30.75%	3,238	32.29%	2,881	28.73%	2,480	24.73%
15-17 semester hours	391	3.90%	452	4.51%	488	4.87%	474	4.73%	491	4.90%
18 & over	26	0.26%	20	0.20%	33	0.33%	31	0.31%	27	0.27%
Total	9,356	93.29%	10,076	100.47%	10,029	100.00%	9,264	92.37%	8,256	82.32%

Average course load	9.0	9.0	9.0	9.0	9.0
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Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	7,952	79.29%	8,651	86.26%	8,759	87.34%	7,988	79.65%	7,114	70.93%
Texas Resident (Out-of-District)	763	7.61%	804	8.02%	750	7.48%	742	7.40%	680	6.78%
Non-Resident Tuition	291	2.90%	295	2.94%	263	2.62%	244	2.43%	270	2.69%
Tuition Exempt	118	1.18%	108	1.08%	29	0.29%	30	0.30%	19	0.19%
Foreign	232	2.31%	218	2.17%	228	2.27%	260	2.59%	173	1.72%
Total	9,356	93.29%	10,076	100.47%	10,029	100.00%	9,264	92.37%	8,256	82.32%

**Notes:**

\* Previously earned an Associate Degree

\*\* Previously earned a Baccalaureate or above degree

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

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	5,231	55.91%	5,644	56.01%	5,711	56.94%	5,344	57.69%	4,754	57.58%
Male	4,125	44.09%	4,432	43.99%	4,318	43.06%	3,920	42.31%	3,502	42.42%
Total	9,356	100.00%	10,076	100.00%	10,029	100.00%	9,264	100.00%	8,256	100.00%

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	123	1.31%	165	1.64%	159	1.59%	144	1.55%	111	1.34%
Hispanic	8,996	96.15%	9,651	95.78%	9,366	93.39%	8,876	95.81%	7,857	95.17%
African American	19	0.20%	14	0.14%	28	0.28%	17	0.18%	15	0.18%
Asian	31	0.33%	30	0.30%	34	0.34%	34	0.37%	28	0.34%
Foreign	116	1.24%	115	1.14%	122	1.22%	157	1.69%	223	2.70%
Native American	6	0.06%	2	0.02%	6	0.06%	4	0.04%	7	0.08%
Native Hawaiian	2	0.02%	3	0.03%	-	0.00%	-	0.00%	-	0.00%
Multiracial	5	0.05%	1	0.01%	-	0.00%	-	0.00%	-	0.00%
Unknown	58	0.62%	95	0.94%	314	3.13%	32	0.35%	15	0.18%
Total	9,356	100.00%	10,076	100.00%	10,029	100.00%	9,264	100.00%	8,256	100.00%

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	604	6.46%	575	5.71%	561	5.59%	575	6.21%	352	4.26%
18-20	4,179	44.67%	4,421	43.88%	5,042	50.27%	4,553	49.15%	4,074	49.35%
21-25	2,626	28.07%	2,837	28.16%	1,632	16.27%	1,409	15.21%	1,349	16.34%
26-30	828	8.85%	927	9.20%	1,923	19.17%	1,816	19.60%	1,613	19.54%
31-40	726	7.76%	824	8.18%	689	6.87%	727	7.85%	714	8.65%
41 & Over	393	4.20%	492	4.88%	182	1.81%	184	1.99%	154	1.87%
Total	9,356	100.00%	10,076	100.00%	10,029	100.00%	9,264	100.00%	8,256	100.00%
Average Age	23		23		24		24		24	

**Laredo Community College**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**Academic Year 2011-12 Fall Students as of Fall 2012**  
(Includes only public senior colleges in Texas)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Texas A&M International University	986	111	77	1,174	71.15%
2 University of Texas - San Antonio	87	4	3	94	5.70%
3 Texas A&M University	77	3	6	86	5.21%
4 University of Texas - Austin	75	2	1	78	4.73%
5 Texas State University - San Marcos	72	2	4	78	4.73%
6 Texas A&M University - Kingsville	33	0	5	38	2.30%
7 University of Texas - Pan American	23	3	1	27	1.64%
8 Texas A&M University - Corpus Christi	13	1	0	14	0.85%
9 Texas Tech University	12	0	0	12	0.73%
10 Sam Houston State University	7	1	0	8	0.48%
11 University of Houston	6	0	1	7	0.42%
12 Texas A&M University System Health Science Center	5	1	0	6	0.36%
13 University of North Texas	5	0	1	6	0.36%
14 Angelo State University	2	1	0	3	0.18%
15 Texas A&M University - San Antonio	2	0	0	2	0.12%
16 Texas Women's University	2	0	0	2	0.12%
17 University of Texas - Brownsville	2	0	2	4	0.24%
18 West Texas A&M University	2	0	0	2	0.12%
19 Lamar University	1	1	0	2	0.12%
20 Stephen F. Austin State University	1	0	0	1	0.06%
21 University of Houston - Downtown	1	0	0	1	0.06%
22 University of Texas - Arlington	1	1	0	2	0.12%
23 The University of Texas - El Paso	1	1	0	2	0.12%
24 Texas A&M University - Commerce	0	1	0	1	0.06%
25 Texas A&M University at Galveston	0	0	0	0	0.00%
26 Texas Southern University	0	0	0	0	0.00%
27 University of Houston - Clear Lake	0	0	0	0	0.00%
28 University of Texas - Dallas	0	0	0	0	0.00%
29 University of Texas Health Science Center - San Antonio	0	0	0	0	0.00%
30 University of Texas Medical Branch - Galveston	0	0	0	0	0.00%
<b>Totals</b>	<b>1,416</b>	<b>133</b>	<b>101</b>	<b>1,650</b>	<b>100.00%</b>

Source: Texas Higher Education Coordinating Board

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

	Fiscal Year				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Academic buildings	33	33	31	31	31
Square footage (in thousands)	560,079	560,079	401,534	401,534	401,534
Libraries	2	2	2	2	2
Square footage (in thousands)	47,886	47,886	47,886	47,886	47,886
Number of Volumes (in thousands)	155,274	154,287	151,404	149,299	146,923
Administrative and support buildings	12	12	12	12	12
Square footage (in thousands)	49,951	49,951	49,951	49,951	49,951
Dormitories	2	2	2	2	8
Square footage (in thousands)	3,119	3,119	3,119	3,119	13,782
Number of Beds	12	12	12	12	182
Apartments	14	14	14	14	14
Square footage (in thousands)	20,594	20,594	20,594	20,594	20,594
Number of Beds	39	39	39	39	39
Dining Facilities	3	3	2	2	2
Square footage (in thousands)	27,026	27,026	22,842	22,842	22,842
Average daily customers	N/A	N/A	556	927	881
Athletic Facilities	13	13	13	5	5
Square footage (in thousands)	709,766	709,766	709,766	99,926	99,926
Stadiums	0	0	0	0	0
Gymnasiums	2	2	2	2	2
Baseball Field	2	2	2	1	1
Fitness Area	1	1	1	0	0
Soccer Field	2	2	2	0	0
Swimming Pool Complex	1	1	1	1	1
Tennis Courts	5	5	5	1	1
Plant Facilities	8	8	7	9	9
Square footage (in thousands)	126,791	126,791	18,913	24,337	24,337
Other Buildings	19	19	19	19	19
Square footage (in thousands)	32,770	32,770	32,770	32,770	32,770
Transportation	33	33	28	28	25
Cars	12	12	8	8	7
Light Trucks/Vans	21	21	20	20	18

**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>	
2012-13	2,212,704	1,255,216	3,467,920
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

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Laredo Community College District  
Federal Schedule of Findings and Questioned Costs  
Year Ended August 31, 2013

**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
84.002	Adult Basic Education

Dollar threshold used to distinguish between Type A and Type B programs: \$ 810,482

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  
Federal Summary Schedule of Prior Audit Findings  
Year Ended August 31, 2013

**Summary of Prior Audit Findings**

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

None.



Laredo Community College District  
State Schedule of Findings and Questioned Costs  
Year Ended August 31, 2013

**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  
State Summary Schedule of Prior Audit Findings  
Year Ended August 31, 2013

**Summary of Prior Audit Findings**

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

None.