



TEXAS SOUTHMOST COLLEGE DISTRICT
THE UNIVERSITY OF TEXAS AT BROWNSVILLE and TEXAS SOUTHMOST COLLEGE

80 Fort Brown • Brownsville, Texas 78520 • (956) 882-3879 • Fax: (956) 882-8811 • <http://blue.utb.edu/vpapa>

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS
On Dec 17, 2007 at 08:44A

Joe G Rivera
County Clerk
By
Yazmin Hernandez, Deputy
Cameron County

Board of Trustees

Chester Gonzalez

Chair

Rosemary Breedlove

Vice Chair

Eduardo A. Campirano

Secretary

Jose A. Herrera, Jr.

David G. Oliveira

Roberto Robles, M.D.

Dolly Zimmerman

UTB/TSC President

Juliet V. Garcia, Ph.D

Official Notice of the

**Texas Southmost College District
Regular Meeting**

**for
December 20, 2007**

Posted
December 17, 2007

AGENDA

The Board of Trustees of the Texas Southmost College District will convene **Thursday, December 20, 2007 at 5:30 p.m.** in the Gorgas Board Room of Texas Southmost College, 80 Fort Brown, Brownsville, Texas 78520.

Call to Order

- 1. Administering of
Oath of Office to
Newly Appointed Trustee**

José A. Herrera, Jr.

**Recess
Reception—Rose Garden
Reconvene**

2. Executive Session

Real Estate

as provided by Government Code,
Chapter 551.074

Contract and resolution for purchase of
Lot 7, Block 13, Paredes Track
Addition, Brownsville, Texas

Electric Utility Easement to the
Brownsville Public Utilities Board for
the Recreation, Education and
Kinesiology Complex

Discussion on property adjacent to
Campus

Discussion on request for right of entry
to college property

Legal Matters

**3. Consideration and possible action
on matters discussed in Executive Session
Real Estate**

Contract and resolution for purchase of
Lot 7, Block 13, Paredes Track
Addition, Brownsville, Texas

Electric Utility Easement to the
Brownsville Public Utilities Board for
the Recreation, Education and
Kinesiology Complex

**4. Approval of minutes of
previous meeting**
Consideration and possible
action on:

Regular Meeting November 29, 2007

**5. Speakers to Agenda Items and
Public Discussion**

**6. Institutional Effectiveness
Partnership Committee**
Consideration and possible
action on:

Report

Strategic Plan Framework

**7. Business Affairs
Partnership Committee**
Consideration and possible
action on:

Budget amendments for FY 2007
Acceptance of Comprehensive Annual
Financial Report and Audit for Texas
Southmost College District for FY
ending August 31, 2007

Report on Annual Financial Report for TSC Foundation, Inc. for FY ending August 31, 2007

8. Physical Facilities Subcommittee
Consideration and possible action on:

Report

Competitive sealed proposals for reprographic services
Selection of a firm to plan, finance, construct and operate a housing and dining facility

9. Committees of the Board
Consideration and possible action on:

Appointment of Trustee to Partnership Committee

10. District Elections
Consideration and possible action on:

Appointment of Agent for District Elections: May 10, 2008

11. Fourth Quarter Financial Statements and Investment Report

12. Construction Report

13. President's Report

14. Proposed Meeting Dates

Thursday, January 17, 2008
Thursday, February 28, 2008
Thursday, March 27, 2008
Thursday, April 17, 2008

15. Announcements

Adjournment

Individuals with disabilities are entitled to have access to and participate in public meetings. An individual requiring an accommodation for access to the meeting must notify the Texas Southmost College District in writing 24 hours prior to the scheduled meeting of the necessity of an accommodation. Upon receipt of this request, the Texas Southmost College District will furnish appropriate auxiliary aids and services when necessary to afford an individual with a disability an equal opportunity to participate in and enjoy the benefits of the Board meeting as non-handicapped individuals enjoy.



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: TSC District Office	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on minutes of previous meeting	
Rationale/Background: The draft minutes for the Regular Meeting of November 29, 2007 are attached for your review.	
Recommended Action: Motion to approve the minutes of the November 29, 2007 meeting as presented.	
Fiscal Implications: Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:	
Attachments (list): Draft of November 29, 2007 minutes	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____

Texas Southmost College District

Minutes of the Regular Meeting of the Board of Trustees

November 29, 2007

The Board of Trustees of the Texas Southmost College District convened in open session on November 29, 2007, at 5:30 p.m., in the Board Room of Gorgas Hall, Texas Southmost College. Board members present were Mr. Chester Gonzalez, Chair, Ms. Rosemary Breedlove, Vice Chair, Mr. Eduardo A. Campirano, Secretary, Dr. Roberto Robles, and Ms. Dolly Zimmerman. Absent was Mr. David Oliveira. Also present was Dr. Juliet V. García, President of The University of Texas at Brownsville and Texas Southmost College.

Call to Order

1. Executive Session

as provided by Government
Code, Chapter 551.072

Personnel

Appointment of Trustee to Fill Board
Vacancy

The Board convened in Executive Session at 6:04 p.m.

The Board reconvened in Regular Session at 6:22 p.m.

2. Consideration and possible action on matters discussed in Executive Session

Appointment of Trustee to Fill Board Vacancy

Chairman Gonzalez requested nominations to fill Place 1, which was vacated by Mr. Roman "Dino" Esparza. He stated that the person appointed to Place 1 will serve until the next scheduled election, which will take place on May 10, 2008, at which time that person may choose to run to fill the remaining two years of the term.

A motion was made by Dr. Robles to appoint Mr. José A. Herrera, Jr. to Place 1 of the Texas Southmost College Board of Trustees. The motion was seconded by Mrs. Breedlove and carried unanimously.

3. Approval of Minutes of Previous Meeting

Consideration and possible action on Minutes of Regular Meeting on October 25, 2007

A motion was made by Mr. Campirano to approve the Minutes of the Regular Meeting on October 25, 2007. The motion was seconded by Ms. Zimmerman and carried unanimously.

4. Speakers to Agenda Items and Public Discussion

Mr. Allan Clark, Associate Professor of Fine Arts, announced that the Music Department received full accreditation from the National Association of Music Schools. Mr. Clark pointed out the benefits that the Music Building as proposed would bring to the UTB/TSC community.

Mr. Allan Brumley, a Harlingen resident and former Trustee of the Harlingen Consolidated Independent School District, shared his experience with building a deficient facility. Mr. Brumley stated that addressing deficiencies after a facility has been built was more expensive. Mr. Brumley encouraged the Trustees to approve the Music Building as proposed.

5. Board Briefing

Bravo Opera Company's Tenth Anniversary

Dr. Charles Dameron, Vice President for Academic Affairs, introduced Ms. Amy Brownlow, Director of the Bravo Opera Company. Mrs. Brownlow announced that the Bravo Opera Company celebrated its 10 year anniversary in November and presented a video of their celebration.

6. Public Hearing on Continuing Taxation of Goods in Transit

There were no speakers.

7. TSC District Taxes

Consideration and possible action on Resolution on Continuing the Taxation of Goods in Transit

Ms. Melba Sanchez, Assistant Vice President for Finance, explained that the 80th Legislature passed House Bill 621 allowing a property tax exemption of “goods in transit,” which is described as inventory stored in a location not owned by the owner of the goods. The Act allows governing bodies to adopt a resolution prior to January 1, 2008 to continue taxing these goods as before.

A motion was made by Ms. Breedlove to adopt the resolution regarding the continuing the taxation of goods in transit as presented. The motion was seconded by Ms. Zimmerman and carried unanimously. Exhibit “A”

8. Joint Business Affairs and Student Affairs Partnership Committees meeting

Consideration and possible action on Partnership Concordance Policy: Tuition and Fees

Ms. Zimmerman reported that the Student Affairs and Business Affairs Partnership Committees held a joint meeting on November 28, 2007. Members from both committees were present to consider the Partnership Concordance Policy with regards to the proposed Tuition and Fees for Fiscal Years 2009 and 2010. Dr. Dameron presented an overview of the tuition and fees setting process. Ms. Rosemary Martinez, Vice President for Business Affairs, reviewed the recommendations made by the Tuition Policy Advisory Committee. A copy of the presentation is attached to these minutes. *Exhibit “B”*

Chairman Gonzalez explained that per the District’s Partnership Concordance Policy, TSC shall have the same tuition and fees as UTB until otherwise determined by amendment to the policy by the Board of Trustees. There was no action taken.

9. Physical Facilities Subcommittee

Ms. Breedlove reported that the Physical Facilities Subcommittee met on November 19th to discuss the Guaranteed Maximum Price for the Music Hall Building and the proposed new funding allocation for construction projects. The committee also participated in the interviews for the two firms that responded to the Request for Proposals to plan, finance, construct and operate a housing and dining facility on campus.

**Consideration and possible action on
Acceptance of Guaranteed Maximum Price for Music Hall Building**

Mr. Pete Ed Garret, from Studio Red Architects, presented the current project details for the Music Hall Building and explained that it will serve multiple purposes benefiting both the visual and performing arts.

Mr. Gilbert Gallegos, from Broaddus & Associates, explained the adjustments made to the proposed Music Hall, which had increased the project construction cost.

A motion was made by Ms. Breedlove to authorize SKANSKA USA to proceed with Part II – Construction Phase Services for the Music Hall Building in the amount of \$21,084,574, and authorize the Assistant Vice President for Planning & Construction to execute the contract. The motion was seconded by Dr. Robles. Motion carried by four votes for and one vote against, cast by Mr. Campirano. Exhibit “C”

**Consideration and possible action on
Funding Allocation for Bond Projects**

Dr. García explained that Institutional Advancement will work diligently in nurturing potential donors to secure the \$6.7 million needed to construct the Music Hall Building as approved by the Board. Dr. García added that should this task not be accomplished, the other option would be to draw \$3.5 million in Maintenance Tax Notes. The remaining \$3.2 million could be obtained by slowing down the pace of property acquisition and capital improvements, redirecting the budgeted amounts for those line items toward the Music Hall Building.

A motion was made by Ms. Breedlove to approve the funding allocation for the construction projects as presented. The motion was seconded by Dr. Robles and carried unanimously. Exhibit “D”

**Consideration and Possible Action on
Selection of a firm to plan, finance, construct
and operate a housing and dining facility**

Ms. Breedlove reported that the District solicited request for proposals (RFP) to plan, finance, construct and operate new student housing on campus. The RFP was for a new facility that would include 400 beds and other amenities. Staff also requested that the proposals include construction and management of a 10,000 square foot dining facility as an option for consideration. Responses were received from Collegiate Development and University Service Corporation on August 31, 2007. Ms. Breedlove stated that after conducting the interviews with the two respondents, staff requires additional time to evaluate the proposals. A formal recommendation will be presented at the December Board Meeting.

10. Resolution

Consideration and possible action on Resolution in Support of a Regional Convention/Events Center in Cameron County

Mr. Gonzalez read the resolution in support of a regional convention/events center in Cameron County.

A motion was made by Dr. Robles to adopt the Resolution in Support of a Regional Convention/Events Center in Cameron County as presented. The motion was seconded by Ms. Zimmerman and carried unanimously. Exhibit "E"

11. Construction Report

Dr. Pearson reported the following:

- Renovations continue in the Lightner Courtyard. Plant material is being installed, including live oaks.

Ms. Mendez reported the following:

- Construction at the REK Center is on schedule.
- The pouring of concrete at the REK Center continues as well as the installation of metal studs.
- The roof at the REK Center is close to completion.
- The site has been cleared for the New Library and Classroom buildings.
- Demolition work has begun at ITEC Campus. Roof replacement is about 50 percent complete.

12. President's Report

President García reported the following:

- Mr. Eduardo Rodriguez, a partner in the Brownsville law firm of Rodriguez, Colvin, Chaney & Saenz, and Chair of the UTB/TSC Development Board, was honored by the Texas Appleseed organization in Austin. He received the J. Chrys Dougherty Good Apple Award for his leadership in education, greater diversity in the legal profession, and pro bono service.
- Dr. Vince Solis, Assistant Vice President of Student Development, briefed the Board on a national award bestowed on the UTB/TSC Chess Team. Dr. Solis stated that the Chess team is currently ranked second in the state and seventh in the country, tied with Yale University and Harvard University. He announced

that the UTB/TSC Chess team has been named the 2007 Collegiate Chess Institution of the Year by the U.S. Chess Federation.

- Winter Commencement is scheduled for Saturday, December 22, 2007 at 10 a.m. at the Student Union Lawn. The keynote speaker will be TSC Trustee Ms. Dolly Zimmerman.

13. Proposed Meeting Dates

Board Meetings:

Thursday, December 20, 2007

Tuesday, January 22, 2008

Thursday, February 28, 2008

Thursday, March 27, 2008

Thursday, April 17, 2008

Mr. Gonzalez reviewed the dates with the Board

14. Announcements

- Dr. Garcia announced that the Sergio Bustamante Sculpture, *El Centro de Ti Mismo*, will be the campaign symbol for the Music Education Building fundraising effort.
- Mr. Gonzalez announced that the Scorpion Volleyball team advanced to the top ten NAIA Women's National Championship tournament by defeating Virginia College.

Adjournment

The meeting was adjourned by Chairman Gonzalez at 8:17 p.m.

Mr. Chester Gonzalez
Chairman, Board of Trustees

Mr. Eduardo A. Campirano
Secretary, Board of Trustees

NOTE: The tape of the Regular Board of Trustees meeting held on November 29, 2007 is on file at the District Office of the Texas Southmost College District. The master tape is on file at the UTB/TSC Media center. These minutes were taken and transcribed by Claudia L. Cortina, Administrative Secretary. Videotaping of the Board of Trustees' meetings began on April 11, 1996. They are aired on Channel KISD in cooperation with the Brownsville Independent School District.



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Institutional Effectiveness Partnership Committee	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on Strategic Plan Framework	
Rationale/Background: UTB/TSC is in the process of developing a new strategic plan to serve the mission of the UBT/TSC partnership and to promote a culture of evidence based on continuous quality improvement model. In Spring 2007, UTB/TSC partnership identified and adopted five broad goals for the new UTB/TSC strategic plan. To meet these five goals and to ensure institutional effectiveness at UTB/TSC, the institutional Effectiveness Partnership Committee (IEPC) will provide the strategic directions and performance indicators, which would be used by the partnership for developing a framework for the new UTB/TSC strategic plan.	
Recommended Action: Motion to accept and endorse the framework for strategic plan including strategic directions and performance indicators as presented.	
Fiscal Implications: Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:	
Attachments (list):	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____



TEXAS SOUTHWEST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Finance Office/Partnership Affairs	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on Budget Amendments for Fiscal Year 2007	
Rationale/Background: Request for the following budget amendments: #07-013 to adjust expenditures in the Auxiliary Fund, #07-014 to adjust expenditures in the Campus Facilities Fund, and #07-015 to adjust revenue and expenditures in the General Fund. The budget amendments are necessary to cover anticipated expenditures through year end.	
Recommended Action: Motion to approve budget amendments #07-013, #07-014 and #07-015 for Fiscal Year 2007 as presented.	
Fiscal Implications: No Impact on Fund Balances.	Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:
Attachments (List): Budget Amendments: 07-013, 07-014 and 07-015	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____

**TEXAS SOUTHMOST COLLEGE
BUDGET AMENDMENT REQUEST
2006-2007**

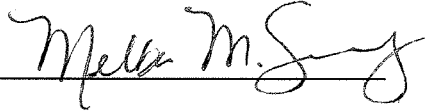
Department: Auxiliary
Date: August 31, 2007

Item No.	Account Number	Account Title	Current Budget	Revenues	Expenses	Amended Budget
1	215	Raymondville Facility	\$ 80,000		4,646	\$ 84,646
2	6921	Condominiums	\$ 139,413		1,167	\$ 140,580
3	6927	Golf Course	\$ 137,500		(5,813)	\$ 131,687
		Auxiliary Fund Balance	\$ 33,807	-	-	\$ 33,807

Reasons for Amendments:

- 1 To adjust expenses at Raymondville Facility
- 2 To adjust expenses for the Condominiums
- 3 To reduce expenses for Golf Course

Asst VP for Finance



President:



This amendment has been accepted _____, rejected _____, by the Texas Southmost College Board of Trustees
on _____.

Eduardo A. Campirano, Secretary

07-013

**TEXAS SOUTHMOST COLLEGE
BUDGET AMENDMENT REQUEST
2006-2007**

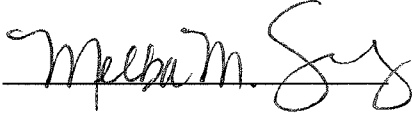
Department: Campus Facilities
Date: August 31, 2007

Item No.	Account Number	Account Title	Current Budget	Revenues	Expenses	Amended Budget
1	9198	Property Acquisitions	\$ 1,080,000		(122,210)	\$ 957,790
2	790	Student Housing	\$ -		122,210	\$ 122,210
		Campus Facilities Fund Balance	\$ 793,299	-	-	\$ 793,299


Reasons for Amendments:

- 1 To reduce expenses for property acquisitions
- 2 To adjust expenses for Student Housing project

Asst VP for Finance



President:

 FOR J.V.G.

This amendment has been accepted _____, rejected _____, by the Texas Southmost College Board of Trustees

on _____.

Eduardo A. Campirano, Secretary

07-014

**TEXAS SOUTHMOST COLLEGE
BUDGET AMENDMENT REQUEST
2006-2007**

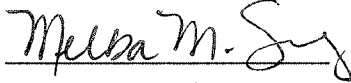
Department: General Fund
Date: August 31, 2007

Item No.	Account Number	Account Title	Current Budget	Revenues	Expenses	Amended Budget
1	517.92600	STEMS	\$ 72,000	11,371	-	\$ 83,371
2	7039.92000	STEMS	\$ 72,000		681	\$ 72,681
3	6202.11700	Food Services/Meetings - DO	\$ 7,000		679	\$ 7,679
4	761.11700	Postage & Delivery - DO	\$ 3,000		639	\$ 3,639
5	766.11900	Attorney Fees	\$ 20,000		2,185	\$ 22,185
6	781.11900	Dues/Memberships	\$ 28,000		2,213	\$ 30,213
7	728.11900	Printing	\$ 9,000		(5,725)	\$ 3,275
		General Fund Balance	\$ 3,360,699	11,371	672	\$ 3,371,398

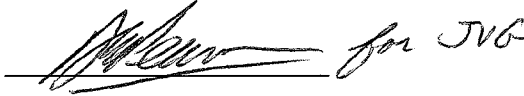
Reasons for Amendments:

- 1 To adjust for additional STEMS program revenues
- 2 To adjust for additional STEMS program expenses
- 3 To adjust for additional District Office food service/meeting expenses
- 4 To reduce District Office postage & delivery expenses
- 5 To adjust for Attorney Fees expenses
- 6 To adjust for Dues/Memberships expenses
- 7 To reduce General Institution printing expenses

Asst. VP for Finance



President:



This amendment has been accepted _____, rejected _____, by the Texas Southmost College Board of Trustees

on _____

Eduardo A. Campirano, Secretary

07-015



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Finance Office/Partnership Affairs	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on Acceptance of Comprehensive Annual Financial Report and Audit for Texas Southmost College District for Fiscal Year ending August 31, 2007	
Rationale/Background: The Texas Higher Education Coordinating Board (THECB) issues a manual for various reporting requirements, including the annual financial report (AFR), in an effort to promote consistent and uniform reporting amongst Texas public community and junior colleges. This year, the District has elected to go beyond the requirements of the THECB and incorporate the requirements of the Government Finance Officers Association (GFOA) in preparing a Comprehensive Annual Financial Report (CAFR). The District's CAFR meets the requirements of the THECB and is presented along with the audit results for acceptance. Upon acceptance by the Board, the bound and audited financial statements will be distributed to the various agencies listed in the THECB manual.	
Recommended Action: Motion to accept the District's Comprehensive Annual Financial Report (CAFR) and Audit for Fiscal Year 2007 as presented.	
Fiscal Implications: Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:	
Attachments (List): Comprehensive Annual Financial Report Year Ended August 31, 2007	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Finance Office/Partnership Affairs	Board Meeting Date: December 20, 2007
Agenda Item: TSC Foundation, Inc. Annual Financial Report (AFR) and Audit	
Rationale/Background: Per the TSC Foundation By-laws, an annual report of the TSC Foundation, Inc., which shall contain audited financial statements, should be prepared. The form and substance of the Annual Report shall be approved by the TSC Foundation, Inc. Board of Directors at the Annual meeting of the Board. The By-laws also specify that the Annual Report shall then be presented by the TSC Foundation, Inc. Board of Directors to the Board of Trustees of the Texas Southmost College District. The attached Annual Financial Report for the TSC Foundation, Inc. was accepted by the Board of Directors at their annual meeting on December 10, 2007.	
Recommended Action: For the Board's information only. No action necessary.	
Fiscal Implications: Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:	
Attachments (List): TSC Foundation, Inc. Annual Financial Report, Year Ended August 31, 2007	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

FINANCIAL REPORT

AUGUST 31, 2007



TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.
August 31, 2007

TABLE OF CONTENTS

	<u>Page Number</u>
FINANCIAL SECTION	
Independent Auditor's Report	3 – 4
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 11
SINGLE AUDIT SECTION	
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 <i>Government Auditing Standards</i>	12 – 13
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.	14 – 15
Schedule of Expenditures of Federal Awards	16
Notes to Schedule of Expenditures of Federal Awards	17
Schedule of Findings and Questioned Costs	18 – 19
Corrective Action Plan	20
Schedule of Status of Prior Year Findings	21 – 22

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Texas Southmost College Foundation, Inc.
Brownsville, Texas

We have audited the accompanying statement of financial position of Texas Southmost College Foundation, Inc. (Foundation) as of August 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Southmost College Foundation, Inc. as of August 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2007 on our consideration of Texas Southmost College Foundation, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Long Chilton LLP". The signature is written in a cursive, flowing style.

LONG CHILTON, LLP

Brownsville, Texas
November 30, 2007

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

August 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 181,994	\$ 181,994
Accounts receivable	-	8,533	8,533
Investments	-	<u>6,121,948</u>	<u>6,121,948</u>
Total assets	<u>\$ -</u>	<u>\$ 6,312,475</u>	<u>\$ 6,312,475</u>
LIABILITIES AND NET ASSETS			
Liabilities	\$ -	\$ -	\$ -
Net assets			
Unrestricted	-	-	-
Temporarily restricted	-	<u>6,312,475</u>	<u>6,312,475</u>
Total net assets	<u>-</u>	<u>6,312,475</u>	<u>6,312,475</u>
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 6,312,475</u>	<u>\$ 6,312,475</u>

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

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

Year Ended August 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE, GAINS, AND OTHER SUPPORT:			
Income from long-term investments	\$ 81,975	\$ 81,975	\$ 163,950
Other investment income	62,167	62,167	124,334
Net unrealized and realized gains on long-term investments	<u>270,299</u>	<u>270,299</u>	<u>540,598</u>
Total revenues, gains and other support	<u>414,441</u>	<u>414,441</u>	<u>828,882</u>
EXPENSES:			
Scholarships	268,632	-	268,632
Management and general	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total expenses	<u>270,132</u>	<u>-</u>	<u>270,132</u>
Change in net assets	144,309	414,441	558,750
Net assets – beginning of year	-	5,753,725	5,753,725
Transfer from temporarily restricted	<u>(144,309)</u>	<u>144,309</u>	<u>-</u>
Net assets – end of year	<u>\$ -</u>	<u>\$ 6,312,475</u>	<u>\$ 6,312,475</u>

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

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

STATEMENT OF CASH FLOWS

Year Ended August 31, 2007

	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 558,750
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Unrealized loss on securities	156,366
Increase in accounts receivable	<u>(4,231)</u>
Net cash provided by operating activities	<u>710,885</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	4,639,308
Purchase of investments	<u>(5,338,595)</u>
Net cash used by investing activities	<u>(699,287)</u>
Net increase in cash and cash equivalents	11,598
Cash and cash equivalents at beginning of year	<u>170,396</u>
Cash and cash equivalents at end of year	<u>\$ 181,994</u>
Supplemental Information:	
Noncash investing activities	
Interest	\$ -0-
Taxes	\$ -0-

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

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2007

Note 1 – Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Texas Southmost College Foundation, Inc., (a non-profit organization) strives without limitation, to provide monies to Texas Southmost College District (College) for the distribution of scholarships, fund raising activities and administering of project grants and/or contracts that are either federally or privately sponsored to enhance the mission of the College.

The following is a summary of the Foundation's significant accounting policies:

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Non-for-Profit Organizations*. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Contributions

Gifts of cash, grants and other assets are presented as a restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. All temporarily restricted net assets are available for use beginning June 30, 2009.

Cash Equivalents

For the purpose of the Statement of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at fair market value.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2007

Note 1 – Nature of Activities and Summary of Significant Accounting Policies – Continued

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Donated Services

No amounts have been reflected in the financial statement for donated services. The Foundation generally pays for services requiring specific expertise. However, Texas Southmost College District provides office space, utilities and staff assistance at no cost.

Income Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

Functional Expenses

During fiscal year 2007, the Foundation had only one major function to perform and administer which was the awarding of educational grants. Therefore, the Organization's statement of activities is shown by normal expense categories.

Note 2 – Temporarily Restricted Net Assets

The Title III Endowment Challenge Grant Program requires the investment of grant funds for a period of 20 years. Each year the investment earnings must be allocated 50% to unrestricted funds and 50% to temporarily restricted funds. During the 20 year grant period, the Foundation may not withdraw or spend any part of the endowment fund corpus, nor 50% of the aggregate earnings.

At the end of the grant period, the Foundation may use the endowment fund corpus for any educational purpose. All temporary restricted net assets are available for use beginning June 30, 2009

Note 3 – Investments and Investment Activity

Investments are carried at market value, and realized and unrealized gains and losses are reported in the statement of activities. The Foundation invests cash in excess of daily requirements in short-term investments. At August 31, 2007, \$181,994 was invested short term, and during the year then ended short-term investments earned \$9,808.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2007

Note 3 – Investments and Investment Activity – Continued

The following schedule summarizes the investment return and its classification in the Statement of Activities for the year ended August 31, 2007.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Investment income	\$ 62,167	\$ 62,167	\$ 124,334
Realized gains	430,457	430,457	860,914
Unrealized gains	<u>(78,183)</u>	<u>(78,183)</u>	<u>(156,366)</u>
	<u>\$ 414,441</u>	<u>\$ 414,441</u>	<u>\$ 828,882</u>

The Foundation's cash deposits and investments at August 31, 2007 are shown below:

<u>Investment Type</u>	<u>Fair Value</u>
Wells Fargo – Equities	\$ 4,459,885
Wells Fargo – Securities	<u>1,662,063</u>
Total investments	<u>\$ 6,121,948</u>

The Foundation's investments are structured to comply with the Texas Southmost College investment policy. Accordingly, the policy states that deposits may be invested in direct obligations of the United States, or its Agencies and Instrumentalities.

Interest Rate Risk – In order to minimize the risk of loss due to interest rate fluctuations, investment maturities will not exceed 2 years.

Credit Risk – Credit risk involves the risk associated with a bank's failure and the loss of the Foundation's deposits. The Foundation's compliance with the investment policy minimizes this risk by ensuring that all deposits are collateralized or insured.

Note 4 – Related Parties

Texas Southmost College Foundation, Inc., is a non-profit organization with the sole purpose of supporting the educational and other activities of the College. The Foundation remitted grants of \$268,632 to the College during the fiscal year ended August 31, 2007. During the fiscal year, the College furnished certain services such as office space, utilities and staff assistance to the Foundation at no cost for these services.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

August 31, 2007

Note 5 – Transfer from Restricted Net Assets

As explained in Note 2, the Foundation is restricted from using any part of the endowment corpus and 50% of the aggregate income during the 20 year grant period ending June 2009. At the beginning of the fiscal year the Foundation had over-spent its unrestricted net assets by \$210,527. Excess unrestricted net assets will be returned to temporarily restricted net assets until such time as the deficit is replenished. During the year \$144,309 was returned to temporarily restricted net assets. At August 31, 2007 the Foundation was over-disbursed by \$66,218.

Note 6 – Uncertainty of Sufficient Investment Earnings

The Foundation awards scholarships to high school students graduating from an eligible school with a cumulative "B" average or better within the Texas Southmost College District. The students will not be denied their scholarship unless they do not attend Texas Southmost College and do not maintain a GPA of at least 3.0. Funding for these scholarships is solely from the 50% unrestricted investment earnings.

It is uncertain that there will be sufficient earnings in any one year to meet the scholarship requirements. At August 31, 2007 the Foundation had over-spent restricted funds by \$66,218. If the investments do not yield sufficient investment income, the Foundation will have to continue to spend restricted net assets in violation of the grant agreement until 2009, when all temporarily restricted assets are released from their restriction and become unrestricted.

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

To the Board of Directors
Texas Southmost College Foundation, Inc.
Brownsville, Texas

We have audited the financial statements of Texas Southmost College Foundation, Inc. as of and for the year ended August 31, 2007, and have issued our report thereon dated November 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Texas Southmost College Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as item C2007-1.

Texas Southmost College Foundation, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Foundation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Long Chilton LLP". The signature is written in a cursive, flowing style.

LONG CHILTON, LLP

Brownsville, Texas
November 30, 2007

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Texas Southmost College Foundation, Inc.
Brownsville, Texas

Compliance

We have audited the compliance of Texas Southmost College Foundation, Inc. ("Foundation") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 2007. Texas Southmost College Foundation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Foundation's management. Our responsibility is to express an opinion on the Foundation's compliance based on our audit.

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

In our opinion, Texas Southmost College Foundation, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items C2007-1.

Internal Control Over Compliance

The management of Texas Southmost College Foundation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants

applicable to federal programs. In planning and performing our audit, we considered the Foundation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Texas Southmost College Foundation, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Foundation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



LONG CHILTON, LLP

Brownsville, Texas
November 30, 2007

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended August 31, 2007

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Federal Expenditure</u>
<u>U.S. Department of Education Direct Program</u>			
Passed-through Texas Southmost College District			
Title III Endowment Challenge			
Grant Program	84.031	N/A	\$ <u>6,312,475</u>
Total Department of Education Federal Awards Expended			\$ <u>6,312,475</u>

See notes to this schedule

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

August 31, 2007

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the Title III Endowment Challenge Grant Program of Texas Southmost College Foundation, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of financial statements.

Note 2 – Endowment Funds

In accordance with OMB Circular A-133 the amount reflected as Federal expenditures is the cumulative balance of Federal awards, matching funds and 50% of the aggregate earnings which are federally restricted until June 2009.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2007

Section I – Summary of Independent Auditor’s Results

Financial Statements

Type of auditor’s 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 weakness(es)? _____ yes X none reported
Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:
Material weaknesses identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weakness(es)? _____ yes X none reported
Type of auditor’s report issued on compliance
for major programs: Unqualified
Any audit findings disclosed that are required to be
reported in accordance with section 510(a) of
Circular A-133? X yes _____ no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.031	Title III Endowment Challenge Grant Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 300,000
Auditee qualified as low-risk auditee? X yes _____ no

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
Year Ended August 31, 2007

Section II – Financial Statement Findings

A. Significant Deficiencies in Internal Control

No matters were reported

B. Compliance Findings

Use of Restricted Endowment Fund Investment Earnings (C2007-1)

The grantee may not use more than 50% of the aggregate income earned during the grant period. See section III of this schedule for more details.

Section III – Findings and Questioned Costs for Federal Awards

U.S. Department of Education

Title III Endowment Challenge Grant Program

CFDA # 84.031

Use of Restricted Endowment Fund Investment Earnings (C2007-1)

Finding:

The grant stipulates that the Foundation cannot withdraw or spend any part of the endowment corpus including 50% of the aggregate earnings. At August 31, 2007, the Foundation was over-disbursed by \$66,218.

Questioned Costs

\$-0-

Recommendation:

The Foundation should take measures to correct this deficiency.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

CORRECTIVE ACTION PLAN

Year Ended August 31, 2007

Identifying Number: C2007-1

Finding:

The grant stipulates that the Foundation cannot withdraw or spend any part of the endowment corpus including 50% of the aggregate earnings. At August 31, 2007, the Foundation was over-disbursed by \$66,218.

Corrective Actions Taken or Planned:

The Texas Southmost College (TSC) Foundation is pleased to report that the Endowment Challenge Grant continues to meet the investment objectives of the fund, which are “to provide a continuing and dependable cash payout, stable and preferably growing in terms, after giving effect to inflation” and “to cause the total value of the fund to appreciate over time, exclusive of growth derived from donation”. The fund is closely monitored by the TSC Foundation Board, the TSC Foundation Board Investment Advisory Committee, TSC Administration and Wells Fargo, the managers of the fund. The TSC Foundation Board Investment Advisory Committee meets quarterly to review the status of the fund, administer the policy statement and provide counsel concerning the portfolio and economic issues affecting the fund.

During the 2007 fiscal year, in spite of enrollment growth, the fund was able to cover all expenditures for the year and reduce the amount of funds over-disbursed in prior years by \$144,309 through investment returns. The overage in spending primarily occurred in 2001 and 2002 and has been declining through the implementation of various corrective actions by the TSC Foundation Board over the years. Those actions included the altering of the criteria for the awarding of scholarships, a change in fund managers and a search for alternative funding sources. It is important to note that the original corpus of the fund remains intact. Penalty and repayment rules apply only to the spending of corpus funds as outlined in the special Grant Terms and Conditions per the U.S. Department of Education.

In recent months, the fund has experienced very positive increases in value as have been seen in the market in general. We are optimistic that the returns for the coming year will once again put the fund in a position that decreases the overage in spending from 2001, 2002 and 2006. In addition, because the endowment fund continues to be a huge success and because the scholarships that it provides are a crucial resource in allowing many of our families to open the door to a college education, the TSC Foundation Board is composing a fund raising campaign in an effort increase the value of the fund and award additional scholarships.

Questions concerning the above should be directed to Dr. David E. Pearson, Vice-President for Partnership Affairs.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS

Year Ended August 31, 2007

Identifying Number: C2006-1

Finding:

During 2001 and 2002, the Foundation expended \$520,908 of the temporarily restricted aggregate earnings. During the 20 year grant period ending June 2009, the Foundation cannot withdraw or spend any part of the endowment corpus and 50% of the aggregate earnings. At August 31, 2006 the Foundation was overspent by \$210,527.

Corrective Actions Taken or Planned:

Once again, we are pleased to report that the Texas Southmost College (TSC) Foundation Endowment Challenge Grant continues to meet the investment objectives of the fund, which are "to provide a continuing and dependable cash payout, stable and preferably growing in terms, after giving effect to inflation" and "to cause the total value of the fund to appreciate over time, exclusive of growth derived from donation". The fund is closely monitored by the TSC Foundation Board, the TSC Foundation Board Investment Advisory Committee, TSC Administration and Wells Fargo, the managers of the fund. The TSC Foundation Board Investment Advisory Committee meets quarterly to review the status of the fund, administer the policy statement and provide counsel concerning the portfolio and economic issues affecting the fund.

During the 2006 fiscal year, in spite of enrollment growth and an increase in tuition costs, the fund was able to mitigate a large portion of these increases in spending through investment returns. Although \$37,561 of temporarily restricted aggregate earnings were expended this year, it is important to note that since 2002, the overage in spending that occurred in 2001 and 2002 has been declining through the implementation of various corrective actions by the TSC Foundation Board. Those actions included the altering of the criteria for the awarding of scholarships, a change in fund managers and a search for alternative funding sources. It is also especially important to note that the original corpus of the fund remains intact. Penalty and repayment rules apply only to the spending of corpus funds as outlined in the Special Grant Terms and Conditions per the U.S. Department of Education.

In recent months, the fund has experienced very positive increases in value as have been seen in the market in general. We are optimistic that the returns for the coming year will put the fund in a position that decreases the overage in spending from 2001, 2002 and 2006. In addition, because the endowment fund continues to be a huge success and because the scholarships that it provides are a crucial resource in allowing many of our families to open the door to a college education, the TSC Foundation Board is composing a fund raising campaign in an effort increase the value of the fund and award additional scholarships.

Questions concerning the above should be directed to Dr. David Pearson, Vice-President for Partnership Affairs.

TEXAS SOUTHMOST COLLEGE FOUNDATION, INC.

SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS – CONTINUED
Year Ended August 31, 2007

Current Status:

The finding continues in the current year. See finding and corrective action plan for C2007-1.



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Office of Planning and Construction/Partnership Affairs	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on competitive sealed proposals for reprographic services	
Rationale/Background: <p>Owner procurement of materials was identified as one of the cost control strategies for the construction bond projects. Reprographic services of construction documents and specifications are needed to provide contractor and subcontractors involved in the projects the information required to construct the projects at hand. These services are usually charged to the projects and acquired by the main contractor; therefore, this service was identified as another owner procured item that could potentially realize savings to the projects.</p> <p>A request for proposal for reprographic services was issued according to Texas Southmost College Board policies for purchasing and bids. Responses were received on December 17, 2007 from RGV Reprographics and FedEx Kinkos. Upon evaluation of the proposals, RGV Reprographics was selected as the best value respondent. The best value proposal allows for a savings of approximately \$24,155.</p>	
Recommended Action: Motion to accept proposal from RGV Reprographics in the amount of \$49,330 and authorize the Assistant Vice President for Planning and Construction to negotiate the contract.	
Fiscal Implications: Budgeted Item: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If no, explain: Each project will be charged the prorated share of the cost of prints.	
Attachments (List): <ul style="list-style-type: none">- Bid summary- RGV Reprographics Proposal	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____

BID SUMMARY - REPROGRAPHIC SERVICES

Item Description	RGV REPROGRAPHICS, INC		FEDEX KINKO'S	
	Unit Price	Total	Unit Price	Total
300,000 S.F. of 30"x42" digital blacklines	0.085	\$ 25,500	0.560	\$ 168,000
150,000 S.F. of 1/2 sized digital blacklines	0.100	\$ 15,000	0.560	\$ 84,000
Specifications (per page)				
100,000 pages of 2-sided photocopies	0.080	\$ 8,000	0.024	\$ 2,400
1,100 cover sets	0.300	\$ 330	N/A	N/A
500 binders	1.000	\$ 500	N/A	N/A
TOTAL		\$ 49,330		\$ 254,400

Request for Proposals (RFP)
Formal Pricing Agreement for Reprographic Services
For
Texas Southmost College

I Section 1 – Overview and Purpose:

- A. Texas Southmost College (TSC) is seeking proposals from qualified firms for a pricing agreement to provide reprographic services.
- B. TSC is engaged in a \$68 million bond-financed construction program. Construction document packages are being prepared by different architects and a large number of separate construction documents packages will be needed. TSC plans to procure all of the reprographic services necessary for the different projects from one source, namely, the successful respondent to this RFP.
- C. While TSC intends to use this pricing agreement to furnish all needed reprographic services, it is not obligated to utilize this agreement for any purchase whatsoever. TSC may assign the use of the agreement to its several architects and their design consultants. Pricing shall be held for these assignees for any project that they perform for TSC. TSC at its sole discretion reserves the right to select any other provider's services, using alternative methods of procurement.
- D. By responding to this RFP, respondent agrees to honor all pricing and services as submitted for the entire agreement term requested (2) years from the date of acceptance by TSC Board of Trustees), for any and all services requested by TSC.
- E. Once the pricing agreement is accepted by TSC and is in place, the successful respondent will periodically be asked to submit an itemized price detail quotation for the associated reprographic services for each project.
- F. Any pricing detail quotation containing any irregularity, non-conformity or deviation from the pricing agreement submitted by respondent and accepted by TSC, shall be cause for termination of the agreement by TSC and utilization of the submittal of an alternate respondent.

- G. The response to this RFP and any related correspondence should be submitted to TSC at the following address:

Ms. Linda I. Ufland
UTB/TSC Office for Planning and Construction
1301 E. Madison
Brownsville, Texas 78520
956-882-4313

- H. Responses to this RFP will be accepted at the above address not later than 2:00 p.m., Monday December 17, 2007.

II Section 2 – Evaluation and Selection Process:

A. Selection Process:

1. TSC will evaluate the proposals according to the published selection criteria within 30 days after their receipt. After selecting a successful respondent, TSC intends to award a contract on the basis of the original submittal without discussion, clarification or modification.
2. TSC reserves the right to award a contract for all or any of the services contemplated in this RFP or to reject all proposals if that is deemed to be in its best interest. In the event all proposals are rejected TSC reserves the right to temporarily or permanently abandon this solicitation and re-solicit proposals.
3. If TSC does select a proposal incident to this RFP, it will select the one most advantageous to TSC considering price and the other evaluation factors set forth in this RFP.

B. Criteria for the Selection

1. The respondent selected for award will be the one whose proposal is the most advantageous to TSC. TSC is not bound to select the lowest priced proposal if that proposal is not in its best interest, as determined solely by TSC.
2. TSC and its agents will evaluate proposals. The criteria for evaluation and selection under this RFP will be as follows:
 - a. Pricing
 - b. Technical Qualifications
 - c. References
 - d. Service persons assigned
 - e. Location of nearest production facility
 - f. Experience and Working History
 - g. Other factors
3. Respondents are advised to clearly address each of the selection criteria in their proposal.

C. Respondents Acceptance of Evaluation Methodology

1. By submitting a proposal in response to this RFP respondent accepts the evaluation technique and recognizes that TSC and its agents must make some subjective judgments during the selection process.

D. Commitment

- 1, By submitting a proposal in response to this RFP respondent understands and agrees that it is issued in anticipation of requirements for TSC and that TSC has made no representations orally or in writing guaranteeing that a contract will result here from. Likewise, respondent recognizes and agrees that any costs related to responding to this RFP will be borne solely by respondent.

III. Section 3 - General Instructions

- A. Respondents should carefully read the information contained herein, and submit a complete response to all requirements and questions as directed.
- B. Proposals and any other information submitted by Respondents in response to this Request for Proposal shall become the property of TSC.
- C. TSC will not provide compensation to respondents for any expenses incurred for proposal preparation or for any demonstrations that may be made, unless otherwise expressly stated or required by law. Respondents submit proposals at their own risk and expense.
- D. Proposals that are qualified with conditional clauses, or alterations, or items not called for in the RFP documents, or irregularities of any kind are subject to disqualification by TSC, at its option.
- E. Each proposal should be prepared simply and economically, providing a straightforward, concise description of your firm's ability to meet the requirements of this RFP. Emphasis should be on completeness, clarity of content, responsiveness to the requirements, and an understanding of TSC's needs.
- F. TSC makes no guarantee that an award will be made as a result of this RFP, and reserves the right to accept or reject any or all proposals, waive any informalities or minor technical inconsistencies, or delete any item/requirement from this RFP or resulting contract when deemed to be in TSC's best interest. Representations made within the proposal will be binding on responding firms. TSC will not be bound to act by any

previous communication or proposal submitted by the firms other than this RFP.

- G. Failure to comply with the requirements contained in this Request for Proposal may result in the rejection of that proposal.

IV. Section 4 - Preparation and Submittal Instructions

- A. Respondents must complete, sign and return the attached Execution of Offer as part of their proposal response. The respondent's company official(s) authorized to commit such proposals must sign proposal. Failure to sign and return these forms will subject your proposal to disqualification.

- B. Page Size, Binders and Dividers

Proposals must be typed on letter-size (8-1/2" x 11") paper. TSC requests that proposals be submitted in a binder. Preprinted material should be referenced in the proposal and included as labeled attachments. Tabs for ease of reference should divide sections.

- C. Table of Contents

Include with the proposal a Table of Contents that includes page number references. The Table of Contents should be in sufficient detail to facilitate easy reference of the sections of the proposal as well as separate attachments. Supplemental information and attachments included by your firm (i.e., not required) should be clearly identified in the Table of Contents and provided as a separate section.

- D. Pagination

All pages of the proposal should be numbered sequentially in Arabic numerals (1, 2, 3, etc.). Attachments should be numbered or referenced separately.

- E. Submission

1. Five (5) identical copies of the proposal including any supplemental printed material referenced with the RFP, must be submitted and received at UTB/TSC Office for Planning and Construction on or before the time and date specified. An original signature must appear on the Execution of Offer page of at least one (1) copy submitted.
2. Late proposals properly identified will be returned to Respondent unopened. Late proposals will not be considered under any circumstances.

- F. Telephone proposals are not acceptable when in response to the Request for Proposal.
- G. Facsimile ("FAX") proposals are not acceptable when in response to this Request for Proposal.
- H. Validity Period

Proposals are to be valid for TSC's acceptance for a minimum of 90 days from the submittal deadline date to allow time for evaluation, selection, and any unforeseen delays. Proposals, if accepted, shall remain valid for the life of the pricing agreement

V. Section 5 - Qualifications

- A. Provide a copy of your company's standard brochure.
- B. Provide a Statement of Financial Condition (Financial Statement/Balance Sheet)
- C. List the types and amounts of insurance, particularly as required to cover the costs of replacing any drawings or specifications that are damaged or destroyed while in your possession.
- D. Identify the project team that will be assigned to TSC projects. List city in which each is located, and what other projects they are responsible for besides Texas Southmost College. List experience of each (years in business, years with company, previous or current experience with a large projects)
- E. Describe your ability to handle the quantity of work envisioned by this RFP, such as: 1) current number of employees, 2) type and quantity of major equipment and 3) production capacity of existing equipment. Specifically list a maximum drawings per hour production capacity.
- F. Describe how you would propose to handle the pick-up and delivery of work. Identify any anticipated costs for this service not covered by unit prices (e.g. split deliveries)
- G. Describe what you would consider overtime and under what circumstances you would expect to be paid for overtime work.
- H. Provide a reference list of at least three similar customers with multi building facilities. Include contact names and telephone numbers.

VI. Section 6 - Scope of Work

- A. Drawings
 - Scan to electronic file from 30"X42" sealed and signed bond-paper originals.
 - Plot digital blackline drawings, both full and 1/2 size
 - Paper binders with heavy-duty through staples

- B. Specifications
1. Photographic Process
 - 20 lb. Minimum paper stock
 - 3 colors per set (to define sections)
 - Double side reproduction
 - Acco, Speedway, screw-post or GBC binders
 2. Cover set (Both front and back)
 - 80 lb. Minimum cover stock
 - Color as selected

VII. Section 7 - Pricing

- A. Estimated quantities given below represent the current "best guess" and are intended only as an order of magnitude target for the purposes of evaluating pricing. Actual quantities could vary considerably. **If respondent would expect different unit prices for differing quantities, such quantities and pricing information should also be furnished in the proposal.**
- B. Provide the following unit prices as a basis for evaluation:
1. Drawings
 - 0 – 5000 S.F. of 30"X42" digital blacklines at \$.137 per S.F.
 - 300,000 S.F. of 30"X42" digital blacklines at \$.085 per S.F.
 - 0 – 5000 S.F. of 1/2 sized digital blacklines at \$.15 per S.F.
 - 150,000 S.F. of 1/2 sized digital blacklines at \$.10 per S.F.
 2. Specifications
 - 100,000 pages of 2-sided photocopies at \$.08 per page
 - 10,000 pages of 1-sided photocopies at \$.045 per page
 - 1100 cover sets at \$.30 per set
 - Binder \$ 1.00 per Specification
- These prices will be considered binding without further discussion if accepted by TSC

Execution of Offer

THIS SHEET MUST BE COMPLETED, SIGNED, AND RETURNED WITH RESPONDENT'S PROPOSAL. FAILURE TO SIGN AND RETURN THIS SHEET WILL RESULT IN THE REJECTION OF YOUR PROPOSAL.

1. By signature hereon, Respondent offers and agrees to furnish the products and/or services at the prices quoted and comply with all terms, conditions, requirements set forth per the RFP documents and contained herein.
2. By signature hereon, a corporate Respondent certifies that it is not currently delinquent in the payment of any Franchise Taxes due under Chapter 171, Texas Tax Code, or that the corporation is exempt from the payment of such taxes, or that the corporation is an out-of-state corporation that is not subject to the Texas Franchise Tax, whichever is applicable. A false certification shall be deemed a material breach of contract and, at TSC's option, may result in cancellation of any resulting contract or purchase order.
3. By signature hereon, Respondent certifies that all statements and information prepared and submitted in response to this solicitation are current, complete and accurate.
4. By signature hereon, Respondent certifies that the individual signing this document and the documents made part of the RFP is authorized to sign such documents on behalf of the company and to bind the company under any contract that may result from the submission of this proposal.

Complete the following:

If a Corporation:

State of Incorporation: Texas

Charter No: 01494809

Submitted By:

RGV Reprographics, Inc.
(Company Name)

Terec Smith
(Authorized Signature)

Tereza Ceciley Smith/President
(Printed Name/Title)

12/17/07
(Date)

519 S. Broadway
(Street Address)

McAllen, TX 78501
(City, State, Zip Code)

956.686.1525
(Telephone Number)

956.686.1529
(Facsimile Number)



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Office of Planning and Construction/Partnership Affairs	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on the selection of a firm to plan, finance, construct and operate a housing and dining facility	
Rationale/Background: Based on the potential determined through the master planning process for housing, Texas Southmost College requested proposals (RFP) to plan, finance, construct and operate new student housing. Request for Proposals were issued on July 16, 2007. Responses were received on August 31, 2007 from Collegiate Development and University Service Corporation. The Physical Facilities Subcommittee to the Board of Trustees, the Construction Council, and the Housing Evaluation Committee conducted interviews on November 19, 2007 for the two firms that responded. The Housing Evaluation Committee recommends rejecting both proposals. A report will provided to the Physical Facilities Subcommittee at their meeting on December 20 th . Their recommendation will be forwarded to the Board for approval.	
Recommended Action: A recommendation will be formulated by the Physical Facilities Committee and presented to the Board of Trustees at the meeting.	
Fiscal Implications: Budgeted Item: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A If no, explain:	
Attachments (List): None	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: TSC District Office/ Facilities Services	Board Meeting Date: December 20, 2007
Agenda Item: Consideration and possible action on adoption of a resolution to appoint an Agent for District Elections	
Rationale/Background: <p>Trustees are elected to the Board on even numbered years. Positions 1 and 2 of the TSC Board of Trustees are up for election in May 2008.</p> <p>According to the Election Code, Chapter 31.123, the Board must appoint a member of the staff to perform the duties of the Secretary of the Board in matters related to an election if the Secretary does not keep office hours at the District. The duties of the Agent include: receiving applications for place on the ballot, campaign finance reports, and election results.</p> <p>Staff recommends appointing Mr. Allan Peakes, Assistant Vice President for Facilities Services, as the District's Agent for the May 2008 election.</p>	
Recommended Action: Motion to adopt resolution appointing Mr. Allan Peakes as the District's agent for the May 10, 2007 Trustee election.	
Fiscal Implications:	Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:
Attachments (list): <ul style="list-style-type: none">- Resolution- Chapter 31.123 of the Texas Election Code	

FOR OFFICE USE ONLY:
Board Action: Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> Tabled for action on: _____
Certified by: _____ Title: _____ Date: _____

THE STATE OF TEXAS §

COUNTY OF CAMERON §

TEXAS SOUTHMOST COLLEGE DISTRICT

Resolution

WHEREAS, the Board of Trustees of the Texas Southmost College District will conduct an election on May 8, 2008 to elect trustees for positions 1, and 2; and

WHEREAS, the Secretary of the Board of Trustees does not maintain an office on the Texas Southmost College campus; and

WHEREAS, the Board of Trustees wish to appoint an Agent in accordance to section 31.123 of the Texas Election Code to perform the duties provided by this section;

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees of the Texas Southmost College District appoint Mr. Allan L. Peakes, Assistant Vice President for Facilities Services, to serve as the District's Agent to perform the duties in accordance with section 31.123 of the Texas Election Code.

PASSED AND ADOPTED THIS 20th DAY OF DECEMBER 2007.

Mr. Chester Gonzalez
Chairman, Board of Trustees

Mr. Eduardo A. Campirano
Secretary, Board of Trustees

ELECTION CODE

TITLE 3. ELECTION OFFICERS AND OBSERVERS

CHAPTER 31. OFFICERS TO ADMINISTER ELECTIONS

SUBCHAPTER A. SECRETARY OF STATE

§ 31.123. APPOINTMENT OF AGENT DURING ELECTION PERIOD.

(a) If the secretary of the governing body of a political subdivision other than a county or city or the authority performing the duties of a secretary under this code does not maintain an office during the hours and days required by Section 31.122, the secretary or other authority shall appoint another officer or employee of the political subdivision as the secretary's or authority's agent to perform the duties provided by this section. The appointment is subject to the approval of the political subdivision's governing body.

(b) The agent shall maintain office hours, as directed by the appointing authority, for at least the hours and days required by Section 31.122, in the agent's regular office, the office of the appointing authority, or an office designated by the governing body of the political subdivision served by the authority.

(c) The agent shall maintain in the agent's office the documents, records, and other papers relating to the election that:

- (1) by law are placed in the custody of the authority appointing the agent; and
- (2) are public information.

(d) The agent shall:

- (1) receive any personally delivered document relating to the election that the appointing authority is authorized or required to receive; and
- (2) make available for inspection and copying, in accordance with applicable regulations, the documents, records, and other papers that are required to be maintained in the agent's office under Subsection (c).

(e) The appointing authority may authorize the agent to perform any other ministerial duties in connection with the election that may lawfully be performed by an employee of the appointing authority.

(f) The appointing authority shall post, on the bulletin board used for posting notice of meetings of the political subdivision's governing body, a notice containing the agent's name, the location of the agent's office, the agent's office hours, and duration of the agent's appointment. The notice shall remain continuously posted during the minimum period for maintaining the agent's office.

Acts 1985, 69th Leg., ch. 211, § 1, eff. Jan. 1, 1986. Amended by Acts 1997, 75th Leg., ch. 864, § 21, eff. Sept. 1, 1997.



TEXAS SOUTHMOST COLLEGE DISTRICT

BOARD AGENDA REQUEST FORM

Department/Division: Finance Office/Partnership Affairs	Board Meeting Date: December 20, 2007
Agenda Item: 4 th Quarter Financial Statements and Investment Report for FY2007	
Rationale/Background: Presentation of the Fiscal Year 2007 4 th Quarter Financial Statements and Investment Report as required by the TSC Board Policy, Section V, College Business.	
Recommended Action: For the Board's review. No action necessary.	
Fiscal Implications: Budgeted Item: <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A If no, explain:	
Attachments (List): 4 th Quarter Financial Statements and Investment Report for FY2007	

FOR OFFICE USE ONLY:

Board Action: Approved: Yes No N/A Tabled for action on: _____

Certified by: _____ **Title:** _____ **Date:** _____

Texas Southmost College
Summary of Net Asset Balances
From 9/1/2006 Through 8/31/2007
(In Whole Dollar)

UNRESTRICTED FOR OPERATIONS

	Ending Balance FY06	Current Period Actual Revenue and Transfers FY07	Current Period Actual Expenses and Transfers FY07	Net Change in Assets FY07	Current Period Net Asset Balance FY07
General Fund	3,200,549	50,319,163	49,231,839	1,087,324	4,287,873
Auxiliary Fund	(31,349)	3,419,564	3,283,179	136,385	105,036
Campus Facilities Fund	62,287,220	5,661,430	14,983,447	(9,322,017)	52,965,203
Restricted Parking Fund	443,796	295,071	108,865	186,206	630,002
TOTAL FUNDS	\$ 65,900,215	\$ 59,695,228	\$ 67,607,330	\$ (7,912,102)	\$ 57,988,113

RESTRICTED FOR DEBT SERVICE

	Ending Balance FY06	Current Period Actual Revenue and Transfers FY07	Current Period Actual Expenses and Transfers FY07	Net Change in Assets FY07	Current Period Net Asset Balance FY07
1986/87 Tax Debt Service Fund	498,125	1,272,321	1,183,481	88,840	586,965
2000 Student Union Debt Service Fund	2,035,096	1,127,203	1,019,379	107,824	2,142,920
2002 General Revenue Bond Debt Service Fund	3,270,760	544,845	455,082	89,763	3,360,523
2005 Tax Debt Service Fund	(57,406)	878,504	769,835	108,669	51,263
2005 WRKC Debt Service Fund	1,525,011	2,168,594	827,624	1,340,970	2,865,981
2006 Tax Debt Service Fund	0	1,866,705	1,913,258	(46,553)	(46,553)
2006 Maintenance Notes Tax Debt Service Fund	0	279,035	287,365	(8,330)	(8,330)
TOTAL FUNDS	\$ 7,271,585	\$ 8,137,207	\$ 6,456,024	\$ 1,681,183	\$ 8,952,768

Texas Southmost College
Statement of Revenues and Expenditures - GENERAL FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
REVENUES				
Operating Revenues				
State Appropriations	12,289,481	12,289,481	12,628,144	338,663
Tuition and Fees	24,763,603	24,763,603	21,894,674	(2,868,929)
Federal Grants & Contracts	890,066	890,066	687,908	(202,158)
State Grants & Contracts				
Texas Grant Program	1,298,192	1,298,192	1,501,605	203,413
Building Lease - UTB	1,359,576	1,359,576	1,359,576	0
Grants	60,000	60,000	217,220	157,220
College Workstudy Program	<u>70,000</u>	<u>70,000</u>	<u>83,342</u>	<u>13,342</u>
Total State Grants & Contracts	2,787,768	2,787,768	3,161,743	373,975
Non-Governmental Grants & Contracts				
STEMS	42,000	72,000	83,371	11,371
Other Operating Revenue	<u>365,942</u>	<u>365,942</u>	<u>293,467</u>	<u>(72,475)</u>
Total Operating Revenues	<u>41,138,860</u>	<u>41,168,860</u>	<u>38,749,307</u>	<u>(2,419,553)</u>
Total REVENUES	<u>41,138,860</u>	<u>41,168,860</u>	<u>38,749,307</u>	<u>(2,419,553)</u>
Non-Operating Revenues				
Ad-Valorem Taxes	8,912,474	8,912,474	9,281,055	368,581
Investment Income	<u>123,000</u>	<u>123,000</u>	<u>195,778</u>	<u>72,778</u>
Total Non-Operating Revenues	<u>9,035,474</u>	<u>9,035,474</u>	<u>9,476,834</u>	<u>441,360</u>
EXPENSES				
Operating Expenses				
Instruction				
STEMS				
STEMS Program	42,000	72,000	72,681	(681)
Total Instruction	42,000	72,000	72,681	(681)
Student Services				
Non Department				
Emergency Loans	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Student Services	50,000	0	0	0
Institutional Support				
Board of Trustees				
Media Services	2,000	2,000	1,717	283
Food Services-Meetings	4,000	9,000	8,323	677
Office Supplies	5,000	5,000	2,744	2,256
Travel	7,000	12,000	10,765	1,235
Instit. Official Functions	6,000	1,000	468	532
Professional Development	<u>7,000</u>	<u>2,000</u>	<u>125</u>	<u>1,875</u>
Total Board of Trustees	31,000	31,000	24,142	6,858
Administrative Offices				
Staff Salary & Wages	550,809	602,809	511,814	90,995
Work Study	4,017	4,017	2,136	1,881
FICA	34,150	37,450	31,556	5,894
Medical Benefits	81,298	74,598	42,173	32,425
Life Insurance	1,659	2,059	1,576	483
Worker's Compensation	4,010	4,010	2,860	1,150
Medicare	<u>7,987</u>	<u>8,987</u>	<u>7,380</u>	<u>1,607</u>
Total Administrative Offices	683,930	733,930	599,495	134,435

Texas Southmost College
Statement of Revenues and Expenditures - GENERAL FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	Variance
District Office				
Food Services-Meetings	5,000	7,000	7,679	(679)
Contracted Services - Cleaning	20,000	20,000	20,000	0
Office Supplies	10,000	9,000	8,938	62
Staff Development	10,000	11,700	10,294	1,406
Copying	8,000	7,000	6,126	874
Telephone & Long Distance	4,000	2,000	1,025	975
Postage and Delivery	4,000	3,000	3,639	(639)
Travel	18,000	24,000	23,559	441
Furniture & Fixtures	8,000	8,000	5,982	2,018
Equipment	<u>8,000</u>	<u>6,000</u>	<u>5,865</u>	<u>135</u>
Total District Office	95,000	97,700	93,107	4,593
General Institution				
Printing	9,000	9,000	2,280	6,720
Commencement	15,000	15,000	9,935	5,065
Promotional/Advertising	40,000	40,000	39,141	859
Insurance	1,052,000	1,052,000	857,724	194,276
Catalogs/Publications/News	1,000	1,000	989	11
Auditor Fees	25,000	25,000	24,060	940
Attorney Fees	20,000	20,000	22,185	(2,185)
Instit. Official Functions	5,000	5,000	4,285	715
Consulting Fees	9,000	2,785	0	2,785
Dues/Memberships	28,000	28,000	30,213	(2,213)
Contingency	4,000	4,000	0	4,000
Cameron Appraisal District	<u>160,000</u>	<u>163,515</u>	<u>163,513</u>	<u>2</u>
Total General Institution	<u>1,368,000</u>	<u>1,365,300</u>	<u>1,154,325</u>	<u>210,975</u>
Total Institutional Support	2,177,930	2,227,930	1,871,069	356,861
Due to UTB for Partnership - Tuition				
Tuition	7,522,314	7,522,314	6,097,013	1,425,301
Tuition Differential	<u>3,200,837</u>	<u>3,200,837</u>	<u>3,176,818</u>	<u>24,019</u>
Total Due to UTB for Partnership - Tuition	10,723,151	10,723,151	9,273,831	1,449,320
Due to UTB for Partnership - Designated Funds & Fees				
Designated Transfers to UTB	34,530,558	34,530,558	33,287,705	1,242,853
Additional Commitments				
General Institution				
VP External Affairs	71,800	71,800	71,800	0
Institutional Advancement	485,969	485,969	409,753	76,216
Library Development	250,000	250,000	250,000	0
Top 10% Scholarship	55,000	55,000	55,000	0
Top 5% Scholarship	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>0</u>
Total Additional Commitments	<u>902,769</u>	<u>902,769</u>	<u>826,553</u>	<u>76,216</u>
Total Operating Expenses	<u>48,376,408</u>	<u>48,456,408</u>	<u>45,331,839</u>	<u>3,124,569</u>
Total EXPENSES	<u>48,376,408</u>	<u>48,456,408</u>	<u>45,331,839</u>	<u>3,124,569</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>1,797,926</u>	<u>1,747,926</u>	<u>2,894,302</u>	<u>1,146,376</u>

Texas Southmost College
Statement of Revenues and Expenditures - GENERAL FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	<u>Total Original Budget</u>	<u>Total Budget Revised</u>	<u>Current Period Actual</u>	<u>YTD Revised Budget Variance</u>
Transfers In				
Transfer from Auxiliary	2,320,585	2,320,585	2,093,022	(227,563)
Total Transfers In	<u>2,320,585</u>	<u>2,320,585</u>	<u>2,093,022</u>	<u>(227,563)</u>
Transfers Out				
General Institution				
Transfer to Auxiliary	690,000	690,000	690,000	0
Transfer to Unexpended Plant	2,765,000	2,765,000	2,765,000	0
Transfer to General Revenue Bd	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>0</u>
Total Transfers Out	<u>3,900,000</u>	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>218,511</u>	<u>168,511</u>	<u>1,087,324</u>	<u>918,813</u>

Texas Southmost College
Statement of Revenues and Expenditures - AUXILIARY ENTERPRISES FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
REVENUES				
Operating Revenues				
Tuition and Fees				
Parking Fees	330,947	330,947	280,562	(50,385)
Student Service Fees	<u>2,320,585</u>	<u>2,320,585</u>	<u>2,093,022</u>	<u>(227,563)</u>
Total Tuition and Fees	<u>2,651,532</u>	<u>2,651,532</u>	<u>2,373,584</u>	<u>(277,948)</u>
Auxiliary Enterprises				
Plazita at Fort Brown	60,000	60,000	2,224	(57,776)
Raymondville Facility	0	0	28,000	28,000
Port Mansfield	0	0	2,400	2,400
Broadcast (US Wireless)	6,000	6,000	6,000	0
Copiers	70,000	70,000	45,908	(24,092)
Condominiums	148,500	148,500	118,151	(30,349)
Bookstore	<u>158,337</u>	<u>158,337</u>	<u>144,678</u>	<u>(13,659)</u>
Total Auxiliary Enterprises	<u>442,837</u>	<u>442,837</u>	<u>347,361</u>	<u>(95,476)</u>
Total Operating Revenues	3,094,369	3,094,369	2,720,944	(373,425)
Non-Operating Revenues				
Investment Income	<u>3,000</u>	<u>3,000</u>	<u>8,619</u>	<u>5,619</u>
Total Investment Income	<u>3,000</u>	<u>3,000</u>	<u>8,619</u>	<u>5,619</u>
Total Non-Operating Revenues	<u>3,000</u>	<u>3,000</u>	<u>8,619</u>	<u>5,619</u>
Total REVENUES	<u>3,097,369</u>	<u>3,097,369</u>	<u>2,729,564</u>	<u>(367,805)</u>
EXPENSES				
Operating Expenses				
Auxiliary Enterprises				
General Institution	5,000	1,000	0	1,000
Plazita at Fort Brown	40,000	40,000	7,136	32,864
Raymondville Facility	80,000	80,000	84,646	(4,646)
Rancho Del Cielo	235,000	235,000	224,576	10,424
Canon del Novillo	30,000	30,000	22,650	7,350
Port Mansfield	5,000	9,000	6,063	2,937
Copiers	70,000	70,000	33,706	36,294
Condominiums	139,413	139,413	140,580	(1,167)
Fort Brown Memorial Center	366,890	366,890	294,555	72,335
Golf Course	137,500	137,500	95,623	41,877
Total Auxiliary Enterprises	<u>1,108,803</u>	<u>1,108,803</u>	<u>909,535</u>	<u>199,268</u>
Total Operating Expenses	<u>1,108,803</u>	<u>1,108,803</u>	<u>909,535</u>	<u>199,268</u>
Total EXPENSES	<u>1,108,803</u>	<u>1,108,803</u>	<u>909,535</u>	<u>199,268</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>1,988,566</u>	<u>1,988,566</u>	<u>1,820,029</u>	<u>(168,537)</u>
Transfers In				
Transfer from General	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>	<u>0</u>
	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>	<u>0</u>
Transfers Out				
Transfer to General	2,320,585	2,320,585	2,093,022	227,563
Transfer from General	<u>330,947</u>	<u>330,947</u>	<u>280,622</u>	<u>50,325</u>
Total Transfers Out	<u>2,651,532</u>	<u>2,651,532</u>	<u>2,373,644</u>	<u>277,888</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>27,034</u>	<u>27,034</u>	<u>136,385</u>	<u>109,351</u>

Texas Southmost College
Statement of Revenues and Expenditures - CAMPUS FACILITIES FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
REVENUES				
Operating Revenues				
Other Operating Revenue				
Non Department				
Texas Parks & Wildlife Grant	0	467,000	0	(467,000)
Bond Proceeds	<u>14,000,000</u>	<u>14,000,000</u>	<u>0</u>	<u>(14,000,000)</u>
Total Other Operating Revenue	<u>14,000,000</u>	<u>14,467,000</u>	<u>0</u>	<u>(14,467,000)</u>
Total Operating Revenues	<u>14,000,000</u>	<u>14,467,000</u>	<u>0</u>	<u>(14,467,000)</u>
Total REVENUES	<u>14,000,000</u>	<u>14,467,000</u>	<u>0</u>	<u>(14,467,000)</u>
Non-Operating Revenues				
Investment Income	<u>1,896,000</u>	<u>1,896,000</u>	<u>2,896,430</u>	<u>1,000,430</u>
Total Non-Operating Revenues	<u>1,896,000</u>	<u>1,896,000</u>	<u>2,896,430</u>	<u>1,000,430</u>
EXPENSES				
Operating Expenses				
Bond Projects				
Bond Proceeds Projects	11,015,000	13,414,342	5,469,638	7,944,704
WRKC	<u>5,154,500</u>	<u>5,154,500</u>	<u>5,999,925</u>	<u>(845,425)</u>
Total Bond Projects	16,169,500	18,568,842	11,469,563	7,099,279
Operation & Maintenance of Plant				
Campus Improvements	1,618,000	2,618,590	2,134,828	483,762
Campus Infrastructure	110,000	110,000	109,758	242
College Park	0	934,000	26,139	907,861
Consulting Fees	30,000	30,000	16,451	13,549
Property Acquisitions	1,080,000	1,080,000	872,356	207,644
Property Site Work	30,000	30,000	6,800	23,200
Historic Restorations	75,000	475,000	225,342	249,658
Student Housing	<u>0</u>	<u>0</u>	<u>122,210</u>	<u>(122,210)</u>
Total Operation & Maintenance of Plant	19,112,500	23,846,432	14,983,447	8,862,985
Total Operating Expenses	<u>19,112,500</u>	<u>23,846,432</u>	<u>14,983,447</u>	<u>8,862,985</u>
Total EXPENSES	<u>19,112,500</u>	<u>23,846,432</u>	<u>14,983,447</u>	<u>8,862,985</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>(3,216,500)</u>	<u>(7,483,432)</u>	<u>(12,087,017)</u>	<u>(4,603,585)</u>
Non Department				
Transfer from General	<u>2,765,000</u>	<u>2,765,000</u>	<u>2,765,000</u>	<u>0</u>
Total Transfers In	<u>2,765,000</u>	<u>2,765,000</u>	<u>2,765,000</u>	<u>0</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>(451,500)</u>	<u>(4,718,432)</u>	<u>(9,322,017)</u>	<u>(4,603,585)</u>

Texas Southmost College
Statement of Revenues and Expenditures - RESTRICTED PARKING FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
Non-Operating Revenues				
Investment Income				
	<u>20,000</u>	<u>20,000</u>	<u>14,449</u>	<u>(5,551)</u>
Total Non-Operating Revenues	<u>20,000</u>	<u>20,000</u>	<u>14,449</u>	<u>(5,551)</u>
EXPENSES				
Operating Expenses				
Operation & Maintenance of Plant				
Parking Fees	7,800	7,800	7,800	0
Parking Lot Repairs/Additions	<u>200,000</u>	<u>200,000</u>	<u>101,065</u>	<u>98,935</u>
Total Operation & Maintenance of Plant	<u>207,800</u>	<u>207,800</u>	<u>108,865</u>	<u>98,935</u>
Total Operating Expenses	<u>207,800</u>	<u>207,800</u>	<u>108,865</u>	<u>98,935</u>
Total EXPENSES	<u>207,800</u>	<u>207,800</u>	<u>108,865</u>	<u>98,935</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>(187,800)</u>	<u>(187,800)</u>	<u>(94,416)</u>	<u>93,384</u>
Transfers In				
Transfer from Auxiliary	<u>330,947</u>	<u>330,947</u>	<u>280,622</u>	<u>(50,325)</u>
Total Transfers In	<u>330,947</u>	<u>330,947</u>	<u>280,622</u>	<u>(50,325)</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>143,147</u>	<u>143,147</u>	<u>186,206</u>	<u>43,059</u>

Texas Southmost College
Statement of Revenues and Expenditures - 86/87 TAX DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
REVENUES				
Non-Operating Revenues				
Ad Valorem Taxes	1,182,156	1,182,156	1,259,154	76,998
Investment Income	8,000	8,000	13,167	5,167
Total Non-Operating Revenues	<u>1,190,156</u>	<u>1,190,156</u>	<u>1,272,321</u>	<u>82,165</u>
Total REVENUES	<u>1,190,156</u>	<u>1,190,156</u>	<u>1,272,321</u>	<u>82,165</u>
EXPENSES				
Non-Operating Expenses				
Debt Service	1,182,156	1,182,156	1,182,156	(0)
Fiscal Agent Fees	1,000	1,400	1,325	75
Total Non-Operating Expenses	<u>1,183,156</u>	<u>1,183,556</u>	<u>1,183,481</u>	<u>75</u>
Total EXPENSES	<u>1,183,156</u>	<u>1,183,556</u>	<u>1,183,481</u>	<u>75</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>7,000</u>	<u>6,600</u>	<u>88,840</u>	<u>82,240</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>7,000</u>	<u>6,600</u>	<u>88,840</u>	<u>82,240</u>

Texas Southmost College
Statement of Revenues and Expenditures - 2000 STUDENT UNION DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
REVENUES				
Operating Revenues				
Tuition and Fees				
Student Union Fees	1,277,411	1,277,411	1,012,674	(264,737)
Building Maintenance Reserve	0	0	62,000	62,000
Total Tuition and Fees	<u>1,277,411</u>	<u>1,277,411</u>	<u>1,074,674</u>	<u>(202,737)</u>
Total Operating Revenues	1,277,411	1,277,411	1,074,674	(202,737)
Non-Operating Revenues				
Investment Income	20,000	20,000	52,529	32,529
Total REVENUES	<u>1,297,411</u>	<u>1,297,411</u>	<u>1,127,203</u>	<u>(170,208)</u>
EXPENSES				
Non-Operating Expenses				
Debt Service				
Fiscal Agent Fees	1,000	6,750	6,705	45
Debt Service	<u>673,260</u>	<u>673,260</u>	<u>673,260</u>	<u>0</u>
Total Debt Service	<u>674,260</u>	<u>680,010</u>	<u>679,965</u>	<u>45</u>
Total Non-Operating Expenses	<u>674,260</u>	<u>680,010</u>	<u>679,965</u>	<u>45</u>
Total EXPENSES	<u>674,260</u>	<u>680,010</u>	<u>679,965</u>	<u>45</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>623,151</u>	<u>617,401</u>	<u>447,238</u>	<u>(170,163)</u>
Transfers Out				
Designated Student Union Fees	<u>542,151</u>	<u>542,151</u>	<u>339,414</u>	<u>202,737</u>
Total Transfers Out	<u>542,151</u>	<u>542,151</u>	<u>339,414</u>	<u>202,737</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>81,000</u>	<u>75,250</u>	<u>107,824</u>	<u>32,574</u>

Texas Southmost College
Statement of Revenues and Expenditures - 2002 GENERAL REVENUE DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	<u>Total Original Budget</u>	<u>Total Budget Revised</u>	<u>Current Period Actual</u>	<u>YTD Revised Budget Variance</u>
REVENUES				
Non-Operating Revenues				
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>99,845</u>	<u>89,845</u>
Total REVENUES	<u>10,000</u>	<u>10,000</u>	<u>99,845</u>	<u>89,845</u>
EXPENSES				
Non-Operating Expenses				
Debt Service	451,332	451,332	451,332	(0)
Fiscal Agent Fees	<u>500</u>	<u>3,750</u>	<u>3,750</u>	<u>0</u>
Total EXPENSES	<u>451,832</u>	<u>455,082</u>	<u>455,082</u>	<u>(0)</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>(441,832)</u>	<u>(445,082)</u>	<u>(355,237)</u>	<u>89,845</u>
Transfers In				
Transfer from General	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>0</u>
Total Transfers In	<u>445,000</u>	<u>445,000</u>	<u>445,000</u>	<u>0</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>3,168</u>	<u>(82)</u>	<u>89,763</u>	<u>89,845</u>

Texas Southmost College
Statement of Revenues and Expenditures - 2005 TAX DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	<u>Total Original Budget</u>	<u>Total Budget Revised</u>	<u>Current Period Actual</u>	<u>YTD Revised Budget Variance</u>
REVENUES				
Non-Operating Revenues				
Ad Valorem Taxes	765,775	765,775	867,192	101,417
Investment Income	<u>20,000</u>	<u>20,000</u>	<u>11,313</u>	<u>(8,688)</u>
Total Non-Operating Revenues	<u>785,775</u>	<u>785,775</u>	<u>878,504</u>	<u>92,729</u>
Total REVENUES	<u>785,775</u>	<u>785,775</u>	<u>878,504</u>	<u>92,729</u>
EXPENSES				
Non-Operating Expenses				
Debt Service	765,775	765,775	765,775	0
Fiscal Agent Fees	<u>1,000</u>	<u>4,100</u>	<u>4,060</u>	<u>40</u>
Total Non-Operating Expenses	<u>766,775</u>	<u>769,875</u>	<u>769,835</u>	<u>40</u>
Total EXPENSES	<u>766,775</u>	<u>769,875</u>	<u>769,835</u>	<u>40</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>19,000</u>	<u>15,900</u>	<u>108,669</u>	<u>92,769</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>19,000</u>	<u>15,900</u>	<u>108,669</u>	<u>92,769</u>

Texas Southmost College
Statement of Revenues and Expenditures - 2005 STUDENT RECREATION CENTER DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	<u>Total Original Budget</u>	<u>Total Budget Revised</u>	<u>Current Period Actual</u>	<u>YTD Revised Budget Variance</u>
REVENUES				
Operating Revenues				
Tuition and Fees				
Student Recreation Fee	2,418,998	2,418,998	2,085,884	(333,114)
Total Tuition and Fees	<u>2,418,998</u>	<u>2,418,998</u>	<u>2,085,884</u>	<u>(333,114)</u>
Total Operating Revenues	2,418,998	2,418,998	2,085,884	(333,114)
Non-Operating Revenues				
Investment Income	30,000	30,000	82,709	52,709
Total REVENUES	<u>2,448,998</u>	<u>2,448,998</u>	<u>2,168,594</u>	<u>(280,405)</u>
EXPENSES				
Non-Operating Expenses				
Debt Service				
Debt Service	622,556	622,556	622,556	(0)
Designated Transfers to UTB	261,381	261,381	199,358	62,024
Fiscal Agent Fees	1,000	6,500	5,710	790
Total Debt Service	<u>884,937</u>	<u>890,437</u>	<u>827,624</u>	<u>62,814</u>
Total Non-Operating Expenses	<u>884,937</u>	<u>890,437</u>	<u>827,624</u>	<u>62,814</u>
Total EXPENSES	<u>884,937</u>	<u>890,437</u>	<u>827,624</u>	<u>62,814</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>1,564,061</u>	<u>1,558,561</u>	<u>1,340,970</u>	<u>(217,591)</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>1,564,061</u>	<u>1,558,561</u>	<u>1,340,970</u>	<u>(217,591)</u>

Texas Southmost College
Statement of Revenues and Expenditures - 2006 TAX DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	Total Original Budget	Total Budget Revised	Current Period Actual	YTD Revised Budget Variance
REVENUES				
Non-Operating Revenues				
Ad Valorem Taxes	1,911,353	1,911,353	1,850,635	(60,718)
Investment Income	<u>20,000</u>	<u>20,000</u>	<u>16,070</u>	<u>(3,930)</u>
Total Non-Operating Revenues	<u>1,931,353</u>	<u>1,931,353</u>	<u>1,866,705</u>	<u>(64,648)</u>
Total REVENUES	<u>1,931,353</u>	<u>1,931,353</u>	<u>1,866,705</u>	<u>(64,648)</u>
EXPENSES				
Non-Operating Expenses				
Debt Service	1,911,353	1,911,353	1,911,353	(0)
Fiscal Agent Fees	1,000	2,000	1,905	95
Total Non-Operating Expenses	<u>1,912,353</u>	<u>1,913,353</u>	<u>1,913,258</u>	<u>95</u>
Total EXPENSES	<u>1,912,353</u>	<u>1,913,353</u>	<u>1,913,258</u>	<u>95</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>19,000</u>	<u>18,000</u>	<u>(46,553)</u>	<u>(64,553)</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>19,000</u>	<u>18,000</u>	<u>(46,553)</u>	<u>(64,553)</u>

Texas Southmost College
Statement of Revenues and Expenditures - 2006 MAINTENANCE NOTES TAX DEBT SERVICE FUND
From 9/1/2006 Through 8/31/2007

(In Whole Numbers)

	<u>Total Original Budget</u>	<u>Total Budget Revised</u>	<u>Current Period Actual</u>	<u>YTD Revised Budget Variance</u>
REVENUES				
Non-Operating Revenues				
Ad Valorem Taxes	285,460	285,460	276,327	(9,133)
Investment Income	<u>10,000</u>	<u>10,000</u>	<u>2,708</u>	<u>(7,292)</u>
Total Non-Operating Revenues	<u>295,460</u>	<u>295,460</u>	<u>279,035</u>	<u>(16,425)</u>
Total REVENUES	<u>295,460</u>	<u>295,460</u>	<u>279,035</u>	<u>(16,425)</u>
EXPENSES				
Non-Operating Expenses				
Debt Service	285,460	285,460	285,460	(0)
Fiscal Agent Fees	<u>1,000</u>	<u>2,000</u>	<u>1,905</u>	<u>95</u>
Total Non-Operating Expenses	<u>286,460</u>	<u>287,460</u>	<u>287,365</u>	<u>95</u>
Total EXPENSES	<u>286,460</u>	<u>287,460</u>	<u>287,365</u>	<u>95</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFERS	<u>9,000</u>	<u>8,000</u>	<u>(8,330)</u>	<u>(16,330)</u>
INCREASE (DECREASE) IN NET ASSETS AFTER TRANSFERS	<u>9,000</u>	<u>8,000</u>	<u>(8,330)</u>	<u>(16,330)</u>

**TEXAS SOUTHMOST COLLEGE DISTRICT
INVESTMENT REPORT
FOR THE QUARTER ENDED
AUGUST 31, 2007**

CURRENT FUNDS

UNRESTRICTED (GENERAL)

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
General Fund	\$129,989.45	\$129,989.45	\$144,766.73	\$144,766.73	3.30%	N/A	\$2,158.68
General Fund Savings	\$5,035,163.60	\$5,035,163.60	\$4,092,349.49	\$4,092,349.49	3.55%	N/A	\$45,645.38
Payroll Fund	\$674.37	\$674.37	\$696.38	\$696.38	3.30%	N/A	\$22.01
							<u>\$47,826.07</u>

RESTRICTED

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
Institutional Scholarships	\$1,568.97	\$1,568.97	\$1,582.10	\$1,582.10	3.30%	N/A	\$13.13
Inst. Scholarships Savings	\$81,839.19	\$81,839.19	\$82,577.45	\$82,577.45	3.55%	N/A	\$738.26
Federal Restricted Fund	\$2,606.29	\$2,606.29	\$3,467.07	\$3,467.07	3.30%	N/A	\$84.64
Federal Restricted Savings	\$47,197.45	\$47,197.45	\$33,390.83	\$33,390.83	3.55%	N/A	\$322.71
							<u>\$1,158.74</u>

AUXILIARY ENTERPRISES

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
Auxiliary Fund	\$15,092.68	\$15,092.68	\$27,190.03	\$27,190.03	3.30%	N/A	\$113.19
Auxiliary Fund Savings	\$369,294.55	\$369,294.55	\$36,890.48	\$36,890.48	3.55%	N/A	\$2,940.47
Student Union Operating Account	\$1,568.97	\$1,568.97	\$1,582.10	\$1,582.10	3.30%	N/A	\$13.13
Std Union Operating Acct Savings	\$49,701.52	\$49,701.52	\$50,149.87	\$50,149.87	3.55%	N/A	\$448.35
							<u>\$3,515.14</u>

LOAN FUNDS

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
TSC Loan Fund Savings	\$35,047.73	\$35,047.73	\$35,363.89	\$35,363.89	3.55%	N/A	\$316.16
							<u>\$316.16</u>

ENDOWMENT & SIMILAR FUNDS

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
TSC Endowment Fund	\$1,568.97	\$1,568.97	\$1,582.09	\$1,582.09	3.30%	N/A	\$13.12
TSC Endowment Fund Savings	\$5,550.64	\$5,550.64	\$4,188.07	\$4,188.07	3.55%	N/A	\$46.38
A.G. Edwards & Sons, Inc. Money Fund	\$112.13	\$112.13	\$112.13	\$112.13	0.00%	N/A	\$0.00
2,287 shares RPM Inc.	\$51,960.64	\$51,960.64	\$51,777.68	\$51,777.68	N/A	N/A	N/A
296 shares Xcel Energy	\$6,793.20	\$6,793.20	\$6,100.56	\$6,100.56	N/A	N/A	N/A
323 shares JPM	\$16,741.09	\$16,741.09	\$14,379.96	\$14,379.96	N/A	N/A	N/A
							<u>\$59.50</u>

PLANT FUNDS

UNEXPENDED

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
TSC Improvement & Contingency Fund	\$235,532.64	\$235,532.64	\$130,507.06	\$130,507.06	3.30%	N/A	\$1,039.85
TSC Imp. & Contingency Fund Savings	\$1,448,070.98	\$1,448,070.98	\$1,989,494.35	\$1,989,494.35	3.55%	N/A	\$13,602.55
TSC Revenue Bond Proceeds	\$1,568.97	\$1,568.97	\$1,582.10	\$1,582.10	3.30%	N/A	\$13.13
TSC Revenue Bond Proceeds Savings	\$2,990,720.49	\$2,990,720.49	\$2,900,642.08	\$2,900,642.08	3.55%	N/A	\$26,472.85
TSC 2005 Bond Proceeds	\$238,213.64	\$238,213.64	\$808,011.69	\$808,011.69	3.30%	N/A	\$3,347.08
TSC 2005 Bond Proceeds Savings	\$137,696.69	\$137,696.69	\$197,572.38	\$197,572.38	3.55%	N/A	\$1,930.03
TSC 2005 WRKC Bond Proceeds	\$1,896.28	\$1,896.28	\$462,940.88	\$462,940.88	3.30%	N/A	\$1,264.00
TSC 2005 WRKC Bond Proceeds Savings	\$113,861.89	\$113,861.89	\$114,604.52	\$114,604.52	3.55%	N/A	\$1,006.78
TSC Repurchase Agreement	\$18,052,504.13	\$18,052,504.13	\$15,602,018.53	\$15,602,018.53	3.745%	N/A	\$159,514.40
TSC 2006 Bond Proceeds	\$2,056.17	\$2,056.17	\$2,076.37	\$2,076.37	3.30%	N/A	\$17.20
TSC 2006 Bond Proceeds Savings	\$132,716.63	\$132,716.63	\$133,913.84	\$133,913.84	3.55%	N/A	\$1,197.21
TSC 2006 Maintenance Tax Notes	\$151,731.24	\$151,731.24	\$15,035.82	\$15,035.82	3.30%	N/A	\$172.73
TSC 2006 Maintenance Tax Notes Savings	\$106,637.49	\$106,637.49	\$60,158.76	\$60,158.76	3.55%	N/A	\$630.26
TSC WRKC Series 2005 TSB CD	\$12,937,737.27	\$12,937,737.27	\$11,756,311.83	\$11,756,311.83	4.78%	7/1/2009	\$153,574.56
TSC 2006 Bond Proceeds TSB CD	\$25,467,520.61	\$25,467,520.61	\$25,801,776.40	\$25,801,776.40	5.19%	7/1/2009	\$334,255.78
TSC 2006 Maintenance Tax Notes TSB CD	\$2,013,644.98	\$2,013,644.98	\$1,820,086.25	\$1,820,086.25	5.19%	7/1/2009	\$25,597.86
TSC 2007 Bond Proceeds	\$0.00	\$0.00	\$13,965,093.75	\$13,965,093.75	3.55%	N/A	\$47,320.17
TSC 2007 Maintenance Tax Notes	\$0.00	0	\$1,952,991.50	\$1,952,991.50	3.55%	N/A	\$6,656.59
							<u>\$777,613.03</u>

**TEXAS SOUTHMOST COLLEGE DISTRICT
INVESTMENT REPORT
FOR THE QUARTER ENDED
AUGUST 31, 2007**

PLANT FUNDS (Continued)

RENEWALS AND REPLACEMENTS

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
TSC Restricted Parking Fund	\$17,065.63	\$17,065.63	\$18,542.23	\$18,542.23	3.30%	N/A	\$146.60
TSC Restricted Parking Fund Savings	\$284,522.10	\$284,522.10	\$572,385.22	\$572,385.22	3.55%	N/A	\$3,785.36
							<u>\$3,931.96</u>

RETIREMENT OF INDEBTEDNESS

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
TSC Debt Service Fund Savings	\$199,132.36	\$199,132.36	\$200,928.70	\$200,928.70	3.55%	N/A	\$1,796.34
TSC 1987 Tax Debt Service Fund	\$1,569.52	\$1,569.52	\$1,582.65	\$1,582.65	3.30%	N/A	\$13.13
TSC 1987 Tax Debt Svc Fund Savings	\$193,543.39	\$193,543.39	\$242,676.10	\$242,676.10	3.55%	N/A	\$2,108.60
TSC 2005 Tax Debt Service Fund	\$444,204.20	\$444,204.20	\$48,564.42	\$48,564.42	3.55%	N/A	\$2,736.59
TSC 2005 WRKC Debt Service Fund	\$3,043,238.24	\$3,043,238.24	\$3,054,131.29	\$3,054,131.29	3.55%	N/A	\$27,466.04
TSC 2006 Tax Debt Service	\$436,847.98	\$436,847.98	\$25,897.36	\$25,897.36	3.55%	N/A	\$2,788.59
TSC Maintenance Tax Debt Service	\$83,425.85	\$83,425.85	\$4,635.57	\$4,635.57	3.55%	N/A	\$524.93
TSC Student Union Bldg Fees	\$275,327.94	\$275,327.94	\$159,376.13	\$159,376.13	3.30%	N/A	\$992.42
TSC Student Union Bldg Fees Savings	\$1,543,524.26	\$1,543,524.26	\$1,331,578.47	\$1,331,578.47	3.55%	N/A	\$14,311.27
							<u>\$52,717.91</u>

AGENCY FUNDS

Instrument	Book Value 5/31/2007	Market Value 5/31/2007	Book Value 8/31/2007	Market Value 8/31/2007	Avg. Yield	Maturity	Interest Earned
TSC Alumni Association Savings	\$10,255.07	\$10,255.07	\$10,347.58	\$10,347.58	3.55%	N/A	\$92.51
							<u>\$92.51</u>


TOTAL INTEREST EARNED THIS QUARTER

\$887,231.02

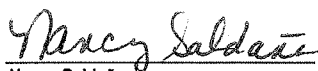
Note: All investments are in accordance with the stated strategies, District Board Investment Policy 4.60, and relevant provisions of the law.

Interest Summary

FUNDS	Earned 1st Qtr	Earned 2nd Qtr	Earned 3rd Qtr	Earned 4th Qtr
Current Funds	\$31,224.97	\$54,416.59	\$66,255.64	\$52,499.95
Loan Funds	\$290.84	\$290.09	\$299.06	\$316.16
Endowment & Similar Funds	\$44.59	\$48.67	\$56.13	\$59.50
Plant Funds	\$793,059.26	\$786,694.78	\$780,705.91	\$834,262.90
Agency Funds	\$85.10	\$84.88	\$87.51	\$92.51
TOTAL	\$824,704.76	\$841,535.01	\$847,404.25	\$887,231.02


Melba Sanchez
Assistant Vice President for Finance


Dr. David Pearson
Vice President for Partnership Affairs


Nancy Saldaña
Director of Finance