



TEXAS SOUTHMOST COLLEGE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
YEAR ENDED AUGUST 31, 1995

TEXAS SOUTHMOST COLLEGE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AUGUST 31, 1995

TEXAS SOUTHMOST COLLEGE

**ORGANIZATIONAL DATA**  
For the Fiscal Year 1994 - 1995

Board of Trustees

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Officers

Mary Rose Cardenas	Chairperson
Praxedis Orive, Jr.	Vice-Chairperson
Chester Gonzalez	Secretary

Members

		Term Expires
Mary Rose Cardenas	Brownsville, Texas	May, 1996
Praxedis Orive, Jr.	Brownsville, Texas	May, 1998
Anthony Carnesi, Jr.	Brownsville, Texas	May, 2000
Dr. Joseph Zavaletta	Brownsville, Texas	May, 1998
Chester Gonzalez	Brownsville, Texas	May, 1998
Dolly Zimmerman	Brownsville, Texas	May, 1996
David Oliveira	Brownsville, Texas	May, 2000

Principal Administrative Officers

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Michael Putegnat	Executive Director/Secretary
Hector H. Garcia	Controller

TEXAS SOUTHMOST COLLEGE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AUGUST 31, 1995

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**FINANCIAL SECTION**



# LONG, CHILTON, PAYTE & HARDIN, LLP

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS



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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees  
Texas Southmost College

We have audited the accompanying general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, as listed in the table of contents. These general-purpose financial statements are the responsibility of Texas Southmost College management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Texas Southmost College, as of August 31, 1995, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated October 31, 1995 on our consideration of Texas Southmost College's internal control structure and a report dated October 31, 1995 on its compliance with laws and regulations.

*Long, Chilton, Payte & Hardin CPA*  
LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995



TEXAS SOUTHMOST COLLEGE

EXHIBIT A

BALANCE SHEET

August 31, 1995

With Memorandum Totals At August 31, 1994

CURRENT FUNDS

	Unrestricted	Auxiliary Enterprises	Restricted	Total	Loan Funds
<b>ASSETS</b>					
Cash and Cash Equivalents (Sch. A-1)	\$6,122,598	\$ 385,621	\$ 30,840	\$6,539,059	\$ 37,878
Short-Term Investments (Sch. A-1)					
Balance in State Appropriations					
Accounts Receivable (net of allowance for doubtful accounts of \$-0- at August 31, 1995)	306,798	95,145		401,943	76,601
Taxes Receivable (net of allowance for doubtful accounts of \$267,414 and \$17,779 at August 31, 1995 and 1994) (Sch. C-4)	407,734			407,734	
Due From Other Funds	341,018		148,956	489,974	13,305
Investments (Sch. A-2)					
Accrued Interest Receivable					
Prepaid Expenses	76,250			76,250	
Deferred Charges					
Federal Receivables			400,282	400,282	
Deposits					
Notes Receivable (net of allowance for doubtful accounts of \$75,241)					12,804
Bond Proceeds Receivable					
Consumable Inventories	5,869			5,869	
Inventories, for resale					
Land					
Buildings					
Improvements Other Than Buildings					
Equipment					
Library Books					
Museums and Art Collections					
Construction in Progress					
Assets Held in Trust					
Amounts to be Provided					
<b>Total Assets</b>	<u>\$ 7,260,267</u>	<u>\$ 480,766</u>	<u>\$ 580,078</u>	<u>\$ 8,321,111</u>	<u>\$ 140,588</u>

Endowment and Similar Funds	Annuity and Life Income Funds	PLANT FUNDS				Agency Funds	TOTALS MEMORANDUM ONLY	
		Unexpended	Renewals and Replac- ements	Retirement of Indebt- edness	Investment in Plant		Current Year	Prior Year
\$ 2,503	\$	\$1,062,934	\$ 261,308	\$ 302,673	\$	\$ 6,824	\$ 8,213,179	\$ 5,181,855
							0	1,500,000
							0	0
				16,469			495,013	495,765
				236,427			644,161	576,192
		1,834,819		87,012			2,425,110	81,778
43,396							43,396	24,775
194		6,902					7,096	12,062
							76,250	148,060
							0	859,476
							400,282	424,222
		50,000					50,000	50,000
							12,804	7,534
							5,869	1,485
					2,343,065		2,343,065	1,540,606
					22,319,214		22,319,214	21,863,492
					5,806,635		5,806,635	5,773,801
					8,326,340		8,326,340	8,462,854
					7,870,228		7,870,228	6,787,053
							0	0
					54,784		54,784	116,650
					351,064		351,064	351,064
					550,476		550,476	481,186
<u>\$ 46,093</u>	<u>\$ 0</u>	<u>\$ 2,954,655</u>	<u>\$ 261,308</u>	<u>\$ 642,581</u>	<u>\$47,621,806</u>	<u>\$ 6,824</u>	<u>\$59,994,966</u>	<u>\$54,739,910</u>

TEXAS SOUTHWEST COLLEGE

Exhibit A

BALANCE SHEET

August 31, 1995

With Memorandum Totals At August 31, 1994

	CURRENT FUNDS				
	Unrestricted	Auxiliary Enterprises	Restricted	Total	Loan Funds
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 147,470	\$	\$	\$ 147,470	\$
Accrued Liabilities					
Deposits Payable					
Due To Other Funds	2,063,013		353,960	2,416,973	
Due To Other Agencies		214	215,312	215,526	
Deferred Revenues	1,589,273			1,589,273	
Accrued Compensable Absences Payable	32,238			32,238	
Annuities Payable					
Bonds Payable (net of Unamortized Premium/ Discount of \$0 as of 8/31/95) (Sch. D-1)					
Notes and Loans Payable					
Lease-Purchase Agreements Payable					
Funds Held in Custody for Others					
<b>Total Liabilities</b>	<u>3,831,994</u>	<u>214</u>	<u>569,272</u>	<u>4,401,480</u>	<u>0</u>
<b>Fund Balance:</b>					
<b>Unrestricted</b>					
Reserved	\$	\$	\$	\$	\$
Encumbrances					
Accounts Receivable	306,798	95,145		401,943	
Consumable Inventory	5,869			5,869	
Prepaid Expenses					
Unreserved					
Designated					
Future Operating Budget(s)					
Capital Projects					
College Loan Funds					
Undesignated	3,115,606	385,407		3,501,013	90,123
Restricted					
Encumbrances					
Other			10,806	10,806	
U.S. Government Grants Refundable					
Institutional Matching Funds					50,465
Net Investment in Plant					
<b>Total Fund Balances (Exh. B)</b>	<u>3,428,273</u>	<u>480,552</u>	<u>10,806</u>	<u>3,919,631</u>	<u>140,588</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,260,267</u>	<u>\$ 480,766</u>	<u>\$ 580,078</u>	<u>\$ 8,321,111</u>	<u>\$ 140,588</u>

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

Endowment and Similar Funds	Annuity and Life Income Funds	PLANT FUNDS				TOTALS MEMORANDUM ONLY		
		Unexpended	Renewals and Replaces- ments	Retirement of Indebt- edness	Investment in Plant	Agency Funds	Current Year	Prior Year
\$ 13	\$	\$ 373	\$ 78,683	\$	\$ 550,476	\$	\$ 226,539	\$ 721,224
							550,476	481,186
			7,774	363			0	100
				236,427			2,425,110	81,778
							215,526	0
							1,825,700	2,063,419
							32,238	14,398
							0	0
					10,604,999		10,604,999	11,374,999
							0	0
							0	20,576
						6,824	6,824	6,731
<u>13</u>	<u>0</u>	<u>373</u>	<u>86,457</u>	<u>236,790</u>	<u>11,155,475</u>	<u>6,824</u>	<u>15,887,412</u>	<u>14,764,411</u>
\$	\$	\$	\$	\$	\$	\$	\$	\$
							401,943	413,659
							5,869	148,060
		2,954,282	174,851				3,129,133	1,679,149
							90,123	84,388
							3,501,013	3,586,134
46,080				405,791			462,677	527,004
							50,465	37,160
<u>46,080</u>	<u>0</u>	<u>2,954,282</u>	<u>174,851</u>	<u>405,791</u>	<u>36,466,331</u>	<u>0</u>	<u>36,466,331</u>	<u>33,499,945</u>
<u>46,093</u>	<u>0</u>	<u>2,954,655</u>	<u>261,308</u>	<u>642,581</u>	<u>47,621,806</u>	<u>6,824</u>	<u>59,994,966</u>	<u>54,739,910</u>

TEXAS SOUTHMOST COLLEGE

Exhibit B

STATEMENT OF CHANGES IN FUND BALANCES  
For the Year Ended August 31, 1995  
With Memorandum Totals For the Year Ended August 31, 1994

	CURRENT FUNDS				
	Unrestricted	Auxiliary Enterprises	Restricted	Total	Loan Funds
<b>REVENUES AND OTHER ADDITIONS</b>					
Unrestricted Current Funds Revenue (Exh. C)	\$21,432,300	\$ 2,329,280	\$	\$23,761,580	\$
State Appropriations - Restricted			23,299	23,299	
Federal Grants and Contracts			1,441,917	1,441,917	
State Grants and Contracts			206,827	206,827	
Local Gifts, Grants and Contracts			68,933	68,933	
Private Gifts, Grants and Contracts				0	
Investment Income/Endowment Income				0	459
Realized Gains on Investments				0	
Interest on Loan Receivable				0	
U.S. Government Advances				0	
Net Change in Bonds Payable				0	
Net Change in Notes Payable				0	
Expended for Plant Facilities (Includes \$30,653 Charged to Current Funds Expenditures)				0	
Other Additions			5,540	5,540	15,590
<b>Total Revenues and Other Additions</b>	<b>\$21,432,300</b>	<b>\$ 2,329,280</b>	<b>\$ 1,746,516</b>	<b>\$25,508,096</b>	<b>\$ 16,049</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>					
Expenditures (Exh. C)	20,993,427	794,603	7,617,659	29,405,689	
Expended for Plant Facilities				0	
Lapsed Appropriations				0	
Indirect Costs Recovered				0	
Refunded to Grantors				0	
Loan Cancellations and Write Offs				0	10,314
Administrative and Collection Costs				0	
Retirement of Indebtedness - Bonds				0	
Interest on Indebtedness				0	
Net Realized Losses on Investments				0	
Disposal of Plant Facilities				0	
Other Deductions				0	
<b>Total Expenditures and Other Deductions</b>	<b>\$20,993,427</b>	<b>\$ 794,603</b>	<b>\$ 7,617,659</b>	<b>\$29,405,689</b>	<b>\$ 10,314</b>
<b>TRANSFERS-ADDITIONS/(DEDUCTIONS)</b>					
Mandatory Transfers					
Retirement of Indebtedness				0	
Building Use Fees				0	
Tuition				0	
TPEG	(136,823)		123,518	(13,305)	13,305
SEOG Matching			(45,799)	(45,799)	
CWS Matching				0	
Other	288,136		5,798,964	6,087,100	
Non-Mandatory Transfers	(986,171)	(1,396,828)		(2,382,999)	
<b>Total Transfers - Additions (Deductions)</b>	<b>(834,858)</b>	<b>(1,396,828)</b>	<b>5,876,683</b>	<b>3,644,997</b>	<b>13,305</b>
<b>NET INCREASE/(DECREASE) FOR THE FISCAL YEAR</b>	<b>(395,985)</b>	<b>137,849</b>	<b>5,540</b>	<b>(252,596)</b>	<b>19,040</b>
FUND BALANCES, September 1, 1994:	\$ 3,805,929	\$ 341,924	\$ 7,262	\$ 4,155,115	\$ 121,548
Restatements (Prior Period Adjustments)	18,329	779	(1,996)	17,112	
FUND BALANCES September 1, 1994 - Restated	<u>3,824,258</u>	<u>342,703</u>	<u>5,266</u>	<u>4,172,227</u>	<u>121,548</u>
FUND BALANCES, August 31, 1995 (Exh. A)	<u>\$ 3,428,273</u>	<u>\$ 480,552</u>	<u>\$ 10,806</u>	<u>\$ 3,919,631</u>	<u>\$ 140,588</u>

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

Endowment and Similar Funds	Annuity and Life Income Funds	PLANT FUNDS				TOTALS MEMORANDUM ONLY			
		Unexpended	Renewals and Replaces- ments	Retirement of Indebt- edness	Investment in Plant	Agency Funds	Current Year	Prior Year	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
							23,761,580	22,965,264	
				19,954			23,299	21,263	
							1,461,871	1,415,305	
							206,827	215,330	
							68,933	534,476	
							0	70	
1,271		71,836	18,448	10,482			102,496	94,032	
18,622							18,622	0	
							0	0	
							0	0	
							770,000	600,000	
							20,535	117,875	
							2,342,976	672,963	
		422,100	412	1,494,715			1,938,357	1,968,195	
19,893	0	493,936	18,860	1,525,151	3,133,511	0	30,715,496	28,604,773	
1,462		380,359	749,928				29,407,151	29,075,715	
							1,130,287	904,737	
							0	0	
							0	0	
							0	0	
							10,314	23,361	
							0	0	
							770,000	600,000	
							577,695	682,494	
							0	11,845	
							0	0	
		422,100		1,352	167,125		590,577	7,789,925	
1,462	0	802,459	749,928	1,349,047	167,125	0	32,486,024	39,088,077	
							0	0	
							0	0	
							0	0	
							0	0	
							(45,799)	(26,541)	
							0	0	
		1,827,045	660,000	(316,169)			6,087,100	5,943,911	
0	0	1,827,045	660,000	(316,169)	0	0	(212,123)	(3,966,855)	
							5,829,178	1,950,515	
18,431	0	1,518,522	(71,068)	(140,065)	2,966,386	0	4,058,650	(8,532,789)	
27,649	0	1,435,760	243,389	492,093	33,499,945	0	39,975,499	48,401,547	
	0		2,530	53,763		0	73,405	106,741	
27,649	0	1,435,760	245,919	545,856	33,499,945	0	40,048,904	48,508,288	
46,080	0	2,954,282	174,851	405,791	36,466,331	0	44,107,554	39,975,499	

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TEXAS SOUTHMOST COLLEGE

Exhibit C

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

For the Year Ended August 31, 1995  
With Memorandum Totals For the Year Ended August 31, 1994

	Unrestricted	Auxiliary Enterprises	Restricted	TOTALS MEMORANDUM ONLY	
				Current Year	Prior Year
<b>REVENUES</b>					
State Appropriations - General Revenue	\$10,581,352	\$ -	\$ 23,299	\$10,604,651	\$10,660,183
Contribution and Fees	6,378,498	1,517,978	-	7,896,476	7,268,080
Charges for Current Operation	1,938,934	-	-	1,938,934	1,879,907
Federal Grants and Contracts	-	-	1,441,917	1,441,917	1,395,351
State Grants and Contracts	1,927,795	-	206,827	2,134,622	2,132,419
Local Grants and Contracts	121,392	576,188	68,933	766,513	1,157,612
Private Gifts, Grants and Contracts	-	-	-	-	-
Investment/Endowment Income	259,319	-	-	259,319	172,190
Sales & Service of Educational Activities	-	-	-	-	-
Sales & Service of Auxiliary Enterprises	-	194,338	-	194,338	212,302
Other Sources	-	-	-	-	-
Interest Income	-	15,776	-	15,776	9,379
Gains/Losses on Investments	-	25,000	-	25,000	9,371
Miss Income	225,010	-	-	225,010	234,890
<b>Total Current Funds Revenues</b>	<u>21,432,300</u> (Exh. B)	<u>2,329,280</u> (Exh. B)	<u>1,740,976</u>	<u>25,502,556</u>	<u>25,131,684</u>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>					
Educational and General					
Instruction	-	-	154,015	154,015	132,148
Research	-	-	-	-	-
Public Service	-	-	-	-	-
Academic Support	-	-	-	-	-
Student Services	-	-	-	-	-
Institutional Support	818,339	-	23,299	841,638	685,866
Operation and Maintenance of Plant	-	-	-	-	-
Scholarships and Fellowships	-	-	147,723	147,723	178,313
Transfers to UTB	20,175,088	-	7,292,622	27,467,710	27,231,783
<b>Total Educational and General Expenditures</b>	<u>20,993,427</u> (Exh. B)	<u>-</u>	<u>7,617,659</u> (Exh. B)	<u>28,611,086</u>	<u>28,228,110</u>
Auxiliary Enterprise Expenditures					
Expenditures	-	97,265	-	97,265	164,282
Transfers to UTB	-	697,338	-	697,338	678,769
	-	794,603 (Exh. B)	-	794,603	843,051
Mandatory Transfers for:					
TPEG to Restricted and Loan Fund	(136,823)	-	123,518	(13,305)	(10,476)
SEOG Matching	-	-	(45,799)	(45,799)	(26,541)
SW Matching	-	-	-	-	-
Principal and interest	-	-	-	-	-
Renewals and replacements	-	-	-	-	-
Non-mandatory transfers	-	-	-	-	-
<b>Total expenditures and transfers</b>	<u>21,130,250</u>	<u>794,603</u>	<u>7,539,940</u>	<u>29,464,793</u>	<u>29,108,178</u>
Other transfers and additions/(deductions):					
Non-mandatory transfers	(986,171)	(1,396,828)	-	(2,382,999)	(2,134,079)
Federal Scholarships/Grants by UTB	288,136	-	5,798,964	6,087,100	5,943,911
Excess of restricted receipts over transfers to revenues	-	-	-	-	(1,996)
Excess expenditures by UTB	-	-	-	-	59,891
Refunded to grantors	-	-	-	-	-
Unrestricted gifts allocated to other funds	-	-	-	-	-
Portion of funds functioning as endowment gains appropriated	-	-	-	-	-
<b>Net increase (decrease) in fund balances</b>	<u>\$ (395,985)</u>	<u>\$ 137,849</u>	<u>\$ -</u>	<u>\$ (258,136)</u>	<u>\$ (108,767)</u>

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



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TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS

August 31, 1995

1. **Reporting Entity**

Texas Southmost College (TSC) was established in 1926, in accordance with the laws of the State of Texas, to serve the educational needs of Public and the surrounding communities. The Southmost Union Junior College District was established in 1949 and is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

2. **Summary of Significant Accounting Policies**

**Report Guidelines**

The significant accounting policies followed by TSC in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges. These requirements are in substantial conformity with, the GASB statements, the AICPA Industry Audit Guide, *Audits of Colleges and Universities*, 1994, and *Financial Accounting and Reporting Manual for Higher Education*, 1990 edition as published by NACUBO and are enumerated in the following paragraphs.

**Basis of Accounting**

The financial statements of Texas Southmost College have been prepared on accrual basis except depreciation expenses related to plant fund assets is not recorded. The statement of current funds revenues and expenditures is a statement of financial activities of current funds related to the reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of equipment, library holdings, and livestock; (2) mandatory transfers in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of the resources available to the college, accounts are maintained in accordance with the principles of "fund accounting." Resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

Within each fund group, fund balances restricted by outside sources are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

Endowment and Similar Funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and only the income be utilized. Term endowment funds are similar to other endowments funds, except that all or part of the principal may be utilized after a stated period of time or upon the occurrence of a certain event. Funds functioning as endowments are funds that the governing board has approved to use as endowments.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned the assets. Ordinary income derived from investments, receivables, and other sources is accounted for in the fund owning such assets, except for income derived from investment of Endowment and Similar Funds. That income is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in unrestricted current funds.

All other unrestricted revenue is accounted for in the appropriate unrestricted fund. Restricted gifts, grants, appropriation, endowment income, and other restricted resources are accounted for in the appropriate restricted funds. Restricted Current Funds are reported as revenues and expenditures when expended for current operating purposes. Contract and grant awards for the current reporting period are shown as additions to fund balances in Restricted Current Funds.

The different fund groups used at Texas Southmost College are as follows:

**Current Funds**

Funds available for current operating and maintenance purposes as well as those restricted by donors and other outside agencies for specific operating purposes. Current funds are segregated into separate balanced funds groups.

**Unrestricted Current Funds** - Funds received by an institution that have no limitations or stipulations placed on them by external agencies or donors. The funds are used for carrying out the primary purpose of an institution, i.e. educational, research, extension and administration.

**Auxiliary Enterprises** - Funds for activities that serve students, faculty, or staff for charges that are directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services and book stores.

**Restricted Current Funds** - Funds available for current purposes, but with restrictions from outside agencies or persons. Revenues are reported only to the extent of expenditures for the current year.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
August 31, 1995

**Loan Funds**

Funds available for loans to students, faculty and staff.

**Endowment and Similar Funds**

Funds subject to restrictions of endowment and trust instruments requiring that principal be maintained and that only the income be spent.

**Annuity and Life Income Funds**

The Annuity Funds group consists of funds donated to an institution on the condition that the institution pay a stipulated amount of the funds to the donor or designated individual for a specified time or until the time of death of the annuitant. The Life Income funds group consists of funds contributed to an institution subject to the requirement that the institution periodically pay the income earned on the assets (less management expenses) to designated beneficiaries.

**Plant Funds**

Plant funds are divided into these separate balanced fund groups:

**Unexpended** - Funds for the construction, rehabilitation, and acquisition of physical properties for institutional purposes.

**Renewals and Replacements** - Funds accumulated for the renewal and replacement of physical plant properties.

**Retirement of Indebtedness** - Funds accumulated to meet debt service charges and the retirement of indebtedness.

**Investment in Plant** - Funds already expended for plant properties. Physical properties are stated at cost at date of acquisition or fair market value at date of donation for gifts and fair market value at August 31, 1995 for livestock. Depreciation on physical plant and equipment is not recorded.

**Agency Funds**

Funds held by the college as custodial or fiscal agent for students, faculty members, and/or others.

**Memorandum Totals**

The Balance Sheet in columnar form, the Statement of Changes in Fund Balances, and the Statement of Current Funds Revenues and Expenditures are shown with memorandum totals for the current and prior years. Interfund borrowing has not been eliminated, but has been off-set in the assets and liability sections. The memorandum totals are presented only to facilitate financial analysis and do not purport to present financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

3. **Authorized Investments**

Texas Southmost College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act of 1987 (Art. 842a-2, Texas Revised Civil Statutes). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

4. **Deposits and Investments**

At August 31, 1995, the carrying amount of Texas Southmost College deposits was \$8,210,669, and total bank balances equalled \$9,198,553. Bank balances of \$100,000 are covered by federal depository insurance and \$9,098,553 was covered by collateral pledged in Texas Southmost College's name. The collateral was held in the safekeeping departments of unrelated banks which act as the pledging bank's agents (Category 1). No bank balances were uncollateralized at fiscal year end (Category 3). Cash and Deposits include as reported on Exhibit A, Balance Sheet, consist of the items reported below.

Cash and Deposits

Bank Deposits		
Demand Deposits		\$ 8,210,669
Cash and Cash Equivalents		
Petty Cash on Hand	\$ 2,410	
Local Funds in State Treasury	<u>100</u>	
		<u>2,510</u>
Total Cash and Deposits		<u>\$ 8,213,179</u>

To comply with the reporting requirements of GASB Statement No. 3, *Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, Texas Southmost College's investments are categorized under "Investment Categories" to give an indication of credit risk assumed by Texas Southmost College at year end. Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is not depicted in this note.

The following categories of credit risk are included:

Category 1: Investments that are insured or registered or for which the securities are held by the institution or its agent in the institution's name.

Category 2: Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or institution in the institution's name.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
August 31, 1995

Category 3: Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the institution's name.

Type of Security	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities	\$	\$	\$	\$	\$
Real Estate Mortgage and Other Notes					
Corporate Stocks		43,396		43,396	43,396
Repurchase Agreements					
TOTALS	<u>\$ -</u>	<u>\$ 43,396</u>	<u>\$ -</u>	<u>\$ 43,396</u>	<u>\$ 43,396</u>

5. **Inventory**

Inventory consists of consumable supplies. Inventory is stated at cost.

6. **Bonds and Variable Rate Notes Payable**

General information related to bonds payable is summarized below:

- a. • Library Revenue Bonds, Series 1975-A.
  - To construct, improve and equip the library building.
  - Issued May 31, 1975.
  - \$800,000; all authorized bonds have been issued.
  - Source of revenue for debt service -- Building Use fees, Library lease revenue.
  - Outstanding balance at August 31, 1995 was \$100,000.00.
- b. • Eidman Science - Math Building, Series 1970.
  - To construct the Science - Math Building.
  - Issued November 15, 1970.
  - \$650,000; all authorized bonds have been issued.
  - Source of revenue for debt service -- Building Use fees, Department of Education annual interest grant.
  - Outstanding balance at August 31, 1995 was \$60,000.00.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

- c. • School Building Tax Bonds, Series 1987 - 1988.
  - To construct, improve various building within the District.
  - Issued March 12, 1987 and March 10, 1988.
  - \$13,500,000; all authorized bonds have been issued.
  - Source of revenue for debt service -- Ad Valorem Tax levy.
  - Outstanding balance at August 31, 1995 was \$2,070,000.00.
- d. • Refunding Tax Bonds, Series 1994.
  - To refund certain outstanding School Building Tax Bonds, Series 1987 and Series 1988.
  - Issued March 31, 1994.
  - \$8,509,999.30; all authorized bonds have been issued.
  - Source of revenue for debt service -- Ad Valorem Tax Levy.
  - Outstanding balance at August 31, 1995 was \$8,374,999.00.

Bonds and variable rate notes payable are due in annual installments varying from \$40,000 to \$540,000 with interest rates from 7.5% to 7.7% with the final installment due in 2008. The principal and interest expense for the next five years and beyond is summarized below for bonds and variable rate notes issued.

Year Ending August 31,	Total	Interest	Principal	Balance of Principal Outstanding
				\$10,604,999
1996	\$ 1,316,848	\$ 516,848	\$ 800,000	9,804,999
1997	1,306,166	456,166	850,000	8,954,999
1998	1,235,631	400,631	835,000	8,119,999
1999	1,200,843	355,843	845,000	7,274,999
2000	1,254,150	314,150	940,000	6,334,999
2001	1,229,720	269,720	960,000	5,374,999
2002	1,196,440	790,581	405,859	4,969,140
2003	1,236,440	857,300	379,140	4,590,000
2004	1,210,700	220,700	990,000	3,600,000
2005	1,241,473	166,473	1,075,000	2,525,000
2006	1,222,880	107,880	1,115,000	1,410,000
2007	1,230,188	45,188	1,185,000	225,000
2008	231,300	6,300	225,000	-
	<u>\$15,112,779</u>	<u>\$ 4,507,780</u>	<u>\$10,604,999</u>	

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

7. Advance Refunding Bonds

Refunded \$8,510,000 of School Building Tax Bonds, Series 1987 and 1988

- Issued refunding bonds on March 31, 1994.
- \$8,509,999.30, all authorized bond have been issued.
- Average interest rate of bonds refunded -- 7.8%.
- Net proceeds from Refunding Series -- \$8,745,865; after payment of \$170,324 in underwriting fees, insurance, and other issuance costs.
- Additional \$164,260 of 1987 and 1988 Series sinking fund monies was used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the 1994 Series bonds.
- The refunded portion of the 1987 and 1988 Series bonds are considered fully defeased and the liability for those bonds has been removed from the Investment in Plant Fund Group.
- Advance refunding of the 1987 and 1988 Series bonds reduced the college debt service payments over the next 15 years by approximately \$494,635.
- Economic Gain -- \$251,994 difference between the net present value of the old and new debt service payments.
- Accounting Gain -- \$383,882 accounting gain resulted from the advanced refunding.

8. Defeased Bonds Outstanding

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>
School Building Tax Bonds Series 1987	1994	\$ 6,100,000
School Building Tax Bonds Series 1988	1994	<u>2,410,000</u>
Total		<u>\$ 8,510,000</u>

9. Employees' Retirement Plan

PLAN DESCRIPTION

The Teacher Retirement System of Texas is a multiple-employer public employee retirement system (PERS). It is a cost-sharing PERS with one exception: All risks and costs are not shared by the employer but are the liability of the State of Texas. By statute, the State of Texas contributes to the retirement system an amount equal to the current authorized rate times the aggregate annual compensation of all members of the retirement system during that fiscal year.

For members of the retirement system entitled to the minimum salary for certain school personnel established under § 16.056, Texas Education Code, the employing district shall pay the state's contribution on the portion of the member's salary that exceeds the statutory minimum.

Types of Employees Covered

All employees of public, state-supported educational institutions in Texas who are employed for up to ½ time or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Subtitle C § 822.002 are covered by TRS membership.



TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
August 31, 1995

Benefit Provisions

The Teacher Retirement System of Texas administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school system of Texas. It operates primarily under the provisions of Texas Constitution, art. XVI, § 67 and Texas Government Code, Title 8, Subtitle C. The system also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapter 803 and Chapter 805, respectively.

Service Retirement

1. Normal
  - Age 65 with five years of service
  - Age 60 with 20 years of service
  - Age 55 with 30 years of service
2. Reduced
  - Age 55 with at least five years of service
  - Any age below 55 with 30 years of service

A member is fully vested after five years of creditable service and entitled to any benefit for which eligibility requirements have been met.

FUNDING STATUS AND PROGRESS

State law provided for a state contribution rate for biennial fiscal years 1994 and 1995 of 7.31% and a member contribution rate of 6.4%. These rates are set by state statutes.

The actuarially determined contribution requirements for fiscal year 1994 were 6.4% for the employee and 7.31% for the state. In certain circumstances, the reporting district Texas Southmost College is required to make all or a portion of the state's contribution.

Pension benefit obligation, net assets available, unfunded pension benefit obligation, and annual covered payroll for the Teacher Retirement System of Texas as of August 31, 1987, to August 31, 1994, are as follows (in billions):

Fiscal Year	Pension Benefit Obligation	Net Assets Available for Benefits (Book Value)	Unfunded Pension Benefit Obligation	Annual Covered Payroll
1987	\$ 20.1	\$ 15.5	\$ 4.6	\$ 8.6
1988	21.8	17.5	4.3	9.2
1989	24.6	19.7	4.9	9.8
1990	27.1	21.8	5.3	10.4
1991	29.8	24.0	5.8	11.2
1992	32.0	26.1	5.9	12.0
1993	35.7	29.0	6.7	13.4
1994	36.1	33.3*	2.8	14.2

1995 information will be available after March 1, 1996.

\*Market Value of Net Assets Available at 8/31/94 is \$38.9 billion.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED  
August 31, 1995

10. **Deferred Compensation Program**

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Senate Bill No. 872 of the 63rd Legislature. A total of \$25,567 in payroll deductions had been invested in approved plans during the fiscal year.

11. **Compensated Absences**

Full-time employees earn annual leave at a rate of one day per month. The college district's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year without limit. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave. Accrued compensation liability at August 31, 1995 was \$32,238.

12. **Pending Lawsuits and Claims**

On August 31, 1995, there were no lawsuits involving Texas Southmost College.

13. **Capital Lease Obligations**

There were no capital lease obligations at August 31, 1995.

14. **Operating Lease Commitments and Rental Agreement**

There were no operating lease commitments at August 31, 1995.

Rental agreements consist of the following:

On November 26, 1963 the Institution executed a Library Lease Agreement with the City of Brownsville. The agreement was amended on July 30, 1985. Under the terms of the agreement the City of Brownsville will pay the College a pre-determined annual lease payment each January 31st. The agreement further states that \$15,000 be set aside for the purchase, maintenance and circulation of books of primary interest to the general public. The amounts remaining of the payment made by the City each year shall be the lease payment due to the College. The agreement was canceled during the year.

Texas Southmost College received \$166,090 as final payment through the date of cancellation.

On February 6, 1995 a lease agreement was signed with ARAMARK Educational Services, Inc. to provide meals and beverages for the College to resell to its students, faculty, staff and guests. Under the terms of the agreement ARAMARK will pay the College a commission based on the following:

<u>Annual Cash Net Receipts</u>	<u>Commission Rate</u>
\$ -0- - \$300,000	4%
over \$300,000	6% of the increment

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

On July 15, 1988 the College leased the bookstore to Texas Book Company for a three year period. The lease calls for lease payments of \$85,000 for the first year; \$90,000 for the second year and \$95,000 for the third year plus an additional 10% of gross revenues above \$1,250,000. On March 20, 1990, the lease was extended for four additional years through July 15, 1995. On August 22, 1995, the lease was again renewed for an additional year.

**15. Funds Held in Trust by Others**

The balances, or transactions, of funds held in trust by others on behalf of Texas Southmost College are not reflected in the financial statements. At August 31, 1995 there were no such funds for the benefit of the college.

**16. Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities. Funds received, but not expended during the reporting period, are shown as additions to fund balance on Exhibit B. Revenues are recognized on Exhibit C as funds are actually expended. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit A. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit A. Contract and grants awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 1995 for which monies have not been received nor funds expended totalled \$890,047. Of this amount, \$890,047 was from Federal Contract and Grant Awards.

**17. Self-Insured Plans**

The college has no self-insured arrangements.

**18. Post Retirement Health Care and Life Insurance Benefits**

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$193.52 for single employees, \$268.22 for the employee and children, \$305.09 for employee and spouse, and \$379.79 for family coverage per month for the year ended August 31, 1995 and totaled \$36,785 for the year.

**19. Related Parties**

The TSC Foundation, Inc. is a nonprofit organization with the sole purpose of supporting the educational and other activities of the college. The Foundation solicits donations and acts as coordinator of a challenged grant funded by the Department of Education. It remitted restricted gifts of \$151,831 to the college during the year ended August 31, 1995. 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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

Partnership Agreement With the University of Texas at Brownsville

On September 1, 1992 an agreement was entered into between Texas Southmost College and the Board of Regents of the University of Texas System on behalf of The University of Texas at Brownsville. The purpose of this agreement was to enter into an educational partnership as authorized by state law, Texas Education Code Section 51.661 et seq., to improve the continuity, quality and efficiency of educational programs and services.

This agreement is implemented by specific interagency contracts and/or leases between the parties. The interagency contracts consist of the following:

- A. Lease of TSC facilities by UTB as necessary to provide both UTB programs and TSC programs. Provisions for facility maintenance is included in the lease.

Property (Excluding Real Property)

Under this agreement TSC agrees to provide UTB for a period of five years, the right to use all the tangible personal property belonging to TSC for the purpose of providing educational and student services to students. UTB agrees to pay TSC \$45,489 per month during the term of the agreement. As part of the agreement any physical property, purchased by Lessee after September 1, 1992, shall become the physical property of the Lessor in a proportion equal to Lessor's funds used in the purchase. For the purpose of this agreement, it is agreed that the proportion of funds used is equal to the Lessor's official fall student headcount of the prior year divided by the official fall student headcount of both institutions of that same year, where Lessor's students are all students not enrolled as upper division or post-graduate students. At August 31, 1995 UTB had property purchases of \$2,049,860. TSC's interest in this property is 74.03% or \$1,517,507.

Real Property

Under this agreement UTB also agrees to pay TSC \$115,339 per month for the use of all real property.

- B. Agreement for the coordination of personnel with provisions for conditions of employment by UTB.
- C. Agreement for the coordination and financing of programs and support services.

Payment for agreements A and B above will be in accordance with the Educational Partnership Cooperation Contract Regarding Finance and Funding. Under this contract UTB agrees to deliver all programs and provide all services for both entities. TSC will pay UTB for instruction and services for TSC students as follows: Tuition for lower division academic and vocational courses, and all appropriations and contracts. In addition, TSC will pay UTB for the 94/95 fiscal year no less than \$1,687,000.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

20. Interfund Borrowing

All interfund borrowing has been made from unrestricted funds and is payable within one year without interest. There were no outstanding balances at August 31, 1995.

21. Property Tax

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

The use of tax proceeds is restricted to maintenance and operations and interest and sinking expenditures. Gross tax collections were \$1,992,622 for M & O and \$1,213,895 for interest and sinking expenditures. Tax collections for the year ended August 31, 1995 were 92% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

During the fiscal year, the Cameron County Tax Office changed its computer software that it uses to keep track of Texas Southmost College's taxes receivable. At the time of the change, the Cameron County Tax Office added insolvent tax accounts to the taxes receivable for Texas Southmost College that were not on the prior year's taxes receivable. As a result, taxes receivable and the allowance for uncollectible taxes have increased for the insolvent tax accounts added during the year.

22. Property, Plant and Equipment

Land is valued at its original cost. \$817,500 was added to the value of the land based on a non-formal appraisal made in 1971 on the 54.5 acres occupied by the College, most of which was acquired by gift from the U.S. Government (Old Fort Brown). During the year, an additional 18.76 acres of land for \$422,100 have been added based on a non-formal appraisal made in 1995. This land was acquired by gift from the U.S. Government.

Physical plant and equipment are stated at cost on date of acquisition or fair market value at date of gift. Library books are valued at replacement cost estimated by the Library Director. Depreciation on physical plant and equipment is not recorded.

Changes in general fixed assets is as follows:

	Balance 8-31-94	Purchased Additions	Other*	Balance 8-31-95
<b>BUILDINGS</b>				
Auto Body Building	\$ 87,621	\$ -	\$ -	\$ 87,621
Allied Health	698,407	-	-	698,407
Tandy Hall I	1,087,093	122,208	-	1,209,301
Tandy Hall II	2,065,351	211,874	-	2,277,225
A. A. Champion	43,436	-	-	43,436
Gymnasium	814,002	-	-	814,002
Business Services	5,565	-	-	5,565
Student Center	944,335	-	-	944,335
Library	4,191,479	-	-	4,191,479
Rusteberg	812,044	121,640	-	933,684
Gomez-Farias Project (Mexico)	5,063	-	-	5,063
Eidman Science-Math Building	820,972	-	-	820,972

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

	<u>Balance 8-31-94</u>	<u>Purchased Additions</u>	<u>Other*</u>	<u>Balance 8-31-95</u>
<b>BUILDINGS</b>				
Gorgas Hall Improvements	1,682,096	-	-	1,682,096
Music Hall	94,770	-	-	94,770
Maintenance	34,898	-	-	34,898
PAU-B Administration	222,158	-	-	222,158
PAU-B Temporary Office	13,444	-	-	13,444
Child Care Center	378,509	-	-	378,509
Cavalry Barracks	443,891	-	-	443,891
Women's Center	76,019	-	-	76,019
Continuing Education	45,000	-	-	45,000
Athletic Houses	13,143	-	-	13,143
Marion Hedrick Smith Memorial Amphitheater	296,391	-	-	296,391
U.S. Coast Guard Station (S.P.I.)	320,353	-	-	320,353
Security/First Aid (Carpet)	888	-	-	888
Continuing Education (American Legion Building)	56,417	-	-	56,417
Classroom/office	5,936,735	-	-	5,936,735
Art	673,412	-	-	673,412
	<u>21,863,492</u>	<u>455,722</u>	<u>-</u>	<u>22,319,214</u>
Total Buildings				
<b>LAND</b>				
Land 50 year Lease Amphitheater	1,250	-	-	1,250
Land	176,014	309,617	-	485,631
Land - Appraisal Increase	817,500	-	-	817,500
Land - Parking Lot	545,842	70,742	-	616,584
Land - 18.76 Acres	-	422,100	-	422,100
	<u>1,540,606</u>	<u>802,459</u>	<u>-</u>	<u>2,343,065</u>
Total Land				
<b>SITE IMPROVEMENTS</b>				
Landscaping - T.S.C.	16,168	-	-	16,168
Landscaping - S.P.I.	3,395	-	-	3,395
Paving	392,615	-	-	392,615
Remodel Courtyard Fountain	18,638	-	-	18,638
Tennis Courts	43,002	-	-	43,002
Reflecting Pool	27,591	-	-	27,591
Gorgas Monument	24,121	-	-	24,121
Roofing	719,512	-	-	719,512
ACM Abatement	649,036	-	-	649,036
Resaca Bulkhead	281,424	-	-	281,424
Paseo	265,071	-	-	265,071
Paseo - Classroom	448,523	-	-	448,523
Paseo - East	570,218	-	-	570,218
Central Plant	2,280,410	-	-	2,280,410
ADA Compliance Improvements	34,077	32,834	-	66,911
	<u>5,773,801</u>	<u>32,834</u>	<u>-</u>	<u>5,806,635</u>
Total Improvements				
<b>MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES</b>				
Gorgas	190,717	-	-	190,717
Champion	97,880	-	-	97,880
Art Building	45,098	-	-	45,098
Gymnasium	98,321	-	-	98,321
Tandy Hall	1,165,892	-	-	1,165,892
Leased Computer Equipment	423,635	-	(41)	423,594
Library	1,013,676	-	-	1,013,676

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1995

	<u>Balance 8-31-94</u>	<u>Purchased Additions</u>	<u>Other*</u>	<u>Balance 8-31-95</u>
<b>MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES</b>				
Library Books	6,787,053	1,083,175	-	7,870,228
Student Center	231,601	-	-	231,601
Eidman Hall	393,943	-	-	393,943
Applied Arts	1,277,797	-	-	1,277,797
Maintenance	380,988	-	-	380,988
Allied Health	600,308	-	-	600,308
Adult Continuing Ed Center	321,799	-	-	321,799
Music Department	247,811	-	-	247,811
Athletic Houses	12,446	-	-	12,446
Security/First Aid	38,838	-	-	38,838
Child Care	88,237	-	-	88,237
Old President's Home	23,429	-	-	23,429
Cavalry Barracks	418,505	-	-	418,505
South Padre Island	75,012	-	-	75,012
Rancho del Cielo	36,369	-	-	36,369
LVN McAllen	17,456	-	-	17,456
Classroom/Office	1,254,587	30,653	(167,125)	1,118,115
LVN - Weslaco	8,508	-	-	8,508
Total Equipment	<u>15,249,906</u>	<u>1,113,828</u>	<u>(167,166)</u>	<u>16,196,568</u>
Total General Fixed Assets	<u>\$44,427,805</u>	<u>\$ 2,404,843</u>	<u>\$ (167,166)</u>	<u>\$46,665,482</u>

\* Stolen, Transfers, Deletions, Donations, Auctions and Corrections.



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REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL-  
PURPOSE FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995.

We conducted our audit in accordance with generally accepted auditing standards and 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.

Compliance with laws, regulations, contracts, and grants applicable to Texas Southmost College, is the responsibility of Texas Southmost College's management. As part of obtaining reasonable assurance about whether the general-purpose financial statements are free of material misstatement, we performed tests of the College's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the audit committee, management, and Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

*Long, Chilton, Payte & Hardin LLP*  
LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995





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(210) 546-1655  
FAX (210) 546-0377

REPORT ON THE INTERNAL CONTROL STRUCTURE BASED ON  
AN AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995.

We conducted our audit in accordance with generally accepted auditing standards and 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 general-purpose financial statements are free of material misstatement.

The management of Texas Southmost College is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general-purpose financial statements of Texas Southmost College, for the year ended August 31, 1995, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the

general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Texas Southmost College, in a separate letter dated October 31, 1995.

This report is intended for the information of the audit committee, management, and Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

*Long, Chilton, Payte & Hardin LLP*

LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995

TEXAS SOUTHMOST COLLEGE

SCHEDULE A-1

SCHEDULE OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS  
August 31, 1995

	<u>CURRENT FUNDS</u>			
	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Loan Funds</u>
Cash on Hand	\$	\$	\$	\$
Petty Cash	160	2,250		
Cash In Transit	-	-	-	-
Subtotal	<u>160</u>	<u>2,250</u>	<u>-</u>	<u>-</u>
Cash in Bank				
Demand Accounts	<u>6,122,438</u>	<u>383,371</u>	<u>30,740</u>	<u>37,878</u>
Cash Equivalents				
Cash in State Treasury			100	
Certificate of Deposits				
U.S. Treasury Bills	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash and Cash Equivalents (Exhibit A)	<u>6,122,598</u>	<u>385,621</u>	<u>30,840</u>	<u>37,878</u>
Short-Term Investments				
Certificates of Deposit				
Lohestar				
Texpool				
U.S. Treasury Bills	-	-	-	-
Total Short-Term Investments (Exhibit A)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash, Cash Equivalents and Short-Term Investments	<u>\$6,122,598</u>	<u>\$ 385,621</u>	<u>\$ 30,840</u>	<u>\$ 37,878</u>
	<u>Cash In Banks</u>	<u>Cash Equivalents</u>	<u>Short-Term Investments</u>	
Balance in Depositories as follows:				
Texas Commerce Bank	\$8,206,414	\$ -	\$ -	
Bank of America	4,255	-	-	
State Treasury	-	100	-	
Total Balance in Depositories	<u>\$8,210,669</u>	<u>\$ 100</u>	<u>\$ -</u>	

PLANT FUNDS

Endowment and Similar Funds	Annuity and Life Income Funds	Unexpended	Renewals and Replaces- ments	Retirement of Indebt- edness	Agency Funds	Total
\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	2,410
-	-	-	-	-	-	2,410
<u>2,503</u>	<u>-</u>	<u>1,062,934</u>	<u>261,308</u>	<u>302,673</u>	<u>6,824</u>	<u>8,210,669</u>
-	-	-	-	-	-	100
-	-	-	-	-	-	100
<u>2,503</u>	<u>-</u>	<u>1,062,934</u>	<u>261,308</u>	<u>302,673</u>	<u>6,824</u>	<u>8,213,179</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,503</u>	<u>\$ -</u>	<u>\$1,062,934</u>	<u>\$ 261,308</u>	<u>\$ 302,673</u>	<u>\$ 6,824</u>	<u>\$8,213,179</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE A-2

SCHEDULE OF LONG-TERM INVESTMENTS BY FUND GROUP  
August 31, 1995

	<u>CURRENT FUNDS</u>			
	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Loan Funds</u>
U. S. Government and Agency Securities	\$	\$	\$	\$
Municipal and State Agency Bonds				
Corporate Bonds and Notes				
Corporate Stocks - Preferred				
Corporate Stocks - Common				
Commercial Paper				
Mineral Interests				
Mutual Funds				
Notes Receivable				
Real Estate				
Certificates of Deposit				
Money Market Funds	-	-	-	-
Total (Exh. A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLANT FUNDS

<u>Endowment and Similar Funds</u>	<u>Annuity and Life Income Funds</u>	<u>Unexpended</u>	<u>Renewals and Replac- ements</u>	<u>Retirement of Indebt- edness</u>	<u>Agency Funds</u>	<u>Total</u>
\$	\$	\$	\$	\$	\$	\$
43,396						43,396
-	-	-	-	-	-	-
<u>\$ 43,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,396</u>

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TEXAS SOUTHWEST COLLEGE

SCHEDULE C-1

STATEMENT OF CURRENT FUND REVENUES  
For the Year Ended August 31, 1995

	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Total</u>
State Appropriations:				
Education and General State Support	\$ 9,281,865	\$ -	\$ -	\$ 9,281,865
Non-Course-Based Remedial Education	54,360	-	-	54,360
State Group Insurance	1,245,127	-	-	1,245,127
State Retirement Matching	-	-	23,299	23,299
Other	-	-	-	-
Total State Appropriations	<u>10,581,352</u>	<u>-</u>	<u>23,299</u>	<u>10,604,651</u>
Tuition and Fees				
Tuition	3,870,014	-	-	3,870,014
Building Use Fee	1,364,334	-	-	1,364,334
General Fees	256,278	121,150	-	377,428
Student Service Fee	-	1,116,423	-	1,116,423
Laboratory Fee	87,064	-	-	87,064
Remissions and Exemptions	-	-	-	-
Blind, Deaf Students	16,356	-	-	16,356
Concurrent Registration	-	-	-	-
Good Neighbor	8,625	-	-	8,625
Highest Ranking High School Graduates	-	-	-	-
Statutory Waiver of Non-Resident Status	17,593	-	-	17,593
Veteran, Dependents, Etc.	22,530	-	-	22,530
Other Fees	735,704	280,405	-	1,016,109
Total Tuition and Fees	<u>6,378,498</u>	<u>1,517,978</u>	<u>-</u>	<u>7,896,476</u>
Taxes for Current Operations	<u>1,938,934</u>	<u>-</u>	<u>-</u>	<u>1,938,934</u>
Federal Grants and Contracts				
Research	-	-	-	-
Other Programs	-	-	1,441,917	1,441,917
Recovery of Indirect Costs	-	-	-	-
Total Federal Grants and Contracts	<u>-</u>	<u>-</u>	<u>1,441,917</u>	<u>1,441,917</u>
State Grants and Contracts				
Research	-	-	-	-
TPEG	-	-	206,827	206,827
Other Programs	1,927,795	-	-	1,927,795
Recovery of Indirect Costs	-	-	-	-
Total State Grants and Contracts	<u>1,927,795</u>	<u>-</u>	<u>206,827</u>	<u>2,134,622</u>
Local Grants and Contracts				
Research	-	-	-	-
Other Programs	121,392	576,188	68,933	766,513
Recovery of Indirect Costs	-	-	-	-
Total Local Grants and Contracts	<u>121,392</u>	<u>576,188</u>	<u>68,933</u>	<u>766,513</u>
Private, Gifts, Grants, and Contracts				
Research	-	-	-	-
Other Program	-	-	-	-
Recovery of Indirect Costs	-	-	-	-
Other	-	-	-	-
Total Private Gifts, Grants, and Contracts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sales & Services of Educational Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sales & Services of Auxiliary Activities	<u>-</u>	<u>194,338</u>	<u>-</u>	<u>194,338</u>
Other Sources				
Gains/Losses on Investments	-	-	-	-
Interest Income	259,319	40,776	-	300,095
Other Miscellaneous Income	225,010	-	-	225,010
Total Other Sources	<u>484,329</u>	<u>40,776</u>	<u>-</u>	<u>525,105</u>
Total Current Funds Revenues (Exh. C)	<u>\$21,432,300</u>	<u>\$ 2,329,280</u>	<u>\$ 1,740,976</u>	<u>\$25,502,556</u>



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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-2

STATEMENT OF CURRENT FUNDS EXPENDITURES BY OBJECT  
FOR THE YEAR ENDED AUGUST 31, 1995

This Schedule is being presented as Supplementary Information.

See Supplementary Information Section

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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-3

SCHEDULE OF UNRESTRICTED CURRENT FUNDS  
EDUCATIONAL AND GENERAL EXPENDITURES  
SUMMARIZED BY ELEMENTS OF INSTITUTIONAL COSTS  
For the Year Ended August 31, 1995

This Schedule is being presented as Supplementary Information.

See Supplementary Information Section

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THE UNIVERSITY OF CHICAGO  
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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-4

SCHEDULE OF CHANGES IN TAXES RECEIVABLE  
For the Year Ended August 31, 1995

Assessed valuation of District	<u>\$3,218,211,242</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate authorized per \$100 valuation	\$ .06490	\$ .03732	\$ .10222
Tax rate assessed per \$100 valuation	<u>\$ .06166</u>	<u>\$ .03732</u>	<u>\$ .09898</u>
Taxes Receivable, August 31, 1994	<u>\$ 359,719</u>	<u>\$ 216,473</u>	<u>\$ 576,192</u>
Taxes assessed	1,983,220	1,200,118	3,183,338
Penalty and interest assessed	-	-	-
Subtotal Assessment	<u>1,983,220</u>	<u>1,200,118</u>	<u>3,183,338</u>
Taxes collected			
Current	1,792,940	1,085,641	2,878,581
Delinquent	102,106	68,994	171,100
Penalties and interest	63,474	38,600	102,074
Subtotal Collections	<u>1,958,520</u>	<u>1,193,235</u>	<u>3,151,755</u>
Adjustments			
Fees for assessment and collecting	(19,586)	(11,932)	(31,518)
Insolvent tax accounts	219,543	97,954	317,497
Taxes written-off	-	-	-
Allowance for doubtful accounts	(176,642)	(72,951)	(249,593)
Subtotal Adjustments	<u>23,315</u>	<u>13,071</u>	<u>36,386</u>
Taxes Receivable, August 31, 1995	<u>\$ 407,734</u>	<u>\$ 236,427</u>	<u>\$ 644,161</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE D-1

BONDS PAYABLE AND DEBT SERVICE REQUIREMENTS  
For the Year Ended August 31, 1995

Description	Bonds Issued to Date	Range of Interest Rates	Bonds Outstanding 09/01/94	Bonds Matured Or Retired	Bonds Outstanding 08/31/95
Library Revenue Bonds Series 1975-A	\$ 800,000.00	7.6% - 7.7%	\$ 140,000.00	\$ 40,000.00	\$ 100,000.00
Eidman - Science Math Building Revenue Bonds Series 1970	650,000.00	7.5%	115,000.00	50,000.00	60,000.00
School Building Tax Bonds - Series 1987 - 1988	13,500,000.00	7.5%	2,610,000.00	540,000.00	2,070,000.00
Refunding Tax Bonds - Series 1994	<u>8,509,999.00</u>	3.2 - 5.6%	<u>8,509,999.00</u>	<u>135,000.00</u>	<u>8,374,999.00</u>
Paying Agent Fees					
Total	<u>\$23,459,999.00</u>	<u>-</u>	<u>\$11,374,999.00</u>	<u>\$765,000.00</u>	<u>\$10,604,999.00</u>

Maturities			Summary of Debt Service Requirements to Maturity						Total Require- ments
First Year	Last Year	First Call Date	Year Ending August 31,						
			1996	1997	1998	1999	2000	All Other Years	
975	1997	11/15/75	\$ 57,700.00	\$ 53,850.00	\$ -	\$ -	\$ -	\$ -	111,550.00
970	1996	11/15/70	62,250.00	-	-	-	-	-	62,250.00
988	1999	02/15/88	678,480.00	729,418.00	713,950.00	196,460.00	-	-	2,318,308.00
1995	2008	02/15/95	<u>518,418.00</u>	<u>522,898.00</u>	<u>521,681.00</u>	<u>1,004,383.00</u>	<u>1,254,150.00</u>	<u>8,799,138.00</u>	<u>12,620,668.00</u>
			<u>\$1,316,848.00</u>	<u>\$1,306,166.00</u>	<u>\$1,235,631.00</u>	<u>\$1,200,843.00</u>	<u>\$1,254,150.00</u>	<u>\$8,799,138.00</u>	<u>\$15,112,776.00</u>



TEXAS SOUTHMOST COLLEGE

SCHEDULE D-2

SCHEDULE OF PLEDGED REVENUES AND FUND BALANCES  
FOR REVENUE BONDS OUTSTANDING  
FOR THE YEAR ENDED AUGUST 31, 1995

Description	PLEGGED REVENUES AND RELATED EXPENDITURES						
	Operating Revenues	Interest Earned on Investments	Other Pledged Revenues	(a) Total Pledged Revenues	(b) Other Revenue Sources	(c) Operating Expense	(d) Capital Outlay
Library Revenue Bonds Series 1975-A	\$ -	\$ 1,216.28	\$53,763.34	\$ 54,979.62	\$ -	\$ 129.50	\$ -
Eidman - Science Math Building Revenue Bonds Series 1970	-	2,733.97	19,954.00	22,687.97	-	672.50	-
School Building Tax Bonds Series 1987/1988	<u>1,181,303.14</u>	<u>4,125.86</u>	<u>-</u>	<u>1,185,429.00</u>	<u>-</u>	<u>550.00</u>	<u>-</u>
Totals	<u>\$1,181,303.14</u>	<u>\$ 8,076.11</u>	<u>\$73,717.34</u>	<u>\$1,263,096.59</u>	<u>\$ -</u>	<u>\$ 1,352.00</u>	<u>\$ -</u>

(a+b-c-d) Net Available for Debt Service	RESTRICTED ACCOUNT BALANCES					
	Debt Service Principal	Debt Service Interest	INTEREST AND SINKING FUND		BOND RESERVE FUND	
			Minimum Required	Actual Balance	Minimum Required	Actual Balance
\$ 54,850.12	\$ 40,000.00	\$ 10,780.00	\$ 60,080.00	\$ 60,080.00	\$ -	\$ 61,782.82
22,015.47	50,000.00	6,562.50	64,500.00	64,500.00	-	95,526.54
<u>1,184,879.00</u>	<u>675,000.00</u>	<u>560,353.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,902.40</u>
<u>1,261,744.59</u>	<u>\$765,000.00</u>	<u>\$577,695.50</u>	<u>\$124,580.00</u>	<u>\$124,580.00</u>	<u>\$ -</u>	<u>\$281,211.76</u>

**SINGLE AUDIT SECTION**



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## REPORT ON SUPPLEMENTARY SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995. These general-purpose financial statements are the responsibility of Texas Southmost College management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements of Texas Southmost College taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

*Long, Chilton, Payte & Hardin LLP*  
LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995

TEXAS SOUTHMOST COLLEGE

SCHEDULE D-3

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
Year Ended August 31, 1995

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Pass Through Disbursements and Expenditures
<u>U.S. Department of Education Direct Programs:</u>			
Academic Facilities-Interest Subsidy Grant			\$ 19,954
Total			<u>19,954</u>
<u>Passed Through Texas Higher Education Coordinating Board:</u>			
Carl D. Perkins - Voc Ed. 94-95	84.048*	55420247	\$ 916,278
Carl D. Perkins - Discretionary 94-95	84.048*	55150030	54,565
Carl D. Perkins - Voc. Ed. 95-96	84.048*	66420246	42,266
Carl D. Perkins - Discretionary 95-96	84.048*	66150040	15,322
Total			<u>1,028,431</u>
Total Department of Education			<u>\$ 1,048,385</u>
<u>U.S. Department of Labor:</u>			
Passed through Texas Department of Commerce and: Cameron County Private Industry Council Individual Referral Program	17.250	92-20-0001	\$ 135,952
Total Department of Labor			<u>\$ 135,952</u>
<u>U.S. Department of Agriculture:</u>			
Passed through Texas Department of Human Services: Child Care Food Program	10.558	TX-031006	\$ 22,488
Total Department of Agriculture			<u>\$ 22,488</u>
<u>U.S. Department of Human Services:</u>			
Passed through Texas Migrant Council, Inc. Child Day Care Center	13.667	081-26-P00	\$ 103,031
Total Department of Human Services			<u>\$ 103,031</u>
<u>National Aeronautics and Space Administration:</u>			
Research Grant		NAGW-3060	\$ 102,015
Research Grant		NAGW-4356	50,000
Total National Aeronautics and Space Administration			<u>\$ 152,015</u>
Total Federal Financial Assistance			<u>\$ 1,461,871</u>

\* Denotes major federal financial assistance programs as defined by the Single Audit Act of 1984 and OMB Circular A-128.

Note 1: Federal Assistance Reconciliation

Federal Revenues - Per Exhibit C: Federal Grants and Contracts			\$ 1,441,917
Reconciling Items: Add: Debt Service Fund - Interest Subsidy			<u>19,954</u>
Total Pass-Through and Expenditures Per Federal Schedule			<u>\$ 1,461,871</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE D-3

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - CONTINUED  
Year Ended August 31, 1995

<u>Grantor/Program</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Pass Through Disbursements and Expenditures</u>
<u>NOTE 2: Expenditures from Federal Funds Not Subject to A-128 Audits</u>			
The University of Texas at Brownsville received the following federal funds that were disbursed to Texas Southmost College students. These funds were not subject to OMB A-128 audits and therefore are not included in the above federal schedule.			
Federal Grantor CFDA Number/Program Name			<u>Amount</u>
J.S. Department of Education:			
84.063 Federal Pell Grant Program			\$ 5,173,297
84.007 SEOG			232,705
84.033 Federal Workstudy Program			<u>392,962</u>
Total Expenditures Not Subject to A-128 Audits			<u>\$ 5,798,964</u>



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SINGLE AUDIT REPORT ON THE INTERNAL CONTROL  
STRUCTURE USED IN ADMINISTERING FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS

To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995. We have also audited the compliance of Texas Southmost College with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 31, 1995.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement and about whether Texas Southmost College complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended August 31, 1995, we considered the College's internal control structure of Texas Southmost College, in order to determine our auditing procedures for the purpose of expressing our opinions on the general-purpose financial statements of Texas Southmost College, and on the compliance of Texas Southmost College, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 31, 1995.

The management of Texas Southmost College is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general-purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories.

<u>General Requirements</u>	<u>Specific Requirements</u>
<ul style="list-style-type: none"> <li>. Political activity</li> <li>. Davis-Bacon Act</li> <li>. Civil rights</li> <li>. Cash management</li> <li>. Federal financial reports</li> <li>. Allowable costs/costs principles</li> <li>. Drug-free workplace</li> <li>. Administration requirements</li> </ul>	<ul style="list-style-type: none"> <li>. Types of services</li> <li>. Eligibility</li> <li>. Matching, level of effort, or earmarking</li> <li>. Reporting</li> <li>. Cost allocation</li> <li>. Special requirements, if any</li> <li>. Monitoring subrecipients</li> </ul>

Claims for Advances and Reimbursements

Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended August 31, 1995, Texas Southmost College, expended 70.35% percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the College's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Texas Southmost College in a separate letter dated October 31, 1995.



This report is intended for the information of the audit committee, management, and Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

*Long, Chilton, Payte & Hardin, LLP*  
LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995



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SINGLE AUDIT REPORT ON COMPLIANCE WITH THE GENERAL  
REQUIREMENTS APPLICABLE TO FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS

Independent Auditor's Report on Texas Southmost College's  
Compliance With General Requirements

To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995.

We have applied procedures to test Texas Southmost College's, compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended August 31, 1995: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free workplace and administration requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Texas Southmost College's, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Texas Southmost College, had not complied, in all material respects, with those requirements.

This report is intended for the information of the audit committee, management, and Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

*Long, Chilton, Payte & Hardin, LLP*  
LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995



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## SINGLE AUDIT REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995.

We have also audited Texas Southmost College's, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended August 31, 1995. The management of Texas Southmost College, is responsible for Texas Southmost College's, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Texas Southmost College's, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, Texas Southmost College, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended August 31, 1995.

This report is intended for the information of the audit committee, management, and Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

*Long, Chilton, Payte & Hardin*  
LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995



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## SINGLE AUDIT REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

### Independent Auditor's Report on Texas Southmost College's Compliance With Its Nonmajor Federal Financial Assistance Programs

To the Board of Trustees  
Texas Southmost College

We have audited the general-purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1995, and have issued our report thereon dated October 31, 1995.

In connection with our audit of the general-purpose financial statements of Texas Southmost College, and with our consideration of Texas Southmost College's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended August 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility, and reporting that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Texas Southmost College's, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Texas Southmost College, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of the audit committee, management, and Board of Trustees. However, this report is a matter of public record and its distribution is not limited.

*Long, Chilton, Payte & Hardin, LLP*

LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995

TEXAS SOUTHMOST COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended August 31, 1995

Questioned  
Costs

This schedule does not apply.

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTION ON PRIOR YEAR FINDINGS  
Year Ended August 31, 1995

Carl Perkins Grant

Questioned  
Costs

*Finding*

1. The payroll tax expense for Judy Goodwin was not calculated correctly. The taxes charged to Carl Perkins were based on her entire salary including a teaching overload. The FICA and medicare taxes should have only been based on 70% of her salary.

\$ 304.58

Status of Corrective Actions

The Business Office concurred that an incorrect allocation had been made and a correcting entry for the mathematical error was completed. The Carl Perkins Project monitors payroll splits as part of the reconciliation process. The Texas Higher Education Coordinating Board has not required reimbursement of the \$304.58.

*Finding*

2. A 486SX notebook computer and a desktop computer both had purchase orders dated after February 1, 1994.

Status of Corrective Actions

The Carl Perkins Project now implements equipment purchases sufficiently early to generate necessary Purchase Orders prior to February 1 for instructional Equipment included in the Carl Perkins Annual Application. Equipment purchases which will require a bid process, are allotted additional time for processing with an internal final submission date of January 30.

If Carl Perkins funds become available for equipment purchases because the original budgeted expenditure (for non-equipment) was not fully required, the Project obtains written approval to purchase the equipment from the Texas Higher Education Coordinating Board - Director of Federal Projects.

The Carl Perkins Project does not accept delivery of any equipment item after June 30th of the project year.

*Finding*

3. The total expenditures reported to the Coordinating Board for the period ending September 30, 1993 and May 31, 1994 did not agree to UTB's general ledger totals.

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTION ON PRIOR YEAR FINDINGS - CONTINUED  
Year Ended August 31, 1995

Carl Perkins Grant - Continued

Questioned  
Costs

Status of Corrective Actions

The UTB general ledger total and the expenditure report total did not agree because encumbered amounts were included. A processing procedure has been established which only includes completed transactions and which excludes encumbered amounts.

*Finding*

4. The June 30, 1994 report did not agree to the general ledger. Payroll expenditures for a financial aid officer was charged to the Carl Perkins accounts during the year. In May 1994, management decided to charge all the payroll expense to UTB and not to the Carl Perkins program. Entries were made to clear part of the expense in May. However, a balance remained on the books until August 31, 1994 subsequent to the filing of the final report.

Status of Corrective Actions

Correcting entries were completed for the financial aid officer expenditures. Additional oversight procedures have been implemented to review expenditure reports prior to submission to the Coordinating Board.

Total Questioned Costs \$ 304.58

**SUPPLEMENTARY INFORMATION SECTION**





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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTARY INFORMATION

To the Board of Trustees  
Texas Southmost College

Our report on our audit of the basic financial statements of Texas Southmost College for 1995 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements and schedules included on pages 59 thru 97 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for those portions marked "unaudited," on which we express no opinion, have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information on Schedule C, C-2, and C-3 have been prepared from information provided by the University of Texas at Brownsville.

*Long, Chilton, Payte & Hardin LLP*

LONG, CHILTON, PAYTE & HARDIN, LLP  
Certified Public Accountants

Brownsville, Texas  
October 31, 1995

TEXAS SOUTHMOST COLLEGE

SCHEDULE C

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

For the Year Ended August 31, 1995  
With Memorandum Totals For the Year Ended August 31, 1994

	UNAUDITED			TOTALS MEMORANDUM ONLY	
	Unrestricted	Auxiliary Enterprises	Restricted	Current Year	Prior Year
<b>REVENUES</b>					
State Appropriations - General Revenue	\$10,581,352	\$ -	\$ 23,299	\$10,604,651	\$10,660,183
Contribution and Fees	6,378,498	1,517,978	-	7,896,476	7,268,080
Taxes for Current Operation	1,938,934	-	-	1,938,934	1,879,907
Federal Grants and Contracts	-	-	1,441,917	1,441,917	1,395,351
State Grants and Contracts	1,927,795	-	206,827	2,134,622	2,132,419
Local Grants and Contracts	121,392	576,188	68,933	766,513	1,157,612
Private Gifts, Grants and Contracts	-	-	-	-	-
Investment/Endowment Income	259,319	-	-	259,319	172,190
Charges & Service of Educational Activities	-	-	-	-	-
Charges & Service of Auxiliary Enterprises	-	194,338	-	194,338	212,302
Other Sources	-	-	-	-	-
Interest Income	-	15,776	-	15,776	9,379
Gains/Losses on Investments	-	25,000	-	25,000	9,371
Missed Income	225,010	-	-	225,010	234,890
<b>Total Current Funds Revenues</b>	<b>21,432,300</b>	<b>2,329,280</b>	<b>1,740,976</b>	<b>25,502,556</b>	<b>25,131,684</b>
	(Exh. B)	(Exh. B)			
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>					
<b>Educational and General</b>					
Instruction	9,109,600	-	584,122	9,693,722	10,227,511
Research	52,140	-	245	52,385	48,662
Public Service	1,309,429	-	71,623	1,381,052	1,714,184
Academic Support	1,500,368	-	547,285	2,047,653	2,187,315
Student Services	1,540,368	-	414,589	1,954,957	2,822,222
Institutional Support	4,918,760	-	53,108	4,971,868	2,780,798
Operation and Maintenance of Plant	2,274,626	-	-	2,274,626	2,325,194
Scholarships and Fellowships	288,136	-	5,946,687	6,234,823	6,122,224
Transfers to UTB	-	-	-	-	-
<b>Total Educational and General Expenditures</b>	<b>20,993,427</b>	<b>-</b>	<b>7,617,659</b>	<b>28,611,086</b>	<b>28,228,110</b>
	(Exh. B)		(Exh. B)		
<b>Auxiliary Enterprise Expenditures</b>	<b>-</b>	<b>794,603</b>	<b>-</b>	<b>794,603</b>	<b>843,051</b>
		(Exh. B)			
<b>Mandatory Transfers for:</b>					
PEG to Restricted and Loan Fund	(136,823)	-	123,518	(13,305)	(10,476)
SEOG Matching	-	-	(45,799)	(45,799)	(26,541)
CWS Matching	-	-	-	-	-
Principal and interest	-	-	-	-	-
Renewals and replacements	-	-	-	-	-
Loan fund Matching/Grant Matching	-	-	-	-	(10,476)
<b>Total expenditures and transfers</b>	<b>21,130,250</b>	<b>794,603</b>	<b>7,539,940</b>	<b>29,464,793</b>	<b>29,108,178</b>
<b>Other transfers and additions/(deductions):</b>					
Non-mandatory transfers	(986,171)	(1,396,828)	-	(2,382,999)	(2,134,079)
Federal Scholarships/Grants by UTB	288,136	-	5,798,964	6,087,100	5,943,911
Excess of restricted receipts over transfers to revenues	-	-	-	-	(1,996)
Excess expenditures by UTB	-	-	-	-	59,891
Refunded to grantors	-	-	-	-	-
Unrestricted gifts allocated to other funds	-	-	-	-	-
Portion of funds functioning as endowment gains appropriated	-	-	-	-	-
<b>Net increase (decrease) in fund balances</b>	<b>\$ (395,985)</b>	<b>\$ 137,849</b>	<b>\$ -</b>	<b>\$ (258,136)</b>	<b>\$ (108,767)</b>

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

TEXAS SOUTHMOST COLLEGE

SCHEDULE C-2

STATEMENT OF CURRENT FUNDS EXPENDITURES BY OBJECT  
FOR THE YEAR ENDED AUGUST 31, 1995

UNAUDITED

	<u>SALARIES AND WAGES</u>	<u>OTHER EXPENSES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
Unrestricted - Education and General				
Instruction	\$ 7,025,827	\$ 2,064,886	\$ 18,887	\$ 9,109,600
Research	24,625	18,117	9,398	52,140
Public Service	841,503	455,142	12,784	1,309,429
Academic Support	597,216	883,210	19,942	1,500,368
Student Services	988,336	546,166	5,866	1,540,368
Institutional Support	2,026,493	2,800,328	91,939	4,918,760
Operation and Maintenance of Plant	382,790	1,866,047	25,789	2,274,626
Scholarships and Fellowships	<u>50,284</u>	<u>237,852</u>	<u>-</u>	<u>288,136</u>
Total Unrestricted	<u>11,937,074</u>	<u>8,871,748</u>	<u>184,605</u>	<u>20,993,427</u> (Exh. C)
Restricted - Education and General				
Instruction	299,347	284,775	-	584,122
Research	245	-	-	245
Public Service	48,180	19,942	3,501	71,623
Academic Support	106,464	46,157	394,664	547,285
Student Services	211,515	178,655	24,419	414,589
Institutional Support	29,809	23,299	-	53,108
Operation and Maintenance of Plant	-	-	-	-
Scholarships and Fellowships	<u>392,962</u>	<u>5,553,372</u>	<u>-</u>	<u>5,946,687</u>
Total Restricted	<u>1,088,522</u>	<u>6,106,553</u>	<u>422,584</u>	<u>7,617,659</u> (Exh. C)
Total Educational and General	<u>13,025,596</u>	<u>14,978,301</u>	<u>607,189</u>	<u>28,611,086</u>
Auxiliary Enterprises	<u>306,335</u>	<u>486,359</u>	<u>1,909</u>	<u>794,603</u> (Exh. C)
Total Current Fund Expenditures	<u>\$13,331,931</u>	<u>\$15,464,660</u>	<u>\$ 609,098</u>	<u>\$29,405,689</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE C-3

SCHEDULE OF UNRESTRICTED CURRENT FUNDS  
EDUCATIONAL AND GENERAL EXPENDITURES  
SUMMARIZED BY ELEMENTS OF INSTITUTIONAL COSTS  
For the Year Ended August 31, 1995

	<u>Unaudited</u>
Instruction	
Academic Programs	
Faculty Salaries	\$ 4,399,911
Departmental Operating Expenses	1,042,285
Organized Activities Related to Instructional Departments	-
Total Academic Programs	<u>5,442,196</u>
Vocational Technical Programs	
Faculty Salaries	1,290,482
Departmental Operating Expenses	635,455
Organized Activities Related to Instructional Departments	-
Total Vocational Technical Programs	<u>1,925,937</u>
Total Instruction	<u>7,368,133</u>
Extension and Public Service	<u>1,309,429</u>
Total Research	<u>45,305</u>
Academic Support	
Library	269,985
Instructional Administration	973,367
Total Academic Support	<u>1,243,352</u>
Student Services	<u>1,232,325</u>
Scholarships and Fellowships	<u>223,032</u>
Institutional Support	
General Administration	2,838,087
General Institutional Expense	1,126,186
Campus Security	187,182
Total Institutional Support	<u>4,151,455</u>
Operation and Maintenance of Plant	
Plant Support Service	48,907
Building Maintenance	1,157,323
Custodial Services	492,886
Grounds Maintenance	96,079
Utilities	292,249
Total Operation and Maintenance of Plant	<u>2,087,444</u>
Staff Benefits	
Group Insurance Premiums	20,674
O.A.S.I.	1,176,780
Workmen's Compensation Insur.	92,678
Other	941,273
Total Staff Benefits	<u>2,231,405</u>
Special Items	
Major Repairs and Rehabilitation of Buildings	
Total Expenditures by Elements of Costs	<u>\$19,891,880</u>
Reconciliation	
Total Expenditures by Function (Exh. C)	<u>\$20,993,427</u>
Plus: Unexpected Plant Fund Expenditures	-
Decrease in Accrued Compensable Absences	-
Less: Remissions and Waivers	(65,104)
Increase in Accrued Compensable Absences	(17,840)
Group Insurance Premiums	<u>(1,018,603)</u>
Total Expenditures by Elements of Institutional Costs	<u>\$19,891,880</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF REVENUES COMPARED WITH BUDGET  
GENERAL AND AUXILIARY ENTERPRISE FUNDS  
Year Ended August 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>State Appropriations:</b>			
Education and General State Support	\$ 9,217,457	\$ 9,281,865	\$ 64,408
Non-Course-Based Remedial Education	30,000	54,360	24,360
State Group Insurance	1,430,000	1,245,127	(184,873)
State Retirement Matching	-	-	-
Other	-	-	-
<b>Total State Appropriations</b>	<u>10,677,457</u>	<u>10,581,352</u>	<u>(96,105)</u>
<b>Tuition and Fees:</b>			
Tuition	4,129,947	4,070,003	(59,944)
Building Use Fee	-	-	-
General Fees	1,470,496	1,364,334	(106,162)
Student Service Fee	-	-	-
Laboratory Fee	90,000	87,064	(2,936)
Other Fees	975,000	978,247	3,247
Remissions and Exemptions	-	-	-
<b>Total Tuition and Fees</b>	<u>6,665,443</u>	<u>6,499,648</u>	<u>(165,795)</u>
Taxes for Current Operations	<u>1,900,000</u>	<u>1,938,934</u>	<u>38,934</u>
<b>Federal Grants and Contracts:</b>			
Financial Aid Admin. Allow.	-	-	-
Veterans Cost of Instruction	-	-	-
College Work Study	-	-	-
Carl Perkins Vocational Grant & Basis	1,094,711	-	(1,094,711)
Child Day Care Center	140,000	103,031	(36,969)
Child Care Food Program	25,000	22,488	(2,512)
Cameron County Private Industry Council	-	135,952	135,952
Nasa Research Grant	17,652	152,015	134,363
<b>Total Federal Grants and Contracts</b>	<u>1,277,363</u>	<u>413,486</u>	<u>(863,877)</u>
<b>State Grants and Contracts:</b>			
UTB Building Lease	1,948,002	1,927,795	(20,207)
UTB First Aid Center	-	-	-
College Work-Study	-	-	-
<b>Total State Grants and Contracts</b>	<u>1,948,002</u>	<u>1,927,795</u>	<u>(20,207)</u>
<b>Local Grants and Contracts:</b>			
Local Contracts	550,291	673,783	123,492
<b>Total Local Grants and Contracts</b>	<u>550,291</u>	<u>673,783</u>	<u>123,492</u>
<b>Other Sources:</b>			
Interest Income	94,500	259,319	164,819
Child Care Parent Contribution	65,000	92,730	27,730
Other Income	222,700	225,010	2,310
<b>Total Other Sources</b>	<u>382,200</u>	<u>577,059</u>	<u>194,859</u>
<b>Other Financing Sources:</b>			
Transfers from Other Funds	1,627,975	1,712,037	84,062
<b>Total Other Financing Sources</b>	<u>1,627,975</u>	<u>1,712,037</u>	<u>84,062</u>
<b>Total Education and General Income</b>	<u>25,028,731</u>	<u>24,324,094</u>	<u>(704,637)</u>
<b>Auxiliary Enterprises Revenue:</b>			
Leases and Rentals	131,000	194,338	63,338
Other Interest Income	7,800	15,776	7,976
Other Income	30,000	25,000	(5,000)
Student Service Fees	-	1,116,423	1,116,423
Parking Fees	-	280,405	280,405
<b>Total Auxiliary Enterprises Revenue</b>	<u>168,800</u>	<u>1,631,942</u>	<u>1,463,142</u>
<b>Total General and Auxiliary     Enterprise Funds Revenues</b>	<u>\$25,197,531</u>	<u>\$25,956,036</u>	<u>\$ 758,505</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET  
GENERAL AND AUXILIARY ENTERPRISE FUNDS  
Year Ended August 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>General Administration and Student Services:</b>			
Gov't of the Institution	\$ 31,200	\$ 19,240	\$ 11,960
Exec. Direction and Control	-	-	-
Business and Fiscal Mgmt.	274,460	271,083	3,377
Student Admission and Registration	-	-	-
Student Service	-	-	-
Total	<u>305,660</u>	<u>290,323</u>	<u>15,337</u>
<b>General Institutional Expense</b>			
Total	<u>728,330</u>	<u>470,361</u>	<u>257,969</u>
<b>Staff Benefits:</b>			
Group Health Ins. Premiums	17,806	15,721	2,085
Old Age and Survivors Ins.	26,695	26,172	523
Workmen's Comp. Insurance	1,545	1,536	9
<b>Other Staff Benefits:</b>			
Other	13,602	13,253	349
Life Insurance Premiums	1,820	973	847
ORP and TRS State Contributions	-	-	-
Total	<u>61,468</u>	<u>57,655</u>	<u>3,813</u>
<b>Resident Instruction:</b>			
Subsidy to UTB	1,687,000	1,686,996	4
Tuition Paid to UTB	4,144,294	4,279,002	(134,708)
	<u>5,831,294</u>	<u>5,965,998</u>	<u>(134,704)</u>
<b>General Academic Courses:</b>			
Faculty Salaries	-	-	-
Dept. Operating	-	-	-
Instructional Adm. Expense	-	-	-
Organized Activities	-	-	-
Sub-Total	<u>-</u>	<u>-</u>	<u>-</u>
<b>Vocational-Technical Programs:</b>			
Faculty Salaries	-	-	-
Dept. Operating Expense	-	-	-
Instructional Adm. Expense	-	-	-
Organized Activities	-	-	-
Sub-Total	<u>-</u>	<u>-</u>	<u>-</u>
Total Resident Instruction	<u>-</u>	<u>-</u>	<u>-</u>
<b>Library:</b>			
Salaries, Wages and Other	-	-	-
Operating Expenses	-	-	-
Books and Equipment	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
<b>Extension and Public Service:</b>			
Community Service	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
<b>Physical Plant Operation and Maintenance:</b>			
Campus Security	-	-	-
Bldg. Maintenance	-	-	-
Custodial Service	-	-	-
Grounds Maintenance	-	-	-
Utilities	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET  
 GENERAL AND AUXILIARY ENTERPRISE FUNDS - CONTINUED  
 Year Ended August 31, 1995

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Special Items:			
Carl Perkins Vocational Grant	-	-	-
Transfers to UTB	<u>15,970,134</u>	<u>15,371,655</u>	<u>598,479</u>
Total Special Items	<u>15,970,134</u>	<u>15,371,655</u>	<u>598,479</u>
Other Financing Sources:			
Transfers to Other Funds	<u>660,000</u>	<u>2,487,045</u>	<u>(1,827,045)</u>
Total Other Financing Sources	<u>660,000</u>	<u>2,487,045</u>	<u>(1,827,045)</u>
Total Education and General Expenditures	<u>23,556,886</u>	<u>24,643,037</u>	<u>(1,086,151)</u>
Auxiliary Enterprises:			
Cafeteria/Bookstore Expenditures	-	-	-
Copy Machine Expense	18,000	18,321	(321)
Rancho del Cielo:			
Subsidy to UTB	-	-	-
Direct Expenses	64,000	63,944	56
Radio Station	15,000	15,000	-
Designated Transfer to UTB	-	-	-
Transfer to Other Funds	-	<u>1,396,828</u>	<u>(1,396,828)</u>
Total Auxiliary Enterprises	<u>97,000</u>	<u>1,494,093</u>	<u>(1,397,093)</u>
Total General and Auxiliary Enterprise Funds Expenditures	<u>23,653,886</u>	<u>26,137,130</u>	<u>(2,483,244)</u>
Excess Revenue Over (Under) Expenditures	<u>1,543,645</u>	<u>(181,094)</u>	<u>(1,724,739)</u>
	<u>\$25,197,531</u>	<u>\$25,956,036</u>	

**AUXILIARY ENTERPRISE FUND**



TEXAS SOUTHMOST COLLEGE  
BALANCE SHEET  
AUXILIARY ENTERPRISE FUND  
August 31, 1995

ASSETS

ASSETS

Petty Cash	\$ 2,250
Cash in Bank	383,371
Accounts Receivable	<u>95,145</u>
Total Assets	<u>\$ 480,766</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to Other Funds	\$ -
Due to UTB	<u>214</u>
Total Liabilities	<u>214</u>

FUND BALANCE

Unrestricted	<u>480,552</u>
Total Unreserved Unallocated Fund Balance (Exh. B)	<u>480,552</u>
Total Liabilities and Fund Balance	<u>\$ 480,766</u>

TEXAS SOUTHMOST COLLEGE  
STATEMENT OF CHANGES IN FUND BALANCE  
AUXILIARY ENTERPRISE FUND  
Year Ended August 31, 1995

Fund Balance, September 1, 1994	\$ 341,924
Add: Revenues received from prior year	779
Excess revenues (expenditures)	<u>137,849</u>
Fund Balance, August 31, 1995	<u>\$ 480,552</u>

TEXAS SOUTHMOST COLLEGE

STATEMENT OF REVENUES AND EXPENDITURES  
 AUXILIARY ENTERPRISE FUND  
 Year Ended August 31, 1995

	<u>Rancho Del Cielo</u>	<u>Bookstore and Cafeteria</u>	<u>Other</u>	<u>Combined Total</u>
<b>REVENUES:</b>				
Leases	\$ -	\$ 169,851	\$ -	\$ 169,851
Parking Fees	-	-	269,002	269,002
Health Insurance	-	-	11,404	11,404
Student Service Fee	-	-	1,116,423	1,116,423
Copier Income	-	-	24,487	24,487
Royalty Income	-	-	25,000	25,000
Interest Income	-	-	15,776	15,776
Total Revenues	<u>-</u>	<u>169,851</u>	<u>1,462,092</u>	<u>1,631,943</u>
<b>EXPENDITURES:</b>				
Direct Expenses	63,944	-	-	63,944
Rental & Supplies for Copier	-	-	18,322	18,322
Radio station support	-	-	15,000	15,000
Transfer to other Funds	-	-	1,396,828	1,396,828
Total Expenses	<u>63,944</u>	<u>-</u>	<u>1,430,150</u>	<u>1,494,094</u>
Excess Revenues (Expenditures)	<u>\$ (63,944)</u>	<u>\$ 169,851</u>	<u>\$ 31,942</u>	<u>\$ 137,849</u>



TEXAS SOUTHMOST COLLEGE  
 COMBINING BALANCE SHEET  
 LOCAL STUDENT ASSISTANCE FUNDS  
 August 31, 1995

Institutional  
 Scholarship  
Grants

ASSETS

<u>ASSETS</u>	
Cash in Bank	\$ 28,927
Funds Held by State-TPEG	100
Due from Other Funds	<u>148,737</u>
Total Assets	<u>\$ 177,764</u>

LIABILITIES AND FUND BALANCE

<u>LIABILITIES</u>	
Due to Other Funds	13,305
Due to UTB	<u>153,652</u>
Total Liabilities	166,957
<u>FUND BALANCE</u>	
Restricted	<u>10,807</u>
Total Liabilities and Fund Balance	<u>\$ 177,764</u>

TEXAS SOUTHMOST COLLEGE  
COMBINING STATEMENT OF CHANGES IN FUND BALANCES  
LOCAL STUDENT ASSISTANCE FUND  
Year Ended August 31, 1995

	Institutional Scholarship Grants
Fund Balance, September 1, 1994	\$ 5,266
Add: Excess Revenue (Expenditures)	<u>5,541</u>
Fund Balance, August 31, 1995	<u>\$ 10,807</u>

TEXAS SOUTHMOST COLLEGE  
 COMBINING STATEMENT OF REVENUES AND EXPENDITURES  
 LOCAL STUDENT ASSISTANCE FUND  
 Year Ended August 31, 1995

	Institutional Scholarship Grants
<b>REVENUES:</b>	
Local Grants and Contracts	\$ 74,340
State Grant	136,823
Interest Income	<u>1,206</u>
Total Revenues	<u>212,369</u>
 <b>EXPENDITURES:</b>	
Texas Public Grant Program	91,704
Local Scholarships	74,340
Transfers to Other Funds	13,305
Designated Transfer to UTB	<u>27,479</u>
Total Expenditures	<u>206,828</u>
Excess Revenues (Expenditures)	<u>\$ 5,541</u>





TEXAS SOUTHMOST COLLEGE

COMBINING BALANCE SHEET

LOAN FUND

August 31, 1995

Student  
Congress  
Loans

ASSETS

ASSETS

Cash	\$ 37,878
Loans Receivable (Net of Allowance For Bad Debts of \$75,240)	12,804
Due From Other Funds	13,305
Due From UTB	<u>76,601</u>
Total Assets	<u>\$ 140,588</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Due to Federal Government	\$ -
Total Liabilities	-

FUND BALANCE

Unrestricted - Designated	<u>140,588</u>
Total Liabilities and Fund Balance	<u>\$ 140,588</u>

TEXAS SOUTHMOST COLLEGE  
 COMBINING STATEMENT OF CHANGES IN FUND BALANCES  
 LOAN FUND  
 Year Ended August 31, 1995

	Student Congress Loans
Fund Balance, September 1, 1994	<u>\$ 121,548</u>
Additions:	
Miscellaneous Income	5
Interest Income	459
Increase in Receivables	15,585
Transfers From Other Funds	<u>13,305</u>
Total Additions	<u>29,354</u>
Deductions:	
Allowance for Bad Debt	<u>10,314</u>
Total Deductions	<u>10,314</u>
Fund Balance, August 31, 1995	<u><u>\$ 140,588</u></u>



TEXAS SOUTHMOST COLLEGE  
 COMBINING BALANCE SHEETS  
 ENDOWMENT FUNDS  
 August 31, 1995

	<u>TSC Endowment Fund</u>	<u>Endowment Challenge Grant Program</u>	<u>Total</u>
<b>ASSETS</b>			
<b>ASSETS</b>			
Cash in Bank	\$ 2,490	\$ 13	\$ 2,503
Investments	43,396	-	43,396
Accrued Dividends	<u>194</u>	<u>-</u>	<u>194</u>
Total Assets	<u>\$ 46,080</u>	<u>\$ 13</u>	<u>\$ 46,093</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Due to the TSC Foundation, Inc.	\$ -	\$ 13	\$ 13
Total Liabilities	<u>-</u>	<u>13</u>	<u>13</u>
<b>FUND BALANCE</b>			
Restricted - Term	13,933	-	13,933
Restricted - Quasi-endowment	<u>32,147</u>	<u>-</u>	<u>32,147</u>
Total Fund Balance	<u>46,080</u>	<u>-</u>	<u>46,080</u>
Total Liabilities and Fund Balance	<u>\$ 46,080</u>	<u>\$ 13</u>	<u>\$ 46,093</u>

TEXAS SOUTHMOST COLLEGE  
 COMBINING STATEMENT OF CHANGES IN FUND BALANCES  
 ENDOWMENT FUNDS  
 Year Ended August 31, 1995

	<u>TSC Endowment Fund</u>	<u>Endowment Challenge Grant Program</u>	<u>Total</u>
Fund Balance, September 1, 1994	\$ 27,649	\$ -	\$ 27,649
Add: Donations	-	-	-
Interest, and Dividends	1,271	-	1,271
Unrealized Gain (Loss) on Marketable Securities	18,622	-	18,622
Less: Scholarship	<u>1,462</u>	<u>-</u>	<u>1,462</u>
Net Increase (Decrease) for the Year	<u>18,431</u>	<u>-</u>	<u>18,431</u>
Fund Balance, August 31, 1995	<u>\$ 46,080</u>	<u>\$ -</u>	<u>\$ 46,080</u>



TEXAS SOUTHMOST COLLEGE

BALANCE SHEET  
UNEXPENDED FUNDS  
August 31, 1995

Improvement  
and  
Contingency

ASSETS

ASSETS

Cash in Bank	\$ 1,062,934
Accrued Interest	6,902
Due from Other Funds	1,834,819
Earnest Money Deposit	50,000
	<hr/>
Total Assets	<u>\$ 2,954,655</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 373
	<hr/>
Total Liabilities	373

FUND BALANCE

Unrestricted	\$ 2,954,282
	<hr/>
Total Fund Balance	2,954,282
	<hr/>
Total Liabilities and Fund Balance	<u>\$ 2,954,655</u>

TEXAS SOUTHMOST COLLEGE  
STATEMENT OF CHANGES IN FUND BALANCE  
UNEXPENDED FUNDS  
Year Ended August 31, 1995

	Improvement and Contingency Fund
Fund Balance, September 1, 1994	<u>\$ 1,435,760</u>
Add: Investment Income	71,836
Gift	422,100
Transfers in from Other Funds	<u>1,827,045</u>
	2,320,981
Less: Capital Outlay	<u>802,459</u>
Net Increase (Decrease) for the Year	<u>1,518,522</u>
Fund Balance, August 31, 1995	<u>\$ 2,954,282</u>



TEXAS SOUTHMOST COLLEGE

BALANCE SHEET  
RENEWALS AND REPLACEMENT  
August 31, 1995

Capital  
Projects  
Fund

ASSETS

ASSETS

Cash in Bank

\$ 261,308

Total Assets

\$ 261,308

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable  
Due to Other Funds

\$ 78,683  
7,774

Total Liabilities

86,457

FUND BALANCE

Unrestricted

174,851

Total Liabilities and Fund Balance

\$ 261,308

TEXAS SOUTHMOST COLLEGE  
 STATEMENT OF CHANGES IN FUND BALANCE  
 RENEWALS AND REPLACEMENT  
 Year Ended August 31, 1995

	<u>Capital Projects Fund</u>
Fund Balance, September 1, 1994	\$ 243,389
Restatement (Prior Period Adjustment)	<u>2,530</u>
Fund Balance, September 1, 1994 - As Restated	<u>245,919</u>
Add: Transfer In-General Fund	660,000
Investment Income	18,448
Other Income	<u>412</u>
	<u>678,860</u>
Less: Capital Outlay	433,333
Repairs	<u>316,595</u>
	<u>749,928</u>
Net Increase (Decrease) for the Year	<u>(71,068)</u>
Fund Balance, August 31, 1995	<u>\$ 174,851</u>

TEXAS SOUTHMOST COLLEGE  
 COMBINING BALANCE SHEETS  
 RETIREMENT OF INDEBTEDNESS  
 August 31, 1995

	<u>Systems Fund</u>	<u>Debt Service</u>	<u>87/88 Tax Debt Service</u>	<u>Total</u>
<b>ASSETS</b>				
<b>ASSETS</b>				
Cash in Bank	\$ 363	\$ 228,126	\$ 74,184	\$ 302,673
Accounts Receivable	-	-	16,469	16,469
Taxes Receivable	-	-	316,073	316,073
Allowance for Bad Debts	-	-	(79,646)	(79,646)
Due from Other Funds	-	53,763	33,249	87,012
	<u>363</u>	<u>281,889</u>	<u>360,329</u>	<u>642,581</u>
Total Assets	<u>\$ 363</u>	<u>\$ 281,889</u>	<u>\$ 360,329</u>	<u>\$ 642,581</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Due to Other Funds	\$ 363	\$ -	\$ -	\$ 363
Deferred Tax Revenue	-	-	236,427	236,427
	<u>363</u>	<u>-</u>	<u>236,427</u>	<u>236,790</u>
Total Liabilities	<u>363</u>	<u>-</u>	<u>236,427</u>	<u>236,790</u>
 <b>FUND BALANCE</b>				
Restricted	-	281,889	123,902	405,791
	<u>-</u>	<u>281,889</u>	<u>123,902</u>	<u>405,791</u>
Total Liabilities and Fund Balance	<u>\$ 363</u>	<u>\$ 281,889</u>	<u>\$ 360,329</u>	<u>\$ 642,581</u>

TEXAS SOUTHMOST COLLEGE

COMBINING STATEMENT OF CHANGES IN FUND BALANCES  
 RETIREMENT OF INDEBTEDNESS  
 Year Ended August 31, 1995

	Systems Fund	Debt Service	87/88 Tax Debt Service	Total
Reserves and Fund Balance, September 1, 1994	\$ 351	\$ 317,366	\$ 174,376	\$ 492,093
Restatement (Prior Period Adjustment)	-	53,763	-	53,763
Reserves and Fund Balances, As Restated	<u>351</u>	<u>371,129</u>	<u>174,376</u>	<u>545,856</u>
Add: AD Valorem Tax	-	-	1,181,304	1,181,304
HEW Subsidy Grant	-	19,954	-	19,954
Investment Income	2,407	3,950	4,125	10,482
Building Usage Fees	313,411	-	-	313,411
Total Receipts	<u>315,818</u>	<u>23,904</u>	<u>1,185,429</u>	<u>1,525,151</u>
Less: Retirement of Indebtedness	-	95,000	675,000	770,000
Interest on Indebtedness	-	17,342	560,353	577,695
Transfers to Other Funds	316,169	-	-	316,169
Other	-	802	550	1,352
Total Disbursements	<u>316,169</u>	<u>113,144</u>	<u>1,235,903</u>	<u>1,665,216</u>
Net Increase (Decrease) for the Year	<u>(351)</u>	<u>(89,240)</u>	<u>(50,474)</u>	<u>(140,065)</u>
Reserves and Fund Balance, August 31, 1995	<u>\$ -</u>	<u>\$ 281,889</u>	<u>\$ 123,902</u>	<u>\$ 405,791</u>

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET  
 INVESTMENT IN PLANT  
 August 31, 1995

General  
 Fixed  
 Assets  
 Fund

ASSETS

LAND, BUILDINGS AND EQUIPMENT

Land	\$ 1,525,565
Land - Appraisal Increase	817,500
Site Improvements	5,806,635
Buildings and Improvements	22,319,214
Machinery, Equipment, Furniture and Library Books	16,196,568
Assets Held in Trust	351,064
Construction in Progress	54,784
Amounts to be Provided	<u>550,476</u>

TOTAL LAND, BUILDINGS AND EQUIPMENT 47,621,806

LIABILITIES AND NET INVESTMENT IN PLANT

LONG-TERM DEBT

Accrued Interest Payable	\$ 550,476
Bonds Payable	<u>10,604,999</u>
Total Long-Term Debt	11,155,475

NET INVESTMENT IN PLANT

Total Liabilities and Net Investment in Plant \$47,621,806

TEXAS SOUTHMOST COLLEGE  
 STATEMENT OF CHANGES IN FUND BALANCE  
 INVESTMENT IN PLANT  
 Year Ended August 31, 1995

	General Fixed Assets Fund
Fund Balance, September 1, 1994	<u>\$33,499,945</u>
Add: Reduction in Long-Term Debt	790,535
Purchases and Additions	2,288,192
Work In Process	54,784
Less: Decrease in Assets	<u>167,125</u>
Net Increase (Decrease) for the Year	<u>2,966,386</u>
Fund Balance, August 31, 1995	<u>\$36,466,331</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF GENERAL FIXED ASSETS  
INVESTMENT IN PLANT  
Year Ended August 31, 1995

	<u>Balance 8-31-94</u>	<u>Purchased/ Additions</u>	<u>Other*</u>	<u>Balance 8-31-95</u>
<b>BUILDINGS</b>				
Auto Body Building	\$ 87,621	\$ -	\$ -	\$ 87,621
Allied Health	698,407	-	-	698,407
Tandy Hall I	1,087,093	122,208	-	1,209,301
Tandy Hall II	2,065,351	211,874	-	2,277,225
A. A. Champion	43,436	-	-	43,436
Gymnasium	814,002	-	-	814,002
Business Services	5,565	-	-	5,565
Student Center	944,335	-	-	944,335
Library	4,191,479	-	-	4,191,479
Rusteberg	812,044	121,640	-	933,684
Gomez-Farias Project (Mexico)	5,063	-	-	5,063
Eidman Science-Math Building	820,972	-	-	820,972
Gorgas Hall Improvements	1,682,096	-	-	1,682,096
Music Hall	94,770	-	-	94,770
Maintenance	34,898	-	-	34,898
PAU-B Administration	222,158	-	-	222,158
PAU-B Temporary Office	13,444	-	-	13,444
Child Care Center	378,509	-	-	378,509
Cavalry Barracks	443,891	-	-	443,891
Women's Center	76,019	-	-	76,019
Continuing Education	45,000	-	-	45,000
Athletic Houses	13,143	-	-	13,143
Marion Hedrick Smith Memorial Amphitheater	296,391	-	-	296,391
U.S. Coast Guard Station (S.P.I.)	320,353	-	-	320,353
Security/First Aid (Carpet)	888	-	-	888
Continuing Education (American Legion Building)	56,417	-	-	56,417
Classroom/Office	5,936,735	-	-	5,936,735
Art	673,412	-	-	673,412
<b>Total Buildings</b>	<u>21,863,492</u>	<u>455,722</u>	<u>-</u>	<u>22,319,214</u>
<b>LAND</b>				
Land 50 year Lease Amphitheater	1,250	-	-	1,250
Land	176,014	309,617	-	485,631
Land - Appraisal Increase	817,500	-	-	817,500
Land - Parking Lot	545,842	70,742	-	616,584
Land - 18.76 Acres	-	422,100	-	422,100
<b>Total Land</b>	<u>1,540,606</u>	<u>802,459</u>	<u>-</u>	<u>2,343,065</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF GENERAL FIXED ASSETS  
 INVESTMENT IN PLANT - CONTINUED  
 Year Ended August 31, 1995

	Balance 8-31-94	Purchased/ Additions	Other*	Balance 8-31-95
<b>SITE IMPROVEMENTS</b>				
Landscaping - T.S.C.	16,168	-	-	16,168
Landscaping - S.P.I.	3,395	-	-	3,395
Paving	392,615	-	-	392,615
Remodel Courtyard Fountain	18,638	-	-	18,638
Tennis Courts	43,002	-	-	43,002
Reflecting Pool	27,591	-	-	27,591
Gorgas Monument	24,121	-	-	24,121
Roofing	719,512	-	-	719,512
ACM Abatement	649,036	-	-	649,036
Resaca Bulkhead	281,424	-	-	281,424
Paseo	265,071	-	-	265,071
Paseo - Classroom	448,523	-	-	448,523
Paseo - East	570,218	-	-	570,218
Central Plant	2,280,410	-	-	2,280,410
ADA Compliance Improvements	34,077	32,834	-	66,911
<b>Total Improvements</b>	<u>5,773,801</u>	<u>32,834</u>	<u>-</u>	<u>5,806,635</u>
<b>MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES</b>				
Gorgas	190,717	-	-	190,717
Champion	97,880	-	-	97,880
Art Building	45,098	-	-	45,098
Gymnasium	98,321	-	-	98,321
Tandy Hall	1,165,892	-	-	1,165,892
Leased Computer Equipment	423,635	-	(41)	423,594
Library	1,013,676	-	-	1,013,676
Library Books	6,787,053	1,083,175	-	7,870,228
Student Center	231,601	-	-	231,601
Eidman Hall	393,943	-	-	393,943
Applied Arts	1,277,797	-	-	1,277,797
Maintenance	380,988	-	-	380,988
Allied Health	600,308	-	-	600,308
Adult Continuing Ed Center	321,799	-	-	321,799
Music Department	247,811	-	-	247,811
Athletic Houses	12,446	-	-	12,446
Security/First Aid	38,838	-	-	38,838
Child Care	88,237	-	-	88,237
Old President's Home	23,429	-	-	23,429
Cavalry Barracks	418,505	-	-	418,505
South Padre Island	75,012	-	-	75,012
Rancho del Cielo	36,369	-	-	36,369
LVN - McAllen	17,456	-	-	17,456
Classroom/Office	1,254,587	30,653	(167,125)	1,118,115
LVN - Weslaco	8,508	-	-	8,508
<b>Total Equipment</b>	<u>15,249,906</u>	<u>1,113,828</u>	<u>(167,166)</u>	<u>16,196,568</u>
<b>Total General Fixed Assets</b>	<u>\$44,427,805</u>	<u>\$ 2,404,843</u>	<u>\$ (167,166)</u>	<u>\$46,665,482</u>

\* Stolen, Transfers, Deletions, Donations, Auctions, and Corrections.



**AGENCY FUNDS**

TEXAS SOUTHMOST COLLEGE  
 COMBINING BALANCE SHEETS  
 AGENCY FUNDS  
 August 31, 1995

Alumni  
Fund

ASSETS

ASSETS

Cash in Bank

\$ 6,824

Total Assets

\$ 6,824

LIABILITIES AND FUND BALANCE

LIABILITIES

Funds Held in Custody For Others

\$ 6,824

Total Liabilities

6,824

FUND BALANCE

Restricted

-

Unrestricted

-

Total Fund Balance

-

Total Liabilities and Fund Balance

\$ 6,824

TEXAS SOUTHMOST COLLEGE  
 COMBINING STATEMENT OF CHANGES IN FUND BALANCES  
 AGENCY FUNDS  
 Year Ended August 31, 1995

	Alumni Fund
Fund Balance, September 1, 1994	\$ -
Add: Interest	-
Less: Disbursements	-
Transfer to Other Funds	-
Net Increase (Decrease) for the Year	-
Fund Balance, August 31, 1995	\$ -



TEXAS SOUTHMOST COLLEGE

MATURITY SCHEDULE  
 BOARD OF TRUSTEES OF SOUTHMOST UNION JUNIOR COLLEGE DISTRICT  
 BUILDING REVENUE BONDS  
 SERIES 1970  
 DEBT SERVICE FUND  
 Year Ending August 31,

<u>Year</u>	<u>Interest Rate</u>	<u>Bond Number</u>	<u>Bond Principal Due Nov. 15th</u>	<u>Bond Interest Due Nov. 15th</u>	<u>Bond Interest Due May 15th</u>	<u>Total Annual Requirements</u>
1996	7-1/2%	119-130	60,000.00	2,250.00	.00	62,250.00
			<u>\$ 60,000.00</u>	<u>\$ 2,250.00</u>	<u>\$ .00</u>	<u>\$ 62,250.00</u>

TEXAS SOUTHMOST COLLEGE

MATURITY SCHEDULE  
 BOARD OF TRUSTEES OF SOUTHMOST UNION JUNIOR COLLEGE DISTRICT  
 BUILDING REVENUE BONDS  
 SERIES 1975-A  
 DEBT SERVICE FUND  
 Year Ending August 31,

<u>Year</u>	<u>Interest Rate</u>	<u>Bond Number</u>	<u>Principal Due May 1,</u>	<u>Bond Interest Due Nov. 15,</u>	<u>Bond Interest Due May 1,</u>	<u>Total Annual Requirements</u>
1996	7.70%	101-110	\$ 50,000.00	\$ 3,850.00	\$ 3,850.00	\$ 57,700.00
1997	7.70%	111-120	50,000.00	1,925.00	1,925.00	53,850.00
			<u>\$ 100,000.00</u>	<u>\$ 5,775.00</u>	<u>\$ 5,775.00</u>	<u>\$ 111,550.00</u>

TEXAS SOUTHMOST COLLEGE

MATURITY SCHEDULE  
 SOUTHMOST UNION JUNIOR COLLEGE DISTRICT  
 SCHOOL BUILDING TAX BONDS  
 SERIES 1987 AND 1988  
 Year Ending August 31,

<u>Year Ending</u>	<u>Series 1987 and 1988</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 550,000	\$ 128,480	\$ 678,480
1997	650,000	79,418	729,418
1998	680,000	33,950	713,950
1999	<u>190,000</u>	<u>6,460</u>	<u>196,460</u>
Totals	<u>\$ 2,070,000</u>	<u>\$ 248,308</u>	<u>\$ 2,318,308</u>

Interest on the Series 1988 bonds has been calculated at the rate of 7.50% for purposes of illustration.

TEXAS SOUTHMOST COLLEGE

MATURITY SCHEDULE  
 SOUTHMOST UNION JUNIOR COLLEGE DISTRICT  
 REFUNDING TAX BONDS - SERIES 1994  
 Year Ending August 31,

<u>Year Ending</u>	<u>The Series 1994 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1996	\$ 140,000	\$ 378,418	\$ 518,418
1997	150,000	372,898	522,898
1998	155,000	366,681	521,681
1999	655,000	349,383	1,004,383
2000	940,000	314,150	1,254,150
2001	960,000	269,720	1,229,720
2002	405,859	790,581	1,196,440
2003	379,140	857,300	1,236,440
2004	990,000	220,700	1,210,700
2005	1,075,000	166,473	1,241,473
2006	1,115,000	107,880	1,222,880
2007	1,185,000	45,188	1,230,188
2008	<u>225,000</u>	<u>6,300</u>	<u>231,300</u>
Totals	<u>\$ 8,374,999</u>	<u>\$ 4,245,672</u>	<u>\$12,620,671</u>