

Laredo Community College District

**Audited Financial Statements and
Single Audit Reports**

Year Ended August 31, 2011

**Laredo Community College District
August 31, 2011**

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LAREDO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Fiscal Year 2011

Board of Trustees

Officers

Cynthia Mares	President	November 2016
Edward C. Sherwood	Vice President	November 2012
Carlos Carranco, Jr.	Secretary	November 2014

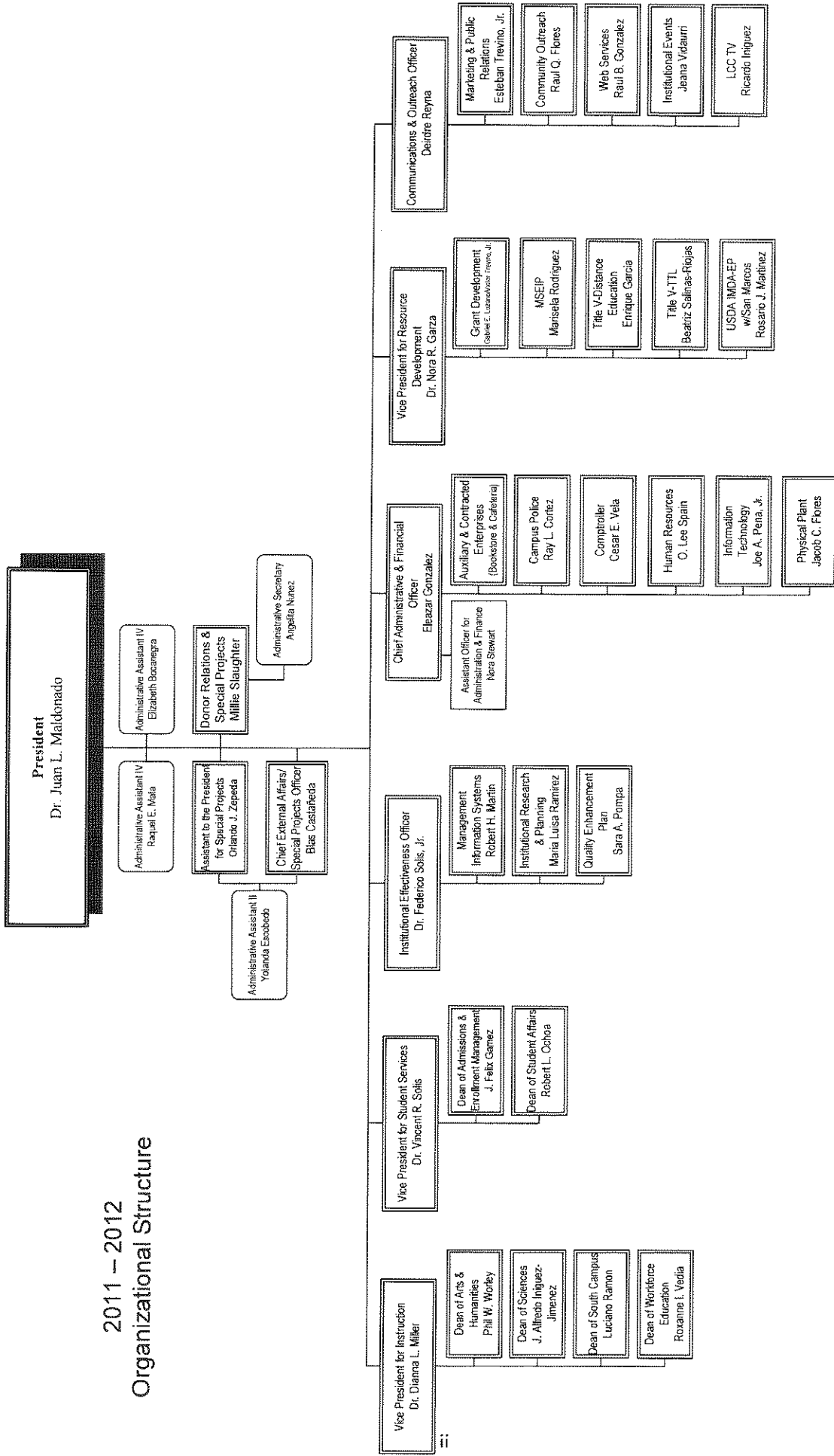
Term Expires

Hilario Cavazos, III	Laredo, Texas	November 2014
Leonides G. Cigarroa, Jr., M.D.	Laredo, Texas	November 2016
Rene De La Viña	Laredo, Texas	November 2012
Mercurio Martinez, Jr.	Laredo, Texas	November 2016
Jesse A. Porras	Laredo, Texas	November 2014
Pete Saenz, Jr.	Laredo, Texas	November 2012

Principal Administrative Officers

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

2011 – 2012 Organizational Structure



FINANCIAL SECTION

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



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the Laredo Community College District (the "District"), as of and for the year ended August 31, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2011, and the changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S. OMB Circular A-133, *Audits*

of States, Local Governments, and Non-Profit Organizations, and the State of Texas Single Audit Circular, and are not a required part of the basic financial statements of the District. The schedules of expenditures of federal and state awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, the statistical tables, and the sections labeled unaudited have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Canales, Marga & Baum, PLLC

Laredo, Texas
December 14, 2011

**Laredo Community College District
Management Discussion and Analysis
Year Ending August 31, 2011**

Overview of the Financial Statements and Financial Analysis

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

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

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

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

Financial Highlights

- The College's total combined net assets were \$39,550,085 at August 31, 2011. Of this amount, \$15,715,296 may be used to meet the College's ongoing obligations.

- During the fiscal year, the College's combined net assets increased by \$3,139,357 or 8.62%.

- During fiscal year 2011, the balance of cash and cash equivalents increased by \$14,431,578 or 42.64%. Tuition and Fees receivables increased by \$1,754,539 or 33.25%.

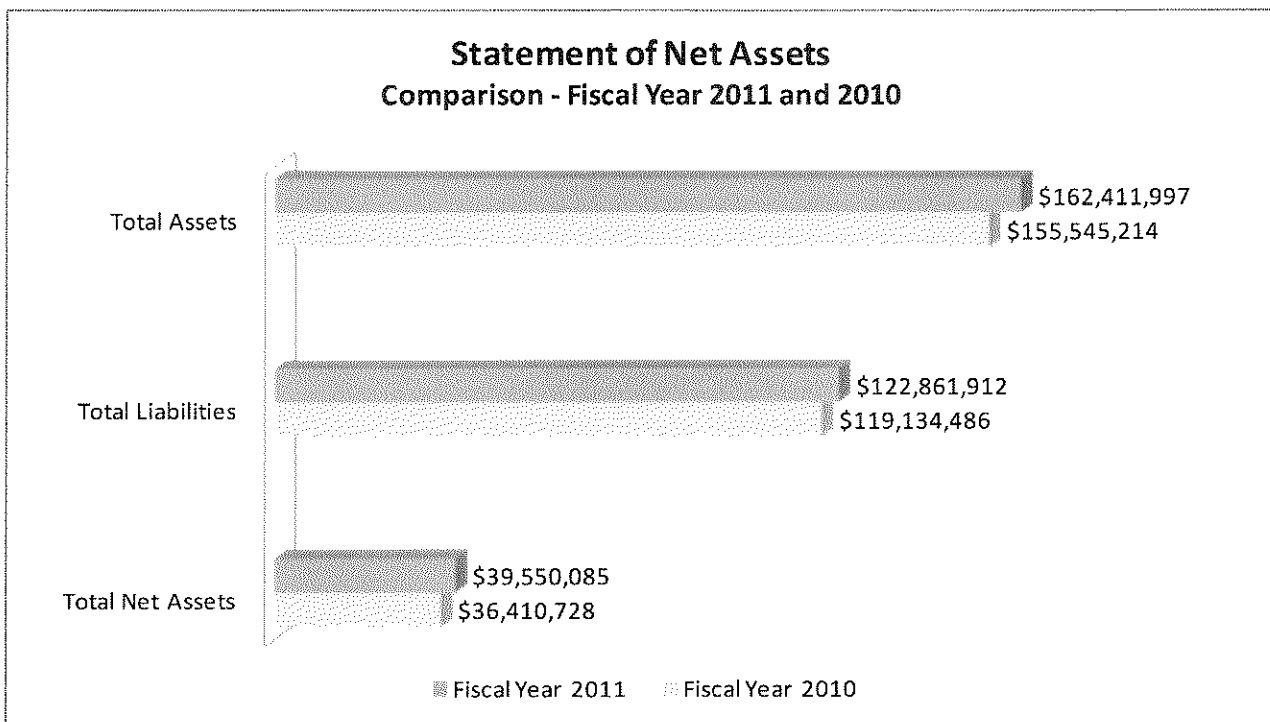
- Capital assets, net of accumulated depreciation, at August 31, 2011, had an increase of \$17,961,588 from August 31, 2010, due mainly to a net increase of \$15,638,803 in construction in progress. Other changes to capital assets include an increase to land improvements of \$3,410,291, an increase to library books of \$82,865, an increase to furniture and equipment of \$2,108,381 and a decrease to buildings of \$719,437.

Statement of Net Assets

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

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

Statement of Net Assets				
	2011	2010	Amount Change	Percent Change
Assets:				
Current assets	\$ 61,894,797	\$ 72,989,602	\$ (11,094,805)	-15.20%
Capital assets	100,517,200	82,555,612	17,961,588	21.76%
Other non-current assets	-	-	-	0.00%
Total assets	162,411,997	155,545,214	6,866,783	4.41%
Liabilities:				
Current liabilities	23,853,811	16,998,877	6,854,934	40.33%
Non-current liabilities	99,008,101	102,135,609	(3,127,508)	-3.06%
Total liabilities	122,861,912	119,134,486	3,727,426	3.13%
Investment in capital assets, net of related debt	8,389,756	9,985,526	(1,595,770)	-15.98%
Restricted net assets	15,445,033	11,630,442	3,814,591	32.80%
Unrestricted net assets	15,715,296	14,794,760	920,536	6.22%
Total net assets	\$ 39,550,085	\$ 36,410,728	\$ 3,139,357	8.62%



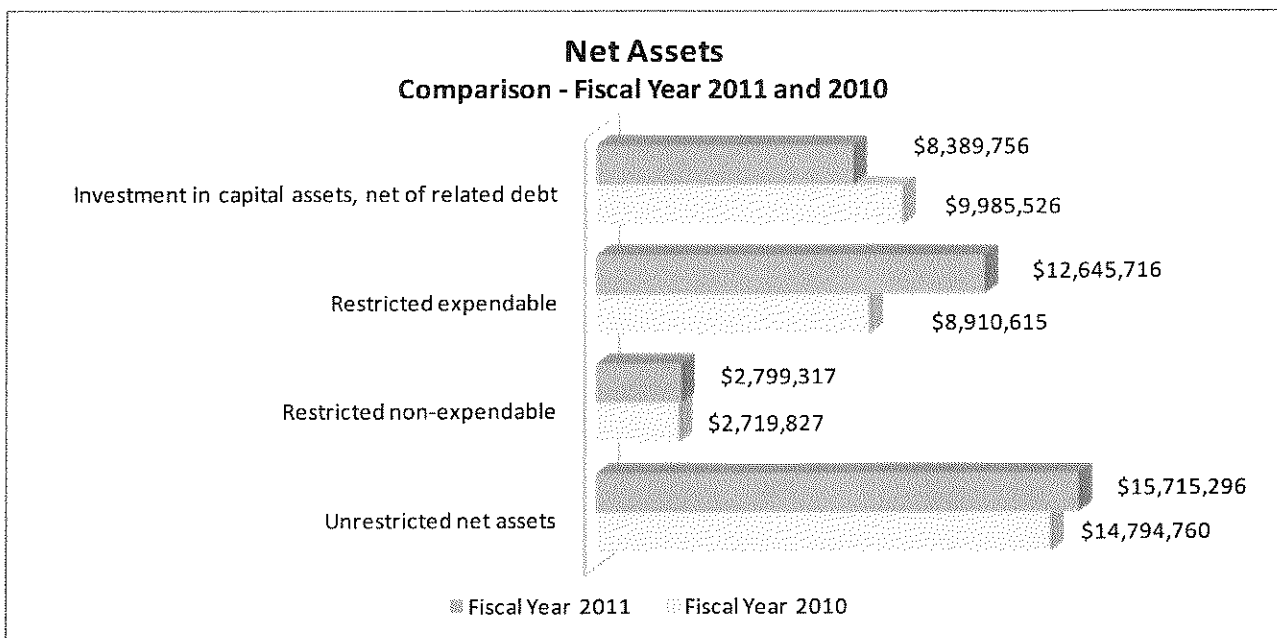
The total assets of the College increased \$6,866,783 or 4.41% compared to the prior year, from \$155,545,214 in 2010 to \$162,411,997 in 2011. Within the assets section, current assets decreased by 15.20% - equal to \$11,094,805. This decrease is due to a decrease in short term investments of \$27,405,994.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

Also within this section, capital assets, net of accumulated depreciation, increased by \$17,961,588. The increase was primarily due to an increase in construction in progress of \$15,638,803 during fiscal year 2011. The increase in construction in progress was attributed to construction projects for Phase I and II of the Facilities Master Plan at August 31, 2011. In addition, there was an increase of \$3,410,291 in land improvements due to the capitalization of the South Campus Recreation Complex and an increase of \$99,372 in buildings attributed to the capitalization of the paint room storage addition to the Raquel Gonzalez Automotive Technology Center. The increases were offset by decreases in buildings in the amount of \$818,809 attributed to the disposal of the Fort McIntosh dorm complex and a \$143,795 decrease in furniture and equipment due to fiscal year 2011 equipment and furniture disposals.

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

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

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



Statement of Revenues, Expenses and Changes in Net Assets

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

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

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

Statement of Revenues, Expenses and Changes in Net Assets

	<u>2011</u>	<u>2010</u>	<u>Amount Change</u>	<u>Percent Change</u>
Operating Revenues	\$ 17,846,964	\$ 16,999,328	\$ 847,636	4.99%
Operating Expenses	<u>78,053,894</u>	<u>75,021,438</u>	<u>3,032,456</u>	<u>4.04%</u>
Operating Loss	(60,206,930)	(58,022,110)	(2,184,820)	3.77%
Non-operating revenues and expenses	63,346,287	60,536,248	2,810,039	4.64%
Increase in net assets	3,139,357	2,514,138		
Net assets at beginning of year	36,410,728	33,896,590		
Net assets at end of year	<u>\$ 39,550,085</u>	<u>\$ 36,410,728</u>	<u>\$ 3,139,357</u>	<u>8.62%</u>

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

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

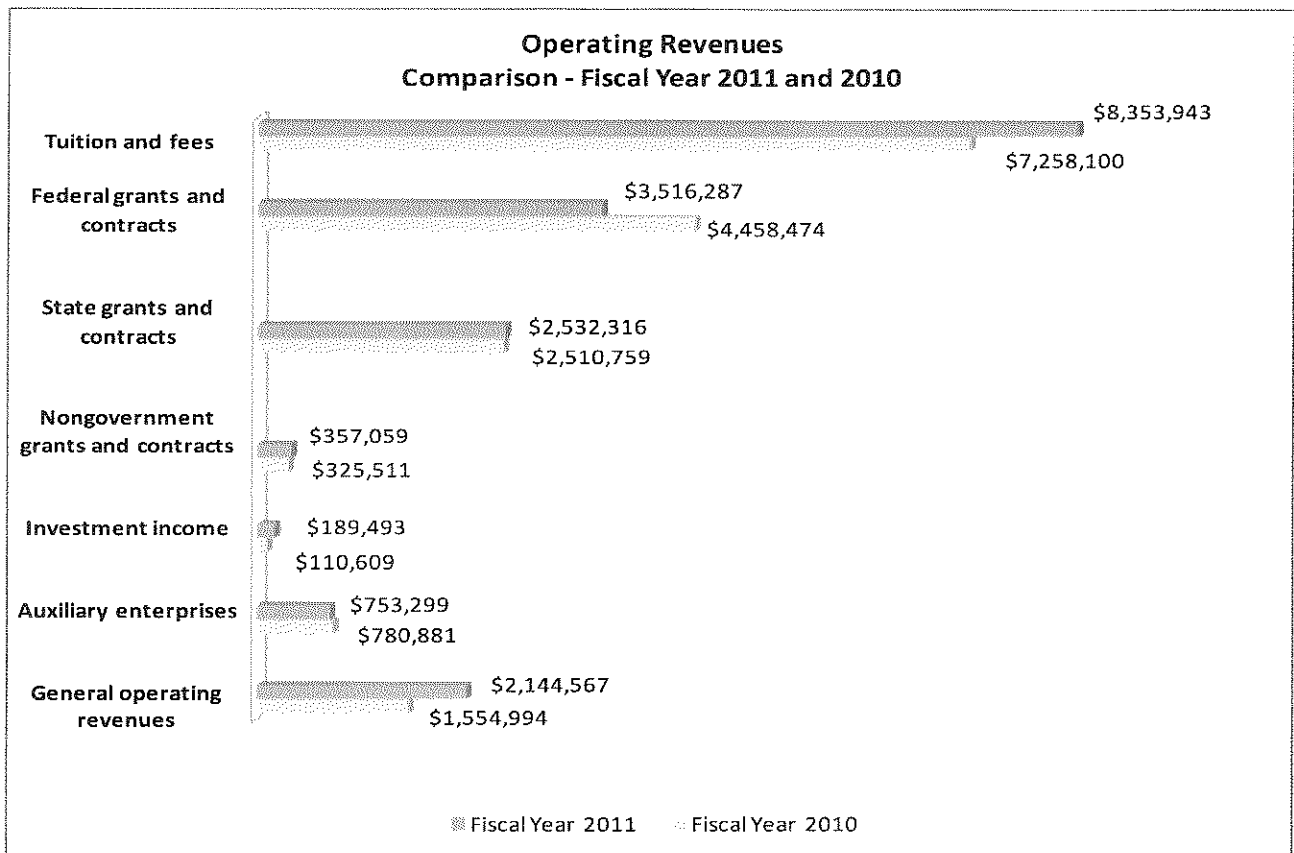
The operating loss increased by \$2,184,820 or 3.77%, from \$58,022,110 in fiscal year 2010, to \$60,206,930 in fiscal year 2011. Operating revenues increased by \$847,636, and total operating expenses increased by \$3,032,456.

Total operating revenues increased by \$847,636, which primarily consisted of an increase of \$1,095,843 in tuition and fees, an increase of \$78,884 in investment income, increases of \$21,557 and \$31,548 in state and nongovernment grants and contracts and an increase of \$589,573 in general operating revenues. In

addition, the College experienced decreases in federal grant revenues of \$942,187 and auxiliary enterprise revenue of \$27,582.

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

Operating revenues	2011		2010	
	Amount	Percentage of Total	Amount	Percentage of Total
Tuition and fees (net of discounts of \$10,631,923 and \$8,052,617)	\$ 8,353,943	46.81%	\$ 7,258,100	42.70%
Federal grants and contracts	3,516,287	19.70%	4,458,474	26.23%
State grants and contracts	2,532,316	14.19%	2,510,759	14.77%
Nongovernment grants and contracts	357,059	2.00%	325,511	1.91%
Investment income (program restricted)	189,493	1.03%	110,609	0.65%
Auxiliary enterprises (net of discounts of \$20,138 and \$133,084)	753,299	4.22%	780,881	4.59%
Other operating revenues	2,144,567	12.02%	1,554,994	9.15%
Total	\$ 17,846,964	100.00%	\$ 16,999,328	100.00%

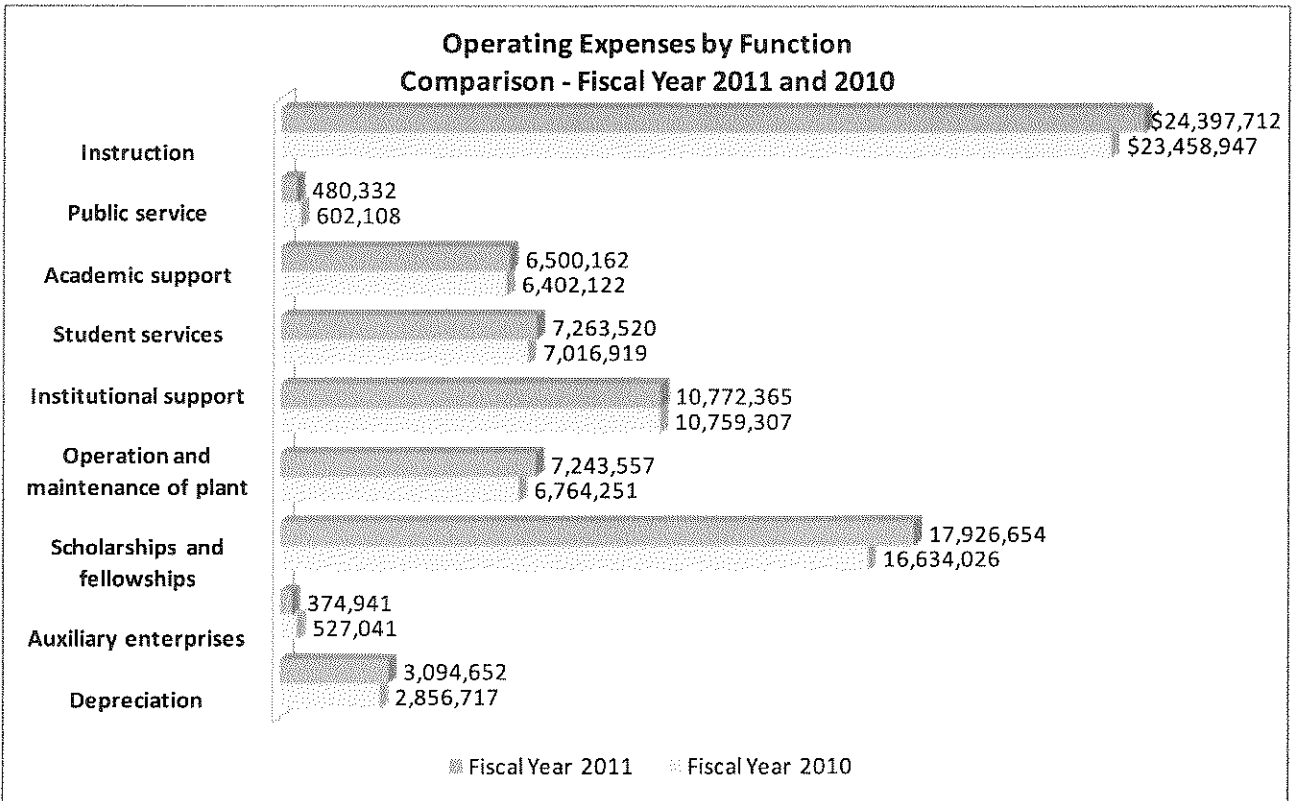


Overall operating expenses increased by 4.04%, or \$3,032,457 for the year. The increase in operating expenses was due to the result of budgeted level spending associated with increased operating costs associated with enrollment growth. An analysis of operating expenses by function indicates the most significant year-to-year expense change to be in scholarships by \$1,292,628 or 43% and instruction by

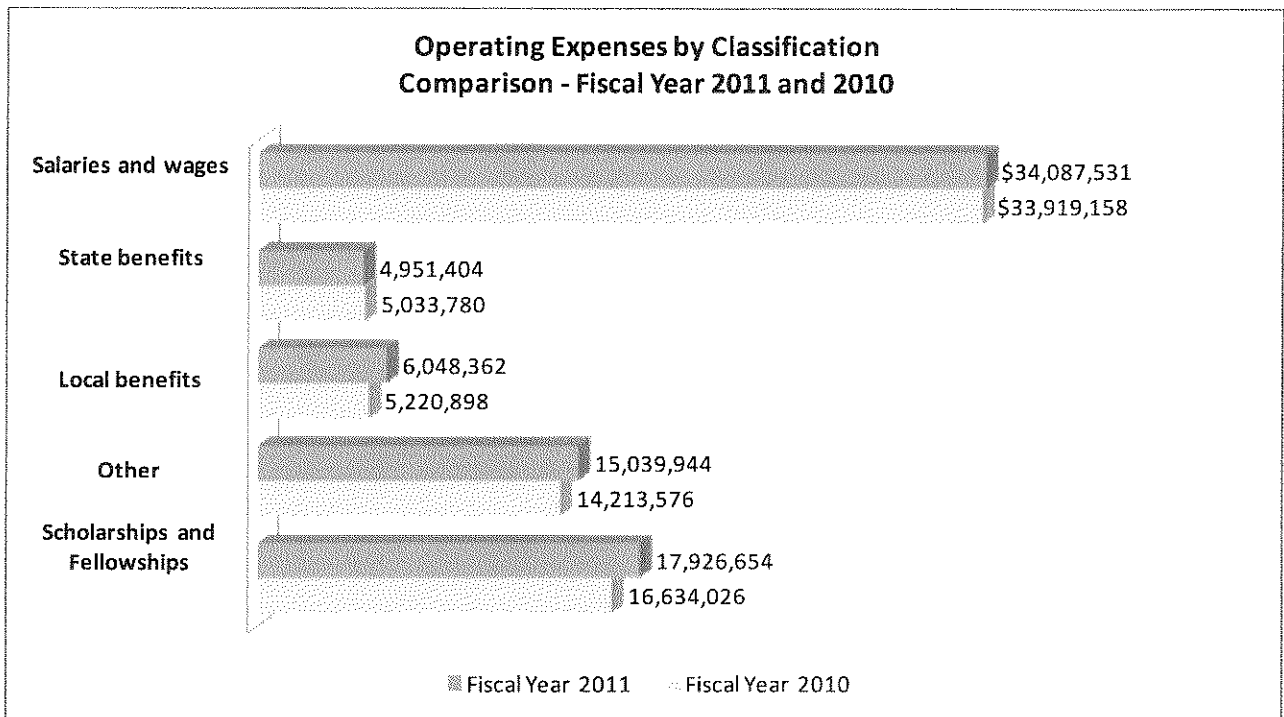
\$938,765 or 31%. The increase in scholarship expense is primarily due to an increase in funds available to help students meet their educational needs.

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

Operating Expenses by Function	2011		2010	
	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 24,397,712	31.26%	\$ 23,458,947	31.27%
Public service	480,332	0.62%	602,108	0.80%
Academic support	6,500,162	8.33%	6,402,122	8.53%
Student services	7,263,520	9.31%	7,016,919	9.35%
Institutional support	10,772,365	13.80%	10,759,307	14.34%
Operation and maintenance of plant	7,243,557	9.28%	6,764,251	9.02%
Scholarships and fellowships	17,926,654	22.97%	16,634,026	22.17%
Auxiliary enterprises	374,941	0.48%	527,041	0.70%
Depreciation	3,094,652	3.96%	2,856,717	3.81%
Total	\$ 78,053,895	100.00%	\$ 75,021,438	100.00%



Operating Expenses by Classification	2011		2010	
	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 34,087,531	43.67%	\$ 33,919,158	45.21%
State benefits	4,951,404	6.34%	5,033,780	6.71%
Local benefits	6,048,362	7.75%	5,220,898	6.96%
Other	15,039,944	19.27%	14,213,576	18.95%
Scholarships and fellowships	17,926,654	22.97%	16,634,026	22.17%
Total	\$ 78,053,895	100.00%	\$ 75,021,438	100.00%



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

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

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

- Tuition and fees were discounted by \$10,631,923 and \$8,052,617 in fiscal years 2011 and 2010 respectively, which consisted of federal, state, local and private grants that were provided as financial aid to students and other remissions and exemptions.
- Tax collections for maintenance and operations increased 9.35% from \$18,891,296 in 2010 to \$20,657,109 in 2011.
- The tax rates assessed in fiscal years 2010 and 2011 were \$0.22720 and \$0.23812 respectively.

Statement of Cash Flows

The final statement in our presentation is the statement of cash flows. It presents detailed information about the cash activity of the College during the year. The statement is divided into five sections. The first section reports the operating cash flows used by the College in its operating activities. For the year, the primary sources of operating cash inflows are tuition and fees and grant revenues. Conversely, the primary operating cash outflow was payments of salaries and fringe benefits. Net cash outflows for the year are \$53,649,924.

The second section reports cash flows from noncapital financing activities. This section includes cash received and spent for non-operating, non-investing, and non-capital financing purposes. The College experienced a net cash inflow for the year of \$64,004,934. The primary sources of cash were receipts from state appropriations, receipts from non-operating federal revenue and ad valorem (property) taxes levied for the maintenance and operation of plant, which generated an inflow of \$16,863,474, \$25,314,801 and \$21,663,015 respectively.

The third section reflects the cash flows from financing activities. This section deals with the cash used for the acquisition and construction of capital assets. Net cash outflows for the year were \$24,126,657. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of \$19,779,006 and payments on capital debt, leases, principal, interest and fees of \$8,663,654. The primary cash inflows were ad-valorem taxes of \$4,269,388.

The fourth section reports cash flows from investing activities. It reports cash used for investment purposes and the proceeds and interest received from investing activities. For the year, the College experienced a net cash inflow of \$28,203,225. The primary cash inflows were receipts from sales and maturities of investments of \$27,405,994 and receipts from interest on investments of \$797,231.

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

Statement of Cash Flows

	2011	2010
Cash provided (used) by		
Operating Activities	\$ (53,649,924)	\$ (55,136,628)
Non-capital financing activities	64,004,934	58,779,882
Financing activities	(24,126,657)	25,375,784
Investing activities	28,203,225	(22,475,350)
Net increase (decrease) in cash	14,431,578	6,543,688
Cash and cash equivalents - September 1	33,844,779	27,301,091
Cash and cash equivalents - August 31	\$ 48,276,357	\$ 33,844,779

Capital Assets and Long-Term Debt

During the year, \$26,733,537 of new assets was capitalized. The components of this increase are as follows:

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

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

Economic Outlook

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

Increases in ad valorem taxes, tuition and fees, federal grants, operating revenues, and federal non operating revenues largely offset the increases in expenditures, which were attributed by increased operating costs associated with enrollment growth.

Laredo Community College is financially sound and the economic outlook remains bright. As of August 31, 2011, the District's Unrestricted Net Assets totaled \$15,715,296. As a whole, Laredo Community College's net assets increased by 8.62% or \$3,139,357 from \$36,410,728 in fiscal year 2010 to \$39,550,085 in fiscal year 2011.

Request for Information

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

Laredo Community College District
Statement of Net Assets
August 31, 2011 and August 31, 2010
Exhibit 1

Assets	Current Year	Prior Year
Current assets		
Cash and cash equivalents	\$ 48,276,357	\$ 33,844,779
Short Term investments	-	27,405,994
Property taxes receivable (net of allowances of \$1,156,580 and \$740,281)	1,361,749	1,880,814
Tuition and fees receivable (net of allowances of \$507,839 and \$410,137)	7,031,168	5,276,629
Federal receivables (net of allowances of \$80,890 and \$7,345)	1,985,705	2,046,434
Other receivables (net of allowances of \$140,933 and \$131,957)	2,524,005	2,006,957
Inventories	4,814	4,566
Prepaid expenses	710,999	523,429
Total current assets	<u>\$ 61,894,797</u>	<u>\$ 72,989,602</u>
Noncurrent assets		
Capital assets, net of accumulated depreciation	<u>100,517,200</u>	<u>82,555,612</u>
Total non-current assets	<u>\$ 100,517,200</u>	<u>\$ 82,555,612</u>
Total assets	<u><u>\$ 162,411,997</u></u>	<u><u>\$ 155,545,214</u></u>
Liabilities		
Current liabilities		
Accounts payable	4,698,787	2,168,411
Accrued liabilities	351,656	345,271
Deferred revenues	11,887,974	8,647,868
Funds held for others	465,339	443,247
Compensated absences - current portion	1,007,993	976,402
Capital leases payable - current portion	595,009	526,138
Accreted interest payable - current portion	548,033	435,726
Bonds payable - current portion	3,452,465	3,157,465
Retainage payable - current portion	846,554	298,349
Total current liabilities	<u>\$ 23,853,811</u>	<u>\$ 16,998,877</u>
Noncurrent liabilities		
Compensated absences - noncurrent portion	708,848	656,274
Capital leases payable - noncurrent portion	700,944	751,980
Accreted interest payable - noncurrent	926,406	602,987
Bonds payable (net)	96,671,903	100,124,368
Total noncurrent liabilities	<u>\$ 99,008,101</u>	<u>\$ 102,135,609</u>
Total liabilities	<u><u>\$ 122,861,912</u></u>	<u><u>\$ 119,134,486</u></u>
Net assets		
Investment in capital assets, net of related debt	8,389,756	9,985,526
Restricted for		
Nonexpendable - endowment corpus	2,799,317	2,719,827
Expendable		
Student aid	2,737,806	2,812,091
Plant funds	5,408,818	1,006,304
Other	115,119	85,982
Debt service reserve	3,775,451	3,440,335
Auxiliary	608,522	1,565,903
Unrestricted	15,715,296	14,794,760
Total net assets	<u><u>\$ 39,550,085</u></u>	<u><u>\$ 36,410,728</u></u>

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

Laredo Community College District
Statement of Revenues, Expenses and Changes in Net Assets
Years Ended August 31, 2011 and August 31, 2010
Exhibit 2

Revenues	Current Year	Prior Year
Operating revenues		
Tuition and fees (net of discounts of \$10,631,923 and \$8,052,617)	\$ 8,353,943	\$ 7,258,100
Federal grants and contracts	3,516,287	4,458,474
State grants and contracts	2,532,316	2,510,759
Nongovernment grants and contracts	357,059	325,511
Investment income (program restricted)	189,493	110,609
Auxiliary enterprises (net of discounts of \$20,138 and \$133,084)	753,299	780,881
Other operating revenues	2,144,567	1,554,994
Total operating revenues - Schedule A	<u>\$ 17,846,964</u>	<u>\$ 16,999,328</u>
Expenses		
Operating expenses		
Instruction	24,397,712	23,458,947
Public service	480,332	602,108
Academic support	6,500,162	6,402,122
Student services	7,263,520	7,016,919
Institutional support	10,772,365	10,759,307
Operation and maintenance of plant	7,243,557	6,764,251
Scholarships and fellowships	17,926,654	16,634,026
Auxiliary enterprises	374,941	527,041
Depreciation	3,094,652	2,856,717
Total operating expenses - Schedule B	<u>\$ 78,053,895</u>	<u>\$ 75,021,438</u>
Operating income (loss)	<u>\$ (60,206,931)</u>	<u>\$ (58,022,110)</u>
Non-operating revenues (expenses)		
State Appropriations	16,863,474	17,054,956
Professional nursing shortage reduction	100,815	35,221
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	21,143,950	20,211,261
Taxes for general obligation bonds	4,269,388	4,927,048
Federal Revenue, Non-Operating	25,314,801	21,770,168
Investment income	797,231	659,749
Interest on capital related debt	(5,224,873)	(3,886,424)
Other non-operating revenues (expenses)	(5,850)	(332,728)
Additions to permanent endowments	40,737	50,100
Capital gifts	46,615	46,897
Net other non-revenues (expenses) - Schedule C	<u>\$ 63,346,287</u>	<u>\$ 60,536,248</u>
Income before cumulative effect of a change in accounting principle	3,139,357	2,514,138
Cumulative effect of a change in accounting principle		
Increase (decrease) in net assets	3,139,357	2,514,138
Net assets - September 1, 2010 and September 1, 2009	36,410,728	33,896,590
Restatements (prior period adjustment)	-	-
Restated net assets - September 1, 2010 and September 1, 2009	<u>36,410,728</u>	<u>33,896,590</u>
Net assets - August 31, 2011 and August 31, 2010	<u>\$ 39,550,085</u>	<u>\$ 36,410,728</u>

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

Laredo Community College
Statement of Cash Flows
Years Ended August 31, 2011 and 2010
Exhibit 3

	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 8,942,205	\$ 8,287,734
Receipts from grants and contracts	7,789,440	8,328,349
Payments to suppliers for goods and services	(9,852,940)	(12,860,381)
Payments to or on behalf of employees	(45,003,132)	(44,132,777)
Payments for scholarships and fellowships	(17,670,064)	(16,314,547)
Other receipts (payments)	2,144,567	1,554,994
Net cash provided (used) by operating activities	<u>\$ (53,649,924)</u>	<u>\$ (55,136,628)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	16,863,474	17,054,956
Receipts from <i>Ad Valorem</i> taxes - maintenance & operations	21,663,015	19,858,651
Receipts (Payments) from (to) student organizations and other agency transactions	22,092	10,786
Receipts from private gifts for endowment purposes	40,737	50,100
Receipts from non-operating federal revenue	25,314,801	21,770,168
Receipts from professional nursing shortage reduction	100,815	35,221
Net cash provided (used) by non-capital financing activities	<u>\$ 64,004,934</u>	<u>\$ 58,779,882</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from the issuance of capital debt	-	43,370,000
Receipts from <i>Ad Valorem</i> Taxes - general obligation bonds	4,269,388	4,926,215
Receipts from capital grants and gifts	46,615	46,897
Acquisition and construction of capital assets	(19,779,006)	(5,569,341)
Payments on capital debt and leases-principal	(3,881,193)	(13,328,725)
Payments on capital debt and leases-interest and fees	(4,782,461)	(4,069,262)
Net cash provided (used) by capital and related financing activities	<u>\$ (24,126,657)</u>	<u>\$ 25,375,784</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from sales and maturities of investments	27,405,994	4,270,895
Receipts from interest on investments	797,231	659,749
Purchase of investments	-	(27,405,994)
Net cash provided (used) by investing activities	<u>\$ 28,203,225</u>	<u>\$ (22,475,350)</u>
Increase (decrease) in cash and cash equivalents	14,431,578	6,543,688
Cash and cash equivalents - September 1	<u>33,844,779</u>	<u>27,301,091</u>
Cash and cash equivalents - August 31	<u>\$ 48,276,357</u>	<u>\$ 33,844,779</u>

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

Laredo Community College
Statement of Cash Flows
Years Ended August 31, 2011 and 2010
Exhibit 3

	Current Year	Prior Year
Reconciliation of net operating income (loss) to net cash provided (used)		
by operating activities		
Operating income (loss)	\$ (60,206,931)	\$ (58,022,109)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	3,094,651	2,856,717
Accrued <i>Ad Valorem</i> Tax	(519,065)	353,442
Changes in Assets and Liabilities:		
Receivables (net)	(1,691,793)	(913,573)
Inventories	(248)	5,395
Prepaid Expenses	(187,570)	(150,208)
Accounts Payable	2,530,376	(1,064,202)
Accrued Liabilities	6,385	24,972
Compensated Absences	84,165	41,059
Deferred Revenue	3,240,106	1,731,879
Net cash provided (used) by operating activities	<u>\$ (53,649,924)</u>	<u>\$ (55,136,628)</u>

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

Laredo Community College District
Notes to Financial Statements
August 31, 2011

Note 1 – Reporting Entity

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

Note 2 – Summary of Significant Accounting Policies

Report Guidelines

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

Tuition Discounting

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

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

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

Basis of Accounting

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

Budgetary Data

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

Cash and cash equivalents

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

Investments

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

Inventories

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

Capital assets

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

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

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

Deferred revenues

Tuition and fees of \$9,996,453 and \$7,939,282 and federal, state, and local grants of \$1,837,541 and \$703,985 have been reported as deferred revenues at August 31, 2011 and August 31, 2010 respectively.

Estimates

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

Operating and non-operating revenue and expense policy

The College distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The operation of the bookstore and cafeteria is not performed by the College.

Characterization of Title IV Grant Revenue

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

Note 3 – Authorized Investments

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

Note 4 – Deposits, Securities and Investments

At August 31, 2011 and 2010, the carrying amount of the College's deposits was \$48,276,357 and \$61,250,773, respectively, and total demand deposits equaled \$48,257,607 and \$33,832,029, respectively. Deposits of \$258,402 and \$258,385 are covered by federal depository insurance and \$47,999,108 and \$60,979,637 were covered by \$77,514,395 and \$73,124,119 respectively, of collateral pledged in the College's name.

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

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

Total Deposits and Investments:

Per Note 4:

Total Investments	\$ 0
Total Cash and Deposits	_____ 48,276,357
Total per Note 4	_____ \$ 48,276,357

Per Exhibit 1:

Cash and Cash Equivalents	\$ 48,276,357
Other short-term Investments	_____ 0
Total per Exhibit 1	_____ \$ 48,276,357

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

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

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

Investment Category section for August 31, 2010 is included for comparison purposes only.

Investment Categories as of August 31, 2010

	August 31, 2010	August 31, 2009
<u>Cash and Deposits</u>		
Bank Deposits		
Demand Deposits	\$ 33,832,029	\$ 27,288,336
Total Bank Deposits	33,832,029	27,288,336
Cash on Hand	12,750	12,755
Total Cash and Deposits	\$ 33,844,779	\$ 27,301,091

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

Total Deposits and Investments:

Per Note 4:

Total Investments	27,405,994
Total Cash and Deposits	33,844,779
Total per Note 4	<u>\$ 61,250,773</u>

Per Exhibit 1:

Cash and Cash Equivalents	\$ 33,844,779
Other short-term Investments	27,405,994
Total per Exhibit 1	<u>\$ 61,250,773</u>

As of August 31, 2010, the college had the following investments and maturities:

Investment Type	Market Value	Less than 1 year	1 to 2 years	2 to 3 years
T-Bill Investments	\$ 27,405,994	\$ 27,405,994	\$ 0	\$ 0

Concentration of Credit Risk: Laredo Community College does not place a limit on the amount the college may invest in any one issuer. Fifty six percent (56%) of the college's investments are in Falcon International Bank and forty four percent (44%) are in AC Financial Services.

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

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

Note 5 - Derivatives

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

Note 6 - Capital Assets

Capital assets activity for the year ended August 31, 2011 was as follows:

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

Capital assets activity for the year ended August 31, 2010 is included for comparison purposes.

	Balance September 1, 2009	Increases	Decreases	Balance August 31, 2010
<u>Not depreciated:</u>				
Land	\$5,167,354	-	-	\$5,167,354
Water rights	9,920	-	-	9,920
Construction in process	3,623,544	5,876,445	-	9,499,989
Subtotal	8,800,818	5,876,445	-	14,677,263
<u>Other capital assets:</u>				
Buildings	64,039,342	-	-	64,039,342
Land Improvements	20,775,715	336,822	-	21,112,537
Library books	2,994,519	93,988	21,683	3,066,824
Leasehold Interest	753,962	760,474	549,901	964,535
Furniture, machinery, vehicles, and other equipment	6,154,575	276,364	-	6,430,939
Telecommunications and peripheral equipment	5,094,441	80,170	-	5,174,611
Subtotal	99,812,554	1,547,818	571,584	100,788,788
<u>Accumulated Depreciation:</u>				
Buildings	12,659,317	1,146,371	-	13,805,688
Land Improvements	7,104,634	942,485	-	8,047,119
Library books	1,564,777	167,129	21,683	1,710,223
Furniture, machinery, vehicles, and other equipment	4,033,652	445,728	-	4,479,380
Telecommunications and peripheral equipment	4,713,025	155,004	-	4,868,029
Subtotal	30,075,405	2,856,717	21,683	32,910,439
Net other capital assets	69,737,149	(1,308,899)	549,901	67,878,349
Net capital assets	\$78,537,967	\$4,567,546	\$549,901	\$82,555,612

Note 7 - Long-Term Liabilities

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

	Balance August 31, 2010	Additions	Reductions	Balance August 31, 2011	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	43,161,943		(1,500,000)	41,661,943	1,560,000
Contractual obligation bonds	3,055,000		(465,000)	2,590,000	485,000
Discounts	(256,135)		11,186	(244,949)	(11,186)
Premium	2,309,037		(121,746)	2,187,291	121,746
Deferred loss on advance refunding	(2,323,012)		123,095	(2,199,917)	(123,095)
Revenue bonds	55,915,000		(1,175,000)	54,740,000	1,370,000
Tax Note	1,420,000		(30,000)	1,390,000	50,000
Total bonds	<u>103,281,833</u>	<u>0</u>	<u>(3,157,465)</u>	<u>100,124,368</u>	<u>3,452,465</u>
<u>Other liabilities</u>					
Retainage payable	298,349	798,669	(250,464)	846,554	846,554
Accreted interest payable	1,038,713	435,726		1,474,439	548,033
Compensated absences	1,632,676	279,708	(195,543)	1,716,841	1,007,993
Capital leases	1,278,118	729,028	(711,193)	1,295,953	595,009
Total other liabilities	<u>4,247,856</u>	<u>2,243,131</u>	<u>(1,157,200)</u>	<u>5,333,787</u>	<u>2,997,589</u>
Total long-term liabilities	<u>107,529,689</u>	<u>2,243,131</u>	<u>(4,314,665)</u>	<u>105,458,155</u>	<u>6,450,054</u>

Long-Term liability activity for the year August 31, 2010 was as follows:

	Balance August 31, 2009	Additions	Reductions	Balance August 31, 2010	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	44,501,943		(1,340,000)	43,161,943	1,500,000
Contractual obligation bonds	3,510,000		(455,000)	3,055,000	465,000
Discounts	(42,533)	(220,440)	6,838	(256,135)	(11,186)
Premium	2,329,943	99,563	(120,469)	2,309,037	121,746
Deferred loss on advance refunding	(2,360,908)	(83,988)	121,884	(2,323,012)	(123,095)
Revenue bonds	24,865,000	41,950,000	(10,900,000)	55,915,000	1,175,000
Tax Note		1,420,000		1,420,000	30,000
Total bonds	<u>72,803,445</u>	<u>43,165,135</u>	<u>(12,686,747)</u>	<u>103,281,833</u>	<u>3,157,465</u>
<u>Other liabilities</u>					
Retainage payable	119,990	178,359		298,349	298,349
Accreted interest payable	692,212	346,500		1,038,713	435,726
Compensated absences	1,591,617	223,161	(182,102)	1,632,676	976,402
Capital leases	785,180	1,126,662	(633,725)	1,278,118	526,138
Total other liabilities	<u>3,188,999</u>	<u>1,874,682</u>	<u>(815,827)</u>	<u>4,247,856</u>	<u>2,236,615</u>
Total long-term liabilities	<u>75,992,444</u>	<u>45,039,817</u>	<u>(13,502,574)</u>	<u>107,529,689</u>	<u>5,394,080</u>

Note 8 - Debt and Lease Obligations

Debt Service requirements at August 31, 2011 were as follow:

For the Years Ended <u>August 31,</u>	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	1,560,000	1,889,822	1,370,000	2,517,053	50,000	61,094	485,000	93,284
2013	980,915	2,466,057	1,415,000	2,471,628	55,000	59,594	500,000	76,915
2014	983,399	2,460,962	1,465,000	2,424,458	55,000	57,944	515,000	59,415
2015	214,279	3,234,401	1,515,000	2,370,093	55,000	56,294	535,000	40,875
2016	233,350	3,210,330	1,575,000	2,313,142	60,000	54,644	555,000	20,813
2017-2021	9,405,000	7,842,615	8,845,000	10,594,541	320,000	238,151	0	0
2022-2026	11,825,000	5,420,115	10,890,000	8,552,595	405,000	158,239		
2027-2031	14,785,000	2,458,838	13,840,000	5,778,977	390,000	50,000		
2032	1,675,000	75,375	13,825,000	1,860,864				
Total	<u>\$41,661,943</u>	<u>\$29,058,515</u>	<u>\$54,740,000</u>	<u>\$38,883,351</u>	<u>\$1,390,000</u>	<u>\$735,960</u>	<u>\$2,590,000</u>	<u>\$291,302</u>

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

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

Debt Service requirements at August 31, 2010 are provided for comparison purposes only.

For the Years Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	1,500,000	1,953,651	1,175,000	2,555,234	30,000	80,247	465,000	108,978
2012	1,560,000	1,889,822	1,370,000	2,517,053	50,000	61,094	485,000	93,284
2013	980,915	2,466,057	1,415,000	2,471,628	55,000	59,594	500,000	76,915
2014	983,399	2,460,962	1,465,000	2,424,458	55,000	57,944	515,000	59,415
2015	214,279	3,234,401	1,515,000	2,370,093	55,000	56,294	535,000	40,875
2016-2020	7,568,350	9,671,285	8,510,000	10,933,702	310,000	250,507	555,000	20,813
2021-2025	11,315,000	5,932,525	10,430,000	9,008,776	385,000	176,527		
2026-2030	14,145,000	3,103,775	13,170,000	6,411,364	480,000	74,000		
2031-2032	4,895,000	299,688	16,865,000	2,746,277				
Total	<u>\$43,161,943</u>	<u>\$31,012,166</u>	<u>\$55,915,000</u>	<u>\$41,438,585</u>	<u>\$1,420,000</u>	<u>\$816,207</u>	<u>\$3,055,000</u>	<u>\$400,280</u>

Obligations under capital leases at August 31, 2010 were as follows:

For the year ended August 31,	Total
2011	\$604,634
2012	489,079
2013	300,380
2014	25,007
2015	2,802
Total Minimum Lease Payments	1,421,902
Less Amount Representing Interest Costs	143,784
Present value of minimum lease payments	\$1,278,118

Note 9 – Bonds & Variable Rate Notes Payable

General information related to bonds payable is summarized below:

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

- General Obligation Bond, Series 2002
- To construct 2nd campus.
- Issued 05/15/2002
- \$25,000,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 4% to 5.50%
- Maturity date – August 2032

- Revenue Bond, Series 2005
- For deferred maintenance projects.
- Issued 09/01/2005
- \$5,470,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 3% to 4.12%
- Maturity date – August 2030

- Public Property Finance Contractual Obligations Bond, Series 2005
- To purchase management information system.
- Issued 09/01/2005
- \$5,170,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3% to 3.75%
- Maturity date – August 2016

- Limited Tax Refunding Bond, Series 2005
- To partially refund the general obligation bonds, series 2001 and 2002.
- Issued 12/15/2005
- \$23,459,157; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3.50% to 4.75%
- Maturity date – August 2031

- Combined Fee Revenue Refunding Bond, Series 2006
- To partially refund the revenue bond, series 2001.
- Issued 10/01/2006
- \$9,195,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 4.00% to 4.50%
- Maturity date – August 2026

- Limited Tax Refunding Bond, Series 2006
- To partially refund the general obligation bond, series 2002.
- Issued 09/06/2006
- \$17,642,786; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 4.00% to 4.50%
- Maturity date – August 2032

- Combined Fee Revenue Refunding Bond, Series 2009
- To refund the Revenue bond, series 1998.
- Issued 08/01/2009
- \$3,645,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 4.00%
- Maturity date – August 2018

- Combined Fee Revenue Bond, Series 2010
- Phase 1 – Construct Academic and Visual & Performing Arts Building.
- Issued 04/15/2010
- \$32,005,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 3.00% to 4.50%
- Maturity date – August 2035

- Combined Fee Revenue Refunding Bond, Series 2010
- To refund the Revenue bond, series 2001.
- Issued 04/15/2010
- \$6,300,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 3.00% to 4.25%
- Maturity date – August 2035

- Maintenance Tax Note, Series 2010
- Phase 1 – to refurbish Moore Vocational Building.
- Issued 04/15/2010
- \$1,420,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 3.00% to 4.375%
- Maturity date – August 2035

Note 10 – Defeased Bonds Outstanding

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

Bond issue	Year refunded	Par value outstanding at August 31, 2011
Limited tax bonds, series 2002	2005	4,140,000
Limited tax bonds, series 2002	2006	17,645,000
Total		\$21,785,000

Note 11 – Employees' Retirement Plan

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

Teacher Retirement System of Texas

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) The state constitution requires the legislature to establish a member contribution rate of no less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the

amortization period already exceeds 31 years, the period would be increased by such action. State law provides for a member contribution rate of 6.4 percent for fiscal years 2011 and 2010 and a state contribution rate of 6.64 percent for fiscal year 2011 and 2010. In certain instances the reporting district is required to make all or a portion of the state's 6.64 percent contribution for fiscal year 2011 and 2010.

Optional Retirement Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.40 percent and 6.65 percent, respectively. The College contributes 2.10 percent for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the State for the College was \$1,775,544 and \$1,737,079 for the fiscal years ended August 31, 2011, and August 31, 2010, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the college.

The total payroll for all College employees was \$34,087,531 and \$33,919,158 for the fiscal years ended August 31, 2011, and 2010, respectively. The total payroll of employees covered by the Teacher Retirement System was \$20,418,220 and \$19,486,889 and the total payroll of employees covered by the Optional Retirement Program was \$10,248,531 and \$10,833,627 for fiscal years 2011 and 2010, respectively.

Note 12 – Deferred Compensation Plan

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

Note 13 – Compensable Absences

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

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

Regular College personnel employed on a twelve-month basis are entitled to twelve days (96 hours) per fiscal year as sick leave and can accumulate indefinitely. The payment of accrued sick leave will be paid to those employees who retire under the Teacher Retirement system while they are employed by the College. The maximum number of hours that will be paid for early retirement is 360 and 720 for regular retirement. Accrued Sick Leave as of August 31, 2011 and August 31, 2010 was \$1,662,808 and \$1,587,850, respectively.

Note 14 - Pending Lawsuits

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

Note 15 - Disaggregation of Receivables and Payable Balances

Receivables

Receivables at August 31, 2011 and August 31, 2010 were as follows:

	Receivable	Allowance for doubtful accounts	Net receivable August 31, 2011	Net receivable August 31, 2010
Student receivables	\$ 7,539,007	\$ (507,839)	\$ 7,031,168	\$ 5,276,629
Federal grant receivables	2,066,595	(80,890)	1,985,705	2,046,434
State grant receivables	280,570	-	280,570	172,852
Local grant receivables	95,490	-	95,490	83,803
Current taxes receivable	2,518,329	-	2,518,329	2,621,096
Delinquent taxes receivable	(1,156,580)	-	(1,156,580)	(740,281)
Other receivables	2,288,878	(140,933)	2,147,945	1,750,302
Total accounts receivable	<u>\$ 13,632,290</u>	<u>\$ (729,662)</u>	<u>\$ 12,902,627</u>	<u>\$ 11,210,835</u>

Payables

Payables at August 31, 2011 and August 31, 2010 were as follows:

	August 31, 2011	August 31, 2010
Accounts payable - construction	\$ 2,210,156	\$ 40,860
Payroll payables	986,516	580,715
Accrued utility liability	351,656	345,271
Accounts payable - trade	1,502,116	1,546,836
Retainage payable	846,554	298,349
Total accounts payable trade	<u>\$ 5,896,998</u>	<u>\$ 2,812,031</u>

Note 16 – Contracts and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities. Revenues are recognized on Exhibit 2 and Schedule A. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2011 and 2010 for which monies have not been received nor funds expended totaled \$8,644,264 and \$4,353,782. Of these amounts, \$7,902,058 and \$4,160,289 were from Federal Contract and Grant Awards; \$688,076 and \$162,240 were from State Contract and Grant Awards; \$0 and \$0 from Local Contract and Grant Awards; and \$54,130 and \$31,253 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2011 and 2010, respectively.

Note 17—Risk Management

The District maintains insurance for all insurable risks for which it may be liable for claims. In fiscal year 2011, the more significant of this included \$1,000,000 of general liability insurance, property insurance covering the District's buildings and personal property in a combined amount of \$181,004,299 and \$2,000,000 annual aggregate in school professional legal liability. In 2011, there was a decrease of \$729,438 in the District's buildings and personal property insurance due to the demolition of the physical plant warehouse and storage.

Note 18 – Post Retirement Health Care & Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while

working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums.

The state's contribution for full-time active and retired employees for the year ended August 31, 2011 totaled \$3,175,860 for the year. Compare the state's contribution to that provided for the year ended August 31, 2010, when the contribution for full-time active and retired employees totaled \$3,296,701 for the year. The cost of providing these benefits for retirees is not separable from the cost of providing benefits for the active employees.

Note 19 – Property Taxes

College property taxes are levied and become a lien on all taxable property on October 1 of each year, based on assessed values as of January 1 the same year and become delinquent on February 1 of the succeeding year.

The use of General Operations tax proceeds is restricted to maintenance and operations, and the use of Debt Service tax proceeds is restricted to the payment of debt service obligations. Delinquent taxes receivable are recognized as deferred revenues. Upon collection, delinquent taxes are recognized as revenues.

For the year ended August 31, 2011:

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

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

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

Property tax information for the year ended August 31, 2010 is provided for comparison purposes only.

For the year ended August 31, 2010:

Total Gross Assessed Valuation: \$12,072,471,714

Certified Taxable Value: \$10,697,562,666

Property Taxes	Authorized Tax Rate	Tax Cap	Tax Levied	Percent Collected	Tax Collected
General Operations Tax Collected	.184000/\$100	.40/\$100	\$19,683,515	95.98%	\$18,892,128
Penalty & Interest Collected					\$482,050
Tax Payer Refunds					(\$83,773)
Debt Service Tax Collected	.043200/\$100	.50/\$100	\$4,621,347	95.98%	\$4,434,467
Penalty & Interest Collected					\$101,488
Tax Payer Refunds					
Total Property Taxes Collected					<u>\$23,826,360</u>

Note 20 – Income Taxes

The College is a non-profit, tax-exempt institution under Section 115 of the Internal Revenue Code, Income of States, Municipalities, Etc. Although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on unrelated Business Income of Charitable, Etc., Organizations. The college had no unrelated business income tax liability for the years ended August 31, 2011 and August 31, 2010.

Note 21 - Subsequent Events

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

The total cost for the Facilities Master Plan is projected to be \$119,280,000. Work is currently under way on the development of a \$32.7 million dollar financing plan for FY 2013 that will cover construction costs for the third and final phase of the Facilities Master Plan.

Note 22 – Post employment Benefits Other than Pensions

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

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

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

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

The college's contributions to SHRP for the years ended August 31, 2011, 2010, and 2009, were \$93,822, \$91,669, and \$705,412, respectively, which equaled the required contributions each year.

Note 23 – Bad Debt Expense

In accordance with GAAP and Board policy CDA (local), bad debt expense was recognized for the years ended August 31, 2011 and August 31, 2010 in the following amounts, \$180,225 and \$82,362, respectively. At year end, the reserve for uncollectible accounts was \$729,662 and \$549,438.

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



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

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

We have audited the financial statements of the Laredo Community College District (the "District") as of and for the year ended August 31, 2011, and have issued our report thereon dated December 14, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the District in a separate letter dated December 14, 2011.

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

Canales, Garza & Barron, PLLC

Laredo, Texas
December 14, 2011

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



**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

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

Compliance

We have audited the compliance of the Laredo Community College District (the "District") with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that are applicable to each of its major federal and state programs for the year ended August 31, 2011. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above could have a direct and material effect on each of its major federal programs for the year ended August 31, 2011.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine our auditing

procedures for the purpose of expressing our opinion on compliance and to test and report on internal control compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Canales, Garza & Baum, PLLC

Laredo, Texas
December 14, 2011

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SCHEDULES

Schedule of Detailed Operating Revenues
Laredo Community College District
Year Ended August 31, 2011 (With Memorandum Totals for the Year Ended August 31, 2010)
Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
Tuition						
State funded courses						
In-district resident tuition	7,042,746		7,042,746		7,042,746	6,593,508
Out-of-state tuition	651,690		651,690		651,690	561,837
TPEG (set aside)*	460,363		460,363		460,363	434,421
Out-of-district resident tuition	1,021,501		1,021,501		1,021,501	1,144,742
State funded continuing education	159,314		159,314		159,314	88,721
Non-state funded continuing education	139,636		139,636		139,636	236,055
Total Tuition	<u>\$ 9,475,250</u>	<u>\$ -</u>	<u>\$ 9,475,250</u>	<u>\$ -</u>	<u>\$ 9,475,250</u>	<u>\$ 9,059,284</u>
Fees						
General use fee	5,317,774		5,317,774		5,317,774	4,186,000
Installment fee	77,725		77,725		77,725	77,325
Health services fee	69,456		69,456		69,456	69,123
Matriculation fee	382,335		382,335		382,335	384,600
Late registration fee	17,300		17,300		17,300	20,430
Malpractice fee	12,624		12,624		12,624	15,315
Graduation fee	2,581		2,581		2,581	10,248
Library fee	985,324		985,324		985,324	547,517
Technology fee	986,007		986,007		986,007	547,807
Student service fee	900,659		900,659		900,659	-
Distance education fee	350,923		350,923		350,923	-
Lab fee	186,469		186,469		186,469	184,763
Assessment fee	181,958		181,958		181,958	172,945
Installment loan late payment fee	32,930		32,930		32,930	35,360
Other fees	6,551		6,551		6,551	-
Total fees	<u>\$ 9,510,616</u>	<u>\$ -</u>	<u>\$ 9,510,616</u>	<u>\$ -</u>	<u>\$ 9,510,616</u>	<u>\$ 6,251,433</u>
Scholarships allowances and discounts						
Scholarship allowances	(477,768)		(477,768)		(477,768)	(537,178)
Remissions and exemptions	(177,386)		(177,386)		(177,386)	(57,602)
Pell grants	(7,941,336)		(7,941,336)		(7,941,336)	(4,989,026)
Other federal grants	(770,192)		(770,192)		(770,192)	(662,810)
Texas grants	(863,819)		(863,819)		(863,819)	(1,582,097)
TPEG allowances	(380,965)		(380,965)		(380,965)	(206,539)
Other state grants	(17,511)		(17,511)		(17,511)	(3,875)
Other	(2,946)		(2,946)		(2,946)	(13,490)
Total scholarship allowances	<u>\$ (10,631,923)</u>	<u>\$ -</u>	<u>\$ (10,631,923)</u>	<u>\$ -</u>	<u>\$ (10,631,923)</u>	<u>\$ (8,052,617)</u>
Total net tuition and fees	<u>\$ 8,353,943</u>	<u>\$ -</u>	<u>\$ 8,353,943</u>	<u>\$ -</u>	<u>\$ 8,353,943</u>	<u>\$ 7,258,100</u>
Other operating revenues						
Federal grants and contracts		3,516,287	3,516,287		3,516,287	4,458,474
State grants and contracts		2,532,316	2,532,316		2,532,316	2,510,759
Nongovernmental grants and contracts		357,059	357,059		357,059	325,511
Investment income (program restricted)		189,493	189,493		189,493	110,609
Other operating revenues	466,556	1,678,011	2,144,567		2,144,567	1,554,994
Total other operating revenues	<u>\$ 466,556</u>	<u>\$ 8,273,166</u>	<u>\$ 8,739,722</u>	<u>\$ -</u>	<u>\$ 8,739,722</u>	<u>\$ 8,960,347</u>
Auxiliary enterprises						
Student activities			-	196,035	196,035	190,965
Cafeteria			-	38,442	38,442	41,829
Campus housing			-	28,959	28,959	46,603
Dormitory			-	31,109	31,109	223,702
Scholarship allowances and discounts			-	(20,138)	(20,138)	(133,084)
Bookstore			-	478,892	478,892	410,866
Total net auxiliary enterprises	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 753,299</u>	<u>\$ 753,299</u>	<u>\$ 780,881</u>
Total operating revenues (Exhibit 2)	<u>\$ 8,820,499</u>	<u>\$ 8,273,166</u>	<u>\$ 17,093,665</u>	<u>\$ 753,299</u>	<u>\$ 17,846,964</u>	<u>\$ 16,999,328</u>

*In accordance with Education Code 56.033, \$460,363 and \$434,421 of tuition was set aside for Texas Public Education Grants (TPEG).

Laredo Community College

Schedule B

Schedule of Operating Expenses by Object

Year Ended August 31, 2011 (with Memorandum Totals for the Year Ended August 31, 2010)

	Operating Expenses			FY 2011 Total	FY 2010 Total
	Salaries and Wages	Benefits	Other Expenses		
	State	Local			
Unrestricted - Educational Activities					
Instruction	\$ 16,405,834	\$ 2,829,393	\$ 947,841	\$ 20,183,068	\$ 19,343,600
Research	-	-	-	-	-
Public Service	180,959	31,444	10,569	222,972	398,841
Academic Support	2,683,274	465,754	408,562	3,557,590	3,288,633
Student Services	4,083,542	707,889	641,425	5,432,856	4,963,623
Institutional Support	5,943,907	1,086,120	2,736,335	9,766,361	9,627,857
Operation and Maintenance of Plant	1,864,982	471,540	3,032,937	5,369,458	5,012,553
Scholarships and Fellowships	-	-	256,590	256,590	319,479
Total Unrestricted Educational Activities	31,152,498	5,592,139	8,034,258	44,788,895	42,954,566
Restricted - Educational Activities					
Instruction	910,836	132,534	501,309	4,214,644	4,115,347
Research	-	-	-	-	-
Public Service	156,781	28,682	19,824	257,361	203,267
Academic Support	859,094	546,179	1,328,065	2,942,572	3,113,489
Student Services	889,233	766,726	97,468	1,930,664	2,053,296
Institutional Support	-	916,459	89,544	1,006,003	1,131,450
Operation and Maintenance of Plant	425	58	1,873,616	1,874,099	1,751,718
Scholarships and Fellowships	-	-	17,670,064	17,670,064	16,314,547
Total Restricted Educational Activities	2,816,368	4,951,404	21,579,890	29,795,407	28,683,114
Total Educational Activities	33,978,866	4,951,404	29,614,148	74,584,302	71,637,680
Auxiliary Enterprises					
	108,664	8,478	257,799	374,941	527,041
Depreciation Expense - Buildings & other real estate					
Depreciation Expense - Equipment & furniture	-	-	2,159,048	2,159,048	2,088,856
Depreciation Expense - Library Books	-	-	764,941	764,941	600,732
	-	-	170,662	170,662	167,129
Total Operating Expenses	\$ 34,087,531	\$ 4,951,404	\$ 32,966,599	\$ 78,053,895	\$ 75,021,438

Laredo Community College District
 Schedule of Non-Operating Revenues and Expenses
 Year Ended August 31, 2011 (With Memorandum Totals for the Year Ended August 31, 2010)
 Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	Current Year	Prior Year
Non-operating revenues					
State appropriations	\$ 11,912,070			\$ 11,912,070	\$ 12,021,176
State Group Insurance		3,175,860		3,175,860	3,296,701
State Retirement Matching		1,775,544		1,775,544	1,737,079
Professional nursing shortage reduction		100,815		100,815	35,221
Maintenance ad valorem taxes					
Taxes for maintenance & operations	21,143,950			21,143,950	20,211,261
Taxes for general obligation bonds		4,269,388		4,269,388	4,927,048
Federal Revenue, Non Operating		25,314,801		25,314,801	21,770,168
Investment income	584,613	212,617		797,231	659,749
Additions to permanent endowments		40,737		40,737	50,100
Capital Gifts		46,615		46,615	46,897
Other non-operating revenues (expenses)		-		-	-
Total non-operating revenues	\$ 33,640,633	\$ 34,936,377	\$ -	\$ 68,577,010	\$ 64,755,400
Non-operating expenses					
Interest on capital related debt		5,224,873		5,224,873	3,886,424
Other non-operating revenues (expenses)		5,850		5,850	332,728
Total non-operating expenses	\$ -	\$ 5,230,723	\$ -	\$ 5,230,723	\$ 4,219,152
Net non-operating revenues	\$ 33,640,633	\$ 29,705,654	\$ -	\$ 63,346,287	\$ 60,536,248

Laredo Community College District
 Schedule of Net Assets by Source and Availability
 August 31, 2011 (With Memorandum Totals for August 31, 2010)
 Schedule D

	Detail by source				Available for current operations?	
	Unrestricted	Expendable	Non-expendable	Total	Yes	No
Current						
Unrestricted	\$ 13,998,455			\$ 13,998,455	\$ 13,998,455	
Board designated	1,716,841			1,716,841		1,716,841
Restricted						
Auxiliary enterprises		608,522		608,522	608,522	
Endowment			2,799,317	2,799,317		2,799,317
Student Aid		2,737,806		2,737,806	2,737,806	
Other		115,119		115,119	115,119	
Plant						
Unexpended		5,408,818		5,408,818		5,408,818
Debt service		3,775,451		3,775,451		3,775,451
Investment in plant						
				8,389,756		8,389,756
Total net assets, August 31, 2011	\$ 15,715,296	\$ 12,645,716	\$ 2,799,317	\$ 39,550,085	\$ 17,459,902	\$ 22,090,183
Total net assets, August 31, 2010	14,794,760	8,793,734	2,719,827	36,410,728	17,626,060	18,784,669
Net increase (decrease) in net assets	\$ 920,536	\$ 3,851,982	\$ 79,489	\$ (1,712,651)	\$ (166,157)	\$ 3,305,514

Laredo Community College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2011
Schedule E

Federal Grantor/Pass Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
U.S. Department of Education			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007A		\$ 691,156
Federal College Work-Study Program	84.033A		408,335
Federal Pell Grant Program	84.063P		22,408,765
William D. Ford Federal Direct Loan Program	84.268		984,673
Academic Competitiveness Grant	84.375A		360,934
Title V- Teaching, Technology, and Learning	84.031S		725,281
Title V- Distance Education Technology	84.031S		254,009
Trio Student Support Services	84.042A		211,995
Trio Upward Bound	84.047A		341,538
Minority Science and Engineering Improvement Program	84.120A		142,118
Pass-Through From:			
Texas A&M International University			
Title V - Preparing Tomorrow's Teachers Today	84.031S		58,534
Pass-Through From:			
Texas Education Agency			
Adult Basic Education	84.002A	11410007110369	686,326
Adult Basic Education	84.002A	124100017110399	63,027
Adult Basic Education	84.002A	114100087110377	86,165
Adult Basic Education	84.002A	124100087110427	5,940
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Educational Program	84.048	114227	514,812
Leveraging Educational Assistance Partnership	84.069A		26,549
State Leveraging Educational Assistance Partnership	84.069B		34,389
South Texas Tech Prep	84.243	111713	243,441
College Access Challenge Grant	84.378		6,000
American Recovery and Reinvestment Act of 2009	84.397A		89,544
Total U.S. Department of Education			\$ 28,343,531
U.S. Department of Agriculture			
Direct Programs:			
USDA - Texas Hispanic-Serving Institutions Consortium	10.223		\$ 7,378
USDA - Texas HIS: A Collaboration in Education	10.223		16,055
USDA - Increasing Multicultural Diversity in Agriculture	10.223		87,101
USDA - SABOR	10.223		3,259
Total U.S. Department of Agriculture			\$ 113,793
U.S. Department of Justice			
Direct Programs:			
South Texas Border Tactical Interdiction Training Program	16.753		\$ 400,000
Total U.S. Department of Justice			\$ 400,000
U.S. Small Business Administration			
Direct Programs:			
Laredo Community College Import/Export Program	59.000		\$ 57,191
Laredo Community College Small Business Center	59.000		79,085
Total U.S. Small Business Administration			\$ 136,276

SCHEDULE E (Continued)

U.S. Department of Health & Human Services

Pass-Through from:		
Texas Education Agency		
TANF	93.558	\$ 72,887
Pass-Through from:		
South Texas Workforce Development Board		
Child Care	93.596	39,101

Total U.S. Department of Health & Human Services		<u>\$ 111,988</u>
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Total Federal Financial Assistance		<u>\$ 29,105,588</u>
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Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$ 3,516,287
Add: Indirect/Administrative Costs Recoveries	121,053
Add: Capital Outlays	153,447
Add: Non Operating Federal Revenue	<u>25,314,801</u>
 Total Federal Revenues per Schedule of Expenditures of Federal Awards	 <u>\$ 29,105,588</u>

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

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

Note 3: Amounts passed-through by the college

The following amounts were passed-through to the listed sub recipients by the college. These amounts were from the Tech-Prep program, CFDA 84.243, from U.S. Department of Education through the Texas Higher Education Coordinating Board agency, from the Title V - TTL program, CFDA 84.031S, from U.S. Department of Education, from CFDA the Adult Basic Education program, CFDA 84.002, from U.S Department of Education through the Texas Education Agency, from the USDA - Texas Hispanic-Serving Institutions Consortium, CFDA 10.223, from U.S. Department of Agriculture, and from the USDA - Increasing Multicultural Diversity, CFDA 10.223, from U.S. Department of Agriculture.

United Independent School District	\$ 21,070
Laredo Independent School District	5,975
Texas A&M International University	344,928
Second Chance Adult Education	126,478
Houston Community College	14,234
Texas State University - San Marcos	<u>12,236</u>
 Total amount passed-through	 <u>\$ 524,921</u>

Laredo Community College District
Schedule of Expenditures of State Awards
Year Ended August 31, 2011
Schedule F

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Education Agency		
State Adult Basic Education		\$ 244,099
State Temporary Assistance for Needy Families		38,777
Total Education Agency		<u>\$ 282,876</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Texas College Work-Study		71,634
Texas Grant Initial		722,680
Texas Grant Renewal		745,820
Texas Educational Opportunity Grant Initial		234,070
Texas Educational Opportunity Grant Renewal		126,768
Collegiate G Force	2482	76,325
Nursing Innovation Grant Program		5,835
Alternative Teaching Certification		17,341
Pass Through From:		
El Paso Community College		
Community College Developmental Education Initiative Program		89,835
Total Texas Higher Education Coordinating Board		<u>\$ 2,090,308</u>
Commission on Law Enforcement Officers Standards and Education		
Law Enforcement Officer Standards and Education		\$ 494
Comptroller of Public Accounts		
Jobs and Education for Texas	4807.13	\$ 91,434
Texas Workforce Commission		
Emergency Medical Services	2010-033826-001	<u>\$ (10,374)</u>
Texas Workforce Commission		
Ivy Therapy Training	2110SDF000	(3,243)
SDF - LCC in Partnership with a Logistics Consortium	2111SDF000	83,311
Pass Through From Texas State Technical College Waco		
TSTC - Health Care Training Program	1310SDF000	132,041
Pass Through From Workforce Solutions of South Texas		
Project Ole	01-2011-OLE	4,368
Texas Workforce Commission		<u>\$ 216,477</u>
Total State Financial Assistance		<u><u>\$ 2,671,215</u></u>

Notes to Schedule on Following Page.

SCHEDULE F (Continued)

Note 1 : State Awards Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$	2,532,316
Add: Indirect/Administrative Cost Recoveries		9,238
Add: Capital Outlays		129,661
Add: Non-Operating State Revenue		-
		<hr/>
Total State Revenues per Schedule of Expenditures of State Awards	\$	<u>2,671,215</u>

Note 2: Amounts passed-through by the college

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

Second Chance Adult Education	\$	<u>67,344</u>
		<hr/>
Total amount passed-through	\$	<u>67,344</u>

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STATISTICAL SUPPLEMENT SECTION

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

	For the Year Ended August 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$8,389,756	\$9,885,526	\$4,039,427	\$3,876,858	\$1,210,259	\$6,178,628	\$1,555,234	\$2,543,678	\$6,238,950	\$2,418,459
Restricted - expendable	12,645,716	8,910,815	10,590,356	10,661,462	11,063,623	8,878,776	13,234,886	14,708,566	11,776,146	14,112,123
Restricted - nonexpendable	2,799,317	2,719,827	2,622,085	1,833,943	1,958,506	1,930,742	1,771,196	1,512,305	1,007,636	908,372
Unrestricted	15,715,296	14,794,760	16,644,722	12,221,527	8,796,588	7,978,382	5,206,393	4,194,465	2,680,028	2,054,168
Total primary government net assets	\$ 39,550,085	\$ 36,410,728	\$ 33,896,590	\$ 28,693,788	\$ 23,028,976	\$ 24,966,528	\$ 21,767,709	\$ 22,959,014	\$ 21,702,760	\$ 19,493,122

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

For the Year Ended August 31, (amounts expressed in thousands)										
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and Fees (Net of Discounts)	\$8,353,943	\$7,258,100	\$6,988,193	\$6,517,255	\$5,814,999	\$5,895,429	\$5,191,014	\$4,458,615	\$3,860,979	\$3,919,807
Federal Grants and Contracts	3,516,287	4,458,474	4,201,478	3,301,665	3,169,192	2,911,279	3,088,958	3,286,112	3,516,225	3,543,515
Slate Grants and Contracts	2,532,316	2,510,759	2,845,714	2,445,609	2,265,006	2,061,600	1,402,828	1,715,489	2,990,058	583,738
Local Grants and Contracts										
Non-Governmental Grants and Contracts	357,059	325,511	646,167	258,430	147,967	292,546	582,854	334,237	367,295	194,433
Investment income (program restricted)	189,493	110,609	203,930	196,600	161,659	148,995	63,711	82,901	113,503	136,580
Auxiliary enterprises	753,299	780,881	719,814	682,728	750,037	688,118	627,004	579,866	610,403	600,950
Other Operating Revenues	2,144,587	1,554,984	1,226,271	962,616	1,016,352	923,633	631,724	820,448	592,713	759,340
Total Operating Revenues	17,846,954	16,999,328	16,811,567	14,364,903	13,325,212	12,911,800	11,588,093	11,277,668	12,051,176	9,748,383
Slate Appropriations	16,863,474	17,054,956	17,873,004	17,844,064	17,556,876	17,282,524	15,851,903	14,988,924	15,498,016	16,854,615
Professional Nursing Shortage Reduction	100,815	35,221	39,725	34,061	5,135					
Ad Valorem Taxes	25,413,337	25,138,309	23,835,144	21,744,942	20,260,535	18,256,603	16,751,308	15,294,706	12,857,409	11,337,285
Gifts	46,615	46,897	83,099	472,255	113,789	2,366	5,837	1,035	1,889	
Investment income	797,231	659,749	1,036,805	1,163,854	1,302,258	1,546,064	703,519	749,193	1,482,716	1,448,037
Federal Revenue, Non-Operating	25,314,801	21,770,168	14,959,530	12,264,881	11,653,004	11,835,773	12,323,611	11,654,654	11,355,877	10,481,439
Additions to permanent endowments										
Other non-operating revenues	40,737	50,100	360,000	90,262	20,839	157,200	257,430	442,200	45,808	199,780
Total Non-Operating Revenues	68,577,010	64,755,400	58,187,307	53,614,319	50,989,100	49,084,137	45,893,608	43,130,612	41,698,415	40,321,156
Total Revenues	\$ 86,423,974	\$ 81,754,728	\$ 74,998,874	\$ 67,979,222	\$ 64,314,312	\$ 61,995,937	\$ 57,481,701	\$ 54,408,280	\$ 53,749,591	\$ 50,069,539

For the Year Ended August 31, (amounts expressed in thousands)										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	
Tuition and Fees (Net of Discounts)	9.67%	8.88%	9.29%	9.04%	9.51%	9.03%	8.19%	7.16%	7.83%	
Federal Grants and Contracts	4.07%	5.45%	5.60%	4.93%	4.70%	5.37%	6.04%	6.54%	7.08%	
Slate Grants and Contracts	2.93%	3.07%	3.79%	3.52%	3.31%	2.44%	3.15%	5.56%	1.19%	
Local Grants and Contracts	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Non-Governmental Grants and Contracts	0.41%	0.40%	0.86%	0.23%	0.47%	1.01%	0.61%	0.68%	0.39%	
Investment income (program restricted)	0.22%	0.14%	0.27%	0.25%	0.24%	0.11%	0.15%	0.21%	0.27%	
Auxiliary enterprises	0.87%	0.96%	0.96%	1.17%	1.11%	1.09%	1.07%	1.14%	1.20%	
Other Operating Revenues	2.48%	1.90%	1.64%	1.58%	1.49%	1.10%	1.51%	1.10%	1.52%	
Total Operating Revenues	20.65%	20.79%	22.42%	20.72%	20.93%	20.16%	20.73%	22.42%	19.47%	
Slate Appropriations	19.51%	20.86%	23.83%	27.30%	27.86%	27.55%	27.55%	28.83%	33.66%	
Professional Nursing Shortage Reduction	0.12%	0.04%	0.05%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	
Ad Valorem Taxes	29.41%	30.75%	31.78%	31.50%	29.45%	29.14%	28.11%	23.92%	22.64%	
Gifts	0.05%	0.06%	0.11%	0.18%	0.00%	0.01%	0.00%	0.00%	0.00%	
Investment income	0.92%	0.81%	1.38%	2.02%	2.49%	1.22%	1.38%	2.76%	2.89%	
Federal Revenue, Non-Operating	29.29%	26.63%	19.95%	18.12%	19.09%	21.44%	21.42%	21.13%	20.93%	
Additions to permanent endowments	0.05%	0.06%	0.48%	0.13%	0.25%	0.45%	0.81%	0.09%	0.40%	
Other non-operating revenues	0.00%	0.00%	0.00%	0.12%	0.01%	0.00%	0.00%	0.85%	0.00%	
Total Non-Operating Revenues	79.35%	79.21%	77.58%	79.28%	79.17%	79.84%	79.27%	77.58%	80.53%	
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

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

For the Year Ended August 31,
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	\$24,397,712	\$23,458,947	\$22,111,261	\$21,241,920	\$21,949,831	\$21,338,284	\$21,023,969	\$19,184,463	\$19,495,450	\$18,765,522
Research	-	-	-	-	-	-	-	-	-	-
Public service	480,333	602,108	540,355	505,948	315,639	87,024	-	39,697	55,147	175,554
Academic support	6,500,162	6,402,122	6,391,862	5,076,716	2,562,385	2,346,533	2,647,728	2,303,635	2,223,255	2,251,889
Student services	7,263,520	7,016,919	6,771,758	6,503,155	5,244,406	4,822,704	4,734,766	3,774,229	3,819,476	3,868,745
Institutional support	10,772,364	10,759,307	8,960,865	8,828,994	11,686,687	10,240,686	8,351,102	7,695,947	6,929,883	7,137,836
Operation and maintenance of plant	7,243,557	6,764,251	6,119,791	6,485,590	8,225,049	5,274,798	5,473,217	3,523,586	2,850,802	2,812,183
Scholarships and fellowships	17,926,654	16,634,026	11,762,189	8,994,383	9,225,876	8,796,859	9,030,090	9,169,662	10,023,607	7,262,490
Auxiliary enterprises	374,941	527,041	496,904	518,321	367,166	382,626	401,229	288,000	266,621	282,863
Depreciation	3,094,652	2,896,717	3,021,225	3,100,889	3,158,823	3,027,689	2,895,706	2,205,870	1,287,757	1,125,408
Total Operating Expenses	78,053,895	75,021,438	66,176,210	61,255,916	62,735,862	56,317,203	54,557,907	48,185,089	46,941,998	43,682,490
Interest on capital related debt	-	-	-	-	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-
Other non-operating expenses	5,850	332,728	-	-	-	-	3,485	3,450	4,015	3,315
Total Non-Operating Expenses	5,230,723	4,219,152	3,619,862	3,818,021	3,533,380	3,711,045	4,115,199	4,171,646	4,503,127	3,512,763
Total Expenses	\$ 83,284,618	\$ 79,240,590	\$ 69,796,072	\$ 65,073,937	\$ 66,269,242	\$ 60,028,248	\$ 58,673,006	\$ 52,356,735	\$ 51,445,125	\$ 47,195,253

For the Year Ended August 31,
(amounts expressed in thousands)

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Instruction	29.29%	29.60%	31.68%	32.64%	33.12%	35.55%	35.83%	36.64%	37.90%	39.76%
Research	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Public service	0.58%	0.76%	0.77%	0.78%	0.48%	0.14%	0.00%	0.08%	0.11%	0.37%
Academic support	7.80%	8.08%	9.16%	7.80%	3.87%	3.91%	4.51%	4.40%	4.32%	4.77%
Student services	8.72%	8.86%	9.70%	9.99%	7.91%	8.03%	8.07%	7.21%	7.42%	8.20%
Institutional support	12.93%	13.58%	12.84%	13.57%	17.64%	17.08%	14.23%	14.70%	13.47%	15.12%
Operation and maintenance of plant	8.70%	8.54%	8.77%	9.97%	12.41%	8.79%	9.33%	6.73%	5.54%	5.96%
Scholarships and fellowships	21.52%	20.99%	16.85%	13.82%	13.92%	14.65%	15.39%	17.51%	19.48%	15.39%
Auxiliary enterprises	0.45%	0.67%	0.71%	0.80%	0.55%	0.64%	0.68%	0.55%	0.50%	0.60%
Depreciation	3.72%	3.61%	4.33%	4.77%	4.77%	5.04%	4.94%	4.21%	2.50%	2.38%
Total Operating Expenses	93.72%	94.68%	94.81%	94.13%	94.67%	93.82%	92.99%	92.03%	91.25%	92.56%
Interest on capital related debt	6.27%	4.90%	5.19%	5.87%	5.33%	6.18%	7.01%	7.96%	8.75%	7.44%
Loss on disposal of fixed assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating expenses	0.01%	0.42%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.00%
Total Non-Operating Expenses	6.28%	5.32%	5.19%	5.87%	5.33%	6.18%	7.01%	7.97%	8.75%	7.44%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	In-District Tuition	Out-of-District Tuition	Technology Fees	Library Fees	Student Activity Fees	General Use Fees	Health Service Fee	Student Svc Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2010-11	\$ 15	\$ 42	\$ 84	\$ 5	\$ 5	\$ 1	\$ 27	\$ 3	\$ 60	\$ 1,038	\$ 1,542	24.46%	15.25%
2009-10	15	42	84	2.5	2.5	1	20	3	0	834	1,338	2.96%	3.72%
2008-09	15	40	80	2.5	2.5	1	20	3	0	810	1,290	0.00%	0.00%
2007-08	15	40	80	2.5	2.5	1	20	3	0	810	1,290	17.39%	16.22%
2006-07	15	35	70	0	0	1	20	3	0	690	1,110	5.50%	6.94%
2005-06	15	32	64	0	0	1	20	3	0	654	1,038	10.10%	8.81%
2004-05	15	30	60	0	0	1	17	3	0	594	954	16.47%	17.78%
2003-04	15	25	50	0	0	1	15	3	0	510	810	13.33%	13.45%
2002-03	15	22	44	0	0	1	13	3	0	450	714	2.74%	3.48%
2001-02	15	21	42	0	0	1	13	3	0	438	690	-	-

Non - Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Library Fees	Student Activity Fees	General Use Fees	Health Service Fee	Student Svc Fee	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2010-11	\$ 15	\$ 128	\$ 128	\$ 5	\$ 5	\$ 1	\$ 27	\$ 3	\$ 60	\$ 2,070	\$ 2,070	16.95%	16.95%
2009-10	15	128	128	2.5	2.5	1	20	3	0	1,866	1,866	5.42%	5.42%
2008-09	15	120	120	2.5	2.5	1	20	3	0	1,770	1,770	0.00%	0.00%
2007-08	15	120	120	2.5	2.5	1	20	3	0	1,770	1,770	15.69%	15.69%
2006-07	15	105	105	0	0	1	20	3	0	1,530	1,530	7.59%	7.59%
2005-06	15	96	96	0	0	1	20	3	0	1,422	1,422	8.22%	8.22%
2004-05	15	90	90	0	0	1	17	3	0	1,314	1,314	18.38%	18.38%
2003-04	15	75	75	0	0	1	15	3	0	1,110	1,110	8.19%	8.19%
2002-03	15	70	70	0	0	1	13	3	0	1,026	1,026	0.00%	0.00%
2001-02	15	70	70	0	0	1	13	3	0	1,026	1,026	-	-

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

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

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate			Total Direct Rate (a)
					Maintenance & Operations (a)	Debt Service (a)		
2010-11	12,249,346	1,634,423	10,614,922	86.66%	\$	0.21899	0.03955	0.25854
2009-10	12,190,837	1,527,286	10,663,551	87.47%		0.19985	0.03827	0.23812
2008-09	12,072,472	1,502,789	10,569,683	87.55%		0.18400	0.04320	0.22720
2007-08	11,637,166	1,150,109	10,487,057	90.12%		0.18700	0.03410	0.22110
2006-07	10,555,088	1,043,974	9,511,114	90.11%		0.18310	0.03910	0.22220
2005-06	9,374,079	920,475	8,453,604	90.18%		0.18770	0.04280	0.23050
2004-05	8,597,478	1,022,433	7,575,045	88.11%		0.19032	0.04340	0.23371
2003-04	7,869,726	978,039	6,891,687	87.57%		0.19400	0.04200	0.23600
2002-03	7,121,188	986,537	6,134,651	86.15%		0.18600	0.05000	0.23600
2001-02	6,618,760	656,742	5,962,018	90.08%		0.17400	0.05250	0.22650

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

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

Fiscal Year	Appropriation per FTSE		Appropriation per Contact Hour				State Appropriation per Contact Hour
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	
2010-11	\$ 12,208	7,370	\$ 1,656	2,971	851	3,822	\$ 3.19
2009-10	12,654	6,781	1,866	2,285	1,431	3,716	3.41
2008-09	12,851	6,085	2,112	2,613	779	3,392	3.79
2007-08	12,851	6,000	2,142	2,410	781	3,191	4.03
2006-07	12,851	6,000	2,142	2,414	912	3,326	3.86
2005-06	12,851	6,159	2,087	2,470	926	3,396	3.78
2004-05	11,637	6,301	1,847	2,559	954	3,513	3.31
2003-04	11,426	6,001	1,904	2,395	875	3,270	3.49
2002-03	11,852	5,879	2,016	2,307	930	3,237	3.66
2001-02	12,744	5,695	2,238	2,217	974	3,191	3.99

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

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Laredo Texas Hospital Co. LP	Medical	\$ 103,827	\$ 102,046	\$ 104,560	\$ 105,123	\$ 105,355	\$ 99,842	\$ 98,659	\$ 100,486	\$ -	\$ -
Laredo WLE LP	Utility	97,804	102,764	-	-	-	-	-	-	-	-
AEP Texas Central Company	Utility	53,471	58,739	68,457	66,400	90,828	83,522	67,611	61,556	74,048	57,416
LaredoMDN Limited Partnership	Retail	-	-	-	-	-	-	48,471	-	-	-
Laredo Regional Medical Ctr. LP	Medical	41,405	42,263	44,354	43,618	46,082	46,151	42,233	32,421	32,421	17,454
International Bank of Commerce	Bank	39,034	34,635	35,790	33,899	35,595	33,833	36,116	-	-	-
Wal-mart Real Estate Business Trust	Commercial Real Estate	21,043	20,957	-	-	-	-	-	-	-	-
Kilham Ind. Dev. Partnership Lts.	Development	30,143	31,116	34,156	33,724	31,910	29,350	28,873	27,079	28,170	28,716
Southwestern Bell Telephone Co.	Utility	20,494	20,494	31,871	28,751	30,087	28,713	29,248	26,090	29,030	31,768
H E Butt Grocery Company	Grocery	28,284	28,808	29,168	-	-	-	-	-	-	-
Fantas Development LTD	Development	25,979	28,035	-	-	-	-	-	-	-	-
WRI Tradmann LP	Commercial Real Estate	27,738	26,730	26,958	-	28,890	26,411	24,855	-	-	-
Electric Transmission of Texas LLC	Utility	40,635	40,721	36,509	62,452	-	-	-	-	-	-
Mall Del Norte LLC	Retail	51,752	52,630	52,647	-	-	-	-	-	-	-
The GEO Group Inc	Commercial Business	49,979	53,095	52,769	-	-	-	-	-	-	-
Laredo Leval LLC	Commercial Business	20,541	20,541	24,498	29,831	-	-	-	-	-	-
Webb County Correctional Center Corp	Correctional Center	-	-	-	-	-	-	21,867	21,866	22,141	22,068
Enterprise Laredo Associates	Enterprise	-	-	-	-	-	-	-	32,221	32,283	-
Webb Hospital Holdings LLC	Medical	-	-	-	-	-	-	-	20,504	-	-
United States Cold Storage	Cold Storage	-	-	-	-	-	-	-	16,680	19,616	17,364
Lowe's Home Center Inc.	Conglomerate	-	-	-	-	-	-	-	-	16,209	-
Texas Cable Partners LP	Utility	-	-	-	-	-	-	-	-	14,132	-
Lone Star Mall Associates	Retail	-	-	-	-	-	-	-	-	-	27,064
Paragon Cable	Utility	-	-	-	-	-	-	-	-	-	15,079
Transport International Pool Inc.	Commercial Business	-	-	-	-	-	-	-	-	-	14,255
Laredo National Bank	Bank	37,397	20,444	-	-	-	-	-	-	-	12,953
Halliburton Energy Services	Oil Services & Drilling	20,871	-	-	-	-	-	-	-	-	-
Gemini Rio Norte H ET AL	Real Estate	-	-	-	-	-	-	-	-	-	-
San Isidro Northeast LTD	Development	-	10,734	33,018	-	-	-	-	-	-	-
Totals		\$ 689,703	\$ 694,799	\$ 574,741	\$ 488,647	\$ 480,540	\$ 444,852	\$ 423,941	\$ 373,197	\$ 296,170	\$ 244,087
Total Taxable Assessed Value		\$ 10,614,922	\$ 10,663,551	\$ 10,569,593	\$ 10,487,057	\$ 8,453,604	\$ 7,575,045	\$ 6,891,687	\$ 6,134,651	\$ 5,962,018	\$ 5,177,012

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Laredo Texas Hospital Co. LP	Medical	0.97%	0.96%	0.99%	1.00%	1.24%	1.32%	1.43%	1.54%	-	-
Laredo WLE LP	Utility	0.92%	0.96%	-	-	-	-	-	-	-	-
AEP Texas Central Company	Utility	0.50%	0.55%	0.65%	0.63%	1.07%	1.10%	0.98%	1.00%	1.24%	1.11%
LaredoMDN Limited Partnership	Retail	-	-	-	-	-	-	0.65%	-	-	-
Laredo Regional Medical Ctr. LP	Medical	0.39%	0.40%	0.42%	0.42%	0.56%	0.61%	0.61%	0.53%	0.54%	0.34%
International Bank of Commerce	Bank	0.37%	0.32%	0.34%	0.32%	0.42%	0.45%	0.52%	-	-	-
Wal-mart Real Estate Business Trust	Commercial Real Estate	0.20%	0.20%	-	-	0.40%	0.28%	-	-	-	-
Kilham Ind. Dev. Partnership Ltd.	Development	0.28%	0.29%	0.32%	0.32%	0.38%	0.39%	0.42%	0.44%	0.47%	0.56%
Southwestern Bell Telephone Co.	Utility	0.60%	0.19%	0.30%	-	0.36%	0.36%	0.42%	0.43%	0.49%	0.61%
H E Butt Grocery Company	Grocery	0.27%	0.27%	0.28%	0.27%	0.34%	0.35%	0.37%	0.58%	0.47%	-
Fantas Development LTD	Development	0.24%	0.26%	-	-	-	-	-	-	-	-
WRI Tradmann LP	Commercial Real Estate	0.26%	0.25%	0.26%	-	0.34%	0.35%	0.36%	-	-	-
Electric Transmission of Texas LLC	Utility	0.38%	0.38%	0.35%	0.60%	-	-	-	-	-	-
Mall Del Norte LLC	Retail	0.49%	0.49%	0.50%	0.50%	-	-	-	-	-	-
The GEO Group Inc	Commercial Business	0.47%	0.50%	0.50%	0.31%	-	-	-	-	-	-
Laredo Leval LLC	Commercial Business	0.19%	0.19%	0.23%	0.28%	-	-	-	-	-	-
Webb County Correctional Center Corp	Correctional Center	-	-	-	-	-	-	0.32%	0.36%	0.37%	0.43%
Enterprise Laredo Associates	Enterprise	-	-	-	-	-	-	-	0.53%	0.54%	-
Webb Hospital Holdings LLC	Medical	-	-	-	-	-	-	-	0.34%	0.33%	0.34%
United States Cold Storage	Cold Storage	-	-	-	-	-	-	-	0.27%	0.27%	0.24%
Lowe's Home Center Inc.	Conglomerate	-	-	-	-	-	-	-	-	-	-
Texas Cable Partners LP	Utility	-	-	-	-	-	-	-	-	-	-
Lone Star Mall Associates	Retail	-	-	-	-	-	-	-	-	-	0.52%
Paragon Cable	Utility	-	-	-	-	-	-	-	-	-	0.29%
Transport International Pool Inc.	Commercial Business	-	-	-	-	-	-	-	-	-	0.27%
Laredo National Bank	Bank	-	0.19%	-	-	-	-	-	-	-	0.25%
Halliburton Energy Services	Oil Services & Drilling	0.35%	-	-	-	-	-	-	-	-	-
Gemini Rio Norte H ET AL	Real Estate	0.20%	-	-	-	-	-	-	-	-	-
San Isidro Northeast LTD	Development	-	0.10%	0.31%	-	-	-	-	-	-	-
Totals		6.47%	6.52%	5.44%	4.66%	5.69%	5.87%	6.15%	6.08%	4.97%	4.71%

Laredo Community College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Percentage of Levy
2010-11	\$ 24,044	\$ -	\$ 24,044	\$ 24,629	102.43%	\$ -	833	\$ 25,462	105.90%
2009-10	24,014	-	24,014	23,327	97.14%	-	1,025	24,352	101.41%
2008-09	23,187	-	23,187	22,263	96.02%	-	788	23,051	99.41%
2007-08	21,134	-	21,134	20,417	96.61%	-	844	21,261	100.60%
2006-07	19,571	-	19,571	18,913	96.64%	-	849	19,762	100.98%
2005-06	17,727	-	17,727	17,028	96.06%	-	805	17,833	100.60%
2004-05	16,320	-	16,320	15,583	95.48%	-	767	16,350	100.18%
2003-04	14,478	-	14,478	13,928	96.20%	-	937	14,865	102.67%
2002-03	12,892	-	12,892	12,044	93.42%	-	525	12,569	97.49%
2001-02	11,216	-	11,216	10,587	94.39%	-	459	11,046	98.48%

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

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

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

	For the Year Ended August 31 (amounts expressed in thousands)									
	2011	2010	2009	2008	2007 (a)	2006	2005	2004	2003	2002
General Bonded Debt										
General Obligation Bonds	\$ 70,720	\$ 74,174	\$ 77,525	\$ 80,709	\$ 83,865	\$ 87,674	\$ 91,910	\$ 95,008	\$ 98,106	\$ 101,750
Notes	1,074	736	280	467	511	465	418	420	101	65
Less: Funds Restricted for Debt Service	-	-	-	-	-	-	-	-	-	-
Net General Bonded Debt	\$ 69,646	\$ 73,438	\$ 77,245	\$ 80,242	\$ 83,354	\$ 87,209	\$ 91,492	\$ 94,588	\$ 98,005	\$ 101,685
Per Capita	\$ 276.78	\$ 304.17	\$ 326.01	\$ 344.16	\$ 360.11	\$ 388.12	\$ 407.18	\$ 420.96	\$ 436.17	\$ 452.55
Per Student	9,450	10,830	12,694	13,374	13,892	14,160	14,855	15,358	15,912	16,510
As a percentage of Taxable Assessed Value	0.66%	0.69%	0.73%	0.77%	0.99%	1.15%	1.21%	1.25%	1.29%	1.34%
Other Debt										
Revenue Bonds	\$ 93,623	\$ 97,353	\$ 36,682	\$ 38,881	\$ 41,076	\$ 43,606	\$ 45,432	\$ 47,781	\$ 50,134	\$ 52,499
Contractual Obligations	2,881	3,455	4,034	4,611	5,186	5,764	-	-	-	-
Notes	2,126	2,236	-	-	-	-	-	-	-	-
Capital Lease Obligations	1,296	1,278	785	618	449	304	57	29	40	-
Total Outstanding Debt	\$ 169,572	\$ 177,760	\$ 118,746	\$ 124,352	\$ 130,065	\$ 136,883	\$ 136,981	\$ 142,398	\$ 148,179	\$ 154,184
Total Outstanding Debt Ratios										
Per Capita	\$ 673.89	\$ 736.26	\$ 501.16	\$ 533.35	\$ 561.91	\$ 609.19	\$ 609.63	\$ 633.74	\$ 659.47	\$ 686.19
Per Student	23,008	26,214	19,515	20,725	21,678	22,225	22,241	23,120	24,059	25,034
As a percentage of Taxable Assessed Value	1.60%	1.67%	1.12%	1.19%	1.54%	1.81%	1.81%	1.88%	1.96%	2.04%

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

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

	For the Year Ended August 31 (amount expressed in thousands)									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Taxable Assessed Value	\$ 10,614,922	\$ 10,663,551	\$ 10,569,683	\$ 10,487,057	\$ 8,453,604	\$ 7,575,045	\$ 6,891,667	\$ 6,134,651	\$ 5,692,018	\$ 5,177,012
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	53,075	53,318	52,848	52,435	42,268	37,875	34,458	30,673	28,460	25,885
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	53,075	53,318	52,848	52,435	42,268	37,875	34,458	30,673	28,460	25,885
Current Year Debt Service Requirements	4,450	4,263	3,940	4,019	3,676	3,266	3,098	3,089	3,644	2,195
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 48,625	\$ 49,055	\$ 48,908	\$ 48,416	\$ 38,592	\$ 34,589	\$ 31,360	\$ 27,584	\$ 24,816	\$ 23,690
Net Current Requirements as a % of Statutory Limit	8.38%	8.00%	7.46%	7.66%	8.70%	8.68%	8.99%	10.07%	12.80%	8.48%

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

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)										Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	Registration Fees	Laboratory Fees	Community Education Fees	Interest Income	Vending Commission	Bookstore Commission	General Use Fees	Total	Principal	Interest	Total	Coverage Ratio
2011	\$ 2,324	\$ -	\$ -	\$ -	\$ -	\$ 513	\$ -	\$ -	\$ 5,997	\$ 8,824	\$ 1,175	\$ 2,584	\$ 3,759	2.35
2010	2,264	-	-	-	-	398	-	-	3,369	6,031	1,090	1,365	2,455	2.46
2009	2,008	-	-	-	-	585	-	-	3,027	5,620	1,016	1,203	2,219	2.53
2008	1,851	-	-	-	-	761	-	-	2,137	4,749	970	1,246	2,216	2.14
2007	1,731	-	-	-	-	582	-	-	2,108	4,421	1,041	1,179	2,220	1.99
2006	1,544	-	-	-	-	521	-	-	1,858	3,923	648	1,723	2,371	1.65
2005	1,510	-	-	-	-	180	-	-	1,948	3,638	782	1,567	2,349	1.55
2004	334	-	-	-	-	146	-	-	1,967	2,447	751	1,602	2,353	1.04
2003	273	-	-	-	-	217	-	-	1,997	2,487	730	1,635	2,365	1.05
2002	255	-	-	-	-	181	-	-	1,903	2,339	664	1,665	2,329	1.00

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

(unaudited)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2010	251,632	\$ 5,977,993	23,757	8.6%
2009 (a)	241,438	5,410,463	22,409	8.7%
2008 (a)	236,941	5,294,677	22,346	5.9%
2007 (a)	233,152	4,920,183	21,103	4.8%
2006 (a)	231,470	4,536,284	19,598	5.4%
2005 (a)	224,695	4,217,465	18,770	6.0%
2004	218,806	3,887,856	17,769	6.7%
2003	212,675	3,636,049	17,097	7.4%
2002	206,772	3,432,111	16,599	7.3%
2001	200,805	3,231,723	16,094	6.6%

Source:

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

Notes:

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

Laredo Community College
 Statistical Supplement 13
 Principal Employers
 (unaudited)

Current Fiscal Year

Employer	Sector	Number of Employees	Percentage of Total Employment
United Independent School District	Education	6,179	6.84%
Laredo Independent School District	Education	4,500	4.98%
City of Laredo	City	2,371	2.62%
Laredo Sector Border Patrol	Immigration	2,000	2.21%
H.E.B. Grocery	Grocery Store	1,626	1.80%
Webb County	County	1,500	1.66%
Laredo Medical Center	Medical Services	1,300	1.44%
McDonald's Restaurant	Fast Food	1,200	1.33%
Texas A&M International University	Education	1,215	1.35%
Wal-Mart	Retail	937	1.04%
Total		22,828	25.27%

Five Years Prior

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	4,876-6,179	9.18%
Laredo Independent School District	3,990-4,500	7.28%
City of Laredo	2,238-2,371	4.00%
Laredo Sector Border Patrol	1,730-2,000	2.99%
H.E.B. Grocery	1,245-1,626	2.40%
Webb County	1,400-1,500	2.50%
Laredo Medical Center	1,377-1,300	2.41%
McDonald's Restaurant	1,425-1,200	2.48%
Laredo National Bank	1,275-1,129	2.13%
Wal-Mart	1,234-1,144	2.10%
Total	20,790-22,949	37.08%

Source:

Laredo Development Foundation

Note:

Percentages are calculated using the midpoints of the ranges.

Due to reporting format and definition changes prescribed by GASB Statement 44, only fiscal years 2006-2010 are available for prior years.

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Faculty										
Full-Time	197	198	198	185	203	224	217	200	199	199
Part-Time	122	126	112	45	140	125	134	132	127	116
Total	319	324	310	230	343	349	351	332	326	315
Percent										
Full-Time	61.8%	61.1%	63.9%	80.4%	59.2%	64.2%	61.8%	60.2%	61.0%	63.2%
Part-Time	38.2%	38.9%	36.1%	19.6%	40.8%	35.8%	38.2%	39.8%	39.0%	36.8%
Staff and Administrators										
Full-Time	450	445	430	425	416	386	353	310	328	315
Part-Time	133	123	97	45	135	11	15	8	19	14
Total	583	568	527	470	551	397	368	318	347	329
Percent										
Full-Time	77.2%	78.3%	81.6%	90.4%	75.5%	97.2%	95.9%	97.5%	94.5%	95.7%
Part-Time	22.8%	21.7%	18.4%	9.6%	24.5%	2.8%	4.1%	2.5%	5.5%	4.3%
Students per Full-time Faculty	51	46	42	42	40	44	57	58	56	54
Students per Full-Time Staff Member	22	21	19	18	20	26	35	37	34	34
Average Annual Faculty Salary	\$55,435	\$55,782	\$55,120	\$55,375	\$52,981	\$52,539	\$51,989	\$52,315	\$43,578	\$45,493

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

Student Classification	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	6,764	73.01%	6,226	67.21%	5,323	57.46%	4,880	59.11%	5,055	64.55%
Sophomore	2,351	25.38%	2,091	22.57%	1,903	20.54%	1,981	23.99%	2,099	26.80%
Unclassified	475	5.13%	529	5.71%	659	7.11%	433	5.24%	423	5.40%
Associate*	382	4.12%	382	4.12%	359	3.88%	507	6.14%	537	6.86%
Baccalaureate or Above**	57	0.62%	36	0.39%	12	0.13%	30	0.36%	38	0.49%
Total	10,029	108.26%	9,264	100.00%	8,256	89.12%	7,831	94.85%	8,152	104.10%

Semester Hour Load	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	129	1.39%	144	1.55%	166	1.79%	235	2.85%	282	3.60%
3-5 semester hours	1,996	21.55%	1,916	20.68%	1,615	17.43%	1,356	16.42%	1,459	18.63%
6-8 Semester hours	2,064	22.28%	1,955	21.10%	1,742	18.80%	1,651	20.00%	1,746	22.30%
9-11 semester hours	2,081	22.46%	1,863	20.11%	1,735	18.73%	1,607	19.46%	1,621	20.70%
12-14 semester hours	3,238	34.95%	2,881	31.10%	2,480	26.77%	2,445	29.61%	2,471	31.55%
15-17 semester hours	488	5.27%	474	5.12%	491	5.30%	529	6.41%	527	6.73%
18 & over	33	0.36%	31	0.33%	27	0.29%	8	0.10%	46	0.59%
Total	10,029	108.26%	9,264	100.00%	8,256	89.12%	7,831	94.85%	8,152	104.10%

Average course load 9.0 9.0 9.0 9.0 9.0

Tuition Status	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	8,759	94.55%	7,988	86.23%	7,114	76.79%	6,789	82.23%	6,996	92.32%
Texas Resident (Out-of-District)	750	8.10%	742	8.01%	680	7.34%	545	6.60%	628	8.29%
Non-Resident Tuition	263	2.84%	244	2.63%	270	2.91%	244	2.96%	528	6.97%
Tuition Exempt	29	0.31%	30	0.32%	19	0.21%	108	1.31%	-	0.00%
Foreign	228	2.46%	260	2.81%	173	1.87%	145	1.76%	-	0.00%
Total	10,029	108.26%	9,264	100.00%	8,256	89.12%	7,578	91.79%	8,152	107.57%

Notes:

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

Gender	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	5,711	56.94%	5,344	57.69%	4,754	57.58%	4,573	58.40%	4,743	58.18%
Male	4,318	43.06%	3,920	42.31%	3,502	42.42%	3,258	41.60%	3,409	41.82%
Total	10,029	100.00%	9,264	100.00%	8,256	100.00%	7,831	100.00%	8,152	100.00%

Ethnic Origin	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	159	1.59%	144	1.55%	111	1.34%	120	1.53%	136	1.67%
Hispanic	9,366	93.39%	8,876	95.81%	7,857	95.17%	7,401	94.51%	7,682	94.23%
African American	28	0.28%	17	0.18%	15	0.18%	12	0.15%	18	0.22%
Asian	34	0.34%	34	0.37%	28	0.34%	26	0.33%	26	0.32%
Foreign	122	1.22%	157	1.69%	223	2.70%	226	2.89%	252	3.09%
Native American	6	0.06%	4	0.04%	7	0.08%	8	0.10%	6	0.07%
Unknown	314	3.13%	32	0.35%	15	0.18%	38	0.49%	32	0.39%
Total	10,029	100.00%	9,264	100.00%	8,256	100.00%	7,831	100.00%	8,152	100.00%

Age	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	561	5.59%	575	6.21%	352	4.26%	139	1.77%	136	1.67%
18 -21	5,042	50.27%	4,553	49.15%	4,074	49.35%	3,794	48.45%	3,815	46.80%
22 - 24	1,632	16.27%	1,409	15.21%	1,349	16.34%	1,401	17.89%	1,474	18.08%
25 - 35	1,923	19.17%	1,816	19.60%	1,613	19.54%	1,593	20.34%	1,789	21.95%
36 - 50	689	6.87%	727	7.85%	714	8.65%	737	9.41%	781	9.58%
51 & over	182	1.81%	184	1.99%	154	1.87%	167	2.13%	157	1.93%
Total	10,029	100.00%	9,264	100.00%	8,256	100.00%	7,831	100.00%	8,152	100.00%
Average Age	24		24		24		25		25	

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

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Texas A&M International University	1,177	102	105	1,384	72.80%
2 University of Texas - San Antonio	110	2	11	123	6.47%
3 Texas A&M University	78	1	6	85	4.47%
4 University of Texas - Austin	83	2	2	87	4.58%
5 Texas State University	54	0	0	54	2.84%
6 Texas A&M University - Kingsville	41	0	1	42	2.21%
7 University of Texas - Pan American	26	4	1	31	1.63%
8 Angelo State University	6	0	0	6	0.32%
9 University of Texas Health Science Center - San Antonio	8	2	0	10	0.53%
10 Texas A&M University - Corpus Christi	11	0	0	11	0.58%
11 Texas Tech University	3	0	0	3	0.16%
12 University of North Texas	5	0	1	6	0.32%
13 University of Houston	4	0	0	4	0.21%
14 Texas Women's University	3	0	1	4	0.21%
15 West Texas A&M University	1	0	0	1	0.05%
16 Sam Houston State University	2	0	1	3	0.16%
17 Sul Ross State University	1	0	0	1	0.05%
18 University of Texas - Brownsville	4	0	0	4	0.21%
19 University of Houston - Clear Lake	1	0	0	1	0.05%
20 Texas A&M University System Health Science Center	1	0	0	1	0.05%
21 Texas A&M University - Commerce	1	0	0	1	0.05%
22 Texas A&M University - San Antonio	3	0	2	5	0.26%
23 Stephen F. Austin State University	1	0	0	1	0.05%
24 University of Texas - Arlington	6	0	0	6	0.32%
25 Texas A&M University at Galveston	1	0	0	1	0.05%
26 University of Texas - Dallas	2	0	0	2	0.11%
27 University of Texas - El Paso	3	0	0	3	0.16%
28 University of Texas - Tyler	1	0	0	1	0.05%
29 Texas State University - San Marcos	0	3	13	16	0.84%
30 University of Texas Medical Branch - Galveston	0	2	0	2	0.11%
31 Prairie View A&M University	2	0	0	2	0.11%
Totals	1,639	118	144	1,901	100.00%

Source: Texas Higher Education Coordinating Board

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

	Fiscal Year									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Academic buildings	31	31	31	31	31	31	31	31	28	25
Square footage (in thousands)	401,534	401,534	401,534	401,534	401,534	401,534	401,534	401,534	346,225	280,669
Libraries	2	2	2	2	2	2	2	2	1	1
Square footage (in thousands)	47,886	47,886	47,886	47,886	47,886	47,886	47,886	47,886	26,417	26,417
Number of Volumes (in thousands)	151,404	149,299	146,923	143,797	137,823	129,626	122,698	116,661	108,628	106,259
Administrative and support buildings	12	12	12	12	12	12	12	12	11	11
Square footage (in thousands)	49,951	49,951	49,951	48,682	48,682	48,682	48,682	48,682	37,236	37,236
Dormitories	2	2	8	8	8	8	8	8	8	8
Square footage (in thousands)	3,119	3,119	13,782	13,782	13,782	13,782	13,782	13,782	13,782	13,782
Number of Beds	12	12	182	182	182	182	182	182	182	182
Apartments	14	14	14	14	14	14	14	14	14	14
Square footage (in thousands)	20,594	20,594	20,594	20,594	20,594	20,594	20,594	20,594	20,594	20,594
Number of Beds	39	39	39	39	39	39	39	39	39	39
Dining Facilities	2	2	2	2	2	2	2	2	1	1
Square footage (in thousands)	22,842	22,842	22,842	22,842	22,842	22,842	22,842	22,842	11,776	11,776
Average daily customers	556	927	881	859	880	818	759	(a)	(a)	(a)
Athletic Facilities	13	5	5	5	5	5	5	4	4	4
Square footage (in thousands)	709,766	99,826	99,926	99,926	99,926	99,926	99,926	89,500	89,500	89,500
Stadiums	0	0	0	0	0	0	0	0	0	0
Gymnasiums	2	2	2	2	2	2	2	1	1	1
Baseball Field	2	1	1	1	1	1	1	1	1	1
Fitness Area	1	0	0	0	0	0	0	0	0	0
Soccer Field	2	0	0	0	0	0	0	0	0	0
Swimming Pool Complex	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	1	1	1	1	1	1	1	1	1
Plant Facilities	7	9	9	9	9	9	9	9	9	9
Square footage (in thousands)	18,913	24,337	24,337	24,337	24,337	24,337	24,337	24,337	24,337	24,337
Other Buildings	19	19	19	18	18	18	18	18	18	18
Square footage (in thousands)	32,770	32,770	32,770	32,570	32,570	32,570	32,570	32,570	32,570	32,570
Transportation	28	28	25	23	23	21	21	19	18	12
Cars	8	8	7	5	5	5	5	5	5	2
Light Trucks/Vans	20	20	18	18	18	16	16	14	13	10
Buses	0	0	0	0	0	0	0	0	0	0

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

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

Fiscal Year	Contact Hours		Total
	Academic	Voc Tech	
2010-11	2,970,688	851,680	3,822,368
2009-10	2,284,592	1,431,472	3,716,064
2008-09	2,613,248	779,104	3,392,352
2007-08	2,410,272	781,216	3,191,488
2006-07	2,413,808	911,680	3,325,488
2005-06	2,469,712	925,760	3,395,472
2004-05	2,559,328	954,448	3,513,776
2003-04	2,394,576	875,376	3,269,952
2002-03	2,306,976	930,384	3,237,360
2001-02	2,216,896	974,112	3,191,008

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Laredo Community College District
 Federal Schedule of Findings and Questioned Costs
 Year Ended August 31, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
 Material weakness(es) identified? _____ yes X no
 Significant deficiencies identified that are
 not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:
 Material weakness(es) identified? _____ yes X no
 Significant deficiencies identified that are
 not considered to be material weaknesses? _____ yes X none reported

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

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

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
	Student Financial Assistance Programs – Cluster
84.007	Federal SEOG
84.033	Federal College Work Study Program
84.063	Federal Pell Grant
84.268	William D. Ford Federal Direct Loan Program
84.375	Academic Competitiveness Grant
	Title V
84.031	Teaching, Technology, and Learning
84.031	Distance Education Technology
84.031	Preparing Tomorrow's Teachers Today

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 873,168

Auditee qualified as low-risk auditee? X yes _____ no

Section II - Financial Statement Findings

None.

Laredo Community College District
Federal Schedule of Findings and Questioned Costs
Year Ended August 31, 2011

Section III - Federal Award Findings and Questioned Costs

None.

Laredo Community College District
State Schedule of Findings and Questioned Costs
Year Ended August 31, 2011

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:
Material weakness(es) identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

State Awards

Internal Control over major programs:
Material weakness(es) identified? _____ yes X no
Significant deficiencies identified that are
not considered to be material weaknesses? _____ yes X none reported

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee? X yes _____ no

Section II - Financial Statement Findings

None.

Section III - State Award Findings and Questioned Costs

None.

Laredo Community College District
Federal Summary Schedule of Prior Audit Findings
Year Ended August 31, 2011

Summary of Prior Audit Findings

Federal Award Findings and Questioned Costs

None.

Laredo Community College District
State Summary Schedule of Prior Audit Findings
Year Ended August 31, 2011

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.