

Laredo Community College District

Audited Financial Statements and
Single Audit Reports

Year Ended August 31, 2015

Laredo Community College District
August 31, 2015

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LAREDO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Fiscal Year 2015

Board of Trustees

Officers

Mercurio Martinez, Jr.	President	November 2016
Allen Tijerina	Vice President	November 2018
Cynthia Mares	Secretary	November 2016

Term Expires

Leonides G. Cigarroa, Jr., M.D.	Laredo, Texas	November 2016
Michelle De La Pena	Laredo, Texas	November 2020
Rene De La Vina	Laredo, Texas	November 2018
Gilberto Martinez, Jr., Ed.D.	Laredo, Texas	November 2018
Jackie Leven Ramos	Laredo, Texas	November 2020
Ernestina C. Vela	Laredo, Texas	November 2020

Principal Administrative Officers

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

J & Jlege
2015-2016
Organizational Structure

President
Dr. Juan L. Maldonado

Construction Proj|CI
Manager
Robert A. Porter

DonorRelaJons &
Speaal Projects
Sara A. Pompa

Ch18ifMnaaal Officer
Nora Stewart

Chief Officer for Facilities and
LCC Oil & Gas Institute
Orlando J. Zepeda

Communications & Institutional
Effectiveness Officer
Deirdre E. Reyna

Infonnabon Technology Officer
Luanano Ramon

Voce Pn!Sident for Instruotion &
Student Services
Dr. Vmcent R Sois

**Vice President for Resource
Development**
Dr. Nora R. Garza

University of West Florida

2015 - 2016

Instruction & Student Services Division

Vice President for Instruction & Student Services
Dr. Vincent R. Solis

Administrative Assistant II
Rosa A. Huerta

Administrative Assistant II
Linda Gamez

Associate Vice President for Instruction
Dr. Federico Solis, Jr.

Associate Vice President for Student Services
Robert Ochoa

Dean of Arts & Sciences
Marisela Roduez

Dean of College Readiness
Marissa Guenero-Longona

Dean of Health Sciences & Dual Enrollment
J. Alfredo Jimenez-Jimenez

Assistant Dean of Workforce Education
Roxanne Vedia

Assistant Dean of Enrollment & Registration Services
Dr. Albert Salinas

Dean of Enrollment & Registration Services
Priscilla G. Medina

Dean of Student Affairs
Raquel A. Pina

Distance Learning
Elizabeth C. Roduez

Environmental Science Center
Tom Miller

Honors Program
Laura L. Ramirez-Cruz

Natural Sciences & Kinesiology
Dr. Jim R. Goetze

Performing Arts
Maria E. Solz

Social & Behavioral Sciences
Dr. Horacio Salinas, Jr.

Visual Arts
Mana E. Sola

English & Communications
Dr. Annando I. Perez

Mathematics
Dr. Annando I. Perez

Emergency Medical Services
Manuel Ramirez

Medical Assistant
Norma C. Moore

Nursing
Dr. Dianna L. Miller

Occupational Therapy Assistant
Jodie M. Valls

Phlebotomy
Adriana B. Nunemaker

Physical Therapist Assistant
Esmeralda Vargas

Radiological Technology
Oscar Gomez

Business & Economic Development Center
George E. Macdonald & Rodney Rodriguez

Computer Technology
Robert P. Moore

Culinary Arts

South Texas Border Regional Police Academy
Donald R. Hale

Transportation Technology
Francisco J. Ramirez

Child Development
Giana C. Juarez

Continuing Education & Adult Education
Sandra Cortez

Industrial Technology
Heriberto Hernandez

Tech Prep
Vacant

Zapata Advanced Education Center

Assessment Center
Dimitri G. Garcia

Community Outreach
Rebeka L. Henera

Registrar
O. Diana Rubio

Enrollment & Registration Services
Carlos G. Perez

Financial Aid Center
Steven Aguilar

Student Success Center
Andrea Lopez

Athletics
Troy G. Van Brunt

Health Services
Melissa Garcia

Learning Enrichment Center
Jose J. Regalado

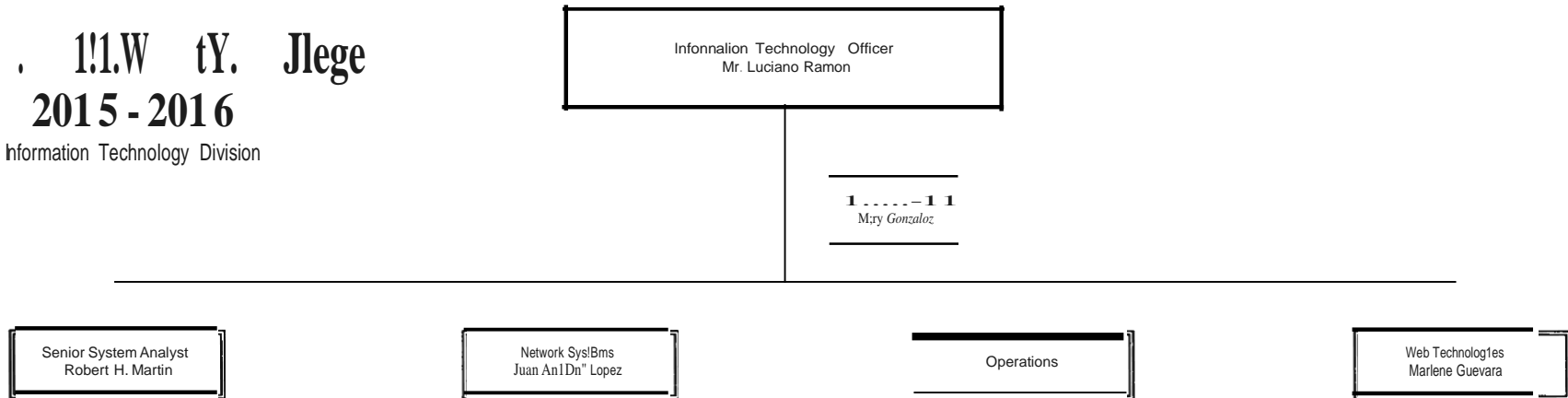
Library Services
Dale Saenz

Special Services Center
Adriana Craddock

Student Life
Carmelino Castillo

11. W tY. Jlege
2015 - 2016

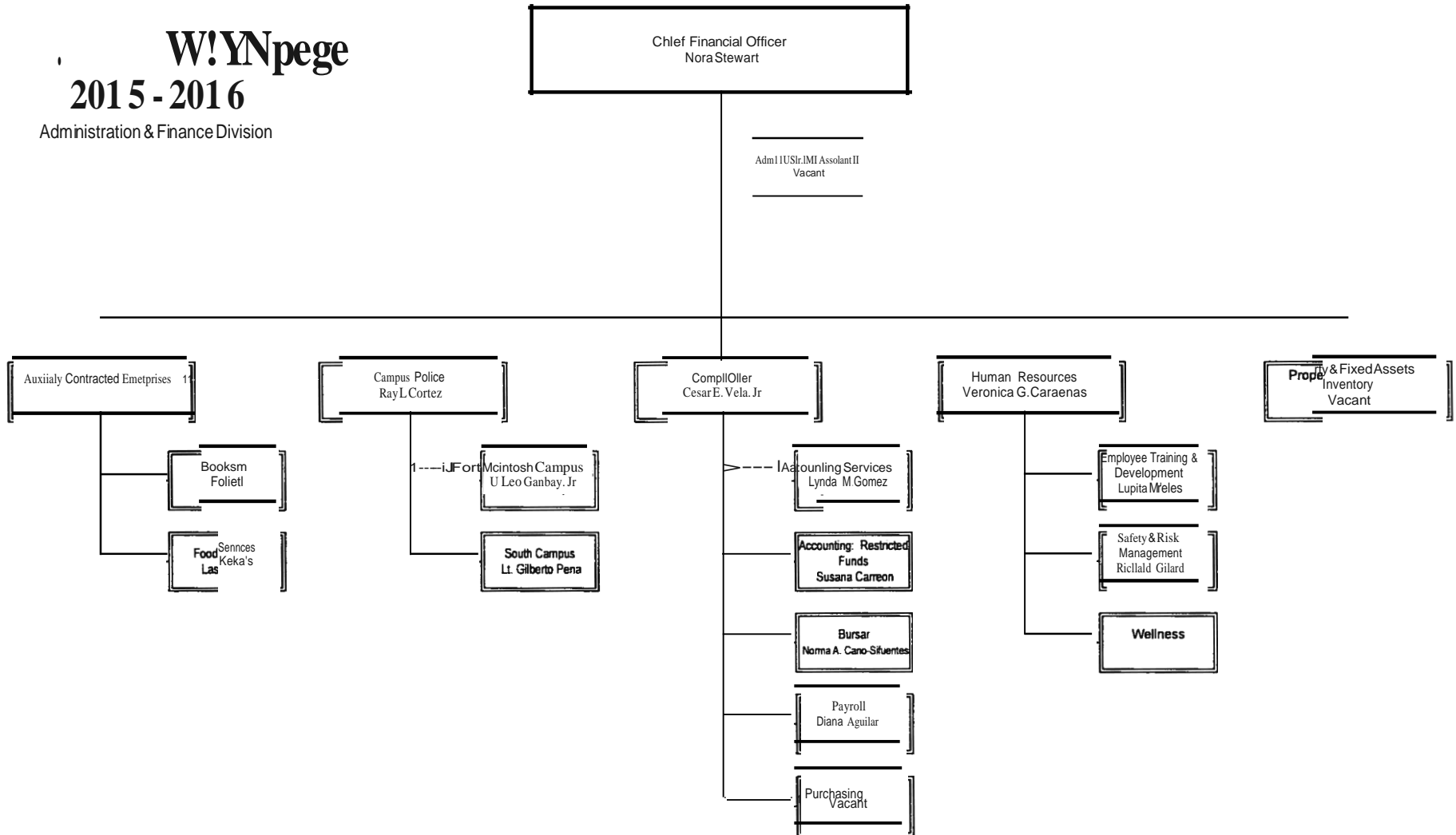
Information Technology Division



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2015 - 2016

Administration & Finance Division



Annual Report 2015-2016

Communications & Institutional Effectiveness Division

Communications & Institutional Effectiveness Officer
Deirdre E. Reyna

Administrative Assistant II
Marilyn D. Lari

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Institutional Effectiveness & Assessment
David V. Amato

Institutional Research & Planning
Manuela Ramirez

LCC Fine Arts Center
Ricardo G. Iniguez

Marketing Director
Vacant

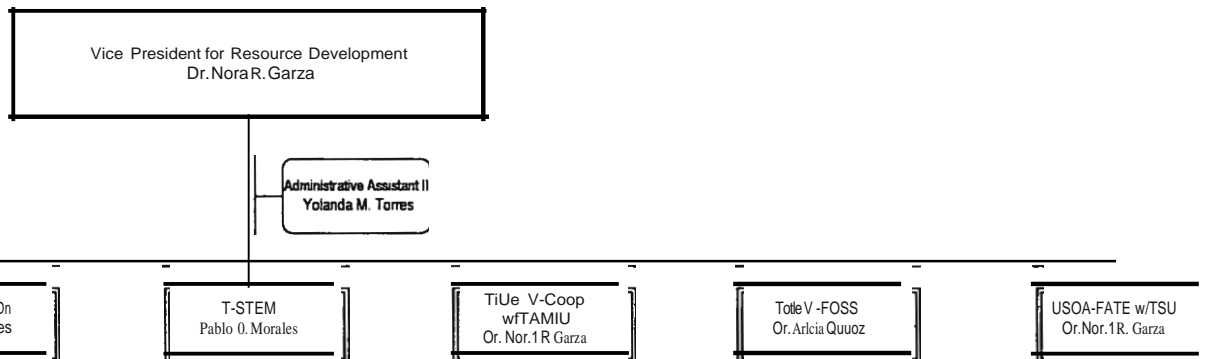
Marketing & Public Relations
Steve Trivino

Media Center
Vacant

Print/ Copy & Mail Services
Vacant

Quality Enhancement Plan
Vacant

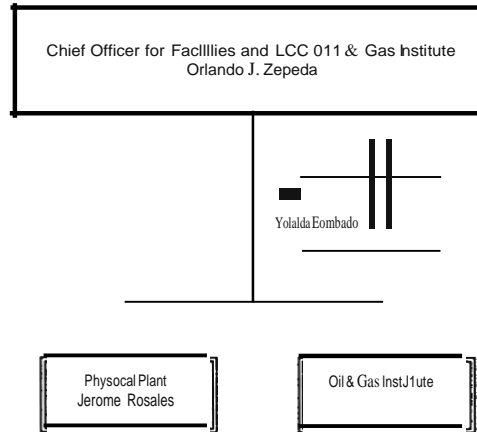
Laredo Community College
2015 - 2016
Resource Development Division



Laredo Community College

2015 - 2016

Facilities and Oil & Gas Institute Division



FINANCIAL SECTION



Unales, Garza & Baum PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Aaron Canales, CPA
Juan Jose Garza, CPA
J.C. Ilayton Baum, CPA (Ret.)
Guadalupe Garcia-Wright, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Laredo Community College District (the "District"), as of and for the year ended August 31, 2015 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State of Texas Single Audit Circular*, and are also not a required part of the basic financial statements.

The supplemental schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, net assets by source and availability, and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion the supplemental schedules of operating revenues, operating expenses by object, non-operating revenues and expenses, net assets by source and availability, and schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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Laredo, Texas
December 9, 2015

**Laredo Community College District
Management Discussion and Analysis
Year Ending August 31, 2015**

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, 2015, and comparative information for the year ended August 31, 2014 and August 31, 2013. Since the emphasis of discussion about these statements will be on current activities, resulting change and currently known facts, it should be read in conjunction with the College's Basic Financial Statements and the footnotes.

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

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

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

Financial Highlights

- The College's total combined Net Position was \$40,675,230 at August 31, 2015. Of this amount, \$10,493,445 may be used to meet the College's ongoing obligations.
- Total operating revenues increased by \$775,149 or 3.93% from \$19,747,939 in 2014 to \$20,523,088 in 2015.
- The College's ad-valorem tax revenue for maintenance and operations increased by 8.57% or \$2,125,281 from \$24,808,574 in 2014 to \$26,933,855 in 2015.
- Non-operating revenues increased 4.68% or \$2,662,424 from \$56,920,032 in 2014 to \$59,582,456 in 2015.
- Capital assets, net of accumulated depreciation, at August 31, 2015, had an increase of \$4,219,389 from August 31, 2014.
- The College's net position as of September 1, 2014 was restated by \$10,002,257 from \$46,366,768 to \$36,364,511 for the implementation of GASB 68.
- During the fiscal year, the College's combined Net Position increased by \$4,310,719 or 9.30%.

Statement of Net Position

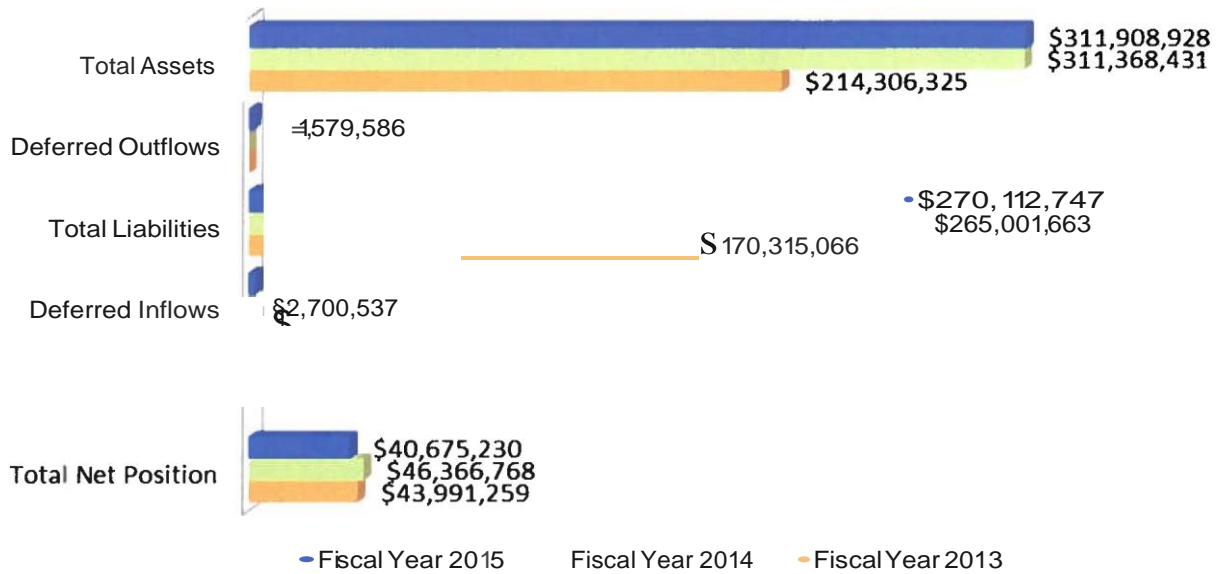
The statement of net position presents the assets, liabilities and net position of the College as of the end of the fiscal year. The purpose of the statement of net position is to present to the readers of the financial statements a fiscal snapshot of Laredo Community College.

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

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

Statement of Net Position			
	2015	2014	2013
Assets:			
Current assets	\$ 161,630,434		
Capital assets	149,440,979		
Other non-current assets	837,515		
Total assets	311,908,928		
Deferred Outflows Related to Pensions	1,579,586		
Liabilities:			
Current liabilities	27,825,141		
Non-current liabilities	242,287,606		
Total liabilities	270,112,747		
Deferred Inflows Related to Pensions	2,700,537		
Investment in capital assets, net of related debt	16,142,551		
Restricted net assets	14,039,234		
Unrestricted net assets	10,493,445		
Total Net Position	\$ 40,675,230		

Statement of Net Position Comparison - Fiscal Year 2015, 2014 and 2013



Fiscal Year 2015 compared to 2014

The total assets of the College increased \$540,497 or .17% compared to the prior year, from \$311,368,341 in 2014 to \$311,908,928 in 2015. Within the assets section, current assets decreased by 2.20% - equal to \$3,641,439. This decrease is due to a decrease in cash and cash equivalents of \$5,387,988. The decrease in cash and cash equivalents is attributed to the increase in interest and principal payments attributed to the acquisition of debt in 2014. Also decreasing in this section, were the tuition and fees receivable which decrease by \$512,564. The decrease in tuition and fees receivable were due to a decrease in enrollment for the fall 2015 semester. These decreases were offset by increases in property taxes receivable which increased by \$224,910 and by increases in federal receivables. The \$1,071,558 increase in federal receivables is mainly attributed to an increase in the Pell Grant Receivable. Also increasing in this area were other receivables which increased by \$382,148 compared to the prior year. Also within this section, capital assets, net of accumulated depreciation, increased by \$4,219,389 or 2.91%. The increase was primarily due to an increase in other real estate improvements of \$6,068,393 due to the capitalization of costs associated to improvements to the Fort McIntosh Intramural Sports Complex, the South Campus Sports Complex, the Fort McIntosh Mall areas, the implementation of the CCTV security system, sewer system improvements to the Fort McIntosh Campus, and to improvements to the Historic Star Fort grounds. For Fiscal Year 2015 there was an increase of \$1,771,447 in furniture and equipment. Other increases to capital assets include an increase to library books of \$66,204 and an increase of \$1,625,207 to lease hold interests. The increases were offset by a decrease in construction in process of \$5,892,493 due to the capitalization of Phase II renovation and construction projects. In addition, the increase in capital assets were also offset by increases in accumulated depreciation of \$5,564,615 and Fiscal Year 2015 amortization expense on leasehold interest equipment of \$530,839.

On the liability side, the total liabilities of the College increased by \$5,111,084 or 1.93% compared to fiscal year 2014, from \$265,001,663 in 2014 to \$270,112,747 in 2015. Within this net change, current liabilities increase by \$3,746,133 or 15.56%, due primarily to an increase in bonds payable - current portion of \$3,211,962. Also increasing in this section were accounts payable which increased by \$594,158 compared to the prior year. In addition, there was an increase in retainage payable of \$253,611, attributed to costs for Facilities Master Plan Phase III construction projects that had not been completed at year end. These increases were offset by a decrease of \$872,508 in the current portion of compensated absences due to payments made in FY 2015 to employees who retired.

Non-current liabilities increased by \$1,364,951, or .57% from \$240,922,655 in 2014 to \$242,287,606 in 2015. The primary change that contributed toward this increase was an increase to net pension liability of \$8,828,084 due to the implementation of GASB 68. The \$8,828,084 increase to non-current liabilities was offset by a reduction of \$7,694,836 to bonds payable due to principal payments made in FY 2015.

The increase in total assets from 2013 to 2014 of \$540,497 less the increase in total liabilities of \$5,111,084 yields a decrease in net position of \$4,570,587. Forty percent of the College's net position, \$16,241,272, 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 34%. The remaining 26% of the College's net position, \$10,493,445 are unrestricted net assets and may be used for educational or general operations by the College.

Fiscal Year 2014 compared to 2013

The total assets of the College increased \$97,062,106 or 45.29% compared to the prior year, from \$214,306,325 in 2013 to \$311,368,431 in 2014. Within the assets section, current assets increased by 120.37% - equal to \$90,274,207. This increase is due to an increase in cash and cash equivalents of \$88,874,887. The increase in cash and cash equivalents is attributed to the receipt of general obligation bond proceeds for Phase III of the Facilities Master Plan. Also increasing in this section were tuition and fees receivable which increased by \$1,192,187. The increase in tuition and fees receivable is attributed to an increase in fee revenue for fall 2014 attributed to a \$15 dollar increase to the general use fee and a \$2.50 increase to both the technology and instructional support fees. In addition, for fiscal year 2014 federal receivables increased by \$582,858, compared to the prior year. The \$582,858 increase in federal receivables is mainly attributed to an increase in Title V grant receivables. Also increasing in this area were other receivables which increased by \$221,996 compared to the prior year. These increases were slightly offset by decreases to property taxes receivable of \$309,500 and decreases to prepaid expenses of \$290,364.

Also within this section, capital assets, net of accumulated depreciation, increased by \$5,912,931 or 4.24%. The increase was primarily due to an increase in buildings of \$23,267,838 due to the capitalization of renovation costs for the Kazen Student Center, the Elpha Lee West Building, the Lerma Pena Building, campus housing buildings, Laird Hall, Music and Dance Building II and the Art Building II. For Fiscal Year 2014 there was an increase of \$3,355,703 in furniture and equipment. Other increases to capital assets include an increase to library books of \$77,469 and an increase of \$1,499,763 to land improvements. The increases were offset by a decrease in construction in process of \$15,768,672 due to the capitalization of Phase II renovation and construction projects. In addition, the increase in capital assets were also offset by increases in accumulated depreciation of \$5,023,270 and Fiscal Year 2014 amortization expense on leasehold interest equipment of \$463,493.

On the liability side, the total liabilities of the College increased by \$94,686,597 or 55.59% compared to fiscal year 2013, from \$170,315,066 in 2013 to \$265,001,663 in 2014. Within this net change, current liabilities decreased by \$685,276 or 2.77%, due primarily to a decrease in accounts payable of \$2,091,290. The decrease in accounts payable is attributed to a decrease of \$1,331,962 in construction accounts payable compared to the prior year and a decrease to salaries and benefits payable of \$655,147. In addition, there was a decrease in retainage payable of \$784,675, attributed to payments made for Facilities Master Plan Phase II construction projects that were completed during fiscal year 2014. These decreases were offset by an increase of \$1,388,818 in deferred revenues for fall 2014 tuition and fees that were unearned at year-end and by an increase of \$831,525 in bonds payable. The increase in deferred revenues for fall 2014 was attributed to an increase in fee revenue for fall 2014 attributed to a \$15 dollar increase to the general use fee and a \$2.50 increase to both the technology and instructional support fees.

Non-current liabilities increased by \$95,371,873, or 65.52% from \$145,550,782 in 2013 to \$240,922,655 in 2014. The primary change that contributed toward this increase was an increase to bonds payable - noncurrent of \$95,999,467 due to the issuance of General Obligation Bonds Series 2014 in the amount of \$100,000,000.

The increase in total assets from 2013 to 2014 of \$97,062,106 less the increase in total liabilities of \$94,686,597 yields an increase in net position of \$2,375,509. Twenty eight percent of the College's net

position, \$12,987, 174, 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 and additional 31%. The remaining 41% of the College's net position, \$18,934, 164 are unrestricted net assets and may be used for educational or general operations by the College.

Fiscal Year 2013 compared to 2012

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

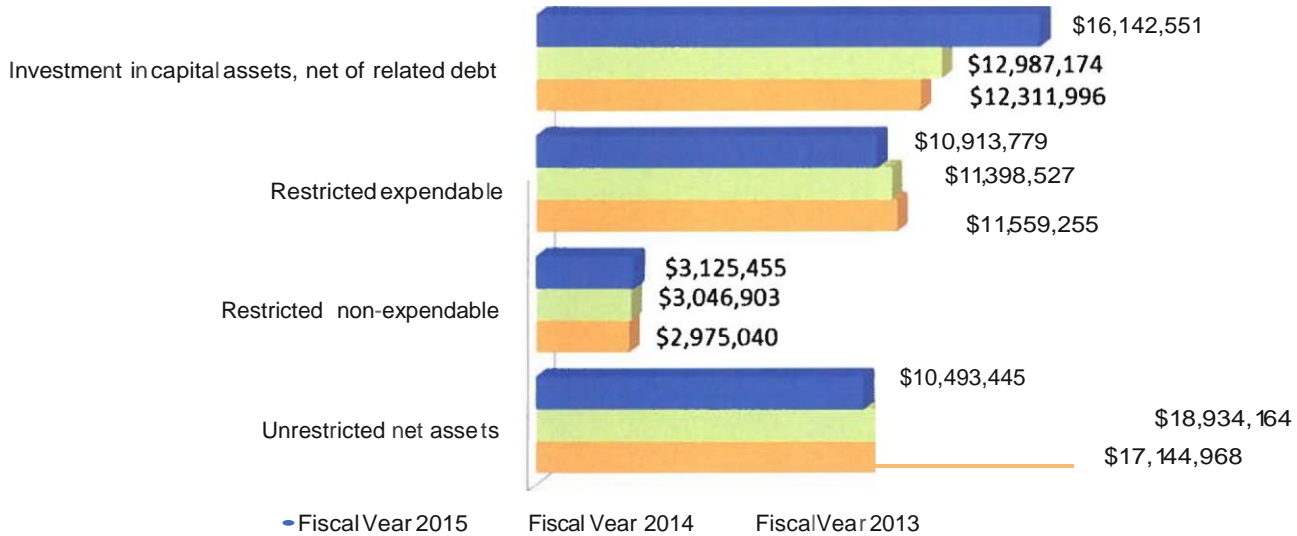
Also within this section, capital assets, net of accumulated depreciation, increased by \$18,799,254 or 15.60%. The increase was primarily due to an increase in construction in process of \$11,615,936 during fiscal year 2013. The increase in construction in process was attributed to unfinished construction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

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

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

The decrease in total assets from 2012 to 2013 of \$3,005,380 and the decrease in total liabilities of \$2,773,807 yields a decrease in net position of \$231,573. Twenty eight percent of the College's net position, \$12,311,996, reflect the College's investment in capital assets net of related debt. Restricted net assets such as endowment gifts, grants from third-party agencies with expenditure restrictions, student loan funds, and assets designated for debt service represent and additional 33%. The remaining 39% of the College's net position, \$17,144,968 are unrestricted net assets and may be used for educational or general operations by the College.

Net Position
Comparison - Fiscal Year 2015, 2014 and 2013



Statement of Revenues, Expenses and Changes in Net Position

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

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

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

Statement of Revenues, Expenses and Changes in Net Position

	2015	2014	2013
Operating Revenues	\$ 20,523,088	\$ 19,747,939	\$ 18,649,602
Operating Expenses	75,794,825	73,404,249	76,187,010
Operating Loss	(55,271, 737)	(53,656,310)	(57,537,408)
Non-operating revenues and expenses	59,582,456	56,920,032	57,281,128
Increase in Net Position	4,310,719	3,263,722	(256,280)
Net Position at beginning of year	46,366,768	43,991,259	44,222,832
Prior Period Adjustment	(10,002,257)	(888,213)	24,707
Restated Net Position at beginning of year	36,364,511	43,103,046	44,247,539
Net Position at end of year	\$ 40,675,230	\$46,366,768	\$ 43,991,259

Fiscal Year 2015 compared to 2014

The statement of revenues, expenses and changes in net position reflects an increase to net position of \$4,310,719 for fiscal year 2015, compared to an increase of \$3,263,722 for fiscal year 2014.

As is normal, operations yielded a loss for the year of \$55,271,737. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

The operating loss increased by \$1,615,427 or 3.01%, from \$53,656,310 in fiscal year 2014, to \$55,271,737 in fiscal year 2015. Operating revenues increased by \$775,149, and total operating expenses increased by \$2,390,576.

Total operating revenues increased by \$775,149, which primarily consisted of an increase of \$708,085 in state grants and contracts, an increase of \$536,506 in federal grants and contracts, and an increase in tuition and fee revenue of \$253,400. The increase in tuition and fees is attributed to an increase of \$15 dollars per semester credit hour to the general use fee and a \$2.50 per semester credit hour increase to both the technology and instructional support fees. These increases were offset by a decrease of \$619,522 in other operating revenues.

Fiscal Year 2014 compared to 2013

The statement of revenues, expenses and changes in net position reflects an increase to net position of \$3,263,722 for fiscal year 2014, compared to a decrease of \$256,280 for fiscal year 2013.

As is normal, operations yielded a loss for the year of \$53,656,310. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

The operating loss decreased by \$3,881,098 or 6.75%, from \$57,537,408 in fiscal year 2013, to \$53,656,310 in fiscal year 2014. Operating revenues increased by \$1,098,337, and total operating expenses decreased by \$2,782,761.

Total operating revenues increased by \$1,098,337, which primarily consisted of an increase of \$833,178 in auxiliary enterprise revenue, an increase of \$580,492 in other operating revenues and an increase of \$571,371 in state grants and contracts. These increases were offset by a decrease of \$348,624 in federal grants and contracts and a decrease of \$296,587 in nongovernment grants and contracts revenue.

Fiscal Year 2013 compared to 2012

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

As is normal, operations yielded a loss for the year of \$57,537,408. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

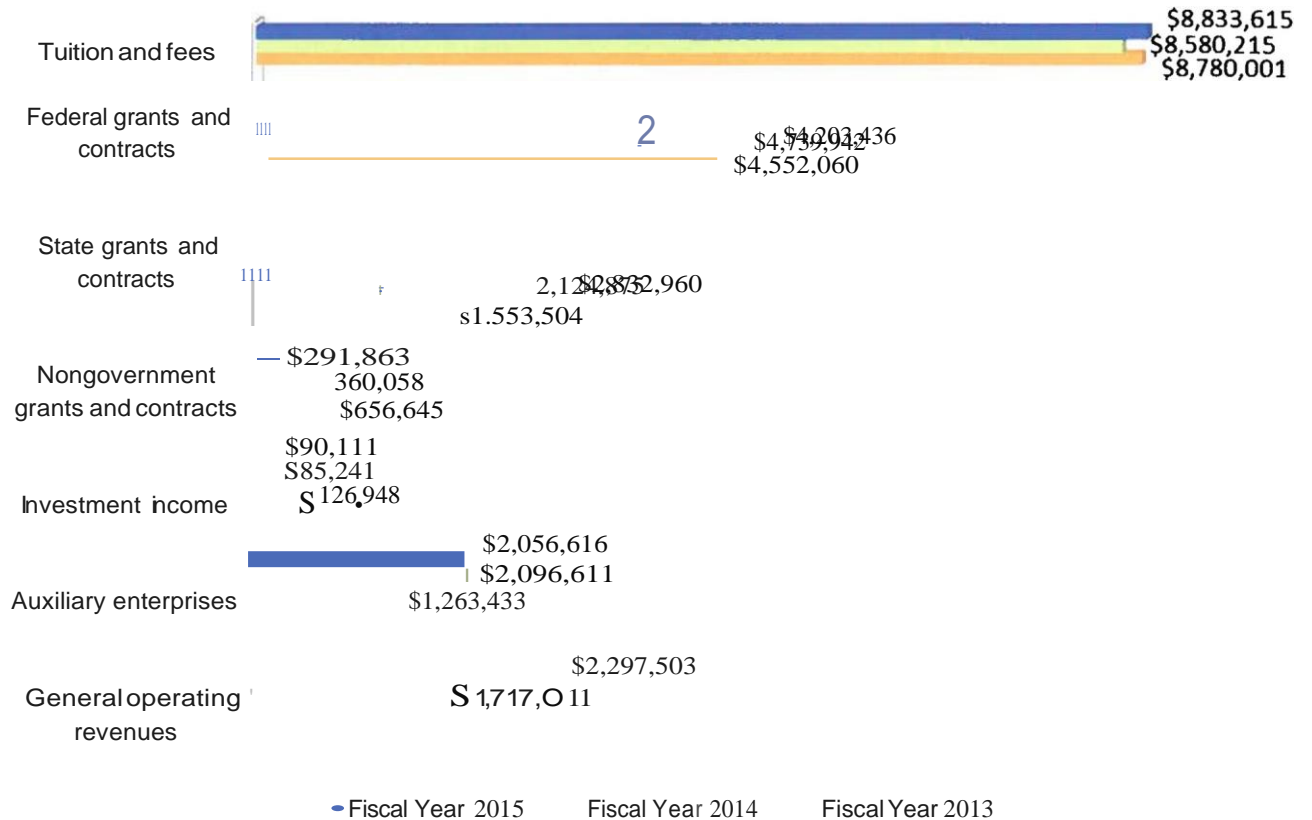
The operating loss increased by \$1,267,629 or 2.25%, from \$56,269,779 in fiscal year 2012, to \$57,537,408 in fiscal year 2013. Operating revenues decreased by \$77,464, and total operating expenses increased by \$1,190,165.

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

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

Operating revenues	2015		2014		2013	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Tuition and fees (net of discounts)	\$ 8,833,615	43.04%	\$ 8,580,215	43.45%	\$ 8,780,001	47.08%
Federal grants and contracts	4,739,942	23.10%	4,203,436	21.29%	4,552,060	24.41%
State grants and contracts	2,832,960	13.80%	2,124,875	10.76%	1,553,504	8.33%
Nongovernment grants and contracts	291,863	1.42%	360,058	1.82%	656,645	3.52%
Investment income (program restricted)	90,111	0.44%	85,241	0.43%	126,948	0.68%
Auxiliary enterprises (net of discounts)	2,056,616	10.02%	2,096,611	10.62%	1,263,433	6.77%
Other operating revenues	1,677,981	8.18%	2,297,503	11.63%	1,717,011	9.21%
Total	\$ 20,523,088	100.00%	\$ 19,747,939	100.00%	\$ 18,649,602	100.00%

**Operating Revenues
Comparison - Fiscal Year 2015, 2014 and 2013**



Fiscal Year 2015 compared to 2014

For 2015 operating expenses increased by 3.26%, or \$2,390,576 compared to the prior year. The increase in operating expenses was due to the budgeted level spending associated with increased personnel costs and increased operating costs associated with newly expanded facilities. An analysis of operating expenses by function indicates the most significant year-to-year increase in expenditures to be in institutional support by \$1,361,883 or 11.02% and in operation and maintenance of plant by \$796,882 or 12.03%. The increase in institutional support can be attributed to increases in employee benefit costs due to decreases in state funding. The increase in operation and maintenance of plant can be attributed to increased operational costs due to the expansion of college facilities. These increases were offset by a decrease in scholarship expense of \$1,815,255. The decrease in scholarship expense is primarily due to a decrease in funds available from grants and scholarships to help students meet their educational needs.

Fiscal Year 2014 compared to 2013

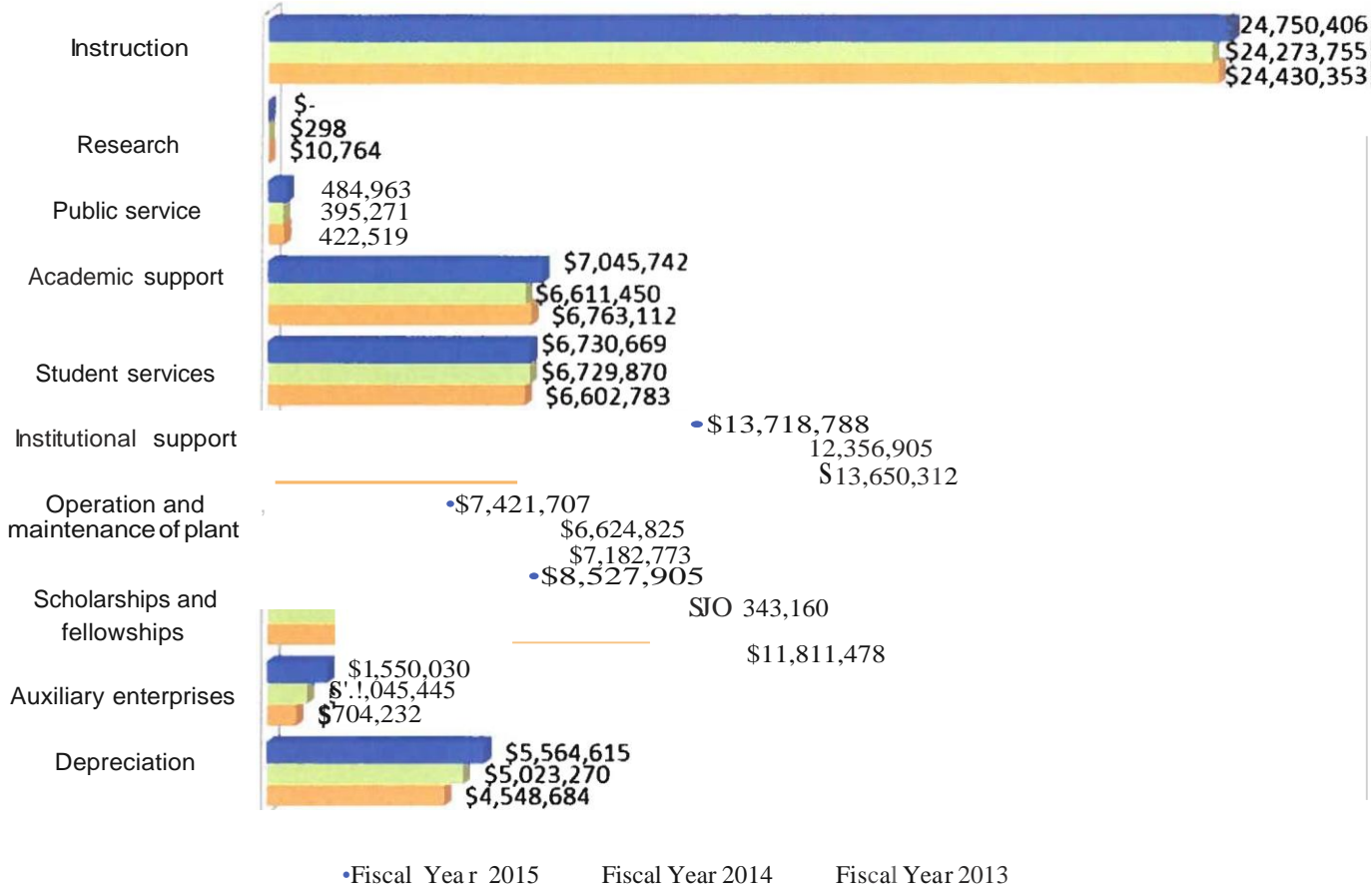
For 2014 operating expenses decreased by 3.65%, or \$2,782,761 compared to the prior year. The decrease in operating expenses was due to the budgeted level spending associated with decreased personnel costs and decreased operating costs associated with lower enrollments. An analysis of operating expenses by function indicates the most significant year-to-year decrease in expenditures to be in scholarship expenses by \$1,468,318 or 12.43% and in institutional support by \$1,293,407 or 9.48%. The decrease in scholarship expense is primarily due to a decrease in funds available from grants and scholarships to help students meet their educational needs. The decrease in institutional support is due to conservative spending practices by the college in response to decreases in enrollment.

Fiscal Year 2013 compared to 2012

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

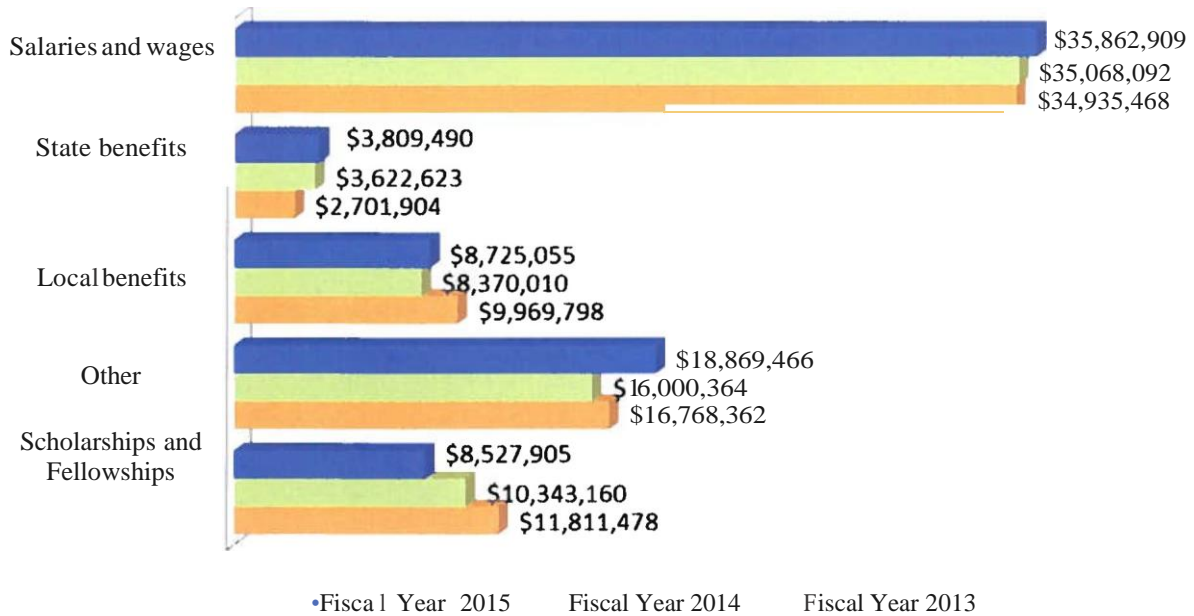
Operating Expenses by Function	2015		2014		2013	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 24,750,406	32.65%	\$ 24,273,755	33.07%	\$ 24,430,353	32.07%
Research		0.00%	298	0.00%	10,764	0.01%
Public se™ce	484,963	0.64%	395,271	0.54%	422,519	0.55%
Academic support	7,045,742	9.30%	6,611,450	9.01%	6,763,112	8.88%
Student serℓces	6,730,669	8.88%	6,729,870	9.17%	6,602,783	8.67%
Institutional support	13,718,788	18.10%	12,356,905	16.83%	13,650,312	17.92%
Operation and maintenance of plant	7,421,707	9.79%	6,624,825	9.03%	7,182,773	9.43%
Scharships and fellowhips	8,527,905	11.25%	10,343,160	14.09%	11,811,478	15.50%
Auxiliary enterprises	1,550,030	2.05%	1,045,445	1.42%	764,232	1.00%
Depreciation	5,564,615	7.34%	5,023,270	6.84%	4,548,684	5.97%
Total	\$ 75,794,825	100.00%	\$ 73,404,249	100.00%	\$ 76,187,010	100.00%

**Operating Expenses by Function
Comparison - Fiscal Year 2015, 2014 and 2013**



Operating Expenses by Classification	2015		2014		2013	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 35,862,909	47.32%	\$ 35,068,092	47.77%	\$ 34,935,468	45.85%
State benefits	3,809,490	5.03%	3,622,623	4.94%	2,701,904	3.55%
Local benefits	8,725,055	11.51%	8,370,010	11.40%	9,969,798	13.09%
Other	18,869,466	24.90%	16,000,364	21.80%	16,768,362	22.01%
Scholarships and fellowships	8,527,905	11.25%	10,343,160	14.09%	11,811,478	15.50%
Total	\$ 75,794,825	100.00%	\$ 73,404,249	100.00%	\$ 76,187,010	100.00%

Operating Expenses by Classification
Comparison - Fiscal Year 2015, 2014 and 2013



Fiscal Year 2015 compared to 2014

Net non-operating revenues (expenses) increased over fiscal year 2014 by 4.68%, or \$2,662,424. The increase in non-operating revenues was due primarily to an increase in ad-valorem tax revenues of \$5,431,764. This increase is attributed to an increase in the tax rate for fiscal year 2015. In addition, there was an increase of \$713,508 in investment income due to an increase in the amount of funds invested due to bond proceeds received from the Series 2014 General Obligation Bonds. These increases were offset by an increase of \$3,469,351 in interest on capital related debt and to a decrease of Title IV revenue in the amount of \$1,068,449.

Fiscal Year 2014 compared to 2013

Net non-operating revenues (expenses) decreased over fiscal year 2013 by 0.63%, or \$361,096. The decrease in revenues was due primarily to a decrease in federal revenues non-operating of \$1,172,332 due to a reduction of Title IV revenue. In addition, there was an increase of \$746,698 in bond issuance costs related to the issuance of the \$100 million dollar General Obligation Bond. Investment income decreased by \$312,132 or 44.76% compared to fiscal year 2013 due to lower interest rates. The decrease in federal revenues non-operating was offset by an increase in state appropriation revenue of \$1,175,801 or 8.67% compared to the prior year.

Fiscal Year 2013 compared to 2012

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

The Statement of Revenues, Expenses, and Changes in Net Position reflect a 9.30% increase in net position at the end of the year.

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

- Tuition and fees were discounted by \$14,721,218 and \$14,077,063 in fiscal years 2015 and 2014 respectively, which consisted of federal, state, local and private grants that were provided as financial aid to students and other remissions and exemptions.
- Tax collections for maintenance and operations increased 8.18% from \$23,929,984 in 2014 to \$25,887,218 in 2015.
- The tax rates assessed in fiscal years 2014 and 2015 were \$0.255217 and \$0.297163 respectively.

Statement of Cash Flows

The final statement in our presentation is the statement of cash flows. It presents detailed information about the cash activity of the College during the year. The statement is divided into five sections. The first section reports the operating cash flows used by the College in its operating activities. For the year, the primary sources of operating cash inflows were tuition and fees and grant revenues. Conversely, the primary operating cash outflows were payments of salaries and fringe benefits. Net cash outflows for the year were \$50,767,555.

For 2014, the College experienced cash outflows of \$51,887,309 from operating activities.

For 2013, the College experienced cash outflows of \$51,650,801.

The second section reports cash flows from noncapital financing activities. This section includes cash received and spent for non-operating, non-investing, and non-capital financing purposes. The College experienced a net cash inflow for the year of \$61,940,186. 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 \$14,924,461, \$20,014,322 and \$26,708,945 respectively.

For 2014, the College experienced a net cash inflow for the year of \$60,975,647. 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 \$14,737,592, \$21,082,771 and \$25,118,074 respectively.

For 2013, the College experienced a net cash inflow from non-capital financing activities for the year of \$60,017,074. The primary sources of cash were receipts from state appropriations, receipts from non-operating federal revenue and ad valorem (property) taxes levied for the maintenance and operation of plant, which generated an inflow of \$13,561,791, \$22,255,103 and \$24,096,730 respectively.

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 \$17,659,323. The primary cash inflows were receipts from the issuance of capital debt in the amount of \$26,846,405 for the Limited Tax Refunding Bond Series 2015 and the Combined Fee Revenue Refunding Bonds, Series 2015. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of \$9,531,703 and payments on capital debt of \$30,530,238 primarily due to the payment of principal on the refunding of the Limited Tax Refunding Bonds, Series 2005 and on the refunding of the Combined Fee Revenue Bonds, Series 2005. In addition, there was a cash outflow of \$11,489,048 for capital debt and lease interest payments. The \$3,558,230 increase in interest payments can be attributed to the issuance of capital debt of \$100,939,391 in 2014.

For 2014, net cash inflows for the year were \$79,401,353. The primary cash inflows were receipts from the issuance of capital debt in the amount of \$100,939,391 for the financing of the Facilities Master Plan Phase III and ad-valorem taxes of \$3,701,325. The primary uses of the cash were outflows for payments on

acquisition of capital assets in the amount of \$11,738,105 and payments on capital debt, leases, principal, interest and fees of \$12,626,290.

For 2013, net cash outflows from financing activities for the year were \$29,638,457. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of \$21,587,401 and payments on capital debt, leases, principal, interest and fees of \$11,839,208. The primary cash inflows were ad-valorem taxes of \$3,781,659.

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 2015, the College experienced a net cash inflow of \$1,098,704 from receipts from interest on investments. The increase of \$713,508 in receipts from interest can be attributed to an increase in funds invested due to proceeds received from the issuance of debt in 2014.

For 2014, the College experienced a net cash inflow of \$385,196 from receipts from interest on investments.

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

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

Statement of Cash Flows

	2015	2014	2013
Cash provided (used) by			
Operating Activities	\$ (50,767,555)	\$ (51,887,309)	\$ (51,650,801)
Non-capital financing activities	61,940,186	60,975,647	60,017,074
Financing activities	(17,659,323)	79,401,353	(29,638,457)
Investing activities	1,098,704	385,196	697,328
Net increase (decrease) in cash	(5,387,988)	88,874,887	(20,574,856)
Cash and cash equivalents - September 1	150,539,109	61,664,222	82,239,078
Cash and cash equivalents - August 31	<u>\$ 145,151,121</u>	<u>\$ 150,539,109</u>	<u>\$ 61,664,222</u>

Capital Assets

During fiscal year 2015, \$9,784,005 of new assets was capitalized. This amount is composed of the following:

- \$3,613,613 increase to other real estate improvements for the capitalization of renovation costs to the Fort McIntosh Campus Intramural Sports Complex
- \$1,771,447 of new equipment and furniture was capitalized
- \$1,094,368 net increase to leasehold interests due to the acquisition of information technology equipment
- \$1,053,221 increase to other real estate improvements for the capitalization of costs associated with the installation of the CCTV security system at the Fort McIntosh Campus
- \$783,593 net increase to construction in process related to the Facilities Master Plan Phase III projects
- \$748,406 increase to other real estate improvements for the capitalization of costs for improvements to the Fort McIntosh Mall Areas
- \$468,498 increase to other real estate improvements for the capitalization of renovation costs to the South Campus Sports Complex
- \$130,635 increase to other real estate improvements for the capitalization of costs associated with sewer system improvements at the Fort McIntosh Campus

- \$54,020 increase to other real estate improvements for the capitalization of costs for improvements to the Historic Star Fort grounds
- \$ 66,204 of new library books was capitalized

The \$9,784,005 increase in fixed assets was partially offset by \$5,564,615 of depreciation expense for Fiscal Year 2015.

During fiscal year 2014, \$35,558,875 of new assets was capitalized. This amount is composed of the following:

- \$7,358,102 increase to construction in process related to the Facilities Master Plan Phase II projects
- \$7,079,505 increase to buildings due to the capitalization of renovation costs to Kazen Student Center
- \$5,766,175 increase to buildings due to the capitalization of renovation costs to the Lerma Pena Building
- \$3,355,703 of new equipment was capitalized
- \$2,996,481 increase to buildings due to the capitalization of renovation costs to the Elpha Lee West Building
- \$2,639,984 increase to buildings due to the capitalization of renovation costs to the Laird Hall Building
- \$1,705,246 increase to buildings due to the capitalization of renovation costs to the Central Plant
- \$1,529,670 increase to buildings due to the capitalization of renovation costs to the Music and Dance Building II
- \$1,499,763 increase to land improvements
- \$1,191,261 increase to buildings due to the capitalization of renovation costs to campus housing
- \$ 359,516 increase to buildings due to the capitalization of renovation costs to Art Building II
- \$ 77,469 of new library books was capitalized

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

- \$20,605,648 increase to construction in process related to the Facilities Master Plan Phase II projects
- \$ 3,943,860 increase to buildings due to the capitalization of renovation costs to the Hachar Vocational Building
- \$ 2,745,965 increase to buildings due to the capitalization of renovation costs to the Adkins Building
- \$ 2,248,446 increase to buildings due to the capitalization of renovation costs to the Eloy Garcia Building
- \$ 2,176,273 of new equipment was capitalized
- \$ 962,190 for capital lease of computer equipment
- \$ 51,441 increase to land improvements due to the capitalization of the Moore Welding Canopy
- \$ 93,364 of new library books was capitalized

Long Term Debt

Fiscal Year 2015

Long-term debt decreased by \$7,694,836 due to principal payments on long-term debt.

Fiscal Year 2014

Long-term debt increased by \$95,999,467 during fiscal year 2014. The increase is attributed to the issuance of General Obligation Bonds in the amount of \$100,000,000 for the financing of Phase III of the Facilities Master Plan.

Fiscal Year 2013

Long-term debt decreased by \$4,196,842 during fiscal year 2013. 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 state appropriation revenue, increases in ad-valorem tax revenues and conservative spending practices have contributed to the College's overall financial stability.

Laredo Community College is financially sound and the economic outlook remains bright.

Request for Information

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

Laredo Community College District
Statement of Net Position
August 31, 2015 and August 31, 2014
Exhibit 1

Assets	Current Year	Prior Year
Current assets		
Cash and cash equivalents	\$ 145,151,121	\$ 150,539,109
Property taxes receivable (net of allowances of \$1,230,078 and \$1,285,333)	1,581,328	1,356,418
Tuition and fees receivable (net of allowances of \$678,297 and \$459,306)	8,546,422	9,058,986
Federal receivables (net of allowances of \$83,335 and \$259,867)	2,778,682	1,707,124
Other receivables (net of allowances of \$180,140 and \$98,900)	2,580,654	2,198,506
Inventories	6,284	6,577
Prepaid expenses	985,943	405,153
Total current assets	\$ 161,630,434	\$ 165,271,873
Noncurrent assets		
Capital assets, net of accumulated depreciation	149,440,979	145,221,590
Prepaid bond insurance (net of amortization)	837,515	874,968
Total non-current assets	\$ 150,278,494	\$ 146,096,558
Total assets	\$ 311,908,928	\$ 311,368,431
Deferred Outflows Related to Pensions	1,579,586	
Liabilities		
Current liabilities		
Accounts payable	3,510,148	2,915,990
Accrued liabilities	221,708	395,596
Deferred revenues	12,429,776	12,287,025
Funds held for others	515,516	425,161
Compensated absences - current portion	662,156	1,534,664
Capital leases payable - current portion	585,764	587,073
Accreted interest payable - current portion	1,150,312	649,311
Bonds payable - current portion	8,240,329	5,028,367
Retainage payable - current portion	509,432	255,821
Total current liabilities	\$ 27,825,141	\$ 24,079,008
Noncurrent liabilities		
Compensated absences - noncurrent portion	911,269	87,349
Capital leases payable - noncurrent portion	1,117,502	318,461
Accreted interest payable - noncurrent portion		1,391,258
Bonds payable (net)	231,430,751	239,125,587
Net Pension Liability	8,828,084	
Total noncurrent liabilities	\$ 242,287,606	\$ 240,922,655
Total liabilities	\$ 270,112,747	\$ 265,001,663
Deferred Inflows of Related to Pensions	2,700,537	
Net Position		
Investment in capital assets, net of related debt	16,241,272	12,987,174
Restricted for		
Nonexpendable - endowment corpus	3,125,455	3,046,903
Expendable		
Student aid	3,053,511	3,169,341
Plant funds	312,441	327,967
Other	81,005	124,896
Debt service reserve	6,198,629	6,400,890
Auxiliary	1,169,471	1,375,433
Unrestricted	10,493,445	18,934,164
Total Net Position	\$ 40,675,230	\$ 46,366,768

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

Laredo Community College District
Statement of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2015 and August 31, 2014
Exhibit 2

Revenues	Current Year	Prior Year
Operating revenues		
Tuition and fees (net of discounts of \$14,721,218 and \$14,077,063)	\$ 8,833,615	\$ 8,580,215
Federal grants and contracts	4,739,942	4,203,436
State grants and contracts	2,832,960	2,124,875
Nongovernment grants and contracts	291,863	360,058
Investment income (program restricted)	90,111	85,241
Auxiliary enterprises	2,056,616	2,096,611
Other operating revenues	<u>1,677,981</u>	<u>2,297,503</u>
Total operating revenues - Schedule A	<u>\$ 20,523,088</u>	<u>\$ 19,747,939</u>
 Expenses		
Operating expenses		
Instruction	24,750,406	24,273,755
Research		298
Public service	484,963	395,271
Academic support	7,045,742	6,611,450
Student services	6,730,669	6,729,870
Institutional support	13,718,788	12,356,905
Operation and maintenance of plant	7,421,707	6,624,825
Scholarships and fellowships	8,527,905	10,343,160
Auxiliary enterprises	1,550,030	1,045,445
Depreciation	<u>5,564,615</u>	<u>5,023,270</u>
Total operating expenses - Schedule B	<u>\$ 75,794,825</u>	<u>\$ 73,404,249</u>
 Operating income (loss)	 <u>\$ (55,271,737)</u>	 <u>\$ (53,656,310)</u>
 Non-operating revenues (expenses)		
State appropriations	14,924,461	14,737,592
Professional nursing shortage reduction	115,157	55,331
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	26,933,855	24,808,574
Taxes for general obligation bonds	7,007,808	3,701,325
Federal revenue, non-operating	20,014,322	21,082,771
Investment income	1,098,704	385,196
Interest on capital related debt	(10,660,658)	(7,191,307)
Other non-operating revenues (expenses)	61,861	(712,220)
Additions to permanent endowments	86,946	70,000
Gain/(Loss) on sale of asset		(17,230)
Capital gifts		
Net other non-operating revenues (expenses) - Schedule C	<u>\$ 59,582,456</u>	<u>\$ 56,920,032</u>
 Income before cumulative effect of a change in accounting principle	 4,310,719	 3,263,722
 Cumulative effect of a change in accounting principle		
 Income before cumulative effect of a change in accounting principle	 4,310,719	 3,263,722
 Increase (decrease) in Net Position	 4,310,719	 3,263,722
 Net Position - September 1, 2014 and September 1, 2013	 46,366,768	 43,991,259
Restatements (prior period adjustment)		(888,213)
Implementation GASB 68	(10,836,314)	
Deferred outflows - District contributions made during Fiscal Year 2014	834,057	
Restated Net Position - September 1, 2014 and September 1, 2013	<u>36,364,511</u>	<u>43,103,046</u>
 Net Position - August 31, 2015 and August 31, 2014	 <u>\$ 40,675,230</u>	 <u>\$ 46,366,768</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, 2015 and 2014
Exhibit 3

	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 10,978,203	\$ 10,556,713
Receipts from grants and contracts	7,081,270	6,291,842
Payments to suppliers for goods and services	(13,698,432)	(13,880,659)
Payments to or on behalf of employees	(48,499,264)	(47,027,533)
Payments for scholarships and fellowships	(8,307,313)	(10,125,175)
Other receipts (payments)	1,677,981	2,297,503
Net cash provided (used) by operating activities	<u>\$ (50,767,555)</u>	<u>\$ (51,887,309)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	14,924,461	14,737,592
Receipts from <i>Ad Va/orem</i> taxes - maintenance & operations	26,708,945	25,118,074
Receipts (Payments) from (to) student organizations and other agency transactions	90,355	(88,121)
Receipts from private gifts for endowment purposes	86,946	70,000
Receipts from non-operating federal revenue	20,014,322	21,082,771
Receipts from professional nursing shortage reduction	115,157	55,331
Net cash provided (used) by non-capital financing activities	<u>\$ 61,940,186</u>	<u>\$ 60,975,647</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from the issuance of capital debt	26,846,405	100,939,391
Receipts from <i>Ad Va/orem</i> Taxes - general obligation bonds	7,007,808	3,701,325
Acquisition and construction of capital assets	(9,531,703)	(11,738,105)
Payments of prepaid bond insurance	37,453	(874,968)
Payments on capital debt and leases-principal	(30,530,238)	(4,695,472)
Payments on capital debt and leases-interest and fees	<u>(1,489,048)</u>	<u>(7,930,818)</u>
Net cash provided (used) by capital and related financing activities	<u>\$ 7,659,323</u>	<u>\$ 79,401,353</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on investments	1,098,704	385,196
Net cash provided (used) by investing activities	<u>\$ 1,098,704</u>	<u>\$ 385,196</u>
Increase (decrease) in cash and cash equivalents	(5,387,988)	88,874,887
Cash and cash equivalents - September 1	150,539,109	<u>61,664,222</u>
Cash and cash equivalents - August 31	<u>\$ 145,151,121</u>	<u>\$ 150,539,109</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, 2015 and 2014
Exhibit 3

	Current Year	Prior Year
Reconciliation of net operating Income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (55,271,742)	\$ (53,656,310)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	5,564,615	5,023,270
Accrued <i>Ad Valorem</i> Tax	224,910	(309,500)
Deferred Outflow Change Related to Pension	(53,222)	
Changes in Assets and Liabilities:		
Receivables (net)	(1,153,292)	(1,681,194)
Inventories	293	(2,143)
Prepaid Expenses	(593,550)	284,016
Accounts Payable	594,158	(2,979,503)
Accrued Liabilities	(173,888)	12,048
Compensated Absences	(48,588)	33,189
Deferred Revenue	142,751	1,388,818
Net cash provided (used) by operating activities	\$ (50,767,555)	<u>\$ (51,887,309)</u>

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

Laredo Community College District
Notes to Financial Statements
August 31, 2015

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

This section provides a summary of Laredo Community College's significant accounting activities and other topics related to LCC's financial reporting.

Report Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public and Community and Junior Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

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

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

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

Basis of Accounting

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

Budgetary Data

Each community college 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.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by GASS.

Deferred outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASS. A typical deferred outflow for community colleges is a deferred charge on refunding debt.

Investments

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

Inventories

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

Capital assets

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

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

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

Unearned Revenue

Tuition and fees of \$11,246,398 and \$11,298,366 and federal, state, and local grants of \$1,183,379 and \$988,659 have been reported as deferred revenues at August 31, 2015 and August 31, 2014 respectively.

Estimates

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

Operating and non-operating revenue and expense policy

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

Pensions

For the year ended August 31, 2015, the (District or College) implemented the provisions of GASB Statement 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, and liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

Prior Year Restatement

The College makes a prior year restatement, as necessary, in accordance with APB 20. During the course of the year-end audit, an adjustment was made to the Fiscal Year 2015 beginning net assets. The adjustment was as follows :

- \$ 10,836,314 reduction to net assets for implementation of GASB 68 – Net pension liability (measurement date as of August 31, 2014).
- \$834,057 increase to net assets for college pension contributions made during FY 2014.

This adjustment was made for the implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

For Fiscal Year 2014, an adjustment was made to the Fiscal Year 2014 beginning net assets. The adjustment was as follows:

- \$888,213 reduction to net assets for debt issuance costs which had previously been capitalized

This adjustment was made in order to comply with GASB 65 which now requires debt issuance costs to be expensed in the year they are incurred.

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, 2015 and 2014, the carrying amount of the College's deposits was \$145,151,121 and \$150,539,109, respectively, and total demand deposits equaled \$145,130,672 and \$150,525,659, respectively. Deposits of \$258,431 and \$258,425 are covered by federal depository insurance and \$144,872,241 and \$150,267,234 were covered by \$148,643,422 and \$153,374,681 respectively, of collateral pledged in the College's name.

	August 31, 2015	August 31, 2014
<u>Cash and Deposits</u>		
Bank Deposits		
Demand Deposits	145,130,671	\$ 150,525,659
Total Bank Deposits	145,130,671	150,525,659
Cash on Hand	20,450	13
<u>450</u> Total Cash and Deposits	<u>:145:15:1 :12:1</u>	<u>\$:150,539,109</u>

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

Total Deposits and Investments:

Per Note 4:

Total Investments	\$
Total Cash and Deposits	<u>145,151,121</u>
Total per Note 4	<u>\$:145:15:1 :12:1</u>

Per Exhibit 1:

Cash and Cash Equivalents	\$ 145,151,121
Other short-term Investments	
Total per Exhibit 1	<u>\$:145:15:1 :12:1</u>

Concentration of Credit Risk: Laredo Community College does not place a limit on the amount the college may invest in any one issuer. Ninety nine percent (99%) of the college's investments are in Falcon International Bank and one percent (1%) is in BBVA Compass Bank.

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

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

Investment Category section for August 31, 2014 is included for comparison purposes only.

Investment Categories as of August 31, 2014

	August 31, 2014	August 31, 2013
<u>Cash and Deposits</u>		
Bank Deposits		
Demand Deposits	\$ 150,525,659	\$ 61,638,772
Total Bank Deposits	150,525,659	61,638,772
Cash on Hand	<u>13</u>	<u>25,450</u>
	<u>450</u>	
Total Cash and Deposits	\$ 150,539,109	\$ 61,664,222

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

Total Deposits and Investments:

Per Note 4:

Total Investments	\$
Total Cash and Deposits	<u>150,539,109</u>
Total per Note 4	<u>\$ 150,539,109</u>

Per Exhibit 1:

Cash and Cash Equivalents	\$ 150,539,109
Other short-term Investments	<u> </u>
Total per Exhibit 1	<u>\$ 150,539,109</u>

Concentration of Credit Risk: Laredo Community College does not place a limit on the amount the college may invest in any one issuer. Ninety six percent (96%) of the college's investments are in Falcon International Bank and four percent (4%) are in BBVA Compass Bank.

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

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

Note 5 - Derivatives

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

Note 6 - Capital Assets

Capital assets activity for the year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015
Not depreciated:				
Land	\$ 5,444,715	\$	\$	\$ 5,444,715
Water rights	9,920			9,920
Construction in Process	7,358,102	6,676,086	5,892,493	8,141,695
Subtotal	<u>\$ 12,812,737</u>	<u>\$ 6,676,086</u>	<u>\$ 5,892,493</u>	<u>\$ 13,596,330</u>
Buildings and Other Capital Assets:				
Buildings and Building Improvements	\$ 128,168,552	\$	\$	\$ 128,168,552
Other Real Estate Improvements	27,063,285	6,068,394		33,131,679
Total Buildings and Other Real Estate Improvements	<u>\$ 155,231,837</u>	<u>\$ 6,068,394</u>	<u>\$</u>	<u>\$ 161,300,231</u>
Library books	3,347,299	66,204	16,404	3,397,099
Leasehold Interest	449,442	1,625,206	530,839	1,543,809
Furniture, Machinery, and Equipment	21,947,305	1,771,447		23,718,752
Total Buildings and Other Capital Assets	<u>\$ 180,975,883</u>	<u>\$ 9,531,251</u>	<u>\$ 527,223</u>	<u>\$ 189,959,891</u>
Accumulated Depreciation				
Buildings and Building Improvements	\$ 19,877,555	\$ 2,300,422	\$	\$ 22,177,977
Other Real Estate Improvements	12,533,004	1,354,387		13,887,391
Total Buildings and Other Real Estate Improvements	<u>\$ 32,410,559</u>	<u>\$ 3,654,809</u>		<u>\$ 36,065,368</u>
Library books	2,255,154	158,639	16,404	2,397,389
Furniture, Machinery, and Equipment	13,901,317	1,751,167		15,652,484
Total Accumulated Depreciation	<u>\$ 48,567,011</u>	<u>\$ 5,564,615</u>	<u>\$ 16,404</u>	<u>\$ 54,115,242</u>
Net Capital Assets	<u>\$ 145,221,590</u>	<u>\$ 10,642,722</u>	<u>\$ 6,423,332</u>	<u>\$ 149,440,979</u>

Capital assets activity for the year ended August 31, 2014 is included for comparison purposes.

	Balance September 1, 2013	Increases	Decreases	Balance August 31, 2014
Not depreciated				
Land	\$ 5,444,715	\$	\$	\$ 5,444,715
Water rights	9,920			9,920
Construction in process	23,126,774	7,358,102	23,126,774	7,358,102
Subtotal	<u>\$ 28,581,409</u>	<u>\$ 7,358,102</u>	<u>\$ 23,126,774</u>	<u>\$ 12,812,737</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$ 105,912,499	\$ 23,267,838	\$ 1,011,785	\$ 128,168,552
Other Real Estate Improvements	25,596,456	1,499,763	32,934	27,063,285
Total Buildings and Other Real Estate Improvements	<u>\$ 131,508,955</u>	<u>\$ 24,767,601</u>	<u>\$ 1,044,719</u>	<u>\$ 155,231,837</u>
Library books	3,336,525	77,469	66,695	3,347,299
Leasehold Interest	912,935		463,493	449,442
Furniture, Machinery, and Equipment	18,745,412	3,355,703	153,810	21,947,305
Total Buildings and Other Capital Assets	<u>\$ 154,503,827</u>	<u>\$ 28,200,773</u>	<u>\$ 1,728,717</u>	<u>\$ 180,975,883</u>
Accumulated Depreciation				
Buildings and Building Improvements	\$ 17,813,862	\$ 2,063,693	\$	\$ 19,877,555
Other Real Estate Improvements	11,351,124	1,211,421	29,541	12,533,004
Total Buildings and Other Real Estate Improvements	<u>\$ 29,164,986</u>	<u>\$ 3,275,114</u>	<u>\$ 29,541</u>	<u>\$ 32,410,559</u>
Library books	2,157,996	163,852	66,694	2,255,154
Furniture, Machinery, and Equipment	12,453,595	1,584,303	136,581	13,901,317
Total Accumulated Depreciation	<u>\$ 43,776,577</u>	<u>\$ 5,023,270</u>	<u>\$ 232,816</u>	<u>\$ 48,567,031</u>
Net Capital Assets	<u>\$ 139,308,659</u>	<u>\$ 30,535,606</u>	<u>\$ 24,622,675</u>	<u>\$ 145,221,590</u>

Note 7 - Non-Current Liabilities

Long-Term liability activity for the year August 31, 2015 was as follows:

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 126,052,629	\$ 19,855,000	\$ (22,074,279)	\$ 123,833,350	\$ 3,113,350
Contractual obligation bonds	1,090,000		(535,000)	555,000	555,000
Discounts	(211,430)	(506,963)	27,500	(690,893)	(43,854)
Premium	16,638,386	2,456,596	(1,315,431)	17,779,550	1,008,025
Deferred loss on advance refunding	(1,830,631)	(107,389)	1,132,093	(805,927)	(67,192)
Rewndue bonds	61,925,000	5,305,000	(7,040,000)	60,190,000	1,945,000
Tax Note	40,490,000		(1,680,000)	38,810,000	1,730,000
Total bonds	<u>\$ 244,153,954</u>	<u>\$ 27,002,243</u>	<u>\$ (31,485,117)</u>	<u>\$ 239,671,080</u>	<u>\$ 8,240,329</u>
<u>Other liabilities</u>					
Retainage payable	255,821	317,740	(64,129)	509,432	509,432
Accreted interest payable	2,040,569		(890,257)	1,150,312	1,150,312
Compensated absences	1,622,013	166,098	(214,686)	1,573,425	662,156
Capital leases	905,534	1,197,710	(399,978)	1,703,266	585,764
Net Pension	10,836,314	1,579,586	(3,587,816)	8,828,084	
Total other liabilities	<u>15,660,251</u>	<u>3,261,134</u>	<u>(5,156,865)</u>	<u>13,764,519</u>	<u>2,907,664</u>
Total long-term liabilities	<u>\$ 259,814,206</u>	<u>\$ 30,263,377</u>	<u>\$ (36,641,982)</u>	<u>\$ 253,435,599</u>	<u>\$ 11,147,993</u>

Long-Term liability activity for the year August 31, 2014 was as follows:

	Balance September 1, 2013	Current Portion
<u>Bonds and notes</u>		
General obligation bonds	\$ 39,121,028	\$ 214,279
Contractual obligation bonds	1,605,000	535,000
Discounts	(222,576)	(11,186)
Premium	3,748,236	878,369
Deferred loss on advance refunding	(1,953,726)	(123,095)
Revenue bonds	63,720,000	1,855,000
Tax Note	41,305,000	1,680,000
Total bonds	<u>\$ 147,322,962</u>	<u>\$ 5,028,367</u>
<u>Other liabilities</u>		
Retainage payable	1,040,496	255,821
Accreted interest payable	2,067,859	649,311
Compensated absences	1,588,824	1,534,664
Capital leases	1,492,608	587,073
Total other liabilities	<u>6,189,787</u>	<u>3,026,869</u>
Total long-term liabilities	<u>\$ 153,512,749</u>	<u>\$ 8,055,236</u>

Note 8 - Debt and Lease Obligations

Debt Service requirements at August 31, 2015 were as follows:

For the Years Ended <u>August 31,</u>	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,113,350	\$ 7,606,080	\$ 1,945,000	\$ 2,758,163	\$ 1,730,000	\$ 1,738,394	\$ 555,000	\$ 20,813
2017	4,640,000	5,998,230	2,015,000	2,687,413	1,800,000	1,669,494		
2018	4,870,000	5,762,520	2,085,000	2,617,413	1,870,000	1,597,644		
2019	5,110,000	5,515,000	2,170,000	2,535,613	1,925,000	1,540,944		
2020	5,370,000	5,515,000	2,250,000	2,453,163	2,020,000	1,445,181		
2021-2025	30,965,000	21,785,900	12,740,000	10,779,926	11,620,000	5,716,777		
2026-2030	39,245,000	13,514,025	15,855,000	7,793,586	14,635,000	2,695,037		
2031-2035	30,520,000	3,597,975	20,330,000	3,480,702	3,210,000	144,450		
2036			800,000	40,000				
Total	<u>\$123,833,350</u>	<u>\$69,294,730</u>	<u>\$60,190,000</u>	<u>\$35,145,975</u>	<u>\$38,810,000</u>	<u>\$16,547,921</u>	<u>\$ 555,000</u>	<u>\$ 20,813</u>

Obligations under capital leases at August 31, 2015 were as follows:

For the year ended August 31,	Total
2016	\$ 809,633
2017	619,134
2018	394,413
	<hr/>
Total Minimum Lease Payments	1,823,180
Less Amount Representing Interest Costs	(119,914)
Present value of minimum lease payments	\$1,703,266

Debt Service requirements at August 31, 2014 are provided for comparison purposes only.

For the Years Ended <u>August 31,</u>	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 214,279	\$ 7,471,416	\$ 1,855,000	\$ 2,871,581	\$ 1,680,000	\$ 1,788,794	\$ 535,000	\$ 40,875
2016	3,113,350	7,606,080	1,925,000	2,804,430	1,730,000	1,738,394	555,000	20,813
2017	4,725,000	5,998,230	1,995,000	2,733,080	1,800,000	1,669,494		
2018	4,960,000	5,762,520	2,065,000	2,662,325	1,870,000	1,597,644		
2019	5,205,000	5,515,000	2,150,000	2,579,650	1,925,000	1,540,944		
2020-2024	30,155,000	23,465,390	12,150,000	11,492,545	11,085,000	6,250,320		
2025-2029	38,205,000	15,420,040	15,160,000	8,578,477	14,010,000	3,322,444		
2030-2034	39,475,000	5,542,263	19,340,000	4,474,902	6,390,000	428,681		
2035-2036			5,285,000	313,563				
Total	<u>\$126,052,629</u>	<u>\$ 76,780,939</u>	<u>\$61,925,000</u>	<u>\$38,510,549</u>	<u>\$ 40,490,000</u>	<u>\$18,336,715</u>	<u>\$1,090,000</u>	<u>\$ 61,688</u>

Obligations under capital leases at August 31, 2014 were as follows:

For the year ended August 31,	Total
2015	\$ 423,099
2016	367,871
2017	<u>177,372</u>
Total Minimum Lease Payments	968,342
Less Amount Representing Interest Costs	<u>(62,808)</u>
Present value of minimum lease payments	\$ 905,534

Note 9 - Bonds Payable

General information related to bonds payable is summarized below:

- Revenue Bond, Series 2005
- To fund deferred maintenance projects.
- Issued 09/01/2005
- \$5,470,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 3% to 4.12%
- Maturity date - August 2030
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$0.00 and \$5,145,000, respectively.
- Public Property Finance Contractual Obligations Bond, Series 2005
- To purchase management information system.
- Issued 09/01/2005
- \$5,170,000; all authorized bonds have been issued.
- Source of Revenue - Property Taxes
- Interest rate - 3% to 3.75%
- Maturity date - August 2016
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$555,000 and \$ 1,090,000, respectively.

- **Limited Tax Refunding Bond, Series 2005**
- To partially refund the general obligation bonds, series 2001 and 2002.
- Issued 12/15/2005
- \$23,459,157; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate - 3.50% to 4.75%
- Maturity date - August 2031
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$178,350 and \$21,744,157, respectively.

- **Combined Fee Revenue Refunding Bond, Series 2006**
- To partially refund the revenue bond, series 2001.
- Issued 10/01/2006
- \$9,195,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 4.00% to 4.50%
- Maturity date - August 2026
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$6,075,000 and \$6,690,000, respectively.

- **Limited Tax Refunding Bond, Series 2006**
- To partially refund the general obligation bond, series 2002.
- Issued 09/06/2006
- \$17,642,786; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate - 4.00% to 4.50%
- Maturity date - August 2032
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$16,300,000 and \$16,393,472, respectively.

- **Combined Fee Revenue Refunding Bond, Series 2009**
- To refund the Revenue bond, series 1998.
- Issued 08/01/2009
- \$3,645,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 2.00% to 4.00%
- Maturity date - August 2018
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$2,235,000 and \$2,460,000, respectively.

- **Combined Fee Revenue Bond, Series 2010**
- To fund Facilities Master Plan Phase 1 – construction of Academic and Visual & Performing Arts Building.
- Issued 04/15/2010
- \$32,005,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 3.00% to 4.50%
- Maturity date - August 2035
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$31,300,000 and \$31,490,000, respectively.

- **Combined Fee Revenue Refunding Bond, Series 2010**
- To refund the Revenue bond, series 2001.
- Issued 04/15/2010
- \$6,300,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 3.00% to 4.25%
- Maturity date - August 2035
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$4,270,000 and \$4,705,000, respectively.

- **Maintenance Tax Note, Series 2010**
- Phase 1 – To fund Facilities Master Plan Phase I for the renovation of the Moore Vocational Building.
- Issued 04/15/2010
- \$1,420,000; all authorized bonds have been issued.
- Source of Revenue - Property Taxes
- Interest rate - 3.00% to 4.375%
- Maturity date - August 2035
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$1,175,000 and \$1,230,000, respectively.

- **Maintenance Tax Note, Series 2011**
- To fund Facilities Master Plan Phase II for the maintenance and renovation of existing facilities.
- Issued 11/02/2011
- \$40,730,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate - 2.00% to 5.00%
- Maturity date - August 2031
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$37,635,000 and \$39,260,000, respectively.

- **Combined Fee Revenue Bond, Series 2011**
- To fund Facilities Master Plan Phase II for the purchase, acquisition, construction and equipping of facilities.
- Issued 11/02/2011
- \$12,390,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 2.00% to 4.25%
- Maturity date - August 2026
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$11,095,000 and \$11,435,000, respectively.

- **Limited Tax Bond, Series 2014**
- To fund Facilities Master Plan Phase III. To purchase, acquire, construct and equip facilities.
- Issued 7/17/2014
- \$87,915,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate - 5.00%
- Maturity date - August 2034
- Outstanding Principle balance as of August 31, 2015 and 2014 is \$87,915,000 and \$87,915,000, respectively.

- **Combined Fee Revenue Refunding Bond, Series 2015**
- To refund the Revenue bond, series 2005.
- Issued 6/8/2015
- \$5,305,000; all authorized bonds have been issued.
- Source of Revenue - General Use Fees
- Interest rate - 2.00% to 3.75%
- Maturity date - August 2030
- Outstanding Principle balance as of August 31, 2015 is \$5,215,000.

- **Limited Tax Refunding Bond, Series 2015**
- To refund the Limited Tax bond, series 2005.
- Issued 6/8/2015
- \$19,855,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate - 2.00% to 5.00%
- Maturity date - August 2031
- Outstanding Principle balance as of August 31, 2015 is \$19,440,000.

Note 10-Advance Refunding of Bonds

On June 8, 2015, Laredo Community College issued Combined Fee Revenue Refunding Bonds, Series 2015 totaling \$5,305,000 issued for the purposes of refunding certain of the District's outstanding bonds and for paying the costs of issuance of the Bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$5,317,415.25 after

payments of \$95,648.27 in underwriters fees, insurance, bond counsel fees and other issuance costs were deposited and used to purchase securities. The refunding will result in a net economic savings of approximately \$296,034.22 and a gross savings of \$376,225.75. On August 1, 2015 the Combined Fee Revenue Building Bonds, Series 2005 were paid.

On June 8, 2015, Laredo Community College issued Limited Tax Refunding Bonds, Series 2015 totaling \$19,855,000 issued for the purposes of refunding certain of the District's outstanding bonds and for paying the costs of issuance of the Bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$22,124,304.40 after payments of \$167,878.40 in underwriters fees, insurance, bond counsel fees and other issuance costs were deposited and used to purchase securities. The refunding will result in a net economic savings of approximately \$2,117,490.92 and a gross savings of \$2,702,082.56. On August 1, 2015 the Limited Tax Refunding Bonds, Series 2005 were paid.

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

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

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

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

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

Note 11-Employees' Retirement Plan

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

Teacher Retirement System of Texas – Defined Benefit Plan

A. Plan Description

Laredo Community College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401 (a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

B. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

D. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

	<u>Contribution Rates</u>	
	2014	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
Laredo Community College - 2014 Contributions		\$837,908
Laredo Community College - 2014 State of Texas On-behalf Contributions		\$652,286

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

E. Actuarial Assumptions

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

**Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior

valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees were decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

F. Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long.Term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	7.0%	1.4%
Non-U.S.Developed	13%	7.3%	1.1%
Emerging Markets	9%	8.1%	0.9%
Directional Hedge Funds	4%	5.4%	0.2%
Private Equity	13%	9.2%	1.4%
Stable Value			
U.S. Treasuries	11%	2.9%	0.3%
Absolute Return	0%	4.0%	0.0%
Stable Value Hedge Funds	4%	5.2%	0.2%
Cash	1%	2.0%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	3.1%	0.0%
Real Assets	16%	7.3%	1.5%
Energy and Natural Resources	3%	8.8%	0.3%
Commodities	0%	3.4%	0.0%
Risk Parity			
Risk Parity	5%	8.9%	0.4%
Alpha			1.0%
Total	<u>100%</u>		<u>8.7%</u>

* *The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.*

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
Laredo Community College's proportionate share of the net pension liability:	\$15,775,253	\$8,828,084	\$3,632,897

H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2014, the College reported a liability of \$8,828,084 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by Laredo Community College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

Laredo Community College proportionate share of the collective net pension liability	\$ 8,828,084
State's proportionate share that is associated with Laredo Community College	\$ 6,887,063
Total	\$15,715,147

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

For the year ended August 31, 2014, the College recognized pension expense of \$652,286 and revenue of \$652,286 for support provided by the State.

At August 31, 2014, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$136,529	0
Changes in actuarial assumptions	\$573,835	0
Difference between projected and actual investment earnings	0	\$2,698,223
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	0	\$2,314
Contributions paid to TRS subsequent to the measurement date	\$869,222	0
Total	\$1,579,586	\$2,700,537

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended August 31:	Pension Expense Amount
2016	\$(555, 108)
2017	\$(555,108)
2018	\$(555,108)
2019	\$(555, 108)
2020	\$119,448
Thereafter	\$110,811

Optional Retirement Plan - Defined Contribution Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.6 percent and 6.65 percent, respectively. The College contributes 1.90 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. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

The retirement expense to the State for the College was \$888,226 and \$900,862 for the fiscal years ended August 31, 2015, and August 31, 2014, 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 \$35,862,909 and \$35,068,092 for the fiscal years ended August 31, 2015, and 2014, respectively. The total payroll of employees covered by the Teacher Retirement System was \$21,695,044 and \$21,707,196 and the total payroll of employees covered by the Optional Retirement Program was \$8,564,155 and \$9,198,495 for fiscal years 2015 and 2014, respectively.

Note 12-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. This policy does not apply to executive officers. Executive officers may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 160.

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.

The college recognized accrued liability for unpaid annual leave for executive officers and accrued sick leave for college employees as of August 31, 2015 and August 31, 2014 in the amounts of \$1,573,425 and \$1,622,013, respectively.

Note 13 - Pending Lawsuits

On August 31, 2015, various lawsuits and claims involving the College were pending. After consultation with legal counsel, management believes that the liabilities, if any, arising from such litigation and claims will not be material to the financial statements.

Note 14 - Disaggregation of Receivables and Payable Balances

Receivables

Receivables at August 31, 2015 and August 31, 2014 were as follows:

	August 31, 2015	August 31, 2014
Student Receivables	\$ 9,224,719	\$ 9,518,292
Federal Grants Receivable	2,614,033	1,966,991
State Grants Receivable	302,292	199,179
Local Grants Receivable	27,648	66,867
Property Taxes Receivable	2,811,406	2,641,751
Other Receivables	2,678,839	2,031,360
Subtotal	<u>17,658,937</u>	<u>16,424,440</u>
Allowance for Doubtful Accounts	(2, 171,851)	(2, 103,406)
Total Receivables	<u>\$ 15,487,086</u>	<u>\$ 14,321,034</u>

Payables

Payables at August 31, 2015 and August 31, 2014 were as follows:

	August 31, 2015	August 31, 2014
Accounts Payable - Construction	\$ 14,882	\$ 226,319
Salaries & Benefits Payable	1,381,156	1,103,342
Accrued Liabilities	221,708	395,596
Other Payables	2,114,110	1,586,329
Retainage Payable	509,432	255,821
Subtotal	<u>4,241,288</u>	<u>3,567,407</u>
Total Payables	<u>\$ 4,241,288</u>	<u>\$ 3,567,407</u>

Note 15 - 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 2015 and 2014 for which monies have not been received nor funds expended totaled \$4,421,341 and \$5,561,795. Of these amounts, \$3,844,643 and \$4,500,755 were from Federal Contract and Grant Awards; \$576,698 and \$1,050,040 were from State Contract and Grant Awards; \$0 and \$11,000 from Local Contract and Grant Awards; and \$0 and \$0 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2015 and 2014, respectively.

Note 16 - Risk Management

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

The more significant of this include \$2,000,000 of general liability insurance for fiscal year 2015 and \$1,000,000 for fiscal year 2014, property insurance covering the District's buildings and personal property in a combined amount of \$190,966,689 for fiscal years 2015 and 2014, and \$2,000,000 annual aggregate in school professional legal liability for fiscal years 2015 and 2014.

Note 17 - Health Care & Life Insurance Benefits

Certain health care and life insurance 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, 2015 totaled \$2,921,265 for the year. Compare the state's contribution to that provided for the year ended August 31, 2014, when the contribution for full-time active and retired employees totaled \$2,721,760 for the year. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district. The cost of providing these benefits for retirees is not separable from the cost of providing benefits for the active employees.

Note 18 - Ad Valorem Tax

The District's ad valorem property taxes are levied each October 1, on the assessed value listed as of the lien date, which is the prior January 1, for all real and business personal property located in the District.

	August 31, 2015	August 31, 2014
Assessed valuation of the District	\$ 13,378,064,580	\$12,937,362,525
Less: Exemptions	(2,018,447, 197)	(1,956,409,049)
Less: Abatements		0
Net Assessed Valuation of the District	\$ 11,359,617,383	\$10,980,953,476

	Fiscal Year 2015			Fiscal Year 2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (maximum per enabling legislation)	\$0.400000	\$0.500000	\$0.900000	\$0.400000	\$0.500000	\$0.900000
Assessed tax rate per \$100 valuation	\$0.234410	\$0.062753	\$0.297163	\$0.222647	\$0.032570	\$0.255217

Taxes levied for the year ended August 31, 2015, and 2014 amounted to \$33,254,867 and \$27,788,748, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	August 31, 2015			August 31, 2014		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$25,887,218	\$6,827,973	\$32,715,191	\$23,929,984	\$3,534,342	\$27,464,326
Delinquent taxes collected	624,565	91,169	715,734	638,446	103,419	741,865
Penalties & Interest collected	418,553	88,666	507,219	408,638	63,564	472,202
Total Gross Collections	26,930,336	7,007,808	33,938,144	24,977,068	3,701,325	28,678,393
Tax Appraisal & Collection Fees	(570,894)		(570,894)	(521,173)		(521,173)
Bad Debt Expense	55,255		55,255	(67,247)		(67,247)
Total Net Collections	\$ 26,414,697	\$7,007,808	\$33,422,505	\$24,388,648	\$3,701,325	\$28,089,974

Tax collections for the year ended August 31, 2015, and 2014, were 97% and 96%, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax processed is restricted for the use of maintenance and operations and/or general obligations debt service.

Note 19 - 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, 2015 and August 31, 2014.

Note 20 - Post employment Benefits Other than Pensions

Plan Description. 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. 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.

Beginning September 1, 2013, SB 1812 limited the state's contribution to 50% of eligible employees for community colleges.

The college's contributions to SHRP for the years ended August 31, 2015, 2014, and 2013, were \$798,874, \$90,000, and \$89,156 respectively, which equaled the required contributions each year.

Note 21 - Bad Debt Expense

In accordance with GAAP and Board policy CDA (local), bad debt expense was recognized for the years ended August 31, 2015 and August 31, 2014 in the following amounts, \$123,700 and \$278,599, respectively. At year end, the reserve for uncollectible accounts was \$941,772 and \$818,073. The property tax reserve was \$1,230,078 and \$1,285,333. The total reported allowance for doubtful accounts was a \$2,171,850 and \$2,103,406 for August 31, 2015 and August 31, 2014, respectively.

Laredo Community College
Schedule of College's Share of Net Pension Liability
For the Year Ended August 31, 2015

Fiscal Year ending August 31, 2014*	2015**
TRS net position as a percentage of total pension liability (%)	83.25%
College's proportionate share of collective net pension liability (%)	0.000330499
College's proportionate share of collective net pension liability (\$)	\$ 8,828,084
Portion of NECE's total proportionate share of NPL associated with College	<u>\$ 6,887,063</u>
Total	<u>\$ 15,715,147</u>
College's covered payroll amount	\$ 21,695,044
Ratio of: ER proportionate share of collective NPUER's covered payroll amount	40.69%

*The amounts presented above are as of the measurement date of the collective net pension liability.

-schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Laredo Community College
Schedule of College Contributions
For the Year Ended August 31, 2015

<u>Fiscal Year ending August 31, 2014*</u>	<u>2015**</u>
Legally required contributions	\$ 869,222
Actual contributions	<u>\$ 869,222</u>
Contributions deficiency (excess)	\$
College's covered employee payroll amount	\$ 21,695,044
Ratio of: Actual contributions/ER's covered payroll amount	4.01%

*The amounts presented above are as of the measurement date of the collective net pension liability.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Laredo Community College
Notes to Required Supplementary Information
For the Year Ended August 31, 2015

Changes of Benefit Terms Include:

- A 1.5% Step Increase, effective September 1, 2015.

Changes of Assumptions

There were no changes of assumptions for the year ended August 31, 2015.

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

Guadalupe Garcia-Wright, CPA

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Laredo Community College District (the "District") as of and for the year ended August 31, 2015, and have issued our report thereon dated December 9, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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Laredo, Texas
December 9, 2015

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

Guadalupe Garcia-Wright, CPA

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the compliance of the Laredo Community College District (the "District") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2014. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMS 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, OMS Circular A-133, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance

Opinion on Each Major Federal and State Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2015.

Report on Internal Control Over Compliance

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

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

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

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

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Laredo, Texas
December 9, 2015

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SCHEDULES

Schedule of Detailed Operating Revenues
Laredo Community College District
Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)
Schedule A

	Total Educational Activities		Auxiliary Enterprises	Current Year	Prior Year
	Unrestricted	Restricted			
Tuition					
State funded courses					
In-district resident tuition	\$ 6,636,509	\$	\$ 6,636,509	\$	\$ 6,858,857
Out-of-state tuition	723,081		723,081		746,216
TPEG (set aside)'	430,757		430,757		445,515
Out-of-district resident tuition	1,028,572		1,028,572		1,037,618
State funded continuing education	340,933		340,933		283,068
Non-state funded continuing education	<u>370,468</u>		<u>370,468</u>		<u>321,126</u>
Total Tuition	<u>\$ 9,530,320</u>	<u>\$</u>	<u>\$ 9,530,320</u>	<u>\$</u>	<u>\$ 9,692,400</u>
Fees					
General use fee	\$ 7,822,022	\$	\$ 7,822,022	\$	\$ 6,980,366
Installment fee	76,825		76,625		70,900
Health services fee	97,981		97,981		101,785
Matriculation fee	298,140		298,140		308,925
Late registration fee	34,940		34,940		40,340
Malpractice fee	20,406		20,406		18,054
Graduation fee	200		200		180
Instructional Support Fee	1,564,649		1,564,649		1,435,324
Technology fee	1,566,769		1,566,769		1,436,346
Student service fee	1,178,289		1,178,289		1,223,079
Distance education fee	413,279		413,279		397,175
Parking/street mainl. Fee	196,382		196,382		203,850
Dill tuition fee (development)	44,620		44,820		66,714
Dill tuition fee (3 peat)	191,190		191,190		193,841
Lab fee	265,537		265,537		270,807
Assessment fee	105,769		105,789		69,249
Installment loan late payment fee	30,230		30,230		27,070
Add/drop fee	45,361		45,361		44,850
Other fees	71,904		71,904		56,023
Total fees	<u>\$ 14,024,513</u>	<u>\$</u>	<u>\$ 14,024,513</u>	<u>\$</u>	<u>\$ 12,964,878</u>
Scholarships allowances and discounts					
Scholarship allowances	\$ (460,182)	\$	\$ (460,182)	\$ (1,200)	\$ (439,329)
Remissions and exemptions	(395,442)		(395,442)		(346,325)
Pell grants	(11,252,592)		(11,252,592)	(20,248)	(10,902,912)
Other federal grants	(651,963)		(851,963)		(779,975)
Texas grants	(1,016,300)		(1,016,300)		(852,220)
TPEG allowances	(514,692)		(514,692)		(472,538)
Other state grants	(196,880)		(196,880)		(128,274)
Other	<u>(211,719)</u>		<u>(211,719)</u>		<u>(211,719)</u>
Total scholarship allowances	<u>\$ (14,699,770)</u>	<u>\$</u>	<u>\$ (14,899,770)</u>	<u>\$ (21,448)</u>	<u>\$ (14,077,063)</u>
Total net tuition and fees	<u>\$ 8,855,063</u>	<u>\$</u>	<u>\$ 8,855,063</u>	<u>\$ (21,448)</u>	<u>\$ 8,580,215</u>
Other operating revenues					
Federal grants and contracts	\$	\$ 4,739,942	\$ 4,739,942	\$	\$ 4,203,436
State grants and contracts		2,832,960	2,832,960		2,124,675
Nongovernmental grants and contracts		291,863	291,863		360,058
Investment income (program restricted)		90,111	90,111		85,241
Other operating revenues	<u>423,263</u>	<u>1,254,718</u>	<u>1,677,981</u>		<u>2,297,503</u>
Total other operating revenues	<u>\$ 423,263</u>	<u>\$ 9,209,594</u>	<u>\$ 9,632,857</u>	<u>\$</u>	<u>\$ 9,071,113</u>
Auxiliary enterprises					
Student activities	\$	\$	\$	\$ 1,564,439	\$ 1,238,545
Cafeteria				23,902	12,251
Campus housing					
Residential				92,479	48,223
Scholarship allowances and discounts					
Bookstore				<u>375,796</u>	<u>797,592</u>
Total net auxiliary enterprises	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,056,616</u>	<u>\$ 2,096,611</u>
Total operating revenues (Exhibit 2)	<u>\$ 9,278,326</u>	<u>\$ 9,209,594</u>	<u>\$ 18,487,920</u>	<u>\$ 2,035,168</u>	<u>\$ 19,747,939</u>

'In accordance with Education Code 56.033, \$430,757 end \$445,515 of tuition was set aside for Texas Public Education Grants (TPEG)

Laredo Community College
Schedule B
Schedule of Operating Expenses by Organization
Year Ended August 31, 2015 (with Memorandum Totals for the Year Ended August 31, 2014)

	<u>Operating Expenses</u>				FY 2015 Total	FY 2014 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$15,981,178	\$ -	\$4,121,857	\$ 1,155,985	\$ 21,259,020	\$21,172,312
Research						
Public Service	1n,114	-	44,130	10,100	231,944	223,391
Academic Support	2,318,003		585,970	342,245	3,246,218	3,300,885
Student Services	3,300,512		863,312	742,581	4,906,405	5,061,987
Institutional Support	8,338,042		1,137,583	3,291,825	12,767,450	11,531,427
Operation and Maintenance of Plant	1,692,333	-	1,202,662	3,449,430	6,344,425	5,692,907
Scholarships and Fellowships	-			220,592	220,592	237,053
Total Unrestricted Educational Activities	31,807,782	-	7,955,514	9,212,758	48,976,054	47,219,962
Restricted - Educational Activities						
Instruction	909,863	1,915,522	142,397	523,604	3,491,386	3,101,443
Research				-	-	298
Public Service	119,302	33,683	34,278	65,756	253,019	171,880
Academic Support	1,373,364	418,618	346,710	1,660,832	3,799,524	3,310,565
Student Services	1,073,915	496,080	86,294	167,975	1,824,264	1,667,883
Institutional Support	132	945,587	10	5,609	951,338	825,478
Operation and Maintenance of Plant		-	-	1,0n.282	1,077,282	931,918
Scholarships and Fellowships		-		8,307,313	8,307,313	10,106,107
Total Restricted Educational Activities	3,476,576	3,809,490	609,689	11,808,371	19,704,126	20,115,572
Total Educational Activities	35,284,358	3,809,490	8,585,203	21,021,129	68,680,180	67,335,534
Auxiliary Enterprises	578,551		159,852	811,627	1,550,030	1,045,445
Depreciation Expense - Buildings & other real estate			-	3,654,809	3,654,809	3,275,115
Depreciation Expense - Equipment & furniture		-		1,751,167	1,751,167	1,584,303
Depreciation Expense - Library Books				158,639	158,639	163,852
Total Operating Expenses	\$ 35,862,909	\$3,809,490	\$8,725,055	\$27,397,371	\$ 75,794,825	\$73,404,249

Laredo Community College District
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)
Schedule C

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>FY 2015 Total</u>	<u>FY 2014 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 11,114,970	\$ -	\$ -	\$ 11,114,970	\$ 11,114,970
State Group Insurance	-	2,921,265	-	2,921,265	2,721,760
State Retirement Matching	-	888,226	-	888,226	900,862
Professional Nursing Shortage Reduction	-	115,157	-	115,157	55,331
Total State Appropriations	11,114,970	3,924,648	-	15,039,618	14,792,923
Maintenance Ad Valorem Taxes					
Taxes for Maintenance & Operations	26,933,855	-	-	26,933,855	24,808,574
Taxes for General Obligation Bonds	-	7,007,808	-	7,007,808	3,701,325
Federal Revenue, Non Operating	-	20,014,322	-	20,014,322	21,082,771
Investment Income	262,115	836,589	-	1,098,704	385,196
Additions to Permanent Endowments	-	86,946	-	86,946	70,000
Capital Gifts	-				
Total Non-Operating Revenues	\$ 38,310,940	\$ 31,870,313	\$ -	\$ 70,181,253	\$ 64,840,789
NON-OPERATING EXPENSES:					
Gain /Loss on Assets	-	-	-	-	17,230
Interest on Capital Related Debt	-	10,660,658	-	10,660,658	7,191,307
Other Non-Operating (Revenues) Expenses	-	61,861	-	(61,861)	712,220
Total Non-Operating Expenses	\$ -	\$ 10,598,797	\$ -	\$ 10,598,797	\$ 7,920,757
Net Non-Operating Revenues	<u>\$ 38,310,940</u>	<u>\$ 21,271,516</u>	<u>\$ -</u>	<u>\$ 59,582,456</u>	<u>\$ 56,920,032</u>

Laredo Community College District
Schedule of Net Position by Source and Availability
August 31, 2015 (With Memorandum Totals for August 31, 2014
Schedule D

	Detail by source					Available for current Operations?	
	Restricted			Capital assets net of depreciation & related debt	Total	Yes	No
	Unrestricted	Expendable	Non-expendable				
Current							
Unrestricted	\$ 8,920,020	\$ -	\$ -	\$ -	\$ 8,920,020	\$ 8,920,020	\$ -
Board designated	1,573,425	-	-	-	1,573,425	-	1,573,425
Restricted							
Auxiliary enterprises	-	1,169,471	-	-	1,169,471	1,169,471	-
Endowment	-	-	3,125,455	-	3,125,455	-	3,125,455
Student Aid	-	3,053,511	-	-	3,053,511	3,053,511	-
Other	-	81,006	-	-	81,006	81,006	-
Plant							
Unexpended	-	312,441	-	-	312,441	-	312,441
Debt service	-	6,198,629	-	-	6,198,629	-	6,198,629
Investment in plant	-	16,241,272	-	-	16,241,272	-	16,241,272
Total Net Position, August 31, 2015	\$ 10,493,445	\$ 27,056,330	\$ 3,125,455	\$ -	\$ 40,675,230	\$ 13,224,008	\$ 27,451,222
Total Net Position, August 31, 2014	\$ 18,934,164	\$ 11,398,527	\$ 3,046,903	\$ 12,987,173	\$ 46,366,768	\$ 21,981,821	\$ 24,384,947
Net increase (decrease) in Net Position	\$ (8,440,719)	\$ 15,657,803	\$ 78,552	\$ (12,987,173)	\$ (5,691,538)	\$ (8,757,813)	\$ 3,066,275

Laredo Community College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2015
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	84.007		\$ 651,349
Federal College Work-Study Program	84.033		591,115
Federal Pell Grant Program	84.063		18,771,857
Title III - Stem Articulation	84.031C		652,311
Title V - Distance Education Technology	84.0315		955,223
Title V - FOSS	84.0315		791,335
Title V - Building Scholars	84.0315		2,182
Trio Student Support Services	84.042A		247,692
Trio Upward Bound	84.047A		414,569
Pass-Through From:			
Texas Workforce Commission			
Adult Education and Literacy	64.002A	2114ABE	23,729
Adult Education and Literacy	84.002A	2114AEL	830,751
Pass-Through From:			
Texas Higher Education Coordinating Board			
Cart Perkins Vocational Educational Program	84.048	154244	425,613
Total U.S. Department of Education			\$ <u>24,357,725</u>
U.S. Department of Agriculture			
Direct Programs:			
USDA - SABOR	10.223		\$ 36,780
Direct Programs			
USDA - Natural Resources Conservation Service	10.902		3,479
Pass Through			
Texas State University - San Marcos	10.223	6000001640 1E	49,974
Total U.S. Department of Agriculture			\$ <u>90,233</u>
U.S. Department of Labor			
Pass Through:			
Workforce Solutions of South Texas	17.283	Project GROW 01-2013	<u>288,750</u>
U.S. Department of Transportation			
Pass Through			
The University of Texas at Arlington	20.215	54DDIA033	<u>38,554</u>
National Endowment for the Arts			
Direct Programs			
Arts Engagement in American Communities	45.024		<u>5,260</u>
National Science Foundation			
Direct Programs:			
Providing Resources and Opportunities InSTEM (PRO-STEM)	47.076	DUE-1060588	<u>107,300</u>

SCHEDULE E (Continued)

U.S. Department of Health & Human Services

Direct Programs:			
Nursing Workforce Diversity (LAMP)	93 178		\$ 314,202
Pass-Through from:			
Texas Workforce Commission			
TANF	93 558	2114AEL	45,733
Pass-Through from:			
South Texas Workforce Development Board			
Child Care	93 596	11211C04	31,513
Total U.S. Department of Health & Human Services			\$ <u>391,448</u>
			\$ <u>25,2920</u>

Total Federal Financial Assistance

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A		\$ 4,739,942
Add: Indirect Administrative Costs Recoveries		130,855
Add: Non Operating Federal Revenue from Schedule C		20,014,322
Total Federal Revenues per Statement of Revenues, Expenses and Changes in Net Position		\$ <u>24,885,119</u>
Reconciling Item:		
Add: Funds passed through others		\$ 394,151
Add: Direct Student Loans		
Total Federal Revenues per Schedule of Expenditures of Federal Awards		\$ <u>25,279,270</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 that 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 the various entities in preparation of the schedule.

Note 3: Amounts passed-through by the college

The following amounts were passed-through to the listed sub recipients by the college. These amounts were from the Title V - FOSS, CFDA 84 031S funded by the U.S. Department of Education.

Texas A&M International University	\$ <u>394,151</u>
Total amount passed-through	\$ <u>394,151</u>

Laredo Community College District
Schedule of Expenditures of State Awards
Year Ended August 31,2015
Schedule F

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Texas College Work-Study		\$ 94,159
Texas Grant Renewal		409,542
Texas Educational Opportunity Grant Initial		989,387
Texas Educational Opportunity Grant Renewal		97,538
Collegiate G Force	11835	16,804
T-Stem	11278	120,224
Nursing Shortage Reduction Program (Under 70)		115,157
Nursing Innovation Grant - Building Lab and Simulation Capacity	14125	109,520
Pass Through from Alamo Community Colleges		
Accelerate Texas - VAST Consortium	10790	<u>180,994</u>
Total Texas Higher Education Coordinating Board		<u>\$ 2,133,325</u>
Commission on Law Enforcement Officers Standards and Education		
Law Enforcement Officer Standards and Education		<u>\$ 989</u>
Texas Comptroller of Public Accounts		
Direct Programs:		
JETT Round 8	5464-16	316,108
JETT Round 9	5535-12	<u>331,825</u>
Total Texas Comptroller of Public Accounts		<u>\$ 647,933</u>
Texas Workforce Commission		
Direct Programs:		
Adult Education and Literacy	2114ABE	\$ 3,633
Adult Education and Literacy	2114AEL	176,923
Skills for Small Business Program	2115SSDOOO	1,120
Total Texas Workforce Commission		<u>\$ 181,676</u>
Total State Financial Assistance		<u>\$ 2,963,923</u>
Notes to Schedule on Following Page.		
SCHEDULE F (Continued)		
<u>Note 1: State Awards Reconciliation</u>		
State Grants and Contracts Revenue - per Schedule A		\$ 2,832,960
Add: Indirect/Administrative Cost Recoveries		
Add: Non-Operating State Revenue		115,157
Add: Institutional Matching		15,806
Total State Revenues per Schedule of Expenditures of State Awards		<u>\$ 2,963,923</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 that 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 the various entities in preparation of the schedule.

Note 3: Amounts passed-through by the college

There were no amounts passed - through for fiscal year ending August 31, 2015.

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STATISTICAL SUPPLEMENT SECTION

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

	For the Year Ended August 31,				
	2015	2014	2013	2012	2011
Invested in capital assets, net of related debt	22,752,343	19,716,031	\$20,052,050	\$13,260,689	\$8,389,756
Restricted - expendable	4,303,987	4,669,670	3,819,201	9,822,281	12,645,716
Restricted - nonexpendable	3,125,455	3,046,903	2,975,040	2,912,123	2,799,317
Unrestricted	10,493,445	18,934,164	17,144,968	18,227,739	15,715,296
Total primary government net position	\$ 40,675,230	\$ 46,366,768	\$ 43,991,259	\$ 44,222,832	\$ 39,550,085

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

	For the Year Ended August 31.				
	(amounts expressed in thousands)				
	D15	D14	D13	2011	2011
Tuition and Fees (Net of Discounts)	\$8,833,615	\$8,580,215	\$8,780,001	\$8,254,382	\$8,353,943
Federal Grants and Contracts	4,739,942	4,203,436	4,552,060	4,060,776	3,516,287
State Grants and Contracts	2,832,960	2,124,875	1,553,504	1,886,105	2,532,316
Non-Governmental Grants and Contracts	291,863	360,058	656,645	613,591	357,059
Investment income (program restricted)	90,111	85,241	126,948	64,869	189,493
Auxiliary Enterprises	2,056,616	2,096,611	1,263,433	1,400,876	753,299
Other Operating Revenues	1,677,981	2,297,503	1,717,011	2,446,467	2,144,567
Total Operating Revenues	20,523,088	19,747,939	18,649,602	18,727,066	17,846,964
State Appropriations	14,924,461	14,737,592	13,561,791	13,617,534	16,863,474
Professional Nursing Shortage Reduction	115,157	55,331	31,293	45,102	100,815
Ad Valorem Taxes	33,941,663	28,509,899	28,008,902	27,812,270	25,413,337
Gills			6,493	11,557	46,615
Investment income	1,098,704	385,196	697,328	681,283	797,231
Federal Revenue, Non-Operating	20,014,322	21,082,771	22,255,103	25,321,007	25,314,801
Additions to permanent endowments	86,946	70,000	53,412	104,000	40,737
Other non-operating revenues	61,861		34,478		
Total Non-Operating Revenues	70,243,114	64,840,789	64,648,800	67,592,753	68,577,010
Total Revenues	\$90,766,202	\$84,588,728	\$83,298,402	\$86,319,819	\$86,423,974

	For the Year Ended August 31				
	(amounts expressed in thousands)				
	D15	2014	2011	1011	2011
Tuition and Fees (Net of Discounts)	97.3%	10.14%	10.54%	9.56%	9.67%
Federal Grants and Contracts	5.22%	4.97%	5.46%	4.70%	4.07%
State Grants and Contracts	3.12%	2.51%	1.86%	2.19%	2.93%
Non-Governmental Grants and Contracts	0.32%	0.43%	0.79%	0.71%	0.41%
Investment income (program restricted)	0.10%	0.10%	0.15%	0.08%	0.22%
Auxiliary Enterprises	2.27%	2.48%	1.52%	1.62%	0.87%
Other Operating Revenues	1.85%	2.72%	2.06%	2.83%	2.48%
Total Operating Revenues	22.61%	23.35%	22.39%	21.69%	20.65%
State Appropriations	16.44%	17.42%	16.28%	15.78%	19.51%
Professional Nursing Shortage Reduction	0.13%	0.07%	0.04%	0.05%	0.12%
Ad Valorem Taxes	37.39%	33.70%	33.62%	32.22%	29.41%
Gills	0.00%	0.00%	0.01%	0.01%	0.05%
Investment income	1.21%	0.46%	0.84%	0.79%	0.92%
Federal Revenue, Non-Operating	22.05%	24.92%	26.72%	29.33%	29.29%
Additions to permanent endowments	0.10%	0.08%	0.06%	0.12%	0.05%
Other non-operating revenues	0.07%	0.00%	0.04%	0.00%	0.00%
Total Non-Operating Revenues	77.39%	76.65%	77.61%	78.31%	79.35%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

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

For the Year Ended August 31.					
Amounts expressed in thousands)					
	2015	2014	2013	2012	2011
Instruction	\$24,750,406	\$24,273,755	\$24,430,353	\$22,995,729	\$24,397,712
Research		298	10,764		
Public service	484,963	395,271	422,519	383,272	480,333
Academic support	7,045,742	6,611,450	6,763,112	6,352,311	6,500,162
Student services	6,730,669	6,729,870	6,602,783	6,168,977	7,263,520
Institutional support	13,718,788	12,356,905	13,650,312	11,718,614	10,232,364
Operation and maintenance of plant	7,421,707	6,624,825	7,182,111	6,885,874	7,243,557
Scholarships and fellowships	8,527,905	10,343,160	11,811,478	15,897,789	17,926,654
Auxiliary enterprises	1,550,030	1,045,445	764,232	762,208	374,941
Depreciation	5,564,615	5,023,270	4,548,684	3,832,071	3,094,652
Total Operating Expenses	75,794,825	73,404,249	76,187,010	74,996,845	78,053,895
Interest on capital related debt	10,660,658	7,191,307	7,367,672	6,628,904	5,224,873
Loss on disposal of fixed assets		17,230		1,889	
Other non-operating expenses		712,220		19,434	5,850
Total Non-Operating Expenses	10,660,658	7,920,757	7,367,672	6,650,227	5,230,723
Total Expenses	\$86,455,483	\$81,325,006	\$83,554,682	\$81,647,072	\$83,284,618

For the Year Ended August 31.					
Amounts expressed in thousands)					
	2015	2014	2013	2012	2011
Instruction	28.63%	29.85%	29.24%	28.16%	29.29%
Research	0.00%	0.00%	0.15%	0.00%	0.00%
Public service	0.56%	0.49%	0.51%	0.47%	0.58%
Academic support	8.15%	8.13%	8.09%	7.78%	7.80%
Student services	7.79%	8.28%	7.90%	7.56%	8.72%
Institutional support	15.87%	15.19%	16.34%	14.35%	12.93%
Operation and maintenance of plant	8.58%	8.15%	8.60%	8.43%	8.70%
Scholarships and fellowships	9.86%	12.72%	14.14%	19.47%	21.52%
Auxiliary enterprises	1.79%	1.29%	0.91%	0.93%	0.45%
Depreciation	6.44%	6.18%	5.44%	4.69%	3.72%
Total Operating Expenses	87.67%	90.26%	91.32%	91.85%	93.72%
Interest on capital related debt	12.33%	8.84%	8.82%	8.12%	6.27%
Loss on disposal of fixed assets	0.00%	0.02%	0.00%	0.00%	0.00%
Other non-operating expenses	0.00%	0.88%	0.00%	0.02%	0.01%
Total Non-Operating Expenses	12.33%	9.74%	8.82%	8.15%	6.28%
Total Expenses	100.00%	100.00%	100.13%	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)	Matriculation Fee	In-District Tuition	Out-of-District Tuition	Technology Fee	Instr Support Fee	Student Activity Fee	General Use Fee	Health Service Fee	Student Service Fee	Part-time Main Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year District	Increase from Prior Year Out-of-District
2014-15	\$ 15	\$ 50	100	\$ 10	10	10	\$ 50	\$ 5	\$ 60	\$ 10	\$ 1,650	\$ 2,250	0.00%	0.00%
2013-14	15	50	100	10	10	10	50	5	60	10	1,650	2,250	22.22%	15.38%
2012-13	15	50	100	7.5	7.5	5	35		60	10	1,350	1,950	17.60%	18.04%
2011-12	15	42	84	8	8	5	27	5	60	10	1,148	1,652	10.60%	71.3%
2011>-11	15	42	84	5.0	5.0		27	3	60	0	1,038	1,542	28.15%	19.53%
2009-10	15	42	84	2.5	2.5		20	3	0	0	810	1,290	0.00%	0.00%
2008-09	15	40	80	2.5	2.5		20	3	0	0	810	1,290	0.00%	0.00%
2007-08	15	40	80	3	3		20	3	0	0	810	1,290	17.39%	16.22%
2006-07	15	35	70	0	0		20	3	0	0	690	1,110	5.50%	6.94%
2005-06	15	32	64	0	0		20	3	0	0	654	1,038	0.00%	0.00%

Non-Resident
 Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Matriculation Fee	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fee	Instr Support Fee	Student Activity Fee	General Use Fee	Health Service Fee	Student Service Fee	Part-time Main 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
2014-15	\$ 15	\$ 1	\$ 1	\$ 10	10	10	\$ 50	\$ 5	60	\$ 10	\$ 2,874	\$ 2,874	0.00%	0.00%
2013-14	15	1	1	10	10	10	50	5	60	10	2,874	2,874	11.66%	11.66%
2012-13	15	1	1	7.5	7.5	5	35		60	10	2,574	2,574	18.07%	18.07%
2011-12	15	U8	1U	8	8	5	27	5	60	10	2,180	2,180	5.31%	5.31%
2011>-11	15	U8	U8	5.0	5.0		27		60	0	2,070	2,070	16.95%	16.95%
2009-10	15	U8	U8	2.5	2.5		20	3	0	0	1,770	1,770	0.00%	0.00%
2008-09	15	U0	120	2.5	2.5		20	3	0	0	1,770	1,770	0.00%	0.00%
2007-08	15	U0	120		3		20	3	0	0	1,770	1,770	15.69%	15.69%
2006-07	15	1	1		0		20	3	0	0	1,530	1,530	7.59%	7.59%
2005-06	15	00		0	0		20	3	0	0	1,422	1,422	0.00%	0.00%

Notes: In addition, students may incur course related fees such as laboratory fees, technology fees and certification fees

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

(unaudited)

(amounts expressed in thousands)

Direct Rate

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2015-16	13,764,010	1,926,275	11,837,736	86.00%	\$ 0.24527	\$ 0.08498	\$ 0.33024
2014-15	13,160,322	1,800,704	11,359,617	86.32%	0.23441	0.06275	0.29716
2013-14	12,716,456	1,735,502	10,980,953	86.35%	0.22265	0.03257	0.25522
2012-13	12,330,318	1,721,394	10,608,924	86.04%	0.22354	0.03422	0.25776
2011-12	12,249,346	1,634,423	10,614,922	86.66%	0.21899	0.03955	0.25854
2010-11	12,190,837	1,527,286	10,663,551	87.47%	0.19985	0.03827	0.23812
2009-10	12,072,472	1,502,789	10,569,683	87.55%	0.18400	0.04320	0.22720
2008-09	11,637,166	1,150,109	10,487,057	90.12%	0.18700	0.03410	0.22110
2007-08	10,555,088	1,043,974	9,511,114	90.11%	0.18310	0.03910	0.22220
2006-07	9,374,079	920,475	8,453,604	90.18%	0.18770	0.04280	0.23050

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	State Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE	State Appropriation per FTSE	Academic Contact Hours	VocfTech Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2014-15	\$ 11,115	6,068	\$ 1,832	2,197	924	3,121	\$ 3.56
2013-14	11,115	6,371	1,745	1,905	1,342	3,247	3.42
2012-13	10,646	6,864	1,551	2,212	1,255	3,467	3.07
2011-12	10,837	7,362	1,472	2,157	1,542	3,699	2.93
2010-11	12,208	7,370	1,656	2,971	851	3,822	3.19
2009-10	12,654	6,781	1,866	2,285	1,431	3,716	3.41
2008-09	12,851	6,085	2,112	2,613	779	3,392	3.79
2007-08	12,851	6,000	2,142	2,410	781	3,191	4.03
2006-07	12,851	6,000	2,142	2,414	912	3,326	3.86
2005-06	12,851	6,159	2,087	2,470	926	3,396	3.78

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 (Table A b) Tax Year (SOOO omitted)									
		2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Laredo Texas Hospital Co.LP	Medical	\$ 96,293	\$ 96,578	\$ 104,484	\$ 106,398	\$ 103,827	\$ 102,046	\$ 104,560	\$ 105,123	\$ 105,055	\$ 99,842
Laredo WLE LP	Utility	83,568	86,668	97,224	89,916	97,604	102,764				
AEP Texas Central Company	Utility	116,064	93,214	85,868	70,752	53,471	58,799	68,457	66,400	90,828	83,522
Laredo/MON Limited Partnership	Retail		-				-			49,983	49,160
Laredo Regional Medical Ctr. Lp	Medical	43,106	41,678	40,213	39,869	41,405	42,263	44,354	43,618	46,082	46,151
International Bank of Commerce	Bank	34,633	33,969	34,247	35,148	39,034	34,635	35,790	33,899	35,505	33,833
Wal-mart Real Estate Business Trust	Commercial Real Estate	22,026	22,064	21,369	21,041	21,043	20,957	-	-	33,480	21,355
Killam Ind. Dev.Partnership Ltd.	Development	35,890	33,737	29,575	29,443	30,143	31,116	34,158	33,724	31,910	29,350
Southwestern Bell Telephone Co.	Utility		-				20,494	31,871	-	30,087	28,713
H E Butt Grocery Company	Grocery	31,669	30,105	30,025	30,493	28,284	28,808	29,168	28,751	28,720	26,515
Farias Development LTD	Development	40,924	38,464	36,413	29,908	25,979	28,035				
WRI Trautmann Lp.	Commercial Real Estate	29,596	28,307	27,737	27,621	27,738	26,790	26,959		28,890	26,411
Electric Transmission ofTexas LLC	Utility	48,063	35,802	42,868	41,458	40,635	40,721	36,509	62,452		
Mall Del Norte LLC	Retail	55,890	55,567	52,068	52,068	51,752	52,647	52,630	52,617		
The GEO Group Inc	Commercial Business	52,609	52,609	52,160	50,531	49,979	53,005	52,769	32,232		
Laredo Levcal LLC	Commercial Business	16,109	16,109	16,109		20,541	20,541	24,498	29,831		
J Aron & Company	Financial	22,813									
Wal-Mart Stores Texas LLC	Grocery	15,651									
Prolamsa Inc	Retail		44,130								
Webb Hospital Holdings LLC	Medical	19,122	18,188	17,983							
Killam Development LTD	Development	20,937	19,848								
Dorel Laredo Holdings LLC	Real Estate	27,358	28,394	24,608							
WRI Independence Plaza LLC	Commercial Real Estate	19,909	19,909	19,700							
Shiloh Texas Properties LTD	Development	19,607	18,373	18,455							
Union Pacific Railroad Company	Railroad	20,794	19,402	17,578							
BRE Select Hotel TX LP	Lodging	15,285	17,460	16,256							
BBVA Compass	Bank	18,641	18,102	18,421	19,633	-	20,444				
Halliburton Energy Services	Oil Services & Drilling		-	73,423	68,455	37,397					
Gemini Rio Norte H ET AL	Real Estate	22,441	22,154	21,194	21,317	20,871					
San Sidro Northeast LTD	Development	19,895	-		-	-	10,734	33,018			
Totals		\$ 948,893	\$ 892,845	\$ 897,978	\$ 734,051	\$ 689,703	\$ 694,799	\$ 574,741	\$ 488,647	\$ 480,540	\$ 444,852
Total Taxable Assessed Value		\$ 11,837,736	\$ 11,359,617	\$ 10,980,953	\$ 10,608,924	\$ 10,614,922	\$ 10,663,551	\$ 10,569,583	\$ 10,487,057	\$ 8,453,604	\$

7,575,045 Source: Local County Appraisal District

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

(unaudited)

(amounts expressed in thousands)

Fiscal Year Ended August 31,	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections- Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Percentage of Levy
2014-15	\$ 31,907	\$ -	\$ 31,907	\$ 32,715	102.53%	\$ -	\$ 716	\$ 33,431	104.78%
2013-14	26,463	-	26,463	27,464	103.78%	-	742	28,206	106.59%
2012-13	25,834	-	25,834	26,872	104.02%	-	796	27,668	107.10%
2011-12	25,956	-	25,956	26,593	102.45%	-	813	27,406	105.59%
2010-11	24,044	-	24,044	24,629	102.43%	-	833	25,462	105.90%
2009-10	24,014	-	24,014	23,327	97.14%	-	1,025	24,352	101.41%
2008-09	23,187	-	23,187	22,263	96.02%	-	788	23,051	99.41%
2007-08	21,134	-	21,134	20,417	96.61%	-	844	21,261	100.60%
2006-07	19,571	-	19,571	18,913	96.64%	-	849	19,762	100.98%
2005-06	17,727	-	17,727	17,028	96.06%	-	805	17,833	100.60%

* "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)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007 (a)	2006
General Bonded Debt										
General Obligation Bonds	\$ 344,741	\$ 202,834	\$ 63,824	\$ 67,271	\$ 70,720	\$ 74,174	\$ 77,525	\$ 80,709	\$ 83,865	\$ 87,674
Less:Funds Restricted for Debt Service	(2,132)	(2,150)	(1,402)	(1,399)	(1,074)	(736)	(280)	(467)	(511)	(465)
Net General Bonded Debt	\$ 342,609	\$ 200,684	\$ 62,422	\$ 65,872	\$ 69,646	\$ 73,438	\$ 77,245	\$ 80,242	\$ 83,354	\$ 87,209
Per Capita										
Per Capita	\$ 1,284.75	\$ 764.53	\$ 243.36	\$ 261.78	\$ 288.46	\$ 309.94	\$ 331.31	\$ 346.66	\$ 370.97	\$ 388.12
Per FTSE	56,462	31,500	8,479	8,938	10,271	12,069	12,874	13,374	13,534	14,160
As a percentage of Taxable Assessed Valu1	2.89%	1.77%	0.59%	0.62%	0.65%	0.69%	0.74%	0.95%	1.10%	1.15%
Other Debt										
Revenue Bonds	\$ 95,336	\$ 100,436	\$ 105,166	\$ 109,891	\$ 93,623	\$ 97,353	\$ 36,682	\$ 38,881	\$ 41,076	\$ 43,606
Contractual Obligations	576	1,152	1,726	2,303	2,881	3,455	4,034	4,611	5,186	5,764
Notes	55,358	58,827	61,455	64,049	2,126	2,236				
Capital Lease Obligations	1,703	906	1,493	773	1,296	1,278	785	618	449	304
Total Outstanding Debt	\$ 495,582	\$ 362,005	\$ 232,262	\$ 242,888	\$ 169,572	\$ 177,760	\$ 118,746	\$ 124,352	\$ 130,065	\$ 136,883
Total Outstanding Debt Ratios										
Per Capita	\$ 1,858.39	\$ 1,379.09	\$ 905.52	\$ 965.25	\$ 702.34	\$ 750.23	\$ 509.31	\$ 537.23	\$ 578.85	\$ 609.19
Per FTSE	81,671	56,821	31,549	32,956	25,007	29,213	19,791	20,725	21,118	22,225
As a percentage of Taxable Assessed Valu1	4.19%	3.19%	2.19%	2.29%	1.59%	1.68%	1.13%	1.47%	1.72%	1.81%

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 Aceret

Laredo Community College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Tax Years

(unaudited)

(amounts expressed in thousands)

Fiscal Year Ended August 31,	Taxable Assessed Value	General Obligation Bonds					
		Statutory Tax Levy Limited for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Services Requirements	Excess of Statutory Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Statutory Limit
2015	\$ 11,837,736	\$ 59,189	\$ -	\$ 59,189	7,301	\$ 51,888	12.34%
2014	11,359,617	56,798	-	56,798	3,977	52,821	7.00%
2013	10,980,953	54,905	-	54,905	5,786	49,119	10.54%
2012	10,608,924	53,045	-	53,045	4,562	48,483	8.60%
2011	10,614,922	53,075	-	53,075	4,450	48,625	8.38%
2010	10,663,551	53,318	-	53,318	4,263	49,055	8.00%
2009	10,569,683	52,848	-	52,848	3,940	48,908	7.46%
2008	10,487,057	52,435	-	52,435	4,019	48,416	7.66%
2007	8,453,604	42,268	-	42,268	3,676	38,592	8.70%
2006	7,575,045	37,875	-	37,875	3,286	34,589	8.68%

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

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

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

Revenue Bonds

Fiscal Year Ended August	Pledged Revenues (\$000 omitted)							Debt Service Requirements (\$000 omitted)			
	Tuition	Instructional		Interest Income	General Use Fees	Total	Principal	Interest	Total	Coverage Ratio	
		Technology Fee	Support Fee								
2015	\$ 2,284	\$ 1,567	\$ 1,565	\$ 214	\$ 8,372	\$ 14,002	\$ 1,945	\$ 2,806	\$ 4,751	2.95	
2014	2,334	1,436	1,435	193	7,467	12,865	1,795	2,962	4,757	2.70	
2013	2,471	1,331	1,330	372	6,873	12,377	1,735	3,015	4,750	2.61	
2012	2,242	1,434	1,433	358	4,354	9,821	1,675	2,892	4,567	2.15	
2011	2,324	986	985	513	3,739	8,547	1,175	2,584	3,759	2.27	
2010	2,264	-	-	398	3,369	6,031	1,090	1,365	2,455	2.46	
2009	2,008	-	-	585	3,027	5,620	1,016	1,203	2,219	2.53	
2008	1,851	-	-	761	2,137	4,749	970	1,246	2,216	2.14	
2007	1,731	-	-	582	2,108	4,421	1,041	1,179	2,220	1.99	
2006	1,544	-	-	521	1,858	3,923	648	1,723	2,371	1.65	

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 <i>Cita</i>	District Unemployment Rate
2014	266,673	\$ 7,561,382	28,355	4.7%
2013	262,495	7,114,194	27,102	6.0%
2012	259,172	6,769,544	26,120	7.1%
2011	256,496	6,408,612	24,984	8.1%
2010	251,632	5,977,993	23,757	8.6%
2009 (a)	241,438	5,410,463	22,409	8.7%
2008 (a)	236,941	5,294,677	22,346	5.9%
2007 (a)	233,152	4,920,183	21,103	4.8%
2006 (a)	231,470	4,536,284	19,598	5.4%
2005 (a)	224,695	4,217,465	18,770	6.0%

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

<u>Employer</u>	<u>Sector Employment</u>	<u>Number of Employees</u>	<u>Percentage of Total</u>
International Bank of Commerce	Banking	6,661	6.35%
United Independent School District	Education	6,282	5.99%
Laredo Independent School District	Education	4,289	4.09%
City of Laredo	City	2,465	2.35%
Laredo Sector Border Patrol	Immigration	2,100	2.00%
US CBP - Customs Field Officers	Immigration	1,950	1.86%
H.E.B. Grocery	Grocery Store	1,800	1.72%
McDonald's Restaurant	Fast Food	1,540	1.47%
Webb County	County	1,500	1.43%
Laredo Medical Center	Medical Services	1,500	1.43%
Texas A&M International University	Education	1,325	1.26%
Total		31,412	29.94%

Source:

Laredo Development Foundation
Texas Workforce Commission

Note:

Percentages are calculated using the midpoints of the ranges.

Five Years Prior

<u>Employer</u>	<u>Number of Employees</u>	<u>Percentage of Total Employment</u>
International Bank of Commerce	6,661	6.35%
United Independent School District	4,876-6,282	7.64%
Laredo Independent School District	3,990-4,500	5.95%
City of Laredo	2,238-2,465	3.31%
Laredo Sector Border Patrol	1,730-2,200	2.70%
US CBP - Customs Field Officers	1,950	1.86%
H.E.B. Grocery	1,245-1,800	2.04%
McDonald's Restaurant	1,425-1,633	2.14%
Webb County	1,400-1,600	2.10%
Laredo Medical Center	1,377-1,500	2.03%
Texas A&M International University	1,030-1,325	1.61%
Convergys	1200	1.14%
Laredo National Bank	1,275-1,129	1.75%
Wal-Mart	1,234-1,144	1.72%
Total	25,578-31,631	42.34%

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

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Faculty										
Full-Time	183	189	200	196	197	198	198	185	203	224
Part-Time	154	154	160	119	122	126	112	45	140	125
Total	337	343	360	315	319	324	310	230	343	349
Percent										
Full-Time	54.3%	55.1%	55.6%	62.2%	61.8%	61.1%	63.9%	80.4%	59.2%	64.2%
Part-Time	45.7%	44.9%	44.4%	37.8%	38.2%	38.9%	36.1%	19.6%	40.8%	35.8%
Staff and Administrators										
Full-Time	434	445	449	447	450	445	430	425	416	386
Part-Time	154	142	153	129	133	123	97	45	135	11
Total	588	587	602	576	583	568	527	470	551	397
Percent										
Full-Time	73.8%	75.8%	74.6%	77.6%	77.2%	78.3%	81.6%	90.4%	75.5%	97.2%
Part-Time	26.2%	24.2%	25.4%	22.4%	22.8%	21.7%	18.4%	9.6%	24.5%	2.8%
Students per Full-time Faculty	48	46	44	48	51	46	42	42	40	44
Students per Full-Time Staff Member	20	20	19	21	22	21	19	18	20	26
Average Annual Faculty Salary	\$54,702	\$53,982	\$55,395	\$55,401	\$55,435	\$55,782	\$55,120	\$55,375	\$52,981	\$52,539

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

Student Classification	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	5,559	59.42%	5,859	62.62%	7,183	76.77%	6,947	74.25%	6,764	72.30%
Sophomore	1,980	21.16%	2,189	23.40%	1,573	16.81%	2,227	23.80%	2,351	25.13%
Unclassified	363	3.88%	348	3.72%	269	2.88%	410	4.38%	475	5.08%
Associate*	328	3.51%	250	2.67%	259	2.77%	414	4.42%	382	4.08%
Baccalaureate or Above-	77	0.82%	80	0.86%	72	0.77%	78	0.83%	57	
Total	8,307	88.79%	8,726	93.27%	9,356	100.00%	10,076	107.70%	10,029	

Semester Hour Load	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	91	0.97%	75	0.80%	85	0.91%	126	1.35%	129	1.38%
3-5 semester hours	1,715	18.33%	1,836	19.62%	1,838	19.65%	1,947	20.81%	1,996	21.33%
6-8 Semester hours	1,827	19.53%	1,849	19.76%	2,026	21.65%	2,210	23.62%	2,064	22.06%
9-11 semester hours	1,650	17.64%	1,738	18.58%	2,001	21.39%	2,237	23.91%	2,081	22.24%
12-14 semester hours	2,640	28.22%	2,809	30.02%	2,989	31.95%	3,084	32.96%	3,238	34.61%
15-17 semester hours	367	3.92%	394	4.21%	391	4.18%	452	4.83%	488	5.22%
18 & over	17	0.18%	25	0.27%	26	0.28%	20	0.21%	33	0.35%
Total	8,307	88.79%	8,726	93.27%	9,356	100.00%	10,076	107.70%	10,029	107.19%

Average course load 9.0 9.0 9.0 9.0 9.0

Tuition Status	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	7,217	77.14%	7,467	79.81%	7,952	84.99%	8,651	92.46%	8,759	93.62%
Texas Resident (Out-of-District)	633	6.77%	685	7.32%	763	8.16%	804	8.59%	750	8.02%
Non-Resident Tuition	225	2.40%	281	3.00%	291	3.11%	295	3.15%	263	2.81%
Tuition Exempt	59	0.63%	106	1.13%	118	1.26%	108	1.15%	29	0.31%
Foreign	173	1.85%	187	2.00%	232	2.48%	218	2.33%	228	2.44%
Total	8,307	88.79%	8,726	93.27%	9,356	100.00%	10,076	107.70%	10,029	107.19%

Notes:

- * Previously earned an Associate Degree
- Previously earned a Baccalaureate or above degree

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

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Gender</u>										
Female	4,619	55.60%	4,902	56.18%	5,231	55.91%	5,644	56.01%	5,711	56.94%
Male	3,688	44.40%	3,824	43.82%	4,125	44.09%	4,432	43.99%	4,318	43.06%
Total	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%	10,029	100.00%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Ethnic Origin</u>										
White	136	1.64%	147	1.68%	123	1.31%	165	1.64%	159	1.59%
Hispanic	7,938	95.56%	8,356	95.76%	8,996	96.15%	9,651	95.78%	9,366	93.39%
African American	15	0.18%	13	0.15%	19	0.20%	14	0.14%	28	0.28%
Asian	21	0.25%	17	0.19%	31	0.33%	30	0.30%	34	0.34%
Foreign	184	2.21%	137	1.57%	116	1.24%	115	1.14%	122	1.22%
Native American	3	0.04%	5	0.06%	6	0.06%	2	0.02%	6	0.06%
Native Hawaiian	-	0.00%	2	0.02%	2	0.00%	3	0.00%	-	0.00%
Multiracial	-	0.00%	2	0.02%	5	0.00%	1	0.00%	-	0.00%
Unknown	10	0.12%	47	0.54%	58	0.62%	95	0.94%	314	3.13%
Total	8,307	100.00%	8,726	100.00%	9,356	99.93%	10,076	99.96%	10,029	100.00%

	Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<u>Age</u>										
Under 18	680	8.19%	662	7.59%	604	6.46%	575	5.71%	561	5.59%
18-20	3,867	46.55%	4,036	46.25%	4,179	44.67%	4,421	43.88%	5,042	50.27%
21-25	2,298	27.66%	2,387	27.36%	2,626	28.07%	2,837	28.16%	1,632	16.27%
26-30	599	7.21%	695	7.96%	828	8.85%	927	9.20%	1,923	19.17%
31-40	531	6.39%	572	6.56%	726	7.76%	824	8.18%	689	6.87%
41 & Over	332	4.00%	374	4.29%	393	4.20%	492	4.88%	182	1.81%
Total	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%	10,029	100.00%

Average Age	<u>23</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>24</u>
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Laredo Community College
 Statistical Supplement 17
 Transfers to Senior Institutions
 Academic Year 2013-14 Fall Students as of Fall 2014
 {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	877	116	88	1,081	69.16%
2 University of Texas - San Antonio	78	1		79	5.05%
3 Texas A&M University	87	3	3	93	5.95%
5 University of Texas - Austin	73	1	3	77	4.93%
6 Texas State University - San Marcos	73	1	5	79	5.05%
8 University of Texas - Pan American	40	2		42	2.69%
7 Texas A&M University - Kingsville	28	3	1	32	2.05%
10 Texas Tech University	10			10	0.64%
12 University of Houston	10			10	0.64%
9 Texas A&M University - Corpus Christi	6	3	1	10	0.64%
11 Sam Houston State University	6			6	0.38%
17 University of Texas - Brownsville	6			6	0.38%
21 University of Texas - Arlington	6	3		9	0.58%
13 University of North Texas	5			5	0.32%
15 Texas A&M University - San Antonio	3		3	6	0.38%
18 West Texas A&M University	3		1	4	0.26%
20 University of Houston - Victoria	3	1		4	0.26%
27 University of Texas - Dallas	2			2	0.13%
19 Lamar University	1			1	0.06%
23 University of Houston - Downtown	1			1	0.06%
14 Angelo State University	1			1	0.06%
25 Sul Ross State University - Rio Grande College	1			1	0.06%
26 Stephen F Austin State University	1			1	0.06%
16 Texas Women's University			2	2	0.13%
4 University of Texas - El Paso		1		1	0.06%
Totals	1,321	135	107	1,563	100.00%

Source: Texas Higher Education Coordinating Board

Laredo Community College
Statistical Supplement 18
Capital Asset Information
Last Five Fiscal Years
{unaudited}

	Fiscal Year				
	2015	2014	2013	2012	2011
Academic buildings	33	33	33	33	31
Square footage (in thousands)	560,079	560,079	560,079	560,079	401,534
Libraries	2	2	2	2	2
Square footage (in thousands)	47,886	47,886	47,886	47,886	47,886
Number of Volumes (in thousands)	127,603	155,410	155,274	154,287	151,404
Administrative and support buildings	12	12	12	12	12
Square footage (in thousands)	49,951	49,951	49,951	49,951	49,951
Dormitories	2	2	2	2	2
Square footage (in thousands)	3,119	3,119	3,119	3,119	3,119
Number of Beds	12	12	12	12	12
Apartments	14	14	14	14	14
Square footage (in thousands)	20,594	20,594	20,594	20,594	20,594
Number of Beds	39	39	39	39	39
Dining Facilities	2	2	3	3	2
Square footage (in thousands)	22,842	22,842	27,026	27,026	22,842
Average daily customers	N/A	N/A	N/A	N/A	556
Athletic Facilities	14	14	13	13	13
Square footage (in thousands)	709,766	709,766	709,766	709,766	709,766
Gymnasiums	2	2	2	2	2
Baseball Field	2	2	2	2	2
Fitness Area	1	1	1	1	1
Soccer Field	2	2	2	2	2
Softball Field	1	1	0	0	0
Swimming Pool Complex	1	1	1	1	1
Tennis Courts	5	5	5	5	5
Plant Facilities	8	8	8	8	7
Square footage (in thousands)	126,791	126,791	126,791	126,791	18,913
Other Buildings	19	19	19	19	19
Square footage (in thousands)	32,770	32,770	32,770	32,770	32,770
Transportation	37	35	33	33	28
Cars	14	12	12	12	8
Light Trucks	23	23	21	21	20

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

Fiscal Year	Contact Hours		Total
	Academic	Voe Tech	
2014-15	2,197,184	923,552	3,120,736
2013-14	1,904,720	1,342,384	3,247,104
2012-13	2,212,704	1,255,216	3,467,920
2011-12	2,157,280	1,542,208	3,699,488
2010-11	2,970,688	851,680	3,822,368
2009-10	2,284,592	1,431,472	3,716,064
2008-09	2,613,248	779,104	3,392,352
2007-08	2,410,272	781,216	3,191,488
2006-07	2,413,808	911,680	3,325,488
2005-06	2,469,712	925,760	3,395,472

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Laredo Community College District
 Federal Schedule of Findings and Questioned Costs
 Year Ended August 31, 2015

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)	<u>Name of Federal Program or Cluster</u>
	Student Financial Assistance Programs -Cluster
84.007	Federal SEOG
84.033	Federal College Work Study Program
84.063	Federal Pell Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$ 758,378

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

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

Laredo Community College District
Federal Summary Schedule of Prior Audit Findings
Year Ended August 31, 2015

Summary of Prior Audit Findings

Federal Award Findings and Questioned Costs

None.

Laredo Community College District
 State Schedule of Findings and Questioned Costs
 Year Ended August 31, 2015

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
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Identification of major programs:

Number(s)	<u>Name of State Program or Cluster</u>
None	<i>Texas Higher Education Coordinating Board</i>
None	<i>Texas Grant</i>
None	<i>Texas Educational Opportunity Grant</i>
None	<i>Texas Comptroller of Public Accounts</i>
None	<i>JETT Round 8</i>
None	<i>JETT Round 9</i>

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

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

Section II- Financial Statement Findings

None.

Section III - State Award Findings and Questioned Costs

None.

Laredo Community College District
State Summary Schedule of Prior Audit Findings
Year Ended August 31, 2015

Summary of Prior Audit Findings

State Award Findings and Questioned Costs

None.