



Annual Financial Report

**For the Fiscal Year Ended
August 31, 2016
Laredo Community College
Laredo, Texas**



Laredo Community College

West End Washington Street • 5500 South Zapata Hwy. • Laredo, TX • www.laredo.edu

**Laredo Community College District
August 31, 2016**

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LAREDO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA

For the Fiscal Year 2016

Board of Trustees

Officers

Mercurio Martinez, Jr.	President	November 2022
Allen Tijerina	Vice President	November 2018
Cynthia Mares	Secretary	November 2022

Term Expires

Leonides G. Cigarroa, Jr., M.D.	Laredo, Texas	November 2016
Michelle De La Peña	Laredo, Texas	November 2020
Rene De La Viña	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

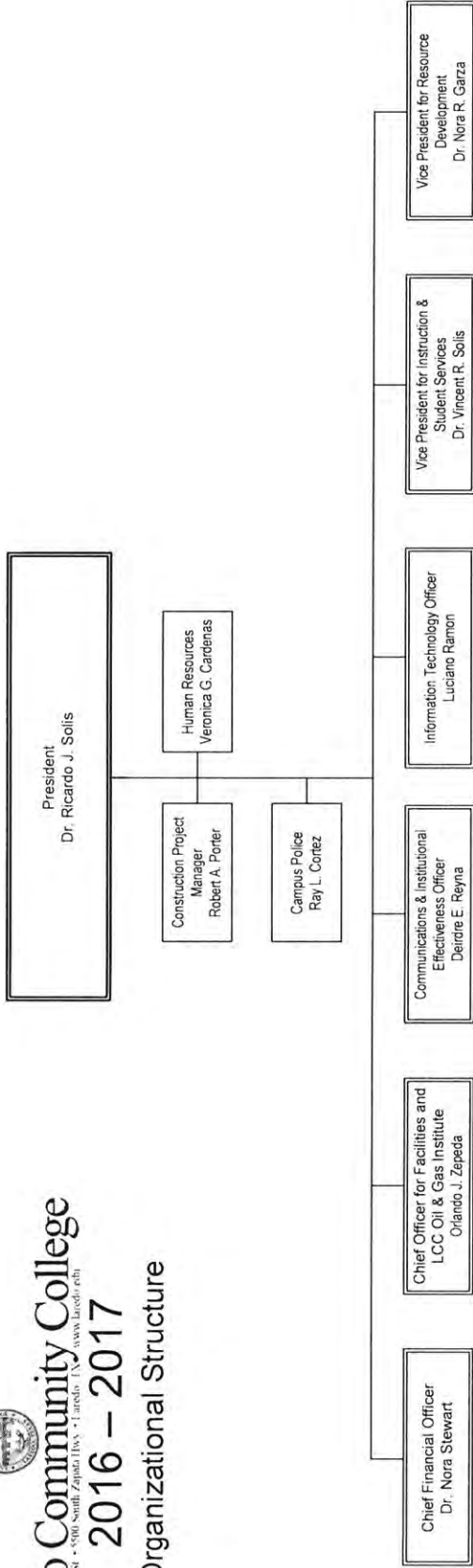
Ricardo J. Solis, Ph.D.	President
Vincent Solis, Ed.D.	Vice President for Instruction and Student Services
Deirdre E. Reyna	Communications and Institutional Effectiveness Officer
Nora Stewart, DBA	Chief Financial Officer
Luciano Ramon	Information Technology Officer
Nora R. Garza, Ph.D.	Vice President for Resource Development
Orlando J. Zepeda	Chief Officer for Facilities and LCC Oil & Gas Institute



Laredo Community College
 West Field, Washington, St. - 5000 South Zepeda Hwy. - Laredo, TX - www.lccc.edu

2016 – 2017

Organizational Structure





Laredo Community College

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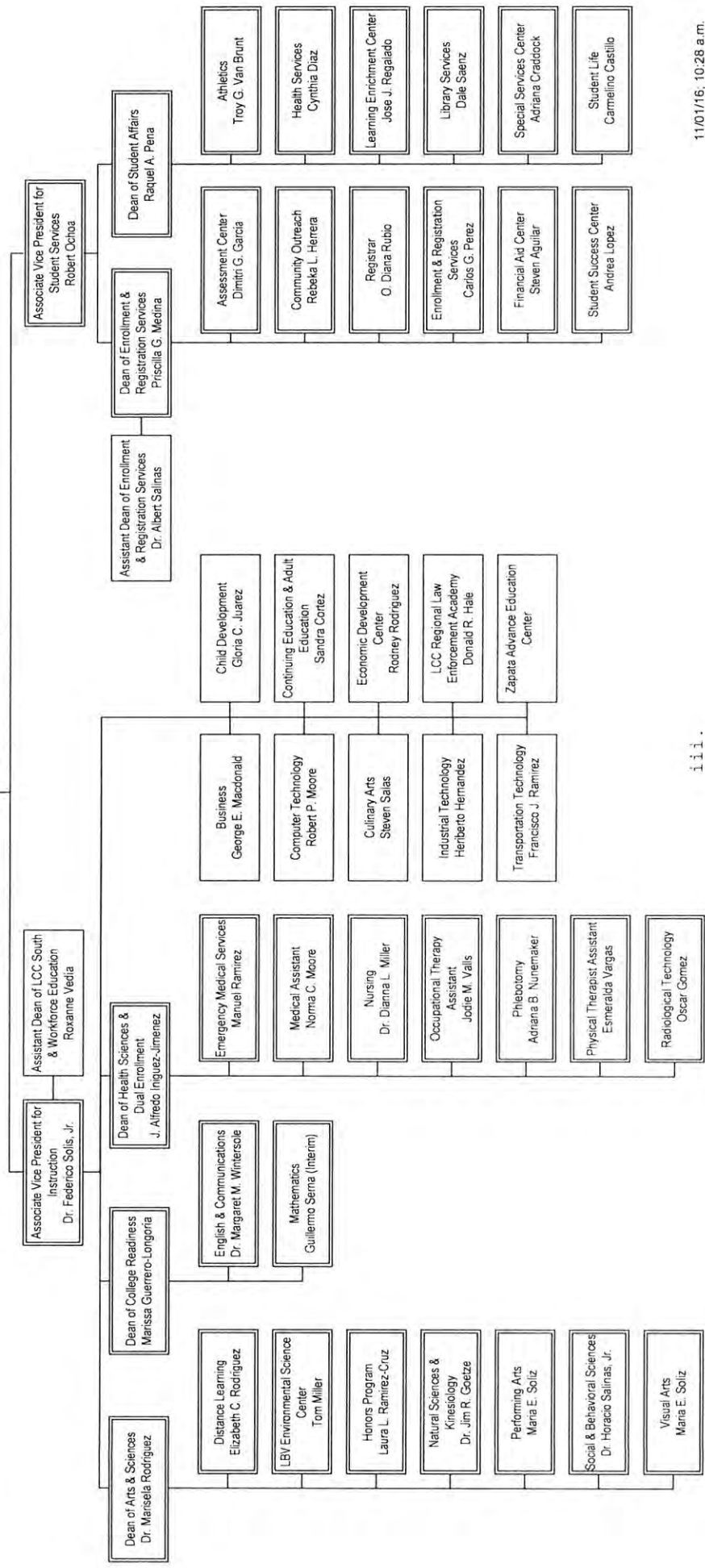
2016 – 2017

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

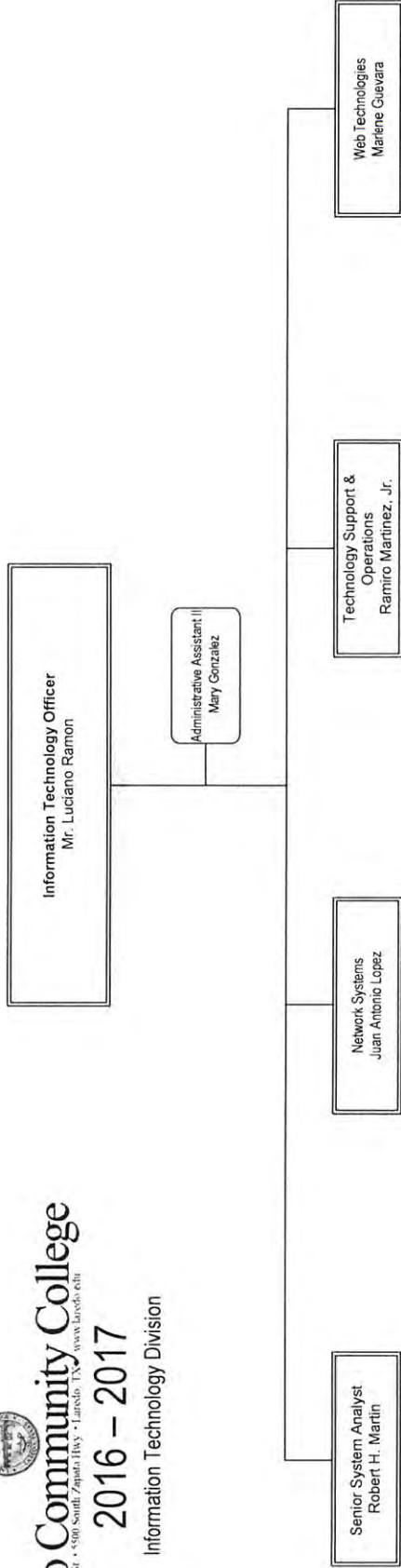


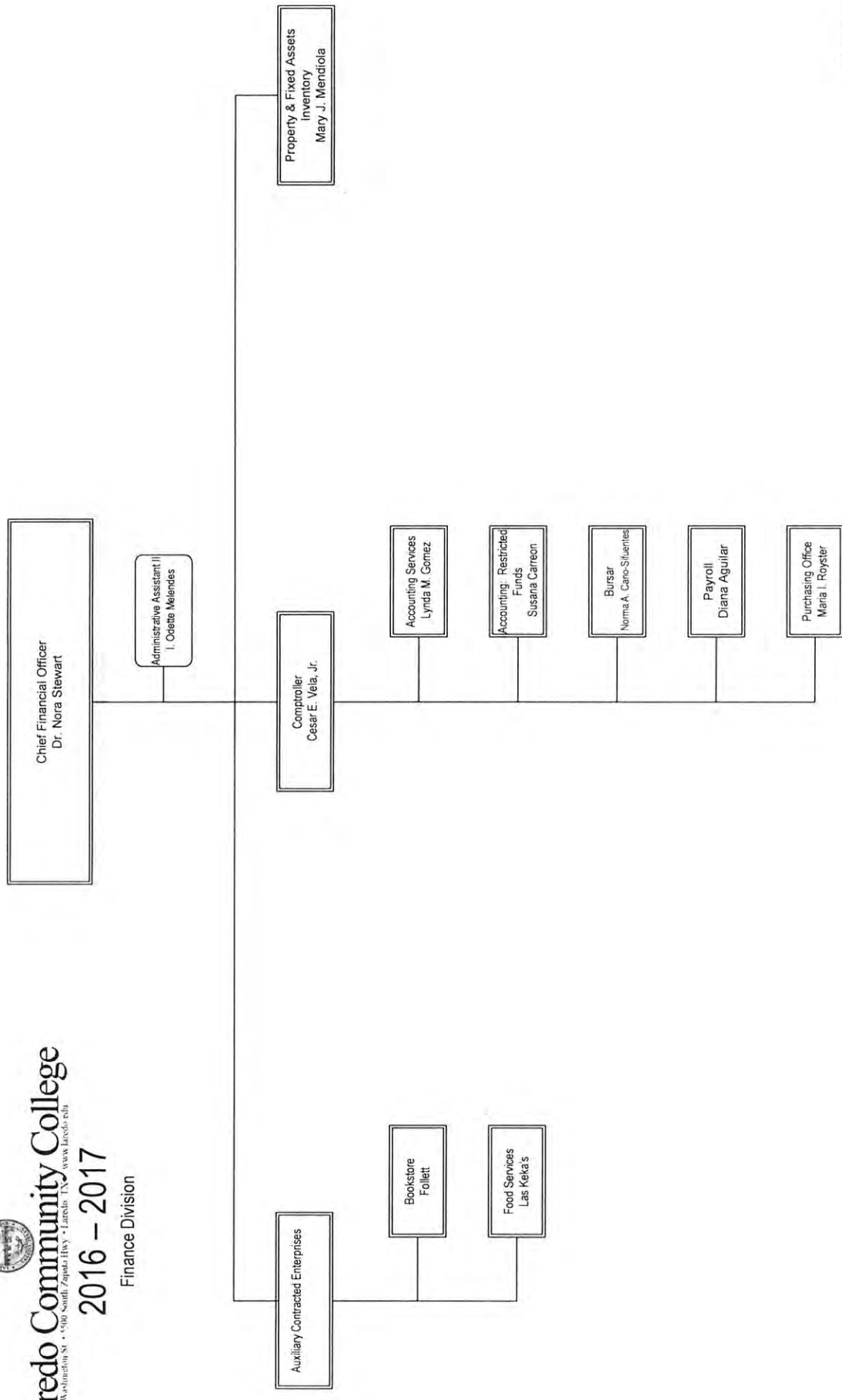


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2016 – 2017

Information Technology Division



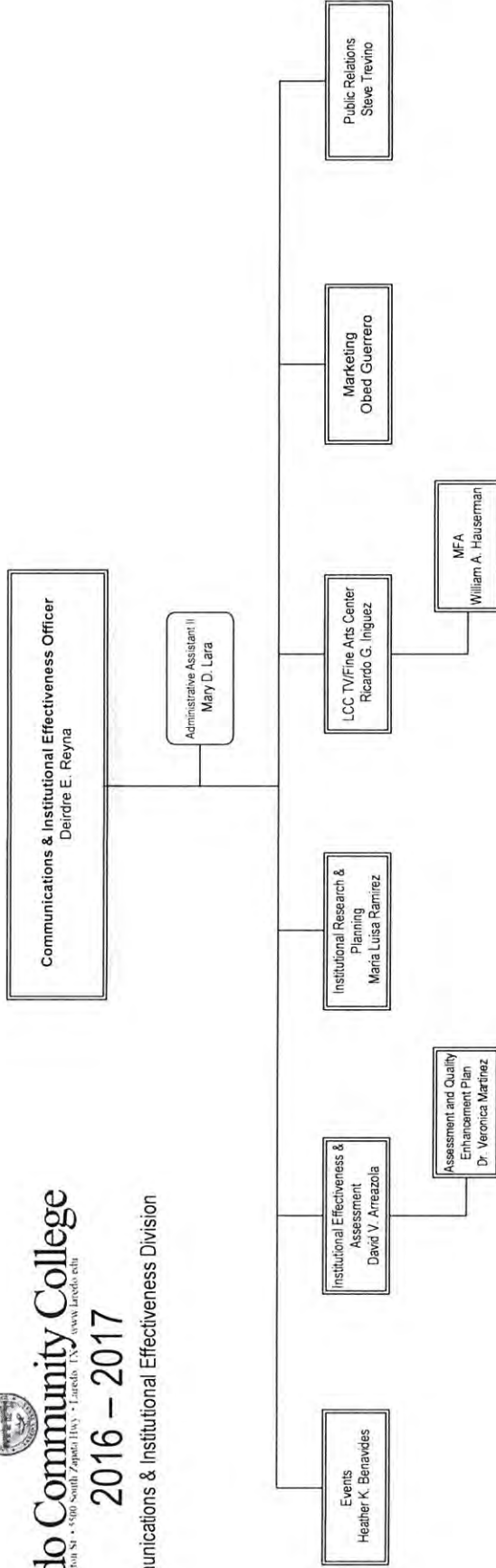




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2016 – 2017

Communications & Institutional Effectiveness Division

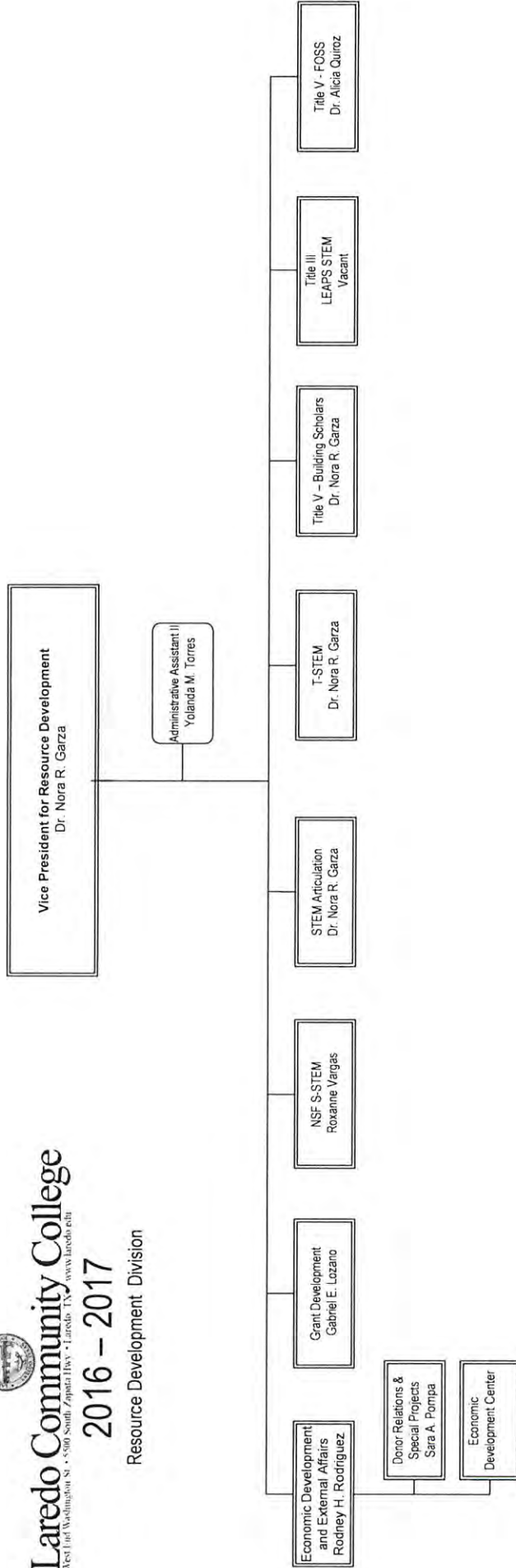




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2016 – 2017

Resource Development Division

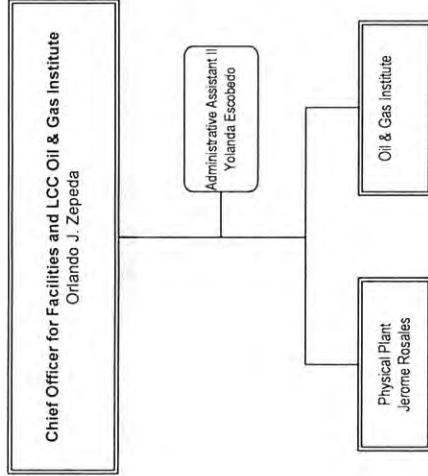




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2016 – 2017

Facilities and Oil & Gas Institute Division



FINANCIAL SECTION

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Laredo Community College District (the College), as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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, based on our audit the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the College, as of August 31, 2016, and the respective changes in financial position, and cash flows thereof 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, Schedule of Share of Net Pension Liability, Schedule of Contributions to the Teach Retire System and the Schedule of Funding Progress, as listed in the table of contents, 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 opinions on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, Schedule of Net Position by Source and Availability, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards, as required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the State of Texas Single Audit Circular, and other information, such as the Introductory Section and the Statistical Section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, Schedule of Net Position by Source and Availability, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, Schedule of Net Position by Source and Availability, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections 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

Reference to Predecessor Auditor's Report

The financial statements of the College as of and for the year ended August 31, 2015, were audited by other auditors, whose report dated December 9, 2015, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 8, 2015 on our consideration of the College'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 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 College's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "George Gonzalez" with a stylized flourish underneath.

November 28, 2016

**Laredo Community College District
Management Discussion and Analysis
Year Ending August 31, 2016**

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, 2016, and comparative information for the year ended August 31, 2015 and August 31, 2014. 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 \$46,709,430 at August 31, 2016. Of this amount, \$13,702,021 may be used to meet the College's ongoing obligations.
- The College's ad-valorem tax revenue for maintenance and operations increased by 9.65% or \$2,598,101 from \$26,933,855 in 2015 to \$29,531,956 in 2016.
- Non-operating revenues increased 9.95% or \$5,927,727 from \$59,582,456 in 2015 to \$65,510,183 in 2016.
- Capital assets, net of accumulated depreciation, at August 31, 2016, had an increase of \$1,480,506 from August 31, 2015.
- During the fiscal year, the College's combined Net Position increased by \$6,034,200 or 14.84%.

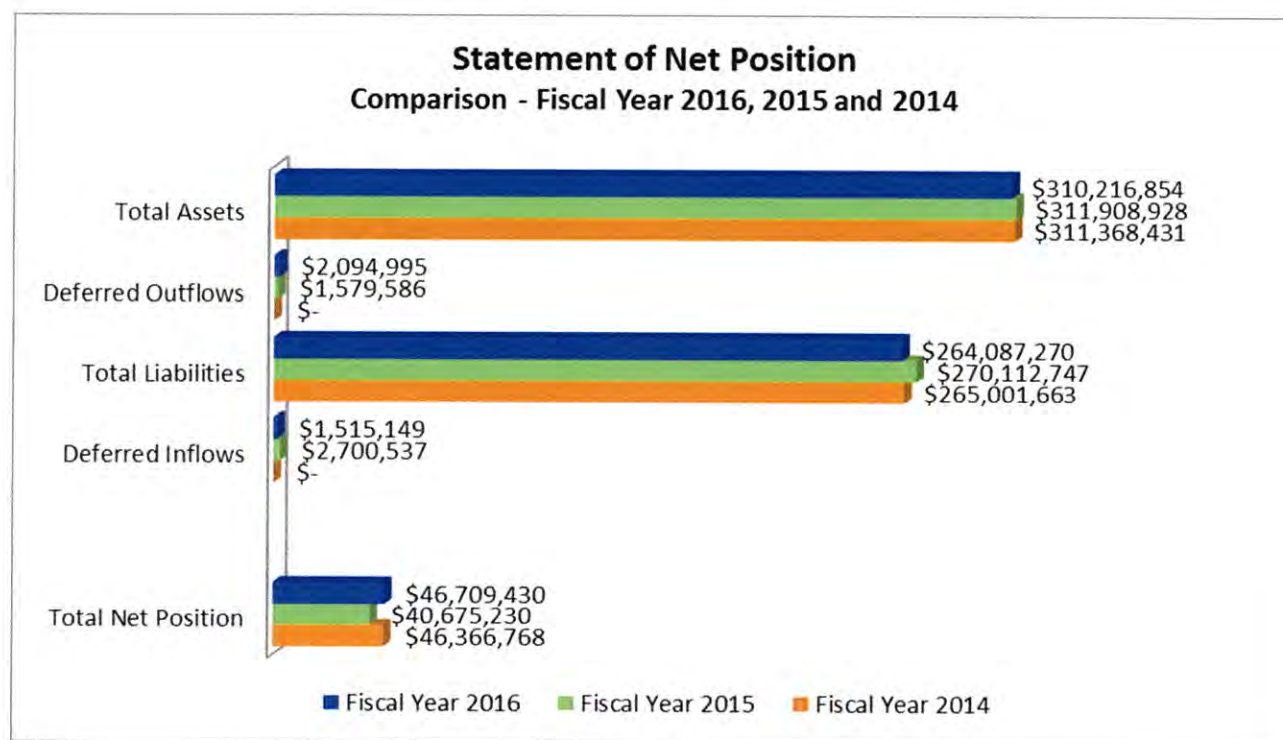
Statement of Net Position

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		
	2016	2015	2014
Assets:			
Current assets	\$ 155,174,767	\$ 158,272,159	\$ 165,271,873
Capital assets	150,921,485	149,440,979	145,221,590
Other non-current assets	4,120,602	4,195,790	874,968
Total assets	310,216,854	311,908,928	311,368,431
Deferred Outflows Related to Pensions	2,094,995	1,579,586	-
Liabilities:			
Current liabilities	29,502,122	27,825,141	24,079,008
Non-current liabilities	234,585,148	242,287,606	240,922,655
Total liabilities	264,087,270	270,112,747	265,001,663
Deferred Inflows Related to Pensions	1,515,149	2,700,537	-
Investment in capital assets, net of related debt	15,735,049	16,142,551	12,987,174
Restricted net assets	17,272,360	14,039,234	14,445,430
Unrestricted net assets	13,702,021	10,493,445	18,934,164
Total Net Position	\$ 46,709,430	\$ 40,675,230	\$ 46,366,768



Fiscal Year 2016 compared to 2015

The total assets of the College decreased \$1,692,074 or .54% compared to the prior year, from \$311,908,928 in 2015 to \$310,216,854 in 2016. Within the assets section, current assets decreased by 1.96% - equal to \$3,097,392. This decrease is due to a decrease in restricted cash and cash equivalents of \$5,766,339 and a decrease of \$1,235,148 in federal receivables. The decrease in restricted cash and cash equivalents is attributed to the decrease of Title IV receipts in 2016. The \$1,235,148 decrease in federal receivables is mainly attributed to a decrease in the Pell Grant Receivable. Also decreasing in this section, were prepaid expenses which decreased by \$178,258. These decreases were offset by increases in cash and cash equivalents which increased by \$2,577,519 and by increases in tuition and fees receivable which increased by \$626,433. The increase in cash and cash equivalents is attributed to an increase in ad valorem tax collections of \$2,388,835. The increase in tuition and fees receivable can be attributed to an increase in fall 2016 early registration activities. Also increasing in this area were other receivables which increased by \$136,964 compared to the prior year. For fiscal year 2016 capital assets, net of accumulated depreciation, increased by \$1,480,506 or .99%.

The increase was primarily due to an increase in other real estate improvements of \$961,000 due to the capitalization of costs associated to HVAC improvements to the Fort McIntosh Campus. For Fiscal Year 2016 there was an increase of \$1,811,572 in furniture and equipment. Other increases to capital assets include an increase to library books of \$99,965 and an increase of \$557,457 to lease hold interests. The increases were offset by capital asset disposals of \$966,881. In addition, the increase in capital assets were also offset by increases in accumulated depreciation of \$5,815,084 and Fiscal Year 2016 amortization expense on leasehold interest equipment of \$727,340.

On the liability side, the total liabilities of the College decreased by \$6,025,477 or 2.23% compared to fiscal year 2015, from \$270,112,747 in 2015 to \$264,087,270 in 2016. Within this net change, current liabilities increased by \$1,676,981 or 6.03%, due primarily to an increase in bonds payable – current portion of \$1,203,894. Also increasing in this section were bonds interest payable which increased by \$841,120 compared to the prior year due to the recording of accrued bond interest expense at year end. In addition, there was an increase of \$526,551 in accrued compensable absences due to a change on how accrued vacation leave is recorded at year end. Previously, the College would not record a liability for accrued vacation pay at year end due to an institutional policy which required that the position vacated by the terminating employee be kept vacant until the amount paid for the vacation time was recovered. These increases were offset by a decrease of \$1,150,312 in accreted interest payable due to payoff of accreted interest in FY 2016.

Non-current liabilities decreased by \$7,702,458, or 3.18% from \$242,287,606 in 2015 to \$234,585,148 in 2016. The primary change that contributed toward this decrease was a decrease to bonds payable of \$9,387,383 due to principal payments made in FY 2016. The \$9 million dollar decrease to bonds payable was partially offset by an increase of \$1,724,164 to net pension liability in FY 2016.

The decrease in total assets from 2015 to 2016 of \$1,692,074 less the decrease in total liabilities of \$6,025,477 yields an increase in net position of \$6,034,200. Thirty four percent of the College's net position, \$15,735,049 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 37%. The remaining 29% of the College's net position, \$13,702,021 are unrestricted net assets and may be used for educational or general operations by the College.

Fiscal Year 2015 compared to 2014

The total assets of the College increased \$540,497 or .17% compared to the prior year, from \$311,368,431 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

estate improvements of \$6,068,394 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 \$1,625,206 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, \$16,142,551, 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.

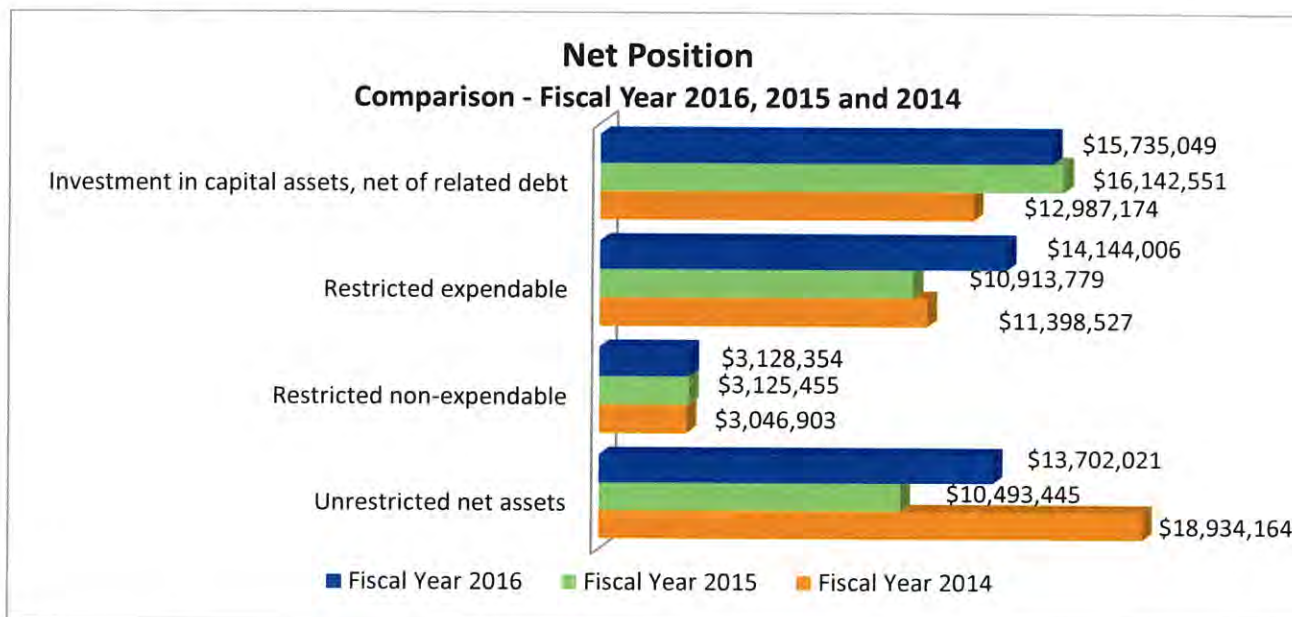
On the liability side, the total liabilities of the College increased by \$94,686,597 or 55.59% compared to fiscal year 2013, from \$170,315,066 in 2013 to \$265,001,663 in 2014. Within this net change, current liabilities

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 an 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.



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

Statement of Revenues, Expenses and Changes in Net Position

	2016	2015	2014
Operating Revenues	\$ 18,358,813	\$ 20,523,088	\$ 19,747,939
Operating Expenses	76,272,527	75,794,825	73,404,249
Operating Loss	(57,913,714)	(55,271,737)	(53,656,310)
Non-operating revenues and expenses	65,510,183	59,582,456	56,920,032
Increase in Net Position	7,596,469	4,310,719	3,263,722
Extraordinary Item	49,071	-	-
Increase in Net Position after Extraordinary Item	7,645,540	4,310,719	3,263,722
Net Position at beginning of year	40,675,230	46,366,768	43,991,259
Prior Period Adjustment	(1,611,340)	(10,002,257)	(888,213)
Restated Net Position at beginning of year	39,063,890	36,364,511	43,103,046
Net Position at end of year	\$ 46,709,430	\$ 40,675,230	\$ 46,366,768

Fiscal Year 2016 compared to 2015

The statement of revenues, expenses and changes in net position reflects an increase to net position of \$7,645,540 for fiscal year 2016, compared to an increase of \$4,310,719 for fiscal year 2015.

As is normal, operations yielded a loss for the year of \$57,913,714. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

The operating loss increased by \$2,641,977 or 4.78%, from \$55,271,737 in fiscal year 2015, to \$57,913,714 in fiscal year 2016. Operating revenues decreased by \$2,164,275, and total operating expenses increased by \$477,702.

Total operating revenues decreased by \$2,164,275, primarily due to decreases in federal grant and state grant revenues of \$961,708 and \$1,044,510 respectively.

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.

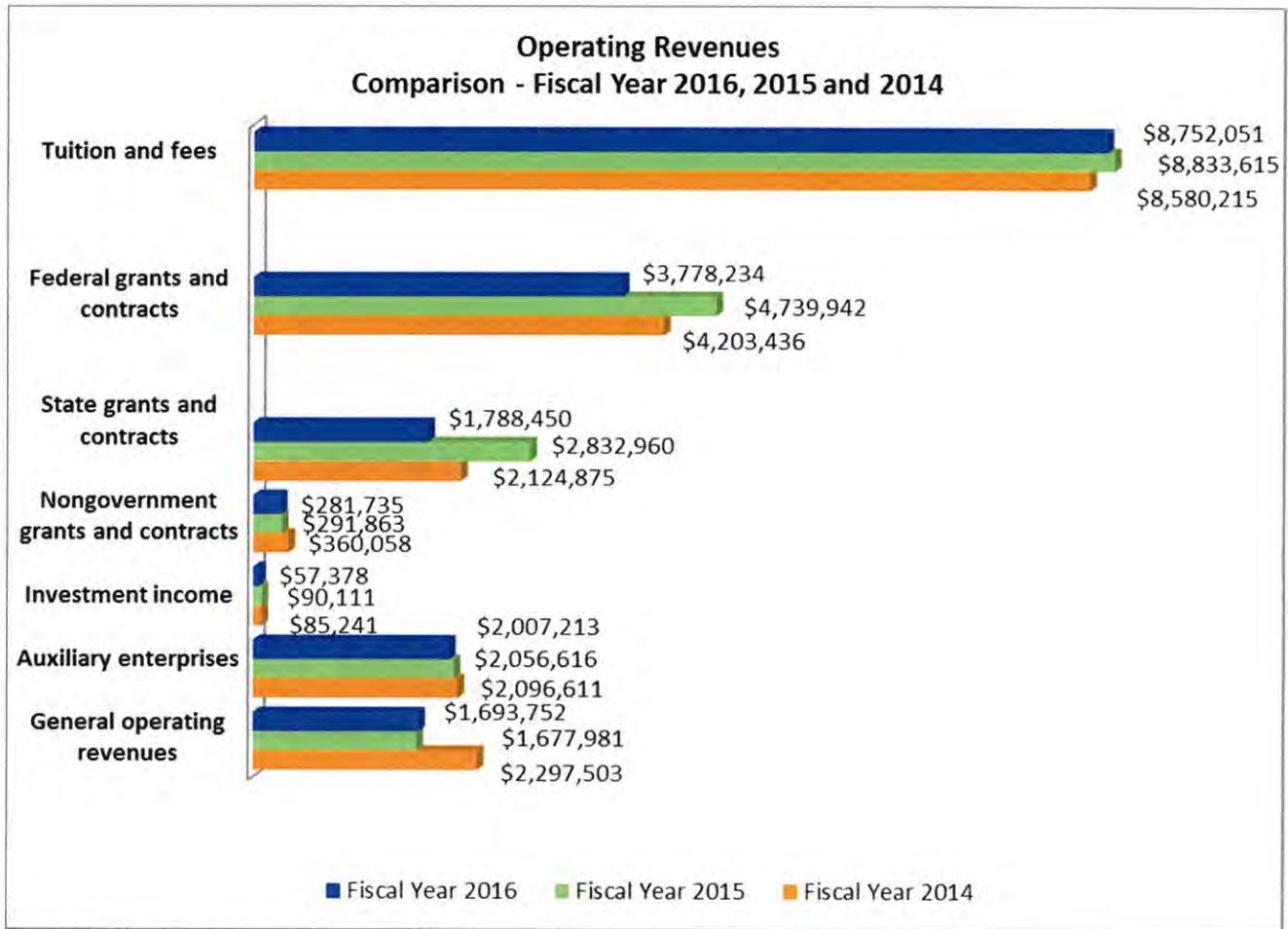
As is normal, operations yielded a loss for the year of \$53,656,310. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35.

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.

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

	2016		2015		2014	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Operating revenues						
Tuition and fees (net of discounts)	\$ 8,752,051	47.68%	\$ 8,833,615	43.04%	\$ 8,580,215	43.45%
Federal grants and contracts	3,778,234	20.58%	4,739,942	23.10%	4,203,436	21.29%
State grants and contracts	1,788,450	9.74%	2,832,960	13.80%	2,124,875	10.76%
Nongovernment grants and contracts	281,735	1.53%	291,863	1.42%	360,058	1.82%
Investment income (program restricted)	57,378	0.31%	90,111	0.44%	85,241	0.43%
Auxiliary enterprises (net of discounts)	2,007,213	10.93%	2,056,616	10.02%	2,096,611	10.62%
Other operating revenues	1,693,752	9.23%	1,677,981	8.18%	2,297,503	11.63%
Total	\$ 18,358,813	100.00%	\$ 20,523,088	100.00%	\$ 19,747,939	100.00%



Fiscal Year 2016 compared to 2015

For 2016 operating expenses increased by 0.63%, or \$477,702 compared to the prior year. The increase in operating expenses was due to the budgeted level spending associated with increased personnel costs. An analysis of operating expenses by function indicates the most significant year-to-year increase in expenditures to be in instruction by \$1,705,659 or 6.89%. The increase in instruction can be attributed to increases in faculty salary costs due to an adjustment made to the faculty salary scales. These increases were offset by a decrease in institutional support of \$1,156,289. The decrease in institutional support is due to a reduction of \$1,743,000 in employee bonus payments for fiscal year 2016.

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.

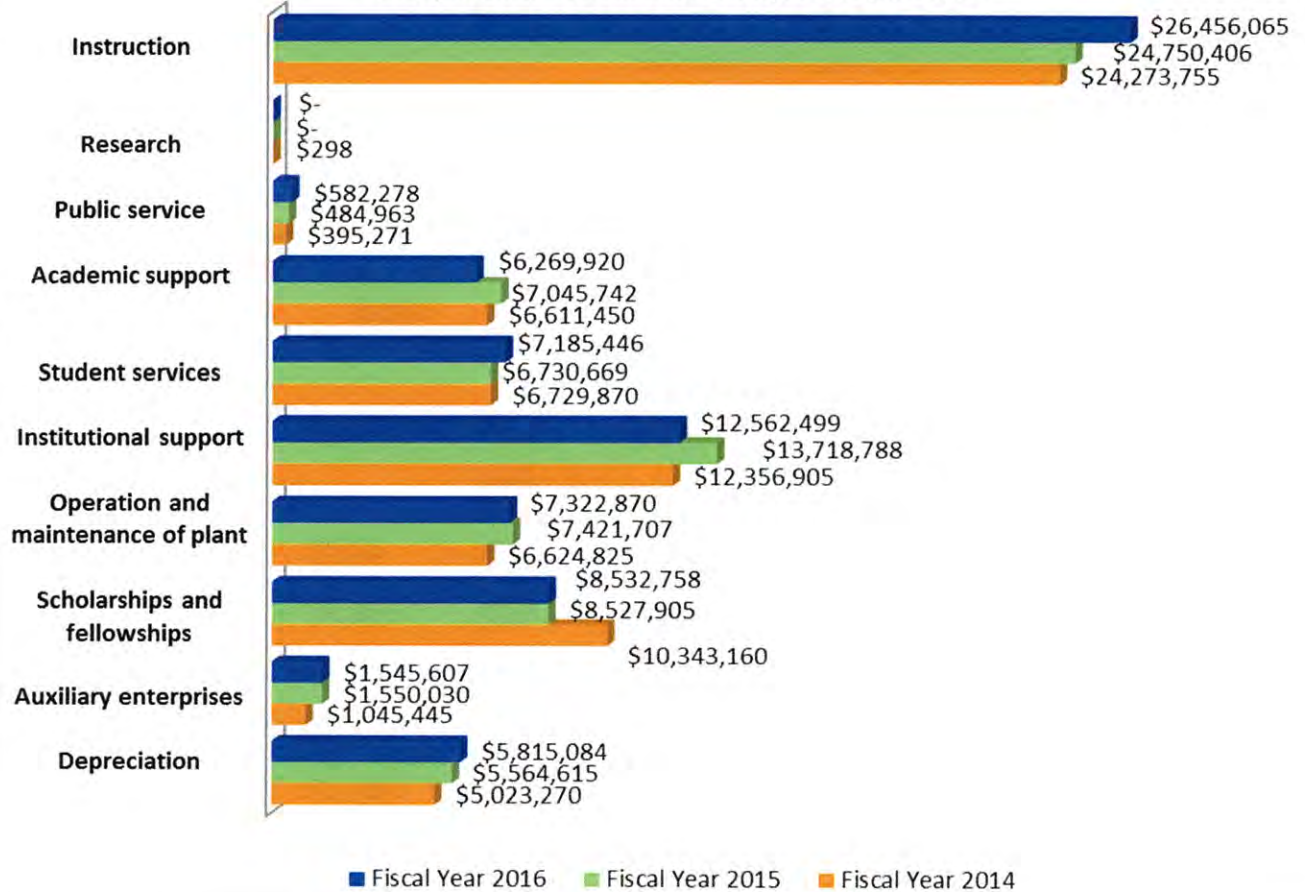
Fiscal Year 2014 compared to 2013

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

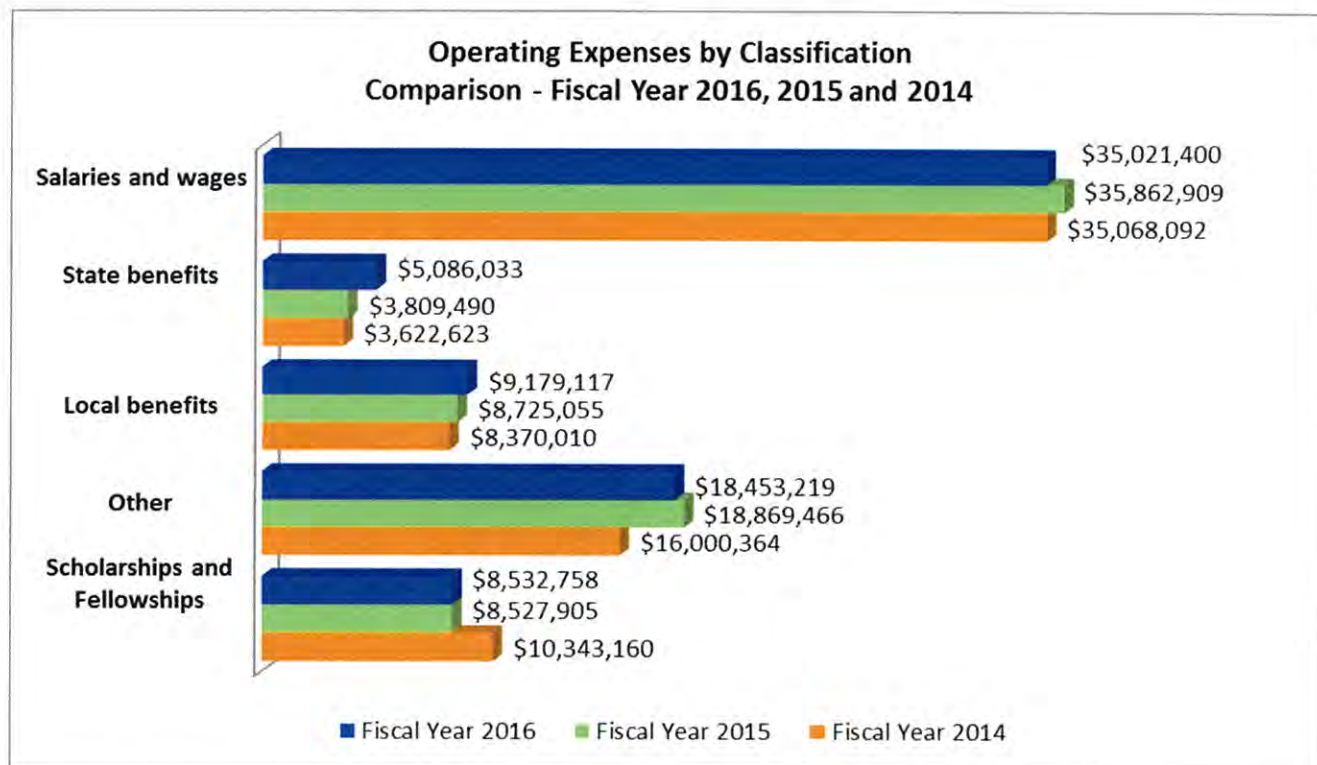
and decreased operating costs associated with lower enrollments. An analysis of operating expenses by function indicates the most significant year-to-year decrease in expenditures to be in scholarship expenses by \$1,468,318 or 12.43% and in institutional support by \$1,293,407 or 9.48%. The decrease 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.

Operating Expenses by Function	2016		2015		2014	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 26,456,065	34.69%	\$ 24,750,406	32.65%	\$ 24,273,755	33.07%
Research	-	0.00%	-	0.00%	298	0.00%
Public service	582,278	0.76%	484,963	0.64%	395,271	0.54%
Academic support	6,269,920	8.22%	7,045,742	9.30%	6,611,450	9.01%
Student services	7,185,446	9.42%	6,730,669	8.88%	6,729,870	9.17%
Institutional support	12,562,499	16.47%	13,718,788	18.10%	12,356,905	16.83%
Operation and maintenance of plant	7,322,870	9.60%	7,421,707	9.79%	6,624,825	9.03%
Scholarships and fellowships	8,532,758	11.19%	8,527,905	11.25%	10,343,160	14.09%
Auxiliary enterprises	1,545,607	2.03%	1,550,030	2.05%	1,045,445	1.42%
Depreciation	5,815,084	7.62%	5,564,615	7.34%	5,023,270	6.84%
Total	\$ 76,272,527	100.00%	\$ 75,794,825	100.00%	\$ 73,404,249	100.00%

**Operating Expenses by Function
Comparison - Fiscal Year 2016, 2015 and 2014**



Operating Expenses by Classification	2016		2015		2014	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 35,021,400	45.92%	\$ 35,862,909	47.31%	\$ 35,068,092	47.77%
State benefits	5,086,033	6.67%	3,809,490	5.03%	3,622,623	4.94%
Local benefits	9,179,117	12.03%	8,725,055	11.51%	8,370,010	11.40%
Other	18,453,219	24.19%	18,869,466	24.90%	16,000,364	21.80%
Scholarships and fellowships	8,532,758	11.19%	8,527,905	11.25%	10,343,160	14.09%
Total	\$ 76,272,527	100.00%	\$ 75,794,825	100.00%	\$ 73,404,249	100.00%



Fiscal Year 2016 compared to 2015

Net non-operating revenues (expenses) increased over fiscal year 2015 by 9.95%, or \$5,927,727. The increase in non-operating revenues was due primarily to an increase in ad-valorem tax revenues of \$5,428,845. This increase is attributed to an increase in the tax rate for fiscal year 2016. In addition, there was an increase in state appropriation revenue of \$463,484 due to an increase in state group insurance and retirement matching contributions. These increases were offset by a decrease of Title IV revenue in the amount of \$1,057,300. For fiscal year 2016 the College had a decrease of \$940,266 in interest on capital related debt expenses.

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.

Some highlights of the fiscal year 2016 information presented on the Statements of Revenues, Expenses, and Changes in Net Position are as follows:

- Tuition and fees were discounted by \$14,203,772 and \$14,721,218 in fiscal years 2016 and 2015 respectively, which consisted of federal, state, local and private grants that were provided as financial aid to students and other remissions and exemptions.
- Tax collections for maintenance and operations increased 9.23% from \$25,887,218 in 2015 to \$28,276,053 in 2016.
- The tax rates assessed in fiscal years 2015 and 2016 were \$0.297163 and \$0.330244 respectively.
- Net Position increased 14.84% from fiscal year 2015 to fiscal year 2016

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 \$45,267,717.

For 2015, the College experienced cash outflows of \$50,767,555 from operating activities.

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

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 \$68,309,517. The primary sources of cash were receipts from state appropriations, receipts from non-operating federal revenue and ad valorem (property) taxes which generated an inflow of \$10,301,912, \$18,957,022 and \$38,632,992 respectively.

For 2015, the College experienced a net cash inflow for the year of \$68,947,994. The primary sources of cash were receipts from state appropriations, receipts from non-operating federal revenue and ad valorem (property) taxes which generated an inflow of \$14,924,461, \$20,014,322 and \$33,716,753 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.

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 \$27,335,414. The primary cash inflows were receipts from the issuance of capital debt in the amount of \$22,490,815 for the Limited Tax Refunding Bond, Series 2016 and the Combined Fee Revenue Refunding Bonds, Series 2016. The primary uses of the cash were outflows for payments on acquisition of capital assets in the amount of \$8,022,930 and payments on capital debt of \$30,150,661 primarily due to the payment of principal on the refunding of the Limited Tax Refunding Bonds, Series 2006 and on the refunding of the Combined Fee Revenue Bonds, Series 2006. In addition, there was a cash outflow of \$11,139,644 for capital debt and lease interest payments.

For 2015, net cash outflows for the year were \$24,667,131. 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.

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 2016, the College experienced a net cash inflow of \$1,132,007 from receipts from interest on investments.

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.

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

	2016	2015	2014
Cash provided (used) by			
Operating Activities	\$ (45,267,717)	\$ (50,767,555)	\$ (51,887,309)
Non-capital financing activities	68,309,517	68,947,994	60,975,647
Financing activities	(27,335,414)	(24,667,131)	79,401,353
Investing activities	1,132,007	1,098,704	385,196
Net increase (decrease) in cash	(3,161,607)	(5,387,988)	88,874,887
Cash and cash equivalents - September 1	145,151,121	150,539,109	61,664,222
Cash and cash equivalents - August 31	\$ 141,989,514	\$ 145,151,121	\$ 150,539,109

Capital Assets

During fiscal year 2016, \$7,846,607 of new assets was capitalized. This amount is composed of the following:

- \$4,416,613 increase to buildings and building improvements for the capitalization of renovation costs to the Memorial Hall Building
- \$1,811,572 of new equipment and furniture was capitalized
- \$961,000 increase to other real estate improvements for the capitalization of costs associated with HVAC improvements at the Fort McIntosh Campus
- \$557,457 increase to leasehold interests due to the acquisition of information technology equipment
- \$176,323 net increase to construction in process related to the Facilities Master Plan Phase III projects
- \$99,965 of new library books was capitalized

The \$7,846,607 increase in fixed assets was partially offset by \$5,815,084 of depreciation expense for Fiscal Year 2016. In addition, the College had a \$966,881 decrease in capital assets due to disposals and a \$727,340 decrease to leasehold interest due to amortization.

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
- \$1,094,367 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

Long Term Debt

Fiscal Year 2016

Long-term debt decreased by \$9,387,383 due to principal payments on 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.

For additional information concerning capital assets and debt administration, see Notes No. 5, No. 6, No. 7, No. 8, and No. 9 in the Notes to the Financial Statements.

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, 2016 and August 31, 2015
Exhibit 1

Assets	FY 2016	FY 2015
Current Assets:		
Cash and cash equivalents	\$ 29,248,764	\$ 26,671,245
Restricted cash and cash equivalents	109,355,262	115,121,601
Property taxes receivable (net of allowances of \$1,162,776 and \$1,230,078)	2,318,844	1,581,328
Tuition and fees receivable (net of allowances of \$1,073,150 and \$678,297)	9,172,855	8,546,422
Federal receivables (net of allowances of \$92,378 and \$83,336)	1,295,550	2,530,698
Other receivables (net of allowances of \$292,571 and \$180,140)	2,965,602	2,828,638
Inventories	10,205	6,284
Prepaid expenses	807,685	985,943
Total Current Assets	\$ 155,174,767	\$ 158,272,159
Noncurrent Assets:		
Endowment cash and cash equivalents	3,385,488	3,358,275
Prepaid bond insurance (net of amortization)	735,114	837,515
Capital assets (net) (see note 6)	150,921,485	149,440,979
Total Noncurrent Assets	\$ 155,042,087	\$ 153,636,769
Total Assets	\$ 310,216,854	\$ 311,908,928
Deferred Outflows Related to Pensions	2,094,995	1,579,586
Liabilities		
Current Liabilities:		
Accounts payable	2,610,680	2,093,781
Accrued liabilities	1,158,443	1,602,864
Unearned revenue	12,672,996	12,464,987
Funds held for others	503,692	515,516
Accrued compensable absences - current portion	1,188,707	662,156
Capital leases payable - current portion	714,305	585,764
Bond interest payable	841,120	-
Accreted interest payable	-	1,150,312
Bonds payable - current portion	9,444,223	8,240,329
Retainage payable	367,956	509,432
Total Current Liabilities	\$ 29,502,122	\$ 27,825,141
Noncurrent Liabilities:		
Accrued compensable absences	1,335,424	911,269
Capital leases payable	654,108	1,117,502
Bonds payable	222,043,368	231,430,751
Net Pension Liability	10,552,248	8,828,084
Total Noncurrent Liabilities	\$ 234,585,148	\$ 242,287,606
Total Liabilities	\$ 264,087,270	\$ 270,112,747
Deferred Inflows of Related to Pensions	1,515,149	2,700,537
Net Position		
Net investment in capital assets	15,735,049	16,142,551
Restricted for:		
Non-expendable		
Endowment	3,128,354	3,125,455
Expendable		
Student aid	3,361,346	3,053,512
Plant funds	603,397	411,162
Other	210,625	81,005
Debt service reserve	8,459,849	6,198,629
Auxiliary	1,508,789	1,169,471
Unrestricted	13,702,021	10,493,445
Total Net Position (Schedule D)	\$ 46,709,430	\$ 40,675,230

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, 2016 and August 31, 2015
Exhibit 2

Revenues	FY 2016	FY 2015
Operating Revenues		
Tuition and fees (net of discounts of \$14,203,772 and \$14,721,218)	\$ 8,752,051	\$ 8,833,615
Federal grants and contracts	3,778,234	4,739,942
State grants and contracts	1,788,450	2,832,960
Nongovernment grants and contracts	281,735	291,863
Investment income (program restricted)	57,378	90,111
Auxiliary enterprises	2,007,213	2,056,616
Other operating revenues	1,693,752	1,677,981
Total Operating Revenues - Schedule A	<u>\$ 18,358,813</u>	<u>\$ 20,523,088</u>
Expenses		
Operating Expenses		
Instruction	26,456,065	24,750,406
Research	-	-
Public service	582,278	484,963
Academic support	6,269,920	7,045,742
Student services	7,185,446	6,730,669
Institutional support	12,562,499	13,718,788
Operation and maintenance of plant	7,322,870	7,421,707
Scholarships and fellowships	8,532,758	8,527,905
Auxiliary enterprises	1,545,607	1,550,030
Depreciation	5,815,084	5,564,615
Total Operating Expenses - Schedule B	<u>\$ 76,272,527</u>	<u>\$ 75,794,825</u>
Operating Income (Loss)	<u>\$ (57,913,714)</u>	<u>\$ (55,271,737)</u>
Non-Operating Revenues (Expenses)		
State appropriations	15,387,945	14,924,461
Professional nursing shortage reduction	39,280	115,157
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	29,531,956	26,933,855
Taxes for general obligation bonds	9,838,552	7,007,808
Federal revenue, non-operating	18,957,022	20,014,322
Investment income	1,132,007	1,098,704
Interest on capital related debt	(9,720,392)	(10,660,658)
Other non-operating revenues (expenses)	320,304	61,861
Additions to permanent endowments	2,000	86,946
Gain/(Loss) on sale of asset	2,750	-
Capital gifts	18,759	-
Net Other Non-Operating Revenues (Expenses) - Schedule C	<u>\$ 65,510,183</u>	<u>\$ 59,582,456</u>
Income Before Extraordinary Item	7,596,469	4,310,719
Extraordinary Item	49,071	-
Increase (decrease) in Net Position	7,645,540	4,310,719
Net Position - Beginning	40,675,230	46,366,768
Restatements (prior period adjustment)	(1,611,340)	(10,002,257)
Restated Net Position - September 1, 2016 and September 1, 2015	<u>39,063,890</u>	<u>36,364,511</u>
Net Position - Ending	<u>\$ 46,709,430</u>	<u>\$ 40,675,230</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, 2016 and 2015
Exhibit 3

	FY 2016	FY 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 9,955,894	\$ 10,978,203
Receipts from operating grants and contracts	7,331,550	7,081,270
Payments to suppliers for goods and services	(11,361,035)	(13,698,432)
Payment to or on behalf of employees	(44,412,498)	(48,499,264)
Payments for scholarships and fellowships	(8,532,758)	(8,307,313)
Other Receipts (payments)	1,751,130	1,677,981
Net cash provided (used) by operating activities	<u>(45,267,717)</u>	<u>(50,767,555)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	10,301,912	14,924,461
Receipts from Ad Valorem Taxes	38,632,992	33,716,753
Receipts (payments) from (to) student organizations and other agency transactions	(11,824)	90,355
Receipts from private gifts for endowment purposes	2,000	86,946
Receipts from Title IV Financial Aid Programs	18,957,022	20,014,322
Other Receipts	427,415	115,157
Net cash provided (used) by non-capital financing activities	<u>68,309,517</u>	<u>68,947,994</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from the issuance of capital debt	22,490,815	26,846,405
Acquisition and construction of capital assets	(8,022,930)	(9,531,703)
Payments of prepaid bond insurance	(102,401)	37,453
Payment of bond issue costs and other fees	(410,593)	-
Payments on capital debt and lease - principal	(30,150,661)	(30,530,238)
Payments on capital debt and leases - interest and fees	(11,139,644)	(11,489,048)
Net cash provided (used) by capital and related financing activities	<u>(27,335,414)</u>	<u>(24,667,131)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on dividends	1,132,007	1,098,704
Net cash provided (used) by investing activities	<u>1,132,007</u>	<u>1,098,704</u>
Increase (Decrease) in cash and cash equivalents	<u>(3,161,607)</u>	<u>(5,387,988)</u>
Cash and cash equivalents - September 1	<u>145,151,121</u>	<u>150,539,109</u>
Cash and Cash Equivalents - August 31	<u>141,989,514</u>	<u>145,151,121</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, 2016 and 2015
Exhibit 3

	FY 2016	FY 2015
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities		
Operating Income (loss)	\$ (57,913,714)	\$ (55,271,737)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation expense	6,542,424	5,564,615
State On-behalf Payments	5,086,033	-
Changes in Assets and Liabilities:		
Assets (Increase) decrease		
Receivables	471,752	(1,153,292)
Inventories	(3,921)	293
Prepaid Expenses	178,258	(593,550)
Deferred outflows	(515,409)	(53,222)
Liabilities Increase (Decrease)		
Accounts Payable	375,423	594,153
Accrued Liabilities	(444,421)	51,022
Compensated Absences	209,073	(48,588)
Unearned Revenue	208,009	142,751
Deferred Inflows	(1,185,388)	-
TRS Pension Liability	1,724,164	-
Net cash provided (used) by operating activities	\$ (45,267,717)	\$ (50,767,555)

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

Laredo Community College District
Notes to Financial Statements
August 31, 2016

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 the College 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 (TPEG). Certain tuition amounts must be set aside for use as scholarships by qualifying students. This set aside, called the 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 College records the amount as tuition discount. If the amount is dispersed directly to the student, the College records the amount 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 initially are 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 College records the amount as a tuition discount. If the amount is dispersed directly to the student, the College records the amount 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.

Note 2 – Summary of Significant Accounting Policies – (continued)

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. Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statement of Net Position.

Deferred outflows

In addition to assets, the College is aware that 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 permitted only to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on refunding debt.

Investments

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the College reports investments 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. For the years ended 2016 and 2015 the College reported zero investments.

Inventories

Inventories consist of consumable print shop 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 and therefore an estimated cost was used. For equipment, the College 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

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources 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, 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 benefit terms. Investments are reported at fair value.

Note 2 – Summary of Significant Accounting Policies – (continued)

Unearned Revenue

Tuition and fees of \$11,775,346 and \$11,281,608 and federal, state, and local grants of \$897,650 and \$1,183,379 have been reported as unearned revenue at August 31, 2016 and August 31, 2015, respectively.

Deferred Inflows

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

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, the College is aware that 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.

Prior Year Reclassifications

A reclassification in the Statements of Net Position was necessary in the assets section to change the previous classification of cash from restricted funds from cash and cash equivalents to restricted cash.

A reclassification in the Statement of Net Position was necessary in the assets section to change the classification of endowment funds from current assets to noncurrent assets.

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 2016 beginning net assets. The adjustment was as follows:

- a reduction of \$869,707 to beginning net assets to record accrued expenditure of bond interest.
- a reduction of \$741,633 to beginning net assets to record adjustment to accrued compensable absences which had not been previously recorded.

For Fiscal Year 2015 an adjustment was made to the beginning net assets. The adjustment was as follows:

- \$ 10,002,257 reduction to net assets for the implementation of GASB 68 – Net pension liability (measurement date as of August 31, 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.

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

Cash and Deposits included on Exhibit 1, Statement of Net Position, consist of the items reported below:

Cash and Deposits

	<u>August 31, 2016</u>	<u>August 31, 2015</u>
Bank Deposits		
Demand Deposits	\$ 29,228,514	\$ 26,911,341
Restricted Demand Deposits	109,355,062	114,861,055
Endowment Demand Deposits	\$ 3,385,488	\$ 3,358,275
	<u>141,969,064</u>	<u>145,130,671</u>
Cash and Cash Equivalents		
Cash on Hand	20,250	20,250
Restricted Cash on Hand	200	200
	<u>20,450</u>	<u>20,450</u>
Total Cash and Cash Equivalents	<u>\$ 141,989,514</u>	<u>\$ 145,151,121</u>

Interest Rate Risk: In accordance with state law and Laredo Community College policy, the 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 had no investments.

Note 5 - Capital Assets

Capital assets activity for the year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Increases	Decreases	Balance August 31, 2016
<u>Not depreciated:</u>				
Land	\$ 5,444,715	\$ -	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in Process	8,141,695	4,285,217	4,108,894	8,318,018
Subtotal	<u>\$ 13,596,330</u>	<u>\$ 4,285,217</u>	<u>\$ 4,108,894</u>	<u>\$ 13,772,653</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$128,168,552	\$ 4,416,613	\$ -	\$132,585,165
Other Real Estate Improvements	33,131,679	961,000	-	34,092,679
Total Buildings and Other Real Estate Improvements	<u>\$161,300,231</u>	<u>\$ 5,377,613</u>	<u>\$ -</u>	<u>\$166,677,844</u>
Library books	3,397,099	99,965	17,289	3,479,775
Leasehold Interest	1,543,809	557,457	727,340	1,373,926
Furniture, Machinery, and Equipment	23,718,752	1,811,572	949,592	24,580,732
Total Buildings and Other Capital Assets	<u>\$189,959,891</u>	<u>\$ 7,846,607</u>	<u>\$ 1,694,221</u>	<u>\$196,112,277</u>
<u>Accumulated Depreciation</u>				
Buildings and Building Improvements	\$ 22,177,977	\$ 2,340,172	\$ -	\$ 24,518,149
Other Real Estate Improvements	13,887,391	1,512,548	-	15,399,939
Total Buildings and Other Real Estate Improvements	<u>\$ 36,065,368</u>	<u>\$ 3,852,720</u>	<u>\$ -</u>	<u>\$ 39,918,088</u>
Library books	2,397,389	155,641	17,289	2,535,741
Furniture, Machinery, and Equipment	15,652,484	1,806,723	949,592	16,509,615
Total Accumulated Depreciation	<u>\$ 54,115,242</u>	<u>\$ 5,815,084</u>	<u>\$ 966,881</u>	<u>\$ 58,963,445</u>
Net Capital Assets	<u>\$149,440,979</u>	<u>\$ 6,316,740</u>	<u>\$ 4,836,234</u>	<u>\$150,921,485</u>

Note 5 - Capital Assets – (continued)

Capital assets activity for the year ended August 31, 2015 is included for comparison purposes.

	Balance September 1, 2014	Increases	Decreases	Balance August 31, 2015
<u>Not depreciated</u>				
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>
<u>Buildings and Other Capital Assets:</u>				
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>\$ 547,243</u>	<u>\$189,959,891</u>
<u>Accumulated Depreciation</u>				
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>\$ -</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>\$ 48,567,031</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>

Note 6 – Non-Current Liabilities

Long-Term liability activity for the year August 31, 2016 was as follows:

	Balance September 1, 2015	Additions	Reductions	Balance August 31, 2016	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 123,833,350	\$ 14,400,000	\$ (19,593,350)	\$ 118,640,000	\$ 4,580,000
Contractual obligation bonds	555,000	-	(555,000)	-	-
Discounts	(690,893)	-	68,329	(622,564)	(41,406)
Premium	17,779,550	3,285,815	(1,654,727)	19,410,638	1,187,814
Deferred loss on advance refunding	(805,927)	(491,210)	661,654	(635,483)	(52,185)
Revenue bonds	60,190,000	4,805,000	(7,380,000)	57,615,000	1,970,000
Tax Note	38,810,000	-	(1,730,000)	37,080,000	1,800,000
Total bonds	<u>\$ 239,671,080</u>	<u>\$ 21,999,605</u>	<u>\$ (30,183,094)</u>	<u>\$ 231,487,591</u>	<u>\$ 9,444,223</u>
<u>Other liabilities</u>					
Retainage payable	509,432	52,508	(193,984)	367,956	367,956
Accreted interest payable	1,150,312	-	(1,150,312)	-	-
Bond Interest Payable	-	869,707	(28,588)	841,120	841,120
Compensated absences	1,573,425	1,133,457	(182,751)	2,524,131	1,188,707
Capital leases	1,703,266	557,457	(892,311)	1,368,413	714,305
Net Pension	8,828,084	2,608,093	(883,929)	10,552,248	-
Total other liabilities	<u>13,764,519</u>	<u>5,221,222</u>	<u>(3,331,875)</u>	<u>15,653,868</u>	<u>3,112,088</u>
Total long-term liabilities	<u>\$ 253,435,599</u>	<u>\$ 27,220,827</u>	<u>\$ (33,514,969)</u>	<u>\$ 247,141,459</u>	<u>\$12,556,311</u>

Note 6 – Non-Current Liabilities – (continued)

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)
Revenue 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>

Note 7 - Debt and Lease Obligations

Debt Service requirements at August 31, 2016 were as follows:

For the Years Ended <u>August 31,</u>	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	4,580,000	5,816,850	1,970,000	2,663,166	1,800,000	1,669,494
2018	4,810,000	5,587,850	2,030,000	2,604,563	1,870,000	1,597,644
2019	5,045,000	5,347,350	2,110,000	2,526,913	1,925,000	1,540,944
2020	5,305,000	5,095,100	2,190,000	2,447,525	2,020,000	1,445,181
2021	5,510,000	4,829,850	2,280,000	2,354,344	2,105,000	1,364,138
2022-2026	31,700,000	19,988,300	12,920,000	10,255,697	12,200,000	5,136,739
2027-2031	40,385,000	11,302,300	16,655,000	7,060,092	15,160,000	2,055,387
2032-2036	21,305,000	2,057,850	17,460,000	2,423,614	-	-
Total	<u>\$ 118,640,000</u>	<u>\$ 60,025,450</u>	<u>\$ 57,615,000</u>	<u>\$ 32,335,914</u>	<u>\$ 37,080,000</u>	<u>\$ 14,809,527</u>

Obligations under capital leases at August 31, 2016 were as follows:

For the year ended August 31,	Total
2016	\$ 768,456
2017	543,736
2018	<u>142,187</u>
Total Minimum Lease Payments	1,454,379
Less Amount Representing Interest Costs	<u>(85,967)</u>
Present value of minimum lease payments	<u>\$1,368,412</u>

Note 7 - Debt and Lease Obligations – (continued)

Debt Service requirements at August 31, 2015 are provided for comparison purposes only.

For the Years Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		Contractual Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,113,350	\$ 7,516,730	\$ 1,945,000	\$ 2,758,163	\$ 1,730,000	\$ 1,738,394	\$ 555,000	\$ 20,813
2017	4,640,000	5,908,880	2,015,000	2,687,413	1,800,000	1,669,494	-	-
2018	4,870,000	5,677,420	2,085,000	2,617,413	1,870,000	1,597,644	-	-
2019	5,110,000	5,434,400	2,170,000	2,535,613	1,925,000	1,540,944	-	-
2020	5,370,000	5,179,355	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	\$ 123,833,350	\$ 68,614,685	\$ 60,190,000	\$ 35,145,979	\$ 38,810,000	\$ 16,547,921	\$ 555,000	\$ 20,813

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	<u>\$1,703,266</u>

Note 8 – Bonds Payable

General information related to bonds payable is summarized below:

- **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, 2016 and 2015 is \$2,005,000 and \$2,235,000, 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, 2016 and 2015 is \$31,100,000 and \$31,300,000, 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, 2016 and 2015 is \$3,815,000 and \$4,270,000, 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, 2016 and 2015 is \$1,115,000 and \$1,175,000, 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, 2016 and 2015 is \$35,965,000 and \$37,635,000, 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, 2016 and 2015 is \$10,745,000 and \$11,095,000, respectively.

Note 8 – Bonds Payable – (continued)

- **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, 2016 and 2015 is \$85,035,000 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, 2016 and 2015 is \$5,145,000 and \$5,215,000, respectively.

- **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, 2016 is \$19,440,000.

- **Combined Fee Revenue Refunding Bond, Series 2016**

- To refund the Combined Fee Revenue Refunding, series 2006.
- Issued 7/1/2016
- \$4,805,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2026
- Outstanding Principle balance as of August 31, 2016 is \$4,805,000.

- **Limited Tax Refunding Bond, Series 2016**

- To refund the Limited Tax Refunding bond, series 2006.
- Issued 4/15/2016
- \$14,400,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2032
- Outstanding Principle balance as of August 31, 2016 is \$14,165,000.

Note 9 – Advance Refunding of Bonds

On July 11, 2016, Laredo Community College issued Combined Fee Revenue Refunding Bonds, Series 2016 totaling \$4,805,000 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 \$5,600,731.26 after payments of \$134,332.39 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 \$617,158.92 and a gross savings of \$681,903.47. On August 1, 2016 the Combined Fee Revenue Refunding Bonds, Series 2006 were paid.

On April 20, 2016, Laredo Community College issued Limited Tax Refunding Bonds, Series 2016 totaling \$14,400,000 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 \$16,756,670.53 after payments of

Note 9 – Advance Refunding of Bonds – (continued)

\$156,162.72 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 \$2,559,264.52 and a gross savings of \$3,153,827.50. On August 1, 2016 the Limited Tax Refunding Bonds, Series 2006 were paid.

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.

Note 10 – Employees' Retirement Plan

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

Teacher Retirement System of Texas – Defined Benefit Plan

Plan Description

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.

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.

Note 10 – Employees' Retirement Plan – (continued)

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, whose formulas use the three highest annual salaries. 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 cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

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. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

	<u>Contribution Rates</u>	
	<u>2015</u>	<u>2016</u>
Member	6.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2016 Employer Contributions	\$ 929,091	
2016 Member Contributions	\$1,671,625	
2015 NECE On-Behalf Contributions	\$ 610,031	

The District's contributions to the TRS pension plan in FY 2016 were \$929,091 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY 2016 were \$657,930.

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. Public junior colleges or junior college districts 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.

Note 10 – Employees' Retirement Plan – (continued)

- 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.

Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2015
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Inflation	2.50%
Salary Increases including inflation*	3.50% to 9.50%
Payroll Growth Rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**Includes Inflation of 2.5%*

The actuarial methods and assumptions are based primarily on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

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, 2015 are summarized below:

Note 10 – Employees’ Retirement Plan – (continued)

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Expected Contribution to Long-Term Portfolio Returns*</u>
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

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

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 2015 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:	\$16,533,386	\$10,552,248	\$5,570,334

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

At August 31, 2016, the College reported a liability of \$10,552,249 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:

Note 10 – Employees’ Retirement Plan – (continued)

Laredo Community College proportionate share of the collective net pension liability	\$10,552,249
State’s proportionate share that is associated with Laredo Community College	<u>\$ 7,280,335</u>
Total	<u>\$17,832,584</u>

The net pension liability was measured as of August 31, 2015 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, 2014 thru August 31, 2015.

At August 31, 2015 the employer’s proportion of the collective net pension liability was 0.0298519% which was an increase (decrease) of (0.0031980%) from its proportion measured as of August 31, 2014.

For the year ended August 31, 2016, the College recognized pension expense of \$1,037,331 and revenue of \$1,037,331 for support provided by the State.

At August 31, 2016, 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 experiences	\$ 113,547	\$ 405,532
Changes in actuarial assumptions	477,240	376,458
Differences between projected and actual investment earnings	575,117	
Changes in proportion and differences between the employer’s contributions and the proportionate share of contributions	-	733,159
Total as of August 31, 2015 measurement date	\$ 1,165,904	\$ 1,515,149
Contributions paid to TRS subsequent to the measurement date	929,091	
Total as of fiscal year-end	\$ 2,094,995	\$ 1,515,149

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
2017	\$ (162,026)
2018	\$ (162,026)
2019	\$ (162,025)
2020	\$ 512,530
2021	\$ (144,238)
Thereafter	\$ (231,460)

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.

Note 10 – Employees' Retirement Plan – (continued)

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 \$923,981 and \$888,226 for the fiscal years ended August 31, 2016, and August 31, 2015, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the college.

The total payroll for all College employees was \$34,956,209 and \$35,862,909 for the fiscal years ended August 31, 2016, and 2015, respectively. The total payroll of employees covered by the Teacher Retirement System was \$23,217,845 and \$21,695,044 and the total payroll of employees covered by the Optional Retirement Program was \$8,486,486 and \$8,564,155 for fiscal years 2016 and 2015, respectively.

Note 11 – 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. Employees eligible for vacation time may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 160. Individuals who terminate their employment at the College shall be paid their unused vacation time not to exceed two years' accrual.

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 and accrued sick leave for college employees as of August 31, 2016 and August 31, 2015 in the amounts of \$2,524,131 and \$1,573,425, respectively.

Note 12 – 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, 2016 totaled \$3,124,721 for the year. Compare the state's contribution to that provided for the year ended August 31, 2015, when the contribution for full-time active and retired employees totaled \$2,921,265 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 13 – 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 postemployment 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/>.

Note 13 – Post employment Benefits Other than Pensions – (continued)

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 30 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, 2016, 2015, and 2014, were \$968,766, \$798,874, and \$90,000 respectively, which equaled the required contributions each year.

Note 14 - Pending Lawsuits

On August 31, 2016, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided by insurance or otherwise, is not likely to have a material effect on the College.

Note 15 - Disaggregation of Receivables and Payable Balances

Receivables

Receivables at August 31, 2016 and August 31, 2015 were as follows:

	<u>August 31, 2016</u>	<u>August 31, 2015</u>
Student Receivables	\$ 10,246,005	\$ 9,224,719
Federal Grants Receivable	1,387,928	2,614,033
State Grants Receivable	44,544	302,292
Local Grants Receivable	122,494	27,648
Property Taxes Receivable	3,481,620	2,811,406
Other Receivables	3,091,135	2,678,839
Subtotal	<u>18,373,726</u>	<u>17,658,937</u>
Allowance for Doubtful Accounts	<u>(2,620,875)</u>	<u>(2,171,851)</u>
Total Receivables	<u>\$ 15,752,851</u>	<u>\$ 15,487,086</u>

Note 15 - Disaggregation of Receivables and Payable Balances – (continued)

Payables

Payables at August 31, 2016 and August 31, 2015 were as follows:

	<u>August 31, 2016</u>	<u>August 31, 2015</u>
Accounts Payable - Construction	\$ 557,900	\$ 31,956
Salaries & Benefits Payable	986,200	1,381,156
Accrued Liabilities	172,243	221,708
Other Payables	2,052,780	2,061,825
Retainage Payable	367,956	509,432
Subtotal	<u>4,137,079</u>	<u>4,206,077</u>
Total Payables	<u>\$ 4,137,079</u>	<u>\$ 4,206,077</u>

Note 16 – Funds Held for Others

The College holds funds for certain student organizations and other agencies. These amounts are reflected in the Statement of Net Position as funds held for others in the amount of \$503,692 and \$515,516 at August 31, 2016 and August 31, 2015, respectively.

Note 17 - 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 2016 and 2015 for which monies have not been received nor funds expended totaled \$4,145,257 and \$4,421,341. Of these amounts, \$3,653,980 and \$3,844,643 were from Federal Contract and Grant Awards; \$491,277 and \$576,698 were from State Contract and Grant Awards; \$0 and \$0 from Local Contract and Grant Awards; and \$0 and \$0 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2016 and 2015, respectively.

Note 18 - 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 2016 and 2015 and property insurance covering the District's buildings and personal property in a combined amount of \$216,476,655 for fiscal year 2016 and 190,966,689 for fiscal year 2015, and \$2,000,000 annual aggregate in school professional legal liability for fiscal years 2016 and 2015.

Note 19 – 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.

	<u>August 31, 2016</u>	<u>August 31, 2015</u>
Assessed valuation of the District	\$ 13,984,961,417	\$ 13,378,064,580
Less: Exemptions	(2,147,225,621)	(2,018,447,197)
Less: Abatements	-	-
Net Assessed Valuation of the District	<u>\$ 11,837,735,796</u>	<u>\$ 11,359,617,383</u>

	<u>Fiscal Year 2016</u>			<u>Fiscal Year 2015</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
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	\$0.245265	\$0.084979	\$0.330244	\$0.234410	\$0.062753	\$0.297163

Taxes levied for the year ended August 31, 2016, and 2015 amounted to \$38,323,986 and \$33,254,867, 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.

	<u>August 31, 2016</u>			<u>August 31, 2015</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$28,276,053	\$9,588,489	\$37,864,542	\$25,887,218	\$6,827,973	\$32,715,191
Delinquent taxes collected	572,825	130,101	702,926	624,565	91,169	715,734
Penalties & Interest collected	416,723	119,962	536,685	418,553	88,666	507,219
Total Gross Collections	29,265,602	9,838,552	39,104,154	26,930,336	7,007,808	33,938,144
Tax Appraisal & Collection Fees	(609,945)	-	(609,945)	(570,894)	-	(570,894)
Bad Debt Expense	67,302	-	67,302	55,255	-	55,255
Total Net Collections	<u>\$28,722,959</u>	<u>\$9,838,552</u>	<u>\$38,561,511</u>	<u>\$26,414,697</u>	<u>\$7,007,808</u>	<u>\$33,422,505</u>

Tax collections for the year ended August 31, 2016, and 2015, were 98% and 97%, 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 20 – Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, 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 year ended August 31, 2016 and August 31, 2015.

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, 2016 and August 31, 2015 in the following amounts, \$516,327 and \$123,700, respectively. At year end, the reserve for uncollectible accounts was \$1,458,099 and \$941,772. The property tax reserve was \$1,162,776 and \$1,230,078. The total reported allowance for doubtful accounts was a \$2,620,875 and \$2,171,850 for August 31, 2016 and August 31, 2015, respectively.

Note 22 – Extraordinary Item

In fiscal year 2016, Laredo Community College District reported an extraordinary item in the amount of \$187,300 for the insurance proceeds for hail damage roofs and related equipment at the Fort McIntosh Campus that occurred in fiscal year 2015. The cost of repairs related to the extraordinary event were \$138,229.

Note 23 – Recent Accounting Pronouncements – Government Accounting Standards Board

GASB Statement No. 75

The GASB has issued Statement No. 75, *Accounting and financial reporting for postemployment benefits other than pensions*. The requirement of this Statement will improve the usefulness of information in employer and governmental non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire other postemployment benefits liability and a more comprehensive measure of OPEB expense.

The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017. Management of the College is currently evaluating the effects of this Statement, which will become effective in fiscal year 2018.

LAREDO COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM
 FOR THE YEAR ENDED AUGUST 31, 2016*

	2016**	2015**
District's Proportion of the Net Pension Liability (Asset)	0.0298519%	0.0330499%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 10,552,249	\$ 8,828,085
States Proportionate Share of the Net Pension Liability (Asset) associated with the District	7,280,335	6,887,063
Total	\$ 17,832,584	\$ 15,715,148
District's Covered Employee Payroll	\$ 21,695,044	\$ 21,707,196
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Employee Payroll	48.64%	40.67%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	78.43%	83.25%

*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 DISTRICT
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM
 FOR FISCAL YEAR 2016*

	2016**	2015**
Contractually Required Contribution	\$ 929,091	\$ 869,222
Contribution in Relation to the Contractually Required Contribution	<u>(929,091)</u>	<u>(869,222)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	\$ 23,217,845	\$ 21,695,044
Contributions as a percentage of Covered Employee Payroll	4.00%	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, 2016

Changes of Benefit Terms Include:

- A 1.6% Step Increase, effective September 1, 2016.

Changes of Assumptions

There were no changes of assumptions for the year ended August 31, 2016.

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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

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

We have audited, in accordance with the 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 financial statements of the business-type activities of the Laredo Community College District (the College), as of and for the year ended August 31, 2016, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated November 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted other matters that are required to be reported to management and are reported in a separate letter dated November 28, 2016.

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.

A handwritten signature in cursive script that reads "Guye / Gonzalez & Associates". The signature is written in dark ink and is positioned above the date.

November 28, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the 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 Laredo Community College District's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and State of Texas Single Audit Circular that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2016. The College'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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal 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 the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Single Audit Circular. Those standards, the Uniform Guidance, 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 College'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 or state program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College 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, 2016.

Report on Internal Control Over Compliance

Management of the College 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 College'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 the Uniform Guidance 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 College'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 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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 the Uniform Guidance and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.



George Gonzalez
Accountant

November 28, 2016

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SCHEDULES

Schedule of Detailed Operating Revenues
Laredo Community College District
Year Ended August 31, 2016 (With Memorandum Totals for the Year Ended August 31, 2015)
Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	Current Year	Prior Year
Tuition						
State funded courses						
In-district resident tuition	\$ 6,508,211	\$ -	\$ 6,508,211	\$ -	\$ 6,508,211	\$ 6,636,509
Out-of-state tuition	682,556	-	682,556	-	682,556	723,081
TPEG (set aside)*	422,340	-	422,340	-	422,340	430,757
Out-of-district resident tuition	1,023,424	-	1,023,424	-	1,023,424	1,028,572
State funded continuing education	329,238	-	329,238	-	329,238	340,933
Non-state funded continuing education	78,775	-	78,775	-	78,775	370,468
Total Tuition	\$ 9,044,544	\$ -	\$ 9,044,544	\$ -	\$ 9,044,544	\$ 9,530,320
Fees						
General use fee	\$ 7,738,456	\$ -	\$ 7,738,456	\$ -	\$ 7,738,456	\$ 7,822,022
Installment fee	75,925	-	75,925	-	75,925	76,625
Health services fee	101,372	-	101,372	-	101,372	97,981
Matriculation fee	306,810	-	306,810	-	306,810	298,140
Late registration fee	35,490	-	35,490	-	35,490	34,940
Malpractice fee	22,422	-	22,422	-	22,422	20,406
Graduation fee	238	-	238	-	238	200
Instructional Support Fee	1,548,294	-	1,548,294	-	1,548,294	1,564,649
Technology fee	1,550,208	-	1,550,208	-	1,550,208	1,566,769
Student service fee	1,219,182	-	1,219,182	-	1,219,182	1,178,289
Distance education fee	411,867	-	411,867	-	411,867	413,279
Parking/street maint. Fee	203,225	-	203,225	-	203,225	196,382
Diff. tuition fee (development)	36,540	-	36,540	-	36,540	44,820
Diff. tuition fee (3 peat)	183,252	-	183,252	-	183,252	191,190
Lab fee	250,706	-	250,706	-	250,706	265,537
Assessment fee	95,317	-	95,317	-	95,317	105,789
Installment loan late payment fee	28,820	-	28,820	-	28,820	30,230
Add/drop fee	38,620	-	38,620	-	38,620	45,361
Other fees	64,535	-	64,535	-	64,535	71,904
Total fees	\$ 13,911,279	\$ -	\$ 13,911,279	\$ -	\$ 13,911,279	\$ 14,024,513
Scholarships allowances and discounts						
Scholarship allowances	\$ (434,053)	\$ -	\$ (434,053)	\$ (2,500)	\$ (436,553)	\$ (461,382)
Remissions and exemptions	(1,212,082)	-	(1,212,082)	-	(1,212,082)	(395,442)
Pell grants	(11,300,721)	-	(11,300,721)	(8,452)	(11,309,173)	(11,272,840)
Other federal grants	(439,131)	-	(439,131)	(300)	(439,431)	(651,963)
Texas grants	(566,725)	-	(566,725)	(1,348)	(568,073)	(1,016,300)
TPEG allowances	(8,417)	-	(8,417)	-	(8,417)	(514,692)
Other state grants	(160,940)	-	(160,940)	-	(160,940)	(196,880)
Other	(69,103)	-	(69,103)	-	(69,103)	(211,719)
Total scholarship allowances	\$ (14,191,172)	\$ -	\$ (14,191,172)	\$ (12,600)	\$ (14,203,772)	\$ (14,721,218)
Total net tuition and fees	\$ 8,764,651	\$ -	\$ 8,764,651	\$ (12,600)	\$ 8,752,051	\$ 8,833,615
Other operating revenues						
Federal grants and contracts	\$ -	\$ 3,778,234	\$ 3,778,234	\$ -	\$ 3,778,234	\$ 4,739,942
State grants and contracts	-	1,788,450	1,788,450	-	1,788,450	2,832,960
Nongovernmental grants and contracts	-	281,735	281,735	-	281,735	291,863
Investment income (program restricted)	-	57,378	57,378	-	57,378	90,111
Other operating revenues	419,385	1,274,367	1,693,752	-	1,693,752	1,677,981
Total other operating revenues	\$ 419,385	\$ 7,180,164	\$ 7,599,549	\$ -	\$ 7,599,549	\$ 9,632,857
Auxiliary enterprises						
Student activities	\$ -	\$ -	\$ -	\$ 1,547,716	\$ 1,547,716	\$ 1,564,439
Cafeteria	-	-	-	32,902	32,902	23,902
Campus housing	-	-	-	-	-	-
Residential	-	-	-	71,429	71,429	92,479
Scholarship allowances and discounts	-	-	-	-	-	-
Bookstore	-	-	-	355,166	355,166	375,796
Total net auxiliary enterprises	\$ -	\$ -	\$ -	\$ 2,007,213	\$ 2,007,213	\$ 2,056,616
Total operating revenues (Exhibit 2)	\$ 9,184,036	\$ 7,180,164	\$ 16,364,200	\$ 1,994,613	\$ 18,358,813	\$ 20,523,088

*In accordance with Education Code 56.033, \$422,340 and \$430,757 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, 2016 (with Memorandum Totals for the Year Ended August 31, 2015)

	Operating Expenses						FY 2015 Total
	Salaries and Wages	Benefits		Other Expenses	FY 2016 Total		
		State	Local				
Unrestricted - Educational Activities							
Instruction	\$ 16,782,778	\$ -	\$ 4,623,407	\$ 866,376	\$ -	\$ 22,272,561	\$ 21,259,020
Research	-	-	-	-	-	-	-
Public Service	195,608	-	52,639	10,519	-	258,766	231,944
Academic Support	2,320,961	-	642,024	344,510	-	3,307,495	3,246,218
Student Services	3,567,665	-	996,867	780,058	-	5,344,590	4,906,405
Institutional Support	6,588,086	-	988,765	3,959,752	-	11,536,603	12,767,450
Operation and Maintenance of Plant	1,580,627	-	1,034,012	3,181,438	-	5,796,077	6,344,425
Scholarships and Fellowships	-	-	-	255,362	-	255,362	220,592
Total Unrestricted Educational Activities	31,035,725	-	8,337,714	9,398,015	-	48,771,454	48,976,054
Restricted - Educational Activities							
Instruction	989,064	2,753,044	180,287	261,109	-	4,183,504	3,491,386
Research	-	-	-	-	-	-	-
Public Service	127,735	50,089	42,982	102,706	-	323,512	253,019
Academic Support	1,374,358	572,444	345,486	670,137	-	2,962,425	3,799,524
Student Services	885,663	689,867	93,287	172,039	-	1,840,856	1,824,264
Institutional Support	168	1,020,589	24	5,115	-	1,025,896	951,338
Operation and Maintenance of Plant	-	-	-	1,526,793	-	1,526,793	1,077,282
Scholarships and Fellowships	-	-	-	8,277,396	-	8,277,396	8,307,313
Total Restricted Educational Activities	3,376,988	5,086,033	662,066	11,015,295	-	20,140,382	19,704,126
Total Educational Activities	34,412,713	5,086,033	8,999,780	20,413,310	-	68,911,836	68,680,180
Auxiliary Enterprises	608,687	-	179,337	757,583	-	1,545,607	1,550,030
Depreciation Expense - Buildings & other real est	-	-	-	-	-	3,852,720	3,654,809
Depreciation Expense - Equipment & furniture	-	-	-	-	-	1,806,723	1,751,167
Depreciation Expense - Library Books	-	-	-	-	-	155,641	158,639
Total Operating Expenses	\$ 35,021,400	\$ 5,086,033	\$ 9,179,117	\$ 21,170,893	\$ -	\$ 76,272,527	\$ 75,794,825

Laredo Community College District
 Schedule of Non-Operating Revenues and Expenses
 Year Ended August 31, 2016 (With Memorandum Totals for the Year Ended August 31, 2015)
 Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	FY 2016 Total	FY 2015 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and General State Support	\$ 10,301,912	\$ -	\$ -	\$ 10,301,912	\$ 11,114,970
State Group Insurance	-	3,124,721	-	3,124,721	2,921,265
State Retirement Matching	-	923,981	-	923,981	888,226
Non-Employer Contributing Entity On-Behalf Payments	-	1,037,331	-	1,037,331	-
Professional Nursing Shortage Reduction	-	39,280	-	39,280	115,157
Total State Appropriations	10,301,912	5,125,313	-	15,427,225	15,039,618
Maintenance Ad Valorem Taxes					
Taxes for Maintenance & Operations	29,531,956	-	-	29,531,956	26,933,855
Taxes for General Obligation Bonds	-	9,838,552	-	9,838,552	7,007,808
Federal Revenue, Non Operating	-	18,957,022	-	18,957,022	20,014,322
Investment Income	299,685	832,322	-	1,132,007	1,098,704
Additions to Permanent Endowments	-	2,000	-	2,000	86,946
Capital Gifts	-	18,759	-	18,759	-
Total Non-Operating Revenues	\$ 40,133,553	\$ 34,773,968	\$ -	\$ 74,907,521	\$ 70,181,253
NON-OPERATING EXPENSES:					
(Gain) / Loss on Assets	-	(2,750)	-	(2,750)	-
Interest on Capital Related Debt	-	9,720,392	-	9,720,392	10,660,658
Other Non-Operating (Revenues) Expenses	-	(320,304)	-	(320,304)	(61,861)
Total Non-Operating Expenses	\$ -	\$ 9,397,338	\$ -	\$ 9,397,338	\$ 10,598,797
Net Non-Operating Revenues	\$ 40,133,553	\$ 25,376,630	\$ -	\$ 65,510,183	\$ 59,582,456

Laredo Community College District
 Schedule of Net Position by Source and Availability
 Year Ended August 31, 2016 (With Memorandum Totals for the Year Ended August 31, 2015)
 Schedule D

	Detail by source			Capital assets net of depreciation & related debt	Total	Available for current operations?	
	Unrestricted	Restricted	Non-expendable			Yes	No
Current							
Unrestricted	\$ 11,540,517	\$ -	\$ -	\$ -	\$ 11,540,517	\$ 11,540,517	\$ -
Board designated	2,161,504	-	-	-	2,161,504	-	2,161,504
Restricted							
Auxiliary enterprises	-	1,508,789	-	-	1,508,789	1,508,789	-
Endowment	-	-	3,128,354	-	3,128,354	-	3,128,354
Student Aid	-	3,361,346	-	-	3,361,346	3,361,346	-
Other	-	210,625	-	-	210,625	210,625	-
Plant							
Unexpended	-	603,397	-	-	603,397	-	603,397
Debt service	-	8,459,849	-	-	8,459,849	-	8,459,849
Investment in plant	-	-	-	15,735,049	15,735,049	-	15,735,049
Total Net Position, August 31, 2016	\$ 13,702,021	\$ 14,144,006	\$ 3,128,354	\$ 15,735,049	\$ 46,709,430	\$ 16,621,277	\$ 30,088,153
Total Net Position, August 31, 2015	\$ 10,493,445	\$ 10,913,779	\$ 3,125,455	\$ 16,142,551	\$ 40,675,230	\$ 13,224,008	\$ 27,451,222
Net increase (decrease) in Net Position	\$ 3,208,576	\$ 3,230,227	\$ 2,899	\$ (407,502)	\$ 6,034,200	\$ 3,397,269	\$ 2,636,931

Laredo Community College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2016
Schedule E

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures and Pass-Through Disbursements
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007			\$ 592,498
Federal College Work-Study Program	84.033			448,966
Federal Pell Grant Program	84.063			17,915,558
Total Student Financial Assistance Cluster				<u>18,957,022</u>
TRIO Cluster				
Trio Student Support Services	84.042A			258,294
Trio Upward Bound	84.047A			420,073
Total TRIO Cluster				<u>678,367</u>
Title III - Stem Articulation	84.031C			574,563
Title V- Distance Education Technology	84.031S			83,589
Title V - FOSS	84.031S		\$ 416,250	806,610
Pass- Through From				
Texas A&M International University				
Title V - Building Scholars	84.031S			323,039
Pass-Through From:				
Texas Workforce Commission				
Adult Education and Literacy	84.002A	2114AELA00		58,005
Adult Education and Literacy	84.002A	2114AELB00		706,176
Adult Education and Literacy	84.002A	2116AEL000		24,345
Adult Education and Literacy	84.002A	2116AEL001		111,687
				<u>900,213</u>
Pass-Through From:				
Texas Higher Education Coordinating Board				
Carl Perkins Vocational Educational Program	84.048	14890		510,431
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>22,833,834</u>
U.S. DEPARTMENT OF AGRICULTURE				
Pass Through:				
Texas State University - San Marcos	10.223	8000001640.1E		<u>71,082</u>
U.S. DEPARTMENT OF LABOR				
Pass Through:				
Workforce Solutions of South Texas	17.283	Project Grow 01-2013		<u>48,750</u>
NATIONAL ENDOWMENT FOR THE ARTS				
Direct Programs:				
Arts Engagement in American Communities	45.024			3,400
Arts Engagement in American Communities	45.024			10,000
TOTAL NATIONAL ENDOWMENT FOR THE ARTS				<u>13,400.00</u>
NATIONAL SCIENCE FOUNDATION				
Direct Programs:				
Providing Resources and Opportunities in STEM (PRO-STEM)	47.076			<u>106,514</u>

SCHEDULE E (Continued)

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Direct Programs:			
Nursing Workforce Diversity (LAMP)	93,178		7,446
Pass-Through from:			
Texas Workforce Commission			
TANF	93,558	2114AELA00	40,414
TANF	93,558	2114AELB00	118,001
Pass-Through from:			
Texas Association of Community College	93,558	TSC-CPP	14,242
Pass-Through from:			
South Texas Workforce Development Board	93,596	11211C04	39,818
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>219,921</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 23,293,501</u>

Note 1: Federal Assistance Reconciliation

Other Operating Revenues - Federal Grants and Contracts revenue - per Schedule A	\$	3,778,234
Add: Indirect/Administrative Costs Recoveries		141,995
Add: Non Operating Federal Revenue per Schedule C		18,957,022
Total Federal Revenues per Schedule A and C		<u>22,877,251</u>
Reconciling Items:		
Add : Funds passed Through to others		416,250
Add : Direct Student Loans		-
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$	<u><u>23,293,501</u></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 the preparation of the schedule. Since the College has agency approved indirect recovery rate it has elected not to use the 10% de minimis rate as permitted in the UG, section 200.414.

Note 3: Amounts passed-through by the college

The following amounts were passed-through to the listed sub recipients by the College, U.S. Department of Education.

Title V - FOSS, CFDA 84.031S		
Texas A&M International University	\$	416,250
Total amount passed-through by the College	\$	<u>416,250</u>

Laredo Community College District
 Schedule of Expenditures of State Awards
 Year Ended August 31, 2016
 Schedule F

Grantor Agency/Program Title	Grant Contract Number	Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Texas College Work-Study		\$ 67,823
Texas Grant Renewal		124,899
Texas Educational Opportunity Grant Initial		267,288
Texas Educational Opportunity Grant Renewal		684,684
Top 10% Scholarship		22,980
Student Mentorship (G - Force)	15560	13,148
T-STEM (Science, Technology, Engineering, and Math)	15144	137,814
Nursing Shortage Reduction Program (Under 70)		39,280
Nursing Innovation Grant Program	14125	39,143
Accelerate TEXAS - Scaling and Sustaining Success in Integrated Basic Skills and Workforce Training Programs	14935	64,081
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		1,461,140
TEXAS ASSOCIATION OF SCHOOL BOARDS		
Direct Programs:		
TASB Loss Prev 2011		306
TASB Loss Prev 2015		3,206
TASB Loss Prev 2016		1,603
TOTAL TEXAS ASSOCIATION OF SCHOOL BOARDS		5,115
TEXAS DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Programs:		
Emergency Medical Services	2014-045222-001	(64)
Emergency Medical Services	2016-049307-001	3,125
TOTAL TEXAS DEPARTMENT OF HEALTH AND HUMAN SERVICES		3,061
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Adult Education and Literacy	2114AELA00	1,488
Adult Education and Literacy	2114AELB00	131,926
Skills Development Fund	2115SDF000	225,000
TEXAS WORKFORCE COMMISSION		358,414
TOTAL STATE FINANCIAL ASSISTANCE		\$ 1,827,730

Note 1 : State Awards Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$ 1,788,450
Add: Indirect/Administrative Cost Recoveries	-
Add: Non-Operating State Revenue - per Schedule C	39,280
Total State Revenues per Schedule of Expenditures of State Awards	\$ 1,827,730

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 the preparation of the schedule. Since the College has agency approved indirect recovery rate it has elected not to use the 10% de minimis rate as permitted in the UG, section 200.414.

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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,				
	2016	2015	2014	2013	2012
Invested in capital assets, net of related debt	15,735,049	16,142,551	12,987,174	\$12,311,996	\$13,260,689
Restricted - expendable	14,144,006	10,913,779	11,398,527	11,559,255	9,822,281
Restricted - nonexpendable	3,128,354	3,125,455	3,046,903	2,975,040	2,912,123
Unrestricted	13,702,021	10,493,445	18,934,164	17,144,968	18,227,739
Total primary government net position	\$ 46,709,430	\$ 40,675,230	\$ 46,366,768	\$ 43,991,259	\$ 44,222,832

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

	For the Year Ended August 31,				
	(amounts expressed in thousands)				
	2016	2015	2014	2013	2012
Tuition and Fees (Net of Discounts)	\$8,752,051	\$8,833,615	\$8,580,215	\$8,780,001	\$8,254,382
Federal Grants and Contracts	3,778,234	4,739,942	4,203,436	4,552,060	4,060,776
State Grants and Contracts	1,788,450	2,832,960	2,124,875	1,553,504	1,886,105
Non-Governmental Grants and Contracts	281,735	291,863	360,058	656,645	613,591
Investment income (program restricted)	57,378	90,111	85,241	126,948	64,869
Auxiliary enterprises	2,007,213	2,056,616	2,096,611	1,263,433	1,400,876
Other Operating Revenues	1,693,752	1,677,981	2,297,503	1,717,011	2,446,467
Total Operating Revenues	18,358,813	20,523,088	19,747,939	18,649,602	18,727,066
State Appropriations	15,387,945	14,924,461	14,737,592	13,561,791	13,617,534
Professional Nursing Shortage Reduction	39,280	115,157	55,331	31,293	45,102
Ad Valorem Taxes	39,370,508	33,941,663	28,509,899	28,008,902	27,812,270
Gifts	18,759	-	-	6,493	11,557
Investment income	1,132,007	1,098,704	385,196	697,328	681,283
Federal Revenue, Non-Operating	18,957,022	20,014,322	21,082,771	22,255,103	25,321,007
Additions to permanent endowments	2,000	86,946	70,000	53,412	104,000
Other non-operating revenues	323,054	61,861	-	34,478	-
Total Non-Operating Revenues	75,230,575	70,243,114	64,840,789	64,648,800	67,592,753
Total Revenues	\$ 93,589,388	\$ 90,766,202	\$ 84,588,728	\$ 83,298,402	\$ 86,319,819

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)				
	2016	2015	2014	2013	2012
Instruction	\$26,456,065	\$24,750,406	\$24,273,755	\$24,430,353	\$22,995,729
Research	-	-	298	10,764	-
Public service	582,278	484,963	395,271	422,519	383,272
Academic support	6,269,920	7,045,742	6,611,450	6,763,112	6,352,311
Student services	7,185,446	6,730,669	6,729,870	6,602,783	6,168,977
Institutional support	12,562,499	13,718,788	12,356,905	13,650,312	11,718,614
Operation and maintenance of plant	7,322,870	7,421,707	6,624,825	7,182,773	6,885,874
Scholarships and fellowships	8,532,758	8,527,905	10,343,160	11,811,478	15,897,789
Auxiliary enterprises	1,545,607	1,550,030	1,045,445	764,232	762,208
Depreciation	5,815,084	5,564,615	5,023,270	4,548,684	3,832,071
Total Operating Expenses	76,272,527	75,794,825	73,404,249	76,187,010	74,996,845
Interest on capital related debt	9,720,392	10,660,658	7,191,307	7,367,672	6,628,904
Loss on disposal of fixed assets	-	-	17,230	-	1,889
Other non-operating expenses	-	-	712,220	-	19,434
Total Non-Operating Expenses	9,720,392	10,660,658	7,920,757	7,367,672	6,650,227
Total Expenses	\$ 85,992,919	\$ 86,455,483	\$ 81,325,006	\$ 83,554,682	\$ 81,647,072

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

Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Technology Fees	Instr Support Fee	Student Activity Fees	General Use Fees	Other Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2015-16	\$ 50.00	\$ 100.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 50.00	\$ 90.00	\$ 1,650.00	\$ 2,250.00	0%	0%
2014-15	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2013-14	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	22%	15%
2012-13	50.00	100.00	7.50	7.50	5.00	35.00	90.00	1,350.00	1,950.00	17%	17%
2011-12	42.00	84.00	7.50	7.50	5.00	27.00	90.00	1,158.00	1,662.00	12%	8%
2010-11	42.00	84.00	5.00	5.00	1.00	27.00	78.00	1,038.00	1,542.00	24%	15%
2009-10	42.00	84.00	2.50	2.50	1.00	20.00	18.00	834.00	1,338.00	3%	4%
2008-09	40.00	80.00	2.50	2.50	1.00	20.00	18.00	810.00	1,290.00	0%	0%
2007-08	40.00	80.00	2.50	2.50	1.00	20.00	18.00	810.00	1,290.00	17%	16%
2006-07	35.00	70.00	0.00	0.00	1.00	20.00	18.00	690.00	1,110.00	6%	7%

Non - Resident

Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Instr Support Fee	Student Activity Fees	General Use Fees	Other Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2015-16	\$ 152.00	\$ 152.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 50.00	\$ 90.00	\$ 2,874.00	\$ 2,874.00	0%	0%
2014-15	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2013-14	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	12%	12%
2012-13	152.00	152.00	7.50	7.50	5.00	35.00	90.00	2,574.00	2,574.00	18%	18%
2011-12	128.00	128.00	7.50	7.50	5.00	27.00	90.00	2,190.00	2,190.00	6%	6%
2010-11	128.00	128.00	5.00	5.00	1.00	27.00	78.00	2,070.00	2,070.00	11%	11%
2009-10	128.00	128.00	2.50	2.50	1.00	20.00	18.00	1,866.00	1,866.00	5%	5%
2008-09	120.00	120.00	2.50	2.50	1.00	20.00	18.00	1,770.00	1,770.00	0%	0%
2007-08	120.00	120.00	2.50	2.50	1.00	20.00	18.00	1,770.00	1,770.00	16%	16%
2006-07	105.00	105.00	0.00	0.00	1.00	20.00	18.00	1,530.00	1,530.00	8%	8%

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

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

Fiscal Year	Assessed Valuation of Property	Less: Exempt		Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)		Debt Service (a)	Total Direct Rate (a)
		Property	Less: Exemptions						
2016-17	14,827,403	226,360	2,140,034	12,461,009	84.04%	\$	0.25507	\$ 0.08793	0.34300
2015-16	13,984,961	220,951	1,926,275	11,837,735	84.65%		0.24527	0.08498	0.33024
2014-15	13,378,064	217,743	1,800,704	11,359,617	84.91%		0.23441	0.06275	0.29716
2013-14	12,937,362	220,907	1,735,502	10,980,953	84.88%		0.22265	0.03257	0.25522
2012-13	12,545,966	215,638	1,721,394	10,608,924	84.56%		0.22354	0.03422	0.25776
2011-12	12,416,538	167,192	1,634,423	10,614,923	85.49%		0.21899	0.03955	0.25854
2010-11	12,395,164	204,327	1,527,286	10,663,551	86.03%		0.19985	0.03827	0.23812
2009-10	12,237,565	165,093	1,502,789	10,569,683	86.37%		0.18400	0.04320	0.22720
2008-09	11,830,706	193,540	1,150,109	10,487,057	88.64%		0.18700	0.03410	0.22110
2007-08	10,784,362	229,273	1,043,975	9,511,114	88.19%		0.18310	0.03910	0.22220

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	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours	
2015-16	\$ 10,325	5,862	\$ 1,761	2,188	865	3,053	\$ 3.38
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

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)

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)

Taxpayer	Type of Business	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
AEP Texas Central Company	Utility	\$ 120,985	\$ 116,064	\$ 93,214	\$ 85,868	\$ 70,752	\$ 53,471	\$ 58,799	\$ 68,457	\$ 66,400	\$ 90,828
Laredo Texas Hospital Co. LP	Medical	96,991	96,293	96,578	104,484	106,398	103,827	102,046	104,560	105,123	105,055
Laredo WLE LP	Utility	64,955	83,568	86,668	97,224	89,916	97,604	102,764	-	-	-
Mall Del Norte LLC	Retail	57,316	55,890	55,567	52,068	52,068	51,752	52,647	52,630	52,617	-
The GEO Group Inc	Commercial Business	53,182	52,609	52,609	52,160	50,531	49,979	53,005	52,769	32,232	-
AEP Electric Transmission of Texas LLC	Utility	44,864	48,063	35,802	42,868	41,458	40,635	40,721	36,509	62,452	-
Laredo Regional Medical Ctr. LP	Medical	43,558	43,106	41,678	40,213	39,869	41,405	42,263	44,354	43,618	46,082
Farias Development LTD	Development	42,166	40,924	38,464	36,413	29,908	25,979	28,035	-	-	-
Card Border LLC ETAL	Retail	37,231	-	-	-	-	-	-	-	-	-
International Bank of Commerce	Bank	36,834	34,633	33,969	34,247	35,148	39,034	34,635	35,790	33,899	35,505
Killam Ind. Dev. Partnership Ltd.	Development	33,380	35,890	33,737	29,575	29,443	30,143	31,116	34,158	33,724	31,910
H E Butt Grocery Company	Grocery	33,218	31,669	30,105	30,025	30,493	28,284	28,808	29,168	28,751	28,720
WRI Trautmann LP.	Commercial Real Estate	29,874	29,596	28,307	27,737	27,621	27,738	26,790	26,959	-	28,890
Dorel Laredo Holdings LLC	Real Estate	29,438	27,358	28,394	24,608	-	-	-	-	-	-
Killam Development LTD	Development	26,286	20,937	19,848	-	-	-	-	-	-	-
Gemini Rio Norte H ET AL	Real Estate	23,075	22,441	22,154	21,194	21,317	20,871	-	-	-	-
Wal-mart Real Estate Business Trust	Commercial Real Estate	22,752	22,026	22,064	21,369	21,041	21,043	20,957	-	-	33,480
Union Pacific Railroad Company	Railroad	22,110	20,794	19,402	17,578	-	-	-	-	-	-
Shiloh Texas Properties LTD	Development	21,176	19,607	18,373	18,455	-	-	-	-	-	-
Webb Hospital Holdings LLC	Medical	20,886	19,122	18,188	17,983	-	-	-	-	-	-
WRI Independence Plaza LLC	Commercial Real Estate	20,801	19,909	19,909	19,700	-	-	-	-	-	-
BBVA Compass	Bank	18,457	18,641	18,102	18,421	19,633	-	20,444	-	-	-
United States Cold Storage Inc	Refrigeration	17,861	-	-	-	-	-	-	-	-	-
Laredo Levcal LLC	Commercial Business	16,109	16,109	16,109	16,109	-	20,541	20,541	24,498	29,831	-
Dorel Springfield Holdings LLC	Real Estate	15,820	-	-	-	-	-	-	-	-	-
San Isidro Northeast LTD	Development	15,614	19,895	-	-	-	-	10,734	33,018	-	-
LaredoMDN Limited Partnership	Retail	-	-	-	-	-	-	-	-	-	49,983
Southwestern Bell Telephone Co.	Utility	-	-	-	-	-	-	20,494	31,871	-	30,087
J Aron & Company	Financial	-	22,813	-	-	-	-	-	-	-	-
Wal-Mart Stores Texas LLC	Grocery	-	15,651	-	-	-	-	-	-	-	-
Prolamsa Inc	Retail	-	-	44,130	-	-	-	-	-	-	-
BRE Select Hotel TX LP	Lodging	-	15,285	17,460	16,256	-	-	-	-	-	-
Halliburton Energy Services	Oil Services & Drilling	-	-	-	73,423	68,455	37,397	-	-	-	-
Totals		\$ 964,939	\$ 948,893	\$ 890,831	\$ 897,978	\$ 734,051	\$ 689,703	\$ 694,799	\$ 574,741	\$ 488,647	\$ 480,540
Total Taxable Assessed Value		\$ 12,461,009	\$ 11,837,735	\$ 11,359,617	\$ 10,980,953	\$ 10,608,924	\$ 10,614,923	\$ 10,663,551	\$ 10,569,683	\$ 10,487,057	\$ 9,511,114

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
2015-16	\$ 38,324	\$ -	\$ 38,324	\$ 37,865	98.80%	\$ -	703	\$ 38,568	100.64%
2014-15	33,255	-	33,255	32,715	98.38%	-	716	33,431	100.53%
2013-14	27,788	-	27,788	27,464	98.83%	-	742	28,206	101.50%
2012-13	27,183	-	27,183	26,872	98.86%	-	796	27,668	101.78%
2011-12	27,235	-	27,235	26,593	97.64%	-	813	27,406	100.63%
2010-11	25,302	-	25,302	24,629	97.34%	-	833	25,462	100.63%
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%

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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007 (a)
General Bonded Debt										
General Obligation Bonds	\$ 178,665	\$ 192,448	\$ 202,834	\$ 63,824	\$ 67,271	\$ 70,720	\$ 74,174	\$ 77,525	\$ 80,709	\$ 83,865
Less: Funds Restricted for Debt Service	(3,120)	(2,132)	(2,150)	(1,402)	(1,399)	(1,074)	(736)	(280)	(467)	(511)
Net General Bonded Debt	\$ 175,545	\$ 190,316	\$ 200,684	\$ 62,422	\$ 65,872	\$ 69,646	\$ 73,438	\$ 77,245	\$ 80,242	\$ 83,354
Per Capita	\$ 650.84	\$ 713.67	\$ 764.53	\$ 243.36	\$ 261.78	\$ 288.46	\$ 309.94	\$ 331.31	\$ 346.66	\$ 370.97
Per FTSE	29,946	31,364	31,500	8,479	8,938	10,271	12,069	12,874	13,374	13,534
As a percentage of Taxable Assessed Value	1.41%	1.61%	1.77%	0.59%	0.62%	0.65%	0.69%	0.74%	0.95%	1.10%
Other Debt										
Revenue Bonds	\$ 89,951	\$ 95,336	\$ 100,436	\$ 105,166	\$ 109,891	\$ 93,623	\$ 97,353	\$ 36,682	\$ 38,881	\$ 41,076
Contractual Obligations	-	576	1,152	1,726	2,303	2,881	3,455	4,034	4,611	5,186
Notes	51,890	55,358	58,827	61,455	64,049	2,126	2,236	-	-	-
Capital Lease Obligations	1,368	1,703	906	1,493	773	1,296	1,278	785	618	449
Total Outstanding Debt	\$ 318,754	\$ 343,289	\$ 362,005	\$ 232,262	\$ 242,888	\$ 169,572	\$ 177,760	\$ 118,746	\$ 124,352	\$ 130,065
Total Outstanding Debt Ratios										
Per Capita	\$ 1,181.79	\$ 1,287.30	\$ 1,379.09	\$ 905.52	\$ 965.25	\$ 702.34	\$ 750.23	\$ 509.31	\$ 537.23	\$ 578.85
Per FTSE	54,376	56,574	56,821	31,549	32,956	25,007	29,213	19,791	20,725	21,118
As a percentage of Taxable Assessed Value	2.56%	2.90%	3.19%	2.19%	2.29%	1.59%	1.68%	1.13%	1.47%	1.72%

Notes: Ratios calculated using population (person) from Bureau of Economic Analysis and Tax Assessed Value from current year. Debt per student calculated using full-time-equivalent enrollment. (a) Funds restricted for Debt Service was adjusted for Accreted Int.

**Laredo Community College
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Tax Years**
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended August 31,	Taxable Assessed Value	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
2016	\$ 12,461,009	\$ 62,305	-	\$ 62,305	9,159	\$ 53,146	14.70%
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%

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)			Coverage Ratio	
	Tuition	Technology Fee	Instructional Support Fee	Interest Income	General Use Fees	Total	Principal	Interest		Total
2016	\$ 1,958	\$ 1,550	\$ 1,548	\$ 247	\$ 7,738	\$ 13,041	\$ 1,945	\$ 2,758	\$ 4,703	2.77
2015	2,284	1,567	1,565	214	7,822	13,452	1,855	2,872	4,727	2.85
2014	2,334	1,436	1,435	193	6,980	12,378	1,795	2,936	4,731	2.62
2013	2,471	1,331	1,330	372	6,211	11,715	1,735	2,989	4,724	2.48
2012	2,242	1,434	1,433	358	5,115	10,582	1,370	2,517	3,887	2.72
2011	2,324	986	-	513	5,318	9,141	1,175	2,555	3,730	2.45
2010	2,264	-	-	398	4,186	6,848	1,060	1,138	2,198	3.12
2009	2,008	-	-	585	3,437	6,030	1,016	1,182	2,198	2.74
2008	1,851	-	-	761	3,232	5,844	970	1,225	2,195	2.66
2007	1,731	-	-	582	3,321	5,634	886	1,331	2,217	2.54

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2015	269,721	\$ 8,031,782	29,778	5.2%
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	24,985	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%

Source:

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

Notes:

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

**Laredo Community College
Statistical Supplement 13
Principal Employers**
(unaudited)

Current Fiscal Year

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	7,174	5.39%
Laredo Independent School District	4,346	3.26%
H.E.B. Grocery	4,175	3.14%
Wal-Mart	2,551	1.92%
City of Laredo	2,523	1.90%
US CBP - Customs Field Officers	1,950	1.46%
Laredo Sector Border Patrol	1,770	1.33%
McDonald's Restaurant	1,540	1.16%
Laredo Medical Center	1,503	1.13%
Webb County	1,500	1.13%
Total	29,032	21.81%

Nine Years Prior

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	5,341	6.10%
Laredo Independent School District	4,649	5.31%
City of Laredo	2,786	3.18%
U. S. Customs & Border Protection	1,730	1.98%
McDonald's Restaurant	1,500	1.71%
Laredo Medical Center	1,406	1.61%
H.E.B. Grocery	1,360	1.55%
Webb County	1,297	1.48%
Wal-Mart (3 locations)	1,234	1.41%
The Laredo National Bank	1,229	1.40%
Total	22,532	25.75%

Source:

Laredo Development Foundation
Texas Labor Market Information

Note:

Percentages are calculated using the midpoints of the ranges.

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

	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Faculty										
Full-Time	177	183	189	200	196	197	198	198	185	203
Part-Time	162	154	154	160	119	122	126	112	45	140
Total	339	337	343	360	315	319	324	310	230	343
Percent										
Full-Time	52.2%	54.3%	55.1%	55.6%	62.2%	61.8%	61.1%	63.9%	80.4%	59.2%
Part-Time	47.8%	45.7%	44.9%	44.4%	37.8%	38.2%	38.9%	36.1%	19.6%	40.8%
Staff and Administrators										
Full-Time	427	434	445	449	447	450	445	430	425	416
Part-Time	123	154	142	153	129	133	123	97	45	135
Total	550	588	587	602	576	583	568	527	470	551
Percent										
Full-Time	77.6%	73.8%	75.8%	74.6%	77.6%	77.2%	78.3%	81.6%	90.4%	75.5%
Part-Time	22.4%	26.2%	24.2%	25.4%	22.4%	22.8%	21.7%	18.4%	9.6%	24.5%
Students per Full-time Faculty	52	48	46	44	48	51	46	42	42	40
Students per Full-Time Staff Member	21	20	20	19	21	22	21	19	18	20
Average Annual Faculty Salary	\$59,022	\$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 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	6,129	70.05%	5,559	66.92%	5,859	67.14%	7,183	76.77%	6,947	68.95%
Sophomore	1,884	21.53%	1,980	23.84%	2,189	25.09%	1,573	16.81%	2,227	22.10%
Unclassified	314	3.59%	363	4.37%	348	3.99%	269	2.88%	410	4.07%
Associate*	360	4.11%	328	3.95%	250	2.87%	259	2.77%	414	4.11%
Baccalaureate or Above**	62	0.71%	77	0.93%	80	0.92%	72	0.77%	78	0.77%
Total	8,749	100.00%	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	159	1.82%	91	1.10%	75	0.86%	85	0.91%	126	1.25%
3-5 semester hours	2,495	28.52%	1,715	20.65%	1,836	21.04%	1,838	19.65%	1,947	19.32%
6-8 Semester hours	1,857	21.23%	1,827	21.99%	1,849	21.19%	2,026	21.65%	2,210	21.93%
9-11 semester hours	1,501	17.16%	1,650	19.86%	1,738	19.92%	2,001	21.39%	2,237	22.20%
12-14 semester hours	2,358	26.95%	2,640	31.78%	2,809	32.19%	2,989	31.95%	3,084	30.61%
15-17 semester hours	372	4.25%	367	4.42%	394	4.52%	391	4.18%	452	4.49%
18 & over	7	0.08%	17	0.20%	25	0.29%	26	0.28%	20	0.20%
Total	8,749	100.00%	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%

Average course load 9.0

Tuition Status	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	7,629	87.20%	7,217	86.88%	7,467	85.57%	7,952	84.99%	8,651	85.86%
Texas Resident (Out-of-District)	621	7.10%	633	7.62%	685	7.85%	763	8.16%	804	7.98%
Non-Resident Tuition	216	2.47%	225	2.71%	281	3.22%	291	3.11%	295	2.93%
Tuition Exempt	97	1.11%	59	0.71%	106	1.21%	118	1.26%	108	1.07%
Foreign	186	2.13%	173	2.08%	187	2.14%	232	2.48%	218	2.16%
Total	8,749	100.00%	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%

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 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	4,843	55.35%	4,619	55.60%	4,902	56.18%	5,231	55.91%	5,644	56.01%
Male	3,906	44.65%	3,688	44.40%	3,824	43.82%	4,125	44.09%	4,432	43.99%
Total	8,749	100.00%	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%

Ethnic Origin	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	134	1.53%	136	1.64%	147	1.68%	123	1.31%	165	1.64%
Hispanic	8,416	96.19%	7,938	95.56%	8,356	95.76%	8,996	96.15%	9,651	95.78%
African American	16	0.18%	15	0.18%	13	0.15%	19	0.20%	14	0.14%
Asian	21	0.24%	21	0.25%	17	0.19%	31	0.33%	30	0.30%
Foreign	145	1.66%	184	2.21%	137	1.57%	116	1.24%	115	1.14%
Native American	5	0.06%	3	0.04%	5	0.06%	6	0.06%	2	0.02%
Native Hawaiian	1	0.01%	-	0.00%	2	0.02%	2	0.02%	3	0.03%
Multiracial	2	0.02%	-	0.00%	2	0.02%	5	0.05%	1	0.01%
Unknown	9	0.10%	10	0.12%	47	0.54%	58	0.62%	95	0.94%
Total	8,749	100.00%	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%

Age	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,364	15.59%	680	8.19%	662	7.59%	604	6.46%	575	5.71%
18-20	3,867	44.20%	3,867	46.55%	4,036	46.25%	4,179	44.67%	4,421	43.88%
21-25	2,176	24.87%	2,298	27.66%	2,387	27.36%	2,626	28.07%	2,837	28.16%
26-30	571	6.53%	599	7.21%	695	7.96%	828	8.85%	927	9.20%
31-40	472	5.39%	531	6.39%	572	6.56%	726	7.76%	824	8.18%
41 & Over	299	3.42%	332	4.00%	374	4.29%	393	4.20%	492	4.88%
Total	8,749	100.00%	8,307	100.00%	8,726	100.00%	9,356	100.00%	10,076	100.00%

Average Age 23 23 23 23 23

**Laredo Community College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2014-1 Fall Students as of Fall 2015**
(Includes only public senior colleges in Texas)

	Transfer Student Count	Academic	Transfer Student Count	Technical	Transfer Student Count	Tech-Prep	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Texas A&M International University	897	117	66	1,080	70.22%				
2 Texas A&M University	85	6	3	94	6.11%				
3 University of Texas - San Antonio	83	5	3	91	5.92%				
4 Texas State University - San Marcos	71	3	4	78	5.07%				
5 University of Texas - Austin	59	1	1	61	3.97%				
6 Texas A&M University - Kingsville	29	-	1	30	1.95%				
7 University of Texas - Rio Grande Valley	25	2	-	27	1.76%				
8 Texas A&M University - San Antonio	10	2	-	12	0.78%				
9 Texas Tech University	9	-	-	9	0.59%				
10 Texas A&M University - Corpus Christi	8	3	-	11	0.72%				
11 University of Houston	7	1	-	8	0.52%				
12 Sam Houston State University	6	-	2	8	0.52%				
13 University of North Texas	3	-	-	3	0.20%				
14 University of Houston - Victoria	3	-	-	3	0.20%				
15 University of Texas - Arlington	2	5	-	7	0.46%				
16 University of Texas - Dallas	2	-	-	2	0.13%				
17 Sul Ross State University - Rio Grande College	2	-	-	2	0.13%				
18 Tarleton State University	2	-	-	2	0.13%				
19 Texas A&M University - Commerce	1	-	-	1	0.07%				
20 University of Houston - Downtown	1	-	-	1	0.07%				
21 University of Houston - Clear Lake	1	-	-	1	0.07%				
22 Prairie View A&M University	1	-	-	1	0.07%				
23 University of Texas - El Paso	1	-	-	1	0.07%				
24 University of Texas - Permian Basin	1	-	2	3	0.20%				
25 Lamar University	1	-	1	2	0.13%				
Totals	1,310	145	83	1,538	100.00%				

Source: Texas Higher Education Coordinating Board

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Academic buildings	33	33	33	33	33
Square footage (in thousands)	560,079	560,079	560,079	560,079	560,079
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)	151,233	127,603	155,410	155,274	154,287
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	2	3	3
Square footage (in thousands)	22,842	22,842	22,842	27,026	27,026
Average daily customers	N/A	N/A	N/A	N/A	N/A
Athletic Facilities	14	14	14	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	1	0	0
Swimming Pool Complex	1	1	1	1	1
Tennis Courts	5	5	5	5	5
Plant Facilities	8	8	8	8	8
Square footage (in thousands)	126,791	126,791	126,791	126,791	126,791
Other Buildings	19	19	19	19	19
Square footage (in thousands)	32,770	32,770	32,770	32,770	32,770
Transportation	38	37	35	33	33
Cars	13	14	12	12	12
Light Trucks/Vans	25	23	23	21	21

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

Fiscal Year	Contact Hours			Total
	Academic	Voc Tech		
2015-16	2,187,712	864,928		3,052,640
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

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LAREDO COMMUNITY COLLEGE DISTRICT
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS

<i>Financial Statements</i>		
Type of auditor’s report issued:	Unmodified	
Internal control over financial reporting: Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<i>Federal and State Awards</i>		
Internal control over major programs: Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Type of auditor’s report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, Section 200.516(a) or State of Texas Single Audit Circular?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

<i>Identification of Major Programs</i>		
CFDA Numbers(s)	Name of Federal Program or Cluster	
84.007 84.033 84.063	Student Financial Assistance Cluster	
84.002	Adult Education – Basic Grants to States	
Dollar Threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

LAREDO COMMUNITY COLLEGE DISTRICT
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS (Continued)

Name of State Program or Cluster	
Texas Educational Opportunity Grant (Initial & Renewal)	
Dollar Threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.