



TEXAS SOUTHMOST COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 1997

TEXAS SOUTHMOST COLLEGE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AUGUST 31, 1997

TEXAS SOUTHMOST COLLEGE

ORGANIZATIONAL DATA

FOR THE FISCAL YEAR 1996 - 1997

BOARD OF TRUSTEES

Officers

Anthony Carnesi, Jr.	Chairperson
David Oliveira	Vice-Chairperson
Chester Gonzalez	Secretary

Members

Mary Rose Cardenas	Brownsville, Texas	May, 2002
Anthony Carnesi, Jr.	Brownsville, Texas	May, 2000
Chester Gonzalez	Brownsville, Texas	May, 1998
David Oliveira	Brownsville, Texas	May, 2000
Praxedis Orive, Jr.	Brownsville, Texas	May, 1998
Dr. Joseph Zavaletta	Brownsville, Texas	May, 1998
Dolly Zimmerman	Brownsville, Texas	May, 2002

Principal Administrative Officers

Dr. Juliet V. Garcia	President, UTB/TSC
Dr. Wayne J. Moore, Jr.	Vice-President for Administration and Planning UTB/TSC
George F. Haylock, Jr.	District Office Manager
Pat Celaya	District Comptroller

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION

PATTILLO, BROWN, HILL & CASCOS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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BROWNSVILLE, TEXAS 78520
(956) 544-7778
FAX (956) 544-8465

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Southmost Union Junior College District
Brownsville, Texas

We have audited the accompanying general purpose financial statements of Texas Southmost College, as of and for the year ended August 31, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of Texas Southmost College's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Texas Southmost College, as of August 31, 1997, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 14, 1997, on our consideration of Texas Southmost College's internal control structure and a report dated November 14, 1997, on its compliance with laws and regulations.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Texas Southmost College, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations", and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Pattillo, Brown, Hill & Cascos, L.L.P.

November 14, 1997

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TEXAS SOUTHMOST COLLEGE

BALANCE SHEET

AUGUST 31, 1997

(With Comparative Totals at August 31, 1996)

	Current Funds				
	Unrestricted	Auxiliary Enterprises	Restricted	Total	Loan Funds
ASSETS					
Cash and cash equivalents	\$3,252,502	\$ 36,534	\$ 83,237	\$3,372,273	\$ 67,969
Accounts receivable (net of allowance for doubtful accounts of \$9,000 both years)	190,654	152,182	6,497	349,333	-
Taxes receivable (net of allowance for doubtful accounts of \$18,350 & \$27,933 at August 31, 1997, and 1996 respectively)	608,881	-	-	608,881	-
Due from other funds	654,012	15,350	177,153	846,515	-
Investments	-	384,154	-	384,154	-
Accrued interest receivable	-	-	-	-	-
Due from other agencies	655,240	-	-	655,240	76,601
Federal receivables	-	-	652,473	652,473	-
Deposits	-	-	-	-	-
Notes receivable (net of allowance for doubtful accounts of \$94,148 & \$92,373 at August 31, 1997 and 1996, respectively)	-	-	-	-	9,771
Consumable inventories	-	-	-	-	-
Land	-	-	-	-	-
Buildings	-	-	-	-	-
Improvements other than buildings	-	-	-	-	-
Equipment	-	-	-	-	-
Library books	-	-	-	-	-
Construction in progress	-	-	-	-	-
Assets held in trust	-	-	-	-	-
Amounts to be provided interest payable on capital appreciation bonds	-	-	-	-	-
Total Assets	\$5,361,289 =====	\$ 588,220 =====	\$ 919,360 =====	\$6,868,869 =====	\$ 154,341 =====

See accompanying notes to the financial statements.

EXHIBIT A

Endowment and Similar Funds	Annuity and Life Income Funds	Plant Funds				Agency Funds	Totals (Memorandum Only)	
		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant		August 31, 1997	August 31, 1996
\$ 2,684	\$ -	\$ 84,849	\$1,028,652	\$ 233,249	\$ -	\$ 7,374	\$ 4,797,050	\$ 3,908,625
-	-	-	185	-	-	-	349,518	403,393
-	-	-	-	321,070	-	-	929,951	903,155
-	-	-	161,115	8,092	-	-	1,015,722	806,686
56,905	-	3,359,754	3,150,349	-	-	-	6,951,162	5,844,453
-	-	116,899	77,367	-	-	-	194,266	217,980
-	-	-	-	-	-	-	731,841	-
-	-	-	-	-	-	-	652,473	534,318
-	-	50,750	-	-	-	-	50,750	50,000
-	-	-	-	-	-	-	9,771	9,771
-	-	-	-	-	-	-	-	5,869
-	-	-	-	-	2,924,049	-	2,924,049	2,690,139
-	-	-	-	-	23,969,159	-	23,969,159	22,770,000
-	-	-	-	-	5,870,705	-	5,870,705	5,843,856
-	-	-	-	-	6,096,810	-	6,096,810	8,084,469
-	-	-	-	-	8,220,480	-	8,220,480	7,780,253
-	-	-	-	-	895,453	-	895,453	1,152,302
-	-	-	-	-	351,064	-	351,064	351,064
-	-	-	-	-	623,560	-	623,560	623,560
<u>\$ 59,589</u>	<u>\$ -</u>	<u>\$3,612,252</u>	<u>\$4,417,668</u>	<u>\$ 562,411</u>	<u>\$48,951,280</u>	<u>\$ 7,374</u>	<u>\$64,633,784</u>	<u>\$61,979,893</u>

(continued)

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET

(Continued)

AUGUST 31, 1997

(With Comparative Totals at August 31, 1996)

	Current Funds				
	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Total</u>	<u>Loan Funds</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 20,373	\$ 632	\$ 167,810	\$ 188,815	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	844,861	28,446	664,094	1,537,401	-
Due to other agencies	2,029,630	-	-	2,029,630	-
Deferred revenue	2,157,079	-	-	2,157,079	-
Accrued compensable absences payable	38,659	-	-	38,659	-
Bonds payable (net of unamortized premium discount of \$0 as of 08/31/97)	-	-	-	-	-
Funds held in custody for others	-	-	-	-	-
Total Liabilities	<u>5,090,602</u>	<u>29,078</u>	<u>831,904</u>	<u>5,951,584</u>	<u>-</u>
Fund Balance:					
Unrestricted					
Reserved					
Accounts receivable	190,654	-	-	190,654	-
Consumable inventory	-	-	-	-	-
Unreserved					
Designated					
Capital projects	-	-	-	-	-
College loan funds	-	-	-	-	90,437
Undesignated	80,033	559,142	-	639,175	-
Restricted					
Other					
Institutional matching funds	-	-	87,456	87,456	63,904
Net investment in plant	-	-	-	-	-
Total Fund Balance	<u>270,687</u>	<u>559,142</u>	<u>87,456</u>	<u>917,285</u>	<u>154,341</u>
Total Liabilities and Fund Balance	<u>\$5,361,289</u>	<u>\$ 588,220</u>	<u>\$ 919,360</u>	<u>\$6,868,869</u>	<u>\$ 154,341</u>

See accompanying notes to the financial statements

EXHIBIT A

Endowment and Similar Funds	Annuity and Life Income Funds	Plant Funds				Totals (Memorandum Only)		
		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment in Plant	Agency Funds	August 31, 1997	August 31, 1996
\$ -	\$ -	\$ 871,202	\$ 357,186	\$ -	\$ -	\$ -	\$ 1,417,203	\$ 66,838
-	-	-	-	-	623,561	-	623,561	623,560
-	-	-	134,986	321,070	-	-	1,993,457	806,686
-	-	-	-	-	-	-	2,029,630	498,493
-	-	-	-	-	-	-	2,157,079	2,366,465
-	-	-	-	-	-	-	38,659	52,096
-	-	-	-	-	8,954,999	-	8,954,999	9,804,999
-	-	-	-	-	-	7,374	7,374	7,098
-	-	871,202	492,172	321,070	9,578,560	7,374	17,221,962	14,226,235
-	-	-	-	-	-	-	190,654	322,049
-	-	-	-	-	-	-	-	5,869
-	-	2,741,050	3,925,496	-	-	-	6,666,546	7,007,544
-	-	-	-	-	-	-	90,437	88,971
-	-	-	-	-	-	-	639,175	951,969
19,656	-	-	-	241,341	-	-	412,357	447,078
39,933	-	-	-	-	-	-	39,933	63,094
-	-	-	-	-	39,372,721	-	39,372,721	38,867,084
59,589	-	2,741,050	3,925,496	241,341	39,372,721	-	47,411,822	47,753,658
\$ 59,589	\$ -	\$3,612,252	\$4,417,668	\$ 562,411	\$48,951,280	\$ 7,374	\$64,633,784	\$61,979,893

TEXAS SOUTHMOST COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED AUGUST 31, 1997
(With Comparative Totals at August 31, 1996)**

	Current Funds				
	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Total</u>	<u>Loan Funds</u>
REVENUE AND OTHER ADDITIONS					
Unrestricted current funds revenue	\$24,082,100	\$1,744,722	\$ -	\$25,826,822	\$ -
State appropriations - restricted	-	-	-	-	-
Federal grants and contracts	-	-	1,174,324	1,174,324	-
State grants and contracts	-	-	247,446	247,446	-
Local gifts, grants and contracts	-	-	35,801	35,801	-
Investment/endowment income	-	-	3,288	3,288	2,276
Realized gains on investments	-	-	-	-	-
Net change in bonds payable	-	-	-	-	-
Net change in notes payable	-	-	-	-	-
Expended for plant facilities (includes \$0 charged to current funds expenditures)	-	-	-	-	-
Other additions	-	-	-	-	-
Total Revenue and Other Additions	<u>24,082,100</u>	<u>1,744,722</u>	<u>1,460,859</u>	<u>27,287,681</u>	<u>2,276</u>
EXPENDITURES AND OTHER DEDUCTIONS					
Expenditures	21,520,446	1,413,083	7,957,330	30,890,859	-
Expended for plant facilities	-	-	-	-	-
Loan cancellations and write-offs	-	-	-	-	-
Retirement of indebtedness - bonds	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-
Other deductions	-	-	-	-	-
Total Expenditures and Other Deductions	<u>21,520,446</u>	<u>1,413,083</u>	<u>7,957,330</u>	<u>30,890,859</u>	<u>-</u>
TRANSFERS-ADDITIONS (DEDUCTIONS)					
Mandatory transfers					
TPEG	-	-	-	-	-
SEOG	-	-	-	-	-
Nonmandatory transfers					
Other	(3,062,279)	(275,203)	(8,857)	(3,346,339)	-
Total Transfers - Additions (Deductions)	<u>(3,062,279)</u>	<u>(275,203)</u>	<u>6,513,171</u>	<u>6,513,171</u>	<u>-</u>
NET INCREASE (DECREASE) FOR THE FISCAL YEAR	<u>(500,625)</u>	<u>56,436</u>	<u>7,843</u>	<u>(436,346)</u>	<u>2,276</u>
FUND BALANCES, SEPTEMBER 1, 1996 - RESTATED	<u>771,312</u>	<u>502,706</u>	<u>79,613</u>	<u>1,353,631</u>	<u>152,065</u>
FUND BALANCES, AUGUST 31, 1997	\$ 270,687	\$ 559,142	\$ 87,456	\$ 917,285	\$ 154,341
	=====	=====	=====	=====	=====

See accompanying notes to the financial statements.

