

TEXAS SOUTHMOST COLLEGE

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

AUGUST 31, 2001

TEXAS SOUTHMOST COLLEGE

ORGANIZATIONAL DATA

FOR THE FISCAL YEAR 2000-2001

BOARD OF TRUSTEES

Officers

Mary Rose Cardenas	Chairperson
Chester Gonzalez	Vice-chairperson
Rosemary Breedlove	Secretary

Members

Mary Rose Cardenas	Brownsville, Texas	May, 2002
Rosemary Breedlove	Brownsville, Texas	May, 2004
David Oliveira	Brownsville, Texas	May, 2006
Chester Gonzalez	Brownsville, Texas	May, 2004
Dolly Zimmerman	Port Isabel, Texas	May, 2002
Dr. Roberto Robles	Brownsville, Texas	May, 2006
Eddie Campirano	Brownsville, Texas	May, 2004

Principal Administrative Officers

Dr. Juliet V. Garcia	President, UTB/TSC
Dr. Wayne J. Moore	Vice-President for Administration and Partnership Affairs, UTB/TSC
Pat Celaya	District Comptroller

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TEXAS SOUTHMOST COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS
**INDEPENDENT AUDITORS' REPORT ON GENERAL
PURPOSE FINANCIAL STATEMENTS AND SUPPLEMENTARY
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**

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, 2001, 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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 at August 31, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2001, on our consideration of Texas Southmost College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, and the combining statements and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, 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, LLP.

November 5, 2001

FINANCIAL STATEMENTS

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET

AUGUST 31, 2001

(with memorandum totals at August 31, 2000)

	Current Funds				Loan Funds	Endowment & Similar Funds
	Unrestricted	Auxiliary Enterprises	Restricted	Total		
ASSETS						
Cash & cash equivalents	\$ 1,312,060	\$ 821,069	\$ 138,673	\$ 2,271,802	\$ 29,344	\$ 4,588
Short-term investments	2,507	2,509	-	5,016	-	97
Accounts receivable (net of allowance for doubtful accounts of \$9,000 for both years)	54,951	4	-	54,955	-	-
Taxes receivable (net of allowance for doubtful accounts of \$60,823 & \$54,674 at August 31, 2001 & 2000, respectively)	962,777	-	-	962,777	-	-
Prepaid assets	89,934	-	-	89,934	-	-
Due from other funds	197,306	4,544	600	202,450	-	-
Investments	-	-	-	-	-	39,146
Accrued interest receivable	-	-	-	-	-	-
Due from other agencies	-	9,684	100	9,784	-	155
Federal receivables	-	-	180,333	180,333	-	-
Deposits	-	-	-	-	-	-
Notes receivable (net of allowance for doubtful accounts of \$246,294 & \$123,969 at August 31, 2001 & 2000, respectively)	-	-	-	-	169,124	-
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	\$ 2,619,535	\$ 837,810	\$ 319,706	\$ 3,777,051	\$ 198,468	\$ 43,986

See accompanying notes to the financial statements.

Plant Funds					Totals (Memorandum only)	
Unexpended	Renewals & Replacements	Retirement of Indebtedness	Investment in Plant	Agency Funds	2001	2000
\$ 4,648,481	\$ 2,226,033	\$ 1,124,096	\$ -	\$ 8,586	\$ 10,312,930	\$ 1,565,016
2,507	3,057	-	-	-	10,677	2,355,300
-	-	39	-	-	54,994	1,599,909
-	-	192,862	-	-	1,155,639	1,038,803
-	-	-	-	-	89,934	-
-	34,577	-	-	-	237,027	1,232,551
6,157,219	-	-	-	-	6,196,365	14,355,823
153,616	-	-	-	-	153,616	245,749
-	-	-	-	-	9,939	1,220
50,250	-	-	-	-	230,583	250,634
-	-	-	-	-	-	50,250
-	-	-	-	-	169,124	158,652
-	-	-	3,022,039	-	3,022,039	2,995,303
-	-	-	31,745,546	-	31,745,546	27,916,639
-	-	-	5,890,705	-	5,890,705	5,870,705
-	-	-	8,269,241	-	8,269,241	8,111,753
-	-	-	8,422,239	-	8,422,239	8,422,239
-	-	-	4,723,791	-	4,723,791	1,960,058
-	-	-	351,064	-	351,064	351,064
-	-	-	623,560	-	623,560	623,560
<u>11,012,073</u>	<u>\$ 2,263,667</u>	<u>\$ 1,316,997</u>	<u>\$ 63,048,185</u>	<u>\$ 8,586</u>	<u>\$ 81,669,013</u>	<u>\$ 79,105,228</u>

TEXAS SOUTHMOST COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES

**FOR THE YEAR ENDED AUGUST 31, 2001
(with memorandum totals at August 31, 2000)**

	Current Funds				Loan Funds
	Unrestricted	Auxiliary Enterprises	Restricted	Total	
REVENUES & OTHER ADDITIONS					
Unrestricted current funds revenue	\$ 28,634,611	\$ 2,183,309	\$ 957,897	\$ 31,775,817	\$ -
State appropriations - restricted	-	-	-	-	-
Federal grants & contracts	-	-	712,689	712,689	-
State grants & contracts	-	-	223,419	223,419	-
Local gifts, grants & contracts	-	-	83,394	83,394	-
Net increase (decrease) in fair value of investmen	-	-	-	-	-
Taxes for debt retirement	-	-	-	-	-
Investment/endowment income	-	-	2,528	2,528	1,059
Net decrease in bonds payable	-	-	-	-	-
Bond proceeds on sale of bonds	-	-	-	-	-
Expended for plant facilities (includes \$360,485 charged to current funds expenditures)	-	-	-	-	-
Other additions	-	-	-	-	132,797
Total revenues & other additions	<u>28,634,611</u>	<u>2,183,309</u>	<u>1,979,927</u>	<u>32,797,847</u>	<u>133,856</u>
EXPENDITURES & OTHER DEDUCTIONS					
Expenditures	26,882,445	1,022,007	12,468,589	40,373,041	-
Expended for plant facilities	-	-	-	-	-
Loan cancellations & write-offs	-	-	-	-	122,325
Net increase in bonds payable	-	-	-	-	-
Retirement of indebtedness - bonds	-	-	-	-	-
Interest on indebtedness	-	-	-	-	-
Other deductions	-	-	-	-	-
Other expenditures	-	-	-	-	-
Total expenditures & other deductions	<u>26,882,445</u>	<u>1,022,007</u>	<u>12,468,589</u>	<u>40,373,041</u>	<u>122,325</u>
TRANSFERS-ADDITIONS (DEDUCTIONS)					
Mandatory transfers	(275,062)	-	275,062	-	-
Nonmandatory transfers	(472,972)	(1,100,302)	-	(1,573,274)	-
Other	-	-	10,287,247	10,287,247	-
Total transfers - additions (deductions)	<u>(748,034)</u>	<u>(1,100,302)</u>	<u>10,562,309</u>	<u>8,713,973</u>	<u>-</u>
NET INCREASE (DECREASE) FOR THE FISCAL YEAR					
	<u>1,004,132</u>	<u>61,000</u>	<u>73,647</u>	<u>1,138,779</u>	<u>11,531</u>
FUND BALANCES, SEPTEMBER 1, 2000					
	<u>399,310</u>	<u>537,735</u>	<u>61,272</u>	<u>998,317</u>	<u>186,937</u>
FUND BALANCES, AUGUST 31, 2001					
	<u>\$ 1,403,442</u>	<u>\$ 598,735</u>	<u>\$ 134,919</u>	<u>\$ 2,137,096</u>	<u>\$ 198,468</u>

See accompanying notes to the financial statements.

EXHIBIT B

Endowment & Similar Funds	Plant Funds					Agency Funds	Totals (Memorandum only)	
	Unexpended	Renewals & Replacements	Retirement of Indebtedness	Investment in Plant	2001		2000	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,775,817	\$ 31,257,765	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	712,689	1,169,804	
-	-	-	-	-	-	223,419	200,206	
-	-	-	-	-	-	83,394	20,000	
-	-	-	-	-	-	-	(11,175)	
-	-	-	1,242,432	-	-	1,242,432	1,157,455	
7,642	858,280	97,796	33,454	-	283	1,001,042	631,975	
-	-	-	-	960,000	-	960,000	940,000	
-	-	-	-	-	-	-	9,025,000	
-	-	-	-	6,796,864	-	6,796,864	1,552,190	
-	-	-	-	-	-	132,797	79,736	
<u>7,642</u>	<u>858,280</u>	<u>97,796</u>	<u>1,275,886</u>	<u>7,756,864</u>	<u>283</u>	<u>42,928,454</u>	<u>46,022,956</u>	
-	-	-	-	-	-	40,373,041	40,070,882	
-	4,648,946	787,772	-	-	-	5,436,718	2,481,630	
-	-	-	-	-	-	122,325	9,321	
-	-	-	-	-	-	-	9,025,000	
-	-	-	1,100,000	-	-	1,100,000	940,000	
-	-	-	772,101	-	-	772,101	314,150	
-	-	-	716	-	-	716	199,411	
2,000	-	-	-	-	-	2,000	1,600	
<u>2,000</u>	<u>4,648,946</u>	<u>787,772</u>	<u>1,872,817</u>	<u>-</u>	<u>-</u>	<u>47,806,901</u>	<u>53,041,994</u>	
-	-	-	-	-	-	-	-	
-	1,288,103	285,171	796,863	-	-	796,863	-	
-	-	-	-	-	-	10,287,247	10,106,788	
-	<u>1,288,103</u>	<u>285,171</u>	<u>796,863</u>	<u>-</u>	<u>-</u>	<u>11,084,110</u>	<u>10,106,788</u>	
<u>5,642</u>	<u>(2,502,563)</u>	<u>(404,805)</u>	<u>199,932</u>	<u>7,756,864</u>	<u>283</u>	<u>6,205,663</u>	<u>3,087,750</u>	
<u>38,344</u>	<u>4,629,496</u>	<u>2,668,456</u>	<u>745,447</u>	<u>49,292,762</u>	<u>-</u>	<u>58,559,759</u>	<u>55,472,009</u>	
<u>\$ 43,986</u>	<u>\$ 2,126,933</u>	<u>\$ 2,263,651</u>	<u>\$ 945,379</u>	<u>\$ 57,049,626</u>	<u>\$ 283</u>	<u>\$ 64,765,422</u>	<u>\$ 58,559,759</u>	

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TEXAS SOUTHMOST COLLEGE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES
AND OTHER CHANGESFOR THE YEAR ENDED AUGUST 31, 2001
(with memorandum totals for the year ended August 31, 2000)

	Unrestricted	Auxiliary Enterprises	Restricted	Totals (Memorandum only)	
				2001	2000
REVENUES					
State appropriations - general revenue	\$ 12,039,038	\$ -	\$ 957,897	\$ 12,996,935	\$ 12,625,876
Tuition & fees	9,281,149	1,650,302	-	10,931,451	11,629,348
Taxes for current operations	4,930,833	-	-	4,930,833	4,188,325
Federal grants & contracts	-	-	712,689	712,689	1,169,804
State grants & contracts	1,635,604	-	223,419	1,859,023	1,672,203
Local grants & contracts	383,671	-	83,394	467,065	493,701
Investment/endowment income	106,622	-	-	106,622	99,330
Sales & service of auxiliary enterprises	-	495,776	-	495,776	454,623
Other sources:					
Interest income	-	28,145	2,528	30,673	42,307
Gains/losses on investments	-	-	-	-	-
Miscellaneous income	257,694	9,086	-	266,780	280,700
Total current funds revenues	<u>28,634,611</u>	<u>2,183,309</u>	<u>1,979,927</u>	<u>32,797,847</u>	<u>32,656,217</u>
EXPENDITURES & MANDATORY TRANSFERS					
Educational & general:					
Instruction	-	-	287,337	287,337	844,447
Institutional support	531,909	-	-	531,909	335,793
Scholarships & fellowships	-	-	-	-	-
Transfers to UTB	26,350,536	-	12,181,252	38,531,788	37,884,601
Total educational & general expenditures	<u>26,882,445</u>	<u>-</u>	<u>12,468,589</u>	<u>39,351,034</u>	<u>39,064,841</u>
Auxiliary enterprise expenditures:					
Expenditures	-	770,129	-	770,129	837,089
Transfers to UTB	-	251,878	-	251,878	168,952
Total auxiliary enterprise expenditures	<u>-</u>	<u>1,022,007</u>	<u>-</u>	<u>1,022,007</u>	<u>1,006,041</u>
Mandatory transfers to:					
TPEG to restricted & loan funds	(275,062)	-	275,062	-	-
Total expenditures & mandatory transfers	<u>27,157,507</u>	<u>1,022,007</u>	<u>12,193,527</u>	<u>40,373,041</u>	<u>40,070,882</u>
OTHER TRANSFERS & ADDITIONS (DEDUCTIONS)					
Nonmandatory transfers	(472,972)	(1,100,302)	-	(1,573,274)	(2,380,552)
Excess of TPEG transfer over grant awarded	-	-	-	-	-
Federal scholarships/grants by UTB	-	-	10,287,247	10,287,247	10,106,788
Total other transfers & additions (deductions)	<u>(472,972)</u>	<u>(1,100,302)</u>	<u>10,287,247</u>	<u>8,713,973</u>	<u>7,726,236</u>
NET INCREASE (DECREASE) IN					
FUND BALANCES	<u>\$ 1,004,132</u>	<u>\$ 61,000</u>	<u>\$ 73,647</u>	<u>\$ 1,138,779</u>	<u>\$ 311,571</u>

See accompanying notes to the financial statements.

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