

TEXAS
SOUTHMOST COLLEGE

TEXAS SOUTHMOST COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED AUGUST 31, 1992

TEXAS SOUTHMOST COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AUGUST 31, 1992

TEXAS SOUTHMOST COLLEGE

ORGANIZATIONAL DATA
For the Fiscal Year 1991 - 1992

Board of Trustees

Officers

Mary Rose Cardenas	Chairperson
Ricardo Efrain Lara	Vice-Chairperson
Praxedis Orive	Secretary

Members

		Term Expires
Mary Rose Cardenas	Brownsville, Texas	May, 1996
Ricardo Efrain Lara	Brownsville, Texas	May, 1994
Praxedis Orive	Brownsville, Texas	May, 1998
Anthony Carnesi, Jr.	Brownsville, Texas	May, 1994
Dr. Joseph Zavaletta	Brownsville, Texas	May, 1998
Chester Gonzalez	Brownsville, Texas	May, 1998
Leon Belila	Brownsville, Texas	May, 1996

Key Officers

Dr. Juliet V. Garcia, Ph. D.	President
Dr. Wayne J. Moore, Ph. D.	Vice-President For Administrative Affairs
Michael Putegnat	Executive Director

TEXAS SOUTHMOST COLLEGE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AUGUST 31, 1992

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FINANCIAL SECTION

TEXAS SOUTHMOST COLLEGE

EXHIBIT A

BALANCE SHEET

August 31, 1992

With Comparative Totals At August 31, 1991

CURRENT FUNDS

	Unrestricted	Auxiliary Enterprises	Restricted	Total	Loan Funds
ASSETS					
Cash and Cash Equivalents (Sch. A-1)	\$2,780,631	\$ 132,130	\$ 393,573	\$3,306,334	\$ 83,810
Balance in State Appropriations					
Accounts Receivable	247,561	90,927	556,088	894,576	
Taxes Receivable (net of allowance for doubtful accounts of \$14,408 at August 31, 1992)	296,438			296,438	
Due From Other Funds	561,850		3,449	565,299	
Due From Other Agencies	913,884			913,884	
Investments (Sch. A-2)					
Accrued Interest Receivable					
Prepaid Expenses					
Deferred Charges					
Federal Receivables					
Contract and Grant Awards			41,243	41,243	
Deposits					
Notes Receivable (net of allowance for doubtful accounts of \$41,565)					31,436
Bond Proceeds Receivable					
Variable Rate Notes Receivable					
Consumable Inventories					
Inventories, at cost					
Land					
Buildings					
Improvements Other Than Buildings					
Equipment					
Library Books					
Museums and Art Collections					
Assets Held in Trust					
Construction in Progress					
Total Assets	\$ 4,800,364	\$ 223,057	\$ 994,353	\$ 6,017,774	\$ 115,246
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 180,545	\$	\$	\$ 180,545	\$
Accrued Liabilities					
Deposits Payable	100			100	
Due To Other Funds		17	732,845	732,862	
Due To Other Agencies			3,053	3,053	33,642
Deferred Revenues	1,685,208			1,685,208	
Deferred Lease Obligations					
Accrued Compensable Absences Payable					
Annuities Payable					
Bonds Payable					
Variable Rate Notes Payable					
Lease-Purchase Agreements Payable					
Assets Held in Trust					
Funds Held in Custody for Others					
Total Liabilities	1,865,853	17	735,898	2,601,768	33,642

Endowment and Similar Funds	PLANT FUNDS				TOTALS MEMORANDUM ONLY		
	Unexpended	Renewals and Replaces- ments	Retirement of Indebt- edness	Investment in Plant	Agency Funds	Current Year	Prior Year
\$ 66,223	\$ 10,462	\$ 282,956	\$ 204,533	\$	\$ 46,421	\$ 4,000,739	\$ 6,228,790
111		370	222,506			1,117,563	367,744
90	1,084	160,950	169,439 6,613			465,877 734,036 913,884	457,022 157,293 394,186
3,728,674 17,946	1,881					3,728,674 19,827	3,564,586
							541,570
						41,243	51,427
						31,436	8,424
				1,049,650		1,049,650	994,764
				21,623,458		21,623,458	21,414,019
				5,590,510		5,590,510	5,590,510
				8,329,272		8,329,272	7,615,072
				10,290,253		10,290,253	2,000,000
				351,064		351,064	
				8,318		8,318	
<u>\$3,813,044</u>	<u>\$ 13,427</u>	<u>\$ 444,276</u>	<u>\$ 603,091</u>	<u>\$47,242,525</u>	<u>\$ 46,421</u>	<u>\$58,295,804</u>	<u>\$49,385,407</u>
\$	\$	\$ 4,981	\$	\$	\$	\$ 185,526	\$ 346,482
		1,084			90	100 734,036 36,695	157,293 207,598
			169,439			1,854,647	2,057,263
				12,525,000		12,525,000	13,220,000
				238,548		238,548	380,653
					33,442	33,442	
		<u>6,065</u>	<u>169,439</u>	<u>12,763,548</u>	<u>33,532</u>	<u>15,607,994</u>	<u>16,369,289</u>

TEXAS SOUTHMOST COLLEGE

Exhibit A

BALANCE SHEET - CONTINUED

August 31, 1992

With Comparative Totals At August 31, 1991

	CURRENT FUNDS				Loan Funds
	Unrestricted	Auxiliary Enterprises	Restricted	Total	
Fund Balance:	\$2,934,511	\$ 223,040	\$ 258,455	\$3,416,006	\$ 81,604
Unrestricted					
Reserved	\$	\$	\$	\$	\$
Encumbrances	389,256			389,256	
Accounts Receivable					
Goods for Resale Inventory					
Consumable Supplies Inventory					
Prepaid Expenses					
Imprest Funds					
Unreserved					
Allocated					
Balances Subject to Reappropriation					
Future Operating Budget(s)					
Capital Projects					
Inventories					
Student Service Fees					
Service Department Operating Funds					
Student Loan Programs					
Other					
Unallocated	2,545,255	223,040		2,768,295	105,444
Restricted					
Restricted - Encumbered					
Restricted - Other			258,455	258,455	(23,840)
U.S. Government Grants Refundable					
Endowment					
Term Endowment					
Funds Functioning as Endowment - Restricted					
Funds Functioning as Endowment - Unrestricted					
Unexpended Plant					
Restricted					
Unrestricted					
Renewals and Replacements					
Restricted					
Unrestricted					
Retirement of indebtedness					
Restricted					
Unrestricted					
Net Investment in Plant					
Total Fund Balances (Exh. B)	<u>2,934,511</u>	<u>223,040</u>	<u>258,455</u>	<u>3,416,006</u>	<u>81,604</u>
Total Liabilities and Fund Balances	<u>\$ 4,800,364</u>	<u>\$ 223,057</u>	<u>\$ 994,353</u>	<u>\$ 6,017,774</u>	<u>\$ 115,246</u>

The accompanying notes are an integral part of these financial statements.

Endowment and Similar Funds	PLANT FUNDS				TOTALS MEMORANDUM ONLY		
	Unexpended	Renewals and Replace- ments	Retirement of Indebt- edness	Investment in Plant	Agency Funds	Current Year	Prior Year
\$3,813,044	\$ 13,427	\$ 438,211	\$ 433,652	\$34,478,977	\$ 12,889	\$42,687,810	\$33,016,118
\$	\$	\$	\$	\$	\$	\$ 389,256	\$ 311,873
					12,889	2,886,628	3,867,416
						234,615	(22,960)
3,813,044						3,813,044	3,641,178
	13,427					13,427	606,223
		438,211				438,211	(68,054)
			433,652			433,652	666,730
				34,478,977		34,478,977	24,013,712
<u>3,813,044</u>	<u>13,427</u>	<u>438,211</u>	<u>433,652</u>	<u>34,478,977</u>	<u>12,889</u>	<u>42,687,810</u>	<u>33,016,118</u>
<u>\$3,813,044</u>	<u>\$ 13,427</u>	<u>\$ 444,276</u>	<u>\$ 603,091</u>	<u>\$47,242,525</u>	<u>\$ 46,421</u>	<u>\$58,295,804</u>	<u>\$49,385,407</u>

TEXAS SOUTHMOST COLLEGE

Exhibit B

STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended August 31, 1992
With Comparative Totals For the Year Ended August 31, 1991

CURRENT FUNDS

	Unrestricted	Auxiliary Enterprises	Restricted	Total	Loan Funds
FUND BALANCES, September 1, 1991:	\$ 3,741,658	\$ 190,885	\$ 201,366	\$ 4,133,909	\$ (22,960)
Restatements (Prior Period Adjustments)		(617)	(66,505)	(67,122)	112,009
FUND BALANCES September 1, 1991 - Restated	<u>3,741,658</u>	<u>190,268</u>	<u>134,861</u>	<u>4,066,787</u>	<u>89,049</u>
REVENUES AND OTHER ADDITIONS					
Unrestricted Current Funds Revenue (Exh. C)	19,222,144	200,218		19,422,362	
Federal Appropriations					
State Appropriations - Restricted			797,209	797,209	
Federal Grants and Contracts			4,726,521	4,726,521	
State Grants and Contracts			25,865	25,865	
Local Gifts, Grants and Contracts			391,049	391,049	
Private Gifts, Grants and Contracts					
Investment Income					
Endowment Income					
Realized Gains on Investments					
U.S. Government Advances					
Retirement of Indebtedness					
Variable Rate Note Proceeds					
Expended for Plant Facilities (Includes \$24,014 Charged to Current Funds Expenditures)					
Other Interest Income			3,981	3,981	429
Other Revenues					191
Other Additions					
Total Revenues and Other Additions	<u>\$19,222,144</u>	<u>\$ 200,218</u>	<u>\$ 5,944,625</u>	<u>\$25,366,987</u>	<u>\$ 620</u>
EXPENDITURES AND OTHER DEDUCTIONS					
Expenditures (Exh. C)	19,625,462	167,446	6,018,034	25,810,942	
Expended for Plant Facilities					
Lapsed Appropriations					
Indirect Costs Recovered					
Refunded to Grantors					
Loan Cancellations and Write Offs					1,492
Administrative and Collection Costs					8
Retirement of Indebtedness and Expense:					
Bonds					
Variable Rate Notes					
Net Realized Losses on Investments					
Interest on Indebtedness					
Disposal of Plant Facilities					
Other Deductions					41,565
Total Expenditures and Other Deductions	<u>\$19,625,462</u>	<u>\$ 167,446</u>	<u>\$ 6,018,034</u>	<u>\$25,810,942</u>	<u>\$ 43,065</u>
TRANSFERS-ADDITIONS/(DEDUCTIONS)					
Mandatory Transfers					
Retirement of Indebtedness					
Building Use Fees	(390,626)			(390,626)	
Tuition					
Operations					
Auxiliary Enterprises					
Designated Funds					
Unexpended Plant Funds					
Revenue Bonds					
Renewals and Replacements					
Loan Fund Matching/Grant Matching					
Scholarships	(143,393)		610	(142,783)	
Non-Mandatory Transfers	130,190		196,393	326,583	35,000
Total Transfers - Additions (Deductions)	<u>(403,829)</u>		<u>197,003</u>	<u>(206,826)</u>	<u>35,000</u>
NET INCREASE/(DECREASE) FOR THE FISCAL YEAR	(807,147)	32,772	123,594	(650,781)	(7,445)
FUND BALANCES, August 31, 1992	<u>\$ 2,934,511</u>	<u>\$ 223,040</u>	<u>\$ 258,455</u>	<u>\$ 3,416,006</u>	<u>\$ 81,604</u>

See accompanying Summary of Significant Accounting Policies and Notes to the Financial Statements.

Endowment and Similar Funds	PLANT FUNDS				TOTALS MEMORANDUM ONLY		
	Unexpended	Renewals and Replaces- ments	Retirement of Indebt- edness	Investment in Plant	Agency Funds	Current Year	Prior Year
\$3,641,178	\$ 606,223	\$ (68,054)	\$ 666,730	\$24,013,712	\$ 12,499	\$32,983,237	\$31,520,775
<u>3,641,178</u>	<u>606,223</u>	<u>(68,054)</u>	<u>666,730</u>	<u>24,013,712</u>	<u>12,499</u>	<u>33,028,124</u>	<u>31,520,775</u>
						19,422,362	16,789,890
			19,954			797,209	
						4,746,475	4,206,607
						25,865	34,296
						391,049	488,848
167,406	18,268	5,833	33,898			225,405	65,477
				837,106		837,106	558,737
				920,756		920,756	
		638,714	1,304,883		6,292	10,702	2,352,315
5,514				8,707,403		1,943,597	3,272
<u>\$ 172,920</u>	<u>\$ 18,268</u>	<u>\$ 644,547</u>	<u>\$1,358,735</u>	<u>\$10,465,265</u>	<u>6,292</u>	<u>8,713,108</u>	<u>2,520,657</u>
						<u>\$38,033,634</u>	<u>\$27,020,099</u>
						25,810,942	21,963,717
						1,492	
						8	
			695,000			695,000	470,000
			906,432				948,370
		910,296	2,312		5,902	960,075	2,033,928
<u>\$</u>	<u>\$</u>	<u>\$ 910,296</u>	<u>\$1,603,744</u>	<u>\$</u>	<u>\$ 5,902</u>	<u>\$28,373,949</u>	<u>\$25,524,756</u>
			390,626				
(610)						(143,393)	
(444)	(611,064)	772,014	(378,695)			143,393	
(1,054)	(611,064)	772,014	11,931				
171,866	(592,796)	506,265	(233,078)	10,465,265	390	9,659,685	1,495,343
<u>\$3,813,044</u>	<u>\$ 13,427</u>	<u>\$ 438,211</u>	<u>\$ 433,652</u>	<u>\$34,478,977</u>	<u>\$ 12,889</u>	<u>\$42,687,810</u>	<u>\$33,016,118</u>

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TEXAS SOUTHWEST COLLEGE

Exhibit C

STATEMENT OF CURRENT FUNDS REVENUES EXPENDITURES AND OTHER CHANGES

For the Year Ended August 31, 1992
With Comparative Totals For the Year Ended August 31, 1991

	Unrestricted	Auxiliary Enterprises	Restricted	Total	TOTALS MEMORANDUM ONLY	
					Current Year	Prior Year
REVENUES						
State Appropriations - General Revenue	\$9,652,585	\$ -	\$ 797,209	\$10,449,794	\$10,449,794	\$ 8,479,663
Local Funds:						
Tuition (Net of TPEG \$143,393)	3,297,227	-	-	3,297,227	3,297,222	4,159,742
Tuition Remissions and Exemptions	29,052	-	-	29,052	29,052	-
Student Service Fees	665,787	-	-	665,787	665,787	-
Taxes for Current Operation	1,835,766	-	-	1,835,766	1,835,766	-
Sales & Service of Educational Activities	-	-	-	-	-	-
Other Sources	301,738	-	-	301,738	301,738	2,356,758
General Fees	755,987	-	-	755,987	755,987	-
Federal Grants and Contracts	1,566,564	-	4,726,521	6,293,085	6,293,085	1,188,246
State Grants and Contracts	69,008	-	25,865	94,873	94,873	69,008
Local Grants and Contracts	873,763	-	391,049	1,264,812	1,264,812	371,556
Private Gifts, Grants and Contracts	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Endowment Income	-	-	-	-	-	-
Auxiliary Enterprises	-	-	-	-	-	-
Leases and Rental Income	-	193,909	-	193,909	193,909	157,266
Other Interest Income	174,667	6,309	3,981	184,957	184,957	7,651
Other Gains/Losses on Investments	-	-	-	-	-	-
Total Current Funds Revenues	\$19,222,144 (Exh. B)	\$ 200,218 (Exh. B)	\$ 5,944,625	\$25,366,987	\$25,366,987	\$16,789,890
EXPENDITURES AND MANDATORY TRANSFERS:						
Educational and General	-	-	-	-	-	-
Instruction	11,988,579	-	797,209	12,785,788	12,785,788	10,372,261
Research	-	-	-	-	-	-
Public Service	715,255	-	-	715,255	715,255	520,925
Academic Support	1,020,131	-	-	1,020,131	1,020,131	1,000,973
Student Services	1,138,972	-	-	1,138,972	1,138,972	1,064,481
Institutional Support	2,728,618	-	-	2,728,618	2,728,618	2,307,689
Operation and Maintenance of Plant	1,973,959	-	-	1,973,959	1,973,959	1,677,202
Scholarships and Fellowships	59,948	-	-	59,948	59,948	66,819
Grants and Scholarships	-	-	5,220,825	5,220,825	5,220,825	-
Total Educational and General	19,625,462	-	6,018,034	25,643,496	25,643,496	17,010,350
Auxiliary Enterprise	-	-	-	-	-	-
Expenditures (Sch. C-2)	-	167,446	-	167,446	167,446	147,174
Mandatory Transfers for:						
Building Use Fees	390,626	-	-	390,626	390,626	-
Principal and interest	-	-	-	-	-	-
Renewals and replacements	-	-	-	-	-	-
Matching grant	-	-	-	-	-	-
Scholarships	143,393	-	(144,003)	(610)	(610)	43,182
Non-mandatory transfers	(130,190)	-	-	(130,190)	(130,190)	(296,664)
Total expenditures and transfers	20,029,291	167,446	5,874,031	26,070,768	26,070,768	16,904,042
Other transfers and additions/ (deductions):						
Other Transfers	-	-	53,000	53,000	53,000	-
Refunded to grantors	-	-	-	-	-	-
Unrestricted gifts allocated to other funds	-	-	-	-	-	-
Portion of funds functioning as endowment gains appropriated	-	-	-	-	-	-
Net increase (decrease) in fund balances	\$ (807,147)	\$ 32,772	\$ 123,594	\$ (650,781)	\$ (650,781)	\$ (114,152)

See accompanying Notes to the Financial Statements.

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NOTES TO FINANCIAL STATEMENTS

August 31, 1992

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Texas Southmost College have been prepared on accrual basis. The statement of current funds revenues and expenditures is a statement of financial activities of current funds related to the reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of equipment, library holdings, and livestock; (2) mandatory transfers in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the college, accounts are maintained in accordance with the principles of "fund accounting." Resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, fund balances restricted by outside sources are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

Endowment and Similar Funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and only the income be utilized. Term endowment funds are similar to other endowments funds, except that all or part of the principal may be utilized after a stated period of time or upon the occurrence of a certain event. Funds functioning as endowments are funds that the governing board has approved to use as endowments.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned the assets. Ordinary income derived from investments, receivables, and other sources is accounted for in the fund owning such assets, except for income derived from investment of Endowment and Similar Funds. That income is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in unrestricted current funds.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

All other unrestricted revenue is accounted for in the appropriate unrestricted fund. Restricted gifts, grants, appropriation, endowment income, and other restricted resources are accounted for in the appropriate restricted funds. Restricted Current Funds are reported as revenues and expenditures when expended for current operating purposes. Contract and grant awards for the current reporting period are shown as additions to fund balances in Restricted Current Funds.

The different fund groups used at Texas Southmost College are as follows:

Current Funds

Funds available for current operating and maintenance purposes as well as those restricted by donors and other outside agencies for specific operating purposes. Current funds are segregated into separate balanced funds groups.

Unrestricted Current Funds

Funds received by an institution that have no limitations or stipulations placed on them by external agencies or donors. The funds are used for carrying out the primary purpose of an institution, i.e. educational, research, extension and administration.

Auxiliary Enterprises

Funds for activities that serve students, faculty, or staff for charges that are directly related to, although not necessarily equal to, the cost of the service. Examples are residence halls, food services and book stores.

Restricted

Funds available for current purposes, but with restrictions from outside agencies or persons. Revenues are reported only to the extent of expenditures for the current year.

Loan Funds

Funds available for loans to students, faculty and staff.

Endowment and Similar Funds

Funds subject to restrictions of endowment and trust instruments requiring that principal be maintained and that only the income be spent.

Annuity and Life Income Funds

The Annuity Funds group consists of funds donated to an institution on the condition that the institution pay a stipulated amount of the funds to the donor or designated individual for a specified time or until the time of death of the annuitant. The Life Income funds group consists of funds contributed to an institution subject to the requirement that the institution periodically pay the income earned on the assets (less management expenses) to designated beneficiaries.

Plant Funds

Plant funds are divided into these separate balanced fund groups:

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

Unexpended

Funds for the construction, rehabilitation, and acquisition of physical properties for institutional purposes.

Renewals and Replacements

Funds accumulated for the renewal and replacement of physical plant properties.

Retirement of Indebtedness

Funds accumulated to meet debt service charges and the retirement of indebtedness.

Investment in Plant

Funds already expended for plant properties. Physical properties are stated at cost at date of acquisition or fair market value at date of donation for gifts and fair market value at August 31, 1992 for livestock. Depreciation on physical plant and equipment is not recorded.

Agency Funds

Funds held by the college as custodial or fiscal agent for students, faculty members, and/or others.

Memorandum Totals

The Balance Sheet in columnar form, the Statement of Changes in Fund Balances, and the Statement of Current Funds Revenues and Expenditures are shown with memorandum totals for the current and prior years. Interfund borrowing has not been eliminated, but has been off-set in the assets and liability sections. The memorandum totals are presented only to facilitate financial analysis and do not purport to present financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Other Significant Accounting Policies

Other significant accounting policies are in the financial statements and their notes.

1. Authorized Investments

Texas Southmost College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act of 1987 (Art. 842a-2, Texas Revised Civil Statutes). 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.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

2. Deposits and Investments

At August 31, 1992, the carrying amount of Texas Southmost College deposits was \$4,000,739, and total bank balances equalled \$3,975,428 . Bank balances of \$749,707 are covered by federal depository insurance and \$3,248,632 was covered by collateral pledged in Texas Southmost College name. The collateral was held in the safekeeping departments of unrelated banks which act as the pledging bank's agents (Category 1). Cash and Deposits include as reported on Exhibit A, Balance Sheet, consist of the items reported below.

Cash and Deposits

Bank Deposits		
Demand Deposits		\$ 3,975,428
Cash and Cash Equivalents		
Petty Cash on Hand	\$ 3,300	
Change For Registration	21,911	
Local Funds in State Treasury	100	
Reimbursements in Transit	-	
	<u> </u>	<u>25,311</u>
Total Cash and Deposits		<u>\$ 4,000,739</u>

To comply with the reporting requirements of GASB Statement No. 3, Texas Southmost College investments are categorized under "Investment Categories" to give an indication of credit risk assumed by Texas Southmost College at year end. Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is not depicted in this note.

The following categories of credit risk are included:

- Category 1: Investments that are insured or registered or for which the securities are held by the institution or its agent in the institution's name.
- Category 2: Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or institution in the institution's name.
- Category 3: Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the institution's name.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

Investment Categories

Type of Security	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Treasury Bills	\$3,700,608	\$	\$	\$3,700,608	\$3,700,608
Real Estate Mortgage and Other Notes					
Corporate Stocks		28,066		28,066	28,066
Repurchase Agreements					
TOTALS	<u>\$3,700,608</u>	<u>\$ 28,066</u>	<u>\$ -</u>	<u>\$3,728,674</u>	<u>\$3,728,674</u>

3. Bonds and Variable Rate Notes Payable

- a. • Library Revenue Bonds, Series 1975-A.
 - To construct, improve and equip the library building.
 - Issued May 31, 1975.
 - \$800,000; all authorized bonds have been issued.
 - Source of revenue for debt service -- Building Use fees, Library lease revenue.
- b. • Eidman Science - Math Building, Series 1970.
 - To construct the Science - Math Building.
 - Issued November 15, 1970.
 - \$650,000; all authorized bonds have been issued.
 - Source of revenue for debt service -- Building Use fees, Department of Education annual interest grant.
- c. • School Building Tax Bonds, Series 1987 - 1988.
 - To construct, improve various building within the District.
 - Issued March 12, 1987 and March 10, 1988.
 - \$13,500,000; all authorized bonds have been issued.
 - Source of revenue for debt service -- Ad Valorem Tax levy.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

Bonds and variable rate notes payable are due in annual installments varying from \$40,000 to \$350,000 with interest rates from 7.5% to 7.7% with the final installment due in 2008. The principal and interest expense for the next five years and beyond is summarized below for bonds and variable rate notes issued.

<u>Year Ending August 31,</u>	<u>Total</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Principal Outstanding</u>
1993	\$ 1,411,797	\$ 861,797	\$ 550,000	\$11,975,000
1994	1,413,945	813,945	600,000	11,975,000
1995	1,397,593	762,593	635,000	10,740,000
1996	1,369,325	709,325	660,000	10,080,000
1997	1,355,475	655,475	700,000	9,380,000
1998	1,269,850	589,850	680,000	8,700,000
1999	1,235,975	545,975	690,000	8,010,000
2000	1,288,125	498,125	790,000	7,320,000
2001	1,260,438	445,438	815,000	6,405,000
2002	1,230,275	390,275	840,000	5,565,000
2003	1,270,325	330,325	940,000	4,625,000
2004	1,240,163	265,163	975,000	3,650,000
2005	1,273,438	198,438	1,075,000	2,575,000
2006	1,254,938	129,938	1,125,000	1,450,000
2007	1,256,750	56,750	1,200,000	250,000
2008	259,375	9,375	250,000	
	<u>\$19,787,787</u>	<u>\$ 7,262,787</u>	<u>\$12,525,000</u>	

4. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the college participates is administered by the Teacher Retirement System of Texas. The percentages of participant salaries currently contributed by the state and by each participant are 7.31% and 6.40% respectively, of annual compensation.

The state has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the state, the Institution and each participant are 7.31% and 1.19% and 6.65%, respectively. Since these are individual annuity contracts, the state has no additional or unfunded liability for this program.

The retirement expense to the state for the college was \$797,209 for the fiscal year ended August 31, 1992. This amount represents the portion of expended appropriations made by the state Legislature on behalf of the college.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 1992

5. Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Senate Bill No. 872 of the 63rd Legislature. A total of \$1,068,128 in payroll deductions had been invested in approved plans during the fiscal year.

6. Compensated Absences

Full-time employees earn annual leave at a rate of 8 hours per month. The college district's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 192 for all employees. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated annual leave up to the maximum allowed. At August 31, 1992 as a result of partnership agreement, all liability for accrued compensation was assumed by The University of Texas - Brownsville.

7. Pending Lawsuits and Claims

On August 31, 1992, various lawsuits and claims involving Texas Southmost 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 for by insurance or otherwise, is not likely to have a material effect on the college.

8. Capital Lease Obligations

Certain leases to finance the purchase of equipment are capitalized at the present value of future minimum lease payments.

The original capitalized cost of equipment under capital lease as of August 31, 1992 is \$423,635.

<u>Minimum Lease Payments for:</u>	
1993	\$ 124,690
1994	<u>113,858</u>
	238,548
Less: Interest	<u>(19,333)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 219,215</u>

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 1992

9. Operating Lease Commitments and Rental Agreement

Included in current expenditures are the following amounts of rent paid or due under operating leases.

<u>Fund Group</u>	<u>Year Ended August 31,</u>	
	<u>1992</u>	<u>1991</u>
Unrestricted Current Funds	\$ 8,205	\$ 8,205
Restricted Current Funds	-	-
Totals	<u>\$ 8,205</u>	<u>\$ 8,205</u>

10. Leases

On November 26, 1963 the Institution executed a Library Lease Agreement with the City of Brownsville. The agreement was amended on July 30, 1985. Under the terms of the agreement the City of Brownsville will pay the College a pre-determined annual lease payment each January 31st. The agreement further states that \$15,000 be set aside for the purchase, maintenance and circulation of books of primary interest to the general public. The amounts remaining of the payment made by the City each year shall be the lease payment due to the College. The agreement is in effect through August 31, 2001.

The lease payment required over the next five years are as follows:

<u>August 31,</u>	<u>Amount</u>
1993	\$ 242,448
1994	246,986
1995	251,922
1996	257,235
1997	262,592
Beyond five years	<u>1,113,493</u>
	<u>\$2,374,676</u>

On September 1, 1987, contracts were re-negotiated with University of Texas Pan American - Brownsville, which leased to them various Texas Southmost College buildings to include the library for educational purposes. Texas Southmost College shall provide all custodial, maintenance, security services, and utilities for the described spaces. New contracts for the biennium were negotiated at a per month rate of \$52,400 for classroom space, \$5,416 for the Library and \$334 for First Aid.

On September 10, 1987 a lease agreement was signed with ARA Services, Inc. to provide meals and beverages for the College to resell to its students, faculty, staff and guests. Under the terms of the agreement ARA will pay the College a flat rate of \$24,000 per year and a commission rate of 10% on sales over \$230,000 per year.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 1992

On July 15, 1988 the College leased the bookstore to Texas Book Company for a three year period. The lease calls for lease payments of \$85,000 for the first year; \$90,000 for the second year and \$95,000 for the third year plus an additional 10% of gross revenues above \$1,250,000. On March 20, 1990, the lease was extended for four additional years through July 15, 1995.

11. Contract 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. Funds received, but not expended during the reporting period, are shown as additions to fund balance on Exhibit B. Revenues are recognized on Exhibit C as funds are actually expended. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit A. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit A. Contract and grants 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 year 1992 for which monies have not been received nor funds expended totalled \$750,603. Of this amount, \$750,603 was from Federal Contract and Grant Awards.

12. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was \$173.72 per month for the year ended August 31, 1992 and totaled \$87,209 for the year.

13. Interfund Borrowing

All interfund borrowing has been made from unrestricted funds and is payable within one year without interest.

14. Property, Plant and Equipment

Land is valued at it's original cost of \$232,150. In addition, \$817,500 have been added to the value of the land based on a non-formal appraisal made in 1971 on the 54.5 acres occupied by the College, most of which was acquired by gift from the U.S. Government (Old Fort Brown).

Physical plant and equipment are stated at cost on date of acquisition or fair market value at date of gift. Library books are valued at replacement cost estimated by the Library Director. Depreciation on physical plant and equipment is not recorded.

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

Changes in general fixed assets is as follows:

	Balance 8-31-91	Purchased Additions	Other*	Balance 8-31-92
BUILDINGS				
Auto Body Building	\$ 87,621	\$ -	\$ -	\$ 87,621
Allied Health	698,407	-	-	698,407
Tandy Hall I	1,086,574	519	-	1,087,093
Tandy Hall II	2,065,351	-	-	2,065,351
A. A. Champion	43,436	-	-	43,436
Gymnasium	814,002	-	-	814,002
Business Services	5,565	-	-	5,565
Student Center	944,335	-	-	944,335
Library	4,021,164	578	-	4,021,742
Rusteberg	787,252	-	-	787,252
Gomez-Farias Project (Mexico)	5,063	-	-	5,063
Eidman Science-Math Building	809,454	-	-	809,454
Gorgas Hall Improvements	1,473,754	208,342	-	1,682,096
Music Hall	94,770	-	-	94,770
Maintenance	34,898	-	-	34,898
PAU-B Administration	222,158	-	-	222,158
PAU-B Temporary Office	13,444	-	-	13,444
Child Care Center	378,509	-	-	378,509
Cavalry Barracks	409,904	-	-	409,904
Women's Center	76,019	-	-	76,019
Continuing Education	45,000	-	-	45,000
Athletic Houses	13,143	-	-	13,143
Marion Hedrick Smith Memorial Amphitheater	296,391	-	-	296,391
U.S. Coast Guard Station (S.P.I.)	320,353	-	-	320,353
Security/First Aid (Carpet)	888	-	-	888
Continuing Education (American Legion Building)	56,417	-	-	56,417
Classroom/office	5,936,735	-	-	5,936,735
Art	673,412	-	-	673,412
Total Buildings	<u>21,414,019</u>	<u>209,439</u>	<u>-</u>	<u>21,623,458</u>
LAND				
Land 50 year Lease Amphitheater	1,250	-	-	1,250
Land	176,014	-	-	176,014
Land - Appraisal Increase	817,500	-	-	817,500
Land - Parking Lot	-	-	54,886	54,886
Total Land	<u>994,764</u>	<u>-</u>	<u>54,886</u>	<u>1,049,650</u>

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

	Balance 8-31-91	Purchased Additions	Other*	Balance 8-31-92
SITE IMPROVEMENTS				
Landscaping - T.S.C.	16,168	-	-	16,168
Landscaping - S.P.I.	3,395	-	-	3,395
Paving	392,615	-	-	392,615
Remodel Courtyard Fountain	18,638	-	-	18,638
Tennis Courts	43,002	-	-	43,002
Reflecting Pool	27,591	-	-	27,591
Gorgas Monument	24,121	-	-	24,121
Roofing	592,560	-	-	592,560
ACM Abatement	649,036	-	-	649,036
Resaca Bulkhead	281,424	-	-	281,424
Paseo	265,071	-	-	265,071
Paseo - Classroom	448,523	-	-	448,523
Paseo - East	570,218	-	-	570,218
Central Plant	2,258,148	-	-	2,258,148
Total Improvements	<u>5,590,510</u>	<u>-</u>	<u>-</u>	<u>5,590,510</u>
MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES				
Gorgas	-	145,716	20,242	165,958
Champion	-	97,635	245	97,880
Art Building	44,877	2,541	(2,320)	45,098
Gymnasium	92,384	8,186	(2,249)	98,321
Tandy Hall	1,073,726	105,489	(13,323)	1,165,892
Leased Computer Equipment	423,635	-	-	423,635
Library	951,160	50,307	6,689	1,008,156
Library Books	2,000,000	-	8,290,253	10,290,253
Student Center	190,031	9,701	3,587	203,319
Eidman Hall	379,153	17,683	(2,893)	393,943
Applied Arts	1,224,947	42,561	10,289	1,277,797
Maintenance	336,319	19,037	25,632	380,988
Allied Health	560,749	26,864	12,695	600,308
Adult Continuing Ed Center	306,106	26,860	(11,167)	321,799
Music Department	237,008	9,514	1,289	247,811
Athletic Houses	12,446	-	-	12,446
Security/First Aid	52,504	2,143	(19,621)	35,026
Child Care	80,715	13,775	(6,253)	88,237
Old President's Home	25,932	-	(2,503)	23,429
Cavalry Barracks	423,442	11,010	(15,947)	418,505
South Padre Island	73,563	2,694	(1,245)	75,012
Rancho del Cielo	36,369	-	-	36,369
LVN McAllen	17,602	2,370	(2,516)	17,456
Classroom/Office	1,063,897	108,913	10,569	1,183,379
LVN - Weslaco	8,508	-	-	8,508
Total Equipment	<u>9,615,073</u>	<u>702,999</u>	<u>8,301,453</u>	<u>18,619,525</u>
Total General Fixed Assets	<u>\$37,614,366</u>	<u>\$ 912,438</u>	<u>\$ 8,356,339</u>	<u>\$46,883,143</u>

TEXAS SOUTHMOST COLLEGE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

August 31, 1992

15. Subsequent Events

On September 1, 1992 an agreement was entered into between Texas Southmost College and the Board of Regents of the University of Texas System on behalf of The University of Texas at Brownsville. The purpose of this agreement was to enter into an educational partnership as authorized by state law, Texas Education Code Section 51.661 et seq., to improve the continuity, quality and efficiency of educational programs and services.

This agreement is implemented by specific interagency contracts and/or leases between the parties. The interagency contracts consist of the following:

- A. Lease of TSC facilities by UT as necessary to provide both UT programs and TSC programs. Provisions for facility maintenance is included in the lease.

Under this agreement TSC agrees to provide UTB for a period of five years, the right to use all the tangible personal property belonging to TSC for the purpose of providing educational and student services to students. UTB agrees to pay TSC \$45,489 per month during the term of the agreement. UTB also agrees to pay TSC \$116,280 per month for the use of all real property.

- B. Agreement for the coordination of personnel with provisions for conditions of employment by UT.

- C. Agreement for the coordination and financing of programs and support services.

Payment for agreements A and B above will be in accordance with the Educational Partnership Cooperation Contrast Regarding Finance and Funding. Under this contract UTB agrees to deliver all programs and provide all services for both entities. TSC will pay UTB for instruction and services for TSC students as follows: Tuition for lower division academic and vocational courses, and all appropriations and contracts. In addition, TSC will pay UTB for the 92/93 fiscal year no less than \$2,400,000.

TEXAS SOUTHMOST COLLEGE
SCHEDULE A-1
SCHEDULE OF CASH AND CASH EQUIVALENTS
August 31, 1992

CURRENT FUNDS

	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Loan Funds</u>
Cash on Hand	\$ 21,911	\$	\$	\$
Cashier Account				
Petty Cash	<u>1,050</u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u>22,961</u>	<u> </u>	<u> </u>	<u> </u>
Cash in Bank				
Local Funds - Demand	<u>2,107,963</u>	<u>132,130</u>	<u>393,473</u>	<u>83,810</u>
Subtotal	<u>2,107,963</u>	<u>132,130</u>	<u>393,473</u>	<u>83,810</u>
Cash in State Treasury			100	
Account Name				
Other Detail as Needed	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u> </u>	<u> </u>	<u>100</u>	<u> </u>
Reimbursements Due From State Treasury				
Short-Term Investments	649,707			
Certificates of Deposit				
U.S. Treasury Bills	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subtotal	<u>649,707</u>	<u> </u>	<u> </u>	<u> </u>
Total Cash and Temporary Investments	<u>\$2,780,631</u>	<u>\$ 132,130</u>	<u>\$ 393,573</u>	<u>\$ 83,810</u>

PLANT FUNDS

Endowment and Similar Funds	Unexpended	Renewals and Replace- ments	Retirement of Indebt- edness	Agency Funds	Total
\$	\$	\$	\$	\$	\$ 21,911
_____	_____	_____	_____	2,250	3,300
_____	_____	_____	_____	2,250	25,211
<u>66,223</u>	<u>10,462</u>	<u>282,956</u>	<u>204,533</u>	<u>44,171</u>	<u>3,325,721</u>
<u>66,223</u>	<u>10,462</u>	<u>282,956</u>	<u>204,533</u>	<u>44,171</u>	<u>3,325,721</u>
_____	_____	_____	_____	_____	100
_____	_____	_____	_____	_____	100
_____	_____	_____	_____	_____	649,707
_____	_____	_____	_____	_____	649,707
<u>\$ 66,223</u>	<u>\$ 10,462</u>	<u>\$ 282,956</u>	<u>\$ 204,533</u>	<u>\$ 46,421</u>	<u>\$4,000,739</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE A-2

SCHEDULE OF LONG-TERM INVESTMENTS BY FUND GROUP
August 31, 1992

	<u>CURRENT FUNDS</u>			
	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Restricted</u>	<u>Loan Funds</u>
U. S. Government and Agency Securities	\$	\$	\$	\$
Municipal and State Agency Bonds				
Corporate Bonds and Notes				
Corporate Stocks - Preferred				
Corporate Stocks - Common				
Insured Shares in Banking Institutions				
Commercial Paper				
Mineral Interests				
Mutual Funds				
Notes Receivable				
Real Estate				
U. S. Treasury Bills	_____	_____	_____	_____
Certificates of Deposit				
Money Market Funds				
Total (Exh. A)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLANT FUNDS

Endowment and Similar Funds	PLANT FUNDS			Agency Funds	Total
<u> </u>	<u>Unexpended</u>	<u>Renewals and Replaces- ments</u>	<u>Retirement of Indebt- edness</u>	<u> </u>	<u> </u>
\$	\$	\$	\$	\$ -	\$
28,066					28,066
<u>3,700,608</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>3,700,608</u>
<u>\$3,728,674</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,728,674</u>

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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-1

STATEMENT OF CURRENT FUND REVENUES
For the Year Ended August 31, 1992

	<u>Unrestricted</u>	<u>Auxiliary Enterprises</u>	<u>Total Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
<u>State Appropriations:</u>					
State Basic Aid	\$ 9,447,157	\$ -	\$ 9,447,157	\$ -	\$ 9,447,157
Group Insurance State Contributions	87,209	-	87,209	-	87,209
ORP and TRS State Contributions	-	-	-	797,209	797,209
Coordinating Board 2% Wages	118,219	-	118,219	-	118,219
Total State Appropriations	<u>9,652,585</u>	<u>-</u>	<u>9,652,585</u>	<u>797,209</u>	<u>10,449,794</u>
<u>Tuition and Fees</u>					
Tuition (Net of TPEG \$143,393)	3,297,227	-	3,297,227	-	3,297,227
Building Use Fee	-	-	-	-	-
General Fees	675,908	-	675,908	-	675,908
Student Center Fee	-	-	-	-	-
Student Service Fee	665,787	-	665,787	-	665,787
Laboratory Fee	80,079	-	80,079	-	80,079
Correspondence Fee	-	-	-	-	-
Remissions and Exemptions	29,052	-	29,052	-	29,052
Blind, Deaf Students	-	-	-	-	-
Concurrent Registration	-	-	-	-	-
Good Neighbor	-	-	-	-	-
Highest Ranking High School Graduates	-	-	-	-	-
Statutory Waiver of Non-Resident Status	-	-	-	-	-
Veteran, Dependents, Etc.	-	-	-	-	-
Other	-	-	-	-	-
Total Tuition and Fees	<u>4,748,053</u>	<u>-</u>	<u>4,748,053</u>	<u>-</u>	<u>4,748,053</u>
Taxes for Current Operations	<u>1,835,766</u>	<u>-</u>	<u>1,835,766</u>	<u>-</u>	<u>1,835,766</u>
<u>Federal Grants and Contracts</u>					
Research	-	-	-	-	-
Other Programs	1,566,564	-	1,566,564	4,726,521	6,293,085
Recovery of Indirect Costs	-	-	-	-	-
Total Federal Grants and Contracts	<u>1,566,564</u>	<u>-</u>	<u>1,566,564</u>	<u>4,726,521</u>	<u>6,293,085</u>
<u>State Grants and Contracts</u>					
Research	-	-	-	-	-
Other Programs	69,008	-	69,008	25,865	94,873
Recovery of Indirect Costs	-	-	-	-	-
Total State Grants and Contracts	<u>69,008</u>	<u>-</u>	<u>69,008</u>	<u>25,865</u>	<u>94,873</u>
<u>Local Grants and Contracts</u>					
Research	-	-	-	-	-
Other Programs	873,763	-	873,763	391,049	1,264,812
Recovery of Indirect Costs	-	-	-	-	-
Total Local Grants and Contracts	<u>873,763</u>	<u>-</u>	<u>873,763</u>	<u>391,049</u>	<u>1,264,812</u>
<u>Private, Gifts, Grants, and Contracts</u>					
Research	-	-	-	-	-
Other Program	-	-	-	-	-
Recovery of Indirect Costs	-	-	-	-	-
Other	-	-	-	-	-
Total Private Gifts, Grants, and Contracts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Endowment Income	-	-	-	-	-
Sales & Services of Educational Activities	-	-	-	-	-
Leases and Rental Income	-	193,909	193,909	-	193,909
Professional Fees	-	-	-	-	-
<u>Other Sources</u>					
Gains/Losses on Investments	-	-	-	-	-
Interest Income	174,667	6,309	180,976	3,981	184,957
Other Miscellaneous Income	301,738	-	301,738	-	301,738
Total Other Sources	<u>476,405</u>	<u>6,309</u>	<u>482,714</u>	<u>3,981</u>	<u>486,695</u>
Total Current Funds Revenues (Exh. C)	<u>\$19,222,144</u>	<u>\$ 200,218</u>	<u>\$19,422,362</u>	<u>\$ 5,944,625</u>	<u>\$25,366,987</u>

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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-2

STATEMENT OF CURRENT FUNDS EXPENDITURES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 1992

	<u>SALARIES AND WAGES</u>	<u>OTHER EXPENSES</u>	<u>CAPITAL OUTLAY</u>	<u>TOTAL</u>
Unrestricted				
<u>Educational and General</u>				
Instruction	\$10,791,855	\$ 801,749	\$ 394,975	\$11,988,579
Research	-	-	-	-
Public Service	494,060	201,020	20,175	715,255
Academic Support	711,864	156,634	151,633	1,020,131
Student Services	956,712	168,056	14,204	1,138,972
Institutional Support	1,423,880	1,069,720	235,018	2,728,618
Operation and Maintenance of Plant	651,830	922,836	399,293	1,973,959
Scholarships and Fellowships	<u>27,814</u>	<u>31,109</u>	<u>1,025</u>	<u>59,948</u>
Total Educational and General	15,058,015	3,351,124	1,216,323	19,625,462
<u>Auxiliary Enterprises</u>				
Auxiliary Enterprises	<u>83,051</u>	<u>84,395</u>	<u>-</u>	<u>167,446</u>
Total Auxiliary Enterprises				
<u>Restricted</u>				
Instruction	797,209	-	-	797,209
Research	-	-	-	-
Public Service	-	-	-	-
Academic Support	-	-	-	-
Student Services	-	-	-	-
Institutional Support	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Scholarships and Fellowships	-	-	-	-
Grants and Scholarships	<u>-</u>	<u>5,220,825</u>	<u>-</u>	<u>5,220,825</u>
Total Restricted	797,209	5,220,825	-	6,018,034
Total Current Fund Expenditures (Exh. C)	<u>\$15,938,275</u>	<u>\$ 8,656,344</u>	<u>\$ 1,216,323</u>	<u>\$25,810,942</u>

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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-3

SCHEDULE OF EDUCATIONAL AND GENERAL EXPENDITURES (EXCLUDES AUXILIARY ENTERPRISES)
 SUMMARIZED BY ELEMENTS OF INSTITUTIONAL COSTS
 For the Year Ended August 31, 1992

	CURRENT FUNDS		Total
	Unrestricted	Restricted	
General Administration and Student Services	\$ 2,185,127	-	\$ 2,185,127
General Institutional Expense	1,711,515	-	1,711,515
Staff Benefits			
Group Insurance Premiums	898,180	-	898,180
O.A.S.I.	870,950	-	870,950
Workmen's Compensation Insur.	168,631	-	168,631
Longevity Pay	-	-	-
Other	45,562	797,209	842,771
Total	1,983,323	797,209	2,780,532
Resident Instruction			
Academic Programs			
Faculty Salaries	4,393,359	-	4,393,359
Departmental Operating Expenses	373,718	-	373,718
Instructional Administration	174,340	-	174,340
Organized Activities Related to Instructional Departments	136,875	-	136,875
Total	5,078,292	-	5,078,292
Vocational Technical Programs			
Faculty Salaries	2,732,369	-	2,732,369
Departmental Operating Expenses	533,303	-	533,303
Instructional Administration	141,311	-	141,311
Organized Activities Related to Instructional Departments	284,536	-	284,536
Total	3,691,519	-	3,691,519
Library	704,481	-	704,481
Extension and Public Service	715,255	-	715,255
Physical Plant Operation and Maintenance			
Plant Support Services	-	-	-
Campus Security	198,920	-	198,920
Building Maintenance	466,324	-	466,324
Custodial Services	381,867	-	381,867
Grounds Maintenance	216,094	-	216,094
Utilities	710,753	-	710,753
Total	1,973,958	-	1,973,958
Special Items	1,581,992	-	1,581,992
Major Repairs and Rehabilitation of Facilities and Buildings	-	-	-
Grants and Scholarships	-	5,220,825	5,220,825
Total Expenditures by Elements of Institutional Costs	\$19,625,462	\$ 6,018,034	\$25,643,496

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TEXAS SOUTHMOST COLLEGE

SCHEDULE C-4

SCHEDULE OF DISTRICT TAXES
For the Year Ended August 31, 1992

	CURRENT YEAR			Prior Year Total
	Current Operations	Debt Service	Total	
Tax rate authorized per \$100 valuation	<u>.06514</u>	<u>.04328</u>	<u>.10842</u>	<u>.1092</u>
Tax rate assessed per \$100 valuation	<u>.06509</u>	<u>.04328</u>	<u>.10837</u>	<u>.1092</u>
Taxes collected				
Current	1,698,916	1,133,814	2,832,730	2,779,294
Delinquent	90,042	62,333	152,375	152,320
Penalties and interest	<u>46,808</u>	<u>27,122</u>	<u>73,930</u>	<u>64,968</u>
Gross Taxes collected	<u>1,835,766</u>	<u>1,223,269</u>	<u>3,059,035</u>	<u>2,996,582</u>
Assessed valuation of District	<u>2,820,578,672</u>			

TEXAS SOUTHMOST COLLEGE

SCHEDULE D-1

BONDS PAYABLE AND DEBT SERVICE REQUIREMENTS
For the Year Ended August 31, 1992

Description	<u>Bonds Issued to Date</u>	<u>Range of Interest Rates</u>	<u>Bonds Outstanding 09/01/91</u>	<u>Bonds Issued After 09/01/91</u>	<u>Bonds Matured Or Retired</u>	<u>Bonds Refunded</u>	<u>Bonds Outstanding 08/31/92</u>
Library Revenue Bonds Series 1975-A	\$ 800,000.00	7.6% - 7.7%	\$ 460,000.00	\$	\$240,000.00	\$	\$ 220,000.00
Eidman - Science Math Building Revenue Bonds Series 1970	650,000.00	7.5%	260,000.00		45,000.00		215,000.00
School Building Tax Bonds - Series 1987 - 1988	<u>13,500,000.00</u>	<u>7.5%</u>	<u>12,500,000.00</u>	<u></u>	<u>410,000.00</u>	<u></u>	<u>12,090,000.00</u>
Total	<u>\$14,950,000.00</u>	<u>-</u>	<u>\$13,220,000.00</u>	<u>\$ -</u>	<u>\$695,000.00</u>	<u>\$ -</u>	<u>\$12,525,000.00</u>

Maturities			Summary of Debt Service Requirements to Maturity						Total Require- ments
First Year	Last Year	First Call Date	Year Ending August 31,						
			1993	1994	1995	1996	1997	All Other Years	
1975	1997	11/15/75	\$ 72,260.00	\$ 69,220.00	\$ 66,180.00	\$ 73,100.00	\$ 69,250.00	\$	\$ 350,010.00
1970	1996	11/15/70	64,250.00	60,500.00	61,562.50	62,250.00			248,562.50
1988	2008	02/15/88	<u>1,275,287.00</u>	<u>1,284,225.00</u>	<u>1,269,850.00</u>	<u>1,233,975.00</u>	<u>1,286,225.00</u>	<u>12,839,652.00</u>	<u>19,189,214.00</u>
			<u>\$1,411,797.00</u>	<u>\$1,413,945.00</u>	<u>\$1,397,592.50</u>	<u>\$1,369,325.00</u>	<u>\$1,355,475.00</u>	<u>\$12,839,652.00</u>	<u>\$19,787,786.50</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE D-2

SCHEDULE OF PLEDGED REVENUES AND FUND BALANCES
FOR REVENUE BONDS OUTSTANDING
FOR THE YEAR ENDED AUGUST 31, 1992

Description	PLEGGED REVENUES AND RELATED EXPENDITURES						
	Net Available For Debt Service 09-1-91	Pledged Revenues	Interest Earned on Investments	Other Pledged Revenues	(a) Total Pledged Revenues	(b) Other Revenue Sources	(c) Operating Expense
Library Revenue Bonds Series 1975-A	\$ 322,493.03	\$ 81,613.00	\$11,256.56	\$	\$ 92,869.56	\$	\$ 201.50
Eidman - Science Math Building Revenue Bonds Series 1970	151,845.38	42,958.00	5,299.64	19,954.00	68,211.64		500.00
School Building Tax Bonds Series 1987 - 1988	162,030.20	1,223,269.70	16,624.31		1,239,894.01		1,611.00
Totals	<u>\$636,368.61</u>	<u>\$1,347,840.70</u>	<u>\$33,180.51</u>	<u>\$19,954.00</u>	<u>\$1,400,975.21</u>	<u>\$</u>	<u>\$ 2,312.5</u>

<u>(a+b-c-d)</u> Net Available for Debt Service	Debt Service Principal	Debt Service Interest	RESTRICTED ACCOUNT BALANCES			
			INTEREST AND SINKING FUND		BOND RESERVE FUND	
			Required	Actual	Required	Actual
\$ 415,161.09	\$240,000.00	\$ 35,300.00	\$ 60,080.00	\$ 60,080.00	\$	\$ 79,781.09
219,537.02	45,000.00	17,812.50	64,500.00	64,500.00		92,244.52
<u>1,400,313.21</u>	<u>410,000.00</u>	<u>853,320.00</u>				<u>136,993.21</u>
<u>\$2,035,031.32</u>	<u>\$695,000.00</u>	<u>\$906,432.50</u>	<u>\$124,580.00</u>	<u>\$124,580.00</u>	<u>\$ -</u>	<u>\$308,958.82</u>

SINGLE AUDIT SECTION



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

OF COUNSEL

Carl S. Chilton, Jr., CPA
Frank S. Hardin, CPA
Joe J. Garza, CPA

To the Board of Trustees
Texas Southmost College

We have audited the financial statements of Texas Southmost College, as of and for the year ended August 31, 1992, and have issued our report thereon dated November 30, 1992.

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 financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of Texas Southmost College for the year ended August 31, 1992, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

The management of Texas Southmost College is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories.

Accounting Applications

Receivables
Cash Receipts
Payroll

Accounts Payable
Cash Disbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

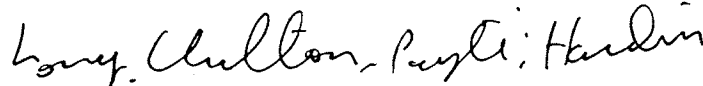
As mentioned in prior years, asset acquisitions and deletions are not being recorded in the General Fixed Asset Fund.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of Texas Southmost College, in a separate letter dated November 30, 1992.

This report is intended for the information of the audit committee, management, and Board of Trustees. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

OF COUNSEL

Carl S. Chilton, Jr., CPA
Frank S. Hardin, CPA
Joe J. Garza, CPA

To the Board of Trustees
Texas Southmost College

We have audited the financial statements of Texas Southmost College, as of and for the year ended August 31, 1992, and have issued our report thereon dated November 30, 1992.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Texas Southmost College, is the responsibility of Texas Southmost College, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the College's compliance with certain provisions of laws, regulations, contracts, and grants. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, Texas Southmost College, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the College had not complied, in all material respects, with those provisions.

This report is intended for the information of the audit committee, management, and Board of Trustees. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Long, Chilton, Payte, Hardin
LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTARY INFORMATION--SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

OF COUNSEL

Carl S. Chilton, P., CPA
Frank S. Hardin, CPA
Joe J. Garza, CPA

To the Board of Trustees
Texas Southmost College

We have audited the financial statements of Texas Southmost College, for the year ended August 31, 1992, and have issued our report thereon dated November 30, 1992. These financial statements are the responsibility of Texas Southmost College 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the financial statements of Texas Southmost College taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Long, Chilton, Payte, Hardin
LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
Year Ended August 31, 1992

Grantor/Program	CFDA No.	Grant Number	Grant Amount	Accrued Or (Deferred) Revenues At 9-1-91
<u>U.S. Department of Education Direct Programs:</u>				
Perkins Loan Program	84.038	P038A04146	4,270	\$ -
PELL Grant Program	84.063	P063P16563	4,241,619	(462,766)
Supplemental Education Opportunity Grant	84.007	P007A14146	162,400	(71,753)
College Work-Study Program	84.033	P033A14146	350,814	
Total Title IV Programs				<u>(534,519)</u>
Veteran's Education Outreach	84.064	P064A01371	1,581	282
Veteran's Education Outreach	84.064		1,581	
IAP-Endowment Grant Program	84.0316	P031670171	2,000,000	(3,612,608)
Academic Facilities-Interest Subsidy Grant			19,954	
Total				<u>(3,612,326)</u>
<u>Passed Through Texas Coordinating Board:</u>				
Carl D. Perkins	84.048	1142024	760,748	320,318
Carl D. Perkins	84.048	22420246	864,769	68,651
Carl D. Perkins	84.048	33420246	941,000	
Carl D. Perkins - Single Parent/ Displaced Homemaker	84.048	22210021	70,287	
Carl D. Perkins - Single Parent/ Displaced Homemaker	84.048	33150002	75,000	
				<u>388,969</u>
Total Department of Education				<u>\$ (3,757,876)</u>
<u>U.S. Department of Labor:</u>				
Passed through Texas Department of Commerce and:				
Cameron County Private Industry Council				
Individual Referral Program	17.250	92-20-0001	132,436	\$
Individual Referral Program	17.250	93-20-0001		
South Texas Private Industry Council				
Vocational Nursing Program	17.250	1063	2,285	308
				<u>308</u>
Total Department of Labor				<u>\$ 308</u>
<u>U.S. Department of Agriculture:</u>				
Passed through Texas Department of Human Services				
Child Care Food Program	10.558	TX-031006		\$ 5,217
Total Department of Agriculture				<u>\$ 5,217</u>

Accrued Or (Deferred) Expenses At 9-1-91	Receipts Or Revenue Recognized	Matching Contri- butions	Transfers In (Out) and Refunds	Disburse- ments Or Expen- ditures	Accrued Or (Deferred) Revenues At 8-31-92	Accrued Or (Deferred) Expenses At 8-31-92
\$ 462,766	\$ 3,778,853	\$	\$	\$ 3,778,853	\$	\$
71,753	97,170	18,970		116,140		
	322,316	135,690		458,006		
<u>534,519</u>	<u>4,198,339</u>	<u>154,660</u>		<u>4,352,999</u>		
	1,581			1,299		
	282			282		
	168,929				(3,781,537)	
	19,954			19,954		
	<u>190,746</u>			<u>21,535</u>	<u>(3,781,537)</u>	
	320,318					
	291,317	10,894		762,107	528,547	
		88		211,254	211,166	
	17,572			52,914	35,342	
				54,231	54,231	
	<u>629,207</u>	<u>10,982</u>		<u>1,080,506</u>	<u>829,286</u>	
<u>\$ 534,519</u>	<u>\$ 5,018,292</u>	<u>\$ 165,642</u>	<u>\$ -</u>	<u>\$ 5,455,040</u>	<u>\$ (2,952,251)</u>	<u>\$ -</u>
	69,004			69,004		
	6,886			36,627	29,741	
	<u>75,890</u>			<u>105,631</u>	<u>29,741</u>	
	308					
	308					
<u>\$ -</u>	<u>\$ 76,198</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,631</u>	<u>\$ 29,741</u>	<u>\$ -</u>
	33,453			33,702	5,466	
<u>\$ -</u>	<u>\$ 33,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,702</u>	<u>\$ 5,466</u>	<u>\$ -</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - CONTINUED
 Year Ended August 31, 1992

<u>Grantor/Program</u>	<u>CFDA No.</u>	<u>Grant Number</u>	<u>Grant Amount</u>	<u>Accrued Or (Deferred) Revenues At 9-1-91</u>
<u>U.S. Department of Human Services:</u>				
Passed through Texas Department of Human Services and Texas Migrant Council, Inc. Child Day Care Center	13.667	80030		<u>9,568</u>
Total Department of Human Services				<u>\$ 9,568</u>
<u>National Aeronautics and Space Administration</u>				
Research Grant		NAGW-3060	80,995	<u> </u>
Total National Aeronautics and Space Administration				<u>\$ -</u>
Total Federal Financial Assistance				<u>\$ (3,742,783)</u>

Note 1: Federal Assistance Reconciliation

The College also participates in the following grants
 which are not subject to the College's OMB A-128 audits.

Carl D. Perkins - Tech - Prep Planning	84.048	22410014	50,000	
Carl D. Perkins - Tech - Prep Implementation				

<u>Accrued Or (Deferred) Expenses At 9-1-91</u>	<u>Receipts Or Revenue Recognized</u>	<u>Matching Contri- butions</u>	<u>Transfers In (Out) and Refunds</u>	<u>Disburse- ments Or Expen- ditures</u>	<u>Accrued Or (Deferred) Revenues At 8-31-92</u>	<u>Accrued Or (Deferred) Expenses At 8-31-92</u>
\$ _____	\$ 82,896	\$ _____	\$ _____	\$ 83,918	\$ 10,590	\$ _____
\$ _____ -	\$ 82,896	\$ _____ -	\$ _____ -	\$ 83,918	\$ 10,590	\$ _____ -
\$ _____	\$ _____	\$ _____	\$ _____	\$ 7,285	\$ 7,285	\$ _____
\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ 7,285	\$ 7,285	\$ _____ -
\$ 534,519	\$5,210,839	\$ 165,642	\$ _____ -	\$ 5,685,576	\$(2,899,169)	\$ _____ -



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS AS REQUIRED BY THE SINGLE AUDIT ACT

OF COURSE:

Carl S. Chilton, Jr., CPA
Frank S. Hardin, CPA
Joe J. Garza, CPA

To the Board of Trustees
Texas Southmost College

We have audited the financial statements of Texas Southmost College, as of and for the year ended August 31, 1992, and have issued our report thereon dated November 30, 1992. We have also audited Texas Southmost College's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 30, 1992.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and about whether Texas Southmost College complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended August 31, 1992, we considered the College's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the College's financial statements and on its compliance with requirements applicable to major programs and not to provide assurance on the internal control structure. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the financial statements in a separate report dated November 30, 1992.

The management of Texas Southmost College is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories.

<u>General Requirements</u>	<u>Specific Requirements</u>
<ul style="list-style-type: none"> . Political activity . Davis-Bacon Act . Civil rights . Cash management . Federal financial reports . Allowable costs/costs principles . Drug-free workplace . Administration requirements 	<ul style="list-style-type: none"> . Types of services . Eligibility . Matching, level of effort, or earmarking . Reporting . Cost allocation
<p>Claims for Advances and Reimbursements</p> <p>Amounts Claimed or Used for Matching</p>	

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended August 31, 1992, Texas Southmost College, expended 95.6% percent of its total federal financial assistance under major federal financial assistance programs. We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the College's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, other matters involving the internal control structure and its operation that we have reported to the management of Texas Southmost College in a separate letter dated November 30, 1992.

This report is intended for the information of the audit committee, management, and Board of Trustees. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Long, Cilton, Payte, Hardin
LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Trustees
Texas Southmost College

We have audited Texas Southmost College, compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended August 31, 1992. The management of Texas Southmost College, is responsible for Texas Southmost College, compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Texas Southmost College, compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying schedule of findings and questioned costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Texas Southmost College, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended August 31, 1992.

Long, Chilton, Payte, Hardin
LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE
TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Trustees
Texas Southmost College

We have applied procedures to test Texas Southmost College, compliance with the following requirements applicable to each of its major federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended August 31, 1992: political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, drug-free workplace and administration requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Texas Southmost College, compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the first paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Texas Southmost College, had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in the accompanying schedule of findings and questioned costs.

This report is intended for the information of the audit committee, management, and Board of Trustees. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Long, Chilton, Payte & Hardin
LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Board of Trustees
Texas Southmost College

In connection with our audit of the August 31, 1992 financial statements of Texas Southmost College, and with our study and evaluation of Texas Southmost College, internal control systems used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended August 31, 1992.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Texas Southmost College, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Texas Southmost College, had not complied, in all material respects, with those requirements.

This report is intended for the information of the audit committee, management, and Board of Trustees. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

LONG, CHILTON, PAYTE & HARDIN, LLP
Certified Public Accountants

Brownsville, Texas
November 30, 1992

TEXAS SOUTHMOST COLLEGE
FINDINGS AND QUESTIONED COSTS
 Year Ended August 31, 1992

Financial Reporting	<u>Questioned Costs</u>
Finding	
1. On the FISAP report, a total of \$10,748 of 92-93 college work study award was transferred to the 91-92 award year. Since Texas Southmost College does not have any financial aid awards after June 30, 1992, this transfer was made in error. The change in the award amount resulted in an over calculation of the administrative allowance which has been corrected on the general ledger.	\$ -0-
2. The amount reported as "Reimbursement on Loans to the Fund of Amounts Canceled", on the FISAP report for the Perkins Loan Program did not agree to the amount shown on the general ledger.	-0-
3. \$273.00 of interest income reported on the general ledger were not included on the FISAP report.	-0-

Recommendation

We suggest that an amended report be prepared and submitted to the Department of Education.

Response

The FISAP report has been corrected and resubmitted as of November 30, 1992.

Finding

4. The Quarterly Transactions Reports have not reflected the correct cash balance throughout the year. In addition, several letters from the Department of Education disallowing expenditures have not been resolved. In July, 1992 the Department suspended the line of credit because these disallowed expenditures have caused excess cash in the Departments books. As of November, 1992 the problems have not been resolved.	-0-
---	-----

Recommendation

We suggest that immediate steps be taken to resolve these problems with the Department. An amended quarterly report as September 30, 1992 (the final quarterly report for TSC) should be filed explaining each one of the disallowed expenditures.

Texas Southmost College

FINDINGS AND QUESTIONED COSTS - CONTINUED
Year Ended August 31, 1992

Questioned
Costs

Response

Corrective action has been taken to re-establish the line of credit. The information to clarify the amounts from the Department of Education as disallowed expenditures is being gathered and will be submitted as soon as possible.

Student Eligibility

Finding

1. One student (ID # 71-7072) was found to have received Title IV money when the student's file did not contain a copy of a high school transcript or diploma. 2,230.00

Response

An automated system is in place where Financial Aid will not award a student without the proper documentation not being on file with the Enrollment Office.

Carl Perkins Vocational Grant

Finding

1. The amount reported in the annual performance report at June 30, 1992, was overstated by \$229.75. 229.75

Response

The difference was caused by an adjusting journal entry subsequent to the report being completed. This report will be corrected and resubmitted to the Coordinating Board as of December 7, 1992.

Supplemental Opportunity Educational Grant

Finding

1. Department of Education regulations require the Institution to match SEOG disbursements. The matching funds (15% of disbursements) comes from the TPEG funds. As of June 30, 1992, the end of the reporting year, a total of \$23,445 or 13.79% had been transferred to the Federal Financial Aid Fund. On August 31, 1992 a journal entry was made to record the receivable from the TPEG scholarship fund however, no money has been transferred.

-0-

Texas Southmost College

FINDINGS AND QUESTIONED COSTS - CONTINUED
Year Ended August 31, 1992

	<u>Questioned Costs</u>
Recommendation	
Since the Federal Financial Aid Fund is used solely to record the receipt and disbursement of Title IV money, we suggest that the transfer be made as soon as possible.	-0-
Response	
Transfer will be made as soon as possible.	
Total Questioned Costs	<u>\$ 2,459.75</u>

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTIONS ON PRIOR YEAR FINDINGS
Year Ended August 31, 1992

Questioned
Costs

Cash Management

Finding

1. On September 11, 1990 the college drawdown \$3650,000 from the Department of Education. The checks were dated and issued on the 12th. The posting to the PELL cash account and the expenditure was also made on the 12th, however, the PELL revenue was not recorded until the 28th. The Blue Book states "Funds should be transferred from the control account to individual program ledgers accounts only to meet immediate needs for disbursements. No balances should be retained in the cash control ledger accounts for individual programs." In the above case, the PELL account had a negative balance of \$363,589.91 for 16 days.

\$ -0-

Recommendation

All posting to the individual program cash account, revenue expenditures accounts should be made on the same day.

Response

Procedures have been changed. No exceptions noted in the current year.

Finding

2. Throughout the year the General Fund, Capital Projects Fund and the Improvements & Contingency Fund loaned money to the Student Financial Aid Fund to cover expenditures while waiting for the drawdown from Department of Education. As soon as the drawdown was received the loans were paid.

On February 4, 1991 a transfer of \$50,0000 was made from the Financial Aid Fund to the General Fund to repay a loan. On further review it was discovered that the loan had already been paid. The refund from the General Fund to the Financial Aid Fund was not done until February 11, 1991. In effect \$50,000 of Federal Financial Aid money was being used by the General Fund for 7 days.

-0-

Recommendation

More attention needs to be placed on the reconciliation of temporary loans by the Financial Aid Fund.

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTIONS ON PRIOR YEAR FINDINGS - CONTINUED
Year Ended August 31, 1992

Questioned
Costs

Response

Procedures have been changed. No exceptions noted in the current year.

Financial Reports

Finding

1. SEOG expenditures reported on the FISAP report did not match the expenditures on the general ledger. The following are the differences.

	<u>Per FISAP</u>	<u>Per G/L</u>		
Line 5 - Total funds to recipients	\$170,438	\$167,536		
Line 6 - Non-Federal match	17,044	14,996		
Line 7 - Federal Share of Funds	153,394	152,540		
Line 9 - Federal Funds Spent	156,296	155,442	\$	-0-

Recommendation

We suggest that the business office and financial aid office get together and reconcile the amounts.

Response

Problems continue to exist in the reconciliation of expenditures between offices. See current year findings.

Finding

2. After reviewing the federal quarterly reports "Federal Cash Transactions Report Status of Federal Cash", we noticed that the amounts reported as ash on hand did not agree to the cash flow statements. In addition, the supporting schedules reconciling the expenditures between the general ledger and the report were not available.

-0-

Recommendation

All quarterly reports should be reviewed and corrected as necessary. We suggest the business office contact the Department of Education and find out how to report the corrections.

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTIONS ON PRIOR YEAR FINDINGS - CONTINUED
Year Ended August 31, 1992

Questioned
Costs

Response

Problems continue to exist in the reconciliation of expenditures between offices. See current year findings.

Finding

3. The Student Confirmation Reports for Guaranteed Student Loans reporting are suppose to be filed within 30 days of receipt of the report. Two reports were not filed on time.

-0-

Recommendation

Individuals involved in the preparation and filing of quarterly reports need to be made aware of the filing deadlines. All reports should be filed in a timely manner.

Response

Procedures have been changed. No exceptions noted in the current year.

Perkins Loan Program

Finding

1. A review of the Perkins Loan Program files for accounts with outstanding balances revealed that the Institution is not maintaining contact on billing the borrowers. The last time any of the accounts selected for testing was contacted was April, 1990. The program requires the Institution to exercise due care and diligence in the collection of loans.

-0-

Recommendation

The college must continue to document its collection efforts in every loan file. We understand that most of these loans are very old, but as long as the college is handling the loan every effort must be made to contact and collect the amount outstanding.

Response

Procedures have been changed. No exceptions noted in the current year.

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTIONS ON PRIOR YEAR FINDINGS - CONTINUED
Year Ended August 31, 1992

Questioned
Costs

Carl Perkins Program

Finding

1. In tracing the expenditures reported on Forms A & B of the annual performance report to the general ledger at June 30, 1991 it was noted that the amounts did not agree. When the college realized that the general ledger amounts exceeded the budgeted amounts the report was changed to reflect only an amount equal to the budget. The difference was recorded on the workpaper as the college's expense and used for matching purposes. These correcting entries were never posted to the general ledger.

\$ -0-

Recommendation

The college needs to review monthly accumulated expenditures by department and compare them to the budgeted amounts. Once the budget is reached expenditures should not be charged to the grant program.

Response

The problem of exceeding budget has been resolved. However, we did find that the amount reported on the annual performances report exceeded the amount reflected on the general ledger. See current year findings.

Finding

2. In reviewing the salary expenditure it was noted that several employee salaries are allocated 50-50 between the grant program and the college, however, 100% of the fringe benefits are charged to the grant program. In another instance the salary is charged 50-50 but 100% of the benefits are charged to the college.

3,257

Recommendation

When the salary of an individual is allocated 50-50 between the grant and the college, only 50% of the benefits should be charged to the grant. Since the payroll program cannot handle the allocation of the benefits we suggest that the benefits be charged to the college and then through journal entry charge 50% to the grant.

After discussions with the Coordinating Board it was decided that questioned costs would apply only to those individuals whose time cannot be charged to the program 100%.

TEXAS SOUTHMOST COLLEGE

STATUS OF CORRECTIVE ACTIONS ON PRIOR YEAR FINDINGS - CONTINUED
Year Ended August 31, 1992

	<u>Questioned Costs</u>
Response	
No problems were encountered in this area during the current year. The college is absorbing more expenditure from these split benefits than is getting charged to the grant.	
Total Questioned Costs	<u>\$ 3,257</u>

SUPPLEMENTARY INFORMATION SECTION

TEXAS SOUTHMOST COLLEGE
 SCHEDULE OF REVENUES COMPARED WITH BUDGET
 GENERAL AND AUXILIARY ENTERPRISE FUNDS
 Year Ended August 31, 1992

	Budget	Actual	Variance Favorable (Unfavorable)
Educational and General Income:			
State Appropriations:			
Coordinating Board Appropriation	\$ 8,908,337	\$ 8,707,326	\$ (201,011)
Coordinating Board Insurance	700,000	827,040	127,040
Coordinating Board 2% Wages	-	118,219	118,219
Remedial	1,054,085	-	(1,054,085)
ORP and TRS State Contributions	-	797,209	797,209
Total State Appropriations	<u>10,662,422</u>	<u>10,449,794</u>	<u>(212,628)</u>
Tuition and Fees:			
Tuition	3,236,916	3,297,227	60,311
General Fees	640,000	675,908	35,908
Student Service Fee	615,000	665,787	50,787
Laboratory Fee	80,000	80,079	79
Remissions and Exemptions	-	29,052	29,052
Total Tuition and Fees	<u>4,571,916</u>	<u>4,748,053</u>	<u>176,137</u>
Taxes for Current Operations	<u>1,569,000</u>	<u>1,835,766</u>	<u>266,766</u>
Federal Grants and Contracts:			
Financial Aid Admin. Allow.	45,400	42,870	(2,530)
Veterans Cost of Instruction	2,716	1,581	(1,135)
College Work Study	357,650	249,511	(108,139)
Carl Perkins Discretionary Grant	-	107,145	107,145
Carl Perkins Vocational Grant	874,460	1,031,260	156,800
Child Day Care Center	135,000	94,508	(40,492)
Child Care Food Program	30,000	32,404	2,404
Patron of the Arts	6,350	-	(6,350)
Nasa Research Grant	75,672	7,285	(68,387)
Total Federal Grants and Contracts	<u>1,527,248</u>	<u>1,566,564</u>	<u>39,316</u>
State Grants and Contracts:			
UT-PAB Library Contract	65,000	65,000	-
UT-PAB First Aid Center	4,008	4,008	-
College Work-Study	35,800	-	(35,800)
Total State Grants and Contracts	<u>104,808</u>	<u>69,008</u>	<u>(35,800)</u>
Local Grants and Contracts:			
Elderhostel Program	182,698	224,055	41,357
Local Contracts	681,456	649,708	(31,748)
Total Local Grants and Contracts	<u>864,154</u>	<u>873,763</u>	<u>9,609</u>
Other Sources:			
Interest Income	300,000	174,667	(125,333)
Child Care Parent Contribution	50,800	118,313	67,513
Other Income	155,625	183,425	27,798
Total Other Sources	<u>506,425</u>	<u>476,405</u>	<u>(30,020)</u>
Other Financing Sources:			
Transfers from Other Funds	515,000	379,139	(135,861)
Total Other Financing Sources	<u>515,000</u>	<u>379,139</u>	<u>(135,861)</u>
Total Education and General Income	<u>20,320,973</u>	<u>20,398,492</u>	<u>77,519</u>
Auxiliary Enterprises Revenue:			
Leases and Rentals	149,000	193,909	44,909
Other Interest Income	8,391	6,309	(2,082)
Total Auxiliary Enterprises Revenue	<u>157,391</u>	<u>200,218</u>	<u>42,827</u>
Total General and Auxiliary Enterprise Funds Revenues	<u>\$20,478,364</u>	<u>\$20,598,710</u>	<u>\$ 120,346</u>

TEXAS SOUTHMOST COLLEGE
 SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
 GENERAL AND AUXILIARY ENTERPRISE FUNDS - CONTINUED
 Year Ended August 31, 1992

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Administration and Student Services:			
Gov't of the Institution	39,432	14,190	25,242
Exec. Direction and Control	301,745	263,363	38,382
Business and Fiscal Mgmt.	755,770	739,550	16,220
Student Admission and Registration	222,741	230,032	(7,291)
Student Service	960,867	937,992	22,875
Total	<u>2,280,555</u>	<u>2,185,127</u>	<u>95,428</u>
General Institutional Expense			
Total	<u>1,767,406</u>	<u>1,711,515</u>	<u>55,891</u>
Staff Benefits:			
Group Health Ins. Premiums	810,083	898,180	(88,097)
Old Age and Survivors Ins.	904,461	870,950	33,511
Workmen's Comp. Insurance	213,163	168,631	44,532
Other Staff Benefits:			
Life Insurance Premiums	50,357	45,562	4,795
ORP and TRS State Contributions	-	797,209	(797,209)
Total	<u>1,978,064</u>	<u>2,780,532</u>	<u>(802,468)</u>
Resident Instruction:			
General Academic Courses:			
Faculty Salaries	4,286,935	4,393,359	(106,424)
Dept. Operating	388,505	373,718	14,787
Instructional Adm. Expense	262,025	174,340	87,685
Organized Activities	147,238	136,875	10,363
Sub-Total	<u>5,084,703</u>	<u>5,078,292</u>	<u>6,411</u>
Vocational-Technical Programs:			
Faculty Salaries	2,845,669	2,732,369	113,300
Dept. Operating Expense	559,604	533,303	26,301
Instructional Adm. Expense	146,833	141,311	5,522
Organized Activities	283,225	284,536	(1,311)
Sub-Total	<u>3,835,331</u>	<u>3,691,519</u>	<u>143,812</u>
Total Resident Instruction	<u>8,920,034</u>	<u>8,769,811</u>	<u>150,223</u>
Library:			
Salaries, Wages and Other	467,945	455,060	12,885
Operating Expenses	120,020	113,537	6,483
Books and Equipment	139,970	135,884	4,086
Total	<u>727,935</u>	<u>704,481</u>	<u>23,454</u>
Extension and Public Service:			
Community Service	547,719	715,255	(167,536)
Total	<u>547,719</u>	<u>715,255</u>	<u>(167,536)</u>
Physical Plant Operation and Maintenance:			
Campus Security	165,668	198,920	(33,252)
Bldg. Maintenance	465,818	466,324	(506)
Custodial Service	390,000	381,867	8,133
Grounds Maintenance	189,552	216,094	(26,542)
Utilities	669,203	710,753	(41,550)
Total	<u>1,880,241</u>	<u>1,973,958</u>	<u>(93,717)</u>
Special Items:			
NASA Research Grant	66,724	6,530	60,194
Job Training Partnership Act	87,037	30,896	56,141
Carl Perkins Discretionary Grant	194,989	110,309	84,680
Carl Perkins Vocational Grant	1,959,758	1,115,477	844,281
TSC Grant Matching	12,535	10,982	1,553
Enterprise Activity	178,790	202,158	(23,368)
Elderhostel Program	118,888	104,038	14,850
TEC Dislocated Worker Grant	22,821	1,602	21,219
Total Special Items	<u>2,641,542</u>	<u>1,581,992</u>	<u>1,059,550</u>

TEXAS SOUTHMOST COLLEGE
 SCHEDULE OF EXPENDITURES COMPARED WITH BUDGET
 GENERAL AND AUXILIARY ENTERPRISE FUNDS - CONTINUED
 Year Ended August 31, 1992

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Other Financing Sources:			
Transfers to Other Funds	238,000	782,968	(544,968)
Total Other Financing Sources	<u>238,000</u>	<u>782,968</u>	<u>(544,968)</u>
Total Education and General Expenditures	<u>20,981,496</u>	<u>21,205,639</u>	<u>(224,143)</u>
Auxiliary Enterprises:			
Cafeteria/Bookstore Expenditures	3,400	-	3,400
Copy Machine Expense	18,000	24,258	(6,258)
Rancho del Cielo	108,520	113,188	(4,668)
Radio Station	28,278	30,000	(1,722)
Total Auxiliary Enterprises	<u>158,198</u>	<u>167,446</u>	<u>(9,248)</u>
Total General and Auxiliary Enterprise Funds Expenditures	<u>21,139,694</u>	<u>21,373,085</u>	<u>(233,391)</u>
Excess Revenue Over (Under) Expenditures	<u>(661,330)</u>	<u>(774,375)</u>	
	<u>\$20,478,364</u>	<u>\$20,598,710</u>	

AUXILIARY ENTERPRISE FUND

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET
AUXILIARY ENTERPRISE FUND
August 31, 1992

ASSETS

ASSETS	
Cash in Bank	\$ 132,130
Accounts Receivable	<u>90,927</u>
Total Assets	<u>\$ 223,057</u>

LIABILITIES AND FUND BALANCE

LIABILITIES	
Due to Other Funds	\$ <u>17</u>
Total Liabilities	<u>17</u>
FUND BALANCE	
Unrestricted	<u>223,040</u>
Total Unreserved Unallocated Fund Balance (Exh. B)	<u>223,040</u>
Total Liabilities and Fund Balance	<u>\$ 223,057</u>

TEXAS SOUTHMOST COLLEGE
STATEMENT OF CHANGES IN FUND BALANCE
AUXILIARY ENTERPRISE FUND
Year Ended August 31, 1992

Fund Balance, September 1, 1991	\$ 190,885
Less: Write-off of prior year receivable	(617)
Add: Excess revenues (expenditures)	<u>32,772</u>
Fund Balance, August 31, 1992	<u>\$ 223,040</u>

TEXAS SOUTHMOST COLLEGE

STATEMENT OF REVENUES AND EXPENDITURES
 AUXILIARY ENTERPRISE FUND
 Year Ended August 31, 1992

	<u>Rancho Del Cielo</u>	<u>Bookstore and Cafeteria</u>	<u>Other</u>	<u>Combined Total</u>
REVENUES				
Leases and Rentals				
Leases	\$ -	\$ 165,597	\$ -	\$ 165,597
Rentals	480	-	-	480
Copier Income	-	-	27,832	27,832
	<u>480</u>	<u>165,597</u>	<u>27,832</u>	<u>193,909</u>
Other Interest Income	-	-	6,309	6,309
Total Revenues	<u>480</u>	<u>165,597</u>	<u>34,141</u>	<u>200,218</u>
EXPENDITURES:				
Personnel and Benefits	102,251	-	-	102,251
Supplies	1,134	-	-	1,134
Telephone/Postage	1,416	-	-	1,416
Attorney Fees	2,500	-	-	2,500
Rental & Supplies for Copier	550	-	24,258	24,808
Maintenance	2,431	-	-	2,431
Scholarships	-	-	2,906	2,906
Radio station support	-	-	30,000	30,000
Total Expenses	<u>110,282</u>	<u>-</u>	<u>57,164</u>	<u>167,446</u>
Excess Revenues (Expenditures)	<u>\$ (109,802)</u>	<u>\$ 165,597</u>	<u>\$ (23,023)</u>	<u>\$ 32,772</u>

STUDENT ASSISTANCE FUNDS

TEXAS SOUTHMOST COLLEGE
 COMBINING BALANCE SHEETS
 FEDERAL AND LOCAL STUDENT ASSISTANCE FUNDS
 August 31, 1992

<u>ASSETS</u>	State College Work-Study	Federal Grant Programs	Institutional Scholarship Grants	Local Donors Fund -	<u>Total</u>
<u>ASSETS:</u>					
Cash in Bank	\$ -	\$ 130,788	\$ 152,931	\$ 109,754	\$ 393,473
Funds Held by State-TPEG	-	-	100	-	100
Accounts Receivable	-	-	-	117	117
Accounts Receivable - UTB	-	555,771	200	-	555,971
Due from Federal Government	-	41,243	-	-	41,243
Due from Other Funds	-	2,048	1,261	140	3,449
Total Assets	<u>\$ -</u>	<u>\$ 729,850</u>	<u>\$ 154,492</u>	<u>\$ 110,011</u>	<u>\$ 994,353</u>
 <u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Due to Other Funds	-	726,797	6,048	-	732,845
Due to Federal Government	-	3,053	-	-	3,053
Total Liabilities	-	729,850	6,048	-	735,898
 <u>FUND BALANCE</u>					
Restricted	-	-	148,444	110,011	258,455
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 729,850</u>	<u>\$ 154,492</u>	<u>\$ 110,011</u>	<u>\$ 994,353</u>

TEXAS SOUTHMOST COLLEGE

COMBINING STATEMENT OF CHANGES IN FUND BALANCES
 FEDERAL AND LOCAL STUDENT ASSISTANCE FUNDS
 Year Ended August 31, 1992

	State College Work-Study	Federal Grant Programs	Institutional Scholarship Grants	Local Donors Fund	Total
Fund Balance, September 1, 1991	\$ -	\$ -	\$ 73,417	\$ 127,949	\$ 201,366
Restatements (Prior Period Adjustments)	-	-	(2,048)	(64,457)	(66,505)
Fund Balance, September 1, 1991 - As Restated	-	-	71,369	63,492	134,861
Add: Excess Revenue (Expenditures)	-	-	77,075	46,519	123,594
Fund Balance, August 31, 1992	<u>\$</u>	<u>\$</u>	<u>\$ 148,444</u>	<u>\$ 110,011</u>	<u>\$ 258,455</u>

TEXAS SOUTHMOST COLLEGE

COMBINING STATEMENT OF REVENUES AND EXPENDITURES
 FEDERAL AND LOCAL STUDENT ASSISTANCE FUNDS
 Year Ended August 31, 1992

	<u>State College Work-Study</u>	<u>Federal Grant Programs</u>	<u>Institutional Scholarship Grants</u>	<u>Local Donors Fund</u>	<u>Total</u>
REVENUES:					
Federal Grants and Contracts	\$ -	\$ 4,726,521	\$ -	\$ -	\$ 4,726,521
State Grants and Contracts	25,865	-	-	-	25,865
Local Grants and Contracts	11,085	161,182	55,202	216,580	444,049
Interest Income	-	-	2,989	992	3,981
Transfers From Other Funds	-	-	143,393	610	144,003
Total Revenues	<u>36,950</u>	<u>4,887,703</u>	<u>201,584</u>	<u>218,182</u>	<u>5,344,419</u>
EXPENDITURES:					
Federal Grants Expense	-	4,864,058	-	-	4,864,058
State College Work-Study Expense	36,950	-	-	-	36,950
Texas Public Grant Program	-	-	63,240	-	63,240
Local Scholarships	-	-	61,269	-	61,269
Local Donors Expense	-	-	-	171,663	171,663
Administrative Expense	-	23,645	-	-	23,645
Total Grants & Scholarships	<u>36,950</u>	<u>4,887,703</u>	<u>124,509</u>	<u>171,663</u>	<u>5,220,825</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,075</u>	<u>\$ 46,519</u>	<u>\$ 123,594</u>

TEXAS SOUTHMOST COLLEGE
 BALANCE SHEET - STUDENT FINANCIAL AID PROGRAM
 August 31, 1992

GRANTS AND COLLEGE WORK STUDY

	FFA	PELL	SEOG	CWS	TOTAL
ASSETS					
<u>ASSETS:</u>					
Cash	\$ 130,788	\$ -	\$ -	\$ -	\$ 130,788
Accounts Receivable - UTB	555,771	-	-	-	555,771
Due from Other Funds	2,048	-	-	-	2,048
Due from Federal Government	41,243	-	-	-	41,243
Total Assets	\$ 729,850	\$ -	\$ -	\$ -	\$ 729,850
 LIABILITIES AND FUND BALANCE					
<u>LIABILITIES</u>					
Due to Federal Government	\$ 3,053	\$ -	\$ -	\$ -	\$ 3,053
Due to Other Funds	726,797	-	-	-	726,797
Total Liabilities	729,850	-	-	-	729,850
 <u>FUND BALANCE</u>					
Total Liabilities and Fund Balance	\$ 729,850	\$ -	\$ -	\$ -	\$ 729,850

TEXAS SOUTHMOST COLLEGE

STATEMENT OF CHANGES IN FUND BALANCES - STUDENT FINANCIAL AID PROGRAM
Year Ended August 31, 1992

GRANTS AND COLLEGE WORK STUDY

	<u>PELL</u>	<u>SEOG</u>	<u>CWS</u>	<u>TOTAL</u>
Fund Balances - September 1, 1991	\$ -	\$ -	\$ -	\$ -
ADDITIONS:				
Federal awards	4,241,805	162,400	322,316	4,726,521
Institutional Matching	-	25,493	106,933	132,426
Outside Agency Matching	-	-	28,756	28,756
Total Additions	<u>4,241,805</u>	<u>187,893</u>	<u>458,005</u>	<u>4,887,703</u>
DEDUCTIONS:				
Grants and wages	4,279,114	171,594	452,298	4,903,006
Grant Recoveries & Refunds	(37,309)	(1,639)	-	(38,948)
Administrative expenses	-	17,938	5,707	23,645
Total Deductions	<u>4,241,805</u>	<u>187,893</u>	<u>458,005</u>	<u>4,887,703</u>
Net Increase (decrease) in Fund Balances	-	-	-	-
Fund Balances - August 31, 1992	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TEXAS SOUTHMOST COLLEGE

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
 LOCAL DONORS SCHOLARSHIP FUND
 Year Ended August 31, 1992

	Balance 9-01-91	Revenues	Expendi- tures	Balance 8-31-92
Fees From Loans	\$ 9,601	\$ 2,612	\$ 20	\$ 12,193
TT Music Scholarship	1,420	-	400	1,020
Riley, Hugh Schol. FD	749	115	864	-
TX Alliance Minority	-	1,000	315	685
B & B Grocery/Bowies QP	(550)	550	-	-
Beverly Ent.	500	-	-	500
Catholic Way Veterans	-	300	300	-
Eaton Corporation	(280)	280	-	-
Dr. Johnny Anderson Schol.	65	-	-	65
Nichum Cecilia Mem. Schol.	205	-	-	205
AT&T Componentes Int.	(1,420)	3,194	1,774	-
Brownsville City Council PTA	5	-	-	5
Norton Company	154	-	-	154
Wendy's Loan	(1,463)	-	-	(1,463)
Benito Longoria Schol.	1,252	-	150	1,102
Wendy's Scholarship	1,329	-	-	1,329
Copenhauer, J. Schol.	1,500	1,500	1,623	1,377
Coors	(700)	700	-	-
Chik-Fil-A Scholarship	5,173	3,000	2,585	5,588
Presidents Scholarship	12,560	1,658	-	14,218
Image	103	-	-	103
Presidents Loan	(823)	-	-	(823)
Duffy, Madelyn Schol.	1,260	800	608	1,452
Castaneda, J. Schol. JD	-	635	485	150
Texas Commerce Bank	392	965	857	500
BHS Class of 1932 Loan	495	-	-	495
Cameron-Willacy County Med. Aux. - South	2,544	5,400	824	7,120
Pace Athletic Booster	81	600	681	-
Road Runner	-	10,000	-	10,000
Sellers Scholarship	-	500	-	500
Paga-Ladies Aux.	306	-	-	306
Narciso Cortez Mem. Schol.	645	-	-	645
Maria Lira Mem.	-	300	-	300
Deltronicos De Matamoros	(4,900)	22,668	22,528	(4,760)
Comp. Mekan De Mata. S.A. de C.V.	(1,400)	18,298	18,018	(1,120)
Kerry Loff Scholarship	37	-	-	37
ITT Industries	(140)	309	169	-
TSC Emergency Loan	(5,262)	28	-	(5,234)
RIMIR, S.A. de C.V.	(1,084)	1,891	807	-
Levi's Strauss	1,000	1,500	1,375	1,125
Downtown Lion's Club	210	300	4	506
Laguna Madre B & D Women	650	1,380	477	1,553
Oral History Scholarship	80	-	80	-
LVN	159	-	-	159
P.I.T.S.D.	750	2,000	2,250	500
Young Scholarship Program	3,052	-	-	3,052
Nursing Emergency Loan	30	-	-	30
ARA Retama Manor	-	3,843	3,835	8
Hanna Food Serv. Sch.	-	100	-	100
RGV FED Women's Sch.	-	250	-	250
Southmost Respiratory School	924	-	726	198
Professional Women Speak	-	100	100	-
Headstart	-	1,494	1,494	-
Narcisco Layton-Mem. Sch.	(300)	300	-	-
Jones - B & D Women's Club	300	-	-	300
Etheridge, H.B. Award	15	346	346	15
UTB S. Association	-	400	-	400
Sub-Total	29,224	89,316	63,695	54,845

TEXAS SOUTHMOST COLLEGE

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
LOCAL DONORS SCHOLARSHIP FUND - CONTINUED
Year Ended August 31, 1992

	Balance 9-01-91	Revenues	Expendi- tures	Balance 8-31-92
Interest - Now Account	7,589	992	-	8,581
Sullivan, Jack Mem. Schol.	714	610	747	577
Haggar Foundation Schol.	-	4,000	4,000	-
Tex Rehab. Comm.	10	31,309	31,544	(225)
Office Education Assoc.	46	-	-	46
Gomar Industries	-	811	1,791	(980)
Brownsville Nat'l. Bank	1,605	807	1,951	461
American Legion Schol.	479	-	400	79
Canales, JT (DRA)	200	250	250	200
Dramberger, Jerry Schol.	(300)	300	-	-
Student Cong. Schol.	2,197	3,368	2,680	2,885
Union Feminil Cristorra	200	-	-	200
Hispanic Assoc. Brownsville	323	-	-	323
La Chalupa	-	152	152	-
Rio Grande Regional Hosp.	32	-	-	32
Texas Book Schol.	314	205	-	519
Assoc. of Bro/Mat Admin.	400	-	400	-
U.S. Army	-	128	128	-
Benavidez Driving School Schol.	199	-	-	199
Valero Mgmt. Co.	-	2,500	500	2,000
Hidalgo Individual Referral	(159)	30,842	19,602	11,081
Pan Am Stud. Forum - San Ben.	56	-	-	56
Pan Am Round Table - San Ben.	99	-	58	41
San Ben Elk's Lodge #1661	446	-	390	56
Valley Reg. Med. Hosp.	-	20,035	7,378	12,657
Rio Hondo Elem. School PTA	78	-	-	78
Shawn Dunn Memorial	500	391	849	42
U.S. Navy	-	171	171	-
Don Breeden Arts Schol.	(250)	250	-	-
H.E.B. Scholarship	575	977	1,638	(86)
Brownsville Jr. Serv. League	254	-	250	4
Rotary Club - Weslaco	-	250	250	-
Sprague Scholarship	-	138	138	-
San Plastic Coating Co.	562	500	1,056	6
Britain Int'l.	28	-	-	28
Future Teacher of America - Hommer Hanna	-	100	-	100
Nell Palmer Scholarship	400	1,013	1,413	-
Oscar Castaneda Mem. Schol.	170	630	200	600
Reynaldo Garza P.T.A.	300	-	241	59
Nicolas T. Serafy	-	2,338	2,338	-
Eleuterio Perp. Schol.	200	-	200	-
Rodolfo Castro & Francisca Curiel Mem. Schol.	7,000	8,978	7,232	8,746
Sub-Total	<u>24,267</u>	<u>112,045</u>	<u>87,947</u>	<u>48,365</u>

TEXAS SOUTHMOST COLLEGE

STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
 LOCAL DONORS SCHOLARSHIP FUND - CONTINUED
 Year Ended August 31, 1992

	Balance 9-01-91	Revenues	Expendi- tures	Balance 8-31-92
Int'l. Good Neighbor Council	-	100	100	-
Zonta Int'l.	-	400	400	-
Pete Zamarripa Mem. FD	500	-	500	-
South Tx. Tennis Coaches Assoc.	600	108	600	108
JROTC Booster Club	1,000	1,000	1,184	816
Edinburg Hospital	-	902	902	-
USA Funds	-	1,000	1,000	-
Brownsville Nite Lions	2,000	80	1,107	973
Vankirk Mem. Schol.	500	400	500	400
Bus. Professional of America	-	400	400	-
Los Fresnos Lions Club	200	235	435	-
San Ben Educator Assoc.	-	500	500	-
San Ben Lions Club	-	500	500	-
Athletic Booster Club - Hanna	200	-	200	-
St. Lukes Church Scholarship	1,000	2,000	934	2,066
One Step Realty	500	41	541	-
Burton Employees	1,000	-	1,000	-
Quarterback Club Scholarship	-	400	400	-
Veterans of Foreign Wars	1,400	-	1,400	-
Oscar Egly Mem. Schol.	200	-	123	77
Theta Omega Scholarship	500	500	1,000	-
The Optimist Club	400	452	852	-
P.T. Lions Club	-	500	500	-
Bro. Women's B. Assn.	-	400	329	71
U.S. Marines	-	230	230	-
Los Fresnos Eng. Sch.	-	500	500	-
Auto Trim	-	2,065	2,275	(210)
Knights of Columbus SB	-	3,000	1,000	2,000
Cameron County Bar Assoc.	-	1,108	608	500
Sub-Total	<u>10,000</u>	<u>16,821</u>	<u>20,020</u>	<u>6,801</u>
Total	<u>\$ 63,491</u>	<u>\$ 218,182</u>	<u>\$ 171,662</u>	<u>\$ 110,011</u>

LOAN FUNDS

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET
 LOAN FUNDS
 August 31, 1992

	<u>Perkins Loan Fund</u>	<u>Student Congress Loans</u>	<u>Total</u>
ASSETS			
<u>ASSETS</u>			
Cash	\$ 2,808	\$ 81,002	\$ 83,810
Note receivable	<u>6,994</u>	<u>24,442</u>	<u>31,436</u>
Total Assets	<u>\$ 9,802</u>	<u>\$ 105,444</u>	<u>\$ 115,246</u>
LIABILITIES AND FUND BALANCE			
<u>LIABILITIES</u>			
Federal Capital Contribution	\$ 23,719	\$ -	\$ 23,719
Institutional Capital Contribution	<u>9,923</u>	<u>-</u>	<u>9,923</u>
Total Liabilities	33,642	-	33,642
<u>FUND BALANCE</u>			
Restricted	<u>(23,840)</u>	<u>105,444</u>	<u>81,604</u>
Total Liabilities and Fund Balance	<u>\$ 9,802</u>	<u>\$ 105,444</u>	<u>\$ 115,246</u>

TEXAS SOUTHMOST COLLEGE
 STATEMENT OF CHANGES IN FUND BALANCES
 LOAN FUNDS
 Year Ended August 31, 1992

	<u>Perkins Loan Fund</u>	<u>Student Congress Loans</u>	<u>Total</u>
FUND BALANCE, September 1, 1991	\$ (22,960)	\$ -	\$ (22,960)
Restatements (Prior Period Adjustments)	<u>-</u>	<u>112,009</u>	<u>112,009</u>
FUND BALANCE, September 1, 1991 - Restated	(22,960)	112,009	89,049
ADDITIONS:			
Interest on Loans	429	-	429
Reimbursement on Loans-Canceled	118	-	118
Other	73	-	73
Transfers from Other funds	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Total Additions	<u>620</u>	<u>35,000</u>	<u>35,620</u>
DEDUCTIONS:			
Administration Expense	8	-	8
Other Cost (Bad Debts)	1,492	-	1,492
Reserved for Bad Debts	<u>-</u>	<u>41,565</u>	<u>41,565</u>
Total Deductions	<u>1,500</u>	<u>41,565</u>	<u>43,065</u>
Net Increase (Decrease) for the period	<u>(880)</u>	<u>(6,565)</u>	<u>(7,445)</u>
FUND BALANCE, AUGUST 31, 1992	<u>\$ (23,840)</u>	<u>\$ 105,444</u>	<u>\$ 81,604</u>

ENDOWMENT FUNDS

TEXAS SOUTHMOST COLLEGE
 COMBINING BALANCE SHEETS
 ENDOWMENT FUNDS
 August 31, 1992

	<u>TSC Endowment Fund</u>	<u>Endowment Challenge Grant Program</u>	<u>Total</u>
ASSETS			
<u>ASSETS</u>			
Cash in Bank	\$ 3,240	\$ 62,983	\$ 66,223
Investments	28,066	3,700,608	3,728,674
Accrued Interest	-	17,946	17,946
Accounts Receivable	111	-	111
Due from other funds	<u>90</u>	<u>-</u>	<u>90</u>
Total Assets	<u>\$ 31,507</u>	<u>\$ 3,781,537</u>	<u>\$ 3,813,044</u>
LIABILITIES AND FUND BALANCE			
<u>FUND BALANCE</u>			
Restricted - Term	\$ 9,928	\$ 3,388,800	\$ 3,398,728
Restricted - Quasi-endowment	<u>21,579</u>	<u>392,737</u>	<u>414,316</u>
Total Fund Balance	<u>31,507</u>	<u>3,781,537</u>	<u>3,813,044</u>
Total Liabilities and Fund Balance	<u>\$ 31,507</u>	<u>\$ 3,781,537</u>	<u>\$ 3,813,044</u>

TEXAS SOUTHMOST COLLEGE
 COMBINING STATEMENT OF CHANGES IN FUND BALANCES
 ENDOWMENT FUNDS
 Year Ended August 31, 1992

	<u>TSC Endowment Fund</u>	<u>Endowment Challenge Grant Program</u>	<u>Total</u>
Fund Balance, September 1, 1991	\$ 28,570	\$ 3,612,608	\$ 3,641,178
Add: Donations	-	2,595	2,595
Interest, and Dividends	1,072	166,334	167,406
Unrealized Gain (Loss) on Marketable Securities	2,919	-	2,919
Transfers (to) From Other Funds	<u>(1,054)</u>	<u>-</u>	<u>(1,054)</u>
Net Increase (Decrease) for the Year	<u>2,937</u>	<u>168,929</u>	<u>171,866</u>
Fund Balance, August 31, 1992	<u>\$ 31,507</u>	<u>\$ 3,781,537</u>	<u>\$ 3,813,044</u>

PLANT FUNDS

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET
UNEXPENDED FUNDS
August 31, 1992

ASSETS	Improvement and Contingency Fund
<u>ASSETS</u>	
Cash in Bank	\$ 10,462
Accrued Interest	1,881
Due from Other Funds	<u>1,084</u>
Total Assets	<u>\$ 13,427</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>FUND BALANCE</u>	
Unrestricted	<u>\$ 13,427</u>
Total Fund Balance	<u>13,427</u>
Total Liabilities and Fund Balance	<u>\$ 13,427</u>

TEXAS SOUTHMOST COLLEGE
STATEMENT OF CHANGES IN FUND BALANCE
UNEXPENDED FUNDS
Year Ended August 31, 1992

	Improvement and Contingency Fund
Fund Balance, September 1, 1991	<u>\$ 606,223</u>
Add: Investment Income	18,268
Less: Transfers to Other Funds	<u>611,064</u>
Net Increase (Decrease) for the Year	<u>(592,796)</u>
Fund Balance, August 31, 1992	<u>\$ 13,427</u>

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET
RENEWALS AND REPLACEMENT
August 31, 1992

	<u>Capital Projects Fund</u>
ASSETS	
<u>ASSETS</u>	
Cash in Bank	\$ 282,956
Accounts Receivable	160,950
Due From Other Funds	<u>370</u>
Total Assets	<u>\$ 444,276</u>
LIABILITIES AND FUND BALANCE	
<u>LIABILITIES</u>	
Accounts Payable	\$ 4,981
Due to Other Funds	<u>1,084</u>
Total Liabilities	6,065
<u>FUND BALANCE</u>	
Unrestricted	<u>438,211</u>
Total Liabilities and Fund Balance	<u>\$ 444,276</u>

TEXAS SOUTHMOST COLLEGE
 STATEMENT OF CHANGES IN FUND BALANCE
 RENEWALS AND REPLACEMENT
 Year Ended August 31, 1992

	<u>Capital Projects Fund</u>
Fund Balance, September 1, 1991	\$ 68,054
Add: Rental Income	628,800
Investment Income	5,833
Donations and Other	9,914
Transfer from Other Funds	<u>772,014</u>
Total Receipts	<u>1,416,561</u>
Less: Expenditures	<u>910,296</u>
Total Disbursements	<u>910,296</u>
Net Increase (Decrease) for the Year	<u>506,265</u>
Fund Balance, August 31, 1992	<u>\$ 438,211</u>

TEXAS SOUTHMOST COLLEGE
 COMBINING BALANCE SHEETS
 RETIREMENT OF INDEBTEDNESS
 August 31, 1992

	Systems Fund	Debt Service	87/88 Tax Debt Service	Total
ASSETS				
ASSETS:				
Cash in Bank	\$ 53	\$ 74,993	\$ 129,487	\$ 204,533
Accounts Receivable	-	215,000	7,506	222,506
Taxes Receivable	-	-	174,679	174,679
Allowance for Bad Debts	-	-	(5,240)	(5,240)
Due From Other Funds	-	6,613	-	6,613
	-	6,613	-	6,613
Total Assets	\$ 53	\$ 296,606	\$ 306,432	\$ 603,091
 LIABILITIES AND FUND BALANCE				
LIABILITIES				
Deferred Tax Revenue	\$ -	\$ -	\$ 169,439	\$ 169,439
Total Liabilities	-	-	169,439	169,439
 FUND BALANCE				
Restricted	53	296,606	136,993	433,652
Total Liabilities and Fund Balance	\$ 53	\$ 296,606	\$ 306,432	\$ 603,091

TEXAS SOUTHMOST COLLEGE

COMBINING STATEMENT OF CHANGES IN FUND BALANCES
 RETIREMENT OF INDEBTEDNESS
 Year Ended August 31, 1992

	Systems Fund	Debt Service	87/88 Tax Debt Service	Total
Reserves and Fund Balance, September 1, 1991	\$ 30,362	\$ 474,338	\$ 162,030	\$ 666,730
Add: AD Valorem Tax	-	-	1,223,270	1,223,270
Lease Income	-	81,613	-	81,613
HEW Subsidy Grant	-	19,954	-	19,954
Investment Income	718	16,556	16,624	33,898
Building Usage Fees	390,626	-	-	390,626
Transfers from Other Funds	-	42,958	-	42,958
Total Receipts	<u>391,344</u>	<u>161,081</u>	<u>1,239,894</u>	<u>1,792,319</u>
Less: Retirement of Indebtedness	-	285,000	410,000	695,000
Interest on Indebtedness	-	53,112	853,320	906,432
Transfers to Other Funds	421,653	-	-	421,653
Other	-	701	1,611	2,312
Total Disbursements	<u>421,653</u>	<u>338,813</u>	<u>1,264,931</u>	<u>2,025,397</u>
Net Increase (Decrease) for the Year	<u>(30,309)</u>	<u>(177,732)</u>	<u>(25,037)</u>	<u>(233,078)</u>
Reserves and Fund Balance, August 31, 1992	<u>\$ 53</u>	<u>\$ 296,606</u>	<u>\$ 136,993</u>	<u>\$ 433,652</u>

TEXAS SOUTHMOST COLLEGE

BALANCE SHEET
INVESTMENT IN PLANT
August 31, 1992

	<u>General Fixed Assets Fund</u>
ASSETS	
<u>LAND, BUILDINGS AND EQUIPMENT</u>	
Land	\$ 232,150
Land - Appraisal Increase (Note 4)	817,500
Site Improvements	5,590,510
Buildings and Improvements	21,623,458
Machinery, Equipment, Furniture and Library Books	18,195,890
Leased Equipment Under Capital Lease	423,635
Assets Held in Trust	351,064
Construction in Progress	<u>8,318</u>
TOTAL LAND, BUILDINGS AND EQUIPMENT	<u>47,242,525</u>
LIABILITIES AND NET INVESTMENT IN PLANT	
<u>LONG-TERM DEBT</u>	
Bonds Payable	\$12,525,000
Obligations Under Capital Lease	<u>238,548</u>
Total Long-Term Debt	12,763,548
<u>Net Investment In Plant</u>	<u>34,478,977</u>
Total Liabilities and Net Investment in Plant	<u>\$47,242,525</u>

TEXAS SOUTHMOST COLLEGE
 STATEMENT OF CHANGES IN FUND BALANCE
 INVESTMENT IN PLANT
 Year Ended August 31, 1992

	<u>General Fixed Assets Fund</u>
Fund Balance, September 1, 1991	<u>\$24,013,712</u>
Add: Reduction in Long-Term Debt	837,106
Assets Held in Trust	351,064
Purchases and Additions	912,438
Others	8,356,339
Work In Process	<u>8,318</u>
Net Increase (Decrease) for the Year	<u>10,465,265</u>
Fund Balance, August 31, 1992	<u>\$34,478,977</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF GENERAL FIXED ASSETS
INVESTMENT IN PLANT
Year Ended August 31, 1992

	Balance 8-31-91	Purchased Additions	Other*	Balance 8-31-92
BUILDINGS				
Auto Body Building	\$ 87,621	\$ -	\$ -	\$ 87,621
Allied Health	698,407	-	-	698,407
Tandy Hall I	1,086,574	519	-	1,087,093
Tandy Hall II	2,065,351	-	-	2,065,351
A. A. Champion	43,436	-	-	43,436
Gymnasium	814,002	-	-	814,002
Business Services	5,565	-	-	5,565
Student Center	944,335	-	-	944,335
Library	4,021,164	578	-	4,021,742
Rusteberg	787,252	-	-	787,252
Gomez-Farias Project (Mexico)	5,063	-	-	5,063
Eidman Science-Math Building	809,454	-	-	809,454
Gorgas Hall Improvements	1,473,754	208,342	-	1,682,096
Music Hall	94,770	-	-	94,770
Maintenance	34,898	-	-	34,898
PAU-B Administration	222,158	-	-	222,158
PAU-B Temporary Office	13,444	-	-	13,444
Child Care Center	378,509	-	-	378,509
Cavalry Barracks	409,904	-	-	409,904
Women's Center	76,019	-	-	76,019
Continuing Education	45,000	-	-	45,000
Athletic Houses	13,143	-	-	13,143
Marion Hedrick Smith Memorial Amphitheater	296,391	-	-	296,391
U.S. Coast Guard Station (S.P.I.)	320,353	-	-	320,353
Security/First Aid (Carpet)	888	-	-	888
Continuing Education (American Legion Building)	56,417	-	-	56,417
Classroom/office	5,936,735	-	-	5,936,735
Art	673,412	-	-	673,412
Total Buildings	<u>21,414,019</u>	<u>209,439</u>	<u>-</u>	<u>21,623,458</u>
LAND				
Land 50 year Lease Amphitheater	1,250	-	-	1,250
Land	176,014	-	-	176,014
Land - Appraisal Increase	817,500	-	-	817,500
Land - Parking Lot	-	-	54,886	54,886
Total Land	<u>994,764</u>	<u>-</u>	<u>54,886</u>	<u>1,049,650</u>

TEXAS SOUTHMOST COLLEGE

SCHEDULE OF GENERAL FIXED ASSETS
INVESTMENT IN PLANT - CONTINUED
Year Ended August 31, 1992

	Balance 8-31-91	Purchased Additions	Other*	Balance 8-31-92
SITE IMPROVEMENTS				
Landscaping - T.S.C.	16,168	-	-	16,168
Landscaping - S.P.I.	3,395	-	-	3,395
Paving	392,615	-	-	392,615
Remodel Courtyard Fountain	18,638	-	-	18,638
Tennis Courts	43,002	-	-	43,002
Reflecting Pool	27,591	-	-	27,591
Gorgas Monument	24,121	-	-	24,121
Roofing	592,560	-	-	592,560
ACM Abatement	649,036	-	-	649,036
Resaca Bulkhead	281,424	-	-	281,424
Paseo	265,071	-	-	265,071
Paseo - Classroom	448,523	-	-	448,523
Paseo - East	570,218	-	-	570,218
Central Plant	<u>2,258,148</u>	-	-	<u>2,258,148</u>
Total Improvements	<u>5,590,510</u>	-	-	<u>5,590,510</u>
MACHINERY, EQUIPMENT, FURNITURE AND FIXTURES				
Gorgas	-	145,716	20,242	165,958
Champion	-	97,635	245	97,880
Art Building	44,877	2,541	(2,320)	45,098
Gymnasium	92,384	8,186	(2,249)	98,321
Tandy Hall	1,073,726	105,489	(13,323)	1,165,892
Leased Computer Equipment	423,635	-	-	423,635
Library	951,160	50,307	6,689	1,008,156
Library Books	2,000,000	-	8,290,253	10,290,253
Student Center	190,031	9,701	3,587	203,319
Eidman Hall	379,153	17,683	(2,893)	393,943
Applied Arts	1,224,947	42,561	10,289	1,277,797
Maintenance	336,319	19,037	25,632	380,988
Allied Health	560,749	26,864	12,695	600,308
Adult Continuing Ed Center	306,106	26,860	(11,167)	321,799
Music Department	237,008	9,514	1,289	247,811
Athletic Houses	12,446	-	-	12,446
Security/First Aid	52,504	2,143	(19,621)	35,026
Child Care	80,715	13,775	(6,253)	88,237
Old President's Home	25,932	-	(2,503)	23,429
Cavalry Barracks	423,442	11,010	(15,947)	418,505
South Padre Island	73,563	2,694	(1,245)	75,012
Rancho del Cielo	36,369	-	-	36,369
LVN McAllen	17,602	2,370	(2,516)	17,456
Classroom/Office	1,063,897	108,913	10,569	1,183,379
LVN - Weslaco	8,508	-	-	8,508
Total Equipment	<u>9,615,073</u>	<u>702,999</u>	<u>8,301,453</u>	<u>18,619,525</u>
Total General Fixed Assets	<u>\$37,614,366</u>	<u>\$ 912,438</u>	<u>\$ 8,356,339</u>	<u>\$46,883,143</u>

* Stolen, Transfers, Deletions, Donations, Auctions, Corrections,
and Additional Library Books.

AGENCY FUNDS

TEXAS SOUTHMOST COLLEGE

COMBINING BALANCE SHEETS

AGENCY FUNDS

August 31, 1992

	<u>Rebate Fund</u>	<u>General Activities</u>	<u>Total</u>
ASSETS			
ASSETS:			
Cash on Hand and in Bank	\$ 12,889	\$ 33,532	\$ 46,421
Investments	-	-	-
Accrued Interest	-	-	-
Due From Other Funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 12,889</u>	<u>\$ 33,532</u>	<u>\$ 46,421</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Due to Other Funds	\$ -	\$ 90	\$ 90
Funds Held in Custody For Others	-	33,442	33,442
	<u>-</u>	<u>33,442</u>	<u>33,442</u>
Total Liabilities	<u>-</u>	<u>33,532</u>	<u>33,532</u>
FUND BALANCE:			
Restricted	-	-	-
Unrestricted	12,889	-	12,889
	<u>12,889</u>	<u>-</u>	<u>12,889</u>
Total Fund Balance	<u>12,889</u>	<u>-</u>	<u>12,889</u>
Total Liabilities and Fund Balance	<u>\$ 12,889</u>	<u>\$ 33,532</u>	<u>\$ 46,421</u>

TEXAS SOUTHMOST COLLEGE
 COMBINING STATEMENT OF CHANGES IN FUND BALANCES
 AGENCY FUNDS
 Year Ended August 31, 1992

	<u>Rebate Fund</u>	<u>General Activities</u>	<u>Total</u>
Fund Balance, September 1, 1991	\$ 12,499	\$ 31,945	\$ 44,444
Reclassified to Funds Held in Custody for Others	<u>-</u>	<u>(31,945)</u>	<u>(31,945)</u>
Fund Balance, September 1, 1991 - As Restated	12,499	-	12,499
Add: Receipts	-	-	-
Interest	6,292	-	6,292
Less: Disbursements	500	-	500
Increase liability to IRS	<u>5,402</u>	<u>-</u>	<u>5,402</u>
Net Increase (Decrease) for the Year	<u>390</u>	<u>-</u>	<u>390</u>
Fund Balance, August 31, 1992	<u>\$ 12,889</u>	<u>\$ -</u>	<u>\$ 12,889</u>

TEXAS SOUTHMOST COLLEGE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES FUND BALANCE
GENERAL ACTIVITIES FUND
For The Year Ended August 31, 1992

	Balance 9-01-91	Revenues	Expenditures	Balance 8-31-92
Circle K Club	\$ 77	\$ -	\$ -	\$ 77
Drama Club	271	-	-	271
Faculty Association	289	195	48	436
Mid-Management	-	174	174	-
Music Club	299	1,682	1,500	481
Phi-Theta Kappa	1,329	1,451	1,886	894
Scorpio	16	-	16	-
Student Senate	10	25	4	31
Veterans	100	-	100	-
Young Democrats	80	-	80	-
H.P.E.	100	-	100	-
Medical Science Association	233	134	100	267
Athletic Booster Club	6,175	5,992	6,619	5,548
South Texas Journal	238	-	238	-
Computer Club	344	870	1,214	-
Physical Ed. Major Club	164	1,368	1,046	486
TSC Law Enforcement Club	-	406	-	406
Young Masters Art Guild	332	655	957	30
Student Act Advisory Association	499	12,534	6,367	6,666
Newman Club	-	100	-	100
Reynaldo Garza Lecture Series	257	-	-	257
Young Republicans	1	-	1	-
Chess Backgammon	110	-	110	-
Ballot Hispanico	61	-	61	-
Adult Education	255	-	-	255
Staff Association	71	-	71	-
Faculty Development	1,675	-	-	1,675
Patron of the Arts	5,995	5,904	2,827	9,073
Honors	-	200	200	-
Community Service Committee	17	-	17	-
Vietnam Vet. Civil Council	137	-	137	-
Pi Kappa Sigma	-	888	888	-
Texas Historical Association	730	-	-	730
TSC Beautification	512	-	512	-
Advocates of Young Children	5	-	5	-
Tabjabco Activities	-	2	2	-
Sigma Delta Mu	33	-	33	-
Ben Brito Education Club	93	-	-	93
Staff Association	252	274	-	526
Voc. Nursing Student Org.	200	404	404	200
Social Ser. Dir. Project	1,670	240	8	1,902
TSC Vets. Association	619	237	-	856
TSC Folkloric Dancers	-	212	150	62
Interest - Now Account	4,514	1,046	5,506	54
Endowment - Students	-	90	90	-
Student Congress School	3,156	-	3,156	-
Club For the Disabled	67	84	66	85
Criminal Justice Community College	155	-	-	155
Drafting Club	10	-	-	10
TSC Collegian Press Club	341	216	200	357
San Miguel Trip	-	1,865	1,865	-
Rejoice in Jesus Campus	20	-	-	20
Association Degree Nursing 89-91	155	250	405	-
Bibi-Magee Honorary - Lib.	1	-	1	-
Endowment Paver-Bustanza	277	-	277	-
TSC Crimes	-	1,080	-	1,080
Club Cultural Latino Americano	-	2,861	2,762	99
ADN - 91-92	-	689	429	260
Total	\$ 31,945	\$ 42,128	\$ 40,631	\$ 33,442

BOND SCHEDULES

TEXAS SOUTHMOST COLLEGE

MATURITY SCHEDULE
 BOARD OF TRUSTEES OF SOUTHMOST UNION JUNIOR COLLEGE DISTRICT
 BUILDING REVENUE BONDS
 SERIES 1970
 DEBT SERVICE FUND
 Year Ending August 31,

<u>Year</u>	<u>Interest Rate</u>	<u>Bond Number</u>	<u>Bond Principal Due Nov. 15th</u>	<u>Bond Interest Due Nov. 15th</u>	<u>Bond Interest Due May 15th</u>	<u>Total Annual Requirements</u>
1993	7-1/2%	88-97	50,000.00	8,062.50	6,187.50	64,250.00
1994	7-1/2%	98-107	50,000.00	6,187.50	4,312.50	60,500.00
1995	7-1/2%	108-118	55,000.00	4,312.50	2,250.00	61,562.50
1996	7-1/2%	119-130	60,000.00	2,250.00	.00	62,250.00
			<u>\$ 215,000.00</u>	<u>\$ 20,812.50</u>	<u>\$ 12,750.00</u>	<u>\$ 248,562.50</u>

TEXAS SOUTHMOST COLLEGE

MATURITY SCHEDULE
 BOARD OF TRUSTEES OF SOUTHMOST UNION JUNIOR COLLEGE DISTRICT
 BUILDING REVENUE BONDS
 SERIES 1975-A
 DEBT SERVICE FUND
 Year Ending August 31,

<u>Year</u>	<u>Interest Rate</u>	<u>Bond Number</u>	<u>Principal Due May 1, 1992</u>	<u>Bond Interest Due Nov. 15, 1991</u>	<u>Bond Interest Due May 1, 1992</u>	<u>Total Annual Requirements</u>
1993	7.60%	77-84	\$ 40,000.00	\$ 16,130.00	\$ 16,130.00	\$ 72,260.00
1994	7.60%	85-92	40,000.00	14,610.00	14,610.00	69,220.00
1995	7.70%	93-100	40,000.00	13,090.00	13,090.00	66,180.00
1996	7.70%	101-110	50,000.00	11,550.00	11,550.00	73,100.00
1997	7.70%	111-120	50,000.00	9,625.00	9,625.00	69,250.00
			<u>\$ 220,000.00</u>	<u>\$ 65,005.00</u>	<u>\$ 65,005.00</u>	<u>\$ 350,010.00</u>

TEXAS SOUTHMOST COLLEGE
MATURITY SCHEDULE
SOUTHMOST UNION JUNIOR COLLEGE DISTRICT
SCHOOL BUILDING TAX BONDS
Year Ending August 31,

Year	Series 1987			Series 1988			Grand Total Requirements
	Principal	Interest	Total	Principal	Interest	Total	
1993	\$ 350,000	\$ 561,412	\$ 911,412	\$ 110,000	\$ 253,875	\$ 363,875	\$ 1,275,287
1994	400,000	528,600	928,600	110,000	245,625	355,625	1,284,225
1995	400,000	493,600	893,600	140,000	236,250	376,250	1,269,850
1996	400,000	458,600	858,600	150,000	225,375	375,375	1,233,975
1997	500,000	422,100	922,100	150,000	214,125	364,125	1,286,225
1998	500,000	388,100	888,100	180,000	201,750	381,750	1,269,850
1999	500,000	358,100	858,100	190,000	187,875	377,875	1,235,975
2000	600,000	324,500	924,500	190,000	173,625	363,625	1,288,125
2001	600,000	287,000	887,000	215,000	158,438	373,438	1,260,438
2002	600,000	248,900	848,900	240,000	141,375	381,375	1,230,275
2003	700,000	206,950	906,950	240,000	123,375	363,375	1,270,325
2004	700,000	161,100	861,100	275,000	104,063	379,063	1,240,163
2005	800,000	115,000	915,000	275,000	83,438	358,438	1,273,438
2006	800,000	69,000	869,000	325,000	60,938	385,938	1,254,938
2007	800,000	23,000	823,000	400,000	33,750	433,750	1,256,750
2008	-	-	-	250,000	9,375	259,375	259,375
	<u>\$ 8,650,000</u>	<u>\$ 4,645,962</u>	<u>\$13,295,962</u>	<u>\$ 3,440,000</u>	<u>\$ 2,453,252</u>	<u>\$ 5,893,252</u>	<u>\$19,189,214</u>

Interest on the Series 1988 bonds has been calculated at the rate of 7.50% for purposes of illustration.