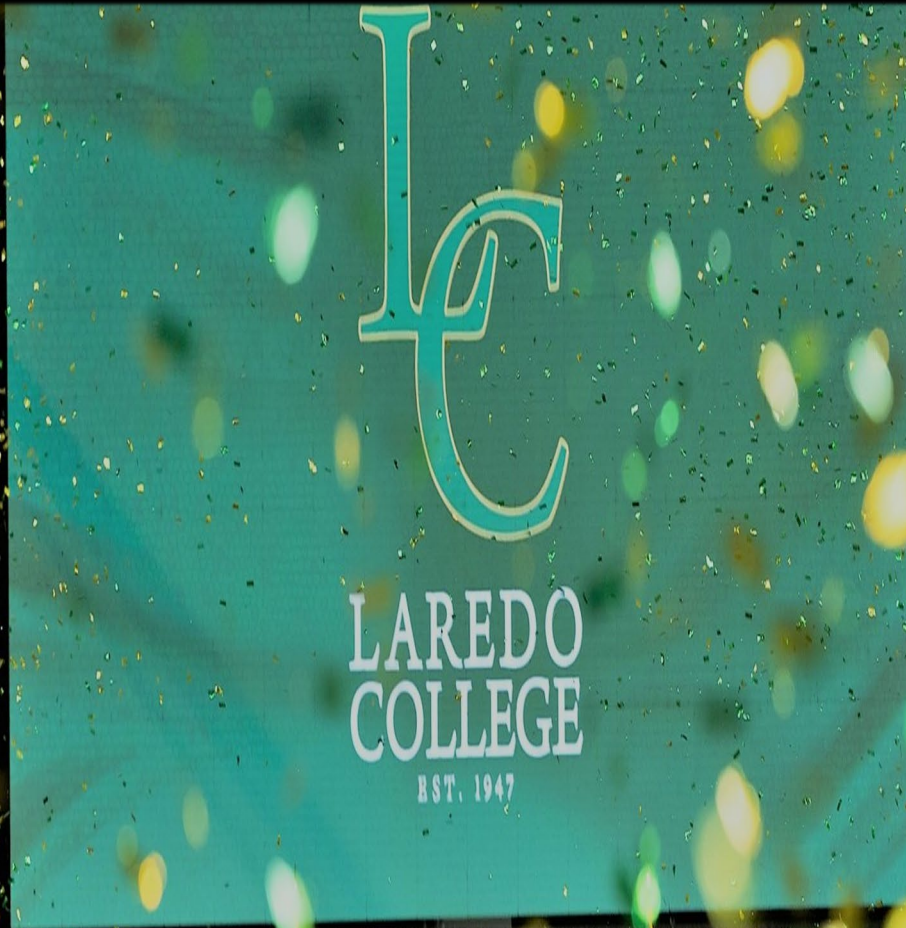


2023 | Annual Financial Report

*For the Fiscal Year Ended August 31, 2023 * Laredo College * Laredo, Texas*



Laredo College
August 31, 2023

Table of Contents

Introductory Section

Names and Terms of the Board of Trustees and Principal Administrative Officers.....	1
Organizational Chart	2-9

Financial Section

Independent Auditors' Opinion on the Basic Financial Statements (and on Federal and State Schedules).....	12-14
--	-------

Management Discussion and Analysis.....	15-30
---	-------

Basic Financial Statements:

Exhibit 1 Statement of Net Position.....	32
--	----

Exhibit 1A Statement of Financial Position of L.C.C. Education Foundation Inc.....	33
--	----

Exhibit 2 Statement of Revenues, Expenses and Changes in Net Position.....	34
--	----

Exhibit 2A Statement of Activities of L.C.C. Education Foundation Inc.....	35
--	----

Exhibit 3 Statement of Cash Flows.....	36-37
--	-------

Exhibit 3A Statement of Cash Flows of L.C.C. Education Foundation Inc.....	38
--	----

Notes to the Basic Financial Statements.....	39-71
--	-------

Required Supplementary Information Schedules

Schedule of College's Proportionate Share of Net Pension Liability.....	72
---	----

Schedule of College Pension Contributions.....	73
--	----

Notes to Required Supplementary Information Schedules for Pensions.....	74
---	----

Schedule of College's Proportionate Share of Net OPEB Liability.....	75
--	----

Schedule of College OPEB Contributions.....	76
---	----

Notes to Required Supplementary Information Schedules for OPEB.....	77
---	----

Supplemental Schedules A through F

A Schedule of Operating Revenues.....	80
--	----

B Schedule of Operating Expenses by Object.....	81
--	----

C Schedule of Non-Operating Revenues and Expenses.....	82
---	----

D Schedule of Net Assets by Source and Availability.....	83
---	----

E Schedule of Expenditures of Federal Awards.....	84-85
--	-------

F Schedule of Expenditures of State Awards.....	86
--	----

Single Audit Section

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	89-90
---	-------

Independent Auditor's Report on Compliance for each major program and on Internal Control over Compliance required by the Uniform Guidance and the State of Texas Single Audit Circular.....	91-93
--	-------

Schedule of Findings and Questioned Costs.....	94-95
Summary Schedule of Prior Year Audit Findings.....	96

Statistical Supplement Schedules

Net Position by Component.....	98
Revenues by Source.....	99
Program Expenses by Function.....	100
Tuition and Fees.....	101
Assessed Value and Taxable Assessed Value of Property.....	102
General Appropriations Act Before Contact Hour Adjustments.....	103
State Appropriation per FTSE	104
State Appropriation per Funded Contact Hour	105
State Appropriation per Student Success Point-Annualized	106
Student Success Points (SSP)	107
Principal Taxpayers.....	108
Property Tax Levies and Collections.....	109
Ratios of Outstanding Debt.....	110
Legal Debt Margin Information.....	111
Pledged Revenue Coverage.....	112
Demographic and Economic Statistics – Taxing District.....	113
Principal Employers.....	114
Faculty, Staff and Administrator Statistics.....	115
Enrollment Details.....	116
Student Profile.....	117
Transfers to Senior Institutions.....	118
Capital Asset Information.....	119
Contact Hours.....	120

LAREDO COLLEGE
ORGANIZATIONAL DATA
For the Fiscal Year 2023

Board of Trustees

	<u>Officers</u>	<u>Term Expires</u>
Lupita Zepeda	President	November 2024
Jorge Delgado	Vice President	November 2024
Jackie Leven Ramos	Secretary	November 2026

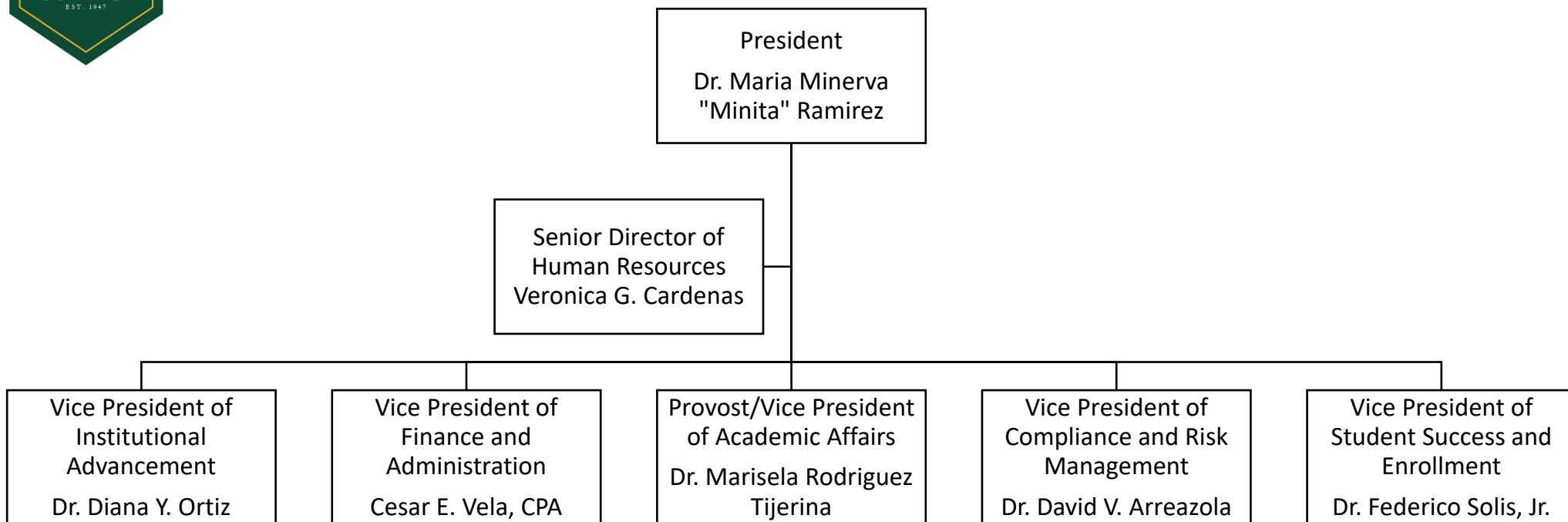
		<u>Term Expires</u>
Erica Benavides Garcia	Laredo, Texas	November 2028
Karina Elizondo	Laredo, Texas	November 2026
Cindy Liendo	Laredo, Texas	November 2028
Mercurio Martinez, Jr.	Laredo, Texas	November 2028
Esteban Rangel	Laredo, Texas	November 2024
Ernestina C. Vela	Laredo, Texas	November 2026

Principal Administrative Officers

Maria Minerva Ramirez, Ph.D.	President
Marisela Rodriguez-Tijerina, Ed.D.	Provost/Vice President of Academic Affairs
David Arreazola, Ed.D.	Vice President of Compliance & Risk Management
Cesar Vela Jr., CPA	Vice President of Finance and Administration
Federico Solis Jr., Ed.D.	Vice President of Student Success and Enrollment
Diana Y. Ortiz, Ph.D.	Interim Vice President of Institutional Advancement

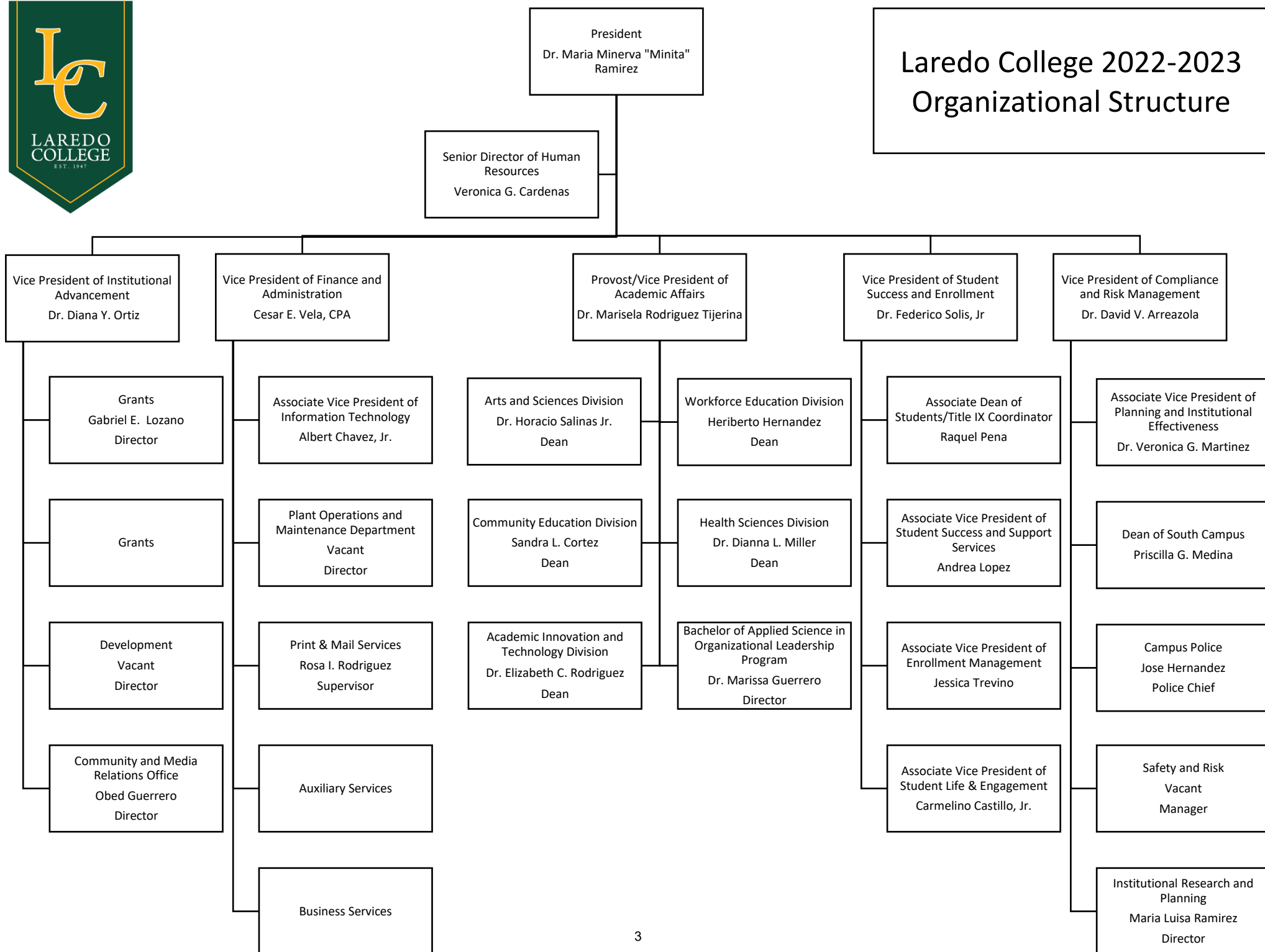


Laredo College 2022-2023
Organizational Structure
President's Cabinet



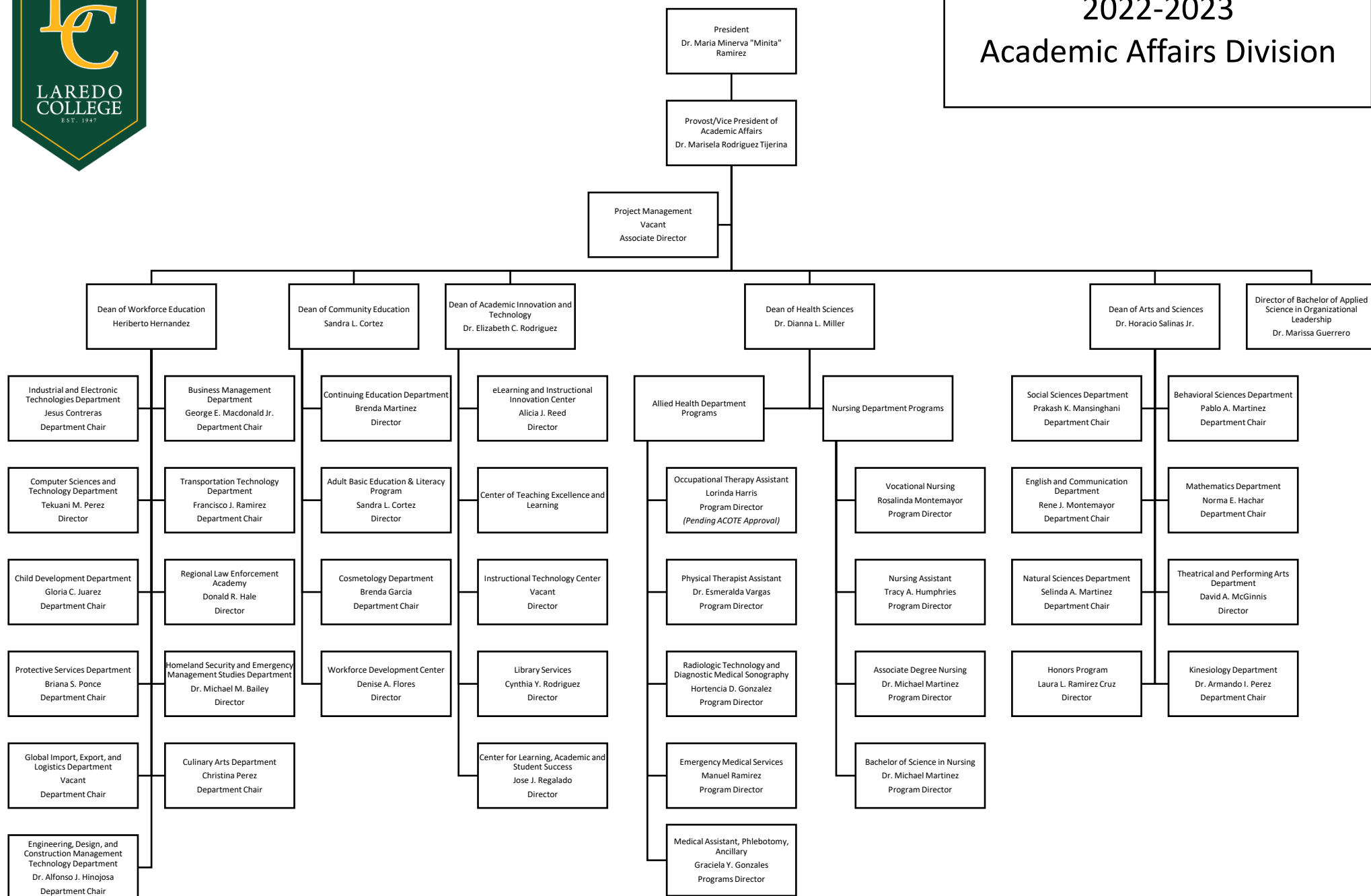


Laredo College 2022-2023 Organizational Structure



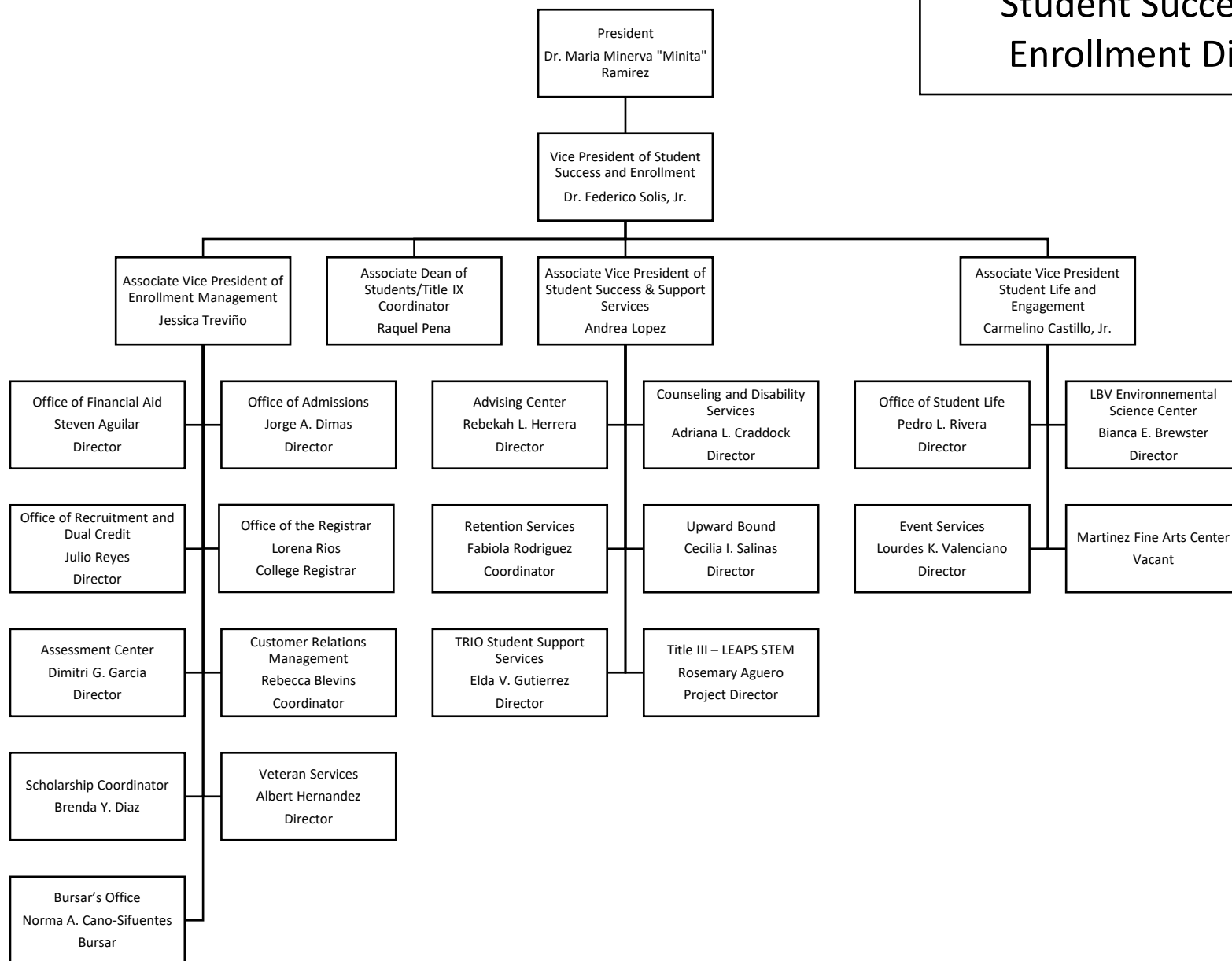


2022-2023 Academic Affairs Division



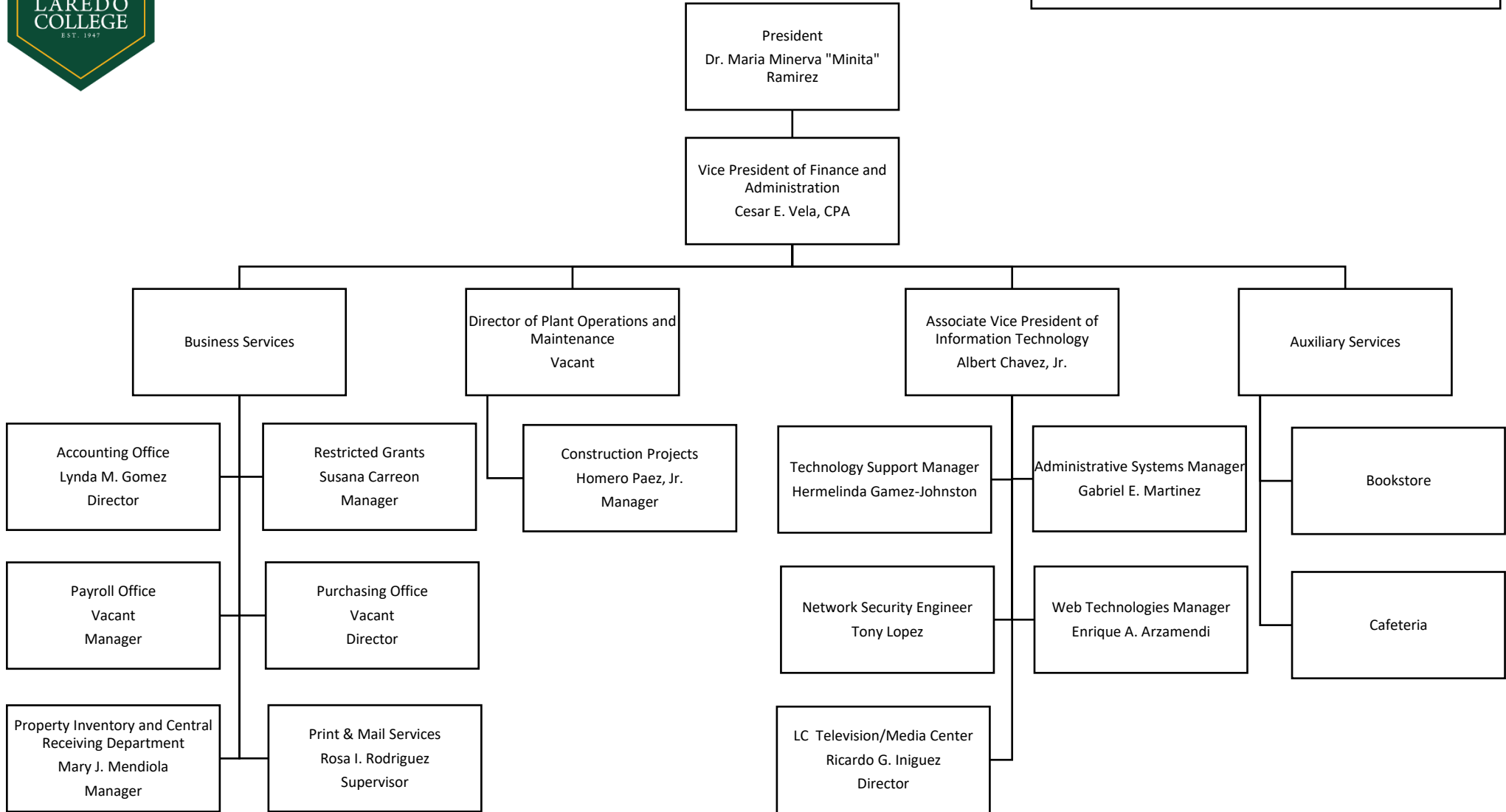


2022-2023 Student Success and Enrollment Division



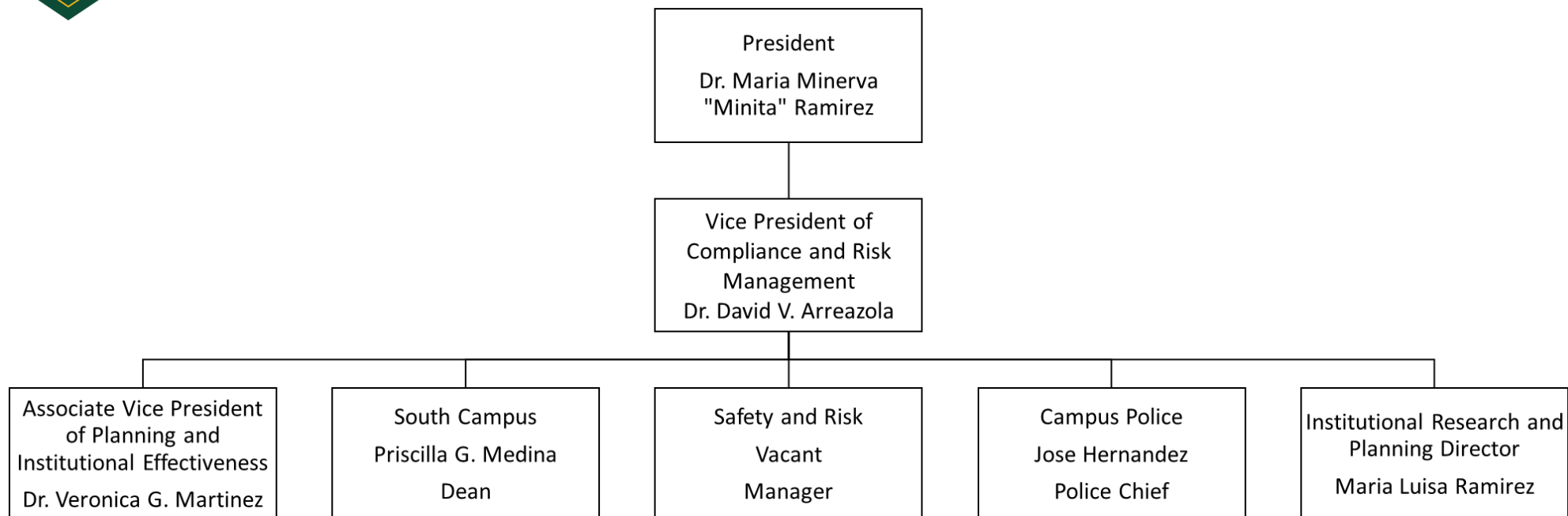


2022-2023
Finance and Administration
Division



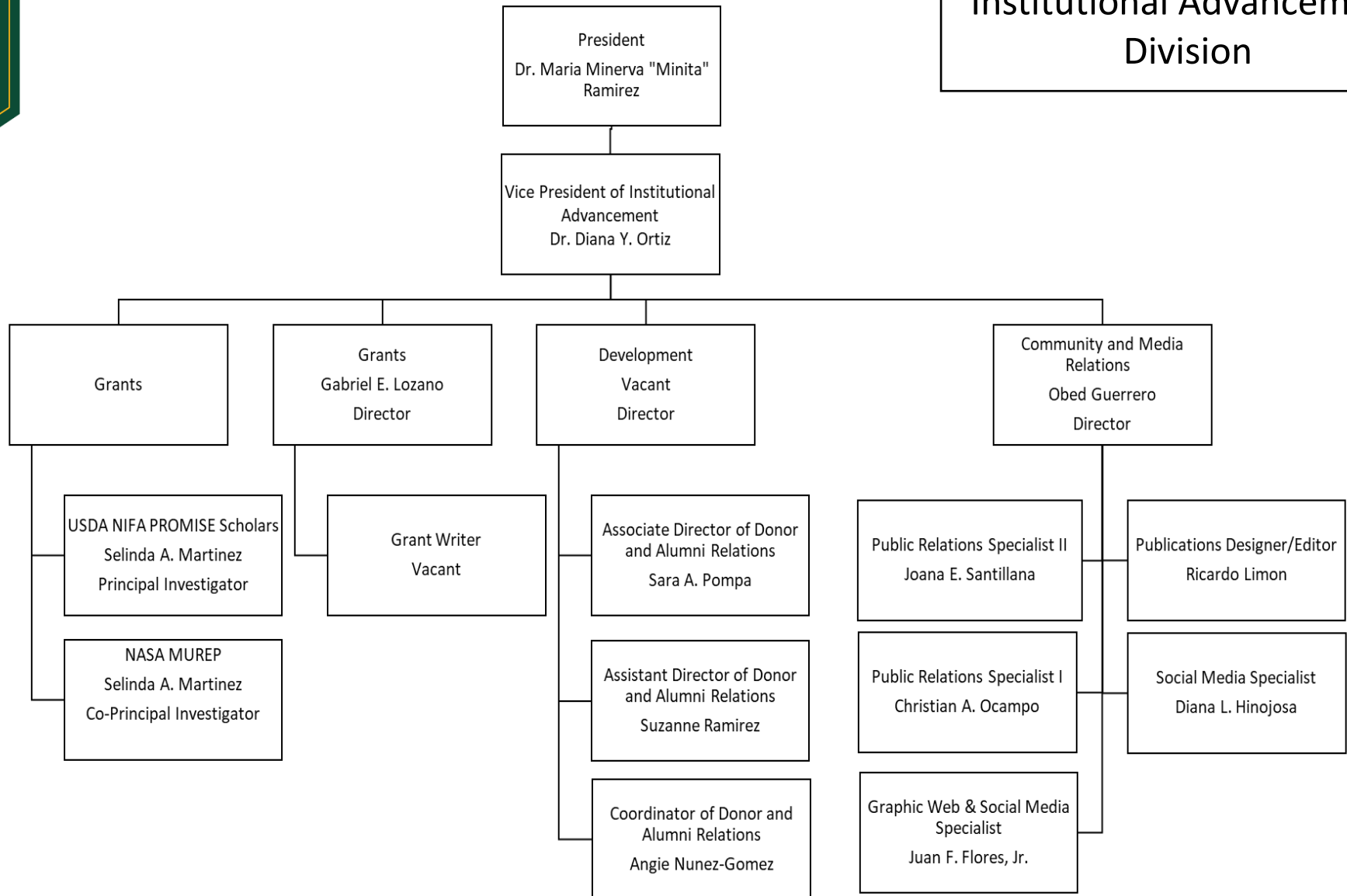


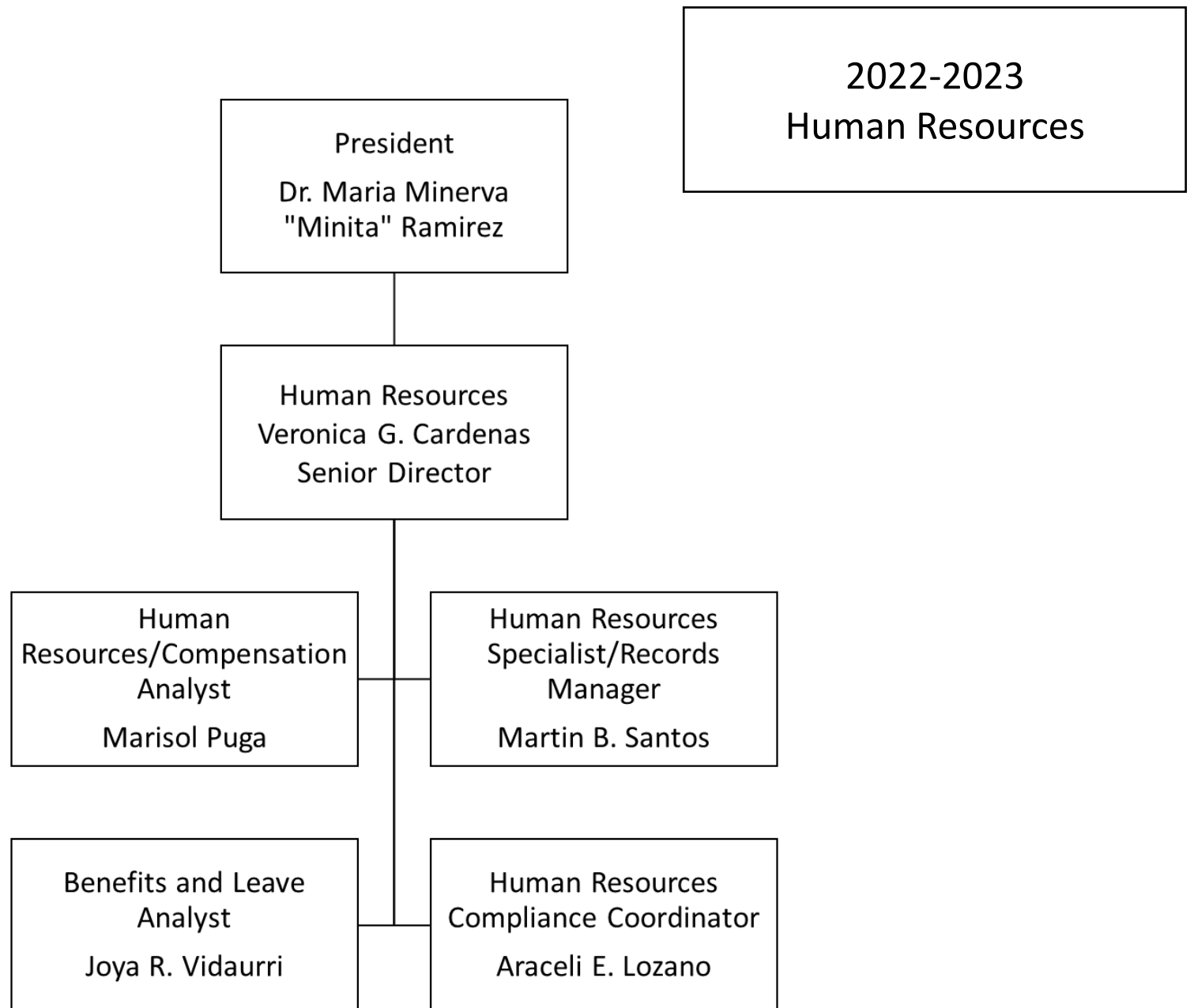
2022-2023
Compliance and Risk
Management Division





2022-2023 Institutional Advancement Division





THIS PAGE INTENTIONALLY LEFT BLANK

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the members of Board of Trustees
Laredo College
Laredo Texas

Opinions

We have audited the accompanying financial statements of the Laredo College (the College) as of and for the year ended August 31, 2023 and 2022, and the related notes to the financial statements. The financial statements include the financial statements of the LCC Education Foundation, a discretely presented component unit, as of December 31, 2022 and 2021. These financial statements collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of August 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles; and Audit Requirements for Federal Awards (Uniform Guidance), the Schedule of Expenditures of State Awards, as required by the State of Texas Uniform Grant Management Standards, the Schedule of Operating Revenues, the Schedule of Operating Expenses by Object, the Schedule of Non-Operating Revenues and Expenses, and the Schedule of Net Position by Source and Availability are required by the Texas Higher Education Coordinating Board (THECB), (collectively the Supplementary Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2023, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Handwritten signature of George Gonzalez in black ink.

December 26, 2023

**Laredo College
Management Discussion and Analysis
Year Ending August 31, 2023**

Overview of the Financial Statements and Financial Analysis

This section of Laredo College's Annual Financial Report presents Management's Discussion and Analysis of the College's financial position and activities for the year ended August 31, 2023, and comparative information for the year ended August 31, 2022, and August 31, 2021. Since the emphasis of discussion about these statements will be on current activities, resulting change and currently known facts, it should be read in conjunction with the College's Basic Financial Statements and the footnotes.

The annual report consists of three parts – Management's Discussion and Analysis, the Basic Financial Statements, and Required Supplementary Information. The financial statements, consisting of the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; the Statements of Cash Flows and the financial statements for the discretely presented component unit, the L.C.C. Education Foundation, Inc.

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

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

Financial Highlights

- The College's net position as of August 31, 2023, was \$99.2 million compared to \$80.3 million as of August 31, 2022. The increase is attributed to an increase in net investment in capital assets of \$13.4 million, an increase in the debt service reserve of \$3.0 million and an increase of \$1.1 million to Student aid.
- The College's ad-valorem tax revenue for maintenance and operations increased by 5.7% or \$2.3 million from \$40.6 million in 2022 to \$42.9 million in 2023.
- Non-operating revenues increased 11.74% or \$9.5 million from \$81.3 million in 2022 to \$91.0 million in 2023.
- Capital assets and right-to-use subscription assets, net of accumulated depreciation and amortization, on August 31, 2023, had an increase of \$11.2 million from August 31, 2022.

The financial statements for the College's component unit, the L.C.C. Education Foundation, Inc., are discretely presented with the financial statements of the College, since the economic resources received or held by the Foundation that the College is entitled to, or has the ability to otherwise access, are significant to the College's (Note 1). The separately issued financial statements of the Foundation can be obtained from the Development Office at Laredo College.

The L.C.C. Education Foundation, Inc., was incorporated in 2001 to function as a nonprofit foundation. The foundation was created to support and promote for the use and benefit of Laredo College and literary, scientific, education or cultural undertakings.

The following management discussion and analysis is intended to provide readers with an overview of the basic financial statements.

Statement of Net Position

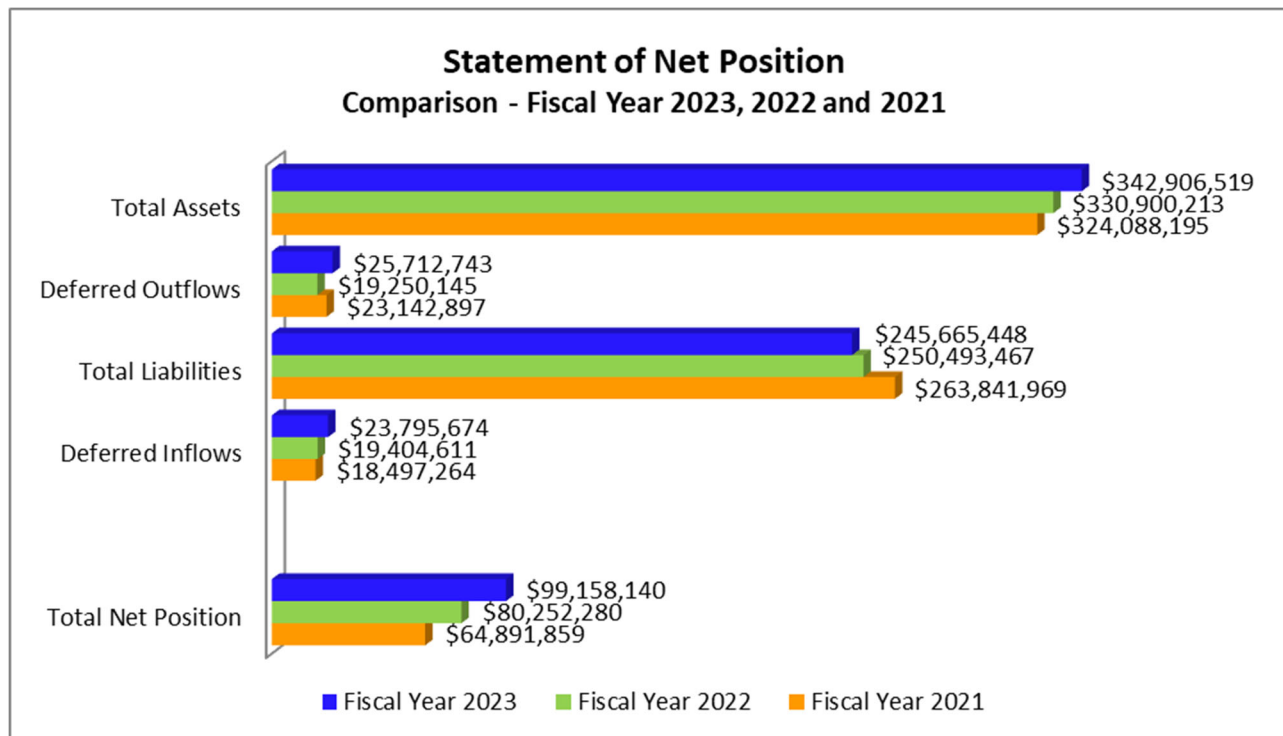
The Statement of Net Position represents the College's financial position at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities, and deferred inflow of resources of the College. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and serves as a general indicator of financial stability.

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, capital assets, and other assets not classified as current.

Noncurrent liabilities include bonds and tax notes payable, net pension liability and other long-term commitments. Deferred outflows of resources represent a consumption of net position applicable to a future reporting period. The College's deferred outflows of resources include deferred outflows related to pensions, deferred charges on other postemployment benefits (OPEB) and deferred charges on refunded debt. Deferred inflows of resources include deferred inflows of resources related to pensions arising from its participation in the defined benefit pension plan administered by the Teacher Retirement System of Texas (TRS) and deferred inflows related to other postemployment benefits arising from its participation in the health insurance plan administered by the Employee Retirement System (ERS).

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

	Statement of Net Position		
	2023	2022	2021
Assets:			
Current assets	\$ 122,479,931	\$ 121,986,486	\$ 114,847,386
Capital assets	215,767,063	204,808,217	205,075,532
Other non-current assets	4,659,525	4,105,510	4,165,277
Total assets	342,906,519	330,900,213	324,088,195
Deferred Outflows Related to Pensions	13,042,036	4,524,460	5,629,616
Deferred Outflows Related to OPEB	6,231,721	8,124,692	10,597,154
Deferred Outflows Related (SBITAs)	153,126	-	-
Deferred Charge on Refundings	6,285,860	6,600,993	6,916,127
Total Deferred Outflow of Resources	25,712,743	19,250,145	23,142,897
Liabilities:			
Current liabilities	36,749,463	33,727,564	31,049,276
Non-current liabilities	208,915,985	216,765,903	232,792,693
Total liabilities	245,665,448	250,493,467	263,841,969
Deferred Inflows Related to Pensions	6,897,087	8,587,671	2,927,097
Deferred Inflows Related to OPEB	15,456,511	9,693,833	14,286,357
Deferred Inflows of Resources (Lease)	611,198	219,979	308,432
Deferred Gain on Refundings	830,878	903,128	975,378
Total Deferred Inflow of Resources	23,795,674	19,404,611	18,497,264
Net Investment in Capital Assets	52,969,848	39,577,901	36,591,479
Restricted net assets	43,323,701	38,667,286	29,507,215
Unrestricted net assets	2,864,591	2,007,093	(1,206,835)
Total Net Position	\$ 99,158,140	\$ 80,252,280	\$ 64,891,859



Total assets increased by \$12.0 million in 2023 or approximately 3.63%. The increase was the result of a \$10.9 million dollar increase in net capital assets and an \$880 thousand dollar increase in cash and cash equivalents.

For 2022, total assets increased by \$6.8 million or approximately 2.10%. The increase was the result of a \$14.7 million dollar increase in cash and cash equivalents and a \$1.4 million dollar increase in the tuition and fees receivable. The increase was partially offset by a \$6.2 million decrease in federal receivables, \$3.0 million decrease in Restricted cash and cash equivalents.

During 2023, total liabilities decreased by \$4.8 million or 1.93% as a result of a \$7.8 million dollar decrease in noncurrent liabilities and a partial offset increase of \$3.0 million to current liabilities.

The \$7.8 million decrease to noncurrent liabilities was attributable to the reduction of bonds payable in the amount of \$14.4 million and an increase of \$10.9 million to the Pension Liability and a partial offset decrease of \$7.3 million to the Other Postemployment Benefits (OPEB) liability. There was also an increase of 30.95% in accounts payable from \$4.3 million to \$5.7 million and an increase of \$491 thousand in SBITAs was recorded in 2023.

For 2022, current liabilities increased by \$2.7 million due to an increase in unearned revenue of \$1.7 million and \$505 thousand in bonds payable.

In 2023, deferred outflow of resources increased by \$6.4 million primarily attributed to an increase of \$8.5 million due to adjustments for future period resources related to pensions. This increase was offset by a decrease of \$1.9 million due to adjustments for future period resources related to pensions and other post-employment benefits.

For 2022, deferred outflow of resources decreased by \$3.9 million primarily attributed to adjustments for future period resources related to other post-employment benefits, deferred charges on bond refundings, and adjustments to future period resources related to pension.

In 2023, there was an increase of \$4.4 million for the total deferred inflows of resources due to a \$5.8 million increase for adjustments for future period resources other post-employment benefits. This increase was partially offset by a \$1.7 decrease in deferred inflows related to pensions.

For 2022 the increase of \$907 thousand in deferred inflow of resources represents the acquisition of resources (net position) that applies to a future period(s) and therefore, is not recognized by the College as revenue in the current year.

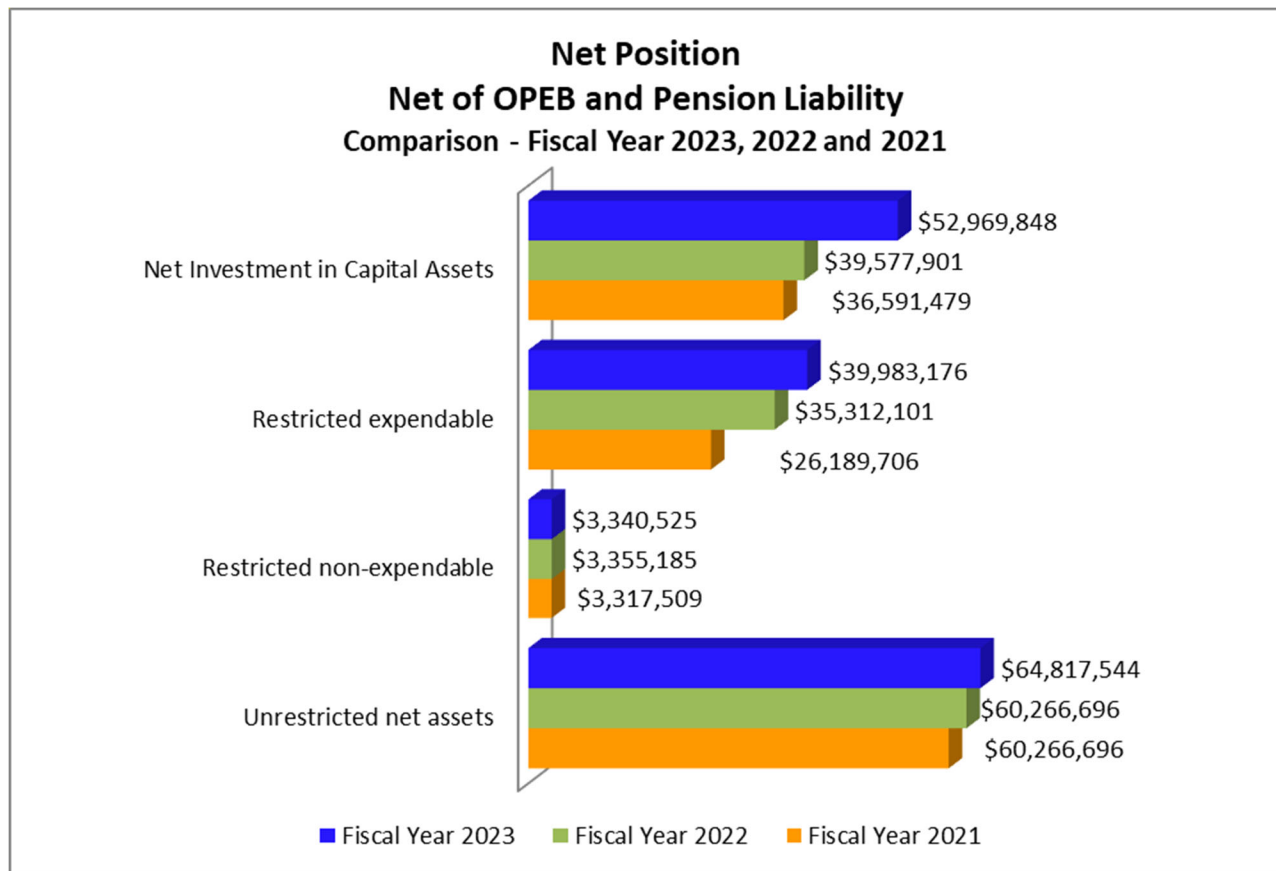
The College's net position as of August 31, 2023, was \$99.2 million compared to \$80.3 million as of August 31, 2022. The major attributions for the increase in the net position was an increase in net capital assets and an increase in deferred outflows related to pensions. In addition, the College's bond payable and other post-employment employee benefits payable decreased \$14.4 million and \$7.3 million, respectively. Another increase occurred in the debt service reserve of \$3.0 million from \$25.4 million in 2022 to \$28.4 million in 2023.

The College's net position as of August 31, 2022, was \$80.3 million compared to \$64.9 million as of August 31, 2021. The major attributions for the increase in the net position are an increase in cash and cash equivalents of \$14.7 million, a decrease in Federal receivables of \$6.2 million and an increase in debt service of \$8.9 million. In addition, the College's bond payable and pension payable decreased \$10.9 million and \$8.2 million, respectively. Another decrease occurred in the debt service reserve of \$16.4 million from \$25.4 million in 2022.

When evaluating the College's financial strength, it is important to consider unrestricted net assets (as shown net of plant) prior to recent changes in reporting pension benefits. As such, it is reasonable to add back Compensated Absences (CA) and OPEB (Other Post-Employment Benefits) to derive a truer picture of operational resources. As shown below, the College's unrestricted net assets, net of compensated absence and other post-employment benefits, increased \$2 million from 2022 to 2023 and remains a robust and healthy \$64.8 million in 2023. This balance provides compelling evidence of the College's overall financial strength and stability.

	2023	2022	2021
Unrestricted Net Assets	\$ 2,864,591	\$ 2,007,093	\$ (1,206,835)
Compensated Absences Current	441,704	429,964	391,605
Compensated Absences - non current	1,926,968	1,887,743	1,866,794
OPEB Liability GASB 75	38,481,047	45,790,992	42,998,294
Deferred Outflows of Resources-Pension/OPEB	(19,273,757)	(12,649,152)	(16,226,770)
Deferred Inflows of Resources-Pension/OPEB	22,353,598	18,281,504	17,213,454
Liability-Pension GASB 68	18,023,393	7,072,337	15,230,154
Unrestricted Net Assets, Net of CA, OPEB and Pension Liability	\$ 64,817,544	\$ 62,820,481	\$ 60,266,696

The College's net position as of August 31, 2023, was \$99.2 million compared to \$80.3 million as of August 31, 2022. The increase in net position is attributed to excess revenues over expenditures. For 2023 the College's unrestricted net assets, net of compensated absences and other postemployment benefits (OPEB), increase by \$2.0 million or (3.18%) as compared to fiscal year 2022.



Statement of Revenues, Expenses and Changes in Net Position

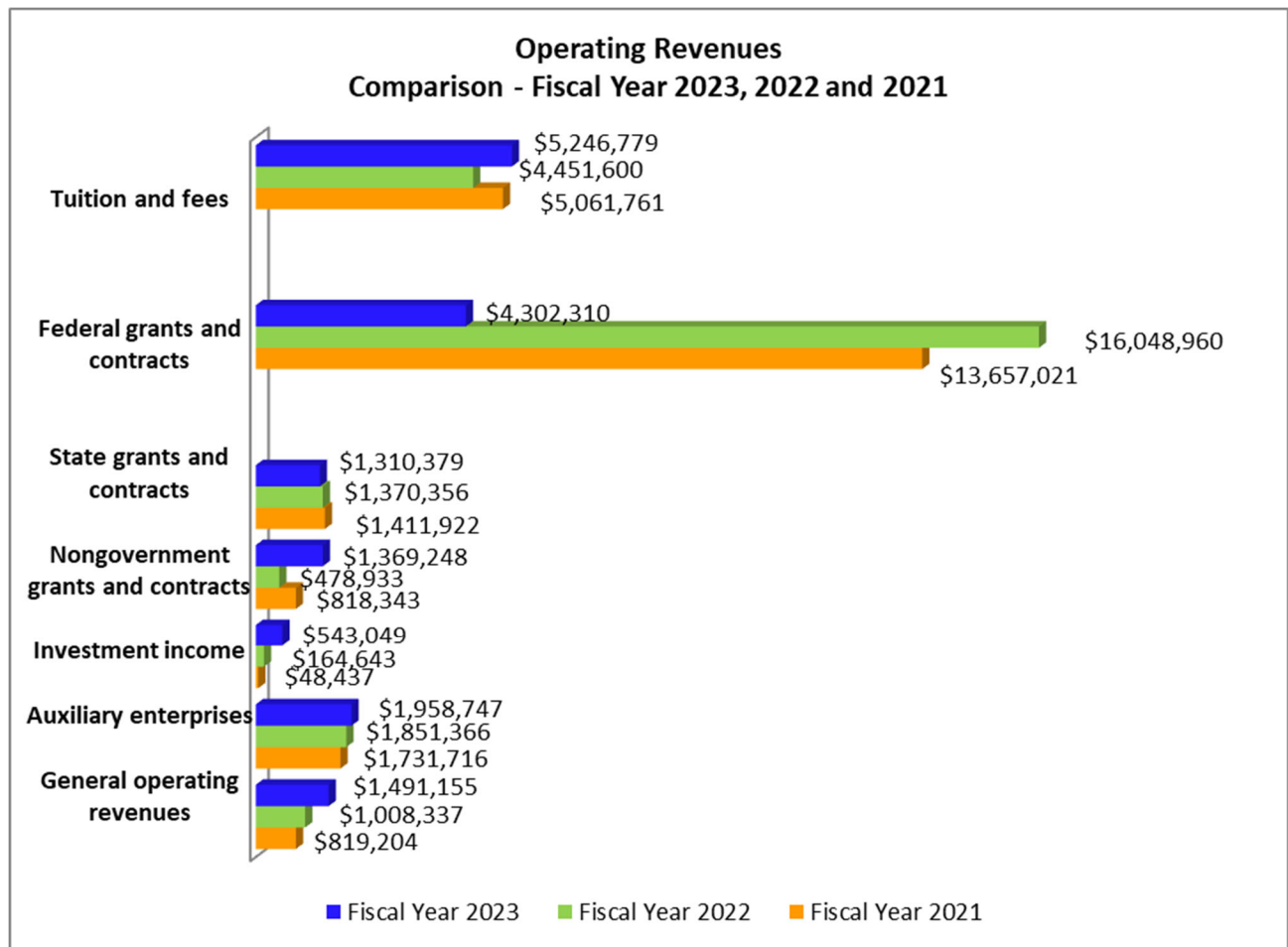
The Statements of Revenues, Expenses and Changes in Net Position present the College's results of operations for the fiscal year. Operating revenues are generated from the service provided to students and other customers of the College. Operating expenses include those costs incurred in the production of goods and services which result in operating revenues, as well as depreciation and amortization. All other activity is classified as non-operating revenues and expenses. Since a large portion of the revenue stream including ad valorem property taxes, state appropriations, and all federal financial aid grants is classified as non-operating revenues, Texas public community colleges will generally reflect an operating loss with the increase or decrease in net position reflective of all activity. Total revenues and total expenses should be considered in assessing the change in the College's financial position. When total revenues exceed total expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Position and notes to the financial statements.

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

Statement of Revenues, Expenses and Changes in Net Position

	2023	2022	2021
Operating Revenues	\$ 16,221,667	\$ 25,374,195	\$ 23,548,404
Operating Expenses	88,122,510	91,278,681	81,994,356
Operating Loss	(71,900,843)	(65,904,486)	(58,445,952)
Non-operating revenues and expenses	90,806,703	81,264,907	77,250,432
Increase in Net Position	18,905,860	15,360,421	18,804,480
Net Position at beginning of year	80,252,280	64,891,859	46,087,379
Net Position at end of year	\$ 99,158,140	\$ 80,252,280	\$ 64,891,859

	2023		2022		2021	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Operating revenues						
Tuition and fees (net of discounts)	\$ 5,246,779	32.34%	\$ 4,451,600	17.54%	\$ 5,061,761	21.49%
Federal grants and contracts	4,302,310	26.52%	16,048,960	63.25%	13,657,021	58.00%
State grants and contracts	1,310,379	8.08%	1,370,356	5.40%	1,411,922	6.00%
Nongovernment grants and contracts	1,369,248	8.44%	478,933	1.89%	818,343	3.47%
Investment income (program restricted)	543,049	3.35%	164,643	0.65%	48,437	0.21%
Auxiliary enterprises (net of discounts)	1,958,747	12.08%	1,851,366	7.30%	1,731,716	7.35%
Other operating revenues	1,491,155	9.19%	1,008,337	3.97%	819,204	3.48%
Total	\$ 16,221,667	100.00%	\$ 25,374,195	100.00%	\$ 23,548,404	100.00%



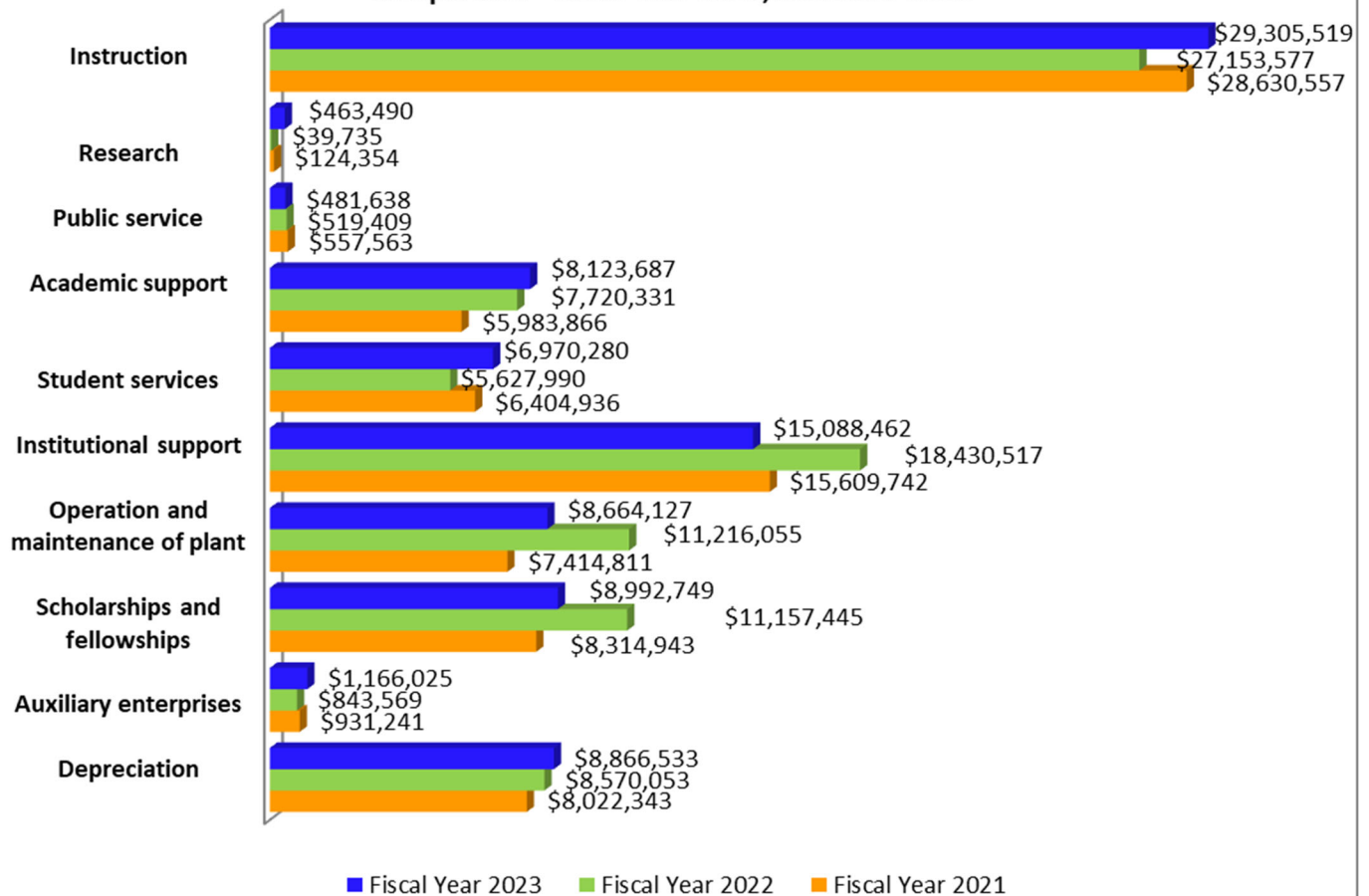
For 2023, the statement of revenues, expenses and changes in net position reflects an increase to net position of \$3.5 million. As is normal, operations yielded a loss for the year of \$72.0 million. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35. The operating loss increased by \$6.0 million or 9.10%, from \$65.9 million in fiscal year 2022, to \$72.0 million in fiscal year 2023. Operating revenues decreased by \$9.2 million and total operating expenses decreased by \$3.0 million. The decrease in operating revenues was primarily due to the decreases in federal grant revenue for funds received from the Department of Education Higher Education Emergency Relief Funds (HEERF).

For 2022, the statement of revenues, expenses and changes in net position reflects an increase to net position of \$18.4 million. As is normal, operations yielded a loss for the year of \$65.9 million. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, Title IV funds, or ad valorem taxes, which are reported as non-operating revenues as required by GASB 35. The operating loss increased by \$7.5 million or 12.76%, from \$58.4 million in fiscal year 2021, to \$65.9 million in fiscal year 2022. Operating revenues increased by \$1.8 million and total operating expenses increased by \$9 million. The increase in operating revenues was primarily due to the increase in federal grant revenue for funds received from the Department of Education under the 2020 American Rescue Plan.

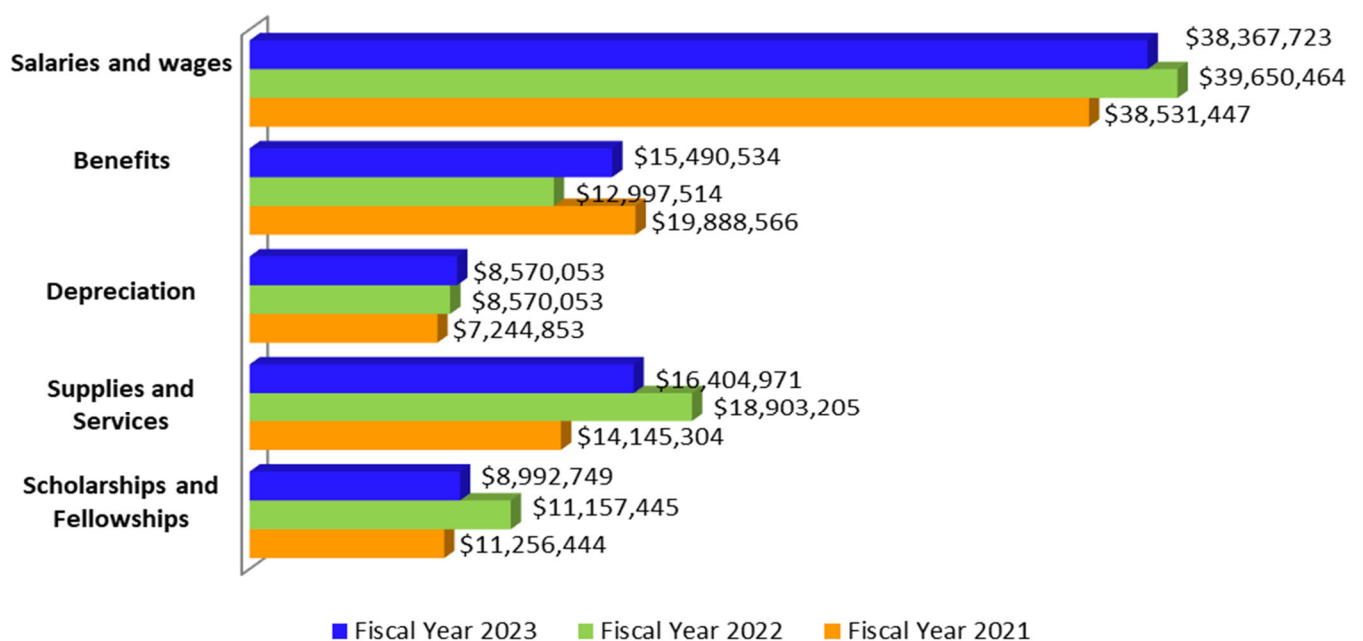
Operating Expenses by Function	2023		2022		2021	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 29,305,519	33.26%	\$ 27,153,577	29.75%	\$ 28,630,557	34.92%
Research	463,490	0.53%	39,735	0.04%	124,354	0.15%
Public service	481,638	0.55%	519,409	0.57%	557,563	0.68%
Academic support	8,123,687	9.22%	7,720,331	8.46%	5,983,866	7.30%
Student services	6,970,280	7.91%	5,627,990	6.17%	6,404,936	7.81%
Institutional support	15,088,462	17.12%	18,430,517	20.19%	15,609,742	19.04%
Operation and maintenance of plant	8,664,127	9.83%	11,216,055	12.29%	7,414,811	9.04%
Scholarships and fellowships	8,992,749	10.20%	11,157,445	12.22%	8,314,943	10.14%
Auxiliary enterprises	1,166,025	1.32%	843,569	0.92%	931,241	1.14%
Depreciation	8,866,533	10.06%	8,570,053	9.39%	8,022,343	9.78%
Total	\$ 88,122,510	100.00%	\$ 91,278,681	100.00%	\$ 81,994,356	100.00%

Operating Expenses by Classification	2023		2022		2021	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 38,367,723	43.54%	\$ 39,650,464	43.44%	\$ 35,863,985	43.74%
Benefits	15,490,534	17.58%	12,997,514	14.24%	16,487,946	20.11%
Depreciation	8,866,533	10.06%	8,570,053	9.39%	8,022,343	9.78%
Supplies and Services	16,404,971	18.62%	18,903,205	20.71%	13,305,139	16.23%
Scholarships and fellowships	8,992,749	10.20%	11,157,445	12.22%	8,314,943	10.14%
Total	\$ 88,122,510	100.00%	\$ 91,278,681	100.00%	\$ 81,994,356	100.00%

**Operating Expenses by Function
Comparison - Fiscal Year 2023, 2022 and 2021**



**Operating Expenses by Classification
Comparison - Fiscal Year 2023, 2022 and 2021**



In 2023, operating expenses decreased by 3.2% or approximately \$2.9 million compared to 2022. The decrease in operating expenses resulted from the following factors:

- A decrease of \$1.3 million in salaries and wages
- A decrease in other expenses category for institutional support expenses of \$593 thousand
- A decrease of \$2.6 million in total operation and maintenance of plant from \$11.2 million to \$8.7 million as compared to 2022
- A decrease in scholarship and fellowships in the amount of \$2.2 million is mostly due an increase in recorded tuition discounts

In 2022, operating expenses increased by 11.32%, or approximately \$9.3 million compared to 2021. The increase in operating expenses was attributed to the following factors.

- An increase of \$3.8 million in salaries and wages
- An increase of \$3.7 million in other expenses for operation and maintenance of plant from \$4.9 million in 2021 to \$8.6 million in 2022
- An increase in the scholarship and fellowships amount of \$2.8 million was mostly due to an increase of \$1.5 million in awards issued through the Federal Pell Grant Program
- A decrease of \$3.8 million in the state portion of benefits from \$7 million to \$3.2 million in 2022

In 2023, net non-operating revenues increased by 12% or \$9.5 million over fiscal year 2022. The increase was mainly attributed to an increase in taxes for maintenance and operations in the amount of \$2.3 million and taxes for general obligation bonds went down by \$124 thousand in 2023. Furthermore, there was 425.51% increase in investment income from an amount of \$776 thousand to \$4.1 million. Capital gifts also went up due to an acquisition of a property granted by the Fernando Salinas Trust Fund. The total amount recorded for capital gifts totaled \$1.9 million for 2023.

For 2022, net non-operating revenues increased by 5.2% or \$4.0 million over fiscal year 2021. The increase was mainly due to a \$1.2 million in interest on capital related debt, \$2.1 million in taxes for maintenance & operation revenue, and \$1.7 million increase in federal revenue with an offset of \$1.6 million in state appropriations.

Some highlights of the fiscal year 2023 information presented on the Statements of Revenues, Expenses, and Changes in Net Position are as follows:

- Tuition and fees were discounted by \$20.8 million and \$16.4 million for fiscal years 2023 and 2022 respectively, which consisted of federal, state, local and private grants that were provided as financial aid to students and other remissions and exemptions. Out of the \$20.8 million, 33.9% or \$7.1 million represents exemptions granted for the dual enrollment program
- Tax collections for maintenance and operations increased 5.7% from \$40.6 million in 2022 to \$42.9 million in 2023
- The tax rates assessed in fiscal years 2022 and 2023 were \$0.319441 and \$0.287836 respectively
- In fiscal year 2023, operations yielded an increase in net position of 23.08% or \$3.5 million from fiscal year 2022 to fiscal year 2023

Statement of Cash Flows

The Statements of Cash Flows provide information about the sources of cash and the uses of cash in the operations and activities of the College. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, financing activities, and investing activities.

The Statements of Cash Flows indicated an increase in cash and cash equivalents of approximately \$1.0 million and \$11.7 million as of August 31, 2023, and 2022, respectively. The primary use of cash in operations is for payments of salaries, wages and benefits, followed by payments to suppliers for goods and services, then payments for scholarships and fellowships. Sources of cash from operations arise primarily from student tuition and fees as well as grant and contract revenues. Sources of cash from non-capital financing activities are primarily from ad valorem taxes, non-operating federal and state revenue and state appropriations.

For fiscal year 2023 there was a reduction in cash from net operating activities in the amount of \$8.3 million due to a \$16.5 million decrease in receipts of operating grants and contracts payments. For cashflows provided by non-capital financing activities there was an increase of \$4.3 million. This was mostly the result of an increase in receipts from Ad Valorem taxes maintenance and operations in the amount of \$2.5 million. Cashflows from capital and related financing activities decreased by \$9.9 million. This was due to the acquisition and construction of capital assets and payments related to capital debt. For investment activities there was an increase of \$3.3 million from receipts of investment income.

Statement of Cash Flows

	2023	2022	2021
Cash provided (used) by			
Operating Activities	\$ (54,307,827)	\$ (46,033,805)	\$ (53,853,243)
Non-capital financing activities	74,400,210	70,119,899	78,055,934
Financing activities	(23,089,559)	(13,170,159)	(20,235,513)
Investing activities	4,080,306	776,450	530,888
Net increase (decrease) in cash	1,083,130	11,692,385	4,498,066
Cash and cash equivalents - September 1	110,968,029	99,275,644	94,777,578
Cash and cash equivalents - August 31	\$ 112,051,159	\$ 110,968,029	\$ 99,275,644

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The College had \$216 million and \$204 million invested in capital assets net of accumulated depreciation and amortization as of August 31, 2023, and 2022, respectively. Depreciation expense totaled \$8.9 million in fiscal year 2023 and \$8.6 million in fiscal year 2022 (Note 5). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Land	\$ 5,843,691	\$ 5,444,715	\$ 5,444,715	\$ 398,976	\$ -
Water Rights	9,920	9,920	9,920	-	-
Construction in Process	12,341,259	6,250,696	1,869,294	6,090,563	4,381,402
Buildings & building improvements	164,662,515	162,284,782	165,872,203	2,377,733	(3,587,421)
Other real estate improvements	14,193,537	15,380,936	16,462,076	(1,187,399)	(1,081,140)
Library books	651,862	676,048	693,654	(24,186)	(17,606)
Furniture, machinery & equipment	13,812,353	13,957,032	14,723,670	(144,679)	(766,638)
Right-to-use subscription asset	4,251,926	804,088	-	3,447,838	\$ 804,088
Total capital assets, net of accumulated depreciation	\$ 215,767,063	\$ 204,808,217	\$ 205,075,532	\$ 10,958,846	\$ (267,315)

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated to August 31, 2023, and 2022.

Depreciable Capital Assets and Accumulated Depreciation Percentages

Major capital additions and renovations completed or in progress during fiscal year 2023, include the following:

	Fiscal Year 2023			Fiscal Year 2022		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Buildings & building improvements	\$ 210,365,449	\$ 45,702,934	21.73%	\$ 204,337,773	\$ 42,052,991	20.58%
Other real estate improvements	38,152,919	23,959,382	62.80%	38,152,919	22,771,983	59.69%
Furniture, machinery & equipment	46,197,739	32,385,386	70.10%	43,237,008	29,279,976	67.72%
Library books	4,008,649	3,356,606	83.73%	3,943,544	3,267,496	82.86%
Right-to-use subscription asset	5,526,423	1,274,497	23.06%	1,368,775	564,687	41.25%
Total	\$ 304,251,179	\$ 106,678,805	35.06%	\$ 291,040,019	\$ 97,937,133	33.65%

Fiscal Year 2023	Project Status	Amount
LC Parking Lot Project	CIP	\$ 694,973
LC Building P24 Renovations	Completed	\$ 37,056
LC Arechiga Hall Renovation	CIP	\$ 10,710
LC Building P-14 Renovations	CIP	\$ 767,439
LC South Campus Roofs Project	Completed	\$ 3,855,551
LC South Campus Emergency Phone System	CIP	\$ 52,290
LC Automotive Tech Center Expansion	CIP	\$ 2,736,849
LC Truck Driving Range	CIP	\$ 1,045,043
LC Law Enforcement Training Center	CIP	\$ 282,119
LC LBV Environmental Science Renovation	CIP	\$ 518,696
LC South Campus Bell Tower & Metal Roof Repairs	Completed	\$ 581,172
LC Audio Visual Upgrades Project	CIP	\$ 3,471
LC Garcia Building Restoration	CIP	\$ 866,175
LC MFA HVAC Project	CIP	\$ 5,363,494

Major capital additions and renovations completed or in progress during fiscal year 2022 include the following:

Fiscal Year 2022	Project Status	Amount
Cigarroa Science Building (Additional Cost)	Completed	\$ 252,610
South Campus HVAC Project (Additional Cost)	Completed	\$ 107,798
LC Building P-14 Renovations	CIP	\$ 360,225
LC South Campus Roofs Project	CIP	\$ 3,855,551
LC South Campus Emergency Phone System	CIP	\$ 22,936
LC Automotive Tech Center Expansion	CIP	\$ 314,418
LC Truck Driving Range	CIP	\$ 725,995
LC Law Enforcement Training Center	CIP	\$ 85,966
LC LBV Environmental Science Renovation	CIP	\$ 267,376
LC South Campus Bell Tower & Metal Roof Repairs	CIP	\$ 581,172
LC Building P24 Renovations	CIP	\$ 37,056

The College does not record the cost of capital assets as an expense at the time of acquisition or completion of the asset, but rather shows the expense systematically over the expected life of the asset as depreciation and amortization expense. The amount shown in the accounting records for the value of the asset will decrease each year until the asset is fully depreciated or removed from service. As a result, the amount of capital assets shown in the Statement of Net Position may decrease from one year to another, even though new assets have been acquired during the year. Capital assets subject to depreciation and amortization include improvements to land, buildings, library books and furniture and equipment. Land, construction in process and water rights are not depreciated.

Long Term Debt

Laredo College had \$145.2 million and \$157.3 million in outstanding bond and maintenance tax note debt as of August 31, 2023, and 2022, respectively, before premiums and discounts. Outstanding debt decreased by \$12.0 million and \$11.5 million in fiscal years 2023 and 2022, respectively. The following table summarizes these amounts by type of debt instrument.

Bonds and Tax Notes Payable

	Fiscal Year			Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
General Obligation Bonds	\$ 79,831,802	\$ 86,651,802	\$ 93,156,803	\$ (6,820,000)	\$ (6,505,001)
Revenue Bonds	42,050,000	44,625,000	47,120,000	(2,575,000)	(2,495,000)
Tax Notes	23,410,000	26,070,000	28,620,000	(2,660,000)	(2,550,000)
Total Outstanding Debt	\$ 145,291,802	\$ 157,346,802	\$ 168,896,803	\$ (12,055,000)	\$ (11,550,001)

The \$12.0 million reduction in fiscal year 2023 was due to scheduled debt service principal payments of approximately \$2.6 million for maintenance tax notes and a \$9.4 million for general obligation and revenue bonds.

The \$11.5 million reduction in fiscal year 2022 was due to scheduled debt service principal payments of approximately \$2.5 million for maintenance tax notes and an \$8.9 million for general obligation and revenue bonds.

The general obligation debt of Laredo College is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of Laredo College that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues.

The following are the College's bond ratings:

Moody's
Revenue Bonds = A2

Fitch
Revenue Bonds = AA-

S&P Global Ratings = A

For additional information concerning the College's noncurrent liabilities, see information presented in Notes 6, 7, and 8 to the basic financial statements.

Economic Outlook

The economic condition of Laredo College is influenced by the economic positions of the State of Texas, the County of Webb and the City of Laredo.

The College's service area is located in South Texas, serving the counties of Webb, Jim Hogg and Zapata and municipality of Laredo. According to the U. S. Census Bureau, the estimated population of Webb County, Jim Hogg and Zapata are 267,780, 4,763 and 13,849, respectively. The estimated population for the City of Laredo is listed as 256,187. As of August 2023, the civilian labor force for Laredo is listed as 119,500 with an unemployment rate of 4.4% as per the U.S. Bureau of Labor Statistics. According to the Laredo Metropolitan Statistical Area, the unemployment rate for Laredo as of October 2023 was 3.7% as compared to the Texas unemployment rate of 4.1% for the same month.

Laredo College main sources of revenues are appropriations, maintenance ad-valorem taxes, and tuition and fees. Tuition and Fees reported an increase of \$795 thousand from 2022 to 2023. Below is the enrollment history comparison for the last 6 years (Fall semester) comparisons.

Enrollment History Fall to Fall Comparison

Semester	Total Student Headcount	% change in total student headcount	Incoming Freshmen
Fall 2023	10,192	9.39%	7,390
Fall 2022	9,317	-6.68%	6,504
Fall 2021	9,984	7.45%	7,053
Fall 2020	9,292	-8.90%	6,888
Fall 2019	10,200	0.19%	7,657
Fall 2018	10,181	3.04%	7,622

Information Source: Laredo College Institutional Research and Planning (Certified Data)

Texas Higher Education Enrollments (Community and State Colleges)

Semester	Certified Fall Semester	% change in enrollment
Fall 2023 *	676,141	3.64%
Fall 2022 *	652,405	0.59%
Fall 2021 *	648,605	-1.70%
Fall 2020 *	659,849	-10.28%
Fall 2019 **	735,416	-1.42%
Fall 2018 ***	746,010	-

Information Source:

*Texas Higher Education Enrollment (THECB - Certified Data) report dated 11/02/2023. Fall 2023 is preliminary.

**Texas Higher Education Enrollment (THECB - Certified Data) report dated 03/01/2022

***Texas Higher Education Enrollment (THECB – Certified Data) report dated 03/03/2020

Number of Graduates by Fiscal Year

Type of Degree	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Certificate 1	647	718	418	762	849	937
Certificate 2	85	83	49	61	35	37
Associate in Applied Science (AAS)	200	213	201	201	179	214
Associate in Arts (AA)	432	481	464	421	424	477
Associate in Science (AS)	486	544	463	317	374	375
Bachelor Nursing	17	12	9	21	0	0
Bachelor in Organizational Leadership	46	0	0	0	0	0
Total Graduates	1,913	2,051	1,604	1,783	1,861	2,040
% change in number of graduates as compared to Prior FY	-6.73%	27.87%	-10.04%	-4.19%	-8.77%	21.21%

As the country, state, and local communities recover from the COVID-19, college graduation trends remain fairly comparable to pre-pandemic fiscal years. For fiscal year 2022, there was an increase in graduates as compared to other fiscal years that reported decreases. However, at fiscal year-end 2023, the college is still short 127 graduates from the number of graduates reported in pre-pandemic FY2018. The College is actively securing private and local scholarship funds to utilize as enrollment incentives for incoming freshmen and the College is actively promoting ongoing student support to retain and graduate students.

At the beginning of fiscal year 2023, the College had \$2.4 million in remaining emergency relief funds. Out of the remaining funds, some monies were earmarked to support students by providing meal vouchers that the students can use to secure meals on College's premises via restaurant vendors located at the College's Fort

McIntosh Kazen Center and South Campus Student Union Building. This was an initiative that started in the Spring 2023 semester to promote overall students' wellness and success while they attend courses offered on campus. A total amount of \$1.2 million was issued in student meals during fiscal year 2023. The College has also continued a partnership with the City of Laredo to provide free workforce training to those citizens that had been laid off, furloughed or underemployed due to the COVID-19 pandemic. This partnership will expire on November 30, 2023. A total of \$880 thousand and \$36 thousand have been spent for the City of Laredo CARES program for the fiscal years 2023 and 2022, respectively. Currently, the College and the City of Laredo are looking into renewing this partnership for a third year.

Taxes for maintenance and operations increased from fiscal year 2022 from \$40.6 million to \$42.9 million. The increase was \$2.3 million as compared to last year, which recorded an increase of \$2.2 million. Investment income also increased by \$3.3 million as compared to fiscal year 2022 which recorded an increase of \$776 thousand. The investment income earnings are now well above earnings that were recorded in the pandemic fiscal year 2020 and fiscal year 2019 of \$1 million and \$2.4 million, respectively. For fiscal year 2023, there was an increase in tuition revenue of \$795 thousand as compared to fiscal year 2022 which recorded an increase of \$610 thousand compared to fiscal year 2021 levels.

The economic outlook for Laredo College is favorable considering that student enrollment did record an increase from Fall 2022 to Fall 2023 and tax revenue has also been increasing. For the 2024 fiscal year, total possible state appropriations are \$19.2 million. This amount is an increase over the reported amount of \$11.3 million for fiscal year 2023. The College will be implementing a zero-based budget for equipment and contracted services budget line items for the upcoming fiscal year 2024 budget process. The College is also getting ready for its fifth year report for the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accreditation process.

Acknowledgements

The timely preparation of this financial report was made possible by the continued dedication and services of the Finance staff. We would like to thank all the College's departments for their continued support of College fiscal policies and procedures. Our thanks also go to the Auditing Firm Garza/Gonzalez and Associates for their assistance in the completion of the 2023 audit. Finally, our gratitude is also extended to the College President and members of the Board of Trustees for their oversight and guidance in the financial operations of the college.

Request for Information

This financial report is intended to provide a general overview of Laredo College's finances. Requests for additional financial information may be addressed to Laredo College's Vice President of Finance and Administration, West End Washington St., Laredo, Texas 78040.

THIS PAGE INTENTIONALLY LEFT BLANK

Laredo College
Statements of Net Position
August 31, 2023 and August 31, 2022
Exhibit 1

	FY 2023	FY 2022
Assets		
Current Assets:		
Cash and cash equivalents	\$ 74,371,415	\$ 73,491,046
Restricted cash and cash equivalents	33,498,013	33,637,468
Property taxes receivable (net of allowances of \$1,199,167 and \$1,121,866)	1,541,044	1,603,922
Tuition and fees receivable (net of allowances of \$2,395,110 and \$2,264,280)	7,293,421	7,141,451
Federal receivables (net of allowances of \$136,735 and \$131,643)	2,100,046	2,630,255
Other receivables (net of allowances of \$712,656 and \$698,278)	3,152,752	3,182,685
Lease receivable	258,996	91,900
Inventories	10,938	7,501
Prepaid expenses	253,306	200,258
Total Current Assets	122,479,931	121,986,486
Noncurrent Assets:		
Endowment cash and cash equivalents	4,181,731	3,839,515
Prepaid bond insurance (net of amortization)	125,592	137,916
Lease receivable	352,202	128,079
Capital assets (net)	215,767,063	204,808,217
Total Noncurrent Assets	220,426,588	208,913,727
Total Assets	342,906,519	330,900,213
Deferred Outflows of Resources		
Pensions	13,042,036	4,524,460
OPEB	6,231,721	8,124,692
SBITAs	153,126	-
Deferred Loss on Refundings	6,285,860	6,600,993
Total Deferred Outflows of Resources	25,712,743	19,250,145
Liabilities		
Current Liabilities:		
Accounts payable	5,677,186	4,335,425
Accrued liabilities	215,535	269,830
Interest payable - SBITAs	98,497	-
Unearned revenue	12,226,484	12,195,687
Funds held for others	1,202,511	474,296
Accrued compensable absences	441,704	429,964
Notes payable	214,947	731,966
SBITAs	1,060,752	569,134
Bond interest payable	450,551	487,822
Bonds payable	14,417,060	13,957,060
Retainage payable	744,236	276,380
Total Current Liabilities	36,749,463	33,727,564
Noncurrent Liabilities:		
Accrued compensable absences	1,926,968	1,887,743
Accreted Interest Payable	150,696	84,970
Notes payable	222,432	437,379
SBITAs	3,285,043	249,016
Bonds payable	146,826,406	161,243,466
Net Pension Liability	18,023,393	7,072,337
Net OPEB Liability	38,481,047	45,790,992
Total Noncurrent Liabilities	208,915,985	216,765,903
Total Liabilities	245,665,448	250,493,467
Deferred Inflows of Resources		
Pensions	6,897,087	8,587,671
OPEB	15,456,511	9,693,833
Leases	611,198	219,979
Deferred Gain on Refundings	830,878	903,128
Total Deferred Inflows of Resources	23,795,674	19,404,611
Net Position		
Net investment in capital assets	52,969,848	39,577,901
Restricted for:		
Non-expendable		
Endowment	3,340,525	3,355,185
Expendable		
Student aid	5,232,672	4,140,174
Plant funds	-	-
Other	613,327	453,056
Debt service reserve	28,405,379	25,416,845
Auxiliary	5,731,798	5,302,026
Unrestricted	2,864,591	2,007,093
Total Net Position	\$ 99,158,140	\$ 80,252,280

The notes to the financial statements are an integral part of these statements.

Laredo College
Statement of Financial Position of L.C.C. Education Foundation, Inc.
(A Component Unit of Laredo College)
December 31, 2022 and December 31, 2021
Exhibit 1A

	December 31, 2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,358,122	\$ 1,320,982
Pledge Receivable	-	-
Restricted Assets		
Cash and Cash Equivalents	55,000	55,000
Investment	15,696	14,540
Total Assets	<u>\$ 1,428,818</u>	<u>\$ 1,390,522</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Without Donor Restrictions	\$ 117,931	\$ 115,045
With Donor Restrictions	1,310,887	1,275,477
Total Net Assets	<u>\$ 1,428,818</u>	<u>\$ 1,390,522</u>
Total Liabilities and Net Assets	<u>\$ 1,428,818</u>	<u>\$ 1,390,522</u>

The notes to the financial statements are an integral part of these financial statements.

Laredo College
Statement of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2023 and August 31, 2022
Exhibit 2

	FY 2023	FY 2022
Revenues		
Operating Revenues		
Tuition and fees (net of discounts of \$20,857,588 and \$16,448,761)	\$ 5,246,779	\$ 4,451,600
Federal grants and contracts	4,302,310	16,048,960
State grants and contracts	1,310,379	1,370,356
Nongovernment grants and contracts	1,369,248	478,933
Investment income (program restricted)	543,049	164,643
Auxiliary enterprises	1,958,747	1,851,366
Other operating revenues	1,491,155	1,008,337
Total Operating Revenues	16,221,667	25,374,195
Expenses		
Operating Expenses		
Instruction	29,305,519	27,153,577
Research	463,490	39,735
Public service	481,638	519,409
Academic support	8,123,687	7,720,331
Student services	6,970,280	5,627,990
Institutional support	15,088,462	18,430,517
Operation and maintenance of plant	8,664,127	11,216,055
Scholarships and fellowships	8,992,749	11,157,445
Auxiliary enterprises	1,166,025	843,569
Depreciation	8,866,533	8,570,053
Total Operating Expenses	88,122,510	91,278,681
Operating Income (Loss)	(71,900,843)	(65,904,486)
Non-Operating Revenues (Expenses)		
State appropriations	15,892,351	15,340,015
Professional nursing shortage reduction	37,717	45,348
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	42,922,289	40,597,418
Taxes for general obligation bonds	10,587,663	10,712,144
Federal revenue, non-operating (Title IV)	19,601,297	17,998,510
Federal revenue, non-operating (HEERF)	1,145,400	7,667,890
Investment income	4,080,306	776,450
Interest on capital related debt	(4,414,650)	(4,874,713)
Other non-operating revenues (expenses)	(58,713)	539,654
Other non-operating revenues (expenses) (HEERF)	(1,145,400)	(7,667,890)
Additions to permanent endowments	160,302	20,000
Lease Revenue	99,000	99,000
Gain/(Loss) on sale of asset	5,764	8,407
Capital gifts	1,893,377	2,674
Net Non-Operating Revenues (Expenses)	90,806,703	81,264,907
Increase in Net Position	18,905,860	15,360,421
Net Position - Beginning	80,252,280	64,891,859
Net Position - Ending	\$ 99,158,140	\$ 80,252,280

The notes to the financial statements are an integral part of this statement.

Laredo College
Statements of Activities of L.C.C. Education Foundation, Inc.
(A Component Unit of Laredo College)
Years ended December 31, 2022 and December 31, 2021
Exhibit 2A

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Net Position at January 1, 2022	\$ 115,045	1,275,477	\$ 1,390,522	\$ 1,309,218
Support and Revenue				
Contributions	-	383,678	383,678	218,394
In-Kind Contributions	2,886	-	2,886	10,094
Investment Income	-	3,213	3,213	3,315
Gain (Loss) on Investment	-	1,156	1,156	1,698
Net Position released from Restrictions	351,347	(351,347)	-	-
Total Revenue	354,233	36,700	390,933	233,501
Expenses:				
Program Services				
Laredo College - Programs and Scholarships	335,000	-	335,000	112,533
External Donations	-	-	-	-
In-Kind Expense	788	-	788	250
Cigarroa Statue	-	-	-	-
Total Program Services	335,788	-	335,788	112,783
General and Administrative				
Hospitality	600	1,290	1,890	3,943
Office Expense	609	-	609	-
Professional Fees	6,150	-	6,150	6,900
Audit Fees	6,100	-	6,100	18,724
Miscellaneous	2	-	2	3
In-Kind Expense	2,098	-	2,098	9,844
Total General and Administrative Expenses	15,559	1,290	16,849	39,414
Total Expenses	351,347	1,290	352,637	152,197
Increase/(Decrease) in Net Position	2,886	35,410	38,296	81,304
Net Position at December 31, 2022	\$ 117,931	\$ 1,310,887	\$ 1,428,818	\$ 1,390,522

The notes to the financial statements are an integral part of these financial statements.

Laredo College
Statement of Cash Flows
Years Ended August 31, 2023 and 2022
Exhibit 3

	<u>FY 2023</u>	<u>FY 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 7,114,286	\$ 6,096,516
Receipts from operating grants and contracts	7,512,146	24,063,943
Payments to suppliers for goods and services	(13,759,313)	(17,719,724)
Payment to or on behalf of employees	(48,216,401)	(48,490,075)
Payments for scholarships and fellowships	(8,992,749)	(11,157,445)
Other Receipts (payments)	2,034,204	1,172,980
Net cash provided (used) by operating activities	<u>(54,307,827)</u>	<u>(46,033,805)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	11,390,060	10,412,248
Receipts from ad valorem taxes - maintenance and operation	42,970,704	40,511,533
Receipts (payments) from (to) student organizations and other agency transactions	728,215	(9,960)
Receipts from private gifts for endowment purposes	160,302	20,000
Receipts from Title IV Financial Aid Programs	19,601,297	17,998,510
Receipts from Higher Education Emergency Relief Funds	1,145,400	7,667,890
Payments to students for emergency aid	(1,145,400)	(7,667,890)
Other Receipts (payments)	(450,368)	1,187,568
Net cash provided (used) by non-capital financing activities	<u>74,400,210</u>	<u>70,119,899</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from ad valorem taxes - debt services	10,602,126	10,698,959
Acquisition and construction of capital assets	(13,142,658)	(10,679,149)
Proceeds from the sale of capital assets	5,764	8,407
Payments on capital debt and notes - principal	(14,067,541)	(10,209,560)
Payments on capital debt and notes - interest and fees	(6,487,250)	(2,988,816)
Net cash provided (used) by capital and related financing activities	<u>(23,089,559)</u>	<u>(13,170,159)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on Investments	4,080,306	776,450
Net cash provided (used) by investing activities	<u>4,080,306</u>	<u>776,450</u>
Increase (Decrease) in cash and cash equivalents	<u>1,083,130</u>	<u>11,692,385</u>
Cash and cash equivalents - September 1	<u>110,968,029</u>	<u>99,275,644</u>
Cash and Cash Equivalents - August 31	<u>\$ 112,051,159</u>	<u>\$ 110,968,029</u>

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

Laredo College
Statement of Cash Flows
Years Ended August 31, 2023 and 2022
Exhibit 3

	<u>FY 2023</u>	<u>FY 2022</u>
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities		
Operating Income (loss)	<u>\$ (71,900,843)</u>	<u>\$ (65,904,486)</u>
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation and Amortization expense	10,226,915	10,271,001
State On-behalf Payments	4,502,291	3,949,955
Changes in Assets and Liabilities:		
Assets (Increase) decrease		
Receivables	408,172	4,297,167
Inventories	(3,437)	(1,187)
Prepaid Expenses	(53,048)	296,734
Deferred outflows	(6,624,605)	3,577,618
Liabilities Increase (Decrease)		
Accounts Payable	1,341,761	55,076
Compensated Absences	50,965	59,308
Unearned Revenue	30,797	1,662,077
Deferred Inflows	4,072,094	1,068,050
TRS Pension Liability	3,641,111	(5,365,119)
Net cash provided (used) by operating activities	<u><u>\$ (54,307,827)</u></u>	<u><u>\$ (46,033,805)</u></u>

Schedule of Non-Cash Investment, Capital, and Financing Activities

State on-behalf payments	\$ 4,502,291	\$ 3,949,955
Gifts of depreciable and non-depreciable assets	\$ 1,893,377	\$ 2,674
Amortization of premium on bonds	\$ 1,902,060	\$ 1,902,059
Amortization of deferred charges on bond refundings	\$ 242,883	\$ 242,884
Land Donations	\$ 398,976	\$ -
Building Donations	\$ 1,081,320	\$ -
SBITA's	\$ 4,808,220	\$ 1,472,844

Laredo College
Statement of Cash Flows of L.C.C. Education Foundation, Inc.
(A Component Unit of Laredo College)
Year ended December 31, 2022 and 2021
Exhibit 3A

	December 31, 2022	2021
Cash Flows from Operating Activities:		
Contributions	\$ 383,678	\$ 218,394
Payments for services	(14,751)	(29,570)
Payments to Laredo College	(335,000)	(112,533)
Net Cash Provided by Operations	<u>\$ 33,927</u>	<u>\$ 76,291</u>
Cash Flows from Investing Activities		
Investment income	<u>3,213</u>	<u>3,315</u>
Net Cash Provided by Investing Activities	<u>3,213</u>	<u>3,315</u>
Increase (Decrease) in Cash and Cash Equivalents	<u>37,140</u>	<u>79,606</u>
Cash and Cash Equivalents at Beginning of Year	1,375,982	1,296,376
Cash and Cash Equivalents at End of Year	<u><u>\$ 1,413,122</u></u>	<u><u>\$ 1,375,982</u></u>
Reconciliation to Statement of Financial Position		
Cash and Cash Equivalents	\$ 1,358,122	\$ 1,320,982
Restricted Assets - Cash and Cash Equivalents	55,000	55,000
Total Cash and Cash Equivalents	<u><u>\$ 1,413,122</u></u>	<u><u>\$ 1,375,982</u></u>
Non-cash Operating Activities		
In-Kind Contributions	<u><u>\$ 2,886</u></u>	<u><u>\$ 10,094</u></u>

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

Laredo College
Notes to Financial Statements
August 31, 2023

Note 1 – Reporting Entity

Laredo College (the College) was established in 1947 (as Laredo Junior College) in accordance with the laws of the State of Texas, to serve the educational needs of Laredo and the surrounding communities. The Laredo College is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

L.C.C. Education Foundation, Inc. – Discrete Component Unit

The L.C.C. Education Foundation, Inc. (the Foundation) is a separate non-profit organization, and its sole purpose is:

- To support and promote for the use and benefit of Laredo College and any literary, scientific, education or cultural undertaking of the College.
- To seek and obtain through gifts or otherwise, funds from private sources for scholarships, construction and maintenance of new buildings, infrastructure improvements, furniture, equipment, laboratories, or any other needs as may be determined useful by the College.
- To assist the students of Laredo College by providing fellowship and scholarships for worthy, needy and deserving students; to provide the means for improvement in instruction and equipment available to the students; and to finance those things necessary or appropriate to the building of an educational institution of excellence.

The Foundation is a legally separate entity which utilizes College financial resources for its operation. The College does not appoint any of the Foundation's board members. An organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a governmental unit. Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Financial information for the Foundation can be obtained by writing to: Development Office, West End Washington Street, Laredo, TX 78040 or by calling 956-764-5746.

Note 2 – Summary of Significant Accounting Policies

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

Report Guidelines

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

Net Position

Net Investment in Capital Assets

This category represents the College's total investment in capital assets net of related outstanding debt used to acquire or construct those assets and accumulated depreciation and amortization related to those capital assets. Deferred inflows and deferred outflows of resources attributable to those assets or related debt are also included in this component.

Restricted Net Position, Expendable

Legal or contractual obligations required this portion to be spent in accordance with external restrictions.

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

Restricted Net Position, Non-Expendable

This category consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal.

Unrestricted Net Position

These are resources that are not subject to any external restrictions and may be used at the discretion of the governing board for any lawful purpose of the college.

Tuition Discounting

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

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

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

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deferred outflows

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

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

Investments

The College reports investments at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase to be short-term investments. Long-term investments have an original maturity greater than one year at the time of purchase.

Inventories

Inventories consist of consumable print shop supplies. Inventories are valued at FIFO and are charged to expense as consumed.

Capital Assets

The College records capital assets at cost at the date of acquisition, or fair value at the date of donation, with one exception. The cost of several of the College's buildings could not be obtained and therefore an estimated cost was used. For equipment, the College capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

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

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) and State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities, and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Pensions

The College participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Unearned Revenue

Tuition and fees of \$10,057,573 and \$10,017,474, federal, state, and local grants of \$2,165,636 and \$2,176,163 and rental revenue of \$3,275 and \$2,050 have been reported as unearned revenue on August 31, 2023, and August 31, 2022, respectively.

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

Leases

GASB 87, *Leases*, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognize them as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities. The College adopted GASB 87 Leases as of September 1, 2020.

The College policy is to recognize leases at \$50,000 or more under GASB 87.

Subscriptions (SBITA)

Laredo College implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements, during fiscal year 2023 with a restatement of fiscal year 2022. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government-end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-and intangible asset-and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

Deferred Inflows

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

Estimates

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

Operating and non-operating revenue and expense policy

The College distinguishes operating revenues and expenses from non-operating items. The college reports as business type activities and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, property tax collections and revenue from Title IV grant programs. The student allocation revenues received from the Department of Education Higher Education Relief Funds (HEERF) are also classified as non- operating revenues. The revenue received for the portion of institutional funds (HEERF) that were used to issue emergency student awards are also reported as non-operating revenues.

Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The expenses for the corresponding emergency awards issued to students from the HEERF funds are being recognized as non-operating expenses.

For the year ended August 31, 2023, \$1,145,400 in student meal awards were recognized as non-operating expenses. The amount of student emergency awards was \$7,667,890 for August 31, 2022.

The operation of the bookstore and cafeteria is not performed by the College.

Note 3 – Leases

The College evaluated contracts that were formerly accounted for as operating leases to determine whether they meet the definition of a lease as defined in GASB 87. The College calculated and recognized leased assets of \$1,307,633 as of August 31, 2021. The College had a facility lease agreement that met the definition of a lessor contract which the College calculated and recognized \$219,979 as a lease receivable and deferred inflow related to leases as of August 31, 2021. There were no impacts to the beginning net position related to the adoption of GASB 87 as of September 1, 2020.

Gateway

The College (the Lessor) entered into a lease agreement with Gateway Community Health Center Inc (the Lessee) on January 1, 2020, which required a \$7,000 security deposit. The leased premises is located at the LC South Campus Allied Health Building. The lease term is for 60 calendar months at \$8,250 per month due on the 1st of every month ending December 31, 2024. If the lease payment is not received within 14 days after the due date, the Lessee will pay a late charge of \$500 plus \$50 per day that the lease and all charges are not paid. There will be a \$50 charge plus all applicable bank charges in case of a returned check. The Lessee is responsible for all repairs. If the Lessee fails to do all necessary repairs within 20 days after written notice, the College will perform any repairs and charge those repairs to the Lessee plus a 10% interest per annum.

The lease will terminate without further notice at the expiration of the term. Gateway Community shall notify the College in writing at least 120 calendar days prior to the expiration of the primary term whether it chooses to extend the lease for an additional period of 60 calendar months. If the Lessee holds over and continues its possession of the leased premises after expiration of the term of the lease or any extension of that term, the Lessee will be deemed to be occupying the leased premises on a basis of month-to-month at 150% of the monthly rate established on the lease. The Lessee may terminate the lease without cause upon a 180-day written notice to the Lessor. Should the Lessee default in the strict and prompt performance of any covenant, condition, or agreement in the lease, and fail to correct the default within 20 days after notice, the Lessor may declare the lease to be terminated.

The lease receivable was \$132,000 and \$219,979 as of August 31, 2023, and 2022, respectively.

Monthly Interest Rate 3.48%			Outstanding Balance Including Interest*	
Year	Principal	Interest	Total Payment	
2021	\$85,125	\$13,875	\$99,000	\$330,000
2022	88,453	10,547	99,000	231,000
2023	91,900	7,100	99,000	132,000
2024	95,468	3,532	99,000	33,000
2025	32,611	389	33,000	0

**Lease was measured using a discount rate of 3.48% which is the College's incremental borrowing rate.*

Custom and Border Protection (CBP)

The College (the Lessor) entered into a lease agreement with CBP on November 1, 2022. The leased premises is located at the LC Main Campus Lopez Nursing Center Building. The lease term is for 60 calendar months at \$5,000 per month due on the 1st of every month ending October 31, 2027.

The lease will terminate without further notice of the expiration of the term. CBP shall notify the College in writing at least 60 calendar days prior to the expiration of the primary term whether it chooses to extend the lease for an additional period of 60 calendar months.

Note 3 – Leases – (continued)

The lease receivable was \$250,000 and \$0 as of August 31, 2023, and 2022, respectively.

Monthly Interest Rate 3.48%			Outstanding Balance Including Interest*	
Year	Principal	Interest	Total Payment	
2024	\$52,748	\$7,252	\$60,000	\$190,000
2025	54,614	5,387	60,000	130,000
2026	56,545	3,455	60,000	70,000
2027	58,544	1,456	60,000	10,000
2028	9,957	43	10,000	0

*Lease was measured using a discount rate of 3.48% which is the College's incremental borrowing rate.

Department of Public Safety (DPS)

The College (the Lessor) entered into a lease agreement with DPS on April 1, 2023. The leased premises is located at the LC Main Building P-24. The lease term is for 60 calendar months due on the 1st of every month ending March 31, 2028. The lessee will pay total construction costs not to exceed \$218,790 for the first 29 months throughout the initial term of this contract. After construction costs are paid in full, the lease payment will be \$3,000 per month.

The lease will terminate without further notice of the expiration of the term. DPS shall notify the College in writing at least 30 calendar days prior to the expiration of the primary term whether it chooses to extend the lease for an additional period of 60 calendar months.

The lease receivable was \$229,198 and \$0 as of August 31, 2023, and 2022, respectively.

Monthly Interest Rate 3.48%			Outstanding Balance Including Interest*	
Year	Principal	Interest	Total Payment	
2024	\$9,993	\$6,003	\$15,996	\$129,202
2025	32,495	3,707	36,202	93,000
2026	33,439	2,561	36,000	57,000
2027	34,622	1,378	36,000	21,000
2028	20,759	241	21,000	0

*Lease was measured using a discount rate of 3.48% which is the College's incremental borrowing rate.

Note 4 – Subscription-Based Information Technology Arrangements (SBITAs)

The College adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA) as of September 1, 2021. The College evaluated contracts that were formerly accounted for as software use agreements to determine whether they meet the definition of a SBITA as defined in GASB 96. In accordance with generally accepted accounting principles, the implementation of this Statement for the College requires the restatement of a right to use subscription asset of \$1,368,775, and a right to use subscription liability in the amount of \$818,150 for fiscal year 2022. There was no impact to the beginning net position related to the adoption of GASB 96 as of September 1, 2021. As part of the restatement, interest on capital related debt was restated in non-operating expenses.

Note 4 – Subscription-Based Information Technology Arrangements (SBITAs)– (continued)

On September 1, 2021, the College implemented GASB No. 96 for an existing SBITA for 12-month subscription for the use of Instructure Canvas software. An initial subscription liability was recorded in the amount of \$104,069. As of August 31, 2023, the value of the subscription liability is \$0.00. The College was required to make annual payments of \$104,069.

On September 1, 2021, the College implemented GASB No. 96 for an existing SBITA for 24-month subscription for the use of CampusLogic Virtual Advising software. An initial subscription liability was recorded in the amount of \$220,632. As of August 31, 2023, the value of the subscription liability is \$0.00. The College was required to make annual payments of \$107,625 and \$113,007 respectively for the fiscal years 2022-2024.

On September 1, 2021, the College implemented GASB No. 96 for an existing SBITA for 36-month subscription for the use of NeoGov software. An initial subscription liability was recorded in the amount of \$304,017. As of August 31, 2023, the value of the subscription liability is \$105,265. The College is required to make annual payments of \$97,480, \$101,272, and \$105,265 respectively for the fiscal years 2022-2024.

On September 1, 2021, the College implemented GASB No. 96 for an existing SBITA for 24-month subscription for the use of Cisco EA Bundle Computer Solutions software. An initial subscription liability was recorded in the amount of \$429,940. As of August 31, 2023, the value of the subscription liability is \$0. The College was required to make annual payments of \$214,970 and \$214,970 respectively for the fiscal years 2022-2023.

On September 1, 2021, the College implemented GASB No. 96 for an existing SBITA for 36-month subscription for the use of TouchNet Information Systems Inc software. An initial subscription liability was recorded in the amount of \$414,186. As of August 31, 2023, the value of the subscription liability is \$143,751. The College is required to make annual payments of \$130,550, \$139,885, and \$143,751 respectively for the fiscal years 2022-2024.

On September 1, 2022, the College implemented GASB No. 96 for an existing SBITA for 60-month subscription for the use of Avaya/Ring Central software. An initial subscription liability was recorded in the amount of \$656,300. As of August 31, 2023, the value of the subscription liability is \$525,040. The College is required to make annual payments of \$131,260 for the fiscal years 2023-2027.

On September 1, 2022, the College implemented GASB No. 96 for an existing SBITA for 72-month subscription for the use of Ellucian ERP software. An initial subscription liability was recorded in the amount of \$3,779,586. As of August 31, 2023, the value of the subscription liability is \$3,380,070. The College is required to make annual payments of \$399,516, \$640,469, \$654,838, \$674,484, \$694,719, and \$715,560, respectively for fiscal years 2023-2028.

On September 1, 2022, the College implemented GASB No. 96 for an existing SBITA for 36-month subscription for the use of Blackbaud software. An initial subscription liability was recorded in the amount of \$101,322. As of August 31, 2023, the value of the subscription liability is \$84,436. The College is required to make annual payments of \$16,887, \$33,774, \$33,774, and \$16,887 respectively for fiscal years 2023-2026.

On September 1, 2022, the College implemented GASB No. 96 for an existing SBITA for 60-month subscription for the use of Carasoft/SoftDocs software. An initial subscription liability was recorded in the amount of \$454,065. As of August 31, 2023, the value of the subscription liability is \$318,426. The College is required to make annual payments of \$135,638, \$84,441, \$86,496, \$72,655, and \$74,834 respectively for fiscal years 2023-2027.

On September 1, 2022, the College implemented GASB No. 96 for an existing SBITA for 60-month subscription for the use of CampusLogic Ellucian Scholarship Universe Insights software. An initial subscription liability was recorded in the amount of \$153,840. As of August 31, 2023, the value of the subscription liability is \$125,700. The College is required to make annual payments of \$28,140, \$29,400, \$30,700, \$32,100, and \$33,500 respectively for fiscal years 2023-2027.

On August 31, 2023, the college also recognized a deferred outflow of \$153,126 for short-term SBITAs with a maximum contract term of 12 months.

Note 4 – Subscription-Based Information Technology Arrangements (SBITAs)- (continued)

The total amount of Subscription Asset and Accumulated Amortization as of fiscal year end 2023:

	Year Ending 2023
Lease expense	
Amortization expense by class of underlying asset	
SBITA - GASB 96	1,360,382
Total amortization expense	1,360,382
Interest on lease liabilities	98,497
Total	1,458,879

The SBITA Liabilities and Associated Principal and Interest Requirements as of fiscal year end 2023:

Lease Assets	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
SBITA	1,368,775	4,808,220	0	(650,572)	5,526,423	
	1,368,775	4,808,220	0	(650,572)	5,526,423	
Less: Accumulated Amortization						
SBITA	(564,687)	(1,360,382)		650,572	(1,274,497)	
	(564,687)	(1,360,382)	0	650,572	(1,274,497)	
Total Subscription Assets, net	804,088	3,447,838	0	0	4,251,926	
SBITA Liabilities	818,150	4,113,666	0	(586,021)	4,345,795	1,060,752

The future principal and interest SBITA arrangement payments as of fiscal year end 2023 are as follows:

Maturity Analysis	Principal	Interest	Total Payments
2024	\$1,060,752	\$107,608	\$1,168,360
2025	848,302	88,766	937,068
2026	858,637	68,749	927,386
2027	886,983	47,330	934,313
2028	691,122	24,438	715,560
Total Future Payments	4,345,795	336,892	4,682,687

The total amount of Subscription Asset and Accumulated Amortization as of fiscal year end 2022:

	Year Ending 2022
Lease expense	
Amortization expense by class of underlying asset	
SBITA - GASB 96	668,756
Total amortization expense	668,756
Total	668,756

Note 4 – Subscription-Based Information Technology Arrangements (SBITAs)- (continued)

The SBITA Liabilities and Associated Principal and Interest Requirements as of fiscal year end 2022:

Lease Assets	Beginning of Year	Additions	Modifications & Remeasurements	Subtractions	End of Year	Amounts Due Within One Year
SBITA	1,472,844	0	0	(104,069)	1,368,775	
	1,472,844	0	0	(104,069)	1,368,775	
Less: Accumulated Amortization						
SBITA	0	(668,756)		104,069	(564,687)	
	0	(668,756)	0	104,069	(564,687)	
Total Subscription Assets, net	1,472,844	(668,756)	0	0	804,088	
SBITA Liabilities	1,472,844	0	0	(654,694)	818,150	569,134

The future principal and interest SBITA arrangement payments as of fiscal year end 2022 are as follows:

Maturity Analysis	Principal	Interest	Total Payments
2023	\$569,134	\$0	\$569,134
2024	249,016	0	249,016
Total Future Payments	818,150	0	818,150

Note 5 – Authorized Investments

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001, Texas Government Code.) Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than “A” by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

Note 6 – Deposits and Investments

The Public Funds Investment Act (PFIA), Texas Government Code Chapter 2256 contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the College to adopt, implement, and publicize an investment policy. The policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date of the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the College to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers’ acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the College to have independent auditors perform test procedures related to investment practices as provided by the Act.

Temporary investments consist of funds invested in local government investment pools as described below. The investment pools used by the College are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the PFIA. The investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investments.

The College’s investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission (SEC), have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of the position in the pools is the same as the number of shares in each pool; and the market value of a share should approximately equal the book value of a share.

Note 6 – Deposits and Investments – (continued)

GASB Statement No. 31 provides an exception to the fair value reporting for investments in external pools that operate as “2a7-like” pools. The exception applies to portfolio securities held by external investment pools and allows the use of amortized cost rather than fair value to report net assets and compute share prices.

The College's investments in public funds investment pools include those with the Lone Star Investment Pool (Lone Star) and the Fixed Income Trust. The pools operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. Accordingly, the fair value of the College's position in the pool is the same as the value of the pool shares and does not include any unrealized gains and losses.

Cash and Deposits

	August 31, 2023	August 31, 2022
Bank Deposits		
Money Market Deposits	\$ 58,512,302	\$ 54,939,523
Restricted Money Market Deposits	33,497,513	33,636,968
Endowment Money Market	265,753	98,539
	<u>92,275,568</u>	<u>88,675,030</u>
Cash and Cash Equivalents		
Cash on Hand	\$ 21,450	\$ 23,850
Restricted Cash on Hand	500	500
Investment Pools (Lone Star)	3,915,978	3,740,976
Investment Pools (TIB)	-	3,390,800
Investment Pools (Fixed Income Trust)	15,837,663	15,136,873
	<u>19,775,591</u>	<u>22,292,999</u>
Total Cash and Deposits	<u>\$ 112,051,159</u>	<u>\$ 110,968,029</u>

Collateralization – The college maintains its cash accounts in interest-bearing commercial accounts with deposit insurance of \$250,000 through the Federal Deposit Insurance Corporation (FDIC). Deposits in excess of the FDIC deposit insurance are collateralized at a minimum level of 105% for Letters of Credit issued by a Federal Home Loan Bank.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the College's policy, one of the ways the College manages its exposure to interest rate risk is by investing in investment pools which have no stated maturity date; therefore, the funds are always available to meet operational needs. Information about the College's investments is presented in the table below that shows the specific investments and their maturity as of August 31, 2023.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the College's investment policy and the Act and the actual rating as of August 31, 2023, for each investment.

As of August 31, 2023, the College had the following investments:

Investment	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
The Lone Star Pool	\$ 3,915,978	1	AAA
Fixed Income Trust	15,837,663	1	AAAm
Total	<u>\$ 19,753,641</u>		

Note 6 – Deposits and Investments – (continued)

Lone Star is governed by an eleven-member Board of Trustees (Board) made up of active participants in the pool. The Board has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board is also responsible for the monitoring performance of Lone Star. Each Lone Star fund has earned Standard & Poor's highest rating (AAA), which meets the standards set by the PFIA. Standard and Poor's reviews investments of the Exchange Corporate and Liquidity Plus Fund monthly.

The Fixed Income Trust is organized under the authority of the Public Funds Investment Act, Chapter 2256, Texas Government Code. The Trust is governed by a seven-member Board of Trustees (Board). The Board of Trustees has appointed a five-member Advisory Board to advise the trust about Investment Policy, the Investment Strategy of the Trust, and other matters. The Fixed Income Trust is rated AAAM by Standard & Poor's.

GASB Statement No. 72 – GASB Statement No. 72, *Fair Value Measurement and Application* requires that governments disclose information about fair value measurements, the level of fair value hierarchy, and valuation techniques for investments held by the government. GASB Statement No. 72 establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs. The college has no investments subject to GASB 72 fair value measurement.

Because the College's investments are restricted by policy and State law to active secondary markets, the market approach is used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

As of August 31, 2023, the College's investments are stated at amortized cost in accordance with GASB Statement No. 31 and GASB Statement No. 72. The College reports investments in Lone Star and Fixed Income Trust as cash and cash equivalents.

Note 7 - Capital Assets and right-to-use subscription assets

Capital assets activity for the year ended August 31, 2023, was as follows:

	Balance September 1, 2022	Increases	Decreases	Balance August 31, 2023
<u>Not depreciated:</u>				
Land	\$ 5,444,715	\$ 398,976	\$ -	\$ 5,843,691
Water rights	9,920	-	-	9,920
Construction in Progress	6,250,696	10,564,342	4,473,779	12,341,259
Subtotal	<u>\$ 11,705,331</u>	<u>\$ 10,963,318</u>	<u>\$ 4,473,779</u>	<u>\$ 18,194,870</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$ 204,337,773	\$ 6,027,676	\$ -	\$ 210,365,449
Other Real Estate Improvements	38,152,919	-	-	38,152,919
Total Buildings and Other Real Estate Improvements	<u>\$ 242,490,692</u>	<u>\$ 6,027,676</u>	<u>\$ -</u>	<u>248,518,368</u>
Library books	3,943,544	69,443	4,519	4,008,468
Furniture, Machinery and Equipment	43,237,008	4,367,052	1,406,322	46,197,739
Right-to-use Subscription Asset	1,368,775	4,808,220	650,572	5,526,423
Total Buildings and Other Capital Assets	<u>\$ 291,040,019</u>	<u>\$ 15,272,390</u>	<u>\$ 2,061,412</u>	<u>\$ 304,250,998</u>
<u>Accumulated Depreciation/Amortization</u>				
Buildings and Building Improvements	\$ 42,052,991	\$ 3,649,943	\$ -	45,702,934
Other Real Estate Improvements	22,771,983	1,187,399	-	23,959,382
Total Buildings and Other Real Estate Improvements	<u>\$ 64,824,974</u>	<u>\$ 4,837,342</u>	<u>\$ -</u>	<u>69,662,316</u>
Library books	3,267,496	93,628	4,518	3,356,606
Furniture, Machinery, and Equipment	29,279,976	3,935,563	830,153	32,385,386
Right-to-use Subscription Asset	564,687	1,360,382	650,572	1,274,497
Total Accumulated Depreciation	<u>\$ 97,937,133</u>	<u>\$ 10,226,915</u>	<u>\$ 1,485,243</u>	<u>\$ 106,678,805</u>
Net Capital Assets	<u>\$ 204,808,217</u>	<u>\$ 16,008,793</u>	<u>\$ 5,049,949</u>	<u>\$ 215,767,063</u>

Note 7 - Capital Assets and right-to-use subscription assets – (continued)

Capital assets activity for the year ended August 31, 2022, is included for comparison purposes.

	Balance September 1, 2021	Increases	Decreases	Balance August 31, 2022
<u>Not depreciated:</u>				
Land	\$ 5,444,715	\$ -	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in Progress	1,869,294	4,381,402	-	6,250,696
Subtotal	<u>\$ 7,323,929</u>	<u>\$ 4,381,402</u>	<u>\$ -</u>	<u>\$ 11,705,331</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$ 204,337,071	\$ 266,292	\$ 265,590	\$ 204,337,773
Other Real Estate Improvements	38,058,805	107,798	13,684	38,152,919
Total Buildings and Other Real Estate Improvements	<u>\$ 242,395,876</u>	<u>\$ 374,090</u>	<u>\$ 279,274</u>	<u>\$ 242,490,692</u>
Library books	3,889,774	85,215	31,445	3,943,544
Furniture, Machinery and Equipment	39,111,986	5,838,442	1,713,420	43,237,008
Right-to-use Subscription Asset	-	1,472,844	104,069	1,368,775
Total Buildings and Other Capital Assets	<u>\$ 285,397,636</u>	<u>\$ 7,770,591</u>	<u>\$ 2,128,208</u>	<u>\$ 291,040,019</u>
<u>Accumulated Depreciation/Amortization</u>				
Buildings and Building Improvements	\$ 38,464,868	\$ 3,588,123	\$ -	\$ 42,052,991
Other Real Estate Improvements	21,596,729	1,175,254	-	22,771,983
Total Buildings and Other Real Estate Improvements	<u>\$ 60,061,597</u>	<u>\$ 4,763,377</u>	<u>\$ -</u>	<u>\$ 64,824,974</u>
Library books	3,196,120	102,821	31,445	3,267,496
Furniture, Machinery, and Equipment	24,388,316	5,572,887	681,227	29,279,976
Right-to-use Subscription Asset	-	668,756	104,069	564,687
Total Accumulated Depreciation	<u>\$ 87,646,033</u>	<u>\$ 11,107,841</u>	<u>\$ 816,741</u>	<u>\$ 97,937,133</u>
Net Capital Assets	<u>\$ 205,075,532</u>	<u>\$ 1,044,152</u>	<u>\$ 1,311,467</u>	<u>\$ 204,808,217</u>

Note 8 – Non-Current Liabilities

Long-Term liability activity for the year August 31, 2023, was as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 86,651,802	\$ -	\$ (6,820,000)	\$ 79,831,802	\$ 7,140,000
Discounts	(261,658)	-	32,707	(228,951)	(32,707)
Premium	18,115,382	-	(1,934,767)	16,180,615	1,934,767
Revenue bonds	44,625,000	-	(2,575,000)	42,050,000	2,660,000
Tax Note	26,070,000	-	(2,660,000)	23,410,000	2,715,000
Total bonds	<u>\$ 175,200,526</u>	<u>\$ -</u>	<u>\$ (13,957,060)</u>	<u>\$ 161,243,466</u>	<u>\$ 14,417,060</u>
<u>Other liabilities</u>					
Retainage payable	\$ 276,380	\$ 726,306	\$ (258,450)	\$ 744,236	\$ 744,236
Accreted interest payable	84,970	65,726	-	150,696	-
Compensated absences	2,317,707	326,468	(275,504)	2,368,672	441,704
Notes Payable	1,169,345	-	(731,966)	437,379	214,947
SBITAs	818,150	3,544,532	(16,887)	4,345,795	1,060,752
Net pension liability	7,072,337	12,265,731	(1,314,674)	18,023,393	-
Net OPEB liability	45,790,992	5,940,838	(13,250,784)	38,481,047	-
Total other liabilities	<u>\$ 57,529,881</u>	<u>\$ 22,869,601</u>	<u>\$ (15,848,265)</u>	<u>\$ 64,551,218</u>	<u>\$ 2,461,639</u>
Total long-term liabilities	<u>\$ 232,730,407</u>	<u>\$ 22,869,601</u>	<u>\$ (29,805,325)</u>	<u>\$ 225,794,684</u>	<u>\$ 16,878,699</u>

Long-Term liability activity for the year August 31, 2022, is included for comparison purposes:

	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 93,156,802	\$ -	\$ (6,505,000)	\$ 86,651,802	\$ 6,820,000
Discounts	(294,366)	-	32,708	(261,658)	(32,707)
Premium	17,022,822	3,027,327	(1,934,767)	18,115,382	1,934,767
Revenue bonds	47,120,000	-	(2,495,000)	44,625,000	2,575,000
Tax Note	28,620,000	-	(2,550,000)	26,070,000	2,660,000
Total bonds	<u>\$ 185,625,258</u>	<u>\$ 3,027,327</u>	<u>\$ (13,452,059)</u>	<u>\$ 175,200,526</u>	<u>\$ 13,957,060</u>
<u>Other liabilities</u>					
Retainage payable	\$ 359,055	\$ 182,915	\$ (265,590)	\$ 276,380	\$ 276,380
Accreted interest payable	20,292	64,678	-	84,970	-
Compensated absences	2,258,399	134,978	(75,670)	2,317,707	429,964
Notes Payable	1,307,633	874,595	(1,012,883)	1,169,345	731,966
SBITAs		818,150		818,150	569,134
Net pension liability	15,230,154	-	(8,157,817)	7,072,337	-
Net OPEB liability	42,998,294	6,356,019	(3,563,321)	45,790,992	-
Total other liabilities	<u>\$ 62,173,827</u>	<u>\$ 8,431,335</u>	<u>\$ (13,075,281)</u>	<u>\$ 57,529,881</u>	<u>\$ 2,007,444</u>
Total long-term liabilities	<u>\$ 247,799,085</u>	<u>\$ 11,458,662</u>	<u>\$ (26,527,340)</u>	<u>\$ 232,730,407</u>	<u>\$ 15,964,504</u>

Note 9 - Debt and Lease Obligations

Debt Service requirements on August 31, 2023, were as follows:

For the Years Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	7,140,000	3,194,732	2,660,000	1,668,771	2,715,000	573,145
2025	5,902,329	4,430,403	2,740,000	1,581,981	2,770,000	517,352
2026	5,999,473	4,332,508	2,840,000	1,479,333	2,830,000	457,658
2027	8,035,000	2,302,982	3,080,000	1,371,200	2,890,000	391,804
2028	8,430,000	1,901,232	3,210,000	1,238,462	2,965,000	321,664
2029-2033	37,230,000	4,246,312	18,350,000	3,997,249	9,240,000	497,751
2034-2036	7,095,000	175,247	9,170,000	568,110	-	-
Total	<u>\$ 79,831,802</u>	<u>\$ 20,583,416</u>	<u>\$ 42,050,000</u>	<u>\$ 11,905,106</u>	<u>\$ 23,410,000</u>	<u>\$ 2,759,374</u>

Notes Payable (Lease Obligations) as of August 31, 2023 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	214,947	15,233	230,180
2025	222,433	7,747	230,180
Total	<u>\$ 437,380</u>	<u>\$ 22,980</u>	<u>\$ 460,360</u>

Note 9 - Debt and Lease Obligations (continued)

Debt Service requirements on August 31, 2022, are provided for comparison purposes only.

For the Years Ended <u>August 31,</u>	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	6,820,000	3,515,732	2,575,000	1,749,367	2,660,000	621,291
2024	7,140,000	3,194,732	2,660,000	1,668,771	2,715,000	573,145
2025	5,902,329	4,430,403	2,740,000	1,581,981	2,770,000	517,352
2026	5,999,473	4,332,508	2,840,000	1,479,333	2,830,000	457,658
2027	8,035,000	2,302,982	3,080,000	1,371,200	2,890,000	391,804
2028-2032	38,725,000	5,807,938	17,585,000	4,731,051	12,205,000	819,415
2033-2037	14,030,000	514,853	13,145,000	1,072,770	-	-
Total	<u>\$ 86,651,802</u>	<u>\$ 24,099,148</u>	<u>\$ 44,625,000</u>	<u>\$ 13,654,473</u>	<u>\$ 26,070,000</u>	<u>\$ 3,380,665</u>

Notes Payable (Lease Obligations) as of August 31, 2022 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 731,965	\$ 45,194	\$ 777,159
2024	214,947	15,232	230,179
2025	222,433	7,747	230,180
Total	<u>\$ 1,169,345</u>	<u>\$ 68,173</u>	<u>\$ 1,237,518</u>

Note 10 – Bonds Payable

General information related to bonds payable is summarized below:

- **Limited Tax Bond, Series 2014**
- To fund Facilities Master Plan Phase III. To purchase, acquire, construct, and equip facilities.
- Issued 7/17/2014
- \$87,915,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 5.00%
- Maturity date – August 2034
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$4,255,000 and \$8,305,000, respectively.

Note 10 – Bonds Payable (continued)

- **Combined Fee Revenue Refunding Bond, Series 2015**

- To refund the Revenue bond, series 2005.
- Issued 6/8/2015
- \$5,305,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 3.75%
- Maturity date – August 2030
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$3,150,000 and \$3,545,000, respectively.

- **Limited Tax Refunding Bond, Series 2015**

- To refund the Limited Tax bond, series 2005.
- Issued 6/8/2015
- \$19,855,000; all authorized bonds have been issued
- Source of Revenue – Property Taxes
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2031
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$9,845,000 and \$10,845,000, respectively.

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

- To refund the Combined Fee Revenue Refunding, series 2006.
- Issued 7/1/2016
- \$4,805,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2026
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$1,850,000 and \$2,410,000, respectively.

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

- To refund the Limited Tax Refunding bond, series 2006.
- Issued 4/15/2016
- \$14,400,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2032
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$11,325,000 and \$12,310,000, respectively.

- **Combined Fee Revenue Refunding Bond, Series 2017**

- To refund the Revenue Bond, Series 2010.
- Issued 9/15/2018
- \$29,300,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 4.00%
- Maturity date – August 2035
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$27,350,000 and \$28,015,000, respectively.

- **Combined Fee Revenue Refunding Bond, Series 2020A**

- To refund the Revenue Refund Bond, Series 2010.
- Issued 6/4/2020
- \$2,590,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 1.79% to 3.32%
- Maturity date – August 2036
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$1,365,000 and \$1,785,000, respectively.

Note 10 – Bonds Payable (continued)

- **Combined Fee Revenue Refunding Bond, Series 2020B**

- To refund the Revenue Bond, Series 2011.
- Issued 6/4/2020
- \$9,040,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 1.79% to 3.32%
- Maturity date – August 2035
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$8,335,000 and \$8,870,000, respectively.

- **Maintenance Tax Refunding Bond, Taxable Series 2020**

- To refund the Maintenance Tax Note Series 2010 & 2011.
- Issued 6/4/2020
- \$26,895,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 1.56% to 2.74%
- Maturity date – August 2031
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$23,410,000 and \$26,070,000, respectively.

- **Limited Tax Refunding Bond, Series 2021**

- To refund the Limited Tax Bond Series 2014.
- Issued 4/7/2021
- \$56,171,802; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 5.00%
- Maturity date – August 2031
- Outstanding Principal balance as of August 31, 2023, and 2022 is \$54,406,802 and \$55,421,802, respectively.

The College is to maintain a reserve account equal to the lesser of (a) 10% of the principal amount of outstanding bonds or (b) the average annual requirements, on a fiscal basis, for the payment of the principal and interest on the bonds. The reserve account balance on August 31, 2023, is \$4,552,910 which meets the full reserve requirements.

Note 11 – Defeased Bonds Outstanding

Bond Issuance	Year Refunded	Par Value Outstanding	Call Date
Limited Tax Bonds Series 2014	2021	\$54,406,802	2024

Note 12 – Employees' Retirement Plan

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

Teacher Retirement System of Texas – Defined Benefit Plan

Plan Description

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

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

Note 12 – Employees’ Retirement Plan – (continued)

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System’s fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report is available at https://www.trs.texas.gov/Pages/about_archive_cafr.aspx or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

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

Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

	Contribution Rates	
	2023	2022
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	8.00%	7.75%
Employers	8.00%	7.75%
Current fiscal year employer contributions	\$1,378,992	
Current fiscal year member contributions	\$2,378,660	
2022 measurement year NECE on-behalf contributions	\$906,508	

The College’s contributions to the TRS pension plan in FY 2023 were \$1,378,992 as reported in the Schedule of College Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY 2023 were \$906,508.

Note 12 – Employees’ Retirement Plan – (continued)

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

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

Actuarial Assumptions

The total pension liability in the August 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Validation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022*	3.91%
Last year ending August 31	
Projection period (100 years)	2121
Inflation	2.30%
Salary increase including inflation	2.95% to 8.95%
Benefit changes during the year	
Ad hoc post-employment benefit changes	None

** The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bond with 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity Index's "20-year municipal G.O. AA Index".*

The actuarial methods and assumption were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021.

Note 12 – Employees’ Retirement Plan – (continued)

Discount Rate

The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system’s target asset allocation as of August 31, 2021, are summarized below:

Note 12 – Employees’ Retirement Plan – (continued)

Asset Class ¹	Target Allocation % ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Assets	15.00%	4.10%	0.94%
Energy and Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Party			
Risk Party	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ⁴			-0.91%
Total	100.00%		8.21%

¹ Absolute Return includes Credit Sensitive Investments.

² Target Allocation based on the FY 2022 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns

Source: Teacher Retirement System of Texas 2022 Comprehensive Annual Financial Report.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.00%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Laredo College's proportionate share of the net pension liability:	\$28,037,567	\$18,023,394	\$9,906,436

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

Note 12 – Employees’ Retirement Plan – (continued)

On August 31, 2023, the College reported a liability of \$18,023,393 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by Laredo College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

Laredo College proportionate share of the collective net pension liability	\$18,023,393
State’s proportionate share that is associated with Laredo College	<u>\$11,533,138</u>
Total	<u>\$29,556,531</u>

The net pension liability was measured as of August 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer’s proportion of the net pension liability was based on the employer’s contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2021, through August 31, 2022.

At the measurement date of August 31, 2022, the employer’s proportion of the collective net pension liability was 0.0303590610% which was an increase of 0.002587257% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation

- The single discount rate as of August 31, 2018, was a blended rate of 6.907%, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 86th Texas Legislature, 2019, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018, received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment of \$2,000, whichever was less.

For the year ended August 31, 2023, the College recognized pension expense of \$906,508 and revenue of \$906,508 for support provided by the State. Refer to the FY 2022 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2023, the College reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ 261,338	\$ 392,944
Changes in actuarial assumptions	3,358,345	836,993
Differences between projected and actual investment earnings	7,002,812	5,222,158
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	1,040,549	444,992
Total as of August 31, 2022 measurement date	\$ 11,663,044	\$ 6,897,087
Contributions paid to TRS subsequent to the measurement date	1,378,992	-
Total as of fiscal year-end	\$ 13,042,036	\$ 6,897,087

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

Note 12 – Employees’ Retirement Plan – (continued)

Fiscal year ended August 31,	Pension Expense Amount
2024	\$ 1,221,778
2025	\$ 702,215
2026	\$ 263,003
2027	\$ 2,180,797
2028	\$ 398,162
Thereafter	\$ -

Optional Retirement Plan – Defined Contribution Plan

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

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state and each participant are 3.3% and 6.65%, respectively. The College contributes 1.90% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state’s contribution to 50% of eligible employees in the reporting college.

The College’s total retirement expense to the State (includes TRS and ORP) was \$1,184,914 and \$1,024,524 for the fiscal years ended August 31, 2023, and August 31, 2022, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the college.

The total payroll for all College employees was \$38,367,722 and \$39,650,464 for the fiscal years ended August 31, 2023, and 2022, respectively. The total payroll of employees covered by the Teacher Retirement System was \$29,733,252 and \$32,005,854 and the total payroll of employees covered by the Optional Retirement Program was \$5,233,175 and \$6,073,154 for fiscal years 2023 and 2022, respectively.

Note 13 – Compensable Absences

Regular college personnel employed on a twelve-month basis are entitled to ten working days (80 hours) per fiscal year as vacation time. Employees eligible for vacation time may carry accrued leave forward from one fiscal year to another fiscal year with a maximum number of hours up to 160. Individuals who terminate their employment at the College shall be paid their unused vacation time not to exceed two years’ accrual.

Regular college personnel employed on a twelve-month basis are entitled to twelve days (96 hours) per fiscal year as sick leave and can accumulate indefinitely. The payment of accrued sick leave will be paid to those employees who retire under the Teacher Retirement system while they are employed by the College. The maximum number of hours that will be paid for early retirement is 360 and 720 for regular retirement.

The college recognized accrued liability for unpaid annual leave and accrued sick leave for college employees as of August 31, 2023, and August 31, 2022, in the amounts of \$2,368,672 and \$2,317,707, respectively.

Note 14 – Health Care & Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution for full-time active and retired employees for the year ended August 31, 2023, totaled \$3,414,336 for the year. Compare the state's contribution to that provided for the year ended August 31, 2022, when the contribution for full-time active and retired employees totaled \$3,414,336 for the year. S.B. 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting college. The cost of providing these benefits for retirees is not separable from the cost of providing benefits for the active employees.

Note 15 – Other Post-Employment Benefits (OPEB)

Plan Description. The College participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and state agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Finacial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877)275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

Benefits Provided. Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions. Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium, which is based on a blended rate. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Note 15 – Other Post-Employment Benefits (OPEB) – (continued)

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2022

Retiree	\$ 624.82
Retiree & Spouse	1,339.90
Retiree & Children	1,103.58
Retiree & Family	1,818.66

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

Premium Contributions by Source
Group Benefits Program Plan
For the Year ended August 31, 2023 and 2022

	2023	2022
College Contributions	\$ 4,020,404	\$ 3,645,074
Member (Employee) Contributions	1,712,798	1,578,163
Nonemployer Contributing Entity (State of Texas)	3,414,336	3,414,336

Note 15 – Other Post-Employment Benefits (OPEB) – (continued)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions ERS Group Benefits Program Plan	
Valuation date	August 31, 2022
Actuarial cost method	Entry Age
Last Experience Study	State Agency Members: -year period from September 1, 2014 to August 31, 2019 Higher Education Members: 7-year period from September 1, 2010 to August 31, 2017
Actuarial Assumptions:	
Discount rate	3.59%
Projected annual salary increases (includes inflation)	2.30% to 8.95%
Annual healthcare trend rate	5.60% for FY 2024, 5.30% for FY 2025, 5.00% for FY 2026, 4.75% for FY 2027, 4.60% for FY 2028, decreasing 10 basis points per year to an unlimited rate of 4.30% for FY 2031 and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with ultimate MP-2021 projection scale from the year 2021
Disability retirees	Tables based on TRS experience with ultimate MP-2021 projection scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct Pub-2010 amount-weighted below-medium income teacher mortality with a 2-year set forward for males with ultimate MP projection scale from the year 2010

Source: FY 2022 ERS CAFR except for the mortality assumptions obtained from ERS FY2022 GASB 74 Actuarial valuation.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2019, and the TRS retirement plan actuary as of August 31, 2021, for higher education members.

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The system's board of trustees adopted the amendment to the investment policy in August 2022 to require that all funds in the plan be invested in cash and equivalent securities. The expected rate of return on these investments is currently 4.1%, in line with the prevailing return on 90-day U.S. treasury.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.14%. The discount rate used to measure the total OPEB liability as of the end of the measurement period was 3.59% which amounted to an increase of 1.45%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Note 15 – Other Post-Employment Benefits (OPEB) – (continued)

Discount Rate Sensitivity Analysis. The following schedule shows the impact on the College proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used 3.59% in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
Proportionate share of the net OPEB liability	\$ 44,880,527	\$ 38,481,047	\$ 33,362,998

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.60% and the ultimate rate is 4.3%. The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used 5.60% in measuring the net OPEB Liability.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 32,953,727	\$ 38,481,047	\$ 45,537,939

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. On August 31, 2023, the College reported a liability of \$38,481,045 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College was as follows:

District's proportionate share of the collective net OPEB liability	\$ 38,481,047
State's proportionate share that is associated with the District	32,986,786
Total	\$ 71,467,833

The net OPEB liability was measured as of August 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021, thru August 31, 2022.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.13508299%, which was an increase (decrease) of 0.00744440% from its proportion measured as of August 31, 2022.

For the year ended August 31, 2022, the College recognized OPEB expense of \$1,051,508 and revenue of \$1,201,540 for support provided by the State.

Changes Since the Prior Actuarial Valuation – Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teachers Retirement System of Texas.
- Assumed expenses, assumed per capita health benefits costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.

Note 15 – Other Post-Employment Benefits (OPEB) – (continued)

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future retirees assumed to be married and electing coverage for their spouses have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was increased from 2.14% to 3.59% to utilize the updated yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date – The following benefit revisions have been adopted since the prior valuation.

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

These minor benefits changes have been reflected in the fiscal year 2019 assumed per capita health benefit costs.

At August 31, 2023, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual actuarial experiences	\$ -	\$ 1,214,123
Changes in actuarial assumptions	2,260,914	11,894,854
Differences between projected and actual investment earnings	6,637	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	3,964,170	2,347,534
Total as of August 31, 2022 measurement date	\$ 6,231,721	\$ 15,456,511
Contributions paid to ERS subsequent to the measurement date	-	-
Total as of fiscal year-end	\$ 6,231,721	\$ 15,456,511

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

	OPEB Expense Amount
Fiscal year ended August 31,	
2024	\$(1,792,495)
2025	\$(2,676,552)
2026	\$(2,131,100)
2027	\$(1,695,500)
2028	\$(929,143)
Thereafter	\$ -

Note 16 – Commitments and Contingencies

As of August 31, 2023, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided by insurance or otherwise, is not likely to have a material effect on the College.

As of August 31, 2023, and 2022, the College had a total of \$12,437,332 and \$17,100,562 in construction commitments for various projects.

Note 17 - Disaggregation of Receivable and Payable Balances

Receivables

Receivables at August 31, 2023 and August 31, 2022 were as follows:

	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Students Receivable	\$ 2,456,232	\$ 2,427,810
State Grants Receivable	328,185	431,524
Local Grants Receivable	205,541	131,375
Auxiliary Receivable	195,338	14,381
Other Receivables	680,112	875,873
Subtotal	<u>3,865,408</u>	<u>3,880,963</u>
Allowance for Doubtful Accounts	<u>(712,656)</u>	<u>(698,278)</u>
Total Receivables	<u>\$ 3,152,752</u>	<u>\$ 3,182,685</u>

Payables

Payables at August 31, 2023 and August 31, 2022 were as follows:

	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Accounts Payable - Construction	\$ 819,809	\$ 457,071
Salaries & Benefits Payable	2,099,089	1,584,576
Students Payable	567,764	716,163
Other Payables	2,190,524	1,577,615
Subtotal	<u>5,677,186</u>	<u>4,335,425</u>
Total Payables	<u>\$ 5,677,186</u>	<u>\$ 4,335,425</u>

Note 18 – Funds Held for Others

The College holds funds for certain student organizations and other agencies. These amounts are reflected in the Statement of Net Position as funds held for others in the amount of \$1,202,511 and \$474,296 on August 31, 2023, and August 31, 2022, respectively.

Note 19 - Contracts and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA audit and accounting guide, State and Local Governments, 8.99). For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2023 and 2022 for which monies have not been received nor funds expended totaled \$5,125,606 and \$7,501,592. Of these amounts, \$4,811,100 and \$6,371,385 were from Federal Contract and Grant Awards; \$271,034 and \$208,792 were from State Contract and Grant Awards; \$43,472 and \$914,800 from Local Contract and Grant Awards; and \$0 and \$6,615 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2023, and 2022, respectively.

The L.C.C. Education Foundation, Inc. receives grants on behalf of the College and held \$1,035,548 and \$1,230,048 in awarded funds for the fiscal year ended August 31, 2023, and 2022, respectively. Some of these funds are for active grants for which the College is already incurring expenses. The amounts will be transferred to the College on a cost reimbursement basis or in specified amounts as agreed by the College and the Foundation.

Note 20 - Risk Management

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

The more significant of this include \$2,000,000 of general liability insurance for fiscal year 2023 and 2022 and property insurance covering the College's buildings and personal property in a combined amount of \$242,758,423 for fiscal year 2023 and \$221,772,732 for fiscal year 2022. Of the \$242,758,423 coverage for fiscal year 2023, \$210,693,610 is coverage for real property and \$32,064,813 for personal property. Of the \$221,772,732 coverage for fiscal year 2022, \$191,171,112 is coverage for real property and \$30,601,620 for personal property. The College also maintained \$6,000,000 in annual aggregate school professional legal liability for fiscal year 2023 and 2022 of which \$1,000,000 is for law enforcement professional liability and \$5,000,000 for school leaders' errors and omissions liability. Additional endorsements under the general liability insurance include the Cyber Suite insurance with an aggregate limit of \$1,000,000. The Cyber Suite includes data compromise response expenses, computer attack, cyber extortion, misdirected payment fraud, computer fraud, data compromise, network security, and electronic media liability. For fiscal year 2023, the College did not purchase additional coverage in security and privacy, network interruption, event management, and cyber extortion insurance other than what is included in the crime policy which contains coverage for computer crime which includes computer fraud and computer program and electronic data restoration expenses. Insurance settlements have not exceeded insurance coverage in any of the previous 3 fiscal years.

The College did not maintain or operate a self-insured insurance plan for fiscal years 2023 and 2022.

Note 21 – Ad Valorem Tax

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

	August 31, 2023	August 31, 2022
Assessed valuation of the District	\$ 23,517,334,637	\$ 19,863,223,471
Less: Exemptions	(4,694,105,299)	(3,710,384,978)
Less: Abatements	-	-
Net Assessed Valuation of the District	\$ 18,823,229,338	\$ 16,152,838,493

Note 21 – Ad Valorem Tax – (continued)

	Fiscal Year 2023			Fiscal Year 2022		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation (maximum per enabling legislation)	\$ 0.400000	\$ 0.500000	\$ 0.900000	\$ 0.400000	\$ 0.500000	\$ 0.900000
Assessed tax rate per \$100 valuation	\$ 0.230196	\$ 0.057640	\$ 0.287836	\$ 0.252022	\$ 0.067419	\$ 0.319441

Taxes levied for the year ended August 31, 2023, and 2022 amounted to \$53,253,378 and \$50,508,426, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	August 31, 2023			August 31, 2022		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$41,537,623	\$ 10,306,303	\$51,843,926	\$39,420,572	\$ 10,429,033	\$49,849,605
Delinquent taxes collected	916,620	164,496	1,081,116	753,424	166,604	920,028
Penalties & Interest collected	468,046	116,864	584,910	423,422	116,507	539,929
Total Gross Collections	42,922,289	10,587,663	53,509,952	40,597,418	10,712,144	51,309,563
Tax Appraisal & Collection Fees	(720,058)	-	(720,058)	(797,466)	-	(797,466)
Bad Debt Expense	(77,301)	-	(77,301)	(37,594)	-	(37,594)
Total Net Collections	\$42,124,930	\$ 10,587,663	\$52,712,593	\$39,762,358	\$ 10,712,144	\$50,474,501

Tax collections for the year ended August 31, 2023, and 2022, were 99% and 99%, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax processed is restricted for the use of maintenance and operations and/or general obligations debt service.

Note 22 – Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(b), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the years ended August 31, 2023, and August 31, 2022.

Note 23 – Bad Debt Expense

In accordance with GAAP and Board policy CDA (local), bad debt expense was recognized for the years ended August 31, 2023, and August 31, 2022, in the following amounts, \$150,300 and \$271,919, respectively. At year end, the reserve for uncollectible accounts was \$3,244,501 and \$3,094,201. The total amount of uncollectible accounts written-off was \$0 and \$0 on August 31, 2023, and August 31, 2022. The property tax reserve was \$1,199,167 and \$1,121,866. The total reported allowance for doubtful accounts was \$4,443,668 and \$4,216,067 for August 31, 2023, and August 31, 2022, respectively.

Note 24 – L.C. Education Foundation, Inc.

The following note is from the audited financial statements of the L.C. Education Foundation, Inc., for the years ended December 31, 2022, and 2021:

Summary of Significant Accounting Policies

For the purpose of the statement of cash flows, the foundation considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash and cash equivalents held in the form of certificates of deposit are reported as restricted assets since the foundation holds those funds as an endowment.

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST NINE FISCAL YEARS**

	Fiscal Years Ended August 31*,	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's Proportion of the Net Pension Liability (Asset)		0.0303590610%	0.0277711804%	0.0284367725%	0.0292571068%	0.0284741180%	0.0287773623%	0.0292406664%	0.0298519000%	0.0330499000%
College's Proportionate Share of Net Pension Liability (Asset)		\$ 18,023,393	\$ 7,072,336	\$ 15,230,154	\$ 15,208,759	\$ 15,672,846	\$ 9,201,450	\$ 11,049,613	\$ 10,552,249	\$ 8,828,085
States Proportionate Share of the Net Pension Liability (Asset) associated with the College		11,533,138	5,099,999	10,876,599	10,627,066	11,086,991	6,640,545	7,936,580	7,280,335	6,887,063
Total		<u>\$ 29,556,531</u>	<u>\$ 12,172,335</u>	<u>\$ 26,106,753</u>	<u>\$ 25,835,825</u>	<u>\$ 26,759,837</u>	<u>\$ 15,841,995</u>	<u>\$ 18,986,193</u>	<u>\$ 17,832,584</u>	<u>\$ 15,715,148</u>
College's Covered Payroll		\$ 29,733,252	\$ 32,005,854	\$ 26,838,735	\$ 26,513,828	\$ 25,645,301	\$ 24,175,007	\$ 23,733,980	\$ 23,217,845	\$ 21,707,196
College's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll		60.62%	22.10%	56.75%	57.36%	64.83%	38.77%	47.59%	48.64%	40.67%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST NINE FISCAL YEARS**

Fiscal year ending August 31*,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 1,378,992	\$ 1,416,644	\$ 1,186,012	\$ 1,172,774	\$ 1,028,066	\$ 959,963	\$ 943,305	\$ 929,901	\$ 869,222
Contribution in Relation to the Contractually Required Contribution	(1,378,992)	(1,416,644)	(1,186,012)	(1,172,774)	(1,028,066)	(959,963)	(943,305)	(929,901)	(869,222)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's Covered Payroll	\$ 29,733,252	\$ 32,005,854	\$ 26,838,735	\$ 26,513,828	\$ 25,645,301	\$ 24,175,007	\$ 23,733,980	\$ 23,217,845	\$ 21,695,044
Contributions as a percentage of Covered Payroll	4.64%	4.43%	4.42%	4.42%	4.01%	3.97%	3.97%	4.01%	4.01%

Laredo College
Notes to Pension Required Supplementary Information
August 31, 2023

The following assumptions have been updated since the Prior Measurement Date.

- There were no changes or updates made to the assumptions and methods since the prior measurement date.

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
LAST SIX FISCAL YEARS**

Fiscal year ended August 31 *,	2023	2022	2021	2020	2019	2018
College's Proportion of the Net OPEB Liability (Asset)	0.135082900%	0.1276385900%	0.1301218700%	0.1321271900%	0.1423816800%	0.1004662100%
College's Proportionate Share of the Net OPEB Liability (Asset)	\$ 38,481,045	\$ 45,790,993	\$ 42,998,294	\$ 45,666,692	\$ 42,198,715	\$ 34,231,864
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the College	32,986,786	41,908,187	38,592,665	42,627,236	34,293,768	31,102,829
Total	\$ 71,467,831	\$ 87,699,180	\$ 81,590,959	\$ 88,293,928	\$ 76,492,483	\$ 65,334,693
College's Covered Employee Payroll	\$ 29,733,252	\$ 32,005,854	\$ 26,838,735	\$ 26,513,828	\$ 26,645,301	\$ 24,175,007
College's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	129.42%	143.07%	160.21%	172.24%	158.37%	141.60%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

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

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

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S OPEB CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
LAST SIX FISCAL YEARS**

Fiscal year ended August 31*,	2023	2022	2021	2020	2019	2018
Contractually Required Contribution	\$ 1,044,698	\$ 1,049,481	\$ 1,013,397	\$ 911,048	\$ 973,676	\$ 879,722
Contribution in Relation to the Contractually Required Contribution	(1,044,698)	(1,049,481)	(1,013,397)	(911,048)	(973,676)	(879,722)
Contribution Deficiency (Excess)	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
College's Covered Employee Payroll	\$ 31,464,758	\$ 31,168,648	\$ 31,244,326	\$ 31,502,617	\$ 31,244,326	\$ 29,938,497
Contributions as a percentage of Covered Employee Payroll	3.32%	3.37%	3.24%	2.89%	3.12%	2.94%

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

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

Laredo College
Notes to OPEB Required Supplementary Information
August 31, 2023

Changes Since Prior Actuarial Valuation:

The following changes to actuarial assumptions have been changed since the previous valuation of the amounts reported in the requirement supplementary information schedules related to OPEB.

Demographic Assumptions

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

Economic Assumptions

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations.
- Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Other Inputs

The discount rate was changed from 2.14% to 3.59% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

THIS PAGE INTENTIONALLY LEFT BLANK

SCHEDULES

Laredo College
Schedule A
Schedule of Detailed Operating Revenues
Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2023	FY 2022
Tuition						
State funded courses						
In-district resident tuition	\$ 7,461,246	\$ -	\$ 7,461,246	\$ -	\$ 7,461,246	\$ 2,590,754
Out-of-state tuition	543,492	-	543,492	-	543,492	201,370
TPEG (set aside)*	468,648	-	468,648	-	468,648	477,883
Out-of-district resident tuition	869,592	-	869,592	-	869,592	227,344
State funded continuing education	130,969	-	130,969	-	130,969	94,429
Non-state funded continuing education	991,632	-	991,632	-	991,632	283,169
Total Tuition	10,465,579	-	10,465,579	-	10,465,579	3,874,949
Fees						
General use fee	8,447,408	-	8,447,408	-	8,447,408	8,694,769
Installment fee	49,055	-	49,055	-	49,055	44,325
Health services fee	116,135	-	116,135	-	116,135	120,175
Matriculation fee	350,085	-	350,085	-	350,085	362,520
Late registration fee	20,150	-	20,150	-	20,150	22,860
Malpractice fee	23,485	-	23,485	-	23,485	16,244
Graduation fee	17,440	-	17,440	-	17,440	280
Instructional Support Fee	1,689,266	-	1,689,266	-	1,689,266	1,738,637
Technology fee	1,692,012	-	1,692,012	-	1,692,012	1,739,043
Student service fee	1,395,548	-	1,395,548	-	1,395,548	1,443,143
Distance education fee	1,184,848	-	1,184,848	-	1,184,848	2,182,194
Parking/street maint. Fee	232,720	-	232,720	-	232,720	240,707
Diff. tuition fee (development)	4,320	-	4,320	-	4,320	4,680
Diff. tuition fee (3 peat)	115,896	-	115,896	-	115,896	150,495
Lab fee	214,692	-	214,692	-	214,692	191,042
Assessment fee	34,987	-	34,987	-	34,987	23,602
Installment loan late payment fee	18,160	-	18,160	-	18,160	17,230
Add/drop fee	16,380	-	16,380	-	16,380	14,910
Other fees	16,201	-	16,201	-	16,201	18,556
Total fees	15,638,788	-	15,638,788	-	15,638,788	17,025,412
Scholarships allowances and discounts						
Scholarship allowances	(312,097)	-	(312,097)	-	(312,097)	(34,662)
Remissions and exemptions	(7,334,352)	-	(7,334,352)	-	(7,334,352)	(7,366,221)
Pell grants	(10,688,970)	-	(10,688,970)	-	(10,688,970)	(6,890,375)
Other federal grants	(581,345)	-	(581,345)	-	(581,345)	(760,652)
TEOG grants	(614,826)	-	(614,826)	-	(614,826)	(535,829)
TPEG allowances	(366,948)	-	(366,948)	-	(366,948)	(606,604)
Other state grants	-	-	-	-	-	(201,980)
Other	(959,050)	-	(959,050)	-	(959,050)	(52,438)
Total scholarship allowances	(20,857,588)	-	(20,857,588)	-	(20,857,588)	(16,448,761)
Total net tuition and fees	5,246,779	-	5,246,779	-	5,246,779	4,451,600
Other operating revenues						
Federal grants and contracts	135,799	4,166,511	4,302,310	-	4,302,310	16,048,960
State grants and contracts	-	1,310,379	1,310,379	-	1,310,379	1,370,356
Nongovernmental grants and contracts	-	1,369,248	1,369,248	-	1,369,248	478,933
Investment income (program restricted)	-	543,049	543,049	-	543,049	164,643
Other operating revenues	216,568	1,274,587	1,491,155	-	1,491,155	1,008,337
Total other operating revenues	352,367	8,663,774	9,016,141	-	9,016,141	19,071,229
Auxiliary enterprises						
Student activities	-	-	-	1,689,740	1,689,740	1,739,535
Cafeteria	-	-	-	-	-	-
Campus housing	-	-	-	-	-	-
Residential	-	-	-	84,739	84,739	17,700
Bookstore	-	-	-	184,268	184,268	94,131
Total net auxiliary enterprises	-	-	-	1,958,747	1,958,747	1,851,366
Total operating revenues (Exhibit 2)	\$ 5,599,146	\$ 8,663,774	\$ 14,262,920	\$ 1,958,747	\$ 16,221,667	\$ 25,374,195

*In accordance with Education Code 56.033, \$468,648 and \$477,883 of tuition was set aside for Texas Public Education Grants (TPEG).

Laredo College
Schedule B
Schedule of Operating Expenses by Object
Year Ended August 31, 2023 (with Memorandum Totals for the Year Ended August 31, 2022)

	Operating Expenses				FY 2023 Total	FY 2022 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 18,200,415	\$ -	\$ 5,502,124	\$ 1,428,068	\$ 25,130,607	\$ 24,288,517
Public Service	205,801	-	78,958	21,475	306,234	275,296
Academic Support	3,973,385	-	1,371,145	911,362	6,255,892	5,641,018
Student Services	3,125,999	-	1,032,907	595,727	4,754,633	3,869,097
Institutional Support	7,889,427	-	469,855	5,132,931	13,492,213	13,127,162
Operation and Maintenance of Plant	1,629,428	-	797,355	4,518,451	6,945,234	6,422,529
Scholarships and Fellowships	-	-	-	228,548	228,548	216,000
Total Unrestricted Educational Activities	35,024,455	-	9,252,344	12,836,562	57,113,361	53,839,619
Restricted - Educational Activities						
Instruction	802,587	2,939,746	167,393	265,186	4,174,912	2,865,060
Research	174,216	26,951	54,559	207,764	463,490	39,735
Public Service	75,683	43,545	22,846	33,330	175,404	244,113
Academic Support	481,794	689,212	168,783	528,006	1,867,795	2,079,313
Student Services	1,203,658	669,794	103,419	238,776	2,215,647	1,758,893
Institutional Support	7,477	1,221,643	-	367,129	1,596,249	5,303,355
Operation and Maintenance of Plant	102,943	-	27,342	1,588,608	1,718,893	4,793,526
Scholarships and Fellowships	-	-	-	8,764,201	8,764,201	10,941,445
Total Restricted Educational Activities	2,848,358	5,590,891	544,342	11,993,000	20,976,591	28,025,440
Total Educational Activities	37,872,813	5,590,891	9,796,686	24,829,562	78,089,952	81,865,059
Auxiliary Enterprises	494,910	-	102,957	568,158	1,166,025	843,569
Depreciation Expense - Buildings & other real estate	-	-	-	4,837,342	4,837,342	4,763,377
Depreciation Expense - Equipment & furniture	-	-	-	3,935,563	3,935,563	3,703,855
Depreciation Expense - Library Books	-	-	-	93,628	93,628	102,821
Total Operating Expenses	\$ 38,367,723	\$ 5,590,891	\$ 9,899,643	\$ 34,264,253	\$ 88,122,510	\$ 91,278,681

Laredo College
Schedule C
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>FY 2023 Total</u>	<u>FY 2022 Total</u>
NON-OPERATING REVENUES:					
State Appropriations					
Education and General State Support	\$ 11,390,060	\$ (96,959)	\$ -	\$ 11,293,101	\$ 10,901,154
State Group Insurance	-	3,414,336	-	3,414,336	3,414,336
State Retirement Matching	-	1,184,914	-	1,184,914	1,024,525
Non-Employer Contributing Entity On-Behalf Payments	-	-	-	-	-
Professional Nursing Shortage Reduction	-	37,717	-	37,717	45,348
Total State Appropriations	11,390,060	4,540,008	-	15,930,068	15,385,363
Ad Valorem Taxes					
Taxes for Maintenance & Operations	42,922,289	-	-	42,922,289	40,597,418
Taxes for General Obligation Bonds	-	10,587,663	-	10,587,663	10,712,144
Federal Revenue, Non Operating (Title IV)	-	19,601,297	-	19,601,297	17,998,510
Federal Revenue, Non Operating (HEERF)	-	1,145,400	-	1,145,400	7,667,890
Investment Income	3,256,477	823,829	-	4,080,306	776,450
Additions to Permanent Endowments	-	160,302	-	160,302	20,000
Capital Gifts	-	1,893,377	-	1,893,377	2,674
Total Non-Operating Revenues	57,568,826	38,751,876	-	96,320,702	93,160,449
NON-OPERATING EXPENSES:					
(Gain) / Loss on Assets	-	(5,764)	-	(5,764)	(8,407)
Lease Revenue	-	(99,000)	-	(99,000)	(99,000)
Interest on Capital Related Debt	-	4,414,650	-	4,414,650	4,874,713
Other Non-Operating (Revenues) Expenses	-	58,713	-	58,713	(539,654)
Other Non-Operating Expenses (HEERF)	-	1,145,400	-	1,145,400	7,667,890
Total Non-Operating Expenses	-	5,513,999	-	5,513,999	11,895,542
Net Non-Operating Revenues	\$ 57,568,826	\$ 33,237,877	\$ -	\$ 90,806,703	\$ 81,264,907

Laredo College
Schedule D
Schedule of Net Position by Source and Availability
Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	Detail by source					Available for current operations	
	Restricted			Capital assets net of depreciation & related debt	Total	Yes	No
	Unrestricted	Expendable	Non-expendable				
Current							
Unrestricted	\$ 2,291,673	\$ -	\$ -	\$ -	\$ 2,291,673	\$ 2,291,673	\$ -
Board designated	572,918	-	-	-	572,918	-	572,918
Restricted							
Auxiliary enterprises	-	5,731,798	-	-	5,731,798	5,731,798	-
Endowment	-	-	3,340,525	-	3,340,525	-	3,340,525
Student Aid	-	5,232,672	-	-	5,232,672	5,232,672	-
Other	-	613,327	-	-	613,327	613,327	-
Plant							
Unexpended	-	-	-	-	-	-	-
Debt service	-	28,405,379	-	-	28,405,379	-	28,405,379
Investment in plant	-	-	-	52,969,848	52,969,848	-	52,969,848
Total Net Position, August 31, 2023	2,864,591	39,983,176	3,340,525	52,969,848	99,158,140	13,869,470	85,288,670
Total Net Position, August 31, 2022	2,007,093	35,312,101	3,355,185	39,577,901	80,252,280	11,491,930	68,760,350
Net increase (decrease) in Net Position	\$ 857,498	\$ 4,671,075	\$ (14,660)	\$ 13,391,947	\$ 18,905,860	\$ 2,377,540	\$ 16,528,320

Laredo College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2023
Schedule E

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Direct Awards	Pass-Through Awards	Total	Subrecipient Expenditures
U.S. DEPARTMENT OF EDUCATION					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 489,349	\$	\$ 489,349	\$ -
Federal College Work-Study Program	84.033	749,008		749,008	-
Federal Pell Grant Program	84.063	18,431,254		18,431,254	-
Total Student Financial Assistance Cluster		19,669,611		19,669,611	-
TRIO Cluster					
Trio Student Support Services	84.042A	312,456		312,456	
Trio Upward Bound	84.047A	465,933		465,933	
Total TRIO Cluster		778,389		778,389	
H.S.I. STEM Title III Cluster					
LEAPS	84.031C	120,409		120,409	1,396
LEAPS POWER Project	84.031C	843,464		843,464	
Total H.S.I. STEM Title III Cluster		963,873		963,873	1,396
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)					
2020 IHE CARES Act Institutional	84.425F	(47,976)		(47,976)	
Total CARES Act Funding		(47,976)		(47,976)	
American Rescue Plan (ARP Act)					
2020 IHE ARP Act Institutional	84.425F	1,507,427		1,507,427	
Total ARP Act		1,507,427		1,507,427	
Pass-Through From:					
Texas Workforce Commission					
Adult Education and Literacy	84.002A		61,817	61,817	
2118ALAD00					
Adult Education and Literacy	84.002A		761,422	761,422	
2118ALAE00					
Adult Education and Literacy	84.002A		107,119	107,119	
2118ALAF00					
Adult Education and Literacy	84.002A		29,483	29,483	
2123PQI001					
Total			959,841	959,841	
Pass-Through From:					
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Educational Program	84.048		386,295	386,295	
27631					
Governor's Emergency Education Relief (GEER) Fund					
Texas Reskilling and Upskilling for Education (TRUE) Institutional	84.425C		2,239	2,239	
Capacity Grants					
25725					
Governor's Emergency Education Relief (GEER) Fund					
Accelerating Student Success Planning FY23	84.425C		49,608	49,608	
27322					
Governor's Emergency Education Relief (GEER) Fund					
Report Modernization	84.425C		24,603	24,603	
27579					
Governor's Emergency Education Relief (GEER) Fund					
Accelerating Student Success Implementation FY23	84.425C		173,729	173,729	
28574					
Governor's Emergency Education Relief (GEER) Fund					
Nursing Shortage Reduction Program	84.425C		11,605	11,605	
28355					
Governor's Emergency Education Relief (GEER) Fund					
Nursing Innovation	84.425C		359,820	359,820	
28721					
Total			1,007,899	1,007,899	
TOTAL U.S. DEPARTMENT OF EDUCATION		22,871,324	1,967,740	24,839,064	1,396
U. S. DEPARTMENT OF AGRICULTURE					
Direct Program:					
Laredo College PROMISE Scholars Grant Project	10.223	10,344		10,344	
TOTAL U.S. DEPARTMENT OF AGRICULTURE		10,344		10,344	

Continued on Following Page

Laredo College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2023
Schedule E

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Direct Awards	Pass-Through Awards	Total	Subrecipient Expenditures
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Pass Through From:					
Texas A&M University - Kingsville					
Proactive Pathways of Excellence to Engage Minority Students	43.008		52,732	52,732	
in Aerospace Engineering					
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		-	52,732	52,732	
NATIONAL SCIENCE FOUNDATION					
Direct Programs:					
RAPID - Using Real Life COVID-19 Data to Teaching Quantitative	47.076	(7,765)		(7,765)	
Reasoning Skills to Undergraduate Hispanic STEM students					
TOTAL NATIONAL SCIENCE FOUNDATION		(7,765)		(7,765)	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through from:					
Texas Workforce Commission					
TANF	93.558		86,579	86,579	
2118ALAD00					
Pass-Through from:					
South Texas Workforce Development Board	93.596		31,076	31,076	
11211C04					
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		-	117,655	117,655	
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct Programs:					
Citizenship and Integration Grant	97.01	87,191	-	87,191	48,818
21CICET00203-01-00					
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		87,191	-	87,191	48,818
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 22,961,094	\$ 2,138,127	\$ 25,099,221	\$ 50,214

Note 1: Federal Assistance Reconciliation

Other Operating Revenues - Federal Grants and Contracts revenue - per Schedule A	\$ 4,166,511
Add: Indirect/Administrative Costs Recoveries - per Schedule A	135,799
Add: Capital Outlays	-
Add: Non Operating Federal Revenue per Schedule C	20,746,697
Add: Institutional Grant Matching	-
Total Federal Revenues per Schedule A and C	25,049,007
Reconciling Items:	
Add : Funds passed Through to others	50,214
Add : Direct Student Loans	-
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$ 25,099,221

Note 2: Significant accounting policies used in preparing the schedule

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by the various entities in the preparation of the schedule. Since the College has agency approved indirect recovery rate it has elected not to use the 10% de minimis rate as permitted in the UG, section 200.414.

Note 3: Amounts passed-through by the College

The following amounts were passed-through to the listed sub recipients by the College

U. S. Department of Education	
Title III LEAPS, CFDA 84.031 C	
Texas A&M International University	\$ 1,396
U. S. Department of Homeland Security	
Citizenship & Integration, CFDA 97.010	
Azteca Economic Development Preservation Corp.	48,818
Total amount passed-through by the College	\$ 50,214

Laredo College District
Schedule of Expenditures of State Awards
Year Ended August 31, 2023
Schedule F

Grantor Agency/Program Title	Grant Contract Number	Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Texas College Work-Study		\$ 36,766
Texas Educational Opportunity Grant Initial		525,672
Texas Educational Opportunity Grant Renewal		323,786
Student Mentorship (G - Force)		26,196
Nursing Shortage Reduction Program (Regular)		24,243
Nursing Shortage Reduction Program (Under 70)		13,474
Nursing & Allied Health-Supporting Clinical Learning to Mitigate impediments due to COVID-19	23818	11,425
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		\$ 961,562
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Direct Programs:		
Law Enforcement Officers Standards and Education Fund		1,184
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		1,184
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Adult Education and Literacy	2118ALAD00	60,499
Adult Education and Literacy	2118ALAE00	6,352
Jobs in Education For Texans Grant Program	2121JET001	(3,741)
Jobs in Education For Texans Grant Program	2122JET001	339,200
TEXAS WORKFORCE COMMISSION		402,310
TOTAL STATE FINANCIAL ASSISTANCE		\$ 1,365,056
<u>Note 1 : State Awards Reconciliation</u>		
State Grants and Contracts Revenue - per Schedule A		\$ 1,310,379
Add: Indirect/Administrative Cost Recoveries		-
Add: Capital Outlays		-
Add: Non-Operating State Revenue		37,717
Add: Institutional Grant Matching		16,960
Total State Revenues per Schedule of Expenditures of State Awards		\$ 1,365,056

Note 2: Significant accounting policies used in preparing the schedule.

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by the various entities in the preparation of the schedule. Since the College has agency approved indirect recovery rate it has elected not to use the 10% de minimis rate as permitted in the UG, section 200.414.

THIS PAGE INTENTIONALLY LEFT BLANK

SINGLE AUDIT SECTION

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

To the members of the Board of Trustees
Laredo College
Laredo, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements the College, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 26, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

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

December 26, 2023

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

To the members of the Board of Trustees
Laredo College
Laredo Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and State of Texas Single Audit Circular that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2023. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

December 26, 2023

LAREDO COLLEGE
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS

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

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

<i>Identification of Major Programs</i>			
	CFDA Numbers(s)	Name of Federal Program or Cluster	
	84.002	Adult Education	
	84.007, 84.033, 84.063	Student Financial Assistance Cluster	
	84.031	Higher Education Institutional Aid	
	84.042, 82.047	TRIO – Student Support Services, Upward Bound	
	84.425 C, F	Education Stabilization Fund	
	Dollar Threshold used to distinguish between Type A and Type B programs:	\$753,068	
	Auditee qualified as low-risk auditee?	___ <u>X</u> ___ Yes	___ ___ No

LAREDO COLLEGE
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2023

SECTION I – SUMMARY OF AUDITORS’ RESULTS (Continued)

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

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

LAREDO COLLEGE
Laredo, Texas

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Year Ended August 31, 2023

PRIOR YEAR FINDINGS

None Reported.

STATISTICAL SUPPLEMENT SECTION

Laredo College
Statistical Supplement 1
Net Position by Component
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 52,969,848	\$ 39,577,901	\$ 36,591,479	\$ 32,741,218	\$ 29,374,745	\$ 24,992,131	\$ 18,801,859	\$ 15,402,357	\$ 16,142,551	\$ 12,987,174
Restricted - expendable	3,340,525	35,312,101	26,189,706	21,710,357	19,392,270	16,894,970	15,122,530	14,144,006	10,913,779	11,398,527
Restricted - nonexpendable	39,983,176	3,355,185	3,317,509	3,287,305	3,300,313	3,240,686	3,149,460	3,128,354	3,125,455	3,046,903
Unrestricted	2,864,591	2,007,093	(1,206,835)	(11,651,501)	(12,692,884)	(15,260,935)	19,367,829	13,322,096	10,493,445	18,934,164
Total primary government net position	\$ 99,158,140	\$ 80,252,280	\$ 64,891,859	\$ 46,087,379	\$ 39,374,444	\$ 29,866,852	\$ 56,441,678	\$ 45,996,813	\$ 40,675,230	\$ 46,366,768

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

	For the Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	\$ 5,246,779	\$ 4,451,600	\$ 5,061,761	\$ 6,481,688	\$ 7,536,617	\$ 6,514,794	\$ 8,197,564	\$ 8,752,051	\$ 8,833,615	\$ 8,580,215
Federal Grants and Contracts	4,302,310	16,048,960	13,657,021	7,011,276	4,290,694	4,467,449	3,550,864	3,778,234	4,739,942	4,203,436
State Grants and Contracts	1,310,379	1,370,356	1,411,922	1,209,315	1,333,461	1,285,563	1,594,385	1,788,450	2,832,960	2,124,875
Non-Governmental Grants and Contracts	1,369,248	478,933	818,343	776,613	664,991	395,290	257,156	281,735	291,863	360,058
Investment income (program restricted)	543,049	164,643	48,437	134,114	234,131	156,555	70,014	57,378	90,111	85,241
Auxiliary enterprises	1,958,747	1,851,366	1,731,716	2,012,414	2,087,679	2,185,455	2,066,242	2,007,213	2,056,616	2,096,611
Other Operating Revenues	1,491,155	1,008,337	819,204	1,355,848	1,595,814	1,708,381	1,649,371	1,693,752	1,677,981	2,297,503
Total Operating Revenues	16,221,667	25,374,195	23,548,404	18,981,268	17,743,387	16,713,487	17,385,596	18,358,813	20,523,088	19,747,939
State Appropriations	15,892,351	15,340,015	16,904,412	17,832,190	15,976,013	17,056,885	15,425,614	15,387,945	14,924,461	14,737,592
Professional Nursing Shortage Reduction	37,717	45,348	58,259	11,481	26,272	36,933	7,412	39,280	115,157	55,331
Ad Valorem Taxes	53,509,952	51,309,562	49,291,003	48,294,694	45,939,537	44,366,005	42,777,469	38,990,583	33,941,663	28,509,899
Gifts	1,893,377	2,674	-	538	8,095	133,549	8,500	18,759	-	-
Investment income	4,080,306	776,450	530,888	1,047,047	2,432,585	1,844,106	1,097,977	1,132,007	1,098,704	385,196
Federal Revenue, Non-Operating (Title IV)	19,601,297	17,998,510	16,332,074	19,378,260	18,645,886	21,582,869	19,500,050	18,957,022	20,014,322	21,082,771
Federal Revenue, Non-Operating (HEERF)	1,145,400	7,667,890	18,346,600	-	-	-	-	-	-	-
Additions to permanent endowments	160,302	20,000	30,000	-	56,000	88,500	20,000	2,000	86,946	70,000
Lease Revenue	99,000	99,000	106,000	-	-	-	-	-	-	-
Gain on sale of asset	5,764	8,407	1	-	-	-	-	-	-	-
Other non-operating revenues	-	539,654	27,651	-	399,297	171,324	565,067	323,054	61,861	-
Total Non-Operating Revenues	96,425,466	93,807,510	101,626,888	86,564,210	83,483,685	85,280,171	79,402,089	74,850,650	70,243,114	64,840,789
Total Revenues	\$ 112,647,133	\$ 119,181,705	\$ 125,175,292	\$ 105,545,478	\$ 101,227,072	\$ 101,993,658	\$ 96,787,685	\$ 93,209,463	\$ 90,766,202	\$ 84,588,728

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

For the Year Ended August 31,										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	\$ 29,305,519	\$ 27,153,577	\$ 28,630,557	\$ 31,763,204	\$ 30,106,789	\$ 28,987,839	\$ 26,397,974	\$ 26,456,065	\$ 24,750,406	\$ 24,273,755
Research	463,490	39,735	124,354	16,815	638	2,014	890	-	-	298
Public service	481,638	519,409	557,563	626,604	594,112	588,420	574,058	582,278	484,963	395,271
Academic support	8,123,687	7,720,331	5,983,866	6,642,185	6,651,747	6,266,890	6,276,664	6,269,920	7,045,742	6,611,450
Student services	6,970,280	5,627,990	6,404,936	7,341,099	7,766,671	7,247,854	7,342,635	7,185,446	6,730,669	6,729,870
Institutional support	15,088,462	18,430,517	15,609,742	16,462,968	14,591,163	13,086,288	12,797,972	12,562,499	13,718,788	12,356,905
Operation and maintenance of plant	8,664,127	11,216,055	7,414,811	8,266,285	7,791,315	7,789,773	7,626,893	7,655,562	7,421,707	6,624,825
Scholarships and fellowships	8,992,749	11,157,445	8,314,943	11,256,444	8,950,340	9,079,015	8,735,070	8,532,758	8,527,905	10,343,160
Auxiliary enterprises	1,166,025	843,569	931,241	1,446,158	1,522,336	1,575,990	1,676,433	1,545,607	1,550,030	1,045,445
Depreciation	8,866,533	8,570,053	8,022,343	7,244,852	5,851,557	5,673,065	5,800,510	5,815,084	5,564,615	5,023,270
Total Operating Expenses	88,122,510	91,278,681	81,994,356	91,066,614	83,826,668	80,297,148	77,229,099	76,605,219	75,794,825	73,404,249
Interest on capital related debt	4,414,650	4,874,713	6,029,856	7,417,611	7,892,812	8,312,105	9,113,721	9,720,392	10,660,658	7,191,307
Loss on disposal of fixed assets	-	-	-	2,784	-	-	-	-	-	17,230
Other non-operating expenses (HEERF)	1,145,400	7,667,890	18,346,600	-	-	-	-	-	-	-
Other non-operating expenses	58,713	-	-	345,534	-	-	-	-	-	712,220
Total Non-Operating Expenses	5,618,763	12,542,603	24,376,456	7,765,929	7,892,812	8,312,105	9,113,721	9,720,392	10,660,658	7,920,757
Total Expenses	\$ 93,741,273	\$ 103,821,284	\$ 106,370,812	\$ 98,832,543	\$ 91,719,480	\$ 88,609,253	\$ 86,342,820	\$ 86,325,611	\$ 86,455,483	\$ 81,325,006

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

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Technology Fee	Instr Support Fee	Student Activity Fee	General Use Fee	Other Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In- District	Increase from Prior Year Out- of-District
2022-23	\$ 50.00	\$ 100.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 50.00	\$ 90.00	\$ 1,650.00	\$ 2,250.00	0%	0%
2021-22	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2020-21	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2019-20	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2018-19	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2017-18	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2016-17	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2015-16	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2014-15	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2013-14	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fee	Instr Support Fee	Student Activity Fee	General Use Fee	Other Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2022-23	\$ 152.00	\$ 152.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 50.00	\$ 90.00	\$ 2,874.00	\$ 2,874.00	0%	0%
2021-22	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2020-21	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2019-20	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2018-19	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2017-18	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2016-17	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2015-16	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2014-15	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2013-14	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%

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

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

Direct Rate

Fiscal Year	Assessed Valuation of Property	Less: Exempt Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2022-23	\$ 27,119,906	\$ 669,966	\$ 6,487,345	\$ 19,962,595	73.61%	\$ 0.23020	\$ 0.05764	\$ 0.28784
2021-22	23,680,826	516,445	4,192,107	18,972,274	80.12%	0.25202	0.06742	0.31944
2020-21	20,140,324	288,378	3,450,867	16,401,079	81.43%	0.25286	0.07265	0.32551
2019-20	18,368,549	224,704	3,259,054	14,884,791	81.03%	0.25507	0.07358	0.32864
2018-19	18,227,177	268,324	3,218,827	14,740,026	80.87%	0.25507	0.07204	0.32710
2017-18	17,374,656	274,332	2,996,922	14,103,402	81.17%	0.25507	0.08298	0.33805
2016-17	16,195,341	252,840	2,692,606	13,249,895	81.81%	0.25507	0.08793	0.34300
2015-16	14,827,403	226,360	2,140,034	12,461,009	84.04%	0.24527	0.08498	0.33024
2014-15	13,984,961	220,951	1,926,275	11,837,735	84.65%	0.23441	0.06275	0.29716
2013-14	13,378,064	217,743	1,800,704	11,359,617	84.91%	0.22265	0.03257	0.25522

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Laredo College
Statistical Supplement 6a
General Appropriations Act Before Contact Hour Adjustments¹
(unaudited)

Appropriations Funding Elements	For the Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014*
State Appropriation Contact Hour Funding (CH)	\$ 8,378,954	\$ 8,378,954	\$ 9,234,867	\$ 9,235,391	\$ 8,523,094	\$ 8,523,311	\$ 8,542,772	\$ 8,540,094	\$ 9,285,446	\$ 9,285,446
State Appropriation Student Success Points (SSP)	2,189,536	2,189,536	1,435,069	1,435,151	1,076,577	1,076,577	1,093,569	1,095,235	1,163,737	1,163,737
State Appropriation Core Operations (CO)	680,406	680,406	680,560	680,599	683,662	683,662	515,489	500,761	500,174	500,174
State Appropriation Non-Formula Items	141,164	141,164	148,628	148,636	148,594	148,594	165,570	165,822	165,613	165,613
Total	\$ 11,390,060	\$ 11,390,060	\$ 11,499,124	\$ 11,499,777	\$ 10,431,927	\$ 10,432,144	\$ 10,317,400	\$ 10,301,912	\$ 11,114,970	\$ 11,114,970

Note: The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

¹General Appropriations Act, SB 1, 85th Texas Legislature, Article III-192 - Informational Listing of Appropriated Funds

*FY2014 Year Formula Funding Changed Methodology

Source: THECB - Ten Pay Schedule

Laredo College
Statistical Supplement 6b
State Appropriation per FTSE
Last Ten Fiscal Years
(unaudited)

Fiscal Year	State Appropriation (Unrestricted) From Sch C	FTSE ¹	State Appropriation per FTSE
2022	\$ 11,390,060	5,867	\$1,941
2021	11,499,124	5,428	2,118
2020	11,499,777	5,935	1,938
2019	10,431,927	5,594	1,865
2018	10,432,144	5,804	1,797
2017	10,317,400	5,274	1,956
2016	10,301,912	5,128	2,009
2015	11,114,970	5,211	2,133
2014*	11,114,970	5,384	2,064
2013	10,859,888	2,109	5,149

¹Fiscal Year (FY) FTSE is equal to The sum of State Funded (Fall SCH + Spring SCH + Summer SCH for the Current FY/30SCH) plus State Funded Continuing Education (Fall CH + Spring CH + Summer CH for the Current FY/900 CH).

*FY2014 Year Formula Funding Changed Methodology

Source: THECB Accountability System

Laredo College
Statistical Supplement 6c
State Appropriation per Funded Contact Hour
Contact Hour (CH) portion only of State Appropriation
(unaudited)

Fiscal Year	CH - State Appropriation (Unrestricted) ¹	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours	CH - State Appropriation per Funded Contact Hour
2022	\$ 8,378,954	2,430,160	869,424	45,472	3,345,056	\$2.50
2021	9,234,867	2,368,928	636,912	37,344	3,043,184	3.03
2020	9,235,391	2,465,536	897,600	45,280	3,408,416	2.71
2019	8,523,094	2,321,968	866,624	51,824	3,240,416	2.63
2018	8,523,311	2,381,840	949,392	52,880	3,384,112	2.52
2017	8,542,772	2,174,000	887,968	52,880	3,114,848	2.74
2016	8,540,094	2,127,680	861,824	63,136	3,052,640	2.80
2015	9,285,446	2,135,168	920,896	64,572	3,120,636	2.98
2014*	9,285,446	2,554,528	862,496	73,146	3,490,170	2.66

CH = State Funded Academic, Technical and Continuing Education Contact Hours for Fall, Spring and Summer of the Current FY - Source: THECB Accountability System.

¹State Funded Contact Hour Appropriations as it appears in Schedule 6a.

*FY2014 Year Formula Funding Changed Methodology

Laredo College

Statistical Supplement 6d

State Appropriation per Student Success Point - Annualized

(unaudited)

Fiscal Year	SSP - State Appropriation (Unrestricted) ¹	Year Average Student Success Points	Appropriation per Success Points
2021	\$ 1,435,069	17,461	\$82.19
2020	1,435,151	19,138	74.99
2019	1,076,577	17,307	62.20
2018	1,076,577	15,403	69.89
2017	1,093,569	13,770	79.42
2016	1,095,235	13,334	82.14
2015	1,163,737	12,189	95.47
2014*	1,163,737	12,133	95.92
2013	3,023,605	12,971	233.11
2012	3,100,397	12,962	239.19

¹State Funded Success Point Appropriations as it appears in Schedule 6a.

*FY2014 Year Formula Funding Changed Methodology

Source: THECB Biennium 10-Pay Schedule.

2022 Success Points are not available.

Laredo College
Statistical Supplement 6e
Student Success Points (SSP)
Last Ten Tax Years
(unaudited)

For the Year Ended August 31,							
Success Points Elements¹	2021	2020	2019	2018	2017	2016	2015
Math Readiness	759	796	813	736	701	699	377
Read Readiness	290	308	239	286	261	262	166
Write Readiness	195	96	74	171	200	212	145
Students Who Pass FCL Math Course	2,062	2,175	2,034	1,813	1,818	1,753	1,422
Students Who Pass FCL Read Course	1,159	1,328	1,274	1,326	1,150	1,041	885
Students Who Pass FCL Write Course	1,159	1,328	1,274	1,326	1,150	1,041	885
Students Who Complete 15 SCH	2,793	3,610	3,187	2,675	2,395	2,124	2,281
Students Who Complete 30 SCH	3,051	3,145	2,592	1,630	1,522	1,525	1,486
Student Transfers to a 4-Yr Inst	3,819	3,507	2,838	1,706	1,518	1,576	1,500
Degrees, CCCs, or Certs (Undup)	1,469	1,438	1,428	2,584	2,072	2,178	2,142
Degrees or Certs in Critical Fields	705	1,407	1,554	1,150	983	923	900
Annual Success Points - Total	17,461	19,138	17,307	15,403	13,770	13,334	12,189

¹These are annual SSP, not 3 year rolling average.

*FY2014 Year Formula Funding Changed Methodology.

Source: THECB - Accountability System.

Laredo College
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
AEP Texas Central Company	Utility	\$ 205,297	\$ 180,821	\$ 186,628	\$ 161,199	\$ 159,178	\$ 195,856	\$ 144,050	\$ 120,985	\$ 116,064	\$ 93,214
Laredo Texas Hospital Co. LP	Medical	104,737	157,786	96,880	101,647	95,913	96,147	96,438	96,991	96,293	96,578
Farias Development LTD	Development	83,700	86,832	69,689	56,074	57,299	53,362	44,134	42,166	40,924	38,464
Mall Del Norte LLC	Retail	83,360	70,032	65,868	65,868	68,868	58,141	56,446	57,316	55,890	55,567
Killam Ind. Dev. Partnership Ltd.	Development	78,167	60,481	56,448	35,897	51,026	41,412	36,487	33,380	35,890	33,737
The GEO Group Inc	Commercial Business	60,843	61,702	60,000	57,371	57,371	56,723	53,182	53,182	52,609	52,609
Laredo Regional Medical Ctr. Lp	Medical	54,000	49,500	48,124	58,029	49,307	48,907	43,794	43,558	43,106	41,678
Mission Produce Inc	Retail/Wholesale	52,241	52,262	26,994							
Laredo Portfolio LLC	Commercial Business	50,529	50,529	41,765	40,100	40,100	-	-	-	-	-
Texas International Enterprises	Logistics	49,757	28,641	28,641							
Laredo Outlet Shoppes LLC	Retail	48,951	32,104	43,328	47,167	63,630	63,630	45,586	-	-	-
Killam Development LTD	Development	46,319	46,494	37,306	48,110	35,912	33,334	33,097	26,286	20,937	19,848
Juniper Fasken LP	Commercial Business	40,874	30,840								
AEP Electric Transmission of Texas LLC	Utility	40,759	37,156	40,504	42,368	42,105	40,938	43,404	44,864	48,063	35,802
HPI Laredo LLC	Commercial Business	39,389	-	-	-	-	-	-	-	-	-
United States Cold Storage Inc	Refrigeration	36,850	36,850	33,500	48,472	50,340	27,106	17,642	17,861	-	-
Shiloh Texas Properties LTD	Development	34,759	-	26,204	19,420	19,420	-	16,885	21,176	19,607	18,373
Penske Truck Leasing Co LP	Logistics	34,359	-	-	-	-	-	-	-	-	-
Union Pacific Railroad Company	Railroad	34,035	30,723	28,754	26,761	25,504	24,607	23,272	22,110	20,794	19,402
WRI Trautmann Lp.	Commercial Real Estate	33,177	29,778	29,778	29,514	29,572	29,943	32,771	29,874	29,596	28,307
Ryder Truck Rental Inc	Commercial Business	-	40,110	-	-	-	-	-	-	-	-
M S Carriers LLC	Logistics	-	32,922	32,261	30,282	20,684	-	-	-	-	-
Dorel Springfield Holdings LLC	Real Estate	-	26,772	-	16,787	-	-	-	15,820	-	-
Laredo WLE LP	Utility	-	-	30,280	27,446	28,986	40,693	40,805	64,955	83,568	86,668
Carmel 830 LLC	Development	-	-	26,100							
Card Border LLC ETAL	Retail	-	-	-	-	-	37,470	36,583	37,231	-	-
International Bank of Commerce	Bank	-	-	-	35,843	36,075	35,977	34,534	36,834	34,633	33,969
H E Butt Grocery Company	Grocery	-	-	-	28,269	28,118	29,326	29,742	33,218	31,669	30,105
Dorel Laredo Holdings LLC	Real Estate	-	-	-	-	26,812	24,152	24,152	29,438	27,358	28,394
Gemini Rio Norte H ET AL	Real Estate	-	-	-	-	-	-	-	23,075	22,441	22,154
Wal-mart Real Estate Business Trust	Commercial Real Estate	-	-	-	18,598	19,558	21,150	21,726	22,752	22,026	22,064
Webb Hospital Holdings LLC	Medical	-	-	-	34,762	-	19,449	20,303	20,886	19,122	18,188
WRI Independence Plaza LLC	Commercial Real Estate	-	-	-	20,881	20,881	20,769	22,015	20,801	19,909	19,909
BBVA Compass	Bank	-	-	-	18,521	-	-	17,771	18,457	18,641	18,102
Laredo Levcal LLC	Commercial Business	-	-	-	-	-	19,168	19,168	16,109	16,109	16,109
Master E Squared Laredo LLC	Commercial Business	-	-	-	20,640	22,000	-	-	-	-	-
San Isidro Northeast LTD	Development	-	-	-	21,368	23,390	-	14,134	15,614	19,895	-
Siemens Gamesa Renewable Energy Inc	Utility	-	-	-	-	-	28,875	45,586	-	-	-
Super Transport International LTD	Logistics	-	-	-	-	20,122	21,492	45,586	-	-	-
Time Warner Cable Texas LLC	Utility	-	-	-	-	20,068	-	-	-	-	-
J Aron & Company	Financial	-	-	-	-	-	-	-	-	22,813	-
Wal-Mart Stores Texas LLC	Grocery	-	-	-	-	-	-	-	-	15,651	-
Prolamsa Inc	Retail	-	-	-	13,604	-	-	-	-	-	44,130
BRE Select Hotel TX LP	Lodging	-	-	-	-	-	-	-	-	15,285	17,460
Totals		\$ 1,212,103	\$ 1,142,335	\$ 1,009,052	\$ 1,124,998	\$ 1,112,239	\$ 1,068,627	\$ 1,059,293	\$ 964,939	\$ 948,893	\$ 890,831
Total Taxable Assessed Value		\$ 19,962,595	\$ 18,972,274	\$ 16,401,079	\$ 14,884,791	\$ 14,740,026	\$ 14,103,402	\$ 13,249,895	\$ 12,461,009	\$ 11,837,735	\$ 11,359,617

Source: Local County Appraisal District

Laredo College
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended August 31,	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Current Collections of Prior Levies (d)	Penalty and Interest Collections (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
2023	\$ 53,252	\$ -	\$ 53,252	\$ 51,844	97.36%	\$ 1,081	\$ 585	\$ 53,510	100.48%
2022	50,508	-	50,508	49,850	98.70%	920	540	51,310	101.59%
2021	45,025	-	45,025	47,913	106.41%	932	-	48,845	108.48%
2020	45,119	-	45,119	46,999	104.17%	804	-	47,803	105.95%
2019	43,148	-	43,148	44,602	103.37%	871	-	45,473	105.39%
2018	41,954	-	41,954	43,352	103.33%	890	-	44,242	105.45%
2017	40,257	-	40,257	41,377	102.78%	818	-	42,195	104.81%
2016	38,324	-	38,324	37,865	98.80%	703	-	38,568	100.64%
2015	33,255	-	33,255	32,715	98.38%	716	-	33,431	100.53%
2014	27,788	-	27,788	27,464	98.83%	742	-	28,206	101.50%

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

Laredo College
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31, (amounts expressed in thousands)										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Bonded Debt										
General Obligation Bonds	\$ 79,832	\$ 86,652	\$ 93,157	\$ 98,900	\$ 104,205	\$ 109,250	\$ 114,060	\$ 178,665	\$ 192,448	\$ 202,834
Less: Funds Restricted for Debt Service	(9,052)	(10,991)	(9,125)	(7,985)	(6,240)	(5,784)	(4,438)	(3,120)	(2,132)	(2,150)
Net General Bonded Debt	\$ 70,780	\$ 75,661	\$ 84,032	\$ 90,915	\$ 97,965	\$ 103,466	\$ 109,622	\$ 175,545	\$ 190,316	\$ 200,684
Other Debt										
Revenue Bonds	\$ 42,050	\$ 44,625	\$ 47,120	\$ 49,535	\$ 51,195	\$ 53,305	\$ 55,645	\$ 89,951	\$ 95,336	\$ 100,436
Contractual Obligations	-	-	-	-	-	-	-	-	576	1,152
Notes	23,410	26,070	28,620	31,065	31,485	33,410	35,280	51,890	55,358	58,827
Notes Payable (Leases)	437	1,169	1,308	2,157	2,685	874	770	1,368	1,703	906
SBITAs	4,346	1,169	1,308	2,157	2,685	874	770	1,368	1,703	906
Total Outstanding Debt	\$ 141,023	\$ 148,694	\$ 162,388	\$ 175,829	\$ 186,015	\$ 191,929	\$ 202,087	\$ 320,122	\$ 344,992	\$ 362,911
General Bonded Debt Ratios										
Per Capita	\$ 264.32	\$ 282.38	\$ 302.62	\$ 328.63	\$ 355.06	\$ 376.52	\$ 404.22	\$ 650.84	\$ 713.67	\$ 764.53
Per FTSE	12,064	13,744	14,040	16,252	16,879	19,618	21,377	33,687	35,342	95,156
As a percentage of Taxable Assessed Value	0.35%	0.40%	0.51%	0.61%	0.66%	0.73%	0.83%	1.41%	1.61%	1.77%
Total Outstanding Debt Ratios										
Per Capita	\$ 526.64	\$ 554.94	\$ 584.80	\$ 635.56	\$ 674.19	\$ 698.45	\$ 745.18	\$ 1,186.86	\$ 1,293.69	\$ 1,382.54
Per FTSE	24,037	27,011	27,132	31,432	32,049	36,392	39,409	61,432	64,065	172,077
As a percentage of Taxable Assessed Value	0.71%	0.78%	0.99%	1.18%	1.26%	1.36%	1.53%	2.57%	2.91%	3.19%

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

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

(unaudited)

(amounts expressed in thousands)

General Obligation Bonds							
Fiscal Year Ended August 31,	Taxable Assessed Value	Statutory Tax Levy Limited for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Services Requirements	Excess of Statutory Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Statutory Limit
2023	\$ 19,962,595	\$ 99,813	\$ -	\$ 99,813	\$ 14,417	\$ 85,396	14.44%
2022	18,972,274	94,861	-	94,861	13,957	80,904	14.71%
2021	16,401,079	82,005	-	82,005	13,452	68,553	16.40%
2020	14,884,791	74,424	-	74,424	11,602	62,822	15.59%
2019	14,740,026	73,700	-	73,700	10,832	62,868	14.70%
2018	14,103,402	70,517	-	70,517	10,401	60,116	14.75%
2017	13,249,895	66,249	-	66,249	9,856	56,393	14.88%
2016	12,461,009	62,305	-	62,305	9,496	52,809	15.24%
2015	11,837,736	59,189	-	59,189	8,240	50,949	13.92%
2014	11,359,617	56,798	-	56,798	5,028	51,770	8.85%

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

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

Revenue Bonds

Fiscal Year Ended August	Pledged Revenues (\$000 omitted)						Debt Service Requirements (\$000 omitted)			
	Instructional									Coverage
	Tuition	Technology Fee	Support Fee	Interest Income	General Use Fees	Total	Principal	Interest	Total	Ratio
2023	\$ 3,111	\$ 1,692	\$ 1,689	\$ 2,875	\$ 8,447	\$ 17,814	\$ 2,575	\$ 1,749	\$ 4,324	4.12
2022	3,019	1,739	1,739	941	8,695	16,133	2,495	1,654	4,149	3.89
2021	2,677	1,615	1,612	299	8,056	14,259	2,415	1,734	4,149	3.44
2020	3,815	1,781	1,781	550	8,904	16,831	2,190	1,922	4,112	4.09
2019	4,156	1,720	1,718	1,023	8,588	17,205	2,110	2,232	4,342	3.96
2018	1,406	1,748	1,747	582	8,737	14,220	2,030	2,161	4,191	3.39
2017	1,765	1,592	1,590	284	7,948	13,179	1,970	2,663	4,633	2.84
2016	1,958	1,550	1,548	247	7,738	13,041	1,945	2,758	4,703	2.77
2015	2,284	1,567	1,565	214	7,822	13,452	1,855	2,872	4,727	2.85
2014	2,334	1,436	1,435	193	6,980	12,378	1,795	2,936	4,731	2.62

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	District Unemployment Rate
2022	267,780	\$ 10,945,018	\$40,873	4.4%
2021	267,945	10,945,472	40,850	5.9%
2020	277,681	9,892,562	35,626	8.5%
2019	276,652	8,981,800	32,466	3.7%
2018	275,910	8,728,522	31,635	3.7%
2017	274,794	8,246,035	30,008	4.2%
2016	271,193	7,980,237	29,426	4.9%
2015	269,721	8,031,782	29,778	5.2%
2014	266,673	7,561,382	28,355	4.7%
2013	262,495	7,114,194	27,102	6.0%

Source:

U.S. Bureau of Labor Statistics Data

U.S. Bureau of Economic Analysis: Regional Economic Accounts

Laredo College
Statistical Supplement 13
Principal Employers
(unaudited)

Current Fiscal Year

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	6,412	5.37%
Laredo Independent School District	4,500	3.77%
City of Laredo	2,700	2.26%
Wal-Mart	2,496	2.09%
Webb County	1,800	1.51%
Laredo Sector Border Patrol	1,800	1.51%
U.S. Customs & Border Protection	1,225	1.03%
Laredo Medical Center	1,200	1.00%
Concentrix	995	0.83%
Texas A&M International University	910	0.76%
Total	<u>24,038</u>	<u>20.12%</u>

Nine Years Prior

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	4,876-7,174	5.28%
Laredo Independent School District	3,990-4,500	3.72%
City of Laredo	2,238-2,721	2.17%
Wal-Mart (3 locations)	1,144-2,496	1.43%
Webb County	1,400-1,800	1.40%
Laredo Sector Border Patrol	1,400-2,200	1.58%
Laredo Medical Center	1,274-1,500	1.21%
U.S. Customs & Border Protection	1,225	1.07%
Concentrix	940-995	0.85%
Texas A&M International University	910-1392	1.01%
Total	<u>19,397-24,778</u>	<u>19.72%</u>

Source:

Laredo Development Foundation
Texas Labor Market Information

Note:

Percentages are calculated using the midpoints of the ranges.

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Faculty										
Full-Time	161	163	170	187	188	186	181	177	183	189
Part-Time	52	151	137	107	95	104	180	162	154	154
Total	213	314	307	294	283	290	361	339	337	343
Percent										
Full-Time	75.6%	51.9%	55.4%	63.6%	66.4%	64.1%	50.1%	52.2%	54.3%	55.1%
Part-Time	24.4%	48.1%	44.6%	36.4%	33.6%	35.9%	49.9%	47.8%	45.7%	44.9%
Staff and Administrators										
Full-Time	399	396	397	400	414	415	429	427	434	445
Part-Time	51	119	153	151	144	119	127	123	154	142
Total	450	515	550	551	558	534	556	550	588	587
Percent										
Full-Time	88.7%	76.9%	72.2%	72.6%	74.2%	77.7%	77.2%	77.6%	73.8%	75.8%
Part-Time	11.3%	23.1%	27.8%	27.4%	25.8%	22.3%	22.8%	22.4%	26.2%	24.2%
Total										
Full-Time	560	559	567	587	602	601	610	604	617	634
Part-Time	103	270	290	258	239	223	307	285	308	296
Total	663	829	857	845	841	824	917	889	925	930
Percent										
Full-Time	84.5%	67.4%	66.2%	69.5%	71.6%	72.9%	66.5%	67.9%	66.7%	68.2%
Part-Time	15.5%	32.6%	33.8%	30.5%	28.4%	27.1%	33.5%	32.1%	33.3%	31.8%
FTSE per Full-Time Faculty	36.4	37.4	35.9	32.6	30.8	33.1	33.5	36.0	37.5	39.0
FTSE per Full-Time Staff Member	14.7	15.4	15.4	15.3	14.0	13.7	14.1	14.9	15.8	16.5
Average Annual Faculty Salary	\$ 60,939	\$ 62,487	\$ 61,191	\$ 61,453	\$ 60,876	\$ 59,400	\$ 59,103	\$ 59,022	\$ 53,982	\$ 55,395

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

Student Classification	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	6,504	69.81%	7,053	70.64%	6,888	74.13%	7,657	75.07%	7,622	74.86%
Sophomore	1,962	21.06%	2,156	21.59%	1,760	18.94%	1,887	18.50%	1,831	17.98%
Unclassified	143	1.53%	148	1.48%	169	1.82%	161	1.58%	197	1.93%
Associate*	602	6.46%	542	5.43%	429	4.62%	427	4.19%	460	4.52%
Baccalaureate or Above**	106	1.14%	85	0.85%	46	0.50%	68	0.67%	71	0.70%
Total	9,317	100.00%	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%

Semester Hour Load	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	41	0.44%	57	0.57%	29	0.31%	46	0.45%	72	0.71%
3-5 semester hours	3,135	33.65%	3,375	33.80%	2,923	31.46%	3,447	33.79%	3,453	33.92%
6-8 Semester hours	2,416	25.93%	2,440	24.44%	2,138	23.01%	2,039	19.99%	2,143	21.05%
9-11 semester hours	1,621	17.40%	1,796	17.99%	1,450	15.60%	1,475	14.46%	1,607	15.78%
12-14 semester hours	1,749	18.77%	1,970	19.73%	2,330	25.08%	2,748	26.94%	2,533	24.88%
15-17 semester hours	346	3.71%	335	3.36%	388	4.18%	426	4.18%	370	3.63%
18 & over	9	0.10%	11	0.11%	34	0.37%	19	0.19%	3	0.03%
Total	9,317	100.00%	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%

Average course load	<u>7.3</u>	<u>7.3</u>	<u>8.0</u>	<u>7.5</u>	<u>8.0</u>
---------------------	------------	------------	------------	------------	------------

Tuition Status	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	8,194	87.95%	8,833	88.47%	8,102	87.19%	9,065	88.87%	9,075	89.14%
Texas Resident (Out-of-District)	662	7.11%	696	6.97%	691	7.44%	699	6.85%	694	6.82%
Non-Resident Tuition	186	2.00%	182	1.82%	188	2.02%	235	2.30%	189	1.86%
Tuition Exempt	56	0.60%	41	0.41%	51	0.55%	83	0.81%	97	0.95%
Foreign	219	2.35%	232	2.32%	260	2.80%	118	1.16%	126	1.24%
Total	9,317	100.00%	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%

Notes:

* Previously earned an Associate Degree

** Previously earned a Baccalaureate or above degree

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

	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,956	42.46%	5,719	57.28%	5,608	60.35%	5,664	55.53%	5,730	56.28%
Male	5,361	57.54%	4,265	42.72%	3,684	39.65%	4,536	44.47%	4,451	43.72%
Total	9,317	100.00%	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%

	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	160	1.72%	181	1.81%	139	1.50%	142	1.39%	119	1.17%
Hispanic	8,948	96.04%	9,649	96.64%	9,025	97.13%	9,917	97.23%	9,938	97.61%
African American	7	0.08%	13	0.13%	7	0.08%	10	0.10%	7	0.07%
Asian	18	0.19%	16	0.16%	21	0.23%	21	0.21%	21	0.21%
Foreign	23	0.25%	-	0.00%	23	0.25%	42	0.41%	53	0.52%
Native American	9	0.10%	8	0.08%	6	0.06%	5	0.05%	5	0.05%
Native Hawaiian	-	0.00%	-	0.00%	1	0.01%	1	0.01%	1	0.01%
Multiracial	2	0.02%	2	0.02%	-	0.00%	1	0.01%	1	0.01%
Unknown	150	1.61%	115	1.15%	70	0.75%	61	0.60%	36	0.35%
Total	9,317	100.00%	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%

	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	3,123	33.52%	3,449	34.55%	3,468	37.32%	3,333	32.68%	3,227	31.70%
18-20	3,435	36.87%	3,514	35.20%	3,265	35.14%	4,019	39.40%	3,848	37.80%
21-25	1,712	18.38%	1,843	18.46%	1,589	17.10%	1,813	17.77%	1,907	18.73%
26-30	480	5.15%	560	5.61%	478	5.14%	497	4.87%	576	5.66%
31-40	360	3.86%	426	4.27%	361	3.89%	352	3.45%	383	3.76%
41 & Over	207	2.22%	192	1.92%	131	1.41%	186	1.82%	240	2.36%
Total	9,317	100.00%	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%

Average Age	20	20	20	21	21
-------------	----	----	----	----	----

Laredo College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2022-23 Fall Students as of Fall 2022
(Includes only public senior colleges in Texas)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students
1 Lamar University	1	-	-	1	0.06%
2 Sam Houston State University	7	2	2	11	0.61%
3 Sul Ross State University	1	1	-	2	0.11%
4 Sul Ross State University - Rio Grande College	1	-	-	1	0.06%
5 Tartleton State University	1	-	-	1	0.06%
6 Texas A&M International University	1,133	57	20	1,210	67.41%
7 Texas A&M University	109	4	2	115	6.41%
8 Texas A&M University - Central Texas	1	-	-	1	0.06%
9 Texas A&M University - Commerce	3	-	-	3	0.17%
10 Texas A&M University - Corpus Christi	3	-	-	3	0.17%
11 Texas A&M University - Kingsville	21	1	-	22	1.23%
12 Texas A&M University - San Antonio	4	1	1	6	0.33%
13 Texas A&M University - Texarkana	1	-	-	1	0.06%
14 Texas A&M University at Galveston	3	-	-	3	0.17%
15 Texas A&M University System Health Science Center	3	-	-	3	0.17%
16 Texas State University	54	4	-	58	3.23%
17 Texas Tech University	8	-	-	8	0.45%
18 Texas Tech University Health Sciences Center - El Paso	1	-	-	1	0.06%
19 Texas Woman's University	3	-	-	3	0.17%
20 The University of Texas - Arlington	6	1	-	7	0.39%
21 The University of Texas - Austin	81	3	1	85	4.74%
22 The University of Texas - Dallas	3	2	-	5	0.28%
23 The University of Texas - Rio Grande Valley	36	3	-	39	2.17%
24 The University of Texas - San Antonio	180	4	2	186	10.36%
25 The University of Texas Medical Branch at Galveston	1	-	-	1	0.06%
26 University of Houston	10	-	-	10	0.56%
27 University of Houston - Victoria	-	1	-	1	0.06%
28 University of North Texas	4	-	-	4	0.22%
29 University of Texas Health Science Center at Houston	1	-	-	1	0.06%
30 University of Texas Health Science Center at San Antonio	1	1	-	2	0.11%
31 West Texas A&M University	1	-	-	1	0.06%
Totals	1,682	85	28	1,795	100.00%

Source: Texas Higher Education Coordinating Board

Laredo College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2023 to 2019

	Fiscal Year				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Academic buildings	23	23	23	22	22
Square footage (in thousands)	809,794	809,794	809,794	691,136	691,136
Libraries	2	2	2	2	2
Square footage (in thousands)	27,494	27,494	27,494	27,494	27,494
Number of Volumes (in thousands)	98,206	103,287	112,073	110,516	110,533
Administrative and support buildings	20	20	20	20	20
Square footage (in thousands)	168,582	168,582	168,582	168,582	168,582
Dormitories	1	1	1	1	1
Square footage (in thousands)	6,226	6,226	6,226	6,226	6,226
Number of Beds	18	18	18	18	18
Apartments	18	18	18	18	18
Square footage (in thousands)	27,884	27,884	27,884	27,884	27,884
Number of Beds	65	65	65	65	65
Dining Facilities	2	2	2	2	2
Square footage (in thousands)	22,842	22,842	22,842	22,842	22,842
Average daily customers	N/A	N/A	N/A	N/A	N/A
Athletic Facilities	24	24	24	24	24
Square footage (in thousands)	114,167	114,167	114,167	114,167	114,167
Gymnasiums	2	2	2	2	2
Baseball Field	2	2	2	2	2
Fitness Area	1	1	1	1	1
Soccer Field	3	3	3	3	3
Softball Field	1	1	1	1	1
Swimming Pool Complex	1	1	1	1	1
Tennis Courts	14	14	14	14	14
Plant Facilities	16	16	16	16	16
Square footage (in thousands)	62,911	62,911	62,911	62,911	62,911
Other Buildings	16	16	16	16	16
Square footage (in thousands)	41,474	41,474	41,474	41,474	41,474
Other Buildings	4	4	4	4	4
Square footage (in thousands)	22,611	22,611	22,611	22,611	22,611
Transportation	96	92	66	91	83
Cars	6	6	6	6	6
Light Trucks/Vans	22	22	10	23	21
Tractors/Trailers	12	9	6	11	11
Utility Vehicles	32	31	25	30	24
Motorized Implements	24	24	18	20	20
Passenger Bus	-	-	1	1	1
Transportation - Repair Shop	6	6	10	10	10
Cars	-	-	1	1	1
Light Trucks/Vans	2	2	3	3	3
Tractors/Trailers	-	-	6	6	6

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

Fiscal Year	Contact Hours		Total
	Academic	Voc Tech	
2022-23	2,432,624	884,368	3,316,992
2021-22	2,485,104	871,760	3,356,864
2020-21	2,465,536	897,600	3,363,136
2019-20	2,522,432	898,912	3,421,344
2018-19	2,372,208	868,208	3,240,416
2017-18	2,432,096	952,016	3,384,112
2016-17	2,173,600	887,968	3,061,568
2015-16	2,187,712	864,928	3,052,640
2014-15	2,197,184	923,552	3,120,736
2013-14	1,904,720	1,342,384	3,247,104