

2021 | *Annual Financial Report*



*For the Fiscal Year Ended August 31, 2021 * Laredo College * Laredo, Texas*

Laredo College
August 31, 2021

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LAREDO COLLEGE

ORGANIZATIONAL DATA

For the Fiscal Year 2021

Board of Trustees

Officers

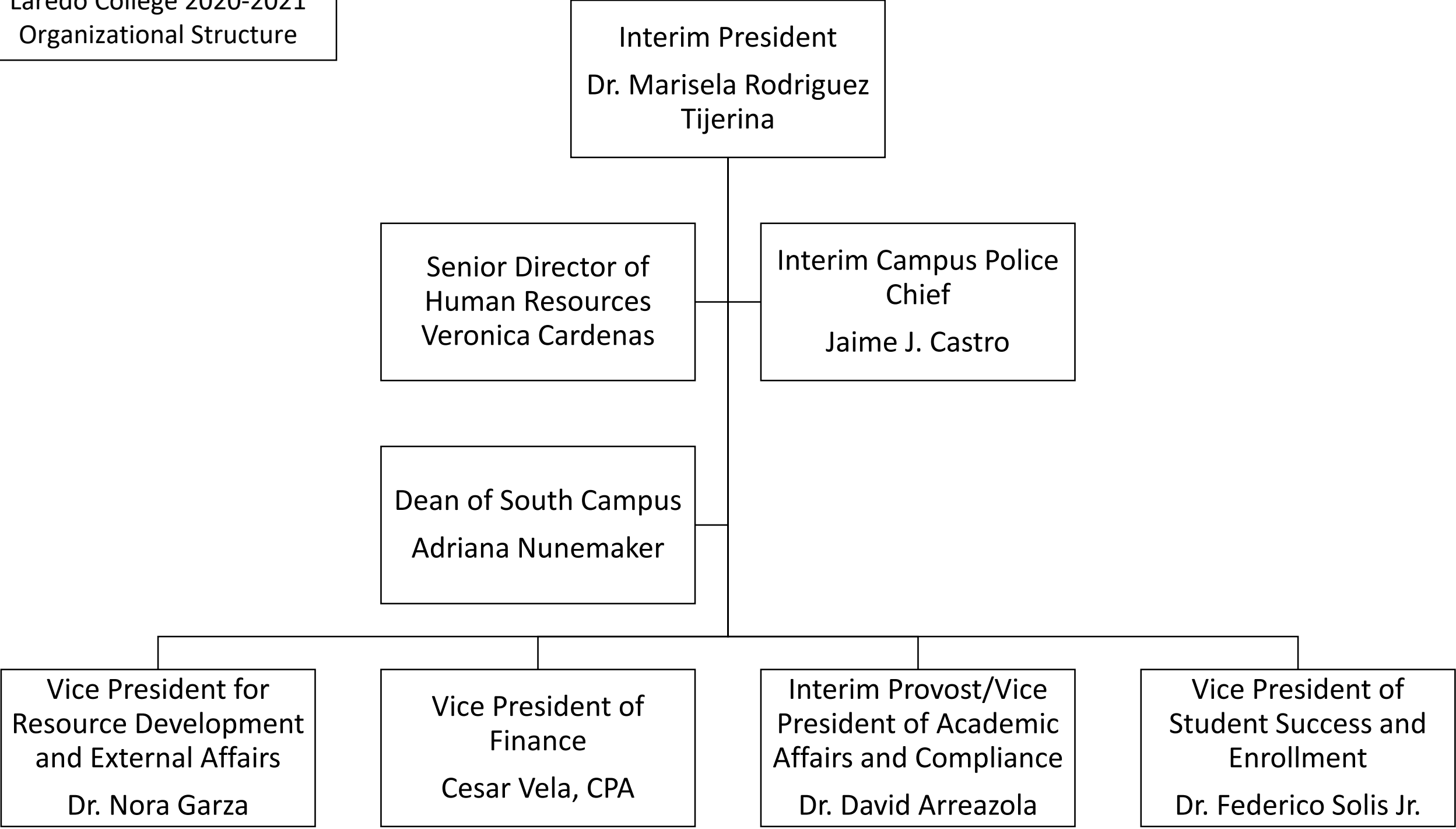
		<u>Term Expires</u>
Lupita Zepeda	President	November 2024
Jorge Delgado	Vice President	November 2024
Jackie Leven-Ramos	Secretary	November 2026

		<u>Term Expires</u>
Henry S. Carranza	Laredo, Texas	November 2022
Karina Elizondo	Laredo, Texas	November 2026
Cynthia Mares	Laredo, Texas	November 2022
Mercurio Martinez, Jr.	Laredo, Texas	November 2022
Esteban Rangel	Laredo, Texas	November 2024
Ernestina C. Vela	Laredo, Texas	November 2026

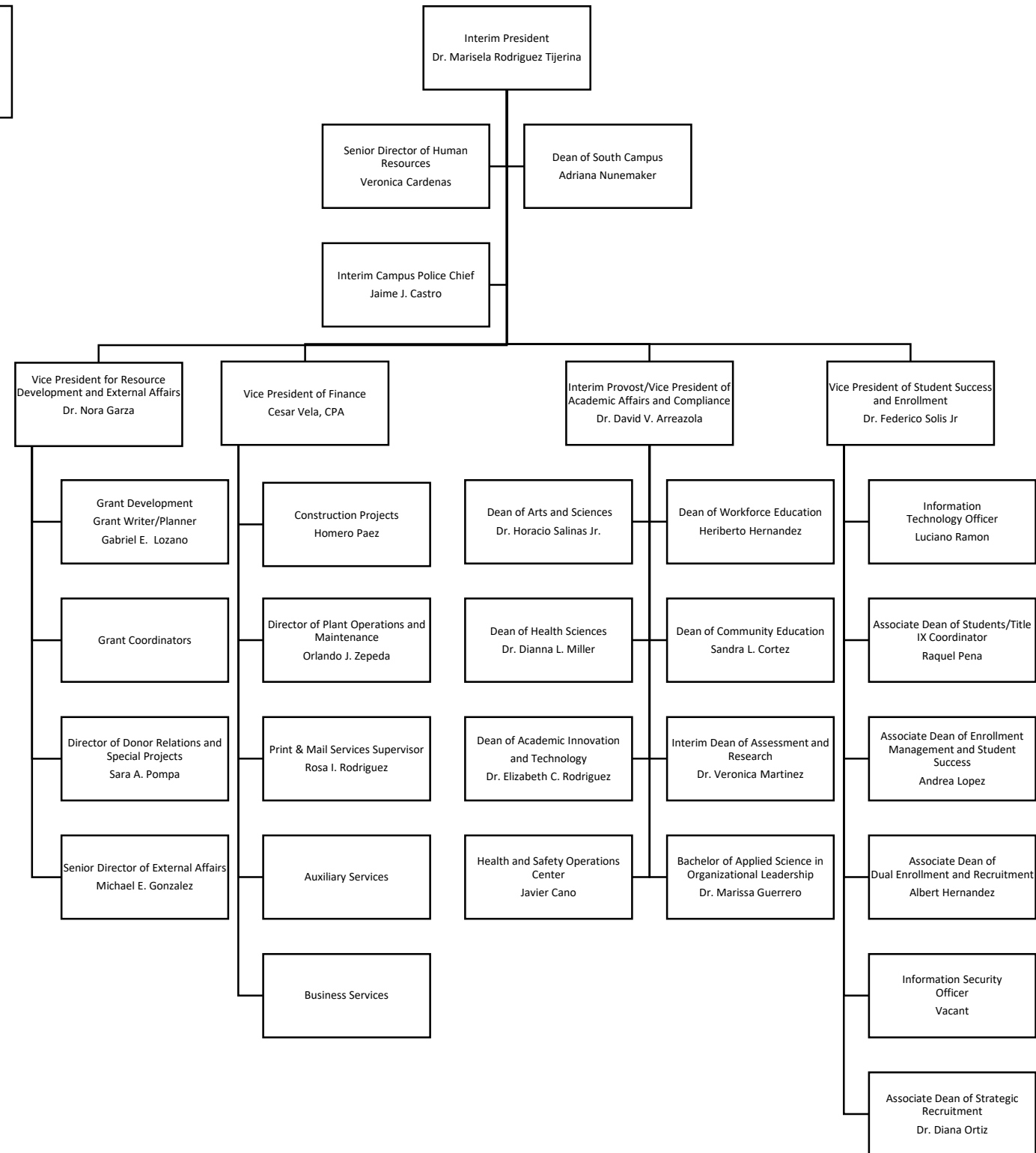
Principal Administrative Officers

Marisela Rodriguez Tijerina, Ed.D.	Interim President
David Arreazola, Ed.D.	Interim Provost/Vice President of Academic Affairs and Compliance
Cesar Vela, Jr., CPA	Vice President of Finance
Federico Solis Jr., Ed.D.	Vice President of Student Success and Enrollment
Nora R. Garza, Ph.D.	Vice President for Resource Development and External Affairs

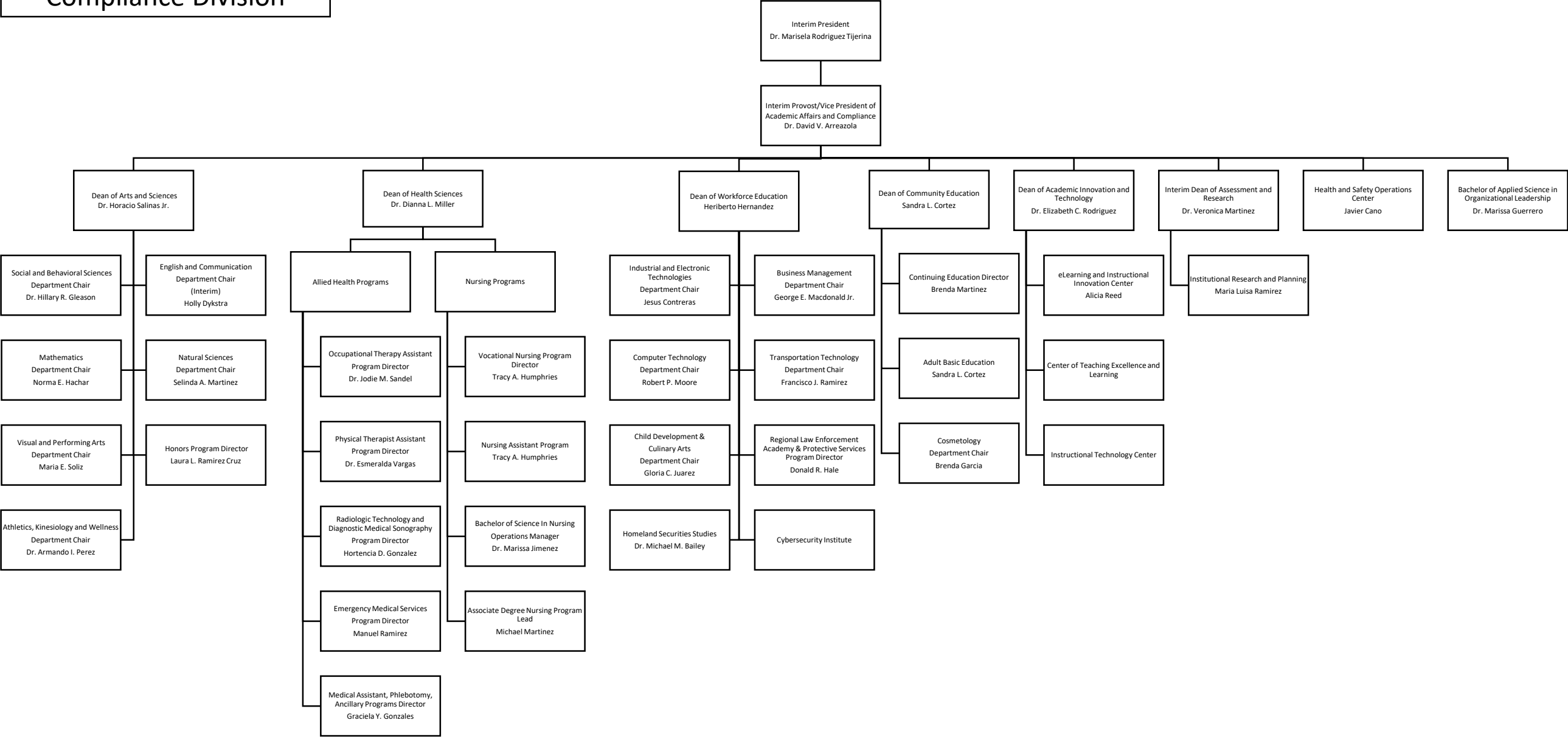
Laredo College 2020-2021
Organizational Structure



Laredo College 2020-2021 Organizational Structure

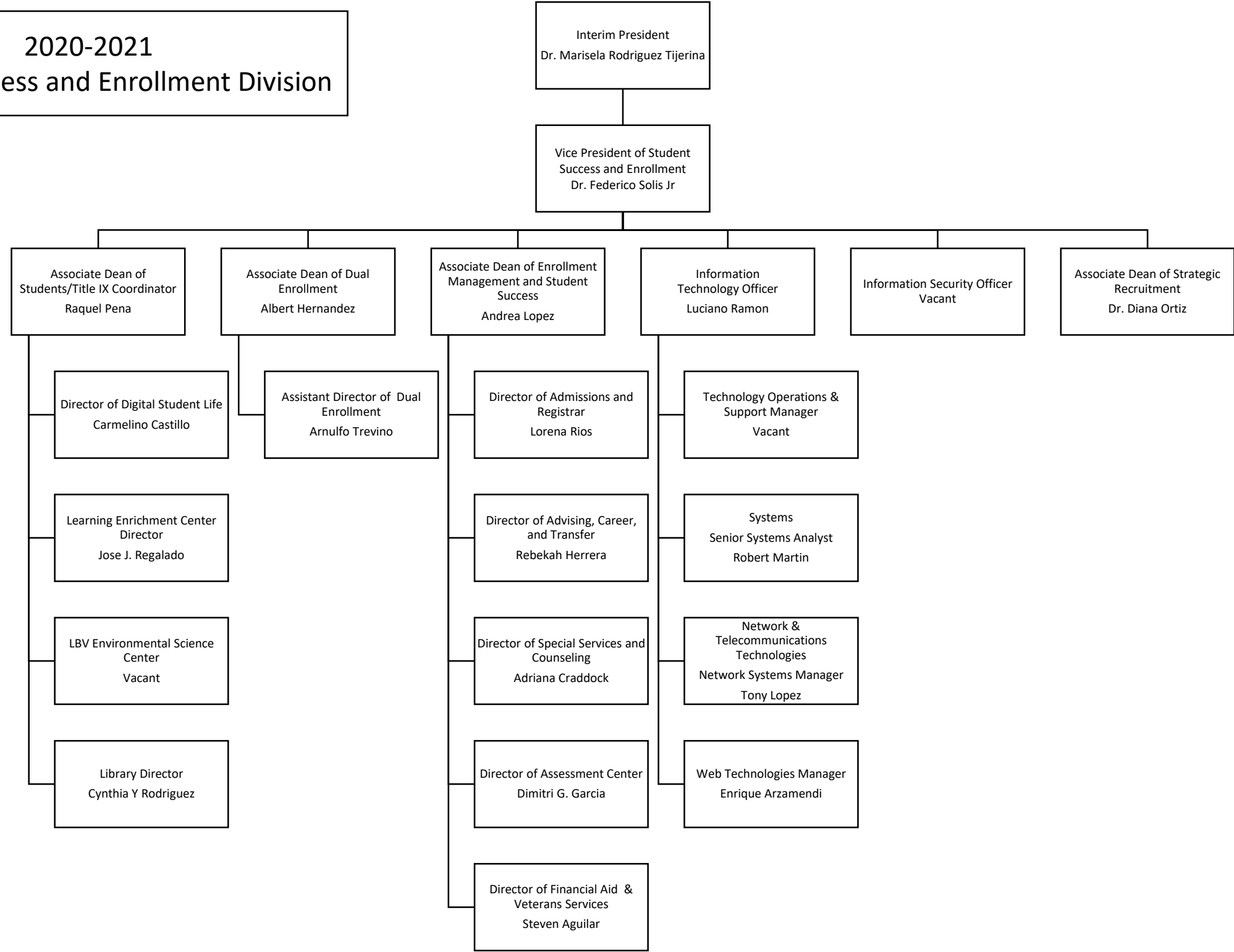


2020-2021 Academic
Affairs and
Compliance Division



2020-2021

Student Success and Enrollment Division



2020-2021
Finance Division

Interim President
Dr. Marisela Rodriguez
Tijerina

Vice President of
Finance
Cesar Vela, CPA

Business Services

Construction Projects
Homero Paez

Director of Plant
Operations and
Maintenance
Orlando Zepeda

Print & Mail Services
Supervisor
Rosa I. Rodriguez

Auxiliary Services

Accounting Manager
Lynda M. Gomez

Restricted Grants
Manager
Susana Carreon

Bursar
Norma A. Cano-
Sifuentes

Payroll Manager
Diana Aguilar

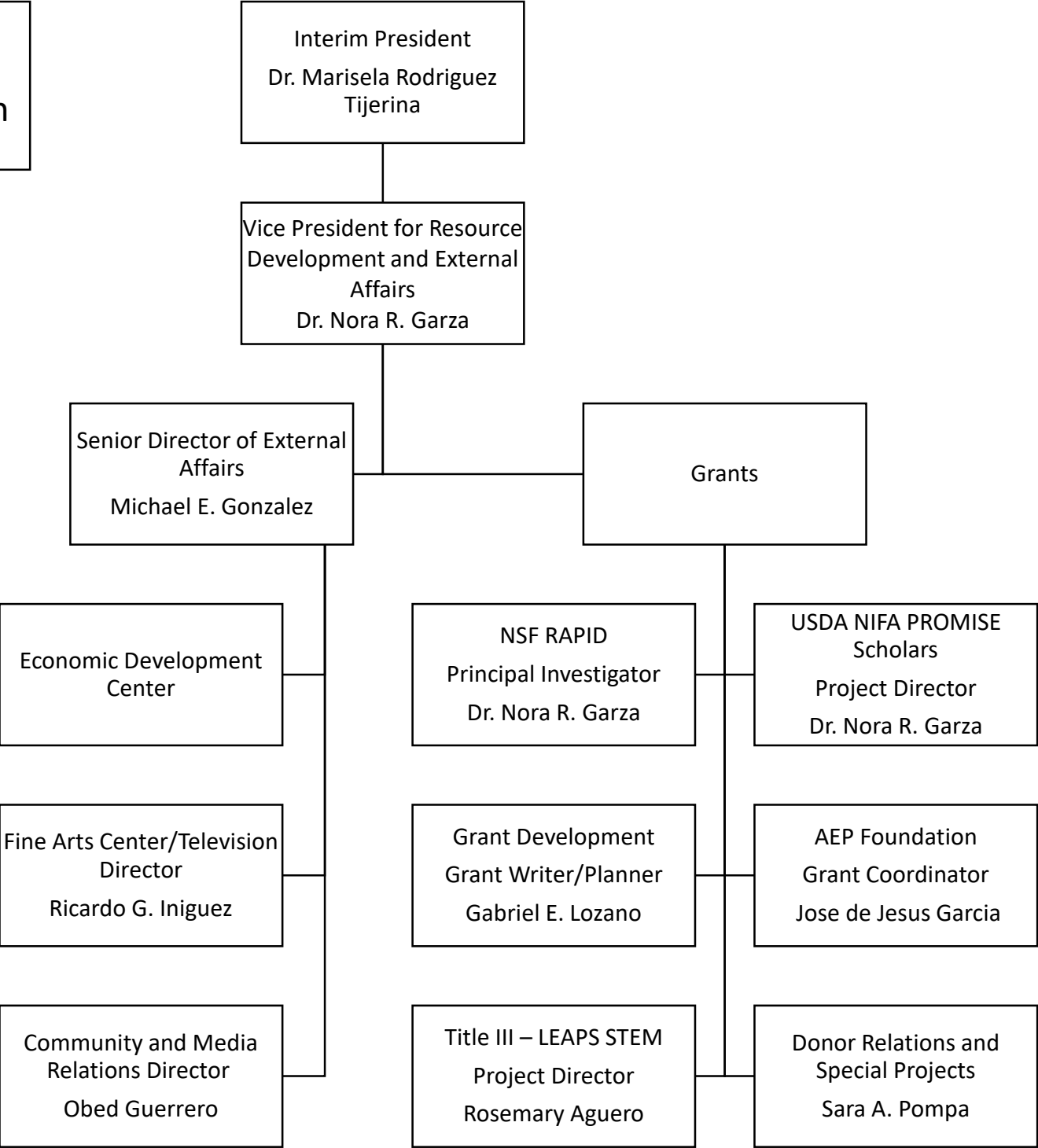
Director of
Purchasing
Maria I. Royster

Property and Fixed
Inventory Manager
Mary J. Mendiola

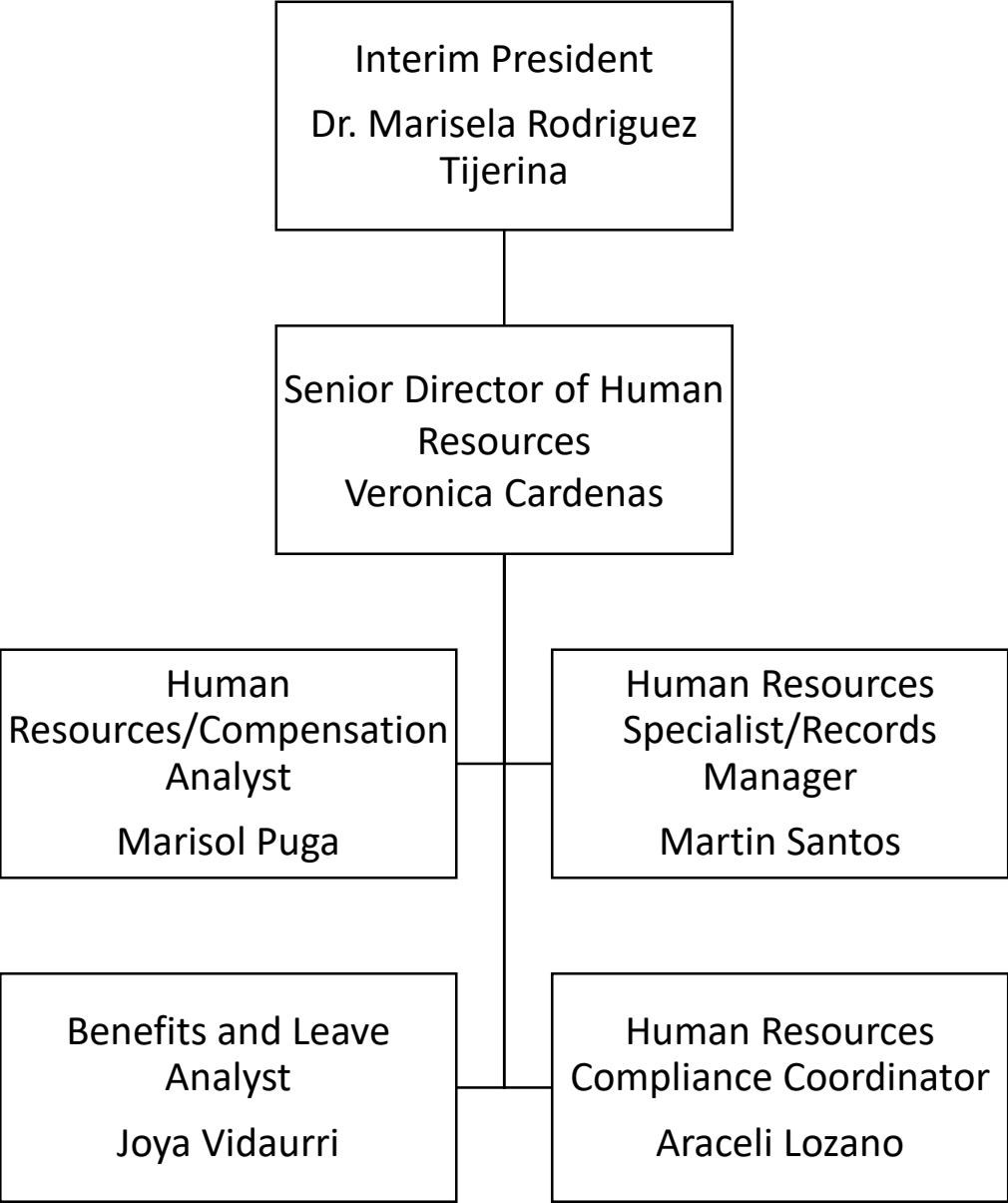
Bookstore

Cafeteria

2020-2021
Resource Development Division



2020-2021
Human Resources



FINANCIAL SECTION

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the Laredo College (the College), as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements. The financial statements include the financial statements of the LC Education Foundation, a discretely presented component unit, as of December 31, 2020 and 2019. These financial statements collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2021 and 2020, and the respective changes in net position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Introductory and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report December 14, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

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

December 14, 2021

Laredo College
Management Discussion and Analysis
Year Ending August 31, 2021

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, 2021, and comparative information for the year ended August 31, 2020 and August 31, 2019. 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 Statement 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 at August 31, 2021 was \$64.8 million compared to \$46.1 million at August 31, 2020. The increase is attributed to an increase in net investment in capital assets of \$3.8 million, an increase in the debt service reserve of \$2.9 million and an increase of \$10.4 million to unrestricted net assets.
- The College's ad-valorem tax revenue for maintenance and operations increased by 2% or \$791,372 from \$37,652,641 in 2020 to \$38,444,013 in 2021.
- Non-operating revenues decreased 2% or \$1,653,851 from \$78,798,281 in 2020 to \$77,144,430 in 2021.
- Capital assets, net of accumulated depreciation, at August 31, 2021, had a decrease of \$3,684,246 from August 31, 2020.
- During the fiscal year, the College's combined Net Position increased by \$18,783,581 or 40.76%.

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's 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 Donor Relations & Special Projects 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

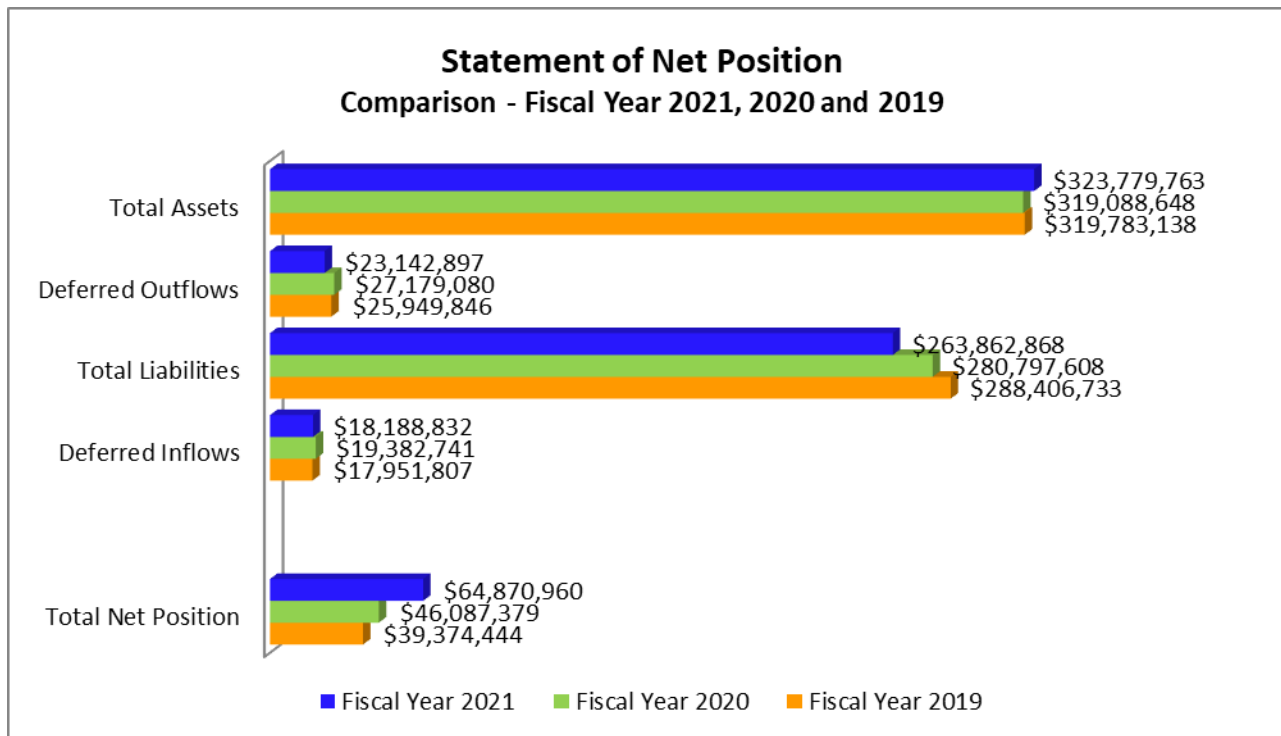
The Statement of Net Position represents the College's financial position at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflow of resources of the College. Net position is the difference between assets plus deferred outflows of resources 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		
	2021	2020	2019
Assets:			
Current assets	\$ 114,758,933	\$ 106,406,742	\$ 112,494,099
Capital assets	205,075,532	208,759,778	203,298,294
Other non-current assets	3,945,298	3,922,128	3,990,745
Total assets	323,779,763	319,088,648	319,783,138
Deferred Outflows Related to Pensions	5,629,616	7,119,539	6,776,574
Deferred Outflows Related to OPEB	10,597,154	14,477,117	15,315,614
Deferred Charge on Refundings	6,916,127	5,582,424	3,857,658
Total Deferred Outflow of Resources	23,142,897	27,179,080	25,949,846
Liabilities:			
Current liabilities	31,068,586	33,948,289	32,671,519
Non-current liabilities	232,794,282	246,849,319	255,735,214
Total liabilities	263,862,868	280,797,608	288,406,733
Deferred Inflows Related to Pensions	2,927,097	3,783,909	1,618,199
Deferred Inflows Related to OPEB	14,286,357	14,551,204	16,333,608
Deferred Gain on Refundings	975,378	1,047,628	-
Total Deferred Inflow of Resources	18,188,832	19,382,741	17,951,807
Net Investment in Capital Assets	36,570,582	32,741,218	29,374,745
Restricted net assets	29,507,213	24,997,662	22,692,583
Unrestricted net assets	(1,206,835)	(11,651,501)	(12,692,884)
Total Net Position	\$ 64,870,960	\$ 46,087,379	\$ 39,374,444



Total assets increased by \$4.7 million in 2021 or approximately 1.47%. The increase was the result of a \$6.3 million dollar increase in cash and cash equivalents and an increase of \$6.4 million in federal receivables. The increase was partially offset by a \$3.7 million decrease in capital assets and a \$2.7 million decrease in tuition and fees receivable.

In 2020, total assets decreased \$694 thousand in 2020 or approximately 0.22%. The decrease was the result of a \$14.2 million dollar decrease to restricted cash due to the acquisition and construction of capital assets as part of the College's Facilities Master Plan Phase III. The decrease was partially offset by a \$6.8 million increase to cash and cash equivalents and an increase of \$5.5 million to capital assets. The \$6.8 million increase to cash and cash equivalents is attributed to a 10% or \$1.1 million dollar increase in State appropriations and a \$2.4 million dollar increase in receipts from Ad Valorem Taxes.

During 2021, total liabilities decreased by \$16.9 million or 6.03% as a result of a \$14.1 million dollar decrease in noncurrent liabilities and a decrease of \$2.9 million to current liabilities.

The \$14.1 million decrease to noncurrent liabilities was attributable to the reduction of bonds payable in the amount of \$11.9 million and a decrease of \$2.7 million to the Other Postemployment Benefits (OPEB) liability. The decrease to bonds payable and Other Postemployment Benefits (OPEB) was partially offset by a \$1.3 million dollar increase to accrued compensable absences. The increase to accrued compensable absences was due to an increase in the number of employees who met the age or employee service requirement for retirement purposes.

For 2021, current liabilities decreased by \$2.9 million due to a decrease in accounts payable and to a decrease in unearned revenue at \$1.6 million and \$1.3 million, respectively. A total payment of \$745,160 was paid in September 2020 for computer equipment in order to facilitate the transition of face-to-face courses to online platforms as part of the College's response to the COVID-19 pandemic. This amount was accrued as of August 2020. The decrease in unearned revenue at fiscal year ending August 31, 2021 was due to tuition incentives issued in the form of tuition waivers that were offered during the Fall 2020. Other increases to current liabilities include an increase of \$1.8 million to bonds payable for debt service requirements becoming due within the next fiscal year. This amount was offset by decreases in the accrued compensable absences and decreases in the voluntary separation plan payable.

In 2020, total liabilities decreased by \$7.6 million or 2.64% resulting from a decrease to noncurrent liabilities of \$8.9 million, partially offset by an increase to current liabilities of \$1.3 million or 3.91%. The \$8.9 million

decrease to noncurrent liabilities was attributed to a decrease to bonds payable of \$10.3 million and increases in the Net Other Postemployment Benefits (OPEB) Liability of \$3.4 million.

For 2021, deferred outflow of resources decreased by \$4 million primarily attributed to a decrease of \$5.4 million due to adjustments for future period resources related to pension and other post-employment benefits. This decrease was offset by an increase of \$1.3 million in deferred charges on bond refundings. Deferred inflows saw a decrease of \$1.2 million mostly due to adjustments for future period resources related to pensions and other post-employment benefits.

In 2020, deferred outflow of resources increased by \$1.2 million primarily attributed to an increase in deferred charges on bond refunding's as a result of refunding \$11.6 million in revenue bonds and \$26.9 million in general obligation bonds. Deferred inflows saw an increase of \$1.4 million due to adjustments for future period resources related to pensions and other post-employment benefits and for the recognition of inflows associated with the refunding of bonds refunded in 2020.

The increase 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 at August 31, 2021 was \$64.9 million compared to \$46.1 million at August 31, 2020. The increase in net position is attributed to an increase in net investment in capital assets of \$3.8 million and an increase in debt service of \$2.9 million. In addition, the College's unrestricted net assets increase by \$10.4 million dollars due to an increase of \$4.7 million in operating revenues. For 2021, the unrestricted net position of the College reflects a negative amount of \$1.2 million due to the College's proportionate share of TRS' net pension liability and the Other Postemployment Benefits (OPEB) liability in accordance with GASB 68 and GASB 75 requirements.

The College's net position at August 31, 2020 was \$46.1 million compared to \$39.4 million at August 31, 2019. The increase in net position is attributed to an increase in net investment in capital assets of \$3.4 million and an increase in debt service of \$2 million. In addition, the College's unrestricted net assets increase by \$1 million dollars due to an increase of \$1.2 million in operating revenues. For 2020, the unrestricted net position of the College reflects a negative amount of \$11.7 million due to the College's proportionate share of TRS' net pension liability and the Other Postemployment Benefits (OPEB) liability in accordance with GASB 68 and GASB 75 requirements.

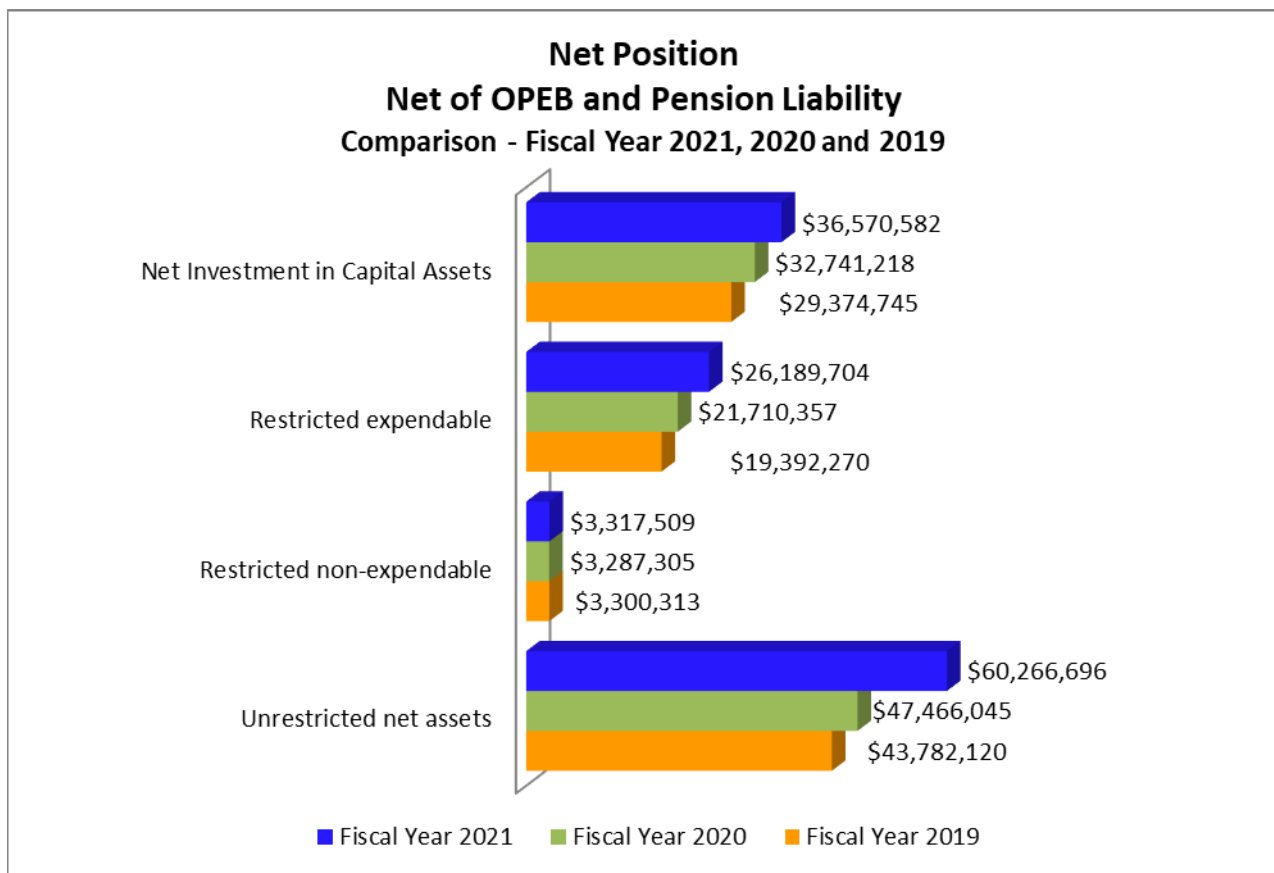
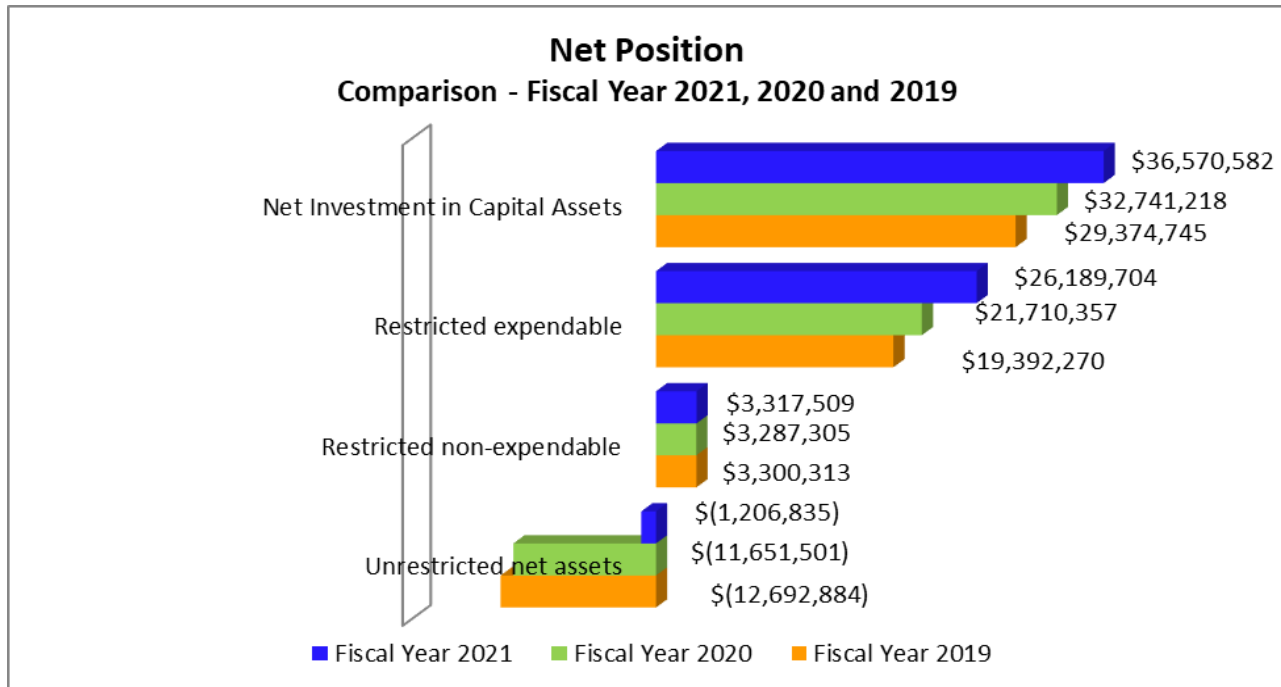
When evaluating the College's financial strength, it is important to consider unrestricted net assets (as shown net of plant) prior to recent changes in reporting pension benefits. As such, it is reasonable to add back Compensated Absences (CA) and OPEB (Other Post-Employment Benefits) to derive a truer picture of operational resources. As shown below, the College's unrestricted net assets, net of compensated absence and other post-employment benefits, increased over the past 3 years and remains at a robust and healthy \$60,266,696. This balance provides compelling evidence of the College's overall financial strength and stability.

	2021	2020	2019
Unrestricted Net Assets	\$ (1,206,835)	\$ (11,651,501)	\$ (12,692,884)
Add Compensated Absences Current	391,605	901,524	896,544
Add Compensated Absences - non current	1,866,794	602,115	1,847,281
Add OPEB Liability GASB 75	42,998,294	45,666,692	42,198,715
Less Deferred Outflows of Resources-Pension/OPEB	(16,226,770)	(21,596,656)	(22,092,188)
Add Deferred Inflows of Resources-Pension/OPEB	17,213,454	18,335,113	17,951,807
Add Liability-Pension GASB 68	15,230,154	15,208,758	15,672,845
Unrestricted Net Assets, Net of CA, OPEB and Pension Liability	<u>\$ 60,266,696</u>	<u>\$ 47,466,045</u>	<u>\$ 43,782,120</u>

The College's unrestricted net assets, net of compensated absences and other postemployment benefits (OPEB), increased by \$12.8 million or 27% as compared to fiscal year 2020.

The College's net position at August 31, 2021 was \$64.9 million compared to \$46.1 million at August 31, 2020. The increase in net position is attributed to excess revenues over expenditures. For 2020

unrestricted net assets, net of compensated absences and other postemployment benefits, increased by \$3.6 million or 8.41% as compared to fiscal year 2019.



Statement of Revenues, Expenses and Changes in Net Position

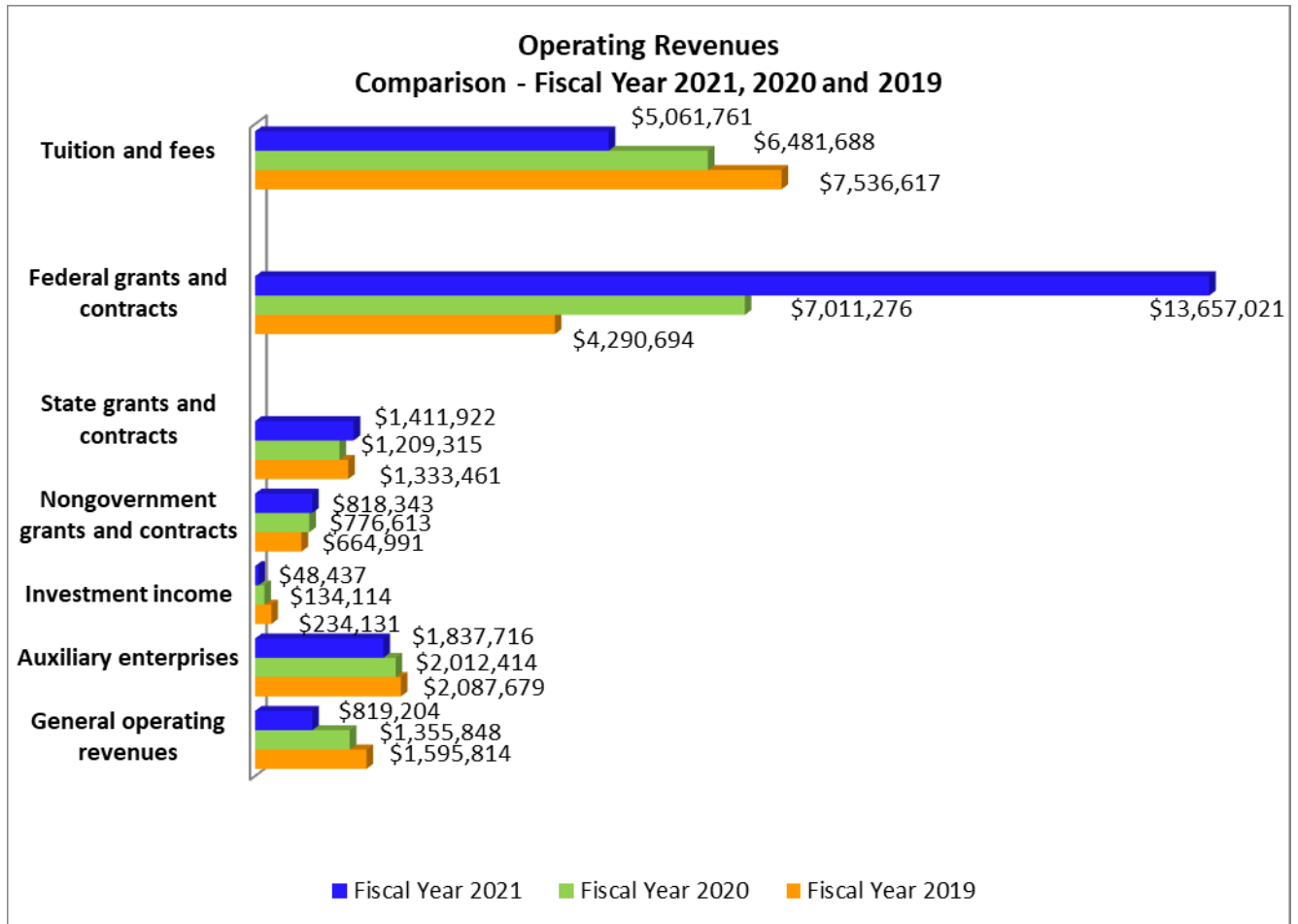
The Statements of Revenues, Expenses and Changes in Net Position present the College's results of operations for the fiscal year. Operating revenues are generated from the service provided to students and other customers of the College. Operating expenses include those costs incurred in the production 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

	2021	2020	2019
Operating Revenues	\$ 23,654,404	\$ 18,981,268	\$ 17,743,387
Operating Expenses	82,015,253	91,066,614	83,826,668
Operating Loss	(58,360,849)	(72,085,346)	(66,083,281)
Non-operating revenues and expenses	77,144,430	78,798,281	75,590,873
Increase in Net Position	18,783,581	6,712,935	9,507,592
Net Position at beginning of year	46,087,379	39,374,444	29,866,852
Net Position at end of year	\$ 64,870,960	\$ 46,087,379	\$ 39,374,444

	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Operating revenues						
Tuition and fees (net of discounts)	\$ 5,061,761	21.40%	\$ 6,481,688	34.15%	\$ 7,536,617	42.48%
Federal grants and contracts	13,657,021	57.74%	7,011,276	36.94%	4,290,694	24.18%
State grants and contracts	1,411,922	5.97%	1,209,315	6.37%	1,333,461	7.52%
Nongovernment grants and contracts	818,343	3.46%	776,613	4.09%	664,991	3.75%
Investment income (program restricted)	48,437	0.20%	134,114	0.71%	234,131	1.32%
Auxiliary enterprises (net of discounts)	1,837,716	7.77%	2,012,414	10.60%	2,087,679	11.77%
Other operating revenues	819,204	3.46%	1,355,848	7.14%	1,595,814	8.99%
Total	\$ 23,654,404	100.00%	\$ 18,981,268	100.00%	\$ 17,743,387	100.00%



For 2021, the statement of revenues, expenses and changes in net position reflects an increase to net position of \$18.8 million. As is normal, operations yielded a loss for the year of \$58.4 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 decreased by \$13.7 million or 19%, from \$72 million in fiscal year 2020, to \$58 million in fiscal year 2021. Operating revenues increase by \$4.7 million, and total operating expenses decrease by \$9.1 million. Total operating revenues increase by \$4.7 million, primarily due to the increase in federal grant revenue for funds received from the Department of Education under the higher education emergency relief funds acts. These funds were used for operational costs related to the Covid-19.

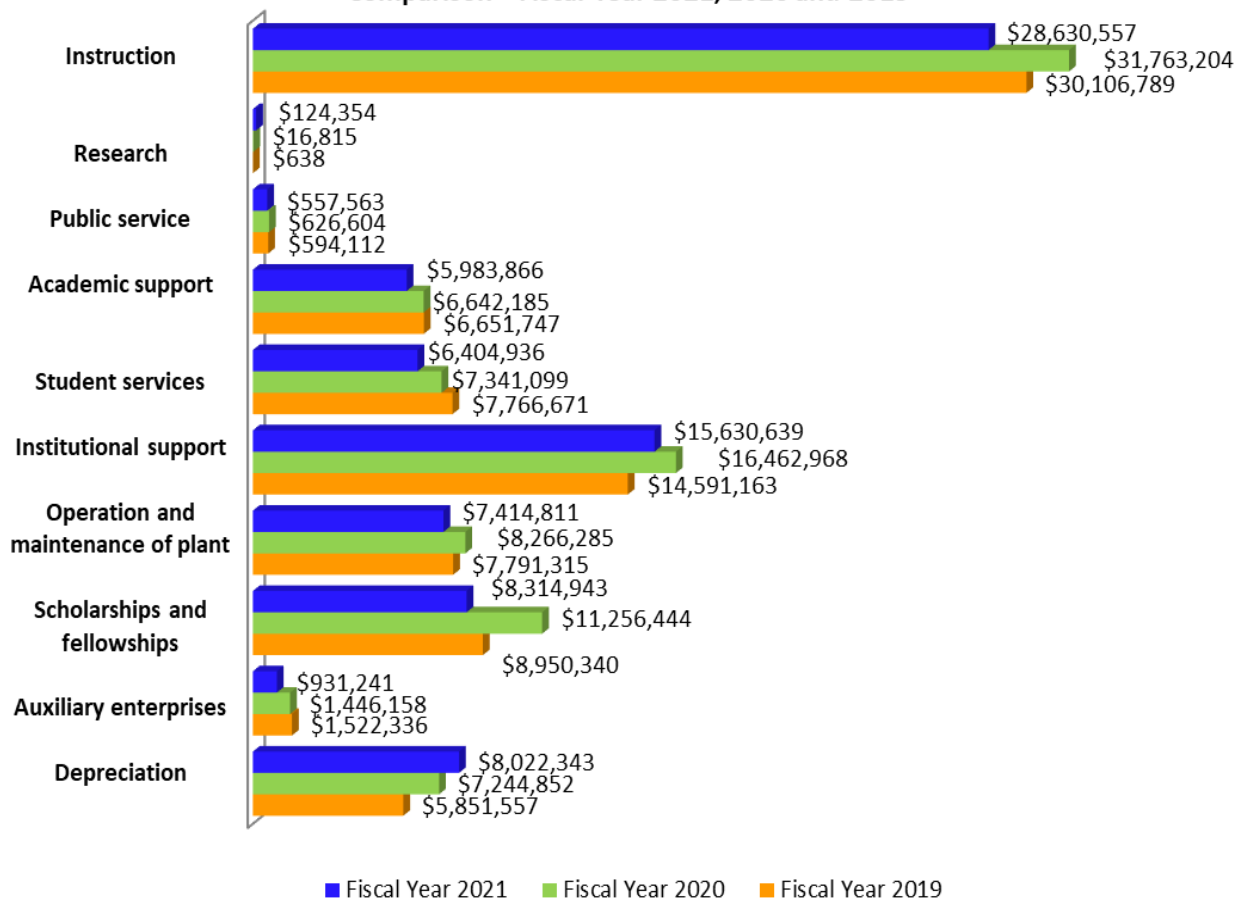
For 2020, the statement of revenues, expenses and changes in net position reflects an increase to net position of \$6.7 million. As is normal, operations yielded a loss for the year of \$72 million. This is commonly referred to as the burden on taxpayers. The operating loss does not include state appropriations, 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 million or 9%, from \$66 million in fiscal year 2019, to \$72 million in fiscal year 2020. Operating revenues increased by \$1.2 million, and total operating expenses increased by \$7.2 million. Total operating revenues increase by \$1.2 million, primarily due to the increase in federal grant revenue for funds received from the CARES Act - higher education emergency relief funds

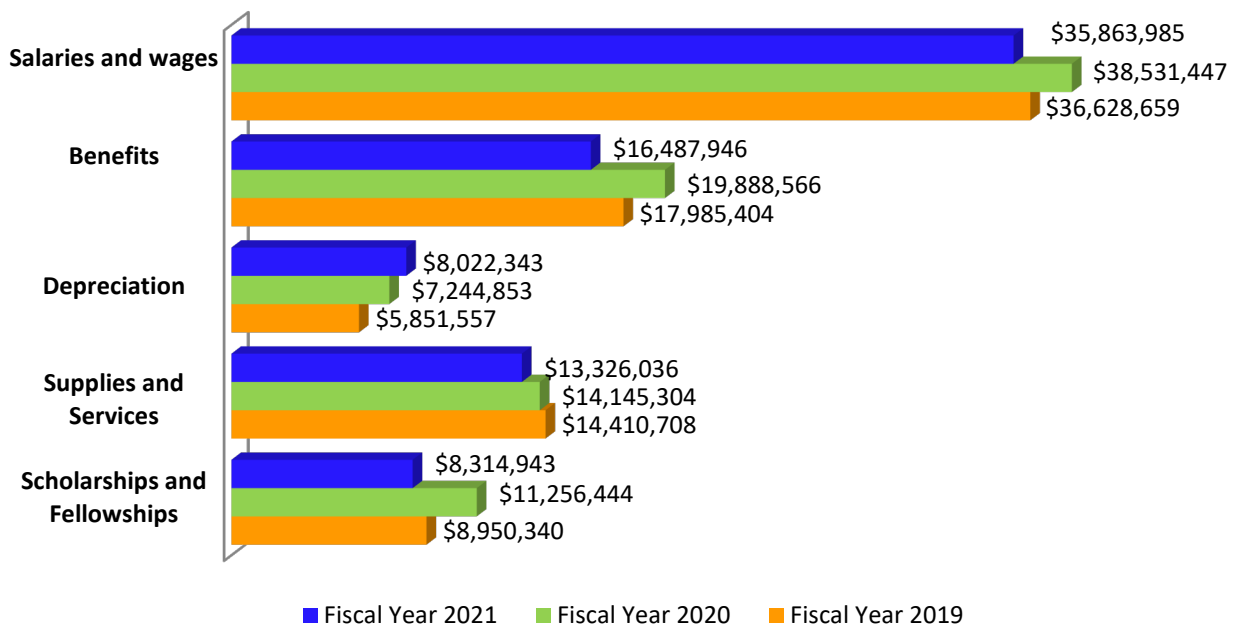
Operating Expenses by Function	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 28,630,557	34.91%	\$ 31,763,204	34.88%	\$ 30,106,789	35.92%
Research	124,354	0.15%	16,815	0.02%	638	0.00%
Public service	557,563	0.68%	626,604	0.69%	594,112	0.71%
Academic support	5,983,866	7.30%	6,642,185	7.29%	6,651,747	7.94%
Student services	6,404,936	7.81%	7,341,099	8.06%	7,766,671	9.27%
Institutional support	15,630,639	19.06%	16,462,968	18.08%	14,591,163	17.41%
Operation and maintenance of plant	7,414,811	9.04%	8,266,285	9.08%	7,791,315	9.29%
Scholarships and fellowships	8,314,943	10.14%	11,256,444	12.36%	8,950,340	10.68%
Auxiliary enterprises	931,241	1.14%	1,446,158	1.59%	1,522,336	1.82%
Depreciation	8,022,343	9.78%	7,244,852	7.96%	5,851,557	6.98%
Total	\$ 82,015,253	100.00%	\$ 91,066,614	100.00%	\$ 83,826,668	100.00%

Operating Expenses by Classification	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 35,863,985	43.73%	\$ 38,531,447	42.31%	\$ 36,628,659	43.70%
Benefits	16,487,946	20.10%	19,888,566	21.84%	17,985,404	21.46%
Depreciation	8,022,343	9.78%	7,244,853	7.96%	5,851,557	6.98%
Supplies and Services	13,326,036	16.25%	14,145,304	15.53%	14,410,708	17.19%
Scholarships and fellowships	8,314,943	10.14%	11,256,444	12.36%	8,950,340	10.68%
Total	\$ 82,015,253	100.00%	\$ 91,066,614	100.00%	\$ 83,826,668	100.00%

Operating Expenses by Function Comparison - Fiscal Year 2021, 2020 and 2019



Operating Expenses by Classification Comparison - Fiscal Year 2021, 2020 and 2019



In 2021, operating expenses decreased by 10%, or approximately \$9 million compared to 2020. The decrease in operating expenses was attributed to the following factors.

- A decrease of \$2.7 million in salaries and wages due a decrease of \$1.3 million in instructional salaries and wages, a decrease of \$517 thousand in student services salaries and wages and a decrease of \$517 thousand in institutional support salaries and wages. The College implemented a freeze on vacant positions during the Fall of 2020.
- A decrease of \$3.4 million in fringe benefits primarily due to a decrease of \$1.1 million in pension costs and \$2.1 million decrease in other post-employment benefits.
- A decrease in the scholarship and fellowships amount of \$2.9 million was mostly due to a decrease in awards issued through the Federal Grant Program. Total awards decreased by approximately \$3.1 million from 2020.

For 2020 operating expenses increased by 9%, or \$7.2 million compared to 2019. The increase in operating expenses was attributed to the following factors:

- An increase of \$1.4 million in depreciation costs due to the acquisition of capital assets.
- An increase of \$1.9 million in salaries and wages due to general pay increases.
- An increase of \$2.0 million in fringe benefits due to increase in pension costs and other post-employment benefits.
- An increase of \$2.3 million in scholarship expenses attributed to CARES act emergency grants awarded to students.

For 2021, net non-operating revenues decreased by 2% or \$1.6 million over fiscal year 2020. The decrease was mainly attributed to a decrease of \$560 thousand in investment income and a decrease of \$865 thousand State appropriation revenue. While there was an increase of \$15.3 million in Federal non-operating revenue, this increase was offset by an increase in non-operating expenses of \$17.9 million. This increase in Federal non-operating revenue was due to Higher Education Emergency Relief Funding (HEERF) expenses that were a result of student emergency awards there were issued during the fiscal year.

In 2020, net non-operating revenues increased by 4% or \$3.2 million over fiscal year 2019. The increase was mainly attributed to an 11.6% (\$1.9 million) increase in State appropriation revenue and a 5% or \$2.4 million dollar increase in ad-valorem tax revenue.

Some highlights of the fiscal year 2021 information presented on the Statements of Revenues, Expenses, and Changes in Net Position are as follows:

- Tuition and fees were discounted by \$16,951,834 and \$19,263,121 in fiscal years 2021 and 2020 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 \$16.9 million 36% or \$6.1 million represents exemptions granted for the dual enrollment program.
- Tax collections for maintenance and operations increased 2.10% from \$37,652,641 in 2020 to \$38,444,013 in 2021.
- The tax rates assessed in fiscal years 2020 and 2021 were \$0.328643 and \$0.325509 respectively.
- In fiscal year 2021, operations yielded an increase in net position of 40.76% or \$18.8 million from fiscal year 2020 to fiscal year 2021.

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 \$4.5 million and \$7.4 million decrease at August 31, 2021 and 2020, 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. The \$4.5 million increase in cash and cash equivalents in fiscal year 2021 is mainly attributed to an increase of \$1.2 million in inflows from operating grants and contracts and an increase of \$1.3 million in receipts from Ad Valorem taxes. In addition, there was also a \$5.5 million decrease in outflows for capital debt and lease payments compared to 2020 and a decrease of \$8.1 million in outflows for the acquisition and construction of capital assets. Interest earnings receipts went down in 2021 by 49.3% as compared to 2020 due to lower interest rates.

Statement of Cash Flows

	2021	2020	2019
Cash provided (used) by			
Operating Activities	\$ (53,749,511)	\$ (54,008,896)	\$ (53,524,315)
Non-capital financing activities	77,949,934	79,480,485	75,652,363
Financing activities	(20,214,614)	(33,916,955)	(44,367,370)
Investing activities	530,888	1,047,047	2,432,585
Net increase (decrease) in cash	4,516,697	(7,398,319)	(19,806,737)
Cash and cash equivalents - September 1	94,777,578	102,175,897	121,982,634
Cash and cash equivalents - August 31	\$ 99,294,275	\$ 94,777,578	\$ 102,175,897

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The College had \$205.1 million and \$208.8 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2021 and 2020, respectively. Depreciation expense totaled \$8 million in fiscal year 2021 and \$7.2 million in fiscal year 2020 (Note 5). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End

	Fiscal Year			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
Land	\$ 5,444,715	\$ 5,444,715	\$ 5,444,715	\$ -	\$ -
Water Rights	9,920	9,920	9,920	-	-
Construction in Process	1,869,294	1,097,776	62,672,899	771,518	(61,575,123)
Buildings & building improvements	165,872,201	168,300,096	106,596,334	(2,427,895)	61,703,762
Other real estate improvements	16,462,075	17,126,275	14,882,941	(664,200)	2,243,334
Furniture, machinery & equipment	14,723,671	16,074,603	12,946,859	(1,350,932)	3,127,744
Library books	693,653	706,393	744,626	(12,740)	(38,233)
Total capital assets, net of accumulated depreciation	\$ 205,075,529	\$ 208,759,778	\$ 203,298,294	\$ (3,684,249)	\$ 5,461,484

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, 2021 and 2020.

Depreciable Capital Assets and Accumulated Depreciation Percentages

	Fiscal Year 2021			Fiscal Year 2020		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Buildings & building improvements	\$ 204,337,070	\$ 38,464,869	18.82%	\$ 203,161,164	\$ 34,861,068	17.16%
Other real estate improvements	38,058,804	21,596,729	56.75%	37,547,300	20,421,025	54.39%
Furniture, machinery & equipment	39,111,987	24,388,316	62.36%	37,463,316	21,388,714	57.09%
Library books	3,889,774	3,196,121	82.17%	3,788,337	3,081,944	81.35%
Total	\$ 285,397,636	\$ 87,646,033	30.71%	\$ 281,960,117	\$ 79,752,751	28.29%

Major capital additions and renovations completed or in progress during fiscal years 2021 include the following:

Fiscal Year 2021	Project Status	Amount
Lopez Nursing Project	Completed	\$ 10,043
Water Line Project	Completed	\$ 511,504
Maravillo Gym Project	Completed	\$ 271,411
Billy Hall Roof Project	Completed	\$ 445,265
De La Garza Building	Completed	\$ 698,487
Master Plan PHIII Project	Completed	\$ 23,235
LC South Campus Roofs Project	CIP	\$ 1,869,294

Major capital additions and renovations completed or in progress during fiscal years 2020 include the following:

Fiscal Year 2020	Project Status	Amount
Lopez Nursing Project	CIP	\$ 9,484
Master Plan PHIII Project	CIP	\$ 23,235
Cyber Security Project	Completed	\$ 53,359
LEAC Fitness Center Project	Completed	\$ 75,106
G & L Martinez Project	Completed	\$ 78,434
Water Line Project	CIP	\$ 81,865
Oil and Gas Institute Storage Tank	Completed	\$ 90,465
Building P-14	Completed	\$ 96,976
Maravillo Gym	CIP	\$ 271,411
Billy Hall Roof	CIP	\$ 286,550
De La Garza Building	CIP	\$ 425,231
Cosmetology Project	Completed	\$ 1,176,023
Campus Mall Improvements Phases B, C & D	Completed	\$ 1,216,431
South Campus HVAC Project	Completed	\$ 1,978,648
Billy Hall Culinary Arts Project	Completed	\$ 2,498,904
Yeary Library Renovation and Additions	Completed	\$ 14,272,249
Cigarroa Science Complex	Completed	\$ 18,742,952
College of Health Sciences Building	Completed	\$ 27,785,039

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 \$168.9 million and \$179.5 million in outstanding bond and maintenance tax note debt at August 31, 2021 and 2020, respectively, before premiums and discounts. Outstanding debt decreased by \$10.6 million and \$7.4 million in fiscal years 2021 and 2020, respectively. The following table summarizes these amounts by type of debt instrument.

	Bonds and Tax Notes Payable				
	Fiscal Year			Change	
	2021	2020	2019	2020 to 2021	2019 to 2020
General Obligation Bonds	\$ 93,156,803	\$ 98,900,000	\$ 104,205,000	\$ (5,743,197)	\$ (5,305,000)
Revenue Bonds	47,120,000	49,535,000	51,195,000	(2,415,000)	(1,660,000)
Tax Notes	28,620,000	31,065,000	31,485,000	(2,445,000)	(420,000)
Total Outstanding Debt	<u>\$ 168,896,803</u>	<u>\$ 179,500,000</u>	<u>\$ 186,885,000</u>	<u>\$ (10,603,197)</u>	<u>\$ (7,385,000)</u>

The \$10.6 million reduction in fiscal year 2021 was due to scheduled debt service principal payments of approximately \$2.4million for maintenance tax notes and a \$8.2 million for general obligation and revenue bonds.

The \$7.4 million reduction in fiscal year 2020 was due to scheduled debt service principal payments of approximately \$420 thousand for maintenance tax notes and a \$7 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 the following 276,652, 5,200 and 14,179, respectively. The estimated

population for the City of Laredo is listed as 262,491. As of August 2021, the civilian labor force for Laredo is listed as 116,500 with an unemployment rate of 5.8% as per the U.S. Bureau of Labor Statistics. According to the Laredo Metropolitan Statistical Area, the unemployment rate for Laredo as of October 2021 was 5.3% as compared to the Texas unemployment rate of 4.8% for the same month.

More than half of the population in each of the counties that the College serves has a high school or higher degree:

High School Graduate or higher, percent of persons age 25 years + (2015-2019)

Webb County, Texas	Zapata County, Texas	Jim Hogg County, Texas	Laredo (city), Texas
67.6%	61.9%	74.5%	68.6%

The percentage decreases for those holding a Bachelor's degree or higher:

Bachelor's degree or higher, percent of persons age 25+ (2015-2019)

Webb County, Texas	Zapata County, Texas	Jim Hogg County, Texas	Laredo (city), Texas
18.9%	11.6%	13.4%	19.4%

For the Fall 2020 the College recorded a decrease in headcount enrollment of 8.9% compared to the 15% that was anticipated. Total Fall 2019 enrollment was 10,200 while the Fall 2020 enrollment was 9,292 of which a total headcount of 6,888 consisted of incoming freshmen. The contact hours generation also reflected a reduction of 58,208 representing a 1.7% decrease from fiscal year 2020.

While the nation, state, city and college are still feeling the effects of the COVID-19 pandemic, the effects on College student enrollment have not been drastic. Support granted by the Department of Education through the Higher Education Emergency Relief Fund (HEERF) has helped the College transition student services and offer instruction via online and hybrid means. For fiscal year 2021, \$18,346,600 was issued to students in the form of emergency awards. This aid helped provide the support needed to those suffering from adverse economic situations caused by the Coronavirus pandemic. Furthermore, a total of \$322,520 was waived for those students who had outstanding debt to the college as a result of the Coronavirus pandemic. This effort was also funded through HEERF funding in order to reengage students and promote their continuation of their studies. Over the latter part of the Summer 2020 through December 2020, the college also partnered 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.

Due to the current situation, the suspension of the athletic programs continues, saving the college an estimated \$1.5 million. Although it was expected for tax collections to decrease by 5%, for fiscal year 2021, the college recorded an increase of \$996 thousand in Ad Valorem Taxes of which \$791 thousand represented collections from taxes for maintenance and operations and \$205 thousand for taxes for general obligations bonds. Investment income did continue to decrease in 2021 to earning just half a million from a \$1 million in the prior year and \$2.4 million in fiscal year 2019.

The College has taken a proactive approach in responding to the pandemic by implementing a financial budget plan that focuses on expense reduction and in strategies to increase enrollment. The long-term economic impact continues to be uncertain at this time.

Despite the challenges presented by the COVID-19 pandemic, Laredo College continues its commitment to meet the educational needs of the communities it serves. The leadership of Laredo College continues to strategically analyze and reduce targeted expenses and make the most of favorable economic conditions by aggressively identifying the demand for workforce development programs and providing them.

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 2021 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, West End Washington St., Laredo, Texas 78040.

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Laredo College
Statements of Net Position
August 31, 2021 and August 31, 2020
Exhibit 1

	FY 2021	FY 2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 58,803,171	\$ 52,470,783
Restricted cash and cash equivalents	36,696,046	38,547,231
Property taxes receivable (net of allowances of \$1,084,272 and \$1,060,007)	1,504,852	1,594,904
Tuition and fees receivable (net of allowances of \$2,108,881 and \$1,960,311)	5,687,785	8,384,406
Federal receivables (net of allowances of \$127,847 and \$111,289)	8,795,949	2,345,640
Other receivables (net of allowances of \$585,553 and \$543,755)	2,767,824	2,492,064
Inventories	6,314	6,174
Prepaid expenses	496,992	565,540
Total Current Assets	<u>114,758,933</u>	<u>106,406,742</u>
Noncurrent Assets:		
Endowment cash and cash equivalents	3,795,058	3,759,564
Prepaid bond insurance (net of amortization)	150,240	162,564
Capital assets (net)	205,075,532	208,759,778
Total Noncurrent Assets	<u>209,020,830</u>	<u>212,681,906</u>
Total Assets	<u><u>323,779,763</u></u>	<u><u>319,088,648</u></u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	5,629,616	7,119,539
Deferred Outflows Related to OPEB	10,597,154	14,477,117
Deferred Loss on Refundings	6,916,127	5,582,424
Total Deferred Outflows of Resources	<u>23,142,897</u>	<u>27,179,080</u>
Liabilities		
Current Liabilities:		
Accounts payable	4,280,349	5,894,548
Accrued liabilities	218,848	392,478
Unearned revenue	10,533,610	11,844,208
Funds held for others	484,256	480,164
Accrued compensable absences - current portion	391,605	901,524
Voluntary Separation Plan Payable	-	996,072
Capital leases payable - current portion	802,690	828,099
Bond interest payable	546,113	660,976
Bonds payable - current portion	13,452,060	11,601,541
Retainage payable	359,055	348,679
Total Current Liabilities	<u>31,068,586</u>	<u>33,948,289</u>
Noncurrent Liabilities:		
Accrued compensable absences	1,866,794	602,115
Capital leases payable	525,842	1,328,532
Bonds payable	172,173,198	184,043,222
Net Pension Liability	15,230,154	15,208,758
Net OPEB Liability	42,998,294	45,666,692
Total Noncurrent Liabilities	<u>232,794,282</u>	<u>246,849,319</u>
Total Liabilities	<u><u>263,862,868</u></u>	<u><u>280,797,608</u></u>
Deferred Inflows of Resources		
Deferred Inflows of Related to Pensions	2,927,097	3,783,909
Deferred Inflows of Related to OPEB	14,286,357	14,551,204
Deferred Gain on Refundings	975,378	1,047,628
Total Deferred Inflows of Resources	<u>18,188,832</u>	<u>19,382,741</u>
Net Position		
Net investment in capital assets	36,570,582	32,741,218
Restricted for:		
Non-expendable		
Endowment	3,317,509	3,287,305
Expendable		
Student aid	4,072,986	3,884,472
Plant funds	689,366	175,756
Other	83,377	116,144
Debt service reserve	16,450,583	13,585,863
Auxiliary	4,893,392	3,948,122
Unrestricted	<u>(1,206,835)</u>	<u>(11,651,501)</u>
Total Net Position	<u><u>\$ 64,870,960</u></u>	<u><u>\$ 46,087,379</u></u>

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, 2020 and December 31, 2019
Exhibit 1A

	December 31, 2020	2019
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,241,376	\$ 513,612
Pledge Receivable	-	-
Restricted Assets		
Cash and Cash Equivalents	55,000	55,000
Investment	12,842	14,773
Total Assets	\$ 1,309,218	\$ 583,385
Liabilities	\$ -	\$ -
Net Assets		
Without Donor Restrictions	\$ 104,951	\$ 92,474
With Donor Restrictions	1,204,267	490,911
Total Net Assets	\$ 1,309,218	\$ 583,385
Total Liabilities and Net Assets	\$ 1,309,218	\$ 583,385

The notes to 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, 2021 and August 31, 2020
Exhibit 2

Revenues	FY 2021	FY 2020
Operating Revenues		
Tuition and fees (net of discounts of \$16,951,834 and \$19,263,121)	\$ 5,061,761	\$ 6,481,688
Federal grants and contracts	13,657,021	7,011,276
State grants and contracts	1,411,922	1,209,315
Nongovernment grants and contracts	818,343	776,613
Investment income (program restricted)	48,437	134,114
Auxiliary enterprises	1,837,716	2,012,414
Other operating revenues	819,204	1,355,848
Total Operating Revenues	<u>23,654,404</u>	<u>18,981,268</u>
Expenses		
Operating Expenses		
Instruction	28,630,557	31,763,204
Research	124,354	16,815
Public service	557,563	626,604
Academic support	5,983,866	6,642,185
Student services	6,404,936	7,341,099
Institutional support	15,630,639	16,462,968
Operation and maintenance of plant	7,414,811	8,266,285
Scholarships and fellowships	8,314,943	11,256,444
Auxiliary enterprises	931,241	1,446,158
Depreciation	8,022,343	7,244,852
Total Operating Expenses	<u>82,015,253</u>	<u>91,066,614</u>
Operating Income (Loss)	<u>(58,360,849)</u>	<u>(72,085,346)</u>
Non-Operating Revenues (Expenses)		
State appropriations	16,904,412	17,832,190
Professional nursing shortage reduction	58,259	11,481
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	38,444,013	37,652,641
Taxes for general obligation bonds	10,846,990	10,642,053
Federal revenue, non-operating (Title IV)	16,332,074	19,378,260
Federal revenue, non-operating (HEERF)	18,346,600	-
Investment income	530,888	1,047,047
Interest on capital related debt	(6,029,856)	(7,417,611)
Other non-operating revenues (expenses)	27,651	(345,534)
Other non-operating revenues (expenses) (HEERF)	(18,346,600)	-
Additions to permanent endowments	30,000	-
Gain/(Loss) on sale of asset	(1)	(2,784)
Capital gifts	-	538
Net Other Non-Operating Revenues (Expenses)	<u>77,144,430</u>	<u>78,798,281</u>
Increase in Net Position	18,783,581	6,712,935
Net Position - Beginning	46,087,379	39,374,444
Net Position - Ending	<u>\$ 64,870,960</u>	<u>\$ 46,087,379</u>

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, 2020 and December 31, 2019
Exhibit 2A

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
Net Position at January 1, 2020	\$ 92,474	\$ 490,911	\$ 583,385	\$ 382,740
Support and Revenue				
Contributions	-	1,170,800	1,170,800	208,906
In-Kind Contributions	12,477	-	12,477	13,689
Investment Income	-	6,982	6,982	524
Loss on Investment	-	(1,931)	(1,931)	2,974
Net Position released from Restrictions	462,495	(462,495)	-	-
Total Revenue	474,972	713,356	1,188,328	226,093
Expenses:				
Program Services				
Laredo College - Programs and Scholarships	364,730	-	364,730	-
External Donations	2,950	-	2,950	2,305
In-Kind Expense	738	-	738	1,443
Cigarroa Statue	75,800	-	75,800	-
Total Program Services	444,218	-	444,218	3,748
General and Administrative				
Hospitality	2,533	-	2,533	1,374
Professional Fees	4,000	-	4,000	7,880
Miscellaneous	5	-	5	200
In-Kind Expense	11,739	-	11,739	12,246
Total General and Administrative Expenses	18,277	-	18,277	21,700
Total Expenses	462,495	-	462,495	25,448
Increase/(Decrease) in Net Position	12,477	713,356	725,833	200,645
Net Position at December 31, 2020	\$ 104,951	\$ 1,204,267	\$ 1,309,218	\$ 583,385

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

Laredo College
Statement of Cash Flows
Years Ended August 31, 2021 and 2020
Exhibit 3

	FY 2021	FY 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 8,009,740	\$ 8,213,435
Receipts from operating grants and contracts	9,436,977	8,273,215
Payments to suppliers for goods and services	(14,033,352)	(13,496,006)
Payment to or on behalf of employees	(49,715,574)	(47,233,058)
Payments for scholarships and fellowships	(8,314,943)	(11,256,444)
Other Receipts (payments)	867,641	1,489,962
Net cash provided (used) by operating activities	<u>(53,749,511)</u>	<u>(54,008,896)</u>
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	11,499,125	11,499,777
Receipts from Ad Valorem Taxes	49,381,055	48,122,950
Receipts (payments) from (to) student organizations and other agency transactions	4,092	(3,529)
Receipts from private gifts for endowment purposes	30,000	-
Receipts from Title IV Financial Aid Programs	16,332,074	19,378,260
Receipts from Higher Education Emergency Relief Funds	18,346,600	-
Payments to Students for Emergency Aid (HEERF)	(18,346,600)	-
Other Receipts	703,588	483,027
Net cash provided (used) by non-capital financing activities	<u>77,949,934</u>	<u>79,480,485</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from the issuance of capital debt	65,223,809	38,756,492
Acquisition and construction of capital assets	(5,166,196)	(13,247,689)
Payments of bond insurance	(12,324)	(106,613)
Payment of bond issue costs and other fees	(593,032)	(593,032)
Payments on capital debt and lease - principal	(65,053,839)	(48,849,373)
Payments on capital debt and leases - interest and fees	(14,613,032)	(9,876,740)
Net cash provided (used) by capital and related financing activities	<u>(20,214,614)</u>	<u>(33,916,955)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on dividends	530,888	1,047,047
Net cash provided (used) by investing activities	<u>530,888</u>	<u>1,047,047</u>
Increase (Decrease) in cash and cash equivalents	<u>4,516,697</u>	<u>(7,398,319)</u>
Cash and cash equivalents - September 1	<u>94,777,578</u>	<u>102,175,897</u>
Cash and Cash Equivalents - August 31	<u>\$ 99,294,275</u>	<u>\$ 94,777,578</u>

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

Laredo College
Statement of Cash Flows
Years Ended August 31, 2021 and 2020
Exhibit 3

	<u>FY 2021</u>	<u>FY 2020</u>
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities		
Operating Income (loss)	\$ (58,360,849)	\$ (72,085,346)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation and Amortization expense	8,850,442	8,459,459
State On-behalf Payments	5,405,287	6,332,413
Changes in Assets and Liabilities:		
Assets (Increase) decrease		
Receivables	(4,029,448)	(694,474)
Inventories	(140)	1,196
Prepaid Expenses	68,548	(483,937)
Deferred outflows	1,486,923	495,532
Liabilities Increase (Decrease)		
Accounts Payable	(1,603,823)	(82,567)
Accrued Liabilities	(173,630)	168,300
Compensated Absences	(241,312)	(244,114)
Unearned Revenue	(1,310,598)	(310,182)
Deferred Inflows	(1,193,909)	1,430,934
TRS Pension Liability	(2,647,002)	3,003,890
Net cash provided (used) by operating activities	<u>\$ (53,749,511)</u>	<u>\$ (54,008,896)</u>
 Schedule of Non-Cash Investment, Capital, and Financing Activities		
State on-behalf payments	\$ 5,405,287	\$ 6,332,413
Gifts of depreciable and non-depreciable assets	\$ -	\$ 538
Amortization of premium on bonds	\$ 1,902,060	\$ 2,400,364
Amortization of deferred charges on bond refundings	\$ 1,405,956	\$ 677,138

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

Laredo College
Statement of Cash Flows of L.C.C. Education Foundation, Inc.
(A Component Unit of Laredo College)
Year ended December 31, 2020 and 2019
Exhibit 3A

	December 31,	
	2020	2019
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 725,833	\$ 200,645
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Decrease (Increase) in Fair Value of Investment	1,931	(2,974)
Decrease (Increase) in Pledge Receivable	-	-
Net Cash Provided (Used) by Operating Activities	727,764	197,671
Increase (Decrease) in Cash and Cash Equivalents	727,764	197,671
Cash and Cash Equivalents at Beginning of Year	568,612	370,941
Cash and Cash Equivalents at End of Year	\$ 1,296,376	\$ 568,612
Reconciliation to Statement of Financial Position		
Cash and Cash Equivalents	\$ 1,241,376	\$ 513,612
Restricted Assets - Cash and Cash Equivalents	55,000	55,000
Total Cash and Cash Equivalents	\$ 1,296,376	\$ 568,612
Non-cash Operating Activities		
In-Kind Contributions	\$ 12,477	\$ 13,689

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

Laredo College
Notes to Financial Statements
August 31, 2021

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 any literary, scientific, education or cultural undertaking.
- 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. Under Governmental Accounting Standards Board Statement No. 39, determining whether certain organizations are Component Units, 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 L.C. Education Foundation can be obtained by writing to: 1 West Washington Street c/o Donor Relations, Laredo, TX 78040 or by calling 956-721-5812.

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

Deferred outflows

In addition to assets, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and 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

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the College reports investments at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. (The governing board has designated public funds investment pools comprised of \$18,772,843 and \$18,740,759 at August 31, 2021 and August 31, 2020 to be short-term investments). Long-term investments have an original maturity greater than one year at the time of purchase. For the years ended 2021 and 2020, the College reported zero long term investments.

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) 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.

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

Unearned Revenue

Tuition and fees of \$8,348,603 and \$10,246,400, federal, state, and local grants of \$2,185,007 and \$1,597,508 and rental revenue of \$0 and \$300 have been reported as unearned revenue at August 31, 2021 and August 31, 2020, respectively.

Deferred Inflows

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and 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.

Higher Education Emergency Relief Funds

In response to the Coronavirus (COVID-19) pandemic, Congress passed the following Acts:

CARES Act: Higher Education Emergency Relief Fund (HEERF I)

The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress and signed by President Donald Trump on March 27th, 2020. This bill allotted \$2.2 trillion to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. Of that money, approximately \$14 billion was given to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund, or HEERF.

CRRSAA: Higher Education Emergency Relief Fund (HEERF II)

The Higher Education Emergency Relief Fund II (HEERF II) is authorized by the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA), Public Law 116-260, signed into law by President Donald J. Trump on Dec. 27, 2020. In total, the CRRSAA authorizes \$81.88 billion in support for education, in addition to the \$30.75 billion former Secretary DeVos expeditiously provided last spring through the Coronavirus Aid, Recovery, and Economic Security (CARES) Act, Public Law 116-136.

ARP: Higher Education Emergency Relief Fund (HEERF III)

The Higher Education Emergency Relief Fund III (HEERF III) is authorized by the American Rescue Plan (ARP), Public Law 117-2, signed into law on March 11, 2021, providing \$39.6 billion in support to institutions of higher education to serve students and ensure learning continues during the COVID-19 pandemic.

For the year ended August 31, 2021, the College recorded \$5,728,967 in CARES Act receipts, \$15,143,638 in CRRSAA Act receipts, and \$7,300,456 in ARP Act receipts.

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.

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

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, 2021, \$18,346,600 in student emergency awards were recognized as non-operating expenses.

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

Note 3 – 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 4 – 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, (9) and 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, (10) and 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.

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.

Note 4 – Deposits and Investments – (continued)

Cash and Deposits

	<u>August 31, 2021</u>	<u>August 31, 2020</u>
Bank Deposits		
Money Market Deposits	\$ 43,723,728	\$ 37,418,900
Restricted Money Market Deposits	36,695,546	38,546,731
Endowment Money Market	<u>77,808</u>	<u>47,438</u>
	80,497,082	76,013,069
Cash and Cash Equivalents		
Cash on Hand	\$ 23,850	\$ 23,250
Restricted Cash on Hand	500	500
Investment Pools (Lone Star)	3,717,250	3,712,126
Investment Pools (Fixed Income Trust)	<u>15,055,593</u>	<u>15,028,633</u>
	18,797,193	18,764,509
Total Cash and Deposits	<u>\$ 99,294,275</u>	<u>\$ 94,777,578</u>

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, 2021.

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, 2021 for each investment.

As of August 31, 2021, the College had the following investments:

Investment	Fair Value	Weighted Average Maturity (Days)	* Standard & Poor's Rating
The Lone Star Pool	\$ 3,717,250	1	AAA
Fixed Income Trust	<u>15,055,593</u>	1	AAAm
Total	<u>\$ 18,772,843</u>		

* Minimum Legal Rating Requirement is AAA

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.

Note 4 – Deposits and Investments – (continued)

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, 2021, 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 5 - Capital Assets

Capital assets activity for the year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Increases	Decreases	Balance August 31, 2021
<u>Not depreciated:</u>				
Land	\$ 5,444,715	\$ -	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in Progress	1,097,776	1,869,294	1,097,776	1,869,294
Subtotal	<u>\$ 6,552,411</u>	<u>\$ 1,869,294</u>	<u>\$ 1,097,776</u>	<u>\$ 7,323,929</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$ 203,161,163	\$ 1,175,907	\$ -	\$ 204,337,070
Other Real Estate Improvements	37,547,300	511,504	-	38,058,804
Total Buildings and Other Real Estate Improvements	<u>\$ 240,708,463</u>	<u>\$ 1,687,411</u>	<u>\$ -</u>	<u>\$ 242,395,874</u>
Library books	3,788,337	102,927	1,490	3,889,774
Equipment Purchased with Capital Lease	2,156,631	-	828,099	1,328,532
Furniture, Machinery, and Equipment	35,306,685	2,604,340	127,570	37,783,455
Total Buildings and Other Capital Assets	<u>\$ 281,960,117</u>	<u>\$ 4,394,678</u>	<u>\$ 957,159</u>	<u>\$ 285,397,636</u>
<u>Accumulated Depreciation</u>				
Buildings and Building Improvements	\$ 34,861,068	\$ 3,603,801	\$ -	\$ 38,464,869
Other Real Estate Improvements	20,421,025	1,175,704	-	21,596,729
Total Buildings and Other Real Estate Improvements	<u>\$ 55,282,093</u>	<u>\$ 4,779,505</u>	<u>\$ -</u>	<u>\$ 60,061,598</u>
Library books	3,081,944	115,666	1,490	3,196,121
Furniture, Machinery, and Equipment	21,388,714	3,127,172	127,570	24,388,316
Total Accumulated Depreciation	<u>\$ 79,752,750</u>	<u>\$ 8,022,343</u>	<u>\$ 129,060</u>	<u>\$ 87,646,033</u>
Net Capital Assets	<u>\$ 208,759,778</u>	<u>\$ (1,758,371)</u>	<u>\$ 1,925,875</u>	<u>\$ 205,075,532</u>

Note 5 - Capital Assets – (continued)

Capital assets activity for the year ended August 31, 2020 is included for comparison purposes.

	Balance September 1, 2019	Increases	Decreases	Balance August 31, 2020
<u>Not depreciated:</u>				
Land	\$ 5,444,715	\$ -	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in Progress	62,672,899	800,994	62,376,117	1,097,776
Subtotal	<u>\$ 68,127,534</u>	<u>\$ 800,994</u>	<u>\$ 62,376,117</u>	<u>\$ 6,552,411</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$ 138,435,480	\$ 64,725,683	\$ -	\$ 203,161,163
Other Real Estate Improvements	34,208,397	3,338,903	-	37,547,300
Total Buildings and Other Real Estate Improvements	<u>\$ 172,643,877</u>	<u>\$ 68,064,586</u>	<u>\$ -</u>	<u>\$ 240,708,463</u>
Library books	3,718,771	81,587	12,021	3,788,337
Equipment Purchased with Capital Lease	2,684,919	686,319	1,214,607	2,156,631
Furniture, Machinery, and Equipment	28,807,753	6,676,639	177,707	35,306,685
Total Buildings and Other Capital Assets	<u>\$ 207,855,320</u>	<u>\$ 75,509,131</u>	<u>\$ 1,404,335</u>	<u>\$ 281,960,117</u>
<u>Accumulated Depreciation</u>				
Buildings and Building Improvements	\$ 31,839,147	\$ 3,021,921	\$ -	\$ 34,861,068
Other Real Estate Improvements	19,325,456	1,095,569	-	20,421,025
Total Buildings and Other Real Estate Improvements	<u>\$ 51,164,603</u>	<u>\$ 4,117,490</u>	<u>\$ -</u>	<u>\$ 55,282,093</u>
Library books	2,974,145	119,820	12,021	3,081,944
Furniture, Machinery, and Equipment	18,545,813	3,007,543	164,642	21,388,714
Total Accumulated Depreciation	<u>\$ 72,684,560</u>	<u>\$ 7,244,853</u>	<u>\$ 176,663</u>	<u>\$ 79,752,750</u>
Net Capital Assets	<u>\$ 203,298,294</u>	<u>\$ 69,065,272</u>	<u>\$ 63,603,788</u>	<u>\$ 208,759,778</u>

Note 6 – Non-Current Liabilities

Long-Term liability activity for the year August 31, 2021 was as follows:

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 98,900,000	\$ 56,171,802	\$ (61,915,000)	\$ 93,156,802	\$ 6,505,000
Discounts	(327,073)	-	32,707	(294,366)	(32,707)
Premium	16,471,836	9,052,007	(8,501,020)	17,022,822	1,934,767
Revenue bonds	49,535,000	-	(2,415,000)	47,120,000	2,495,000
Tax Note	31,065,000	-	(2,445,000)	28,620,000	2,550,000
Total bonds	<u>\$ 195,644,763</u>	<u>\$ 65,223,809</u>	<u>\$ (75,243,313)</u>	<u>\$ 185,625,258</u>	<u>\$ 13,452,060</u>
<u>Other liabilities</u>					
Retainage payable	\$ 348,679	\$ 93,465	\$ (83,089)	\$ 359,055	\$ 359,055
Compensated absences	2,499,711	373,259	(614,571)	2,258,399	391,605
Capital leases	2,156,631	-	(828,099)	1,328,532	802,690
Net pension liability	15,208,758	1,194,705	(1,173,309)	15,230,154	-
Net OPEB liability	45,666,692	3,394,349	(6,062,747)	42,998,294	-
Total other liabilities	<u>\$ 65,880,471</u>	<u>\$ 5,055,778</u>	<u>\$ (8,761,815)</u>	<u>\$ 62,174,434</u>	<u>\$ 1,553,350</u>
Total long-term liabilities	<u>\$ 261,525,234</u>	<u>\$ 70,279,586</u>	<u>\$ (84,005,128)</u>	<u>\$ 247,799,692</u>	<u>\$ 15,005,410</u>

Note 6 – Non-Current Liabilities – (continued)

Long-Term liability activity for the year August 31, 2020 is included for comparison purposes:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 104,205,000	\$ -	\$ (5,305,000)	\$ 98,900,000	\$ 5,510,000
Discounts	(423,997)	-	96,924	(327,073)	(32,707)
Premium	18,737,001	231,492	(2,496,657)	16,471,836	1,264,248
Revenue bonds	51,195,000	11,630,000	(13,290,000)	49,535,000	2,415,000
Tax Note	31,485,000	26,895,000	(27,315,000)	31,065,000	2,445,000
Total bonds	<u>\$ 205,198,003</u>	<u>\$ 38,756,492</u>	<u>\$ (48,309,733)</u>	<u>\$ 195,644,763</u>	<u>\$ 11,601,541</u>
<u>Other liabilities</u>					
Retainage payable	\$ 2,322,788	\$ 70,105	\$ (2,044,214)	\$ 348,679	\$ 348,679
Compensated absences	2,743,825	457,416	(701,530)	2,499,711	1,897,596
Capital leases	2,684,919	686,319	(1,214,607)	2,156,631	828,099
Net pension liability	15,672,845	559,947	(1,024,034)	15,208,758	-
Net OPEB liability	42,198,715	7,183,609	(3,715,632)	45,666,692	-
Total other liabilities	<u>\$ 65,623,092</u>	<u>\$ 8,957,396</u>	<u>\$ (8,700,016)</u>	<u>\$ 65,880,471</u>	<u>\$ 3,074,374</u>
Total long-term liabilities	<u>\$ 270,821,095</u>	<u>\$ 47,713,888</u>	<u>\$ (57,009,749)</u>	<u>\$ 261,525,234</u>	<u>\$ 14,675,915</u>

Note 7 - Debt and Lease Obligations

Debt Service requirements at August 31, 2021 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>
2022	6,505,000	3,831,532	2,495,000	2,223,270	2,550,000	734,959
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	5,999,474	4,332,508	2,840,000	1,479,333	2,830,000	457,658
2027-2031	38,745,000	7,578,460	16,840,000	5,450,517	15,095,000	1,211,219
2032-2036	22,045,000	1,047,313	16,970,000	1,724,504	-	-
Total	<u>\$ 93,156,803</u>	<u>\$ 27,930,680</u>	<u>\$ 47,120,000</u>	<u>\$ 15,877,743</u>	<u>\$ 28,620,000</u>	<u>\$ 4,115,623</u>

Obligations under capital leases at August 31, 2021 were as follows:

For the years ended August 31,	Total
2022	861,367
2023	<u>548,570</u>
Total Minimum Lease Payments	1,409,937
Less Amount Representing Interest Costs	<u>(81,405)</u>
Present value of minimum lease payments	<u><u>\$1,328,532</u></u>

Note 7 - Debt and Lease Obligations – (continued)

Debt Service requirements at August 31, 2020 are provided for comparison purposes only.

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>
2021	5,510,000	4,829,850	2,415,000	2,302,797	2,445,000	853,134
2022	5,755,000	4,581,950	2,495,000	2,223,270	2,550,000	734,959
2023	6,035,000	4,303,650	2,575,000	1,749,367	2,660,000	621,291
2024	6,315,000	4,021,900	2,660,000	1,668,771	2,715,000	573,145
2025	6,630,000	3,706,150	2,740,000	1,581,981	2,770,000	517,352
2026-2030	38,480,000	13,212,500	15,990,000	6,136,267	14,835,000	1,584,149
2031-2035	30,175,000	3,522,300	19,895,000	2,492,674	3,090,000	84,728
2036-2037	-	-	765,000	25,413	-	-
Total	<u>\$ 98,900,000</u>	<u>\$ 38,178,300</u>	<u>\$ 49,535,000</u>	<u>\$ 18,180,540</u>	<u>\$ 31,065,000</u>	<u>\$ 4,968,757</u>

Obligations under capital leases at August 31, 2020 were as follows:

For the years ended August 31,	Total
2021	921,163
2022	861,367
2023	<u>548,570</u>
Total Minimum Lease Payments	2,331,100
Less Amount Representing Interest Costs	<u>(174,475)</u>
Present value of minimum lease payments	<u>\$2,156,624</u>

Note 8 – Bonds Payable

General information related to bonds payable is summarized below:

- **Maintenance Tax Note, Series 2011**
- To fund Facilities Master Plan Phase II for the maintenance and renovation of existing facilities.
- Issued 11/02/2011
- \$40,730,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2031
- Outstanding Principle balance as of August 31, 2021 and 2020 is \$2,135,000 and \$4,170,000, respectively.

Note 8 – Bonds Payable – (continued)

- **Combined Fee Revenue Bond, Series 2011**

- To fund Facilities Master Plan Phase II for the purchase, acquisition, construction and equipping of facilities.
- Issued 11/02/2011
- \$12,390,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 4.25%
- Maturity date – August 2026
- Outstanding Principle balance as of August 31, 2021 and 2020 is \$430,000 and \$845,000, respectively.

- **Limited Tax Bond, Series 2014**

- To fund Facilities Master Plan Phase III. To purchase, acquire, construct and equip facilities.
- Issued 7/17/2014
- \$87,915,000; all authorized bonds have been issued.
- Source of Revenue – Property Taxes
- Interest rate – 5.00%
- Maturity date – August 2034
- Outstanding Principle balance as of August 31, 2021 and 2020 is \$12,160,000 and \$72,010,000, respectively.

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

- To refund the Revenue bond, series 2005.
- Issued 6/8/2015
- \$5,305,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 3.75%
- Maturity date – August 2030
- Outstanding Principle balance as of August 31, 2021 and 2020 is \$3,925,000 and \$4,295,000, respectively.

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

- To refund the Limited Tax bond, series 2005.
- Issued 6/8/2015
- \$19,855,000; all authorized bonds have been issued
- Source of Revenue – Property Taxes
- Interest rate – 2.00% to 5.00%
- Maturity date – August 2031
- Outstanding Principle balance as of August 31, 2021 and 2020 is \$11,800,000 and 12,725,000, 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 Principle balance as of August 31, 2021 and 2020 is \$2,950,000 and \$3,465,000, 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 Principle balance as of August 31, 2021 and 2020 is \$13,255,000 and \$14,165,000, respectively.

Note 8 – Bonds Payable – (continued)

- **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 Principle balance as of August 31, 2021 and 2020 is \$28,665,000 and \$29,300,000, 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 Principle balance as of August 31, 2021 and 2020 is \$2,195,000 and \$2,590,000, respectively.

- **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 Principle balance as of August 31, 2021 and 2020 is \$8,955,000 and \$9,040,000, 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 Principle balance as of August 31, 2021 and 2020 is \$26,485,000 and \$26,895,000, 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 Principle balance as of August 31, 2021 and 2020 is \$55,941,802 and \$0.00, 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 at August 31, 2021 is \$4,535,978 which meets the full reserve requirements.

Note 9 – Advance Refunding of Bonds

- On April 7, 2021 Laredo College issued a Limited Tax Refunding Bonds, Taxable Series 2021 totaling \$56,171,802.30 for the purpose of refunding \$56,175,000.00 of the College's series 2014 Limited Tax outstanding bonds and for paying the costs of issuance of the Bonds. In order to refund the bonds, the proceeds of the new bonds in the amount of \$65,181,400.18 after payments of \$306,953.76 in underwriters fees, issuance, bond counsel fees and other issuance costs were deposited and used to purchase securities. The refunding will result in a net present value savings of approximately \$4,660,761.84 or 8.30% and a gross savings of \$5,654,963.34. The Limited Tax Bonds, Series 2014 were paid on August 1, 2021.

Note 10 – Defeased Bonds Outstanding

Bond Issuance	Year Refunded	Par Value Outstanding	Call Date
Limited Tax Bonds Series 2014	2021	\$56,175,000	2024

Note 11 – 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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report 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.

Note 11 – Employees’ Retirement Plan – (continued)

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	
	2020	2021
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
Current fiscal year employer contributions		\$1,186,012
Current fiscal year member contributions		\$2,066,583
2020 measurement year NECE on-behalf contributions		\$837,916

The College’s contributions to the TRS pension plan in FY 2021 were \$1,186,012 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 2021 were \$830,767.

- 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.

Note 11 – Employees’ Retirement Plan – (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Validation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate	2.33%
Last year ending August 31	
Projection period (100 years)	2119
Inflation	2.30%
Payroll Growth Rate	2.50%
Salary increase including inflation	3.05% to 9.05%
Benefit changes during the year	
Ad hoc post-employment benefit changes	None

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, 2019.

Discount Rate

The single discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. 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 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 7.25%. 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system’s target asset allocation as of August 31, 2020, are summarized below:

Note 11 – Employees’ Retirement Plan – (continued)

Asset Class	Target Allocation %*	Long-Term Expected Geometric Real Rate of Return**	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return	-	1.8	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Assets	15.00%	4.60%	1.02%
Energy and Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.8	-
Risk Party			
Risk Party	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation	-	-	2.00%
Volatility Drag ***	-	-	-0.67%
Total	100.00%		7.33%

* Target allocations are based on the FY 2020 policy model.

** Capital Market Assumptions come from Aon Hewitt (as of 8/31/2020).

*** The volatility drag results from the conversation between arithmetic and geometric mean returns.

Source:

Teacher Retirement System of Texas 2020 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 (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
Laredo College's proportionate share of the net pension liability:	\$23,484,627	\$15,230,155	\$8,523,578

Note 11 – Employees’ Retirement Plan – (continued)

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

At August 31, 2021, the College reported a liability of \$15,230,155 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	\$ 15,230,155
State's proportionate share that is associated with Laredo College	\$ 10,876,599
Total	<u>\$26,106,754</u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net pension liability was 0.0284367725% which was an increase (decrease) of (0.0008203343)% from its proportion measured as of August 31, 2019.

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 or \$2,000, whichever was less.

For the year ended August 31, 2021, the College recognized pension expense of \$1,962,721 and revenue of \$1,308,213 for support provided by the State. Refer to the FY 2020 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2021, 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	\$ 27,809	\$ 425,033
Changes in actuarial assumptions	3,533,938	1,502,606
Differences between projected and actual investment earnings	678,465	370,143
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	203,391	629,315
Total as of August 31, 2020 measurement date	\$ 4,443,603	\$ 2,927,097
Contributions paid to TRS subsequent to the measurement date	1,186,012	-
Total as of fiscal year-end	\$ 5,629,615	\$ 2,927,097

Note 11 – Employees’ Retirement Plan – (continued)

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:

Fiscal year ended August 31,	Pension Expense Amount
2021	\$ 92,934
2022	\$ 696,619
2023	\$ 710,052
2024	\$ 224,923
2025	\$ (187,669)
Thereafter	\$ (20,353)

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 6.6 percent and 6.65 percent, respectively. The College contributes 1.90 percent for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. 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 retirement expense to the State for the College was \$1,039,230 and \$1,101,915 for the fiscal years ended August 31, 2021, and August 31, 2020, 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 \$35,863,985 and \$38,531,447 for the fiscal years ended August 31, 2021, and 2020, respectively. The total payroll of employees covered by the Teacher Retirement System was \$26,838,735 and \$26,513,828 and the total payroll of employees covered by the Optional Retirement Program was \$6,418,205 and \$8,178,478 for fiscal years 2021 and 2020, respectively.

Note 12 – 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, 2021 and August 31, 2020 in the amounts of \$2,258,399 and \$2,499,711, respectively.

Note 13 – 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, 2021 totaled \$3,510,888 for the year. Compare the state's contribution to that provided for the year ended August 31, 2020, when the contribution for full-time active and retired employees totaled \$3,510,888 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 14 – 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 14 – Other Post-Employment Benefits (OPEB) – (continued)Retiree Health and Basic Life Premium
Fiscal Year 2020

Retiree	\$ 624.82
Retiree & Spouse	1,340.82
Retiree & Children	1,104.22
Retiree & Family	1,820.22

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, 2021

	2021	2020
Employers	\$ 1,013,397	\$ 911,048
Members (Employees)	-	-
Nonemployer Contributing Entity (State of Texas)	3,510,888	3,654,650

Note 14 – Other Post-Employment Benefits (OPEB) – (continued)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2019 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, 2020
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 Years
Asset valuation method	Not applicable
Discount rate	2.20%
Projected annual salary increases (includes inflation)	2.30% to 9.05%
	8.80% for FY 2022, 5.25% for FY 2023, 5.00% for FY 2024, 4.75% for FY 2025, 4.60% for FY 2026, decreasing 10 basis points per year to an unlimited rate of 4.30% for FY 2029 and later years
Annual healthcare trend rate	and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
	Tables based on TRS experience with ultimate MP projection scale from the year 2018
Service retirees, survivors and other inactive members	
	Tables based on TRS experience with ultimate MP 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
Disability retirees	
	Sex Distinct PR-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014
Active members	

Source: FY 2020 ERS CAFR except for mortality assumptions obtained from ERS FY 2020 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, 2017 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 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used

to measure the total 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 3.96%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.97%, which amounted to a decrease of 0.99%. 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 (PAYGO) 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 14 – 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 (2.20%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.20%)	Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
Proportionate share of the net OPEB liability	\$ 51,106,503	\$ 42,998,293	\$ 36,646,237

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 8.8% 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 8.8% in measuring the net OPEB Liability.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 35,986,742	\$ 42,998,293	\$ 52,189,703

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2021, the College reported a liability of \$42,998,293 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	\$ 42,998,293
State's proportionate share that is associated with the District	38,592,665
Total	\$ 81,590,958

The net OPEB liability was measured as of August 31, 2020, 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, 2019, thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.13012187%, which was an increase (decrease) of (0.00200532)% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2020, the College recognized OPEB expense of \$455,344 and revenue of \$455,344 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.

Note 14 – Other Post-Employment Benefits (OPEB) – (continued)

- Assumed expenses, assumed per capita health benefit 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.
- 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 decreased from 3.51% to 3.96% 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 benefit changes have been reflected in the fiscal year 2019 Assumed Per Capita Health Benefit Costs.

At August 31, 2021, 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	\$ -	\$ 1,681,685
Changes in actuarial assumptions	2,489,302	9,264,360
Differences between projected and actual investment earnings	12,833	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	8,095,019	3,340,312
Total as of August 31, 2020 measurement date	\$ 9,840,042	\$ 14,286,357
Contributions paid to ERS subsequent to the measurement date	757,112	-
Total as of fiscal year-end	\$ 10,597,154	\$ 14,286,357

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:

Note 14 – Other Post-Employment Benefits (OPEB) – (continued)

Fiscal year ended August 31,	OPEB Expense Amount
2022	\$ 2,213,457
2023	\$ 2,213,457
2024	\$ 968,072
2025	\$ (549,107)
2026	\$ (91,172)
Thereafter	\$ -

Note 15 – Commitments and Contingencies

On August 31, 2021, 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.

On August 31, 2021, the College had a total of \$1,768,506 in construction commitments for various projects.

Note 16 - Disaggregation of Receivables and Payable Balances**Receivables**

Receivables at August 31, 2021 and August 31, 2020 were as follows:

	<u>August 31, 2021</u>	<u>August 31, 2020</u>
Students Receivable	\$ 1,946,639	\$ 1,976,808
State Grants Receivable	322,722	47,107
Local Grants Receivable	35,646	246,002
Auxiliary Receivable	19,394	11,540
Other Receivables	<u>1,028,976</u>	<u>754,362</u>
Subtotal	<u>3,353,377</u>	<u>3,035,819</u>
Allowance for Doubtful Accounts	<u>(585,553)</u>	<u>(543,755)</u>
Total Receivables	<u>\$ 2,767,824</u>	<u>\$ 2,492,064</u>

Note 16 - Disaggregation of Receivables and Payable Balances – (continued)

Payables

Payables at August 31, 2021 and August 31, 2020 were as follows:

	<u>August 31, 2021</u>	<u>August 31, 2020</u>
Accounts Payable - Construction	\$ 977	\$ 562,831
Salaries & Benefits Payable	2,541,750	2,440,615
Students Payable	237,245	893,456
Accrued Liabilities	218,848	392,478
Other Payables	<u>1,500,377</u>	<u>1,997,646</u>
Subtotal	<u>4,499,197</u>	<u>6,287,026</u>
Total Payables	<u>\$ 4,499,197</u>	<u>\$ 6,287,026</u>

Note 17 – 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 \$484,256 and \$480,164 at August 31, 2021 and August 31, 2020, respectively.

Note 18 - 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 2021 and 2020 for which monies have not been received nor funds expended totaled \$26,065,842 and \$11,495,111. Of these amounts, \$25,807,480 and \$10,265,901 were from Federal Contract and Grant Awards; \$258,362 and \$818,186 were from State Contract and Grant Awards; \$0 and \$411,024 from Local Contract and Grant Awards; and \$0 and \$0 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2021 and 2020, respectively.

Note 19 - 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 2021 and 2020 and property insurance covering the College's buildings and personal property in a combined amount of \$200,088,894 for fiscal year 2021 and \$200,875,703 for fiscal year 2020. Of the \$200,088,894 coverage for fiscal year 2021, \$173,824,042 is coverage for real property and \$26,264,852 for personal property. Of the 200,875,703 coverage for fiscal year 2020, \$173,824,042 is coverage for real property and \$27,051,661 for personal property. The College also maintained \$6,000,000 in annual aggregate school professional legal liability for fiscal year 2021 and 2020 of which \$1,000,000 is for law enforcement professional liability and \$5,000,000 for school leaders' errors and omissions liability. Additional coverages under the general liability insurance include insurance for data compromise response, data defense and liability, attack and extortion and network security. For fiscal year 2021, the College maintained the limit of liability insurance of \$5,000,000 for coverage in security and privacy, network interruption service, event management, and cyber extortion insurance.

The College did not maintain or operate a self-insured insurance plan for fiscal years 2021 and 2020.

Note 20 – 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, 2020	August 31, 2021
Assessed valuation of the District	\$ 18,227,177,045	\$ 18,368,549,011
Less: Exemptions	(3,487,150,887)	(3,483,757,708)
Less: Abatements	-	-
Net Assessed Valuation of the District	\$ 14,740,026,158	\$ 14,884,791,303

	Fiscal Year 2021			Fiscal Year 2020		
	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	\$ 0.252857	\$ 0.072652	\$ 0.325509	\$ 0.255067	\$ 0.073576	\$ 0.328643

Taxes levied for the year ended August 31, 2021, and 2020 amounted to \$48,451,335 and \$47,308,976, 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, 2021			August 31, 2020		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$ 37,386,959	\$ 10,525,882	\$ 47,912,841	\$ 36,636,772	\$ 10,362,170	\$ 46,998,942
Delinquent taxes collected	737,805	194,528	932,333	651,803	152,576	804,379
Penalties & Interest collected	580,254	156,196	736,450	447,132	127,308	574,440
Total Gross Collections	38,705,019	10,876,606	49,581,625	37,735,707	10,642,054	48,377,761
Tax Appraisal & Collection Fees	(667,090)	-	(667,090)	(653,289)	-	(653,289)
Bad Debt Expense	(24,265)	-	(24,265)	(94,580)	-	(94,580)
Total Net Collections	\$ 38,013,664	\$ 10,876,606	\$ 48,890,269	\$ 36,987,838	\$ 10,642,054	\$ 47,629,892

Tax collections for the year ended August 31, 2021, and 2020, were 101% 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 21 – Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(b), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2021 and August 31, 2020.

Note 22 – Bad Debt Expense

In accordance with GAAP and Board policy CDA (local), bad debt expense was recognized for the years ended August 31, 2021 and August 31, 2020 in the following amounts, \$206,926 and \$237,297, respectively. At year end, the reserve for uncollectible accounts was \$2,822,281 and \$2,615,355. The total amount of uncollectible accounts written-off was \$0 and \$0 at August 31, 2021 and August 31, 2020. The property tax reserve was \$1,084,272 and \$1,060,007. The total reported allowance for doubtful accounts was a \$3,906,553 and \$3,675,362 for August 31, 2021 and August 31, 2020, respectively.

Note 23 – L.C.C. Education Foundation, Inc.

The following note is from the audited financial statements of the L.C.C. Education Foundation, Inc., for the years ended December 31, 2020 and 2019:

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
FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year Ended August 31,						
	2020	2019	2018	2017	2016	2015	2014
College's Proportion of the Net Pension Liability (Asset)	0.0284367725%	0.0292571068%	0.0284741180%	0.0287773623%	0.0292406664%	0.0298519000%	0.0330499000%
College's Proportionate Share of Net Pension Liability (Asset)	\$ 15,230,155	\$ 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	10,876,599	10,627,066	11,086,991	6,640,545	7,936,580	7,280,335	6,887,063
Total	<u>\$ 26,106,754</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	\$ 26,513,828	\$ 25,645,301	\$ 24,175,007	\$ 23,733,980	\$ 23,217,845	\$ 21,695,044	\$ 21,707,196
College's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered Payroll	57.44%	59.30%	64.83%	38.77%	47.59%	48.64%	40.67%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	Fiscal Year Ended August 31,					
	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,186,012	\$ 1,172,774	\$ 1,028,066	\$ 959,963	\$ 943,305	\$ 929,901
Contribution in Relation to the Contractually Required Contribution	<u>(1,186,012)</u>	<u>(1,172,774)</u>	<u>(1,028,066)</u>	<u>(959,963)</u>	<u>(943,305)</u>	<u>(929,901)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Payroll	\$26,838,735	\$ 26,513,828	\$ 25,645,301	\$ 24,175,007	\$ 23,733,980	\$ 23,217,845
Contributions as a percentage of Covered Payroll	4.42%	4.42%	4.01%	3.97%	3.97%	4.01%

Note: Only six years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	Measurement Year Ended August 31,			
	2020	2019	2018	2017
College's Proportion of the Net OPEB Liability (Asset)	0.1301218700%	0.1321271900%	0.1423816800%	0.1004662100%
College's Proportionate Share of the Net OPEB Liability (Asset)	\$ 42,998,293	\$ 45,666,692	\$ 42,198,715	\$ 34,231,864
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the College	<u>38,592,665</u>	<u>42,627,236</u>	<u>34,293,768</u>	<u>31,102,829</u>
Total	<u>\$ 81,590,958</u>	<u>\$ 88,293,928</u>	<u>\$ 76,492,483</u>	<u>\$ 65,334,693</u>
College's Covered Employee Payroll	\$ 31,502,617	\$ 31,244,326	\$ 29,938,497	\$ 30,390,207
College's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	136.49%	146.16%	140.95%	112.64%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.32%	0.17%	1.27%	2.04%

Note: Only four years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S OPEB CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2021

	Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Contractually Required Contribution	\$ 1,013,397	\$ 911,048	\$ 973,676	\$ 879,722
Contribution in Relation to the Contractually Required Contribution	<u>(1,013,397)</u>	<u>(911,048)</u>	<u>(973,676)</u>	<u>(879,722)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Employee Payroll	\$31,244,326	\$ 31,502,617	\$ 31,244,326	\$29,938,497
Contributions as a percentage of Covered Employee Payroll	3.24%	2.89%	3.12%	2.94%

Note: Only three years of data is presented in accordance with GASB #75, paragraph 245. "The information for all fiscal years for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Laredo College
Notes to OPEB Required Supplementary Information
August 31, 2021

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Demographic assumptions (including rates of pre-retirement and post-disability mortality for all State Agency members; assumed rates of termination and retirement for certain members who are Certified Peace Officers/Custodial Officers; and assumed salary, aggregate payroll increases and the assumed rate of general inflation) have been updated to reflect assumptions recently adopted by the ERS Trustees.
- 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 percentage of future female retirees assumed to be married and electing coverage for their spouses have been updated to reflect recent plan experience and expected trends.
- The proportion of future retirees assumed to cover dependent children have been updated to reflect recent plan experience and expected trends.
- The PCORI fees payable under the ACA have been updated to reflect IRS Notice 2020-44.

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.

The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

SCHEDULES

Laredo College
Schedule A
Schedule of Detailed Operating Revenues
Year Ended August 31, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2021	FY 2020
Tuition						
State funded courses						
In-district resident tuition	\$ 5,693,877	\$ -	\$ 5,693,877	\$ -	\$ 5,693,877	\$ 7,601,290
Out-of-state tuition	442,958	-	442,958	-	442,958	547,727
TPEG (set aside)*	414,939	-	414,939	-	414,939	492,499
Out-of-district resident tuition	760,205	-	760,205	-	760,205	824,723
State funded continuing education	462,853	-	462,853	-	462,853	353,674
Non-state funded continuing education	686,595	-	686,595	-	686,595	203,935
Total Tuition	8,461,427	-	8,461,427	-	8,461,427	10,023,848
Fees						
General use fee	8,056,303	-	8,056,303	-	8,056,303	8,903,702
Installment fee	50,450	-	50,450	-	50,450	76,450
Health services fee	114,847	-	114,847	-	114,847	123,276
Matriculation fee	346,320	-	346,320	-	346,320	371,775
Late registration fee	26,360	-	26,360	-	26,360	26,030
Malpractice fee	11,734	-	11,734	-	11,734	18,327
Graduation fee	60	-	60	-	60	170
Instructional Support Fee	1,611,664	-	1,611,664	-	1,611,664	1,780,683
Technology fee	1,614,584	-	1,614,584	-	1,614,584	1,780,627
Student service fee	1,379,427	-	1,379,427	-	1,379,427	1,481,382
Distance education fee	-	-	-	-	-	475,846
Parking/street maint. Fee	-	-	-	-	-	207,368
Diff. tuition fee (development)	14,040	-	14,040	-	14,040	25,800
Diff. tuition fee (3 peat)	124,863	-	124,863	-	124,863	133,308
Lab fee	141,005	-	141,005	-	141,005	247,177
Assessment fee	15,624	-	15,624	-	15,624	22,403
Installment loan late payment fee	16,410	-	16,410	-	16,410	20,280
Add/drop fee	17,210	-	17,210	-	17,210	14,300
Other fees	11,267	-	11,267	-	11,267	12,057
Total fees	13,552,168	-	13,552,168	-	13,552,168	15,720,961
Scholarships allowances and discounts						
Scholarship allowances	(231,121)	-	(231,121)	-	(231,121)	(291,513)
Remissions and exemptions	(6,288,044)	-	(6,288,044)	-	(6,288,044)	(6,208,553)
Pell grants	(8,379,223)	-	(8,379,223)	-	(8,379,223)	(11,519,147)
Other federal grants	(749,791)	-	(749,791)	-	(749,791)	(342,373)
TEOG grants	(539,874)	-	(539,874)	-	(539,874)	(289,646)
TPEG allowances	(265,338)	-	(265,338)	-	(265,338)	(251,332)
Other state grants	(63,676)	-	(63,676)	-	(63,676)	(60,730)
Other	(434,767)	-	(434,767)	-	(434,767)	(299,827)
Total scholarship allowances	(16,951,834)	-	(16,951,834)	-	(16,951,834)	(19,263,121)
Total net tuition and fees	5,061,761	-	5,061,761	-	5,061,761	6,481,688
Other operating revenues						
Federal grants and contracts	7,228,183	6,428,838	13,657,021	-	13,657,021	7,011,276
State grants and contracts	933	1,410,989	1,411,922	-	1,411,922	1,209,315
Nongovernmental grants and contracts	-	818,343	818,343	-	818,343	776,613
Investment income (program restricted)	-	48,437	48,437	-	48,437	134,114
Other operating revenues	34,929	784,275	819,204	-	819,204	1,355,848
Total other operating revenues	7,264,045	9,490,882	16,754,927	-	16,754,927	10,487,166
Auxiliary enterprises						
Student activities	-	-	-	1,611,284	1,611,284	1,778,994
Cafeteria	-	-	-	-	-	-
Campus housing	-	-	-	-	-	-
Residential	-	-	-	8,703	8,703	71,700
Health Clinic	-	-	-	106,000	106,000	-
Bookstore	-	-	-	111,729	111,729	161,720
Total net auxiliary enterprises	-	-	-	1,837,716	1,837,716	2,012,414
Total operating revenues (Exhibit 2)	\$ 12,325,806	\$ 9,490,882	\$ 21,816,688	\$ 1,837,716	\$ 23,654,404	\$ 18,981,268

*In accordance with Education Code 56.033, \$414,938 and \$492,499 of tuition was set aside for Texas Public Education Grants (TPEG).

Laredo College
Schedule B
Schedule of Operating Expenses by Organization
Year Ended August 31, 2021 (with Memorandum Totals for the Year Ended August 31, 2020)

	Operating Expenses					
	Salaries and Wages	Benefits		Other Expenses	FY 2021 Total	FY 2020 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 17,395,120	\$ -	\$ 5,303,346	\$ 1,028,239	\$ 23,726,705	\$ 24,807,758
Research	-	-	-	-	-	-
Public Service	157,231	-	64,239	15,924	237,394	281,130
Academic Support	2,448,523	-	904,385	257,012	3,609,920	3,525,389
Student Services	3,009,785	-	1,133,063	528,660	4,671,508	4,987,548
Institutional Support	7,950,791	-	480,805	4,154,812	12,586,408	13,964,467
Operation and Maintenance of Plant	1,601,286	-	792,808	3,639,094	6,033,188	6,498,951
Scholarships and Fellowships	-	-	-	208,630	208,630	384,331
Total Unrestricted Educational Activities	32,562,737	-	8,678,646	9,832,371	51,073,754	54,449,575
Restricted - Educational Activities						
Instruction	764,298	3,786,566	186,240	166,749	4,903,852	6,955,445
Research	89,018	18,562	9,415	7,359	124,354	16,815
Public Service	138,175	61,597	43,329	77,067	320,168	345,474
Academic Support	913,055	700,950	273,222	486,719	2,373,946	3,116,796
Student Services	713,759	776,426	100,602	142,640	1,733,428	2,353,551
Institutional Support	21,720	1,662,412	8,758	1,351,342	3,044,232	2,498,501
Operation and Maintenance of Plant	96,368	-	26,239	1,259,016	1,381,623	1,767,334
Scholarships and Fellowships	-	-	-	8,106,314	8,106,314	10,872,114
Total Restricted Educational Activities	2,736,391	7,006,514	647,805	11,597,205	21,987,916	27,926,029
Total Educational Activities	35,299,128	7,006,514	9,326,451	21,429,576	73,061,669	82,375,604
Auxiliary Enterprises	564,857	-	154,981	211,403	931,241	1,446,158
Depreciation Expense - Buildings & other real estate	-	-	-	4,779,505	4,779,505	4,117,490
Depreciation Expense - Equipment & furniture	-	-	-	3,127,172	3,127,172	3,007,543
Depreciation Expense - Library Books	-	-	-	115,666	115,666	119,820
Total Operating Expenses	\$ 35,863,985	\$ 7,006,514	\$ 9,481,432	\$ 29,663,322	\$ 82,015,253	\$ 91,066,614

Laredo College
Schedule C
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	Unrestricted	Restricted	Auxiliary Enterprises	FY 2021 Total	FY 2020 Total
NON-OPERATING REVENUES:					
State Appropriations					
Education and General State Support	\$ 11,499,124	855,170	\$ -	\$ 12,354,294	\$ 13,219,387
State Group Insurance	\$ -	1,039,230	-	1,039,230	1,101,915
State Retirement Matching	-	3,510,888	-	3,510,888	3,510,888
Non-Employer Contributing Entity On-Behalf Payments	-	-	-	-	-
Professional Nursing Shortage Reduction	-	58,259	-	58,259	11,481
Total State Appropriations	11,499,124	5,463,547	-	16,962,671	17,843,671
Ad Valorem Taxes					
Taxes for Maintenance & Operations	38,444,013	-	-	38,444,013	37,652,641
Taxes for General Obligation Bonds	-	10,846,990	-	10,846,990	10,642,053
Federal Revenue, Non Operating (Title IV)	-	16,332,074	-	16,332,074	19,378,260
Federal Revenue, Non Operating (HEERF)	-	18,346,600	-	18,346,600	-
Investment Income	337,605	193,283	-	530,888	1,047,047
Additions to Permanent Endowments	-	30,000	-	30,000	-
Capital Gifts	-	-	-	-	538
Total Non-Operating Revenues	50,280,742	51,212,494	-	101,493,236	86,564,210
NON-OPERATING EXPENSES:					
(Gain) / Loss on Assets	-	(1)	-	(1)	2,784
Interest on Capital Related Debt	-	6,029,856	-	6,029,856	7,417,611
Other Non-Operating (Revenues) Expenses	-	(27,651)	-	(27,651)	345,534
Other Non-Operating Expenses (HEERF)	-	18,346,600	-	18,346,600	-
Total Non-Operating Expenses	-	24,348,804	-	24,348,804	7,765,929
Net Non-Operating Revenues	\$ 50,280,742	\$ 26,863,690	\$ -	\$ 77,144,432	\$ 78,798,281

Laredo College
Schedule D
Schedule of Net Position by Source and Availability
Year Ended August 31, 2021 (With Memorandum Totals for the Year Ended August 31, 2020)

	Detail by source					Available for current operations	
	Restricted			Capital assets net of depreciation & related debt	Total	Yes	No
	Unrestricted	Expendable	Non-expendable				
Current							
Unrestricted	\$ (1,387,792)	\$ -	\$ -	\$ -	\$ (1,387,792)	\$ (1,387,792)	\$ -
Board designated	180,957	-	-	-	180,957	-	180,957
Restricted							
Auxiliary enterprises	-	4,893,392	-	-	4,893,392	4,893,392	-
Endowment	-	-	3,317,509	-	3,317,509	-	3,317,509
Student Aid	-	4,072,986	-	-	4,072,986	4,072,986	-
Other	-	83,377	-	-	83,377	83,377	-
Plant							
Unexpended	-	689,366	-	-	689,366	-	689,366
Debt service	-	16,450,583	-	-	16,450,583	-	16,450,583
Investment in plant	-	-	-	36,570,582	36,570,582	-	36,570,582
Total Net Position, August 31, 2021	(1,206,835)	26,189,704	3,317,509	36,570,582	64,870,960	7,661,963	57,208,997
Total Net Position, August 31, 2020	(11,651,501)	21,710,357	3,287,305	32,741,218	46,087,379	(5,449,831)	51,537,210
Net increase (decrease) in Net Position	\$ 10,444,666	\$ 4,479,347	\$ 30,204	\$ 3,829,364	\$ 18,783,581	\$ 13,111,794	\$ 5,671,787

Laredo College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2021
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	\$ 861,349	\$	\$ 861,349	\$
Federal College Work-Study Program	84.033	302,794		302,794	
Federal Pell Grant Program	84.063	15,239,617		15,239,617	
Total Student Financial Assistance Cluster		16,403,760		16,403,760	
TRIO Cluster					
Trio Student Support Services	84.042A	292,384		292,384	
Trio Upward Bound	84.047A	420,421		420,421	
Total TRIO Cluster		712,805		712,805	
Title III - LEAPS	84.031C	1,312,266		1,312,266	27,623
Coronavirus Aid, Relief, and Economic Security Act (CARES Act)					
2020 IHE CARES Act Student Financial Aid	84.425E	2,797,511		2,797,511	
2020 IHE CARES Act Institutional	84.425F	2,760,590		2,760,590	
2020 IHE CARES Act Minority Serving Institutions	84.425L	170,866		170,866	
Total CARES Act Funding		5,728,967		5,728,967	
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSSA Act)					
2020 IHE CRRSSA Act Student Financial Aid	84.425E	4,463,111		4,463,111	
2020 IHE CRRSSA Act Institutional	84.425F	9,860,821		9,860,821	
2020 IHE CRRSSA Act Minority Serving Institutions	84.425L	819,706		819,706	
Total CRRSSA Act		15,143,638		15,143,638	
American Rescue Plan (ARP Act)					
2020 IHE ARP Act Student Financial Aid	84.425E	5,863,059		5,863,059	
2020 IHE ARP Act Institutional	84.425F	36,250		36,250	
2020 IHE ARP Act Minority Serving Institutions	84.425L	1,401,147		1,401,147	
Total ARP Act		7,300,456		7,300,456	
Pass-Through From					
Texas A&M International University					
Title V - Building Scholars	84.031S		36,441	36,441	
P031S140130 / 260414					
Pass-Through From:					
Texas Workforce Commission					
Adult Education and Literacy	84.002A		2,504	2,504	
2118ALA000					
Adult Education and Literacy	84.002A		20	20	
2118ALAB00					
Adult Education and Literacy	84.002A		638,242	638,242	
2118ALAC00					
Adult Education and Literacy	84.002A		113,838	113,838	
2118ALAD00					
Adult Education and Literacy Workforce Integration Initiative	84.002A		3,453	3,453	
2120AEL001					
AEL - Accelerate Texas IV	84.002A		128,355	128,355	
2119AEL000					
Total		-	886,412	886,412	
Pass-Through From:					
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Educational Program	84.048	-	424,253	424,253	
23689					
Governor's Emergency Education Relief (GEER) Fund	84.425	-	130,986	130,986	
23604					
Total		-	555,239	555,239	
TOTAL U.S. DEPARTMENT OF EDUCATION		46,601,892	1,478,092	48,079,984	
U. S. DEPARTMENT OF AGRICULTURE					
Direct Program:					
Laredo College PROMISE Scholars Grant Project	10.223	16,038		16,038	
TOTAL U.S. DEPARTMENT OF AGRICULTURE		16,038		16,038	
NATIONAL SCIENCE FOUNDATION					
Direct Programs:					
RAPID - Using Real Life COVID-19 Data to Teaching Quantitative Reasoning Skills to Undergraduate Hispanic STEM students	47.076	154,174		154,174	
TOTAL NATIONAL SCIENCE FOUNDATION		154,174		154,174	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through from:					
Texas Workforce Commission					
TANF	93.558		84,458	84,458	
2118ALAC00					
Pass-Through from:					
South Texas Workforce Development Board	93.596		28,664	28,664	
11211C04					
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		-	113,122	113,122	
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 46,772,104	1,591,214	48,363,318	27,623

Continued on Following Page

Laredo College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2021
Schedule E

Federal Grantor/Pass Through Grantor/Program Title	CFDA Number	Direct Awards	Pass-Through Awards	Total	Subrecipient Expenditures
Note 1: Federal Assistance Reconciliation					
Other Operating Revenues - Federal Grants and Contracts revenue - per Schedule A					\$ 6,428,838
Add: Indirect/Administrative Costs Recoveries					198,562
Add: Revenue Loss Recoveries					7,029,621
Add: Non Operating Federal Revenue per Schedule C					34,678,674
Add: Institutional Grant Matching					-
Total Federal Revenues per Schedule A and C					<u>48,335,695</u>
Reconciling Items:					
Add : Funds passed Through to others					27,623
Add : Direct Student Loans					-
Total Federal Expenditures per Schedule of Expenditures of Federal Awards					<u>\$ 48,363,318</u>

Note 2: Significant accounting policies used in preparing the schedule

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

Note 3: Amounts passed-through by the College

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

U. S. Department of Education

Title III LEAPS, CFDA 84.031 C

Texas A&M International University

\$ 27,623

Total amount passed-through by the College

\$ 27,623

**Laredo College District
Schedule of Expenditures of State Awards
Year Ended August 31, 2021
Schedule F**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Texas College Work-Study		\$ 38,685
Texas Educational Opportunity Grant Initial		420,172
Texas Educational Opportunity Grant Renewal		433,615
Student Mentorship (G - Force)		28,994
Nursing Shortage Reduction Program (Regular)		9,321
Nursing Shortage Reduction Program (Under 70)		48,937
Nursing & Allied Health-Supporting Clinical Learning to Mitigate impediments due to COVID-19	23818	20,313
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		\$ 1,000,037
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Direct Programs:		
Law Enforcement Officers Standards and Education Fund		770
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		770
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Adult Education and Literacy	2118ALAC00	118,582
Jobs in Education For Texans Grant Program	2120JET001	296,240
SDF - Skills for Small Business	2119SSD000	933
Laredo College in Partnership with Uni Trade Forwarding, L.C.	2119SDF001	2,378
Laredo College in Partnership with Cargoquin, Inc.	2120SDF003	23,783
Skills Development Fund Covid-19 Special Initiative	2120COS002	42,270
TEXAS WORKFORCE COMMISSION		484,186
TOTAL STATE FINANCIAL ASSISTANCE		\$ 1,484,993
<u>Note 1 : State Awards Reconciliation</u>		
State Grants and Contracts Revenue - per Schedule A		\$ 1,410,989
Add: Indirect/Administrative Cost Recoveries		933
Add: Capital Outlays		-
Add: Non-Operating State Revenue		58,259
Add: Institutional Grant Matching		14,812
Total State Revenues per Schedule of Expenditures of State Awards		\$ 1,484,993

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.

SINGLE AUDIT SECTION

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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 of the Laredo College (the College), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 14, 2021.

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 may exist that have not been identified.

Compliance

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

Other Matters

We noted certain matters that we have reported to management of the College in a separate report dated December 14, 2021.

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.



December 14, 2021

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

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 and State Program

We have audited the Laredo College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and State of Texas Single Audit Circular that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2021. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State of Texas Single Audit Circular. Those standards, the Uniform Guidance, and the State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal or state program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

December 14, 2021

LAREDO COLLEGE
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2021

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?	<u> </u> Yes	<u> X </u> No
	Significant deficiency(ies) identified not considered to be material weaknesses?	<u> </u> Yes	<u> X </u> No
	Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No

<i>Federal and State Awards</i>			
	Internal control over major programs: Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
	Significant deficiency(ies) identified not considered to be material weaknesses?	<u> </u> 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?	<u> </u> Yes	<u> X </u> No

<i>Identification of Major Programs</i>			
	CFDA Numbers(s)	Name of Federal Program or Cluster	
	84.007, 84.033, 84.063	Student Financial Assistance Cluster	
	84.425 E, F, L	Education Stabilization Fund – COVID-19	
	Dollar Threshold used to distinguish between Type A and Type B programs:	\$1,450,900	
	Auditee qualified as low-risk auditee?	<u> X </u> Yes	<u> </u> No

LAREDO COLLEGE
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2021

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:	\$300,000	
	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, 2021

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net investment in capital assets	\$ 36,570,582	\$ 32,741,218	\$ 29,374,745	\$ 24,992,131	\$ 18,801,859	\$ 15,402,357	\$ 16,142,551	\$ 12,987,174	\$ 12,311,996	\$ 13,260,689
Restricted - expendable	26,189,704	21,710,357	19,392,270	16,894,970	15,122,530	14,144,006	10,913,779	11,398,527	11,559,255	9,822,281
Restricted - nonexpendable	3,317,509	3,287,305	3,300,313	3,240,686	3,149,460	3,128,354	3,125,455	3,046,903	2,975,040	2,912,123
Unrestricted	(1,206,835)	(11,651,501)	(12,692,884)	(15,260,935)	19,367,829	13,322,096	10,493,445	18,934,164	17,144,968	18,227,739
Total primary government net position	\$ 64,870,960	\$ 46,087,379	\$ 39,374,444	\$ 29,866,852	\$ 56,441,678	\$ 45,996,813	\$ 40,675,230	\$ 46,366,768	\$ 43,991,259	\$ 44,222,832

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

For the Year Ended August 31,										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and Fees (Net of Discounts)	\$ 5,061,761	\$ 6,481,688	\$ 7,536,617	\$ 6,514,794	\$ 8,197,564	\$ 8,752,051	\$ 8,833,615	\$ 8,580,215	\$ 8,780,001	\$ 8,254,382
Federal Grants and Contracts	13,657,021	7,011,276	4,290,694	4,467,449	3,550,864	3,778,234	4,739,942	4,203,436	4,552,060	4,060,776
State Grants and Contracts	1,411,922	1,209,315	1,333,461	1,285,563	1,594,385	1,788,450	2,832,960	2,124,875	1,553,504	1,886,105
Non-Governmental Grants and Contracts	818,343	776,613	664,991	395,290	257,156	281,735	291,863	360,058	656,645	613,591
Investment income (program restricted)	48,437	134,114	234,131	156,555	70,014	57,378	90,111	85,241	126,948	64,869
Auxiliary enterprises	1,837,716	2,012,414	2,087,679	2,185,455	2,066,242	2,007,213	2,056,616	2,096,611	1,263,433	1,400,876
Other Operating Revenues	819,204	1,355,848	1,595,814	1,708,381	1,649,371	1,693,752	1,677,981	2,297,503	1,717,011	2,446,467
Total Operating Revenues	23,654,404	18,981,268	17,743,387	16,713,487	17,385,596	18,358,813	20,523,088	19,747,939	18,649,602	18,727,066
State Appropriations	16,904,412	17,832,190	15,976,013	17,056,885	15,425,614	15,387,945	14,924,461	14,737,592	13,561,791	13,617,534
Professional Nursing Shortage Reduction	58,259	11,481	26,272	36,933	7,412	39,280	115,157	55,331	31,293	45,102
Ad Valorem Taxes	49,291,003	48,294,694	45,939,537	44,366,005	42,777,469	38,990,583	33,941,663	28,509,899	28,008,902	27,812,270
Gifts	-	538	8,095	133,549	8,500	18,759	-	-	6,493	11,557
Investment income	530,888	1,047,047	2,432,585	1,844,106	1,097,977	1,132,007	1,098,704	385,196	697,328	681,283
Federal Revenue, Non-Operating (Title IV)	16,332,074	19,378,260	18,645,886	21,582,869	19,500,050	18,957,022	20,014,322	21,082,771	22,255,103	25,321,007
Federal Revenue, Non-Operating (HEERF)	18,346,600	-	-	-	-	-	-	-	-	-
Additions to permanent endowments	30,000	-	56,000	88,500	20,000	2,000	86,946	70,000	53,412	104,000
Other non-operating revenues	27,651	-	399,297	171,324	565,067	323,054	61,861	-	34,478	-
Total Non-Operating Revenues	101,520,887	86,564,210	83,483,685	85,280,171	79,402,089	74,850,650	70,243,114	64,840,789	64,648,800	67,592,753
Total Revenues	\$ 125,175,291	\$ 105,545,478	\$ 101,227,072	\$ 101,993,658	\$ 96,787,685	\$ 93,209,463	\$ 90,766,202	\$ 84,588,728	\$ 83,298,402	\$ 86,319,819

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

For the Year Ended August 31,										
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	\$ 28,630,557	\$ 31,763,204	\$ 30,106,789	\$ 28,987,839	\$ 26,397,974	\$ 26,456,065	\$ 24,750,406	\$ 24,273,755	\$ 24,430,353	\$ 22,995,729
Research	124,354	16,815	638	2,014	890	-	-	298	10,764	-
Public service	557,563	626,604	594,112	588,420	574,058	582,278	484,963	395,271	422,519	383,272
Academic support	5,983,866	6,642,185	6,651,747	6,266,890	6,276,664	6,269,920	7,045,742	6,611,450	6,763,112	6,352,311
Student services	6,404,936	7,341,099	7,766,671	7,247,854	7,342,635	7,185,446	6,730,669	6,729,870	6,602,783	6,168,977
Institutional support	15,630,639	16,462,968	14,591,163	13,086,288	12,797,972	12,562,499	13,718,788	12,356,905	13,650,312	11,718,614
Operation and maintenance of plant	7,414,811	8,266,285	7,791,315	7,789,773	7,626,893	7,655,562	7,421,707	6,624,825	7,182,773	6,885,874
Scholarships and fellowships	8,314,943	11,256,444	8,950,340	9,079,015	8,735,070	8,532,758	8,527,905	10,343,160	11,811,478	15,897,789
Auxiliary enterprises	931,241	1,446,158	1,522,336	1,575,990	1,676,433	1,545,607	1,550,030	1,045,445	764,232	762,208
Depreciation	8,022,343	7,244,852	5,851,557	5,673,065	5,800,510	5,815,084	5,564,615	5,023,270	4,548,684	3,832,071
Total Operating Expenses	82,015,253	91,066,614	83,826,668	80,297,148	77,229,099	76,605,219	75,794,825	73,404,249	76,187,010	74,996,845
Interest on capital related debt	6,029,856	7,417,611	7,892,812	8,312,105	9,113,721	9,720,392	10,660,658	7,191,307	7,367,672	6,628,904
Loss on disposal of fixed assets	1	2,784	-	-	-	-	-	17,230	-	1,889
Other non-operating expenses (HEERF)	18,346,600	-	-	-	-	-	-	-	-	-
Other non-operating expenses	-	345,534	-	-	-	-	-	712,220	-	19,434
Total Non-Operating Expenses	24,376,457	7,765,929	7,892,812	8,312,105	9,113,721	9,720,392	10,660,658	7,920,757	7,367,672	6,650,227
Total Expenses	\$ 106,391,710	\$ 98,832,543	\$ 91,719,480	\$ 88,609,253	\$ 86,342,820	\$ 86,325,611	\$ 86,455,483	\$ 81,325,006	\$ 83,554,682	\$ 81,647,072

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 Fees	Instr Support Fee	Student Activity Fees	General Use Fees	Other Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In- District	Increase from Prior Year Out- of-District
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	22%	15%
2012-13	50.00	100.00	7.50	7.50	5.00	35.00	90.00	1,350.00	1,950.00	17%	17%
2011-12	42.00	84.00	7.50	7.50	5.00	27.00	90.00	1,158.00	1,662.00	0%	0%

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	Instr Support Fee	Student Activity Fees	General Use Fees	Other Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
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	12%	12%
2012-13	152.00	152.00	7.50	7.50	5.00	35.00	90.00	2,574.00	2,574.00	18%	18%
2011-12	128.00	128.00	7.50	7.50	5.00	27.00	90.00	2,190.00	2,190.00	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)
2020-21	\$ 20,140,324	288,378	\$ 3,450,867	\$ 16,401,079	81.43%	\$ 0.25202	\$ 0.06742	\$ 0.31944
2019-20	18,368,549	224,704	3,259,054	14,884,791	81.03%	0.25286	0.07265	0.32551
2018-19	18,227,177	268,324	3,218,827	14,740,026	80.87%	0.25507	0.07358	0.32864
2017-18	17,374,656	274,332	2,996,922	14,103,402	81.17%	0.25507	0.07204	0.32710
2016-17	16,195,341	252,840	2,692,606	13,249,895	81.81%	0.25507	0.08298	0.33805
2015-16	14,827,403	226,360	2,140,034	12,461,009	84.04%	0.25507	0.08793	0.34300
2014-15	13,984,961	220,951	1,926,275	11,837,735	84.65%	0.24527	0.08498	0.33024
2013-14	13,378,064	217,743	1,800,704	11,359,617	84.91%	0.23441	0.06275	0.29716
2012-13	12,937,362	220,907	1,735,502	10,980,953	84.88%	0.22265	0.03257	0.25522
2011-12	12,545,956	215,638	1,721,394	10,608,924	84.56%	0.22354	0.03422	0.25776

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,									
	2021	2020	2019	2018	2017	2016	2015	2014*	2013	2012
State Appropriation Contact Hour Funding (CH)	\$ 9,234,867	\$ 9,235,391	\$ 8,523,094	\$ 8,523,095	\$ 8,542,772	\$ 8,540,094	\$ 9,285,446	\$ 9,285,446	\$ 7,461,105	\$ 7,568,922
State Appropriation Student Success Points (SSP)	1,435,069	1,435,151	1,076,577	1,076,577	1,093,569	1,095,235	1,163,737	1,163,737	3,023,605	3,100,397
State Appropriation Core Operations (CO)	680,560	680,599	683,662	683,662	515,489	500,761	500,174	500,174	213,983	217,865
State Appropriation Non-Formula Items	148,628	148,636	148,594	148,594	165,570	165,822	165,613	165,613	161,195	161,195
Total	\$ 11,499,124	\$ 11,499,777	\$ 10,431,927	\$ 10,431,928	\$ 10,317,400	\$ 10,301,912	\$ 11,114,970	\$ 11,114,970	\$ 10,859,888	\$ 11,048,379

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
2020	\$ 11,499,777	5,985	\$1,921
2019	10,431,927	5,594	\$1,865
2018	10,431,927	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	5,385	2,064
2013	10,859,888	2,109	5,149
2012	11,048,379	6,224	1,775
2011	11,912,070	6,418	1,856

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
2020	\$ 9,235,391	2,465,536	897,600	75,372	3,438,508	\$2.69
2019	8,523,094	2,321,968	866,624	75,662	3,264,254	\$2.61
2018	8,523,094	2,381,840	949,392	61,335	3,392,567	2.51
2017	5,242,772	2,174,000	887,968	66,902	3,128,870	1.68
2016	8,540,094	2,127,680	861,824	64,578	3,054,082	2.80
2015	9,285,446	2,135,168	920,896	96,646	3,152,710	2.95
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
2020	1,435,151	19,138	\$74.99
2019	1,076,577	15,954	\$67.48
2018	1,076,577	13,498	79.76
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
2011	4,088,304	13,269	308.11

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

*FY2014 Year Formula Funding Changed Methodology

Source: THECB Biennium 10-Pay Schedule.

Laredo College
Statistical Supplement 6e
Student Success Points (SSP)
Last Nine Fiscal Years
(unaudited)

	For the Year Ended August 31,						
Success Points Elements¹	2020	2019	2018	2017	2016	2015	2014*
Math Readiness	796	814	736	701	699	377	483
Read Readiness	308	239	286	261	262	166	251
Write Readiness	96	74	171	200	212	145	213
Students Who Pass FCL Math Course	2,175	3,187	1,813	1,818	1,753	1,422	1,624
Students Who Pass FCL Read Course	1,328	1,728	1,326	1,150	1,041	885	897
Students Who Pass FCL Write Course	1,328	1,874	1,326	1,150	1,041	885	897
Students Who Complete 15 SCH	3,610	2,034	2,675	2,395	2,124	2,281	2,199
Students Who Complete 30 SCH	3,145	1,274	1,630	1,522	1,525	1,486	1,467
Student Transfers to a 4-Yr Inst	3,507	1,274	1,706	1,518	1,576	1,500	1,392
Degrees, CCCs, or Certs (Undup)	1,438	2,380	2,584	2,072	2,178	2,142	1,758
Degrees or Certs in Critical Fields	1,407	1,076	1,150	983	923	900	952
Annual Success Points - Total	19,138	15,954	15,403	13,770	13,334	12,189	12,133

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)									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
AEP Texas Central Company	Utility	\$ 186,628	\$ 161,199	\$ 159,178	\$ 195,856	\$ 144,050	\$ 120,985	\$ 116,064	\$ 93,214	\$ 85,868	\$ 70,752
Laredo Texas Hospital Co. LP	Medical	96,880	101,647	95,913	96,147	96,438	96,991	96,293	96,578	104,484	106,398
Farias Development LTD	Development	69,689	56,074	57,299	53,362	44,134	42,166	40,924	38,464	36,413	29,908
Mall Del Norte LLC	Retail	65,868	65,868	68,868	58,141	56,446	57,316	55,890	55,567	52,068	52,068
The GEO Group Inc	Commercial Business	60,000	57,371	57,371	56,723	53,182	53,182	52,609	52,609	52,160	50,531
Killam Ind. Dev. Partnership Ltd.	Development	56,448	35,897	51,026	41,412	36,487	33,380	35,890	33,737	29,575	29,443
Laredo Regional Medical Ctr. Lp	Medical	48,124	58,029	49,307	48,907	43,794	43,558	43,106	41,678	40,213	39,869
Laredo Outlet Shoppes LLC	Retail	43,328	47,167	63,630	63,630	45,586	-	-	-	-	-
Laredo Portfolio LLC	Commercial Business	41,765	40,100	40,100	-	-	-	-	-	-	-
AEP Electric Transmission of Texas LLC	Utility	40,504	42,368	42,105	40,938	43,404	44,864	48,063	35,802	42,868	41,458
Killam Development LTD	Development	37,306	48,110	35,912	33,334	33,097	26,286	20,937	19,848	-	-
United States Cold Storage Inc	Refrigeration	33,500	48,472	50,340	27,106	17,642	17,861	-	-	-	-
M S Carriers LLC	Logistics	32,261	30,282	20,684	-	-	-	-	-	-	-
Laredo WLE LP	Utility	30,280	27,446	28,986	40,693	40,805	64,955	83,568	86,668	97,224	89,916
WRI Trautmann Lp.	Commercial Real Estate	29,778	29,514	29,572	29,943	32,771	29,874	29,596	28,307	27,737	27,621
Union Pacific Railroad Company	Railroad	28,754	26,761	25,504	24,607	23,272	22,110	20,794	19,402	17,578	-
Texas International Enterprises	Logistics	28,641									
Mission Produce Inc	Retail/Wholesale	26,994									
Shiloh Texas Properties LTD	Development	26,204	19,420	19,420	-	16,885	21,176	19,607	18,373	18,455	-
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	34,247	35,148
H E Butt Grocery Company	Grocery	-	28,269	28,118	29,326	29,742	33,218	31,669	30,105	30,025	30,493
Dorel Laredo Holdings LLC	Real Estate	-	-	26,812	24,152	24,152	29,438	27,358	28,394	24,608	-
Gemini Rio Norte H ET AL	Real Estate	-	-	-	-	-	23,075	22,441	22,154	21,194	21,317
Wal-mart Real Estate Business Trust	Commercial Real Estate	-	18,598	19,558	21,150	21,726	22,752	22,026	22,064	21,369	21,041
Webb Hospital Holdings LLC	Medical	-	34,762	-	19,449	20,303	20,886	19,122	18,188	17,983	-
WRI Independence Plaza LLC	Commercial Real Estate	-	20,881	20,881	20,769	22,015	20,801	19,909	19,909	19,700	-
BBVA Compass	Bank	-	18,521	-	-	17,771	18,457	18,641	18,102	18,421	19,633
Laredo Levcal LLC	Commercial Business	-	-	-	19,168	19,168	16,109	16,109	16,109	16,109	-
Master E Squared Laredo LLC	Commercial Business	-	20,640	22,000	-	-	-	-	-	-	-
Dorel Springfield Holdings LLC	Real Estate	-	16,787	-	-	-	15,820	-	-	-	-
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	16,256	-
Halliburton Energy Services	Oil Services & Drilling	-	-	-	-	-	-	-	-	73,423	68,455
Totals		1,009,052	1,124,998	1,112,239	1,068,627	1,059,293	964,939	948,893	890,831	897,978	734,051
Total Taxable Assessed Value		\$ 16,401,079	\$ 14,884,791	\$ 14,740,026	\$ 14,103,402	\$ 13,249,895	\$ 12,461,009	\$ 11,837,735	\$ 11,359,617	\$ 10,980,953	\$ 10,608,924

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
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%
2013	27,183	-	27,183	26,872	98.86%	796	-	27,668	101.78%
2012	27,235	-	27,235	26,593	97.64%	813	-	27,406	100.63%

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)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Bonded Debt										
General Obligation Bonds	\$ 93,157	\$ 98,900	\$ 104,205	\$ 109,250	\$ 114,060	\$ 178,665	\$ 192,448	\$ 202,834	\$ 63,824	\$ 67,271
Less: Funds Restricted for Debt Service	(9,125)	(7,985)	(6,240)	(5,784)	(4,438)	(3,120)	(2,132)	(2,150)	(1,402)	(1,399)
Net General Bonded Debt	84,032	90,915	97,965	103,466	109,622	175,545	190,316	200,684	62,422	65,872
Other Debt										
Revenue Bonds	47,120	49,535	51,195	53,305	55,645	89,951	95,336	100,436	105,166	109,891
Contractual Obligations	-	-	-	-	-	-	576	1,152	1,726	2,303
Notes	28,620	31,065	31,485	33,410	35,280	51,890	55,358	58,827	61,455	64,049
Capital Lease Obligations	1,329	2,157	2,685	874	770	1,368	1,703	906	1,493	773
Total Outstanding Debt	161,101	173,672	183,330	191,055	201,317	318,754	343,289	362,005	232,262	242,888
General Bonded Debt Ratios										
Per Capita	302.62	328.63	355.06	376.52	404.22	650.84	713.67	764.53	240.85	256.81
Per FTSE	14,040	16,252	16,879	19,618	21,377	33,687	35,342	95,156	10,029	10,264
As a percentage of Taxable Assessed Value	0.51%	0.61%	0.66%	0.73%	0.83%	1.41%	1.61%	1.77%	0.57%	0.62%
Total Outstanding Debt Ratios										
Per Capita	580.17	627.76	664.46	695.27	742.34	1,181.79	1,287.30	1,379.09	896.17	946.95
Per FTSE	26,917	31,046	31,587	36,226	39,258	61,169	63,749	171,648	37,317	37,845
As a percentage of Taxable Assessed Value	0.98%	1.17%	1.24%	1.35%	1.52%	2.56%	2.90%	3.19%	2.12%	2.29%

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
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%
2013	10,980,953	54,905	-	54,905	4,197	50,708	7.64%
2012	10,608,924	53,045	-	53,045	4,069	48,976	7.67%

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

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

Revenue Bonds

Pledged Revenues (\$000 omitted)							Debt Service Requirements (\$000 omitted)			
Fiscal Year Ended August	Instructional									Coverage
	Tuition	Technology Fee	Support Fee	Interest Income	General Use Fees	Total	Principal	Interest	Total	Ratio
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
2013	2,471	1,331	1,330	372	6,211	11,715	1,735	2,989	4,724	2.48
2012	2,242	1,434	1,433	358	5,115	10,582	1,370	2,517	3,887	2.72

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
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%
2012	259,172	6,769,544	26,120	7.1%
2011	256,496	6,408,612	24,985	8.1%

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	6,493	5.47%
Laredo Independent School District	4,000	3.37%
City of Laredo	2,659	2.24%
Wal-Mart	2,496	2.10%
Webb County	1,800	1.52%
Laredo Sector Border Patrol	1,800	1.52%
Laredo Medical Center	1,275	1.07%
Concentrix	995	0.84%
Texas A&M International University	910	0.77%
Laredo College	857	0.72%
Total	23,285	20.04%

Nine Years Prior

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	4,876-7,174	6.05%
Laredo Independent School District	3,990-4,500	4.27%
City of Laredo	2,238-2,721	2.49%
Wal-Mart (3 locations)	1,144-2,496	1.64%
Webb County	1,400-1,800	1.61%
Laredo Sector Border Patrol	1,400-2,200	1.81%
Laredo Medical Center	1,377-1,500	1.45%
Concentrix	940-995	1.85%
Texas A&M International University	910-1392	1.58%
Laredo College	857-929	1.54%
Total	19,132-25,707	19.85%

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									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty										
Full-Time	170	187	188	186	181	177	183	189	200	196
Part-Time	137	107	95	104	180	162	154	154	160	119
Total	307	294	283	290	361	339	337	343	360	315
Percent										
Full-Time	55.4%	63.6%	66.4%	64.1%	50.1%	52.2%	54.3%	55.1%	55.6%	62.2%
Part-Time	44.6%	36.4%	33.6%	35.9%	49.9%	47.8%	45.7%	44.9%	44.4%	37.8%
Staff and Administrators										
Full-Time	397	400	414	415	429	427	434	445	449	447
Part-Time	153	151	144	119	127	123	154	142	153	129
Total	550	551	558	534	556	550	588	587	602	576
Percent										
Full-Time	72.2%	72.6%	74.2%	77.7%	77.2%	77.6%	73.8%	75.8%	74.6%	77.6%
Part-Time	27.8%	27.4%	25.8%	22.3%	22.8%	22.4%	26.2%	24.2%	25.4%	22.4%
Total										
Full-Time	567	587	602	601	610	604	617	634	649	643
Part-Time	290	258	239	223	307	285	308	296	313	248
Total	857	845	841	824	917	889	925	930	962	891
Percent										
Full-Time	66.2%	69.5%	71.6%	72.9%	66.5%	67.9%	66.7%	68.2%	67.5%	72.2%
Part-Time	33.8%	30.5%	28.4%	27.1%	33.5%	32.1%	33.3%	31.8%	32.5%	27.8%
FTSE per Full-Time Faculty	35.9	32.6	32.5	31.2	33.1	34.3	34.8	36.3	36.8	37.6
FTSE per Full-Time Staff Member	15.4	15.3	14.7	14.0	13.7	14.2	14.7	15.4	16.4	16.5
Average Annual Faculty Salary	\$ 61,191	\$ 61,453	\$ 60,876	\$ 59,400	\$ 59,103	\$ 59,022	\$ 53,982	\$ 55,395	\$ 55,401	\$ 55,435

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

Student Classification	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Freshman	6,888	74.13%	7,657	75.07%	7,622	74.86%	7,378	74.67%	6,602	66.82%
Sophomore	1,760	18.94%	1,887	18.50%	1,831	17.98%	1,816	18.38%	1,887	19.10%
Unclassified	169	1.82%	161	1.58%	197	1.93%	215	2.18%	231	2.34%
Associate*	429	4.62%	427	4.19%	460	4.52%	417	4.22%	399	4.04%
Baccalaureate or Above**	46	0.50%	68	0.67%	71	0.70%	55	0.56%	57	0.58%
Total	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%	9,176	92.87%

Semester Hour Load	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	29	0.31%	46	0.45%	72	0.71%	85	0.86%	94	1.02%
3-5 semester hours	2,923	31.46%	3,447	33.79%	3,453	33.92%	3,281	33.21%	2,775	30.24%
6-8 Semester hours	2,138	23.01%	2,039	19.99%	2,143	21.05%	2,073	20.98%	2,082	22.69%
9-11 semester hours	1,450	15.60%	1,475	14.46%	1,607	15.78%	1,603	16.22%	1,633	17.80%
12-14 semester hours	2,330	25.08%	2,748	26.94%	2,533	24.88%	2,472	25.02%	2,189	23.86%
15-17 semester hours	388	4.18%	426	4.18%	370	3.63%	360	3.64%	389	4.24%
18 & over	34	0.37%	19	0.19%	3	0.03%	7	0.07%	14	0.15%
Total	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%	9,176	100.00%

Average course load	8.0	7.5	8.0	8.0	8.0
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Tuition Status	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	8,102	87.19%	9,065	88.87%	9,075	89.14%	8,850	89.57%	8,129	88.59%
Texas Resident (Out-of-District)	691	7.44%	699	6.85%	694	6.82%	647	6.55%	649	7.07%
Non-Resident Tuition	188	2.02%	235	2.30%	189	1.86%	173	1.75%	202	2.20%
Tuition Exempt	51	0.55%	83	0.81%	97	0.95%	83	0.84%	73	0.80%
Foreign	260	2.80%	118	1.16%	126	1.24%	128	1.30%	123	1.34%
Total	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%	9,176	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 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	5,608	60.35%	5,664	55.53%	5,730	56.28%	5,469	55.35%	5,112	55.71%
Male	3,684	39.65%	4,536	44.47%	4,451	43.72%	4,412	44.65%	4,064	44.29%
Total	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%	9,176	100.00%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	139	1.50%	142	1.39%	119	1.17%	126	1.28%	104	1.13%
Hispanic	9,025	97.13%	9,917	97.23%	9,938	97.61%	9,608	97.24%	8,886	96.84%
African American	7	0.08%	10	0.10%	7	0.07%	15	0.15%	9	0.10%
Asian	21	0.23%	21	0.21%	21	0.21%	24	0.24%	22	0.24%
Foreign	23	0.25%	42	0.41%	53	0.52%	65	0.66%	112	1.22%
Native American	6	0.06%	5	0.05%	5	0.05%	4	0.04%	2	0.02%
Native Hawaiian	1	0.01%	1	0.01%	1	0.01%	1	0.01%	2	0.02%
Multiracial	-	0.00%	1	0.01%	1	0.01%	-	0.00%	-	0.00%
Unknown	70	0.75%	61	0.60%	36	0.35%	38	0.38%	39	0.43%
Total	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%	9,176	100.00%

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	3,468	37.32%	3,333	32.68%	3,227	31.70%	2,465	24.95%	1,947	21.22%
18-20	3,265	35.14%	4,019	39.40%	3,848	37.80%	4,039	40.88%	3,828	41.72%
21-25	1,589	17.10%	1,813	17.77%	1,907	18.73%	2,152	21.78%	2,132	23.23%
26-30	478	5.14%	497	4.87%	576	5.66%	551	5.58%	585	6.38%
31-40	361	3.89%	352	3.45%	383	3.76%	412	4.17%	432	4.71%
41 & Over	131	1.41%	186	1.82%	240	2.36%	262	2.65%	252	2.75%
Total	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%	9,176	100.00%

Average Age	20	21	21	21	21
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Laredo College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2020-21 Fall Students as of Fall 2020

(Includes only public senior colleges in Texas)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Texas A&M International University	1,102	105	26	1,233	68.69%
2 The University of Texas - San Antonio	134	3	2	139	7.74%
3 Texas A&M University	91	6	-	97	5.40%
4 The University of Texas - Austin	88	8	1	97	5.40%
5 Texas State University	55	-	1	56	3.12%
6 Texas A&M University - Kingsville	47	2	1	50	2.79%
7 The University of Texas - Rio Grande Valley	35	4	-	39	2.17%
8 University of Houston	11	-	-	11	0.61%
9 Texas A&M University - Corpus Christi	10	1	-	11	0.61%
10 Texas Tech University	8	-	-	8	0.45%
11 Sam Houston State University	7	-	-	7	0.39%
12 The University of Texas - Dallas	7	-	-	7	0.39%
13 University of North Texas	6	2	-	8	0.45%
14 The University of Texas - Arlington	6	2	-	8	0.45%
15 Texas A&M University - San Antonio	6	2	-	8	0.45%
16 The University of Texas Health Science Center - San Antonio	2	-	-	2	0.11%
17 Sul Ross State University	2	-	-	2	0.11%
18 Tarleton State University	2	-	-	2	0.11%
19 University of Houston - Victoria	1	-	-	1	0.06%
20 Lamar University	1	-	-	1	0.06%
21 Prairie View A&M University	1	1	-	2	0.11%
22 University of Houston - Downtown	1	-	-	1	0.06%
23 University of North Texas - Dallas	1	-	-	1	0.06%
24 The University of Texas Health Science Center - Houston	1	-	-	1	0.06%
25 University of North Texas Health Science Center	1	-	-	1	0.06%
26 Angelo State University	1	-	-	1	0.06%
27 Midwestern State University	-	1	-	1	0.06%
Totals	1,627	137	31	1,795	100.00%

Source: Texas Higher Education Coordinating Board

Laredo College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2021 to 2017

	Fiscal Year				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Academic buildings	23	22	22	22	22
Square footage (in thousands)	809,794	691,136	691,136	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)	112,073	110,516	110,533	110,523	152,386
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	12	12
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	58	58
Dining Facilities	2	2	2	4	4
Square footage (in thousands)	22,842	22,842	22,842	54,754	54,754
Average daily customers	N/A	N/A	N/A	N/A	420
Athletic Facilities	24	24	24	23	23
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	13	13
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	66	91	83	110	105
Cars	6	6	6	12	13
Light Trucks/Vans	10	23	21	13	12
Tractors/Trailers	6	11	11	13	10
Utility Vehicles	25	30	24	44	43
Motorized Implements	18	20	20	27	27
Passenger Bus	1	1	1	1	-
Transportation - Repair Shop	10	10	10	26	26
Cars	1	1	1	14	14
Light Trucks/Vans	3	3	3	4	4
Tractors/Trailers	6	6	6	8	8

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

Fiscal Year	Contact Hours		Total
	Academic	Voc Tech	
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
2012-13	2,212,704	1,255,216	3,467,920
2011-12	2,157,280	1,542,208	3,699,488