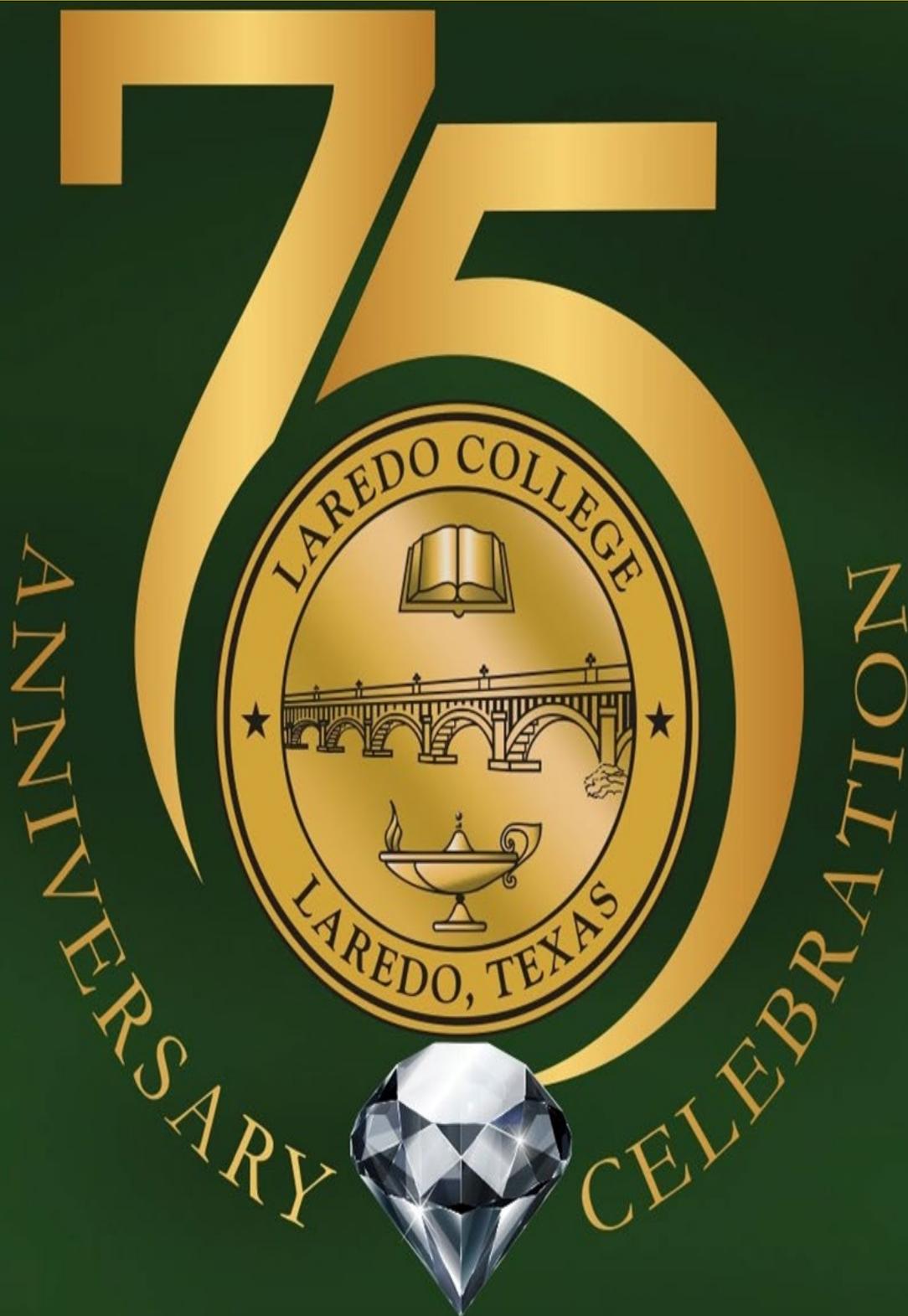


2022 | *Annual Financial Report*

*For the Fiscal Year Ended August 31, 2022 * Laredo College * Laredo, Texas*



1947-2022

Laredo College
August 31, 2022

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LAREDO COLLEGE
ORGANIZATIONAL DATA
For the Fiscal Year 2022

Board of Trustees

Officers

Term Expires

Lupita Zepeda	President	November 2024
Jorge Delgado	Vice President	November 2024
Jackie Leven Ramos	Secretary	November 2026

Term Expires

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

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

Laredo College 2021-2022
President's Cabinet

President
Dr. Maria Minerva
"Minita" Ramirez

Senior Director of
Human Resources
Veronica Cardenas

Interim Vice President of
Institutional
Advancement
Dr. Diana Ortiz

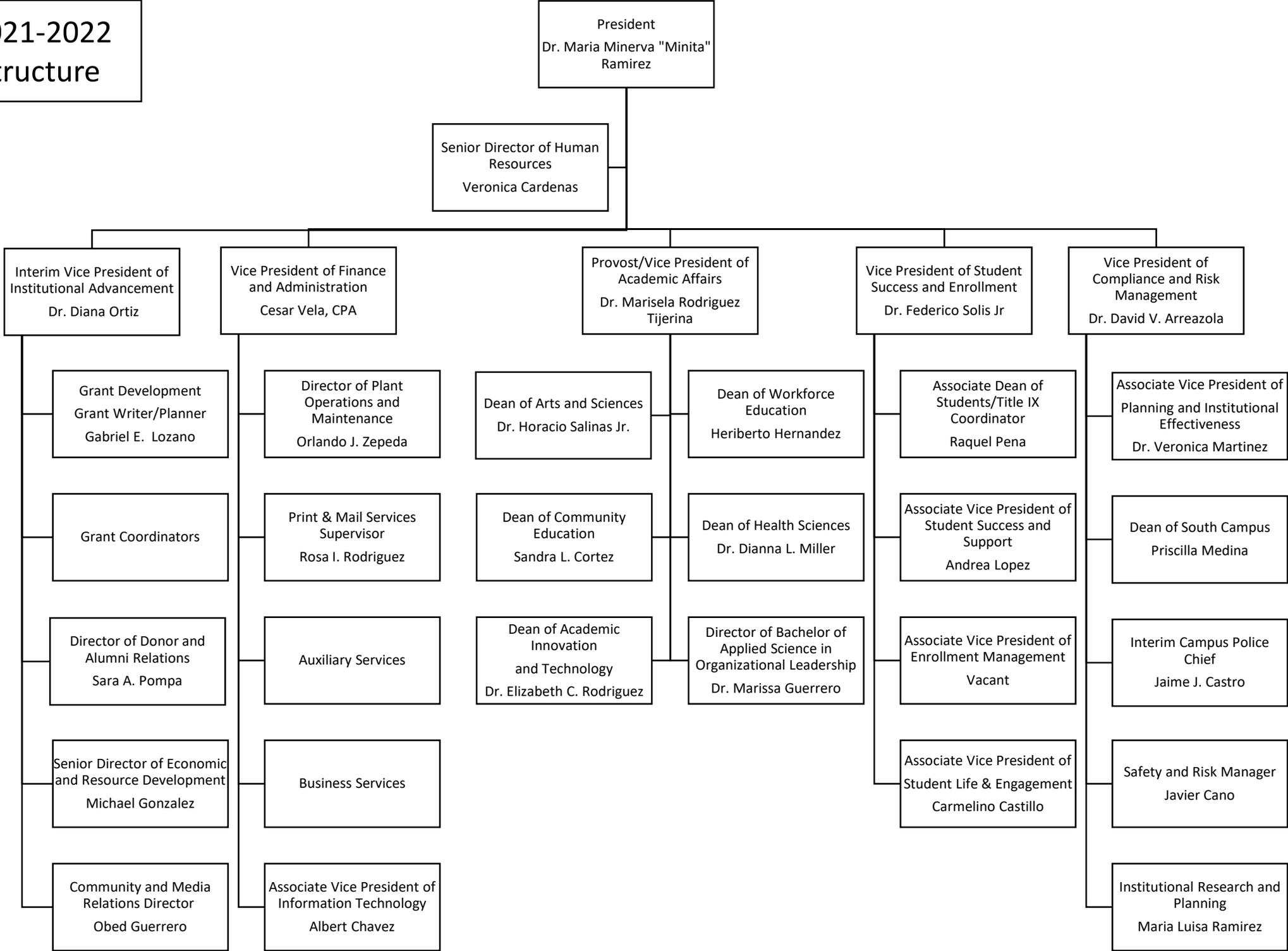
Vice President of
Finance and
Administration
Cesar Vela, CPA

Provost/Vice President
of Academic Affairs
Dr. Marisela Rodriguez
Tijerina

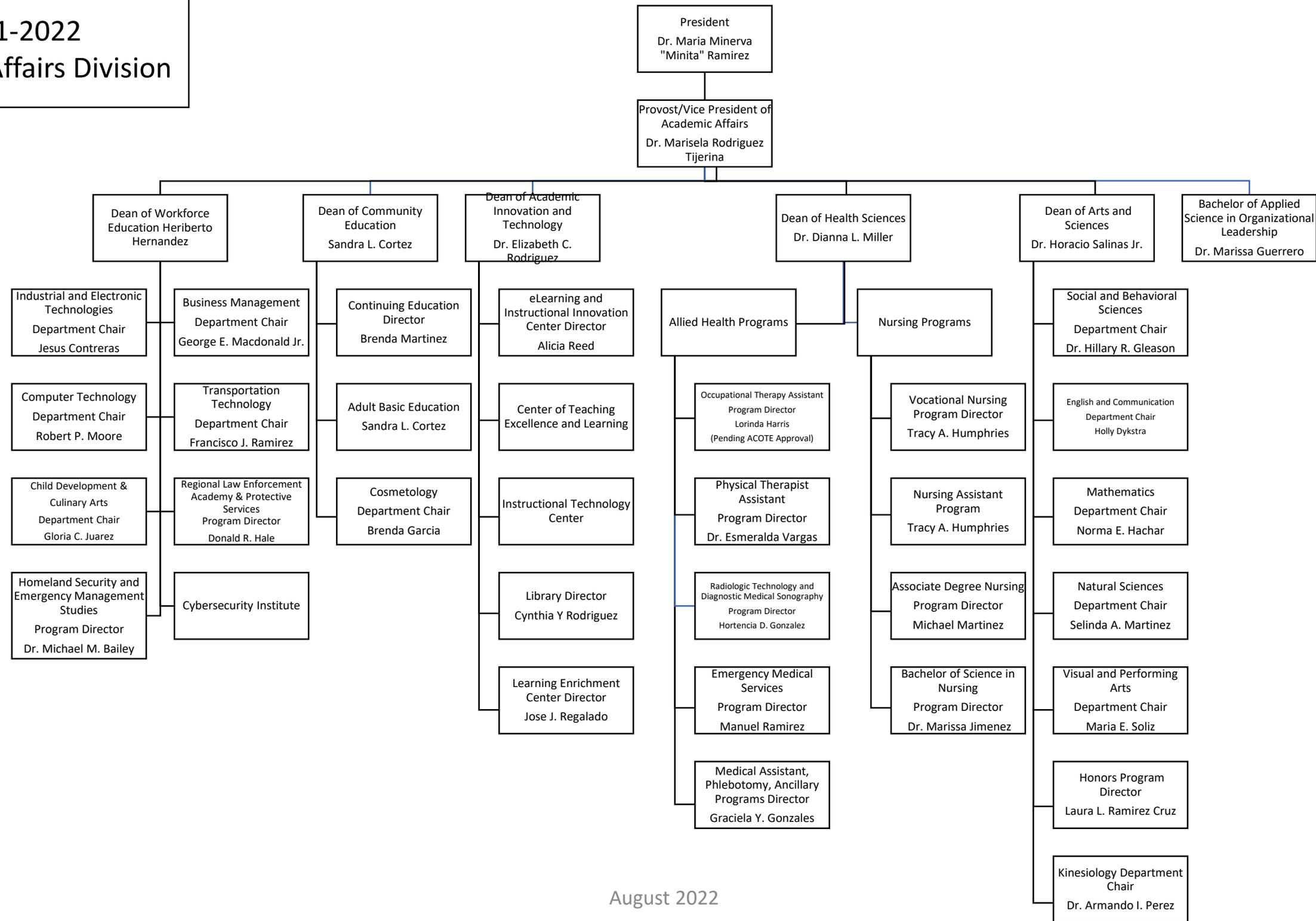
Vice President of
Compliance and Risk
Management
Dr. David V. Arreazola

Vice President of
Student Success and
Enrollment
Dr. Federico Solis Jr.

Laredo College 2021-2022
Organizational Structure

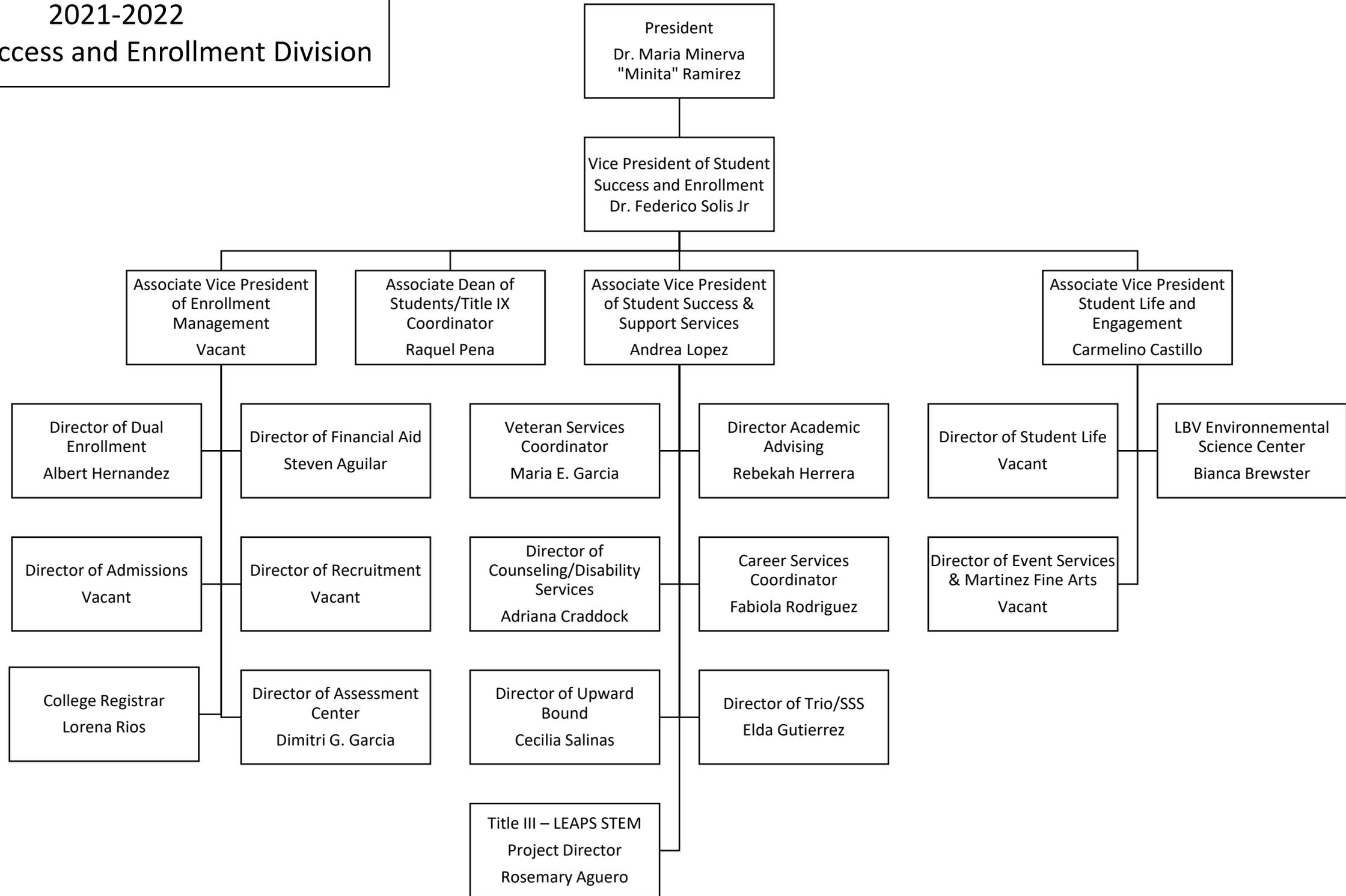


2021-2022
Academic Affairs Division

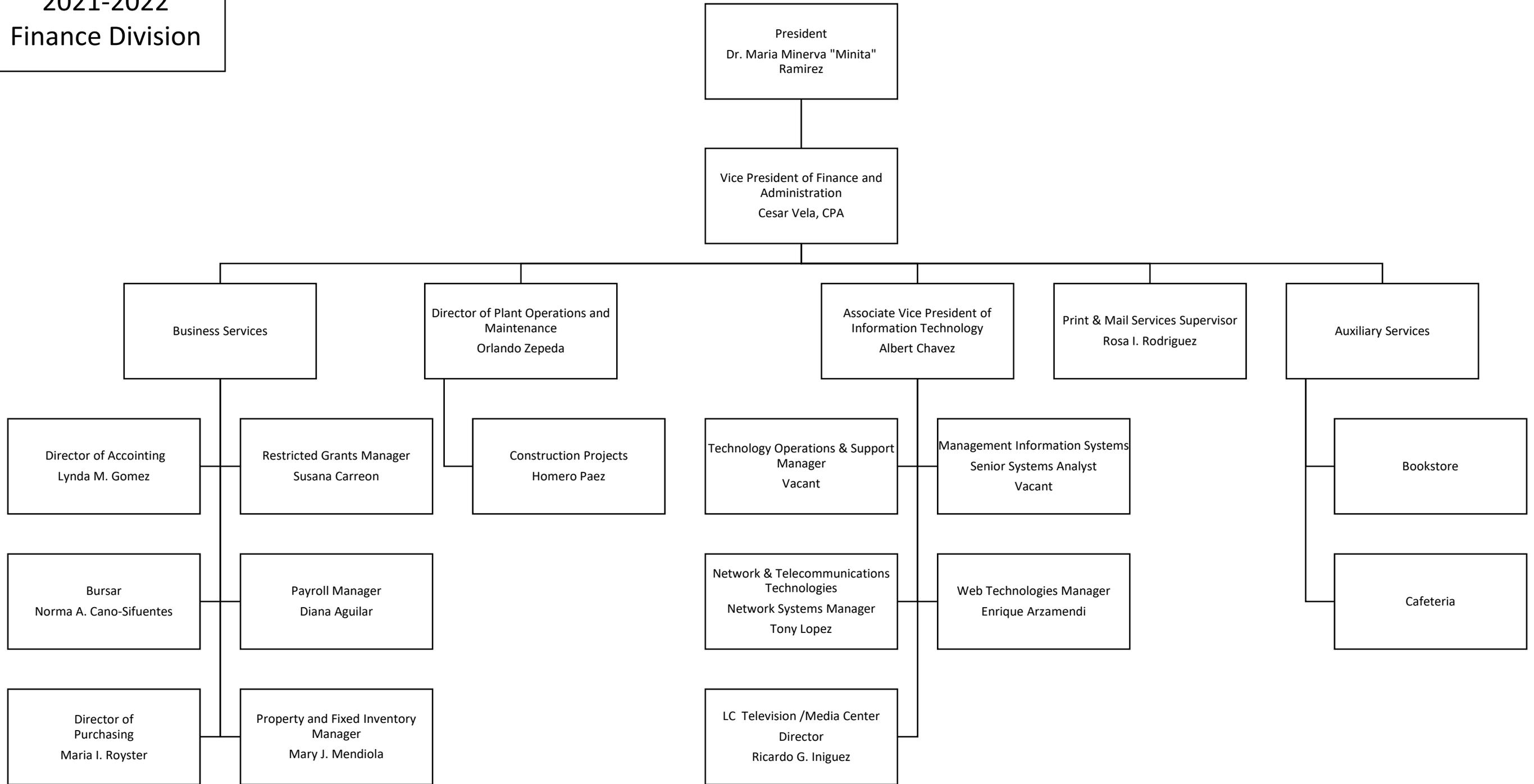


August 2022

2021-2022
Student Success and Enrollment Division



2021-2022
Finance Division



2021-2022
Compliance And Risk
Management Division

President
Dr. Maria Minerva
"Minita" Ramirez

Vice President of
Compliance and Risk
Management
Dr. David V. Arreazola

Associate Vice President
of Planning and
Institutional Effectiveness
Dr. Veronica Martinez

Dean of South Campus
Priscilla Medina

Safety and Risk Manager
Javier Cano

Interim Campus Police
Chief
Jaime J. Castro

Institutional Research and
Planning
Maria Luisa Ramirez

2021-2022
Institutional Advancement
Division

President
Dr. Maria Minerva
"Minita" Ramirez

Interim Vice President
of Institutional
Advancement
Dr. Diana Ortiz

Grants

Grant Development
Grant Writer/Planner
Gabriel E. Lozano

Director of Donor and
Alumni Relations
Sara A. Pompa

Senior Director of
Economic and Resource
Development
Michael Gonzalez

Community and Media
Relations Director
Obed Guerrero

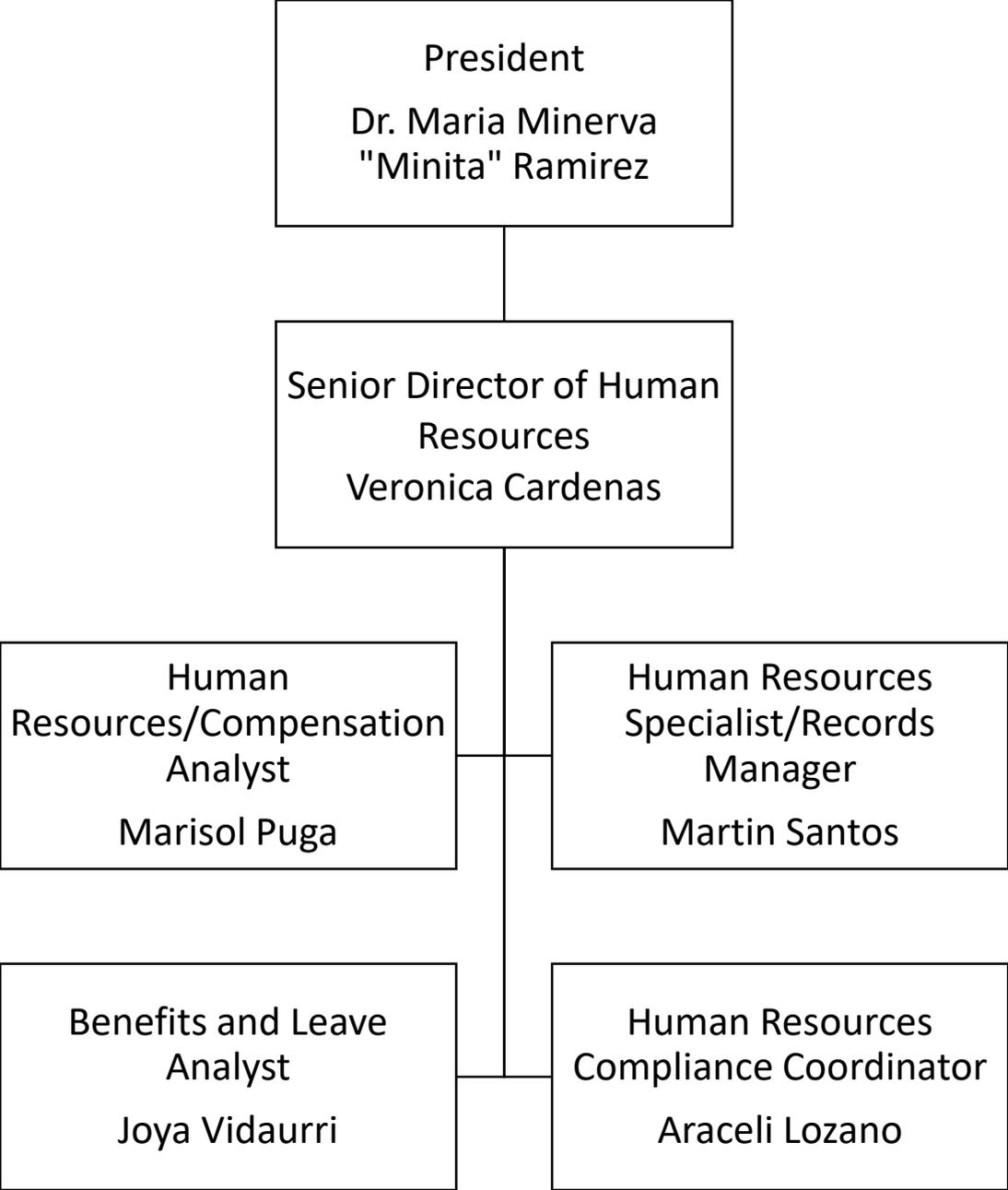
NSF RAPID
Principal Investigator

USDA NIFA PROMISE
Scholars
Project Director

NASA MUREP
Co-Principal Investigator

AEP Foundation
Grant Coordinator
Jose de Jesus Garcia

2021-2022
Human Resources



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FINANCIAL SECTION

Garza/Gonzalez & Associates

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of Board of Trustees
Laredo College
Laredo Texas

Opinions

We have audited the accompanying financial statements of the Laredo College (the College) as of and for the year ended August 31, 2022 and 2021, and the related notes to the financial statements. The financial statements include the financial statements of the LCC Education Foundation, a discretely presented component unit, as of December 31, 2021 and 2020. These financial statements collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of August 31, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2022, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



December 21, 2022

Laredo College
Management Discussion and Analysis
Year Ending August 31, 2022

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, 2022, and comparative information for the year ended August 31, 2021 and August 31, 2020. Since the emphasis of discussion about these statements will be on current activities, resulting change and currently known facts, it should be read in conjunction with the College's Basic Financial Statements and the footnotes.

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

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

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

Financial Highlights

- The College's net position at August 31, 2022 was \$83.4 million compared to \$64.9 million at August 31, 2021. The increase is attributed to an increase in net investment in capital assets of \$6.6 million, an increase in the debt service reserve of \$8.5 million and an increase of \$3.2 million to unrestricted net assets.
- The College's ad-valorem tax revenue for maintenance and operations increased by 5.6% or \$2,153,405 from \$38,444,013 in 2021 to \$40,597,418 in 2022.
- Non-operating revenues increased 5.3% or \$4,079,153 from \$77,250,432 in 2021 to \$81,329,585 in 2022.
- Capital assets, net of accumulated depreciation, at August 31, 2022, had a decrease of \$1,071,403 from August 31, 2021.
- During the fiscal year, the College's combined Net Position increased by \$18,486,779 or 28.49%.

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

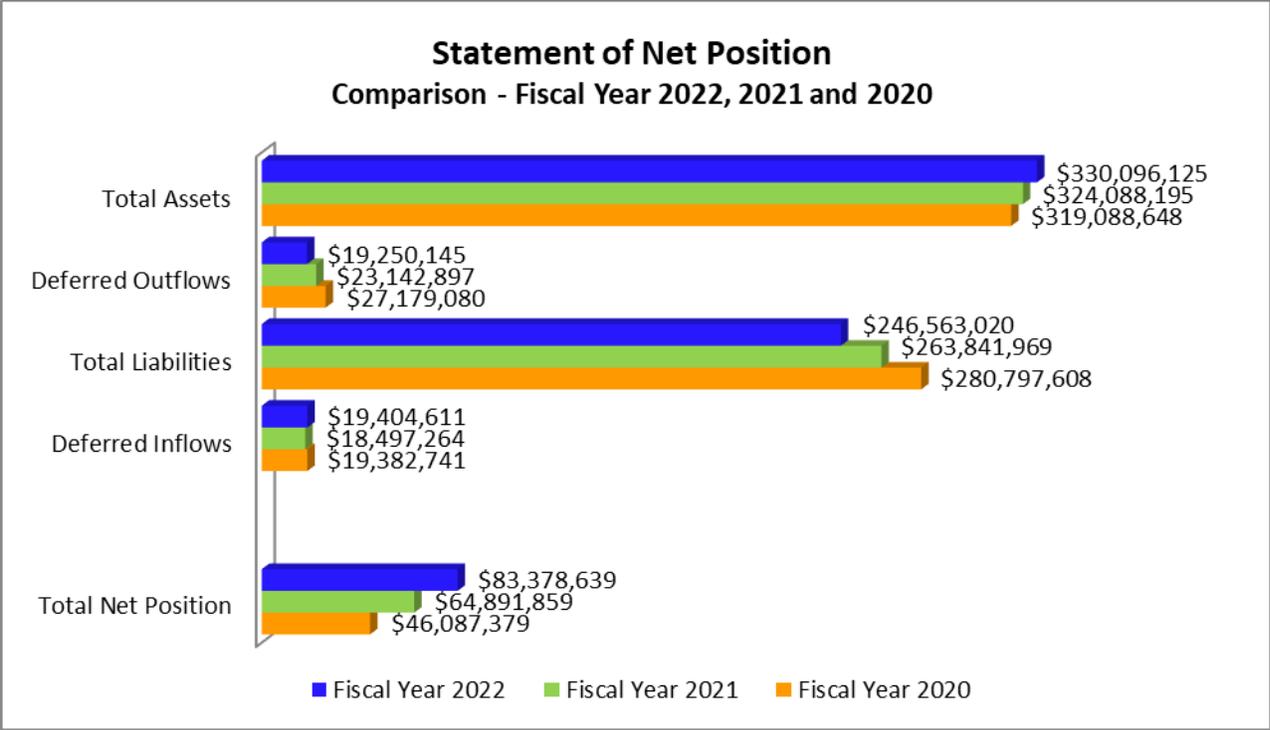
The Statements of Net Position represents the College's financial position at the end of the fiscal year and includes all assets, deferred outflows of resources, liabilities and deferred inflow of resources of the College. Net position is the difference between assets plus deferred outflows of resources 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		
	2022	2021	2020
Assets:			
Current assets	\$ 121,986,486	\$ 114,847,386	\$ 106,406,742
Capital assets	204,004,129	205,075,532	208,759,778
Other non-current assets	4,105,510	4,165,277	3,922,128
Total assets	330,096,125	324,088,195	319,088,648
Deferred Outflows Related to Pensions	4,524,460	5,629,616	7,119,539
Deferred Outflows Related to OPEB	8,124,692	10,597,154	14,477,117
Deferred Charge on Refundings	6,600,993	6,916,127	5,582,424
Total Deferred Outflow of Resources	19,250,145	23,142,897	27,179,080
Liabilities:			
Current liabilities	33,158,430	31,049,276	33,948,289
Non-current liabilities	213,404,590	232,792,693	246,849,319
Total liabilities	246,563,020	263,841,969	280,797,608
Deferred Inflows Related to Pensions	8,587,671	2,927,097	3,783,909
Deferred Inflows Related to OPEB	9,693,833	14,286,357	14,551,204
Deferred Inflows of Resources	219,979	308,432	-
Deferred Gain on Refundings	903,128	975,378	1,047,628
Total Deferred Inflow of Resources	19,404,611	18,497,264	19,382,741
Net Investment in Capital Assets	43,192,081	36,591,479	32,741,218
Restricted net assets	38,179,465	29,507,215	24,997,662
Unrestricted net assets	2,007,093	(1,206,835)	(11,651,501)
Total Net Position	\$ 83,378,639	\$ 64,891,859	\$ 46,087,379



Total assets increased by \$6.0 million in 2022 or approximately 1.85%. The increase was the result of a \$14.7 million dollar increase in cash and cash equivalents and \$1.4 million dollar increase in the tuition and fees receivables. The increase was partially offset by a \$6.2 million decrease in federal receivables, \$3.0 million decrease in Restricted cash and cash equivalents and a \$1.1 million decrease in capital assets.

In 2021 the 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 receivables.

During 2022, total liabilities decreased by \$17.3 million or 6.55% as a result of a \$19.4 million dollar decrease in noncurrent liabilities and a partial offset increase \$2.1 million to current liabilities.

The \$17.3 million decrease to noncurrent liabilities was attributable to the reduction of bonds payable in the amount of \$14.0 million and a decrease of \$8.2 million to the Pension Liability and a partial offset increase of \$2.8 million to the Other Postemployment Benefits (OPEB) liability.

For 2022, current liabilities increased by \$2.1 million due to an increase in unearned revenue at \$1.7 million and \$505 thousand in bonds payable.

In 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.

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

In 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.

For 2022 the increase of \$1.0 million 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.

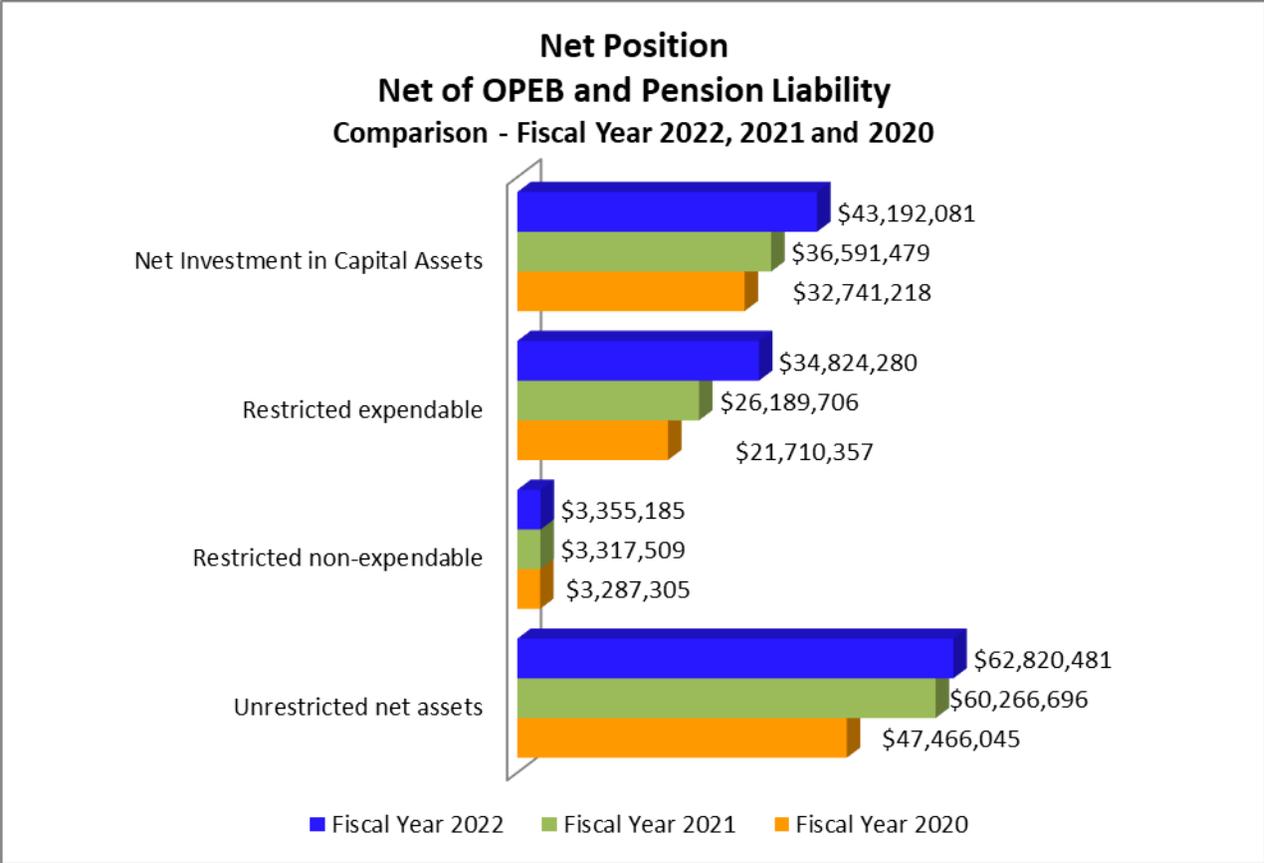
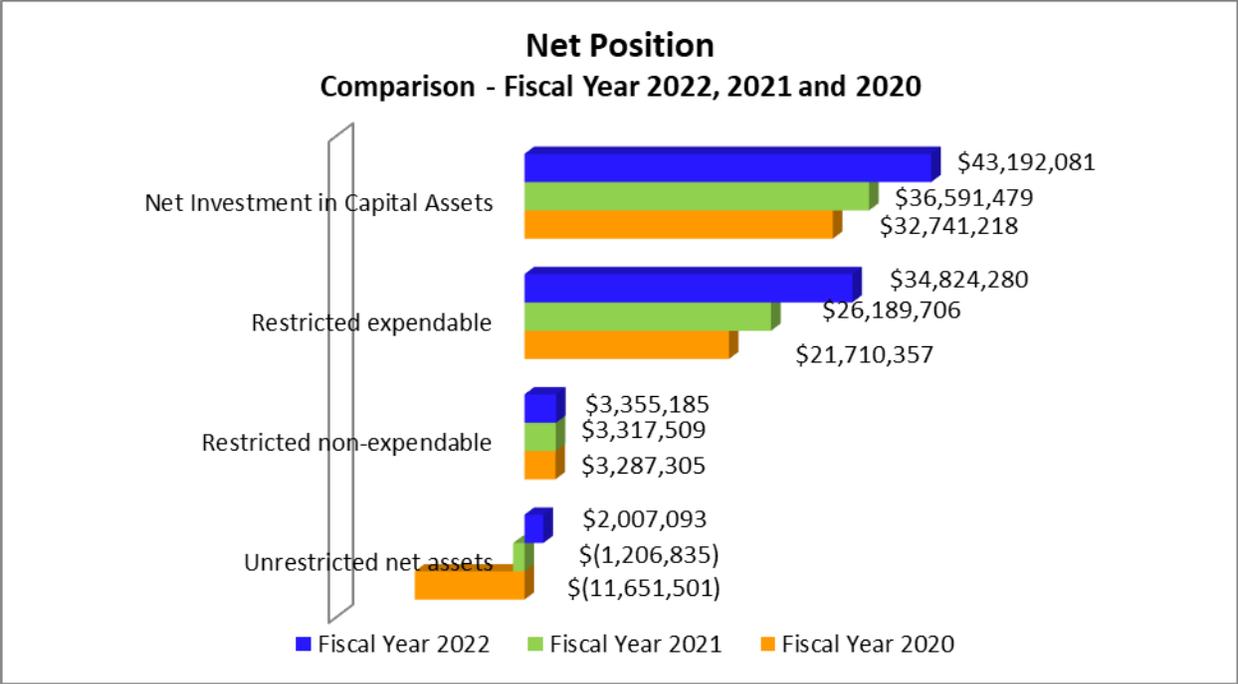
The College's net position at August 31, 2022 was \$83.4 million compared to \$64.9 million at August 31, 2021. The major attributions for the increase in the net position are an increase in cash and cash equivalents for \$14.7 million, decrease in Federal receivables for \$6.2 million and an increase in debt service of \$8.5 million. In addition, the College's bond payable and pension payable decreased \$14.0 million and \$8.2 million respectively. Another increase occurred in the debt service reserve of \$8.5 million from \$16.4 million in 2021 to \$24.9 million in 2022.

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.

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 \$12.8 million from 2020 to 2021 and remains a robust and healthy \$62,820,481 in 2022. This balance provides compelling evidence of the College's overall financial strength and stability.

	2022	2021	2020
Unrestricted Net Assets	\$ 2,007,093	\$ (1,206,835)	\$ (11,651,501)
Add Compensated Absences Current	429,964	391,605	901,524
Add Compensated Absences - non current	1,887,743	1,866,794	602,115
Add OPEB Liability GASB 75	45,790,992	42,998,294	45,666,692
Less Deferred Outflows of Resources-Pension/OPEB	(12,649,152)	(16,226,770)	(21,596,656)
Add Deferred Inflows of Resources-Pension/OPEB	18,281,504	17,213,454	18,335,113
Add Liability-Pension GASB 68	7,072,337	15,230,154	15,208,758
Unrestricted Net Assets, Net of CA, OPEB and Pension Liability	<u>\$ 62,820,481</u>	<u>\$ 60,266,696</u>	<u>\$ 47,466,045</u>

The College's net position at August 31, 2022 was \$83.4 million compared to \$64.9 million at August 31, 2021. The increase in net position is attributed to excess revenues over expenditures. For 2022 the College's unrestricted net assets, net of compensated absences and other postemployment benefits (OPEB), increase by \$2.5 million or (4.24%) as compared to fiscal year 2021.



Statement of Revenues, Expenses and Changes in Net Position

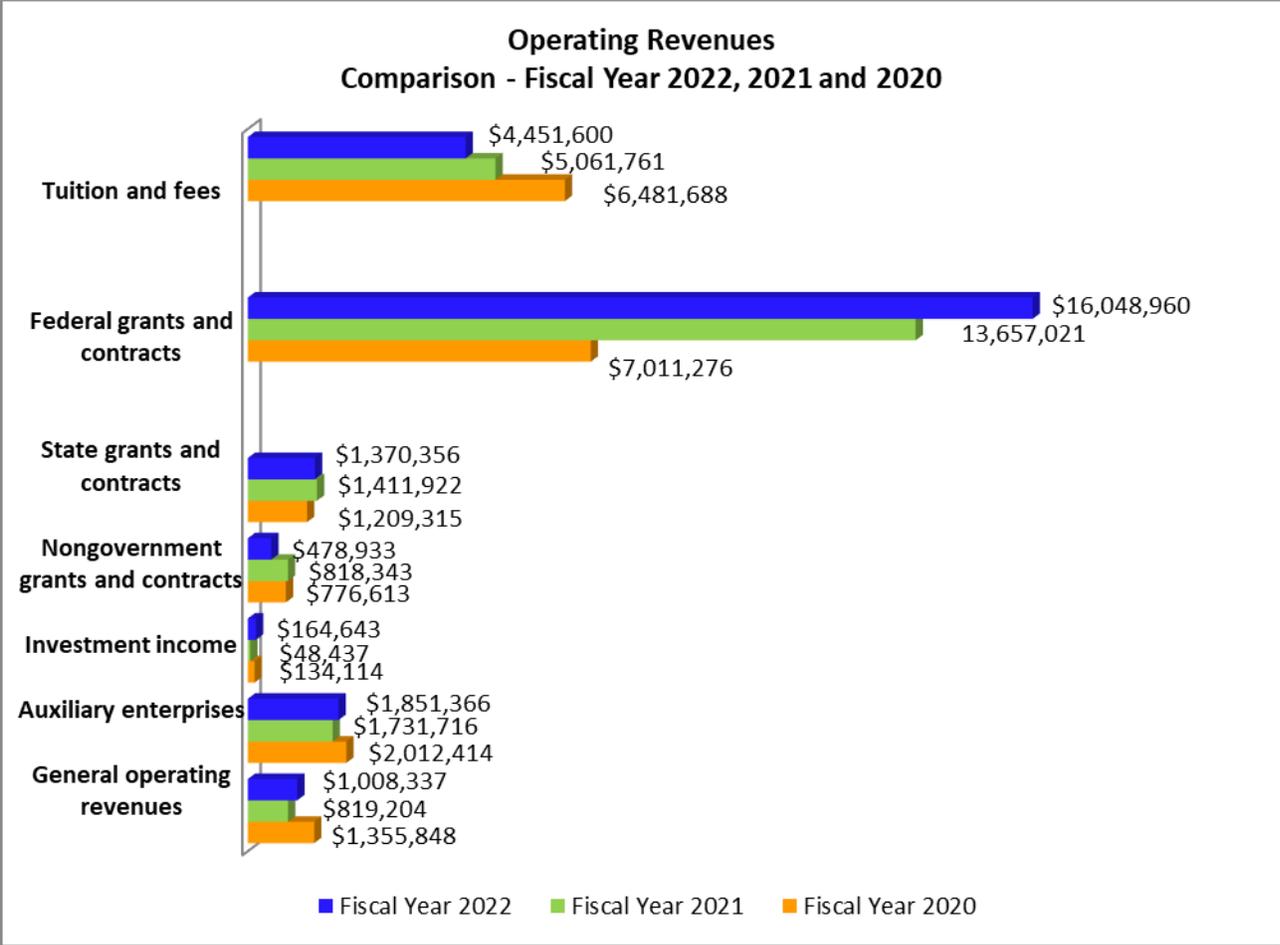
The Statements of Revenues, Expenses and Changes in Net Position present the College's results of operations for the fiscal year. Operating revenues are generated from the service provided to students and other customers of the College. Operating expenses include those costs incurred in the production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

	2022	2021	2020
Operating Revenues	\$ 25,374,195	\$ 23,548,404	\$ 18,981,268
Operating Expenses	88,217,001	81,994,356	91,066,614
Operating Loss	(62,842,806)	(58,445,952)	(72,085,346)
Non-operating revenues and expenses	81,329,585	77,250,432	78,798,281
Increase in Net Position	18,486,779	18,804,480	6,712,935
Net Position at beginning of year	64,891,859	46,087,379	39,374,444
Net Position at end of year	\$ 83,378,639	\$ 64,891,859	\$ 46,087,379

	2022		2021		2020	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Operating revenues						
Tuition and fees (net of discounts)	\$ 4,451,600	17.54%	\$ 5,061,761	21.50%	\$ 6,481,688	34.15%
Federal grants and contracts	16,048,960	63.25%	13,657,021	58.00%	7,011,276	36.94%
State grants and contracts	1,370,356	5.40%	1,411,922	6.00%	1,209,315	6.37%
Nongovernment grants and contracts	478,933	1.89%	818,343	3.48%	776,613	4.09%
Investment income (program restricted)	164,643	0.65%	48,437	0.21%	134,114	0.71%
Auxiliary enterprises (net of discounts)	1,851,366	7.30%	1,731,716	7.35%	2,012,414	10.60%
Other operating revenues	1,008,337	3.97%	819,204	3.48%	1,355,848	7.14%
Total	\$ 25,374,195	100.00%	\$ 23,548,404	100.00%	\$ 18,981,268	100.00%



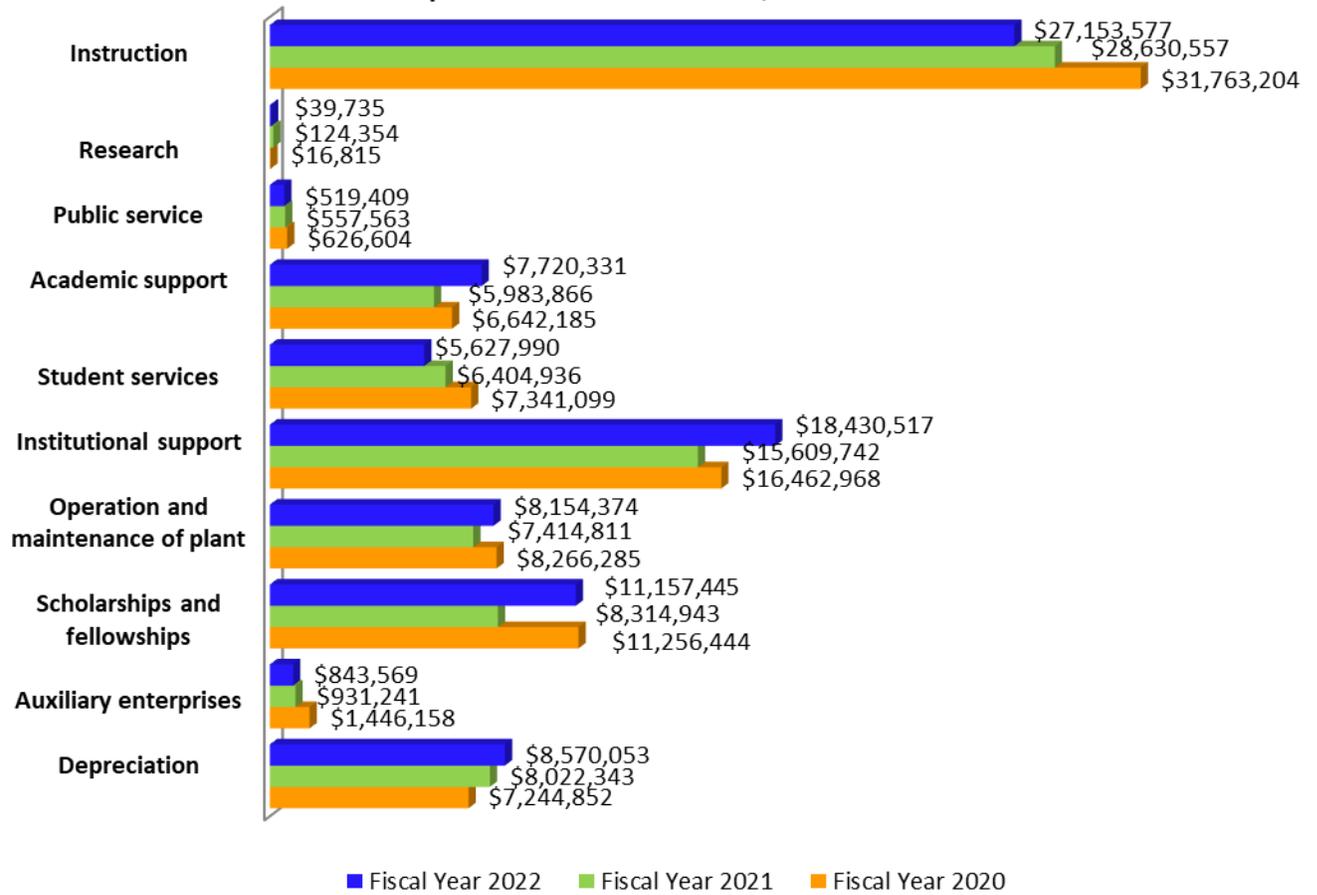
For 2022, the statement of revenues, expenses and changes in net position reflects an increase to net position of \$18.4 million. As is normal, operations yielded a loss for the year of \$62.8 million. This is commonly referred to as the burden on taxpayers. The operating loss does not include state 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 \$4.4 million or 7.5%, from \$58.4 million in fiscal year 2021, to \$62.8 million in fiscal year 2022. Operating revenues increase by \$1.8 million and total operating expenses increase by \$6.2 million. Total operating revenues increase by \$1.8 million, primarily due to the increase in federal grant revenue for funds received from the Department of Education under the 2020 American Rescue Plan.

In 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 \$4.5 million, and total operating expenses decrease by \$9.1 million. Total operating revenues increase by \$4.5 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.

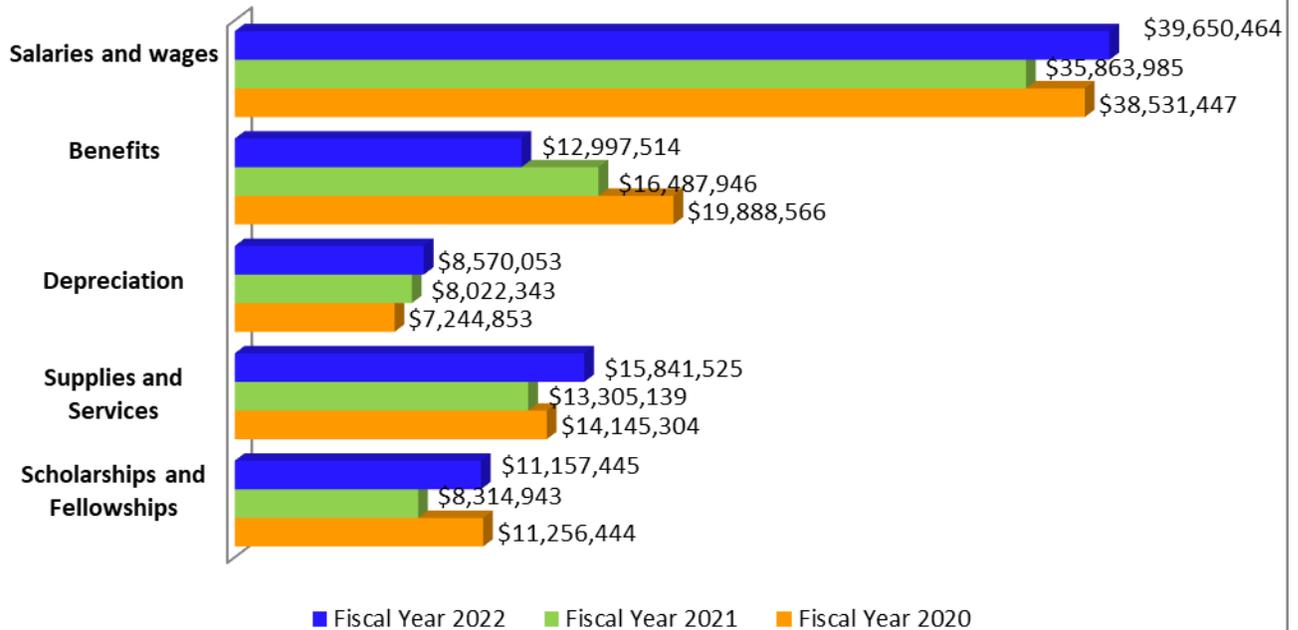
Operating Expenses by Function	2022		2021		2020	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 27,153,577	30.78%	\$ 28,630,557	34.92%	\$ 31,763,204	34.88%
Research	39,735	0.05%	124,354	0.15%	16,815	0.02%
Public service	519,409	0.59%	557,563	0.68%	626,604	0.69%
Academic support	7,720,331	8.75%	5,983,866	7.30%	6,642,185	7.29%
Student services	5,627,990	6.38%	6,404,936	7.81%	7,341,099	8.06%
Institutional support	18,430,517	20.89%	15,609,742	19.04%	16,462,968	18.08%
Operation and maintenance of plant	8,154,374	9.24%	7,414,811	9.04%	8,266,285	9.08%
Scholarships and fellowships	11,157,445	12.65%	8,314,943	10.14%	11,256,444	12.36%
Auxiliary enterprises	843,569	0.96%	931,241	1.14%	1,446,158	1.59%
Depreciation	8,570,053	9.71%	8,022,343	9.78%	7,244,852	7.96%
Total	\$ 88,217,001	100.00%	\$ 81,994,356	100.00%	\$ 91,066,614	100.00%

Operating Expenses by Classification	2022		2021		2020	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 39,650,464	44.95%	\$ 35,863,985	43.74%	\$ 38,531,447	42.31%
Benefits	12,997,514	14.73%	16,487,946	20.11%	19,888,566	21.84%
Depreciation	8,570,053	9.71%	8,022,343	9.78%	7,244,853	7.96%
Supplies and Services	15,841,525	17.96%	13,305,139	16.23%	14,145,304	15.53%
Scholarships and fellowships	11,157,445	12.65%	8,314,943	10.14%	11,256,444	12.36%
Total	\$ 88,217,001	100.00%	\$ 81,994,356	100.00%	\$ 91,066,614	100.00%

**Operating Expenses by Function
Comparison - Fiscal Year 2022, 2021 and 2020**



**Operating Expenses by Classification
Comparison - Fiscal Year 2022, 2021 and 2020**



In 2022, operating expenses increased by 7.6%, or approximately \$6.2 million compared to 2021. The decrease in operating expenses was attributed to the following factors.

- An increase of \$3.8 million in salaries and wages due to an increase of \$1.1 million in academic support, an increase of \$2.5 in institutional support, and an \$268 thousand in instructional salaries and wages.
- An increase in the operation and maintenance of plant of \$739 thousand.
- An increase in the scholarship and fellowships amount of \$2.8 million was mostly due to an increase in awards issued through the Federal Grant Program.
- An increase in the depreciation expense of \$547 thousand.

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 to 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 2022, net non-operating revenues increased by 5.2% or \$4.1 million over fiscal year 2021. The increase was mainly due to a \$1.2 million in interest on capital related debt, \$2.1 million in taxes for maintenance & operation revenue, and \$1.6 million increase in federal revenue with an offset of \$1.5 million in state appropriations.

In 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 \$516 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.

Some highlights of the fiscal year 2022 information presented on the Statements of Revenues, Expenses, and Changes in Net Position are as follows:

- Tuition and fees were discounted by \$16,448,761 and \$16,951,834 in fiscal years 2022 and 2021 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 \$16.4 million 44% or \$7.2 million represents exemptions granted for the dual enrollment program.
- Tax collections for maintenance and operations increased 5.6% from \$38,444,013 in 2021 to \$40,597,418 in 2022.
- The tax rates assessed in fiscal years 2021 and 2022 were \$0.325509 and \$0.319441 respectively.
- In fiscal year 2022, operations yielded an increase in net position of 28.49% or \$18.4 million from fiscal year 2021 to fiscal year 2022.

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 \$9.2 million and \$4.5 million at August 31, 2022 and 2021, 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 \$9.2 million increase in cash and cash equivalents in fiscal year 2022 is mainly attributed to an increase of \$14.6 million in inflows from operating grants and contracts and an increase of \$1.8 million in receipts from Ad Valorem taxes. In addition, there was also a \$3.3 million increase in outflows for capital debt and lease payments compared to 2021 and an increase of \$5.5 million in outflows for the acquisition and construction of capital assets. Interest earnings receipts went up in 2022 by 46.2% as compared to 2021 due to higher interest rates.

Statement of Cash Flows

	2022	2021	2020
Cash provided (used) by			
Operating Activities	\$ (42,874,776)	\$ (53,853,243)	\$ (54,008,896)
Non-capital financing activities	80,338,697	78,055,934	79,480,485
Financing activities	(29,061,443)	(20,235,513)	(33,916,955)
Investing activities	776,450	530,888	1,047,047
Net increase (decrease) in cash	9,178,929	4,498,066	(7,398,319)
Cash and cash equivalents - September 1	99,275,644	94,777,578	102,175,897
Cash and cash equivalents - August 31	\$ 108,454,573	\$ 99,275,644	\$ 94,777,578

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The College had \$204 million and \$205.1 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2022 and 2021, respectively. Depreciation expense totaled \$9.7 million in fiscal year 2022 and \$8.0 million in fiscal year 2021 (Note 5). A summary of net capital assets is presented below:

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
Land	\$ 5,444,715	\$ 5,444,715	\$ 5,444,715	\$ -	\$ -
Water Rights	9,920	9,920	9,920	-	-
Construction in Process	6,250,696	1,869,294	1,097,776	4,381,402	771,518
Buildings & building improvements	162,284,782	165,872,203	168,300,096	(3,587,421)	(2,427,893)
Other real estate improvements	15,380,936	16,462,076	17,126,275	(1,081,140)	(664,199)
Furniture, machinery & equipment	13,957,032	14,723,670	16,074,603	(766,638)	(1,350,933)
Library books	676,048	693,654	706,393	(17,606)	(12,739)
Total capital assets, net of accumulated depreciation	\$ 204,004,129	\$ 205,075,532	\$ 208,759,778	\$ (1,071,403)	\$ (3,684,246)

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, 2022 and 2021.

Depreciable Capital Assets and Accumulated Depreciation Percentages

	Fiscal Year 2022			Fiscal Year 2021		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Buildings & building improvements	\$ 204,337,773	\$ 42,052,991	20.58%	\$ 204,337,071	\$ 38,464,868	18.82%
Other real estate improvements	38,152,919	22,771,983	59.69%	38,058,805	21,596,729	56.75%
Furniture, machinery & equipment	43,237,008	29,279,976	67.72%	39,111,986	24,388,316	62.36%
Library books	3,943,544	3,267,496	82.86%	3,889,774	3,196,120	82.17%
Total	\$ 289,671,244	\$ 97,372,446	33.61%	\$ 285,397,636	\$ 87,646,033	30.71%

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

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

Major capital additions and renovations completed or in progress during fiscal year 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

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 \$157.3 million and \$168.8 million in outstanding bond and maintenance tax note debt at August 31, 2022 and 2021, respectively, before premiums and discounts. Outstanding debt decreased by \$11.5 million and \$10.6 million in fiscal years 2022 and 2021, respectively. The following table summarizes these amounts by type of debt instrument.

Bonds and Tax Notes Payable

	Fiscal Year			Change	
	2022	2021	2020	2021 to 2022	2020 to 2021
General Obligation Bonds	\$ 86,651,802	\$ 93,156,803	\$ 98,900,000	\$ (6,505,001)	\$ (5,743,197)
Revenue Bonds	44,625,000	47,120,000	49,535,000	(2,495,000)	(2,415,000)
Tax Notes	26,070,000	28,620,000	31,065,000	(2,550,000)	(2,445,000)
Total Outstanding Debt	<u>\$ 157,346,802</u>	<u>\$ 168,896,803</u>	<u>\$ 179,500,000</u>	<u>\$ (11,550,001)</u>	<u>\$ (10,603,197)</u>

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

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

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

The following are the College's bond ratings:

Moody's
Revenue Bonds = A2

Fitch
Revenue Bonds = AA-

S&P Global Ratings = A

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

Economic Outlook

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

The College's service area is located in South Texas, serving the counties of Webb, Jim Hogg and Zapata and municipality of Laredo. According to the U. S. Census Bureau, the estimated population of Webb County, Jim Hogg and Zapata are 267,945, 4,801 and 13,908, respectively. The estimated population for the City of Laredo is listed as 256,153. As of August 2022, the civilian labor force for Laredo is listed as 117,600 with an unemployment rate of 4.1% as per the U.S. Bureau of Labor Statistics. According to the Laredo Metropolitan Statistical Area, the unemployment rate for Laredo as of October 2022 was 3.8% as compared to the Texas unemployment rate of 4.0% for the same month.

While the college did see an increase in total student headcount from Fall 2020 to Fall 2021 of 7.4%, for the Fall 2022 semester the college recorded a 6.7% decrease. However, the change in student enrollment

compared to pre-pandemic levels is still below the state average of 11.57% for community and state colleges.

Semester	Total Student Headcount	Incoming Freshmen
Fall 2022	9,317	6,504
Fall 2021	9,984	7,053
Fall 2020	9,292	6,888
Fall 2019	10,200	7,657
Fall 2018	10,181	7,622

For fiscal year 2022, \$7,667,890 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 amount of \$3,677,797 and \$2,733,560 in tuition was discounted for the Fall 2021 and Spring 2022 semesters respectively. This effort was also funded through HEERF funding in order to promote the continuation of student studies. The college has also continued a partnership with the City of Laredo to provide free workforce training to those citizens that had been laid off, furloughed or underemployed due to the COVID-19 pandemic. In order to increase the numbers of students served under this partnership, the college discounted \$735,000 in tuition in fiscal year 2022 for this program. This partnership will expire in November 30, 2023.

While state appropriations decreased by \$1.5 million, taxes for maintenance and operations increased in fiscal year 2022 from \$38,444,013 to \$40,597,418. Investment income also went up to \$776,450 in fiscal year 2022 from \$530,888 in fiscal year 2021. However, the investment income earnings are still below the \$1 million in recorded in fiscal year 2020 and \$2.4 million in fiscal year 2019.

The long-term economic impact of the COVID-19 pandemic continues to be uncertain at this time as it relates to student enrollment and student engagement. Laredo College remains committed in meeting the educational needs of the communities it serves and remains committed to adapt and change to provide such service. While expenditure reductions have been a budget strategy employed by Laredo College, continuous improvement is one of the overall goals. Therefore, in support of continuous improvement and optimization, the College is planning to migrate its administrative /management system to the Cloud during fiscal year 2023. Another initiative for fiscal year 2023, is improving student services and the student overall college experience. In support of this initiative, the college is purchasing software to aid in the streamlining of services to the College student.

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 2022 audit. Finally, our gratitude is also extended to the College President and members of the Board of Trustees for their oversight and guidance in the financial operations of the college.

Request for Information

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

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Laredo College
Statements of Net Position
August 31, 2022 and August 31, 2021
Exhibit 1

Assets	FY 2022	FY 2021
Current Assets:		
Cash and cash equivalents	\$ 73,491,046	\$ 58,803,171
Restricted cash and cash equivalents	33,637,468	36,696,046
Property taxes receivable (net of allowances of \$1,121,866 and \$1,084,272)	1,603,922	1,504,852
Tuition and fees receivable (net of allowances of \$2,264,280 and \$2,108,881)	7,141,451	5,687,785
Federal receivables (net of allowances of \$131,643 and \$127,847)	2,630,255	8,795,949
Other receivables (net of allowances of \$698,278 and \$585,553)	3,182,685	2,767,824
Lease receivable - current portion	91,900	88,453
Inventories	7,501	6,314
Prepaid expenses	200,258	496,992
Total Current Assets	<u>121,986,486</u>	<u>114,847,386</u>
Noncurrent Assets:		
Endowment cash and cash equivalents	3,839,515	3,795,058
Prepaid bond insurance (net of amortization)	137,916	150,240
Lease receivable	128,079	219,979
Capital assets (net)	204,004,129	205,075,532
Total Noncurrent Assets	<u>208,109,639</u>	<u>209,240,809</u>
Total Assets	<u><u>330,096,125</u></u>	<u><u>324,088,195</u></u>
Deferred Outflows of Resources		
Deferred Outflows Related to Pensions	4,524,460	5,629,616
Deferred Outflows Related to OPEB	8,124,692	10,597,154
Deferred Loss on Refundings	6,600,993	6,916,127
Total Deferred Outflows of Resources	<u>19,250,145</u>	<u>23,142,897</u>
Liabilities		
Current Liabilities:		
Accounts payable	4,335,425	4,280,349
Accrued liabilities	269,830	218,848
Unearned revenue	12,195,687	10,533,610
Funds held for others	474,296	484,256
Accrued compensable absences - current portion	429,964	391,605
Notes payable - current portion	731,966	783,380
Bond interest payable	487,822	546,113
Bonds payable - current portion	13,957,060	13,452,060
Retainage payable	276,380	359,055
Total Current Liabilities	<u>33,158,430</u>	<u>31,049,276</u>
Noncurrent Liabilities:		
Accrued compensable absences	1,887,743	1,866,794
Notes payable	437,379	524,253
Bonds payable	158,216,139	172,173,198
Net Pension Liability	7,072,337	15,230,154
Net OPEB Liability	45,790,992	42,998,294
Total Noncurrent Liabilities	<u>213,404,590</u>	<u>232,792,693</u>
Total Liabilities	<u><u>246,563,020</u></u>	<u><u>263,841,969</u></u>
Deferred Inflows of Resources		
Deferred Inflows of Related to Pensions	8,587,671	2,927,097
Deferred Inflows of Related to OPEB	9,693,833	14,286,357
Deferred Inflows of Resources (Lease)	219,979	308,432
Deferred Gain on Refundings	903,128	975,378
Total Deferred Inflows of Resources	<u>19,404,611</u>	<u>18,497,264</u>
Net Position		
Net investment in capital assets	43,192,081	36,591,479
Restricted for:		
Non-expendable		
Endowment	3,355,185	3,317,509
Expendable		
Student aid	4,140,174	4,072,986
Plant funds	-	689,366
Other	453,056	83,377
Debt service reserve	24,929,024	16,450,585
Auxiliary	5,302,026	4,893,392
Unrestricted	2,007,093	(1,206,835)
Total Net Position	<u><u>\$ 83,378,639</u></u>	<u><u>\$ 64,891,859</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, 2021 and December 31, 2020
Exhibit 1A

	December 31,	
	2021	2020
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,320,982	\$ 1,241,376
Pledge Receivable	-	-
Restricted Assets		
Cash and Cash Equivalents	55,000	55,000
Investment	14,540	12,842
Total Assets	\$ 1,390,522	\$ 1,309,218
Liabilities	\$ -	\$ -
Net Assets		
Without Donor Restrictions	\$ 115,045	\$ 104,951
With Donor Restrictions	1,275,477	1,204,267
Total Net Assets	\$ 1,390,522	\$ 1,309,218
Total Liabilities and Net Assets	\$ 1,390,522	\$ 1,309,218

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

Laredo College
Statement of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2022 and August 31, 2021
Exhibit 2

Revenues	FY 2022	FY 2021
Operating Revenues		
Tuition and fees (net of discounts of \$16,448,761 and \$16,951,834)	\$ 4,451,600	\$ 5,061,761
Federal grants and contracts	16,048,960	13,657,021
State grants and contracts	1,370,356	1,411,922
Nongovernment grants and contracts	478,933	818,343
Investment income (program restricted)	164,643	48,437
Auxiliary enterprises	1,851,366	1,731,716
Other operating revenues	1,008,337	819,204
Total Operating Revenues	<u>25,374,195</u>	<u>23,548,404</u>
Expenses		
Operating Expenses		
Instruction	27,153,577	28,630,557
Research	39,735	124,354
Public service	519,409	557,563
Academic support	7,720,331	5,983,866
Student services	5,627,990	6,404,936
Institutional support	18,430,517	15,609,742
Operation and maintenance of plant	8,154,374	7,414,811
Scholarships and fellowships	11,157,445	8,314,943
Auxiliary enterprises	843,569	931,241
Depreciation	8,570,053	8,022,343
Total Operating Expenses	<u>88,217,001</u>	<u>81,994,356</u>
Operating Income (Loss)	<u>(62,842,806)</u>	<u>(58,445,952)</u>
Non-Operating Revenues (Expenses)		
State appropriations	15,340,015	16,904,412
Professional nursing shortage reduction	45,348	58,259
Maintenance ad-valorem taxes		
Taxes for maintenance & operations	40,597,418	38,444,013
Taxes for general obligation bonds	10,712,144	10,846,990
Federal revenue, non-operating (Title IV)	17,998,510	16,332,074
Federal revenue, non-operating (HEERF)	7,667,890	18,346,600
Investment income	776,450	530,888
Interest on capital related debt	(4,810,035)	(6,029,856)
Other non-operating revenues (expenses)	539,654	27,651
Other non-operating revenues (expenses) (HEERF)	(7,667,890)	(18,346,600)
Additions to permanent endowments	20,000	30,000
Lease Revenue	99,000	106,000
Gain/(Loss) on sale of asset	8,407	1
Capital gifts	2,674	-
Net Non-Operating Revenues (Expenses)	<u>81,329,585</u>	<u>77,250,432</u>
Increase in Net Position	18,486,779	18,804,480
Net Position - Beginning	64,891,859	46,087,379
Net Position - Ending	<u>\$ 83,378,639</u>	<u>\$ 64,891,859</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, 2021 and December 31, 2020
Exhibit 2A

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Net Position at January 1, 2021	\$ 104,951	\$ 1,204,267	\$ 1,309,218	\$ 583,385
Support and Revenue				
Contributions	-	218,394	218,394	1,170,800
In-Kind Contributions	10,094	-	10,094	12,477
Investment Income	-	3,315	3,315	6,982
Gain (Loss) on Investment	-	1,698	1,698	(1,931)
Net Position released from Restrictions	<u>148,254</u>	<u>(148,254)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>158,348</u>	<u>75,153</u>	<u>233,501</u>	<u>1,188,328</u>
Expenses:				
Program Services				
Laredo College - Programs and Scholarships	112,533	-	112,533	364,730
External Donations	-	-	-	2,950
In-Kind Expense	250	-	250	738
Cigarroa Statue	-	-	-	75,800
Total Program Services	<u>112,783</u>	<u>-</u>	<u>112,783</u>	<u>444,218</u>
General and Administrative				
Hospitality	-	3,943	3,943	2,533
Professional Fees	6,900	-	6,900	4,000
Audit Fees	18,724	-	18,724	-
Miscellaneous	3	-	3	5
In-Kind Expense	<u>9,844</u>	<u>-</u>	<u>9,844</u>	<u>11,739</u>
Total General and Administrative Expenses	<u>35,471</u>	<u>3,943</u>	<u>39,414</u>	<u>18,277</u>
Total Expenses	<u>148,254</u>	<u>3,943</u>	<u>152,197</u>	<u>462,495</u>
Increase/(Decrease) in Net Position	<u>10,094</u>	<u>71,210</u>	<u>81,304</u>	<u>725,833</u>
Net Position at December 31, 2021	<u>\$ 115,045</u>	<u>\$ 1,275,477</u>	<u>\$ 1,390,522</u>	<u>\$ 1,309,218</u>

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

Laredo College
Statement of Cash Flows
Years Ended August 31, 2022 and 2021
Exhibit 3

	FY 2022	FY 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 6,096,516	\$ 7,903,740
Receipts from operating grants and contracts	24,063,943	9,436,977
Payments to suppliers for goods and services	(14,560,694)	(14,031,084)
Payment to or on behalf of employees	(48,490,075)	(49,715,574)
Payments for scholarships and fellowships	(11,157,445)	(8,314,943)
Other Receipts (payments)	1,172,980	867,641
Net cash provided (used) by operating activities	(42,874,776)	(53,853,243)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from State Appropriations	10,412,248	11,499,125
Receipts from Ad Valorem Taxes	51,210,492	49,381,055
Receipts (payments) from (to) student organizations and other agency transactions	(9,960)	4,092
Receipts from private gifts for endowment purposes	20,000	30,000
Receipts from Title IV Financial Aid Programs	17,998,510	16,332,074
Receipts from Higher Education Emergency Relief Funds	7,667,890	18,346,600
Payments to Students for Emergency Aid (HEERF)	(7,667,890)	(18,346,600)
Other Receipts	707,407	809,588
Net cash provided (used) by non-capital financing activities	80,338,697	78,055,934
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from the issuance of capital debt	-	65,223,809
Acquisition and construction of capital assets	(10,679,149)	(5,166,196)
Payments of bond insurance	(12,324)	(12,324)
Payment of bond issue costs and other fees	-	(593,032)
Payments on capital debt - principal	(11,599,584)	(65,074,738)
Payments on capital debt - interest and fees	(6,770,386)	(14,613,032)
Net cash provided (used) by capital and related financing activities	(29,061,443)	(20,235,513)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts from interest on dividends	776,450	530,888
Net cash provided (used) by investing activities	776,450	530,888
Increase (Decrease) in cash and cash equivalents	9,178,929	4,498,066
Cash and cash Equivalents - September 1	99,275,644	94,777,578
Cash and Cash Equivalents - August 31	\$ 108,454,573	\$ 99,275,644

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

Laredo College
Statement of Cash Flows
Years Ended August 31, 2022 and 2021
Exhibit 3

	FY 2022	FY 2021
Reconciliation of net operating income (loss) to net cash provided (used) by operating activities		
Operating Income (loss)	\$ (62,842,806)	\$ (58,445,952)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation and Amortization expense	9,582,935	8,831,813
State On-behalf Payments	4,927,767	5,405,287
Changes in Assets and Liabilities:		
Assets (Increase) decrease		
Receivables	4,297,167	(4,029,448)
Inventories	(1,187)	(140)
Prepaid Expenses	296,734	68,548
Deferred outflows	3,577,618	1,486,923
Liabilities Increase (Decrease)		
Accounts Payable	(27,599)	(1,603,823)
Accrued Liabilities	50,982	(173,630)
Compensated Absences	59,308	(241,312)
Unearned Revenue	1,662,077	(1,310,598)
Deferred Inflows	907,347	(1,193,909)
TRS Pension Liability	(5,365,119)	(2,647,002)
Net cash provided (used) by operating activities	\$ (42,874,776)	\$ (53,853,243)

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

State on-behalf payments	\$ 4,927,767	\$ 5,405,287
Gifts of depreciable and non-depreciable assets	\$ 2,674	\$ -
Amortization of premium on bonds	\$ 1,902,060	\$ 1,902,060
Amortization of deferred charges on bond refundings	\$ 242,884	\$ 1,405,956

Laredo College
Statement of Cash Flows of L.C.C. Education Foundation, Inc.
(A Component Unit of Laredo College)
Year ended December 31, 2021 and 2020
Exhibit 3A

	December 31,	
	2021	2020
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 81,304	\$ 725,833
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Decrease (Increase) in Fair Value of Investment	(1,698)	1,931
Decrease (Increase) in Pledge Receivable	-	-
Net Cash Provided (Used) by Operating Activities	79,606	727,764
Increase (Decrease) in Cash and Cash Equivalents	79,606	727,764
Cash and Cash Equivalents at Beginning of Year	1,296,376	568,612
Cash and Cash Equivalents at End of Year	\$ 1,375,982	\$ 1,296,376
Reconciliation to Statement of Financial Position		
Cash and Cash Equivalents	\$ 1,320,982	\$ 1,241,376
Restricted Assets - Cash and Cash Equivalents	55,000	55,000
Total Cash and Cash Equivalents	\$ 1,375,982	\$ 1,296,376
Non-cash Operating Activities		
In-Kind Contributions	\$ 10,094	\$ 12,477

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

Laredo College
Notes to Financial Statements
August 31, 2022

Note 1 – Reporting Entity

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

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

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

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

The Foundation is a legally separate entity which utilizes College financial resources for its operation. The College does not appoint any of the Foundation's board members. 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: Office of Donor & Alumni Relations, West End Washington Street, Laredo, TX 78040 or by calling 956-764-5746.

Note 2 – Summary of Significant Accounting Policies

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

Report Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public and Community Colleges*. The College applies all applicable GASB pronouncements. 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 the Statement of Net Position, the College will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and therefore, will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on refunding debt.

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

Investments

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 \$22,268,649 and \$18,772,843 at August 31, 2022 and August 31, 2021 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 2022 and 2021, 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.

Unearned Revenue

Tuition and fees of \$10,017,474 and \$8,348,603, federal, state, and local grants of \$2,176,163 and \$2,185,007 and rental revenue of \$2,050 and \$0 have been reported as unearned revenue at August 31, 2022 and August 31, 2021, respectively.

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

Leases

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

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

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

Lessor Accounting

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

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

The lease receivable was \$219,979 and \$308,432 as of August 31, 2022 and 2021, respectively.

	<u>Year Ending</u>
Lease-related Revenue	<u>FY2022</u>
Lease Revenue	
Building	\$88,453
Total Lease Revenue	88,453
Interest Revenue	10,547
Total	<u><u>\$99,000</u></u>

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

Monthly Interest Rate 3.48%			Outstanding Balance including Interest*	
Year	Principal	Interest	Total Payment	\$
Year End 2020-08	56,414	9,586	66,000	495,000
Year End 2021-08	85,125	13,875	99,000	330,000
Year End 2022-08	88,453	10,547	99,000	231,000
Year End 2023-08	91,900	7,100	99,000	132,000
Year End 2024-08	95,468	3,532	99,000	33,000
Year End 2025-08	32,611	389	33,000	-

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

Deferred Inflows

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

Estimates

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

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. Under the CARES Act, Laredo College received an allocation of \$9,494,288.

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. Under the CRRSAA Act, Laredo College received an allocation of \$15,859,705.

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. Under the ARP Act, Laredo College received an allocation of \$27,939,588.

For the year ended August 31, 2022, the College recorded \$768,084 in CARES Act expenditures, \$279,081 in CRRSAA Act expenditures, and \$18,708,086 in ARP Act expenditures. Out of these amounts, \$4,773, \$27,348, and \$36,989 were grant receivables at year end.

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

Operating and non-operating revenue and expense policy

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

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

For the year ended August 31, 2021, \$18,346,600 in student emergency awards were recognized as non-operating expenses. The amount of student emergency awards was \$7,667,890 for August 31, 2022.

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

Restatements

For Fiscal Year 2022, an adjustment was made to the ending net assets. The adjustment was as follows:

- an increase of \$147,871 to ending net assets to record adjustment to net capital assets which had not been previously recorded.

For Fiscal Year 2021, an adjustment was made to the ending net assets. The adjustment was as follows:

- an increase of \$20,899 to ending net assets to record adjustment to notes payable due to the implementation of GASB 87 – Leases.

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, and (9) bid solicitation preferences for certificates of deposit. Statutes authorize the College to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the College to have independent auditors perform test procedures related to investment practices as provided by the Act.

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

The College's investments in investment pools, which are exempt from regulation by the Securities and Exchange Commission (SEC), have as one of their objectives the maintenance of a stable net asset value of \$1.00. The book value of

Note 4 – Deposits and Investments – (continued)

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.

Cash and Deposits

	<u>August 31, 2022</u>	<u>August 31, 2021</u>
Bank Deposits		
Money Market Deposits	\$ 54,939,523	\$ 43,723,728
Restricted Money Market Deposits	33,636,968	36,695,546
Endowment Money Market	98,539	77,808
	<u>88,675,030</u>	<u>80,497,082</u>
Cash and Cash Equivalents		
Cash on Hand	\$ 23,850	\$ 23,850
Restricted Cash on Hand	500	500
Investment Pools (Lone Star)	3,740,976	3,717,250
Investment Pools (TIB)	3,390,800	-
Investment Pools (Fixed Income Trust)	15,136,873	15,055,593
	<u>22,292,999</u>	<u>18,797,193</u>
Total Cash and Deposits	<u>\$ 110,968,029</u>	<u>\$ 99,294,275</u>

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates that 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, 2022.

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, 2022 for each investment.

As of August 31, 2022, the College had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>	<u>Standard & Poor’s Rating</u>
The Lone Star Pool	\$ 3,740,976	1	AAA
The Independent Bankers	3,390,800	1	AA+
Fixed Income Trust	15,136,873	1	AAAm
Total	<u>\$ 22,268,649</u>		

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

Note 4 – Deposits and Investments – (continued)

investments of the Exchange Corporate and Liquidity Plus Fund monthly.

The Independent BankersBank (TIB) 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 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, 2022, 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, The Independent BankersBank and Fixed Income Trust as cash and cash equivalents.

Note 5 - Capital Assets

Capital assets activity for the year ended August 31, 2022 was as follows:

	Balance September 1, 2021	Increases	Decreases	Balance August 31, 2022
<u>Not depreciated:</u>				
Land	\$ 5,444,715	\$ -	\$ -	\$ 5,444,715
Water rights	9,920	-	-	9,920
Construction in Progress	1,869,294	4,381,402	-	6,250,696
Subtotal	<u>\$ 7,323,929</u>	<u>\$ 4,381,402</u>	<u>\$ -</u>	<u>\$ 11,705,331</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and Building Improvements	\$ 204,337,071	\$ 266,292	\$ 265,590	\$ 204,337,773
Other Real Estate Improvements	38,058,805	107,798	13,684	38,152,919
Total Buildings and Other Real Estate Improvements	<u>\$ 242,395,876</u>	<u>\$ 374,090</u>	<u>\$ 279,274</u>	<u>242,490,692</u>
Library books	3,889,774	85,215	31,445	3,943,544
Furniture, Machinery and Equipment	39,111,986	5,838,442	1,713,420	43,237,008
Total Buildings and Other Capital Assets	<u>\$ 285,397,636</u>	<u>\$ 6,297,747</u>	<u>\$ 2,024,139</u>	<u>\$ 289,671,244</u>
<u>Accumulated Depreciation</u>				
Buildings and Building Improvements	\$ 38,464,868	\$ 3,588,123	\$ -	42,052,991
Other Real Estate Improvements	21,596,729	1,175,254	-	22,771,983
Total Buildings and Other Real Estate Improvements	<u>\$ 60,061,597</u>	<u>\$ 4,763,377</u>	<u>\$ -</u>	<u>64,824,974</u>
Library books	3,196,120	102,821	31,445	3,267,496
Furniture, Machinery, and Equipment	24,388,316	5,572,887	681,227	29,279,976
Total Accumulated Depreciation	<u>\$ 87,646,033</u>	<u>\$ 10,439,085</u>	<u>\$ 712,672</u>	<u>\$ 97,372,446</u>
Net Capital Assets	<u>\$ 205,075,532</u>	<u>\$ 240,064</u>	<u>\$ 1,311,467</u>	<u>\$ 204,004,129</u>

Note 5 - Capital Assets – (continued)

Capital assets activity for the year ended August 31, 2021 is included for comparison purposes.

	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	\$ 203,161,164	\$ 1,175,907	\$ -	\$ 204,337,071
Other Real Estate Improvements	37,547,300	511,505	-	38,058,805
Total Buildings and Other Real Estate Improvements	<u>\$ 240,708,464</u>	<u>\$ 1,687,412</u>	<u>\$ -</u>	<u>\$ 242,395,876</u>
Library books	3,788,337	102,926	1,489	3,889,774
Furniture, Machinery, and Equipment	37,463,315	2,604,340	955,669	39,111,986
Total Buildings and Other Capital Assets	<u>\$ 281,960,116</u>	<u>\$ 4,394,678</u>	<u>\$ 957,158</u>	<u>\$ 285,397,636</u>
<u>Accumulated Depreciation</u>				
Buildings and Building Improvements	\$ 34,861,067	\$ 3,603,801	\$ -	\$ 38,464,868
Other Real Estate Improvements	20,421,025	1,175,704	-	21,596,729
Total Buildings and Other Real Estate Improvements	<u>\$ 55,282,092</u>	<u>\$ 4,779,505</u>	<u>\$ -</u>	<u>\$ 60,061,597</u>
Library books	3,081,943	115,667	1,490	3,196,120
Furniture, Machinery, and Equipment	21,388,714	3,127,172	127,570	24,388,316
Total Accumulated Depreciation	<u>\$ 79,752,749</u>	<u>\$ 8,022,344</u>	<u>\$ 129,060</u>	<u>\$ 87,646,033</u>
Net Capital Assets	<u>\$ 208,759,778</u>	<u>\$ (1,758,372)</u>	<u>\$ 1,925,874</u>	<u>\$ 205,075,532</u>

Note 6 – Non-Current Liabilities

Long-Term liability activity for the year August 31, 2022 was as follows:

	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
<u>Bonds and notes</u>					
General obligation bonds	\$ 93,156,802	\$ -	\$ (6,505,000)	\$ 86,651,802	\$ 6,820,000
Discounts	(294,366)	-	32,708	(261,658)	(32,707)
Premium	17,022,822	-	(1,934,767)	15,088,055	1,934,767
Revenue bonds	47,120,000	-	(2,495,000)	44,625,000	2,575,000
Tax Note	28,620,000	-	(2,550,000)	26,070,000	2,660,000
Total bonds	<u>\$ 185,625,258</u>	<u>\$ -</u>	<u>\$ (13,452,059)</u>	<u>\$ 172,173,199</u>	<u>\$ 13,957,060</u>
<u>Other liabilities</u>					
Retainage payable	\$ 359,055	\$ 182,915	\$ (265,590)	\$ 276,380	\$ 276,380
Compensated absences	2,258,399	134,978	(75,670)	2,317,707	429,964
Notes Payable	1,307,633	874,595	(1,012,883)	1,169,345	731,966
Net pension liability	15,230,154	-	(8,157,817)	7,072,337	-
Net OPEB liability	42,998,294	6,356,019	(3,563,321)	45,790,992	-
Total other liabilities	<u>\$ 62,153,535</u>	<u>\$ 7,548,507</u>	<u>\$ (13,075,281)</u>	<u>\$ 56,626,761</u>	<u>\$ 1,438,310</u>
Total long-term liabilities	<u>\$ 247,778,793</u>	<u>\$ 7,548,507</u>	<u>\$ (26,527,340)</u>	<u>\$ 228,799,960</u>	<u>\$ 15,395,370</u>

Long-Term liability activity for the year August 31, 2021 is included for comparison purposes:

	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
Notes Payable	2,156,631	-	(848,998)	1,307,633	783,380
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>\$ (8,782,714)</u>	<u>\$ 62,153,535</u>	<u>\$ 1,534,040</u>
Total long-term liabilities	<u>\$ 261,525,234</u>	<u>\$ 70,279,587</u>	<u>\$ (84,026,027)</u>	<u>\$ 247,778,793</u>	<u>\$ 14,986,099</u>

Note 7 - Debt and Lease Obligations

Debt Service requirements at August 31, 2022 were as follows:

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

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

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

Note 7 - Debt and Lease Obligations (continued)

Debt Service requirements at August 31, 2021 are provided for comparison purposes only.

For the Years Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
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	1,211,218
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>

Notes Payable (Lease Obligations) as of August 31, 2021 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 783,380	\$ 57,979	\$ 841,359
2023	524,253	22,728	546,981
Total	<u>\$ 1,307,633</u>	<u>\$ 80,707</u>	<u>\$ 1,388,340</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, 2022 and 2021 is \$0.00 and \$2,135,000, respectively.
- **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, 2022 and 2021 is \$0.00 and \$430,000, respectively.

Note 8 – Bonds Payable (continued)

- **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, 2022 and 2021 is \$8,305,000 and \$12,160,000, 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, 2022 and 2021 is \$3,545,000 and \$3,925,000, 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, 2022 and 2021 is \$10,845,000 and \$11,800,000, 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, 2022 and 2021 is \$2,410,000 and \$2,950,000, 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, 2022 and 2021 is \$12,310,000 and \$13,255,000, respectively.

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

- To refund the Revenue Bond, Series 2010.
- Issued 9/15/2018
- \$29,300,000; all authorized bonds have been issued.
- Source of Revenue – General Use Fees
- Interest rate – 2.00% to 4.00%
- Maturity date – August 2035
- Outstanding Principle balance as of August 31, 2022 and 2021 is \$28,015,000 and \$28,665,000, respectively.

Note 8 – Bonds Payable (continued)

- **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, 2022 and 2021 is \$1,785,000 and \$2,195,000, 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, 2022 and 2021 is \$8,870,000 and \$8,955,000, 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, 2022 and 2021 is \$26,070,000 and \$26,485,000, 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, 2022 and 2021 is \$55,421,802 and \$55,941,802, respectively.

The College is to maintain a reserve account equal to the lesser of (a) 10% of the principal amount of outstanding bonds or (b) the average annual requirements, on a fiscal basis, for the payment of the principal and interest on the bonds. The reserve account balance at August 31, 2022 is \$4,544,805 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 for the purpose of refunding \$56,175,000 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 after payments of \$306,953 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 or 8.30% and a gross savings of \$5,654,963. 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 exempt 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.

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.

Note 11 – Employees’ Retirement Plan – (continued)

	Contribution Rates	
	2022	2021
Member	8.00%	7.70%
Non-Employer Contributing Entity (State)	7.75%	7.50%
Employers	7.75%	7.50%
Current fiscal year employer contributions	\$1,416,644	
Current fiscal year member contributions	\$2,464,451	
2021 measurement year NECE on-behalf contributions	\$854,619	

The College’s contributions to the TRS pension plan in FY 2022 were \$1,416,644 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 2022 were \$854,619.

- 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Validation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020*	1.95%
Last year ending August 31	
Projection period (100 years)	2120
Inflation	2.30%
Salary increase including inflation	3.05% to 9.05%
Benefit changes during the year	
Ad hoc post-employment benefit changes	None
Mortality*	

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

**The active mortality rates were based on 90 percent of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using ultimate improvement rates from the most recently published project scale ("U-mp").*

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, 2020.

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 ¹	Target Allocation % ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Assets	15.00%	4.50%	1.00%
Energy and Natural Resources and Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Party			
Risk Party	8.00%	2.80%	0.28%
Asset Allocation Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Total	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target Allocation based on the FY 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021)

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

Source: Teacher Retirement System of Texas 2021 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:	\$15,454,179	\$7,072,337	\$272,119

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, 2022, the College reported a liability of \$7,072,337 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	\$ 7,072,337
State’s proportionate share that is associated with Laredo College	<u>\$ 5,099,999</u>
Total	<u>\$12,172,336</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 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, 2020 thru August 31, 2021.

At the measurement date of August 31, 2021, the employer’s proportion of the collective net pension liability was 0.0277711804% which was a decrease of 0.0006655921% from its proportion measured as of August 31, 2021.

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, 2022, the College recognized pension expense of \$899,564 and revenue of \$854,619 for support provided by the State. Refer to the FY 2021 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 and 68.

At August 31, 2022, 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	\$ 11,835	\$ 497,898
Changes in actuarial assumptions	2,499,933	1,089,756
Differences between projected and actual investment earnings	439,282	6,369,345
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	156,766	630,672
Total as of August 31, 2021 measurement date	\$ 3,107,816	\$ 8,587,671
Contributions paid to TRS subsequent to the measurement date	1,416,644	-
Total as of fiscal year-end	\$ 4,524,460	\$ 8,587,671

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
2022	\$ (1,007,524)
2023	\$ (993,362)
2024	\$ (1,466,568)
2025	\$ (1,869,943)
2026	\$ (113,670)
Thereafter	\$ (28,788)

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 College’s total retirement expense to the State (includes TRS and ORP) was \$1,024,524 and \$1,039,230 for the fiscal years ended August 31, 2022, and August 31, 2021, 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 \$39,650,464 and \$35,863,985 for the fiscal years ended August 31, 2022, and 2021, respectively. The total payroll of employees covered by the Teacher Retirement System was \$32,005,854 and \$26,838,735 and the total payroll of employees covered by the Optional Retirement Program was \$6,073,154 and \$6,418,205 for fiscal years 2022 and 2021, 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, 2022 and August 31, 2021 in the amounts of \$2,317,707 and \$2,258,399, 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, 2022 totaled \$3,414,336 for the year. Compare the state's contribution to that provided for the year ended August 31, 2021, 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 Life Premium
Fiscal Year 2021

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

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

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

	<u>2022</u>	<u>2021</u>
College Contributions	\$ 3,645,074	\$ 3,876,341
Member (Employee) Contributions	1,578,163	1,723,480
Nonemployer Contributing Entity (State of Texas)	3,414,336	3,510,888

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

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 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, 2021
Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 Years
Asset valuation method	Not applicable
Discount rate	2.14%
Projected annual salary increases (includes inflation)	2.30% to 9.05%
	5.25% for FY 2023, 5.15% for FY 2024, 5.00% for FY 2025, 4.75% for FY 2026, 4.60% for FY 2027, decreasing 10 basis points per year to an unlimited rate of 4.30% for FY 2030 and later years
Annual healthcare trend rate	and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with ultimate MP projection scale from the year 2018
Disability retirees	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
Active members	Sex Distinct PR-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Source: FY 2021 ERS CAFR except for the mortality assumptions obtained from ERS FY2021 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 long-term expected rate of return on OPEB plan investments that are expected to be used to

- (a) finance the payment of benefits, to the extent that (i) the OPEB plan’s fiduciary net position (i.e., plan assets) is projected to be sufficient to make projected benefit payments and (ii) OPEB plan assets are expected to be invested using a strategy to achieve that return, and
- (b) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the condition in (a) are not met.

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 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. 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 2.14% in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.14%)	Discount Rate (2.14%)	1% Increase in Discount Rate (3.14%)
Proportionate share of the net OPEB liability	\$ 54,538,809	\$ 45,790,992	\$ 38,947,132

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.25% and the ultimate rate is 4.3%. The following schedule shows the impact on the College’s proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used 5.25% in measuring the net OPEB Liability.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Proportionate share of net OPEB liability	\$ 38,344,565	\$ 45,790,992	\$ 55,547,135

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2022, the College reported a liability of \$45,790,992 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	\$ 45,790,992
State's proportionate share that is associated with the District	41,908,187
Total	\$ 87,699,179

The net OPEB liability was measured as of August 31, 2021, 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, 2020, thru August 31, 2021.

At the measurement date of August 31, 2021, the employer’s proportion of the collective net OPEB liability was 0.127638597%, which was an increase (decrease) of (0.00248328) % from its proportion measured as of August 31, 2020.

For the year ended August 31, 2021, the College recognized OPEB expense of \$1,431,769 and revenue of \$511,316 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 proportion 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 proportion 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 2.20% to 2.14% 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, 2022, 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			\$ -	\$ 1,123,201
Changes in actuarial assumptions			3,135,031	5,100,091
Differences between projected and actual investment earnings			8,110	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions			4,981,551	3,470,541
Total as of August 31, 2021 measurement date			\$ 8,124,692	\$ 9,693,833
Contributions paid to ERS subsequent to the measurement date			-	-
Total as of fiscal year-end			\$ 8,124,692	\$ 9,693,833

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:

Fiscal year ended August 31,	OPEB Expense Amount
2023	\$ 1,990,461
2024	\$ 745,076
2025	\$ (772,103)
2026	\$ (314,168)
2027	\$ (138,256)
Thereafter	\$ -

Note 15 – Commitments and Contingencies

On August 31, 2022, 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, 2022 and 2021, the College had a total of \$6,250,696 and \$1,869,294 in construction commitments for various projects.

Note 16 - Disaggregation of Receivable and Payable Balances

Receivables

Receivables at August 31, 2022 and August 31, 2021 were as follows:

	<u>August 31, 2022</u>	<u>August 31, 2021</u>
Students Receivable	\$ 2,427,810	\$ 1,946,639
State Grants Receivable	431,524	322,722
Local Grants Receivable	131,375	35,646
Auxiliary Receivable	14,381	19,394
Other Receivables	875,873	1,028,976
Subtotal	<u>3,880,963</u>	<u>3,353,377</u>
Allowance for Doubtful Accounts	<u>(698,278)</u>	<u>(585,553)</u>
Total Receivables	<u>\$ 3,182,685</u>	<u>\$ 2,767,824</u>

Payables

Payables at August 31, 2022 and August 31, 2021 were as follows:

	<u>August 31, 2022</u>	<u>August 31, 2021</u>
Accounts Payable - Construction	\$ 977	\$ 977
Salaries & Benefits Payable	1,584,576	2,541,750
Students Payable	716,163	237,245
Other Payables	2,033,709	1,500,377
Subtotal	<u>4,335,425</u>	<u>4,280,349</u>
Total Payables	<u>\$ 4,335,425</u>	<u>\$ 4,280,349</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 \$474,296 and \$484,256 at August 31, 2022 and August 31, 2021, 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

Note 18 - Contracts and Grant Awards – (continued)

financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2022 and 2021 for which monies have not been received nor funds expended totaled \$7,501,592 and \$26,065,842. Of these amounts, \$6,371,385 and \$25,807,480 were from Federal Contract and Grant Awards; \$208,792 and \$258,362 were from State Contract and Grant Awards; \$914,800 and \$0 from Local Contract and Grant Awards; and \$6,615 and \$0 were from Private Contract and Grant Awards for the fiscal years ended August 31, 2022 and 2021, respectively.

The L.C.C. Education Foundation, Inc. receives grants on behalf of the College and held \$869,500 and \$900,000 in awarded funds for the fiscal year ended August 31, 2022 and 2021, respectively. These funds are for active grants for which the College is already incurring expenses. The amounts will be transferred to the College on a cost reimbursement basis or in specified amounts as agreed by the College and the Foundation.

Note 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 2022 and 2021 and property insurance covering the College’s buildings and personal property in a combined amount of \$221,772,732 for fiscal year 2022 and \$200,088,894 for fiscal year 2021. Of the \$221,772,732 coverage for fiscal year 2022, \$191,171,112 is coverage for real property and \$30,601,620 for personal property. 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. The College also maintained \$6,000,000 in annual aggregate school professional legal liability for fiscal year 2022 and 2021 of which \$1,000,000 is for law enforcement professional liability and \$5,000,000 for school leaders’ errors and omissions liability. Additional endorsements under the general liability insurance include the Cyber Suite insurance with an aggregate limit of \$1,000,000. The Cyber Suite includes data compromise response expenses, computer attack, cyber extortion, misdirected payment fraud, computer fraud, data compromise, network security, and electronic media liability. For fiscal year 2022, the College did not purchase additional coverage in security and privacy, network interruption, event management, and cyber extortion insurance. Insurance settlements have not exceeded insurance coverage in any of the previous 3 fiscal years.

The College did not maintain or operate a self-insured insurance plan for fiscal years 2022 and 2021.

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.

	<u>August 31, 2022</u>	<u>August 31, 2021</u>
Assessed valuation of the District	\$ 19,863,223,471	\$ 18,368,549,011
Less: Exemptions	(3,710,384,978)	(3,483,757,708)
Less: Abatements	-	-
Net Assessed Valuation of the District	<u>\$ 16,152,838,493</u>	<u>\$ 14,884,791,303</u>

	<u>Fiscal Year 2022</u>			<u>Fiscal Year 2021</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
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	\$ 0.252022	\$ 0.067419	\$ 0.319441	\$ 0.252857	\$ 0.072652	\$ 0.325509

Taxes levied for the year ended August 31, 2022, and 2021 amounted to \$50,508,426 and \$47,304,733, respectively, including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before

Note 20 – Ad Valorem Tax – (continued)

February 1 of the year following the year in which imposed.

	August 31, 2022			August 31, 2021		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$ 39,639,271	\$ 10,429,033	\$ 50,068,304	\$ 37,386,959	\$ 10,525,882	\$ 47,912,841
Delinquent taxes collected	753,424	166,604	920,028	737,805	194,528	932,333
Penalties & Interest collected	423,422	116,507	539,929	580,254	156,196	736,450
Total Gross Collections	40,816,117	10,712,144	51,528,261	38,705,019	10,876,606	49,581,625
Tax Appraisal & Collection Fees	(797,466)	-	(797,466)	(667,090)	-	(667,090)
Bad Debt Expense	(37,594)	-	(37,594)	(24,265)	-	(24,265)
Total Net Collections	\$ 39,981,057	\$ 10,712,144	\$ 50,693,200	\$ 38,013,664	\$ 10,876,606	\$ 48,890,269

Tax collections for the year ended August 31, 2022, and 2021, were 99% and 101%, 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, 2022 and August 31, 2021.

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, 2022 and August 31, 2021 in the following amounts, \$271,919 and \$206,926, respectively. At year end, the reserve for uncollectible accounts was \$3,094,201 and \$2,822,281. The total amount of uncollectible accounts written-off was \$0 and \$0 at August 31, 2022 and August 31, 2021. The property tax reserve was \$1,121,866 and \$1,084,272. The total reported allowance for doubtful accounts was a \$4,216,067 and \$3,906,553 for August 31, 2022 and August 31, 2021, 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, 2021 and 2020:

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, 2022

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

Note: Only eight 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, 2022

	Fiscal Year Ended August 31,						
	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 1,416,644	\$ 1,186,012	\$ 1,172,774	\$ 1,028,066	\$ 959,963	\$ 943,305	\$ 929,901
Contribution in Relation to the Contractually Required Contribution	(1,416,644)	(1,186,012)	(1,172,774)	(1,028,066)	(959,963)	(943,305)	(929,901)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Payroll	\$ 32,005,854	\$ 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	4.43%	4.42%	4.42%	4.01%	3.97%	3.97%	4.01%

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
Notes to Pension Required Supplementary Information
August 31, 2022

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

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

LAREDO COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED AUGUST 31, 2022

	Measurement Year Ended				
	August 31,				
	2022	2021	2020	2019	2018
College's Proportion of the Net OPEB Liability (Asset)	0.1276385900%	0.1301218700%	0.1321271900%	0.1423816800%	0.1004662100%
College's Proportionate Share of the Net OPEB Liability (Asset)	\$ 45,790,993	\$ 42,998,294	\$ 45,666,692	\$ 42,198,715	\$ 34,231,864
State's Proportionate Share of the Net OPEB Liability (Asset) associated with the College	<u>41,908,187</u>	<u>38,592,665</u>	<u>42,627,236</u>	<u>34,293,768</u>	<u>31,102,829</u>
Total	<u>\$ 87,699,180</u>	<u>\$ 81,590,959</u>	<u>\$ 88,293,928</u>	<u>\$ 76,492,483</u>	<u>\$ 65,334,693</u>
College's Covered Employee Payroll	\$ 31,168,648	\$ 31,244,326	\$ 31,502,617	\$ 31,244,326	\$ 29,938,497
College's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	146.91%	137.62%	144.96%	135.06%	114.34%
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0.38%	0.32%	0.17%	1.27%	2.04%

Note: Only five 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, 2022

	Fiscal Year Ended				
	August 31,				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually Required Contribution	\$ 1,049,481	\$ 1,013,397	\$ 911,048	\$ 973,676	\$ 879,722
Contribution in Relation to the Contractually Required Contribution	<u>(1,049,481)</u>	<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>	<u>\$ -</u>
College's Covered Employee Payroll	\$ 31,168,648	\$ 31,244,326	\$ 31,502,617	\$ 31,244,326	\$ 29,938,497
Contributions as a percentage of Covered Employee Payroll	3.37%	3.24%	2.89%	3.12%	2.94%

Note: Only five 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, 2022

Changes Since Prior Actuarial Valuation:

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

Demographic Assumptions

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

Economic Assumptions

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

Other Inputs

The discount rate was changed from 2.20% to 2.14% 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.

Please see ERS valuation report dated November 30, 2020 for a complete list of previous assumptions and other inputs.

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SCHEDULES

Laredo College
Schedule A
Schedule of Detailed Operating Revenues
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2022	FY 2021
Tuition						
State funded courses						
In-district resident tuition	\$ 2,590,754	\$ -	\$ 2,590,754	\$ -	\$ 2,590,754	\$ 5,693,877
Out-of-state tuition	201,370	-	201,370	-	201,370	442,958
TPEG (set aside)*	477,883	-	477,883	-	477,883	414,939
Out-of-district resident tuition	227,344	-	227,344	-	227,344	760,205
State funded continuing education	94,429	-	94,429	-	94,429	462,853
Non-state funded continuing education	283,169	-	283,169	-	283,169	686,595
Total Tuition	3,874,949	-	3,874,949	-	3,874,949	8,461,427
Fees						
General use fee	8,694,769	-	8,694,769	-	8,694,769	8,056,303
Installment fee	44,325	-	44,325	-	44,325	50,450
Health services fee	120,175	-	120,175	-	120,175	114,847
Matriculation fee	362,520	-	362,520	-	362,520	346,320
Late registration fee	22,860	-	22,860	-	22,860	26,360
Malpractice fee	16,244	-	16,244	-	16,244	11,734
Graduation fee	280	-	280	-	280	60
Instructional Support Fee	1,738,637	-	1,738,637	-	1,738,637	1,611,664
Technology fee	1,739,043	-	1,739,043	-	1,739,043	1,614,584
Student service fee	1,443,143	-	1,443,143	-	1,443,143	1,379,427
Distance education fee	2,182,194	-	2,182,194	-	2,182,194	-
Parking/street maint. Fee	240,707	-	240,707	-	240,707	-
Diff. tuition fee (development)	4,680	-	4,680	-	4,680	14,040
Diff. tuition fee (3 peat)	150,495	-	150,495	-	150,495	124,863
Lab fee	191,042	-	191,042	-	191,042	141,005
Assessment fee	23,602	-	23,602	-	23,602	15,624
Installment loan late payment fee	17,230	-	17,230	-	17,230	16,410
Add/drop fee	14,910	-	14,910	-	14,910	17,210
Other fees	18,556	-	18,556	-	18,556	11,267
Total fees	17,025,412	-	17,025,412	-	17,025,412	13,552,168
Scholarships allowances and discounts						
Scholarship allowances	(34,662)	-	(34,662)	-	(34,662)	(231,121)
Remissions and exemptions	(7,366,221)	-	(7,366,221)	-	(7,366,221)	(6,288,044)
Pell grants	(6,890,375)	-	(6,890,375)	-	(6,890,375)	(8,379,223)
Other federal grants	(760,652)	-	(760,652)	-	(760,652)	(749,791)
TEOG grants	(535,829)	-	(535,829)	-	(535,829)	(539,874)
TPEG allowances	(606,604)	-	(606,604)	-	(606,604)	(265,338)
Other state grants	(201,980)	-	(201,980)	-	(201,980)	(63,676)
Other	(52,438)	-	(52,438)	-	(52,438)	(434,767)
Total scholarship allowances	(16,448,761)	-	(16,448,761)	-	(16,448,761)	(16,951,834)
Total net tuition and fees	4,451,600	-	4,451,600	-	4,451,600	5,061,761
Other operating revenues						
Federal grants and contracts	7,255,141	8,793,819	16,048,960	-	16,048,960	13,657,021
State grants and contracts	9,472	1,360,884	1,370,356	-	1,370,356	1,411,922
Nongovernmental grants and contracts	-	478,933	478,933	-	478,933	818,343
Investment income (program restricted)	-	164,643	164,643	-	164,643	48,437
Other operating revenues	118,410	889,927	1,008,337	-	1,008,337	819,204
Total other operating revenues	7,383,023	11,688,206	19,071,229	-	19,071,229	16,754,927
Auxiliary enterprises						
Student activities	-	-	-	1,739,535	1,739,535	1,611,284
Cafeteria	-	-	-	-	-	-
Campus housing	-	-	-	-	-	-
Residential	-	-	-	17,700	17,700	8,703
Bookstore	-	-	-	94,131	94,131	111,729
Total net auxiliary enterprises	-	-	-	1,851,366	1,851,366	1,731,716
Total operating revenues (Exhibit 2)	\$ 11,834,623	\$ 11,688,206	\$ 23,522,829	\$ 1,851,366	\$ 25,374,195	\$ 23,548,404

*In accordance with Education Code 56.033, \$477,883 and \$414,939 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, 2022 (with Memorandum Totals for the Year Ended August 31, 2021)

	Operating Expenses					
	Salaries and Wages	Benefits		Other Expenses	FY 2022 Total	FY 2021 Total
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 17,599,473	\$ -	\$ 5,102,022	\$ 1,587,021	\$ 24,288,517	\$ 23,726,705
Research	-	-	-	-	-	-
Public Service	185,505	-	65,675	24,117	275,296	237,394
Academic Support	3,670,441	-	1,244,733	725,845	5,641,018	3,609,920
Student Services	2,574,741	-	901,508	392,848	3,869,097	4,671,508
Institutional Support	7,490,682	-	415,974	5,220,507	13,127,162	12,565,511
Operation and Maintenance of Plant	1,655,551	-	792,785	3,974,193	6,422,529	6,033,188
Scholarships and Fellowships	-	-	-	216,000	216,000	208,630
Total Unrestricted Educational Activities	33,176,392	-	8,522,696	12,140,531	53,839,619	51,052,857
Restricted - Educational Activities						
Instruction	828,411	1,589,786	189,071	257,791	2,865,060	4,903,852
Research	16,088	1,388	1,794	20,464	39,735	124,354
Public Service	118,655	26,240	36,220	62,998	244,113	320,168
Academic Support	827,237	388,018	255,086	608,971	2,079,313	2,373,946
Student Services	1,127,336	319,380	111,794	200,382	1,758,893	1,733,428
Institutional Support	3,007,575	905,691	517,579	872,510	5,303,355	3,044,232
Operation and Maintenance of Plant	99,720	-	26,742	1,605,383	1,731,845	1,381,623
Scholarships and Fellowships	-	-	-	10,941,445	10,941,445	8,106,314
Total Restricted Educational Activities	6,025,024	3,230,503	1,138,288	14,569,944	24,963,759	21,987,916
Total Educational Activities	39,201,416	3,230,503	9,660,984	26,710,475	78,803,378	73,040,772
Auxiliary Enterprises	449,048	-	106,027	288,494	843,569	931,241
Depreciation Expense - Buildings & other real estate	-	-	-	4,763,377	4,763,377	4,779,505
Depreciation Expense - Equipment & furniture	-	-	-	3,703,855	3,703,855	3,127,172
Depreciation Expense - Library Books	-	-	-	102,821	102,821	115,666
Total Operating Expenses	\$ 39,650,464	\$ 3,230,503	\$ 9,767,011	\$ 35,569,023	\$ 88,217,001	\$ 81,994,356

Laredo College
Schedule C
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>FY 2022 Total</u>	<u>FY 2021 Total</u>
NON-OPERATING REVENUES:					
State Appropriations					
Education and General State Support	\$ 11,390,060	(488,906)	\$ -	\$ 10,901,154	\$ 12,354,294
State Group Insurance	-	1,024,525	-	1,024,525	1,039,230
State Retirement Matching	-	3,414,336	-	3,414,336	3,510,888
Non-Employer Contributing Entity On-Behalf Payments	-	-	-	-	-
Professional Nursing Shortage Reduction	-	45,348	-	45,348	58,259
Total State Appropriations	11,390,060	3,995,303	-	15,385,363	16,962,671
Ad Valorem Taxes					
Taxes for Maintenance & Operations	40,597,418	-	-	40,597,418	38,444,013
Taxes for General Obligation Bonds	-	10,712,144	-	10,712,144	10,846,990
Federal Revenue, Non Operating (Title IV)	-	17,998,510	-	17,998,510	16,332,074
Federal Revenue, Non Operating (HEERF)	-	7,667,890	-	7,667,890	18,346,600
Investment Income	541,373	235,077	-	776,450	530,888
Additions to Permanent Endowments	-	20,000	-	20,000	30,000
Capital Gifts	-	2,674	-	2,674	-
Total Non-Operating Revenues	52,528,851	40,631,598	-	93,160,449	101,493,236
NON-OPERATING EXPENSES:					
(Gain) / Loss on Assets	-	(8,407)	-	(8,407)	(1)
Lease Revenue	-	(99,000)	-	(99,000)	(106,000)
Interest on Capital Related Debt	-	4,810,035	-	4,810,035	6,029,856
Other Non-Operating (Revenues) Expenses	-	(539,654)	-	(539,654)	(27,651)
Other Non-Operating Expenses (HEERF)	-	7,667,890	-	7,667,890	18,346,600
Total Non-Operating Expenses	-	11,830,864	-	11,830,864	24,242,804
Net Non-Operating Revenues	\$ 52,528,851	\$ 28,800,734	\$ -	\$ 81,329,585	\$ 77,250,432

Laredo College
Schedule D
Schedule of Net Position by Source and Availability
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	Detail by source					Available for current operations	
	Unrestricted	Restricted		Capital assets net of depreciation & related debt	Total	Yes	No
		Expendable	Non-expendable				
Current							
Unrestricted	\$ 1,605,674	\$ -	\$ -	\$ -	\$ 1,605,674	\$ 1,605,674	\$ -
Board designated	401,419	-	-	-	401,419	-	401,419
Restricted							
Auxiliary enterprises	-	5,302,026	-	-	5,302,026	5,302,026	-
Endowment	-	-	3,355,185	-	3,355,185	-	3,355,185
Student Aid	-	4,140,174	-	-	4,140,174	4,140,174	-
Other	-	453,056	-	-	453,056	453,056	-
Plant							
Unexpended	-	-	-	-	-	-	-
Debt service	-	24,929,024	-	-	24,929,024	-	24,929,024
Investment in plant	-	-	-	43,192,081	43,192,081	-	43,192,081
Total Net Position, August 31, 2022	2,007,093	34,824,280	3,355,185	43,192,081	83,378,639	11,500,930	71,877,709
Total Net Position, August 31, 2021	(1,206,835)	26,189,706	3,317,509	36,591,479	64,891,859	7,661,963	57,229,896
Net increase (decrease) in Net Position	\$ 3,213,928	\$ 8,634,574	\$ 37,676	\$ 6,600,602	\$ 18,486,780	\$ 3,838,967	\$ 14,647,813

Laredo College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2022
Schedule E

Federal Grantor/Cluster/Program Title/Pass Through Grantor/ Pass-Through Grantor's Award Number	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	\$ 617,400	\$ -	\$ 617,400	-
Federal College Work-Study Program	84.033	652,612	-	652,612	-
Federal Pell Grant Program	84.063	16,749,423	-	16,749,423	-
Total Student Financial Assistance Cluster		18,019,435	-	18,019,435	-
TRIO Cluster					
Trio Student Support Services	84.042A	295,221	-	295,221	-
Trio Upward Bound	84.047A	515,322	-	515,322	-
Total TRIO Cluster		810,543	-	810,543	-
H.S.I STEM Title III Cluster					
LEAPS	84.031C	1,099,859	-	1,099,859	109,870
LEAPS POWER Project	84.031C	246,756	-	246,756	-
Total H.S.I STEM Title III Cluster		1,346,615	-	1,346,615	109,870
Education Stabilization Fund (Covid 19 Emergency Funding)					
2020 IHE CARES Act Institutional	84.425F	768,084	-	768,084	-
2020 IHE CRRSSA Act Institutional	84.425F	279,081	-	279,081	-
2020 IHE ARP Act Student Financial Aid	84.425E	7,520,163	-	7,520,163	-
2020 IHE ARP Act Institutional	84.425F	11,187,923	-	11,187,923	-
Total Education Stabilization Fund		19,755,251	-	19,755,251	-
Pass-Through From:					
Texas Workforce Commission					
Adult Education and Literacy					
2118ALAC00	84.002A	-	91,653	91,653	-
2118ALAD00	84.002A	-	763,545	763,545	-
2118ALAE00	84.002A	-	103,032	103,032	-
Total		-	958,230	958,230	-
Pass-Through From:					
Texas Higher Education Coordinating Board					
Carl Perkins Vocational Educational Program					
25000	84.048	-	479,367	479,367	-
Governor's Emergency Education Relief (GEER) Fund					
Report Modernization					
25550	84.425C	-	50,000	50,000	-
Governor's Emergency Education Relief (GEER) Fund					
Texas Reskilling and Upskilling for Education (TRUE) Institutional					
Capacity Grants					
25725	84.425C	-	245,390	245,390	-
Total		-	774,757	774,757	-
TOTAL U.S. DEPARTMENT OF EDUCATION		39,931,844	1,732,987	41,664,831	109,870
U. S. DEPARTMENT OF AGRICULTURE					
Direct Program:					
Laredo College PROMISE Scholars Grant Project	10.223	11,104	-	11,104	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE		11,104	-	11,104	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Pass Through From:					
Texas A&M University - Kingsville					
Proactive Pathways of Excellence to Engage Minority Students in Aerospace Engineering					
S22-0906(513702)	43.008	28,133	-	28,133	-
TOTAL NATIONAL SCIENCE FOUNDATION		28,133	-	28,133	-
NATIONAL SCIENCE FOUNDATION					
Direct Programs:					
RAPID - Using Real Life COVID-19 Data to Teaching Quantitative Reasoning Skills to Undergraduate Hispanic STEM students	47.076	27,888	-	27,888	-
TOTAL NATIONAL SCIENCE FOUNDATION		27,888	-	27,888	-

Continued on Following Page

Laredo College District
Schedule of Expenditures of Federal Awards
Year Ended August 31, 2022
Schedule E

Federal Grantor/Cluster/Program Title/Pass Through Grantor/ Pass-Through Grantor's Award Number	CFDA Number	Direct Awards	Pass-Through Awards	Total	Subrecipient Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Pass-Through from:					
South Texas Workforce Development Board 11211C04	93.596	42,860	-	42,860	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		42,860	-	42,860	-
U.S. DEPARTMENT OF HOMELAND SECURITY					
Direct Programs:					
Citizenship and Integration Grant 21CICET00203-01-00	97.01	85,964	-	85,964	35,549
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		85,964	-	85,964	35,549
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 40,127,793	\$ 1,732,987	\$ 41,860,780	\$ 145,419

Note 1: Federal Assistance Reconciliation

Other Operating Revenues - Federal Grants and Contracts revenue - per Schedule A	\$ 8,793,819
Add: Indirect/Administrative Costs Recoveries	107,984
Add: Revenue Loss Recoveries	7,147,158
Add: Non Operating Federal Revenue per Schedule C	25,666,400
Add: Institutional Grant Matching	-
Total Federal Revenues per Schedule A and C	41,715,361
Reconciling Items:	
Add: Funds passed Through to others	145,419
Add: Direct Student Loans	-
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$ 41,860,780

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 purpose 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	\$ 109,870
U. S. Department of Homeland Security	
Citizenship & Integration, CFDA 97.010	
Azteca Economic Development Preservation Corp.	35,549
Total amount passed-through by the College	\$ 145,419

**Laredo College District
Schedule of Expenditures of State Awards
Year Ended August 31, 2022
Schedule F**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Direct Programs:		
Texas College Work-Study		\$ 42,673
Texas Educational Opportunity Grant Initial		304,112
Texas Educational Opportunity Grant Renewal		542,387
Student Mentorship (G - Force)		9,577
Nursing Shortage Reduction Program (Regular)		17,808
Nursing Shortage Reduction Program (Under 70)		27,541
Nursing & Allied Health-Supporting Clinical Learning to Mitigate impediments due to COVID-19	23818	57,612
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		\$ 1,001,710
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		
Direct Programs:		
Law Enforcement Officers Standards and Education Fund		2,753
TOTAL TEXAS COMPTROLLER OF PUBLIC ACCOUNTS		2,753
TEXAS WORKFORCE COMMISSION		
Direct Programs:		
Adult Education and Literacy	2118ALAC00	19,529
Adult Education and Literacy	2118ALAD00	81,440
Jobs in Education For Texans Grant Program	2121JET001	308,145
Laredo College in Partnership with Cargoquin, Inc.	2120SDF003	12,381
Skills Development Fund Covid-19 Special Initiative	2120COS002	5,153
TEXAS WORKFORCE COMMISSION		426,648
TOTAL STATE FINANCIAL ASSISTANCE		\$ 1,431,111

Note 1 : State Awards Reconciliation

State Grants and Contracts Revenue - per Schedule A	\$ 1,360,883
Add: Indirect/Administrative Cost Recoveries	9,472
Add: Capital Outlays	-
Add: Non-Operating State Revenue - per Schedule C	45,349
Add: Institutional Grant Matching	15,407
Total State Revenues per Schedule of Expenditures of State Awards	\$ 1,431,111

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.

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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 the College, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 21, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

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

December 21, 2022

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

Opinion on Each Major Federal Program

We have audited the College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and State of Texas Single Audit Circular that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2022. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal and State Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink, appearing to read "Lopez / Gonzalez & Associates". The signature is written in a cursive, flowing style with a large, sweeping flourish at the end.

December 21, 2022

LAREDO COLLEGE
Laredo, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended August 31, 2022

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	
	84.425 E, F, L	Education Stabilization Fund – COVID-19	
	Dollar Threshold used to distinguish between Type A and Type B programs:	\$1,255,826	
	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, 2022

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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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, 2022

PRIOR YEAR FINDINGS

None Reported.

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STATISTICAL SUPPLEMENT SECTION

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

	For the Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net investment in capital assets	\$ 43,192,081	\$ 36,591,479	\$ 32,741,218	\$ 29,374,745	\$ 24,992,131	\$ 18,801,859	\$ 15,402,357	\$ 16,142,551	\$ 12,987,174	\$ 12,311,996
Restricted - expendable	34,824,280	26,189,706	21,710,357	19,392,270	16,894,970	15,122,530	14,144,006	10,913,779	11,398,527	11,559,255
Restricted - nonexpendable	3,355,185	3,317,509	3,287,305	3,300,313	3,240,686	3,149,460	3,128,354	3,125,455	3,046,903	2,975,040
Unrestricted	2,007,093	(1,206,835)	(11,651,501)	(12,692,884)	(15,260,935)	19,367,829	13,322,096	10,493,445	18,934,164	17,144,968
Total primary government net position	\$ 83,378,639	\$ 64,891,859	\$ 46,087,379	\$ 39,374,444	\$ 29,866,852	\$ 56,441,678	\$ 45,996,813	\$ 40,675,230	\$ 46,366,768	\$ 43,991,259

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

For the Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	\$ 4,451,600	\$ 5,061,761	\$ 6,481,688	\$ 7,536,617	\$ 6,514,794	\$ 8,197,564	\$ 8,752,051	\$ 8,833,615	\$ 8,580,215	\$ 8,780,001
Federal Grants and Contracts	16,048,960	13,657,021	7,011,276	4,290,694	4,467,449	3,550,864	3,778,234	4,739,942	4,203,436	4,552,060
State Grants and Contracts	1,370,356	1,411,922	1,209,315	1,333,461	1,285,563	1,594,385	1,788,450	2,832,960	2,124,875	1,553,504
Non-Governmental Grants and Contracts	478,933	818,343	776,613	664,991	395,290	257,156	281,735	291,863	360,058	656,645
Investment income (program restricted)	164,643	48,437	134,114	234,131	156,555	70,014	57,378	90,111	85,241	126,948
Auxiliary enterprises	1,851,366	1,731,716	2,012,414	2,087,679	2,185,455	2,066,242	2,007,213	2,056,616	2,096,611	1,263,433
Other Operating Revenues	1,008,337	819,204	1,355,848	1,595,814	1,708,381	1,649,371	1,693,752	1,677,981	2,297,503	1,717,011
Total Operating Revenues	25,374,195	23,548,404	18,981,268	17,743,387	16,713,487	17,385,596	18,358,813	20,523,088	19,747,939	18,649,602
State Appropriations	15,340,015	16,904,412	17,832,190	15,976,013	17,056,885	15,425,614	15,387,945	14,924,461	14,737,592	13,561,791
Professional Nursing Shortage Reduction	45,348	58,259	11,481	26,272	36,933	7,412	39,280	115,157	55,331	31,293
Ad Valorem Taxes	51,309,562	49,291,003	48,294,694	45,939,537	44,366,005	42,777,469	38,990,583	33,941,663	28,509,899	28,008,902
Gifts	2,674	-	538	8,095	133,549	8,500	18,759	-	-	6,493
Investment income	776,450	530,888	1,047,047	2,432,585	1,844,106	1,097,977	1,132,007	1,098,704	385,196	697,328
Federal Revenue, Non-Operating (Title IV)	17,998,510	16,332,074	19,378,260	18,645,886	21,582,869	19,500,050	18,957,022	20,014,322	21,082,771	22,255,103
Federal Revenue, Non-Operating (HEERF)	7,667,890	18,346,600	-	-	-	-	-	-	-	-
Additions to permanent endowments	20,000	30,000	-	56,000	88,500	20,000	2,000	86,946	70,000	53,412
Lease Revenue	99,000	106,000	-	-	-	-	-	-	-	-
Gain on sale of asset	8,407	1	-	-	-	-	-	-	-	-
Other non-operating revenues	539,654	27,651	-	399,297	171,324	565,067	323,054	61,861	-	34,478
Total Non-Operating Revenues	93,807,510	101,626,888	86,564,210	83,483,685	85,280,171	79,402,089	74,850,650	70,243,114	64,840,789	64,648,800
Total Revenues	\$ 119,181,705	\$ 125,175,292	\$ 105,545,478	\$ 101,227,072	\$ 101,993,658	\$ 96,787,685	\$ 93,209,463	\$ 90,766,202	\$ 84,588,728	\$ 83,298,402

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

For the Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	\$ 27,153,577	\$ 28,630,557	\$ 31,763,204	\$ 30,106,789	\$ 28,987,839	\$ 26,397,974	\$ 26,456,065	\$ 24,750,406	\$ 24,273,755	\$ 24,430,353
Research	39,735	124,354	16,815	638	2,014	890	-	-	298	10,764
Public service	519,409	557,563	626,604	594,112	588,420	574,058	582,278	484,963	395,271	422,519
Academic support	7,720,331	5,983,866	6,642,185	6,651,747	6,266,890	6,276,664	6,269,920	7,045,742	6,611,450	6,763,112
Student services	5,627,990	6,404,936	7,341,099	7,766,671	7,247,854	7,342,635	7,185,446	6,730,669	6,729,870	6,602,783
Institutional support	18,430,517	15,609,742	16,462,968	14,591,163	13,086,288	12,797,972	12,562,499	13,718,788	12,356,905	13,650,312
Operation and maintenance of plant	8,154,374	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
Scholarships and fellowships	11,157,445	8,314,943	11,256,444	8,950,340	9,079,015	8,735,070	8,532,758	8,527,905	10,343,160	11,811,478
Auxiliary enterprises	843,569	931,241	1,446,158	1,522,336	1,575,990	1,676,433	1,545,607	1,550,030	1,045,445	764,232
Depreciation	8,570,053	8,022,343	7,244,852	5,851,557	5,673,065	5,800,510	5,815,084	5,564,615	5,023,270	4,548,684
Total Operating Expenses	88,217,001	81,994,356	91,066,614	83,826,668	80,297,148	77,229,099	76,605,219	75,794,825	73,404,249	76,187,010
Interest on capital related debt	4,810,035	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
Loss on disposal of fixed assets	-	-	2,784	-	-	-	-	-	17,230	-
Other non-operating expenses (HEERF)	7,667,890	18,346,600	-	-	-	-	-	-	-	-
Other non-operating expenses	-	-	345,534	-	-	-	-	-	712,220	-
Total Non-Operating Expenses	12,477,925	24,376,456	7,765,929	7,892,812	8,312,105	9,113,721	9,720,392	10,660,658	7,920,757	7,367,672
Total Expenses	\$ 100,694,926	\$ 106,370,812	\$ 98,832,543	\$ 91,719,480	\$ 88,609,253	\$ 86,342,820	\$ 86,325,611	\$ 86,455,483	\$ 81,325,006	\$ 83,554,682

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

Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	In-District Tuition	Out-of-District Tuition	Technology Fee	Instr Support Fee	Student Activity Fee	General Use Fee	Other Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2021-22	\$ 50.00	\$ 100.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 50.00	\$ 90.00	\$ 1,650.00	\$ 2,250.00	0%	0%
2020-21	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2019-20	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2018-19	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2017-18	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2016-17	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2015-16	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2014-15	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	0%	0%
2013-14	50.00	100.00	10.00	10.00	10.00	50.00	90.00	1,650.00	2,250.00	22%	15%
2012-13	50.00	100.00	7.50	7.50	5.00	35.00	90.00	1,350.00	1,950.00	0%	0%

Non - Resident Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fee	Instr Support Fee	Student Activity Fee	General Use Fee	Other Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
2021-22	\$ 152.00	\$ 152.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 50.00	\$ 90.00	\$ 2,874.00	\$ 2,874.00	0%	0%
2020-21	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2019-20	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2018-19	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2017-18	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2016-17	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2015-16	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2014-15	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	0%	0%
2013-14	152.00	152.00	10.00	10.00	10.00	50.00	90.00	2,874.00	2,874.00	12%	12%
2012-13	152.00	152.00	7.50	7.50	5.00	35.00	90.00	2,574.00	2,574.00	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)
2021-22	\$ 23,680,826	\$ 516,445	\$ 4,192,107	\$ 18,972,274	80.12%	\$ 0.25202	\$ 0.06742	\$ 0.31944
2020-21	20,140,324	288,378	3,450,867	16,401,079	81.43%	0.25286	0.07265	0.32551
2019-20	18,368,549	224,704	3,259,054	14,884,791	81.03%	0.25507	0.07358	0.32864
2018-19	18,227,177	268,324	3,218,827	14,740,026	80.87%	0.25507	0.07204	0.32710
2017-18	17,374,656	274,332	2,996,922	14,103,402	81.17%	0.25507	0.08298	0.33805
2016-17	16,195,341	252,840	2,692,606	13,249,895	81.81%	0.25507	0.08793	0.34300
2015-16	14,827,403	226,360	2,140,034	12,461,009	84.04%	0.24527	0.08498	0.33024
2014-15	13,984,961	220,951	1,926,275	11,837,735	84.65%	0.23441	0.06275	0.29716
2013-14	13,378,064	217,743	1,800,704	11,359,617	84.91%	0.22265	0.03257	0.25522
2012-13	12,937,362	220,907	1,735,502	10,980,953	84.88%	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,										
	2022	2021	2020	2019	2018	2017	2016	2015	2014*	2013	
State Appropriation Contact Hour Funding (CH)	\$ 8,378,954	\$ 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	
State Appropriation Student Success Points (SSP)	2,189,536	1,435,069	1,435,151	1,076,577	1,076,577	1,093,569	1,095,235	1,163,737	1,163,737	3,023,605	
State Appropriation Core Operations (CO)	680,406	680,560	680,599	683,662	683,662	515,489	500,761	500,174	500,174	213,983	
State Appropriation Non-Formula Items	141,164	148,628	148,636	148,594	148,594	165,570	165,822	165,613	165,613	161,195	
Total	\$ 11,390,060	\$ 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	

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
2021	\$ 11,390,060	5,505	\$2,069
2020	11,499,124	5,985	1,921
2019	10,431,927	5,594	1,865
2018	11,499,777	5,804	1,981
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

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
2021	\$ 8,378,954	2,485,104	871,760	110,544	3,467,408	\$2.42
2020	9,234,867	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	9,235,391	2,381,840	949,392	61,335	3,392,567	2.72
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
2021	\$ 2,189,536	19,138	\$114.41
2020	1,435,069	19,138	74.99
2019	1,076,577	15,954	67.48
2018	1,435,151	13,498	106.32
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.

2021 Success Points are not available.

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

	For the Year Ended August 31,						
Success Points Elements¹	2021	2020	2019	2018	2017	2016	2015
Math Readiness	796	796	814	736	701	699	377
Read Readiness	308	308	239	286	261	262	166
Write Readiness	96	96	74	171	200	212	145
Students Who Pass FCL Math Course	2,175	2,175	3,187	1,813	1,818	1,753	1,422
Students Who Pass FCL Read Course	1,328	1,328	1,728	1,326	1,150	1,041	885
Students Who Pass FCL Write Course	1,328	1,328	1,874	1,326	1,150	1,041	885
Students Who Complete 15 SCH	3,610	3,610	2,034	2,675	2,395	2,124	2,281
Students Who Complete 30 SCH	3,145	3,145	1,274	1,630	1,522	1,525	1,486
Student Transfers to a 4-Yr Inst	3,507	3,507	1,274	1,706	1,518	1,576	1,500
Degrees, CCCs, or Certs (Undup)	1,438	1,438	2,380	2,584	2,072	2,178	2,142
Degrees or Certs in Critical Fields	1,407	1,407	1,076	1,150	983	923	900
Annual Success Points - Total	19,138	19,138	15,954	15,403	13,770	13,334	12,189

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

*FY2014 Year Formula Funding Changed Methodology.

Source: THECB - Accountability System.

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
AEP Texas Central Company	Utility	\$ 180,821	\$ 186,628	\$ 161,199	\$ 159,178	\$ 195,856	\$ 144,050	\$ 120,985	\$ 116,064	\$ 93,214	\$ 85,868
Laredo Texas Hospital Co. LP	Medical	157,786	96,880	101,647	95,913	96,147	96,438	96,991	96,293	96,578	104,484
Farias Development LTD	Development	86,832	69,689	56,074	57,299	53,362	44,134	42,166	40,924	38,464	36,413
Mall Del Norte LLC	Retail	70,032	65,868	65,868	68,868	58,141	56,446	57,316	55,890	55,567	52,068
The GEO Group Inc	Commercial Business	61,702	60,000	57,371	57,371	56,723	53,182	53,182	52,609	52,609	52,160
Killam Ind. Dev. Partnership Ltd.	Development	60,481	56,448	35,897	51,026	41,412	36,487	33,380	35,890	33,737	29,575
Mission Produce Inc	Retail/Wholesale	52,262	26,994								
Laredo Portfolio LLC	Commercial Business	50,529	41,765	40,100	40,100	-	-	-	-	-	-
Laredo Regional Medical Ctr. Lp	Medical	49,500	48,124	58,029	49,307	48,907	43,794	43,558	43,106	41,678	40,213
Killam Development LTD	Development	46,494	37,306	48,110	35,912	33,334	33,097	26,286	20,937	19,848	-
Ryder Truck Rental Inc	Commercial Business	40,110	-	-	-	-	-	-	-	-	-
AEP Electric Transmission of Texas LLC	Utility	37,156	40,504	42,368	42,105	40,938	43,404	44,864	48,063	35,802	42,868
United States Cold Storage Inc	Refrigeration	36,850	33,500	48,472	50,340	27,106	17,642	17,861	-	-	-
M S Carriers LLC	Logistics	32,922	32,261	30,282	20,684	-	-	-	-	-	-
Laredo Outlet Shoppes LLC	Retail	32,104	43,328	47,167	63,630	63,630	45,586	-	-	-	-
Juniper Fasken LP	Commercial Business	30,840									
Union Pacific Railroad Company	Railroad	30,723	28,754	26,761	25,504	24,607	23,272	22,110	20,794	19,402	17,578
WRI Trautmann Lp.	Commercial Real Estate	29,778	29,778	29,514	29,572	29,943	32,771	29,874	29,596	28,307	27,737
Texas International Enterprises	Logistics	28,641	28,641								
Dorel Springfield Holdings LLC	Real Estate	26,772	-	16,787	-	-	-	15,820	-	-	-
Laredo WLE LP	Utility	-	30,280	27,446	28,986	40,693	40,805	64,955	83,568	86,668	97,224
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
H E Butt Grocery Company	Grocery	-	-	28,269	28,118	29,326	29,742	33,218	31,669	30,105	30,025
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
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
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
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	-	-	-	-	-	-
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
Totals		\$ 1,142,335	\$ 1,009,052	\$ 1,124,998	\$ 1,112,239	\$ 1,068,627	\$ 1,059,293	\$ 964,939	\$ 948,893	\$ 890,831	\$ 897,978
Total Taxable Assessed Value		\$ 18,972,274	\$ 16,401,079	\$ 14,884,791	\$ 14,740,026	\$ 14,103,402	\$ 13,249,895	\$ 12,461,009	\$ 11,837,735	\$ 11,359,617	\$ 10,980,953

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
2022	\$ 48,213	\$ -	\$ 48,213	\$ 50,068	103.85%	\$ 920	\$ -	\$ 50,988	105.76%
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%

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)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Bonded Debt										
General Obligation Bonds	\$ 86,652	\$ 93,157	\$ 98,900	\$ 104,205	\$ 109,250	\$ 114,060	\$ 178,665	\$ 192,448	\$ 202,834	\$ 63,824
Less: Funds Restricted for Debt Service	(10,991)	(9,125)	(7,985)	(6,240)	(5,784)	(4,438)	(3,120)	(2,132)	(2,150)	(1,402)
Net General Bonded Debt	\$ 75,661	\$ 84,032	\$ 90,915	\$ 97,965	\$ 103,466	\$ 109,622	\$ 175,545	\$ 190,316	\$ 200,684	\$ 62,422
Other Debt										
Revenue Bonds	\$ 44,625	\$ 47,120	\$ 49,535	\$ 51,195	\$ 53,305	\$ 55,645	\$ 89,951	\$ 95,336	\$ 100,436	\$ 105,166
Contractual Obligations	-	-	-	-	-	-	-	576	1,152	1,726
Notes	26,070	28,620	31,065	31,485	33,410	35,280	51,890	55,358	58,827	61,455
Notes Payable (Leases)	1,169	1,308	2,157	2,685	874	770	1,368	1,703	906	1,493
Total Outstanding Debt	\$ 147,525	\$ 161,080	\$ 173,672	\$ 183,330	\$ 191,055	\$ 201,317	\$ 318,754	\$ 343,289	\$ 362,005	\$ 232,262
General Bonded Debt Ratios										
Per Capita	\$ 282.38	\$ 302.62	\$ 328.63	\$ 355.06	\$ 376.52	\$ 404.22	\$ 650.84	\$ 713.67	\$ 764.53	\$ 240.85
Per FTSE	13,744	14,040	16,252	16,879	19,618	21,377	33,687	35,342	95,156	10,029
As a percentage of Taxable Assessed Value	0.40%	0.51%	0.61%	0.66%	0.73%	0.83%	1.41%	1.61%	1.77%	0.57%
Total Outstanding Debt Ratios										
Per Capita	\$ 550.58	\$ 580.09	\$ 627.76	\$ 664.46	\$ 695.27	\$ 742.34	\$ 1,181.79	\$ 1,287.30	\$ 1,379.09	\$ 896.17
Per FTSE	26,798	26,914	31,046	31,587	36,226	39,258	61,169	63,749	171,648	37,317
As a percentage of Taxable Assessed Value	0.78%	0.98%	1.17%	1.24%	1.35%	1.52%	2.56%	2.90%	3.19%	2.12%

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
2022	\$ 18,972,274	\$ 94,861	\$ -	\$ 94,861	\$ 13,957	\$ 80,904	14.71%
2021	16,401,079	82,005	-	82,005	13,452	68,553	16.40%
2020	14,884,791	74,424	-	74,424	11,602	62,822	15.59%
2019	14,740,026	73,700	-	73,700	10,832	62,868	14.70%
2018	14,103,402	70,517	-	70,517	10,401	60,116	14.75%
2017	13,249,895	66,249	-	66,249	9,856	56,393	14.88%
2016	12,461,009	62,305	-	62,305	9,496	52,809	15.24%
2015	11,837,736	59,189	-	59,189	8,240	50,949	13.92%
2014	11,359,617	56,798	-	56,798	5,028	51,770	8.85%
2013	10,980,953	54,905	-	54,905	4,197	50,708	7.64%

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

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

Revenue Bonds

Fiscal Year Ended August	Pledged Revenues (\$000 omitted)						Debt Service Requirements (\$000 omitted)			
	Tuition	Technology Fee	Support Fee	Interest Income	General Use Fees	Total	Principal	Interest	Total	Coverage Ratio
2022	\$ 3,019	\$ 1,739	\$ 1,739	\$ 941	\$ 8,695	\$ 16,133	\$ 2,495	\$ 1,654	\$ 4,149	3.89
2021	2,677	1,615	1,612	299	8,056	14,259	2,415	1,734	4,149	3.44
2020	3,815	1,781	1,781	550	8,904	16,831	2,190	1,922	4,112	4.09
2019	4,156	1,720	1,718	1,023	8,588	17,205	2,110	2,232	4,342	3.96
2018	1,406	1,748	1,747	582	8,737	14,220	2,030	2,161	4,191	3.39
2017	1,765	1,592	1,590	284	7,948	13,179	1,970	2,663	4,633	2.84
2016	1,958	1,550	1,548	247	7,738	13,041	1,945	2,758	4,703	2.77
2015	2,284	1,567	1,565	214	7,822	13,452	1,855	2,872	4,727	2.85
2014	2,334	1,436	1,435	193	6,980	12,378	1,795	2,936	4,731	2.62
2013	2,471	1,331	1,330	372	6,211	11,715	1,735	2,989	4,724	2.48

**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
2021	267,945	\$ 10,945,472	\$40,850	5.9%
2020	277,681	9,892,562	35,626	8.5%
2019	276,652	8,981,800	32,466	3.7%
2018	275,910	8,728,522	31,635	3.7%
2017	274,794	8,246,035	30,008	4.2%
2016	271,193	7,980,237	29,426	4.9%
2015	269,721	8,031,782	29,778	5.2%
2014	266,673	7,561,382	28,355	4.7%
2013	262,495	7,114,194	27,102	6.0%
2012	259,172	6,769,544	26,120	7.1%

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	6,412	5.45%
Laredo Independent School District	4,500	3.83%
City of Laredo	2,659	2.26%
Wal-Mart	2,496	2.12%
Webb County	1,800	1.53%
Laredo Sector Border Patrol	1,800	1.53%
Laredo Medical Center	1,274	1.08%
U.S. Customs & Border Protection	1,225	1.04%
Concentrix	995	0.85%
Texas A&M International University	910	0.77%
Total	24,071	20.46%

Nine Years Prior

Employer	Number of Employees	Percentage of Total Employment
United Independent School District	4,876-7,174	5.55%
Laredo Independent School District	3,990-4,500	3.91%
City of Laredo	2,238-2,721	2.28%
Wal-Mart (3 locations)	1,144-2,496	1.51%
Webb County	1,400-1,800	1.47%
Laredo Sector Border Patrol	1,400-2,200	1.66%
Laredo Medical Center	1,377-1,500	1.32%
U.S. Customs & Border Protection	1,225	1.13%
Concentrix	940-995	0.89%
Texas A&M International University	910-1392	1.06%
Total	19,500-24,778	20.78%

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty										
Full-Time	163	170	187	188	186	181	177	183	189	200
Part-Time	151	137	107	95	104	180	162	154	154	160
Total	314	307	294	283	290	361	339	337	343	360
Percent										
Full-Time	51.9%	55.4%	63.6%	66.4%	64.1%	50.1%	52.2%	54.3%	55.1%	55.6%
Part-Time	48.1%	44.6%	36.4%	33.6%	35.9%	49.9%	47.8%	45.7%	44.9%	44.4%
Staff and Administrators										
Full-Time	396	397	400	414	415	429	427	434	445	449
Part-Time	119	153	151	144	119	127	123	154	142	153
Total	515	550	551	558	534	556	550	588	587	602
Percent										
Full-Time	76.9%	72.2%	72.6%	74.2%	77.7%	77.2%	77.6%	73.8%	75.8%	74.6%
Part-Time	23.1%	27.8%	27.4%	25.8%	22.3%	22.8%	22.4%	26.2%	24.2%	25.4%
Total										
Full-Time	559	567	587	602	601	610	604	617	634	649
Part-Time	270	290	258	239	223	307	285	308	296	313
Total	829	857	845	841	824	917	889	925	930	962
Percent										
Full-Time	67.4%	66.2%	69.5%	71.6%	72.9%	66.5%	67.9%	66.7%	68.2%	67.5%
Part-Time	32.6%	33.8%	30.5%	28.4%	27.1%	33.5%	32.1%	33.3%	31.8%	32.5%
FTSE per Full-Time Faculty	37.4	35.9	32.6	30.8	33.1	33.5	36.0	37.5	39.0	36.9
FTSE per Full-Time Staff Member	15.4	15.4	15.3	14.0	13.7	14.1	14.9	15.8	16.5	16.4
Average Annual Faculty Salary	\$ 62,487	\$ 61,191	\$ 61,453	\$ 60,876	\$ 59,400	\$ 59,103	\$ 59,022	\$ 53,982	\$ 55,395	\$ 55,401

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

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	5,719	57.28%	5,608	60.35%	5,664	55.53%	5,730	56.28%	5,469	55.35%
Male	4,265	42.72%	3,684	39.65%	4,536	44.47%	4,451	43.72%	4,412	44.65%
Total	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	181	1.81%	139	1.50%	142	1.39%	119	1.17%	126	1.28%
Hispanic	9,649	96.64%	9,025	97.13%	9,917	97.23%	9,938	97.61%	9,608	97.24%
African American	13	0.13%	7	0.08%	10	0.10%	7	0.07%	15	0.15%
Asian	16	0.16%	21	0.23%	21	0.21%	21	0.21%	24	0.24%
Foreign	-	0.00%	23	0.25%	42	0.41%	53	0.52%	65	0.66%
Native American	8	0.08%	6	0.06%	5	0.05%	5	0.05%	4	0.04%
Native Hawaiian	-	0.00%	1	0.01%	1	0.01%	1	0.01%	1	0.01%
Multiracial	2	0.02%	-	0.00%	1	0.01%	1	0.01%	-	0.00%
Unknown	115	1.15%	70	0.75%	61	0.60%	36	0.35%	38	0.38%
Total	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%

	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	3,449	34.55%	3,468	37.32%	3,333	32.68%	3,227	31.70%	2,465	24.95%
18-20	3,514	35.20%	3,265	35.14%	4,019	39.40%	3,848	37.80%	4,039	40.88%
21-25	1,843	18.46%	1,589	17.10%	1,813	17.77%	1,907	18.73%	2,152	21.78%
26-30	560	5.61%	478	5.14%	497	4.87%	576	5.66%	551	5.58%
31-40	426	4.27%	361	3.89%	352	3.45%	383	3.76%	412	4.17%
41 & Over	192	1.92%	131	1.41%	186	1.82%	240	2.36%	262	2.65%
Total	9,984	100.00%	9,292	100.00%	10,200	100.00%	10,181	100.00%	9,881	100.00%

Average Age	20	20	21	21	21
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Laredo College
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2021-22 Fall Students as of Fall 2021
(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		
26 Angelo State University	1	-	-	1	0.06%
21 Prairie View A&M University	-	1	-	1	0.06%
11 Sam Houston State University	3	-	-	3	0.18%
17 Sul Ross State University	1	-	-	1	0.06%
1 Texas A&M International University	1,036	57	34	1,127	66.84%
3 Texas A&M University	104	-	1	105	6.23%
20 Texas A&M University - Commerce	1	-	-	1	0.06%
9 Texas A&M University - Corpus Christi	4	-	-	4	0.24%
6 Texas A&M University - Kingsville	25	1	2	28	1.66%
15 Texas A&M University - San Antonio	14	4	1	19	1.13%
18 Texas A&M University at Galveston	1	-	-	1	0.06%
24 Texas A&M University System Health Science Center	3	-	-	3	0.18%
27 Texas Southern University	1	-	-	1	0.06%
5 Texas State University	50	1	1	52	3.08%
10 Texas Tech University	7	-	-	7	0.42%
23 Texas Woman's University	1	-	-	1	0.06%
14 The University of Texas - Arlington	12	1	-	13	0.77%
4 The University of Texas - Austin	78	8	-	86	5.10%
12 The University of Texas - Dallas	3	-	-	3	0.18%
7 The University of Texas - Rio Grande Valley	34	3	-	37	2.19%
2 The University of Texas - San Antonio	164	7	-	171	10.14%
25 The University of Texas at El Paso	1	-	-	1	0.06%
16 The University of Texas Medical Branch at Galveston	1	-	-	1	0.06%
8 University of Houston	12	-	-	12	0.71%
22 University of Houston - Clear Lake	1	-	1	2	0.12%
19 University of Houston - Victoria	3	-	-	3	0.18%
13 University of North Texas	1	-	-	1	0.06%
16 University of North Texas Health Science Center	1	-	-	1	0.06%
Totals	1,563	83	40	1,686	100.00%

Source: Texas Higher Education Coordinating Board

Laredo College
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2022 to 2018

	Fiscal Year				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Academic buildings	23	23	22	22	22
Square footage (in thousands)	809,794	809,794	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)	103,287	112,073	110,516	110,533	110,523
Administrative and support buildings	20	20	20	20	20
Square footage (in thousands)	168,582	168,582	168,582	168,582	168,582
Dormitories	1	1	1	1	1
Square footage (in thousands)	6,226	6,226	6,226	6,226	6,226
Number of Beds	18	18	18	18	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	65	58
Dining Facilities	2	2	2	2	4
Square footage (in thousands)	22,842	22,842	22,842	22,842	54,754
Average daily customers	N/A	N/A	N/A	N/A	N/A
Athletic Facilities	24	24	24	24	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	14	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	92	66	91	83	110
Cars	6	6	6	6	12
Light Trucks/Vans	22	10	23	21	13
Tractors/Trailers	9	6	11	11	13
Utility Vehicles	31	25	30	24	44
Motorized Implements	24	18	20	20	27
Passenger Bus	-	1	1	1	1
Transportation - Repair Shop	6	10	10	10	26
Cars	-	1	1	1	14
Light Trucks/Vans	2	3	3	3	4
Tractors/Trailers	-	6	6	6	8

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

Fiscal Year	Contact Hours		Total
	Academic	Voc Tech	
2021-22	2,485,104	871,760	3,356,864
2020-21	2,465,536	897,600	3,363,136
2019-20	2,522,432	898,912	3,421,344
2018-19	2,372,208	868,208	3,240,416
2017-18	2,432,096	952,016	3,384,112
2016-17	2,173,600	887,968	3,061,568
2015-16	2,187,712	864,928	3,052,640
2014-15	2,197,184	923,552	3,120,736
2013-14	1,904,720	1,342,384	3,247,104
2012-13	2,212,704	1,255,216	3,467,920