

(See "Continuing Disclosure of Information" herein)

PRELIMINARY OFFICIAL STATEMENT
Dated January 26, 2026

Ratings:
S&P: "AA+"
Fitch: "AA"
(See "OTHER INFORMATION - Rating" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "Tax Matters".

THE BONDS **WILL NOT BE** DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$75,175,000*
EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
(El Paso County)
COMBINED FEE REVENUE REFUNDING BONDS, SERIES 2026

Dated Date: March 1, 2026

Due: April 1, as shown on Page 2 hereof

Interest to Accrue From Delivery Date (defined herein)

PAYMENT TERMS . . . Interest on the \$75,175,000* El Paso County Community College District Combined Fee Revenue Refunding Bonds, Series 2026 (the "Bonds") will accrue from the date of the initial delivery of the Bonds and will be payable April 1 and October 1 of each year commencing April 1, 2026, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar (identified below) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is Zions Bancorporation, National Association, Houston, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), including Chapter 1207, Texas Government Code, as amended, Chapter 1371, Texas Government Code, as amended, and a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Trustees of the El Paso County Community College District (the "District") on December 2, 2025, and are special obligations of the District payable solely from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Bond Resolution. In the Bond Resolution, the Board of Trustees delegated to certain officers of the District the authority to complete the sale of the Bonds. The terms of the sale will be included in a "Pricing Certificate", which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution"). **The District has not covenanted or obligated itself to pay the Bonds from monies raised or to be raised from taxation and holders of the Bonds are not entitled to demand payment of the Bonds from any money raised or to be raised by taxation** (see "THE BONDS - Authority for Issuance" and "THE BONDS - Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the District's outstanding debt (the "Refunded Bonds") for debt service savings (see "PLAN OF FINANCING", also see Schedule I - Schedule of Refunded Bonds); and (ii) pay the costs of issuance of the Bonds.

CUSIP PREFIX: 283506
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the underwriters listed below (the "Underwriters") and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel (see Appendix C, "Form of Bond Counsel's Opinion"). Certain legal matters will be passed upon for the Underwriters by their counsel, Kassahn & Ortiz, P.C., San Antonio, Texas.

DELIVERY . . . It is expected that the Bonds will be available for delivery through the services of DTC on or about March 3, 2026 (the "Delivery Date").

RBC CAPITAL MARKETS

CABRERA CAPITAL MARKETS

JEFFERIES

RAMIREZ & Co., INC.

* Preliminary, subject to change.

MATURITY SCHEDULE***CUSIP Prefix: 283506⁽¹⁾**

Principal Amount	Maturity April 1	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾	Principal Amount	Maturity April 1	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 2,070,000	2026				\$ 6,570,000	2032			
5,150,000	2027				6,895,000	2033			
5,405,000	2028				7,240,000	2034			
5,675,000	2029				7,600,000	2035			
5,955,000	2030				7,980,000	2036			
6,255,000	2031				8,380,000	2037			

(Interest accrues from date of delivery)

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein provided is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriters, or their agents or counsel assume responsibility for the accuracy of such numbers.

OPTIONAL REDEMPTION . . . The District reserves the right, at its option, to redeem Bonds having stated maturities on and after April 1, 2036, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS - Optional Redemption”).

MANDATORY SINKING FUND REDEMPTION . . . If two or more consecutive serial maturities of the Bonds are grouped into a single maturity (the "Term Bonds") by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with applicable provisions of the Resolution and will be described in the final Official Statement (see "THE BONDS - Mandatory Sinking Fund Redemption").

* Preliminary, subject to change.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), this document constitutes an Official Statement of the District with respect to the Bonds that has or will be “deemed final” by the District as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page, Schedule I, and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Municipal Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the District's undertaking to provide certain information on a continuing basis.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The cover page contains certain information for general reference only and is not intended as a summary of this offering. Investors should read the entire Official Statement, including Schedule I and all appendices attached hereto, to obtain information essential to making an informed investment decision.

NEITHER THE DISTRICT, ITS MUNICIPAL ADVISOR, NOR THE UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY (“DTC”) OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21e OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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The cover page hereof, this page, the Schedule, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds (defined below) to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

- THE DISTRICT**..... The El Paso County Community College District (the “District”, or the “College”) is a political subdivision of the State of Texas located in El Paso County and was established in June 1969, when the citizens of El Paso County voted to create the District. The District operates five campuses and the Administrative Service Center in the Greater El Paso area, as well as courses offered at nearby Fort Bliss. The District’s boundaries are coterminous with El Paso County, which covers an area of 1,058 square miles. The District is governed by a seven-member Board of Trustees (the “Board”) elected to six-year terms from single-member districts. The Board has financial accountability and control over all District activities. The District’s enrollment for the 2024-2025 year was approximately 62,765, and the enrollment for the 2025-26 year is estimated at 63,437 (see “EL PASO COUNTY COMMUNITY COLLEGE DISTRICT”).
- THE BONDS**..... The \$75,175,000* Combined Fee Revenue Refunding Bonds, Series 2026 (the “Bonds”) are issued as serial bonds maturing on April 1 in each of the years 2026 through 2037, unless the underwriters identified on the cover page hereof (the “Underwriters”) designate two or more consecutive maturities as one or more “term” Bonds. In the event any of the Bonds are structured as “term” bonds, such term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution (defined below) and will be described in the final Official Statement (see “THE BONDS - Description of the Bonds”).
- PAYMENT OF INTEREST** Interest on the Bonds accrues from the date of the initial delivery of the Bonds and is payable on April 1, 2026, and each October 1 and April 1 thereafter until maturity or prior redemption (see “THE BONDS - Description of the Bonds” and “THE BONDS - Optional Redemption”).
- AUTHORITY FOR ISSUANCE** The Bonds are issued pursuant to the Constitution and the general laws of the State of Texas (the “State”), including Chapter 1207, Texas Government Code, as amended, Chapter 1371, Texas Government Code, as amended, and a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Trustees of the District on December 2, 2025, and are special obligations of the District payable solely from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Bond Resolution. In the Bond Resolution, the Board of Trustees delegated to certain officers of the District the authority to complete the sale of the Bonds. The terms of the sale will be included in a “Pricing Certificate”, which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the “Resolution”) (see “THE BONDS – Authority for Issuance”).
- SECURITY FOR THE BONDS** The Bonds constitute special obligations of the District. The Bonds, together with the Previously Issued Bonds (as defined in the Resolution) and any additional parity bonds that may be issued from time to time, are payable, both as to principal and interest, solely from and secured by a pledge of and lien on the “Pledged Revenues” (identified and defined in the Resolution). The Pledged Revenues consist primarily of a portion of tuition charges, interest earnings, and a general use fee assessed students attending the College. **The District has not covenanted or obligated itself to pay the Bonds from monies raised from taxation** (see “THE BONDS - Security and Source of Payment”).
- NOT QUALIFIED TAX-EXEMPT OBLIGATIONS** The District **will not** designate the Bonds as “Qualified Tax-Exempt Obligations” for financial institutions.
- REDEMPTION** The District reserves the right, at its option, to redeem Bonds having stated maturities on and after April 1, 2036, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS - Optional Redemption”). In the event any of the Bonds are structured as “term” bonds, such term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution and will be described in the final Official Statement (see “THE BONDS – Mandatory Sinking Fund Redemption”).

* Preliminary, subject to change.

TAX EXEMPTION..... In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption “TAX MATTERS” herein.

USE OF PROCEEDS Proceeds from the sale of the Bonds will be used to (i) refund a portion of the District’s outstanding debt (the “Refunded Bonds”) for debt service savings (see “PLAN OF FINANCING”, also see Schedule I - Schedule of Refunded Bonds); and (ii) pay the costs of issuance of the Bonds.

RATINGS The Bonds and the District’s outstanding revenue debt is rated “AA+” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”) and “AA” by Fitch Ratings, Inc. (“Fitch”), without regard to credit enhancement. (see “OTHER INFORMATION - Ratings”).

BOOK-ENTRY-ONLY SYSTEM..... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see “THE BONDS - Book-Entry-Only System”).

PAYMENT RECORD The District has never defaulted in payment of its revenue debt.

SELECTED FINANCIAL INFORMATION

	Fiscal Year Ended August 31,				
Analytical Data	2025	2024	2023	2022	2021
Total Enrollment Headcount	62,765	60,347	58,990	58,454	60,504
Debt Service Coverage					
Total Pledged Revenues	\$ 35,385,835	\$ 36,019,447	\$ 31,940,266	\$ 23,236,622	\$ 23,832,751
Average Annual Debt Service Requirements	\$ 9,124,216	\$ 9,123,056	\$ 9,121,926	\$ 9,120,991	\$ 9,119,898
Annual Debt Service Coverage	3.88 x	3.95 x	3.50 x	2.55 x	2.61 x

For additional information regarding the District, please contact:

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/CFO
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El Paso, Texas 79925
(915) 831-6391

or

Maria Fernanda Urbina
Managing Director
Hilltop Securities Inc.
221 N. Kansas, Suite 600
El Paso, Texas 79901
(915) 351-7228

DISTRICT OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

Board of Trustees	First Term	Term Expires (May)	Occupation
Mr. Brian Haggerty, Chair	1995	2027	Justice of the Peace
Ms. Bonie Soria Najera, Vice Chair	2017	2029	Marketing Consultant
Dr. Carmen Olivas Graham, Secretary	2006	2031	Educator
Mr. Jesus Mendez	2025	2031	Business Owner
Mrs. Diana Mooy	2025	2031	Associate Superintendent
Mrs. Belen Robles	2008	2027	Retired
Mr. John E. Uxer, Jr.	2015	2029	Retired Engineer

APPOINTED OFFICIALS

Name	Position	Employment Date
Dr. William Serrata	President	August 1, 2012
Dr. Carlos C. Amaya	Vice President, Student and Enrollment Services	August 18, 2008
Mr. Fernando Flores, CPA	Vice President, Finance and Administration/CFO	September 1, 1977
Dr. Julie Penley	Vice President, Research, Accreditation and Planning	August 19, 2002
Dr. Steven E. Smith	Vice President, Instruction and Workforce Education	August 28, 1989
Mr. Marco A. Fernandez	Interim Associate Vice President, Information Technology	November 10, 2005
Ms. Maria E. Field	Associate Vice President, Human Resources Management and Compliance	August 1, 2020
Dr. Paula Mitchell	Associate Vice President, Instruction and Student Success	January 8, 1979
Dr. Keri Moe	Associate Vice President, External Relations, Communications and Development	August 16, 2004
Mr. Blayne Primozych	Associate Vice President, Workforce and Continuing Education	January 5, 2004
Ms. Ana P. Zuñiga, CPA	Associate Vice President, Budget and Financial Services	October 8, 2018

CONSULTANTS AND ADVISORS

Auditors	Peña Briones McDaniel & Co. El Paso, Texas
Bond Counsel	Norton Rose Fulbright US LLP Dallas, Texas
Municipal Advisor	Hilltop Securities Inc. El Paso, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$75,175,000*

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT COMBINED FEE REVENUE REFUNDING BONDS, SERIES 2026

INTRODUCTION

This Official Statement, which includes the Schedule and Appendices hereto, provides certain information regarding the issuance of \$75,175,000* El Paso County Community College District (the "District" or the "College") Combined Fee Revenue Refunding Bonds, Series 2026 (the "Bonds"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution (defined below), except as otherwise indicated herein (see "Appendix A - SELECTED PROVISIONS OF THE BOND RESOLUTION").

There follows in this Official Statement descriptions of the Bonds and certain information regarding the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District's Municipal Advisor, Hilltop Securities Inc., El Paso, Texas.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of the final Official Statement will be filed with the Municipal Securities Rulemaking Board at www.emma.msrb.org, 1900 Duke Street, Suite 600, Alexandria, Virginia 22314. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the District's outstanding debt (the "Refunded Bonds") for debt service savings (see Schedule I - Schedule of Refunded Bonds); and (ii) pay the costs of issuance of the Bonds.

REFUNDED BONDS . . . The principal and interest due on the Refunded Bonds are to be paid on the redemption date shown on Schedule I hereto (the "Redemption Date") from funds to be deposited with Zions Bancorporation, National Association, as Escrow Agent (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement") between the District and the Escrow Agent. The Resolution provides that from a portion of the proceeds of the sale of the Bonds received from the underwriters listed on the cover page hereof (the "Underwriters"), and other available funds of the District, if any, the District will deposit with the Escrow Agent an amount which, when added to the investment earnings on the Escrowed Securities (defined below), will be sufficient to accomplish the discharge and final payment of the Refunded Bonds on their Redemption Date. Such funds will be held by the Escrow Agent in an escrow account (the "Escrow Fund") and used to purchase (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, or (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds.

Frost CPA LLC, in conjunction with Public Finance Partners LLC (together, the "Verification Agent"), will verify at the time of delivery of the Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, principal and accrued interest on the Refunded Bonds on their Redemption Date. Such maturing principal of and interest on the Escrowed Securities will not be available to pay the Bonds (see "OTHER INFORMATION – Verification of Arithmetical and Mathematical Computations").

By the deposit of the Escrowed Securities and cash, if any, with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds in accordance with State law. It is the opinion of Bond Counsel that as a result of such defeasance and in reliance upon the report of the Verification Agent, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Escrowed Securities and any cash held for the payment of the Refunded Bonds by the Escrow Agent, and the Refunded Bonds will not be deemed as being outstanding obligations of the District, payable from Pledged Revenues nor for the purpose of applying any limitation on the issuance of debt.

* Preliminary, subject to change.

SOURCES AND USES OF PROCEEDS . . . Proceeds from the sale of the Bonds, together with funds contributed by the District, will be applied approximately as follows:

Sources of Funds:	
Par Amount of Bonds	\$ -
Transfers from Debt Service Reserve Fund	
Planned Issuer Equity Contribution	
Reoffering Premium	
Total Sources of Funds	<u>\$ -</u>
Uses of Funds:	
Underwriters' Discount	\$
Deposit to Escrow Fund	
Costs of Issuance/Rounding	
Total Uses of Funds	<u>\$ -</u>

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated March 1, 2026 (the “Dated Date”), and mature on April 1 in each of the years and in the amounts shown on page 2 hereof. Interest will accrue from the date of delivery, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on April 1 and October 1, commencing April 1, 2026, until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company (“DTC”) pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar (defined below) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See “THE BONDS - Book-Entry-Only System” herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and the general laws of the State of Texas (the “State”), including Chapter 1207, Texas Government Code, as amended, Chapter 1371, Texas Government Code, as amended, (“Chapter 1371”) and a resolution authorizing the issuance of the Bonds (the “Bond Resolution”) adopted by the Board of Trustees of the District on December 2, 2025, and are special obligations of the District payable solely from and secured by a lien on and pledge of the Pledged Revenues, as provided in the Bond Resolution. In the Bond Resolution, the Board of Trustees delegated to certain officers of the District the authority to complete the sale of the Bonds. The terms of the sale will be included in a “Pricing Certificate”, which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the “Resolution”).

SECURITY AND SOURCE OF PAYMENT . . . The Bonds are special revenue obligations of the District payable solely from and secured by a first lien on and pledge of the Pledged Revenues as provided in the Resolution. The owners of the Bonds will never have the right to demand payment of the Bonds out of funds raised or to be raised by taxation. See “PLEDGED REVENUES” and “Appendix A - SELECTED PROVISIONS OF THE BOND RESOLUTION – PLEDGE OF REVENUES AND SOURCE OF PAYMENT.”

THE BONDS DO NOT CONSTITUTE OR CREATE A DEBT OR LIABILITY OF THE STATE OF TEXAS, AND NEITHER THE FAITH AND CREDIT OF THE STATE OF TEXAS NOR THE TAXING POWER OF THE STATE OF TEXAS, THE EL PASO COUNTY COMMUNITY COLLEGE DISTRICT, OR ANY OTHER POLITICAL SUBDIVISION IS IN ANY MANNER PLEDGED, GIVEN, OR LOANED TO THE PAYMENT OF THE BONDS; AND THE REGISTERED OWNERS OF THE BONDS DO NOT HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS OUT OF ANY FUNDS OR SOURCES WHATSOEVER OTHER THAN THE PLEDGED REVENUES.

RESERVE FUND . . . The Reserve Fund shall be used in retiring the last of the Parity Bonds Outstanding, or for paying principal of and interest on any Parity Bonds, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose. See “Appendix A - SELECTED PROVISIONS OF THE BOND RESOLUTION – Reserve Fund.”

THE BONDS ARE NOT A GENERAL OBLIGATION OF THE DISTRICT, THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, AND THE BONDHOLDERS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE BONDS OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR ANY SOURCES OTHER THAN THOSE SPECIFIED IN THE BOND RESOLUTION.

See “Appendix A - SELECTED PROVISIONS OF THE BOND RESOLUTION” for further information regarding the Bonds.

FLOW OF FUNDS . . . Under the Resolution, all Pledged Revenues will be credited to the Revenue Fund upon receipt and will be further deposited to the Interest and Sinking Fund and the Reserve Fund, if necessary, on the dates and in amounts required as described in the Resolution.

ISSUANCE OF ADDITIONAL BONDS . . . In the Resolution, the Board reserves the right to issue additional parity revenue bonds ("Additional Bonds"). The Additional Bonds when issued will be secured by and payable from the Pledged Revenues to the same extent as are the Bonds, and the Bonds and the Additional Bonds will be in all respects of equal dignity. Pursuant to the Resolution, no Additional Bonds may be issued unless: (a) The senior financial officer of the District signs a written certificate to the effect that the Board is not in default as to any covenant, condition or obligation in connection with all outstanding Parity Bonds and that the Interest and Sinking Fund and Reserve Fund contain the amounts then required to be therein; (b) an independent certified public accountant signs a written certificate to the effect that, during either the immediately preceding fiscal year of the District, or any twelve consecutive calendar month period ending not more than ninety days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the Pledged Revenues were at least equal to 1.25 times the Reserve Fund Requirement of all then outstanding Parity Bonds; (c) the senior financial officer of the District signs a written certificate to the effect that the Pledged Revenues estimated to be collected by the District during the next following Fiscal Year and each succeeding Fiscal Year will at least equal 1.25 times the full Reserve Fund Requirement then applicable to all Outstanding Parity Bonds, including specifically the projected debt service requirements of the proposed Additional Bonds; and (d) the principal and interest payment dates for each series of Additional Bonds must coincide with that of each Outstanding series of Parity Bonds.

OPTIONAL REDEMPTION . . . The District reserves the right, at its option, to redeem Bonds having stated maturities on and after April 1, 2036, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the District may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

MANDATORY SINKING FUND REDEMPTION . . . If two or more consecutive serial maturities of the Bonds are grouped into a single maturity (the "Term Bonds") by the Underwriters, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with applicable provisions of the Resolution and will be described in the final Official Statement.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN AND ANY OTHER CONDITION OF REDEMPTION SATISFIED, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

BONDHOLDERS' REMEDIES . . . In addition to all the rights and remedies provided by the laws of the State, the District covenants and agrees in the Resolution that in the event the District (a) defaults in payments to be made to the Interest and Sinking Fund or the Reserve Fund as required by the Resolution, or (b) defaults in the observation or performance of any other covenants, conditions or obligations set forth in the Resolution, the registered owners shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the District and its officers to observe and perform any covenant, condition, or obligation prescribed in the Resolution. The issuance of a writ of mandamus is controlled by equitable principles, so it rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interest of the holders of the Bonds upon any failure of the District to perform in accordance with the terms of the Resolution, or upon any other condition and, accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court has ruled in *Tooke v. City*

of Mexia, 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Chapter 1371, which pertains to the issuance of public securities by issuers such as the District, permits the District to waive sovereign immunity in the proceedings authorizing the issuance of the Bonds. Notwithstanding its reliance upon the provisions of Chapter 1371 in connection with the issuance of the Bonds (as further described under the caption "THE BONDS - Authority for Issuance"), the District has not waived the defense of sovereign immunity with respect thereto. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, holders of the Bonds may not be able to bring such a suit against the District for breach of the Bonds or the Resolution covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Bonds of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

DEFEASANCE . . . The Resolution provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on such Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities (defined below) that have been certified by an independent certified public accountant, the Paying Agent/Registrar, the District's Municipal Advisor, or another qualified third party to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The Resolution provides that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (d) any other then-authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds. An authorized District official may further limit the permitted Government Securities in connection with the sale of the Bonds. The District has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid and will cease to be outstanding obligations secured by the Resolution or treated as debt of the District for purposes of taxation or applying any limitation on the District's ability to issue debt or for any other purpose.

After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds that have been defeased to their maturity date for redemption or take any other action amending the terms of such Bonds are extinguished; provided, however, that the right to call the Bonds that have been defeased to their maturity date for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

AMENDMENTS . . . The District may amend the Resolution without the consent of or notice to any registered owners solely for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the District contained in the Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the District in this Resolution;
- (ii) to cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Resolution;
- (iii) to supplement the security for the Bonds or replace or provide additional credit facilities which shall not, in the judgment of the District, materially adversely affect the interests of the owners of the outstanding Bonds; or

- (iv) to make such other changes in the provisions of the Resolution as the District may deem necessary or desirable and which shall not, in the judgment of the District, materially adversely affect the interests of the owners of outstanding Parity Bonds.

In addition, the District may, with the written consent of the holders of a majority in aggregate principal amount of the Parity Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of the Resolution; provided that, without the consent of all registered owners of all the Outstanding Parity Bonds, no such amendment, addition, or rescission shall:

- (i) make any change in the maturity of the outstanding Parity Bonds;
- (ii) reduce the rate of interest borne by any outstanding Parity Bond;
- (iii) reduce the amount of the principal payable on any outstanding Parity Bond;
- (iv) modify the terms of payment of principal of or interest on the outstanding Parity Bonds, or impose any conditions with respect to such payment;
- (v) affect the rights of the owners of less than all Parity Bonds then outstanding; or
- (vi) change the minimum percentage of the outstanding principal amount of Parity Bonds necessary for consent to such amendment.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The District and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of each such maturity and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company of DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings' of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose account such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, the Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to DTC is the responsibility of the District, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the District, the Municipal Advisor or the Underwriters.

Effect of Termination of Book-Entry-Only System. In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the District, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the District, the Municipal Advisor, or the Underwriters.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is Zions Bancorporation, National Association, Houston, Texas. In the Resolution, the District retains the right to replace the Paying Agent/Registrar. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Bond certificates will be delivered to the registered owners thereof, and thereafter, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "THE BONDS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds. Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the month preceding such interest payment date.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

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EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

LOCATION . . . The District is a political subdivision of the State of Texas located in El Paso County. The District operates five campuses and the Administrative Service Center in the Greater El Paso area, as well as courses offered at nearby Fort Bliss. The District's boundaries are coterminous with El Paso County, which covers an area of 1,058 square miles. The District is governed by a seven-member Board of Trustees elected to six-year terms from single-member districts. The Board has financial accountability and control over all District activities. The District's enrollment for the 2024-2025 academic year was approximately 62,765, and the enrollment for the 2025-26 year is estimated at 63,437.

HISTORY . . . The District was established in June 1969 when citizens of El Paso County voted to form a junior college district and elected a board of seven trustees to administer the college, but did not pass a tax or bond to fund the school.

By 1971, the Board of Trustees and citizens of the community requested state financial assistance to open the doors. The 62nd Texas Legislature appropriated funds and El Paso Community College became a reality, enrolling 901 students in September of that year.

By Fall 1972, day classes started in buildings leased from the U.S. Army at Logan Heights on Fort Bliss. This first "campus" allowed for the standardization of instruction at one location and the consolidation of administrative facilities to support the expanding enrollment, which had grown to 5,041 students by Fall 1973.

During 1974, the College purchased a complex of buildings near downtown El Paso through a grant written in conjunction with Project Hope. Also, through the assistance of Project Hope, the College developed 12 programs in the fields of medicine and dentistry between 1974 and 1977. The Rio Grande Campus has housed the allied health programs and arts and sciences support programs since then.

El Paso Community College began the process of seeking academic accreditation with the Southern Association of Colleges and Schools ("SACS") in 1973. Meanwhile, the College embarked on the development of a Master Plan to provide for orderly growth and direction and to define its role in the community. Official accreditation was received in December 1978, following the completion of an institutional self-study and a site visit by a SACS committee. On its third try, a bond finally passed. Students and staff went door to door to campaign. The approximately \$20 million bond would later fund construction that was peaking in the mid 1970s.

Construction of new facilities was essential as the vocational technical programs offered at the College increased from 27 to 91 during 1977-79. The first of two new campuses, Valle Verde in southeast El Paso, was completed at a cost of \$15.5 million in time for classes in the Fall 1978. The second new campus, Transmountain in northeast El Paso, was fully operational a year later.

Expansion and renovation at the Rio Grande Campus was completed in 1980, with the addition of a five-story wing, improved utilities, and handicap accessibility, all made possible through a \$1.75 million grant from the Economic Development Administration and College matching funds.

By 1981, enrollment had reached 10,341 students and the College began preparations for a second self-study and re-affirmation of SACS accreditation in combination with revisions to the Master Plan. SACS reaffirmed accreditation in 1983, and the revised Master Plan was enacted in 1984.

Physical facilities at Valle Verde expanded once again with the installation of a 31-building "modular village" (1989), construction of a new Student Services Center, and the Advanced Technology Center (1990).

In the Fall of 1993, more than 19,000 credit and 7,500 non-credit students utilized educational facilities at each of the teaching locations throughout the county.

Construction of the Northwest Center, later upgraded to a Campus, was completed in the county's upper valley in January 1994. The \$3 million facility was partially funded by an Economic Development Administration grant. The Northwest Campus provides complete student services, Academic Computer Services, and a Learning Resource Center, as well as occupational training programs, academic support courses, and basic academic skills programs.

The District celebrated its Silver Anniversary in 1994 by inviting the community to join in recognition of its many successes during the previous 25 years. With administrative changes in place and a new facility in northwest El Paso, the College continued to enroll record numbers of students. The College received notice of re-affirmation of accreditation from the Southern Association of Colleges and Schools after completion of an intensive two-year self-study process.

In 2019, the District celebrated its Golden Anniversary by holding a variety of events to commemorate its successes, national accolades, and accomplishments for the last fifty years that have strengthened the El Paso region. The various events included a kickoff celebration, a community open house at the Valle Verde Campus, a celebration gala on June 28, and the hosting of the National Junior College Athletic Association Half Marathon Championship.

In December 1994, the Board of Trustees adopted a five-year financial plan for remodeling, expansion, and construction of college facilities through the sale of revenue bonds financed through student tuition and fees. New classroom space was added to Transmountain (1996) and Valle Verde (1997) and parking and renovation to Rio Grande (1996). In 2003-04, a multi-level parking garage and Health and Science Laboratory building was added to the Rio Grande Campus.

Mission del Paso, serving the Eastside/Lower Valley area of the county, opened in the spring of 1998. In 2000, the College opened a state of the art Law Enforcement Training Academy which serves area law enforcement agencies at Mission del Paso. In 2006, Mission Early College High School ("MECHS") opened. This school allows students to earn an Associates Degree and High School Diploma concurrently. MECHS was the first of eighteen Early College High Schools currently serving over 5,586 students in eight different school districts.

The Administrative Service Center ("ASC"), located on a 22-acre site just north of Interstate 10 at Hawkins and Viscount, is comprised of two main buildings: Building A where most of the district administrative offices are located, and Building B that houses some credit programs along with Workforce Education programs.

The College continues to receive national recognition for its educational excellence and commitment to student success. Currently, the College serves over 26,000 credit students and 8,000 continuing education students each semester.

Realizing the importance of the North American Free Trade Agreement ("NAFTA") and its regional impact, the College created the Institute for Economic and Workforce Development (the "Institute") in 1995 to organize and intensify its service efforts in training the emerging workforce and providing education and expertise to area business and industry. The Institute brought together existing departments to increase efficiency and coordination of service. Subsequently, the Institute was transitioned into the Department of Workforce/Economic Development and Continuing Education ("WED&CE") which combined a group of college departments and centers aimed at improving the community's quality of life through education and economic empowerment. WED&CE was composed of the Advanced Technology Center, Contract Opportunity Center, Small Business Development Center, Workplace Literacy, CE Health, Continuing Education for Business/Industry Training and Personal Enrichment, Senior Adult Program, Customized Training, Workforce Continuing Education Registration and Law Enforcement Training Academy. Together these components provided training, seminars, and technical assistance to help area business and industry grow with a skilled workforce and successful business strategies.

Approximately 10 years ago, the College aligned its Workforce and Continuing Education Division and its Instructional Division into a single division in order to gain efficiencies in operations and reporting structure. This organizational change expanded opportunities for collaboration between previously separate, but similar divisions. Then, in 2023, the Texas legislature passed House Bill (HB) 8 ("HB-8"), which placed additional focus and importance on workforce education programs, shorter-term training needs and associated awards. In response, the College again revised its workforce and continuing education organizational structure to better reflect the State's need for short-term credentials and to gain efficiencies in its operations. These changes include the creation of a Dean of Industry Partnerships and Workforce Training and the reallocation of similar workforce programs into a more streamlined reporting structure. As one example, the Automotive, Diesel, and Auto Collision programs previously reported to three different administrative chains but have been consolidated under a single Dean. The new structure has allowed rapid response to the State's changing priorities and the College has expanded its short-term training portfolio with the addition of approximately 26 new programs. The revised organizational structure and new program additions have positioned the College well for meeting the workforce demands of the El Paso Region. Coupled with existing programs and offerings like the Small Business Development Center, Contract Opportunity Center, Advanced Technology Center, Customized Training, and the Law Enforcement Training Academy, these changes help ensure the College is meeting regional employment demands as well as ensuring that the College has maximized its State revenues under HB-8.

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EARLY COLLEGE HIGH SCHOOLS (“ECHS”). . . . In 2005, El Paso Community College and the Socorro Independent School District jointly created the Mission Early College High School, which was the start of a success story for the College and the area school districts. ECHSs are designed to allow students to simultaneously earn a high school diploma and a post-secondary credential in four years. Students in this program take a combination of high school and college courses and receive academic and social support services to ensure their success, at no cost to students or their families. Prior to FY 2024, the tuition exemption for the ECHS and Dual Credit programs was absorbed by the District but is now funded by the Financial Aid for Swift Transfer (“FAST”) appropriation after the passage of HB-8 by the 2023 Texas Legislature. The key to the success of the College and Career Readiness School Models (“CCRSM”) like the early colleges is a strong partnership between independent school districts (“ISDs”) and higher education institutions. El Paso Community College has partnered with eight ISDs to provide eighteen ECHS with a total of 5,491 students enrolled in fall 2025.

PATHWAYS IN TECHNOLOGY EARLY COLLEGE HIGH SCHOOLS (“P-TECH”). . . . In fall 2019, two P-TECHs opened in partnership with the Clint and Ysleta ISDs. P-TECHs are designed to allow students to simultaneously earn a high school diploma and a post-secondary credential in four years. Throughout the four years the students participate in this innovative model, they have a variety of workplace experiences in their chosen pathway. Like in the regular ECHS, students take a combination of high school and college courses and receive academic and social support services to ensure their success, at no cost to students and their families. This successful program continues to thrive and as of fall 2025, there are 21 P-TECHS in six ISDs with 1,617 students in the program.

2013 DISTRICT MASTER PLAN . . . To address capital improvement needs and future growth of the District, the Board of Trustees approved in 2013 a \$255 million Master Plan to address classroom and other learning space deficiencies. The plan recommended the construction of additional learning spaces and improvements to the existing infrastructure, to include buildings and their mechanical and technology support systems along with parking facilities and roads. The first phase of the Master Plan was launched in Spring 2016 when the Board of Trustees approved the firm of ECM International as the Project Manager for the implementation of the projects that were identified in the Master Plan and budgeted at a cost of over \$115 million. These projects were funded through the Combined Fee Revenue Bonds issued in 2016 to be repaid annually by general use fees and tuition. All projects were completed by August 31, 2023, and are further explained in the Campus Locations section of this document.

STRATEGIC PLAN . . . The strategic plan is a document that outlines El Paso Community College’s overall direction for the future. It is shaped by the College’s vision, mission, strategic goals and the anticipated intended outcomes while illustrating the College’s common values and purpose. As part of the 2025-2029 strategic plan, both vision and mission were approved by the Board of Trustees on February 25, 2025.

MISSION . . . The mission of El Paso Community College is to provide access to educational opportunities and experiences leading to social and economic advancement of those it serves.

VISION . . . El Paso Community College will empower students’ success by providing dynamic and purposeful learning opportunities.

Student Success Statement:

Recognizing that there are barriers for students in obtaining academic goals, the College’s focus on success strives to achieve fairness through inclusion of every student and active removal of barriers by supporting student programs, degree completion, academic transfer, and/or gainful employment. The College is committed to success for every student as a basis for creating opportunities and providing resources and support for the success of every member of its college community.

STRATEGIC GOALS:

1. To increase access to programs leading to socioeconomic mobility
2. To increase achievement of student momentum milestones during the first half of a student’s college career.
3. To increase achievement of students’ momentum milestones during their second half of their program.
4. To facilitate student access directly into the workforce or a university to continue their education.

ACCREDITATION AND STANDING . . . The District is accredited through the Southern Association of Colleges and Schools Commission on Colleges (“SACSCOC”), which has standards addressing recruitment and admissions practices; curriculum, instruction and student achievement; faculty and administrative qualifications and evaluations; student and academic support services; Board of Trustees responsibilities and structure; financial and physical resources; institutional planning and effectiveness; and institutional integrity and transparency. The College was a candidate for accreditation in 1973 and has continuously maintained accreditation since 1978. SACSCOC institutions follow a decennial reaffirmation cycle, with an interim report being submitted during the fifth year of the cycle. The College’s accreditation was reaffirmed by the SACSCOC Board of Trustees in June 2023, with no follow-up reports requested. The District offers more than 138 academic programs of study to earn either an Associates of Applied Science, Associates of Science, Associates of Arts degree or certificates of completion as well as more than 350 personal enrichment/continuing education courses.

CAMPUS LOCATIONS

Administrative Service Center . . . The ASC Building “A” houses the President’s Office, the Office of the Vice President of Instruction and Workforce Education; the Office of the Vice President of Finance and Administration; Budget and Financial Services, the department of Information Technology; the Office of the Vice President of Research, Accreditation and Planning, the division of External Relations, Communications and Development; the department of Human Resources and Compliance; the El Paso Community College Foundation and Library Technical Services. The ASC Building “B” houses other district functions such as Distributional Services, Shipping & Receiving, Property Management Control and Physical Plant, as well as the Thirteen09 restaurant, the training ground for the Culinary Arts Program students; Cosmetology, Massage Therapy, and the Workforce Education programs to include the Small Business Development Center (SBDC), the Contract Opportunity Center (COC) as well as Continuing Education and labs. Approximately 800 students attend classes at ASC Building “B” along with community members who participate in workshops and seminars offered by the SBDC and the COC.

Mission del Paso Campus . . . With the start of the 1998 Spring semester, the College opened Mission del Paso, a major educational facility in the east El Paso/Mission Valley area that serves approximately 3,800 students. It is located at 10700 Gateway East between Americas Avenue and Horizon Blvd. The facility offers a full range of classes to the far east section of El Paso. All student services are available including admission, cashiering, registration, financial aid, and counseling.

In the Spring of 2000, the College opened a state-of-the-art Law Enforcement Training Academy which serves area law enforcement agencies to meet their training needs and provides a full spectrum of training programs for security guards and peace officers.

In order to accommodate the continued growth, a new building opened in the Spring of 2004. This building provided much needed space to house instructional labs for English as a Second Language (“ESL”), reading, and general tutoring services, along with faculty offices and two multi-purpose classrooms. Mission Early College High School (“MECHS”) officially opened in August of 2006. MECHS allows accepted students to earn an Associate’s Degree and high school diploma concurrently and currently serves 383 students.

As the College’s fastest growing campus, Mission del Paso needed extra space for all disciplines and was included in the 2013 District Master Plan. The new 60,000-square foot building that opened in Spring 2022, houses additional classrooms, lab space, and academic and collaborative spaces for student learning. A flexitorium, a large, multi-purpose event and auditorium, offers space for interactive learning and special events.

Northwest Campus . . . Serving the expanding population of far west El Paso is the Northwest Campus which opened in 1994. It is located at 6701 S. Desert Blvd. at the intersection of I-10 and Transmountain Road and serves approximately 3,200 students. A full range of classes: academic, technical and non-credit are offered. In addition, all student services are available including admission, registration, cashiering, financial aid and counseling.

A library and classroom/laboratory buildings were added in 2004. This addition provided the campus with facilities for mathematics, biology, geology, ESL and reading. The library building also includes rooms for conferences, orientations, study space, and provides an expanded periodical and book selection. The Northwest Campus library also serves the area as a “Community Library” in partnership with the City of El Paso and the El Paso Public Library. The Northwest Community Library was dedicated to Jenna Welch and Laura Bush in 2006. The Northwest Early College High School (“NECHS”) opened in Summer 2008. NECHS allows students to earn an Associate’s Degree and high school diploma concurrently and currently serves over 300 students.

As part of the 2013 District Master Plan, and to further enhance the student experience, a new 30,369 square-foot building opened in Spring 2020, and houses new classrooms, and state-of-the-art biology labs along with a multipurpose flexitorium for interactive learning and special events.

Rio Grande Campus . . . In 1974, the College purchased a complex of buildings near downtown El Paso through a grant written in conjunction with Project Hope that also assisted the College in developing twelve (12) programs in the fields of medicine and dentistry between 1974 and 1977. Expansion and renovation at Rio Grande were completed in 1980, with the addition of a five-story wing, improved utilities and handicap accessibility, all made possible through a \$1.75 million grant from the Economic Development Administration and college matching funds. This enabled the College to expand its course offerings to include the Arts, Sciences, and other occupational programs. Basic academic skills and credit courses in ESL are offered as well.

The campus is strategically located near the center of the downtown business district at 100 W. Rio Grande Street. It provides a top-quality learning environment for its diverse population of over 5,600 students. The full range of college services are available, including admissions, financial aid, counseling, registration and security, as well as a bookstore, library, and cafeteria.

Renovation and expansion of the campus began in 1995 with the addition of classrooms, a new library, and paved student parking lots. The Health and Science Laboratory building opened in fall 2003, and the multi-level parking garage opened the following year. In 2010 and 2011, the District acquired and annexed three additional properties into the Rio Grande Campus.

As the College's hub for health science programs and students, the Rio Grande Campus benefitted from the 2013 District Master Plan with the construction of a 212,866 square-foot building that was completed in summer 2022 and offers a cutting-edge laboratory, simulation labs and classrooms with the latest medical technology. Students participate in hands-on experiences preparing them to become EMTs, Phlebotomists, and Radiographers. This campus is home to the new AAS Program in Echocardiography and other programs which were able to be developed due to this campus expansion. A parking garage was also added to accommodate more students on campus.

Transmountain Campus . . . Designed to complement the visual angles of the Franklin Mountains and blend its landscaping with the surrounding desert, the Transmountain Campus provides educational programs and services for northeast El Paso.

Transmountain is located at 9570 Gateway Blvd. North at the Patriot Freeway and Diana Drive. The facility serves approximately 4,000 credit students each semester. All college services are available, including admissions, registration, cashiering, financial aid and counseling, as well as a full-service library, bookstore and child care. It houses the college's only theater facility for plays performed by the Drama discipline students, and is also used for concerts, films, large meetings and community events. The Transmountain Early College High School ("TMECHS") opened in 2008. TMECHS allows accepted students to earn an Associate's Degree and high school diploma concurrently, and currently serves over 300 students.

As part of the 2013 District Master Plan, a wing of 24,747 square foot was added during fiscal year 2019/2020 to create enhanced learning space for Fashion Design and Interior Design programs as well as more labs and classrooms. This facility also offers collaborative spaces to help students learn and study.

Valle Verde Campus . . . The largest and most centrally-located facility in the College, Valle Verde, serves close to 17,000 credit students each semester. The multi-level building features patios, trees, fountains, and xeriscaped areas, which enhance the relaxed learning environment.

Valle Verde Campus is located at 919 Hunter, just south of the interstate between Hawkins and Hunter and North Loop. It is the main location for all student services functions, including admissions, registration, cashiering, financial aid and counseling, and houses the largest of the libraries, bookstores, cafeterias and childcare centers.

The Advanced Technology Center, the Language Institute Program and the Intercollegiate Athletic program are located on the Valle Verde Campus.

Building B Instructional building built in 1997 has 24 classrooms, an open computer laboratory of 100 stations networked with full internet access, state-of-the-art laboratories for foreign language courses and English as a Second Language. There is also space for community interest in non-credit classes, including floral arrangement and cooking. A math emporium was added in 2012, and the Valle Verde Early College High School ("VVECHS") opened in the Fall 2007. VVECHS allows accepted students to earn an Associate's Degree and high school diploma concurrently and currently serves close to 200 students.

The Enrollment Services Center completed in 2012 centralizes critical enrollment services that were relocated from the original Student Services building. The previous Students Services building was renovated to accommodate either expansion or relocation of current programs and services such as the Police Department, the Intercollegiate Athletic program, and counseling services.

In 2017, the state-of-the-art architecture building is the fruit of a collaboration between the College and Texas Tech University El Paso. Through this unique and innovative partnership, students take their first two years of architecture classes at the College, then complete a bachelor's degree in architecture at Texas Tech. This building was funded by the College with the support of a Department of Education HSI STEM Architecture Grant.

As part of the 2013 District Master Plan, two major buildings were constructed: first the AST (Arts, Science and Technology) Building, a state-of-the-art facility of 106,000 square feet completed in Spring 2022, offers biology, astronomy and chemistry labs along with interactive classrooms that give students hands-on training in cyber security and specialized computer applications. Creative spaces for fine arts and music along with a First Year Experience Center help prepare students for success.

The second major building of 38,622 square feet is the Transportation Training Center completed during the 2019/2020 fiscal year and where students in transportation disciplines learn hands-on in industry standard work bays for Diesel Tech, Automotive Tech, Logistics and Collision along with a reference library. The construction of this facility allowed for program expansion and created increased enrollment in these programs. Students graduate career-ready to enter the workforce and fill the most in-demand jobs of our region.

Other Facilities . . . The College offers educational programs at Fort Bliss, under the Servicemembers Opportunity College (SOC) Program. Services are provided to active-duty military personnel, family members and civilians.

Under the Dual Credit and Early College High School programs, El Paso Community College offers credit courses at four campus locations (Valle Verde, Mission del Paso, Transmountain and Northwest campuses) and eighteen high schools for a total of 5,491 students in fall 2025. In addition, students at independent school district high schools enroll in dual credit courses that transfer to four-year universities. In fall 2025, there were 3,545 students enrolled in 53 high schools.

DEBT INFORMATION

TABLE 1 - PRO-FORMA DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8/31	Outstanding Debt Service ⁽¹⁾		The Bonds ⁽²⁾			Debt Service Total Requirements
	Principal	Interest	Principal	Interest	Total	
2026	\$ 4,200,000	\$ 2,584,375	\$ 2,070,000	\$ 292,347	\$ 2,362,347	\$ 9,146,722
2027	-	-	5,150,000	3,655,250	8,805,250	8,805,250
2028	-	-	5,405,000	3,397,750	8,802,750	8,802,750
2029	-	-	5,675,000	3,127,500	8,802,500	8,802,500
2030	-	-	5,955,000	2,843,750	8,798,750	8,798,750
2031	-	-	6,255,000	2,546,000	8,801,000	8,801,000
2032	-	-	6,570,000	2,233,250	8,803,250	8,803,250
2033	-	-	6,895,000	1,904,750	8,799,750	8,799,750
2034	-	-	7,240,000	1,560,000	8,800,000	8,800,000
2035	-	-	7,600,000	1,198,000	8,798,000	8,798,000
2036	-	-	7,980,000	818,000	8,798,000	8,798,000
2037	-	-	8,380,000	419,000	8,799,000	8,799,000
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
2042	-	-	-	-	-	-
	<u>\$ 4,200,000</u>	<u>\$ 2,584,375</u>	<u>\$ 75,175,000</u>	<u>\$ 23,995,597</u>	<u>\$ 99,170,597</u>	<u>\$ 105,954,972</u>

(1) Outstanding Debt Service excludes the Refunded Bonds. Preliminary, subject to change.

(2) Preliminary, subject to change.

TABLE 2 - DEBT SERVICE COVERAGE RATIOS

Pledged Revenues for Debt Service, Fiscal Year Ended 8/31/2025	\$ 35,385,835
Pledged Revenues for Debt Service, Fiscal Year Ended 8/31/2024	\$ 36,019,447
Principal and Interest Requirements, Fiscal Year Ended 8/31/2026 ⁽¹⁾	\$ 9,146,722
Coverage of Principal and Interest Requirements, based on 8/31/25 Pledged Revenues for Debt Service	3.87 x
Coverage of Principal and Interest Requirements, based on 8/31/24 Pledged Revenues for Debt Service	3.94 x
Average Annual Principal and Interest Requirements (2026-2037) ⁽¹⁾	\$ 6,232,645
Coverage of Average Annual Principal and Interest Requirements, based on 8/31/25 Pledged Revenues for Debt Service	5.68 x
Coverage of Average Annual Principal and Interest Requirements, based on 8/31/24 Pledged Revenues for Debt Service	5.78 x
Revenue Interest and Sinking Fund Balance, August 31, 2025	\$ 16,122,592
Debt Service Reserve Fund Balance, August 31, 2025	\$ 11,064,997

(1) Excludes the Refunded Bonds. Includes the Bonds. Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL BONDS. . . The District does not anticipate the issuance of additional revenue debt within the next 12 months.

PLEDGED REVENUES

PLEDGED REVENUES . . . Under the terms of the Resolution, the Bonds, the outstanding Parity Bonds and any Additional Bonds (collectively referred to as the "Parity Bonds") will be payable solely from and will be equally and ratably secured by an irrevocable first lien on the Pledged Revenues. The Pledged Revenues include the following: collectively (i) the General Use Fee, (ii) all interest and other investment earnings resulting from the deposit or investment of money credited to the Revenue Fund, the Interest and Sinking Fund, the Reserve Fund and the Education and General Fund, (iii) the Tuition Pledge, and (iv) any additional revenues, income, receipts or other amounts, including, without limitation, any unrestricted grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Parity Bonds, but excluding any revenues received by the District pursuant to appropriation by the State the pledging of which to the payment of the Parity Bonds would impose upon the District any requirement for approval of the State's Higher Education Coordinating Board or any similar entity.

TUITION PLEDGE . . . The term "Tuition Pledge" means that portion of the tuition charges now or hereafter required or permitted by law to be collected from all regularly enrolled students at the College (excepting those now exempt by Texas Education Code, Chapter 54, as amended) for each regular semester and summer term that is permitted to be pledged to the payment of the Parity Bonds, currently set by law not to exceed 25% of the tuition charges so collected, as permitted and established by law, and being hereinafter pledged to the payment of the Bonds as permitted by Texas Education Code, Section 130.123, as amended.

The District covenants and agrees that, to the extent permitted by law, it will fix, charge and collect, from all students regularly enrolled in semester length programs at the District, tuition charges which may not be discontinued so long as any of the Parity Bonds, or interest thereon, remain Outstanding and unpaid, in an amount such that the Tuition Pledge, together with other Pledged Revenues, shall be fully sufficient at all times to pay the principal of and interest on the Parity Bonds then Outstanding as such principal and interest mature and become due and to accumulate the Reserve Fund Requirement as provided herein.

The Board has set tuition charges at \$116.00 for the first credit hour, plus \$116.00 for each additional credit hour, per student for each regular session and each summer or special session. Currently, the Board allocates \$15.00 of such tuition charges for each regular session and \$7.50 of such tuition charges for each summer session for debt service. In the Resolution, the District has covenanted that the aggregate amount of the General Use Fee and Tuition Pledge shall never be reduced or abrogated while the Parity Bonds are Outstanding.

GENERAL USE FEE . . . The term "General Use Fee," as defined in the Resolution, means the gross collection of a fee fixed, charged and collected from all students (except Exempt Students) and other persons for the use and availability of the facilities of the District (as described herein). The Board covenants in the Resolution to fix, charge and collect the General Use Fee from all students (except Exempt Students) regularly enrolled at the District. The Board agrees in the Resolution that the General Use Fee will be in such amounts, without limitation, at least sufficient at all times to provide, together with other Pledged Revenues, money sufficient to pay principal of, premium, if any, and interest on the Parity Bonds then Outstanding and to make any required deposits to the Reserve Fund created by the Resolution. The Board has set the General Use Fee at \$20.00 per semester credit hour.

INTEREST EARNINGS ON THE FUNDS . . . The District has further pledged all interest income derived from investment of the Revenue Fund, the Interest and Sinking Fund, the Reserve Fund and the Education and General Fund toward the payment of the Parity Bonds.

TABLE 3 – HISTORICAL PLEDGED REVENUES

FYE 8/31	Pledged Tuition Fees	Pledged General Use Fees	Pledged Interest Earnings	Total Pledged Revenues
2021	\$14,581,165	\$ 9,103,642	\$ 147,944	\$ 23,832,751
2022	13,768,624	8,528,912	939,086	23,236,622
2023	14,119,909	8,805,417	9,014,940	31,940,266
2024	14,655,779	9,056,330	12,307,338	36,019,447
2025	15,352,846	9,524,168	10,508,821	35,385,835

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FINANCIAL INFORMATION

TABLE 4 – SUMMARY STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended August 31,				
	2025	2024	2023	2022	2021
<u>Revenues:</u>					
Tuition and Fees	\$ 17,134,452	\$ 19,117,109	\$ 20,901,643	\$ 19,474,405	\$ 19,157,531
Federal Grants and Contracts	4,112,108	4,557,637	4,331,122	4,032,695	4,048,591
State Grants and Contracts	5,532,775	4,582,177	2,093,229	2,298,714	2,407,581
Non-Governmental Grants and Contacts	829,876	968,572	868,022	735,493	667,862
Auxiliary Services	1,512,455	1,140,869	964,014	870,497	542,811
Other Operating Revenues	2,461,374	2,146,157	2,538,521	2,573,336	2,228,435
Total Revenues	<u>\$ 31,583,040</u>	<u>\$ 32,512,521</u>	<u>\$ 31,696,551</u>	<u>\$ 29,985,140</u>	<u>\$ 29,052,811</u>
<u>Expenditures:</u>					
Instruction	\$ 66,215,354	\$ 63,810,421	\$ 60,476,510	\$ 60,916,123	\$ 57,850,549
Research	229,495	252,693	207,595	174,352	165,580
Public Service	4,379,319	4,607,877	4,755,313	4,601,805	4,645,429
Academic Support	24,148,309	22,930,567	23,060,611	23,014,896	22,662,633
Student Services	12,153,625	11,297,871	10,172,495	10,015,740	11,549,888
Institutional Support	29,825,480	27,800,135	27,795,597	27,073,457	27,256,313
Operations and Maintenance	13,442,405	13,437,394	12,423,056	13,889,707	11,874,666
Scholarships and Fellowships	31,084,370	25,589,141	23,092,586	46,139,847	40,521,872
Auxiliary Expenditures	2,924,839	2,577,056	1,663,087	1,784,018	969,820
Depreciation	11,055,500	10,414,120	9,758,885	6,178,470	5,826,379
Total Expenditures	<u>\$ 195,458,696</u>	<u>\$ 182,717,275</u>	<u>\$ 173,405,735</u>	<u>\$ 193,788,415</u>	<u>\$ 183,323,129</u>
Operating Gain (Loss)	<u>\$ (163,875,656)</u>	<u>\$ (150,204,754)</u>	<u>\$ (141,709,184)</u>	<u>\$ (163,803,275)</u>	<u>\$ (154,270,318)</u>
<u>Non-Operating Revenues (Expenses)</u>					
State Appropriations	\$ 60,825,128	\$ 52,476,641	\$38,982,328	\$40,307,304	\$ 40,802,631
Maintenance Ad-Valorem Taxes	75,514,521	72,724,384	69,394,324	66,888,458	65,779,961
Federal Revenue, Non Operating	58,133,801	50,110,137	66,282,001	93,938,722	82,444,777
Investment Income					
(net of Investment Expenses)	17,475,922	18,756,729	13,395,201	1,283,798	138,719
Other State Revenue, Non-Operating	523,457	674,481	492,009	575,739	915,334
Interest on Capital Related Debt	(4,997,871)	(5,081,897)	(5,164,209)	(5,244,787)	(5,323,707)
Other Non-Operating Revenue	-	-	-	610,555	-
Gifts	-	-	-	-	30,000,000
Gain on Sale of Capital Assets	-	-	-	-	3,000,000
Net Non-Operating Revenues	<u>\$ 207,474,958</u>	<u>\$ 189,660,475</u>	<u>\$ 183,381,654</u>	<u>\$ 198,359,789</u>	<u>\$ 217,757,715</u>
Income Before Other Revenues (Expenses), Gains (Losses)	<u>\$ 43,599,302</u>	<u>\$ 39,455,721</u>	<u>\$ 41,672,470</u>	<u>\$ 34,556,514</u>	<u>\$ 63,487,397</u>
Increase in Net Position	\$ 43,599,302	\$ 39,455,721	\$ 41,672,470	\$ 34,556,514	\$ 63,487,397
Net Position, Beginning of Year (as restated)	<u>305,952,494</u>	<u>266,496,773</u>	<u>226,870,529</u>	<u>192,319,717</u>	<u>128,832,320</u>
Net Position, End of Year	<u>\$ 349,551,796</u>	<u>\$ 305,952,494</u>	<u>\$ 268,542,999</u>	<u>\$ 226,876,231</u>	<u>\$ 192,319,717</u>

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TABLE 5 – SUMMARY STATEMENT OF NET POSITION

	Fiscal Year Ended August 31,				
	2025	2024	2023	2022	2021
<u>Assets:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 315,175,729	\$ 313,928,091	\$ 252,053,067	\$ 248,804,117	\$ 213,605,922
Restricted Cash and Cash Equivalents	12,482,012	11,176,971	43,502,247	6,389,702	19,866,291
Short Term Investments	4,887,997	-	-	-	-
Accounts Receivable, net	19,495,801	16,889,427	14,979,638	16,083,630	12,241,957
Notes Receivable, net	2,095,848	2,678,495	2,706,078	2,461,496	978,457
Prepaid charges	22,956,175	24,551,738	21,290,330	20,322,538	18,180,276
Bond insurance cost	192,176	203,480	214,785	226,089	237,393
Other Assets	1,487,726	1,196,445	1,124,712	773,668	841,031
Total Assets	<u>\$ 378,773,464</u>	<u>\$ 370,624,647</u>	<u>\$ 335,870,857</u>	<u>\$ 295,061,240</u>	<u>\$ 265,951,327</u>
Non-Current Assets:					
Long Term Investments	\$ 29,962,581	\$ -	\$ -	\$ -	\$ -
Accounts Receivable - Leases	171,330	445,574	305,300	619,477	-
Capital Assets, net	<u>240,436,245</u>	<u>239,217,509</u>	<u>237,122,083</u>	<u>239,489,892</u>	<u>233,737,415</u>
Total Non-Current Assets	<u>\$ 270,570,156</u>	<u>\$ 239,663,083</u>	<u>\$ 237,427,383</u>	<u>\$ 240,109,369</u>	<u>\$ 233,737,415</u>
TOTAL ASSETS	<u>\$ 649,343,620</u>	<u>\$ 610,287,730</u>	<u>\$ 573,298,240</u>	<u>\$ 535,170,609</u>	<u>\$ 499,688,742</u>
Deferred Outflows of Resources					
Pension	\$ 7,391,580	\$ 13,686,999	\$ 12,901,743	\$ 8,077,689	\$ 11,467,944
OPEB	<u>\$ 7,256,286</u>	<u>\$ 5,476,033</u>	<u>\$ 12,265,394</u>	<u>\$ 21,461,952</u>	<u>\$ 27,628,231</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 14,647,866</u>	<u>\$ 19,163,032</u>	<u>\$ 25,167,137</u>	<u>\$ 29,539,641</u>	<u>\$ 39,096,175</u>
<u>Liabilities & Net Position:</u>					
Current Liabilities:					
Accounts Payable	\$ 5,736,801	\$ 5,301,113	\$ 5,867,034	\$ 6,596,027	\$ 10,323,614
Accrued Liabilities	3,849,832	4,226,541	4,101,827	3,712,387	3,697,809
Compensated Absences - Current Portion	3,892,074	3,826,599	465,605	468,601	499,957
Workers' Compensation Reserve - Current Portion	375,368	387,377	399,107	408,427	412,161
Lease Liability - Current Portion	109,919	90,162	85,256	48,317	-
Subscription Liability - Current Portion	2,317,802	989,036	2,113,074	2,143,562	-
Net Pension Liability - Current Portion	-	-	-	-	-
Net OPEB Liability - Current Portion	2,057,270	1,817,482	1,835,868	1,887,885	2,919,876
Funds Held for Others	1,186,987	1,123,339	908,275	952,785	1,831,907
Unearned Revenue	46,234,127	47,550,929	45,886,103	44,480,574	40,226,553
Bonds Payable - Current Portion	<u>4,757,335</u>	<u>4,627,357</u>	<u>4,542,335</u>	<u>4,462,335</u>	<u>4,377,335</u>
Total Current Liabilities	<u>\$ 70,517,515</u>	<u>\$ 69,939,935</u>	<u>\$ 66,204,484</u>	<u>\$ 65,160,900</u>	<u>\$ 64,289,212</u>
Noncurrent Liabilities:					
Compensated Absences	\$ 3,255,122	\$ 3,281,613	\$ 4,190,445	\$ 4,217,406	\$ 4,499,609
Workers' Compensation Reserve	524,632	512,623	500,893	491,573	487,839
Lease Liability	155,182	185,699	272,806	107,332	-
Subscription Liability	3,349,822	1,145,265	1,241,087	2,467,574	-
Net Pension Liability	33,971,872	37,958,060	33,105,265	14,660,565	34,283,254
Net OPEB Liability	70,417,247	63,158,971	68,780,228	89,972,647	84,615,784
Bonds Payable	<u>109,857,738</u>	<u>114,615,073</u>	<u>119,242,452</u>	<u>123,784,809</u>	<u>128,247,166</u>
Total Noncurrent Liabilities	<u>\$ 221,531,615</u>	<u>\$ 220,857,304</u>	<u>\$ 227,333,176</u>	<u>\$ 235,701,906</u>	<u>\$ 252,133,652</u>
TOTAL LIABILITIES	<u>\$ 292,049,130</u>	<u>\$ 290,797,239</u>	<u>\$ 293,537,660</u>	<u>\$ 300,862,806</u>	<u>\$ 316,422,864</u>
Deferred Inflows of Resources					
Gain on bond refunding	\$ -	\$ 76,764	\$ 153,528	\$ 230,292	\$ 307,056
Leases	390,518.00	643,119	437,330	738,090	-
Pension	2,206,408	3,765,180	5,316,218	18,732,807	5,483,446
OPEB	<u>\$ 19,793,634</u>	<u>\$ 28,215,966</u>	<u>30,477,642</u>	<u>17,275,726</u>	<u>24,244,264</u>
Total Deferred Inflows of Resources	<u>\$ 22,390,560</u>	<u>\$ 32,701,029</u>	<u>\$ 36,384,718</u>	<u>\$ 36,976,915</u>	<u>\$ 30,034,766</u>
<u>Net Position:</u>					
Net Investment in capital assets	\$ 119,182,206	\$ 117,488,153	\$ 107,630,157	\$ 106,064,028	\$ 105,748,837
Restricted for:					
Nonexpendable:					
Student Aid	910,334	869,583	815,732	788,404	782,652
Student Success Endowment	34,636,574	33,184,811	31,475,260	-	-
Expendable:					
Student Aid	2,042,426	2,021,734	2,119,862	2,610,185	3,549,792
Loans	3,750,376	3,567,872	3,380,551	3,213,008	3,037,389
Renewals and Replacement	1,008,669	692,573	1,042,622	1,831,534	737,918
Unexpended Plant Fund	101,312,830	68,735,261	45,287,533	28,067,450	26,985,770
Debt Service	27,230,688	26,976,342	26,917,737	24,036,103	21,085,126
Unrestricted	<u>59,477,693</u>	<u>52,416,165</u>	<u>49,873,545</u>	<u>60,259,817</u>	<u>30,399,803</u>
TOTAL NET POSITION	<u>\$ 349,551,796</u>	<u>\$ 305,952,494</u>	<u>\$ 268,542,999</u>	<u>\$ 226,870,529</u>	<u>\$ 192,327,287</u>

WEATHER EVENTS...If a future weather event significantly damages all or part of the properties comprising the tax base within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenue and/or necessitate an increase in the District's tax rate. There can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will carry flood or the appropriate, applicable other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds or that insurance proceeds will be used to rebuild or repay any damaged improvements within the District or be sufficient for such purposes. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

COORDINATING BOARD . . . The District is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the "Coordinating Board"). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State's higher education systems, institutions and governing boards. The Coordinating Board is the highest authority in the State in matters of public higher education and exercises general control of the public junior colleges of Texas. The Coordinating Board has the responsibility for adopting policies, enacting regulations, and establishing general rules necessary for carrying out the duties with respect to public junior colleges as prescribed by the Legislature. The Coordinating Board periodically reviews all degree and certificate programs offered by the State's junior colleges and annually reviews the academic courses offered by such institutions.

STATE APPROPRIATIONS . . . With the growing number of jobs requiring credentials beyond a high school diploma, the Coordinating Board focused on this new challenge in its 2022-2030 Strategic Plan of "Building a Talent Strong Texas". To address this challenge, Texas Governor Abbott created during the 87th Legislative Session the Commission on Community College Finance (the Commission) to establish a comprehensive funding model for the 50 Texas community colleges that will align with workforce needs and reward colleges for positive outcomes such as generating degrees, certificates and other credentials that will provide value and opportunity in the state economy. The Commission composed of lawmakers, community college leaders, and experts in policy and workforce issues from across the state convened throughout FY 2022 to develop funding recommendations that would improve the current funding model, reduce inequities, and expand colleges' abilities to award credentials of value. These approved recommendations were incorporated in HB 8 that was passed by the 88th Legislature in May 2023. HB-8 outlined a groundbreaking policy that shifts Texas community college formula funding from a static model based on historical student success points, core operations and contact-hour funding to a dynamic funding formula based primarily on student outcomes and aligned with state higher education goals and state and regional workforce needs. Under this new historic funding model, the District has fared very well in receiving state appropriations for the 2025-2026 Biennium under the various performance measures based mostly on credit hour completion from dual credit students, general academic transfers, credentials leading to licensure or certification, Associate degrees and certificates.

TABLE 6 – HEADCOUNT ENROLLMENT – CONTINUING EDUCATION

Fiscal Year Ended 8/31	Continuing Education Headcount Enrollment
2020	7,329
2021	6,369
2022	7,685
2023	7,801
2024	7,897
2025	8,219

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TABLE 7 – HEADCOUNT ENROLLMENT – SEMESTER-LENGTH CREDIT HOUR PROGRAMS

FYE 8/31	Campus - Valle Verde			Campus - Transmountain			Campus - Rio Grande		
	Fall Semester	Spring Semester	Summer Session	Fall Semester	Spring Semester	Summer Session	Fall Semester	Spring Semester	Summer Session
2021	17,952	16,304	6,659	4,887	4,822	1,870	5,321	5,215	2,235
2022	17,088	15,146	6,459	4,547	4,026	1,495	5,592	4,880	1,978
2023	16,564	14,919	6,706	4,389	3,796	1,578	5,471	4,735	1,864
2024	16,917	15,096	6,344	4,041	3,551	1,664	5,690	5,030	2,117
2025	16,818	15,496	6,863	4,304	3,978	1,987	5,672	5,466	2,297

FYE 8/31	Campus - Northwest			Campus - Mission Del Paso			Campus - Administrative Services Center			Total All Campuses ⁽¹⁾
	Fall Semester	Spring Semester	Summer Session	Fall Semester	Spring Semester	Summer Session	Fall Semester	Spring Semester	Summer Session	
2021	3,617	3,276	1,421	3,932	3,374	1,222	257	196	86	82,646
2022	3,267	3,450	1,212	3,696	3,193	1,359	222	168	85	77,863
2023	3,330	3,461	1,254	3,741	3,382	1,436	214	175	92	77,107
2024	3,185	3,233	1,097	3,813	3,447	1,549	200	224	120	77,318
2025	3,167	3,221	1,380	3,849	3,700	1,869	214	195	115	80,591

(1) Unofficial attendance statistics for the District, counts students more than once if they attend class at multiple campuses.

TABLE 8 – ENROLLMENT AND SEMESTER CREDIT HOURS

FYE 8/31	Enrollment				Semester Credit Hours
	Fall Semester	Spring Semester	Summer Session I & II	Total	
2021	27,428	23,690	9,386	60,504	456,868
2022	25,483	23,131	9,840	58,454	417,412
2023	25,532	23,542	9,916	58,990	431,834
2024	26,065	23,638	10,644	60,347	446,897
2025	26,166	24,830	11,769	62,765	468,535

TABLE 9 – ENROLLMENT DETAILS

Type of Student	Spring 2025	Fall 2024
Texas Resident	24,028	25,297
Other States	352	389
Foreign	450	480
	<u>24,830</u>	<u>26,166</u>

Semester Hour Load	Spring 2025	Fall 2024
18 Semester Hours and Over	377	473
15-17 Semester Hours	1,211	1,074
12-14 Semester Hours	4,932	5,345
9-11 Semester Hours	4,657	5,348
6-8 Semester Hours	6,493	7,243
3-5 Semester Hours	7,003	6,478
Less Than 3 Semester Hours	157	205
	<u>24,830</u>	<u>26,166</u>

Student Classification	Spring 2025	Fall 2024
First Year	15,336	17,426
Second Year	7,619	6,882
Other	1,875	1,858
Total Semester Headcount Enrollment	<u>24,830</u>	<u>26,166</u>

TABLE 10 – EXCERPTS FROM THE 2025/2026 CATALOG – TUITION AND MANDATORY FEES

Semester Hours	Resident Tuition	General Use Fee	Property Deposit Fees ⁽¹⁾	Total Resident
3	\$ 348.00	\$ 60.00	\$ 10.00	\$ 418.00
6	696.00	120.00	10.00	826.00
7	812.00	140.00	10.00	962.00
8	928.00	160.00	10.00	1,098.00
9	1,044.00	180.00	10.00	1,234.00
10	1,160.00	200.00	10.00	1,370.00
11	1,276.00	220.00	10.00	1,506.00
12	1,392.00	240.00	10.00	1,642.00
13	1,508.00	260.00	10.00	1,778.00
14	1,624.00	280.00	10.00	1,914.00
15	1,740.00	300.00	10.00	2,050.00

(1) \$10 only for first time student – one time only.

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

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

For more detailed information concerning the retirement plans, see Appendix B, "Excerpts from the District's Annual Financial Report" - Note #10.

OTHER POST RETIREMENT BENEFITS . . . In addition to providing pension benefits, the District participates in a cost sharing, multiple-employer defined benefit, other postemployment 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 to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefits and contributions provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

For more detailed information concerning the post-retirement health care benefit plan and SHRP, see Appendix B, "Excerpts from the District's Annual Financial Report" -Note #15.

FINANCIAL POLICIES

Basis of Accounting . . . The significant accounting policies followed by the District in preparing financial statements are in accordance with the Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges. For financial statement purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of the District are presented using the economic measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Budgetary Data . . . Each community college district 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 District adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning.

INVESTMENTS

The District invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the Board of Trustees. Both State law and the District's investment policies are subject to change.

LEGAL INVESTMENTS . . . Available District funds are invested as authorized by State law and in accordance with investment policies approved by the Board of Trustees of the District. Both State law and the District's investment policies are subject to change. Under State law, the District is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in the State of Texas that the District selects from a list the governing body or designated investment committee of the District adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in the State that the District selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the District appoints as the District's custodian of the banking deposits issued for the District's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor, or are secured by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for District deposits, or (ii) where (a) the funds are invested by the District in a certificate of deposit through (I) a broker that has its main office or a branch office in the State and is selected by the District as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the District; (b) the broker or the depository institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the District appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations as specified under the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended (the "Public Funds Investment Act") and require the securities being purchased by the District or cash held by the District to be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a bank organized under the laws of the United States or any state, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the

District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than “AAA” or “AAA-m” or an equivalent by at least one nationally recognized rating service or no lower than investment grade by at least one nationally recognized rating service and has or which has a weighted average maturity no greater than 90 days. The District is specifically prohibited from investing in (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

In addition to the authorized investments permitted by the Texas Public Funds Investment Act, institutions of higher education, such as the District, may purchase, sell, and invest its funds and funds under its control in the following: (1) cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986 (26 U.S.C. Section 501(f)); (2) negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least “A-1,” “P-1,” or the equivalent by a nationally recognized credit rating agency; and (3) corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

INVESTMENT POLICIES. . . . Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for District funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act. All District funds must be invested consistent with a formally adopted “Investment Strategy Statement” that specifically addresses each fund’s investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, District investments must be made “with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person’s own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.” At least quarterly the investment officers of the District shall submit an investment report detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, ending market value and fully accrued interest for the reporting period for each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest District funds without express written authority from the Board of Trustees.

ADDITIONAL PROVISIONS. . . . Under Texas law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board of Trustees; (4) require the qualified representative of firms offering to engage in an investment transaction with the District to: (a) receive and review the District’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the District’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the District’s investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District’s monthly average fund balance, excluding bond proceeds and reserves and

other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

TABLE 11 - CURRENT INVESTMENTS

As of December 31, 2025, the District's investable funds were invested in the following categories:

Description	Book Value	Market Value	% of Market Value
Agency-FHLB	\$ 4,906,158	\$ 4,929,387	100.47%
Tex-Pool	186,560,097	186,560,097	100.00%
Texpool Prime	61,815,305	61,815,305	100.00%
Texas Daily	85,508,259	85,508,259	100.00%
Bank Deposits	792,481	792,481	100.00%
US Treasuries	34,683,242	34,732,768	100.14%
	<u>\$ 374,265,542.00</u>	<u>\$ 374,338,297</u>	<u>100.02%</u>

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TAX MATTERS

TAX EXEMPTION . . . The delivery of the Bonds is subject to the receipt of an opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as Appendix C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Resolution subsequent to the issuance of the Bonds. The Resolution contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations, such as the Bonds. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS . . . The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables numbered 1 through 11 and in Appendix B, which is the District's annual audited financial report. The District will update and provide the information in the tables within six months after the end of each fiscal year ending in and after 2026 and audited financial statements within 12 months after the end of each fiscal year ending in and after 2026.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule"). If audited financial statements are not available by the required time, the District will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation.

The District's current fiscal year end is August 31. Accordingly, it must provide updated information included in the above-referenced tables by the last day of February in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by August 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The District will also provide notices of certain events to the MSRB. The District will provide notice in a timely manner not in excess of ten business days after the occurrence of any of the following events, as required by the Rule: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information or operating data in accordance with its agreement described above under “-Annual Reports.”

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and order of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The term “Financial Obligation” shall mean, for purposes of the events in clauses (15) and (16), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing, or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The District intends the words used in clauses (15) and (16) above and the definition of “Financial Obligation” in this section to have the same meaning as when they are used in the Rule, as evidenced by the SEC in Release No. 34-83885 dated August 20, 2018.

AVAILABILITY OF INFORMATION . . . The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The District has agreed to update information and to provide notices of certain specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule with respect to any District revenue bonds.

OTHER INFORMATION

RATINGS

The Bonds and the District's outstanding revenue debt are rated "AA+" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") and "AA" by Fitch Ratings, Inc. ("Fitch"), without regard to credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either of such rating companies, if in the judgment of either company circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

LITIGATION

The District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a material adverse effect on the financial statements or operations of the District.

At the time of the initial delivery of the Bonds, the District will provide the Underwriter with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act requires that the Bonds be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the District has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL MATTERS

The District will furnish to the Underwriters a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas as to the Bonds to the effect that the Bonds are valid and legally binding special obligations of the District, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished. Though it represents the Municipal Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the District in connection with the issuance of the Bonds. Except as noted below, Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under captions "THE BONDS" (except under the subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "PLEDGED REVENUES", "TAX MATTERS", "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance With Prior Undertakings") and under the

subcaptions “Legal Investments and Eligibility to Secure Public Funds in Texas,” “Registration and Qualification of Bonds for Sale” and “Legal Matters” (except for the last sentence of the first paragraph thereof) under the caption “OTHER INFORMATION”, and “Appendix A - SELECTED PROVISIONS OF THE BOND RESOLUTION,” and such firm is of the opinion that the information relating to the Bonds and legal matters contained under such captions and subcaptions is an accurate and fair description of the information purported to be shown therein and, with respect to the Bonds, such information conforms to the Resolution. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Kassahn & Ortiz, P.C., San Antonio, Texas, whose legal fees are contingent on the sale and delivery of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

2025 LEGISLATIVE SESSIONS

The regular session of the 89th Texas Legislature commenced on January 14, 2025 and adjourned on June 2, 2025 (the “89th Regular Session”). The Texas Legislature (the “Legislature”) meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor of Texas (the “Governor”) may call one or more special sessions, at the Governor’s discretion, each lasting no more than 30 days, and for which the Governor sets the agenda (any such special sessions, together with the 89th Regular Session, are collectively referred to herein as the “2025 Legislative Sessions”). The Governor called for a special session on June 23, 2025, which commenced on July 21, 2025 and adjourned sine die on August 15, 2025 (the “First Special Session”). The Governor called for a second special session on August 12, 2025, which began on August 15, 2025, and concluded on September 4, 2025 (the “Second Special Session”). Items considered during the First Special Session and Second Special Session included, among other things, “legislation reducing the property tax burden on Texans and legislation imposing spending limits on entities authorized to impose property taxes.” Additional special sessions may be called by the Governor. During such time, the Legislature may enact laws that materially change current law as it relates to the District’s finances and operations.

The District is still in the process of reviewing legislation passed during the 2025 Legislative Sessions. At this time, the District cannot make any representations as to the full impact of such legislation. Further, the District can make no representations or predictions regarding the scope of legislation that may be considered in any special session or the potential impact of such legislation at this time, but it intends to monitor applicable legislation related thereto.

MUNICIPAL ADVISOR

Hilltop Securities Inc. is employed as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Municipal Advisor has agreed, in its Municipal Advisory contract, not to bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. Hilltop Securities Inc., in its capacity as Municipal Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

The Verification Agent will deliver to the District, on or before the settlement date of the Bonds, its verification report, on which Bond Counsel will rely, indicating that it has verified the mathematical accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Escrowed Securities, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds.

The Verification Agent relied on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the District. In addition, the Verification Agent has relied on any information provided to it by the District’s retained advisors, consultants or legal counsel.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the District, at an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

RBC Capital Markets, LLC (“RBCCM”), has provided the following information for inclusion in this Official Statement: RBCCM and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, RBCCM and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). RBCCM and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. RBCCM and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District. RBCCM and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future.

RBCCM has entered into a distribution arrangement with its affiliate City National Securities, Inc. (“CNS”). As part of this arrangement, RBCCM may distribute municipal securities to investors through the financial advisor network of CNS. As part of this arrangement, RBCCM may compensate CNS for its selling efforts with respect to the Bonds.

CYBERSECURITY RISKS

The District relies on its information systems to provide security for processing, transmission and storage of confidential personal, health-related, credit and other information. It is possible that the District’s security measures will not prevent improper or unauthorized access or disclosure of personally identifiable information resulting from cyber-attacks. Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches can create disruptions or shutdowns of the District and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If personal or otherwise protected information is improperly accessed, tampered with or distributed, the District may incur significant costs to remediate possible injury to the affected persons, and the District may be subject to sanctions and civil penalties if it is found to be in violation of federal or state laws or regulations. Any failure to maintain proper functionality and security of information systems could interrupt the District’s operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District’s actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from the District's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Resolution authorizing the issuance of the Bonds approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorized its further use in the reoffering of the Bonds by the Underwriters.

/s/ Pricing Officer
El Paso County Community College District

SCHEDULE I**SCHEDULE OF REFUNDED BONDS*****El Paso County Community College District
Combined Fee Revenue Improvement Bonds, Series 2016**

<u>Original Dated Date</u>	<u>Original Issue Amount</u>	<u>Original Maturity</u>	<u>Principal Amount Outstanding</u>	<u>Amount Refunded</u>	<u>Date and Price of Redemption</u>
11/15/2016	\$ 105,140,000	4/1/2027	\$ 4,425,000	\$ 4,425,000	4/2/2026 @ Par
		4/1/2028	4,655,000	4,655,000	4/2/2026 @ Par
		4/1/2029	4,900,000	4,900,000	4/2/2026 @ Par
		4/1/2030	5,155,000	5,155,000	4/2/2026 @ Par
		4/1/2031	5,365,000	5,365,000	4/2/2026 @ Par
		4/1/2032	3,580,000	3,580,000	4/2/2026 @ Par
		4/1/2032	2,000,000	2,000,000	4/2/2026 @ Par
		4/1/2033	5,770,000	5,770,000	4/2/2026 @ Par
		4/1/2034	6,000,000	6,000,000	4/2/2026 @ Par
		4/1/2035	6,240,000	6,240,000	4/2/2026 @ Par
		4/1/2036	6,550,000	6,550,000	4/2/2026 @ Par
		4/1/2037	6,880,000	6,880,000	4/2/2026 @ Par
		4/1/2038	7,225,000	7,225,000	4/2/2026 @ Par
		4/1/2039 ⁽¹⁾	7,430,000	7,430,000	4/2/2026 @ Par
		4/1/2040 ⁽¹⁾	7,805,000	7,805,000	4/2/2026 @ Par
		4/1/2041 ⁽¹⁾	8,205,000	8,205,000	4/2/2026 @ Par
		4/1/2042 ⁽¹⁾	5,810,000	5,810,000	4/2/2026 @ Par
		4/1/2042	2,945,000	2,945,000	4/2/2026 @ Par
			<u>\$ 100,940,000</u>	<u>\$ 100,940,000</u>	

* Preliminary, subject to change.

(1) Represents a Term Bond maturing on April 1, 2042.

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APPENDIX A

SELECTED PROVISIONS OF THE BOND RESOLUTION

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EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
COMBINED FEE REVENUE REFUNDING BONDS,
SERIES 2026

SELECTED PROVISIONS OF THE BOND RESOLUTION

Selected provisions of the Bond Resolution are reproduced below. This reproduction is not a complete recital of the terms of the Bond Resolution, and reference is made to the Bond Resolution and the Pricing Certificate related to the Bonds in their respective entireties, copies of which are available upon request to the District.

SECTION 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, in [the Bond] Resolution, the following terms shall have the meanings specified below: (a) The term the “Act” shall mean Chapter 130 of the Texas Education Code, as amended.

(b) The term “Additional Bonds” shall mean the additional parity obligations which the District reserves the right to issue or incur in accordance with the terms and conditions prescribed in [the Bond] Resolution.

(c) The term “Board” shall mean the Board of Trustees of the District.

(d) The term “Bonds” shall mean the Bonds authorized to be issued and delivered by [the Bond] Resolution and as more specifically described in Section 2 hereof.

(e) The term “Chapter 1207” means Texas Government Code, Chapter 1207, as amended.

(f) The term “Chapter 1371” means Texas Government Code, Chapter 1371, as amended.

(g) The term “Closing Date” shall have the meaning set forth in Section 12 hereof.

(h) The term “College” shall mean the El Paso Community College, which is owned by the District and operated by the Board, and any other institutions of education now or hereafter owned by the District.

(i) The term “District” shall mean the El Paso County Community College District.

(j) The term “Education and General Fund” shall mean the fund commonly referred to by that name on the District’s financial statements.

(k) The term “Escrow Fund” shall have the meaning set forth in Section 37 hereof.

(l) The term “Fiscal Year” shall mean the twelve-month period ending August 31 of each year, provided that, the Fiscal Year may be changed from time to time by the State Legislature.

(m) The term “General Use Fee” shall mean the gross amount collected by the District in respect of rentals, rates, charges and fees from students and other persons for the occupancy, use and availability of all or any of its property, buildings, structures, activities, operations or facilities, of any nature, as well as any general fees that may be charged for the general use of availability of the institutions operated by or on behalf of the District; all as authorized to be charged and collected under the Act. The General Use Fee was formerly known as the “Building Use Fee.”

(n) The term “Holders” shall have the meaning set forth in Section 5 hereof.

(o) The term “Interest and Sinking Fund” shall have the meaning set forth in Section 18 hereof.

(p) Unless otherwise specified in a Pricing Certificate, the term “Government Securities” shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the District are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

(q) The term “Outstanding” shall mean when used in [the Bond] Resolution with respect to Bonds, as of the date of determination, all Bonds theretofore issued and delivered, except:

(1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid in accordance with the provisions of Section 25 [of the Bond Resolution]; and

(3) those Bonds that have been mutilated, destroyed, lost or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 31 [of the Bond Resolution].

(r) The term “Parity Bonds” shall mean the Bonds, the then-Outstanding Previously Issued Bonds and any Additional Bonds to the extent they are hereafter issued and are then Outstanding.

(s) The term “Pledged Revenues” shall mean collectively (i) the General Use Fee, (ii) all interest and other investment earnings resulting from the deposit or investment of money credited to the Revenue Fund, the Interest and Sinking Fund, the Reserve Fund and the Education and General Fund, (iii) the Tuition Pledge, and (iv) any additional revenues, income, receipts or other amounts, including, without limitation, any unrestricted grants, donations or income received or to be received from the United States

Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Parity Bonds, but excluding any revenues received by the District pursuant to appropriation by the State the pledging of which to the payment of the Parity Bonds would impose upon the District any requirement for approval of the State's Higher Education Coordinating Board or any similar entity.

(t) The term "Previously Issued Bonds" shall mean the "El Paso County Community College District Combined Fee Revenue Improvement Bonds, Series 2016," dated November 15, 2016.

(u) The term "Pricing Certificate" means collectively one or more pricing certificates that set forth the terms of one or more series of the Bonds in accordance with Section 3 of [the Bond] Resolution and executed by the Pricing Officer, all in accordance with the provisions of Chapter 1207 and Chapter 1371.

(v) The term "Pricing Officer" means the President of the District, or in the absence thereof, the Vice President of Finance and Administration of the District, each acting in such capacity severally and not jointly.

(w) The term "Purchasers" means the initial purchasers of the Bonds as designated by the Pricing Officer and named in the applicable Pricing Certificate(s).

(x) The term "Refundable Bonds" shall mean the District's currently outstanding "Combined Fee Revenue Improvement Bonds, Series 2016," dated November 15, 2016.

(y) The term "Refunded Bonds" shall mean those Refundable Bonds which are actually refunded by the issuance of a series of Bonds and identified in a Pricing Certificate.

(z) The term "Reserve Fund" shall have the meaning set forth in Section 19 [of the Bond Resolution].

(aa) The term "Reserve Fund Requirement" shall mean an amount equal to the average annual requirements (on a Fiscal Year basis, with a fractional Fiscal Year being treated as an entire Fiscal Year) for the payment of the principal of and interest on the Outstanding Parity Bonds, as determined on the date of the delivery of the then most recent series of Parity Bonds.

(bb) The term "Revenue Fund" shall have the meaning set forth in Section 17 [of the Bond Resolution].

(cc) The term "Security Registry" shall have the meaning set forth in Section 5 [of the Bond Resolution].

(dd) The term "State" shall mean the State of Texas.

(ee) The term "Tuition Pledge" shall mean that portion of the tuition charges now or hereafter required or permitted by law to be collected from all regularly enrolled students at the College (excepting those now exempt by Texas Education Code, Chapter 54, as

amended) for each regular semester and summer term that is permitted to be pledged to the payment of the Parity Bonds, currently not to exceed 25% of the tuition charges so collected, as permitted and established by law, and being hereinafter pledged to the payment of the Bonds as permitted by Texas Education Code, Section 130.123, as amended.

* * *

SECTION 14. Pledge of Revenues and Source of Payment. (a) The District hereby covenants and agrees that all Pledged Revenues are hereby irrevocably pledged, to the payment and security of the Bonds, any Outstanding Previously Issued Bonds and Additional Bonds, if issued, all as hereinafter provided, and such pledge shall constitute a first lien on the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the District. All Pledged Revenues shall, as collected and received by the District, be deposited and paid into the special funds hereinafter established and/or confirmed, and shall be applied in the manner hereinafter set forth, to provide for the payment of principal of, redemption premium, if any, and interest on, the Parity Bonds.(b) The Parity Bonds shall constitute special obligations of the District that shall be payable solely from and shall be equally and ratably secured by a first lien on the Pledged Revenues, as collected and received by the District, and the Parity Bonds shall be in all respects on a parity with and of equal dignity with one another. The Holders of the Bonds shall never have the right to demand payment of either the principal of, redemption premium, if any, and interest on, the Bonds out of any funds raised or to be raised by taxation. The aggregate amount of the General Use Fee and Tuition Pledge shall never be reduced or abrogated while the Parity Bonds are Outstanding.

(c) Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Bonds and the pledge of the Pledged Revenues securing the Bonds, and such pledge is therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the Pledged Revenues is to be subject to the filing requirements of Texas Business and Commerce Code, Chapter 9, as amended, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the District agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in such pledge to occur.

SECTION 15. General Use Fee. The District covenants and agrees that it will, so long as any Parity Bonds, or any interest thereon, are Outstanding and unpaid, fix, charge and collect from all students (except any category of students now exempt by law from paying fees) regularly enrolled at the District a General Use Fee for the use and availability of the District in amounts which, together with other Pledged Revenues, shall be fully sufficient at all times to pay the principal of and the interest on the Parity Bonds then Outstanding as such principal and interest mature and become due and to accumulate the Reserve Fund Requirement in the Reserve Fund.SECTION 16. Tuition. The District covenants and agrees that, to the extent permitted by law, it will fix, charge and collect, from all students regularly enrolled in semester length programs at the District, tuition charges which may not be discontinued so long as any of the Parity Bonds, or interest thereon, remain Outstanding and unpaid, in an amount such that the Tuition Pledge, together with other Pledged Revenues, shall be fully sufficient at all times to pay the principal of and interest on the Parity Bonds then Outstanding as such principal and interest mature and become due and to accumulate the Reserve Fund Requirement as provided herein.SECTION 17.

Revenue Fund Confirmed; Payments Into Revenue Fund. The District hereby confirms the creation and establishment on the books of the District of a separate account known as the "Revenue Fund." The Revenue Fund shall constitute a special fund of the District, kept on the

books of the District, and maintained in an official depository of the District. As soon as the Pledged Revenues have been collected by the District, they shall be deposited into the Revenue Fund. The District shall withdraw money from the Revenue Fund to make payments into the Interest and Sinking Fund or the Reserve Fund, for the purposes of making deposits in accordance with Sections 21 and 22 [of the Bond Resolution]. Money in the Revenue Fund not required to be transferred to the Interest and Sinking Fund as herein prescribed or to replenish the Reserve Fund, may be used by the District for any lawful purpose. SECTION 18.

Interest and Sinking Fund Confirmed. To pay the principal of and interest on the Parity Bonds, as the same come due, the District hereby confirms the creation and establishment at an official depository of the District of a separate fund entitled the "Interest and Sinking Fund." SECTION 19. Reserve Fund Confirmed. The District hereby confirms the creation and establishment at an official depository of the District of a separate fund entitled the "Reserve Fund." The Reserve Fund shall be used finally in retiring the last of the Parity Bonds Outstanding, or for paying principal of and interest on any Parity Bonds, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose. SECTION 20. Funds

Investment. (a) Money in any fund created by [the Bond] Resolution may, at the option of the District, be invested in any investment authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper times or times. Such investments shall be valued in terms of current market value as of the last day of each Fiscal Year. Interest and income derived from such deposits and investments shall be credited to the fund from which the deposit or investment was made. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds. (b) Money in all funds created by [the Bond] Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the District.

SECTION 21. Deposits to Interest and Sinking Fund. (a) Immediately after the issuance and delivery of the Bonds any accrued interest received from the Purchasers shall be deposited to the credit of the Interest and Sinking Fund, and shall be used for paying interest on the Bonds. (b) The District shall transfer from the Pledged Revenues in the Revenue Fund and deposit to the credit of the Interest and Sinking Fund the amounts, at the times, as follows:

(1) on or before March 29, 2026, and semiannually on or before each September 28 and March 29 thereafter, an amount which will be sufficient, together with any other moneys then on hand therein and available for such purpose, to pay the interest scheduled to accrue and come due on the Parity Bonds on the next interest payment date following such March 29 or September 28; and

(2) on or before March 29, 2026, an amount which will be sufficient, together with any other moneys then on deposit therein and available for such purpose to pay the principal scheduled to mature and come due on the Parity Bonds on April 1, 2026, and on or before September 28 and March 29 thereafter, an amount equal to one-half of the principal scheduled to mature and come due on the Outstanding Parity Bonds maturing on April 1 next following such payments.

(c) When the total amount in the Interest and Sinking Fund and the Reserve Fund shall be equivalent to (A) the aggregate principal amount of all Parity Bonds Outstanding plus (B) the aggregate amount of all interest payments payable thereon, no further payments need to be made into the Interest and Sinking Fund.

SECTION 22. Funding of Reserve Fund Requirement. In connection with the delivery of a series of Bonds hereunder, the appropriate officials of the District shall determine the Reserve Fund Requirement as well as the amount then on hand in the Reserve Fund. The applicable Pricing Certificate shall set forth how the Reserve Fund Requirement shall be funded whether from proceeds received from the sale of Bonds, Pledged Revenues or other lawfully available funds deposited to the Reserve Fund. In lieu of or in addition to any such deposits, such officials may also satisfy the Reserve Fund Requirement by entering into a credit agreement meeting the requirements of applicable law to provide the Reserve Fund Requirement. To the extent funded from Pledged Revenues, the difference between the amount in the then current Reserve Fund and the Reserve Fund Requirement shall be funded in not more than thirty-six (36) equal monthly payments, such payments to be made only after the deposits required by Section 21(a) and (b) are made and the initial payment to be made on or before the fifteenth (15th) day of the month next following the month in which such Bonds are delivered. In the event money in the Reserve Fund is used for the purpose for which the same was established, or in the event there is not sufficient money to make the monthly payment required in the preceding paragraph, then the amount required to make up the deficiency shall be added to that required to be made in the following month or months until the Reserve Fund Requirement is on deposit in the Reserve Fund.

SECTION 23. Fund Deposits and Surplus. (a) If on any date there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Sinking Fund and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues.(b) Following each required deposit from the Revenue Fund to the credit of the Interest and Sinking Fund and the Reserve Fund, as required by [the Bond] Resolution, or any resolution authorizing the issuance of Additional Bonds, all remaining Pledged Revenues then on deposit to the credit of the Revenue Fund may be used by the District for any lawful purpose.

SECTION 24. Payment of Bonds. On or before March 29, 2026, and semiannually on or before each March 29 and September 28 thereafter while any of the Parity Bonds are Outstanding, the District shall cause to be transferred to the Paying Agent/Registrar, out of the Interest and Sinking Fund and/or the Reserve Fund, money sufficient to pay interest on and such principal of the Parity Bonds as will mature or come due on Parity Bonds on the April 1 or October 1 immediately following such transfer.

SECTION 25. Satisfaction of Obligation of District. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of and interest on the Bonds, at the times and in the manner stipulated in [the Bond] Resolution, then the pledge of Pledged Revenues pursuant to [the Bond] Resolution and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied. Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a defeasance of the Bonds, the District shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent certified public accountant, or another qualified third party concerning the sufficiency of the deposit of cash and/or

Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. The District covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the District be remitted to the District against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds to the District shall be subject to any applicable unclaimed property laws of the State of Texas.

The District reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. Provided, however, the District has reserved the option, to be exercised at the time of the defeasance of a series of Bonds, to call for redemption, at an earlier date, those Bonds of a series which have been defeased to their maturity date, if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds of such series for redemption; (ii) gives notice of the reservation of that right to the owners of the applicable series of Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

SECTION 26. Special Obligations. The Bonds, and the interest thereon, constitute special obligations of the District payable solely from the Pledged Revenues, and the Holders of the Bonds shall never have the right to demand payment out of funds raised or to be raised by taxation. SECTION 27. Additional Bonds. The District shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue and deliver additional parity revenue bonds (herein called "Additional Bonds"), in any amounts, for any lawful purpose (including the refunding of any Outstanding Bonds). Such Additional Bonds, if and when authorized, issued and delivered in accordance with [the Bond] Resolution, shall be secured and payable equally and ratably on a parity with the Bonds, and all other Outstanding Previously Issued Bonds and Additional Bonds, by a first lien on and pledge of the Pledged Revenues. SECTION 28. Additional Bonds Funding Requirements. (a) Each resolution or order under which Additional Bonds are issued shall provide and require that: (i) in addition to any deposits required in connection with any Outstanding Parity Bonds, the Board shall transfer from the Pledged Revenues and deposit to the credit of the Interest and Sinking Fund at least

such amounts as are required for the payment of all principal of and interest on the Additional Bonds then being issued as and when due;

(ii) the Board shall transfer from the Pledged Revenues and deposit to the credit of the Reserve Fund at least such amounts, in approximately equal semiannual installments as will, together with any other amounts already required to be deposited into the Reserve Fund with respect to any Outstanding Parity Bonds, be sufficient to cause the Reserve Fund to accumulate and contain within a period of not to exceed three years after the date of the Additional Bonds then being issued, a total amount of money and investments at least equal in market value to the Reserve Fund Requirement applicable to all Outstanding Parity Bonds, including the Additional Bonds then being issued. Nothing in this paragraph shall be construed so as to prohibit the District, in connection with the issuance of any Additional Bonds, to cause the Reserve Fund Requirement to be satisfied, in whole or in part, on the applicable closing date from any sources lawfully available to the District for such purposes, including without limitation the proceeds of the applicable Additional Bonds; and

(iii) the principal payment dates and Interest Payment Dates for each series of Additional Bonds must coincide with each Outstanding series of Parity Bonds.

(b) Prior to the issuance of the Additional Bonds:

(i) the senior financial officer of the District must deliver a certificate to the effect that the District is not in default as to any covenant, condition or obligation in connection with any Outstanding Parity Bonds, and that the Interest and Sinking Fund and the Reserve Fund contain all amounts then required to be on deposit therein, respectively;

(ii) an independent Certified Public Accountant must deliver a certificate to the effect that during either (A) the immediately preceding Fiscal Year or (B) any consecutive 12-month period ending not earlier than 90 days prior to the date of the adoption of the resolution or order authorizing the Additional Bonds, the Pledged Revenues collected by the District during the applicable period were at least equal to 1.25 times the full Reserve Fund Requirement then applicable to all Outstanding Parity Bonds, excluding specifically the proposed Additional Bonds;

(iii) the senior financial officer of the District must deliver a certificate to the effect that the Pledged Revenues estimated to be collected by the District during the next following Fiscal Year and each succeeding Fiscal Year will at least equal 1.25 times the full Reserve Fund Requirement then applicable to all Outstanding Parity Bonds, including specifically the projected debt service requirements of the proposed Additional Bonds; and

(iv) the principal and interest payment dates for each series of Additional Bonds must coincide with that of each Outstanding series of Parity Bonds.

SECTION 29. Miscellaneous Covenants. The District further covenants and agrees that:(a)It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in any resolution authorizing the issuance of Bonds, Previously Issued Bonds, and any Additional Bonds; that it will promptly pay or cause to be paid from the Pledged Revenues the principal of and interest on every Bond Similarly Secured, on the dates and in the places and manner prescribed in such resolutions and Parity Bonds; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Pledged Revenues the

amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund; and any Holder of the Bonds may require the Board, the President, the Vice President of Finance and Administration and any appropriate official of the District, to carry out, respect or enforce the covenants and obligations of [the Bond] Resolution or any resolution authorizing the issuance of Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Board, the District, the President, the Vice President of Finance and Administration or any appropriate official of the District.

(b) It is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds are and will be valid and enforceable special obligations of the District in accordance with their terms.

(c) It will establish, maintain, enforce, charge and collect Pledged Revenues in a manner reasonably expected to produce or generate revenues sufficient to pay the aggregate amount required to be paid in such year for the principal of, premium, if any, and interest on the Parity Bonds.

(d) It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the campuses, buildings and facilities of the College, that it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.

(e) It will, to the extent it lawfully may, continuously and efficiently operate and maintain in good condition, and at a reasonable cost, the College and the facilities and services thereof, so long as any of the Parity Bonds are Outstanding.

(f) While the Bonds are Outstanding, the District shall not additionally encumber the Pledged Revenues in any manner, except as permitted in [the Bond] Resolution in connection with the issuance of Additional Bonds, unless such encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of [the Bond] Resolution.

(g) Proper books of record and account will be kept in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Pledged Revenues, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Holder.

(h) Each year while the Bonds are Outstanding, the District shall, after the close of each Fiscal Year, direct its independent auditors to audit its books and accounts, prepare financial statements of the District, and have those financial statements audited by the District's independent auditors. As soon as practicable after the close of each such Fiscal Year, and when such audit has been completed and made available to the Board, a copy of such audit for the

preceding Fiscal Year shall be open to the inspection of the registered owners and their agents and representatives at all reasonable times.

* * *

SECTION 32. Resolution a Contract – Amendments. (a) [The Bond] Resolution shall constitute a contract with the Holders from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond remains Outstanding except as permitted in [the Bond] Resolution.

(b) Amendments Without Consent. [The Bond] Resolution and the rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time without notice to or the consent of any owner of the Bonds or any other Parity Bonds, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the District contained in [the Bond] Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the District in [the Bond] Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in [the Bond] Resolution;

(iii) To supplement the security for the Bonds or replace or provide additional credit facilities which shall not, in the judgment of the District, materially adversely affect the interests of the owners of the outstanding Bonds; or

(iv) To make such other changes in the provisions hereof as the District may deem necessary or desirable and which shall not, in the judgment of the District, materially adversely affect the interests of the owners of outstanding Parity Bonds.

Prior to the effectiveness of any proposed amendment pursuant to this subsection (b), the District shall receive a written opinion of nationally recognized bond counsel to the effect that the proposed amendment will not adversely affect the exemption from federal income tax of the interest on any Outstanding tax-exempt Parity Bond. Notice of any such amendment may be published by the District in the manner described in subsection (d) of this Section; provided, however, that the publication of such notice shall not constitute a condition precedent to the adoption of such amendatory resolution and the failure to publish such notice shall not adversely affect the implementation of such amendment as adopted pursuant to such amendatory resolution.

(c) Amendments With Consent. Subject to the other provisions of [the Bond] Resolution, the owners of outstanding Parity Bonds aggregating a majority in outstanding principal amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (b) of this Section, to [the Bond] Resolution which may be deemed necessary or desirable by the District; provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the owners of all of the outstanding Parity Bonds, the amendment of the terms and conditions in [the Bond] Resolution or in the Bonds so as to:

(i) Make any change in the maturity of the outstanding Parity Bonds;

- (ii) Reduce the rate of interest borne by any outstanding Parity Bond;
- (iii) Reduce the amount of the principal payable on any outstanding Parity Bond;
- (iv) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the owners of less than all Parity Bonds then outstanding; or
- (vi) Change the minimum percentage of the outstanding principal amount of Parity Bonds necessary for consent to such amendment.

(d) Notice. If at any time the District shall desire to amend [the Bond] Resolution other than pursuant to subsection (b) of this Section, the District shall cause written notice of the proposed amendment to be given by certified mail to each registered owner of the Bonds affected at the address shown on the Register. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file with a specified District official for inspection by all owners of Bonds.

(e) Consent Irrevocable. Any consent given by any owner of Parity Bonds pursuant to the provisions of this Section shall be irrevocable for a period of eighteen (18) months from the date of mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Bonds during such period. Such consent may be revoked at any time after eighteen (18) months from the date of mailing by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the District, but such revocation shall not be effective if the owners of a majority in outstanding principal amount of Parity Bonds, prior to the attempted revocation, consented to and approved the amendment.

(f) Ownership. For the purpose of this Section, the ownership and other matters relating to all Parity Bonds registered as to ownership shall be determined from the registration books kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

SECTION 33. Remedy in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the District covenants and agrees particularly that in the event the District (a) defaults in payments to be made to the Interest and Sinking Fund or the Reserve Fund as required by [the Bond] Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in [the Bond] Resolution, the Holder or Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the District and its officers to observe and perform any covenant, condition, or obligation prescribed in [the Bond] Resolution. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

APPENDIX B

EXCERPTS FROM THE EL PASO COUNTY COMMUNITY COLLEGE DISTRICT ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended August 31, 2025

The information contained in this Appendix consists of excerpts from the El Paso County Community College District Annual Financial Report for the Fiscal Year Ended August 31, 2025, and is not intended to be a complete statement of the District's financial condition. Reference is made to the complete Report for further information.

Set forth in Appendix B "Excerpts from the El Paso County Community College District Annual Financial Report" hereto is a copy of the report of the independent auditors for the District with respect to the financial statements of the District included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix B. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix B and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

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Rene D. Peña, CPA
Melisa Cota Guevara, CPA
April R. Samaniego, CPA
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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
El Paso County Community College District
El Paso, Texas

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of El Paso County Community College District (the College) as of and for the years ended August 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the El Paso County Community 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 business-type activities of the El Paso County Community College District, as of August 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years 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 financial audits contained in *Government Auditing Standards*, issued by the Comptroller General 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 El Paso County Community 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.

Change in Accounting Principle

As described in Note 2 to the financial statements, in the year ended August 31, 2025, the College, adopted new accounting guidance, GASB 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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 on pages I-XIV and the Schedule of College's Proportionate Share of Net Pension Liability, Schedule of College's Contributions for Pension, Schedule of College's Proportionate Share of Net Other Post-Employment Benefits (OPEB) Liability and Schedule of College's Contributions for OPEB on pages 53-62 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 opinions on the financial statements that collectively comprise the El Paso County Community College District's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state 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*, and the State of Texas Grant Management Standards, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Additionally, the accompanying Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, and Schedule of Net Position by Source and Availability, also are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards, Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, and Schedule of Net Position by Source and Availability are the responsibility of management and were 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, including comparing and reconciling such 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 Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards, Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, and Schedule of Net Position by Source and Availability are 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 report. The other information comprises the introductory and statistical section 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 19, 2025 on our consideration of the El Paso County Community College District'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 El Paso County Community College District'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 El Paso County Community College District's internal control over financial reporting and compliance.

Peña Briones McDaniel & Co

El Paso, Texas
December 19, 2025

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of El Paso County Community College District's (the college's) annual financial statements, prepared by the financial managers of the college, provides an overview of the college's financial operations for the years ended August 31, 2025, 2024 and 2023. This section is designed to assist the reader in the interpretation of the financial statements and should be read in conjunction with the disclosure notes that accompany the basic financial statements. Responsibility for the completeness and fairness of the information rests with the management of the college.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The college is reported as a special-purpose government engaged in business-type activities and uses the accrual method of accounting, which means that revenue is recognized when earned, and expenses are recorded when incurred regardless of when cash is received or paid. The core financial statements required by GASB 34 as amended by GASB 63 are the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. Effective fiscal year ending August 31, 2014, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to reflect certain items that were previously reported as assets and liabilities to be now reported as deferred outflows and inflows of resources. In addition, this statement requires that debt issuance costs be expensed in the year they are incurred.

Statement of Net Position

The purpose of the Statement of Net Position is to report at a point in time the total net position available to finance future services, and to give the reader a snapshot of the financial condition of the college. According to GASB 34, the classification of the components of the Statement of Net Position is as follows:

Current Assets:	assets available to satisfy current liabilities.
Non-current Assets:	include capital assets and other assets not classified as current.
Deferred Outflows of Resources:	include consumption of resources applicable to a future period.
Current Liabilities:	include obligations due within one year.
Non-current Liabilities:	include bonds payable and other long-term commitments.
Deferred Inflows of Resources:	include acquisitions of resources applicable to a future period.
Net Position:	difference between assets and deferred outflows versus liabilities and deferred inflows is presented in three categories as follows:

- Net Investment in Capital Assets represents the college's net investment in property, plant and equipment net of accumulated depreciation and amortization on the assets and the related outstanding debt used to construct, purchase or renovate them.
- Restricted Net Position is classified as expendable (available for expenditure in accordance with the restrictions of donors and other external entities) and nonexpendable (permanent endowment corpus only available for investment purposes).
- Unrestricted Net Position is available for any lawful purpose of the college and maintained to ensure sufficient reserve funds for long-term viability of the college.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Revenues, Expenses and Changes in Net Position

The intent of the Statement of Revenues, Expenses and Changes in Net Position is to report the burden of the government's functions on non-operating (general) revenues, defined as the amount of the functions that are not supported by charges to users (GASB 34, Par. 38). The statement is divided into Operating Revenues and Expenses, and Non-Operating Revenues and Expenses. Operating revenues are generated from the services provided to students and other customers of the college and represent an exchange for services. Operating expenses are incurred in the production of goods and services that result in operating revenues. Property taxes, state appropriations, Title IV and Title VIII funds, as well as other federal funds received as a result of the COVID-19 pandemic, represent non-exchange transactions and thus classified under Non-Operating Revenues, which means that Texas community colleges will generally report an operating deficit before considering other support. Therefore, revenue and expenses should be considered in total when assessing the change in the college's financial position.

Statement of Cash Flows

The primary purpose of the Statement of Cash Flows is to provide relevant information about the cash receipts and cash payments of the college during the fiscal period. This statement is intended to complement the accrual-basis financial statements by providing functional information about financing, capital and investing activities and reports the effects of the college's operations, capital and non-capital financing transactions, and investing transactions on the college's financial position. This statement also helps users to determine the entity's ability to meet its obligations as they come due and the potential need for external financing. The final portion of the statement reconciles the net income or loss from operations to be provided or used by operations. The statement is structured as follows:

- Cash flows from operating activities
- Cash flows from noncapital financing activities
- Cash flows from capital financing activities
- Cash flows from investing activities

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CONDENSED COMPARATIVE FINANCIAL INFORMATION

To show the trends for the two years shown in the Statement of Net Position (Exhibit 1), a summary of three years of data for the years ended August 31, 2025 through 2023 is presented below:

Condensed Statement of Net Position

(In Millions)

	August 31			Change	
	2025	Restated 2024	Restated 2023	2024 to 2025	2023 to 2024
Assets					
Cash and Investments	\$ 332.6	\$ 325.1	\$ 295.6	\$ 7.5	\$ 29.5
Other Current Assets	46.2	45.5	40.3	0.7	5.2
Capital Assets	240.4	239.2	237.1	1.2	2.1
Other Noncurrent Assets	30.1	0.5	0.3	29.6	0.2
Total Assets	<u>\$ 649.3</u>	<u>\$ 610.3</u>	<u>\$ 573.3</u>	<u>\$ 39.0</u>	<u>\$ 37.0</u>
Deferred Outflows	<u>14.6</u>	<u>19.1</u>	<u>25.2</u>	<u>(4.5)</u>	<u>(6.1)</u>
Total Assets & Deferred Outflows	<u>\$ 663.9</u>	<u>\$ 629.4</u>	<u>\$ 598.5</u>	<u>\$ 34.5</u>	<u>\$ 30.9</u>
Liabilities					
Current Liabilities	\$ 70.5	\$ 69.9	\$ 69.1	\$ 0.6	\$ 0.8
Noncurrent Liabilities	221.5	220.9	226.5	0.6	(5.6)
Total Liabilities	<u>\$ 292.0</u>	<u>\$ 290.8</u>	<u>\$ 295.6</u>	<u>\$ 1.2</u>	<u>\$ (4.8)</u>
Deferred Inflows	<u>22.4</u>	<u>32.7</u>	<u>36.4</u>	<u>(10.3)</u>	<u>(3.7)</u>
Total Liabilities & Deferred Inflows	<u>\$ 314.4</u>	<u>\$ 323.5</u>	<u>\$ 332.0</u>	<u>\$ (9.1)</u>	<u>\$ (8.5)</u>
Net Position					
Net Investment in Capital Assets	\$ 119.2	\$ 117.5	\$ 109.6	\$ 1.7	\$ 7.9
Restricted	170.9	136.0	109.0	34.9	27.0
Unrestricted, restated	59.4	52.4	47.9	7.0	4.5
Total Net Position	<u>\$ 349.5</u>	<u>\$ 305.9</u>	<u>\$ 266.5</u>	<u>\$ 43.6</u>	<u>\$ 39.4</u>

Fiscal Year 2025 compared to 2024

Total Assets increased by \$39.0 million from fiscal year (FY) 2024 to FY 2025 as compared to the increase of \$37.0 million in the previous fiscal year. The following analysis describes this increase by asset category.

As a major component of the Statement of Net Position, Cash and Investments increased from FY 2024 by \$7.5 million, which is the combination of the Net cash used in operating activities of \$145.2 million, that includes a 4% salary increase for all eligible employees and the increase of \$5.5 million in scholarship payments; the Net cash provided by noncapital financing activities of \$183.5 million, that accounts for the

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

increase of \$5.7 million in state appropriations related to the dynamic adjustment from the new state funding model under House Bill 8; the increase of \$2.8 million in ad valorem taxes; and the increase of \$8.0 million in Pell grants included in non-operating federal revenue; significant in FY 2025 was the purchase of short-term and long-term investments of \$34.7 million mostly related to the Endowment Fund.

Other Current Assets increased by a modest \$0.7 million, mostly due to the increase of \$2.6 million in Accounts Receivable related to the accrual of the Financial Aid Swift Transfer (FAST) funding received after August 31, 2025, offset by a decrease of \$1.6 million in Prepaid Charges related to the timing of Pell grant disbursements.

Capital assets increased by \$1.2 million mostly due to additional building improvements, capital leases, furniture and equipment purchases, and additional subscriptions, all offset by depreciation and amortization expense of \$11.1 million. Capital Assets include those assets now capitalized under GASB Statement No. 87-*Leases* (GASB 87) and GASB Statement No. 96-*Subscription-Based Information Technology Arrangements* (GASB 96). The implementation of GASB 96 increased the Right to Use Subscriptions asset in the amount of \$6.1 million and the related amortization of \$2.4 million during FY 2025. Other Noncurrent Assets increased by \$29.6 million mostly due to the purchase of long-term investments related to the investment of the Student Success Endowment Fund corpus that will generate investment earnings to fund student scholarships in compliance with the investment strategy approved by the Board of Trustees.

As required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), and GASB Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits other than Pensions* (GASB 75), deferred outflows or inflows of resources are recorded depending on the plan results during the measurement period. In this context, deferred outflows of resources represent pension and other post-employment benefit contributions made by the college that will benefit employees in the future but are not considered assets. As of August 31, 2025, deferred outflows of resources of \$14.6 million represent an overall decrease of \$4.5 million over FY 2024 due to the following factors: there was an overall decrease of \$6.3 million related to Pensions mostly due to the Net Differences between Projected and Actual Investment Earnings decrease of \$5.3 million, the Changes in Actuarial Assumptions decrease of \$1.8 million followed by increases of \$0.5 and \$0.2 million to the Differences between Expected and Actual Economic Experience and Contributions Paid to TRS subsequent to Measurement Date, respectively. This decrease was offset by an overall increase of \$1.8 million related to OPEB mainly due to ERS plan's Changes in Actuarial Assumptions. These concepts are further explained in Notes 10 and 15 to the financial statements.

Total liabilities increased from the prior year by \$1.2 million, a combination of an increase of \$0.6 million in both Current Liabilities and Noncurrent Liabilities. The modest increase in Current Liabilities was mostly due to the following increases: \$1.3 million in Subscription Liability due to additional software agreements; \$0.4 million in Accounts Payable due to additional goods and services delivered but not paid as of August 31, 2025; Net OPEB liability and Bonds Payable also increased by \$0.2 million and \$0.1 million, respectively; these increases were offset by the \$1.3 million decrease in Unearned Revenue, mostly due to the early disbursement of Pell awards prior to the end of the fiscal year. In addition, both the current and long-term portion of Compensated Absences reflect the implementation of GASB 101-Compensated Absences that required a restatement of same balances for fiscal years 2024 and 2023, which created a decrease of \$2.3 and \$2.1 million, respectively, in Unrestricted Net Position.

The Noncurrent Liabilities experienced an increase of \$0.6 million due to the following main factors: the Subscription Liability increased by \$2.2 million due to additional software arrangements recorded in compliance with GASB 96. Net Pension Liability decreased by \$4.0 million consistent with the overall decrease statewide that was passed on to each college. This decrease is largely attributable to the continued asset growth and increases in net position in the TRS Pension Trust Fund. This decrease was offset by the following increases: The Net OPEB Liability increased by \$7.3 million due to fluctuations in actuarial assumptions as explained in the Deferred Outflows and Inflows comments and Bonds Payable decreased by \$4.8 million due to the last principal payment of the 2017 Refunding bond.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Notes 2, 6, 7, 8 and 9 to the Financial Statements provide more information regarding noncurrent liabilities. See Note 10 regarding pension liability and Note 15 regarding postemployment benefits other than pensions (OPEB).

As of August 31, 2025, \$22.4 million of Deferred Inflows represent a decrease of \$10.3 million over fiscal year 2024. Deferred Inflows represent the college's proportionate share for the net difference between projected and actual investment earnings at the plan level the college may owe to the retirement and health insurance funds in the future, but do not constitute a liability. As explained in the above section related to Deferred Outflows, several factors contributed to the changes in the flow of resources. The \$10.3 million overall decrease in Deferred Inflows is mostly caused by the \$1.6 million decrease for pension as well as the decrease of \$8.4 million in OPEB. These variances were mostly due to decreases in the Differences between Expected and Actual Economic Experience, Changes in Actuarial Assumptions and the Changes in Proportion and Difference between the Employer's Contributions and the Proportionate Share of Contributions.

Notwithstanding the ongoing impact of GASB 68 and GASB 75, the college experienced a significant increase in Net Position of \$43.6 million. This increase is a combination of increases in the various components of Net Position. The increase in Net Investment in Capital Assets of \$1.7 million is attributable to the completion of capital projects, the purchase of furniture and equipment, and additional Rights to Use Subscriptions in compliance with GASB 96 that require the capitalization of these assets subject to amortization; Restricted Net Position increased by \$34.9 million, which is attributable to (1) operational budget surpluses earmarked in the Plant funds and (2) interest income earned on the Student Success Endowment Fund. The Unrestricted Net Position increase of \$7.0 million is directly related to the favorable result of operations at fiscal year-end with significant budget surpluses due to salary savings from vacant positions, conservative spending, and the increase in interest income that was not budgeted.

Fiscal Year 2024 compared to 2023

Total Assets increased by \$37.0 million from FY 2023 to FY 2024 due to the following factors:

Cash and Investments increased from FY 2023 by \$29.5 million, which is the combination of the Net cash used in operating activities of \$132.9 million, that includes a 6% salary increase for all eligible employees; the Net cash provided by noncapital financing activities of \$166.9 million, that accounts for the substantial increase of \$12.5 million in state appropriations related to the new state funding model under House Bill 8, and the increase of \$3.2 million in ad valorem taxes; in addition, investment earnings continued to soar with an increase of \$5.4 million over FY 2023 due to the Federal Reserve holding interest rates above the 5% range.

Other Current Assets increased by \$5.2 million, mostly due to increases in Accounts Receivable and Prepaid Charges of \$1.9 million and \$3.3 million, respectively, due to the fall 2024 enrollment increase and higher Pell grant disbursements.

Capital assets increased by \$2.1 million mostly due to additional building improvements, capital leases, and furniture and equipment purchases, all offset by depreciation and amortization expense of \$10.4 million. The implementation of GASB 96 increased the Right to Use Subscriptions asset in the amount of \$1.0 million and the related amortization of \$2.2 million during FY 2024. Other Noncurrent Assets increased by \$0.2 million due to the increase in Accounts Receivable for leases to comply with GASB 87.

Deferred outflows of resources of \$19.1 million represent an overall decrease of \$6.1 million over FY 2023 due to the following factors: there was an overall decrease of \$0.8 million related to Pensions mostly due to differences in the Changes in Actuarial Assumptions decrease of \$2.6 million followed by increases of \$2.2, \$0.8, and \$0.3 million to the Net Differences Between Projected and Actual Investment Earnings, Differences between Expected and Actual Economic Experience, and Contributions Paid to TRS subsequent

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

to Measurement Date, respectively. This increase was offset by an overall decrease of \$6.8 million related to OPEB due to ERS plan's Changes in Actuarial Assumptions (\$2.0 million) and Changes in Proportion and Difference between the Employer's Contributions and the Proportionate Share of Contributions (\$4.8 million).

Total liabilities decreased from the prior year by \$4.8 million, a combination of an increase of \$0.8 million and a decrease of \$5.6 million in Current Liabilities and Noncurrent Liabilities, respectively. The modest increase in Current Liabilities was due mostly to the increase of \$1.7 million in Unearned Revenue related to higher deferred tuition and fees and Pell disbursements associated with the Fall 2024 enrollment increase offset by the \$1.1 million decrease in the Subscription Liability due to principal payments in compliance with GASB 96. In addition, both the current and non-current portion of Compensated Absences were restated to comply with the implementation of GASB 101-Compensated Absences.

The Noncurrent Liabilities experienced a decrease of \$5.6 million due to the following main factors: the Net Pension Liability increased by \$4.9 million consistent with the overall increase statewide that was passed on to each college. This increase is largely attributable to the large decrease in the TRS Pension Trust Fund and investment income resulting in a large increase to the pension liability. This increase was offset by the following decreases: the Net OPEB Liability decreased by \$5.6 million due to fluctuations in actuarial analysis as explained in the Deferred Outflows and Inflows comments and Bonds Payable decreased by \$4.6 million due to the principal payment of the 2017 Refunding bond.

Deferred Inflows decreased by \$3.7 million over fiscal year 2023, mostly caused by the \$1.5 million decrease for pension as well as the decrease of \$2.2 million decrease in OPEB. These variances were mostly due to decreases in the Changes in Actuarial Assumptions and the Changes in Proportion and Difference between the Employer's Changes in Proportion and the Proportionate Share of Contributions from TRS, and Changes in Actuarial Assumptions from ERS.

Net Position increased by \$39.4 million, a combination of increases in the various components of Net Position. The increase in Net Investment in Capital Assets of \$7.9 million is attributable to the completion of capital projects, the purchase of furniture and equipment, and the additional Right to Use Subscriptions; Restricted Net Position increased by \$27.0 million, which is attributable to (1) operational budget surpluses earmarked in the Plant funds and (2) interest income earned on the Student Success Endowment Fund. The Unrestricted Net Position increase of \$4.5 million is directly related to the favorable result of operations at fiscal year-end with significant budget surpluses due to salary savings from vacant positions and conservative spending, and a significant increase in interest income that was not budgeted.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Increase in Net Position is affected by the revenues generated and the expenses incurred by the college. The following condensed financial information shows total revenues and expenses for fiscal years 2025, 2024 and 2023 (see footnote 2 for restatement):

Condensed Statement of Revenue, Expenses, and Changes in Net Position (In Millions)

	August 31			Change	
	2025	Restated 2024	Restated 2023	2024 to 2025	2023 to 2024
Operating Revenues					
Tuition and Fees (net of Discounts)	\$ 17.1	\$ 19.1	\$ 20.9	\$ (2.0)	\$ (1.8)
Federal, State & Local Grants & Contracts	10.5	10.1	7.3	0.4	2.8
Auxiliary Enterprises	1.5	1.2	1.0	0.3	0.2
Other	2.5	2.1	2.5	0.4	(0.4)
Total Operating Revenues	<u>\$ 31.6</u>	<u>\$ 32.5</u>	<u>\$ 31.7</u>	<u>\$ (0.9)</u>	<u>\$ 0.8</u>
Operating Expenses					
Instruction	\$ 66.2	\$ 63.8	\$ 60.6	\$ 2.4	\$ 3.2
Research	0.2	0.3	0.2	(0.1)	0.1
Public Service	4.4	4.6	4.7	(0.2)	(0.1)
Academic Support	24.2	22.9	23.1	1.3	(0.2)
Student Services	12.2	11.3	10.2	0.9	1.1
Institutional Support	29.8	27.8	27.8	2.0	-
Operation and Maintenance of Plant	13.4	13.4	12.4	-	1.0
Scholarships and Fellowships	31.1	25.6	23.1	5.5	2.5
Auxiliary Enterprises	2.9	2.6	1.7	0.3	0.9
Depreciation	11.1	10.4	9.8	0.7	0.6
Total Operating Expenses	<u>\$ 195.5</u>	<u>\$ 182.7</u>	<u>\$ 173.6</u>	<u>\$ 12.8</u>	<u>\$ 9.1</u>
Operating Loss	<u>\$ (163.9)</u>	<u>\$ (150.2)</u>	<u>\$ (141.9)</u>	<u>\$ 13.7</u>	<u>\$ 8.3</u>
Non-Operating Revenues (Expenses)					
State Appropriations	\$ 60.8	\$ 52.5	\$ 39.0	\$ 8.3	\$ 13.5
Maintenance Ad-Valorem Taxes	75.5	72.7	69.4	2.8	3.3
Federal Revenue	58.1	50.1	66.2	8.0	(16.1)
Other State Revenue	0.5	0.7	0.5	(0.2)	0.2
Investment Income (Net of Investment Expense)	17.5	18.7	13.4	(1.2)	5.3
Unrealized Gain (Loss)	-	-	-	-	-
Interest on Capital Related Debt	(4.9)	(5.1)	(5.2)	0.2	0.1
Net Non-Operating Revenues	<u>\$ 207.5</u>	<u>\$ 189.6</u>	<u>\$ 183.3</u>	<u>\$ 17.9</u>	<u>\$ 6.3</u>
Increase in Net Position	<u>\$ 43.6</u>	<u>\$ 39.4</u>	<u>\$ 41.4</u>	<u>\$ 4.2</u>	<u>\$ (2.0)</u>
Net Position, Beginning of Year (as restated)	<u>305.9</u>	<u>266.5</u>	<u>225.1</u>	<u>39.4</u>	<u>41.4</u>
Net Position, End of Year	<u>\$ 349.5</u>	<u>\$ 305.9</u>	<u>\$ 266.5</u>	<u>\$ 43.6</u>	<u>\$ 39.4</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year 2025 to 2024

Total operating revenues decreased by \$0.9 million, which is largely explained by the combination of the decrease in Net Tuition and Fees of \$2.0 million offset by the following increases: \$0.4 million in Federal, State & Local Grants & Contracts, \$0.3 million in Auxiliary Enterprises and \$0.4 million in Other Operating Revenues. The decrease in Tuition and Fees (net of Discounts) of \$2.0 million is a combination of the following factors: tuition and fees increased by \$2.8 million and \$0.6 million, respectively due to the enrollment increase during the academic year. This increase was offset by an increase in Scholarship Allowances of \$5.3 million due to the following: State Remissions and Exemptions increased by \$1.9 million due to an increase in dual credit and Early College High School students; Federal Grants to Students increased by \$2.7 million mostly due to the increase in Pell grants; and State Grants to students increased by \$0.7 million due to additional TEOG funding. Auxiliary Revenue increased by \$0.3 million due to the increase in vehicle registration revenue and commissions from bookstore and food sales. Other operating revenue increased by \$0.4 million due to additional cost recovery for dual credit students and more activity in the self-supporting programs that provide services to the El Paso community.

Total Fiscal Year 2025 operating expenses increased by \$12.8 million or 7.0% mostly in Instruction, Academic Support, Institutional Support, and Scholarship and Fellowships. As part of the Fiscal Year 2025 budget, the Board of Trustees approved a 4% salary increase for all eligible employees and additional critical needs benefiting Instruction, Academic Support and Student Services to support teaching initiatives and enrollment efforts. In addition, certain hard-to-recruit positions such as police officers and maintenance workers were upgraded, which required some salary adjustments; and the enrollment increase triggered more hiring of part-time faculty and staff. Scholarships and Fellowships increased by \$5.5 million, mostly due to the significant increase in Pell awards. Auxiliary Enterprises increased by \$0.3 million due to a combination of expense increases in Bad Debt, Vehicle Registration, Staff Scholarships, Cafeteria Maintenance, and Athletic programs.

Depreciation expense at \$11.1 million increased by \$0.7 million over fiscal year 2024 as compared to the increase of \$0.6 million from fiscal year 2023 to fiscal year 2024. This increase is attributable to additional capitalized furniture and equipment, and subscriptions requiring amortization because of the implementation of GASB 96 in FY 23. Information regarding policies for depreciation is disclosed in Note 2 to the Financial Statements.

Non-Operating Revenues and Expenses are comprised of State Appropriations, Maintenance Ad Valorem Taxes, and Federal Revenues that include Pell Grant receipts as non-operating revenue. Non-Operating Revenues also include Other State Revenue to account for state student aid, and Investment Income offset by Interest on Capital Related Debt.

Non-Operating Revenues increased by \$17.9 million over fiscal year 2024 as compared to the increase of \$6.3 million in the previous year for the following reasons: State Appropriations increased by \$8.3 million due to the College exceeding the performance measures set in motion by House Bill 8 (HB 8) of the 88th Texas Legislative Session. The new funding model allows for a dynamic adjustment, which benefitted the College with an additional \$5.4 million in FY 2025. In addition, the funding for the Financial Aid Swift Transfer (FAST) went up to \$56.87 per eligible credit hour from \$55.00 in FY 2024. State appropriations for state benefits increased by \$2.6 million related to the impact of (1) GASB 75 on state appropriations for group health insurance and (2) on the state retirement matching because of the 4% salary increase and more eligible employees.

Revenue from Ad Valorem taxes increased by \$2.8 million in fiscal year 2025 over fiscal year 2024 due to additional revenue generated from new property added to the tax rolls and increased property values. Tax revenue for fiscal years 2025, 2024 and 2023 is based on the tax rates of \$0.107786, \$0.115717, and \$0.122611, per \$100 valuation, respectively, that still represent the lowest tax rates of all major taxing entities in the El Paso County.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

Included in Non-Operating Revenue is federal revenue that increased by \$8.0 million over fiscal year 2024, mostly related to a significant increase in Pell awards. Other state revenue decreased by \$0.2 million from FY 2024 to FY 2025 as compared to an increase of \$0.2 million in the previous fiscal year, mostly due to an overall decrease in Skill Development Fund grants from the Texas Workforce Commission.

Investment income decreased by \$1.2 million, as compared to the increase of \$5.3 million in FY 2024 from FY 2023. At the end of FY 2025, interest rates hovered around 4.25%, down 100 basis points from 5.25% the year before, which directly resulted in the decrease in interest income. The annual average effective yield for FY 2025 was 4.4881%, as compared to 5.3014% for FY 2024 and 4.2860% for FY 2023. The Federal Reserve made three rate cuts in the fall of 2024 to fight inflation and boost the economy and employment. Also, the Earnings Credit Rate (ECR) dropped to 1.20% in FY 2025 as compared to 1.65% in FYs 2024 and 2023. Since the college cautiously budgets for interest income, resulting revenue more than exceeded the estimated budget.

Interest on Capital Related Debt decreased by \$0.2 million, which reflects the annual reduction in Bonds Payable.

Fiscal Year 2024 compared to 2023

When comparing FY 2024 to FY 2023, total Operating Revenue increased by a modest \$0.8 million, which is largely explained by a decrease in Net Tuition and Fees of \$1.8 million offset by the increase of \$2.8 million in Federal, State & Local Grants and Contracts due to additional funding for TEOG programs and several THECB contracts. The decrease in Net Tuition and Fees was caused by an increase in Tuition and Fees of \$2.7 million offset by an increase in Scholarships and Allowances of \$4.5 million.

Total Operating Expenses increased by \$9.1 million or 5.25% mostly in Instruction, Student Services, Physical Plant, and Scholarship and Fellowships, a combination of the 6% salary increase approved by the Board of Trustees for all eligible employees and additional critical needs for Instruction and Students Services offset by salary savings generated from vacant positions due to retirements of long-time employees. Auxiliary Enterprises increased by \$0.9 million due to the bad debt expense related to Student Receivables that had been discharged in FY 2023 under the HEERF funding. Depreciation expense increased by \$0.6 million as a direct result of the implementation of GASB 96 in FY 2023 and GASB 87 in FY 2022.

Non-Operating Revenues increased by \$6.3 million over fiscal year 2023 mostly due to the significant increase of \$13.5 million mostly related to the increase in State Appropriations due to House Bill 8 (HB 8) of the 88th Texas Legislative Session. The new performance-based appropriation resulted in funding of \$38,758,079 for FY 24 as compared to \$31,545,291 for FY 23 and the new FAST funding reimbursed for dual credit students at the rate of \$55 per reported credit hour and amounted to \$5,092,450 for the year as compared to no funding in FY 23. State appropriations for state benefits increased by \$1.0 million related to the impact of (1) GASB 75 on state appropriations for group health insurance and (2) on the state retirement matching because of the 6% salary increase and slightly more employees.

Revenue from Ad Valorem taxes increased by \$3.3 million in fiscal year 2024 over fiscal year 2023 due to additional revenue generated from new property added to the tax rolls and increased property values.

Federal revenue decreased by \$16.1 million over fiscal year 2023, mostly due to the winding down of the HEERF awards in 2023 with no HEERF disbursements in 2024 as compared to \$20.2 million in 2023. This decrease was offset by an increase in Pell disbursements due to the enrollment increase during the academic year.

Other state revenue increased by \$0.2 million from FY 2023 to FY 2024. This increase accounts for additional Texas Workforce Commission (TWC) grants with the continued funding of the Project Higher initiative,

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

two new Skills Development grants, and the renewal of the Apprenticeship grant. This increase of \$0.7 million was offset by the closeout of other TWC grants.

Investment income increased by \$5.3 million, which followed a year that had increased \$12.1 million in FY 2023 from FY 2022. The Federal Reserve held interest rates above the 5% range during FY 2024, which directly resulted in the increase in investment income for the year. The annual average effective yield for FY 2024 was 5.3014% as compared to 4.2860% for FY 2023. This was a difference of over 100 basis points and contributed to the \$5.4 million increase. The Federal Reserve had begun to increase rates in March 2022 in an effort to fight inflation and helped rates contribute to the FY 2022 annual average effective yield of 0.04976% and resulted in interest income of \$1.28 million. Also, the Earnings Credit Rate (ECR) has remained constant at 1.65% for the year. The prior year's ECR gradually rose to 1.65%. Because of these favorable yields, resulting interest income exceeded the college's estimated budget.

Description of significant capital asset and long-term debt activity

To address capital improvement needs and student growth at the college's five main campuses for the next ten years, the Board of Trustees approved in 2013 a district-wide Master Plan, and a contract with ECM International to manage six construction projects at the five campuses that added over 400,000 square feet of classrooms, lab and parking space to existing college property at a budgeted cost of over \$115 million. All six projects including the Valle Verde Transportation Training Center, and the Classroom/Lab buildings at the Mission del Paso, Northwest, Rio Grande, Transmountain, and Valle Verde campuses were completed between Fiscal years 2020 and 2022 and are fully operational.

The College continues to address ongoing maintenance of aging facilities and sets aside funding on an annual basis. Major projects completed during the 2025 fiscal year include: the roof replacement and the upgrade of HVAC controls at the Mission del Paso Campus; the First Year Experience Center and the conversion of existing space to a Dental classroom, both located at the Rio Grande Campus; the M Building roof repair, the recoating of the ATC roof; the conversion of the Dance studio to an audio recording studio; the modernization of Buildings A, B and C elevators; and the landscaping of the campus entrance, all located at the Valle Verde Campus; interior signage; roof repair of main building, wayfinding signage on campus and the renovation of motor controls for the Central Plant, all located at the Transmountain Campus; the roof repair of the main building and additional handicapped parking, both located at the Northwest Campus; the replacement of rooftop units at Building B of the Administrative Service Center; the conversion of vacated public television space into an office suite for the department of Marketing and External Relations and Library Technical Services, and the renovation of vacant space for the office of Human Resource Management and Compliance, all located at the A Building of the Administrative Service Center. In addition to these projects, district-wide improvements included roof repairs and renovation of office space for programs along with lighting upgrades and other deferred maintenance projects.

In-progress are the following major capital projects: the replacement of Buildings A and B boilers; the construction of the Occupational Therapist Assistant classroom, and the design of wayfinding signs, all located at the Rio Grande Campus; the replacement of air handler units, ice chiller and boiler, the relocation of the Instructional Service Center to the vacated bookstore, the change from evaporating to refrigerated cooling of the gym and other training facilities, the upgrade of HVAC controls, the renovation of the library elevator cab and controls, all located at the Transmountain Campus; the replacement of the ice chiller and cooling tower, the construction of the exterior elevators, the fire alarm upgrade at Building C, the installation of a portable classroom as well as landscape and road improvements at the Fire Technology program location, the replacement of the ventilation system for the Arts Department; the remodeling of Building C restroom; and the re-pavement of the bus drop, all located at the Valle Verde Campus; the assessment of the new key security hierarchy located at the Northwest Campus; the installation of refrigerated air at the EMT location, the replacement of classroom furniture, the replacement of the target system at the Law Enforcement Academy, all located at the Mission del Paso campus; and finally the renovation of space vacated by the Marketing Department to accommodate the EPCC foundation, and the replacement of rooftop units, all located at the Administrative Service Center.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

All current facilities construction, renovation and improvements are financed by plant fund reserves.

To accommodate increased enrollment since 1994, the college initiated a financial plan and has since then issued \$273,355,000 in Revenue Bonds, part of which refinanced the 1994, 1995, 1996, 1997, 1997B, 1998, 1999, 2001, and 2007 bond issues. To create additional revenue stream to fund the issuance of additional revenue bonds that would finance the approved phases of the district-wide plan, the Board of Trustees approved incremental increases to the \$10 General Use Fee effective between Spring 2015 and Fall 2016 when the general use fee was set at \$20 per credit hour.

In Fall 2016, the college took advantage of attractive interest rates that would provide additional debt capacity to fund Phase 1 of the Master Plan. Therefore, the college issued in October 2016 the Combined Fee Revenue Improvement Bonds Series 2016 for \$105,140,000, followed by the January 2017 issuance of the Combined Fee Revenue Refunding Bonds for \$30,315,000 with an interest rate of 2.09%. By refunding the callable maturities of the 2001 and 2007 Bonds that carried an average interest rate of 5%, the college obtained an economic gain of about \$4.6 million over the next nine years. The refunding of some of the current debt created additional debt capacity for the college to issue additional revenue bonds at no additional cost to the student or the taxpayer.

The following table reflects the college's credit ratings since the October 2016 issuance of the Combined Fee Revenue Improvement Bonds Series 2016:

Year of Rating or Affirming	Fitch Ratings	S&P Global Ratings	Rating Outlook
2016	A+	A+	Stable
2018	AA	A+	Stable
2020		A+	Stable
2021	AA		Stable
2023	AA	AA+	Stable
2024	AA		Stable

The above ratings by both Fitch Ratings and S&P Global Ratings from 2016 to 2021 recognized the following:

- The college's essential role as the only community college in the El Paso area;
- Consistent positive operating results, healthy reserves and demonstrated ability to monitor expenses during challenging enrollment pressures and the college's capacity to raise tax revenue;
- Highest level of operating flexibility and anticipated financial resilience to be maintained by the college throughout the economic cycle;
- Modest historical revenue volatility, ample revenue-raising ability, especially tax base growth, and strong reserve cushion;
- Solid revenue framework with a large reserve cushion, and sound budget flexibility, which support the highest level of operating flexibility and anticipated resilience to be maintained through the pandemic-induced economic uncertainty and future economic cycles.

On October 10, 2023, S&P Global Ratings upgraded the college's Series 2016 Bonds to AA+, or three notches above the previous A+ rating. The upgrade reflected the application of S&P "Global Not-For-Profit Education Providers' criteria published on April 24, 2023. It also recognized EPCC's strong enterprise risk, and very strong financial risk profiles. The enterprise risk profile indicated S&P's view of stabilizing enrollment following decreases in previous years, and a strong management team. The financial profile reflected S&P's view of positive margins, growing cash reserves, and manageable debt levels. The upgrade also recognized S&P's view of EPCC's good and stable tax base, which provides material support for

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

operations. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

On July 1, 2024, as a result of its new "U.S. Public Finance Local Government Rating Criteria", Fitch Ratings upgraded the college's IDR (Issuer Default Rating) to "AA+" with a stable outlook supported by the district's high midrange budgetary flexibility and history of strong reserves as well as its low long-term liability burden. The rating for the 2016 Bonds remained at "AA". Additional information about the college's ratings is available at www.fitchratings.com.

Additional information on both capital assets and long-term debt can be found in Notes 5, 6, 7 and 8 of the Notes to the Financial Statements.

Economic Outlook

The college's economic outlook is very dependent on the El Paso and State of Texas economic growth. Texas has the eighth-largest economy in the world, and according to the Texas Higher Education Coordinating Board (THECB) has outpaced every other state in growing undergraduate and graduate student enrollment. However, with the COVID-19 accelerating trends in the way Texans learn, work, connect and use technology, a growing number of jobs require credentials beyond high school diplomas. This type of challenge has been the focus of the THECB's 2022-2030 Strategic Plan of "Building a Talent Strong Texas". To address these critical changes, Texas Governor Abbott created during the 87th Legislative Session the Commission on Community College Finance (the Commission) to establish a comprehensive funding model for the 50 Texas community colleges that will align with workforce needs and reward colleges for positive outcomes such as generating degrees, certificates and other credentials that will provide value and opportunity in the state economy. The Commission composed of lawmakers, community college leaders, and experts in policy and workforce issues from across the state developed funding recommendations that were incorporated in House Bill 8 (HB 8) passed by the 88th Texas Legislature in May 2023. HB 8 outlined a groundbreaking policy that shifts Texas community college formula funding from a static model based on historical student success points, core operations and contact-hour funding to a dynamic funding formula based primarily on student outcomes and aligned with state higher education goals, and state and regional workforce needs. Under this new historic funding model, El Paso Community College continued to fare very well in receiving state appropriations during Fiscal Year 2025 under the various performance measures based mostly on credit hour completion from dual credit students, general academic transfers, credentials leading to licensure or certification, associate degrees and certificates. This trend is expected to continue as validated by the 89th Legislature that confirmed similar funding for next biennium, assuming the college continues to meet or exceed the same performance measures.

After facing decreased state funding over the years, and declining enrollment due to the pandemic, this new funding model has recognized the college's performance in educating its community, and has allowed the college to maintain the lowest tuition rate in the region and the lowest tax rate of all major taxing entities of the El Paso County while still maintaining quantity and quality of services to its student population. Also, continued funding from the 88th legislature allowed the Board of Trustees to approve a flexible but conservative budget that included an increase to the biennial reserve, while still recognizing college employees with a 4% salary increase for FY 2025.

To fulfill its mission of fostering student success, the Board of Trustees approved in August 2023 a resolution ("the Resolution") that acknowledges the generous donation of \$30 million to EPCC by Philanthropist McKenzie Scott, and affirms the college's commitment to support student success and college-degree completion at EPCC through scholarships and student emergency funding to help students achieve their higher education goals. Further, the Resolution called for the creation of the Student Success Endowment Fund in the amount of \$30 million with 90% and 9% of the accrued interest allocated for scholarships and student emergency needs, respectively. The remaining 1% will be used to grow the

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

corpus on an annual basis. Furthermore, the Resolution called for the creation of two committees: the Executive Committee who has sole management and control of the Student Success Endowment Fund subject to the oversight of the Board of Trustees, and also has authority to create and direct the investment strategy of the endowment fund; and the Scholarship Selection Committee, who recommends, implements, reviews and oversees the criteria and selection of students for scholarship awards and reports to the Executive Committee. With this generous donation, El Paso Community College envisions a thriving El Paso region where all individuals will have access to learning to improve their quality of life and work prospects through education, which will also contribute towards the metrics established by the 88th Legislature to calculate state funding for the next biennium.

During FY 2024, the Executive Committee met to review and approve the scholarship awarding process as recommended by the Scholarship Selection Committee. As a result, the Executive Committee approved the awarding of scholarships to the first cohort of 191 students with 134 students ultimately registered in fall 2024. Of these students, 77 remained eligible and were awarded in spring 2025. As additional support to students towards success, the Executive Committee approved the following: the awarding of scholarships to 11 dual credit students who had graduated from high school under the P-Tech program but still lacked 15 credit hours to graduate with an Associate's degree; and the 10% allocation from the Emergency Fund to the Tejano Mercado to address food insecurity experienced by some students. This latter initiative was carefully examined as part of the discussion regarding the eligibility criteria for awarding funds based on emergency needs.

In compliance with the Board Resolution, the Executive Committee recommended the investment strategy presented by the college's Investment Advisor, Hilltop Securities, that was ultimately approved by the Board of Trustees and allowed the college to move forward with the ladder investment of \$30 million in U.S. treasuries to provide the annual cashflow necessary to fund student scholarships and emergency needs. Also in compliance with the Resolution was the performance of an audit by the firm of Pena Briones & McDaniel to test the various parameters of the Resolution that had been amended in May 2025. This audit culminated with a report to the Board of Trustees on August 27, 2025, with some recommendations but no findings.

In December 2014, the firm of EMSI issued a report summarizing the results of a study documented in "Demonstrating the Economic Value of El Paso Community College" during fiscal year 2012/2013 and detailing the role that the college plays in promoting economic growth, enhancing students' careers, and improving quality of life. The main highlights of this study for the college are as follows:

- Due to El Paso Community College (EPCC) operations and capital spending, the local economy receives roughly \$155.5 million in annual regional income.
- EPCC activities encourage new business, assist existing business and create long-term economic growth. The college enhances worker skills and provides customized training to local business and industry. Past and present skills acquired by EPCC students increase regional income by \$860.6 million.
- Overall impact on the local business community is over \$1.0 billion or approximately 3.9% of the region's Gross Regional Product.
- Related to students earning potential, studies demonstrate that education increases lifetime earnings. The average annual income of a student with an Associate Degree at the midpoint of his or her career is \$35,400 or 36% more than someone with a high school diploma. Over the course of a working lifetime, associate's degree graduates in the college service area earn \$368,187 more than someone with a high school diploma. The present value of the higher future wages earned by EPCC students over their working careers is \$1.1 billion. As a result of their attending EPCC, students enjoy an attractive 14.3% annual rate of return on their EPCC educational investment.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

- EPCC students remaining in Texas and entering the workforce enhance the economic growth and expand the economic base. Higher student wages and increased business output contribute added present value income of \$5.7 billion.
- EPCC generates a return on public investment, as taxpayers will see a return of \$5.00 for every dollar appropriated by state and local governments to support the college, or an annual rate of return of 13.4% on their investment in EPCC.
- Most importantly, the state and local community will see \$111.2 million worth of social savings associated with improved health, reduced crime, and less welfare and unemployment claims as long as students stay in the workforce.

The above study demonstrates that El Paso Community College plays a critical role in its service area by stimulating the state and local economy, leveraging taxpayer dollars, generating a return on government investment, increasing students' earning potential and certainly contributing to a healthier and more prosperous society.

In summary, with an overall stable financial position, El Paso Community College has demonstrated its ability to generate consistent increases in net position through the efficient and effective use of its resources. The college will continue to monitor those resources to maintain its resiliency to react to changes from internal and external forces.

FINANCIAL STATEMENTS

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION
August 31, 2025 and 2024

EXHIBIT 1

	2025	2024
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	\$ 315,175,729	\$ 313,928,091
Restricted Cash and Cash Equivalents	12,482,012	11,176,971
Short term Investments	4,887,997	-
Accounts Receivable (net of allowance for doubtful accounts of \$19,997,961 in 2025 and \$18,562,072 in 2024)	19,495,801	16,889,427
Notes Receivable (net of allowance for doubtful accounts of \$6,549,820 in 2025 and \$6,087,142 in 2024)	2,095,848	2,678,495
Prepaid charges	22,956,175	24,551,738
Bond insurance cost	192,176	203,480
Other Assets	1,487,726	1,196,445
Total Current Assets	378,773,464	370,624,647
Noncurrent Assets:		
Long Term Investments	29,962,581	-
Accounts Receivable - Leases	171,330	445,574
Capital Assets, net (see Note 5)		
Not subject to depreciation	16,203,551	16,880,826
Subject to depreciation/amortization	224,232,694	222,336,683
Total Noncurrent Assets	270,570,156	239,663,083
TOTAL ASSETS	\$ 649,343,620	\$ 610,287,730
Deferred Outflows of Resources		
Pension	\$ 7,391,580	\$ 13,686,999
OPEB	7,256,286	5,476,033
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 14,647,866	\$ 19,163,032
LIABILITIES AND NET POSITION:		
LIABILITIES:		
Current Liabilities:		
Accounts Payable	\$ 5,736,801	\$ 5,301,113
Accrued Liabilities	3,849,832	4,226,541
Compensated Absences- Current Portion	3,892,074	3,826,599
Workers' Compensation Reserve - Current Portion	375,368	387,377
Lease Liability - Current Portion	109,919	90,162
Subscription Liability - Current Portion	2,317,802	989,036
Net Pension Liability - Current Portion	-	-
Net OPEB Liability - Current Portion	2,057,270	1,817,482
Funds Held for Others	1,186,987	1,123,339
Unearned revenue	46,234,127	47,550,929
Bonds Payable - Current Portion (including premium of \$557,335 in 2025 and \$557,357 in 2024)	4,757,335	4,627,357
Total Current Liabilities	70,517,515	69,939,935

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF NET POSITION (Continued)
August 31, 2025 and 2024

EXHIBIT 1

	2025	2024
LIABILITIES AND NET POSITION:		
LIABILITIES:		
Noncurrent Liabilities:		
Compensated Absences	\$ 3,255,122	\$ 3,281,613
Workers' Compensation Reserve	524,632	512,623
Lease Liability	155,182	185,699
Subscription Liability	3,349,822	1,145,265
Net Pension Liability	33,971,872	37,958,060
Net OPEB Liability	70,417,247	63,158,971
Bonds Payable (including premium of \$8,917,738 in 2025 and \$9,475,073 in 2024)	109,857,738	114,615,073
Total Noncurrent Liabilities	<u>221,531,615</u>	<u>220,857,304</u>
TOTAL LIABILITIES	<u>\$ 292,049,130</u>	<u>\$ 290,797,239</u>
Deferred Inflows of Resources		
Gain on bond refunding	\$ -	\$ 76,764
Leases	390,518	643,119
Pension	2,206,408	3,765,180
OPEB	19,793,634	28,215,966
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 22,390,560</u>	<u>\$ 32,701,029</u>
Net Position		
Net investment in capital assets	119,182,206	117,488,153
Restricted for:		
Nonexpendable:		
Student Aid	910,334	869,583
Student Success Endowment	34,636,574	33,184,811
Expendable:		
Student Aid	2,042,426	2,021,734
Loans	3,750,376	3,567,872
Renewals and Replacement	1,008,669	692,573
Unexpended Plant Fund	101,312,830	68,735,261
Debt Service	27,230,688	26,976,342
Unrestricted, restated	59,477,693	52,416,165
TOTAL NET POSITION (Schedule D)	<u>\$ 349,551,796</u>	<u>\$ 305,952,494</u>

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended August 31, 2025 and 2024

EXHIBIT 2

	2025	2024
REVENUES:		
Operating Revenue:		
Tuition and Fees (net of discounts of \$59,788,682 in 2025 and \$54,458,880 in 2024)	\$ 17,134,452	\$ 19,117,109
Federal Grants and Contracts	4,112,108	4,557,637
State Grants and Contracts	5,532,775	4,582,177
Non-Governmental Grants and Contracts	829,876	968,572
Auxiliary Enterprises	1,512,455	1,140,869
Other Operating Revenues	<u>2,461,374</u>	<u>2,146,157</u>
Total Operating Revenues (Schedule A)	<u>31,583,040</u>	<u>32,512,521</u>
EXPENSES:		
Operating Expenses:		
Instruction	66,215,354	63,810,421
Research	229,495	252,693
Public Service	4,379,319	4,607,877
Academic Support	24,148,309	22,930,567
Student Services	12,153,625	11,297,871
Institutional Support	29,825,480	27,800,135
Operation and Maintenance of Plant	13,442,405	13,437,394
Scholarships and Fellowships	31,084,370	25,589,141
Auxiliary Enterprises	2,924,839	2,577,056
Depreciation and Amortization	<u>11,055,500</u>	<u>10,414,120</u>
Total Operating Expenses (Schedule B)	<u>195,458,696</u>	<u>182,717,275</u>
Operating Loss	<u>(163,875,656)</u>	<u>(150,204,754)</u>
Non-Operating Revenues (Expenses):		
State Appropriations	60,825,128	52,476,641
Maintenance Ad-Valorem Taxes	75,514,521	72,724,384
Federal Revenue, Non Operating	58,133,801	50,110,137
Other State Revenue, Non Operating	523,457	674,481
Investment Income (net of investment expenses)	17,475,922	18,756,729
Interest on Capital Related Debt	<u>(4,997,871)</u>	<u>(5,081,897)</u>
Net Non-Operating Revenues (Schedule C)	<u>207,474,958</u>	<u>189,660,475</u>
Increase in Net Position (Schedule D)	43,599,302	39,455,721
Net Position, Beginning of Year, as restated	<u>305,952,494</u>	<u>266,496,773</u>
Net Position, End of Year, as restated	<u>\$ 349,551,796</u>	<u>\$ 305,952,494</u>

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
Years Ended August 31, 2025 and 2024

EXHIBIT 3

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 18,082,065	\$ 15,979,594
Receipts of grants and contracts	7,656,920	10,286,721
Receipts from collection of loans to students and employees	6,301,712	6,641,789
Other receipts	3,978,537	3,300,101
Payments to or on behalf of employees	(113,999,299)	(106,886,073)
Payments to suppliers for goods or services	(30,444,555)	(30,096,080)
Payments of scholarships	(31,084,370)	(25,589,141)
Payments of loans issued to students and employees	(5,719,065)	(6,614,206)
Net cash used in operating activities	<u>(145,228,055)</u>	<u>(132,977,295)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	49,812,167	44,083,075
Receipts from ad valorem taxes	75,074,070	72,229,633
Receipts from non operating federal revenue	58,133,801	50,110,137
Receipts from non operating state revenue	523,457	674,481
Receipts from student organizations and other agency transactions	572,450	476,593
Payments to student organizations and other agency transactions	(636,098)	(692,655)
Net cash provided by noncapital financing activities	<u>183,479,847</u>	<u>166,881,264</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(12,524,844)	(12,619,221)
Payments on capital debt, leases and subscriptions- principal	(678,232)	(5,287,061)
Payments on capital debt, leases and subscriptions - interest	(5,121,382)	(5,204,668)
Net cash used in capital and related financing activities	<u>(18,324,458)</u>	<u>(23,110,950)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	17,308,587	18,756,729
Purchase of investments	(34,683,242)	-
Net cash provided by (used in) investing activities	<u>(17,374,655)</u>	<u>18,756,729</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>2,552,679</u>	<u>29,549,748</u>
CASH AND CASH EQUIVALENTS, Beginning of year	<u>325,105,062</u>	<u>295,555,314</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 327,657,741</u>	<u>\$ 325,105,062</u>
Reconciliation of cash and cash equivalents to Exhibit 1:		
Cash and cash equivalents	\$ 315,175,729	\$ 313,928,091
Restricted cash and cash equivalents	12,482,012	11,176,971
	<u>\$ 327,657,741</u>	<u>\$ 325,105,062</u>

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF CASH FLOWS (Continued)
Years Ended August 31, 2025 and 2024

EXHIBIT 3

	<u>2025</u>	<u>2024</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (163,875,656)	\$ (150,204,754)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	11,055,500	10,414,120
Payments made directly by state for benefits	11,012,961	8,393,566
Bad debt expense	1,848,376	1,770,084
Change in assets and liabilities		
Receivables, net	(3,740,054)	(3,253,883)
Notes receivable, net	582,647	27,583
Prepaid charges	1,595,563	(3,261,408)
Other assets	(291,281)	(71,733)
Deferred outflows of resources - pension	6,295,419	(785,256)
Deferred outflows of resources - OPEB	(1,780,253)	6,789,361
Deferred outflows of resources - bond insurance cost	11,304	11,305
Accounts payable	435,688	(565,921)
Accrued expenses	(301,858)	159,416
Compensated absences	38,984	405,936
Unearned revenue	(1,316,802)	1,664,826
Net pension liability	(3,986,188)	4,852,795
Net OPEB liability	7,498,064	(5,639,643)
Deferred inflows from resources- pension	(1,558,772)	(1,551,038)
Deferred inflows from resources - OPEB	(8,422,332)	(2,261,676)
Deferred inflows from resources - gain on bond refunding	(76,764)	(76,764)
Deferred inflows of resources-leases	(252,601)	205,789
Net cash used in operating activities	<u>\$ (145,228,055)</u>	<u>\$ (132,977,295)</u>
SUPPLEMENTAL NON CASH INFORMATION:		
State on-behalf payments	<u>\$ 11,012,961</u>	<u>\$ 8,393,566</u>
Amortization of premium of bonds	<u>\$ 557,357</u>	<u>\$ 557,357</u>
Amortization of gain on bond refunding	<u>\$ 76,764</u>	<u>\$ 76,764</u>
Increase (decrease) in fair value of investments	<u>\$ 167,335</u>	<u>\$ -</u>

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

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

1. REPORTING ENTITY

El Paso County Community College District (the "College"), was established in 1969, in accordance with the laws of the State of Texas, to serve the educational needs of El Paso and the surrounding communities. The College is an unincorporated taxing entity governed by an elected seven-member board of trustees. The College is considered to be a special purpose, primary government according to U.S. Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). While the College receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This section provides a summary of the College's significant accounting activities and other topics related to the College's 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 Community Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants

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

Title IV Higher Education Act Program (HEA) Funds

Certain Title IV HEA Program funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as revenue. When the student is awarded and uses these funds for tuition and fees, the amount is recorded as a 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 amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The financial statements of the College have been presented using the economic resources measurement focus and 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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either canceled or appropriately provided for in the subsequent year's budget.

Budgetary Data

Each community college district 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.

The College pools most of its cash into one bank account. Pooled investments consist of cash in interest bearing accounts and repurchase agreements. The College considers cash equivalents to be all highly liquid deposits with original maturities of three months or less. The governing board has designated public funds investment pools comprised of \$325,511,795 and \$323,507,858 to be cash equivalents at August 31, 2025 and 2024, respectively.

Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statement of Net Position, unless they are considered to offset maturing debt and payables that have been set up as a current liability; in that case, they are presented as current assets in the Statement of Net Position.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools* and No. 79 *Certain External Investment Pools and Pool Participants* investments are reported at fair value or may elect to use an amortized cost which is a stable net asset value per share. 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. Long-term investments have an original maturity of greater than one year at the time of purchase. The College intends to hold these investments until maturity. The College had short-term investments of \$4,887,997 and \$0, at August 31, 2025 and 2024, respectively.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Authorized Investments

The Board of Trustees of the College has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Section 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. The College's investments are carried at fair value.

For the years ended August 31, 2025 and 2024, management of the College believes that they have substantially complied with the provisions of the Public Funds Investment Act and the College's investment policy.

Allowances for Doubtful Accounts and Loans

Allowances for doubtful accounts and loans are established through charges to current year expenditures. Receivables and loans are reduced by the allowances for doubtful accounts or loans when management believes that the collectability of the receivables or loans is unlikely.

Notes Receivable

Notes receivable are for amounts advanced to students to pay for tuition, fees, and books. The notes are all due within one year.

Capital Assets

Capital assets are stated at cost at date of acquisition. Donated capital assets are valued at their acquisition value on the date received. Right to use assets are initially measured at the initial amount of the related liability, which is based on the present value of payments expected to be received during the term of the applicable arrangement. The College's capitalization policy includes real or personal property with a unit cost of \$5,000 or more and has an estimated life of greater than one year. Beginning in fiscal year 2024, the capitalization policy for purchasing small dollar items with an aggregate value over the capitalization threshold changed per Implementation Guide 2021-1 question 5.1. The College's threshold for capitalizing aggregate purchases is \$50,000. Renovations to buildings, 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 assets or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

The College reports depreciation under a single-line item as a business-type unit. Land and construction in progress are not depreciated. 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	50 years
Land Improvements	20 years
Furniture, Equipment, and Vehicles	5-10 years
Library Books	15 years

Right to use leased equipment resulting from lease agreements are amortized over the shorter of the lease term or the useful life of the underlying asset.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Right to use subscription assets resulting from qualifying subscriptions-based information technology arrangements (SBITAs) are amortized over the shorter of the subscription term or the useful life of the underlying asset.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows or inflows of resources. These are separate financial statement elements. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows represent an acquisition of net assets that applies to future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred outflows and inflows in circumstances specifically authorized by the GASB. A typically deferred outflow of resources for the College is a deferred charge on pension and OPEB. The College reports deferred inflows related to bond refunding, leases, pension and OPEB.

Pension

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. Benefits payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

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. Benefits payments are recognized when due and are payable in accordance with the benefit terms. Investments are reported at fair value.

Prepaid Charges

Prepaid charges consist primarily of federal grants awarded in current year which are related to academic term in the next fiscal year, are recorded as prepaid charges and recognized as expenses when all obligations have been fulfilled.

Unearned Revenues

Unearned revenues consisting primarily of advance payments of tuition and fees, related to academic terms in the next fiscal year and grant funds received but not yet expended. They are recorded as unearned revenues and recognized as revenue in the period when earned.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

As of August 31, 2025, the College implemented GASB 101, *Compensated Absences*. The statement utilizes a principles-based approach to establish a unified recognition and measurement framework applicable to all types of leave.

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. "More likely than not" represents a likelihood of greater than 50 percent.

Based on the criteria above, two types of leave qualify for liability recognition for compensated absences.

Vacation - The College's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payments at the employee's current pay rate upon separation from employment.

Sick Leave- The College's policy permits employees to accumulate earned but unused sick leave. It is paid to an employee who misses work from illness or to the estate of an employee in the event of his/her death. The maximum sick leave that may be paid is 10% of an employee's accumulated hours at the time of separation of employment. Additionally, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. To calculate the estimated value of the sick leave, the College used the previous three years (historical information) as an average of the sick leave taken.

The compensated absence liability was measured using the employee's pay rate as the date of the financial statements.

	2025	2024
Current portion	\$ 3,892,074	\$ 3,826,599
Non current portion	3,255,122	3,281,613
Total compensated absences	<u>\$ 7,147,196</u>	<u>\$ 7,108,212</u>

Tax Exempt Status

The College is a political subdivision of the State of Texas and exempt from federal income taxes under the purview of Section 115(1), *Income of States, Municipalities, Etc.*, of the Internal Revenue Code ("IRC"), although unrelated business income may be subject to income taxes under Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*, of the IRC. The College has no unrelated business income tax liability for the years ended August 31, 2025 and 2024.

Student Property Deposits

Students are required to pay the College a \$10 property deposit. The amount is refundable upon request when the student graduates or leaves the College. Unclaimed amounts are recognized as revenue after four years. Effective September 1, 1993, state law requires unclaimed student property deposits are for scholarship use only.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds Held for Others

Funds held for others represent refundable student property deposits, direct loans, and funds held by the College for various campus and community organizations.

Property Taxes

Revenue from property taxes, including related penalties and interest, is recognized in the current year, net of allowances for taxes not collected. The College's ad valorem property tax is assessed each October 1 based upon the assessed value of the College as of January 1 of the same year for all real and business personal property located within the College's district. Taxes are due upon receipt of the tax bill and are delinquent if not paid by January 31 of the year following the year in which imposed. Tax liens on real property are executed generally within one month of receipt of notification of delinquency of tax payments.

The use of tax proceeds is restricted to maintenance and operations. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes.

Leases

Lessee: The College is a lessee for a noncancellable lease of equipment and use of land. The College recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The College recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Lessor: The College is a lessor related to third parties for use of land and a building. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The College monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA)

The College is under contracts for Subscription-Based Information Technology Arrangements (SBITA) for various educational and student support, financial, IT management and operational agreements. The agreements/contracts are noncallable, and the College recognizes a subscription liability and an intangible right-to-use subscription asset in the financial statements. The College recognizes subscription liabilities with an initial individual value of \$50,000 or more over the contract term.

At the commencement of the SBITA, the College initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription is reduced by the principal portion of the SBITA payments made. The SBITA asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over the useful life. Key estimates and judgments related to SBITAs include how the College determines (1) the discount rate used to discount the expected SBITA payments to present value, (2) SBITA term and (3) SBITA payments.

- The College uses the interest rate the SBITA vendor charges as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for SBITA. The College uses an estimated incremental borrowing rate published on the Texas Comptroller's website and available to state agencies for SBITAs.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subscription-Based Information Technology Arrangements (SBITA) (Continued)

- The SBITA term includes the noncancellable period of the SBITA, and payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the College is reasonably certain to exercise. There are no variable payments for the SBITA agreements. The College does not intend to purchase any of the software at the end of the SBITA terms.

The College monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA assets and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. SBITA assets are reported with other capital assets and the subscription liabilities are reported with long term debt on the statement of net position.

Net Position

Net position is classified based on the existence or absence of restrictions. Accordingly, net position of the College is classified and reported as follows:

Net Investment in Capital Assets

Net Investment in Capital Assets is used to accumulate the net investment in property and equipment. The purchase (sale) of property and equipment, accumulated depreciation, and (increase) decrease in related debt and liabilities is recognized as an (addition) reduction of available net position and is recorded as capital assets and as an addition (reduction) in net position.

Restricted Net Position

Restricted net position includes expendable and non-expendable net position. Non-expendable net position results from contributions whose use by the College is limited to the earnings thereon. Expendable net position is for amounts whose use is restricted by either granting agencies, debt requirements, or the Board of Trustees.

Unrestricted Net Position

Net position whose use is not restricted.

Operating and Non-Operating Revenues and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a business-type activity 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 (which includes Financial Aid for Swift transfer) property tax collections and federal Title IV and Title VIII grant programs. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The major nonoperating expense is interest expense on capital related debt. The operation of the Bookstore is not performed by the College.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

Financial instruments which potentially subject the College to a concentration of credit risk consist primarily of cash, investment pools, investments, and accounts and taxes receivable. The College places its cash and investments in federally insured financial institutions which collateralize the College's deposits.

Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense against restricted resources and then against unrestricted resources.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Characterization of Title IV Grant Revenue

In response to guidance provided by the Government Accounting Standards Board (GASB) as question/answer 7.72.10 in the Implementation Guide, revenue received for federal Title IV grant programs (i.e. Pell grants) is now characterized as non operating revenue as opposed to operating revenue.

Reclassifications

Certain amounts in the prior-year statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Subsequent Events

A significant subsequent event occurred since the year ending August 31, 2025 through the issuance date of this report, see footnote 24 for disclosure of the event.

Fiduciary Activities

Effective for fiscal year 2021, the College implemented GASB Statement No. 84, *Fiduciary Activities* and Implementation Guide 2019-2. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. It was concluded that the total fiduciary activities in the years ended August 31, 2024 and 2023 and the asset and liability balances at August 31, 2025 and 2024 are immaterial and the College has chosen not to present the fiduciary statements separately. The liability of \$352,010 and \$309,505, respectively, are presented in Funds Held for Others in the current liabilities section of Exhibit 1-Statement of Net Position.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements

Effective for fiscal year 2025, the College implemented the following new pronouncements:

GASB 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Prior year restatement

The net position of the years presented has been restated as follows for the implementation of GASB 101, *Compensated Absences*. The restatement is the result of the increase in accrued compensated absences by the estimated value of sick leave that is more likely than not will be used by the employees in the following year. As of August 31, 2023, the liability increased to \$2,046,226, reducing the ending net position by the same amount to reflect the cumulative effect of this change in accounting principle. As of August 31, 2024, the liability increased to \$2,274,116, a net effect of \$227,890 for fiscal year 2024.

	2024	2023
Net position, August 31, originally presented	\$ 308,226,610	\$ 268,542,999
Prior period adjustment GASB No. 101		
Increase in compensated absences - current portion	(3,343,189)	(2,898,457)
Decrease in compensated absences - non current portion	1,069,073	852,231
Net position, August 31, restated	\$ 305,952,494	\$ 266,496,773

GASB 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, GASB 102 requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

Risk Disclosure- State Appropriation

The College is significantly dependent on appropriations from the State of Texas, which represent approximately 29% of its annual operating revenues. The State's budget process is subject to economic conditions and legislative priorities that may change significantly from year to year. As of recent legislative changes, the State's funding for community colleges transitioned into a performance-based model. As a result, the State no longer provides a biennial appropriation, and funds colleges based on estimated performance outcomes from year to year, with adjustments for actual outcomes after year-end. If College outcomes or State funding rates change, and potentially appropriations are reduced or delayed, the College could experience a substantial impact on its ability to fund operations and maintain current service levels.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements (Continued)

Risk Disclosure- State Appropriation (Continued)

Management is actively monitoring legislative developments and has contingency plans, including expenditure reductions and alternative revenue strategies, to mitigate potential shortfalls.

3. DEPOSITS AND INVESTMENTS

The College is authorized to invest in obligations and instruments as defined in the Public Fund 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.

At August 31, 2025 and 2024, the carrying amount of the College's deposits was \$2,145,946 and \$1,597,204, respectively, and total cash on hand and bank balances equaled \$4,453,525 and \$3,613,282, respectively.

Cash and Cash Equivalents as reported on Exhibit 1, Statement of Net Position, consist of the items reported below:

	2025	2024
Cash and cash equivalents		
Bank deposits	\$ 2,126,646	\$ 1,577,904
Demand deposits	19,300	19,300
Texas DAILY	97,655,901	140,437,722
TexPool	166,877,069	183,070,136
TexPool Prime	60,978,825	-
Total Cash and Cash Equivalents	<u>\$ 327,657,741</u>	<u>\$ 325,105,062</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

3. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation of deposits and investments between Note 3 and Exhibit 1, Statement of Net Position on August 31, 2025 and 2024 is as follows:

Type of Security	Fair Value August 31, 2025	Fair Value August 31, 2024
Total cash and cash equivalents	\$ 327,657,741	\$ 325,105,062
U.S Treasury Notes		
Current	4,887,997	-
Non current	29,962,581	-
Total	\$ 362,508,319	\$ 325,105,062

<u>Per Statement of Net Position (Exhibit 1)</u>	2025	2024
Cash and Cash Equivalents	\$ 315,175,729	\$ 313,928,091
Restricted Cash and Cash Equivalents (current)	12,482,012	11,176,971
Short Term Investments	4,887,997	
Long Term Investments	29,962,581	-
Total	\$ 362,508,319	\$ 325,105,062

As of August 31, 2025, the College had the following investments and maturities:

Investment Type	Fair Value	Book Value				
		Less than 1 year	2-3 years	3-4 years	4-5 years	5+ years
US Treasury Notes	\$ 34,850,578	\$ 4,887,109	\$ 1,011,602	\$ 1,961,680	\$ 2,997,539	\$ 23,825,313

TexasDAILY, TexPool (the Pool), and TexPool Prime were established for local governments in Texas under the provisions of the Texas Interlocal Cooperation Act and is designed to comply with all of the Texas statutes, including the Public Funds Investment Act (PFIA) and other regulations for the allowable investments of public funds.

TexPool is overseen by the Texas State Comptroller of Public Accounts. PFM Asset Management LLC serves as the investment adviser and administrator for TexasDAILY. Both investment pools seek to maintain a \$1.00 net asset value per share, as required by the PFIA; however, the \$1.00 net asset value is not guaranteed. Accordingly, the fair value of the College's position in TexPool, TexPool Prime and TexasDAILY is the same value as the value of the shares. The College reports these investments as cash and cash equivalents.

TexasDAILY investments are a money market portfolio with daily liquidity that is rated AAmmf by Fitch Rating.

TexPool and TexPool Prime investments consist exclusively of U.S. Government securities, repurchase agreements collateralized by U.S. Government securities, and AAAm rated no load money market mutual funds.

United States Treasury notes are rated AA+.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

3. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with state law and the College's investment policy, the College purchases investments with maturities less than two years or invest bond proceeds for a period of time that coincides with the amount of time it takes to use bond proceeds or not purchase any investments with maturities greater than 10 years. Both TexasDAILY, TexPool and TexPool Prime try to minimize this risk by maintaining a weighted average maturity of sixty (60) days or less in their respective portfolio.

Credit Risk

In accordance with state law and the College's investment policy, investments in investment pools must be rated at least AAA or AAAm by at least one nationally recognized rating service; commercial paper must be rated at least A-1 or P-1; and investments in obligations from other states, municipalities, countries, etc., must be rated at least A as well.

Custodial Credit Risk

For a deposit or investment, custodial risk is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The College's policy requires deposits to be at least 100 percent secured by collateral valued at market value of the principal and accrued interest reduced by the amount of Federal Deposit Insurance Corporation insurance. As of August 31, 2025 and 2024, the College's \$2,145,946 and \$1,597,204 of bank deposits, respectively, had collateral of \$28,855,665 and \$14,148,442 of underlying securities which were held by the pledging financial institutions' trust departments or agent in the College's name.

Fair Value of Financial Instruments

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to their fair value measurement of the instrument.

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair market prices used for these market valuations are level 2 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

The fair value hierarchy of investments on August 31, 2025 and 2024, follows:

	2025				2024
	Level 1	Level 2	Level 3	Total	Total
US Treasury Notes	\$ -	\$ 34,850,578	\$ -	\$ 34,850,578	\$ -

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

4. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Student Receivables	\$ 26,797,528	\$ 26,030,491
Taxes Receivables	6,077,638	5,637,186
Federal Receivables	770,507	886,801
Agencies and Local Vendors Receivables	1,757,590	2,510,461
Lease Receivables	353,193	609,525
Contract and Grants Receivables	3,854,053	163,318
Other Receivables	54,583	59,291
Total	39,665,092	35,897,073
Less: Allowance for Doubtful Accounts	(19,997,961)	(18,562,072)
Total Receivables, Net	19,667,131	17,335,001
Less: Lease Receivable, long-term	(171,330)	(445,574)
Total Receivables, short-term	<u>\$ 19,495,801</u>	<u>\$ 16,889,427</u>

Student receivables are due within three months.

Payables at August 31, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Accounts Payable:		
Vendor Payable	\$ 5,520,180	\$ 5,092,673
Student Payable	216,621	208,440
Other Payable	-	-
Total Accounts Payable	<u>5,736,801</u>	<u>5,301,113</u>
Accrued Liabilities:		
Salaries and Benefits	1,678,062	1,984,328
Accrued Interest	2,061,770	2,097,213
Other	110,000	145,000
Total Accrued Liabilities	<u>3,849,832</u>	<u>4,226,541</u>
Total Payables	<u>\$ 9,586,633</u>	<u>\$ 9,527,654</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2025, was as follows:

	Balance September 1, 2024	Increases	Decreases	Balance August 31, 2025
<u>Not Depreciated:</u>				
Land	\$ 13,702,219	\$ -	\$ -	\$ 13,702,219
Construction in Process	<u>3,178,607</u>	<u>1,552,276</u>	<u>(2,229,551)</u>	<u>2,501,332</u>
	<u>16,880,826</u>	<u>1,552,276</u>	<u>(2,229,551)</u>	<u>16,203,551</u>
<u>Other Capital Assets:</u>				
Buildings	284,539,541	5,076,621	-	289,616,162
Land Improvements	<u>21,338,017</u>	<u>337,391</u>	<u>-</u>	<u>21,675,408</u>
Total Buildings and Other Real Estate Improvements	<u>305,877,558</u>	<u>5,414,012</u>	<u>-</u>	<u>311,291,570</u>
Furniture and Equipment	27,494,901	1,301,226	(879,187)	27,916,940
Library Books	6,427,327	253,441	(126,087)	6,554,681
Right to use leased equipment	452,585	86,189	-	538,774
Right to use subscriptions	<u>4,064,880</u>	<u>6,027,438</u>	<u>(1,021,093)</u>	<u>9,071,225</u>
Total Buildings and Other Capital Assets	<u>344,317,251</u>	<u>13,082,306</u>	<u>(2,026,367)</u>	<u>355,373,190</u>
<u>Accumulated Depreciation and Amortization:</u>				
Buildings	81,405,429	5,491,527	-	86,896,956
Land Improvements	<u>13,341,899</u>	<u>781,818</u>	<u>-</u>	<u>14,123,717</u>
Total Buildings and Other Real Estate Improvements	<u>94,747,328</u>	<u>6,273,345</u>	<u>-</u>	<u>101,020,673</u>
Furniture and Equipment	20,515,412	1,966,765	(875,004)	21,607,173
Library Books	4,575,267	273,123	(126,085)	4,722,305
Right to use leased equipment	186,097	97,696	-	283,793
Right to use subscriptions	<u>1,956,464</u>	<u>2,444,571</u>	<u>(894,483)</u>	<u>3,506,552</u>
Total Buildings and Other Capital Assets	<u>121,980,568</u>	<u>11,055,500</u>	<u>(1,895,572)</u>	<u>131,140,496</u>
Net Capital Assets	<u>\$ 239,217,509</u>	<u>\$ 3,579,082</u>	<u>\$ (2,360,346)</u>	<u>\$ 240,436,245</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

5. CAPITAL ASSETS (Continued)

Capital assets activity for the year ended August 31, 2024, was as follows:

	Balance September 1, 2023	Increases	Decreases	Balance August 31, 2024
<u>Not Depreciated:</u>				
Land	\$ 13,702,219	\$ -	\$ -	\$ 13,702,219
Construction in Process	<u>3,215,255</u>	<u>2,936,370</u>	<u>(2,973,018)</u>	<u>3,178,607</u>
	<u>16,917,474</u>	<u>2,936,370</u>	<u>(2,973,018)</u>	<u>16,880,826</u>
<u>Other Capital Assets:</u>				
Buildings	278,274,832	6,264,709	-	284,539,541
Land Improvements	<u>21,249,067</u>	<u>88,950</u>	<u>-</u>	<u>21,338,017</u>
Total Buildings and Other Real Estate Improvements	<u>299,523,899</u>	<u>6,353,659</u>	<u>-</u>	<u>305,877,558</u>
Furniture and Equipment	22,903,960	4,968,116	(377,175)	27,494,901
Library Books	6,329,823	234,391	(136,887)	6,427,327
Right to use leased equipment	445,876	6,709	-	452,585
Right to use subscriptions	<u>7,711,289</u>	<u>1,003,369</u>	<u>(4,649,778)</u>	<u>4,064,880</u>
Total Buildings and Other Capital Assets	<u>336,914,847</u>	<u>12,566,244</u>	<u>(5,163,840)</u>	<u>344,317,251</u>
<u>Accumulated Depreciation and Amortization:</u>				
Buildings	76,005,284	5,400,145	-	81,405,429
Land Improvements	<u>12,575,264</u>	<u>766,635</u>	<u>-</u>	<u>13,341,899</u>
Total Buildings and Other Real Estate Improvements	<u>88,580,548</u>	<u>6,166,780</u>	<u>-</u>	<u>94,747,328</u>
Furniture and Equipment	19,232,428	1,640,109	(357,125)	20,515,412
Library Books	4,431,109	281,045	(136,887)	4,575,267
Right to use leased equipment	93,117	92,980	-	186,097
Right to use subscription assets	<u>4,373,036</u>	<u>2,233,206</u>	<u>(4,649,778)</u>	<u>1,956,464</u>
Total Buildings and Other Capital Assets	<u>116,710,238</u>	<u>10,414,120</u>	<u>(5,143,790)</u>	<u>121,980,568</u>
Net Capital Assets	<u>\$ 237,122,083</u>	<u>\$ 5,088,494</u>	<u>\$ (2,993,068)</u>	<u>\$ 239,217,509</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025**

6. BONDS PAYABLE

General information related to bonds payable is summarized below:

Bond Issue Name	Series	Purpose	Issue Date	Source of Revenue for Debt Service	Amount Authorized	Amount Outstanding
Revenue	2016	Construction, Improvement, Maintenance, and Acquisition of Property, Building, and Equipment	10/16	General Use Fee, Tuition and Interest Income	\$ 105,140,000	\$ 105,140,000
Revenue	2017	Refunding of 2001 and 2007 bonds	01/17	General Use Fee, Tuition and Interest Income	30,315,000	-
Total Bonds Principal Outstanding						<u>\$ 105,140,000</u>

Bonds payable are due in annual installments varying from \$4,200,000 to \$8,755,000 with interest rates from 4.00% to 5.25% with the final installment due in 2042. Interest expense related to bonds recorded during fiscal year 2025 and 2024 was approximately \$4,997,871 and \$5,081,897, respectively. Bond premium amortization for fiscal year 2025 and 2024 was \$557,335 and \$557,357, respectively. The principal for all bonds is paid annually on April 1 with semi-annual interest payable on April 1 and October 1.

Repayment of the revenue bond indebtedness is collateralized by a first lien on a pledge of certain tuition and fees described below. The bond indentures for all outstanding Revenue Bonds require that the College deposit into an interest and sinking fund the following: 1) Tuition Fee pledged at the maximum amount permitted by Section 130.123 of the Texas Education Code, as amended. Section 130.123 currently limits the maximum pledge to an amount equal to 25% of all tuition collections; 2) the General Use fee of \$20 per semester credit hour from all nonexempt students for each semester and summer term; and 3) investment income derived from any and all funds. Such pledged tuition and fees amounted to \$35,385,835 and \$36,019,447 for the years ended August 31, 2025 and 2024, respectively. The pledged amount equates to 43.5% and 45.0% of the above revenue stream, respectively. Compared to the minimum required pledge-to-debt service coverage ratio of 1.25, the actual coverage ratio was 3.87 and 3.96, respectively. The College has complied with all significant bond covenants for the years ended August 31, 2025 and 2024.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

6. BONDS PAYABLE (Continued)

Revenue Bonds Series 2016- Events of default and acceleration clause

The resolution of the College's outstanding Revenue bond of \$105,140,000 does not provide for specific events of default. If the District defaults in the payment of principal, interest or redemption price, as applicable, on the Bonds when due, or if it fails to make payments into any fund or funds created in the Resolution, or defaults in the observation and performance of any other covenants, conditions or obligations set forth in the Resolution, the registered owners may seek a writ of mandamus to compel District officials to carry out their legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or the Resolution and the District's obligations are not uncertain or disputed.

The resolution provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, such Bonds, plus interest thereon to the due date thereof (whether such due date by reason of maturity, redemption or otherwise), is provided by irrevocable depositing with the paying agent/registrar, or other authorized escrow agent, in trust 1) money sufficient to make such payment or 2) government securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds.

The bonds contain a redemption option to redeem bonds having stated maturities on and after April 1, 2027, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 1, 2026, or any date thereafter, at par value thereof plus accrued interest to the date of redemption. The bond has no acceleration clause.

Defeased Bonds

The escrow account holds funds for bonds that have been defeased. The escrow account funds (assets) and the defeased bonds (liabilities) are not reported in the College's financial statements because those obligations have been satisfied in substance. At August 31, 2025, \$2,235,000 of the Series 1991, \$1,750,000 of the Series 1993, \$5,345,000 of the Series 1994, \$1,355,000 of the Series 1995, \$4,725,000 of the Series 1996, \$3,015,000 of the Series 1997, \$8,130,000 of the Series 2001, \$340,000 of Series 2001, \$39,115,000 of Series 2007 and \$30,315,000 of Series 2017 bonds were considered defeased, respectively.

Current Refunding Bonds

On January 4, 2017, the College issued \$30,315,000 of Revenue Bonds with an average interest rate of 2.09% to refund \$340,000 of Series 2001 and \$39,115,000 of Series 2007 bonds with an average interest rate of 5.00%. Net proceeds from the Series 2017 Refunding were \$30,120,037 after payment of \$190,000 in underwriting fees, and other issuance cost. The College also made cash contribution of \$10,281,989 to issue the Series 2017 Current Refunding. These proceeds from the Series 2017 Refunding Bonds and College's contribution were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments of the Current Refunding. The Series 2001 and 2007 bonds are considered fully defeased and the liability for those bonds have been removed from the Investment in Plant Fund Group. Although the current refunding resulted in the recognition of an accounting gain of \$690,876 for the year ended August 31, 2017, the College in effect reduced its aggregate debt service payments over the next nine years by approximately \$6,145,085 and obtained an economic gain (difference between the present value of the old and new debt service payments) of approximately \$4,644,137. As of August 31, 2025, the Series 2017 Refunding Bonds were considered defeased having an outstanding balance of \$0.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025**

6. BONDS PAYABLE (Continued)

Refunding Bonds- Events of default and acceleration clause

The College's outstanding bonds from direct placements of \$19,525,000 contains a provision that in case of default, the lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof. The outstanding amounts become immediately due and the lenders continues to have the right of interest payments until the debt is paid in full and the cost of insurance. The bond does not allow for prepayment of principal nor does it have an acceleration clause.

7. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2025, was as follows:

	Balance September 1, 2024	Additions	Reductions	Balance August 31, 2025	Current Portion
Noncurrent liabilities					
Note payable	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue bonds	105,140,000	-	-	105,140,000	4,200,000
Revenue bonds premium	10,032,430	-	557,357	9,475,073	557,335
Revenue bond- direct placement	4,070,000	-	4,070,000	-	-
Lease Liabilities	275,861	86,189	96,949	265,101	109,919
Subscription Liabilities	2,134,301	6,027,438	2,494,115	5,667,624	2,317,802
Compensated Absences *	7,108,212	38,984	-	7,147,196	3,892,074
Workers' Compensation Reserve	900,000	67,018	67,018	900,000	375,368
Net Pension Liability	37,958,060	-	3,986,188	33,971,872	-
Net OPEB Liability	<u>64,976,453</u>	<u>7,498,064</u>	<u>-</u>	<u>72,474,517</u>	<u>2,057,270</u>
Total noncurrent liabilities	<u>\$ 232,595,317</u>	<u>\$ 13,717,693</u>	<u>\$ 11,271,627</u>	<u>\$ 235,041,383</u>	<u>\$ 13,509,768</u>

*The change in compensated absences above is the net change in the year.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025**

7. NONCURRENT LIABILITIES (Continued)

Noncurrent liability activity for the year ended August 31, 2024, was as follows:

	Balance September 1, 2023	Additions	Reductions	Balance August 31, 2024	Current Portion
Noncurrent liabilities					
Note payable	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue bonds	105,140,000	-	-	105,140,000	-
Revenue bonds premium	10,589,787	-	557,357	10,032,430	557,335
Revenue bonds- direct placement	8,055,000	-	3,985,000	4,070,000	4,070,000
Lease Liabilities	358,062	-	82,201	275,861	90,162
Subscription Liability	3,354,161	998,805	2,218,665	2,134,301	989,036
Compensated Absences *	6,702,275	405,937	-	7,108,212	3,826,599
Workers' Compensation Reserve	900,000	58,938	58,938	900,000	387,377
Net Pension Liability	33,105,265	4,852,795	-	37,958,060	-
Net OPEB Liability	70,616,096	-	5,639,643	64,976,453	1,817,482
Total noncurrent liabilities	\$ 238,820,646	\$ 6,316,475	\$ 12,541,804	\$ 232,595,317	\$ 11,737,991

*The change in compensated absences above is the net change in the year.

Line of Credit

The College has no unused lines of credit as of August 31, 2025 and 2024.

8. DEBT AND LEASE OBLIGATIONS

Debt obligations, consisting of revenue bonds, have minimum future requirements at August 31, 2025, were as follows:

Year Ended August 31,	Revenue Bonds		Revenue Bonds-Direct Placement	
	Principal	Interest	Principal	Interest
2026	\$ 4,200,000	\$ 4,948,250	\$ -	\$ -
2027	4,425,000	4,727,750	-	-
2028	4,655,000	4,495,438	-	-
2029	4,900,000	4,251,050	-	-
2030	5,155,000	3,993,800	-	-
2031-2035	28,955,000	16,802,375	-	-
2036-2040	35,890,000	9,555,625	-	-
2041-2042	16,960,000	1,197,400	-	-
Total	\$ 105,140,000	\$ 49,971,688	\$ -	\$ -

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

9. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

Lease Receivable

The College leases to third parties the use of our land and a building. The lease terms range from two years to five years, and the College receives annual payments of \$101,688 and monthly payments of \$12,600 related to these lease agreements. The College recognized \$256,332 and \$269,238 in lease revenue and \$22,105 and \$46,129 in interest revenue during the years ended August 31, 2025 and 2024, respectively, related to these leases. As of August 31, 2025 and 2024, the College's receivable for lease payments was \$353,193 and \$609,525, respectively. Also, the College has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of August 31, 2025 and 2024, the balance of the deferred inflow of resources was \$390,518 and \$643,119, respectively. The present value of the future principal and interest lease payments as of August 31, 2025, were as follows:

Year Ended August 31,	Principal	Interest	Total
2026	\$ 171,330	\$ 5,292	\$ 176,622
2027	98,767	5,190	103,957
2028	83,096	876	83,972
Total	<u>\$ 353,193</u>	<u>\$ 11,358</u>	<u>\$ 364,551</u>

Lease Liabilities

The College is currently entered into lease agreements as lessee for the use of copiers and equipment. As of August 31, 2025 and 2024, the value of the lease liability for these leases was \$265,101 and \$275,861, respectively. The College is required to make monthly principal and interest payments of \$9,911 and \$8,319 related to these lease agreements during the years ending August 31, 2025 and 2024, respectively. The leases have interest rates between 3.75% and 4.25%. The College does not intend to purchase the assets at the end of the lease term. The value of the right-to-use assets as of August 31, 2025 and 2024 was \$538,774 and \$452,585 and had accumulated amortization of \$286,793 and \$186,097, respectively.

Obligations under leases on August 31, 2025, were as follows:

Description	Term		Interest Rate	Lease Liability		Lease Asset	
	Start Date	End Date		Original Amount	Outstanding Liability	Value of Lease Asset	Accumulated Amortization
Equipment	11/2021	10/2026	3.75%	\$ 171,121	\$ 42,707	\$ 171,121	\$ 131,192
Copiers 15	02/2023	01/2028	4.25%	164,359	83,501	164,359	84,909
Copiers 16	02/2023	01/2028	4.25%	117,105	59,490	117,105	60,512
Copier 17	04/2025	03/2030	4.25%	86,189	79,403	86,189	7,180
				<u>\$ 538,774</u>	<u>\$ 265,101</u>	<u>\$ 538,774</u>	<u>\$ 283,793</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

9. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)
(Continued)

Lease Liability (Continued)

The present value of the future principal and interest lease payments as of August 31, 2025, were as follows:

Year Ended August 31,	Principal	Interest	Total
2026	\$ 109,919	\$ 9,011	\$ 118,930
2027	82,827	4,879	87,706
2028	43,164	1,918	45,082
2029	18,209	888	19,097
2030	10,982	157	11,139
Total	\$ 265,101	\$ 16,853	\$ 281,954

Subscription Liabilities

The College adopted GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA) during fiscal year 2025 for current licensing agreements. The College has a total of 18 subscription-based information technology arrangements (SBITA): seven for educational and student support software, six for IT management software, and five for operational management software. Obligations under subscriptions on August 31, 2025, were as follows:

Description	Term		Interest Rate	Subscription Liability		Subscription Asset	
	Start Date	End Date		Original Amount	Outstanding Liability	Value of Subscription Asset	Accumulated Amortization
Education and Student Support	01/2022	08/2029	0.82%-4.46%	\$ 4,379,535	\$ 2,569,229	\$ 4,379,535	\$ 1,868,880
IT Management	09/2021	08/2030	0.43%-4.83%	2,516,133	1,448,450	2,516,133	1,084,795
Operational	09/2024	08/2029	3.86%-4.63%	2,175,557	1,649,945	2,175,557	552,877
				\$ 9,071,225	\$ 5,667,624	\$ 9,071,225	\$ 3,506,552

There are no variable payments for the SBITA agreements. The College uses an estimated incremental borrowing rate published on the Texas Comptroller's website and available to state agencies for SBITAs. In addition, the College does not intend to purchase the software at the end of the SBITA terms. The estimated useful life of SBITAs ranges from 2-5 years.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

9. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)
(Continued)

The future principal and interest SBITA payments as of August 31, 2025, were as follows:

<u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,317,802	\$ 196,229	\$ 2,514,031
2027	1,528,417	113,024	1,641,441
2028	910,798	59,766	970,564
2029	811,864	23,360	835,224
2030	98,743	2,219	100,962
Total	<u>\$ 5,667,624</u>	<u>\$ 394,598</u>	<u>\$ 6,062,222</u>

10. EMPLOYEES' RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_archive_acfr.aspx (Select About TRS, then Publications then Financial Reports); by writing to TRS at attention Finance Division, P.O. Box 149679, Austin, TX 78714-0185 or by calling 1-800-223-8778.

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 percent (multiplier) times the average of five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formula used 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 services 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 60 or 62 depending on the 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 adjustment (COLAs).

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided (Continued)

Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

According, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA. One-time stipend, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirements on or before August 31, 2023. A one-time \$7,500 stipend was paid to eligible annuitants who are 75 years of age or older. A one-time \$2,400 stipend was paid to eligible annuitants age 70 to 74. A COLA was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Contributions (Continued)

	<u>Contribution Rates</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
Member	8.00%	8.25%	8.25%
Non-Employer Contributing Entity (State)	4.00%	4.125%	4.125%
Employers	4.00%	4.125%	4.125%
2023 Member Contributions			\$ 5,295,712
2023 Employer Contributions			\$ 2,842,029
2023 State of Texas - On behalf Contributions (State)			\$ 2,469,849
2024 Member Contributions			\$ 5,875,732
2024 Employer Contributions			\$ 3,149,866
2024 State of Texas - On behalf Contributions (State)			\$ 2,969,505
2025 Member Contributions			\$ 6,333,471
2025 Employer Contributions			\$ 3,392,994
2025 State of Texas - On behalf Contributions (State)			\$ 2,976,726

The College's contributions to the TRS pension plan in 2025 and 2024 were \$3,392,994 and \$3,149,866, respectively, as reported in the Schedule of College's Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2025 and 2024 were \$2,976,726 and \$2,969,505, respectively.

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.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) 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, 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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions

The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate	3.87%
Last year ending August 31	
Projected period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Payroll Growth Rate	3.00%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions 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, 2023.

Discount Rate

The single discount rate used to measure the total pension liability was 7.00%. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine the 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 9.54% of payroll in fiscal year 2025 and thereafter. 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 benefits payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***	Expected Contributions to Long-Term Portfolio Returns
<u>Global Equity</u>			
U.S.	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity	14.00%	6.70%	1.20%
<u>Stable Value</u>			
Government Bonds	16.00%	1.90%	0.40%
Absolute Return	0.00%	4.00%	0.00%
Stable Value Hedge Funds	5.00%	3.00%	0.20%
<u>Real Return</u>			
Real Assets	15.00%	6.60%	1.20%
Energy and Natural Resources and infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
<u>Risk Parity</u>			
Risk Parity	8.00%	4.00%	0.40%
<u>Leverage</u>			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation			2.40%
Volatility Drag ****			-0.70%
Expected Return	100.00%		7.90%

* Absolute return includes Credit Sensitive Investments.

** Target allocations are based on the FY24 Policy Model.

*** Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

Source: Teacher Retirement System of Texas 2024 Annual Comprehensive Financial Report.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

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 in measuring the 2024 and 2023 Net Pension Liability. The discount rate used in measuring for 2024 and 2023 was 7.00%.

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
El Paso County Community College District's proportionate share of the net pension liability			
2024	\$ 54,261,687	\$ 33,971,872	\$ 17,160,317
2023	\$ 56,749,402	\$ 37,958,060	\$ 22,333,049

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

At August 31, 2025 and 2024, the College reported a liability of \$33,971,872 and \$37,958,060, respectively, for its proportionate share of the TRS's net pension liability. The liability reflects a reduction for State pension support provided to the College. The amount recognized by the 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:

	2025	2024
El Paso County Community College District's proportionate share of the collective net pension liability	\$ 33,971,872	\$ 37,958,060
State's proportionate share that is associated with College	28,774,258	31,984,802
Total	\$ 62,746,130	\$ 69,942,862

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the 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, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the employer's proportion of the collective net pension liability was 54.14%, which was a decrease of 0.13% from its proportion measured as of August 31, 2023.

Changes Since the Prior Actuarial Valuation

- There were no changes in assumptions since the prior measurement date.

The 2023 Texas Legislature passed Senate Bill 10 (SB10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early 2024. Due to this timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB10 and House Joint Resolution 2 (HJR2) of the 88th Regular Legislative Session appropriated payment of \$1.645 billion for a one-time stipends and \$3.355 billion for COLAs.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

DEFINED BENEFIT PENSION PLAN (Continued)

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

This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds this on-time stipend and COLA, there was no impact on the Net Pension Liability or TRS.

For the years ended August 31, 2025 and 2024, the College recognized pension expense of \$3,439,005 and \$2,393,488 and revenue of \$3,439,005 and \$2,393,488 for support provided by the State, respectively.

At August 31, 2025, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,872,483	\$ 265,236
Changes in actuarial assumptions	1,754,040	235,157
Net differences between projected and actual investment earnings	206,503	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	165,560	1,706,015
Contributions paid to TRS subsequent to the measurement date	<u>3,392,994</u>	<u>-</u>
Total	<u>\$ 7,391,580</u>	<u>\$ 2,206,408</u>

The College recognized \$3,392,994, as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025.

At August 31, 2024, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,352,459	\$ 459,631
Changes in actuarial assumptions	3,590,089	878,577
Net differences between projected and actual investment earnings	5,523,819	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	70,766	2,426,972
Contributions paid to TRS subsequent to the measurement date	<u>3,149,866</u>	<u>-</u>
Total	<u>\$ 13,686,999</u>	<u>\$ 3,765,180</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

10. EMPLOYEES' RETIREMENT PLANS (Continued)

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

Year ended August 31,	Pension Expense Amount
2026	\$ (541,987)
2027	2,963,222
2028	101,337
2029	(866,002)
2030	135,608
Total	<u>\$ 1,792,178</u>

Plan Description. The State of Texas has also established a defined contribution plan, the Optional Retirement Program, for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The Optional Retirement Program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution Articles, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contributions requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participants' salaries currently contributed by the State and each participant are 6.60% and 6.65%, respectively. The College makes the 100% required contribution which represents the employer's contribution. Benefits fully vest after one year plus one day of employment. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program. Currently the College contributes up to 1.90% of each participant's salary to the Optional Retirement Program under provisions of State law. Senate Bill (S.B.) 1812, 83rd Texas Legislature, Regular Session, effective 1, 2013, limits the amount of the state contribution to 50% of eligible employees in the reporting district. The retirement expense to the College totaled \$96,818, \$97,378 and \$101,934, 2025, 2024, and 2023, respectively.

The retirement expense to the State for the College totaled \$3,284,457, \$3,277,521 and \$2,767,822, for the fiscal years ended August 31, 2025, 2024 and 2023, respectively. This amount represents the portion of expended appropriations made by the state legislature on behalf of the College which is recorded as revenue and expense in the restricted fund. The total payroll for all College employees was \$98,776,325, \$92,740,760 and \$90,275,961 for fiscal years 2025, 2024 and 2023, respectively. The total payroll of employees covered by the Teacher Retirement System was \$76,769,322, \$71,220,670 and \$66,196,801 and the total payroll of employees covered by the Optional Retirement System was \$9,638,372, \$9,551,188 and \$10,069,409 for fiscal years 2025, 2024 and 2023, respectively.

Tax Sheltered Annuity Plan for Part Time Employees

Plan Description. The College has established a tax sheltered annuity plan for part time employees. An eligible employee is a part time employee who is not eligible for participation in the Teacher Retirement System of Texas or any other public or private retirement system within the meaning of section 3121(b)(7)(F) of the Internal Revenue Code. The Tax Sheltered Annuity Plan provides for the purchase of annuity contracts. These annuity contracts are administered by Metropolitan Life Insurance for the participants. Certificates are issued to the participants evidencing their annuity contracts. A participant is 100% vested in the accumulated value of his annuity contract at all times.

Funding Policy. A participant can elect to make salary reduction contributions equal to a percentage of 3.75% of his monthly compensation. The College makes contribution equal to 3.115% of participant's monthly compensation. Since these are individual annuity contracts, the College has no additional or unfunded liability for this program. The retirement expense to the College totaled \$8,471, \$6,823 and \$7,087 for 2025, 2024 and 2023, respectively. Total payroll of employees covered by the Tax Sheltered Annuity Plan for Part Time Employees was \$225,892, \$181,952 and \$189,999 for fiscal years 2025, 2024 and 2023, respectively.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

11. DEFERRED COMPENSATION PROGRAM

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. As of August 31, 2025 and 2024, the College had 253 and 273 employees participating in the program. A total of \$1,225,738 and \$1,313,139 in contributions were invested in the plan during the fiscal years ending August 31, 2025 and 2024, respectively. The program is an individual plan owned and maintained individually by each employee of which all participating employees are fully vested.

12. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 1990, the College established a Workers' compensation claim program to account for and finance its uninsured risks of loss related to employee injuries. Under this program, the College retains all risk of loss. The College purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The claims liability of \$900,000 reported at August 31, 2025 and 2024, is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The liability is reported with accrued liabilities on the Statement of Net Position. The liability is subject to change based on actual claim development. Estimated future payments for incurred claims are charged to current funds expenditures. Changes in the College's claims liability amount in fiscal 2025 and 2024 were:

	Beginning-of- fiscal-Year Liability	Current-year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2023-2024	\$ 900,000	\$ 58,938	\$ (58,938)	\$ 900,000
2024-2025	\$ 900,000	\$ 67,018	\$ (67,018)	\$ 900,000

13. COMPENSATED ABSENCES

Annual Leave

Full-time employees earn annual leave from 1 to 1.67 days per month depending on the number of years employed with the College and the employee's classification. The College's policy is that an employee may carry his/her accrued leave forward from one fiscal year to another fiscal year with a maximum number of days up to 40 for those employees who accrue 20 days leave per year. Employees with at least six months of service who terminate their employment are entitled to payment for all accumulated unused annual leave up to the maximum allowed. The College recognized an accrual for compensated absences of approximately \$3,772,040 and \$3,614,573 (restated) for the unpaid annual leave at August 31, 2025 and 2024, respectively.

Sick Leave

The Board of Trustees has adopted a policy providing that ten percent (10%) of accrued unused sick leave (not to exceed 960 hours) shall be paid to an employee who has at least five years of continuous eligible full-time service, upon separation from employment for any reason other than by death. Additionally, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. At August 31, 2025 and 2024, the estimated liability under this policy was approximately \$3,375,156 and \$3,493,639 (restated), respectively, which is accrued. As of August 31, 2024, the College implemented GASB 101, Compensated Absences, utilizing a principles-based approach to establish a unified recognition and measurement framework applicable to all types of leave.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

13. COMPENSATED ABSENCES (Continued)

Accrued compensated absences balances as of August 31, 2025 and 2024:

	2025	2024
Current		
Vacation	\$ 2,204,368	\$ 2,152,878
Sick	<u>1,687,706</u>	<u>1,673,721</u>
	<u>3,892,074</u>	<u>3,826,599</u>
Non current		
Vacation	1,567,672	1,461,695
Sick	<u>1,687,450</u>	<u>1,819,918</u>
	<u>3,255,122</u>	<u>3,281,613</u>
Total	<u>\$ 7,147,196</u>	<u>\$ 7,108,212</u>

14. HEALTH CARE AND LIFE INSURANCE BENEFITS

Certain health care and life insurance benefits for active employees are provided through an insurance 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. For the 2016-2017 biennium, the State changed the methodology of benefit funding for community colleges in the State. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limited the State's portion to 50% of the total contribution made on behalf of both active and retired employees.

State Insurance Contributions per full-time employee

	2025 State/Employer Contribution	2025 Annualized Contribution
<u>Health Select of Texas Plan *</u>		
Member Only	\$ 624.82	\$ 7,497.84
Member & Spouse	982.82	11,793.84
Member & Child(ren)	864.52	10,374.24
Member & Family	1,222.52	14,670.24
	2024 State/Employer Contribution	2024 Annualized Contribution
<u>Health Select of Texas Plan *</u>		
Member Only	\$ 624.82	\$ 7,497.84
Member & Spouse	982.82	11,793.84
Member & Child(ren)	864.52	10,374.24
Member & Family	1,222.52	14,670.24

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

14. HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

<u>Health Select of Texas Plan *</u>	<u>2023 State/Employer Contribution</u>	<u>2023 Annualized Contribution</u>
Member Only	\$ 622.60	\$ 7,471.20
Member & Spouse	980.60	11,767.20
Member & Child(ren)	862.30	10,347.20
Member & Family	1,220.30	14,643.60

*Includes premium for Basic Term Life Insurance

<u>Cost of Providing Health Care Insurance</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Number of Retirees	568	545	540
Cost of Health Benefits for Retirees	\$ 4,777,264	\$ 4,637,408	\$ 4,544,108
Number of Active Full Time Employees	1,223	1,185	1,160
Health Benefits for Active Full Time Employees	\$ 11,330,978	\$ 11,189,526	\$ 11,072,639
Health State Appropriation Insurance - Retirees	\$ 2,221,172	\$ 2,101,120	\$ 2,275,513
Health State Appropriation Insurance - Active	\$ 4,782,560	\$ 4,902,612	\$ 4,835,464
Net Cost to District	\$ 9,104,510	\$ 8,823,202	\$ 8,505,771

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The College participates in a cost sharing, multiple-employer defined benefit, other postemployment 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 to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefits and contributions 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 GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report 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-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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 10 year 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 contributions 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 benefits 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 contributions. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2025

Retiree only	\$	624.82
Retiree and Spouse		982.82
Retiree and Children		864.52
Retiree and Family		1,222.52

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2024

Retiree only	\$	624.82
Retiree and Spouse		982.82
Retiree and Children		864.52
Retiree and Family		1,222.52

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Contributions (Continued)

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2023

Retiree only	\$	622.60
Retiree and Spouse		980.60
Retiree and Children		862.30
Retiree and Family		1,220.30

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

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2024 and 2023

	2024	2023
Employers	\$ 1,930,894	\$ 1,689,750
Members (Employees)	463,176	442,503
Nonemployer Contributing Entity (State of Texas)	1,930,894	1,689,750

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS

AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumption :

Valuation Date	August 31, 2024
Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 Years
Asset Valuation Method	Not Applicable
Actuarial Assumption Discount Rate	3.87%
Salary Increases	2.30% to 8.95%, including inflation
Annual Healthcare Trend Rate	
HealthSelect	for FY28, 5.00% for FY29, 4.75% for FY30 decreasing 10 basis points per year to an ultimate rate of 4.50% for FY 2033 and
HealthSelect Medicare Advantage	36% for FY26, 8.00% for FY27, 5.25% for FY28, 5.00% for FY29 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY33 and later years
Inflation Assumption Rate	2.30%
Ad hoc Postemployment Benefit Changes	None
Mortality assumptions:	
Service Retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale from Base Year 2021
Disability Retirees	Tables based on TRS experience with Ultimate MP-2021 Projection scale from Year 2021 using a 3 year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct Pub-2010 Amount - Weighted Below-Median Income Teacher Mortality with 2- year set forward for males with Ultimate MP-2021 Projection Scale from year 2010

Source: ERS 2024 Annual Comprehensive Financial Report.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Actuarial Assumptions (Continued)

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period (ex. September 1, 2010 to August 31, 2017) for higher education members.

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2022 to require that all funds in the plan be invested in short-term fixed income securities.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.81%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.87%, which amounted to an increase of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligations 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 benefits 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.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's 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 was used (3.87% for 2024 and 3.81% for 2023) in measuring the net OPEB liability.

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
El Paso County Community College District's proportionate share of the net OPEB liability			
2024	\$ 84,324,518	\$ 72,474,517	\$ 62,964,759
2023	\$ 75,395,841	\$ 64,976,453	\$ 56,595,875

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:

- The percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan 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 be married and electing coverage for their spouse.
- 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.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes Since the Prior Actuarial Valuation (Continued)

- Demographic assumptions, including the mortality projection scale for all State Agency members; base mortality for Judges; assumed rates of retirement for certain members who are Regular Class, Elected Class or Certified Peace Officers/Custodial Officers (CPO/CO); assumed rates of termination for certain members who are Regular Class, Judges or Certified Peace Officers/Custodial Officers (CPO/CO); and assumed rates of disability for all State Agency members.
- 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 effect on our short-term expectations.
- The Patient-Center Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increase in the fee has been updated to reflect recent available information.
- The discount rate was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Change of Benefits Terms Since Prior Measurement Date

The following benefit revisions have been adopted since the prior valuation:

- Minor changes have been adopted. The changes which are not expected to have a significant impact on plan costs for Fiscal Year 2025, are provided for in the Fiscal Year 2025 Assumed Per Capita Health Benefit Costs. There are no benefit changes for Health Select retirees and dependents for whom Medicare is Primary.

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.60% and ultimate rate is 4.3%. The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.60% decreasing to 4.3%) in measuring the net OPEB liability.

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
El Paso County Community College District's proportionate share of the net OPEB liability			
2024	\$ 62,186,780	\$ 72,474,517	\$ 85,588,609
2023	\$ 55,888,782	\$ 64,976,453	\$ 76,517,845

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At August 31, 2025 and 2024, the College reported a liability of \$72,474,517 and \$64,976,453, respectively, 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 were as follows:

	2025	2024
El Paso County Community College District's proportionate share of the collective net OPEB liability	\$ 72,474,517	\$ 64,976,453
State's proportionate share that is associated with College	67,303,240	63,707,782
Total	<u>\$ 139,777,757</u>	<u>\$ 128,684,235</u>

The net OPEB liability was measured as of August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of the date. The employer'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, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the employer's proportion of the collective net OPEB liability was 51.83%, which is an increase of 1.34% from its proportion measured as of August 31, 2023.

For the years ended August 31, 2025 and 2024, the College recognized OPEB expense of \$1,930,894 and \$1,689,750 and revenue of \$1,930,894 and \$1,689,750, respectively, for support provided by the State.

At August 31, 2025, 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 economic experience	\$ -	\$ 1,195,745
Changes in actuarial assumptions	3,967,946	14,437,473
Net differences between projected and actual investment earnings	-	2,770
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,357,446	4,157,646
Contributions paid to ERS subsequent to the measurement date	<u>1,930,894</u>	<u>-</u>
Total	<u>\$ 7,256,286</u>	<u>\$ 19,793,634</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS

AUGUST 31, 2025

15. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At August 31, 2024, 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 economic experience	\$ -	\$ 1,718,662
Changes in actuarial assumptions	2,167,544	20,293,012
Net differences between projected and actual investment earnings	5,249	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,613,489	6,204,292
Contributions paid to ERS subsequent to the measurement date	<u>1,689,751</u>	<u>-</u>
Total	<u>\$ 5,476,033</u>	<u>\$ 28,215,966</u>

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

Year ended August 31,	OPEB Expense Amount
2026	\$ (5,921,502)
2027	(5,675,518)
2028	(3,368,975)
2029	55,380
2030	<u>442,373</u>
Total	<u>\$ (14,468,242)</u>

16. CONTRACT AND GRANT AWARDS

Contracts and grants 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 and State Contracts and grants award, funds expended but not collected are reported as Receivables on Exhibit 1. Contract and grant awards that are not yet funded, and for which the College has not yet performed services are not included in the financial statements.

Contract and grant awards funds already committed under multi-year awards or for fiscal periods that differ from the College's fiscal year for which monies have not been received nor funds expended totaled approximately \$62,439,970 and \$54,841,077 at August 31, 2025 and 2024, respectively. Of this amount, \$61,799,006 and \$54,711,752 were related to Federal Contract and Grant Awards, \$640,964 and \$129,325 were from State and Other Contract and Grant Awards.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

17. RELATED PARTY

The El Paso Community College Foundation (the Foundation, a nonprofit organization) is governed by a nineteen-member Board of Directors, independent of the College. At any given time, the Foundation Board could have up to 25 members. Although the Foundation is not financially accountable to the College, the Foundation has received from the College both in-kind assistance in the form of donated services and use of facilities and equipment. The Foundation solicits donations for the benefit of the College. It remitted gifts of \$118,704 and \$146,816 to the College during the years ended August 31, 2025 and 2024, respectively. The College donated certain services, such as office space, utilities, supplies, and staff salaries and benefits to the Foundation with approximate value of \$258,635 and \$220,988, respectively.

18. PROPERTY TAXES

The College's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business property located in the District.

At August 31, 2025:

Assessed Valuation of the College			\$ 83,830,485,483
Less: Exemptions			<u>(14,179,949,338)</u>
Net Assessed Valuation of the College			<u>\$ 69,650,536,145</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (maximum per enabling legislation)	\$ 0.15	\$ 0.50	\$ 0.65
Tax rate per \$100 valuation for assessed	\$ 0.107786	\$ -	\$ 0.107786

At August 31, 2024:

Assessed Valuation of the College			\$ 76,112,156,516
Less: Exemptions			<u>(13,419,256,112)</u>
Net Assessed Valuation of the College			<u>\$ 62,692,900,404</u>

	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized (maximum per enabling legislation)	\$ 0.15	\$ 0.50	\$ 0.65
Tax rate per \$100 valuation for assessed	\$ 0.115717	\$ -	\$ 0.115717

Taxes levied for the years ended August 31, 2025 and 2024, were \$75,160,777 and \$72,638,163, respectively, (which includes any penalty and interest assessed, if applicable.) Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

**NOTES FINANCIAL STATEMENTS
AUGUST 31, 2025**

18. PROPERTY TAXES (Continued)

<u>Tax Collected</u>	<u>2025</u>	<u>2024</u>
	<u>Current Operations</u>	
Current Taxes Collected	\$ 73,413,527	\$ 71,062,653
Delinquent Taxes	854,391	580,072
Penalties and Interest Collected	<u>1,246,603</u>	<u>1,081,659</u>
Total Collections	<u>\$ 75,514,521</u>	<u>\$ 72,724,384</u>

The table above reflects actual taxes collected for the 2025-2024 period. Tax collections for the year ended August 31, 2025 was 97.7% and for the years ended August 31, 2024 and 2023, were 97.8% and 99.7% of the current tax levy as reported in the statement of revenues, expenses and changes in net position. Allowances for uncollectible taxes for the years ended August 31, 2025, 2024 and 2023, respectively, of \$806,804, \$756,862 and \$695,581 are based upon historical experience in collecting property taxes. During the year ended August 31, 2021, an additional reserve of \$1,439,921 was established resulting from an estimated amount to be potentially reimbursed to the taxpayers as a result of disputed values under litigation as provided under Chapter 42 of the Property Tax Code. The amount remains in reserve as of August 31, 2025. The use of tax proceeds is restricted to local maintenance and operations.

19. PENDING LAWSUITS AND CLAIMS

On August 31, 2025, 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, management believes that this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

20. COMMITMENTS

Encumbrances, primarily construction and technology related, outstanding at August 31, 2025 and 2024, respectively, that were provided for in the subsequent year's budget aggregated approximately \$7,190,540 and \$2,839,302, respectively.

21. FUND BALANCE

Net position reclassified in fund balance formatted for the internal purposes at August 31, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Current funds:		
Fund balance, unrestricted, restated	\$ 49,798,227	\$ 43,305,215
Fund balance, auxiliary enterprises	9,679,466	9,110,950
Fund balance, restricted	<u>2,042,426</u>	<u>2,021,734</u>
Total Current Fund Balance	\$ 61,520,119	\$ 54,437,899
Fund balance, loan funds	3,750,376	3,567,872
Fund balance, endowment and similar funds	35,546,908	34,054,394
Fund balance, plant funds	<u>248,734,393</u>	<u>213,892,329</u>
Total Fund Balance, restated	<u>\$ 349,551,796</u>	<u>\$ 305,952,494</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES FINANCIAL STATEMENTS AUGUST 31, 2025

22. STUDENT SUCCESS ENDOWMENT FUND

On May 6, 2021 the College received an unrestricted \$30 million gift from the Mackenzie Scott Foundation through the National Philanthropic Trust. The funds had no restrictions on how they could be utilized, and therefore were recorded in the Unrestricted Fund and invested in a government investment pool until such time the Board of Trustees decided on the allocation of the funds for the benefit of the College's students.

On August 30, 2023, the Board of Trustees approved a resolution (the Resolution) creating the Student Success Endowment Fund in the amount of \$30 million. This endowment fund is allowed under Section 130.007 of the Texas Education Code whereby a board of trustees may not spend any corpus funds deposited in an endowment fund as local funds, gifts, or grants but may only spend any interest income derived from investing the endowment fund. Under the Resolution, the fund is a permanent endowment fund where the respective funds' corpus must be kept intact in perpetuity, and only the interest generated from the investment of the corpus can be allocated to scholarships and student emergency needs. Regarding the allocation of interest, the Resolution calls for 90% of interest to support student success, college degree completion, and/or CTE Certification; 9% of interest will be used to assist students for any emergency-related needs, as determined from time to time in the sole discretion of the Board of Trustees, and 1% of any interest accrued every fiscal year will be returned to the corpus.

The action by the Board of Trustees to create a permanent endowment fund caused for the \$30 million to be transferred with the accrued interest from the Unrestricted Fund to the Restricted fund at August 31, 2024. The funds have been deposited in a combined account with the College's funds, see Footnote 3.

23. NEW ACCOUNTING PRONOUNCEMENTS

The following are the new Governmental Accounting Standards Board (GASB) Statements that have future implementation dates. The College has not early implemented, nor has it completed the process of evaluating the impact on its financial position that will result from adopting the listed Governmental Accounting Board Statements listed below:

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025.

GASB Statement No 103, *Financial Reporting Model Improvements*, effective for fiscal year beginning after June 15, 2025.

24. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 19, 2025, which is the date financial statements were available to be issued. On December 2, 2025, after the fiscal year ended August 31, the Board of Trustees approved a resolution, authorizing the issuance of Combined Fee Revenue Refunding Bonds, Series 2026. The purpose of issuing the Series 2026 Bonds is to refund the existing callable Series 2026 Bonds which will generate economic savings. As of August 31, 2025, the bond balance was \$105,140,000 the amount of the refunding is to be determined.

REQUIRED SUPPLEMENTARY INFORMATION

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of College's Proportionate Share of Net Pension Liability
Year Ended August 31, 2025

Fiscal year ending August 31 *	2025	2024	2023	2022
Total TRS pension liability	\$ 271,627,434,294	\$ 255,860,886,500	\$ 243,553,045,455	\$ 227,273,463,630
Less: TRS' net position	<u>210,543,258,495</u>	<u>187,170,535,558</u>	<u>184,185,617,196</u>	<u>201,807,002,496</u>
TRS' net pension liability	\$ 61,084,175,799	\$ 68,690,350,942	\$ 59,367,428,259	\$ 25,466,461,134
TRS net position as percentage of total pension liability (NPL)	77.51%	73.15%	75.62%	88.79%
College's proportionate share of collective net pension liability (%)	0.055614849%	0.055259668%	0.055763347%	0.057568130%
College's proportionate share of collective net pension liability (\$)	\$ 33,971,872	\$ 37,958,060	\$ 33,105,265	\$ 14,660,565
State of Texas's total proportionate of NPL associated with College	<u>28,774,258</u>	<u>31,984,802</u>	<u>28,026,660</u>	<u>12,896,681</u>
Total	\$ 62,746,130	\$ 69,942,862	\$ 61,131,925	\$ 27,557,246
College's covered payroll amount	\$ 71,220,670	\$ 66,196,801	\$ 62,924,228	\$ 61,607,632
Ratio of College proportionate share of collective NPL/ College's covered payroll amount	0.476994558	0.573412301	0.526113169	0.237966702

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

2021	2020	2019	2018	2017	2016
\$ 218,974,205,084	\$ 209,961,325,288	\$ 209,611,328,793	\$ 179,336,534,819	\$ 171,797,150,487	\$ 163,887,375,172
<u>165,416,245,243</u>	<u>157,978,199,075</u>	<u>154,568,901,833</u>	<u>147,361,922,120</u>	<u>134,008,637,473</u>	<u>128,538,706,212</u>
\$ 53,557,959,841	\$ 51,983,126,213	\$ 55,042,426,960	\$ 31,974,612,699	\$ 37,788,513,014	\$ 35,348,668,960
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%
0.064011501%	0.064978391%	0.064382068%	0.063698741%	0.067230998%	0.066472200%
\$ 34,283,254	\$ 33,777,799	\$ 35,437,453	\$ 20,367,426	\$ 25,405,594	\$ 23,497,039
<u>29,655,408</u>	<u>28,424,806</u>	<u>30,033,499</u>	<u>17,685,867</u>	<u>20,079,936</u>	<u>19,607,661</u>
\$ 63,938,662	\$ 62,202,605	\$ 65,470,952	\$ 38,053,293	\$ 45,485,530	\$ 43,104,700
\$ 65,863,820	\$ 62,436,836	\$ 59,059,732	\$ 57,268,363	\$ 55,861,257	\$ 52,955,705
0.520517243	0.540991523	0.600027325	0.355648825	0.454798108	0.443711192

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of College's Contributions for Pensions
Year Ended August 31, 2025

Fiscal year ending August 31 *	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Legally required contributions	\$ 3,392,994	\$ 3,149,866	\$ 2,842,029	\$ 2,660,882	\$ 2,476,684	\$ 2,654,706	\$ 2,273,416	\$ 2,185,382	\$ 2,093,604	\$ 2,136,099
Actual contributions	<u>3,392,994</u>	<u>3,149,866</u>	<u>2,842,029</u>	<u>2,660,882</u>	<u>2,476,684</u>	<u>2,654,706</u>	<u>2,273,416</u>	<u>2,185,382</u>	<u>2,093,604</u>	<u>2,136,099</u>
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-	-
College's covered payroll amount	\$ 76,769,322	\$ 71,220,670	\$ 66,196,801	\$ 62,924,228	\$ 61,607,632	\$ 65,863,820	\$ 62,436,836	\$ 59,059,732	\$ 57,268,363	\$ 55,861,257
Contributions as a percentage of covered payroll	4.419726411%	4.422685156%	4.293302633%	4.228708217%	4.020092835%	4.030598286%	3.641145429%	3.700291088%	3.655777624%	3.823936508%

* - The amounts presented above are as of the College's most recent fiscal year-end.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION FOR THE YEAR ENDED AUGUST 31, 2025

Changes of Benefit Terms include:

According, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA. One-time stipend, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirements on or before August 31, 2023. A one-time \$7,500 stipend was paid to eligible annuitants who are 75 years of age or older. A one-time \$2,400 stipend was paid to eligible annuitants age 70 to 74. A COLA was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

Changes of Assumptions

Changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period were as follows:

- There were no changes in assumptions since the prior measurement date.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of College's Share of Net OPEB Liability
Year Ended August 31, 2025

Fiscal year ending August 31 *	2025**	2024**	2023**	2022**
Total ERS OPEB liability	\$ 29,445,116,991	\$ 26,887,509,572	\$ 28,649,540,234	\$ 36,011,160,299
Less: ERS' net position	<u>139,527,199</u>	<u>169,980,005</u>	<u>162,574,529</u>	<u>135,652,891</u>
ERS' net pension liability	\$ 29,305,589,792	\$ 26,717,529,567	\$ 28,486,965,705	\$ 35,875,507,408
ERS net position as percentage of total OPEB liability	0.47%	0.63%	0.57%	0.38%
College's proportionate share of collective net OPEB liability (%)	0.247306120%	0.243197840%	0.247889150%	0.256053610%
College's proportionate share of collective net OPEB liability (\$)	\$ 72,474,517	\$ 64,976,453	\$ 70,616,096	\$ 91,860,532
State of Texas's total proportionate of net OPEB liability associated with College	<u>67,303,240</u>	<u>63,707,782</u>	<u>68,700,935</u>	<u>83,845,821</u>
Total	\$ 139,777,757	\$ 128,684,235	\$ 139,317,031	\$ 175,706,353
College's covered-employee payroll amount	\$ 63,571,526	\$ 64,054,567	\$ 63,963,430	\$ 62,144,686
Ratio of College proportionate share of collective net OPEB liability/ College's covered employee payroll amount	1.140046835	1.014392198	1.104007337	1.478171955

* - The amounts presented above are as of the measurement date of the collective net OPEB liability.
be displayed as they become available.

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

2021**	2020**	2019 **	2018 **
\$ 33,149,579,149	\$ 34,622,611,079	\$ 30,018,171,986	\$ 34,782,794,000
<u>104,947,452</u>	<u>59,936,464</u>	<u>380,429,662</u>	<u>709,783,000</u>
\$ 33,044,631,697	\$ 34,562,674,615	\$ 29,637,742,324	\$ 34,073,011,000
0.32%	0.17%	1.27%	2.04%
0.264901300%	0.248296930%	0.254960430%	0.173195880%
\$ 87,535,660	\$ 85,818,061	\$ 75,564,515	\$ 59,013,053
<u>72,212,448</u>	<u>87,334,390</u>	<u>73,416,152</u>	<u>56,251,142</u>
\$ 159,748,108	\$ 173,152,451	\$ 148,980,667	\$ 115,264,195
\$ 66,106,950	\$ 65,163,070	\$ 64,120,419	\$ 62,840,747
1.32415215	1.316973878	1.178478185	0.93908898

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of College's Contributions for OPEB
Year Ended August 31, 2025

Fiscal year ending August 31 *	2025**	2024**	2023**	2022**
Legally required contributions	\$ 1,930,894	\$ 1,689,751	\$ 1,654,261	\$ 1,382,516
Actual contributions	<u>1,930,894</u>	<u>1,689,751</u>	<u>1,654,261</u>	<u>1,382,516</u>
Contributions deficiency (excess)	-	-	-	-
College's covered-employee payroll amount	\$ 66,855,461	\$ 63,571,526	\$ 64,054,567	\$ 63,963,430
Contributions as a percentage of covered-employee payroll	2.88816197%	2.65803121%	2.58258088%	2.16141630%

* - The amounts presented above are as of the College's most recent fiscal year-end.
** - Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2021**	2020**	2019 **	2018 **
\$ 1,436,310	\$ 1,356,502	\$ 704,301	\$ 1,723,738
<u>1,436,310</u>	<u>1,356,502</u>	<u>704,301</u>	<u>1,723,738</u>
-	-	-	-
\$ 62,144,686	\$ 66,106,950	\$ 65,163,070	\$ 64,120,419
2.31123543%	2.05198092%	1.08082845%	2.68828250%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB FOR THE YEAR ENDED AUGUST 31, 2025

Changes of Benefit Terms include:

The following benefit revisions have been adopted since the prior valuation. The benefit changes for HealthSelect retirees and dependents for whom Medicare is not primary include:

- Minor changes have been made since the prior valuation. These changes are not expected to have a significant impact on plan costs for Fiscal Year 2025.

These minor benefit changes are provided for in the fiscal year 2025 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Changes of Assumptions

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

- The percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan 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 be married and electing coverage for their spouse.
- 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.
- Demographic assumptions, including the mortality projection scale for all State Agency members; base mortality for Judges; assumed rates of retirement for certain members who are Regular Class, Elected Class or Certified Peace Officers/Custodial Officers (CPO/CO); assumed rates of termination for certain members who are Regular Class, Judges or Certified Peace Officers/Custodial Officers (CPO/CO); and assumed rates of disability for all State Agency members.
- 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 effect on our short-term expectations.
- The Patient-Center Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increase in the fee has been updated to reflect recent available information.
- The discount rate was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

SUPPLEMENTARY INFORMATION

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of Operating Revenues
Year Ended August 31, 2025
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2025 Total	2024 Total
Tuition:						
State-funded credit courses:						
In-district resident tuition	\$ 50,917,221	\$ -	\$ 50,917,221	\$ -	\$ 50,917,221	\$ 48,401,225
Non-resident tuition	6,766,487	-	6,766,487	-	6,766,487	6,369,549
TPEG - credit (set aside)*	1,782,537	-	1,782,537	-	1,782,537	1,735,906
State-funded continuing education	946,981	-	946,981	-	946,981	1,010,210
Non-state funded educational programs	998,159	-	998,159	-	998,159	1,106,226
Total Tuition	61,411,385	-	61,411,385	-	61,411,385	58,623,116
Fees:						
General use fee	9,524,168	-	9,524,168	-	9,524,168	9,056,330
Student fee	5,060,546	-	5,060,546	5,320	5,065,866	5,034,181
Laboratory fee	866,995	-	866,995	-	866,995	794,552
Other fees	60,040	-	60,040	715,696	775,736	602,824
Total Fees	15,511,749	-	15,511,749	721,016	16,232,765	15,487,887
Scholarship Allowances and Discounts:						
Bad debt allowance	(693,863)	-	(693,863)	-	(693,863)	(630,264)
Remissions and exemptions - local	(323,826)	-	(323,826)	-	(323,826)	(288,715)
Remissions and exemptions - state	(23,139,780)	-	(23,139,780)	-	(23,139,780)	(21,251,434)
Federal grants to students	(28,876,242)	-	(28,876,242)	-	(28,876,242)	(26,197,799)
TPEG awards	(1,852,360)	-	(1,852,360)	-	(1,852,360)	(1,883,502)
State grants to students	(4,902,611)	-	(4,902,611)	-	(4,902,611)	(4,207,166)
Total Scholarship Allowances	(59,788,682)	-	(59,788,682)	-	(59,788,682)	(54,458,880)
Total Net Tuition and Fees	17,134,452	-	17,134,452	721,016	17,855,468	19,652,123
Additional Operating Revenues:						
Federal grants and contracts	256,419	3,855,689	4,112,108	-	4,112,108	4,557,637
State grants and contracts	-	5,532,775	5,532,775	-	5,532,775	4,582,177
Dual credit cost recovery	210,177	-	210,177	-	210,177	131,534
Non-governmental grants and contracts	-	829,876	829,876	-	829,876	968,572
General operating revenues	1,507,357	743,840	2,251,197	-	2,251,197	2,014,623
Total Additional Operating Revenues	1,973,953	10,962,180	12,936,133	-	12,936,133	12,254,543
Auxiliary Enterprises:						
Bookstore**	-	-	-	498,102	498,102	362,896
Other	-	-	-	293,337	293,337	242,959
Total Net Auxiliary Enterprises	-	-	-	791,439	791,439	605,855
Total Operating Revenues	\$ 19,108,405	\$ 10,962,180	\$ 30,070,585	\$ 1,512,455	\$ 31,583,040	\$ 32,512,521
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education code 56.033, \$1,782,537 and \$1,735,906 for the years August 31, 2025 and 2024, respectively, of tuition was set aside for Texas Public Education grants (TPEG).

**The College bookstore is outsourced to an independent third-party.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of Operating Expenses by Object
Year Ended August 31, 2025
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule B

	Operating Expenses				2025 Total	2024 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 48,387,246		\$ 6,024,671	\$ 2,552,567	\$ 56,964,484	\$ 55,785,466
Research	148,911		18,541	49,030	216,482	238,231
Public Service	2,848,481		350,093	607,917	3,806,491	4,069,584
Academic Support	16,732,217		2,083,320	2,063,367	20,878,904	20,090,053
Student Services	8,063,606		1,003,995	1,466,959	10,534,560	9,912,586
Institutional Support	15,015,366		1,869,555	9,722,835	26,607,756	24,989,992
Operation and Maintenance of Plant	2,618,994		681,264	10,142,147	13,442,405	13,437,394
Scholarships and Fellowships	-	-	-	1,760,207	1,760,207	1,708,533
Total Unrestricted Educational Activities	93,814,821	-	12,031,439	28,365,029	134,211,289	130,231,839
Restricted - Educational Activities						
Instruction	1,972,271	5,852,882	273,469	1,152,248	9,250,870	8,024,955
Research	7,553	-	1,047	4,413	13,013	14,462
Public Service	132,497	344,551	18,372	77,408	572,828	538,293
Academic Support	722,911	2,023,915	100,237	422,342	3,269,405	2,840,514
Student Services	373,617	975,367	51,805	218,276	1,619,065	1,385,285
Institutional Support	916,854	1,816,246	127,128	357,496	3,217,724	2,810,143
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarships and Fellowships	-	-	-	29,324,163	29,324,163	23,880,608
Total Restricted Educational Activities	4,125,703	11,012,961	572,058	31,556,346	47,267,068	39,494,260
Total Educational Activities	97,940,524	11,012,961	12,603,497	59,921,375	181,478,357	169,726,099
Auxiliary Enterprises	835,801		398,133	1,690,905	2,924,839	2,577,056
Depreciation Expense - Buildings and other real estate improvements	-	-	-	6,273,345	6,273,345	6,166,780
Depreciation Expense - Equipment, furniture, and library books	-	-	-	4,782,155	4,782,155	4,247,340
Total Operating Expenses	\$ 98,776,325	\$ 11,012,961	\$ 13,001,630	\$ 72,667,780	\$ 195,458,696 (Exhibit 2)	\$ 182,717,275 (Exhibit 2)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2025
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	2025 Total	2024 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 49,812,167	\$ -	\$ -	\$ 49,812,167	\$ 44,083,075
State group insurance	-	6,989,864	-	6,989,864	5,113,082
State retirement matching	-	4,023,097	-	4,023,097	3,280,484
Total State Appropriations	<u>49,812,167</u>	<u>11,012,961</u>	<u>-</u>	<u>60,825,128</u>	<u>52,476,641</u>
Maintenance ad valorem taxes	75,514,521	-	-	75,514,521	72,724,384
Federal Revenue, Non Operating	221,005	57,912,796	-	58,133,801	50,110,137
Other State Revenue, Non Operating	-	523,457	-	523,457	674,481
Investment income	<u>15,721,131</u>	<u>1,582,010</u>	<u>172,781</u>	<u>17,475,922</u>	<u>18,756,729</u>
Total Non-Operating Revenues	<u>141,268,824</u>	<u>71,031,224</u>	<u>172,781</u>	<u>212,472,829</u>	<u>194,742,372</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	<u>4,997,871</u>	<u>-</u>	<u>-</u>	<u>4,997,871</u>	<u>5,081,897</u>
Total Non-Operating Expenses	<u>4,997,871</u>	<u>-</u>	<u>-</u>	<u>4,997,871</u>	<u>5,081,897</u>
Net Non-Operating Revenues	<u>\$ 136,270,953</u>	<u>\$ 71,031,224</u>	<u>\$ 172,781</u>	<u>\$ 207,474,958</u> (Exhibit 2)	<u>\$ 189,660,475</u> (Exhibit 2)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of Net Position by Source and Availability
Year Ended August 31, 2025
(With Memorandum Totals for the Year Ended August 31, 2024)

Schedule D

	Detail by Source					Available for Current Operations	
	Restricted					Yes	No
	Unrestricted	Expendable	Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total		
Current:							
Unrestricted	\$ 49,798,227	\$ -	\$ -	\$ -	\$ 49,798,227	\$ 49,798,227	\$ -
Restricted		2,042,426			2,042,426	2,042,426	
Auxiliary Enterprises	9,679,466				9,679,466	9,679,466	
Loan		3,750,376			3,750,376		3,750,376
Endowment:							
Quasi:							
Restricted			35,546,908		35,546,908		35,546,908
Plant:							
Unexpended		101,312,830			101,312,830		101,312,830
Renewals		1,008,669			1,008,669	1,008,669	
Debt Service		27,230,688			27,230,688		27,230,688
Investment in Plant	-	-	-	119,182,206	119,182,206	-	119,182,206
Total Net Position, August 31, 2025	59,477,693	135,344,989	35,546,908	119,182,206	349,551,796 (Exhibit 1)	62,528,788	287,023,008
Total Net Position, August 31, 2024	54,690,281	101,993,782	34,054,394	117,488,153	308,226,610	57,404,588	250,822,022
Cumulative effect of change in accounting principal	(2,274,116)	-	-	-	(2,274,116)	(2,274,116)	-
Total Net Position, August 31, 2024, restated	52,416,165	101,993,782	34,054,394	117,488,153	305,952,494 (Exhibit 1)	55,130,472	250,822,022
Net Increase (Decrease) in Net Position	\$ 7,061,528	\$ 33,351,207	\$ 1,492,514	\$ 1,694,053	\$ 43,599,302 (Exhibit 2)	\$ 7,398,316	\$ 36,200,986

**SCHEDULE OF EXPENDITURES OF FEDERAL
AND STATE AWARDS AND REPORTS**

Federal Grantor/Cluster/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Expenditures			
			Direct Awards	Pass-Through Awards	Total	Subrecipients Expenditures
<u>U.S. Department of Education:</u>						
Direct Programs:						
Student Financial Aid Assistance Cluster						
Supplemental Education Opportunity Grants	84.007		\$ 1,228,869	\$ -	\$ 1,228,869	\$ -
Federal College Work Study Program	84.033		835,005	-	835,005	-
Federal Pell Grant Program	84.063		55,202,294	-	55,202,294	-
Federal Direct Student Loans	84.268		2,248,200	-	2,248,200	-
Total Student Financial Assistance Cluster			59,514,368	-	59,514,368	-
TRIO Cluster						
TRIO Student Support Services	84.042		802,896	-	802,896	-
Total TRIO Cluster			802,896	-	802,896	-
Higher Education Institutional Aid	84.031		746,707	-	746,707	-
Migrant Education-High School Equivalency Program	84.141		439,183	-	439,183	-
Migrant Education-College Assistance Migrant Program	84.149		320,545	-	320,545	-
Child Care Access Means Parents in School	84.335		8,844	-	8,844	-
COVID 19- Education Stabilization Fund - IREPO	84.425P		47,079	-	47,079	-
Pass-Through From:						
Texas Higher Education Coordinating Board						
Career and Technical Education - Basic Grants to States						
Formula Allocation	84.048	1214	-	924,312	924,312	-
Education Stabilization Fund - Higher Education Emergency Relief IHE Institution			-	-	-	-
THECB - Student Success Implementation (22206)	84.425C	28570		7,702	7,702	
THECB - Texas Reskilling Support Fund II (22215)	84.425C	24313	-	1,113	1,113	-
Total Texas Higher Education Coordinating Board			-	933,127	933,127	-
University of Texas at El Paso						
Higher Education Institutional Aid			-			-
UTEP Stem Fuerte Yr 2 (23866)	83.031	226150919A		14,713	14,713	
UTEP Stem Fuerte Yr 3 & 4 (23892)	83.031	226150919A		195,055	195,055	
Fund for the Improvement of Postsecondary Education August F. Hawkins Center for Excellence	84.116	226150942A	-	22,418	22,418	-
Total University of Texas at El Paso			-	232,186	232,186	-
Total U.S. Department of Education			\$ 61,879,622	\$ 1,165,313	\$ 63,044,935	\$ -
<u>U.S. Department of Agriculture:</u>						
Direct Program:						
National Institute of Food and Agriculture						
Hispanic Serving Institutions Education Grants	10.223		\$ 26,401	\$ -	\$ 26,401	\$ -
Pass-Through From:						
University of Texas At El Paso						
Agriculture and Food Research Initiative (AFRI)	10.310	226300920A	-	17,134	17,134	-
Total U.S. Department of Agriculture			\$ 26,401	\$ 17,134	\$ 43,535	\$ -
<u>U.S. Department of Defense:</u>						
Direct Program:						
Procurement Technical Assistance for Business Firms	12.002		\$ 378,697	\$ -	\$ 378,697	\$ -
Total U.S. Department of Defense			\$ 378,697	\$ -	\$ 378,697	\$ -
<u>U.S. Department of Justice:</u>						
Direct Program:						
Federal Bureau of Prisons Correction Research and Evaluation and Policy Formulations	16.602		\$ 27,030	\$ -	\$ 27,030	\$ -
Total U.S. Department of Justice			\$ 27,030	\$ -	\$ 27,030	\$ -
<u>U.S. Department of Labor:</u>						
Direct Program:						
Occupational Safety and Health - Susan Harwood Training Grants	17.502		\$ 156,067	\$ -	\$ 156,067	\$ -
Pass-Through From:						
Texas Workforce Commission						
WIOA Cluster						
WIOA Dislocated Worker Formula Grants	17.278	1025ATP001	-	23,203	23,203	-
Total Texas Workforce Commission- WIOA Cluster			-	23,203	23,203	-
Apprenticeship USA Grants	17.285	1025ATP001	-	15,815	15,815	-
Total U.S. Department of Labor			\$ 156,067	\$ 39,018	\$ 195,085	\$ -

Federal Grantor/Cluster/Program Title	Assistance Listing Number	Pass-through Grantor's Number	Expenditures			Subrecipients Expenditures
			Direct Awards	Pass-Through Awards	Total	
<u>U.S. Department of Transportation</u>						
Pass-Through From:						
The Board of Regent of the University of Oklahoma University Transportation Centers Program	20.701	2023-98	\$ -	\$ 41,736	\$ 41,736	\$ -
Total U.S. Department of Transportation			\$ -	\$ 41,736	\$ 41,736	\$ -
<u>National Endowment for the Humanities</u>						
Pass-Through From:						
Humanities Texas						
Promotion of the Humanities Federal/State Partnership	45.129	2025-7084	\$ -	\$ 12,000	\$ 12,000	\$ -
Promotion of the Humanities Federal/State Development	45.163		-	1,624	1,624	-
Total National Endowment for the Humanities			\$ -	\$ 13,624	\$ 13,624	\$ -
<u>Institute of Museum and Library Services</u>						
Pass-Through From:						
Texas State Library and Archives Commission						
Boosting Early Literacy Through Technology	45.310	TXR-24004	\$ -	\$ (882)	\$ (882)	\$ -
Total Institute of Museum and Library Services			\$ -	\$ (882)	\$ (882)	\$ -
<u>National Science Foundation:</u>						
Direct Program:						
Education and Human Resources	47.076		\$ 57,807	\$ -	\$ 57,807	\$ -
Pass-Through From:						
University of Texas at El Paso						
Computer and Information Science and Engineering						
UTEP - Smart Social Connector (23921)	47.070	226101049C	-	24,074	24,074	-
Education and Human Resources UTEP/LSAMP Center of Excellence	47.076	226101063A	-	6,047	6,047	-
Computer and Information Science and Engineering UTEP						
UTEP LSAMP	47.076	226100996D	-	11,331	11,331	-
Total University of Texas at El Paso			-	11,331	11,331	-
Total National Science Foundation			\$ 57,807	\$ 41,452	\$ 99,259	\$ -
<u>U.S. Small Business Administration:</u>						
Pass-Through From:						
University of Texas at San Antonio						
UTSA SBDC SBA 2023	59.037	13-603001-Z-0049-37-EPCC	-	92,591	92,591	-
UTSA SBDC FY 24 - Federal	59.037	24-603001-Z-0049-38-EPCC	-	102,309	102,309	-
Total U.S. Small Business Administration			\$ -	\$ 194,900	\$ 194,900	\$ -
<u>U.S. Election Assistance Award</u>						
Direct Program:						
Help America Vote College Program	90.400		\$ 2,795	\$ -	\$ 2,795	\$ -
Total U.S. Election Assistance Award			\$ 2,795	\$ -	\$ 2,795	\$ -
<u>U.S. Department of Health and Human Services:</u>						
Direct Programs:						
Research and Development Cluster						
National Institutes of Health						
Biomedical Research and Research Training	93.859		\$ 234,299	\$ -	\$ 234,299	\$ -
Pass-Through From:						
Research and Development Cluster						
National Institutes of Health						
University of Texas at El Paso						
Biomedical Research and Research Training	93.859	226141460A	-	264,213	264,213	44,642
Total Research and Development Cluster			234,299	264,213	498,512	44,642
CCDF Cluster						
Child Care and Development Block						
Skills for Small Business FY24	93.575	1023SSD001	-	(475)	(475)	-
Total CCDF Cluster			-	(475)	(475)	-
Total U.S. Department of Health and Human Services			\$ 234,299	\$ 263,738	\$ 498,037	\$ 44,642
Total Federal Financial Assistance:			\$ 62,762,718	\$ 1,776,033	\$ 64,538,751	\$ 44,642

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS
AUGUST 31, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of El Paso County Community College District under programs of the federal government for the year ended August 31, 2025. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position or cash flows of the College.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

This schedule has been prepared on the accrual basis of accounting. Revenues are recorded for financial reporting purposes when the College has met the qualifications for the respective program. Expenditures reported on the Schedule also are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. STUDENT LOANS PROCESSED AND ADMINISTRATIVE COST RECOVERED

Assistance Listing Number/Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed and Administrative Cost Recovered
U.S. Department of Education 84.268 Federal Direct Student Loans	\$ 2,248,200	\$ -	\$ 2,248,200

4. AMOUNTS PASSED THROUGH BY THE COLLEGE

Of the federal expenditures presented in the schedule, the College provided awards to subrecipient as follows:

Assistance Listing Number	Primary Award	Recipient	Amount Provided to Subrecipient
93.859	CP06058	University of Texas at El Paso	\$ 44,642

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS
AUGUST 31, 2025

5. FEDERAL ASSISTANCE RECONCILIATION

Federal Revenue - Per Schedule E

Per Schedule of Expenditures of Federal Awards	\$ 64,538,751
Direct Student Loans	(2,248,200)
Funds passed through to others	(44,642)
Non Operating Federal Revenue from Schedule C	<u>(58,133,801)</u>
Total Federal Revenue per Schedule A	<u>\$ 4,112,108</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2025

Schedule F

State Grantor/Program Title	State Grantor's Number	Expenditures
<u>Texas Workforce Commission:</u>		
TWC - CSD Project Higher FY 2022	3021VRS035	\$ 236,474
TWC- SDF the Hospitals of Providence	1023SDF003	8,106
TWC - SDF Bienvivir Senior Health Services	1023SDF004	(2,895)
TWC- Skills for Small Business FY 2024	1023SSD001	(950)
TWC- Skills for Small Business FY 2025	1025SSD001	2,125
TWC-Vinton Steel SDF	1025SDF001	92,043
TWC=Bain Enterprises	1025SDF002	20,277
TWC - Apprenticeship FY 2025	1025ATP001	168,277
Total Texas Workforce Commission		<u>\$ 523,457</u>
<u>Texas Higher Education Coordinating Board:</u>		
THECB-Reskilling True 2024	00285	\$ 43,276
THECB- Opportunity HS Diploma Program	00599	53,666
THECB- Opportunity HS Diploma Program year 2	01774	40,215
THECB-Nursing Program 2024	00887	29,971
THECB- Stem OER Course Revisions	FY-25-04-05	20,000
THECB- TX Reskilling & Upskilling	01487	70,635
THECB- CRSM 2024	01414	38,990
THECB- Student Mentorship Program		16,333
THECB - CRSM 2018	20512/21164/22191/23421	110,754
Data to Action Parenting Students	02200	3,545
TEOG Initial	N/A	750,996
TEOG Renewal	N/A	4,151,615
State Work Study	N/A	201,057
SGPD	N/A	71,991
Total Texas Higher Education Coordinating Board		<u>\$ 5,603,044</u>
<u>Texas Association of Community Colleges</u>		
TACC- Talent Strong Texas Pathways		<u>1,722</u>
Total Texas Association of Community Colleges		<u>\$ 1,722</u>
Total State Financial Assistance		<u>\$ 6,128,223</u>

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT

NOTES TO SUPPLEMENTARY SCHEDULE
OF EXPENDITURES OF STATE AWARDS
AUGUST 31, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards includes the state grant activity of El Paso County Community College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the State of Texas Grant Management Standards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. AMOUNTS PASSED THROUGH BY THE COLLEGE

None

3. STATE ASSISTANCE RECONCILIATION

State Revenue - Per Schedule F

Per Schedule of Expenditures of State Awards	\$ 6,128,223
SGPD Awards from prior period set-asides	(71,991)
Non Operating State Revenue from Schedule C	<u>(523,457)</u>
Total State Revenue per Schedule A	<u>\$ 5,532,775</u>

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**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**

Board of Trustees
El Paso County Community College District
El Paso, Texas

We have audited, in accordance with the 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 General of the United States, the financial statements of the business-type activities of El Paso County Community College District (the "College") as of and for the fiscal year ended August 31, 2025 and the related notes to the financial statements, which collectively comprise El Paso County Community College District's basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the El Paso County Community College District'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 El Paso County Community College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the El Paso County Community College District'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 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 the 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial 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*.

Texas Public Funds Investment Act

We have also performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act (the Act). The results of our testing disclosed no instances of non-compliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and, accordingly, we do not express such an opinion.

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.

Pena Briones McDaniel & Co

El Paso, Texas
December 19, 2025

Rene D. Peña, CPA
Melisa Cota Guevara, CPA
April R. Samaniego, CPA
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**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 GRANT MANAGEMENT STANDARDS**

Board of Trustees
El Paso County Community College District
El Paso, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited El Paso County Community College District's (the "College") compliance with the types of compliance requirements described in the U. S. Office of Management and Budget ("OMB") *Compliance Supplement* and the *State of Grant Management Standards* that could have a direct and material effect on each of the College's major federal and state programs for the fiscal year ended August 31, 2025. 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, El Paso County Community College District 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, 2025.

Basis of 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) , and the *State of Texas Grant Management Standards*. Our responsibilities under those standards and the Uniform Guidance and the State of Texas Grant Management Standards 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 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 provision of contracts or grant agreements applicable to the College's federal and state programs.

Auditor's Responsibility 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, Uniform Guidance, and the State of Texas Grant Management Standards, 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 and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, Uniform Guidance, and the State of Texas Grant Management Standards, 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 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 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 and the State of Texas Single Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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 and State of Texas Grant Management Standards. Accordingly, this report is not suitable for any other purpose.

Peña Briones McDaniel & Co

December 19, 2025
El Paso, Texas

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified? ☐ yes ☒ none reported

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 2 CFR section 200.516(a)? ☐ yes ☒ no

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.007; 84.033; 84.063; 84.268	Student Financial Aid Cluster
84.048	Career and Technical Education

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025

Federal Awards (Continued)

Dollar threshold used to distinguish between Type A and Type B Programs: \$1,936,163

Auditee qualified as low-risk auditee? ☒ yes ☐ no

State Awards

Internal control over major programs:

Material weakness(es) identified? ☐ yes ☒ no

Significant deficiencies identified? ☐ yes ☒ none reported

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 State of Texas Grant Management Standards? ☐ yes ☒ no

Identification of major programs:

<u>Grantor's Number</u>	<u>Name of State Program</u>
----	TEOG Initial
----	TEOG Renewal
----	THECB-State Workstudy

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2025**

Section II - Financial Statement Findings - None for both Federal and State Awards

Section III - Federal Awards Findings and Questioned Costs

For the year ended August 31, 2025 and 2024, no findings or questioned costs were noted.

Section III - State Awards Findings and Questioned Costs

For the years ended August 31, 2025 and 2024, no findings or questioned costs were noted.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 1
Net Position by Component and Changes in Net Position
Last Ten Fiscal Years
(unaudited)

Net Position by Component

	For the Year Ended August 31,				
	2025	2024 as restated	2023	2022 as restated	2021 as restated
Net investment in capital assets	\$ 119,182,206	\$ 117,488,153	\$ 109,556,148	\$ 105,833,736	\$ 105,440,862
Restricted - expendable	135,344,989	101,993,782	76,822,314	59,988,572	55,703,051
Restricted - nonexpendable	35,546,908	34,054,394	32,290,992	788,404	782,652
Unrestricted	59,477,693	52,416,165	49,873,545	60,259,817	30,393,152
Total primary government net position	<u>\$ 349,551,796</u>	<u>\$ 305,952,494</u>	<u>\$ 268,542,999</u>	<u>\$ 226,870,529</u>	<u>\$ 192,319,717</u>

Changes in Net Position

	For the Year Ended August 31,				
	2025	2024 as restated	2023	2022 as restated	2021 as restated
Net position at beginning of year	\$ 305,724,604	\$ 268,542,999	\$ 226,870,529	\$ 192,319,717	\$ 128,832,320
Total revenues - page 84	244,055,869	227,254,893	220,242,414	233,589,716	252,134,233
Total expenses - page 86	(200,456,567)	(187,799,172)	(178,569,944)	(199,038,904)	(188,646,836)
Change in accounting principles - 2025 GASB 101 and 2018 GASB 75		(2,274,116)			
Change in net position	<u>43,599,302</u>	<u>37,181,605</u>	<u>41,672,470</u>	<u>34,550,812</u>	<u>63,487,397</u>
Net position at end of year	<u>\$ 349,323,906</u>	<u>\$ 305,724,604</u>	<u>\$ 268,542,999</u>	<u>\$ 226,870,529</u>	<u>\$ 192,319,717</u>

For the Year Ended August 31,				
2020	2019	2018 as restated	2017	2016
\$ 100,287,091	\$ 99,348,800	\$ 95,901,549	\$ 92,205,435	\$ 90,353,349
52,815,188	50,344,644	46,334,909	41,113,933	27,445,329
781,293	771,717	753,741	742,942	737,859
(25,051,252)	(30,568,402)	(35,342,985)	27,836,906	25,860,722
<u>\$ 128,832,320</u>	<u>\$ 119,896,759</u>	<u>\$ 107,647,214</u>	<u>\$ 161,899,216</u>	<u>\$ 144,397,259</u>

For the Year Ended August 31,				
2020	2019	2018 as restated	2017	2016
\$ 119,896,759	\$ 107,647,214	\$ 161,899,216	\$ 144,397,259	\$ 132,562,842
204,655,164	197,094,814	196,292,946	191,464,935	182,238,275
(195,719,603)	(184,845,269)	(181,659,444)	(173,962,978)	(170,403,858)
	-	(68,885,504)	-	-
8,935,561	12,249,545	(54,252,002)	17,501,957	11,834,417
\$ 128,832,320	\$ 119,896,759	\$ 107,647,214	\$ 161,899,216	\$ 144,397,259

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 2
Revenues by Source
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31,					
	2025	2024	2023	2022	2021 as restated
Tuition and Fees (Net of Discounts)	\$ 17,134,452	\$ 19,117,109	\$ 20,901,643	\$ 19,474,405	\$ 19,157,531
Federal Grants and Contracts	4,112,108	4,557,637	4,331,122	4,032,695	4,048,591
State Grants and Contracts	5,532,775	4,582,177	2,093,229	2,298,714	2,407,581
Non-Governmental Grants and Contracts	829,876	968,572	868,022	735,493	667,862
Auxiliary enterprises	1,512,455	1,140,869	964,014	870,497	542,811
Other Operating Revenues	2,461,374	2,146,157	2,538,521	2,573,336	2,228,435
Total Operating Revenues	31,583,040	32,512,521	31,696,551	29,985,140	29,052,811
State Appropriations	60,825,128	52,476,641	38,982,328	40,307,304	40,802,631
Ad Valorem Taxes	75,514,521	72,724,384	69,394,324	66,888,458	65,779,961
Federal Grants, Non Operating	58,133,801	50,110,137	66,282,001	93,938,722	82,444,777
Other State Grants, Non Operating	523,457	674,481	492,009	575,739	915,334
Gain on Sale of Capital Asset	-	-	-	-	3,000,000
Gifts	-	-	-	-	30,000,000
Other Non-Operating Income	-	-	-	610,555	-
Investment income	17,475,922	18,756,729	13,395,201	1,283,798	138,719
Total Non-Operating Revenues	212,472,829	194,742,372	188,545,863	203,604,576	223,081,422
Total Revenues	\$ 244,055,869	\$ 227,254,893	\$ 220,242,414	\$ 233,589,716	\$ 252,134,233

For the Year Ended August 31,					
	2025	2024	2023	2022	2021
Tuition and Fees (Net of Discounts)	7.02%	8.41%	9.49%	8.34%	7.60%
Federal Grants and Contracts	1.68%	2.01%	1.97%	1.73%	1.61%
State Grants and Contracts	2.27%	2.02%	0.95%	0.98%	0.95%
Non-Governmental Grants and Contracts	0.34%	0.43%	0.39%	0.31%	0.26%
Auxiliary enterprises	0.62%	0.50%	0.44%	0.37%	0.22%
Other Operating Revenues	1.01%	0.94%	1.15%	1.10%	0.88%
Total Operating Revenues	12.94%	14.31%	14.39%	12.84%	11.52%
State Appropriations	24.92%	23.09%	17.70%	17.26%	16.18%
Ad Valorem Taxes	30.94%	32.00%	31.51%	28.64%	26.09%
Federal Grants, Non Operating	23.82%	22.05%	30.10%	40.22%	32.70%
Other State Grants, Non Operating	0.21%	0.30%	0.22%	0.25%	0.36%
Gain on Sale of Capital Asset	0.00%	0.00%	0.00%	0.00%	1.19%
Gifts	0.00%	0.00%	0.00%	0.00%	11.90%
Other Non-Operating Income	0.00%	0.00%	0.00%	0.26%	0.00%
Investment income	7.16%	8.25%	6.08%	0.55%	0.06%
Total Non-Operating Revenues	87.06%	85.69%	85.61%	87.16%	88.48%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

For the Year Ended August 31,					
	2020	2019	2018	2017	2016
Tuition and Fees (Net of Discounts)	\$ 23,292,432	\$ 25,133,302	\$ 23,584,940	\$ 25,742,814	\$ 22,587,165
Federal Grants and Contracts	3,730,390	3,932,118	4,355,674	5,276,629	4,892,826
State Grants and Contracts	2,442,642	2,565,515	2,642,357	2,871,915	3,558,974
Non-Governmental Grants and Contracts	748,272	978,838	1,083,799	1,569,774	1,442,291
Auxiliary enterprises	1,472,294	1,757,605	1,492,505	1,849,813	1,860,428
Other Operating Revenues	2,342,829	2,379,876	3,225,812	4,200,043	1,670,723
Total Operating Revenues	34,028,859	36,747,254	36,385,087	41,510,988	36,012,407
State Appropriations	41,819,184	41,333,463	44,401,521	40,715,392	40,164,623
Ad Valorem Taxes	64,101,302	61,284,007	58,183,388	54,511,241	52,876,467
Federal Grants, Non Operating	62,350,997	53,278,759	53,302,826	52,053,316	52,353,783
Other State Grants, Non Operating	294,395	401,287	202,541	954,951	499,605
Gain on Sale of Capital Asset	-	-	819,749	-	-
Gifts	-	-	-	-	-
Other Non-Operating Income	-	-	-	-	-
Investment income	2,060,427	4,050,044	2,997,834	1,719,047	331,390
Total Non-Operating Revenues	170,626,305	160,347,560	159,907,859	149,953,947	146,225,868
Total Revenues	\$ 204,655,164	\$ 197,094,814	\$ 196,292,946	\$ 191,464,935	\$ 182,238,275

For the Year Ended August 31,					
	2020	2019	2018	2017	2016
Tuition and Fees (Net of Discounts)	11.38%	12.75%	12.02%	13.45%	12.39%
Federal Grants and Contracts	1.82%	2.00%	2.22%	2.76%	2.68%
State Grants and Contracts	1.19%	1.30%	1.35%	1.50%	1.95%
Non-Governmental Grants and Contracts	0.37%	0.50%	0.55%	0.82%	0.79%
Auxiliary enterprises	0.72%	0.89%	0.76%	0.97%	1.02%
Other Operating Revenues	1.14%	1.21%	1.64%	2.19%	0.92%
Total Operating Revenues	16.63%	18.64%	18.54%	21.68%	19.76%
State Appropriations	20.43%	20.97%	22.62%	21.27%	22.04%
Ad Valorem Taxes	31.32%	31.09%	29.64%	28.47%	29.02%
Federal Grants, Non Operating	30.46%	27.02%	27.14%	27.18%	28.72%
Other State Grants, Non Operating	0.14%	0.20%	0.10%	0.50%	0.27%
Gain on Sale of Capital Asset	0.00%	0.00%	0.42%	0.00%	0.00%
Gifts	0.00%	0.00%	0.00%	0.00%	0.00%
Other Non-Operating Income	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income	1.01%	2.05%	1.53%	0.90%	0.18%
Total Non-Operating Revenues	83.37%	81.36%	81.46%	78.32%	80.24%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 3
Program Expenses by Function
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31,

	2025	2024 as restated	2023	2022 as restated	2021 as restated
Instruction	\$ 66,215,354	\$ 63,810,421	\$ 60,476,510	\$ 60,590,251	\$ 57,850,549
Research	229,495	252,693	207,595	174,352	165,580
Public service	4,379,319	4,607,877	4,755,313	4,601,805	4,645,429
Academic support	24,148,309	22,930,567	23,060,611	22,788,360	22,662,633
Student services	12,153,625	11,297,871	10,172,495	9,888,397	11,549,888
Institutional support	29,825,480	27,800,135	27,795,597	25,679,391	27,256,313
Operation and maintenance of plant	13,442,405	13,437,394	12,423,056	13,889,707	11,874,666
Scholarships and fellowships	31,084,370	25,589,141	23,092,586	46,139,847	40,521,872
Auxiliary enterprises	2,924,839	2,577,056	1,663,087	1,784,018	969,820
Depreciation and amortization	11,055,500	10,414,120	9,758,885	8,257,989	5,826,379
Total Operating Expenses	195,458,696	182,717,275	173,405,735	193,794,117	183,323,129
Interest on capital related debt	4,997,871	5,081,897	5,164,209	5,244,787	5,323,707
Total Non-Operating Expenses	4,997,871	5,081,897	5,164,209	5,244,787	5,323,707
Total Expenses	\$ 200,456,567	\$ 187,799,172	\$ 178,569,944	\$ 199,038,904	\$ 188,646,836

For the Year Ended August 31,

	2025	2024	2023	2022	2021
Instruction	33.03%	33.98%	33.87%	30.44%	30.67%
Research	0.11%	0.13%	0.12%	0.09%	0.09%
Public service	2.18%	2.45%	2.66%	2.31%	2.46%
Academic support	12.05%	12.21%	12.91%	11.45%	12.01%
Student services	6.06%	6.02%	5.70%	4.97%	6.12%
Institutional support	14.88%	14.80%	15.57%	12.90%	14.45%
Operation and maintenance of plant	6.71%	7.16%	6.96%	6.98%	6.29%
Scholarships and fellowships	15.51%	13.63%	12.93%	23.18%	21.48%
Auxiliary enterprises	1.46%	1.37%	0.93%	0.90%	0.51%
Depreciation	5.52%	5.55%	5.47%	4.15%	3.09%
Total Operating Expenses	97.51%	97.29%	97.11%	97.36%	97.18%
Interest on capital related debt	2.49%	2.71%	2.89%	2.64%	2.82%
Total Non-Operating Expenses	2.49%	2.71%	2.89%	2.64%	2.82%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%

For the Year Ended August 31,

	2020	2019	2018	2017	2016
\$	66,592,292	\$ 65,192,950	\$ 62,106,611	\$ 61,817,038	\$ 59,652,029
	186,974	180,055	166,368	71,007	72,795
	4,965,210	5,276,605	5,457,106	5,768,757	5,749,966
	27,322,180	24,149,179	22,612,583	21,588,054	20,291,983
	13,443,855	12,830,991	12,290,768	11,723,867	11,392,376
	27,038,666	27,667,763	27,575,125	24,617,974	23,190,040
	11,092,662	11,455,250	11,288,934	11,071,739	10,429,127
	31,161,929	24,574,969	26,246,643	26,082,325	29,383,576
	3,028,010	2,920,706	3,318,159	3,544,678	3,430,975
	5,486,760	5,119,947	5,039,611	4,945,803	4,682,201
	190,318,538	179,368,415	176,101,908	171,231,242	168,275,068
	5,401,065	5,476,854	5,557,536	2,731,736	2,128,790
	5,401,065	5,476,854	5,557,536	2,731,736	2,128,790
\$	195,719,603	\$ 184,845,269	\$ 181,659,444	\$ 173,962,978	\$ 170,403,858

For the Year Ended August 31,

2020	2019	2018	2017	2016
34.02%	35.27%	34.19%	35.53%	35.01%
0.10%	0.10%	0.09%	0.04%	0.04%
2.54%	2.85%	3.00%	3.32%	3.37%
13.96%	13.06%	12.45%	12.41%	11.91%
6.87%	6.94%	6.77%	6.74%	6.69%
13.82%	14.97%	15.18%	14.15%	13.61%
5.67%	6.20%	6.21%	6.36%	6.12%
15.92%	13.29%	14.45%	14.99%	17.24%
1.55%	1.58%	1.83%	2.04%	2.01%
2.80%	2.77%	2.77%	2.84%	2.75%
97.24%	97.04%	96.94%	98.43%	98.75%
2.76%	2.96%	3.06%	1.57%	1.25%
2.76%	2.96%	3.06%	1.57%	1.25%
100.00%	100.00%	100.00%	100.00%	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 6a
General Appropriations Act Before Contact Hour Adjustments
Last Ten Fiscal Years
(unaudited)

Appropriation Funding Elements	For the year ended August 31,			For the year ended August 31,						
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
State Funding - Performance Tier	\$ 44,126,252	\$ 38,758,079	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Appropriations - Base Tier	-	-	-	-	-	-	-	-	-	-
State Appropriation Contact Hour Funding (CH)*	-	-	24,867,064	24,867,065	26,649,522	26,649,523	27,075,166	27,075,166	27,490,906	27,490,906
State Appropriation Student Success Points (SSP)*	-	-	5,997,821	5,997,821	4,776,051	4,776,052	4,039,342	4,039,343	4,122,397	4,122,398
State Appropriation Core Operations (CO)*	-	-	680,406	680,406	680,406	680,406	680,406	680,406	500,000	500,000
Recouped Funds/Audit Adj.*	-	-	-	-	8,367	-	10,458	10,458	-	-
State Appropriation Bachelor of Applied Technology (BAT)*	-	-	-	-	-	-	-	-	-	-
State Appropriations for Financial Aid Swift Transfer (FAST)	5,507,844	5,092,450	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	178,071	232,546	36,389	47,626	56,023	88,469	72,309	84,916	60,658	14,768
Total	\$ 49,812,167	\$ 44,083,075	\$ 31,581,680	\$ 31,592,918	\$ 32,170,369	\$ 32,194,450	\$ 31,877,681	\$ 31,890,289	\$ 32,173,961	\$ 32,128,072

Source: THECB - Three Pay Schedule
THECB - Ten Pay Schedule

Notes:
*Only applies to FY 2023 and prior years while this funding structure was in effect.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 6b
State Appropriation per FTSE
Last Ten Fiscal Years
(unaudited)

Fiscal Year	State Appropriation (Unrestricted) From Schedule C	FTSE	State Appropriation per FTSE
2025	\$ 49,812,167	15,798	3,153
2024	44,083,075	15,150	2,910
2023	31,581,680	14,427	2,189
2022	31,592,918	14,221	2,222
2021	32,170,369	15,179	2,119
2020	32,194,450	17,355	1,855
2019	31,877,681	17,604	1,811
2018	31,890,289	17,645	1,807
2017	32,173,961	18,104	1,777
2016	32,128,072	18,084	1,777

Sources:

Institutional Data (Institutional Research and Associate Vice President Budget & Financial Services Departments)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 6c
State Appropriation per Funded Contact Hour
Contact Hour (CH) portion only of State Appropriation
Last Ten Fiscal Years
(unaudited)

Fiscal Year		CH-State Appropriation (Unrestricted)	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours	CH- State Appropriation per Funded Contact Hour
2023	\$	24,867,064	6,645,920	1,639,651	240,737	8,526,308	\$ 2.92
2022		24,867,065	6,496,960	1,624,363	242,849	8,364,172	2.97
2021		26,649,522	7,105,152	1,597,695	155,775	8,858,622	3.01
2020		26,649,523	8,056,976	1,798,392	195,645	10,051,013	2.65
2019		27,075,166	8,083,392	1,859,836	325,958	10,269,186	2.64
2018		27,075,166	8,101,744	1,858,069	311,299	10,271,112	2.64
2017		27,490,906	8,226,656	1,961,319	351,809	10,539,784	2.61
2016		27,490,906	8,062,864	2,123,761	418,545	10,605,170	2.59
2015		29,249,254	8,067,120	2,250,842	465,034	10,782,996	2.71
2014		29,249,254	8,378,864	2,342,228	445,972	11,167,064	2.62

Sources:

Statistical Supplement 6a

Institutional Data (Institutional Research and Associate Vice President Budget & Financial Services Departments)
CBM004 and CBM00C

***Notes: This table is only recommended for FY 2023 and prior due to the new funding model in 2024.**

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 6d
State Appropriation per Student Success Point - Annualized
Last Ten Fiscal Years
(unaudited)

Fiscal Year	SSP - State Appropriation (Unrestricted)	3-Year Average Student Success Points	Appropriation per Student Success Point
2023	\$ 5,997,821	48,388	123.95
2022	5,997,821	48,388	123.95
2021	4,776,051	47,163	101.27
2020	4,776,052	47,163	101.27
2019	4,039,342	47,090	85.78
2018	4,039,343	47,090	85.78
2017	4,122,397	47,772	86.29
2016	4,122,398	47,772	86.29
2015	4,009,054	43,313	92.56
2014	4,009,054	43,313	92.56

Source: THECB Accountability System

***Notes: This table is only recommended for FY 2023 and prior.**

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
 Statistical Supplement 6e
 Student Success Points (SSP)
 Last Ten Fiscal Years
 (unaudited)

Success Point Elements	For the year ended August 31,			
	2023	2022	2021	2020
Math Readiness	1,912	1,593	1,323	1,972
Read Readiness	1,085	836	610	1,012
Write Readiness	588	473	339	438
Students Who Pass FCL Math Course	5,476	5,190	5,033	5,844
Students Who Pass FCL Read Course	3,691	3,281	2,957	3,784
Students Who Pass FCL Write Course	3,562	2,931	2,612	3,532
Students Who Complete 15 SCH	8,270	7,341	6,840	8,424
Students Who Complete 30 SCH	8,459	7,549	7,193	8,612
Student Transfer to a 4-Yr Inst	7,809	6,539	5,982	7,248
Degrees, CCCs, or Certs (Undup)	5,610	6,502	5,639	5,674
Degrees or Certs in Critical Fields	1,856	1,859	1,950	1,853
Annual Success Points - Total	48,318	44,094	40,478	48,393

For the year ended August 31,					
2019	2018	2017	2016	2015	2014
1,999	1,765	1,777	1,848	1,442	1,307
1,103	1,142	2,548	1,214	1,116	1,135
462	864	2,259	1,073	995	964
5,497	5,086	5,689	5,235	5,180	5,250
3,717	3,571	7,469	3,937	4,118	4,198
3,545	3,609	7,231	3,388	3,407	3,332
8,322	8,065	8,567	7,904	7,818	8,405
8,285	5,653	5,580	5,334	5,053	5,739
8,097	5,486	2,805	6,043	6,268	6,120
5,584	9,290	4,777	9,744	8,422	10,098
1,804	1,323	565	1,369	1,301	1,225
48,415	45,854	49,267	47,089	45,120	47,773

Source: THECB Accountability System

*Notes: This table is only recommended for FY 2023 and prior;
 Student Success Points were discontinued beginning FY 2024.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 6f
Performance Outcomes
Last Ten Tax Years
(unaudited)

Performance Tier Outcomes	2024**	2023**	2022**	2021**	2020**
15 SCHs Dual Credit	2,673	2,534	2,418	2,442	2,469
GAI Transfer or Co-Enrollment	2,350	1,896	2,112	2,071	2,568
Institutional Credential leading to Licensure or Certification (ICLC)	197	509	752	897	961
Occupational Skills Award (OSA)					
Certificate Level One or Two	398	255	251	312	354
Advance Technical Certification (ATC)	2	4			
Certificate Credential of Value Premium	14	10			
Associate Degree	2,452	2,672	2,561	2,834	2,670
Associate Degree Credential of Value Premium	40	50			
Bachelor's Degree					
Bachelor's Degree Credential of Value Premium					
Annual Outcomes Total	8,126	7,930	8,094	8,556	9,022

Sources: THECB - Community College Formula Funding Model
THECB - Accountability System

** This represents the total of funded outcomes; "credential of value premium" categories are not mutually exclusive from the general credential category. For example, Certificate Credential of Value Premium is a subset of Certificate Level One or Two, so summing them double-counts the certificates that qualified as credential of value premium.

** Statistical Supplement is intended to show information for the last ten years.
Additional years will be displayed as they become available.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)		
		2025	2024	2023
El Paso Electric Company	Utility	\$ 1,186,097	\$ 889,729	\$ 729,231
Western Refining Company LP	Refining	571,383	561,100	505,269
Walmart	Retail	364,212	366,385	292,572
Texas Gas Service	Utility	259,659	249,679	234,519
Amazon.com Services LLC	Retail	226,190	237,620	211,226
River Oaks Properties LTD	Properties	194,973	219,542	214,071
Emerald Pass 12101 Project LLC	Properties	180,236	163,736	163,736
Union Pacific Railroad	Railroad	170,696	158,757	151,126
Sierra Providence Physical Rehab Tenet Hospitals	Hospital	130,600	135,000	131,494
Simon Property Group	Properties	101,047	103,230	103,743
Hawkins & I-10 Acquistion Company	Properties	-	-	-
Tenet Hospitals Limited	Hospital	-	-	-
El Paso Outlet Center Holding Co	Properties	-	-	-
Totals		\$ 3,385,093	\$ 3,084,778	\$ 2,736,987
Total Taxable Assessed Value		\$ 69,650,536	\$ 62,692,900	\$ 56,389,178

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year		
		2025	2024	2023
El Paso Electric Company	Utility	1.70%	1.42%	1.29%
Western Refining Company LP	Refining	0.82%	0.89%	0.90%
Walmart	Retail	0.52%	0.58%	0.52%
Texas Gas Service	Utility	0.37%	0.40%	0.42%
Amazon.com Services LLC	Retail	0.32%	0.38%	0.37%
River Oaks Properties LTD	Properties	0.28%	0.35%	0.38%
Emerald Pass 12101 Project LLC	Properties	0.26%	0.26%	0.29%
Union Pacific Railroad	Railroad	0.25%	0.25%	0.27%
Sierra Providence Physical Rehab Tenet Hospitals	Hospital	0.19%	0.22%	0.23%
Simon Property Group	Properties	0.15%	0.16%	0.18%
Hawkins & I-10 Acquistion Company	Properties	-	-	-
Tenet Hospitals Limited	Hospital	-	-	-
El Paso Outlet Center Holding Co	Properties	-	-	-
Totals		4.86%	4.92%	4.85%

Source: Local County Appraisal District

Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)						
2022	2021	2020	2019	2018	2017	2016
\$ 683,163	\$ 671,822	\$ 644,986	\$ 602,789	\$ 568,704	\$ 534,623	\$ 450,842
482,615	421,481	484,076	500,819	481,540	454,064	488,623
275,303	288,461	293,546	291,985	264,566	263,256	264,748
205,067	180,438	153,108	141,813	131,636	117,028	95,624
100,097	-	-	-	-	-	-
183,205	192,248	208,932	180,162	174,269	174,437	168,924
159,606	-	-	-	-	-	-
136,584	124,698	124,406	108,682	104,757	98,398	92,872
103,000	207,298	213,204	220,057	218,511	216,577	207,305
107,312	112,336	121,130	127,863	128,440	132,761	136,652
-	90,024	97,030	99,979	94,055	141,649	149,544
-	84,775	89,709	89,362	86,193	88,014	-
-	-	-	-	-	-	90,594
\$ 2,435,952	\$ 2,373,581	\$ 2,430,127	\$ 2,363,511	\$ 2,252,671	\$ 2,220,807	\$ 2,145,728
\$ 49,737,761	\$ 46,816,417	\$ 45,132,770	\$ 43,343,712	\$ 41,090,969	\$ 40,300,291	\$ 39,415,811

% of Taxable Assessed Value (TAV) by Tax Year						
2022	2021	2020	2019	2018	2017	2016
1.37%	1.44%	1.43%	1.39%	1.38%	1.33%	1.14%
0.97%	0.90%	1.07%	1.16%	1.17%	1.13%	1.24%
0.55%	0.62%	0.65%	0.67%	0.64%	0.65%	0.67%
0.41%	0.39%	0.34%	0.33%	0.32%	0.29%	0.24%
0.20%	-	-	-	-	-	-
0.37%	0.41%	0.46%	0.42%	0.42%	0.43%	0.43%
0.32%	-	-	-	-	-	-
0.27%	0.27%	0.28%	0.25%	0.25%	0.24%	0.24%
0.21%	0.44%	0.47%	0.51%	0.53%	0.54%	0.53%
0.22%	0.24%	0.27%	0.29%	0.31%	0.33%	0.35%
-	0.19%	0.21%	0.23%	0.23%	0.35%	0.38%
-	0.18%	0.20%	0.21%	0.21%	0.22%	-
-	-	-	-	-	-	0.23%
4.90%	5.07%	5.38%	5.45%	5.48%	5.51%	5.44%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 8
Property Tax Rates per \$100 of Assessed Value
Direct and Overlapping
Last Ten Tax Years
(unaudited)

Fiscal Year	College District			Other El Paso County Taxable Entities				Total
	Current Operations	(1) Debt Service	Total	El Paso County	City of El Paso	(2) ISD's Average	University Medical Center	
2024-25	\$ 0.107786	\$ -	\$ 0.107786	\$ 0.426323	\$ 0.761405	\$ 1.080043	\$ 0.219526	\$ 2.595083
2023-24	0.115717	-	0.115717	0.458889	0.818875	1.110824	0.235650	2.739955
2022-23	0.122611	-	0.122611	0.426289	0.862398	1.265869	0.235153	2.912320
2021-22	0.134760	-	0.134760	0.470181	0.907301	1.304350	0.258145	3.074737
2020-21	0.139859	-	0.139859	0.488997	0.907301	1.337320	0.267747	3.141224
2019-20	0.141167	-	0.141167	0.488997	0.907301	1.308688	0.267747	3.113900
2018-19	0.140273	-	0.140273	0.447819	0.843332	1.361033	0.251943	3.044400
2017-18	0.141638	-	0.141638	0.452694	0.803433	1.346622	0.251943	2.996330
2016-17	0.134909	-	0.134909	0.452694	0.759656	1.346622	0.234456	2.928337
2015-16	0.133811	-	0.133811	0.452694	0.729725	1.324366	0.220682	2.861278

Notes:

(1) - 1975 General Obligation Bonds were paid off in 1995. Therefore the Debt Service portion was allocated to Current Operations

(2) - Independent School Districts (ISD'S)

Source:

City of El Paso - Consolidated Tax Office - Property Tax History

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 8a
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	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (C+D+E)	Cumulative Collections of Adjusted Levy
2024-25	\$ 76,349,043	\$ (1,188,266)	\$ 75,160,777	\$ 73,413,527	97.68%	-	-	\$ 73,413,527	97.68%
2023-24	73,353,838	(959,944)	72,393,894	71,062,653	98.16%	(0)	489,459	71,552,112	98.84%
2022-23	70,461,827	(1,564,100)	68,897,727	67,841,447	98.47%	325,302	165,132	68,331,881	99.18%
2021-22	67,821,050	(992,836)	66,828,214	65,908,561	98.62%	412,563	72,949	66,394,072	99.35%
2020-21	66,208,937	(1,474,262)	64,734,676	64,376,564	99.45%	(5,545)	167	64,371,186	99.44%
2019-20	64,207,746	(782,427)	63,425,319	62,458,178	98.48%	605,314	30,389	63,093,881	99.48%
2018-19	61,267,243	(729,233)	60,538,011	59,671,583	98.57%	570,036	22,186	60,263,805	99.55%
2017-18	58,644,632	(625,063)	58,019,569	57,149,858	98.50%	610,267	14,821	57,774,946	99.58%
2016-17	54,843,817	(885,128)	53,958,688	53,328,020	98.83%	414,523	11,755	53,754,298	99.62%
2015-16	53,139,540	(714,573)	52,424,967	51,740,083	98.69%	486,729	9,474	52,236,286	99.64%

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

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest.

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,			
	2025	2024	2023	2022
<u>General Bonded Debt</u>				
General Obligation Bonds	\$ -	\$ -	\$ -	\$ -
Less: Funds Restricted for Debt Service				
Net General Bonded Debt	\$ -	\$ -	\$ -	\$ -
Per Capita	\$ -	\$ -	\$ -	\$ -
Per Student				
As a percentage of Taxable Assessed Value	0.00%	0.00%	0.00%	0.00%

<u>Other Debt</u>				
Revenue Bonds - See Note 6	\$ 105,140,000	\$ 109,210,000	\$ 113,195,000	\$ 117,100,000
Revenue Bonds Premium- See Note 7	9,475,073	10,032,430	10,589,787	11,147,144
Notes - See Note 9			-	-
Lease and Subscription Liabilities - See Note 9	5,932,725	2,410,162	3,712,223	4,766,785
Total Outstanding Debt	\$ 120,547,798	\$ 121,652,592	\$ 127,497,010	\$ 133,013,929

<u>Total Outstanding Debt Ratios</u>				
Per Capita	\$ 137.65	\$ 139.85	\$ 146.76	\$ 153.25
Per Student	\$ 7,631	\$ 8,030	\$ 8,837	\$ 9,353
As a percentage of Taxable Assessed Value	0.17%	0.19%	0.23%	0.27%

Notes:
Ratios calculated using population and TAV from current year.
Debt per student calculated using full-time equivalent enrollment.

For the Year Ended August 31,											
2021		2020		2019		2018		2017		2016	
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%

\$ 120,920,000	\$ 124,665,000	\$ 128,335,000	\$ 131,930,000	\$ 135,455,000	\$ 43,350,000
11,704,501	12,261,859	12,819,216	13,376,595	13,933,930	1,673,230
-	-	-	-	376,287	770,409
-	-	-	-	-	-
\$ 132,624,501	\$ 136,926,859	\$ 141,154,216	\$ 145,306,595	\$ 149,765,217	\$ 45,793,639

\$ 153.21	\$ 156.29	\$ 162.43	\$ 168.61	\$ 175.27	\$ 54.06
\$ 8,737	\$ 7,890	\$ 8,018	\$ 8,235	\$ 8,272	\$ 2,532
0.28%	0.30%	0.33%	0.35%	0.37%	0.12%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 9a
Ratios of Outstanding Debt
Last Ten Tax Years
(unaudited)

Fiscal Year Ended August 31	General Obligation Bonds	Revenue Bonds	Revenue Bonds Premium	Leases	Subscriptions	Notes Payable	Total Outstanding Debt	Calendar Year District Personal Income (1)	Percentage of Debt per Personal Income	Population (1)	Debt per Capita
2024-25	\$ -	\$ 105,140,000	\$ 9,475,073	\$ 265,101	\$ 5,667,624	\$ -	\$ 120,547,798	\$ 40,669,240	296%	875,784	\$ 138
2023-24	-	109,210,000	10,032,430	275,861	2,134,301	-	121,652,592	40,669,240	299%	869,880	140
2022-23		113,195,000	10,589,787	358,062	3,354,161		127,497,010	38,397,840	332%	868,763	147
2021-22		117,100,000	11,147,144	155,649	4,611,136		133,013,929	38,245,050	348%	867,947	153
2020-21		120,920,000	11,704,501				132,624,501	35,181,255	377%	865,657	153
2019-20		124,665,000	12,261,859				136,926,859	31,651,549	433%	876,120	156
2018-19		128,335,000	12,819,216				141,154,216	30,301,500	466%	869,040	162
2017-18		131,930,000	13,376,595				145,306,595	29,209,200	497%	861,806	169
2016-17		135,455,000	13,933,930			376,287	149,765,217	27,744,310	540%	854,479	175
2015-16		43,350,000	1,673,230			770,409	45,793,639	27,348,677	167%	847,036	54

Sources:

(1) Statistical Section 12 - Demographics & Economic Statistics - Tax District

Notes: GASB pronouncement for leases was implemented in FY 2022 with restatement for FY 2021
Subscriptions were implemented on FY 2023 with restatement for FY 2022

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,			
	2025	2024	2023	2022
Taxable Assessed Value	\$ 69,650,536,145	\$ 62,692,900,404	\$ 56,389,177,558	\$ 49,737,760,992
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Service	348,252,681	313,464,502	281,945,888	248,688,805
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-
Net Statutory Tax Levy Limit for Debt Service	348,252,681	313,464,502	281,945,888	248,688,805
Current Year Debt Service Requirements				
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 348,252,681	\$ 313,464,502	\$ 281,945,888	\$ 248,688,805
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

	For the Year Ended August 31,					
	2021	2020	2019	2018	2017	2016
Taxable Assessed Value	\$ 46,816,416,951	\$ 45,132,770,308	\$ 43,343,712,075	\$ 41,090,968,693	\$ 40,300,290,827	\$ 39,415,811,418
General Obligation Bonds						
Statutory Tax Levy Limit for Debt Service	234,082,085	225,663,852	216,718,560	205,454,843	201,501,454	197,079,057
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-
Net Statutory Tax Levy Limit for Debt Service	234,082,085	225,663,852	216,718,560	205,454,843	201,501,454	197,079,057
Current Year Debt Service Requirements						
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 234,082,085	\$ 225,663,852	\$ 216,718,560	\$ 205,454,843	\$ 201,501,454	\$ 197,079,057
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues				Debt Service Requirements			
	(1) Tuition	General Use Fee	Interest Income	Total	Principal	Interest	Total	Coverage Ratio
2025	\$ 15,352,846	\$ 9,524,168	\$ 10,508,821	\$ 35,385,835	\$ 4,200,000	\$ 4,948,250	\$ 9,148,250	3.87
2024	14,655,779	9,056,330	12,307,338	36,019,447	4,070,000	5,033,313	9,103,313	3.96
2023	14,119,909	8,805,417	9,014,940	31,940,266	3,985,000	5,116,600	9,101,600	3.51
2022	13,768,624	8,528,912	939,086	23,236,622	3,905,000	5,198,214	9,103,214	2.55
2021	14,581,165	9,103,642	147,944	23,832,751	3,820,000	5,278,052	9,098,052	2.62
2020	15,312,183	10,582,080	1,237,221	27,131,484	3,745,000	5,356,323	9,101,323	2.98
2019	15,332,403	10,519,980	2,408,587	28,260,970	3,670,000	5,433,026	9,103,026	3.10
2018	13,911,776	10,665,480	1,390,400	25,967,656	3,595,000	5,508,161	9,103,161	2.85
2017	14,252,246	10,766,265	607,319	25,625,830	3,525,000	5,546,997	9,071,997	2.82
2016	12,840,898	8,076,123	266,445	21,183,466	3,930,000	2,167,653	6,097,653	3.47

Note:

(1) Effective February 2007, pledged coverage ratio includes 25% of gross tuition.

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

Calendar Year	District Population (1)	District Personal Income (thousands of dollars) (1)	District Personal Income Per Capita (1)	District Unemployment Rate (2)
2025	875,784	\$ 40,669,240	\$ 46,753	4.90%
2024	869,880	40,669,240	46,753	4.70%
2023	868,763	38,397,840	44,198	5.20%
2022	867,947	38,245,050	44,064	4.60%
2021	865,657	35,181,255	41,818	5.80%
2020	876,120	31,651,549	37,715	7.30%
2019	869,040	30,301,500	35,836	3.70%
2018	861,806	29,209,200	34,575	3.90%
2017	854,479	27,744,310	32,952	3.80%
2016	847,036	27,348,677	32,598	5.30%

Sources:

- (1) Bureau of Economic Analysis (estimate) and/or United States Census Bureau
- (2) Texas Workforce Commission

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 13
Principal Employers
Current Year and Nine Years Ago
(unaudited)

Employer	2025			2016	
	Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment
Fort Bliss Civilian Employees	11,737	2.93%	Fort Bliss Civilian Employees	12,251	3.64%
El Paso Independent School District	7,875	1.97%	El Paso Independent School District	8,380	2.49%
T & T Staff Management Inc.	7,118	1.78%	Ysleta Independent School District	7,602	2.26%
Wal-Mart	6,500	1.62%	City of El Paso	5,484	1.63%
Socorro Independent School District	6,112	1.53%	T & T Staff Management Inc.	5,348	1.59%
City of El Paso	6,095	1.52%	Tenet Hospital Ltd	5,100	1.51%
University Medical Center	5,855	1.46%	Socorro Independent School District	5,039	1.50%
Ysleta Independent School District	5,476	1.37%	University of Texas at El Paso	3,700	1.10%
Tenet Hospital Ltd	5,300	1.32%	El Paso County Community College District	3,167	0.94%
University of Texas at El Paso	3,561	0.89%	County of El Paso	2,892	0.86%
Total	65,629	16.38%		58,963	17.51%

Note:

Percentages are calculated using total employment figures from the Texas Workforce Commission.

Sources:

Texas Workforce Commission
Public Information Websites
Independent School Districts

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

For the Year Ended August 31,										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty										
Full-time	443	428	418	420	432	453	460	460	472	466
Part-time	772	750	718	667	596	844	841	857	881	887
Total	1,215	1,178	1,136	1,087	1,028	1,297	1,301	1,317	1,353	1,353
Percent										
Full-time	36.5%	36.3%	36.8%	38.6%	42.0%	34.9%	35.4%	34.9%	34.9%	34.4%
Part-time	63.5%	63.7%	63.2%	61.4%	58.0%	65.1%	64.6%	65.1%	65.1%	65.6%
Staff and Administrators										
Full-time	709	679	685	719	760	775	788	790	770	769
Part-time	673	575	532	576	549	1,005	1,013	1,016	1,044	944
Total	1,382	1,254	1,217	1,295	1,309	1,780	1,801	1,806	1,814	1,713
Percent										
Full-time	51.3%	54.1%	56.3%	55.5%	58.1%	43.5%	43.8%	43.7%	42.4%	44.9%
Part-time	48.7%	45.9%	43.7%	44.5%	41.9%	56.5%	56.2%	56.3%	57.6%	55.1%
FTSE per Full-Time Faculty	35.66	35.40	34.51	33.86	35.14	38.31	38.27	38.36	38.36	38.81
FTSE per Full-Time Staff Member	22.28	22.31	21.06	19.78	19.97	22.39	22.34	22.34	23.51	23.52
Average Annual Full-Time Faculty Salary	\$ 63,762	\$ 63,638	\$ 62,631	\$ 59,618	\$ 57,714	\$ 56,250	\$ 58,176	\$ 57,744	\$ 57,035	\$ 56,213

Source: Institutional Data (Institutional Research and Human Resources Departments)

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 15
Enrollment Details
Last Ten Fiscal Years
(unaudited)

Student Classification	Fall 2024		Fall 2023		Fall 2022		Fall 2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	17,426	66.60%	17,788	68.26%	17,280	67.68%	16,355	64.18%
31-60 hours	6,882	26.30%	6,516	25.00%	6,496	25.44%	7,170	28.14%
>60 hours	1,858	7.10%	1,757	6.74%	1,756	6.88%	1,958	7.68%
Total	26,166	100.00%	26,061	100.00%	25,532	100.00%	25,483	100.00%

Semester Hour Load	Fall 2024		Fall 2023		Fall 2022		Fall 2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	205	0.78%	197	0.76%	190	0.74%	187	0.73%
3-5 semester hours	6,478	24.76%	6,853	26.30%	6,984	27.35%	6,744	26.46%
6-8 Semester hours	7,243	27.68%	7,442	28.56%	7,015	27.48%	7,395	29.02%
9-11 semester hours	5,348	20.44%	5,101	19.57%	4,830	18.92%	4,673	18.34%
12-14 semester hours	5,345	20.43%	5,063	19.43%	5,175	20.27%	5,114	20.07%
15-17 semester hours	1,074	4.10%	981	3.76%	987	3.87%	978	3.84%
18 & over	473	1.81%	424	1.63%	351	1.37%	392	1.54%
Total	26,166	100.00%	26,061	100.00%	25,532	100.00%	25,483	100.00%

Average course load	8.0	7.9	7.8	7.8
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Tuition Status	Fall 2024		Fall 2023		Fall 2022		Fall 2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident	24,406	93.27%	24,298	93.24%	23,915	93.67%	24,538	96.29%
Non-Resident	1,760	6.73%	1,763	6.76%	1,617	6.33%	945	3.71%
Total	26,166	100.00%	26,061	100.00%	25,532	100.00%	25,483	100.00%

Source: Institutional Data (Institutional Research Department)

Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
17,486	63.75%	19,769	65.56%	19,726	64.76%	18,493	63.78%	20,183	65.69%	19,445	65.29%
7,776	28.35%	8,006	26.55%	8,308	27.28%	8,213	28.33%	8,177	26.61%	8,056	27.05%
2,166	7.90%	2,378	7.89%	2,425	7.96%	2,287	7.89%	2,366	7.70%	2,282	7.66%
27,428	100.00%	30,153	100.00%	30,459	100.00%	28,993	100.00%	30,726	100.00%	29,783	100.00%

Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
167	0.60%	239	0.80%	283	0.92%	221	0.76%	250	0.81%	224	0.75%
7,458	27.19%	8,004	26.54%	7,734	25.39%	7,152	24.67%	7,310	23.79%	6,897	23.16%
7,030	25.63%	7,964	26.41%	8,419	27.64%	8,054	27.78%	8,398	27.33%	8,574	28.79%
4,859	17.72%	5,352	17.75%	5,501	18.06%	5,517	19.03%	6,185	20.13%	5,876	19.73%
5,594	20.40%	6,556	21.74%	6,383	20.96%	6,131	21.15%	6,495	21.14%	6,041	20.28%
1,535	5.60%	1,338	4.44%	1,464	4.81%	1,294	4.46%	1,369	4.46%	1,427	4.79%
785	2.86%	700	2.32%	675	2.22%	624	2.15%	719	2.34%	744	2.50%
27,428	100.00%	30,153	100.00%	30,459	100.00%	28,993	100.00%	30,726	100.00%	29,783	100.00%

8.2	8.1	8.1	8.1	8.2	8.2
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Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
25,786	94.01%	28,283	93.80%	28,789	94.52%	27,555	95.04%	29,322	95.43%	28,449	95.52%
1,642	5.99%	1,870	6.20%	1,670	5.48%	1,438	4.96%	1,404	4.57%	1,334	4.48%
27,428	100.00%	30,153	100.00%	30,459	100.00%	28,993	100.00%	30,726	100.00%	29,783	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 16
Student Profile
Last Ten Fiscal Years
(unaudited)

Gender	Fall 2024		Fall 2023		Fall 2022		Fall 2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	15,003	57.34%	14,889	57.13%	14,729	57.69%	15,092	59.22%
Male	11,163	42.66%	11,172	42.87%	10,803	42.31%	10,391	40.78%
Total	26,166	100.00%	26,061	100.00%	25,532	100.00%	25,483	100.00%

Ethnic Origin	Fall 2024		Fall 2023		Fall 2022		Fall 2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	1,249	4.77%	1,214	4.66%	1,282	5.02%	1,566	6.14%
Hispanic	20,997	80.25%	21,271	81.62%	21,546	84.39%	21,718	85.23%
African American	419	1.60%	416	1.60%	397	1.55%	441	1.73%
Asian	203	0.78%	172	0.66%	177	0.69%	224	0.88%
Native American	70	0.27%	79	0.30%	87	0.35%	76	0.30%
Other	3,228	12.34%	2,909	11.16%	2,043	8.00%	1,458	5.72%
Total	26,166	100.00%	26,061	100.00%	25,532	100.00%	25,483	100.00%

Age	Fall 2024		Fall 2023		Fall 2022		Fall 2021	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	9,052	34.59%	9,111	34.96%	8,611	33.73%	8,040	31.55%
18 -21	9,937	37.98%	10,121	38.84%	9,960	39.01%	9,758	38.29%
22 - 24	2,733	10.44%	2,585	9.92%	2,457	9.62%	2,640	10.36%
25 - 35	3,177	12.14%	3,078	11.81%	3,226	12.64%	3,646	14.31%
36 - 50	1,045	3.99%	956	3.67%	1,081	4.23%	1,196	4.69%
51 & over	222	0.85%	210	0.81%	197	0.77%	203	0.80%
Total	26,166	100.00%	26,061	100.00%	25,532	100.00%	25,483	100.00%

Average Age 20.8 20.7 20.8 21.3

Source: Institutional Data (Institutional Research Department)

Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
16,410	59.83%	17,388	57.67%	17,544	57.60%	16,496	56.90%	17,344	56.45%	16,827	56.50%
11,018	40.17%	12,765	42.33%	12,915	42.40%	12,497	43.10%	13,382	43.55%	12,956	43.50%
27,428	100.00%	30,153	100.00%	30,459	100.00%	28,993	100.00%	30,726	100.00%	29,783	100.00%

Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1,814	6.61%	2,124	7.04%	2,165	7.11%	2,153	7.43%	2,427	7.90%	2,437	8.18%
23,001	83.86%	25,344	84.05%	25,830	84.80%	24,601	84.85%	26,078	84.87%	25,151	84.45%
445	1.62%	524	1.75%	584	1.92%	613	2.11%	717	2.33%	736	2.47%
189	0.69%	170	0.56%	192	0.63%	199	0.69%	266	0.87%	251	0.84%
70	0.26%	88	0.29%	79	0.26%	72	0.25%	73	0.24%	89	0.30%
1,909	6.96%	1,903	6.31%	1,609	5.28%	1,355	4.67%	1,165	3.79%	1,119	3.76%
27,428	100.00%	30,153	100.00%	30,459	100.00%	28,993	100.00%	30,726	100.00%	29,783	100.00%

Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
9,026	32.91%	5,256	17.43%	7,483	24.57%	6,132	21.15%	6,595	21.46%	5,868	19.70%
10,162	37.05%	12,979	43.04%	12,271	40.29%	12,002	41.40%	12,538	40.81%	12,181	40.90%
2,861	10.43%	4,801	15.92%	3,998	13.12%	3,987	13.75%	4,264	13.88%	4,291	14.41%
3,952	14.41%	5,157	17.10%	4,828	15.85%	4,919	16.96%	5,188	16.88%	5,145	17.27%
1,221	4.45%	1,620	5.37%	1,538	5.05%	1,591	5.49%	1,756	5.72%	1,847	6.20%
206	0.75%	340	1.14%	341	1.12%	362	1.25%	385	1.25%	451	1.52%
27,428	100.00%	30,153	100.00%	30,459	100.00%	28,993	100.00%	30,726	100.00%	29,783	100.00%

21.2 22.6 22.0 22.4 22.4 22.8

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 17
Transfers to Senior Institutions

(Includes only public senior colleges in Texas)

	2022 Fall Students as of Fall 2024					2021 Fall Students as of Fall 2023				
	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep			Academic	Technical	Tech-Prep		
1 Angelo State University	2			2	0.05%	2			2	0.06%
2 Lamar University	2			2	0.05%	1			1	0.03%
3 Midwestern State University	4			4	0.11%	1			1	0.03%
4 Prairie View A&M University				0	0.00%	0			0	0.00%
5 Sam Houston State University	2		1	3	0.08%	3			3	0.09%
6 Stephen F. Austin State University	2			2	0.05%	1			1	0.03%
7 Sul Ross State University	26			26	0.71%	18	2		20	0.57%
8 Sul Ross State University - Rio Grande College				0	0.00%	0			0	0.00%
9 Tarleton State University	4		1	5	0.14%	3			3	0.09%
10 Texas A&M International University	2			2	0.05%	2			2	0.06%
11 Texas A&M University - College Station	48		1	49	1.34%	43	1	1	45	1.29%
12 Texas A&M University - Central Texas			1	1	0.03%	3			3	0.09%
13 Texas A&M University - Commerce	3			3	0.08%	0			0	0.00%
14 Texas A&M University - Corpus Christi	2			2	0.05%	1		1	2	0.06%
15 Texas A&M University - Galveston	5			5	0.14%	2			2	0.06%
16 Texas A&M University - Kingsville	2			2	0.05%	1			1	0.03%
17 Texas A&M University - San Antonio	1			1	0.03%	6		1	7	0.20%
18 Texas A&M University - Texarkana	2			2	0.05%	0			0	0.00%
19 Texas A&M University - Health Science Center	2			2	0.05%	0			0	0.00%
20 Texas Southern University	2			2	0.05%	0			0	0.00%
21 Texas State University - San Marcos	54	4	2	60	1.64%	45	3	3	51	1.46%
22 Texas Tech University	157	12	7	176	4.82%	143	6	2	151	4.32%
23 Texas Tech University - Health Science Center	7			7	0.19%	12			12	0.34%
24 Texas Tech University - Health Science Center - El Paso	88			88	2.41%	71		4	75	2.15%
25 Texas Women's University	7			7	0.19%	2		1	3	0.09%
26 University of Houston	10			10	0.27%	7			7	0.20%
27 University of Houston - Downtown				0	0.00%	0			0	0.00%
28 University of Houston - Clear Lake	1			1	0.03%	0			0	0.00%
29 University of Houston - Victoria				0	0.00%	1			1	0.03%
30 University of North Texas	9			9	0.25%	13	2		15	0.43%
31 University of North Texas at Dallas				0	0.00%	1			1	0.03%
32 University of North Texas Health Science Center				0	0.00%	0			0	0.00%
33 University of Texas - Arlington	18	1		19	0.52%	19		4	23	0.66%
34 University of Texas - Austin	115	4	4	123	3.37%	110	5	3	118	3.38%
35 University of Texas - Dallas	4		1	5	0.14%	6		1	7	0.20%
36 University of Texas - El Paso	2742	96	94	2932	80.35%	2662	114	74	2850	81.52%
37 University of Texas - Pan American				0	0.00%	0			0	0.00%
38 University of Texas - Permian Basin	7			7	0.19%	9			9	0.26%
39 University of Texas - Rio Grande Valley (formerly Brownsville)	5	1		6	0.16%	8			8	0.23%
40 University of Texas - San Antonio	59	5	1	65	1.78%	45	4	3	52	1.49%
41 University of Texas - Tyler	1			1	0.03%	3			3	0.09%
42 University of Texas Health Science Center - Houston				0	0.00%	0			0	0.00%
43 University of Texas Health Science Center - San Antonio	3			3	0.08%	4			4	0.11%
44 University of Texas Medical Branch - Galveston	2			2	0.05%	2			2	0.06%
45 University of Texas M.D. Anderson Cancer Center				0	0.00%	0			0	0.00%
46 University of Texas Southwestern Medical Center - Dallas				0	0.00%	0			0	0.00%
47 West Texas A&M University	13			13	0.36%	10			10	0.29%
48 Baylor College of Medicine				0	0.00%	1			1	0.03%
Totals	3,413	123	113	3,649	100.00%	3,261	137	98	3,496	100.00%

Source: Texas Higher Education Coordinating Board

2020 Fall Students as of Fall 2022					2019 Fall Students as of Fall 2021					2018 Fall Students as of Fall 2020				
Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
Academic	Technical	Tech-Prep			Academic	Technical	Tech-Prep			Academic	Technical	Tech-Prep		
3			3	0.07%	3			3	0.10%	4			4	0.11%
3			3	0.07%	1			1	0.03%	3			3	0.08%
1			1	0.02%	1			1	0.03%	1			1	0.03%
3			3	0.07%	3			3	0.10%	0			0	0.00%
3			3	0.07%	4			4	0.13%	3		1	4	0.11%
1			1	0.02%	1			1	0.03%	0			0	0.00%
23	1		24	0.60%	10			10	0.32%	18	1		19	0.53%
			0	0.00%	0			0	0.00%	0			0	0.00%
3			3	0.07%	2			2	0.06%	1			1	0.03%
2			2	0.05%	4			4	0.13%	2			2	0.06%
45	2		47	1.17%	52	1	1	54	1.71%	63	4		67	1.85%
4			4	0.10%	1			1	0.03%	0	1		1	0.03%
1			1	0.02%	0			0	0.00%	4			4	0.11%
9			9	0.22%	5			5	0.16%	5		1	6	0.17%
3			3	0.07%	6			6	0.19%	5			5	0.14%
1			1	0.02%	1			1	0.03%	0			0	0.00%
2			2	0.05%	1			1	0.03%	1			1	0.03%
1			1	0.02%	0			0	0.00%	0			0	0.00%
			0	0.00%	4			4	0.13%	0			0	0.00%
			0	0.00%	0			0	0.00%	1			1	0.03%
37	2	1	40	0.99%	42	2		44	1.40%	36	3	1	40	1.11%
121	4	4	129	3.21%	116	2		118	3.75%	94	2	1	97	2.68%
6			6	0.15%	4			4	0.13%	12			12	0.33%
79			79	1.96%	78			78	2.48%	112			112	3.10%
9			9	0.22%	5			5	0.16%	2			2	0.06%
3	1		4	0.10%	7	1		8	0.25%	6		1	7	0.19%
1			1	0.02%	2			2	0.06%	3			3	0.08%
2			2	0.05%	3			3	0.10%	0		1	1	0.03%
2			2	0.05%	2			2	0.06%	3			3	0.08%
17	1	1	19	0.47%	23	1		24	0.76%	16	1		17	0.47%
			0	0.00%	0			0	0.00%	1			1	0.03%
			0	0.00%	0			0	0.00%	0			0	0.00%
13	1	4	18	0.45%	13		7	20	0.63%	21		6	27	0.75%
92	8	5	105	2.61%	86	4	1	91	2.89%	72	2	4	78	2.16%
10			10	0.25%	9	1	1	11	0.35%	3			3	0.08%
3279	55	57	3391	84.27%	2,438	67	52	2557	81.17%	2,934	48	46	3028	83.69%
			0	0.00%	0			0	0.00%	0			0	0.00%
20			20	0.50%	15		1	16	0.51%	10			10	0.28%
6			6	0.15%	4			4	0.13%	4			4	0.11%
56	1	1	58	1.44%	46		2	48	1.52%	34			34	0.94%
2			2	0.05%	3			3	0.10%	2			2	0.06%
1			1	0.02%	0			0	0.00%	1			1	0.03%
2			2	0.05%	5			5	0.16%	2			2	0.06%
2			2	0.05%	1			1	0.03%	1		1	2	0.06%
			0	0.00%	0			0	0.00%	0			0	0.00%
			0	0.00%	0			0	0.00%	0			0	0.00%
7			7	0.17%	2	2	1	5	0.16%	11		2	13	0.36%
3,875	76	73	4,024	100.00%	3,003	81	66	3,150	100.00%	3,491	62	65	3,618	100.00%

EL PASO COUNTY COMMUNITY COLLEGE DISTRICT
Statistical Supplement 18
Capital Asset Information
Last Ten Fiscal Years
(unaudited)

	Fiscal Year Ended August 31,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Academic buildings	36	36	36	36	36	33	32	30	25	25
Square footage	1,386,681	1,386,681	1,385,688	1,385,688	1,385,688	1,015,662	985,293	921,924	994,344	994,344
Libraries	5	5	5	5	5	5	5	5	5	5
Square footage	120,537	120,537	120,537	120,537	120,537	120,537	120,537	120,537	93,801	93,801
Number of Volumes (in thousands)	208,000	206,080	206,080	205,912	206,596	205,362	201,295	198,994	195,858	192,736
Administrative and support buildings	23	23	23	23	23	23	23	24	11	11
Square footage	759,785	759,785	759,785	759,785	759,785	751,110	751,110	759,950	627,638	627,638
Athletic Facilities	8	8	8	8	8	8	8	8	7	7
Square footage	296,906	296,906	296,906	296,906	296,906	296,906	296,906	296,906	296,906	296,906
Baseball and softball fields	204,059	204,059	204,059	204,059	204,059	204,059	204,059	204,059	204,059	204,059
Gymnasiums	38,953	38,953	38,953	38,953	38,953	38,953	38,953	38,953	33,807	33,807
Tennis Court	59,040	59,040	59,040	59,040	59,040	59,040	59,040	59,040	59,040	59,040
Plant facilities	2	2	2	2	2	2	2	2	6	6
Square footage	7,415	7,415	7,415	7,415	7,415	7,415	7,415	7,415	19,609	19,609
Transportation										
Cars	52	53	56	56	55	58	52	58	58	58
Light Trucks/Vans	72	75	69	70	70	77	70	67	70	65
Buses	1	1	1	1	1	1	1	1	3	3

Source: Institutional Data (Auxiliary Services Department)

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

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[CLOSING DATE]

Norton Rose Fulbright US LLP
2200 Ross Avenue, Suite 3600
Dallas, Texas 75201-7932
United States

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IN REGARD to the authorization and issuance of the “El Paso County Community College District Combined Fee Revenue Refunding Bonds, Series 2026,” dated March 1, 2026, in the aggregate principal amount of \$[] (the “Bonds”), we have examined into their issuance by the El Paso County Community College District (the “District”) solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the District’s outstanding obligations being refunded by the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the District, the disclosure of any financial or statistical information or data pertaining to the District and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Bonds mature on April 1 in each of the years specified in the pricing certificate (the “Pricing Certificate”) executed pursuant to a resolution adopted by the Board of Trustees of the District authorizing the issuance of the Bonds (the “Bond Resolution” and, jointly with the Pricing Certificate, the “Resolution”), unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Resolution.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Resolution, an Escrow Agreement (the “Escrow Agreement”) between the District and Zions Bancorporation, National Association (the “Escrow Agent”), a special report of Frost CPA LLC, in conjunction with Public Finance Partners LLC (together, the “Accountants”), and an examination of the initial Bond executed and delivered by the District (which we found to be in due form and properly executed); (ii) certifications of officers of the District relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the District and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been duly authorized by the District and, when issued in compliance with the provisions of the Resolution, are valid, legally binding and enforceable obligations of the District and, together with the outstanding and unpaid "Parity Bonds" (as defined in the Resolution), are payable solely from and equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined in the Resolution), except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. The Escrow Agreement has been duly authorized, executed and delivered and, assuming the due authorization, execution or acceptance, and delivery thereof by the Escrow Agent, is a binding and enforceable agreement in accordance with its terms, and the outstanding obligations refunded, discharged, paid and retired with the proceeds of the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held in a trust fund with the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the special report of the Accountants as to the sufficiency of cash and investments deposited with the Escrow Agent pursuant to the Escrow Agreement for the purposes of paying the outstanding obligations refunded and to be retired with the proceeds of the Bonds and the interest thereon.

3. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the District with the provisions of the Resolution relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter "C" earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of interests in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

Page 3 of Legal Opinion of Norton Rose Fulbright US LLP

Re: "El Paso County Community College District Combined Fee Revenue Refunding Bonds,
Series 2026"

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

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