

# **RANGER COLLEGE DISTRICT**

**ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2024**

# RANGER COLLEGE DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Organizational Data	1	
<u>Financial Section</u>		
Independent Auditor's Report	3	
Management's Discussion and Analysis	6	
Statements of Net Position	15	1
Statements of Financial Position - Component Unit	17	1
Statements of Revenues, Expenses, and Changes in Net Position	18	2
Statements of Activities - Component Unit	19	2
Statements of Cash Flows	20	3
<u>Notes to the Financial Statements</u>	23	
<u>Required Supplementary Information</u>		
Schedule of the College's Proportionate Share of Net Pension Liability	55	
Schedule of the College's Contributions for Pensions	56	
Schedule of the College's Proportionate Share of Net OPEB Liability	57	
Schedule of the College's Contributions for OPEB	58	
Notes to Required Supplementary Information	59	
<u>Supplementary Information</u>		
		<u>Schedule</u>
Schedule of Operating Revenues	61	A
Schedule of Operating Expenses by Object	62	B
Schedule of Non-Operating Revenues and Expenses	63	C
Schedule of Net Position by Source and Availability	64	D

# RANGER COLLEGE DISTRICT

## TABLE OF CONTENTS

### Overall Compliance and Internal Controls Section

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	66
Summary Schedule of Prior Audit Findings	68
Schedule of Findings and Questioned Costs	69
Corrective Action Plan	70

### Federal Awards Section

### Schedule

Independent Auditor's Report on Compliance for Each Major Federal and State Program and on Internal Control over Compliance Required by the Uniform Guidance and Texas Grant Management Standards	72	
Schedule of Expenditures of Federal Awards	75	E

### State Awards Section

Schedule of Expenditures of State Awards	78	F
--	----	---

**RANGER COLLEGE DISTRICT  
ORGANIZATIONAL DATA  
For the Year Ended August 31, 2024**

---

Board of Regents

Officers

Jackie Stephens, Chairman  
Shawn Wells, Vice Chairman  
Vanna Dains, Secretary

Members

		<u>Term Expires</u>
Doug Crawley	Ranger, Texas	2026
Bobby Murry	Ranger, Texas	2026
Jo Ann Greenwood	Ranger, Texas	2026
Shawn Wells	Ranger, Texas	2028
Sandi Herod	Ranger, Texas	2028
Jackie Stephens	Ranger, Texas	2028
Della Carey	Ranger, Texas	2030
Vanna Dains	Ranger, Texas	2030

---

Principal Administrative Personnel

Mr. Derrick Worrels	President
Ms. Gaylyn Mendoza	Senior Vice President of Business Services/CFO
Mr. Dixon Bailey	Executive Vice President of Workforce Development
Dr. Dayna Prochaska	Senior Vice President of Instruction and Brown County Campus
Dr. Lindy Matthews	Vice President of Institutional Advancement
Mr. Ahmy Arca	Vice President of Student Services
Ms. Debbie Karl	Vice President of Institutional Effectiveness and Accreditation
Mr. Luis Ramirez	Vice President of Dual Enrollment and Erath County Campus
Mr. Robert Culverhouse	Associate Vice President of Information Technology
Mrs. Stephanie Worrels	Associate Vice President of Advising and Recruitment
Dr. Babette Cuadrado	Associate Vice President of Ranger Reach

**FINANCIAL SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Regents  
Ranger College District

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ranger College District (the College) as of and for the years ended August 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of August 31, 2024 and 2023, and the respective changes in financial position, and 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 College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the College's proportionate share of net pension liability, the schedule of the College's contributions for pensions, the schedule of the College's proportionate share of net OPEB liability, the schedule of the College's contributions for OPEB, and the related notes on pages 6 - 14 and 55 - 59, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplemental schedules and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and schedule of expenditures of state awards, as required by the Texas Grant Management Standards, (Schedules A – F), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, 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 supplemental information and the schedules of expenditures of federal and state awards 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 annual report. The other information comprises the organizational data 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 18, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Snow Garrett Williams

Snow Garrett Williams  
December 18, 2024



**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2024 and 2023**

This section of the Ranger College District's annual financial report presents management's discussion and analysis of the College's financial activity during the fiscal years ended August 31, 2024 and 2023. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and currently known facts, please read it in conjunction with the College's financial statements and the footnotes. Responsibility for the completeness and fairness of this information rests with the College.

**Using This Annual Report**

The financial statements focus on the College as a whole. The statements are designed to emulate corporate presentation models whereby all College activities are consolidated into one total. The focus of the statement of net position is designed to be similar to bottom line results for the College.

The statement of revenues, expenses, and changes in net position focuses on both the gross costs and the net costs of the College's activities which are supported mainly by tuition and fees and by federal, state, and other revenues. This approach is intended to summarize and simplify the user's analysis of the costs of various College services to students and the public.

The final required financial statement, the statement of cash flows, reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 23 of this report.

The Ranger College Foundation, Inc. is a discretely presented component unit of the College and is reported as separate financial statements.

**Financial Highlights**

The College's net position increased from August 31, 2023 to August 31, 2024 by \$43,624,634 and increased from August 31, 2022, to August 31, 2023, by \$108,148. As of August 31, 2024 and 2023, the College's net position was \$45,298,203 and \$1,673,569, which includes \$10,286,097 and \$9,268,482 in net investment in capital assets, \$305,074 and \$296,062 in restricted net position, and \$34,707,032 and (\$7,890,975) in unrestricted net position, respectively.

Operating expenses for fiscal years 2024 and 2023 were \$17,429,919 and \$15,363,843, of which \$4,973,727 and \$4,997,801 were expended for instruction, \$2,974,230 and \$2,375,749 were expended for institutional support, and \$2,814,748 and \$2,647,760 were expended for auxiliary enterprises, respectively. In fiscal years 2024 and 2023, depreciation and amortization expense was \$1,540,545 and \$1,359,389, respectively.

Operating revenues for fiscal years 2024 and 2023 were \$7,963,305 and \$7,930,756, which includes \$4,215,337 and \$3,581,083 in tuition and fees (net of discounts), \$1,505,834 and \$1,523,091 in auxiliary revenue (net of discounts), \$1,321,041 and \$1,257,834 in federal grants and contracts, and \$611,847 and \$1,356,094 in state grants and contracts, respectively.

Net non-operating revenues for fiscal years 2024 and 2023 were \$11,499,748 and \$7,541,235, which includes \$8,178,732 and \$4,865,269 in state allocations, \$2,630,577 and \$2,244,933 in federal grants, and \$600,977 and \$563,848 in ad-valorem taxes, respectively.

**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2024 and 2023**

For the years ended August 31, 2024 and 2023, the College implemented Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. See Note 2 to the financial statements for more information regarding implementation.

**Financial Analysis of the College as a Whole**

Statement of Net Position

The statement of net position presents current assets (non-restricted assets expected to provide support within a year), non-current assets (restricted assets expected to provide long-term benefit), deferred outflows of resources, current liabilities (obligations which must be met within the current year), non-current liabilities (obligations which are not settled in the current year), and deferred inflows of resources. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are presented using the accrual basis of accounting, which is similar to the accounting used by most private-sector institutions. Net position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the financial position of the College. As of August 31, 2024, net position was \$45,298,203. This was an increase of \$43,624,634 from the period ended August 31, 2023. As of August 31, 2023, net position was \$1,673,569. This was an increase of \$108,148 from the period ended August 31, 2022.

	<b>Net Position</b>		
	<b>As of August 31,</b>		
	<u>2024</u>	<u>2023</u>	<u>Restated 2022</u>
Current Assets	\$ 10,294,240	\$ 9,834,097	\$ 10,101,405
Non-current Assets			
Capital Assets, Net of Depreciation	24,187,932	23,808,341	22,276,622
Other	41,896,574	296,062	288,622
Total Assets	<u>76,378,746</u>	<u>33,938,500</u>	<u>32,666,649</u>
Deferred Outflows of Resources	<u>2,062,740</u>	<u>2,937,999</u>	<u>2,698,056</u>
Current Liabilities	7,967,661	8,438,015	7,376,206
Non-current Liabilities	21,138,977	21,915,253	23,183,625
Total Liabilities	<u>29,106,638</u>	<u>30,353,268</u>	<u>30,559,831</u>
Deferred Inflows of Resources	<u>4,036,645</u>	<u>4,849,662</u>	<u>3,239,453</u>
Net Position			
Net Investment in Capital Assets	10,286,097	9,268,482	8,049,097
Restricted for: Expendable	305,074	296,062	288,622
Unrestricted	<u>34,707,032</u>	<u>(7,890,975)</u>	<u>(6,772,298)</u>
Total Net Position	<u>\$ 45,298,203</u>	<u>\$ 1,673,569</u>	<u>\$ 1,565,421</u>

**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2024 and 2023**

Investment in capital assets (e.g., land, building and improvements, land improvements, leasehold improvements, library books, vehicles and equipment, and right-to-use assets) less any related debt used to acquire those assets that is still outstanding was \$10,286,097 and \$9,268,482 at August 31, 2024 and 2023, respectively. The College uses these assets to provide services to the students; consequently, they are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. At August 31, 2024 and 2023, an additional \$305,074 and \$296,062, respectively, of the College's net position represents resources that are subject to external restrictions on how they may be used. All restricted net position of the College is being held for debt service. The remaining portion of the College's net position at August 31, 2024 and 2023, is \$34,707,032 and (\$7,890,975), respectively.

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the operating results of the College, as well as the non-operating revenue and expenses. Operating revenues are primarily those that result directly from instruction, the operation of the College's auxiliary services (cafeteria, dormitories, bookstore, etc.) and Federal, State, and local grants. State allocations and property tax receipts, while budgeted for operations, are considered non-operating revenues and depreciation and amortization are shown in operating expenses according to accounting principles generally accepted in the United States of America.



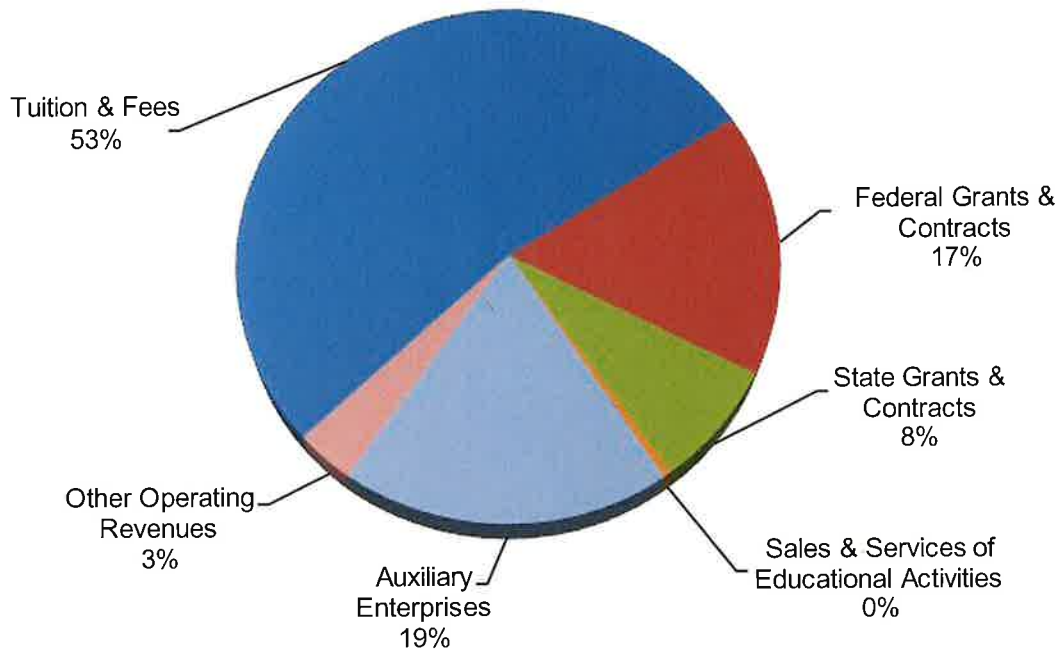
**RANGER COLLEGE DISTRICT**  
**Management's Discussion and Analysis**  
**August 31, 2024 and 2023**

**Operating Results for the Years Ended**  
**August 31,**

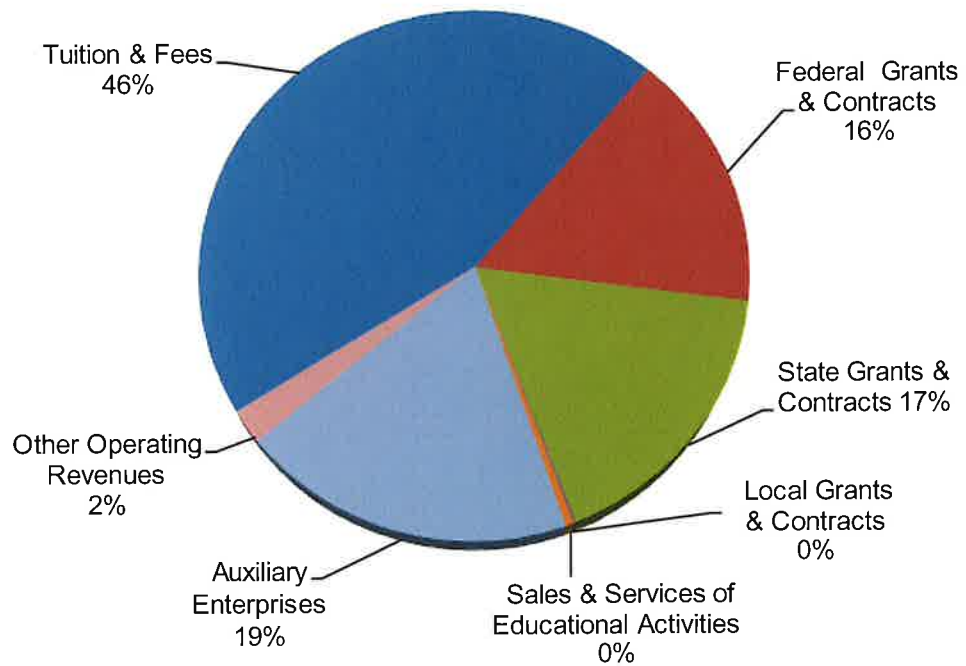
	<b>2024</b>	<b>2023</b>	<b>Restated 2022</b>
Operating Revenues			
Tuition and Fees (Less Discounts)	\$ 4,215,337	\$ 3,581,083	\$ 3,503,518
Federal Grants and Contracts	1,321,041	1,257,834	1,349,984
State Grants and Contracts	611,847	1,356,094	463,558
Local Grants and Contracts	-	9,983	23,942
Sales and Services of Educational Activities	38,734	37,927	36,670
Auxiliary Enterprises (Less Discounts)	1,505,834	1,523,091	1,531,773
Other Operating Revenues	270,512	164,744	146,006
<b>Total Operating Revenues</b>	<b>7,963,305</b>	<b>7,930,756</b>	<b>7,055,451</b>
Less Operating Expenses	17,429,919	15,363,843	17,429,990
<b>Net Operating Loss</b>	<b>(9,466,614)</b>	<b>(7,433,087)</b>	<b>(10,374,539)</b>
Non-Operating Revenues (Expenses)			
State Allocations	8,178,732	4,865,269	4,902,708
Ad-Valorem Taxes for Maintenance and Operations, Net	31,743	27,601	28,955
Ad-Valorem Taxes for Debt Service, Net	569,234	536,247	603,775
Federal Revenue, Non-Operating	2,630,577	2,244,933	6,354,117
State Revenue, Non-Operating	224,840	-	-
Gifts	242,663	353,634	38,301
Investment Income (Net of Investment Expense)	153,925	81,509	26,827
Interest on Capital Related Debt	(526,106)	(567,958)	(516,286)
Loss on Disposal of Capital Assets	(5,860)	-	(250,151)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>11,499,748</b>	<b>7,541,235</b>	<b>11,188,246</b>
Special Item - Capital Contribution	41,591,500	-	-
<b>Change in Net Position</b>	<b>43,624,634</b>	<b>108,148</b>	<b>813,707</b>
Net Position, Beginning of Year	1,673,569	1,565,421	751,714
<b>Net Position, End of Year</b>	<b>\$ 45,298,203</b>	<b>\$ 1,673,569</b>	<b>\$ 1,565,421</b>
<b>Total Revenues</b>	<b>\$ 19,995,019</b>	<b>\$ 16,039,949</b>	<b>\$ 19,010,134</b>

**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2024 and 2023**

**Operating Revenue by Source 2024**



**Operating Revenue by Source 2023**



**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2024 and 2023**

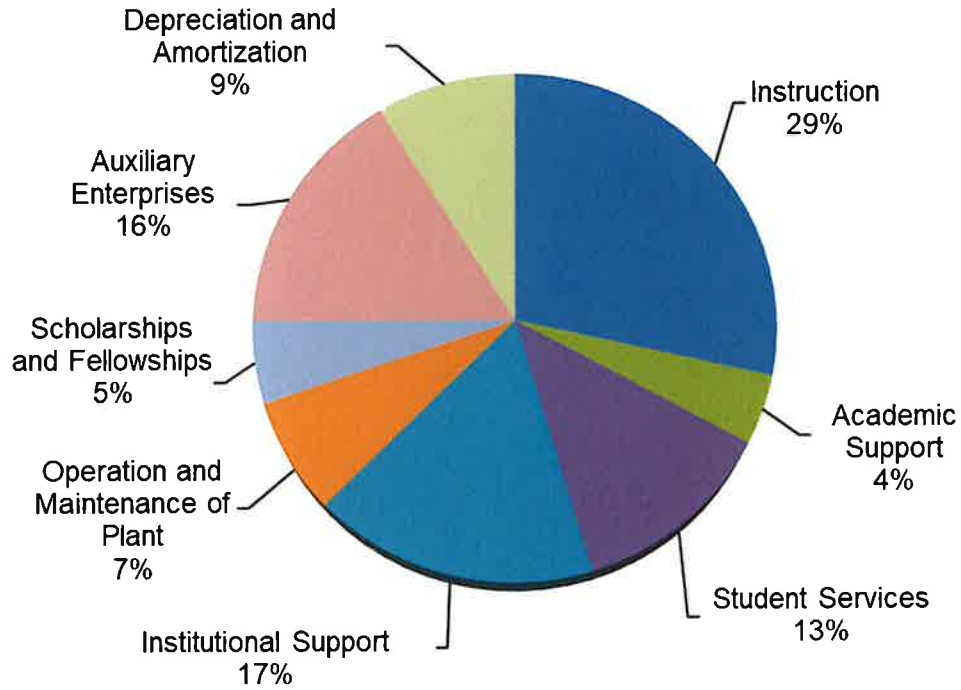
**Operating Expenses  
For the Years Ended August 31,**

	<u>2024</u>	<u>2023</u>	<u>Restated 2022</u>
Instruction	\$ 4,973,727	\$ 4,997,801	\$ 4,954,410
Academic Support	773,050	533,700	819,241
Student Services	2,172,908	1,858,554	1,445,098
Institutional Support	2,974,230	2,375,749	2,618,381
Operation and Maintenance of Plant	1,272,531	983,946	1,076,024
Scholarships and Fellowships	908,180	606,944	2,728,297
Auxiliary Enterprises	2,814,748	2,647,760	2,660,940
Depreciation and Amortization	1,540,545	1,359,389	1,127,599
<b>Total</b>	<u>\$ 17,429,919</u>	<u>\$ 15,363,843</u>	<u>\$ 17,429,990</u>
<b>Total Expenses (Including Non-Operating Expenses)</b>	<u>\$ 17,961,885</u>	<u>\$ 15,931,801</u>	<u>\$ 18,196,427</u>

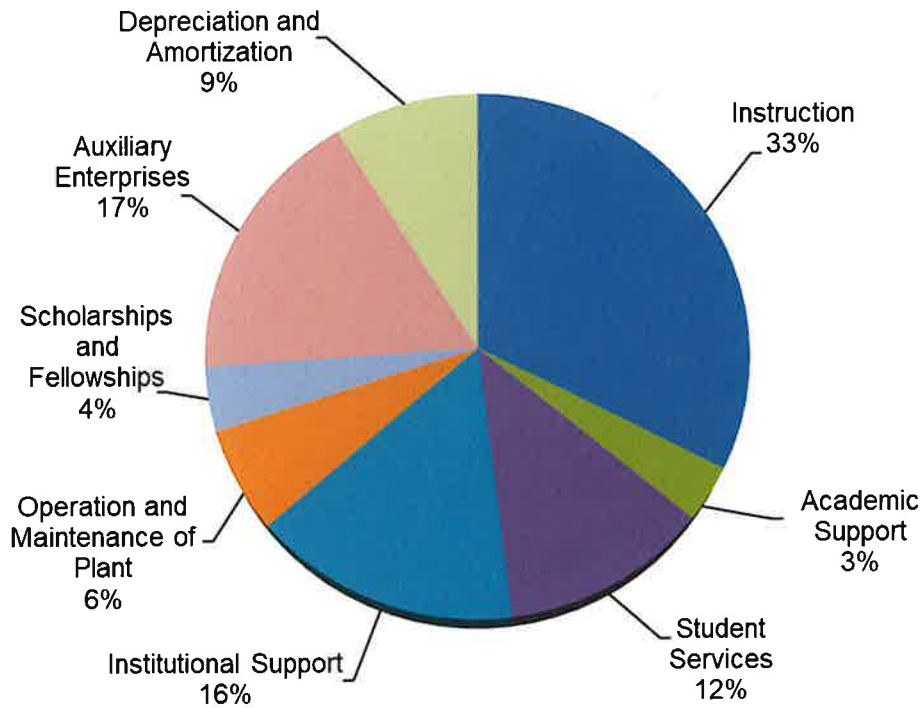


**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2024 and 2023**

**Operating Expenses 2024**



**Operating Expenses 2023**



**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2024 and 2023**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The College's investment in total capital assets as of August 31, 2024 and 2023, amounts to \$24,187,932 and \$23,808,341, respectively, (net of accumulated depreciation and amortization). Investments in capital assets include land, construction in progress, buildings and improvements, land improvements, leasehold improvements, library books, vehicles and equipment, right-to-use leased equipment, and right-to-use subscription assets.

Major capital asset events during the 2024 fiscal year include the following:

- Renovations to HSI Pathway Center;
- Equipment paid for with JET grant funds,
- Purchase 2 transit passenger vans; and
- Ongoing construction of a rodeo practice facility.

Major capital asset events during the 2023 fiscal year include the following:

- Renovations to Nicksick Hall and Wagley Hall;
- Equipment paid for with JET grant funds; and
- A new enterprise resource planning system.

	<b>Capital Assets, Net August 31,</b>		
	<u>2024</u>	<u>2023</u>	<u>Restated 2022</u>
Capital Assets			
Land	\$ 1,040,242	\$ 1,018,935	\$ 739,948
Construction in Progress	1,439,672	507,915	237,948
Building and Improvements	23,657,477	23,481,453	22,997,389
Land Improvements	2,387,946	2,360,192	2,327,591
Leasehold Improvements	792,940	792,940	792,940
Library Books	186,423	184,477	165,493
Vehicles and Equipment	4,616,467	3,989,949	3,431,553
Right-to-Use Leased Equipment	515,529	383,210	372,060
Right-to-Use Subscription Asset	1,384,619	1,384,619	147,660
<b>Total</b>	<b>36,021,315</b>	<b>34,103,690</b>	<b>31,212,582</b>
Less Accumulated Depreciation and Amortization	<u>(11,833,383)</u>	<u>(10,295,349)</u>	<u>(8,935,960)</u>
<b>Net Capital Assets</b>	<b><u>\$ 24,187,932</u></b>	<b><u>\$ 23,808,341</u></b>	<b><u>\$ 22,276,622</u></b>

Additional information on the College's capital assets can be found in Note 5 of this report.



**RANGER COLLEGE DISTRICT  
Management's Discussion and Analysis  
August 31, 2024 and 2023**

**Long-term debt.** At August 31, 2024 and 2023, the College had long-term debt outstanding which represents bonds payable of \$11,244,112 and \$11,862,394, notes payable of \$1,333,006 and \$1,197,601, lease liability of \$294,715 and \$229,525, and subscription liability of \$948,196 and \$1,181,526, respectively. The College's total long-term liabilities decreased by a net amount of \$657,522 during the fiscal year ending August 31, 2024 due to regularly scheduled payments and a decrease in the net OPEB liability, offset by additions to notes payable and lease liabilities. The College's total long-term liabilities decreased by a net amount of \$1,053,466 during the fiscal year ending August 31, 2023 due to regularly scheduled payments and a decrease in the net OPEB liability, offset by additions to subscription liabilities.

Additional information on the College's long-term debt can be found in Notes 6 through 9 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Regents adopted the College's 2024 – 2025 budget and tax rate on August 26, 2024. The annual budget is developed to provide efficient, effective, and economic uses of the College's resources, as well as a means to accomplish the highest priority objectives. Through the budget, the Board of Regents sets the direction of the College, allocates its resources, and establishes its priorities.

In considering the College budget for fiscal year 2025, the Board of Regents and management considered the following factors:

- Continuing costs for implementing our Quality Enhancement Plan (QEP).
- Continuing resources for expanding dual credit enrollment to bring college success at the high school level.
- Increased personnel for the expanding needs to support the College's strategic plan.
- Increased recruiting, institutional advancement, student services, and business office personnel to support increased enrollment.
- Increased funds set aside to improve our facilities.
- Increased expenditures related to increased costs due to current economy.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Ranger College District's finances and to show the College's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Senior Vice President of Financial and Administrative Services at 1240 College Circle, Ranger, Texas 76470.



**RANGER COLLEGE DISTRICT**  
**Statements of Net Position**  
**August 31, 2024 and 2023**

**EXHIBIT 1**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 5,044,403	\$ 4,752,421
Accounts Receivable (net)	5,164,038	5,002,685
Inventories	26,980	4,800
Prepaid Expenses	58,069	73,441
Deposits	750	750
<b>Total Current Assets</b>	<b>10,294,240</b>	<b>9,834,097</b>
<b>Non-Current Assets</b>		
Restricted Cash and Cash Equivalents	305,074	296,062
Investments in Real Estate	41,591,500	-
Capital Assets, net of Accumulated Depreciation and Amortization (See Note 5)	24,187,932	23,808,341
<b>Total Non-Current Assets</b>	<b>66,084,506</b>	<b>24,104,403</b>
<b>Total Assets</b>	<b>76,378,746</b>	<b>33,938,500</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows Related to Pensions	1,630,466	1,962,927
Deferred Outflows Related to OPEB	432,274	975,072
<b>Total Deferred Outflows of Resources</b>	<b>2,062,740</b>	<b>2,937,999</b>

**RANGER COLLEGE DISTRICT**  
**Statements of Net Position**  
**August 31, 2024 and 2023**

**EXHIBIT 1**

	<b>2024</b>	<b>2023</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 433,667	\$ 682,297
Accrued Liabilities	498,353	454,290
Accrued Compensable Absences - Current Portion	136,084	119,541
Funds Held for Others	27,346	33,502
Unearned Revenue	5,549,987	5,928,372
Notes Payable - Current Portion	188,349	156,065
Bonds Payable - Current Portion	635,050	618,282
Lease Liability - Current Portion	69,276	58,448
Subscription Liability - Current Portion	271,523	233,330
Net OPEB Liability - Current Portion	158,026	153,888
<b>Total Current Liabilities</b>	<b>7,967,661</b>	<b>8,438,015</b>
<b>Non-Current Liabilities</b>		
Accrued Compensable Absences	31,356	24,178
Notes Payable	1,144,657	1,041,536
Bonds Payable	10,609,062	11,244,112
Lease Liability	225,439	171,077
Subscription Liability	676,673	948,196
Net Pension Liability	2,960,266	2,720,788
Net OPEB Liability	5,491,524	5,765,366
<b>Total Non-Current Liabilities</b>	<b>21,138,977</b>	<b>21,915,253</b>
<b>Total Liabilities</b>	<b>29,106,638</b>	<b>30,353,268</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows Related to Pensions	830,639	1,143,707
Deferred Inflows Related to OPEB	3,206,006	3,705,955
<b>Total Deferred Inflows of Resources</b>	<b>4,036,645</b>	<b>4,849,662</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	10,286,097	9,268,482
Restricted for:		
Expendable		
Debt Service	305,074	296,062
Unrestricted	34,707,032	(7,890,975)
<b>Total Net Position (Schedule D)</b>	<b>\$ 45,298,203</b>	<b>\$ 1,673,569</b>

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

**RANGER COLLEGE DISTRICT**  
**Component Unit**  
**Statements of Financial Position**  
**August 31, 2024 and 2023**

**EXHIBIT 1**

	<b>Ranger College Foundation, Inc.</b>	
	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 199,075	\$ 68,662
Investments	3,018,642	2,558,042
Accounts Receivable	-	569
<b>Total Current Assets</b>	<b>3,217,717</b>	<b>2,627,273</b>
<b>Non-Current Assets</b>		
Land	8,500	8,500
<b>Total Non-Current Assets</b>	<b>8,500</b>	<b>8,500</b>
<b>Total Assets</b>	<b>3,226,217</b>	<b>2,635,773</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payable to Ranger College	-	46,765
<b>Total Current Liabilities</b>	<b>-</b>	<b>46,765</b>
<b>Total Liabilities</b>	<b>-</b>	<b>46,765</b>
<b>NET ASSETS</b>		
Without Donor Restriction	2,632,035	2,019,208
With Donor Restriction	594,182	569,800
<b>Total Net Assets</b>	<b>\$ 3,226,217</b>	<b>\$ 2,589,008</b>

**RANGER COLLEGE DISTRICT**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended August 31, 2024 and 2023**

**EXHIBIT 2**

	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
<b>Operating Revenues</b>		
Tuition and Fees (Net of Discounts of \$3,907,874 and \$3,184,484, respectively)	\$ 4,215,337	\$ 3,581,083
Federal Grants and Contracts	1,321,041	1,257,834
State Grants and Contracts	611,847	1,356,094
Non-Governmental Grants and Contracts	-	9,983
Sales and Services of Educational Activities	38,734	37,927
Auxiliary Enterprises (Net of Discounts of \$1,088,548 and \$899,112, respectively)	1,505,834	1,523,091
Other Operating Revenues	270,512	164,744
<b>Total Operating Revenues (Schedule A)</b>	<b>7,963,305</b>	<b>7,930,756</b>
<b>EXPENSES</b>		
<b>Operating Expenses</b>		
Instruction	4,973,727	4,997,801
Academic Support	773,050	533,700
Student Services	2,172,908	1,858,554
Institutional Support	2,974,230	2,375,749
Operation and Maintenance of Plant	1,272,531	983,946
Scholarships and Fellowships	908,180	606,944
Auxiliary Enterprises	2,814,748	2,647,760
Depreciation and Amortization	1,540,545	1,359,389
<b>Total Operating Expenses (Schedule B)</b>	<b>17,429,919</b>	<b>15,363,843</b>
<b>Operating Loss</b>	<b>(9,466,614)</b>	<b>(7,433,087)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations	8,178,732	4,865,269
Maintenance Ad Valorem Taxes, Net	31,743	27,601
Debt Service Ad Valorem Taxes, Net	569,234	536,247
Federal Revenue, Non-Operating	2,630,577	2,244,933
State Revenue, Non-Operating	224,840	-
Gifts	242,663	353,634
Investment Income	153,925	81,509
Interest on Capital Related Debt	(526,106)	(567,958)
Loss on Disposal of Capital Assets	(5,860)	-
<b>Net Non-Operating Revenues (Expenses) (Schedule C)</b>	<b>11,499,748</b>	<b>7,541,235</b>
<b>SPECIAL ITEM - CAPITAL CONTRIBUTION</b>	<b>41,591,500</b>	<b>-</b>
<b>Change in Net Position</b>	<b>43,624,634</b>	<b>108,148</b>
<b>NET POSITION</b>		
Net Position - Beginning of Year	1,673,569	1,565,421
Net Position - End of Year	<b>\$ 45,298,203</b>	<b>\$ 1,673,569</b>

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

**RANGER COLLEGE DISTRICT**  
**Component Unit**  
**Statements of Activities**  
**For the Years Ended August 31, 2024 and 2023**

**EXHIBIT 2**

	<b>Ranger College Foundation, Inc.</b>					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>						
Contributions	\$ 401,832	\$ 20,629	\$ 422,461	\$ 203,522	\$ 6,174	\$ 209,696
Interest and Dividends	377	-	377	367	-	367
Gain on Investments	451,444	9,156	460,600	189,508	-	189,508
Net assets released from restrictions due to the satisfaction of purpose restrictions	5,403	(5,403)	-	11,976	(11,976)	-
<b>Total Revenue</b>	<b>859,056</b>	<b>24,382</b>	<b>883,438</b>	<b>405,373</b>	<b>(5,802)</b>	<b>399,571</b>
<b>EXPENSES</b>						
Interest	-	-	-	2,194	-	2,194
Contributions to Ranger College	196,087	-	196,087	335,144	-	335,144
Other Contributions	18,046	-	18,046	1,656	-	1,656
Legal and Professional	995	-	995	995	-	995
Scholarships	903	-	903	320	-	320
Supplies	30,198	-	30,198	9,206	-	9,206
<b>Total Expenses</b>	<b>246,229</b>	<b>-</b>	<b>246,229</b>	<b>349,515</b>	<b>-</b>	<b>349,515</b>
<b>Change in Net Assets</b>	<b>612,827</b>	<b>24,382</b>	<b>637,209</b>	<b>55,858</b>	<b>(5,802)</b>	<b>50,056</b>
Net Assets - Beginning of Year	2,019,208	569,800	2,589,008	1,963,350	575,602	2,538,952
Net Assets - End of Year	<b>\$ 2,632,035</b>	<b>\$ 594,182</b>	<b>\$ 3,226,217</b>	<b>\$ 2,019,208</b>	<b>\$ 569,800</b>	<b>\$ 2,589,008</b>

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

**RANGER COLLEGE DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

**EXHIBIT 3**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Students and Other Customers	\$ 5,817,915	\$ 5,455,980
Receipts from Grants and Contracts	1,721,451	2,635,746
Payments to or on Behalf of Employees	(8,099,272)	(7,310,916)
Payments to Suppliers for Goods or Services	(6,859,900)	(5,670,663)
Payments of Scholarships	(908,180)	(606,944)
Other receipts	270,512	164,744
<b>Net Cash Used by Operating Activities</b>	(8,057,474)	(5,332,053)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from State Appropriations	7,612,856	4,340,460
Receipts from Maintenance Ad Valorem Taxes	29,802	22,207
Receipts from Non-Operating Federal Revenue	2,634,901	2,280,984
Receipts from Non-Operating State Revenue	224,840	-
Receipts from Gifts and Grants (Other Than Capital)	242,663	353,634
Payments to Student Organizations and Other Agency Transactions	(6,156)	(242)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	10,738,906	6,997,043
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Receipts from Debt Service Ad Valorem Taxes	569,234	536,247
Purchases of Capital Assets	(1,501,557)	(1,642,999)
Payments on Capital Debt - Principal	(1,063,174)	(992,016)
Payments on Capital Debt - Interest	(538,866)	(582,727)
<b>Net Cash Used by Capital Financing Activities</b>	(2,534,363)	(2,681,495)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipts from Investment Earnings	153,925	81,509
<b>Net Cash Provided by Investing Activities</b>	153,925	81,509
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	300,994	(934,996)
<b>Cash and Cash Equivalents - September 1</b>	5,048,483	5,983,479
<b>Cash and Cash Equivalents - August 31</b>	\$ 5,349,477	\$ 5,048,483

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

**RANGER COLLEGE DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended August 31, 2024 and 2023**

**EXHIBIT 3**

	<b>2024</b>	<b>2023</b>
<b>Reconciliation to Exhibit 1:</b>		
Cash and Cash Equivalents	\$ 5,044,403	\$ 4,752,421
Restricted Cash and Cash Equivalents	305,074	296,062
<b>Total Cash and Cash Equivalents</b>	<b>\$ 5,349,477</b>	<b>\$ 5,048,483</b>
 <b>Non-Cash Investing and Financing Activities:</b>		
Donation of Real Estate held for Investment	\$ 41,591,500	\$ -
 <b>Reconciliation of Operating Loss to Net Cash Used By Operating Activities:</b>		
Operating Loss	\$ (9,466,614)	\$ (7,433,087)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization Expense	1,540,545	1,359,389
Bad Debt Expense	388,694	362,267
Payments Made Directly by State for Benefits	565,876	524,809
Changes in Assets and Liabilities:		
Receivables, Net	(552,430)	(1,048,501)
Inventories	15,372	8,886
Prepaid Expenses	(22,180)	(28,437)
Deferred Outflows of Resources	875,259	(239,943)
Accounts Payable	(251,412)	175,635
Accrued Liabilities	47,323	24,026
Unearned Revenue	(378,385)	649,681
Net Pension Liability	239,478	1,594,471
Net OPEB Liability	(269,704)	(2,900,158)
Compensable Absences	23,721	8,700
Deferred Inflows of Resources	(813,017)	1,610,209
<b>Net Cash Used By Operating Activities</b>	<b>\$ (8,057,474)</b>	<b>\$ (5,332,053)</b>



**NOTES TO THE  
FINANCIAL STATEMENTS**

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**1. REPORTING ENTITY**

Ranger College District (the College) was established in 1926, in accordance with the laws of the State of Texas, to serve the educational needs of Ranger and the surrounding communities. The College is considered a special-purpose, primary government according to the definition in the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. 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.

Reporting 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 (BTA).

Tuition Discounting

*Texas Public Education Grants (TPEG)*

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

*Title IV, Higher Education Act (HEA) Program 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 award is used by the student 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 College records the amount as a tuition discount. If the amount is dispersed directly to the student, the College records the amount as a scholarship expense.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board of Regents 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

For the purpose of cash flows, the College considers cash and cash equivalents as cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Deferred Outflows

In addition to assets, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are permitted only to report deferred outflows in circumstances specifically authorized by the GASB. The College has deferred outflows related to the pension plan, see additional information in Note 10, and other post-employment benefits, see additional information in Note 13.

Non-Current Cash and Investments

Non-current cash and cash equivalents are set aside and classified as restricted assets on the Statement of Net Position because they are maintained in separate bank accounts and their use is limited to obligations, such as, scholarships, grant requirements, revenue bonds, and construction.

Inventories

Inventories consist of property held for sale and livestock. Inventories are valued at the lower of cost or market and are charged to expense as consumed.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Capital Assets

The College records purchased or constructed capital assets at cost or estimated historical cost. Donated capital assets, donated works of art and similar items are recorded at their acquisition value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. The College capitalizes renovations of \$5,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure. The College charges costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 15 years for library books, 10 years for furniture, machinery, vehicles, and other equipment, and 5 years for telecommunications and peripheral equipment. Right-to-use assets from arrangements that qualify as leases are amortized over the shorter of the lease term or the useful life of the underlying asset. Right-to-use subscription assets resulting from qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

Pensions

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

Unearned Revenues

Revenues, primarily consisting of tuition, fees, meal charges, and resident hall charges, related to academic terms in the next fiscal year are recorded on the Statement of Net Position as unearned revenue in the current fiscal year. Tuition and fees of \$4,846,979 and \$4,935,126 and federal and state grants of \$703,008 and \$993,246 have been reported as unearned revenue at August 31, 2024 and 2023, respectively.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Bonds Payable

Bonds payable are reported net of applicable bond premium, which is deferred and amortized using the effective interest method.

Deferred Inflows

In addition to liabilities, the College is aware that the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so is not recognized as an inflow of resources (revenue) until that time. Governments are permitted only to report deferred inflows in circumstances specifically authorized by the GASB. The College has deferred inflows related to the pension plan, see additional information in Note 10, and other post-employment benefits, see additional information in Note 13.

Estimates

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

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA 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 and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. The operations of the bookstore and food service are not performed by the College.

Application of Restricted and Unrestricted Resources

The College's policy is to first apply an expense against restricted resources then towards unrestricted resources when both are available to pay an expense.

Reclassifications

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

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New Accounting Pronouncement

For the years ended August 31, 2024 and 2023, the College implemented Governmental Accounting Standards Board Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assuming accountability. This statement: (1) defines accounting changes and describes the transactions or other events that constitute those changes, (2) addresses corrections or errors in previously issued financial statements, (3) prescribes the accounting and financial reporting for each type of accounting change and error corrections, (4) requires note disclosures, and (5) addresses how accounting changes and error corrections should be presented in the required supplementary information and supplementary information. This statement was adopted by the College as of September 1, 2022 and it had no effect on fiscal year 2023 amounts as previously reported.

**3. AUTHORIZED INVESTMENTS**

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

**4. DEPOSITS AND INVESTMENTS**

The College’s deposits and investments are invested pursuant to the Investment Policy, which is approved annually by the College’s Board. The Investment Policy includes a list of authorized investment instruments. These include, with certain restrictions, (1) certificates of deposit, (2) U.S. Treasury Bills and Notes, and (3) investment pools. No other investments shall be made without approval of a majority of the Board of Regents.

Cash and Deposits

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

	August 31,	
	2024	2023
Bank Deposits with Financial Institutions	\$ 5,346,977	\$ 5,045,733
Petty Cash	2,500	2,750
Total Cash and Cash Equivalents	\$ 5,349,477	\$ 5,048,483

Interest Rate Risk – In accordance with the College’s investment policy, the College does not purchase any securities with maturities greater than one year, unless reserve funds are necessary to match anticipated cash flow requirements. As of August 31, 2024 and 2023, the College had no investments and was not exposed to interest rate risk.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**4. DEPOSITS AND INVESTMENTS (Continued)**

Credit Risk – The College has no formal policy addressing credit risk. However, the safety of principal is the primary objective of the College’s investment policy. As of August 31, 2024 and 2023, the College had no investments and was not exposed to credit risk.

Concentration of Credit Risk – The College does not place a limit on the amount that may be invested in any one issue. As of August 31, 2024 and 2023, the College had no investments and was not exposed to concentration of credit risk.

Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the College’s name. At August 31, 2024 and 2023, the College’s cash and cash equivalents were not exposed to custodial credit risk.

**Reconciliation of Deposits and Investments between Note 4 and Exhibit 1 for Primary Government:**

	August 31,	
	2024	2023
Per Note 4:		
Cash and Cash Equivalents	\$ 5,349,477	\$ 5,048,483
Total Deposits and Investments	\$ 5,349,477	\$ 5,048,483
Per Exhibit 1:		
Cash and Cash Equivalents	\$ 5,044,403	\$ 4,752,421
Restricted Cash and Cash Equivalents	305,074	296,062
Total Deposits and Investments	\$ 5,349,477	\$ 5,048,483

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**5. CAPITAL ASSETS**

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

	Balance 9/1/2023	Increases	Decreases	Balance 8/31/2024
<u>Not Depreciated:</u>				
Land	\$ 1,018,935	\$ 21,307	\$ -	\$ 1,040,242
Construction in Progress	507,915	931,757	-	1,439,672
Subtotal	1,526,850	953,064	-	2,479,914
<u>Other Capital Assets:</u>				
Buildings and Improvements	23,481,453	184,395	8,371	23,657,477
Land Improvements	2,360,192	27,754	-	2,387,946
Leasehold Improvements	792,940	-	-	792,940
Library Books	184,477	1,946	-	186,423
Vehicles and Equipment	3,989,949	626,518	-	4,616,467
Right-to-Use Leased Equipment	383,210	132,319	-	515,529
Right-to-Use Subscription Asset	1,384,619	-	-	1,384,619
Subtotal	32,576,840	972,932	8,371	33,541,401
<u>Accumulated Depreciation and Amortization:</u>				
Buildings and Improvements	5,986,781	701,833	2,511	6,686,103
Land Improvements	603,202	104,079	-	707,281
Leasehold Improvements	785,800	4,806	-	790,606
Library Books	160,956	2,350	-	163,306
Vehicles and Equipment	2,292,865	386,782	-	2,679,647
Right-to-Use Leased Equipment	169,133	68,693	-	237,826
Right-to-Use Subscription Asset	296,612	272,002	-	568,614
Subtotal	10,295,349	1,540,545	2,511	11,833,383
Net Other Capital Assets	22,281,491	(567,613)	5,860	21,708,018
Net Capital Assets	\$ 23,808,341	\$ 385,451	\$ 5,860	\$ 24,187,932



**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**5. CAPITAL ASSETS (Continued)**

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

	Balance 9/1/2022	Increases	Decreases	Balance 8/31/2023
<u>Not Depreciated:</u>				
Land	\$ 739,948	\$ 278,987	\$ -	\$ 1,018,935
Construction in Progress	237,947	368,874	98,906	507,915
Subtotal	977,895	647,861	98,906	1,526,850
<u>Other Capital Assets:</u>				
Buildings and Improvements	22,997,389	484,064	-	23,481,453
Land Improvements	2,327,591	32,601	-	2,360,192
Leasehold Improvements	792,940	-	-	792,940
Library Books	165,493	18,984	-	184,477
Vehicles and Equipment	3,431,554	558,395	-	3,989,949
Right-to-Use Leased Equipment	372,060	11,150	-	383,210
Right-to-Use Subscription Asset	147,660	1,236,959	-	1,384,619
Subtotal	30,234,687	2,342,153	-	32,576,840
<u>Accumulated Depreciation and Amortization:</u>				
Buildings and Improvements	5,350,436	636,345	-	5,986,781
Land Improvements	525,249	77,953	-	603,202
Leasehold Improvements	779,203	6,597	-	785,800
Library Books	155,371	5,585	-	160,956
Vehicles and Equipment	1,957,232	335,633	-	2,292,865
Right-to-Use Leased Equipment	143,859	25,274	-	169,133
Right-to-Use Subscription Asset	24,610	272,002	-	296,612
Subtotal	8,935,960	1,359,389	-	10,295,349
Net Other Capital Assets	21,298,727	982,764	-	22,281,491
Net Capital Assets	<u>\$ 22,276,622</u>	<u>\$ 1,630,625</u>	<u>\$ 98,906</u>	<u>\$ 23,808,341</u>

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**6. NON-CURRENT LIABILITIES**

Non-current liability activity for the years ended August 31, 2024 and 2023 was as follows:

	Balance September 1, 2023	Additions	Reductions	Balance August 31, 2024	Current Portion
Revenue Bonds Payable	\$ 3,098,000	\$ -	\$ 361,000	\$ 2,737,000	\$ 373,000
Limited Tax Bonds Payable	8,595,000	-	245,000	8,350,000	250,000
Bond Premium	169,394	-	12,282	157,112	12,050
Note Payable - Direct Borrowings	1,197,601	292,120	156,715	1,333,006	188,349
Lease Liability	229,525	132,319	67,129	294,715	69,276
Subscription Liability	1,181,526	-	233,330	948,196	271,523
Net Pension Liability	2,720,788	594,644	355,166	2,960,266	N/A
Net OPEB Liability	5,919,254	242,631	512,335	5,649,550	158,026
Accrued Compensable Absences	143,719	110,525	86,804	167,440	136,084
<b>Total Long-Term Liabilities</b>	<b>\$ 23,254,807</b>	<b>\$ 1,372,239</b>	<b>\$ 2,029,761</b>	<b>\$ 22,597,285</b>	<b>\$ 1,458,308</b>

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
Revenue Bonds Payable	\$ 3,446,000	\$ -	\$ 348,000	\$ 3,098,000	\$ 361,000
Limited Tax Bonds Payable	8,830,000	-	235,000	8,595,000	245,000
Bond Premium	181,966	-	12,572	169,394	12,282
Note Payable - Direct Borrowings	1,350,582	-	152,981	1,197,601	156,065
Lease Liability	275,273	11,150	56,898	229,525	58,448
Subscription Liability	143,704	1,236,959	199,137	1,181,526	233,330
Net Pension Liability	1,126,317	1,808,323	213,852	2,720,788	N/A
Net OPEB Liability	8,819,412	-	2,900,158	5,919,254	153,888
Accrued Compensable Absences	135,019	90,495	81,795	143,719	119,541
<b>Total Long-Term Liabilities</b>	<b>\$ 24,308,273</b>	<b>\$ 3,146,927</b>	<b>\$ 4,200,393</b>	<b>\$ 23,254,807</b>	<b>\$ 1,339,554</b>

**7. DEBT OBLIGATIONS**

General information related to bonds payable and note payable is summarized below:

Revenue Bonds

- Combined Fee Revenue Bond, Series 2013.
  - To purchase and renovate a building in Stephenville to be used for instruction.
  - Issued May 15, 2013.
  - Original balance of \$3,000,000 is payable in thirty semi-annual installments varying from \$160,000 to \$243,000, which includes interest at a rate of 2.95%.
  - Final installment is due June 1, 2028.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance of \$932,000 and \$1,149,000 at August 31, 2024 and 2023, respectively.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**7. DEBT OBLIGATIONS (Continued)**

Revenue Bonds (Continued)

- Combined Fee Revenue Bond, Series 2014.
  - To purchase and renovate a building in Stephenville to be used for instruction.
  - Issued July 1, 2014.
  - Original balance of \$3,000,000 is payable in forty semi-annual installments varying from \$88,000 to \$215,000, which includes interest at a rate of 4.1%.
  - Final installment is due August 15, 2034.
  - Source of revenue for debt service – tuition and fees.
  - Outstanding principal balance of \$1,805,000 and \$1,949,000 at August 31, 2024 and 2023, respectively.

Limited Tax Bonds

- Limited Tax Bond, Series 2017.
  - To renovate, construct, and equip school buildings and pay the costs of issuing the bonds.
  - Issued March 1, 2017.
  - Original balance of \$9,745,000 is payable in fifty-seven semi-annual installments varying from \$65,000 to \$560,000, which includes interest rates from 2% to 4%.
  - Final installment is due February 15, 2046.
  - Source of revenue for debt service – assessment of property taxes.
  - Issued at a premium of \$254,885, of which \$157,112 and \$169,394 was unamortized at August 31, 2024 and 2023, respectively.
  - Outstanding principal balance of \$8,350,000 and \$8,595,000 at August 31, 2024 and 2023, respectively.

Note Payable from Direct Borrowings

- State Energy Conservation Office (SECO)
  - To fund energy conservation measures.
  - Original loan date – December 8, 2016.
  - Total available draw down was \$1,968,046, which was drawn down during the fiscal years ending August 31, 2017 and 2018.
  - Payable in accordance with the terms of the Loan Payment Schedule with quarterly installments of \$44,975 starting August 31, 2018 through February 28, 2031.
  - Interest accrues at a rate of 2% from the date of the borrowing.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding principal balance of \$1,041,535 and \$1,197,601 at August 31, 2024 and 2023, respectively.
  - The above note payable from direct borrowings contains a provision that in the event of default, outstanding amounts become immediately due if the College is unable to make payment. Additionally, if the College fails to repay the loan within 90 days after the declaration of default, SECO may recommend that the Legislative Budget Board reduce state appropriations by the total outstanding amount due under the agreement.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**7. DEBT OBLIGATIONS (Continued)**

- First Financial Bank
  - To fund an energy conservation project.
  - Original loan date – December 15, 2023
  - Original balance of \$292,120 is payable in 32 quarterly installments of \$12,373, which includes interest at 7.25%.
  - Source of revenue for debt service – unrestricted revenue.
  - Outstanding principal balance of \$291,471 and \$0 at August 31, 2024 and 2023, respectively.

The principal and interest expense requirements for the next five years and beyond are summarized below for the debt issued.

Year Ended August 31,	Revenue Bonds Payable		
	Bonds Principal	Interest	Total
2025	\$ 373,000	\$ 101,499	\$ 474,499
2026	386,000	88,771	474,771
2027	398,000	75,588	473,588
2028	412,000	61,983	473,983
2029	176,000	47,888	223,888
2030-2034	992,000	125,293	1,117,293
<b>Total</b>	<b>\$ 2,737,000</b>	<b>\$ 501,022</b>	<b>\$ 3,238,022</b>

Year Ended August 31,	Limited Tax Bonds Payable			Amortization of Bond Premium
	Bonds Principal	Interest	Total	
2025	\$ 250,000	\$ 320,625	\$ 570,625	\$ 12,050
2026	255,000	313,994	568,994	11,801
2027	265,000	306,843	571,843	11,531
2028	270,000	297,800	567,800	11,189
2029	280,000	286,800	566,800	10,774
2030-2034	1,595,000	1,251,500	2,846,500	47,001
2035-2039	1,950,000	898,000	2,848,000	33,701
2040-2044	2,390,000	465,800	2,855,800	17,441
2045-2050	1,095,000	44,300	1,139,300	1,624
<b>Total</b>	<b>\$ 8,350,000</b>	<b>\$ 4,185,662</b>	<b>\$ 12,535,662</b>	<b>\$ 157,112</b>

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**7. DEBT OBLIGATIONS (Continued)**

Year Ended August 31,	Note Payable - Direct Borrowings		
	Note Principal	Interest	Total
2025	\$ 188,349	\$ 41,041	\$ 229,390
2026	193,728	35,662	229,390
2027	199,333	30,057	229,390
2028	205,177	24,213	229,390
2029	211,276	18,114	229,390
2030-2034	335,143	18,145	353,288
Total	<u>\$ 1,333,006</u>	<u>\$ 167,232</u>	<u>\$ 1,500,238</u>

Year Ended August 31,	Lease Liability		
	Lease Principal	Interest	Total
2025	\$ 69,276	\$ 16,976	\$ 86,252
2026	67,347	12,779	80,126
2027	62,288	8,596	70,884
2028	61,266	4,695	65,961
2029	32,708	1,206	33,914
2030-2034	1,830	24	1,854
Total	<u>\$ 294,715</u>	<u>\$ 44,276</u>	<u>\$ 338,991</u>

Year Ended August 31,	Subscription Liability		
	Principal	Interest	Total
2025	\$ 271,523	\$ 56,512	\$ 328,035
2026	314,381	40,401	354,782
2027	362,292	21,668	383,960
Total	<u>\$ 948,196</u>	<u>\$ 118,581</u>	<u>\$ 1,066,777</u>

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**8. LEASES PAYABLE**

General information related to leases payable is summarized below:

Asset	Term, Including Renewals	Interest Rate	Payment Amount	Lease Liability 8/31/2024
Building	120 months	5.50%	\$ 3,210	\$ 145,688
Copiers/ Printers	48 - 60 months	4.25% - 5.25%	5,496	149,027
				<u>\$ 294,715</u>

There were no variable payments, residual value guarantees, or penalties not included in the measurement of the leases. The College did not have any commitments under leases not yet commenced at year-end, components of losses associated with asset impairments, or sublease transactions for fiscal year 2024.

**9. SUBSCRIPTION LIABILITIES**

General information related to subscription liabilities is summarized below:

Software	Term, Including Renewals	Interest Rate	Payment Amount	Subscription Liability 8/31/2024
Enterprise Resource Planning	5 years	6.25%	varies	\$ 856,505
Learning Management System	6 years	3.25%	varies	91,691
				<u>\$ 948,196</u>

There were no variable payment penalties not included in the measurement of the contracts. The College did not have any commitments under subscription contracts not yet commenced at year-end or components of losses associated with asset impairments for fiscal year 2024.

**10. EMPLOYEES' RETIREMENT PLANS**

Teacher Retirement System of Texas - Defined Benefit Pension Plan

***Plan Description***

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

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

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

***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 (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the TRS' 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 2019 thru 2025.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

	<u>Contribution Rates</u>	
	<u>Fiscal Years</u>	
	<u>2024</u>	<u>2023</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (NECE) - State	8.00%	8.00%
Employers	8.00%	8.00%

<u>Fiscal Year 2024</u>	
College Contributions	\$ 221,522
Member Contributions	\$ 366,436
State of Texas (NECE) On-behalf Contributions	\$ 147,117

Contributors to the plan include members, employers, and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools, and State agencies, including TRS. In each respective role, the State contributes to the plan in accordance with State statutes and the General Appropriations Act (GAA).

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, there is an additional surcharge an employer is subject to:

- 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.



**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

***Actuarial Assumptions***

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2023*	4.13%*
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

*\* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20 Year Municipal GO AA Index."*

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. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

***Discount Rate***

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.50% of payroll in fiscal year 2024 increasing to 9.56% 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 benefit payments to determine the total pension liability.

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

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

Best estimates of geometric real rates of return for each major asset class included in the TRS' target asset allocation as of August 31, 2023 are summarized below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0%	4.0%	1.00%
Non-U.S. Developed	13.0%	4.5%	0.90%
Emerging Markets	9.0%	4.8%	0.70%
Private Equity *	14.0%	7.0%	1.50%
<b>Stable Value</b>			
Government Bonds	16.0%	2.5%	0.50%
Absolute Return *	0.0%	3.6%	0.00%
Stable Value Hedge Funds	5.0%	4.1%	0.20%
<b>Real Return</b>			
Real Estate	15.0%	4.9%	1.10%
Energy, Natural Resources, & Infrastructure	6.0%	4.8%	0.40%
Commodities	0.0%	4.4%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.0%	4.5%	0.40%
<b>Asset Allocation Leverage</b>			
Cash	2.0%	3.7%	0.00%
Asset Allocation Leverage	-6.0%	4.4%	-0.10%
Inflation Expectation			2.30%
Volatility Drag****			-0.90%
<b>Expected Return</b>	<u>100.00%</u>		<u>8.00%</u>

\* Absolute Return includes Credit Sensitive Investments.

\*\* Target allocations are based on the FY 2023 policy model.

\*\*\* Capital Market Assumptions come from AON Hewitt (as of 06/30/2023).

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

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

***Discount Rate Sensitivity Analysis***

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00%, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net pension liability:	\$ 4,425,747	\$ 2,960,266	\$ 1,741,700

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

At the fiscal year ended August 31, 2024, the College reported a liability of \$2,960,266 for its proportionate share of the TRS net pension liability. This 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:

College's proportionate share of the collective net pension liability	\$ 2,960,266
State's proportionate share that is associated with the College	<u>1,965,969</u>
Total	<u>\$ 4,926,235</u>

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022 through August 31, 2023.

At the measurement date of August 31, 2023, the College's proportion of the collective net pension liability was 0.0043096%, which was an decrease of 0.0003% from its proportion measured as of August 31, 2022.

**Changes Since the Prior Actuarial Valuation**

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay for this one-time stipend so there will be no impact on the net pension liability of TRS. In addition, the Legislature also provided for a cost of living adjustment (COLA) to retirees which was approved during the November 2023 election which will be paid in January 2024. Therefore, this contingent liability was not reflected as of August 31, 2023.

For the fiscal year ended August 31, 2024, the College recognized pension expense of \$172,409 and revenue of \$172,409 for support provided by the State.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 105,475	\$ 35,845
Changes in actuarial assumptions	279,982	68,518
Difference between projected and actual investment earnings	924,991	494,201
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	72,069	232,075
Contributions paid to TRS after the measurement date	<u>247,949</u>	<u>-</u>
 Total	 <u>\$ 1,630,466</u>	 <u>\$ 830,639</u>

Contributions made subsequent to the measurement date of \$247,949 are reported as deferred outflows of resources related to pension and will be recognized as a change in the net pension liability for the fiscal year ending August 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>College's Fiscal Year ended August 31:</u>		<u>Pension Expense Amount</u>
2025	\$	120,298
2026		43,471
2027		310,611
2028		81,295
2029		(3,797)

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**10. EMPLOYEES' RETIREMENT PLANS (Continued)**

Optional Retirement Plan - Defined Contribution Plan

***Plan Description***

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

***Funding Policy***

Contribution requirements are not actuarially determined but are established and amended by the Texas legislature. The percentages of participant salaries currently contributed by the State/College and each participant are 6.6% and 6.65%, respectively. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program. Senate Bill 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50 percent of eligible employees in the reporting district.

The retirement expense to the State for the College was \$36,922 and \$36,872 for the fiscal years ended August 31, 2024 and 2023, respectively. This amount represents the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$7,045,131 and \$6,320,865 for fiscal years 2024 and 2023, respectively. The total payroll of employees covered by the TRS was \$5,146,816 and \$4,580,445, and the total payroll of employees covered by the Optional Retirement Program was \$1,118,851 and \$1,117,328 for fiscal years 2024 and 2023, respectively.

**11. COMPENSABLE ABSENCES**

Full-time employees earn annual leave at a rate of 4.6 hours per month from September through June. Twelve-month employees become eligible for vacation after six months of service. The College's policy is that an employee may carry his accrued leave forward from one fiscal year to another fiscal year with a maximum of twenty days (160 hours). Employees who fail to work for six months forfeit vacation benefits. Employees who have worked a minimum of six months and terminate their employment with a minimum of a two-week notice are entitled to payment for all accumulated annual leave up to the maximum allowed. The College recognized the accrued liability for unpaid annual leave in the amount of \$167,440 and \$143,719 as of August 31, 2024 and 2023, respectively.

Sick leave is earned at the rate of eight hours per month per contract length and can be accumulated up to a maximum of 480 hours. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since all accrued sick leave is forfeited by employees upon termination of employment.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**12. HEALTH CARE AND LIFE INSURANCE BENEFITS**

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2024, and totaled \$499,716 for the year. The cost of providing those benefits for 34 retirees for the year ended August 31, 2024 was \$130,379. For 95 active employees, the cost of providing benefits was \$369,337 for the year ended August 31, 2024. The State's contribution per full-time employee was \$624.82 per month for the year ended August 31, 2023, and totaled \$543,000 for the year. The cost of providing those benefits for 34 retirees for the year ended August 31, 2023 was \$129,651. For 95 active employees, the cost of providing benefits was \$413,349 for the year ended August 31, 2023. Senate Bill 1812, 83<sup>rd</sup> Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

***Plan Description***

The College participates in a cost-sharing, multiple-employer, defined-benefit other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain post-employment 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. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

***OPEB Plan Fiduciary Net Position***

Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Annual Comprehensive Financial Report (ACFR) that includes financial statements, notes to the financial statements, and required supplementary information. That report may be obtained by visiting <https://ers.texas.gov>; or by writing to ERS at: 200 East 18<sup>th</sup> Street, Austin, TX 78701; or by calling (877) 275-4377.

***Benefits Provided***

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

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

***Contributions***

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

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

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

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

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

Premium Contributions by Source  
Group Benefits Program Plan  
For the Plan's Years Ended August 31, 2023 and 2022

	2023	2022
Employers	\$ 801,018,586	\$ 699,999,453
Members (Employees)	181,951,869	190,659,955
Nonemployer Contributing Entity (State of Texas)	42,250,455	36,750,724

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

***Actuarial Assumptions***

The total OPEB liability was determined by an actuarial valuation as of August 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	August 31, 2023
Actuarial Cost Method	Entry age
Amortization Method	Level percent of payroll, open
Remaining Amortization Period	30 years
Asset Valuation Method	Not applicable
Inflation	2.30%
Healthcare Cost Trend Rates	<u>HealthSelect</u> – 5.60% for FY2025, 5.30% for FY2026, 5.00% for FY2027, 4.75% for FY2028, 4.60% for FY2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2032 and later years  <u>HealthSelect Medicare Advantage</u> – 16.40% for FY2025, 8.40% for FY2026, 5.00% for FY2027, 4.75% for FY2028, 4.60% for FY2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2032 and later years  <u>Pharmacy</u> – 10.00% for FY2025 and FY2026, decreasing 100 basis points per year to 5.00% for FY2031 and 4.30% for FY2032 and later years
Salary Increases	2.30% to 8.95%, including inflation
Discount Rate	3.81%
Mortality Assumptions:	
Service Retirees, Survivors, and Other Inactive Members	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021.
Disability Retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the 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 a 2-year set forward for males with Ultimate MP-2021 Projection Scale from year 2010.



**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (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 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 cash and equivalent securities.

***Discount Rate***

Because the SRHP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the *beginning* of the measurement year was 3.59%. The discount rate used to measure the total OPEB liability as of the *end* of the measurement year was 3.81%, which amounted to an increase of 0.22%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

***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% less than and 1% greater than the discount rate that was used (3.81%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (2.81%)	Discount Rate (3.81%)	1% Increase in Discount Rate (4.81%)
College's proportionate share of the Net OPEB liability:	\$6,555,490	\$5,649,550	\$4,920,877

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

***Healthcare Trend Rate Sensitivity Analysis***

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% less than and 1% greater than the healthcare cost trend rate that was used in measuring the net OPEB liability. See actuarial assumptions section above for specific rates.

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
College's proportionate share of the net OPEB liability:	\$4,859,398	\$5,649,550	\$6,653,047

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

At August 31, 2024, the College reported a liability of \$5,649,550 for its proportionate share of the ERS's net OPEB liability. The 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:

College's proportionate share of the collective net OPEB liability	\$ 5,649,550
State's proportionate share that is associated with the College	4,864,782
Total	\$ 10,514,332

The net OPEB liability was measured as of August 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that 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, 2022 through August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.02114548%, which was a decrease of 0.003667% from the proportion measured as of August 31, 2022.

For the fiscal year ended August 31, 2024, the College recognized OPEB expense of \$144,372 and revenue of \$144,372 for support provided by the State.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**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 their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to cover dependent children.
- 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.
- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- The discount rate was changed from 3.59% to 3.81% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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	\$ -	\$ 149,434
Changes in actuarial assumptions	188,463	1,764,429
Differences between projected and actual investment earnings	559	104
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	143,693	1,292,039
Contributions paid to ERS subsequent to the measurement date	99,559	-
Total	\$ 432,274	\$ 3,206,006

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**13. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

Contributions made subsequent to the measurement date of \$99,559 are reported as deferred outflows of resources related to OPEB and will be recognized as a change in the net OPEB liability for the fiscal year ending August 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

College's Fiscal Year Ended August 31:	OPEB Expense Amount
2025	\$ (794,070)
2026	(831,909)
2027	(769,421)
2028	(431,951)
2029	(45,940)

**14. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

**Receivables**

Receivables at August 31, 2024 and 2023 were as follows:

	August 31,	
	2024	2023
Student Receivables (Net of Allowances of \$5,223,476 and \$4,895,458 for 2024 and 2023, respectively)	\$ 4,738,946	\$ 4,446,798
Taxes Receivables (Net of Allowances of \$24,394 and \$23,337 for 2024 and 2023, respectively)	61,017	59,076
Federal, State, and Local Grants Receivable	361,252	444,377
Other Accounts Receivable	2,823	52,434
Total Accounts Receivable	\$ 5,164,038	\$ 5,002,685

**Payables**

Payables at August 31, 2024 and 2023 were as follows:

	August 31,	
	2024	2023
Vendor Payable	\$ 313,949	\$ 565,361
Benefit Payable	119,718	116,936
Total Accounts Payable	\$ 433,667	\$ 682,297

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**15. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA audit and accounting guide, *State and Local Governments*, 8.99). For Federal Contract and Grant Awards, funds expended but not collected are reported as Accounts Receivable (net) 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, e.g., multi-year awards or funds awarded during fiscal years 2024 and 2023 for which monies have not been received nor funds expended totaled \$1,513,780 and \$1,710,221, respectively. Of these amounts, \$465,791 and \$378,408 were from Federal Contract and Grant Awards and \$1,047,989 and \$1,331,813 were from State Contract and Grant Awards for fiscal years ended 2024 and 2023, respectively.

**16. AD VALOREM TAX**

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

	August 31,		
	2024	2023	
Assessed Valuation of the College	\$ 220,360,090	\$ 209,443,930	
	Current Operations	Debt Service	Total
At August 31, 2024			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.01476	\$ 0.27137	\$ 0.28613
At August 31, 2023			
Tax Rate per \$100 valuation of authorized	\$ 0.50000	\$ 0.50000	\$ 1.00000
Tax Rate per \$100 valuation of assessed	\$ 0.01438	\$ 0.26976	\$ 0.28414

Taxes levied for the years ended August 31, 2024 and 2023 were \$600,758 and \$567,195, respectively. 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.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**16. AD VALOREM TAX (Continued)**

	2024		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 30,998	\$ 569,966	\$ 600,964
Delinquent Taxes Collected	1,741	17,574	19,315
Penalties and Interest Collected	683	12,561	13,244
Total Gross Collections	33,422	600,101	633,523
Tax Appraisal & Collection Fees	(1,679)	(30,867)	(32,546)
Total Net Collections	<u>\$ 31,743</u>	<u>\$ 569,234</u>	<u>\$ 600,977</u>
	2023		
	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 28,707	\$ 538,873	\$ 567,580
Delinquent Taxes Collected	(217)	14,064	13,847
Penalties and Interest Collected	571	10,709	11,280
Total Gross Collections	29,061	563,646	592,707
Tax Appraisal & Collection Fees	(1,460)	(27,399)	(28,859)
Total Net Collections	<u>\$ 27,601</u>	<u>\$ 536,247</u>	<u>\$ 563,848</u>

Tax collections for the years ended August 31, 2024 and 2023 were 100% and 100%, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of current operations/maintenance and debt service.

**17. INCOME TAXES**

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2024 and 2023.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**18. COMPONENT UNIT**

Ranger College Foundation, Inc. - Discretely Presented Component Unit

The Ranger College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization with the sole purpose of supporting the educational and other activities of the College. The Foundation solicits donations and acts as coordinator of gifts made by other parties.

The Foundation remitted \$196,087 and \$335,144 for other contributions to the College during the years ended August 31, 2024 and 2023, respectively. Also, at August 31, 2024 and 2023, the College reported a receivable from the Foundation of \$0 and \$46,765, respectively. There were no payables to the Foundation at August 31, 2024 and 2023. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's financial statements are included in the College's annual report as a discretely presented component unit (see table of contents).

**19. RISK MANAGEMENT**

The College has the responsibility for making and carrying out decisions that will minimize the adverse effects of accidental losses that involve the College's assets. Accordingly, commercial insurance coverages are obtained to include general liability, property and casualty, employee and automobile liability, fidelity, public official's liability, and certain other risks. The amounts of settlements during each of the past three fiscal years have not exceeded insurance coverage.

**20. COMMITMENTS**

The College has contracts with outside parties to provide the following services:

- Broadband internet access on four of the College's campuses; beginning on February 26, 2020 and expiring on February 25, 2025.
- Broadband internet access on one of the College's campuses; beginning on December 9, 2021 and expiring December 9, 2024.

Future minimum payments under these contracts are as follows:

Year Ending	Amount
<u>August 31,</u> 2025	<u>\$ 30,540</u>

**21. PENDING LAWSUITS AND CLAIMS**

On August 31, 2024, certain lawsuits and claims involving Ranger College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

**RANGER COLLEGE DISTRICT**  
**Notes to the Financial Statements**  
**August 31, 2024 and 2023**

**22. RELATED PARTY TRANSACTIONS**

Related party transactions for the years ended August 31, 2024 and 2023 are provided solely to comply with the *Financial Responsibility, Administrative Capability, Certification Procedures, Ability To Benefit* regulation promulgated by the U.S. Department of Education. The College made purchases of \$4,987 and \$3,836 in the normal course of business from a company owned by a member of the Board of Trustees during the years ended August 31, 2024 and 2023, respectively.

**23. CAPITAL CONTRIBUTION**

During the year ended August 31, 2024, the College received a donation comprised of five distinct parcels of land, collectively spanning approximately 7,282 acres across Taylor, Wise, Eastland, and Palo Pinto Counties, from an estate. The land was valued at \$41,591,500 on the date of donation and is reported as Special Item – Capital Contribution in the statements of revenues, expenses, and changes in net position. The College holds this land for investment purposes, and it is reported as investments in real estate in the statement of net position.

**24. SUBSEQUENT EVENTS**

The College evaluated subsequent events through December 18, 2024, the date the financial statements were available to be issued, and noted that on December 17, 2024, the College entered into a contract to acquire land and buildings located in Comanche County for a total cost of \$400,000.



**REQUIRED SUPPLEMENTARY INFORMATION**

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Proportionate Share of Net Pension Liability**  
**Last Ten Measurement Years**

Measurement Year Ending August 31*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportionate share of collective net pension liability (NPL) (%)	0.4309600%	0.0045830%	0.0044227%	0.0049127%	0.0049717%	0.0047535%	0.0044934%	0.0036272%	0.0035399%	0.0037633%
College's proportionate share of collective NPL (\$)	\$ 2,960,266	\$ 2,720,788	\$ 1,126,317	\$ 2,631,165	\$ 2,584,469	\$ 2,616,470	\$ 1,436,764	\$ 1,370,661	\$ 1,251,307	\$ 1,005,230
State's proportionate share of NPL associated with the College	1,965,969	1,733,416	699,224	1,662,766	1,558,340	1,567,085	743,500	1,713,093	(34,084)	628,357
Total	\$ 4,926,235	\$ 4,454,204	\$ 1,825,541	\$ 4,293,931	\$ 4,142,809	\$ 4,183,555	\$ 2,180,264	\$ 3,083,754	\$ 1,217,223	\$ 1,633,587
College's covered payroll	\$ 4,580,445	\$ 4,376,982	\$ 3,873,696	\$ 4,251,765	\$ 3,958,764	\$ 3,623,931	\$ 3,253,820	\$ 2,809,247	\$ 2,186,874	\$ 1,992,401
College's proportionate share of collective NPL as a percentage of covered payroll	64.63%	62.16%	29.08%	61.88%	65.28%	72.20%	44.16%	48.79%	57.22%	50.45%
Plan fiduciary net position as percentage of total pension liability	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

\*The amounts presented above are as of the measurement date of the collective net pension liability for the respective fiscal year.

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Contributions for Pensions**  
**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Fiscal Year Ending August 31*</b>										
Legally required contributions	\$ 221,522	\$ 214,891	\$ 198,636	\$ 173,389	\$ 190,187	\$ 160,181	\$ 149,602	\$ 134,611	\$ 109,468	\$ 110,821
Actual contributions	221,522	214,891	198,636	173,389	190,187	160,181	149,602	134,611	109,468	110,821
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll amount	\$ 5,146,816	\$ 4,580,445	\$ 4,376,982	\$ 3,873,696	\$ 4,251,765	\$ 3,958,764	\$ 3,623,931	\$ 3,253,820	\$ 2,809,247	\$ 2,186,874
Contributions as a percentage of covered payroll	4.30%	4.69%	4.54%	4.48%	4.47%	4.05%	4.13%	4.14%	3.90%	5.07%

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

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Proportionate Share of Net OPEB Liability**  
**Employee Retirement System of Texas**  
**State Retiree Health Plan**  
**Last Ten Measurement Years\*\***

	2023	2022	2021	2020	2019	2018	2017
<b>Measurement years ended August 31*.</b>							
College's proportion of collective net OPEB liability (%)	0.02114548%	0.02077881%	0.02458338%	0.02606886%	0.02514688%	0.0244112%	0.0172439%
College's proportionate share of collective net OPEB liability (\$)	\$ 5,649,550	\$ 5,919,254	\$ 8,819,412	\$ 8,614,285	\$ 8,691,403	\$ 7,234,932	\$ 5,875,499
State's proportionate share of net OPEB liability associated with the College	4,864,782	5,246,064	5,712,479	5,260,543	5,545,722	287,185	4,644,003
<b>Total</b>	<b>\$ 10,514,332</b>	<b>\$ 11,165,318</b>	<b>\$ 14,531,891</b>	<b>\$ 13,874,828</b>	<b>\$ 14,237,125</b>	<b>\$ 7,522,117</b>	<b>\$ 10,519,502</b>
College's covered-employee payroll	\$ 5,697,772	\$ 5,690,721	\$ 5,264,197	\$ 5,753,276	\$ 5,222,661	\$ 5,014,948	\$ 4,810,086
College's proportionate share of collective net OPEB liability as a percentage of covered-employee payroll	99.15%	104.02%	167.54%	149.73%	166.42%	144.27%	122.15%
Plan fiduciary net position as percentage of the total net OPEB liability	0.64%	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

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

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

**RANGER COLLEGE DISTRICT**  
**Schedule of the College's Contributions for OPEB**  
**Employee Retirement System of Texas**  
**State Retiree Health Plan**  
**Last Ten Fiscal Years\*\***

Fiscal years ended August 31*,	2024	2023	2022	2021	2020	2019	2018
Legally required contributions	\$ 657,146	\$ 627,548	\$ 612,679	\$ 738,495	\$ 783,667	\$ 745,158	\$ 174,359
Actual contributions	657,146	627,548	612,679	738,495	783,667	745,158	174,359
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered-employee payroll amount	\$ 6,265,667	\$ 5,697,772	\$ 5,690,721	\$ 5,264,197	\$ 5,753,276	\$ 5,222,661	\$ 5,014,948
Contributions as a percentage of covered-employee payroll	10.49%	11.01%	10.77%	14.03%	13.62%	14.27%	3.48%

\* 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.

**RANGER COLLEGE DISTRICT**  
**Notes to Required Supplementary Information**  
**For the Year Ended August 31, 2024**

**Defined Benefit Pension and OPEB Plans**

*Change of benefit terms*

There were no changes of benefit terms that affected the measurement of the total pension liability during the measurement period.

Change of benefit terms that affected the measurement of the total net OPEB liability during the measurement period are described in the notes to the financial statements (Note 13).

*Changes of assumptions*

Changes of assumptions that affected the measurement of the net pension liability during the measurement period are described in the notes to the financial statements (Note 10).

Changes of assumptions that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note 13).

**SUPPLEMENTAL INFORMATION**

**RANGER COLLEGE DISTRICT**  
**Schedule A**  
**Schedule of Operating Revenues**  
**For the Year Ended August 31, 2024**  
**(With Memorandum Totals for the Year Ended August 31, 2023)**

					Totals	
	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	8/31/2024	8/31/2023
<b>Tuition</b>						
State Funded Credit Courses						
In-District Resident Tuition	\$ 34,481	\$ -	\$ 34,481	\$ -	\$ 34,481	\$ 12,707
Out-of-District Resident Tuition	4,665,876	-	4,665,876	-	4,665,876	3,753,886
Non-Resident Tuition	127,035	-	127,035	-	127,035	202,853
TPEG - Credit (set aside)*	125,021	-	125,021	-	125,021	117,698
State Funded Continuing Education	250,000	-	250,000	-	250,000	133,836
Total Tuition	<u>5,202,413</u>	<u>-</u>	<u>5,202,413</u>	<u>-</u>	<u>5,202,413</u>	<u>4,220,980</u>
<b>Fees</b>						
General Fees	503,850	-	503,850	-	503,850	451,523
Laboratory Fees	71,363	-	71,363	-	71,363	59,078
Registration Fees	269,448	-	269,448	-	269,448	236,940
Educational Service Fees	166,753	-	166,753	-	166,753	154,452
Other Fees	1,909,384	-	1,909,384	-	1,909,384	1,642,594
Total Fees	<u>2,920,798</u>	<u>-</u>	<u>2,920,798</u>	<u>-</u>	<u>2,920,798</u>	<u>2,544,587</u>
<b>Scholarship Allowances and Discounts</b>						
Bad Debt Allowance	(388,694)	-	(388,694)	-	(388,694)	(362,267)
Scholarship Allowances	(1,365,625)	-	(1,365,625)	-	(1,365,625)	(817,133)
Title IV Federal Program	(1,970,381)	-	(1,970,381)	-	(1,970,381)	(1,817,703)
GEER Federal Program	-	-	-	-	-	(8,493)
NSRP Federal Program	(27,627)	-	(27,627)	-	(27,627)	(48,750)
TPEG Awards	(73,053)	-	(73,053)	-	(73,053)	(100,498)
Other State Grants	(82,494)	-	(82,494)	-	(82,494)	(29,640)
Total Scholarship Allowances	<u>(3,907,874)</u>	<u>-</u>	<u>(3,907,874)</u>	<u>-</u>	<u>(3,907,874)</u>	<u>(3,184,484)</u>
<b>Total Net Tuition and Fees</b>	<u>4,215,337</u>	<u>-</u>	<u>4,215,337</u>	<u>-</u>	<u>4,215,337</u>	<u>3,581,083</u>
<b>Additional Operating Revenues</b>						
Federal Grants and Contracts	7,053	1,313,988	1,321,041	-	1,321,041	1,257,834
State Grants and Contracts	-	611,847	611,847	-	611,847	1,356,094
Non-Governmental Grants and Contracts	-	-	-	-	-	9,983
Sales and Services of Educational Activities	38,734	-	38,734	-	38,734	37,927
Other Operating Revenues	270,512	-	270,512	-	270,512	164,744
Total Additional Operating Revenues	<u>316,299</u>	<u>1,925,835</u>	<u>2,242,134</u>	<u>-</u>	<u>2,242,134</u>	<u>2,826,582</u>
<b>Auxiliary Enterprises</b>						
Residential Life	-	-	-	536,512	536,512	428,667
Less Discounts	-	-	-	(306,298)	(306,298)	(248,852)
Bookstore	-	-	-	612,050	612,050	464,859
Less Discounts	-	-	-	(188,543)	(188,543)	(128,340)
Food Services	-	-	-	978,546	978,546	854,413
Less Discounts	-	-	-	(593,707)	(593,707)	(521,920)
Intercollegiate Athletics	-	-	-	321,672	321,672	275,486
Student Services	-	-	-	6,372	6,372	9,819
Child Care Services	-	-	-	139,230	139,230	388,959
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,505,834</u>	<u>1,505,834</u>	<u>1,523,091</u>
<b>Total Operating Revenues</b>	<u>\$ 4,531,636</u>	<u>\$ 1,925,835</u>	<u>\$ 6,457,471</u>	<u>\$ 1,505,834</u>	<u>\$ 7,963,305</u>	<u>\$ 7,930,756</u>
				(Exhibit 2)	(Exhibit 2)	

\* In accordance with Education Code 56.033, \$125,021 and \$117,698 for years August 31, 2024 and 2023, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).



**RANGER COLLEGE DISTRICT**  
**Schedule B**  
**Schedule of Operating Expenses by Object**  
**For the Year Ended August 31, 2024**  
**(With Memorandum Totals for the Year Ended August 31, 2023)**

	Operating Expenses					Totals	
	Salaries and Wages	Benefits			Other Expenses	8/31/2024	8/31/2023
		State Benefits	Local Benefits	-			
Unrestricted Educational Activities							
Instruction	\$ 3,162,952	\$ -	\$ 551,012	\$ 567,865	\$ 4,281,829	\$ 3,902,095	
Academic Support	577,561	-	100,616	38,084	716,261	493,399	
Student Services	783,058	-	136,415	148,718	1,068,191	891,866	
Institutional Support	1,231,534	-	214,544	1,407,060	2,853,138	2,257,747	
Operation and Maintenance of Plant	188,094	-	-	1,084,437	1,272,531	983,946	
<b>Total Unrestricted Educational Activities</b>	<b>5,943,199</b>	<b>-</b>	<b>1,002,587</b>	<b>3,246,164</b>	<b>10,191,950</b>	<b>8,529,053</b>	
Restricted Educational Activities							
Instruction	248,889	311,000	-	132,009	691,898	1,095,706	
Academic Support	-	56,789	-	-	56,789	40,301	
Student Services	543,309	76,995	126,577	357,836	1,104,717	966,688	
Institutional Support	-	121,092	-	-	121,092	118,002	
Scholarships and Fellowships	-	-	-	908,180	908,180	606,944	
<b>Total Restricted Educational Activities</b>	<b>792,198</b>	<b>565,876</b>	<b>126,577</b>	<b>1,398,025</b>	<b>2,882,676</b>	<b>2,827,641</b>	
<b>Total Educational Activities</b>	<b>6,735,397</b>	<b>565,876</b>	<b>1,129,164</b>	<b>4,644,189</b>	<b>13,074,626</b>	<b>11,356,694</b>	
Auxiliary Enterprises	309,734	-	28,037	2,476,977	2,814,748	2,647,760	
Depreciation Expense - Buildings and Land Improvements	-	-	-	810,718	810,718	720,895	
Depreciation Expense - Furniture, Machinery, Vehicles, and Other Equipment	-	-	-	389,132	389,132	341,218	
Amortization Expense - Right-Of-Use Assets	-	-	-	340,695	340,695	297,276	
<b>Total Operating Expenses</b>	<b>\$ 7,045,131</b>	<b>\$ 565,876</b>	<b>\$ 1,157,201</b>	<b>\$ 8,661,711</b>	<b>\$ 17,429,919</b>	<b>\$ 15,363,843</b>	<b>(Exhibit 2)</b>
					<b>(Exhibit 2)</b>		<b>(Exhibit 2)</b>

**RANGER COLLEGE DISTRICT**  
**Schedule C**  
**Schedule of Non-Operating Revenues and Expenses**  
**For the Year Ended August 31, 2024**  
**(With Memorandum Totals for the Year Ended August 31, 2023)**

	Totals		
	Unrestricted	Restricted	Auxiliary Enterprises
	8/31/2024	8/31/2024	8/31/2023
<b>Non-Operating Revenues</b>			
State Appropriations	\$ 7,343,309	\$ -	\$ 4,227,524
Education and General State Support	-	-	543,000
State Group Insurance	499,716	-	(191,087)
State OPEB	-	(144,372)	173,449
State Retirement Matching	-	209,652	112,383
Professional Nursing Shortage Reduction	-	270,427	-
Total State Appropriations	<u>7,343,309</u>	<u>835,423</u>	<u>4,865,269</u>
Maintenance Ad Valorem Taxes, Net	31,743	-	27,601
Debt Service Ad Valorem Taxes, Net	569,234	-	536,247
Federal Revenue, Non-Operating	-	2,630,577	2,244,933
State Revenue, Non-Operating	-	224,840	-
Gifts	242,663	-	353,634
Investment Income	153,925	-	81,509
Loss on Disposal of Capital Assets	(5,860)	-	-
Total Non-Operating Revenue	<u>8,335,014</u>	<u>3,690,840</u>	<u>8,109,193</u>
<b>Non-Operating Expenses</b>			
Interest on Capital Related Debt	526,106	-	567,958
Total Non-Operating Expenses	<u>526,106</u>	<u>-</u>	<u>567,958</u>
<b>Net Non-Operating Revenues (Expenses)</b>	<u>\$ 7,808,908</u>	<u>\$ 3,690,840</u>	<u>\$ 7,541,235</u>
		(Exhibit 2)	(Exhibit 2)



**OVERALL COMPLIANCE AND  
INTERNAL CONTROLS SECTION**



**SNOWGARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Regents  
Ranger College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Ranger College District (the College) as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 18, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

We have performed tests designed to verify the College's compliance with the requirements of the Public Funds Investment Act. During the year ended August 31, 2024, no instances of noncompliance were noted.

### **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.



Snow Garrett Williams  
December 18, 2024

**RANGER COLLEGE DISTRICT  
Summary Schedule of Prior Audit Findings  
For the Year Ended August 31, 2024**

There were no prior year findings.

**RANGER COLLEGE DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**August 31, 2024**

**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   X   no  
 Significant deficiencies identified that are not  
 considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

Federal and State Awards

Internal control over major programs:  
 Material weakness(es) identified?        yes   X   no  
 Significant deficiencies identified that are not  
 considered to be material weaknesses?        yes   X   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   X   no

Identification of Major Programs:

Federal Awards

U.S. Department of Education:

Student Financial Assistance Cluster of Programs:

ALN 84.007	Federal Supplemental Education Opportunity Grant
ALN 84.033	Federal College Workstudy Program
ALN 84.063	Federal Pell Grant Program
ALN 84.268	Federal Direct Student Loans

State Awards

Jobs and Education for Texans Grant Program

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

Auditee qualified as a low-risk auditee?   X   yes        no

**Section II – Financial Statement Findings**

None Noted

**Section III – Federal and State Award Findings and Questioned Costs**

None Noted



**RANGER COLLEGE DISTRICT  
Corrective Action Plan  
August 31, 2024**

A corrective action plan is not needed.

**FEDERAL AWARDS SECTION**



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE AND THE TEXAS GRANT MANAGEMENT STANDARDS**

To the Board of Regents  
Ranger College District

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Ranger College District's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the Texas Grant Management Standards that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2024. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2024.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Texas Grant Management Standards (TxGMS). Our responsibilities under those standards and the Uniform Guidance and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

## ***Responsibilities Management for Compliance***

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

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and TxGMS 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*, the Uniform Guidance, and TxGMS, we:

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

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

## Report on Internal Control over Compliance

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

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

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

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

*Snow Garrett Williams*

Snow Garrett Williams  
December 18, 2024

**RANGER COLLEGE DISTRICT**  
**Schedule E**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Federal Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Educational Opportunity Grant	84.007		\$ 100,922
Federal College Workstudy Program	84.033		61,728
Federal Pell Grant Program	84.063		2,467,927
Federal Direct Student Loans	84.268		<u>1,116,267</u>
Total Student Financial Aid Cluster			3,746,844
TRIO Cluster			
TRIO - Student Support Services Grant	84.042 A		269,780
TRIO - Upward Bound	84.047 A		<u>303,859</u>
Total TRIO Cluster			573,639
Developing Hispanic-Serving Institutions	84.031 S		651,705
Pass-Through From:			
Texas Higher Education Coordinating Board			
Career and Technical Education Basic Grants - Texas Counselors' Network	84.048 A	234251	64,108
Education Stabilization Fund Program			
COVID-19 Governor's Emergency Education Relief (GEER)	84.425 C	28341	<u>23,945</u>
Total Passed-Through From Texas Higher Education Coordinating Board			<u>88,053</u>
Total U.S. Department of Education			<u>5,060,241</u>
National Endowment for the Humanities			
Pass-Through From:			
Humanities Texas			
Promotion of the Humanities - Federal/State Partnership	45.129	2023-6875	1,400
Promotion of the Humanities - Federal/State Partnership	45.129	2024-6924	5,300
Promotion of the Humanities - Federal/State Partnership	45.129	2024-6949	<u>944</u>
Total National Endowment for the Humanities			<u>7,644</u>
Total Federal Financial Assistance			<u>\$ 5,067,885</u>

**RANGER COLLEGE DISTRICT**  
**Schedule E**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended August 31, 2024**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts Revenue - per Schedule A	\$ 1,313,988
Add: Indirect/Administrative Cost Recoveries - per Schedule A	7,053
Add: Non-Operating Revenues - Federal Revenue, non-operating - per Schedule C	<u>2,630,577</u>
Total Federal Revenues per Schedules A and C	<u>\$ 3,951,618</u>
Reconciling Items:	
Federal Direct Student Loans	<u>1,116,267</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 5,067,885</u>

Note 2: Significant Accounting Policies used in Preparing the Schedule.

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

Note 3: Student Loans Processed and Administrative Costs Recovered

Federal Grantor ALN Number / Program Name	New Loans Processed	Administrative Cost Recovered	Total Loans Processed & Admin Cost Recovered
U.S. Department of Education 84.268 Federal Direct Student Loans	<u>\$ 1,116,267</u>	<u>\$ -</u>	<u>\$ 1,116,267</u>

**STATE AWARDS SECTION**



**RANGER COLLEGE DISTRICT**  
**Schedule F**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended August 31, 2024**

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Higher Education Coordinating Board		
Professional Nursing Shortage Reduction	23070	\$ 270,427
Texas Education Opportunity Grant	003603	<u>216,074</u>
Total Texas Higher Education Coordinating Board		486,501
Texas Workforce Commission		
Skills Development Fund	0422SDF002	76,944
Jobs and Education for Texans Grant Program	0423JET001	<u>318,829</u>
Total Texas Workforce Commission		<u>395,773</u>
<b>Total State Financial Assistance</b>		<u><u>\$ 882,274</u></u>

See Notes to Schedule below.

Note 1: State Assistance Reconciliation

State Financial Assistance - per Schedule of Expenditures of State Awards	\$ 882,274
Reconciling Items	
Professional Nursing Shortage Reduction reported on Schedule C	<u>(270,427)</u>
Total State Revenues per Exhibit 2 and Schedule A	<u><u>\$ 611,847</u></u>

Note 2: Significant Accounting Policies used in Preparing the Schedule.

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 to the financial statements for the College's significant accounting policies. These expenditures are reported on the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.