

Southwest Texas Junior College



**Financial Statements and Supplemental Information
With Independent Auditor's Report**

For the Year Ended August 31, 2022

**Ede & Company, LLC
Certified Public Accountants**

SOUTHWEST TEXAS JUNIOR COLLEGE

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION
WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
AUGUST 31, 2022

**SOUTHWEST TEXAS JUNIOR COLLEGE
2022 ANNUAL FINANCIAL REPORT**

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**Southwest Texas Junior
College • Uvalde**

2401 Garner Field Road • Uvalde, TX 78801-6221
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www.swtic.edu



November 30, 2022

To the Members of the Board of Trustees, Taxpayers of Uvalde, Real, and Zavala counties, and the citizens of the Southwest Texas Junior College Service Area:

I am pleased to submit the Annual Financial Report for the fiscal year 2022. A discussion and analysis of the college's financial statements provide an overview of the financial activities for the fiscal year ended August 31, 2022.

This academic year was our first post the Covid-19 pandemic disruption. We have experienced a 3% growth primarily from our technical programs. The college's long-term goal includes the expansion of existing and new technical programs. We were fortunate to receive a collaborative grant from Union Pacific Railroad to expend our Diesel Technology program. The college is also investing an equal amount to expand the welding program which will grow our technical programs footprint in Eagle Pass.

In addition, the college received a multi-million-dollar Title III grant from the Department of Education to start up three additional programs - Surgery Tech, Cyber Security Tech and Ag Sciences. It is our expectation that these programs will continue to enhance career opportunities for our students within High Demand Occupations. In que for future programs are Drone Technology and an expansion of Construction Science.

We believe our commitment to be the education leaders for the Southwest region of Texas will continue to serve a guiding principle for our institution going forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Hector Gonzales".

Hector Gonzales, Ph.D.
President

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November 30, 2022

To President Gonzales, Members of the Board of Trustees, and Citizens of Southwest Texas Junior College:

The annual financial report of Southwest Texas Junior College District (College) for the fiscal year ended August 31, 2022, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the representation, including all disclosures, rest with Southwest Texas Junior College. To the best of our knowledge, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

COMPARATIVE FINANCIAL STATEMENTS

The 2022 audit report contains comparative data for the last two fiscal periods to ensure that the financial information will be available at a glance to financial statement users. Following the auditor's report the College has included a Management's Discussion and Analysis which provides summary information and a brief economic forecast in three segments:

1. A brief discussion of the basic financial statement,
2. Condensed comparative financial information, and
3. Analysis of the College's overall financial position and results of operation.

Segment 2, Condensed comparative financial information contains the following required elements:

- a. Total assets, distinguishing between capital and other assets
- b. Total liabilities, distinguishing between long-term and other liabilities
- c. Total net position, distinguishing among amounts invested in capital assets, net of related debt; restricted amounts; and unrestricted amounts
- d. Operating revenue by major source
- e. Operating expenses by function
- f. Non-operating revenue and expenses
- g. Income before other revenue, expenses, gains, and losses
- h. Changes in net position
- i. Ending net position
- j. Cash flow, distinguishing among operating activities, non-capital financing activities, capital and related financing activities, and investing activities.
- k. Changes in cash flow

We hope this Annual Financial Report presentation will help the reader better understand the overall financial status of the College as of August 31, 2022.

The Annual Financial Report is presented in five sections:

Introductory section includes the President's Letter, this transmittal letter, and the College's principal officials.

The Financial section includes the report of the independent accountants, the management discussion and analysis, the basic financial statements, notes to the financial statements and required supplemental financial information.

The Statistical section includes selected unaudited financial and demographic information, generally presented on a multi-year basis.

The Single Audit section includes the annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, Non-Profit Organizations and the Uniform Grants Management Standards issued by the State of Texas. Information related to this single audit, including schedules of federal and state financial assistance and auditor's reports on internal control structure and compliance with applicable laws and regulations are included in the single audit section of this report.

SOUTHWEST TEXAS JUNIOR COLLEGE

Organizational Data For the Fiscal Year 2021 - 2022

Board of Trustees

<u>Name</u>	<u>County</u>	<u>Title</u>	Term Expires <u>May</u>
Dr. Harry O. Watkins	Uvalde	President	2028
Dr. Antonio H. Rivera	Zavala	Vice-President	2028
Tony Moreno	Uvalde	Secretary	2026
Maria Elena Lara	Uvalde	Member	2024
Victor Lopez	Zavala	Member	2024
Anita Shackelford	Real	Member	2024
Rogelio M. Munoz	Uvalde	Member	2026

Administration

Dr. Hector E. Gonzales	President
Margot Mata	Vice President of Student Services
Derek Sandoval	Vice President of Administrative Services
Lisa Ermis	Vice President of Finance
Dr. Mark Underwood	Vice President of Academic Affairs
Gilbert C. Bermea	Vice President, Eagle Pass Campus
Connie Buchanan	Vice President, Del Rio Campus

EDE & COMPANY, LLC

Certified Public Accountants

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Donna Ede Jones, CPA

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UNMODIFIED OPINIONS ON BASIC FINANCIAL STATEMENTS ACCOMPANIED BY REQUIRED SUPPLEMENTARY INFORMATION AND OTHER INFORMATION

Independent Auditor's Report

Board of Trustees
Southwest Texas Junior College
2401 Garner Field Road
Uvalde, Texas 78801

Members of the Board:

Opinion

We have audited the accompanying financial statements of the business-type activities, and the aggregate discretely presented component units of Southwest Texas Junior College as of and for the years ended August 31, 2022, and 2021, 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 aggregate discretely presented component units of Southwest Texas Junior College, as of August 31, 2022, and 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Southwest Texas Junior 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.

Responsibility of Management for the Financial Statements

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southwest Texas Junior College's basic financial statements. The accompanying 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, is presented for purposes of additional analysis and is 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

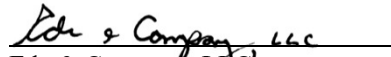
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2022, on our consideration of the Southwest Texas Junior 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 Southwest Texas Junior 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 Southwest Texas Junior College's internal control over financial reporting and compliance.


Ede & Company, LLC
Certified Public Accountants
Uvalde, Texas

November 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

The following Management Discussion and Analysis was prepared by Southwest Texas Junior College's management and provides an overview of the College's financial activities.

Basic Financial Statements

In June 1999, GASB released Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* which was followed by GASB Statement No. 35, *Basic Financial Statements – Management Discussion and Analysis for Public Colleges and Universities*, which provided guidance to public colleges. Southwest Texas Junior College implemented these new reporting requirements in fiscal year 2002 in accordance with the implementation dates set forth in GASB 35.

The reporting format requires three basic financial statements that provide information for the College and its component unit, SWTJC Foundation, Inc.

Statement of Net Position – presents information on the College's assets, liabilities and the difference between them as net position. Net position is further identified as restricted and unrestricted.

Statement of Revenues, Expenses, and Changes in Net Position – presents information on the College's activities for the year then ended. Revenue and expenses are recorded as they incur, regardless of the timing of the related cash flow.

Statement of Cash Flows – is reported on the direct method. It reports cash flow from operations as major classes of receipts and expenses.

Comparative Financial Information

A comparative analysis of financial information is included in the Management Discussion and Analysis.

Financial Analysis

Total assets exceed total liabilities by \$9,879,383 (12%). Of the College's total assets, \$48,677,762 (61%), is represented by capital assets including land, buildings and improvements, furniture, equipment, and library books, net of accumulated depreciation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2022

Southwest Texas Junior College's Net Position

	Year Ended 2022	Year Ended 2021	Year Ended 2020
Assets			
Current Assets	\$ 25,948,478	\$ 22,971,587	\$ 12,186,860
Restricted Cash and Cash Equivalents	1,406,354	674,726	699,272
Endowment Investments	2,268,636	2,259,251	2,184,244
Capital Assets	48,677,762	41,146,300	39,700,437
Other Noncurrent Investments	1,960,688	1,960,506	1,939,600
Total Assets	<u>80,261,918</u>	<u>69,012,370</u>	<u>56,710,413</u>
Deferred Outflows of Resources			
	<u>6,894,382</u>	<u>9,599,102</u>	<u>12,461,591</u>
Liabilities			
Current Liabilities	10,562,429	9,330,611	10,147,879
Noncurrent Liabilities	<u>55,100,840</u>	<u>53,553,485</u>	<u>56,095,548</u>
Total Liabilities	<u>65,663,269</u>	<u>62,884,096</u>	<u>66,243,427</u>
Deferred Inflows of Resources			
	<u>11,613,648</u>	<u>9,362,628</u>	<u>10,064,006</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	29,605,998	20,469,635	17,459,165
Restricted - Expendable - Debt Service	2,085,726	1,283,421	1,297,727
Restricted - Expendable - Student Aid	1,705,444	901,500	742,743
Restricted - Expendable - Maintenance Note	-	-	-
Restricted - Expendable - Revenue Bond	-	-	-
Unrestricted	14,326,622	17,955,439	6,386,165
Unrestricted Pension, OPEB, & Leases	<u>(37,844,407)</u>	<u>(34,245,247)</u>	<u>(33,021,295)</u>
Total Net Position	<u>\$ 9,879,383</u>	<u>\$ 6,364,748</u>	<u>\$ (7,135,429)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2022

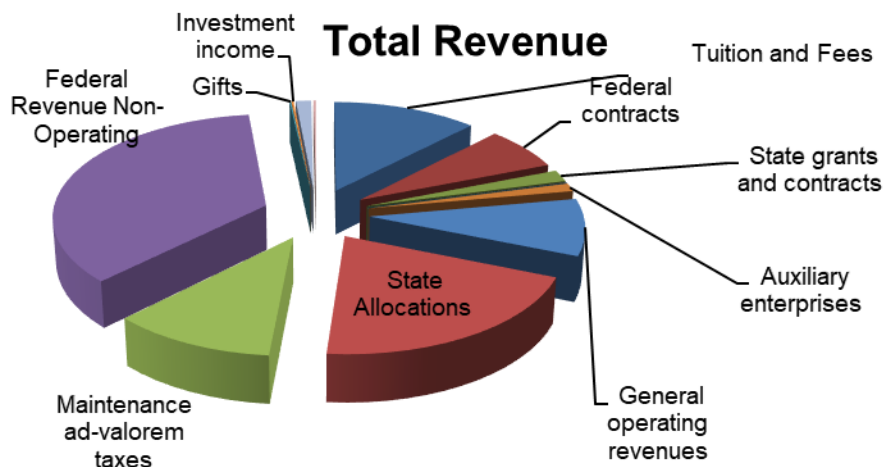
For the year ended August 31, 2022, operations of Southwest Texas Junior College were primarily supported by appropriations from the state's general fund and tuition and fee revenue. Effective as of the 2006 fiscal year, state appropriations are reported as non-operating revenue. Total revenue is supplemented by federal and state grants and contracts, private gifts, and sales and service revenue for auxiliary and educational departments. The College is also supported by ad-valorem taxes of \$6,217,363 in the current year as compared to \$6,274,423 for the year ended August 31, 2021, and \$6,062,810 for the year ended August 31, 2020, listed as non-operating revenue.

State appropriations including restricted insurance and retirement payments totaled \$11,342,019 (21%), \$10,580,316 (17%), and \$10,613,780 (24%), tuition and fees totaled \$6,870,531 (13%), \$11,104,643 (17%), and \$4,462,458 (10%), and federal grants and contracts totaled \$23,720,044 (44%), \$25,044,388 (39%), and \$19,724,621 (39%) all for years ended August 31, 2022, 2021, and 2020, respectively.

Instruction continues to be the largest component of operating expenses at \$14,737,717 (29%), in the current year as compared to the year ended August 31, 2021, of \$14,394,557 (29%) and the year ended August 31, 2020, of \$16,041,562 (38%).

Scholarships in the amount of \$8,851,137 (17%) in the current year compared to the year ended August 31, 2021, amount of \$10,113,815 (17%), and the year ended August 31, 2020, amount of \$5,324,509 (12%), passed through to students after being applied to tuition and fees. Included in operating expenses is depreciation of \$2,378,907 in the current year, \$1,819,037 for the year ended August 31, 2021, and \$1,791,444 for the year ended August 31, 2020, which represent non-cash expenses.

For the year ended August 31, 2022, the result of operations was an operating loss of \$33,294,351 compared to the year ended August 31, 2021, amount of \$29,817,351 and the year ended August 31, 2020 amount of \$32,070,000. The current year operating loss combined with the current year net non-operating revenue of \$36,808,986 results in an increase in net position of \$3,514,635.



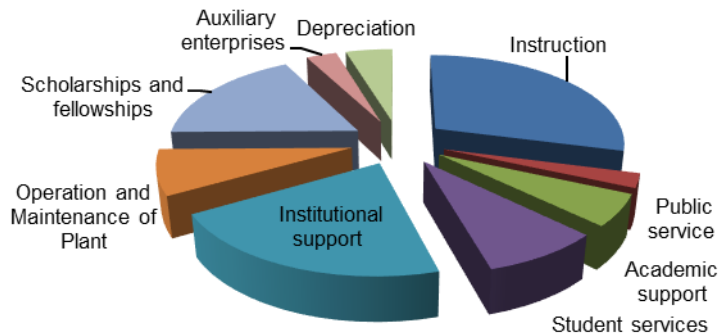
MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

Southwest Texas Junior College's Change in Net Assets

Operating Revenues	FY 2022	FY 2021	FY 2020
Tuition and Fees (net of discounts of \$11,327,041;\$9,019,224;\$16,650,360)	\$ 6,870,531	\$ 11,104,643	\$ 4,462,458
Federal grants and contract	3,779,670	2,644,933	2,623,611
State grants and contracts	1,025,831	894,819	943,056
Non-governmental grants and contracts	22,500	40,818	64,084
Sales and services of educational activities	8,044	2,296	11,887
Auxiliary enterprises (net of discounts of \$196,994;\$-0-;\$-0-)	707,594	1,510,839	663,155
General operating revenues	<u>4,977,357</u>	<u>4,083,283</u>	<u>1,868,220</u>
Total Operating Revenues (Schedule A)	<u>17,391,527</u>	<u>20,281,631</u>	<u>10,636,471</u>
Operating Expenses			
Instruction	14,737,717	14,395,557	16,041,562
Public Service	1,264,088	1,176,980	1,177,078
Academic support	2,827,635	2,718,864	2,970,655
Student services	4,304,671	3,488,804	3,514,494
Institutional support	10,703,914	11,734,070	6,662,327
Operation and maintenance of plant	4,066,972	3,498,453	3,868,033
Scholarships and fellow ships	8,851,137	10,113,815	5,324,509
Auxiliary enterprises	1,550,837	1,153,402	1,356,369
Depreciation	<u>2,378,907</u>	<u>1,819,037</u>	<u>1,791,444</u>
Total Operating Expenses (Schedule B)	<u>50,685,878</u>	<u>50,098,982</u>	<u>42,706,471</u>
Operating Loss	(33,294,351)	(29,817,351)	(32,070,000)
Non-Operating Revenues (Expenses)			
State Allocations	11,342,019	10,580,316	10,613,780
Maintenance ad-valorem taxes	6,217,363	6,274,423	6,062,810
Federal Revenue, Non-Operating	19,940,374	22,399,455	17,101,010
Gifts	64,259	5,020,196	48,634
Investment income	104,272	29,315	97,376
Interest on Capital related debt	(721,988)	(785,959)	(840,727)
Other non-operating revenues	<u>(137,313)</u>	<u>(200,218)</u>	<u>(160,242)</u>
Net Non-Operating Revenues (Schedule C)	<u>36,808,986</u>	<u>43,317,528</u>	<u>32,922,641</u>
Increase (Decrease) in Net Assets	3,514,635	13,500,177	852,641
Net Assets			
Net Assets - Beginning of Year	<u>6,364,748</u>	<u>(7,135,429)</u>	<u>(7,988,070)</u>
Net Assets - End of Year	<u>\$ 9,879,383</u>	<u>\$ 6,364,748</u>	<u>\$ (7,135,429)</u>

Operating Expenses



MANAGEMENT'S DISCUSSION AND ANALYSIS

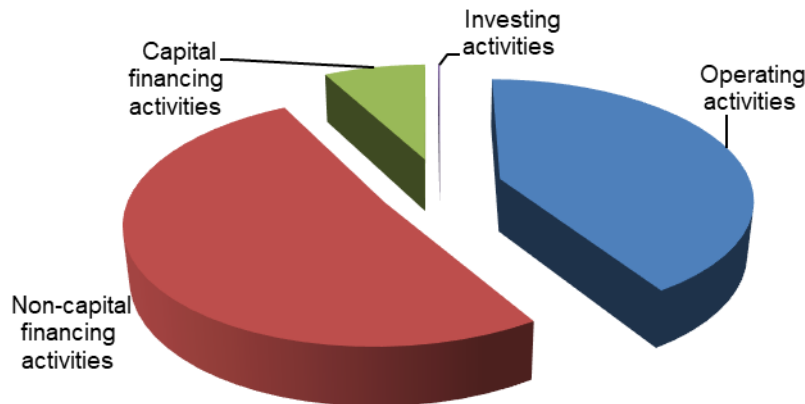
August 31, 2022

Cash and cash equivalents increased during the current fiscal year by \$1,793,160. Cash was used by operating activities in the amount of \$29,767,362. Cash was provided from non-capital financing activities in the amount of \$37,052,763. Cash was used in capital and related financing activities in the amount of \$5,586,946. Cash was provided by investing activities in the amount of \$94,705.

Southwest Texas Junior College's Statement of Cash Flows

	2022	2021	2020
Net cash used by operating activities	\$ (29,767,362)	\$ (26,337,797)	\$ (29,685,461)
Net cash provided by non-capital financing activities	37,052,763	43,275,462	33,411,355
Net cash provided/ (used) by capital and related financing activities	(5,586,946)	(6,205,547)	(3,283,253)
Net cash provided/(used) by investing activities	<u>94,705</u>	<u>(66,598)</u>	<u>130,088</u>
Increase (decrease) in cash and cash equivalents	1,793,160	10,665,520	572,729
Cash and Cash equivalents at beginning of year	<u>17,276,225</u>	<u>6,610,705</u>	<u>6,037,976</u>
Cash and cash equivalents at end of year	<u>\$ 19,069,385</u>	<u>\$ 17,276,225</u>	<u>\$ 6,610,705</u>

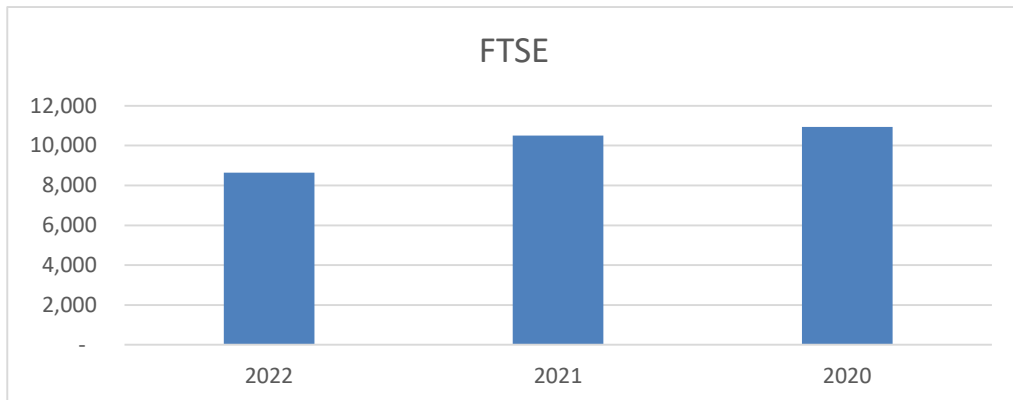
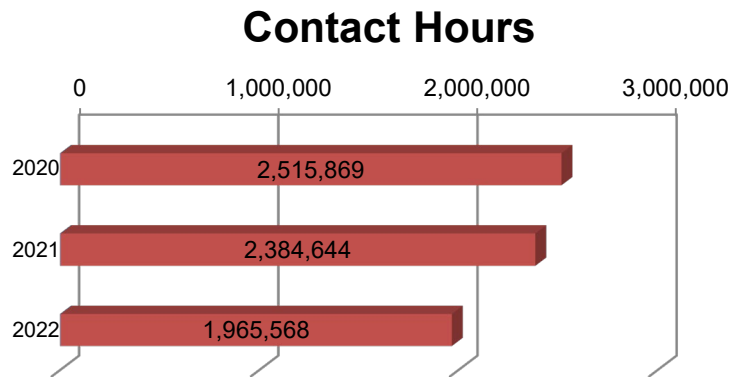
Cash Flows By Activity



MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2022

Full time student equivalent enrollment and contact hours in academic and technical programs both decreased by 18% in the 2022 fiscal year.

	FTSE	Contact Hours
2020	10,940	2,515,869
2021	10,507	2,384,644
2022	8,641	1,965,568



MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

Capital Assets

In 2001, the Southwest Texas Junior College Board changed equipment capitalization from \$250 to \$5,000.

As a result of implementing GASB 34-35, in the fiscal year ended August 31, 2022, SWTJC recorded a depreciation expense of \$2,378,907, \$1,819,037 in the fiscal year ended August 31, 2021, and \$1,791,444 in the fiscal year ended August 31, 2020. The method of accounting for expenditures for plant and retirement of indebtedness remains unchanged.

Long-term Debt

In 2006, Southwest Texas Junior College incurred \$9,000,000 in long-term debt through two revenue bond issues. The first, \$3.5 million, is a private placement issue with proceeds used for the construction of a new student services building and the subsequent renovations of existing spaces. Refer to note 8 in the notes to the financial statements for further details. Construction of the new building was completed in May of 2008.

The second, \$5.5 million, is a private placement issue with proceeds used for the construction of a new educational facility for Sul Ross State University Rio Grande College. Refer to note 8 in the notes to the financial statements for more information. The building was completed in December 2007.

In 2012, Southwest Texas Junior College incurred \$2,500,000 in long term debt through a maintenance tax note issue. It is a private placement with proceeds used for updating energy systems. The energy savings acquired will provide the payment for the note. Refer to note 9 in the notes to the financial statements for more information. Energy systems work were completed in the fall semester 2013.

In 2013, Southwest Texas Junior College incurred \$7,500,000 in long term debt through a revenue bond issue. It is a private placement with proceeds used for an administration building and a classroom building on the Del Rio campus. Refer to note 8 in the notes to the financial statements for more information. The building was completed in November 2014.

In 2014, Southwest Texas Junior College incurred \$10,000,000 in long term debt through a revenue bond issue. It is a public placement with proceeds used for a library and classroom building on the Eagle Pass campus, a library building on the Crystal City campus, and renovations on the Uvalde campus. Refer to note 8 in the notes to the financial statements for more information. The building on the Eagle Pass campus was completed in December of 2015 and ready for student use at the beginning of the 2016 spring term., and the library for the Crystal City campus was opened in April 2017.

MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2022

In 2015, the college incurred \$3,000,000 in long term debt through a revenue bond issue. It is a private placement with proceeds used for the purchase and renovation of a technical facility in Eagle Pass. Refer to note 8 to the financial statements for more information. The campus was completed shortly after the end of 2016.

In 2016, the college refinanced SWTJC Series 2016 bonds. The proceeds were used to pay off the balance of the of the SWTJC Series 2006 bonds. The par amount of the refunded bonds was \$3,224,334.48. Delivery was accomplished August 11, 2016. The College achieved a net present value savings of \$343,083.64 in interest expense.

Net Position

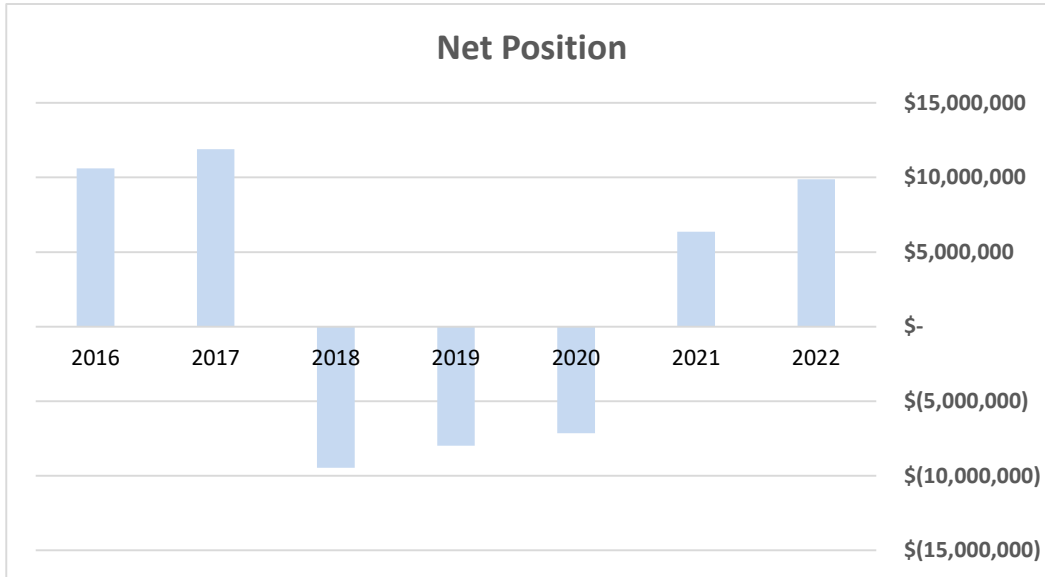
In 2002, in accordance with GASB 34-35, Southwest Texas Junior College began reporting Net Position by Source and Availability. Until 2007, the College reported Endowment Funds as Other Restricted Funds. Starting with the year 2007, these Endowment Funds were correctly reported in the Unrestricted category as Quasi Unrestricted (restrictions self-imposed by the Board of Trustees). For the year 2022, Endowment Funds amounted to \$2,225,540.

Unrestricted assets for the year 2022 were \$(23,517,785) as compared to \$(16,289,808) in 2021. In accordance with GASB 68 (effective FY 2016), GASB 75 (effective FY 2018), and GASB 75 (effective 2022) SWTJC was required to book its portion of the State's unfunded pension liability, unfunded health insurance liability and long-term leases, which caused the unrestricted asset figure to be negative. The pension liability was \$6,817,099, the health insurance liability was \$27,331,685, and lease liability of 3,695,623 making a combined liability of \$37,844,407 for 2022 and the combined liability was \$34,245,247 in 2021.

Year	Net Capital Assets	Change in Net Position								
		Restricted for:						Unrestricted	Total	Net Change
		Expendable								
		Unused Bond	Debt Service	Student Aid	Other					
2022	\$ 29,605,998	-	\$ 2,085,726	\$ 1,705,444	\$ -	\$ (23,517,785)	\$ 9,879,383	\$ 3,514,635		
2021	20,469,635	-	1,283,421	901,500	-	(16,289,808)	6,364,748	13,500,177		
2020	17,459,165	-	1,297,727	742,743	-	(26,635,064)	(7,135,429)	852,641		
2019	16,685,819	-	1,308,255	626,156	-	(26,608,300)	(7,988,070)	1,479,766		
2018	14,347,185	-	1,276,248	600,003	-	(25,691,272)	(9,467,836)	(21,363,599)		
2017	12,832,542	-	1,255,304	353,208	-	(2,545,291)	11,895,763	1,279,612		
2016	9,818,324	969,073	1,443,439	860,693	-	(2,475,378)	10,616,151	(467,349)		

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

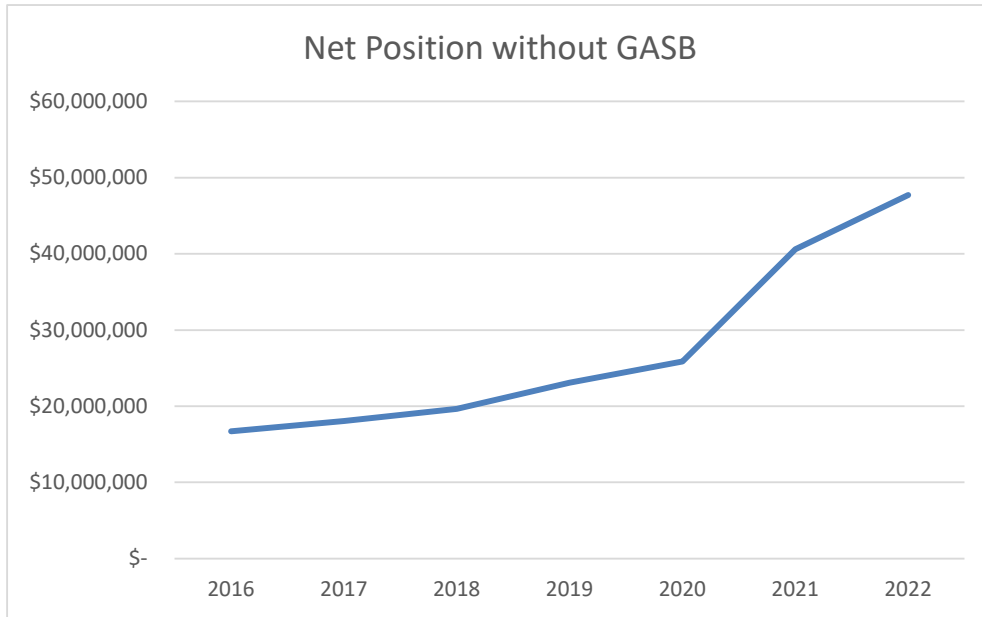


Other Conditions and Factors

Accounting Changes: In 2015, all community colleges were required to report their portion of unfunded pension balances and, in 2018, other post-employment benefits were added to the reporting. Additionally, for 2022, GASB 87 requires lease obligations to now be reflected as liabilities and assets on the statement of financial position. This has caused fund balances to be negative. However, a much clearer picture of the financial health of the College is presented when these entries are removed. Southwest Texas Junior College shows an increase in net position (without pension, OPEB, and lease GASB entries) from 2021 to 2022 of \$7,113,795.

Year	Net Capital Assets	Restricted for:					Total	Net Change
		Unused Bond	Expendable		Unrestricted			
			Debt Service	Student Aid	Other	Endowment		
2022	\$ 29,605,998	\$ -	\$ 2,085,726	\$ 1,705,444	\$ 12,101,082	\$ 2,225,540	\$ 47,723,790	\$ 7,113,795
2021	20,469,635	-	1,283,421	901,500	15,747,320	2,208,119	40,609,995	14,724,129
2020	17,459,165	-	1,297,727	742,743	4,238,402	2,147,829	25,885,866	2,781,706
2019	16,685,819	-	1,308,255	626,156	2,346,125	2,137,805	23,104,160	3,438,529
2018	14,347,185	-	1,276,248	600,003	1,300,405	2,141,790	19,665,631	1,611,799
2017	12,832,542	-	1,255,304	353,208	1,021,702	2,591,076	18,053,832	1,354,610
2016	9,818,324	969,073	1,443,439	860,693	1,021,811	2,585,882	16,699,222	(541,300)

MANAGEMENT'S DISCUSSION AND ANALYSIS
August 31, 2022



Fund Balances Without GASB 68, 75, & 87

	2016	2017	2018	2019	2020	2021	2022
Unrestricted	\$1,021,811	\$1,021,702	\$1,300,405	\$2,346,125	\$4,238,402	\$15,747,320	\$12,101,082
Endowments	2,585,882	2,591,076	2,141,790	2,137,805	2,147,829	2,208,119	2,225,540
Restricted	3,273,205	1,608,512	1,876,251	1,934,411	2,040,470	2,184,921	3,791,170
Capital Assets	9,818,324	12,832,542	14,347,185	16,685,819	17,459,165	20,469,635	29,605,998
Total	<u>\$16,699,222</u>	<u>\$18,053,832</u>	<u>\$19,665,631</u>	<u>\$23,104,160</u>	<u>\$25,885,866</u>	<u>\$40,609,995</u>	<u>47,723,790</u>

Mission Statement and Strategic Goals (2021-2026):

Mission: Southwest Texas Junior College enriches lives and advances growth through the education of our diverse communities

Beliefs and Ways of Being:

- We aspire to achieve **excellence** by purposefully:
 - Committing to success
 - Inspiring trust, transparency, professionalism and accountability
 - Engaging all with empathy and care

- We embrace **inclusivity** by:
 - Valuing every individual as unique and whole
 - Fostering a culture of acceptance
 - Respecting diversity of thought

- We champion **opportunities** for:
 - Life-long learning
 - Professional, personal, and community growth
 - Institutional innovation

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

Strategic Goals: During the 2020-2021 year, the College reviewed and reassessed its mission, beliefs, and strategic goals. This process was achieved through weekly meetings of a committee that broadly represented administration, faculty, and staff. Strategic goals are:

- Start/Enroll
- Persist/Succeed
- Complete/Ascend

Coronavirus: In March of 2020, the country experienced growth in Covid-19 cases. This growth, along with the concern of students having traveled during spring break, led College leaders to recommend to the Board of Trustees conversion of all academic classes to remote learning. For the rest of the spring semester, technical classes (that could not be held remotely) were postponed. The President formed a task force to determine what actions would need to be taken to provide a safe environment for students, employees, and the community.

During the 2020-2021 year, the College implemented many protocols (sanitizing, sign-in logs, reconfiguring spacing distances, mandatory mask wearing, and temperature monitoring) allowing technical and academic students to attend classes on campus while maintaining a strong online presence to accommodate students not comfortable with returning to campus or those needing to quarantine. The dorms, daycare, and cafeteria reopened in limited capacity and most employees returned to work on campus. The College is pleased to report that it has been very successful with mitigation of transfer of the virus.

The year 2022 saw a reduction in mandatory protocols, full opening of dorms, cafeteria, and daycare and more students back on campus.

In total the College received \$11,681,334 from the Higher Education Emergency Relief Funds (HEERF) to distribute to students. As of August 31, 2022, the College had distributed \$10,848,045.59 to students. SWTJC also received \$17,169,302 in Institutional HEERF funding. This amount is designated to assist the College in providing for the health and safety of students, faculty, and staff. By using these funds, SWTJC was able to purchase equipment that enhanced the availability to offer online classes and Zoom classes. Each classroom now contains ClearTouch smartboard technology to allow a student to attend a given class virtually or in person. Other technology was installed to improve the strength of the College's data security. As of August 31, 2022, the College had spent \$14,629,705 of these funds and identified \$2,539,596.81 of additional projects that will be completed during the 2022-2023 year.

Eight Week Semesters: During the 2021-2022 year, the College greatly increased the number of classes in eight-week semesters embedded in the sixteen-week Fall and Spring semesters. The goal was to have 80% of classes on the 8-week schedule. This transition has been successful. The follow up for this new protocol was to contract with a firm to re-design many of the College's online courses. This will continue into the 2023 year.

MANAGEMENT’S DISCUSSION AND ANALYSIS

August 31, 2022

Mackenzie Scott: In the summer of 2021, The Mackenzie Scott Foundation announced that Southwest Texas Junior College had been chosen as a recipient of a \$5 million unrestricted gift to support its mission with a long-standing history of “educating students from communities that have been chronically underserved”. This gift is the biggest in the history of SWTJC and will be transformational. The Board of Trustees has determined that the funds will be used for scholarships and innovation projects that will move the College forward in a substantial way. Administration identified IDesign, a firm that will revamp online course offerings, offered both internal Innovation Grants and an amount for Institutional Projects available for additional instructional and/or student success initiatives.

Aspen Institute: In 2011, Southwest Texas Junior College was recognized by the Aspen Institute in Washington D.C. as one of the top 10 community colleges in the nation. Again, in 2017, the College was recognized as one of the top ten percent of community colleges. After the 2021-year end, SWTJC was invited (as one of only 150 community colleges in the United States) to apply for the 2022 Aspen Prize for Community College Excellence and The Excellence and Equity in Community College STEM Award. This selection was based on performance in student outcomes – including graduation rates, improvement in student success, and equitable student success.

Lumina Foundation’s Achieving the Dream Leader College: In 2009, Southwest Texas Junior College was a part of the first cohort of Leader Colleges announced by the Achieving the Dream network, it was recertified as a Leader College in 2012 and 2015. ATD is a national reform network dedicated to community college student success and completion; focused primarily on helping low-income students and students of color complete their education and obtain market-valued credentials.

Title III – Hispanic Serving Institution STEM Grant: This grant is awarded to increase the number of Hispanics and low-income science, technology, engineering, and math graduates and develop transfer agreements with universities. This grant is in the amount of \$3.7 million over a 5-year period.

Stemward Bound: The College was awarded a Title V grant (\$2.7 million/five-years) that has enhanced the ability to increase the number of students pursuing STEM (science, technology, engineering, and math) related degrees. During the year, this grant was used to develop Anatomage labs on the campuses. The Anatomage Table is the most technologically advanced anatomy visualization system on the market. It is both a virtual library of human and animal cadavers, as well as a clinical diagnostic tool by visualization of any Medical CT, CBCT or MRI scan. These labs will promote learning for both STEM and Allied Health students.

Institutional Resilience and Expanded Postsecondary Opportunity (IREPO): This grant, worth \$1.5 million over 2 years, will enable the College to expand educational opportunities post COVID-19 difficulties. In 2022 the College committed funds from this grant to enhance online class instruction and structure.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

Jobs and Education for Texans Grant (JET): In 2021, the College continued its close partnership with Texas Workforce Commission, receiving a \$296,553 Jobs and Education for Texans Grant to finance Diesel technology equipment. In 2022, the College received a JET grant to provide additional welding equipment enhancing the facilities at the Jack Chittim campus in Eagle Pass.

TRIO Grants: The College has been awarded a renewal of its Student Support Services funding (\$1.7 million over the next five years) to increase college retention, graduation, and transfer rates. The Educational Opportunity Center (EOC), which concentrates on admissions and financial aid services for adult potential students, was awarded another \$1.3 million over the next 5 years.

Partnerships: As of 2022, SWTJC partnered with three Independent Consolidated School Districts to provide Early College High School programs. This program provides students the educational opportunity to graduate with an associate degree before the student graduates from high school. Three Independent Consolidated School Districts were provided with college academies and dual credit classes were provided for 23 school districts, allowing high school students to gain college credit before enrolling in the college of their choice. During the 2022 year, the President, along with the Vice President of Academic Affairs, has continued to visit with superintendents of all dual credit and early college high schools to open a conversation of mutual exchange of ideas and Pathway development. The Dean of Instructional Services and School District Partnership promotes further contact and understanding between these partners.

Facilities: During 2022, the College focused its facilities teams on deferred maintenance issues such as renovations, heating and air-conditioning units, roof repair, and upgrading network capabilities. The Witt building is in the process of being renovated for better air circulation, a generator was installed at the library, parking up-grades are being made, and a new facility for the Law Enforcement Academy is ongoing.

State Appropriations: The 87th Legislative session set the Core Operations rate of \$1.36 million for SWTJC and each of the 49 other community college districts for the 2022-2023 years. Contact hour funding was \$14/hr. and Student Success funding was \$3 million for the next two years. During the interim, the Legislature convened a community college funding committee and they reported their recommendations to the Legislature. If approved, this would be a once in a generation transformation to fund community colleges.

Enrollment: The College had a decrease (18%) in both enrollment (fulltime student equivalent or FTSE) and contact hours. The administration believes that this decrease is due to the COVID-19 impact and the increasing job market.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2022

Texas Pathways: Texas Pathways is an initiative to encourage student success through the use of guided pathways; allowing students to make broad choices regarding “mega majors” much earlier in their educational journey. The pathways have been designed to go both “up” to four-year institutions and “down” to K-12 ISDs. Southwest Texas Junior College, being in the first cadre of the community colleges, has named its pathways CAPS (Career and Academic Pathways). CAPS for all technical programs and academic programs have been completed, transfer plans are posted, College personnel are involving high school counselors in the process, and the Vice-President of Student Services has initiated a re-vamping of the department.

SOUTHWEST TEXAS JUNIOR COLLEGE

Statement of Net Position
August 31, 2022 and August 31, 2021

ASSETS	<u>FY2022</u>	<u>FY2021</u>
Current Assets:		
Cash and cash equivalents	\$ 17,663,031	\$ 16,601,499
Accounts receivable (net of \$1,390,119; \$1,384,436)	6,715,316	5,240,192
Taxes receivable (net of \$85,544; \$69,191)	524,721	416,746
Inventories	18,414	26,657
Prepaid expenses	1,026,996	686,493
Total Current Assets	<u>25,948,478</u>	<u>22,971,587</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	1,406,354	674,726
Endowment investments	2,268,636	2,259,251
Other long-term investments	1,960,688	1,960,506
Capital assets (net of \$27,119,514; \$24,740,607)	48,677,762	41,146,300
Total Noncurrent Assets	<u>54,313,440</u>	<u>46,040,783</u>
Total Assets	<u>80,261,918</u>	<u>69,012,370</u>
Deferred Outflows of Resources		
Deferred Outflows - Pensions	2,325,543	3,175,505
Deferred Outflows - OPEB	4,568,839	6,423,597
Total Outflows of Resources	<u>6,894,382</u>	<u>9,599,102</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	1,374,647	873,513
Accrued liabilities	279,856	286,469
Deposits	298,769	285,885
Unearned revenues	6,584,510	6,279,840
Notes payable - short term	-	-
Notes payable - current portion	250,000	245,000
Lease payable - current portion	359,743	-
Bonds payable - current portion	1,414,904	1,359,904
Total Current Liabilities	<u>10,562,429</u>	<u>9,330,611</u>
Noncurrent Liabilities:		
Lease payable	6,290,572	-
Notes payable	255,000	505,000
Bonds payable	17,151,860	18,566,764
Net Pension Liability	4,062,336	9,092,942
Net OPEB Liability	27,341,072	25,388,779
Total Noncurrent Liabilities	<u>55,100,840</u>	<u>53,553,485</u>
Total Liabilities	<u>65,663,269</u>	<u>62,884,096</u>
Deferred Inflows of Resources		
Deferred Inflows - Pensions	5,080,306	1,730,420
Deferred Inflows - OPEB	4,559,452	7,632,208
Deferred Inflows - Leases	1,973,890	-
Total Inflows of Resources	<u>11,613,648</u>	<u>9,362,628</u>
NET POSITION		
Invested in capital assets, net of related debt	29,605,998	20,469,635
Restricted for:		
Expendable		
Debt service	2,085,726	1,283,421
Revenue bond	-	-
Student aid	1,705,444	901,500
Unrestricted	(23,517,785)	(16,289,808)
Total Net Position (Schedule D)	<u>\$ 9,879,383</u>	<u>\$ 6,364,748</u>

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

SOUTHWEST TEXAS JUNIOR COLLEGE FOUNDATION, INC.

**Comparative Statement of Financial Position
August 31, 2022**

	August 31, 2022	August 31, 2021
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 495,168	\$ 137,811
Accounts receivable	-	-
Short-term Investments	463,588	467,673
Total current assets	958,756	605,484
<u>Noncurrent Assets</u>		
Long-term Investments	400,000	400,000
Total noncurrent assets	400,000	400,000
<u>Property and equipment, at cost</u>		
Land	2,748,661	2,748,661
Buildings	10,416,335	10,416,335
Improvements	822,140	822,140
Furniture and fixtures	19,387	19,387
	14,006,523	14,006,523
Less accumulated depreciation	6,249,787	5,954,492
Net property and equipment	7,756,736	8,052,031
TOTAL ASSETS	\$ 9,115,492	\$ 9,057,515
LIABILITIES AND NET ASSETS		
<u>Current liabilities</u>		
Contingent Liability	\$ 120,470	\$ 120,470
Deposit	25,000	25,000
Current portion of long-term debt	192,425	187,849
Total current liabilities	337,895	333,319
<u>Long-term liabilities</u>		
Long-term debt, less current maturities		
Notes payable	271,331	476,502
Total liabilities	609,226	809,821
Net assets - Permanently restricted	8,506,266	8,247,694
TOTAL LIABILITIES AND NET ASSETS	\$ 9,115,492	\$ 9,057,515

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

Southwest Texas Junior College
Statement of Revenues, Expenses, and Changes in Net Position
Years Ended August 31, 2022 and August 31, 2021

Operating Revenues	<u>FY2022</u>	<u>FY2021</u>
Tuition and fees (net of discounts of \$11,327,041; \$9,019,224)	\$ 6,870,531	\$ 11,104,643
Federal grants and contracts	3,779,670	2,644,933
State grants and contracts	1,025,831	894,819
Non-governmental grants and contracts	22,500	40,818
Sales and services of educational activities	8,044	2,296
Auxiliary enterprises (net of discounts of \$196,994; \$-0-)	707,594	1,510,839
General operating revenues	<u>4,977,357</u>	<u>4,083,283</u>
Total Operating Revenues (Schedule A)	<u>17,391,527</u>	<u>20,281,631</u>
Operating Expenses		
Instruction	14,737,717	14,395,557
Public service	1,264,088	1,176,980
Academic support	2,827,635	2,718,864
Student services	4,304,671	3,488,804
Institutional support	10,703,914	11,734,070
Operation and maintenance of plant	4,066,972	3,498,453
Scholarships and fellowships	8,851,137	10,113,815
Auxiliary enterprises	1,550,837	1,153,402
Depreciation & Amortization	<u>2,378,907</u>	<u>1,819,037</u>
Total Operating Expenses (Schedule B)	<u>50,685,878</u>	<u>50,098,982</u>
Operating Loss	<u>(33,294,351)</u>	<u>(29,817,351)</u>
Non-Operating Revenues (Expenses)		
State Allocations	11,342,019	10,580,316
Maintenance ad-valorem taxes	6,217,363	6,274,423
Federal Revenue, Non Operating	19,940,374	22,399,455
Gifts	64,259	5,020,196
Investment income	104,272	29,315
Interest on capital related debt	(721,988)	(785,959)
Other non-operating revenues (expenses)	<u>(137,313)</u>	<u>(200,218)</u>
Net Non-Operating Revenues (Schedule C)	<u>36,808,986</u>	<u>43,317,528</u>
Increase (Decrease) in Net Position	<u>3,514,635</u>	<u>13,500,177</u>
Net Position		
Net Position - Beginning of Year	6,364,748	(7,135,429)
Net Position - End of Year	<u>\$ 9,879,383</u>	<u>\$ 6,364,748</u>

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

SOUTHWEST TEXAS JUNIOR COLLEGE FOUNDATION, INC.

**Comparative Statement of Activities
Years Ended August 31, 2022 and August 31, 2021**

	August 31, 2022 Permanently Restricted	August 31, 2021 Permanently Restricted
<u>Support and Revenues:</u>		
Revenue:		
Donation	\$ 380,000	\$ -
Rental income	238,800	238,800
Interest income	15,688	16,047
Gain/(Loss) on Investments	(54,230)	69,117
Total support and revenue	580,258	323,964
<u>Expenses:</u>		
Depreciation	295,295	295,295
Interest	25,616	32,573
Miscellaneous	775	750
Total expenses	321,686	328,618
Change in net assets	258,572	(4,654)
Net assets, beginning of year	8,247,694	8,252,348
Net assets, end of year	\$ 8,506,266	\$ 8,247,694

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

SOUTHWEST TEXAS JUNIOR COLLEGE

Statement of Cash Flows
Years Ended August 31, 2022 and August 31, 2021

	<u>FY2022</u>	<u>FY2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from student and other customers	\$ 6,428,599	\$ 12,617,514
Receipts from grants and contracts	4,828,001	3,580,570
Other receipts	4,977,357	4,083,283
Payment to or on behalf of employees	(23,462,663)	(23,253,598)
Payment to suppliers for goods or services	(13,687,519)	(13,251,751)
Payment of scholarships	(8,851,137)	(10,113,815)
Net cash provided (used) by operating activities	<u>(29,767,362)</u>	<u>(26,337,797)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	9,198,628	8,464,462
Ad valorem tax revenue	6,109,388	6,367,615
Receipts from non operating federal revenue	19,940,374	22,399,455
Other non-operating revenue	1,804,373	6,043,930
Net cash provided (used) by non-capital financing	<u>37,052,763</u>	<u>43,275,462</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from lease payable	6,903,183	-
Purchases of capital assets	(9,910,369)	(3,264,900)
Payments on capital debt and leases -- principal	(1,857,772)	(2,154,688)
Payments on capital debt and leases -- interest	(721,988)	(785,959)
Net cash provided (used) by capital and related financing activities	<u>(5,586,946)</u>	<u>(6,205,547)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of investments	4,622,000	4,682,000
Receipts from interest	104,272	29,315
Purchase of investments	(4,631,567)	(4,777,913)
Net cash provided (used) by investing activities	<u>94,705</u>	<u>(66,598)</u>
Increase (decrease) in cash and cash equivalents	1,793,160	10,665,520
Cash and cash equivalents - Beginning of Year	<u>17,276,225</u>	<u>6,610,705</u>
Cash and cash equivalents - End of Year	<u>\$ 19,069,385</u>	<u>\$ 17,276,225</u>
Reconciliation of operating income (loss) to net cash provided (used)		
by operating activities:		
Operating income (loss)	\$ (33,294,351)	\$ (29,817,351)
Adjustment to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	2,378,907	1,819,037
Prior period adjustment	-	-
Bad debt expense	(48,776)	(205,581)
Payments made directly by state for benefits	2,143,391	2,115,854
Changes in assets and liabilities		
Receivables, net	(1,426,348)	499,162
Inventories	8,243	10,606
Prepaid expenses	(340,503)	(492,040)
Accounts payable	501,134	29,155
Accrued liabilities	(6,613)	(2,794)
Deposits	12,884	6,631
Unearned revenue	304,670	(300,476)
Net cash provided (used) by operating activities	<u>\$ (29,767,362)</u>	<u>\$ (26,337,797)</u>

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

SOUTHWEST TEXAS JUNIOR COLLEGE FOUNDATION, INC.

**Comparative Statement of Cash Flows
Years Ended August 31, 2022 and August 31, 2021**

	August 31, 2022	August 31, 2021
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ 258,572	\$ (4,654)
Add (deduct) items not affecting cash:		
Loss/(Gain) on Investment	54,230	(69,117)
Depreciation	295,295	295,295
Net cash provided by operating activities	608,097	221,524
<u>Cash flow from investing activities:</u>		
Used for purchase of Land	-	-
Proceeds from maturity of short-term investments	(50,145)	10,576
Net cash used in investing activities	(50,145)	10,576
<u>Cash flow from financing activities:</u>		
Principal payments of long-term debt	(200,595)	(193,640)
Net cash provided by financing activities	(200,595)	(193,640)
Net increase in cash and cash equivalents	357,357	38,460
Cash and cash equivalents - beginning of year	137,811	99,351
Cash and cash equivalents - end of year	\$ 495,168	\$ 137,811

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

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

1. Reporting Entity

Southwest Texas Junior College (SWTJC) was established in 1946, in accordance with the laws of the State of Texas, to serve the educational needs of the Tri-county District (Real, Zavala, and Uvalde Counties) and the surrounding communities. The College is governed by a seven-member Board of Trustees elected from the three counties of which the district is comprised. Members are elected at large from each of the counties. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While SWTJC receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Pensions

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

Report Guidelines

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

Tuition Discounting

Texas Public Education Grants

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

2. Summary of Significant Accounting Policies (Continued)

Title IV, Higher Education Act Program Funds

Certain Title IV HEA Program funds are received by the college to pass through to the student. These funds 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 tuition discount. If the amount is disbursed 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 amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Budgetary Data

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

Cash and cash equivalents

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

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchases.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

2. Summary of Significant Accounting Policies (Continued)

Inventories

Inventories consist of consumable office supplies and physical plant supplies. Inventories are valued at the “first-in, first-out” method and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the District’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. Renovations of \$100,000 to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are charged to operating expenses 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.

Unearned Revenues

Tuition and fees of \$6,058,746 and \$5,940,729 have been reported as unearned revenues at August 31, 2022 and August 31, 2021, respectively.

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, 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 (Business-Type Activity) and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the College’s principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are allocations from the state and property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

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

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risk for deposits.

Foreign Currency Risk The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit by not participating in foreign currency transactions.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity; (2) portfolio diversification; (3) allowable investments; (4) acceptable risk levels; (5) expected rates of return; (6) maximum allowable stated maturity of portfolio investments; (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio; (8) investment staff quality and capabilities; and, (9) bid solicitation preferences for certificates of deposit.

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

Southwest Texas Junior College is in compliance with the requirements of the Act and with local policies.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

4. Deposits and Investments (Continued)

Cash and Deposits

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

August 31, 2022	<u>SWTJC</u>	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 6,020,031	\$ 495,168
Time Deposits	11,610,000	-
Petty Cash on Hand	<u>33,000</u>	<u>-</u>
Total Current Cash and Deposits	<u>17,663,031</u>	<u>495,168</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	807,435	-
Demand Deposits - Endowments	598,919	-
Time Deposits	<u>-</u>	<u>400,000</u>
Total Noncurrent Cash and Deposits	<u>1,406,354</u>	<u>400,000</u>
 Total Cash and Deposits	 <u>\$ 19,069,385</u>	 <u>\$ 895,168</u>
August 31, 2021	<u>SWTJC</u>	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 7,470,499	\$ 137,811
Time Deposits	9,110,000	-
Petty Cash on Hand	<u>21,000</u>	<u>-</u>
Total Current Cash and Deposits	<u>16,601,499</u>	<u>137,811</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	77,306	-
Demand Deposits - Endowments	597,420	-
Time Deposits	<u>-</u>	<u>400,000</u>
Total Noncurrent Cash and Deposits	<u>674,726</u>	<u>400,000</u>
 Total Cash and Deposits	 <u>\$ 17,276,225</u>	 <u>\$ 537,811</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

4. Deposits and Investments (Continued)

Additional polices and contractual provisions governing deposits and investments for Southwest Texas Junior College are specified below:

Credit Risk To limit the risk that an issuer or other counterparty to an investment will not fulfill its obligations the District limits investments to depository bank certificates of deposits and state sponsored investment pools.

Custodial Credit Risk for Investments To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District invests in both depository bank certificates of deposits and state sponsored investment pools.

Interest Rate Risk To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires the investment portfolio to have the following maturities:

Current/Operating Funds: an average weighted maturity of 365 days or less

Endowment Funds: an average weighted maturity of three (3) years or less

Debt Service Funds: an average weighted maturity of 365 days or less

Debt Service Reserve Funds: an average weighted maturity of five (5) years or less

Foreign Currency Risk for Investments The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in foreign currencies.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

4. Deposits and Investments (Continued)

Reconciliation of Deposits and Investments to Exhibit 1

<u>Type of Security</u>	<u>August 31, 2022</u>	<u>August 31, 2021</u>
Real Estate Investment	\$ 13,093	\$ 13,093
Corporate Stocks	424,311	408,103
Other Investments	51,920	58,561
Total Cash and Deposits	19,069,385	17,276,225
Total Certificates of Deposits	<u>3,740,000</u>	<u>3,740,000</u>
	<u>\$ 23,298,709</u>	<u>\$ 21,495,982</u>
Cash and Cash Equivalents (Exhibit 1)	\$ 17,663,031	\$ 16,601,499
Restricted Cash and Cash Equivalents (Exhibit 1)	1,406,354	674,726
Endowment Investments (Exhibit 1)	2,268,636	2,259,251
Other Long-Term Investments (Exhibit 1)	<u>1,960,688</u>	<u>1,960,506</u>
	<u>\$ 23,298,709</u>	<u>\$ 21,495,982</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

5. Changes in Property and Equipment

Changes in property and equipment for SWTJC for the year ended August 31, 2022 were as follows:

	<u>Sept. 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2022</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Construction In Progress	-	1,814,795	-	1,814,795
Subtotal	<u>813,442</u>	<u>1,814,795</u>	<u>-</u>	<u>2,628,237</u>
<u>Other Capital Assets</u>				
Buildings	44,623,843	-	-	44,623,843
Land Improvements	2,590,278	527,224	-	3,117,502
Furniture & Fixtures	7,115,522	591,861	-	7,707,383
Library Books	1,285,520	4,408	-	1,289,928
Telecommunication and Peripheral Equipment	9,458,302	68,898	-	9,527,200
Right-to-use Leased Asset	-	6,903,183	-	6,903,183
Subtotal	<u>65,073,465</u>	<u>8,095,574</u>	<u>-</u>	<u>73,169,039</u>
<u>Accumulated Depreciation & Amortization</u>				
Buildings	11,294,142	750,819	-	12,044,961
Land Improvements	2,122,384	48,439	-	2,170,823
Furniture & Fixtures	3,897,960	477,622	-	4,375,582
Library Books	468,880	19,046	-	487,926
Telecommunication and Peripheral Equipment	6,957,241	779,597	-	7,736,838
Right-to-use Leased Asset	-	303,384	-	303,384
Subtotal	<u>24,740,607</u>	<u>2,378,907</u>	<u>-</u>	<u>27,119,514</u>
Net Other Capital Assets	<u>40,332,858</u>	<u>5,716,667</u>	<u>-</u>	<u>46,049,525</u>
Net Capital Assets	<u>\$ 41,146,300</u>	<u>\$ 7,531,462</u>	<u>\$ -</u>	<u>\$ 48,677,762</u>

Reconciliation of Capital Assets to Statement of Net Position

SWTJC - Capital Assets (Exhibit 1)	\$ 48,677,762
Total	<u>\$ 48,677,762</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

5. Changes in Property and Equipment (Continued)

Changes in property and equipment for SWTJC for the year ended August 31, 2021 were as follows:

	<u>Sept. 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2021</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Construction In Progress	-	-	-	-
Subtotal	<u>813,442</u>	<u>-</u>	<u>-</u>	<u>813,442</u>
<u>Other Capital Assets</u>				
Buildings	44,611,724	12,119	-	44,623,843
Land Improvements	2,590,278	-	-	2,590,278
Furniture & Fixtures	5,542,930	1,572,592	-	7,115,522
Library Books	1,285,520	-	-	1,285,520
Telecommunication and Peripheral Equipment	7,778,113	1,680,189	-	9,458,302
Subtotal	<u>61,808,565</u>	<u>3,264,900</u>	<u>-</u>	<u>65,073,465</u>
<u>Accumulated Depreciation</u>				
Buildings	10,531,156	762,986	-	11,294,142
Land Improvements	2,076,347	46,037	-	2,122,384
Furniture & Fixtures	3,567,000	330,960	-	3,897,960
Library Books	448,100	20,780	-	468,880
Telecommunication and Peripheral Equipment	6,298,967	658,274	-	6,957,241
Subtotal	<u>22,921,570</u>	<u>1,819,037</u>	<u>-</u>	<u>24,740,607</u>
Net Other Capital Assets	<u>38,886,995</u>	<u>1,445,863</u>	<u>-</u>	<u>40,332,858</u>
Net Capital Assets	<u>\$ 39,700,437</u>	<u>\$ 1,445,863</u>	<u>\$ -</u>	<u>\$ 41,146,300</u>

Reconciliation of Capital Assets to Statement of Net Position

SWTJC - Capital Assets (Exhibit 1)	\$ 41,146,300
Total	<u>\$ 41,146,300</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

5. Changes in Property and Equipment (Continued)

Changes in property and equipment for the Foundation for the years ended August 31, 2022 and August 31, 2021 were as follows:

	<u>Sept. 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2022</u>
Land	\$ 2,748,661	\$ -	\$ -	\$ 2,748,661
Buildings	10,416,334	-	-	10,416,334
Improvements	822,140	-	-	822,140
Furniture & Fixtures	19,387	-	-	19,387
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,006,522</u>	<u>-</u>	<u>-</u>	<u>14,006,522</u>
Accumulated Depreciation	<u>5,954,491</u>	<u>\$ 295,295</u>	<u>\$ -</u>	<u>6,249,786</u>
Net Property & Equipment	<u>\$ 8,052,031</u>			<u>\$ 7,756,736</u>
Reconciliation to Statement of Financial Position Total				<u>\$ 7,756,736</u> <u>\$ 7,756,736</u>
	<u>Sept. 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2021</u>
Land	\$ 2,748,661	\$ -	\$ -	\$ 2,748,661
Buildings	10,416,334	-	-	10,416,334
Improvements	822,140	-	-	822,140
Furniture & Fixtures	19,387	-	-	19,387
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,006,522</u>	<u>-</u>	<u>-</u>	<u>14,006,522</u>
Accumulated Depreciation	<u>5,659,196</u>	<u>\$ 295,295</u>	<u>\$ -</u>	<u>5,954,491</u>
Net Property & Equipment	<u>\$ 8,347,326</u>			<u>\$ 8,052,031</u>
Reconciliation to Statement of Financial Position Total				<u>\$ 8,052,031</u> <u>\$ 8,052,031</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

6. Long-Term Liabilities

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

	September 1, 2021	Additions	Reductions	August 31, 2022	Current Portion
SWTJC					
Revenue Bonds	\$ 19,700,000	\$ -	\$ 1,340,000	\$ 18,360,000	\$ 1,395,000
Premium on Bonds	226,668	-	19,904	206,764	19,904
Maintenance Tax Notes	750,000	-	245,000	505,000	250,000
Lease Payable	-	6,903,183	252,868	6,650,315	359,743
Net Pension Liability	9,092,942	-	5,030,606	4,062,336	-
Net OPEB Liability	25,388,779	1,952,293	-	27,341,072	-
Total Long-Term Liabilities	\$ 55,158,389	\$ 8,855,476	\$ 6,888,378	\$ 57,125,487	\$ 2,024,647
SWTJC Foundation					
Notes Payable	\$ 664,351	\$ -	\$ 200,595	\$ 463,756	\$ 192,425
Total Long-Term Liabilities	\$ 664,351	\$ -	\$ 200,595	\$ 463,756	\$ 192,425

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

	September 1, 2020	Additions	Reductions	August 31, 2021	Current Portion
SWTJC					
Revenue Bonds	\$ 21,005,000	\$ -	\$ 1,305,000	\$ 19,700,000	\$ 1,340,000
Premium on Bonds	246,572	-	19,904	226,668	19,904
Maintenance Tax Notes	990,000	-	240,000	750,000	245,000
Capital Leases Payable	104,832	-	104,832	-	-
Net Pension Liability	8,980,058	112,884	-	9,092,942	-
Net OPEB Liability	26,438,822	-	1,050,043	25,388,779	-
Total Long-Term Liabilities	\$ 57,765,284	\$ 112,884	\$ 2,719,779	\$ 55,158,389	\$ 1,604,904
SWTJC Foundation					
Notes Payable	\$ 857,991	\$ -	\$ 193,640	\$ 664,351	\$ 187,849
Total Long-Term Liabilities	\$ 857,991	\$ -	\$ 193,640	\$ 664,351	\$ 187,849

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

7. Debt and Lease Obligations

Debt service requirements at August 31, 2022 for SWTJC were as follows:

For the Year Ended August 31,	Revenue Bonds and Maintenance Tax Note		
	Principal	Interest	Total
FY 2023	\$ 1,645,000	\$ 703,277	\$ 2,348,277
FY 2024	1,705,000	645,447	2,350,447
FY 2025	1,500,000	588,642	2,088,642
FY 2026-2030	8,420,000	2,032,440	10,452,440
FY 2031-2034	5,595,000	437,856	6,032,856
	<u>\$ 18,865,000</u>	<u>\$ 4,407,662</u>	<u>\$ 23,272,662</u>

Southwest Texas Junior College changed accounting policies related to Leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in fiscal year ending August 31, 2022.

The College recorded right of use leased assets that qualify as other than short-term leases under GASB 87, and therefore, have been recorded at the present value of the future minimum lease payments.

Information related to the leased assets is summarized below:

SWTJC leases 36,014 square feet of usable space located next to the SWTJC Jack R. Chittim Technical Campus from the Foundation.

- The lease requires 72 monthly rental payments of \$4,000 over the life of the lease beginning February 1, 2019 and ending January 31, 2025.
- The lease liability is calculated using a discount rate of 4.75%.

SWTJC leases 37,075 and 18,600 square feet of usable space located on the SWTJC Eagle Pass Campus from the Foundation.

- The lease requires 720 monthly rental payments of \$15,900 over the life of the lease beginning March 1, 2014 and ending February 28, 2074.
- The lease liability is calculated using a discount rate of 2.50%.

SWTJC leases a hangar on property adjacent to the Uvalde campus from the City of Uvalde.

- The lease requires 240 monthly payments of \$100 over the life of the lease beginning November 1, 1994 and ending September 30, 2024 (including extensions).
- The lease liability is calculated using a discount rate of 7.00%.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

7. Debt and Lease Obligations (Continued)

SWTJC leases 7,082 square feet within the James W. Danner, Sr. Training Center Annex in Hondo, TX from the City of Hondo.

- The lease requires 24 monthly payments of \$4,117.07 for base rent, \$477 monthly for pro-rated utilities, and \$1,250 monthly for custodial/reception services over the life of the lease beginning June 1, 2022 and ending May 31, 2024 (including the optional 12-month extension).
- The lease liability is calculated using a discount rate of 3.25%.

SWTJC leases office equipment from UBEO, LLC.

- The lease requires 61 monthly payments of \$17,882 over the life of the lease beginning January 1, 2022 and ending January 31, 2027.
- The lease liability is calculated using a discount rate of 2.50%.

Right to use leased asset obligations at August 31, 2022 for SWTJC were as follows:

For the Year Ended August 31,	Lease Payments		
	Principal	Interest	Total
FY 2023	\$ 359,743	\$ 164,970	\$ 524,713
FY 2024	352,823	154,358	507,181
FY 2025	281,324	145,260	426,584
FY 2026	267,095	138,389	405,484
FY 2027	147,794	132,421	280,215
FY 2028-2032	317,799	636,201	954,000
FY 2033-2037	360,066	593,934	954,000
FY 2038-2042	407,955	546,045	954,000
FY 2043-2047	462,213	491,787	954,000
FY 2048-2052	523,688	430,312	954,000
FY 2053-2057	593,339	360,661	954,000
FY 2058-2062	672,254	281,746	954,000
FY 2063-2067	761,665	192,335	954,000
FY 2068-2072	862,967	91,033	954,000
FY 2073-2074	280,614	5,586	286,200
	<u>\$ 6,651,339</u>	<u>\$ 4,365,038</u>	<u>\$ 11,016,377</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

7. Debt and Lease Obligations (Continued)

Obligations through notes payable for the Foundation at August 31, 2022 were as follows:

Bank Note, renewed September 29, 2017, original balance \$1,709,530 secured by first lien on 18.098 acres of land including any improvements and second lien on 15 acres of real estate and buildings, adjustable rate, currently 4.25% interest, 88 principal and interest payments of \$15,176 due monthly and one final principal and interest payment due February 28, 2025. \$ 403,426

Bank Note, dated January 30, 2019, \$200,000 secured by a \$200,000 Certificate of Deposit, 3.9% fixed interest rate, 59 principal and interest payments of \$3,675 due monthly and one final principal and interest payment due January 25, 2024. 60,330

Total Notes Payable	463,756
Less current portion	192,425
Long-Term portion	\$ 271,331

The following is a summary of debt service requirements:

2023	\$ 226,212
2024	200,125
2025	91,056
	\$ 517,393
Total minimum debt payments	517,393
Less amounts representing interest	53,637
Present value of minimum note payments	\$ 463,756

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

8. Bonds Payable

General information related to bonds payable is summarized below:

- Southwest Texas Junior College District Combined Fee Revenue Bonds, Series 2006A
- Proceeds used to construct a new facility for lessee, Sul Ross State University Rio Grande College
- Issued May 15, 2006
- Amount of issue, \$5,500,000
- Debt to be serviced through pledged lease revenue and tuition and fees
- Outstanding balance, \$3,125,000

This is a private placement issue with annual installments varying from \$205,333 to \$369,160 at a 4.48% interest rate, with the final installment due April 1, 2033.

- Southwest Texas Junior College District Combined Fee Revenue Bonds, Series 2012
- Proceeds used to construct new classrooms and administrative offices on the Del Rio campus
- Issued October 18, 2012
- Amount of issue, \$7,500,000
- Debt to be serviced through pledged lease revenue and tuition and fees
- Outstanding balance, \$4,815,000

This is a private placement issue with annual installments varying from \$108,327 to \$522,024 at a 3.19% interest rate, with the final installment due April 1, 2033.

- Southwest Texas Junior College District Combined Fee Revenue Bonds, Series 2014
- Proceeds used to construct a library and classrooms on the Eagle Pass campus, a library at the Crystal City facility, and update facilities on the Uvalde campus
- Issued March 20, 2014
- Amount of issue, \$10,000,000
- Debt to be serviced through pledged lease revenue and tuition and fees
- Outstanding balance, \$6,925,000

This is a public placement issue with annual installments varying from \$737,906 to \$742,663 at interest rates varying from 2% to 4.5%, with the final installment due October 1, 2033.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

8. Bonds Payable (Continued)

- Southwest Texas Junior College District Combined Fee Revenue Bonds, Series 2014A
- Proceeds used to purchase and renovate property in Eagle Pass to be used for classrooms and labs for a technical campus
- Issued October 15, 2014
- Amount of issue, \$3,000,000
- Debt to be serviced through pledged lease revenue and tuition and fees
- Outstanding balance, \$1,785,000

This is a private placement issue with annual installments varying from \$38,180 to \$269,219 at a 3.32% interest rate, with the final installment due October 1, 2029.

- Combined Fee Revenue Refunding Bonds, Series 2016
- Original proceeds used to construct a new student services building and remodel existing office areas
- Issued refunding bonds on August 11, 2016
- Amount of issue, \$2,540,000
- Debt to be serviced through pledged lease revenue and tuition and fees
- Outstanding balance, \$1,710,000

This is a public placement issue with annual installments varying from \$208,000 to \$215,600 at interest rates varying from 2% to 4%, with the final installment due April 1, 2032.

9. Maintenance Tax Notes

General information related to notes payable is summarized below:

- Southwest Texas Junior College Maintenance Tax Notes, Series 2012
- Proceeds used to complete Energy Performance contract and deferred maintenance
- Issued July 26, 2012
- Amount of issue, \$2,500,000
- Debt to be serviced through ad valorem revenue, tuition and fees, and energy savings
- Outstanding balance, \$505,000

This is a private placement issue with annual installments varying from \$60,580 to \$261,469 at a 2.39% interest rate, with the final installment due February 1, 2024.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

10. Short-Term Debt

The college had no short-term debt for the fiscal year ended August 31, 2022.

11. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas.

Teacher Retirement System of Texas

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

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

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

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

11. Employees' Retirement Plan (Continued)

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

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

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

Contribution Rates

	<u>2022</u>	<u>2021</u>
Member	8.00%	7.70%
Non-Employer Contributing Entity (State)	7.75%	7.50%
Employers	7.75%	7.50%
SWTJC 2022 Employer Contributions		\$765,849
SWTJC 2022 Member Contributions		\$1,316,137
SWTJC 2021 NECE On-behalf Contributions		\$466,963

SWTJC's contributions to the TRS pension plan in 2022 were \$765,849 as reported in the Schedule of SWTJC's Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2022 were \$560,955.

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.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

11. Employees' Retirement Plan (Continued)

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

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

Actuarial Assumptions. The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95%*
Last year ending August 31 in	
Projection period (100 years)	2120
Inflation	2.3%
Salary Increases including inflation	3.05% to 9.05%
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." Source: Teacher Retirement System of Texas 2021 Comprehensive Financial Annual Report Page 87.

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

11. Employees' Retirement Plan (Continued)

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-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. Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation are summarized below:

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

11. Employees' Retirement Plan (Continued)

Asset Class(1)	Target Allocation(2) %	Long-Term Expected Geometric Real Rate of Return(3)	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government Bonds	16.0%	-0.2%	0.01%
Absolute Return	0.0%	1.1%	0.00%
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Estate	15.0%	4.5%	1.00%
Energy and Natural Resources & Infrastructure Commodities	6.0%	4.7%	0.35%
	0.0%	1.7%	0.00%
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	-0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag(4)			-0.95%

(1) Absolute Return includes Credit Sensitive Investments.

(2) Target allocations are based on the FY2021 policy model.

(3) Capital Market Assumptions come from Aon Hewitt (as of 8/31/2021).

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

Source: Teacher Retirement System of Texas 2021 Comprehensive Annual Financial Report Page 53

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

11. Employees' Retirement Plan (Continued)

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
SWJTC's proportionate share of the net pension liability:	\$ 8,876,849	\$ 4,062,336	\$ 156,305

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2022, the College reported a liability of \$4,062,336 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by 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:

SWTJC's proportionate share of the collective net pension liability	\$ 4,062,336
State's proportionate share that is associated with SWTJC	2,786,636
Total	<u>\$ 6,848,972</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net pension liability was 0.0159517097%, which was a decrease of 0.0010260499% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation. There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the College recognized pension expense of \$560,955 and revenue of \$560,955 for support provided by the State. Refer to the August 31, 2022 Schedule of On-Behalf Contributions for this information posted on the TRS website under GASB Statements 67 & 68.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

11. Employees' Retirement Plan (Continued)

At August 31, 2022, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 6,798	\$ 285,992
Changes in actuarial assumptions	1,435,956	625,954
Difference between projected and actual investment earnings	-	3,406,216
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	116,940	762,144
Contributions paid to TRS subsequent to the measurement date	765,849	
Total	\$ 2,325,543	\$ 5,080,306

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

Year ended August 31,	Pension Expense
2023	(\$625,352)
2024	(\$660,028)
2025	(\$968,514)
2026	(\$1,126,095)
2027	(\$109,389)
Thereafter	(\$31,234)

Optional Retirement Plan

Plan Description. The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, 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 state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.6% and 6.65%, respectively. The College contributes 7.75% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

11. Employees' Retirement Plan (Continued)

The retirement expense to the State for the College was \$560,955 and \$526,885 for the fiscal years ended August 31, 2022 and 2021, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was \$19,796,471 and \$18,440,310 for fiscal years 2022 and 2021, respectively. The total payroll of employees covered by the Teacher Retirement System was \$16,451,712 and \$15,311,118, and the total payroll of employees covered by the Optional Retirement Program was \$2,077,551 and \$2,202,769 for fiscal years 2022 and 2021, respectively.

12. Deferred Compensation Program

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

13. Compensated Absences

The College's policy is that an employee may accumulate vacation leave, at year-end, up to a maximum of 40 hours. Accumulated vacation leave shall be forfeited unless used by November 30. Any unused vacation leave in excess of this maximum roll-over shall be forfeited on August 31. Sick leave, which can be accumulated to a maximum of 90 days, is earned at the rate of six hours per month. The maximum sick leave that may be paid to a retired employee after 20 years or more of service or an employee's estate is limited to one month's pay for 30 days or more of unused sick leave. The College's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements because experience indicates the expenditure for sick leave to be minimal.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

14. Disaggregation of Receivables and Payables Balances

Receivables

Receivables at August 31, 2022 were as follows:

Student Receivables	\$	3,869,954
Federal Receivables		1,571,273
Lease Receivables		1,994,298
Accounts Receivables		669,910
Other Receivables		-
Subtotal		<u>8,105,435</u>
Allowance for Doubtful Accounts		<u>1,390,119</u>
Total Receivables (Exhibit 1)	\$	<u><u>6,715,316</u></u>

Receivables at August 31, 2021 were as follows:

Student Receivables	\$	3,852,649
Federal Receivables		2,810,497
Accounts Receivables		(38,518)
Other Receivables		-
Subtotal		<u>6,624,628</u>
Allowance for Doubtful Accounts		<u>1,384,436</u>
Total Receivables (Exhibit 1)	\$	<u><u>5,240,192</u></u>

Payables

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

	August 31, 2022	August 31, 2021
Vendor Payables (Exhibit 1)	\$ <u>1,374,647</u>	\$ <u>873,513</u>
Accrued Interest Payable	\$ 236,752	\$ 253,802
Accrued Workers Compensation	27,713	28,416
Other	15,391	4,251
Accrued Liabilities (Exhibit 1)	\$ <u>279,856</u>	\$ <u>286,469</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

15. Lease Receivables

As previously mentioned, the College changed accounting policies related to Leases by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, Leases, in fiscal year ending August 31, 2022.

As a lessor, the College recorded lease receivables under GASB 87 at the present value of lease payments expected to be received during the lease terms. General descriptions of the leasing arrangements are summarized below:

SWTJC provides library services for Sul Ross State University students on the Uvalde, Del Rio, and Eagle Pass campuses.

- The agreement requires a monthly payment of \$11,850 beginning September 1, 2021 ending August 31, 2023 and may be renewed on an annual basis until August 31, 2026.
- The lease receivable is calculated using a discount rate of 2.50%.
- Total deferred inflows recognized for the period ending August 31, 2022 is \$669,095.93.

SWTJC leases 74,062 square feet of exclusive classroom and office space to Sul Ross State University on the Uvalde, Del Rio, and Eagle Pass campuses.

- The lease requires a monthly payment of \$122,775.55 beginning September 1, 2021 ending August 31, 2023.
- The lease receivable is calculated using a discount rate of 2.50%.
- Total deferred inflows recognized for the period ending August 31, 2022 is \$2,877,226.47.

16. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. For federal contracts and awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

17. Self-Insured Plans

The College has various self-insured arrangements for coverage in the areas of workers' compensation and unemployment compensation. The plans are on a pay-as-you-go basis, in which no assets are set aside. Accrued liabilities are generally based on actuarial valuation and represent the present value of unpaid expected claims. Estimated future payments for incurred claims are charged to current funds expenditures.

18. Post-Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar 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 for the years ended August 31, 2022 and August 31, 2021 was approximately \$625 and \$625 per month, respectively, and totaled \$1,582,436 and \$1,588,969 for each year, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022

19. Other Post-Employment Benefits (OPEB)

Plan Description. The College participates in a cost-sharing, multiple-employer, other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service 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 that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Ma/2021-ACFR>; or by writing to ERS at: 200 East 18th 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.

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.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

19. Other Post-Employment Benefits (OPEB) (Continued)

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. 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

Fiscal Year 2021

Retiree Only	\$624.82
Retiree & Spouse	\$982.36
Retiree & Children	\$864.20
Retiree & Family	\$1,221.74

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

Premium Contributions by Source
Group Benefits Program Plan

For the Years Ended August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Employers	\$2,498,052	\$2,435,602
Members (Employees)	\$695,594	\$705,046
Nonemployer Contributing Entity (State of Texas)	\$1,582,436	\$1,588,969

Source: ERS 2021 Comprehensive Annual Financial Report

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

19. Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation date	8/31/20201
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Open
Amortization period	30 Years
Asset valuation method	Not applicable
Discount rate	2.14%
Projected annual salary increase (includes inflation)	2.30% to 9.05%
Inflation rate	2.30%
Annual healthcare trend rate	5.25% for FY2023, 5.15% for FY2024 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years
Ad hoc postemployment benefit changes	None
Mortality assumptions	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale projected from the year 2018.
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale projected from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex District RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale form the year 2014.

Source: 2021 ERS CAFR except for mortality assumptions obtained from ERS 2021 GASB 74 Actuarial Valuation

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

19. Other Post-Employment Benefits (OPEB) (Continued)

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.14% (see August 31, 2021 ERS CAFR, OPEB footnote).

Discount Rate. Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.14%, which amounted to a decrease of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on SWTJC's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.14%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate 1.14%	Discount Rate 2.14%	1% Increase in Discount Rate 3.14%
SWTJC's proportionate share of the net OPEB liability:	\$ 32,564,254	\$ 27,341,072	\$ 23,254,712

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

	1% Decrease in Healthcare Cost Trend Rates 4.25% decreasing to 3.30%	Current Healthcare Cost Trend Rates 5.25% decreasing to 4.30%	1% Increase in Healthcare Cost Trend Rates 6.25% decreasing to 5.30%
SWTJC's proportionate share of the net OPEB liability:	\$ 22,894,929	\$ 27,341,072	\$ 33,166,310

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

19. Other Post-Employment Benefits (OPEB) (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2022, SWTJC reported a liability of \$27,341,072 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to SWTJC 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:

SWTJC's Proportionate share of the collective net OPEB liability	\$	27,341,072
State's proportionate share that is associated with SWTJC		18,966,942
Total	\$	46,308,014

The net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The 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, 2020, thru August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was .07621097%.

For the year ended August 31, 2022, SWTJC recognized OPEB expense of \$1,582,436 and revenue of \$1,582,436 for support provided by the State.

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

- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations.
- 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.
- The percentage of Higher Education vested terminated members assumed to have terminate less than one year before the valuation date.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to be married and electing coverage for their spouse.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

19. Other Post-Employment Benefits (OPEB) (Continued)

- The discount rate assumption was decreased from 2.20% to 2.14% to utilize the updated yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date. There were none.

At August 31, 2022, SWTJC 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	\$ -	\$ 670,646
Changes in actuarial assumptions	1,871,877	3,045,183
Difference between projected and actual investment earnings	4,842	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,402,071	843,623
Contributions paid to ERS subsequent to the measurement date	290,048	-
Totals	\$ 4,568,838	\$ 4,559,452

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

Year Ended August 31:	OPEB Expense Amount
2023	(\$24,986)
2024	\$203,542
2025	(\$361,240)
2026	(\$147,917)
2027	\$49,937
Thereafter	\$0

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

20. Property Tax

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

	August 31, 2022	August 31, 2021
Assessed Valuation	\$ 4,419,779,150	\$ 4,306,846,773
Less: Exemptions	263,901,042	230,682,207
Net Assessed Valuation	\$ 4,155,878,108	\$ 4,076,164,566

Authorized tax rates for the College for years 2022 and 2021 were as follows:

	August 31, 2022		
	Current Operations	Debt Service	Total
Maximum tax rates per \$100 valuation	\$ 0.5000	\$ 0.5000	\$ 1.0000
Adopted tax rate per \$100 valuation	\$ 0.1535	\$ -	\$ 0.1535
	August 31, 2021		
	Current Operations	Debt Service	Total
Maximum tax rates per \$100 valuation	\$ 0.5000	\$ 0.5000	\$ 1.0000
Adopted tax rate per \$100 valuation	\$ 0.1546	\$ -	\$ 0.1546

Taxes levied for the years ended August 31, 2022 and August 31, 2021, respectively, were \$6,159,229 and \$6,094,525. 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.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

20. Property Tax (Continued)

August 31, 2022	Current	Debt	
Taxes Collected	Operations	Service	Total
Current Taxes Collected	\$ 5,924,943	\$ -	\$ 5,924,943
Delinquent Taxes Collected	180,722	-	180,722
Penalties and Interest Collected	110,314	-	110,314
Total Collections	<u>\$ 6,215,979</u>	<u>\$ -</u>	<u>\$ 6,215,979</u>

Tax collections for the year ended August 31, 2022 were 96.20% 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 to either maintenance or operations or interest and sinking expenditures.

August 31, 2021	Current	Debt	
Taxes Collected	Operations	Service	Total
Current Taxes Collected	\$ 5,939,951	\$ -	\$ 5,939,951
Delinquent Taxes Collected	198,666	-	198,666
Penalties and Interest Collected	120,835	-	120,835
Total Collections	<u>\$ 6,259,452</u>	<u>\$ -</u>	<u>\$ 6,259,452</u>

Tax collections for the year ended August 31, 2021 were 97.46% of the current tax levy. Allowance for uncollectible taxes is based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance or operations or interest and sinking expenditures.

21. Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The College had no unrelated business income tax liability for the year ended August 31, 2022 or August 31, 2021.

The College's blended component unit, the Foundation, is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3). The Foundation is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code, because it is an organization described in section 509(a)(3).

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022**

22. Component Units

Southwest Texas Junior College Foundation, Inc. – Discrete Component Unit

Southwest Texas Junior College Foundation, Inc. (the Foundation) was established as a separate nonprofit organization in 1989, for the purpose of providing facilities to allow the College to serve the educational needs of communities outside of the College's taxing district. Excess revenue is to be donated to Southwest Texas Junior College as scholarships. Under Governmental Standards Board Statement No. 39, Determining Whether Certain Organizations are Component Units, the Foundation is a component unit of the College because:

The governing Board of the Foundation and the College are the same; therefore, the College can and does exercise oversight responsibility. Additionally, services rendered by the Foundation are provided entirely or almost entirely to the College and the relationship between the College and the Foundation is such that exclusion would cause the College's financial statements to be misleading or incomplete.

Accordingly, the Foundation's financial statements are included in the College's annual report as a discrete component unit (see table of contents). Complete financial statements of the Southwest Texas Junior College Foundation, Inc. can be obtained from the administrative office of Southwest Texas Junior College.

23. Litigation

The College is occasionally involved in litigation in the general course of business. Attorneys for the College indicate that the Southwest Texas Junior College has no pending or threatened litigation as of August 31, 2022, which would materially affect the College's financial condition.

REQUIRED SUPPLEMENTARY SCHEDULES

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF SWTJC'S SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS**

Fiscal year ending August 31*,	2021**	2020**	2019**	2018**	2017**	2016**	2015**	2014**
SWTJC Proportionate Share of the Net Pension Liability (%)	0.0159517%	0.0169778%	0.0172749%	0.0175841%	0.0190745%	0.0177839%	0.0174035%	0.0203443%
SWTJC Proportionate Share of the Net Pension Liability (\$)	\$ 4,062,336	\$ 9,092,942	\$ 8,980,058	\$ 9,678,734	\$ 6,099,009	\$ 6,720,277	\$ 6,151,906	\$ 5,434,244
State's Proportionate Share of the Net Pension Liability associated with the College	2,786,636	6,175,229	6,114,688	6,721,887	3,148,498	4,273,823	4,192,832	3,420,061
Total	<u>\$ 6,848,972</u>	<u>\$ 15,268,171</u>	<u>\$ 15,094,746</u>	<u>\$ 16,400,621</u>	<u>\$ 9,247,507</u>	<u>\$ 10,994,100</u>	<u>\$ 10,344,738</u>	<u>\$ 8,854,305</u>
SWJTC Covered Payroll	\$ 15,311,118	\$ 15,705,503	\$ 15,119,884	\$ 14,857,153	\$ 13,930,638	\$ 13,519,470	\$ 12,716,474	\$ 12,222,291
SWTJC Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	26.53%	57.90%	59.39%	65.15%	43.78%	48.24%	45.50%	42.73%
Plan fiduciary net position as percentage of the total pension liability	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.

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF SWTJC'S CONTRIBUTIONS FOR PENSIONS
LAST TEN FISCAL YEARS**

Fiscal year ending August 31*,	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Legally Required Contributions	\$ 765,849	\$ 680,772	\$ 694,726	\$ 559,442	\$ 638,055	\$ 625,152	\$ 565,040	\$ 515,784
Actual Contributions	765,849	680,772	694,726	559,442	638,055	625,152	565,040	515,784
Contributions deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SWJTC Covered Payroll	\$ 16,451,712	\$ 15,311,118	\$ 15,705,503	\$ 15,119,884	\$ 14,857,153	\$ 13,930,638	\$ 13,519,470	\$ 12,716,474
Ratio of : Actual Contributions/SWTJC Covered Payroll	4.66%	4.45%	4.42%	3.70%	4.29%	4.49%	4.18%	4.06%

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

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF SWTJC'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
EMPLOYEE RETIREMENT SYSTEM OF TEXAS
STATE RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**

Fiscal year ending August 31*,	2021**	2020**	2019**	2018**	2017**
SWTJC Proportionate Share of the Net OPEB Liability (%)	0.0762110%	0.0768318%	0.0764953%	0.0800153%	0.0566599%
SWTJC Proportionate Share of the Net OPEB Liability (\$)	\$ 27,341,072	\$ 25,388,779	\$ 26,438,822	\$ 23,714,735	\$ 19,207,789
State's Proportionate Share of the Net OPEB Liability associated with the College	18,966,942	17,466,393	18,842,580	16,042,885	12,163,867
Total	<u>\$ 46,308,014</u>	<u>\$ 42,855,172</u>	<u>\$ 45,281,402</u>	<u>\$ 39,757,620</u>	<u>\$ 31,371,656</u>
SWJTC Covered Payroll	\$ 15,311,118	\$ 15,311,118	\$ 15,705,503	\$ 14,857,153	\$ 13,930,638
SWTJC Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	178.57%	165.82%	168.34%	159.62%	137.88%
Plan fiduciary net position as percentage of the total OPEB liability	0.38%	0.32%	0.17%	1.27%	2.00%

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

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF SWTJC'S CONTRIBUTIONS FOR OPEB
EMPLOYEE RETIREMENT SYSTEM OF TEXAS
STATE RETIREE HEALTH PLAN
LAST TEN FISCAL YEARS**

Fiscal year ending August 31*,	2022**		2021**		2020**		2019**		2018**	
Legally Required Contributions	\$	290,048	\$	600,401	\$	580,398	\$	558,600	\$	520,793
Actual Contributions		290,048		600,401		580,398		558,600		520,793
Contributions deficiency/(excess)	\$	-	\$	-	\$	-	\$	-	\$	-
SWJTC Covered Payroll	\$	16,451,712	\$	15,311,118	\$	15,311,118	\$	15,705,503	\$	15,119,884
Ratio of : Actual Contributions/SWJTC Covered Payroll		1.76%		3.92%		3.79%		3.56%		3.44%

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

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2022**

1. Notes to Schedules for TRS Pension

Changes of Benefit Terms.

There were no changes of benefit terms that affected measurement of the total pension liability during the year ended August 31, 2022.

Changes of Assumptions.

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by the system's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the prior year's Net Pension Liability.

2. Notes to Schedules for the ERS OPEB Plan

Changes of Benefit Terms.

There were no changes of benefit terms that affected measurement of the total Other Postemployment Benefits (OPEB) liability during the year ended August 31, 2022.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2021**

2. Notes to Schedules for the ERS OPEB Plan (Continued)

Changes in Assumptions.

The following assumptions have been changed since the previous Other Postemployment Benefits (OPEB) valuation:

- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations.
- 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.
- The percentage of Higher Education vested terminated members assumed to have terminate less than one year before the valuation date.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future retirees assumed to be married and electing coverage for their spouse.
- The discount rate assumption was decreased from 2.20% to 2.14% to utilize the updated yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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SOUTHWEST TEXAS JUNIOR COLLEGE

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

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	August 31, 2022 Total	August 31, 2021 Total
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 5,724,296	\$ -	\$ 5,724,296	\$ -	\$ 5,724,296	\$ 6,533,613
Out-of-district resident tuition	4,923,265	-	4,923,265	-	4,923,265	5,484,723
Non-resident tuition	425,993	-	425,993	-	425,993	418,574
TPEG - credit (set aside)*	522,865	-	522,865	-	522,865	618,643
State funded continuing education	1,202,554	-	1,202,554	-	1,202,554	1,126,444
TPEG non-credit (set aside)*	16,774	-	16,774	-	16,774	11,567
Non-state funded educational programs	510	-	510	-	510	13,995
Total Tuition	12,816,257	-	12,816,257	-	12,816,257	14,207,559
Fees:						
General fees	5,072,228	-	5,072,228	-	5,072,228	5,626,520
Laboratory fees	309,087	-	309,087	-	309,087	289,788
Total Fees	5,381,315	-	5,381,315	-	5,381,315	5,916,308
Scholarship allowance and discount						
Remission and exemption - state	(292,024)	-	(292,024)	-	(292,024)	(418,998)
Remission and exemption - local	(3,708,871)	-	(3,708,871)	-	(3,708,871)	(4,228,946)
Title IV federal grants	(6,637,744)	-	(6,637,744)	-	(6,637,744)	(3,807,810)
Other federal grants	-	-	-	-	-	-
TPEG awards	(270,374)	-	(270,374)	-	(270,374)	(231,131)
Other state grants	(351,130)	-	(351,130)	-	(351,130)	(285,055)
Other local grants	(66,898)	-	(66,898)	-	(66,898)	(47,284)
Total Scholarship Allowances	(11,327,041)	-	(11,327,041)	-	(11,327,041)	(9,019,224)
Total net tuition and fees	6,870,531	-	6,870,531	-	6,870,531	11,104,643
Additional operating revenues:						
Federal grants and contracts	-	3,728,427	3,728,427	51,243	3,779,670	2,644,933
State grants and contracts	-	822,452	822,452	203,379	1,025,831	894,819
Non-governmental grants and contracts	-	22,500	22,500	-	22,500	40,818
Sales and services of educational activities	8,044	-	8,044	-	8,044	2,296
General operating revenue	4,977,357	-	4,977,357	-	4,977,357	4,083,283
Total additional operating revenues	4,985,401	4,573,379	9,558,780	254,622	9,813,402	7,666,149
Auxiliary Enterprises						
Bookstore	-	-	-	57,129	57,129	88,127
Less Discounts	-	-	-	-	-	-
Residential life	-	-	-	459,218	459,218	41,998
Less Discounts	-	-	-	(196,994)	(196,994)	-
Day Care	-	-	-	185,418	185,418	71,488
SWTNET	-	-	-	(450)	(450)	2,250
Other revenues	-	-	-	203,273	203,273	1,306,976
Total net auxiliary enterprises	-	-	-	707,594	707,594	1,510,839
Total Operating Revenues	\$ 11,855,932	\$4,573,379	\$ 16,429,311	\$ 962,216	\$ 17,391,527	\$ 20,281,631

*In accordance with Education Code 56.033, \$539,639 and \$630,210 for years August 31, 2022 and August 31, 2021, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Operating Expenses by Object
Year Ended August 31, 2022 (With Memorandum Totals for the Year Ended August 31, 2021)

	Operating Expense				August 31, 2022 Total	August 31, 2021 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 10,049,261	\$ -	\$ 1,843,121	\$ 1,460,066	\$ 13,352,448	\$ 13,059,556
Public Service	8,317	-	1,525	832	10,674	13,880
Academic Support	1,750,752	-	321,103	217,906	2,289,761	2,396,237
Student Services	1,267,582	-	232,486	135,756	1,635,824	1,699,445
Institutional Support	2,981,489	-	546,831	2,781,995	6,310,315	5,392,936
Operation and Maintenance of Plant	1,449,793	-	265,905	2,351,274	4,066,972	3,498,453
Scholarship	-	-	-	-	-	-
Total Unrestricted Educational Activities	17,507,194	-	3,210,971	6,947,829	27,665,994	26,060,507
Restricted - Educational Activities						
Instruction	-	1,341,406	-	43,863	1,385,269	1,336,001
Public Service	787,621	1,110	129,580	335,103	1,253,414	1,163,100
Academic Support	153,864	233,696	25,314	125,000	537,874	322,627
Student Services	797,360	169,201	131,182	1,571,104	2,668,847	1,789,359
Institutional Support	-	397,978	-	3,995,621	4,393,599	6,341,134
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarship	-	-	-	8,851,137	8,851,137	10,113,815
Total Restricted Educational Activities	1,738,845	2,143,391	286,076	14,921,828	19,090,140	21,066,036
Total Educational Activities	19,246,039	2,143,391	3,497,047	21,869,657	46,756,134	47,126,543
Auxiliary Enterprises	550,432	-	162,532	837,873	1,550,837	1,153,402
Depreciation Expense - Buildings and other real estate improvements	-	-	-	-	799,258	809,023
Depreciation Expense - Equipment and furniture	-	-	-	-	1,257,219	989,234
Depreciation Expense - Library Books	-	-	-	-	19,046	20,780
Amortization Expense - Leases	-	-	-	-	303,384	-
Total Operating Expenses	\$ 19,796,471	\$ 2,143,391	\$ 3,659,579	\$ 22,707,530	\$ 50,685,878	\$ 50,098,982

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule C

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

	Unrestricted	Restricted	Auxiliary Enterprises	August 31, 2022 Total	August 31, 2021 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 9,198,628	\$ -	\$ -	\$ 9,198,628	\$ 8,464,462
State group insurance	-	1,582,436	-	1,582,436	1,588,969
State retirement matching	-	560,955	-	560,955	526,885
Total state appropriations	9,198,628	2,143,391	-	11,342,019	10,580,316
Maintenance ad valorem taxes	6,217,363	-	-	6,217,363	6,274,423
Federal Revenue, Non Operating	-	19,940,374	-	19,940,374	22,399,455
Gifts	-	64,259	-	64,259	5,020,196
Investment Income	104,082	-	190	104,272	29,315
Other non-operating revenue	-	133	-	133	116,135
Total non-operating revenues	15,520,073	22,148,157	190	37,668,420	44,419,840
NON-OPERATING EXPENSES:					
Interest on capital related debt	721,988	-	-	721,988	785,959
Other non-operating expense	137,446	-	-	137,446	316,353
Total non-operating expenses	859,434	-	-	859,434	1,102,312
Net non-operating revenues	\$ 14,660,639	\$ 22,148,157	\$ 190	\$ 36,808,986	\$ 43,317,528

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule D

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

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 12,216,968	\$ -	\$ -	\$ -	\$ 12,216,968	\$ 12,216,968	\$ -
Unrestricted Pension	(6,817,099)			-	(6,817,099)		(6,817,099)
Unrestricted OPEB	(27,331,685)			-	(27,331,685)		(27,331,685)
Unrestricted Leases	(3,695,623)			-	(3,695,623)		(3,695,623)
Restricted	-	1,107,854	-	-	1,107,854	1,107,854	-
Auxiliary	(115,886)			-	(115,886)	(115,886)	-
Loan	-	597,590	-	-	597,590	-	597,590
Endowment							
Quasi:							
Unrestricted	2,225,540	-	-	-	2,225,540	-	2,225,540
Plant							
Debt Service	-	2,085,726	-	-	2,085,726	-	2,085,726
Revenue Bond	-	-	-	-	-	-	-
Investment in Plant	-	-	-	29,605,998	29,605,998	-	29,605,998
Total Net Position, August 31, 2022	(23,517,785)	3,791,170	-	29,605,998	9,879,383	13,208,936	(3,329,553)
Total Net Position, August 31, 2021	(16,289,808)	2,184,921	-	20,469,635	6,364,748	16,105,194	(9,740,446)
Net Increase (Decrease) in Net Position	\$ (7,227,977)	\$ 1,606,249	\$ -	\$ 9,136,363	\$ 3,514,635	\$ (2,896,258)	\$ 6,410,893

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2022

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Pell Grant	84.063		\$ 10,401,479
Federal Direct Student Loan	84.268		1,145,054
Supplemental Education Opportunity Grant	84.007		88,016
Federal College Workstudy Program	84.033		113,755
TRIO Cluster			
TRIO Student Support Services	84.042A		389,267
TRIO Upward Bound	84.047A		324,818
TRIO Education Opportunity Center	84.066A		281,606
Child Care Access Means Parents in School Program	84.335		115,213
STEMward Bound	84.031S		533,487
Full STEaM Ahead	84.031C		177,207
CARES Institutional Aid	84.425F		4,473,083
CARES Student Aid	84.425E		4,860,039
CARES Hispanic Serving Institutions	84.425L		4,002
Institution Resil. & Expanded Postsecondary Opport. (IREPO) Grant	84.425P		412,420
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	164254	325,128
Texas Reskilling & Upskilling for Education	84.425C	25769	198,559
Governor's Emergency Education Relief (GEER)	84.425C	25558	25,425
Texas Workforce Commission			
Adult Education and Literacy	84.002	2718ALAC00	4,264
Adult Education and Literacy	84.002	2718ALAD00	790,780
Adult Education and Literacy	84.002	2718ALAE00	47,436
Region 20 - Alamo Consortium			
Adult Education and Literacy			75,726
Total Department of Education			<u>24,786,764</u>
National Science Foundation			
Noyce Scholars en la Frontera	47.076	27398A	27,091
U.S. Department of Agriculture			
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	806780706	51,243
Total Federal Financial Assistance			<u>\$ 24,865,098</u>

Schedule E (Continued)

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$	3,779,670
Add: Non Operating Federal Revenue from Schedule C		19,940,374
Add: Direct Student Loans		1,145,054
		<u>\$ 24,865,098</u>
		(A)

Note 2: Significant accounting policies used in preparing the schedule

The expenditures included in the schedule are reported for the college's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the college for the purpose of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitation and restrictions imposed by the funding agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 3: Indirect Cost Rate

The College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Jobs & Education for Texans Grant		\$ 126,516
Skills Development Fund	2722SDF001	29,081
Child Care Relief Funds		43,992
Texas Health and Human Services Commission		
Child Care		203,379
Texas Higher Education Coordinating Board		
Texas Educational Opportunity Grant		538,891
Texas College Workstudy		23,107
Texas College Workstudy Mentorship		17,001
Nursing Shortage Reduction - Regular		3,817
Nursing Shortage Reduction - Under 70		40,047
Total State Financial Assistance		<u>\$ 1,025,831</u>
Note 1: State Assistance Reconciliation		
State Revenues - per Schedule A		\$ 1,025,831
		<u>\$ 1,025,831</u>
		(A)

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 Southwest Texas Junior College's significant accounting policies. These expenditures are reported on Southwest Texas Junior College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

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EDE & COMPANY, LLC

Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS*

Independent Auditor's Report

Board of Trustees
Southwest Texas Junior College
2401 Garner Field Road
Uvalde, Texas 78801

Members of the Board:

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 Southwest Texas Junior College, as of and for the year ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Southwest Texas Junior College's basic financial statements, and have issued our report thereon dated November 30, 2022. The financial statements of the Southwest Texas Junior College Foundation, Inc., a component unit of Southwest Texas Junior College, included in the accompanying basic financial statements, were not audited in accordance with standards applicable to financial audits contained in *Governmental Auditing Standards* and accordingly this report does not extend to that component unit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southwest Texas Junior College's internal control over financial reporting (internal control) to determine the 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 Southwest Texas Junior College's internal control. Accordingly, we do not express an opinion on the effectiveness of Southwest Texas Junior College's internal control.

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

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

Texas Public Funds Investment Act

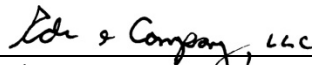
We have also performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended August 31, 2022, no instances of noncompliance were found.

Report on Compliance and Other Matters

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

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.



Ede & Company, LLC
Certified Public Accountants
Uvalde, Texas

November 30, 2022

EDE & COMPANY, LLC

Certified Public Accountants

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

Board of Trustees
Southwest Texas Junior College
2401 Garner Field Road
Uvalde, Texas 78801

Members of the Board:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Southwest Texas Junior 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 program. Our audit does not provide a legal determination of Southwest Texas Junior College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Southwest Texas Junior College's federal 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 Southwest Texas Junior 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 the Texas Single Audit Circular 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 Southwest Texas Junior College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the Texas Single Audit Circular 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 Southwest Texas Junior 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 Southwest Texas Junior College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of Southwest Texas Junior 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.

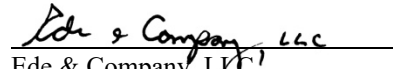
Report on Internal Control over Compliance

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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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 the Texas Single Audit Circular, this report is not suitable for any other purpose


Ede & Company, LLC
Certified Public Accountants
Uvalde, Texas

November 30, 2022

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2022**

I. Summary of the Auditor's Result

Financial Statements

The type of report issued on the financial statements of the Southwest Texas Junior College was an unqualified opinion.

Internal control over financial reporting:

- | | |
|--|---------------|
| 1. Material weakness identified | No |
| 2. Significant deficiencies identified but not considered material | None Reported |

The audit disclosed no conditions of noncompliance which are material to the financial statements of the College.

Federal Awards

Internal control over major programs:

- | | |
|--|---------------|
| 1. Material weakness identified | No |
| 2. Significant deficiencies identified but not considered material | None Reported |

The type of report the auditor issued on compliance for major programs was an unqualified opinion.

The audit disclosed no audit findings which are required to be reported under section 510(a) of Circular A-133 or section .510(a) of The State of Texas Single Audit Circular.

Major Federal Programs of the College

CARES Institutional Aid	CFDA 84.425F
CARES Student Aid	CFDA 84.425E
CARES Hispanic Serving Institutions	CFDA 84.425L
Texas Reskilling & Upskilling for Education	CFDA 84.425C
Governor's Emergency Education Relief (GEER)	CFDA 84.425C

Major State Programs of the College

Texas Educational Opportunity Grant

The dollar threshold to distinguish between Type A and Type B federal programs was \$750,000.
The dollar threshold to distinguish between Type A and Type B state programs was \$300,000.

The College was determined to be a low risk auditee for both federal and state programs.

II. Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards.

NONE

III. Findings and Question Cost for Federal and State Awards Including Audit Findings.

NONE

REQUIRED STATISTICAL SUPPLEMENTS

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 1
Net Assets by Component
Last Ten Fiscal Years
(Unaudited)

	For the Fiscal Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Invested in capital assets, net of related debt	\$ 29,605,998	\$ 20,469,635	\$ 17,459,165	\$ 16,685,819	\$ 14,347,185	\$ 12,832,542	\$ 9,818,324	\$ 3,011,230	\$ (1,498,379)	\$ 3,717,874
Restricted - expendable	3,791,170	2,184,921	2,040,470	1,934,411	1,876,251	1,608,512	3,273,205	7,559,563	11,342,268	6,110,299
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(23,517,785)	(16,289,808)	(26,635,064)	(26,608,300)	(25,691,272)	(2,545,291)	(2,475,378)	512,707	7,848,366	7,425,127
Total primary government net assets	\$ 9,879,383	\$ 6,364,748	\$ (7,135,429)	\$ (7,988,070)	\$ (9,467,836)	\$ 11,895,763	\$ 10,616,151	\$ 11,083,500	\$ 17,692,255	\$ 17,253,300

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 2
Revenue by Source
Last Ten Fiscal Years
(Unaudited)

	For the Fiscal Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	\$ 6,870,531	\$ 11,104,643	\$ 4,462,458	\$ 7,556,069	\$ 6,407,407	\$ 6,361,957	\$ 9,300,779	\$ 5,566,228	\$ 5,567,283	\$ 5,130,032
Governmental Grants and Contracts										
Federal Grants and Contracts	3,779,670	2,644,933	2,623,611	3,547,179	2,035,034	1,880,555	1,760,511	1,783,893	1,649,023	2,283,343
State Grants and Contracts	1,025,831	894,819	943,056	1,252,000	1,220,015	1,249,089	933,925	1,320,527	1,279,914	991,238
Non-Governmental Grants and Contracts	22,500	40,818	64,084	39,243	76,859	1,744	62,940	146,653	168,270	189,125
Sales and services of educational activities	8,044	2,296	11,887	20,860	25,823	24,333	35,851	28,743	23,203	26,819
Auxiliary enterprises (Net of Discounts)	707,594	1,510,839	663,155	956,099	930,993	899,221	853,216	842,153	770,428	887,173
Other Operating Revenue	4,977,357	4,083,283	1,868,220	2,078,802	2,496,980	2,170,209	2,269,990	1,946,558	1,899,408	1,955,008
Total Operating Revenues	17,391,527	20,281,631	10,636,471	15,450,252	13,193,111	12,587,108	15,217,212	11,634,755	11,357,529	11,462,738
State Appropriations	11,342,019	10,580,316	10,613,780	9,770,349	9,543,818	8,883,623	8,854,607	8,982,067	8,906,925	8,075,275
Ad Valorem Taxes	6,217,363	6,274,423	6,062,810	5,557,488	5,281,800	5,175,847	4,143,045	3,703,685	3,121,746	2,689,311
Federal Revenue, Non-operating	19,940,374	22,399,455	17,101,010	12,789,366	13,070,929	12,104,014	8,042,837	11,352,547	11,080,630	12,737,968
Investment income	104,272	29,315	97,376	112,506	84,067	43,897	39,898	83,365	44,993	68,390
Other non-operating revenues	64,259	5,136,331	38,866	114,393	104,558	155,149	101,579	74,746	1,088,287	115,399
Total Non-Operating Revenues	37,668,287	44,419,840	33,913,842	28,344,102	28,085,172	26,362,530	21,181,966	24,196,410	24,242,581	23,686,343
Total Revenues	\$ 55,059,814	\$ 64,701,471	\$ 44,550,313	\$ 43,794,354	\$ 41,278,283	\$ 38,949,638	\$ 36,399,178	\$ 35,831,165	\$ 35,600,110	\$ 35,149,081

	For the Fiscal Year Ended August 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and Fees (Net of Discounts)	12.48%	17.16%	10.02%	17.25%	15.52%	16.33%	25.55%	15.53%	15.64%	14.60%
Governmental Grants and Contracts										
Federal Grants and Contracts	6.86%	4.09%	5.89%	8.10%	4.93%	4.83%	4.84%	4.98%	4.63%	6.50%
State Grants and Contracts	1.86%	1.38%	2.12%	2.86%	2.96%	3.21%	2.57%	3.69%	3.60%	2.82%
Non-Governmental Grants and Contracts	0.04%	0.06%	0.14%	0.09%	0.19%	0.00%	0.17%	0.41%	0.47%	0.54%
Sales and services of educational activities	0.01%	0.00%	0.03%	0.05%	0.06%	0.06%	0.10%	0.08%	0.07%	0.08%
Auxiliary enterprises	1.29%	2.34%	1.49%	2.18%	2.26%	2.31%	2.34%	2.35%	2.16%	2.52%
Other Operating Revenue	9.04%	6.31%	4.19%	4.75%	6.05%	5.57%	6.24%	5.43%	5.34%	5.56%
Total Operating Revenues	31.59%	31.35%	23.88%	35.28%	31.96%	32.32%	41.81%	32.47%	31.90%	32.61%
State Appropriations	20.60%	16.35%	23.82%	22.31%	23.12%	22.81%	24.33%	25.07%	25.02%	22.97%
Ad Valorem Taxes	11.29%	9.70%	13.61%	12.69%	12.80%	13.29%	11.38%	10.34%	8.77%	7.65%
Federal Revenue, Non-operating	36.22%	34.62%	38.39%	29.20%	31.67%	31.08%	22.10%	31.68%	31.13%	36.24%
Investment income	0.19%	0.05%	0.22%	0.26%	0.20%	0.11%	0.11%	0.23%	0.13%	0.19%
Other non-operating revenues	0.12%	7.94%	0.09%	0.26%	0.25%	0.40%	0.28%	0.21%	3.06%	0.33%
Total Non-Operating Revenues	68.41%	68.65%	76.12%	64.72%	68.04%	67.68%	58.19%	67.53%	68.10%	67.39%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 3
Program Expense by Function
Last Ten Fiscal Years
(Unaudited)

For the Fiscal Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	\$ 14,737,717	\$ 14,395,557	\$ 16,041,562	\$ 16,543,033	\$ 15,468,773	\$ 14,140,392	\$ 13,887,730	\$ 13,088,671	\$ 12,385,581	\$ 12,166,721
Public service	1,264,088	1,176,980	1,177,078	1,264,399	1,265,482	1,078,951	955,087	1,015,412	1,175,159	1,151,997
Academic support	2,827,635	2,718,864	2,970,655	3,193,328	3,115,340	2,970,862	3,072,582	2,850,670	2,835,344	2,835,240
Student services	4,304,671	3,488,804	3,514,494	3,462,473	2,946,354	2,972,179	2,851,119	2,816,843	2,729,763	2,978,274
Institutional support	10,703,914	11,734,070	6,662,327	5,868,157	5,239,783	5,251,454	4,919,589	5,560,658	5,085,854	4,816,132
Operation and maintenance of plant	4,066,972	3,498,453	3,868,033	3,688,414	3,637,947	3,278,421	3,205,879	3,080,156	3,329,945	3,401,842
Scholarships and fellowships	8,851,137	10,113,815	5,324,509	4,478,972	4,352,289	4,044,557	3,979,349	4,345,218	4,220,402	4,802,594
Auxiliary enterprises	1,550,837	1,153,402	1,356,369	1,557,573	1,528,518	1,550,259	1,613,748	1,457,924	1,370,996	1,404,080
Depreciation & Amortization	2,378,907	1,819,037	1,791,444	1,662,957	1,493,545	1,284,903	1,107,660	883,763	865,463	818,353
Total Operating Expenses	50,685,878	50,098,982	42,706,471	41,719,306	39,048,031	36,571,978	35,592,743	35,099,315	33,998,507	34,375,233
Interest on capital related debt	721,988	785,959	840,727	897,906	947,087	987,594	1,071,710	982,252	826,442	676,830
Other non-operating expense	137,313	316,353	150,474	194,440	111,305	110,454	202,074	201,341	336,206	253,520
Total Non-Operating Expenses	859,301	1,102,312	991,201	1,092,346	1,058,392	1,098,048	1,273,784	1,183,593	1,162,648	930,350
Total Expenses	\$ 51,545,179	\$ 51,201,294	\$ 43,697,672	\$ 42,811,652	\$ 40,106,423	\$ 37,670,026	\$ 36,866,527	\$ 36,282,908	\$ 35,161,155	\$ 35,305,583

For the Fiscal Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	28.59%	28.12%	36.71%	38.64%	38.57%	37.54%	37.67%	36.07%	35.23%	34.46%
Public service	2.45%	2.30%	2.69%	2.95%	3.16%	2.86%	2.59%	2.80%	3.34%	3.26%
Academic support	5.49%	5.31%	6.80%	7.46%	7.77%	7.89%	8.33%	7.86%	8.06%	8.03%
Student services	8.35%	6.81%	8.04%	8.09%	7.35%	7.89%	7.73%	7.76%	7.76%	8.44%
Institutional support	20.77%	22.92%	15.25%	13.71%	13.06%	13.94%	13.34%	15.33%	14.46%	13.64%
Operation and maintenance of plant	7.89%	6.83%	8.85%	8.62%	9.07%	8.70%	8.70%	8.49%	9.47%	9.64%
Scholarships and fellowships	17.17%	19.75%	12.18%	10.46%	10.85%	10.74%	10.79%	11.98%	12.00%	13.60%
Auxiliary enterprises	3.01%	2.25%	3.10%	3.64%	3.81%	4.12%	4.38%	4.02%	3.90%	3.98%
Depreciation	4.62%	3.55%	4.10%	3.88%	3.72%	3.41%	3.00%	2.44%	2.46%	2.32%
Total Operating Expenses	98.33%	97.85%	97.73%	97.45%	97.36%	97.09%	96.54%	96.74%	96.69%	97.36%
Interest on capital related debt	1.40%	1.54%	1.92%	2.10%	2.36%	2.62%	2.91%	2.71%	2.35%	1.92%
Other non-operating expense	0.27%	0.62%	0.34%	0.45%	0.28%	0.29%	0.55%	0.55%	0.96%	0.72%
Total Non-Operating Expenses	1.67%	2.15%	2.27%	2.55%	2.64%	2.91%	3.46%	3.26%	3.31%	2.64%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(Unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year	Registration Fee	In-District Tuition	Out-of-District Fee	Technology Fees	General Use Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year	
								In-District	Out-of-District
2022 \$	8.25 \$	61.00 \$	65.00 \$	10.00 \$	24.00 \$	1,251.00 \$	2,031.00	0.00%	0.00%
2021	8.25	61.00	65.00	10.00	24.00	1,251.00	2,031.00	0.00%	0.00%
2020	8.25	61.00	65.00	10.00	24.00	1,251.00	2,031.00	5.04%	3.04%
2019	8.25	61.00	65.00	8.00	21.00	1,191.00	1,971.00	0.00%	0.00%
Spring, Sum I & II 2018	8.25	61.00	65.00	8.00	21.00	1,191.00	1,971.00	8.77%	7.88%
Fall 2018	8.25	57.00	61.00	8.00	17.00	1,095.00	1,827.00	0.00%	0.00%
2017	8.25	57.00	61.00	8.00	17.00	1,095.00	1,827.00	0.00%	0.00%
2016	8.25	57.00	61.00	8.00	17.00	1,095.00	1,827.00	5.80%	9.34%
2015	8.25	57.00	53.00	8.00	13.00	1,035.00	1,671.00	0.00%	0.00%
2014	8.25	57.00	53.00	8.00	13.00	1,035.00	1,671.00	0.00%	0.00%
2013	8.25	57.00	53.00	8.00	13.00	1,035.00	1,671.00	6.15%	7.32%

Non-Resident
Fees per Semester Credit Hour (SCH)

Academic Year	Registration Fee	Non-Resident Tuition Out-of-State	Technology Fees	General Use Fees	Cost for 12 SCH Out-of-State	Increase from Prior Year
						Out-of-State
2022 \$	8.25 \$	202.00 \$	10.00 \$	24.00 \$	2,943.00	0.00%
2021	8.25	202.00	10.00	24.00	2,943.00	0.00%
2020	8.25	202.00	10.00	24.00	2,943.00	1.66%
2019	8.25	202.00	8.00	21.00	2,883.00	0.00%
Spring, Sum I & II 2018	8.25	202.00	8.00	21.00	2,883.00	26.95%
Fall 2018	8.25	155.00	8.00	17.00	2,271.00	0.00%
2017	8.25	155.00	8.00	17.00	2,271.00	0.00%
2016	8.25	155.00	8.00	17.00	2,271.00	11.82%
2015	8.25	140.00	8.00	13.00	2,031.00	0.00%
2014	8.25	140.00	8.00	13.00	2,031.00	0.00%
2013	8.25	140.00	8.00	13.00	2,031.00	15.73%

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees, testing fees and certification fees.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(Unaudited)

Direct Rate							
Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2021-22	\$ 4,419,779,150	\$263,901,042	4,155,878,108	94.03%	\$ 0.1535	-	\$ 0.1535
2020-21	4,306,846,773	230,682,207	4,076,164,566	94.64%	0.1546	-	0.1546
2019-20	4,124,728,428	285,419,035	3,839,309,393	93.08%	0.1614	-	0.1614
2018-19	3,713,311,896	365,651,151	3,347,660,745	90.15%	0.1652	-	0.1652
2017-18	3,469,459,898	191,735,689	3,277,724,209	94.47%	0.1652	-	0.1652
2016-17	3,524,886,112	427,942,115	3,096,943,997	87.86%	0.1600	-	0.1600
2015-16	3,364,750,879	217,890,863	3,146,860,016	93.52%	0.1300	-	0.1300
2014-15	2,869,576,572	123,977,704	2,745,598,868	95.68%	0.1300	-	0.1300
2013-14	2,403,429,373	6,214,612	2,397,214,761	99.74%	0.1300	-	0.1300
2012-13	2,058,839,802	7,358,719	2,051,481,083	99.64%	0.1300	-	0.1300

Source: Local Appraisal Districts

Notes: Property is assessed at full market value

(a) per \$100 Taxable Assessed Valuation

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			State Appropriation per Contact Hour
	State Appropriation*	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a)	Total Contact Hours	
2021-22	\$ 9,189,628	7,783	\$ 1,180.73	1,569,008	990,432	2,559,440	\$ 3.59
2020-21	8,464,462	10,507	805.60	1,666,560	718,128	2,384,688	3.55
2019-20	8,464,903	10,940	773.76	1,780,781	735,088	2,515,869	3.36
2018-19	7,470,070	11,004	678.85	1,770,250	669,680	2,439,930	3.06
2017-18	7,470,217	10,160	735.26	1,761,681	659,728	2,421,409	3.09
2016-17	6,983,201	9,250	754.94	1,695,360	526,448	2,221,808	3.14
2015-16	6,972,780	8,747	797.16	1,534,527	558,912	2,093,439	3.33
2014-15	7,311,744	8,949	817.05	1,561,301	627,985	2,189,286	3.34
2013-14	7,311,744	8,638	846.46	1,567,952	480,736	2,048,688	3.57
2012-13	6,422,513	9,333	688.15	1,713,424	488,640	2,202,064	2.92

Notes:

*Includes appropriation for education and general state support

FTSE is the number of fulltime students (12+ sch) plus part-time student's semester credit hours divided by 12 for fall/spring terms or 6 for summer terms.

(a) Source: CBM001. For each term in the academic year, FTE is calculated and summed for the total AY FTSE.

(b) Source: CBM004. Academic year funded contact hours by course type.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Taxable Assessed Value (TAV) by Tax Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
AEP Texas Inc	\$ 87,374,140	\$ 79,689,890	\$ 64,008,950	\$ 68,980,210	\$ 54,083,589	\$ 44,210,251	\$ 38,034,100	\$ 49,906,127	\$ 46,935,851	\$ 33,774,866
AEP Electric Transm of TX LLP						18,112,440	19,945,842			
Bailey Four Canyon Ranch Prop Ltd									16,204,800	15,979,010
Briscoe Ranch Inc.										
Buffco Production Inc				27,950,897	22,707,260	23,629,350	52,165,310	58,417,460		
Cactus II Pipeline LLC	42,472,503	64,378,427	75,643,290	27,845,380						
CED Alamo 5 LLC	56,289,425	71,262,542	98,191,608	125,192,184	150,192,760	228,225,600	255,000,001			
Chesapeake Operating / MIDCON										58,046,498
CML Exploration LLC			33,446,270	28,672,541	24,162,240			19,503,970		24,518,473
Dan Hughes and Co.										13,596,602
DCP Sand Hills Pipeline	53,520,015	46,586,795	45,673,320	47,646,864	39,705,720	32,418,420	36,046,680	24,628,370	\$ 30,872,680	
Del Monte Foods					31,781,000	24,696,690	23,400,540	19,085,090	21,945,890	22,656,400
Exco Operating Company Inc	365,053,051	195,411,608	284,539,372	287,678,618	201,192,000	153,297,000	275,295,590	485,894,300	309,197,760	
Gray Oak Pipeline LLC	95,922,473	94,836,620	47,232,290							
Gulf Coast Express	75,549,890	73,429,070	74,400,300							
KL & L Traylor LP						12,520,980	16,697,640	26,534,780		
Lone Star NGL Pipeline LP					14,540,670	14,119,400	15,188,730			17,325,720
Martin Marietta Materials						13,474,321	15,286,273	17,522,995	17,517,567	30,205,588
OCI Alamo 5 LLC								27,886,302		
Paradigm Midstream Services					16,382,260	15,821,690	19,796,000			
Plains Pipeline	39,675,900	51,386,300	51,337,410	39,238,670	38,461,720	30,866,470	38,219,510	24,831,400		
South Texas Children's Home							18,382,030	19,302,610		
Trinidad Drilling									31,150,000	
Union Pacific Railroad	49,141,580	46,027,860	40,700,960	38,685,790	44,785,641	35,027,950	32,931,398	30,947,403	27,986,530	25,125,547
US Energy Development Corp	50,557,388	28,253,242		40,650,461	26,697,680	16,420,050				
Vulcan Construction Materials										
Wal-Mart Real Estate Business Trust					14,782,153	14,531,222	14,898,670		16,153,152	15,768,379
Whistler Pipeline LLC	91,176,450	27,898,720								
Williamson Dickie MFG Co									9,110,488	
	\$ 1,006,732,815	\$ 779,161,074	\$ 815,173,770	\$ 732,541,615	\$ 679,474,693	\$ 677,371,834	\$ 871,288,314	\$ 804,460,807	\$ 527,074,718	\$ 256,997,083
Total Taxable Assessed Value	\$ 4,155,878,108	\$ 4,076,164,566	\$ 3,839,309,393	\$ 3,347,660,745	\$ 3,277,724,209	\$ 3,096,943,997	\$ 3,146,860,016	\$ 2,745,598,868	\$ 2,397,214,761	\$ 2,051,481,083

Taxpayer	% of Taxable Assessed Value (TAV) by Tax Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
AEP Texas Inc	2.10%	1.96%	1.67%	2.06%	1.65%			1.82%	1.96%	1.65%
AEP Electric Transm of TX LLP						0.58%	0.63%			
Bailey Four Canyon Ranch Prop Ltd									0.68%	0.78%
Briscoe Ranch Inc.										
Buffco Production Inc				0.83%	0.69%	0.76%	1.66%	2.13%		
Cactus II Pipeline LLC	1.02%	1.58%	1.97%	0.83%						
CED Alamo 5 LLC	1.35%	1.75%	2.56%	3.74%	4.58%	7.37%	8.10%			
Chesapeake Operating / MIDCON										2.83%
CML Exploration LLC			0.87%	0.86%	0.74%			0.71%		1.20%
Dan Hughes and Co.										0.66%
DCP Sand Hills Pipeline	1.29%	1.14%	1.19%	1.42%	1.21%	1.05%	1.15%	0.90%	1.29%	
Del Monte Foods					0.97%	0.80%	0.74%	0.70%	0.92%	1.10%
Exco Operating Company Inc	8.78%	4.79%	7.41%	8.59%	6.14%	4.95%	8.75%	17.70%	12.90%	
Gray Oak Pipeline LLC	2.31%	2.33%	1.23%							
Gulf Coast Express	1.82%	1.80%	1.94%							
KL & L Traylor LP						0.40%	0.53%	0.97%		
Lone Star NGL Pipeline LP					0.44%	0.46%	0.48%			0.84%
Martin Marietta Materials						0.44%	0.49%	0.64%	0.73%	1.47%
OCI Alamo 5 LLC								1.02%		
Paradigm Midstream Services					0.50%	0.51%	0.63%			
Plains Pipeline	0.95%	1.26%	1.34%	1.17%	1.17%	1.00%	1.21%	0.90%		
South Texas Children's Home							0.58%	0.70%		
Trinidad Drilling									1.30%	
Union Pacific Railroad	1.18%	1.13%	1.06%	1.16%	1.37%	1.13%	1.05%	1.13%	1.17%	1.22%
US Energy Development Corp	1.22%	0.69%		1.21%	0.81%	0.53%				
Vulcan Construction Materials										
Wal-Mart Real Estate Business Trust					0.45%	0.47%	0.47%		0.67%	0.77%
Whistler Pipeline LLC	2.19%	0.68%								
Williamson Dickie MFG Co									0.38%	
Totals	24.22%	19.12%	21.23%	21.88%	20.73%	21.87%	27.69%	29.30%	21.99%	12.53%

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended August 31,	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections Year of Levy (c)	Percentage	Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2022 \$	6,159,229	\$ -	\$ 6,159,229	\$ 5,924,943	96.20%	\$ -	\$ 180,722	\$ 6,105,665	99.13%
2021	6,094,525	-	6,094,525	5,939,951	97.46%	-	198,666	6,138,617	100.72%
2020	5,980,763	90	5,980,853	5,751,702	96.17%	-	192,245	5,943,947	99.38%
2019	5,500,896	(8,913)	5,491,983	5,296,200	96.44%	-	150,841	5,447,041	99.18%
2018	5,216,087	7,029	5,223,116	5,016,667	96.05%	-	159,389	5,176,056	99.10%
2017	4,955,110	203,628	5,158,738	4,975,914	96.46%	-	115,301	5,091,215	98.69%
2016	4,096,358	(5,440)	4,090,918	3,943,932	96.41%	-	117,025	4,060,957	99.27%
2015	3,611,376	(4,709)	3,606,667	3,480,235	96.49%	-	132,514	3,612,749	100.17%
2014	3,066,916	(11,332)	3,055,584	2,925,733	95.75%	-	111,799	3,037,532	99.41%
2013	2,600,402	2,744	2,603,146	2,499,072	96.00%	-	127,025	2,626,097	100.88%

Source: Local Tax Assessor/Collector and District records.

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31 of the current reporting year.

(c) Property tax only - does not include penalties and interest.

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

(e) Represents current year collections of prior years levies.

Total Collections = c + d + e

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

For the Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other debt										
Revenue bonds	\$ 19,071,764	\$ 20,676,668	\$ 22,202,622	\$ 23,756,476	\$ 25,216,380	\$ 26,621,284	\$ 28,016,187	\$ 27,073,394	\$ 24,962,257	\$ 15,245,000
Notes	-	-	484,952	207,541	423,561	673,528	915,987	2,460,987	2,840,987	3,132,278
Lease obligations	6,650,315	-	104,832	260,279	410,951	556,997	433,638	-	18,173	58,276
Total Outstanding Debt	\$ 25,722,079	\$ 20,676,668	\$ 24,224,296	\$ 26,050,892	\$ 27,851,809	\$ 29,365,812	\$ 29,534,381	\$ 27,821,417	\$ 18,435,554	\$ 11,424,712
General Bonded Debt Ratios										
Per Capita	-	-	-	-	-	-	-	-	-	-
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt Ratios										
Per Capita	\$ 694	\$ 492	\$ 576	\$ 617	\$ 655	\$ 688	\$ 690	\$ 651	\$ 434	\$ 276
Per FTSE	2,977	1,968	2,214	2,367	2,741	3,175	3,377	3,109	2,134	1,224
As a percentage of Taxable Assessed Value	0.58%	0.51%	0.63%	0.78%	0.85%	0.95%	0.94%	1.01%	0.77%	0.56%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time equivalent enrollment.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

For the Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Taxable Assessed Value	\$ 4,419,779,150	\$ 4,306,846,773	\$ 4,124,728,428	\$ 3,713,311,896	\$ 3,469,459,898	\$ 3,524,886,112	\$ 3,364,750,879	\$ 2,869,576,572	\$ 2,403,429,373	\$ 2,058,839,802
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	22,098,896	21,534,234	20,623,642	18,566,559	17,347,299	17,624,431	16,823,754	14,347,883	12,017,147	10,294,199
Less Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	22,098,896	21,534,234	20,623,642	18,566,559	17,347,299	17,624,431	16,823,754	14,347,883	12,017,147	10,294,199
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 22,098,896	\$ 21,534,234	\$ 20,623,642	\$ 18,566,559	\$ 17,347,299	\$ 17,624,431	\$ 16,823,754	\$ 14,347,883	\$ 12,017,147	\$ 10,294,199
Net Current Requirement as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues										Debt Service Requirements			
	Tuition	Technology Fee	Registration Fees	Laboratory Fees	Community Education Fees	Interest Income	Vending Commission	Dorm Rental	Total	Principal	Interest	Total	Coverage Ratio	
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years

Calendar Year	*District Population	District Personal Income (\$1,000's)	District Personal Income per Capita	District Unemployment Rate
2021	37,089	**	**	
2020	41,993	\$ 1,551,437	\$ 41,833	7.7%
2019	42,061	1,588,417	37,798	4.8%
2018	42,233	1,529,871	36,225	5.8%
2017	42,509	1,446,541	34,005	6.6%
2016	42,697	1,463,877	34,437	8.5%
2015	42,787	1,500,112	35,060	6.4%
2014	42,755	1,312,173	28,645	7.2%
2013	42,432	1,547,351	31,451	9.6%
2012	41,391	1,288,956	31,141	9.4%

**Not available (US Bureau of Economic Analysis income reports lag one year behind census estimates)

*U.S. Census Bureau latest data in 2010; 2011 - 2020 is estimate

Sources

Population: US Census Bureau American Fact Finder

Income: US Bureau of Econ Analysis, weighted average of 3 counties

Unemployment: Bureau of Labor Statistics, weighted average of 3 counties

Taxing District: Real, Uvalde, and Zavala Co.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 13
Principal Employers
Current Fiscal Year
(Unaudited)

Employer	Number of Employees	% of Total Employment*
Southwest Texas Junior College	500-999	4%
Uvalde CISD	500-999	4%
HEB Foods	250-499	2%
VF	250-499	2%
Wal-Mart Supercenter	250-499	2%
Amistad Nursing Home Inc	100-249	1%
Axiom Home Health	100-249	1%
Chamber of Commerce	100-249	1%
La Pryor ISD	100-249	1%
Max E Mart	100-249	1%
Sabinal High School	100-249	1%
Southwest Area Regional Transit	100-249	1%
Thomas Rivera Elementaray School	100-249	1%
Crystal City ISD	100-249	1%
U. S. Border Partrol	100-249	1%
Uvalde County	100-249	1%
Zavala County	100-249	1%

Source:

Texas Labor Market Information

*Exact number of employees is confidential and not available.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal years
(Unaudited)

		Fall Semester*									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty	Full-Time	122	123	134	131	128	117	112	114	110	111
	Part-Time	48	50	62	72	61	85	61	61	64	64
	Total	170	173	196	203	189	202	173	175	174	175
Percent	Full-Time	72%	71%	68%	65%	68%	58%	65%	65%	63%	63%
	Part-Time	28%	29%	32%	35%	32%	42%	35%	35%	37%	37%
Staff & Administrators	Full-Time	223	221	222	221	224	219	219	209	212	199
	Part-Time	84	65	113	145	135	142	178	173	110	136
	Total	307	286	335	366	359	361	397	382	322	335
Percent	Full-Time	73%	77%	66%	60%	62%	61%	55%	55%	66%	59%
	Part-Time	27%	23%	34%	40%	38%	39%	45%	45%	34%	41%
FTSE per Full-time Faculty		86.1	88.9	82.1	84.0	79.3	79.0	78.1	74.8	77.5	76.8
FTSE per Full-time Staff Member		47.1	49.5	49.6	49.8	45.3	42.2	39.9	40.8	40.2	42.8
Average Annual Faculty Salary**		\$54,273	\$52,228	\$ 50,831	\$ 50,608	\$48,917	\$49,342	\$48,669	\$48,056	\$ 48,357	\$47,617

*Fiscal year data are not routinely collected; the fall semester data should be a good estimate.

** Average Annual Faculty Salaries per THECB as reported on CBM008

file://oipr/data/IPEDS/2019-2020/Human%20Resources/IPEDS_Human_Resources_Data.pdf

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(Unaudited)

Student Classification*	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours (freshmen)	4,493	76.82%	4,430	73.25%	4,820	74.03%	5,074	73.42%	5,023	72.92%
31-60 hours (sophomores)	1,084	18.53%	1,258	20.80%	1,260	19.35%	1,395	20.19%	1,376	19.98%
> 60 hours (assoc. & bacc.)	272	4.65%	360	5.95%	431	6.62%	442	6.40%	489	7.10%
Total	5,849	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%	6,888	100.00%

*excludes unclassified students

Semester Hour Load	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	138	2.32%	129	2.13%	65	1.00%	44	0.64%	77	1.12%
3-5 semester hours	2,039	34.26%	2,051	33.91%	2,013	30.92%	2,008	29.06%	1,918	27.85%
6-8 semester hours	1,777	29.86%	1,417	23.43%	1,404	21.56%	1,767	25.57%	1,794	26.05%
9-11 semester hours	1,380	23.19%	1,175	19.43%	1,217	18.69%	1,243	17.99%	1,267	18.39%
12-14 semester hours	541	9.09%	1,119	18.50%	1,485	22.81%	1,508	21.82%	1,569	22.78%
15-17 semester hours	74	1.24%	151	2.50%	295	4.53%	305	4.41%	235	3.41%
18 & over	3	0.05%	6	0.10%	32	0.49%	36	0.52%	28	0.41%
Total	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%	6,888	100.00%

Average course load	7.1	7.1	8.5	7.8	8.2
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Tuition Status*	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	997	16.89%	1,146	19.11%	1,298	20.14%	1,432	21.01%	1,517	22.35%
Texas Resident (Out-of-District)	4,785	81.07%	4,726	78.82%	4,969	77.09%	5,249	77.00%	5,032	74.13%
Non-Resident Tuition	120	2.03%	124	2.07%	179	2.78%	136	2.00%	239	3.52%
Total	5,902	100.00%	5,996	100.00%	6,446	100.00%	6,817	100.00%	6,788	100.00%

*excludes waivers

Source: CBM001

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(Unaudited)

Gender	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,495	58.72%	3,662	60.55%	3,906	59.99%	4,102	59.35%	4,051	58.81%
Male	2,457	41.28%	2,386	39.45%	2,605	40.01%	2,809	40.65%	2,837	41.19%
Total	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%	6,888	100.00%

Ethnic Origin	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	531	8.92%	614	10.15%	670	10.29%	747	10.81%	741	10.76%
Hispanic	5,228	87.84%	5,240	86.64%	5,637	86.58%	5,902	85.40%	5,885	85.44%
African American	37	0.62%	33	0.55%	33	0.51%	61	0.88%	66	0.96%
Asian	24	0.40%	25	0.41%	29	0.45%	26	0.38%	22	0.32%
Foreign	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Native American	24	0.40%	22	0.36%	20	0.31%	31	0.45%	38	0.55%
Other	108	1.81%	114	1.88%	122	1.87%	144	2.08%	136	1.97%
Total	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%	6,888	100.00%

Age	Fall 2022		Fall 2021		Fall 2020		Fall 2019		Fall 2018	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	3,253	54.65%	3,946	65.24%	3,603	55.34%	3,467	50.17%	3,164	45.93%
18-21	1,659	27.87%	1,146	18.95%	1,763	27.08%	2,120	30.68%	2,240	32.52%
22-24	351	5.90%	251	4.15%	359	5.51%	437	6.32%	453	6.58%
25-35	470	7.90%	505	8.35%	573	8.80%	634	9.17%	720	10.45%
36-50	191	3.21%	184	3.04%	182	2.80%	228	3.30%	277	4.02%
51 +	28	0.47%	16	0.26%	31	0.48%	25	0.36%	34	0.49%
Total	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%	6,888	100.00%

Average Age	18.1	18.1	19	19.9	19.9
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Source: CBM001

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 17
Transfers to Senior Institutions
SWTJC Students Found as First-Time Transfers In Fall 2019
(Includes only public senior colleges in Texas)

	Transfer Student Count					Total of all SWTJC Transfer Students	% of all SWTJC Transfer Students
	Associate Degree Academic	Associate Degree Technical	Certificate	No Award	Core Completion		
Angelo State University	9	0	0	5	6	14	4%
Sul Ross State University - Rio Grande College	103	4	1	35	76	143	40%
Sul Ross State University	3	1	0	3	4	7	2%
Texas A&M International University	8	0	0	4	5	12	3%
Texas A&M University at Corpus Christi	2	0	0	4	3	6	2%
Texas A&M University	3	0	0	5	2	8	2%
Texas A&M University at Kingsville	2	2	0	3	2	7	2%
Texas A&M University at San Antonio	4	1	0	9	4	14	4%
Texas State University	14	0	0	15	9	29	8%
Texas Tech University	4	0	0	3	3	7	2%
University of Texas at Arlington	3	3	1	0	3	7	2%
University of Texas at San Antonio	26	1	0	42	23	69	19%
Other Public 4-Year Institution	16	1	2	14	11	33	9%
Totals	197	13	4	142	151	356	100%

Source:

THECB Transfer Report http://www.txhighereddata.org/reports/performance/ctctransfer/inst.cfm?inst=003614&report_type=2&report_yr=2019

Students reported here completed at least 30 hours with SWTJC in the six years prior to their initial enrollment at the listed institution in Fall 2019. Fall 2019 is the most current data available.

* Core curriculum completers were run separately from other types of awards. They are not included in the total.

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2016 to 2022

	Fiscal Year						
	2022	2021	2020	2019	2018	2017	2016
Academic buildings	38	38	38	38	38	38	36
Square footage	493,125	493,125	493,125	493,125	493,125	493,125	315,506
Libraries	4	4	4	4	4	4	3
Square footage	35,388	35,388	35,388	35,388	35,388	35,388	34,116
Administrative and support buildings	17	17	17	17	17	17	7
Square footage	63,380	63,380	63,380	63,380	63,380	63,380	58,100
Dormitories	2	2	2	2	2	2	2
Square footage	50,146	50,146	50,146	50,146	50,146	50,146	50,146
Number of beds	251	251	251	251	251	251	256
Dining facilities*	3	3	3	3	3	3	1
Square footage	37,770	37,770	37,770	37,770	37,770	37,770	35,770
Average daily customers	650	650	650	650	650	650	600
Athletic facilities	2	2	2	2	2	2	2
Square footage	38,338	38,338	38,338	38,338	38,338	38,338	38,338
Plant facilities	5	5	5	5	5	5	4
Square footage	19,391	19,391	19,391	19,391	19,391	19,391	18,482
Transportation							
Cars/vans	43	38	37	37	36	36	39
Light trucks/other	39	38	37	36	41	38	37

* Includes all of student center

Data includes property leased from SWTJC Foundation, Inc.

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