

Southwest Texas Junior College



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

For the Year Ended August 31, 2023

**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, 2023

**SOUTHWEST TEXAS JUNIOR COLLEGE
2023 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



December 6, 2023

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 2023. A discussion and analysis of the college's financial statements provide an overview of the financial activities for the fiscal year ended August 31, 2023.

The college continues to experience enrollment growth. The long-term goal of expanding technical programs continues to gain momentum. The State Legislature awarded the college \$5 million to expand technical programs during the next two years. We have leveraged an additional \$5 million from our reserves to accelerate this expansion. The addition of Cyber Security and Surgery Tech programs along with the expansion of Diesel, Automotive, Air Conditioning and Refrigeration, Professional Truck Driving, and Lineman Programs will greatly increase the job opportunities within our 11-county service area.

In addition, the college received a multi-million-dollar Title V grant from the Department of Education to strengthen our mental health and food insecurities aid to our students. This grant will enhance dorm kitchens, student food pantries, and access to mental health resources on each of our campuses.

We believe our commitment to be the education leaders for the Southwest region of Texas will continue to serve as 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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December 6, 2023

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, 2023, 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 2023 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, 2023.

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 2022 - 2023

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
Dr. Randa Schell	Chief of Staff
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

Eric Ede, CPA
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, 2023, and 2022, 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, 2023, and 2022, 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.

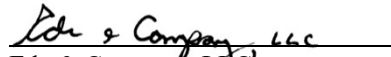
Other Information

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

December 6, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

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 \$11,644,839 (15%). Of the College's total assets, \$50,935,648 (64%), 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, 2023

Southwest Texas Junior College's Net Position

	Year Ended 2023	Year Ended 2022	Year Ended 2021
Assets			
Current Assets	\$ 23,334,041	\$ 25,948,478	\$ 22,971,587
Restricted Cash and Cash Equivalents	462,585	1,406,354	674,726
Endowment Investments	2,682,822	2,268,636	2,259,251
Capital Assets	50,935,648	48,677,762	41,146,300
Other Noncurrent Investments	1,995,730	1,960,688	1,960,506
Total Assets	<u>79,410,826</u>	<u>80,261,918</u>	<u>69,012,370</u>
Deferred Outflows of Resources	<u>7,459,231</u>	<u>6,894,382</u>	<u>9,599,102</u>
Liabilities			
Current Liabilities	10,954,819	10,562,429	9,330,611
Noncurrent Liabilities	54,089,206	55,100,840	53,553,485
Total Liabilities	<u>65,044,025</u>	<u>65,663,269</u>	<u>62,884,096</u>
Deferred Inflows of Resources	<u>10,181,193</u>	<u>11,613,648</u>	<u>9,362,628</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	26,923,408	22,955,683	20,469,635
Restricted - Expendable - Debt Service	1,330,611	2,086,726	1,283,421
Restricted - Expendable - Student Aid	1,900,818	1,705,444	901,500
Restricted - Expendable - Maintenance Note	-	-	-
Restricted - Expendable - Revenue Bond	-	-	-
Unrestricted	16,110,222	17,259,907	17,955,439
Unrestricted Pension, OPEB, & Leases	(34,620,220)	(34,128,377)	(34,245,247)
Total Net Position	<u>\$ 11,644,839</u>	<u>\$ 9,879,383</u>	<u>\$ 6,364,748</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2023

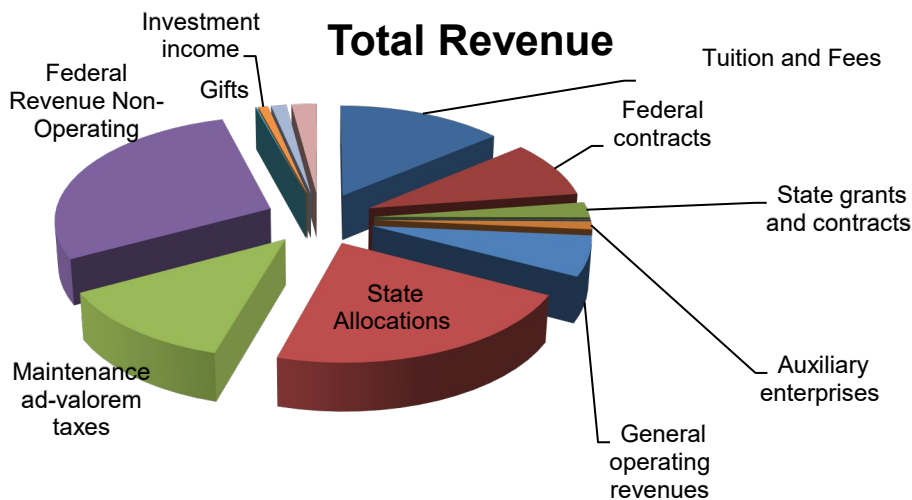
For the year ended August 31, 2023, operations of Southwest Texas Junior College were primarily supported by appropriations from the state's general fund and tuition and fee revenue. Effective as of the 2006 fiscal year, state appropriations are reported as non-operating revenue. Total revenue is supplemented 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 \$6,600,876 in the current year as compared to \$6,217,363 for the year ended August 31, 2022, and \$6,274,423 for the year ended August 31, 2021, listed as non-operating revenue.

State appropriations including restricted insurance and retirement payments totaled \$11,345,357 (22%), \$11,342,019 (21%), and \$10,580,316 (17%), tuition and fees totaled \$7,247,708 (14%), \$6,870,531 (13%), and \$11,104,643 (17%), and federal grants and contracts totaled \$19,483,645 (38%), \$23,720,044 (44%), and \$25,044,388 (39%) all for years ended August 31, 2023, 2022, and 2021, respectively.

Instruction continues to be the largest component of operating expenses at \$15,763,989 (32%), in the current year as compared to the year ended August 31, 2022, of \$14,737,717 (29%) and the year ended August 31, 2021, of \$14,395,557 (29%).

Scholarships in the amount of \$5,421,721 (11%) in the current year compared to the year ended August 31, 2022, amount of \$8,851,137 (17%), and the year ended August 31, 2021, amount of \$10,113,815 (17%), passed through to students after being applied to tuition and fees. Included in operating expenses is depreciation of \$2,772,148 in the current year, \$2,378,907 for the year ended August 31, 2022, and \$1,819,037 for the year ended August 31, 2021, which represent non-cash expenses.

For the year ended August 31, 2023, the result of operations was an operating loss of \$31,996,260 compared to the year ended August 31, 2022, amount of operating loss \$33,294,351 and the year ended August 31, 2021, amount of operating loss \$29,817,351. The current year operating loss combined with the current year net non-operating revenue of \$33,761,716 results in an increase in net position of \$1,765,456.

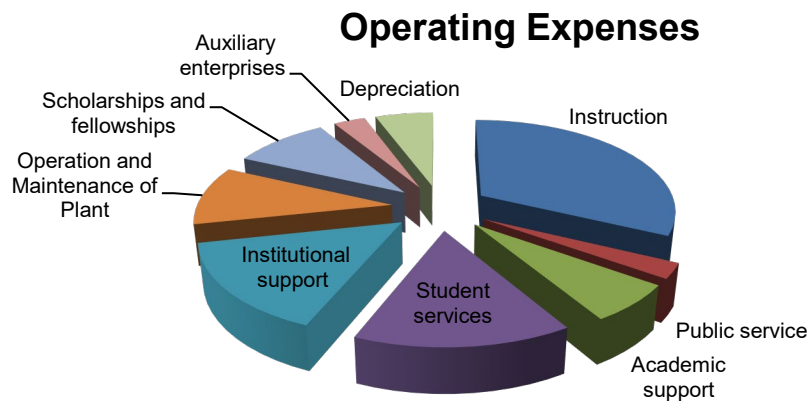


MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

Southwest Texas Junior College's Change in Net Assets

Operating Revenues	FY 2023	FY 2022	FY 2021
Tuition and Fees (net of discounts of \$12,120,557;\$11,327,041;\$9,019,224)	\$ 7,247,708	\$ 6,870,531	\$ 11,104,643
Federal grants and contract	4,584,376	3,779,670	2,644,933
State grants and contracts	1,236,672	1,025,831	894,819
Non-governmental grants and contracts	57,590	22,500	40,818
Sales and services of educational activities	11,883	8,044	2,296
Auxiliary enterprises (net of discounts of \$279,956; \$196,994;\$-0-)	639,298	707,594	1,510,839
General operating revenues	<u>3,244,063</u>	<u>4,977,357</u>	<u>4,083,283</u>
Total Operating Revenues (Schedule A)	<u>17,021,590</u>	<u>17,391,527</u>	<u>20,281,631</u>
Operating Expenses			
Instruction	15,763,989	14,737,717	14,395,557
Public Service	1,298,176	1,264,088	1,176,980
Academic support	3,183,576	2,827,635	2,718,864
Student services	5,214,476	4,304,671	3,488,804
Institutional support	8,819,474	10,703,914	11,734,070
Operation and maintenance of plant	5,032,602	4,066,972	3,498,453
Scholarships and fellow ships	5,421,721	8,851,137	10,113,815
Auxiliary enterprises	1,511,688	1,550,837	1,153,402
Depreciation	<u>2,772,148</u>	<u>2,378,907</u>	<u>1,819,037</u>
Total Operating Expenses (Schedule B)	<u>49,017,850</u>	<u>50,685,878</u>	<u>50,098,982</u>
Operating Loss	(31,996,260)	(33,294,351)	(29,817,351)
Non-Operating Revenues (Expenses)			
State Allocations	11,345,357	11,342,019	10,580,316
Maintenance ad-valorem taxes	6,600,876	6,217,363	6,274,423
Federal Revenue, Non-Operating	14,899,269	19,940,374	22,399,455
Gifts	63,784	64,259	5,020,196
Investment income	422,235	104,272	29,315
Interest on Capital related debt	(665,619)	(721,988)	(785,959)
Other non-operating revenues	<u>1,095,814</u>	<u>(137,313)</u>	<u>(200,218)</u>
Net Non-Operating Revenues (Schedule C)	<u>33,761,716</u>	<u>36,808,986</u>	<u>43,317,528</u>
Increase (Decrease) in Net Assets	1,765,456	3,514,635	13,500,177
Net Assets			
Net Assets - Beginning of Year	<u>9,879,383</u>	<u>6,364,748</u>	<u>(7,135,429)</u>
Net Assets - End of Year	<u>\$ 11,644,839</u>	<u>\$ 9,879,383</u>	<u>\$ 6,364,748</u>



MANAGEMENT'S DISCUSSION AND ANALYSIS

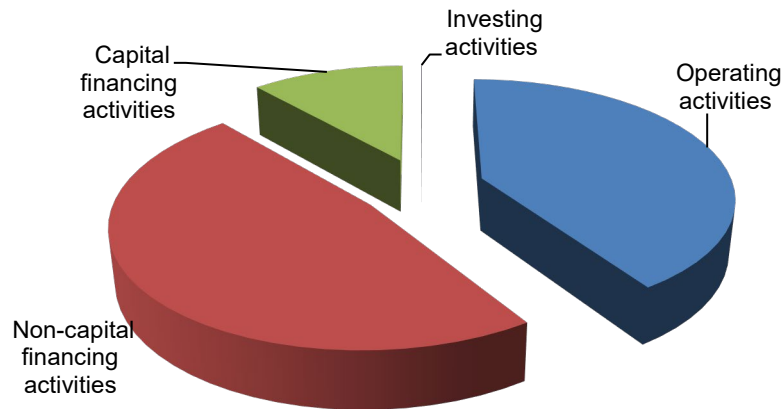
August 31, 2023

Cash and cash equivalents decreased during the current fiscal year by \$2,907,538. Cash was used by operating activities in the amount of \$26,135,370. Cash was provided from non-capital financing activities in the amount of \$30,660,317. Cash was used in capital and related financing activities in the amount of \$7,405,492. Cash was used by investing activities in the amount of \$26,993.

Southwest Texas Junior College's Statement of Cash Flows

	2023	2022	2021
Net cash used by operating activities	\$ (26,135,370)	\$ (29,767,362)	\$ (26,337,797)
Net cash provided by non-capital financing activities	30,660,317	37,052,763	43,275,462
Net cash provided/ (used) by capital and related financing activities	(7,405,492)	(5,586,946)	(6,205,547)
Net cash provided/(used) by investing activities	<u>(26,993)</u>	<u>94,705</u>	<u>(66,598)</u>
Increase (decrease) in cash and cash equivalents	(2,907,538)	1,793,160	10,665,520
Cash and Cash equivalents at beginning of year	<u>19,069,385</u>	<u>17,276,225</u>	<u>6,610,705</u>
Cash and cash equivalents at end of year	<u>\$ 16,161,847</u>	<u>\$ 19,069,385</u>	<u>\$ 17,276,225</u>

Cash Flows By Activity



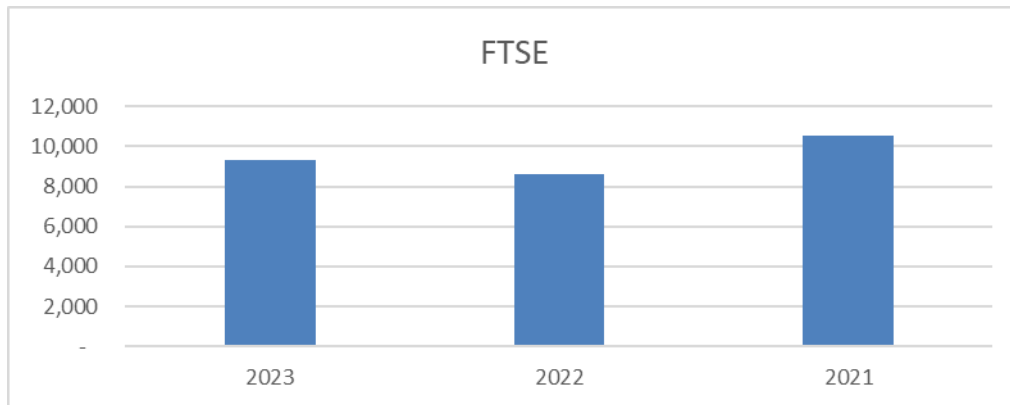
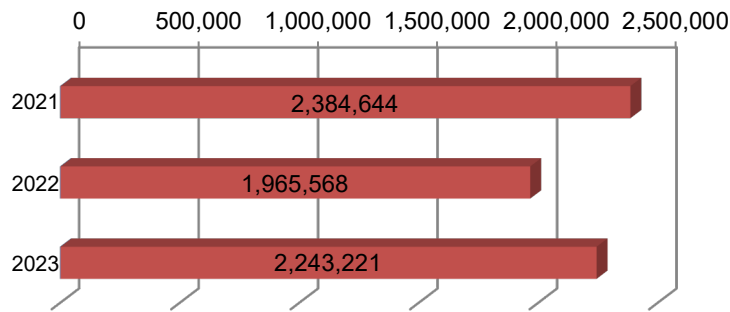
MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

Full time student equivalent enrollment increased 8%, while contact hours in academic and technical programs both increased by 14% in the 2023 fiscal year.

	FTSE	Contact Hours
2021	10,507	2,384,644
2022	8,641	1,965,568
2023	9,303	2,243,221

Contact Hours



MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

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, 2023, SWTJC recorded a depreciation expense of \$2,772,148, \$2,378,907 in the fiscal year ended August 31, 2022, and \$1,819,037 in the fiscal year ended August 31, 2021. 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, 2023

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

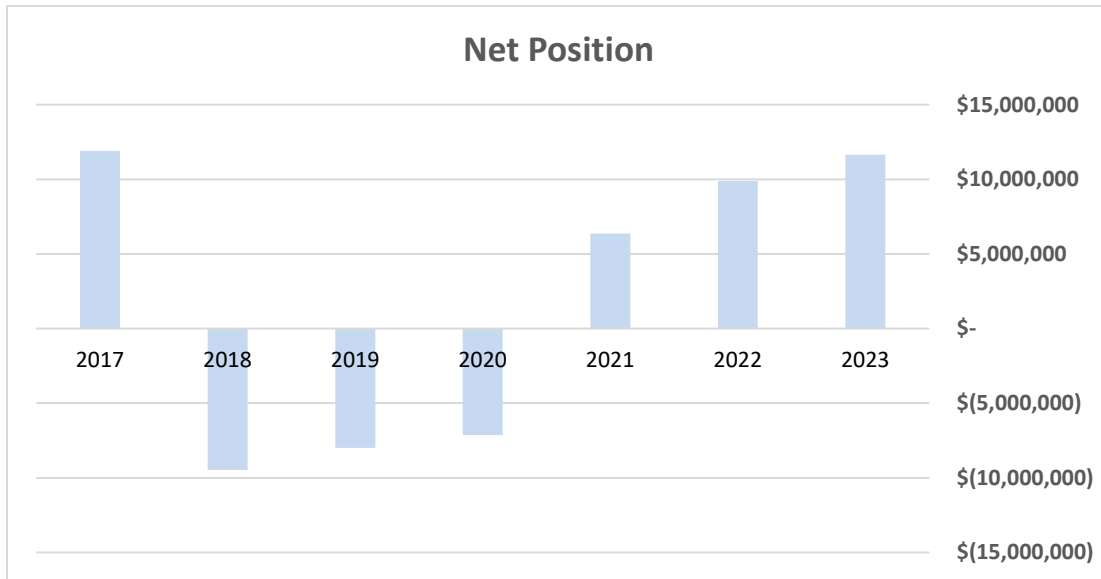
In 2002, in accordance with GASB 34-35, Southwest Texas Junior College began reporting Net Position by Source and Availability. Until 2007, the College reported Endowment Funds as Other Restricted Funds. Starting with the year 2007, these Endowment Funds were correctly reported in the Unrestricted category as Quasi Unrestricted (restrictions self-imposed by the Board of Trustees). For the year 2023, Endowment Funds amounted to \$2,283,730.

Unrestricted assets for the year 2023 were \$(18,509,998) as compared to \$(16,868,471) in 2022. 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 \$6,982,823, the health insurance liability was \$27,614,730, and lease liability of \$22,667 making a combined liability of \$34,620,220 for 2023 and the combined liability was \$34,128,377 in 2022.

Year	Net Capital Assets	Change in Net Position						
		Restricted for:				Unrestricted	Total	Net Change
		Unused Bond	Expendable					
			Debt Service	Student Aid	Other			
2023	\$ 26,923,408	-	\$ 1,330,611	\$ 1,900,818	\$ -	\$ (18,509,998)	\$ 11,644,839	\$ 1,765,456
2022	22,955,683	-	2,086,726	1,705,445	-	(16,868,471)	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

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023



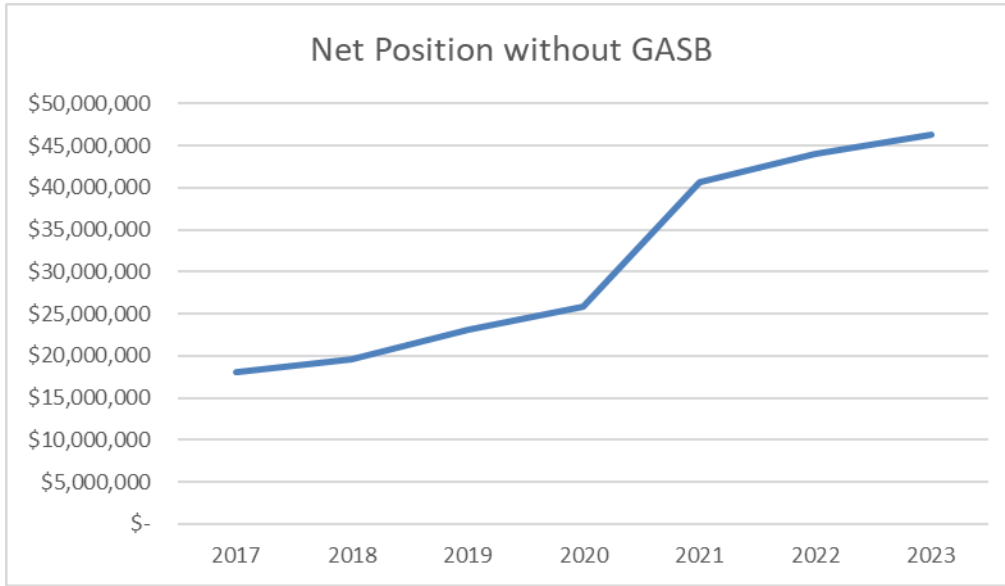
Other Conditions and Factors

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 2022 to 2023 of \$2,257,299.

Year	Net Capital Assets	Change in Net Position Without GASB 68, 75, & 87						Total	Net Change
		Restricted for:				Unrestricted			
		Unused Bond	Expendable		Other	Endowment			
		Debt Service	Student Aid						
2023	\$ 26,923,408	\$ -	\$ 1,330,611	\$ 1,900,818	\$ 13,826,492	\$ 2,283,730	\$ 46,265,059	\$ 2,257,299	
2022	22,955,683	-	2,086,726	1,705,445	15,034,366	2,225,540	44,007,760	3,397,765	
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	

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023



Fund Balances Without GASB 68, 75, & 87

	2017	2018	2019	2020	2021	2022	2023
Unrestricted	\$1,021,702	\$1,300,405	\$2,346,125	\$4,238,402	\$15,747,320	\$15,034,367	\$13,826,492
Endowments	2,591,076	2,141,790	2,137,805	2,147,829	2,208,119	2,225,540	2,283,730
Restricted	1,608,512	1,876,251	1,934,411	2,040,470	2,184,921	3,792,170	3,231,429
Capital Assets	12,832,542	14,347,185	16,685,819	17,459,165	20,469,635	22,955,683	26,923,408
Total	<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>44,007,760</u>	<u>46,265,059</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, 2023

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: The year 2023 saw the elimination of mandatory protocols, fully opened 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, 2023, the College had distributed the entire amount 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, 2023, the College had spent the remainder of the funds remaining from last year on air quality projects and lost revenue.

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.

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, and offered both internal Innovation Grants and an amount for Institutional Projects available for additional instructional and/or student success initiatives. As of August 31, 2023, \$920,124.56 of the gift had been spent on innovation grants, scholarships, enhanced campus security, and other Board approved institutional projects.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

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, 2021, and 2023, the College was recognized as one of the top ten percent of community colleges. During the 2023 year, SWTJC was invited (as one of only 150 community colleges in the United States) to apply for the 2025 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.

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 2023, the College committed funds from this grant to enhance online class instruction and structure.

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.

Title V - Developing Hispanic Serving Institutions Grant: In 2023, the College was awarded this grant to accomplish three objectives: (1) Improve academic and student support services for underserved students to meet social, emotional, and academic needs.; (2) Increase the access, affordability, completion, and post-enrollment success of underserved students; and (3) Improve and upgrade data & technology to support initiatives. The grant is in the amount of \$2.6 million over a 5-year period.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

Partnerships: SWTJC continues to partner 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 2023 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 2023, the College focused its facility teams on deferred maintenance issues such as renovations, heating and air-conditioning units, roof repair, and upgrading network capabilities. The Witt building air circulation upgrade was completed and roof projects for Eagle Pass Building C and Uvalde La Forge Gym were finished. New projects started during the year were the Diesel Expansion and Welding Project both at the Chittim Technical Campus in Eagle Pass. In addition, the Law Enforcement Academy modular building project was nearing completion at the end of the year.

Future Tech Expansion: With \$5 million in State Appropriations specifically designated to expand technical programs and an additional Board approved \$5 million leveraged from reserves, the College plans to expand Professional Truck Driving and Diesel Technology to Uvalde. Also, the relocation of the Eagle Pass Powerline Tech and Professional Truck Driving are planned to usher in the expansion of the Eagle Pass Automotive and HVAC.

State Appropriations: For the year ending August 31, 2023, State Appropriations were in the second year of the biennium and on par with the previous year. However, in June of 2023, the 88th Legislative session codified an innovative new model to fund community colleges in Texas. This new model is an outcomes-based approach and rewards colleges for awarding degrees, certificates, and other “credentials of value.” For 2023-2024, base tier funding of \$3,045,322 and performance funding of \$11,514,304 represent an increase of almost \$5.4 million over prior year funding. In addition, the college requested and received \$5 million from State Appropriations to expand technical programs over a two-year period as mentioned above. This will be transformational.

Enrollment: The College had an increase both in enrollment (fulltime student equivalent or FTSE) and contact hours. This trend is expected to continue with the offering of new programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2023

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, 2023 and August 31, 2022

ASSETS	<u>FY2023</u>	<u>FY2022</u>
Current Assets:		
Cash and cash equivalents	\$ 15,699,262	\$ 17,663,031
Accounts receivable (net of \$1,484,336; \$1,390,119)	5,884,481	6,715,316
Taxes receivable (net of \$79,415; \$85,544)	599,112	524,721
Inventories	6,265	18,414
Prepaid expenses	1,144,921	1,026,996
Total Current Assets	<u>23,334,041</u>	<u>25,948,478</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	462,585	1,406,354
Endowment investments	2,682,822	2,268,636
Other long-term investments	1,995,730	1,960,688
Capital assets (net of \$29,891,662; \$27,119,514)	50,935,648	48,677,762
Total Noncurrent Assets	<u>56,076,785</u>	<u>54,313,440</u>
Total Assets	<u>79,410,826</u>	<u>80,261,918</u>
Deferred Outflows of Resources		
Deferred Outflows - Pensions	3,992,893	2,325,543
Deferred Outflows - OPEB	3,466,338	4,568,839
Total Outflows of Resources	<u>7,459,231</u>	<u>6,894,382</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	756,391	1,374,647
Accrued liabilities	255,308	279,856
Deposits	303,394	298,769
Unearned revenues	7,439,643	6,584,510
Notes payable - current portion	255,000	250,000
Lease payable - current portion	360,091	359,743
Subscriptions payable - current portion	115,088	-
Bonds payable - current portion	1,469,904	1,414,904
Total Current Liabilities	<u>10,954,819</u>	<u>10,562,429</u>
Noncurrent Liabilities:		
Lease payable	5,967,227	6,290,572
Subscriptions payable	162,974	-
Notes payable	-	255,000
Bonds payable	15,681,956	17,151,860
Net Pension Liability	9,742,318	4,062,336
Net OPEB Liability	22,534,731	27,341,072
Total Noncurrent Liabilities	<u>54,089,206</u>	<u>55,100,840</u>
Total Liabilities	<u>65,044,025</u>	<u>65,663,269</u>
Deferred Inflows of Resources		
Deferred Inflows - Pensions	1,233,398	5,080,306
Deferred Inflows - OPEB	8,546,337	4,559,452
Deferred Inflows - Leases	401,458	1,973,890
Total Inflows of Resources	<u>10,181,193</u>	<u>11,613,648</u>
NET POSITION		
Invested in capital assets, net of related debt	26,923,408	22,955,683
Restricted for:		
Expendable		
Debt service	1,330,611	2,086,726
Revenue bond	-	-
Student aid	1,900,818	1,705,444
Unrestricted	(18,509,998)	(16,868,470)
Total Net Position (Schedule D)	<u>\$ 11,644,839</u>	<u>\$ 9,879,383</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, 2023**

	August 31, 2023	August 31, 2022
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 523,342	\$ 495,168
Accounts receivable	-	-
Short-term Investments	475,965	463,588
Total current assets	999,307	958,756
<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	10,416,334	10,416,334
Improvements	822,140	822,140
Furniture and fixtures	19,387	19,387
	14,006,522	14,006,522
Less accumulated depreciation	6,545,081	6,249,786
Net property and equipment	7,461,441	7,756,736
TOTAL ASSETS	\$ 8,860,748	\$ 9,115,492
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	177,125	192,425
Total current liabilities	322,595	337,895
<u>Long-term liabilities</u>		
Long-term debt, less current maturities		
Notes payable	88,099	271,331
Total liabilities	410,694	609,226
Net assets - Permanently restricted	8,450,054	8,506,266
TOTAL LIABILITIES AND NET ASSETS	\$ 8,860,748	\$ 9,115,492

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, 2023 and August 31, 2022

Operating Revenues	<u>FY2023</u>	<u>FY2022</u>
Tuition and fees (net of discounts of \$12,120,557; \$11,327,041)	\$ 7,247,708	\$ 6,870,531
Federal grants and contracts	4,584,376	3,779,670
State grants and contracts	1,236,672	1,025,831
Non-governmental grants and contracts	57,590	22,500
Sales and services of educational activities	11,883	8,044
Auxiliary enterprises (net of discounts of \$279,956; \$196,994)	639,298	707,594
General operating revenues	<u>3,244,063</u>	<u>4,977,357</u>
Total Operating Revenues (Schedule A)	<u><u>17,021,590</u></u>	<u><u>17,391,527</u></u>
Operating Expenses		
Instruction	15,763,989	14,737,717
Public service	1,298,176	1,264,088
Academic support	3,183,576	2,827,635
Student services	5,214,476	4,304,671
Institutional support	8,819,474	10,703,914
Operation and maintenance of plant	5,032,602	4,066,972
Scholarships and fellowships	5,421,721	8,851,137
Auxiliary enterprises	1,511,688	1,550,837
Depreciation & Amortization	<u>2,772,148</u>	<u>2,378,907</u>
Total Operating Expenses (Schedule B)	<u><u>49,017,850</u></u>	<u><u>50,685,878</u></u>
Operating Loss	<u><u>(31,996,260)</u></u>	<u><u>(33,294,351)</u></u>
Non-Operating Revenues (Expenses)		
State Allocations	11,345,357	11,342,019
Maintenance ad-valorem taxes	6,600,876	6,217,363
Federal Revenue, Non Operating	14,899,269	19,940,374
Gifts	63,784	64,259
Investment income	422,235	104,272
Interest on capital related debt	(665,619)	(721,988)
Other non-operating revenues (expenses)	<u>1,095,814</u>	<u>(137,313)</u>
Net Non-Operating Revenues (Schedule C)	<u><u>33,761,716</u></u>	<u><u>36,808,986</u></u>
Increase (Decrease) in Net Position	<u><u>1,765,456</u></u>	<u><u>3,514,635</u></u>
Net Position		
Net Position - Beginning of Year	<u>9,879,383</u>	<u>6,364,748</u>
Net Position - End of Year	<u><u>\$ 11,644,839</u></u>	<u><u>\$ 9,879,383</u></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, 2023 and August 31, 2022**

	August 31, 2023 Permanently Restricted	August 31, 2022 Permanently Restricted
<u>Support and Revenues:</u>		
Revenue:		
Donation	\$ 979	\$ 380,000
Rental income	238,800	238,800
Interest income	22,268	15,688
Gain/(Loss) on Investments	7,859	(54,230)
Total support and revenue	269,906	580,258
<u>Expenses:</u>		
Depreciation	295,295	295,295
Interest	27,680	25,616
Miscellaneous	3,143	775
Total expenses	326,118	321,686
Change in net assets	(56,212)	258,572
Net assets, beginning of year	8,506,266	8,247,694
Net assets, end of year	\$ 8,450,054	\$ 8,506,266

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

SOUTHWEST TEXAS JUNIOR COLLEGE
Statement of Cash Flows
Years Ended August 31, 2023 and August 31, 2022

	<u>FY2023</u>	<u>FY2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from student and other customers	\$ 9,589,482	\$ 6,428,599
Receipts from grants and contracts	5,878,638	4,828,001
Other receipts	3,244,063	4,977,357
Payment to or on behalf of employees	(25,445,747)	(23,462,663)
Payment to suppliers for goods or services	(14,813,905)	(13,687,519)
Payment of scholarships	(4,587,901)	(8,851,137)
Net cash provided (used) by operating activities	<u>(26,135,370)</u>	<u>(29,767,362)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	9,198,628	9,198,628
Ad valorem tax revenue	6,526,485	6,109,388
Receipts from non operating federal revenue	14,899,269	19,940,374
Other non-operating revenue	35,935	1,804,373
Net cash provided (used) by non-capital financing	<u>30,660,317</u>	<u>37,052,763</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from lease payable	40,342	6,903,183
Proceeds from subscriptions	488,869	-
Purchases of capital assets	(5,030,034)	(9,910,369)
Payments on capital debt, leases & subscriptions -- principal	(2,239,050)	(1,857,772)
Payments on capital debt, leases & subscriptions -- interest	(665,619)	(721,988)
Net cash provided (used) by capital and related financing activities	<u>(7,405,492)</u>	<u>(5,586,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of investments	4,912,000	4,622,000
Receipts from interest	422,235	104,272
Purchase of investments	(5,361,228)	(4,631,567)
Net cash provided (used) by investing activities	<u>(26,993)</u>	<u>94,705</u>
Increase (decrease) in cash and cash equivalents	(2,907,538)	1,793,160
Cash and cash equivalents - Beginning of Year	<u>19,069,385</u>	<u>17,276,225</u>
Cash and cash equivalents - End of Year	<u>\$ 16,161,847</u>	<u>\$ 19,069,385</u>
Reconciliation of operating income (loss) to net cash provided (used)		
by operating activities:		
Operating income (loss)	\$ (31,996,260)	\$ (33,294,351)
Adjustment to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	2,772,148	2,378,907
Prior period adjustment	-	-
Bad debt expense	200,916	(48,776)
Payments made directly by state for benefits	2,146,729	2,143,391
Changes in assets and liabilities		
Receivables, net	629,919	(1,426,348)
Inventories	12,149	8,243
Prepaid expenses	(117,925)	(340,503)
Accounts payable	(618,256)	501,134
Accrued liabilities	(24,548)	(6,613)
Deposits	4,625	12,884
Unearned revenue	855,133	304,670
Net cash provided (used) by operating activities	<u>\$ (26,135,370)</u>	<u>\$ (29,767,362)</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, 2023 and August 31, 2022**

	August 31, 2023	August 31, 2022
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ (56,212)	\$ 258,572
Add (deduct) items not affecting cash:		
Loss/(Gain) on Investment	(7,859)	54,230
Depreciation	295,295	295,295
Net cash provided by operating activities	231,224	608,097
<u>Cash flow from investing activities:</u>		
Used for purchase of Land	-	-
Proceeds from maturity of short-term investments	(4,518)	(50,145)
Net cash used in investing activities	(4,518)	(50,145)
<u>Cash flow from financing activities:</u>		
Principal payments of long-term debt	(198,532)	(200,595)
Net cash provided by financing activities	(198,532)	(200,595)
Net increase in cash and cash equivalents	28,174	357,357
Cash and cash equivalents - beginning of year	495,168	137,811
Cash and cash equivalents - end of year	\$ 523,342	\$ 495,168

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

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

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, 2023

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, 2023**

2. Summary of Significant Accounting Policies (Continued)

Inventories

Inventories consist of consumable office 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 \$6,907,866 and \$6,058,746 have been reported as unearned revenues at August 31, 2023 and August 31, 2022, 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, 2023

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, 2023**

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, 2023	<u>SWTJC</u>	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 5,559,262	\$ 523,342
Time Deposits	10,110,000	-
Petty Cash on Hand	<u>30,000</u>	<u>-</u>
Total Current Cash and Deposits	<u>15,699,262</u>	<u>523,342</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	211,860	-
Demand Deposits - Endowments	250,725	-
Time Deposits	<u>-</u>	<u>400,000</u>
Total Noncurrent Cash and Deposits	<u>462,585</u>	<u>400,000</u>
 Total Cash and Deposits	 <u>\$ 16,161,847</u>	 <u>\$ 923,342</u>
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>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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, 2023**

4. Deposits and Investments (Continued)

Reconciliation of Deposits and Investments to Exhibit 1

<u>Type of Security</u>	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Real Estate Investment	\$ 13,093	\$ 13,093
Corporate Stocks	460,255	424,311
Other Investments	65,204	51,920
Total Cash and Deposits	16,161,847	19,069,385
Total Certificates of Deposits	<u>4,140,000</u>	<u>3,740,000</u>
	<u>\$ 20,840,399</u>	<u>\$ 23,298,709</u>
Cash and Cash Equivalents (Exhibit 1)	\$ 15,699,262	\$ 17,663,031
Restricted Cash and Cash Equivalents (Exhibit 1)	462,585	1,406,354
Endowment Investments (Exhibit 1)	2,682,822	2,268,636
Other Long-Term Investments (Exhibit 1)	<u>1,995,730</u>	<u>1,960,688</u>
	<u>\$ 20,840,399</u>	<u>\$ 23,298,709</u>

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

5. Changes in Property and Equipment

Changes in property and equipment for SWTJC for the year ended August 31, 2023, were as follows:

	<u>Sept. 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2023</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Water Rights	-	545,000		545,000
Construction				
In Progress	<u>1,814,795</u>	<u>-</u>	<u>161,336</u>	<u>1,653,459</u>
Subtotal	<u>2,628,237</u>	<u>545,000</u>	<u>161,336</u>	<u>3,011,901</u>
<u>Other Capital Assets</u>				
Buildings	44,623,843	856,079	-	45,479,922
Land Improvements	3,117,502	1,892,770	-	5,010,272
Furniture & Fixtures	7,707,383	1,169,425	-	8,876,808
Library Books	1,289,928	1,318	-	1,291,246
Telecommunication and				
Peripheral Equipment	9,527,200	197,567	-	9,724,767
Right-to-use Leased Asset	6,903,183	40,342	-	6,943,525
Right-to-use Subscription Asset	-	488,869		488,869
Subtotal	<u>73,169,039</u>	<u>4,646,370</u>	<u>-</u>	<u>77,815,409</u>
<u>Accumulated Depreciation & Amortization</u>				
Buildings	12,044,961	758,867	-	12,803,828
Land Improvements	2,170,823	80,043	-	2,250,866
Furniture & Fixtures	4,375,582	592,889	-	4,968,471
Library Books	487,926	17,652	-	505,578
Telecommunication and				
Peripheral Equipment	7,736,838	680,374	-	8,417,212
Right-to-use Leased Asset	303,384	425,495	-	728,879
Right-to-use Subscription Asset	-	216,828	-	216,828
Subtotal	<u>27,119,514</u>	<u>2,772,148</u>	<u>-</u>	<u>29,891,662</u>
Net Other Capital Assets	<u>46,049,525</u>	<u>1,874,222</u>	<u>-</u>	<u>47,923,747</u>
Net Capital Assets	<u>\$ 48,677,762</u>	<u>\$ 2,419,222</u>	<u>\$ 161,336</u>	<u>\$ 50,935,648</u>

Reconciliation of Capital Assets to Statement of Net Position

SWTJC - Capital Assets (Exhibit 1)	\$ <u>50,935,648</u>
Total	\$ <u>50,935,648</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

5. Changes in Property and Equipment (Continued)

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, 2023**

5. Changes in Property and Equipment (Continued)

Changes in property and equipment for the Foundation for the years ended August 31, 2023, and August 31, 2022, were as follows:

	<u>Sept. 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2023</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>6,249,786</u>	<u>\$ 295,295</u>	<u>\$ -</u>	<u>6,545,081</u>
Net Property & Equipment	<u>\$ 7,756,736</u>			<u>\$ 7,461,441</u>
Reconciliation to Statement of Financial Position Total				<u>\$ 7,461,441</u> <u>\$ 7,461,441</u>

	<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>

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

6. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2023, was as follows:

	September 1, 2022	Additions	Reductions	August 31, 2023	Current Portion
SWTJC					
Revenue Bonds	\$ 18,360,000	\$ -	\$ 1,395,000	\$ 16,965,000	\$ 1,450,000
Premium on Bonds	206,764	-	19,904	186,860	19,904
Maintenance Tax Notes	505,000	-	250,000	255,000	255,000
Lease Payable	6,650,315	40,342	363,339	6,327,318	360,091
Subscriptions Payable	-	488,869	210,807	278,062	115,088
Net Pension Liability	4,062,336	5,679,982	-	9,742,318	-
Net OPEB Liability	27,341,072	-	4,806,341	22,534,731	-
Total Long-Term Liabilities	\$ 57,125,487	\$ 6,209,193	\$ 7,045,391	\$ 56,289,289	\$ 2,200,083

SWTJC Foundation					
Notes Payable	\$ 463,756	\$ -	\$ 198,532	\$ 265,224	\$ 177,125
Total Long-Term Liabilities	\$ 463,756	\$ -	\$ 198,532	\$ 265,224	\$ 177,125

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

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

7. Debt and Lease Obligations

Debt service requirements at August 31, 2023 for SWTJC were as follows:

For the Year Ended August 31,	Revenue Bonds and Maintenance Tax Note		
	Principal	Interest	Total
FY 2024	\$ 1,705,000	\$ 645,447	\$ 2,350,447
FY 2025	1,500,000	588,642	2,088,642
FY 2026	1,565,000	531,288	2,096,288
FY 2027	1,615,000	471,614	2,086,614
FY 2028	1,680,000	409,498	2,089,498
FY 2029-2033	8,430,000	1,041,583	9,471,583
FY 2034-2037	725,000	16,313	741,313
	<u>\$ 17,220,000</u>	<u>\$ 3,704,385</u>	<u>\$ 20,924,385</u>

The College executed various subscription-based information technology arrangements (SBITA) for software licenses and educational instruction to be used throughout the college for terms of two to three years. An initial liability of \$488,896 for the existing and new arrangements entered into during fiscal year 2023 has been recorded based on calculations of future minimum SBITA payments and an interest rate of 4%. The College is required to make annual payments during the subscription term. During the fiscal year ending August 31, 2023, the College made principal payments of \$210,807 and interest payment of \$18,660.

Debt service requirements for SBITAs are as follows:

For the Year Ended	Principal Payments	Interest	Total Requirements
FY 2023	\$ 210,807	\$ 18,660	\$ 229,467
FY 2024	115,088	10,369	125,457
FY 2025	79,860	5,987	85,847
FY 2026	83,114	3,053	86,167
	<u>\$ 488,869</u>	<u>\$ 38,069</u>	<u>\$ 526,938</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

7. Debt and Lease Obligations (Continued)

The right-to-use lease assets are being amortized over the remaining term of the leases using straight-line method. Commitments under right-to-use lease agreements for facilities and copiers include lease terms from two to sixty years. SWTJC is required to make monthly payments during the lease term. During the fiscal year ending August 31, 2023, total lease payments were \$365,463.

Right to use leased asset obligations at August 31, 2023 for SWTJC were as follows:

For the Year Ended	Lease Payments		
	Principal	Interest	Total
FY 2024	\$ 360,091	\$ 155,621	\$ 515,712
FY 2025	287,759	146,257	434,016
FY 2026	274,785	139,131	413,916
FY 2027	155,895	132,847	288,742
FY 2028	65,877	130,506	196,383
FY 2029-2033	326,612	628,170	954,782
FY 2034-2038	369,171	584,829	954,000
FY 2039-2043	418,270	535,730	954,000
FY 2044-2048	473,902	480,098	954,000
FY 2049-2053	536,932	417,068	954,000
FY 2054-2058	608,344	345,656	954,000
FY 2059-2063	689,255	264,745	954,000
FY 2064-2068	780,926	173,074	954,000
FY 2069-2073	884,790	69,210	954,000
FY 2074	94,709	692	95,401
	<u>\$ 6,327,318</u>	<u>\$ 4,203,634</u>	<u>\$ 10,530,952</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

7. Debt and Lease Obligations (Continued)

Obligations through notes payable for the Foundation at August 31, 2023 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 8.25% interest, 88 principal and interest payments of \$15,176 due monthly and one final principal and interest payment due February 28, 2025. \$ 247,402

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. 17,822

Total Notes Payable	265,224
Less current portion	177,125
Long-Term portion	\$ 88,099

The following is a summary of debt service requirements:

2024	\$ 200,125
2025	91,056
	\$ 291,181
Total minimum debt payments	291,181
Less amounts representing interest	25,957
Present value of minimum note payments	\$ 265,224

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

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, \$2,900,000

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, \$4,445,000

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, \$6,470,000

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, 2023**

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, \$1,585,000

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, \$1,565,000

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, \$255,000

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, 2023**

10. Short-Term Debt

The college had no short-term debt for the fiscal year ended August 31, 2023.

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, 2023**

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>2023</u>	<u>2022</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	8.00%	7.75%
Employers	8.00%	7.75%
SWTJC 2023 Employer Contributions		\$858,311
SWTJC 2023 Member Contributions		\$1,426,737
SWTJC 2022 NECE On-behalf Contributions		\$497,377

SWTJC's contributions to the TRS pension plan in 2023 were \$858,311 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 2023 were \$564,293.

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, 2023**

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, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021, rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2022	3.91%*
Last year ending August 31 in	
Projection period (100 years)	2121
Inflation	2.3%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index." Source: Teacher Retirement System of Texas 2022 Comprehensive Financial Annual Report Page 87.

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

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, 2021.

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 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 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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, 2023**

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%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources & Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity			
Risk Parity	8.0%	4.6%	0.43%
Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	-6.0%	3.6%	-0.05%
Inflation Expectation			2.70%
Volatility Drag(4)			-0.91%
Expected Return	100.0%		8.19%

(1) Absolute Return includes Credit Sensitive Investments.

(2) Target allocations are based on the FY2022 policy model.

(3) Capital Market Assumptions come from Aon Hewitt (as of 8/31/2022).

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

Source: Teacher Retirement System of Texas 2022 Comprehensive Annual Financial Report Page 54

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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 (7.00%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.00%	Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
SWJTC's proportionate share of the net pension liability:	\$ 15,155,354	\$ 9,742,318	\$ 5,354,799

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2023, the College reported a liability of \$9,742,318 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	\$ 9,742,318
State's proportionate share that is associated with SWTJC	6,327,935
Total	<u>\$ 16,070,253</u>

The net pension liability was measured as of August 31, 2021, and rolled forward to August 31, 2022, 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, 2021, through August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net pension liability was 0.0164102079%, which was a increase of 0.0004584982% from its proportion measured as of August 31, 2021.

Changes Since the Prior Actuarial Valuation. The discount rate changed from 7.25% to 7.00%.

For the year ended August 31, 2023, the College recognized pension expense of \$564,293 and revenue of \$560,955 for support provided by the State. Refer to the August 31, 2023, 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, 2023**

11. Employees' Retirement Plan (Continued)

At August 31, 2023, 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	\$ 141,263	\$ 212,401
Changes in actuarial assumptions	1,815,311	452,426
Difference between projected and actual investment earnings	962,510	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	215,498	568,571
Contributions paid to TRS subsequent to the measurement date	858,311	
Total	\$ 3,992,893	\$ 1,233,398

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
2024	\$496,091
2025	\$179,391
2026	\$15,461
2027	\$1,060,785
2028	\$149,456
Thereafter	(\$1)

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, 2023**

11. Employees' Retirement Plan (Continued)

The retirement expense to the State for the College was \$564,293 and \$560,955 for the fiscal years ended August 31, 2023, and 2022, 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 \$21,111,459 and \$19,796,471 for the fiscal years 2023 and 2022, respectively. The total payroll of employees covered by the Teacher Retirement System was \$17,834,209 and \$16,451,712, and the total payroll of employees covered by the Optional Retirement Program was \$1,925,662 and \$2,077,551 for fiscal years 2023 and 2022, 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, 2023**

14. Disaggregation of Receivables and Payables Balances

Receivables

Receivables at August 31, 2023 were as follows:

Student Receivables	\$	4,185,017
Federal Receivables		2,041,619
Lease Receivables		410,583
Accounts Receivables		731,598
Subtotal		7,368,817
Allowance for Doubtful Accounts		<u>1,484,336</u>
Total Receivables (Exhibit 1)	\$	<u><u>5,884,481</u></u>

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
Subtotal		8,105,435
Allowance for Doubtful Accounts		<u>1,390,119</u>
Total Receivables (Exhibit 1)	\$	<u><u>6,715,316</u></u>

Payables

Payables at August 31, 2023 and August 31, 2022 were as follows:

	August 31, 2023	August 31, 2022
Vendor Payables (Exhibit 1)	\$ <u>756,391</u>	\$ <u>1,374,647</u>
Accrued Interest Payable	\$ 219,052	\$ 236,752
Accrued Workers Compensation	33,185	27,713
Other	<u>3,071</u>	<u>15,391</u>
Accrued Liabilities (Exhibit 1)	\$ <u><u>255,308</u></u>	\$ <u><u>279,856</u></u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

15. Lease Receivables

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.
- The lease receivable is calculated using a discount rate of 2.50%.
- As of August 31, 2023, the lease receivable was \$0 and deferred revenue was \$0.

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%.
- As of August 31, 2023, the lease receivable was \$410,583 and deferred inflows were \$401,458.

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 contracts 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 statement.

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.

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

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, 2023, and August 31, 2022, was approximately \$625 and \$625 per month, respectively, and totaled \$1,582,436 and \$1,582,436 for each year, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employee.

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-Management>; 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.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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

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

The following table summarizes the maximum monthly employer contribution toward eligible retirees' health and basic life premium. 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 2022

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, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Employers	\$2,558,701	\$2,498,052
Members (Employees)	\$673,346	\$695,594
Nonemployer Contributing Entity (State of Texas)	\$1,582,436	\$1,582,436

Source: ERS 2022 Schedules of Employer Allocations and Collective OPEB Amounts

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions ERS Group Benefits Program Plan	
Valuation date	August 31, 2022
Actuarial cost method	Entry Age
Last Experience Study	7-year period from September 1, 2010 to August 31, 2017
Asset valuation method	Not applicable
Discount rate	3.59%
Projected annual salary increase (includes inflation)	2.30% to 8.95%
Inflation rate	2.30%
Annual healthcare trend rate	5.60% for FY2024, 5.30% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years
Ad hoc postemployment benefit changes	None
Mortality assumptions	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Scale projected from the year 2021.
Disability retirees	Tables based on TRS experience with Ultimate MP-2021 Projection Scale projected from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex District Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from 2010.

Source: 2022 ERS CAFR page 73 except for mortality assumptions obtained from ERS 2022 GASB 75 Actuarial Valuation

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary as of August 31, 2019, and the TRS retirement plan actuary as of August 31, 2021.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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 3.59% (see August 31, 2022, 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 2.14%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.59%, which amounted to a increase of 1.45%. 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 (3.59%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate 2.59%	Discount Rate 3.59%	1% Increase in Discount Rate 4.59%
SWTJC's proportionate share of the net OPEB liability:	\$ 26,282,306	\$ 22,534,731	\$ 19,537,572

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.60% 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 4.60% decreasing to 3.30%	Current Healthcare Cost Trend Rates 5.60% decreasing to 4.30%	1% Increase in Healthcare Cost Trend Rates 6.60% decreasing to 5.30%
SWTJC's proportionate share of the net OPEB liability:	\$ 19,297,900	\$ 22,534,731	\$ 26,667,290

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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, 2023, SWTJC reported a liability of \$22,534,731 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	\$	22,534,731
State's proportionate share that is associated with SWTJC		15,288,363
Total	\$	37,823,094

The net OPEB liability was measured as of August 31, 2022, 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, 2021, thru August 31, 2022.

At the measurement date of August 31, 2022, the employer's proportion of the collective net OPEB liability was 0.07910541%.

For the year ended August 31, 2023, 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 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 cover dependent children.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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

- Demographic assumptions for Higher Education members, including pre-retirement mortality and post-retirement mortality assumptions, termination, disability, and retirement rate assumptions and assumed salary increases.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- The discount rate assumption changed from 2.14% to 3.59% 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, 2023, 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:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$	710,998
Changes in actuarial assumptions	1,324,005		6,965,699
Difference between projected and actual investment earnings	3,887		-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,804,606		869,642
Contributions paid to ERS subsequent to the measurement date	333,840		-
Totals	\$ 3,466,338	\$	8,546,339

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
2024	(\$948,088)
2025	(\$1,499,304)
2026	(\$1,284,107)
2027	(\$1,080,687)
2028	(\$601,655)
Thereafter	\$0

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023**

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, 2023	August 31, 2022
Assessed Valuation	\$ 5,667,080,498	\$ 4,419,779,150
Less: Exemptions	335,567,983	263,901,042
Net Assessed Valuation	\$ 5,331,512,515	\$ 4,155,878,108

Authorized tax rates for the College for years 2023 and 2022 were as follows:

	Current Operations	Debt Service	Total
August 31, 2023			
Maximum tax rates per \$100 valuation	\$ 0.5000	\$ 0.5000	\$ 1.0000
Adopted tax rate per \$100 valuation	\$ 0.1339	\$ -	\$ 0.1339
August 31, 2022			
Maximum tax rates per \$100 valuation	\$ 0.5000	\$ 0.5000	\$ 1.0000
Adopted tax rate per \$100 valuation	\$ 0.1535	\$ -	\$ 0.1535

Taxes levied for the years ended August 31, 2023, and August 31, 2022, respectively, were \$6,486,629 and \$6,159,229. 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, 2023**

20. Property Tax (Continued)

August 31, 2023	Current	Debt	
Taxes Collected	Operations	Service	Total
Current Taxes Collected	\$ 6,270,777	\$ -	\$ 6,270,777
Delinquent Taxes Collected	204,167	-	204,167
Penalties and Interest Collected	123,317	-	123,317
Total Collections	<u>\$ 6,598,261</u>	<u>\$ -</u>	<u>\$ 6,598,261</u>

Tax collections for the year ended August 31, 2023, were 96.67% 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, 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. 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, 2023, or August 31, 2022.

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, 2023**

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, 2023, 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*	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**	2014**
SWTJC Proportionate Share of the Net Pension Liability (%)	0.0164102%	0.0159517%	0.0169778%	0.0172749%	0.0175841%	0.0190745%	0.0177839%	0.0174035%	0.0203443%
SWTJC Proportionate Share of the Net Pension Liability (\$)	\$ 9,742,318	\$ 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	6,327,935	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	\$ 16,070,253	\$ 6,848,972	\$ 15,268,171	\$ 15,094,746	\$ 16,400,621	\$ 9,247,507	\$ 10,994,100	\$ 10,344,738	\$ 8,854,305
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	\$ 12,222,291
SWTJC Proportionate Share of the Net Pension Liability as a percentage of Covered Payroll	59.22%	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	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

** 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*,	2023**	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Legally Required Contributions	\$ 858,311	\$ 765,849	\$ 680,772	\$ 694,726	\$ 559,442	\$ 638,055	\$ 625,152	\$ 565,040	\$ 515,784
Actual Contributions	858,311	765,849	680,772	694,726	559,442	638,055	625,152	565,040	515,784
Contributions deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SWJTC Covered Payroll	\$ 17,834,209	\$ 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/SWJTC Covered Payroll	4.81%	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*,	2022**	2021**	2020**	2019**	2018**	2017**
SWTJC Proportionate Share of the Net OPEB Liability (%)	0.0791054%	0.0762110%	0.0768318%	0.0764953%	0.0800153%	0.0566599%
SWTJC Proportionate Share of the Net OPEB Liability (\$)	\$ 22,534,731	\$ 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	15,288,363	18,966,942	17,466,393	18,842,580	16,042,885	12,163,867
Total	<u>\$ 37,823,094</u>	<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	\$ 16,451,712	\$ 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	136.97%	178.57%	165.82%	168.34%	159.62%	137.88%
Plan fiduciary net position as percentage of the total OPEB liability	0.57%	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*,	2023**	2022**	2021**	2020**	2019**	2018**
Legally Required Contributions	\$ 333,840	\$ 290,048	\$ 600,401	\$ 580,398	\$ 558,600	\$ 520,793
Actual Contributions	333,840	290,048	600,401	580,398	558,600	520,793
Contributions deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SWJTC Covered Payroll	\$ 17,834,209	\$ 16,451,712	\$ 15,311,118	\$ 15,311,118	\$ 15,705,503	\$ 15,119,884
Ratio of : Actual Contributions/SWTJC Covered Payroll	1.87%	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, 2023**

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, 2023.

Changes of Assumptions.

The actuarial methods and assumptions have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumptions change was the lowering of the discount rate from 7.5 percent to 7.0 percent.

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, 2023.

**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.

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Operating Revenues
Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	August 31, 2023 Total	August 31, 2022 Total
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 6,126,574	\$ -	\$ 6,126,574	\$ -	\$ 6,126,574	\$ 5,724,296
Out-of-district resident tuition	5,159,885	-	5,159,885	-	5,159,885	4,923,265
Non-resident tuition	490,709	-	490,709	-	490,709	425,993
TPEG - credit (set aside)*	354,841	-	354,841	-	354,841	522,865
State funded continuing education						
TPEG non-credit (set aside)*	1,382,232	-	1,382,232	-	1,382,232	1,202,554
Non-state funded educational programs	15,057	-	15,057	-	15,057	16,774
	72,722	-	72,722	-	72,722	510
Total Tuition	13,602,020	-	13,602,020	-	13,602,020	12,816,257
Fees:						
General fees	5,393,834	-	5,393,834	-	5,393,834	5,072,228
Laboratory fees	372,411	-	372,411	-	372,411	309,087
Total Fees	5,766,245	-	5,766,245	-	5,766,245	5,381,315
Scholarship allowance and discount						
Remission and exemption - state	(325,305)	-	(325,305)	-	(325,305)	(292,024)
Remission and exemption - local	(4,149,507)	-	(4,149,507)	-	(4,149,507)	(3,708,871)
Title IV federal grants	(6,872,344)	-	(6,872,344)	-	(6,872,344)	(6,637,744)
Other federal grants	-	-	-	-	-	-
TPEG awards	(316,815)	-	(316,815)	-	(316,815)	(270,374)
Other state grants	(317,925)	-	(317,925)	-	(317,925)	(351,130)
Other local grants	(138,661)	-	(138,661)	-	(138,661)	(66,898)
Total Scholarship Allowances	(12,120,557)	-	(12,120,557)	-	(12,120,557)	(11,327,041)
Total net tuition and fees	7,247,708	-	7,247,708	-	7,247,708	6,870,531
Additional operating revenues:						
Federal grants and contracts	-	4,546,132	4,546,132	38,244	4,584,376	3,779,670
State grants and contracts	-	975,225	975,225	261,447	1,236,672	1,025,831
Non-governmental grants and contracts	-	57,590	57,590	-	57,590	22,500
Sales and services of educational activities	11,883	-	11,883	-	11,883	8,044
General operating revenue	3,244,063	-	3,244,063	-	3,244,063	4,977,357
Total additional operating revenues	3,255,946	5,578,947	8,834,893	299,691	9,134,584	9,813,402
Auxiliary Enterprises						
Bookstore	-	-	-	30,692	30,692	57,129
Less Discounts	-	-	-	-	-	-
Residential life	-	-	-	687,096	687,096	459,218
Less Discounts	-	-	-	(279,956)	(279,956)	(196,994)
Day Care	-	-	-	188,453	188,453	185,418
SWTNET	-	-	-	-	-	(450)
Other revenues	-	-	-	13,013	13,013	203,273
Total net auxiliary enterprises	-	-	-	639,298	639,298	707,594
Total Operating Revenues	\$ 10,503,654	\$ 5,578,947	\$ 16,082,601	\$ 938,989	\$ 17,021,590	\$ 17,391,527

*In accordance with Education Code 56.033, \$369,898 and \$539,639 for years August 31, 2023 and August 31, 2022, 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, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	Operating Expense				August 31, 2023 Total	August 31, 2022 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 10,564,441	\$ -	\$ 2,155,597	\$ 1,704,227	\$ 14,424,265	\$ 13,352,448
Public Service	2,697	-	550	2,590	5,837	10,674
Academic Support	1,824,515	-	372,279	522,428	2,719,222	2,289,761
Student Services	1,539,189	-	314,060	264,285	2,117,534	1,635,824
Institutional Support	3,293,926	-	672,101	3,185,833	7,151,860	6,310,315
Operation and Maintenance of Plant	1,560,456	-	318,400	3,153,746	5,032,602	4,066,972
Scholarship	-	-	-	-	-	-
Total Unrestricted Educational Activities	18,785,224	-	3,832,987	8,833,109	31,451,320	27,665,994
Restricted - Educational Activities						
Instruction	-	1,316,650	-	23,074	1,339,724	1,385,269
Public Service	821,739	336	139,962	330,302	1,292,339	1,253,414
Academic Support	209,622	227,390	27,342	-	464,354	537,874
Student Services	741,827	191,830	141,692	2,021,593	3,096,942	2,668,847
Institutional Support	-	410,523	-	1,257,091	1,667,614	4,393,599
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarship	-	-	-	5,421,721	5,421,721	8,851,137
Total Restricted Educational Activities	1,773,188	2,146,729	308,996	9,053,781	13,282,694	19,090,140
Total Educational Activities	20,558,412	2,146,729	4,141,983	17,886,890	44,734,014	46,756,134
Auxiliary Enterprises	553,047	-	167,757	790,884	1,511,688	1,550,837
Depreciation Expense - Buildings and other real estate improvements	-	-	-	-	838,910	799,258
Depreciation Expense - Equipment and furniture	-	-	-	-	1,273,263	1,257,219
Depreciation Expense - Library Books	-	-	-	-	17,652	19,046
Amortization Expense - Leases & Subscriptions	-	-	-	-	642,323	303,384
Total Operating Expenses	\$ 21,111,459	\$ 2,146,729	\$ 4,309,740	\$ 18,677,774	\$ 49,017,850	\$ 50,685,878

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	Unrestricted	Restricted	Auxiliary Enterprises	August 31, 2023 Total	August 31, 2022 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 9,198,628	\$ -	\$ -	\$ 9,198,628	\$ 9,198,628
State group insurance	-	1,582,436	-	1,582,436	1,582,436
State retirement matching	-	564,293	-	564,293	560,955
Total state appropriations	9,198,628	2,146,729	-	11,345,357	11,342,019
Maintenance ad valorem taxes	6,600,876	-	-	6,600,876	6,217,363
Federal Revenue, Non Operating		14,899,269	-	14,899,269	19,940,374
Gifts		63,784	-	63,784	64,259
Investment Income	422,235	-	-	422,235	104,272
Other non-operating revenue	-	1,290,537	-	1,290,537	133
Total non-operating revenues	16,221,739	18,400,319	-	34,622,058	37,668,420
NON-OPERATING EXPENSES:					
Interest on capital related debt	665,619	-	-	665,619	721,988
Other non-operating expense	194,723	-	-	194,723	137,446
Total non-operating expenses	860,342	-	-	860,342	859,434
Net non-operating revenues	\$ 15,361,397	\$ 18,400,319	\$ -	\$ 33,761,716	\$ 36,808,986

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule D

Schedule of Net Position by Source and Availability
 Year Ended August 31, 2023 (With Memorandum Totals for the Year Ended August 31, 2022)

	Detail by Source				Total	Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt		Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 14,233,835	\$ -	\$ -	\$ -	\$ 14,233,835	\$ 14,233,835	\$ -
Unrestricted Pension	(6,982,823)			-	(6,982,823)		(6,982,823)
Unrestricted OPEB	(27,614,730)			-	(27,614,730)		(27,614,730)
Unrestricted Leases	(22,667)			-	(22,667)		(22,667)
Restricted	-	1,266,239	-	-	1,266,239	1,266,239	-
Auxiliary	(407,343)			-	(407,343)	(407,343)	-
Loan	-	634,579	-	-	634,579	-	634,579
Endowment							
Quasi:							
Unrestricted	2,283,730	-	-	-	2,283,730	-	2,283,730
Plant							
Debt Service	-	1,330,611	-	-	1,330,611	-	1,330,611
Revenue Bond	-	-	-	-	-	-	-
Investment in Plant	-	-	-	26,923,408	26,923,408	-	26,923,408
Total Net Position, August 31, 2023	(18,509,998)	3,231,429	-	26,923,408	11,644,839	15,092,731	(3,447,892)
Total Net Position, August 31, 2022	(16,868,470)	3,792,170	-	22,955,683	9,879,383	13,208,936	(3,329,553)
Net Increase (Decrease) in Net Position	\$ (1,641,528)	\$ (560,741)	\$ -	\$ 3,967,725	\$ 1,765,456	\$ 1,883,795	\$ (118,339)

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2023

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		\$ 11,183,670
Federal Direct Student Loan	84.268		1,381,854
Supplemental Education Opportunity Grant	84.007		182,559
Federal College Workstudy Program	84.033		160,155
TRIO Cluster			
TRIO Student Support Services	84.042A		314,960
TRIO Upward Bound	84.047A		294,522
TRIO Education Opportunity Center	84.066A		263,644
Child Care Access Means Parents in School Program	84.335		108,281
STEMward Bound	84.031S		581,282
Full STEaM Ahead	84.031C		881,519
CARES Institutional Aid	84.425F		1,136,301
CARES Student Aid	84.425E		174,544
CARES Hispanic Serving Institutions	84.425L		744,552
CARES SSARP	84.425T		1,317,488
Institution Resil. & Expanded Postsecondary Opport. (IREPO) Grant	84.425P		704,399
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	164254	354,627
Texas Reskilling & Upskilling for Education	84.425C	25769	42,632
Governor's Emergency Education Relief (GEER)	84.425C	25558	22,959
Texas Workforce Commission			
Adult Education and Literacy	84.002	2718ALAD00	4,654
Adult Education and Literacy	84.002	2718ALAE00	834,878
Adult Education and Literacy	84.002	2718ALAF00	456
Local Performance Quality Improvement	84.002A	2723PQI001	44,038
Region 20 - Alamo Consortium	84.002		69,942
Total Department of Education			<u>20,803,916</u>
National Science Foundation			
Noyce Scholars en la Frontera	47.076	27398A	23,339
U.S. Department of Agriculture			
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	NT4XL1YGLGC5	38,244
Total Federal Financial Assistance			<u>\$ 20,865,499</u>

Schedule E (Continued)

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$	4,584,376
Add: Non Operating Federal Revenue from Schedule C		14,899,269
Add: Direct Student Loans		1,381,854
		<u>20,865,499</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, 2023

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Workforce Commission		
Jobs & Education for Texans Grant	2721JET001	\$ 181,833
Child Care Relief Funds		228,393
Texas Health and Human Services Commission		
Child Care		261,447
Texas Higher Education Coordinating Board		
Texas Educational Opportunity Grant		505,238
Texas College Workstudy		23,312
Texas College Workstudy Mentorship		26,155
Nursing Shortage Reduction - Regular		7,577
Nursing Shortage Reduction - Under 70		2,717
Total State Financial Assistance		<u>\$ 1,236,672</u>
Note 1: State Assistance Reconciliation		
State Revenues - per Schedule A		\$ 1,236,672
		<u>\$ 1,236,672</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, 2023 and 2022, 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 December 6, 2023. 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

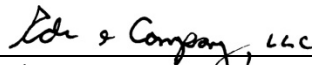
We have also performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act. During the year ended August 31, 2023, no instances of noncompliance were found.

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

December 6, 2023

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, 2023. 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, 2023.

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.

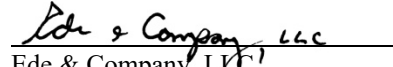
Report on Internal Control over Compliance

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

December 6, 2023

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2023**

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

TRIO CLUSTER	
TRIO Student Support Services	CFDA 84.042A
TRIO Upward Bound	CFDA 84.047A
TRIO Educational Opportunity Center	CFDA 84.066A
CARES Institutional Aid	CFDA 84.425F
CARES Student Aid	CFDA 84.425E
CARES Hispanic Serving Institutions	CFDA 84.425L
CARES SSARP	CFDA 84.425T
Institution Resil. & Expanded Postsecondary Opport. (IREPO) Grant	CFDA 84.425P
Adult Education and Literacy	CFDA 84.002
Adult Education and Literacy	CFDA 84.002A

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Invested in capital assets, net of related debt	\$ 26,923,408	\$ 22,955,683	\$ 20,469,635	\$ 17,459,165	\$ 16,685,819	\$ 14,347,185	\$ 12,832,542	\$ 9,818,324	\$ 3,011,230	\$ (1,498,379)
Restricted - expendable	3,231,429	3,792,170	2,184,921	2,040,470	1,934,411	1,876,251	1,608,512	3,273,205	7,559,563	11,342,268
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(18,509,998)	(16,868,470)	(16,289,808)	(26,635,064)	(26,608,300)	(25,691,272)	(2,545,291)	(2,475,378)	512,707	7,848,366
Total primary government net assets	\$ 11,644,839	\$ 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

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

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	\$ 7,247,708	\$ 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
Governmental Grants and Contracts										
Federal Grants and Contracts	4,584,376	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
State Grants and Contracts	1,236,672	1,025,831	894,819	943,056	1,252,000	1,220,015	1,249,089	933,925	1,320,527	1,279,914
Non-Governmental Grants and Contracts	57,590	22,500	40,818	64,084	39,243	76,859	1,744	62,940	146,653	168,270
Sales and services of educational activities	11,883	8,044	2,296	11,887	20,860	25,823	24,333	35,851	28,743	23,203
Auxiliary enterprises (Net of Discounts)	639,298	707,594	1,510,839	663,155	956,099	930,993	899,221	853,216	842,153	770,428
Other Operating Revenue	3,244,063	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
Total Operating Revenues	17,021,590	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
State Appropriations	11,345,357	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
Ad Valorem Taxes	6,600,876	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
Federal Revenue, Non-operating	14,899,269	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
Investment income	422,235	104,272	29,315	97,376	112,506	84,067	43,897	39,898	83,365	44,993
Other non-operating revenues	63,784	64,259	5,136,331	38,866	114,393	104,558	155,149	101,579	74,746	1,088,287
Total Non-Operating Revenues	33,331,521	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
Total Revenues	\$ 50,353,111	\$ 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

	For the Fiscal Year Ended August 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition and Fees (Net of Discounts)	14.39%	12.48%	17.16%	10.02%	17.25%	15.52%	16.33%	25.55%	15.53%	15.64%
Governmental Grants and Contracts										
Federal Grants and Contracts	9.10%	6.86%	4.09%	5.89%	8.10%	4.93%	4.83%	4.84%	4.98%	4.63%
State Grants and Contracts	2.46%	1.86%	1.38%	2.12%	2.86%	2.96%	3.21%	2.57%	3.69%	3.60%
Non-Governmental Grants and Contracts	0.11%	0.04%	0.06%	0.14%	0.09%	0.19%	0.00%	0.17%	0.41%	0.47%
Sales and services of educational activities	0.02%	0.01%	0.00%	0.03%	0.05%	0.06%	0.06%	0.10%	0.08%	0.07%
Auxiliary enterprises	1.27%	1.29%	2.34%	1.49%	2.18%	2.26%	2.31%	2.34%	2.35%	2.16%
Other Operating Revenue	6.44%	9.04%	6.31%	4.19%	4.75%	6.05%	5.57%	6.24%	5.43%	5.34%
Total Operating Revenues	33.80%	31.59%	31.35%	23.88%	35.28%	31.96%	32.32%	41.81%	32.47%	31.90%
State Appropriations	22.53%	20.60%	16.35%	23.82%	22.31%	23.12%	22.81%	24.33%	25.07%	25.02%
Ad Valorem Taxes	13.11%	11.29%	9.70%	13.61%	12.69%	12.80%	13.29%	11.38%	10.34%	8.77%
Federal Revenue, Non-operating	29.59%	36.22%	34.62%	38.39%	29.20%	31.67%	31.08%	22.10%	31.68%	31.13%
Investment income	0.84%	0.19%	0.05%	0.22%	0.26%	0.20%	0.11%	0.11%	0.23%	0.13%
Other non-operating revenues	0.13%	0.12%	7.94%	0.09%	0.26%	0.25%	0.40%	0.28%	0.21%	3.06%
Total Non-Operating Revenues	66.20%	68.41%	68.65%	76.12%	64.72%	68.04%	67.68%	58.19%	67.53%	68.10%
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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	\$ 15,763,989	\$ 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
Public service	1,298,176	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
Academic support	3,183,576	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
Student services	5,214,476	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
Institutional support	8,819,474	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
Operation and maintenance of plant	5,032,602	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
Scholarships and fellowships	5,421,721	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
Auxiliary enterprises	1,511,688	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
Depreciation & Amortization	2,772,148	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
Total Operating Expenses	49,017,850	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
Interest on capital related debt	665,619	721,988	785,959	840,727	897,906	947,087	987,594	1,071,710	982,252	826,442
Other non-operating expense	(1,095,814)	137,313	316,353	150,474	194,440	111,305	110,454	202,074	201,341	336,206
Total Non-Operating Expenses	(430,195)	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
Total Expenses	\$ 48,587,655	\$ 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

For the Fiscal Year Ended August 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	32.44%	28.59%	28.12%	36.71%	38.64%	38.57%	37.54%	37.67%	36.07%	35.23%
Public service	2.67%	2.45%	2.30%	2.69%	2.95%	3.16%	2.86%	2.59%	2.80%	3.34%
Academic support	6.55%	5.49%	5.31%	6.80%	7.46%	7.77%	7.89%	8.33%	7.86%	8.06%
Student services	10.73%	8.35%	6.81%	8.04%	8.09%	7.35%	7.89%	7.73%	7.76%	7.76%
Institutional support	18.15%	20.77%	22.92%	15.25%	13.71%	13.06%	13.94%	13.34%	15.33%	14.46%
Operation and maintenance of plant	10.36%	7.89%	6.83%	8.85%	8.62%	9.07%	8.70%	8.70%	8.49%	9.47%
Scholarships and fellowships	11.16%	17.17%	19.75%	12.18%	10.46%	10.85%	10.74%	10.79%	11.98%	12.00%
Auxiliary enterprises	3.11%	3.01%	2.25%	3.10%	3.64%	3.81%	4.12%	4.38%	4.02%	3.90%
Depreciation	5.71%	4.62%	3.55%	4.10%	3.88%	3.72%	3.41%	3.00%	2.44%	2.46%
Total Operating Expenses	100.89%	98.33%	97.85%	97.73%	97.45%	97.36%	97.09%	96.54%	96.74%	96.69%
Interest on capital related debt	1.37%	1.40%	1.54%	1.92%	2.10%	2.36%	2.62%	2.91%	2.71%	2.35%
Other non-operating expense	-2.26%	0.27%	0.62%	0.34%	0.45%	0.28%	0.29%	0.55%	0.55%	0.96%
Total Non-Operating Expenses	-0.89%	1.67%	2.15%	2.27%	2.55%	2.64%	2.91%	3.46%	3.26%	3.31%
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	Increase from Prior Year
								In-District	Out-of-District
2023 \$	8.25 \$	61.00 \$	65.00 \$	10.00 \$	24.00 \$	1,251.00 \$	2,031.00	0.00%	0.00%
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%

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
2023 \$	8.25 \$	202.00 \$	10.00 \$	24.00 \$	2,943.00	0.00%
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%

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)

Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2022-23	\$ 5,667,080,498	\$335,567,983	5,331,512,515	94.08%	\$ 0.1339	-	\$ 0.1339
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

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	
2022-23	\$ 9,189,628	9,303	\$ 987.81	1,442,341	800,880	2,243,221	\$ 4.10
2021-22	9,189,628	8,641	1,063.49	1,198,996	766,572	1,965,568	4.68
2020-21	8,464,462	10,507	805.60	1,666,516	718,128	2,384,644	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

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: Enrolled Student Informer Report

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

Taxpayer	Taxable Assessed Value (TAV) by Tax Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
AEP Texas Inc	\$ 110,114,380	\$ 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
AEP Electric Transm of TX LLP							18,112,440	\$ 19,945,842		
Bailey Four Canyon Ranch Prop Ltd										16,204,800
Buffco Production Inc	49,853,690				27,950,897	22,707,260	23,629,350	52,165,310	58,417,460	
Cactus II Pipeline LLC	59,973,365	42,472,503	64,378,427	75,643,290	27,845,380					
CED Alamo 5 LLC	44,487,690	56,289,425	71,262,542	98,191,608	125,192,184	150,192,760	228,225,600	255,000,001		
Chesapeake Operating / MIDCON										
CML Exploration LLC				33,446,270	28,672,541	24,162,240			19,503,970	
DCP Sand Hills Pipeline	60,814,390	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	
Exco Operating Company Inc	433,895,912	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	115,687,872	95,922,473	94,836,620	47,232,290						
Gulf Coast Express	99,369,870	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		
Martin Marietta Materials							13,474,321	15,286,273	17,522,995	17,517,567
OCI Alamo 5 LLC									27,886,302	
Paradigm Midstream Services						16,382,260	15,821,690	19,796,000		
Plains Pipeline	63,905,621	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
Trinity Operating (USG) LLC	57,266,307									
Union Pacific Railroad	54,572,320	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
US Energy Development Corp	56,745,724	50,557,388	28,253,242		40,650,461	26,697,680	16,420,050			
Wal-Mart Real Estate Business Trust						14,782,153	14,531,222	14,898,670		16,153,152
Whistler Pipeline LLC	89,245,205	91,176,450	27,898,720							
Williamson Dickie MFG Co										9,110,488
	\$ 1,295,932,346	\$ 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
Total Taxable Assessed Value	\$ 5,331,512,515	\$ 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

Taxpayer	% of Taxable Assessed Value (TAV) by Tax Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
AEP Texas Inc	2.07%	2.10%	1.96%	1.67%	2.06%	1.65%	1.43%	1.21%	1.82%	1.96%
AEP Electric Transm of TX LLP							0.58%	0.63%		
Bailey Four Canyon Ranch Prop Ltd										0.68%
Buffco Production Inc	0.94%				0.83%	0.69%	0.76%	1.66%	2.13%	
Cactus II Pipeline LLC	1.12%	1.02%	1.58%	1.97%	0.83%					
CED Alamo 5 LLC	0.83%	1.35%	1.75%	2.56%	3.74%	4.58%	7.37%	8.10%		
Chesapeake Operating / MIDCON										
CML Exploration LLC				0.87%	0.86%	0.74%			0.71%	
DCP Sand Hills Pipeline	1.14%	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%	
Exco Operating Company Inc	8.14%	8.78%	4.79%	7.41%	8.59%	6.14%	4.95%	8.75%	17.70%	12.90%
Gray Oak Pipeline LLC	2.17%	2.31%	2.33%	1.23%						
Gulf Coast Express	1.86%	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%		
Martin Marietta Materials							0.44%	0.49%	0.64%	0.73%
OCI Alamo 5 LLC									1.02%	
Paradigm Midstream Services						0.50%	0.51%	0.63%		
Plains Pipeline	1.20%	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%
Trinity Operating (USG) LLC	1.07%									
Union Pacific Railroad	1.02%	1.18%	1.13%	1.06%	1.16%	1.37%	1.13%	1.05%	1.13%	1.17%
US Energy Development Corp	1.06%	1.22%	0.69%		1.21%	0.81%	0.53%			
Wal-Mart Real Estate Business Trust						0.45%	0.47%	0.47%		0.67%
Whistler Pipeline LLC	1.67%	2.19%	0.68%							
Williamson Dickie MFG Co										0.38%
Totals	24.31%	24.22%	19.12%	21.23%	21.88%	20.73%	21.87%	27.69%	29.30%	21.99%

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
2023	\$ 6,486,629	\$ -	\$ 6,486,629	\$ 6,270,777	96.67%	\$ -	\$ 204,167	\$ 6,474,944	99.82%
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%

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other debt										
Revenue bonds	\$ 17,406,860	\$ 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
Notes	-	-	-	484,952	207,541	423,561	673,528	915,987	2,460,987	2,840,987
Lease & subscription obligations	6,605,380	6,650,315	-	104,832	260,279	410,951	556,997	433,638	-	18,173
Total Outstanding Debt	\$ 24,012,240	\$ 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
General Bonded Debt Ratios										
Per Capita	-	-	-	-	-	-	-	-	-	-
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt Ratios										
Per Capita	\$ 646	\$ 692	\$ 557	\$ 577	\$ 619	\$ 659	\$ 691	\$ 692	\$ 650	\$ 431
Per FTSE	2,581	2,977	1,968	2,214	2,367	2,741	3,175	3,377	3,109	2,134
As a percentage of Taxable Assessed Value	0.45%	0.62%	0.51%	0.63%	0.78%	0.85%	0.95%	0.94%	1.01%	0.77%

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,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Taxable Assessed Value	\$ 5,667,080,498	\$ 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
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	28,335,402	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
Less Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	28,335,402	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
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 28,335,402	\$ 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
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	
2023	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	-	-	-	-	-	-	-	-	-	-	-	-	-	
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	

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
2022	37,157	**	**	5.3%
2021	37,089	\$ 1,891,929	\$ 51,010	7.0%
2020	41,993	1,957,527	46,616	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%

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

*U.S. Census Bureau (estimate)

Sources

Population: US Census Bureau , Population Division

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%
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*									
		2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty	Full-Time	123	122	123	134	131	128	117	112	114	110
	Part-Time	51	48	50	62	72	61	85	61	61	64
	Total	174	170	173	196	203	189	202	173	175	174
Percent	Full-Time	71%	72%	71%	68%	65%	68%	58%	65%	65%	63%
	Part-Time	29%	28%	29%	32%	35%	32%	42%	35%	35%	37%
Staff & Administrators	Full-Time	239	223	221	222	221	224	219	219	209	212
	Part-Time	82	84	65	113	145	135	142	178	173	110
	Total	321	307	286	335	366	359	361	397	382	322
Percent	Full-Time	74%	73%	77%	66%	60%	62%	61%	55%	55%	66%
	Part-Time	26%	27%	23%	34%	40%	38%	39%	45%	45%	34%
FTSE per Full-time Faculty		85.4	86.1	88.9	82.1	84.0	79.3	79.0	78.1	74.8	77.5
FTSE per Full-time Staff Member		44.0	47.1	49.5	49.6	49.8	45.3	42.2	39.9	40.8	40.2
Average Annual Faculty Salary**		\$55,758	\$54,273	\$52,228	\$50,831	\$50,608	\$48,917	\$49,342	\$48,669	\$48,056	\$48,357

*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

<https://nces.ed.gov/collegenavigator/?q=southwest+texas+junior+college&s=TX&id=228316>

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

Student Classification*	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours (freshmen)	4,966	75.03%	4,493	76.82%	4,430	73.25%	4,820	74.03%	5,074	73.42%
31-60 hours (sophomores)	1,057	15.97%	1,084	18.53%	1,258	20.80%	1,260	19.35%	1,395	20.19%
> 60 hours (assoc. & bacc.)	596	9.00%	272	4.65%	360	5.95%	431	6.62%	442	6.40%
Total	6,619	100.00%	5,849	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%

*excludes unclassified students

Semester Hour Load	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	24	0.36%	138	2.32%	129	2.13%	65	1.00%	44	0.64%
3-5 semester hours	1,436	21.70%	2,039	34.26%	2,051	33.91%	2,013	30.92%	2,008	29.06%
6-8 semester hours	1,588	23.99%	1,777	29.86%	1,417	23.43%	1,404	21.56%	1,767	25.57%
9-11 semester hours	1,324	20.00%	1,380	23.19%	1,175	19.43%	1,217	18.69%	1,243	17.99%
12-14 semester hours	1,676	25.32%	541	9.09%	1,119	18.50%	1,485	22.81%	1,508	21.82%
15-17 semester hours	520	7.86%	74	1.24%	151	2.50%	295	4.53%	305	4.41%
18 & over	51	0.77%	3	0.05%	6	0.10%	32	0.49%	36	0.52%
Total	6,619	100.00%	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%

Average course load	8.7	7.1	7.1	8.5	7.8
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Tuition Status*	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	941	17.89%	997	16.89%	1,146	19.11%	1,298	20.14%	1,432	21.01%
Texas Resident (Out-of-District)	4,180	79.48%	4,785	81.07%	4,726	78.82%	4,969	77.09%	5,249	77.00%
Non-Resident Tuition	138	2.62%	120	2.03%	124	2.07%	179	2.78%	136	2.00%
Total	5,259	100.00%	5,902	100.00%	5,996	100.00%	6,446	100.00%	6,817	100.00%

*excludes waivers

Source: Estudios and Term Enrollment Report in Informer

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

Gender	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,811	57.67%	3,495	58.72%	3,662	60.55%	3,906	59.99%	4,102	59.35%
Male	2,797	42.33%	2,457	41.28%	2,386	39.45%	2,605	40.01%	2,809	40.65%
Total	6,608	100.00%	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%

Ethnic Origin	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	591	8.94%	531	8.92%	614	10.15%	670	10.29%	747	10.81%
Hispanic	5,742	86.89%	5,228	87.84%	5,240	86.64%	5,637	86.58%	5,902	85.40%
African American	68	1.03%	37	0.62%	33	0.55%	33	0.51%	61	0.88%
Asian	46	0.70%	24	0.40%	25	0.41%	29	0.45%	26	0.38%
Foreign	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Native American	43	0.65%	24	0.40%	22	0.36%	20	0.31%	31	0.45%
Other	118	1.79%	108	1.81%	114	1.88%	122	1.87%	144	2.08%
Total	6,608	100.00%	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%

Age	Fall 2023		Fall 2022		Fall 2021		Fall 2020		Fall 2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	3,241	49.05%	3,253	54.65%	3,946	65.24%	3,603	55.34%	3,467	50.17%
18-21	2,148	32.51%	1,659	27.87%	1,146	18.95%	1,763	27.08%	2,120	30.68%
22-24	441	6.67%	351	5.90%	251	4.15%	359	5.51%	437	6.32%
25-35	550	8.32%	470	7.90%	505	8.35%	573	8.80%	634	9.17%
36-50	201	3.04%	191	3.21%	184	3.04%	182	2.80%	228	3.30%
51 +	27	0.41%	28	0.47%	16	0.26%	31	0.48%	25	0.36%
Total	6,608	100.00%	5,952	100.00%	6,048	100.00%	6,511	100.00%	6,911	100.00%

Average Age	19	18.1	18.1	19	19.9
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Source: CBM OC1

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 17
Transfers to Senior Institutions
Academic Year 2021-22 Students as of Fall 2022
(Includes only public senior colleges in Texas)

Institutions Attended, Fall 2022	Transfer Student Count		Total of all	% of all
	Academic	Technical	SWTJC Transfer Students	SWTJC Transfer Students
University of Texas at San Antonio	229	9	238	24%
Sul Ross State University - Rio Grande College	170	2	172	17%
Texas State University	95	6	101	10%
Angelo State University	89	2	91	9%
University of Texas at Austin	79	8	87	9%
Texas A&M University	66	3	69	7%
Texas Tech University	42	3	45	5%
Texas A&M University at Kingsville	26	5	31	3%
Texas A&M International University	26	2	28	3%
Texas A&M University at San Antonio	23	4	27	3%
Texas A&M University at Corpus Christi	24	1	25	3%
Tarleton State University	16	3	19	2%
Sul Ross State University	8	2	10	1%
University of Texas Rio Grande Valley	7	1	8	1%
University of Texas at Arlington	5	1	6	1%
Texas A&M University at Commerce	5	0	5	1%
University of North Texas	2	2	4	0%
University of Texas Permian Basin	4	0	4	0%
University of Texas Health Sciences Center at San Antonio	3	1	4	0%
Texas Tech University Health Sciences Center	3	0	3	0%
University of Houston	3	0	3	0%
University of Houston at Victoria	3	0	3	0%
Other Public 4-Year Institution	16	0	16	2%
Totals	944	55	999	100%

Source:

THECB Automated Student and Adult Learner Follow-up System, Students Pursuing Additional Education Report 2021-2022.
<http://www.txhighereddata.org/index.cfm?objectid=62C6AC40-E218-11E8-BB650050560100A9>

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2017 to 2023

	Fiscal Year						
	2023	2022	2021	2020	2019	2018	2017
Academic buildings	39	38	38	38	38	38	38
Square footage	501,125	493,125	493,125	493,125	493,125	493,125	493,125
Libraries	4	4	4	4	4	4	4
Square footage	35,388	35,388	35,388	35,388	35,388	35,388	35,388
Administrative and support buildings	17	17	17	17	17	17	17
Square footage	63,380	63,380	63,380	63,380	63,380	63,380	63,380
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	251
Dining facilities*	3	3	3	3	3	3	3
Square footage	37,770	37,770	37,770	37,770	37,770	37,770	37,770
Average daily customers	650	650	650	650	650	650	650
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	5
Square footage	19,391	19,391	19,391	19,391	19,391	19,391	19,391
Transportation							
Cars/vans	49	43	38	37	37	36	36
Light trucks/other	40	39	38	37	36	41	38

* Includes all of student center

Data includes property leased from SWTJC Foundation, Inc.

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