



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

For the Year Ended August 31, 2019

**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, 2019

**SOUTHWEST TEXAS JUNIOR COLLEGE
2019 ANNUAL FINANCIAL REPORT**

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December 2, 2019

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 2019. A discussion and analysis of the college's financial statements provide an overview of the financial activities for the fiscal year ended August 31, 2019.

The college's primary strategic objective is focused on improving student success. Through the utilization of the Four Disciplines of Excellence (4DX), the college has engaged the majority of the college employees on one wildly important goal – graduation. As a result, significant improvements in the number of graduates have resulted from the concerted effort to improve multiple areas that impact student success.

Another significant strategic objective is to systematically address the deferred maintenance issues. Significant improvements were achieved this year, along with the development of a specific 5-year deferred maintenance plan. In addition, the 2019-2020 operating budget provides approximately a quarter million dollars to continue addressing deferred maintenance items going forward.

As a result of our continued focus on student success, the Aspen Institute has recognized SWTJC as a top 10% college for Community College Excellence. I am extremely proud of all the work our SWTJC team has done to advance student success. Unequivocally, this focus on student success has been our north star and positioned us to be recognized as one of the top community colleges in the nation by the Aspen Institute.

Sincerely,

A handwritten signature in black ink, appearing to read "Hector Gonzales", is positioned above the printed name.

Hector Gonzales, Ph.D.
President

December 2, 2019

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, 2019, 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 2019 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, 2019.

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 2018 - 2019

Board of Trustees

<u>Name</u>	<u>County</u>	<u>Title</u>	Term Expires <u>May</u>
Rodolfo R. Flores	Uvalde	President	2020
Dr. Harry O. Watkins	Uvalde	Vice-President	2022
Dr. Antonio H. Rivera	Zavala	Secretary	2022
Tony Moreno	Uvalde	Member	2020
Maria Elena Lara	Uvalde	Member	2024
Victor Lopez	Zavala	Member	2024
Anita Shackelford	Real	Member	2024

Administration

Dr. Hector E. Gonzales	President
Margot Mata	Vice President of Student Services
Derek Sandoval	Vice President of Administrative Services
Anne H. Tarski	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

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EDE & COMPANY, LLC

Certified Public Accountants

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Donna Ede Jones

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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:

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, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, and 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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.

Other Information

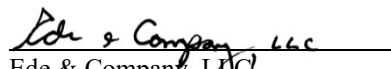
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southwest Texas Junior College's basic financial statements. The exhibits identified in the Table of Contents as required statistical supplements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These exhibits are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These exhibits have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Texas Single Audit Circular, and are also not a required part of the basic financial statements.

The schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The exhibits identified in the Table of Contents as required statistical supplements have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019, 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 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 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
Knippa, Texas

December 2, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

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 liabilities exceed total assets by \$7,988,070 (14%) due to the inclusion of recent Governmental Accounting Standards Board requirements (see Notes to the Financial Statements Nos. 11 and 19). Of the College's total assets, \$40,442,295 (72%) 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, 2019

Southwest Texas Junior College's Net Position

	Year Ended 2019	Year Ended 2018	Year Ended 2017
Assets			
Current Assets	\$ 10,784,931	\$ 8,358,850	\$ 8,792,254
Restricted Cash and Cash Equivalents	674,065	590,882	639,426
Endowment Investments	2,201,778	2,518,875	2,725,736
Capital Assets	40,442,295	39,987,126	40,127,354
Other Noncurrent Investments	1,954,778	1,897,700	1,897,700
Total Assets	<u>56,057,847</u>	<u>53,353,433</u>	<u>54,182,470</u>
Deferred Outflows of Resources			
	<u>13,289,778</u>	<u>1,917,459</u>	<u>2,234,342</u>
Liabilities			
Current Liabilities	10,607,283	9,671,047	10,501,307
Noncurrent Liabilities	55,739,873	49,421,512	32,347,608
Total Liabilities	<u>66,347,156</u>	<u>59,092,559</u>	<u>42,848,915</u>
Deferred Inflows fo Resources			
	<u>10,988,539</u>	<u>5,646,169</u>	<u>1,672,134</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	16,685,819	14,347,185	12,832,542
Restricted - Expendable - Debt Service	1,308,255	1,276,248	1,255,304
Restricted - Expendable - Student Aid	626,156	600,003	310,170
Restricted - Expendable - Maintenance Note	-	-	-
Restricted - Expendable - Revenue Bond	-	-	-
Unrestricted	5,110,086	3,442,195	3,655,816
Unrestricted Pension & OPEB	(31,092,230)	(29,133,467)	(6,158,069)
Total Net Position	<u>\$ (7,988,070)</u>	<u>\$ (9,467,836)</u>	<u>\$ 11,895,763</u>

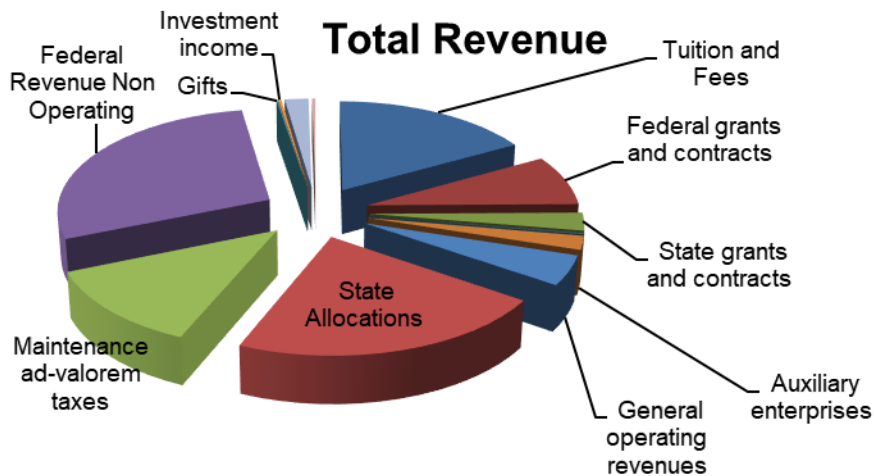
MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2019

For the year ended August 31, 2019, 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 \$5,557,488 in the current year as compared to \$5,281,800 for the year ended August 31, 2018, and \$5,175,847 for the year ended August 31, 2017, listed as non-operating revenue.

State appropriations including restricted insurance and retirement payments totaled \$9,770,349 (23%), \$9,543,818 (24%), and \$8,883,623 (23%), tuition and fees totaled \$7,556,069 (18%), \$6,407,407 (16%), and \$6,361,957 (17%), and federal grants and contracts totaled \$16,336,545 (38%), \$15,105,963 (38%), and \$13,984,569 (35%) all for years ended August 31, 2019, 2018, and 2017, respectively.

Instruction continues to be the largest component of operating expenses at \$16,543,033 (40%) in the current year as compared to the year ended August 31, 2018, of \$15,468,773 (40%) and the year ended August 31, 2017, of \$14,140,392 (39%). Scholarships of \$4,478,972 (11%) in the current year compared to the year ended August 31, 2018 amount of \$4,352,289 (11%), and the year ended August 31, 2017, amount of \$4,044,557 (11%), passed through to students after being applied to tuition and fees. Included in operating expenses is depreciation of \$1,662,957 in the current year, \$1,493,545 for the year ended August 31, 2018, and \$1,284,903 for the year ended August 31, 2017, which represent non-cash expenses.

For the year ended August 31, 2019, the result of operations was an operating loss of \$26,269,054 compared to the year ended August 31, 2018, amount of \$25,854,920 and the year ended August 31, 2017, amount of \$23,984,870. The current year operating loss combined with the current year net non-operating revenue of \$27,251,756 results in an increase in net position of \$982,702.



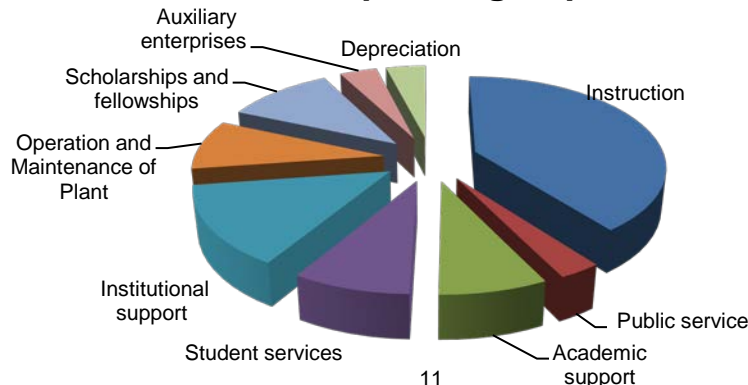
MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

Southwest Texas Junior College's Change in Net Assets

Operating Revenues	FY 2019	FY 2018	FY 2017
Tuition and Fees (net of discounts of \$13,877,662;\$13,395,125;\$10,467,941)	\$ 7,556,069	\$ 6,407,407	\$ 6,361,957
Federal grants and contract	3,547,179	2,035,034	1,880,555
State grants and contracts	1,252,000	1,220,015	1,249,089
Non-governmental grants and contracts	39,243	76,859	1,744
Sales and services of educational activities	20,860	25,823	24,333
Auxiliary enterprises (net of discounts of \$357,357; \$333,841; \$349,934)	956,099	930,993	899,221
General operating revenues	<u>2,078,802</u>	<u>2,496,980</u>	<u>2,170,209</u>
Total Operating Revenues (Schedule A)	<u>15,450,252</u>	<u>13,193,111</u>	<u>12,587,108</u>
Operating Expenses			
Instruction	16,543,033	15,468,773	14,140,392
Public Service	1,264,399	1,265,482	1,078,951
Academic support	3,193,328	3,115,340	2,970,862
Student services	3,462,473	2,946,354	2,972,179
Institutional support	5,868,157	5,239,783	5,251,454
Operation and maintenance of plant	3,688,414	3,637,947	3,278,421
Scholarships and fellow ships	4,478,972	4,352,289	4,044,557
Auxiliary enterprises	1,557,573	1,528,518	1,550,259
Depreciation	<u>1,662,957</u>	<u>1,493,545</u>	<u>1,284,903</u>
Total Operating Expenses (Schedule B)	<u>41,719,306</u>	<u>39,048,031</u>	<u>36,571,978</u>
Operating Loss	(26,269,054)	(25,854,920)	(23,984,870)
Non-Operating Revenues (Expenses)			
State Allocations	9,770,349	9,543,818	8,883,623
Maintenance ad-valorem taxes	5,557,488	5,281,800	5,175,847
Federal Revenue, Non Operating	12,789,366	13,070,929	12,104,014
Gifts	50,451	39,931	77,085
Investment income	112,506	84,067	43,897
Interest on Capital related debt	(897,906)	(947,087)	(987,594)
Other non-operating revenues	<u>(130,498)</u>	<u>(46,678)</u>	<u>(32,390)</u>
Net Non-Operating Revenues (Schedule C)	<u>27,251,756</u>	<u>27,026,780</u>	<u>25,264,482</u>
Increase (Decrease) in Net Assets	982,702	1,171,860	1,279,612
Net Assets			
Net Assets - Beginning of Year	<u>(9,467,836)</u>	<u>11,895,763</u>	<u>10,616,151</u>
Prior Period Adjustment (Note 23)	497,064	(22,535,459)	
Net Position -- Beginning of Year, as restated	<u>(8,970,772)</u>	<u>(10,639,696)</u>	<u>10,616,151</u>
Net Assets - End of Year	<u>\$ (7,988,070)</u>	<u>\$ (9,467,836)</u>	<u>\$ 11,895,763</u>

Operating Expenses



MANAGEMENT'S DISCUSSION AND ANALYSIS

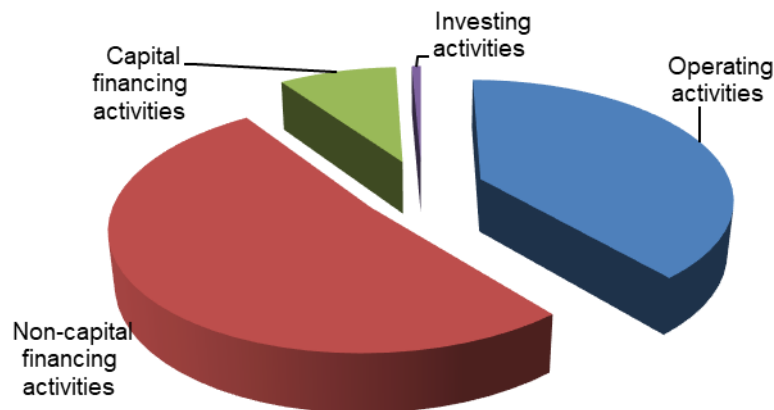
August 31, 2019

Cash and cash equivalents increased during the current fiscal year by \$2,375,816. Cash was used by operating activities in the amount of \$21,048,405. Cash was provided from non-capital financing activities in the amount of \$27,894,325. Cash was used in capital and related financing activities in the amount of \$4,842,629. Cash was provided by investing activities in the amount of \$372,525.

Southwest Texas Junior College's Statement of Cash Flows

	2019	2018	2017
Net cash used by operating activities	\$ (21,048,405)	\$ (23,488,379)	\$ (20,583,173)
Net cash provided by non-capital financing activities	27,894,325	26,162,209	24,402,243
Net cash provided/ (used) by capital and related financing activities	(4,842,629)	(4,101,321)	(5,163,356)
Net cash provided/(used) by investing activities	<u>372,525</u>	<u>290,928</u>	<u>479,276</u>
Increase (decrease) in cash and cash equivalents	2,375,816	(1,136,563)	(865,010)
Cash and Cash equivalents at beginning of year	<u>3,662,160</u>	<u>4,798,723</u>	<u>5,663,733</u>
Cash and cash equivalents at end of year	<u>\$ 6,037,976</u>	<u>\$ 3,662,160</u>	<u>\$ 4,798,723</u>

Cash Flows By Activity

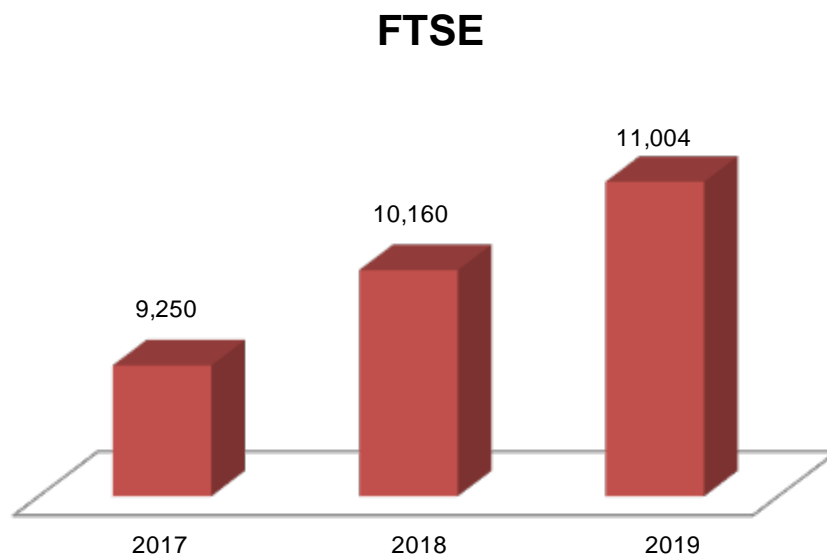
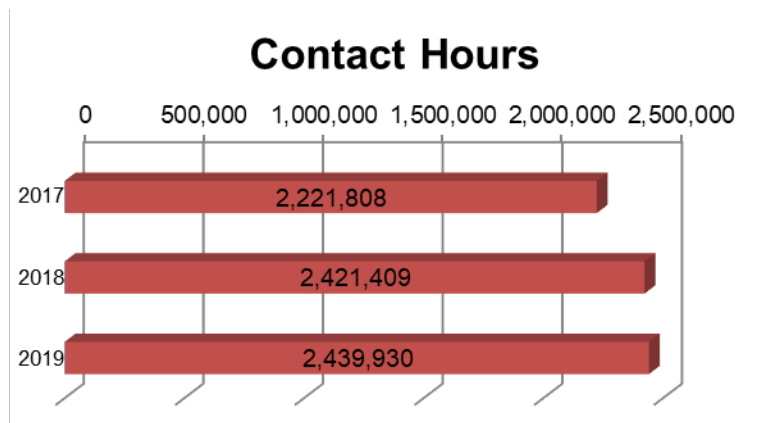


MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

Full time student equivalent enrollment and contact hours in academic and technical programs increased by 8% and 1%, respectively, in the 2019 fiscal year.

	FTSE	Contact Hours
2017	9,250	2,221,808
2018	10,160	2,421,409
2019	11,004	2,439,930



MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

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, 2019, SWTJC recorded a depreciation expense of \$1,662,957, \$1,493,545 in the fiscal year ended August 31, 2018, and \$1,284,903 in the fiscal year ended August 31, 2017. 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, 2019

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 2019, Endowment Funds amounted to \$2,137,805.

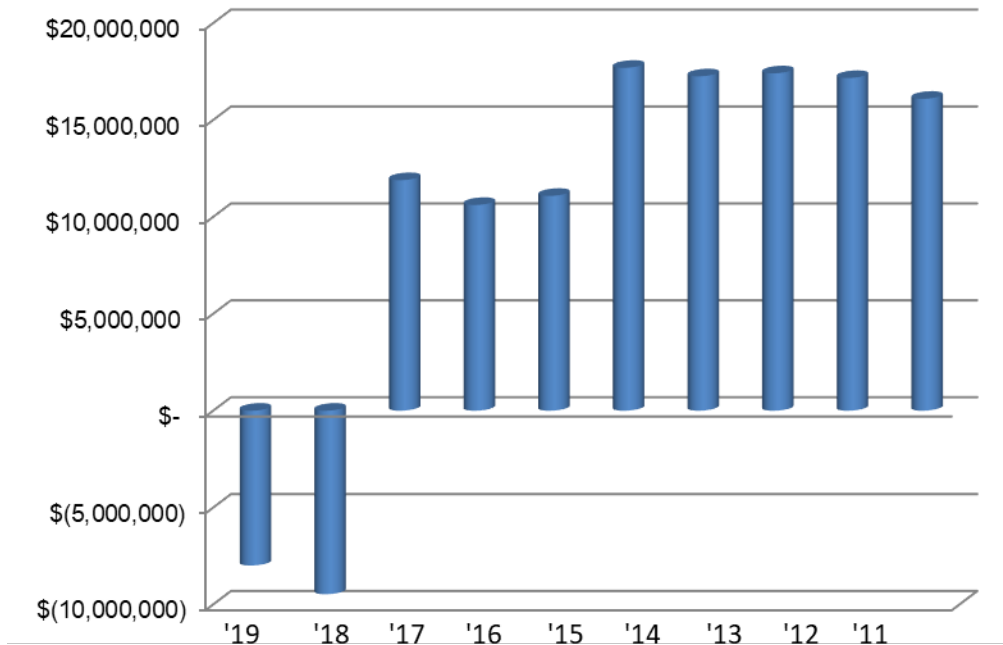
Unrestricted assets for the year 2019 were \$(26,608,300) as compared to \$(25,691,272) in 2018. In accordance with GASB 68 (effective FY 2016) and 75 (effective FY 2018), SWTJC was required to book its portion of the State's unfunded pension liability and unfunded health insurance liability, which caused the unrestricted asset figure to be negative. The pension liability was \$6,557,114 and the health insurance liability was \$24,535,116, making a combined liability of \$31,092,230 for 2019 and the combined liability was \$29,133,467 in 2018.

Year	Net Capital Assets	Change in Net Position				Unrestricted	Total	Net Change
		Restricted for:						
		Unused Bond	Debt Service	Student Aid	Other			
2019	\$16,685,819	\$ -	\$ 1,308,255	\$ 626,156	\$ -	\$(26,608,300)	\$(7,988,070)	\$ 1,479,766
2018	14,347,185	-	1,276,248	600,003	-	(25,691,272)	(9,467,836)	(21,363,599)
2017	12,832,542	-	1,255,304	353,208	-	(2,545,291)	11,895,763	1,279,612
2016	9,818,324	969,073	1,443,439	860,693	-	(2,475,378)	10,616,151	(467,349)
2015	3,011,230	6,889,654	489,008	180,901	-	512,707	11,083,500	(6,608,755)
2014	(1,498,379)	9,741,550	1,063,053	537,665	-	7,848,366	17,692,255	438,955
2013	3,717,874	4,543,842	1,063,054	503,403	-	7,425,127	17,253,300	(156,502)
2012	6,055,003	2,499,214	839,257	689,734	-	7,326,594	17,409,802	242,324
2011	9,030,617	-	860,746	839,182	-	6,436,933	17,167,478	1,074,292
2010	8,151,843	-	989,435	618,550	-	6,333,358	16,093,186	1,185,014

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

Net Position



Other Conditions and Factors

Mission Statement and Strategic Goals (2017-2022):

Mission: Southwest Texas Junior College is a comprehensive, public college serving eleven counties in Southwest Texas. The College provides accessible, affordable, high-quality education that prepares students to successfully transfer to senior colleges and universities; enter the job market; pursue their professional and personal goals; and contribute to the economic growth of the region.

Strategic Goals:

- Identify and serve the learning needs of the community (LEARNING).
- Cultivate excellence in teaching, instructional delivery, student services, and administrative support (QUALITY).
- Provide reliable and sustainable resources and funding for the college (EFFICIENCY)

Aspen Institute: In 2011, Southwest Texas Junior College was recognized by the Aspen Institute in Washington D.C. as one of the top 10 community colleges in the nation. Again, in 2017, the College was recognized as one of the top ten-percent of community colleges. After the 2019-year end, SWTJC was invited (as one of only 150 community colleges in the United States) to apply for the 2021 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

Lumina Foundation's Achieving the Dream Leader College: In 2009, Southwest Texas Junior College was a part of the first cohort of Leader Colleges announced by the Achieving the Dream network, it was recertified as a Leader College in 2012 and 2015. ATD is a national reform network dedicated to community college student success and completion; focused primarily on helping low-income students and students of color complete their education and obtain market-valued credentials. During the 2019 year, SWTJC agreed with its ATD coach to participate in leading a reassessment of the dual credit model.

Partnerships: As of 2019, SWTJC partnered with four Independent Consolidated School Districts (Knippa, Del Rio, Uvalde, and Dilley) to provide Early College High School programs. This program provides students the educational opportunity to graduate with an Associate's degree before they graduate from high school. The College also provided dual credit classes for 26 school districts, allowing high school students to gain college credit before enrolling in the college of their choice. During the 2019 year, the President has committed to visiting with superintendents of all dual credit and early college high schools to open a conversation of mutual exchange of ideas.

Regional Higher Education Plan Development: Southwest Texas Junior College along with Sul Ross University and the Middle Rio Grande Development council have begun the planning of a Regional Higher Education Summit; designed to foster all learning in the area.

Four Disciplines of Execution (4DX): As the College begins its fourth round of activity, the principles of execution have been internalized using the frame work of 4DX. The College, with the President's establishment of the WIG, "Increase the number of graduates", has begun its year of goal setting and success measurement. Weekly meetings are held to track successes and discuss possible actions. In May of 2020, the College will hold its fourth Summit during which each WIG team will present their activities and achievements. This has been a culture changing program and has allowed all college personnel to come together and collaborate; promoting the College's vision.

Facilities: During 2019, the College focused its facilities teams on deferred maintenance issues such as heating and air-conditioning units, roof repair, and upgrading network capabilities.

State Appropriations: The 86th Legislative session maintains the Core Operations rate of \$1.36 million for SWTJC and each of the 49 other community college districts as recommended by the Coordinating Board. Contact hour funding was also held steady at the FY18-19 level of \$5.40 per contact hour, although the Coordinating Board recommended an increase to \$5.49. However, community college Student Success Point funding was increased substantially, from \$171.56 per point in FY18-19 to \$214.76 per point for FY20-21, just short of the Coordinating Board's recommendation of \$215 per point.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

Although Success Point weights are unchanged for the FY20-21 biennium, the bill includes rider language that it is the Legislature's intent that different success point weights be used for the FY22-23 biennium, to include 2.75 points per student transfer to a General Academic Institution (currently two points); 1.2 points per degree or certificate awarded in a field other than a critical field (currently two points), and three points per degree awarded in a critical field (currently 2.25 points).

Enrollment: The College had an increase (8.3%) in enrollment (fulltime student equivalent) during 2019. A great deal of this increase was due to additional Early College High School and dual credit participation.

Quality Enhancement Plan: During the 2019 year, the College continued the implementation of the five-year Quality Enhancement Plan (QEP) – “RISE to the top”. This plan is designed to enhance student engagement and critical thinking using resources and student interactions (**R**esources + **I**nteractions = **S**tudent **E**ngagement). “RISE to the top” first year activity was the course, “First Year Experience”. The second-year activity was student learning through service and evaluation of the efficacy of the first-year course. The third year continued as faculty and staff workshops provided professional development opportunities focused on Collaborative Learning and Student Research projects. 2018 was the fourth year which brought Capstone classes and internship opportunities. The upcoming year, 2020, will continue the focus for Rise to the Top by providing undergraduate research opportunities.

JET Grant: Southwest Texas Junior College received a grant in 2017 from the Texas Workforce Commission under the Jobs and Education for Texans (JET) Grant Programs. The purpose of this grant is to target high-growth, high-demand, and emerging occupations. The program allowed the College to develop and equip an Emergency Medical Technician (EMT) program that was launched on both the Uvalde campus and Chittim Technical Center in Eagle Pass. During the 2018 year, the College utilized this grant opportunity to develop an advanced EMT/Paramedic certificate. This advanced certificate will allow the first-year graduates of the EMT program further their education and employment opportunities. The JET Grant was completed in 2019 with the EMT programs implemented and operational. Also, in 2019, the College received an additional JET Grant to support the purchase of equipment for the Automotive Technology programs. This grant provided the College \$284,917 to train automotive technology students with the most current tools. The grant will be completed in 2020.

Aviation Grant: In 2017, the College received an aviation grant from the Office of the Governor. Using this grant, the SWTJC leased facilities and acquired equipment to further expand the cooperative program with the Del Rio Air Force Base to provide needed training and eventual certification of air and power plant mechanics. At the end of 2019, the College had applied with the Federal Aviation Administration for permission to begin airframe classes in the Fall of 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2019

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, and College personnel are involving high school counselors in the process. The year 2020 will see full scale implementation of pathways.

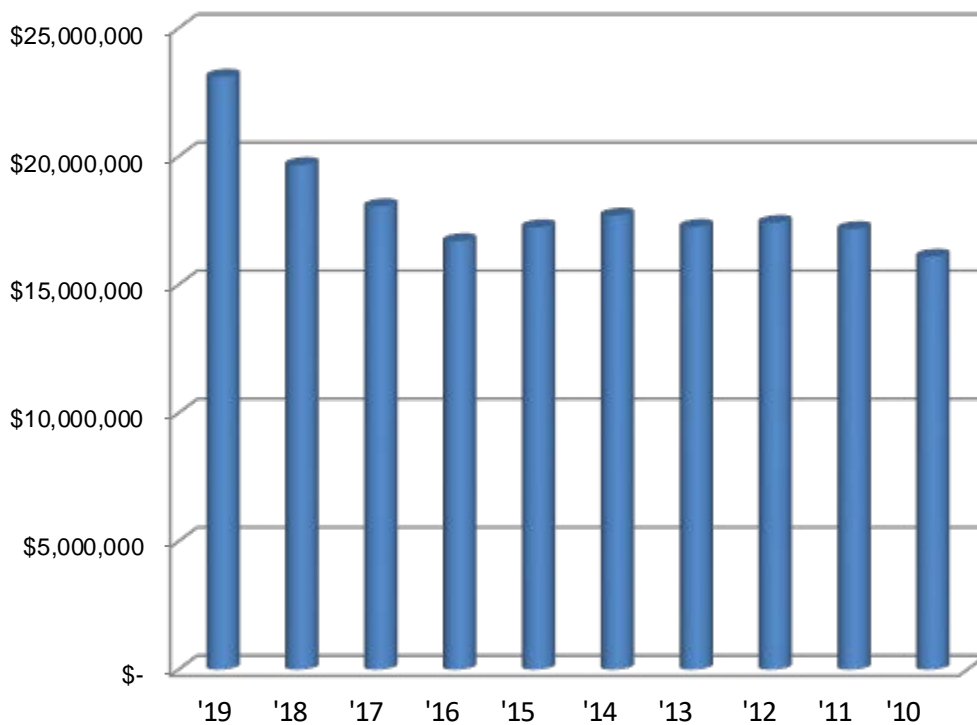
Stemward Bound: The College was awarded a Title V grant (\$2.7 million/five-years) that has enhanced the ability to increase the number of students pursuing STEM (science, technology, engineering, and math) related degrees. During the year, this grant was used to develop a Maker-Space on the Uvalde campus. This lab allows student to come together and collaborate on engineering and technology-based projects. Another lab is planned for the Eagle Pass campus in the year 2020. After year end, SWTJC, Angelo State University and the Uvalde Independent School district signed 1+1+2 articulation agreement allowing a high school student to begin either a civil or mechanical engineering degree in high school with seamless transfers throughout. This is the first time in Texas that such an articulation agreement has been reached to carry an engineering degree from high school straight through to completion.

Rural Utilities Services: The U.S. Department of Agriculture awarded Southwest Texas Junior College with a \$1 million Rural Utility Services grant. The money from this grant award allowed SWTJC to update most of its distance learning and video bridge technology; enhancing learning opportunities for students, both dual credit and traditional. The equipment at the Del Rio campus was not included in the grant, so the Board of Trustees approved the budget to expend the needed money in the year 2020 to complete the update of that location.

MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2019

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. 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 and OPEB GASB entries) from 2018 to 2019 of \$3,438,529.

Net Position w/o Pension & OPEB GASBs



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SOUTHWEST TEXAS JUNIOR COLLEGE

Statement of Net Position
August 31, 2019 and August 31, 2018

ASSETS	FY2019	FY2018
Current Assets:		
Cash and cash equivalents	\$ 5,363,911	\$ 3,071,278
Accounts receivable (net of \$1,416,688; \$1,369,800)	4,864,660	4,190,054
Taxes receivable (net of \$76,725; \$77,504)	475,113	467,263
Inventories	44,101	57,097
Prepaid expenses	37,146	573,158
Total Current Assets	<u>10,784,931</u>	<u>8,358,850</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	674,065	590,882
Endowment investments	2,201,778	2,518,875
Other long-term investments	1,954,778	1,897,700
Capital assets (net of \$21,130,126; \$19,467,168)	40,442,295	39,987,126
Total Noncurrent Assets	<u>45,272,916</u>	<u>44,994,583</u>
Total Assets	<u>56,057,847</u>	<u>53,353,433</u>
Deferred Outflows of Resources		
Deferred Outflows - Pensions	4,931,036	1,390,950
Deferred Outflows - OPEB	8,358,742	526,509
Total Outflows of Resources	<u>13,289,778</u>	<u>1,917,459</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	672,504	708,374
Accrued liabilities	413,001	324,124
Deposits	292,716	280,857
Unearned revenues	7,351,170	6,323,555
Notes payable - short term	207,541	423,561
Notes payable - current portion	235,000	225,000
Lease payable - current portion	155,447	150,672
Bonds payable - current portion	1,279,904	1,234,904
Total Current Liabilities	<u>10,607,283</u>	<u>9,671,047</u>
Noncurrent Liabilities:		
Lease payable	104,832	260,279
Notes payable	990,000	1,225,000
Bonds payable	21,251,572	22,531,476
Net Pension Liability	9,678,734	6,099,009
Net OPEB Liability	23,714,735	19,305,748
Total Noncurrent Liabilities	<u>55,739,873</u>	<u>49,421,512</u>
Total Liabilities	<u>66,347,156</u>	<u>59,092,559</u>
Deferred Inflows of Resources		
Deferred Inflows - Pensions	1,809,416	1,377,574
Deferred Inflows - OPEB	9,179,123	4,268,595
Total Inflows of Resources	<u>10,988,539</u>	<u>5,646,169</u>
NET POSITION		
Invested in capital assets, net of related debt	16,685,819	14,347,185
Restricted for:		
Expendable		
Debt service	1,308,255	1,276,248
Revenue bond	-	-
Student aid	626,156	600,003
Unrestricted	<u>(26,608,300)</u>	<u>(25,691,272)</u>
Total Net Position (Schedule D)	<u>\$ (7,988,070)</u>	<u>\$ (9,467,836)</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, 2019**

	August 31, 2019	August 31, 2018
ASSETS		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 137,219.37	\$ 329,669.26
Accounts receivable	2.78	11.08
Short-term Investments	342,943.27	372,132.60
Total current assets	480,165.42	701,812.94
<u>Noncurrent Assets</u>		
Long-term Investments	400,000.00	200,000.00
Total noncurrent assets	400,000.00	200,000.00
<u>Property and equipment, at cost</u>		
Land	2,748,661.03	2,498,646.23
Buildings	10,416,334.71	10,416,334.71
Improvements	822,140.09	822,140.09
Furniture and fixtures	19,387.00	19,387.00
	14,006,522.83	13,756,508.03
Less accumulated depreciation	5,363,902.02	5,068,607.16
Net property and equipment	8,642,620.81	8,687,900.87
TOTAL ASSETS	\$ 9,522,786.23	\$ 9,589,713.81
LIABILITIES AND NET ASSETS		
<u>Current liabilities</u>		
Contingent Liability	\$ 120,470.00	\$ 120,470.00
Deposit	25,000.00	25,000.00
Current portion of long-term debt	171,962.29	131,098.63
Total current liabilities	317,432.29	276,568.63
<u>Long-term liabilities</u>		
Long-term debt, less current maturities		
Notes payable	866,630.20	855,907.75
Total liabilities	1,184,062.49	1,132,476.38
Net assets - Permanently restricted	8,338,723.74	8,457,237.43
TOTAL LIABILITIES AND NET ASSETS	\$ 9,522,786.23	\$ 9,589,713.81

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, 2019 and August 31, 2018

Operating Revenues	<u>FY2019</u>	<u>FY2018</u>
Tuition and fees (net of discounts of \$13,877,662; \$13,395,125)	\$ 7,556,069	\$ 6,407,407
Federal grants and contracts	3,547,179	2,035,034
State grants and contracts	1,252,000	1,220,015
Non-governmental grants and contracts	39,243	76,859
Sales and services of educational activities	20,860	25,823
Auxiliary enterprises (net of discounts of \$357,357; \$333,841)	956,099	930,993
General operating revenues	<u>2,078,802</u>	<u>2,496,980</u>
Total Operating Revenues (Schedule A)	<u><u>15,450,252</u></u>	<u><u>13,193,111</u></u>
Operating Expenses		
Instruction	16,543,033	15,468,773
Public service	1,264,399	1,265,482
Academic support	3,193,328	3,115,340
Student services	3,462,473	2,946,354
Institutional support	5,868,157	5,239,783
Operation and maintenance of plant	3,688,414	3,637,947
Scholarships and fellowships	4,478,972	4,352,289
Auxiliary enterprises	1,557,573	1,528,518
Depreciation	<u>1,662,957</u>	<u>1,493,545</u>
Total Operating Expenses (Schedule B)	<u><u>41,719,306</u></u>	<u><u>39,048,031</u></u>
Operating Loss	<u><u>(26,269,054)</u></u>	<u><u>(25,854,920)</u></u>
Non-Operating Revenues (Expenses)		
State Allocations	9,770,349	9,543,818
Maintenance ad-valorem taxes	5,557,488	5,281,800
Federal Revenue, Non Operating	12,789,366	13,070,929
Gifts	50,451	39,931
Investment income	112,506	84,067
Interest on capital related debt	(897,906)	(947,087)
Other non-operating revenues (expenses)	<u>(130,498)</u>	<u>(46,678)</u>
Net Non-Operating Revenues (Schedule C)	<u><u>27,251,756</u></u>	<u><u>27,026,780</u></u>
Increase (Decrease) in Net Position	<u><u>982,702</u></u>	<u><u>1,171,860</u></u>
Net Position		
Net Position - Beginning of Year	(9,467,836)	11,895,763
Prior Period Adjustment (Note 23)	497,064	(22,535,459)
Net Position - Beginning of Year, as restated	<u>(8,970,772)</u>	<u>(10,639,696)</u>
Net Position - End of Year	<u><u>\$ (7,988,070)</u></u>	<u><u>\$ (9,467,836)</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, 2019 and August 31, 2018**

	August 31, 2019 Permanently Restricted	August 31, 2018 Permanently Restricted
<u>Support and Revenues:</u>		
Revenue:		
Rental income	\$ 218,800.00	\$ 190,800.00
Interest income	18,373.37	20,668.23
Gain/(Loss) on Investments	4,833.12	(7,983.79)
Total support and revenue	242,006.49	203,484.44
<u>Expenses:</u>		
Depreciation	295,294.86	296,514.34
Interest	59,423.11	54,411.92
Bank Fees	102.21	-
Scholarship	5,000.00	5,000.00
Miscellaneous	700.00	695.00
Total expenses	360,520.18	356,621.26
Change in net assets	(118,513.69)	(153,136.82)
Net assets, beginning of year	8,457,237.43	8,610,374.25
Net assets, end of year	\$ 8,338,723.74	\$ 8,457,237.43

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

SOUTHWEST TEXAS JUNIOR COLLEGE
Statement of Cash Flows
Years Ended August 31, 2019 and August 31, 2018

	<u>FY2019</u>	<u>FY2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from student and other customers	\$ 8,897,896	\$ 6,703,696
Receipts from grants and contracts	4,838,422	3,331,908
Other receipts	2,078,802	2,496,980
Payment to or on behalf of employees	(24,680,738)	(23,488,118)
Payment to suppliers for goods or services	(7,703,815)	(8,180,556)
Payment of scholarships	(4,478,972)	(4,352,289)
Net cash provided (used) by operating activities	<u>(21,048,405)</u>	<u>(23,488,379)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	7,470,070	7,470,217
Ad valorem tax revenue	5,549,639	5,187,871
Receipts from non operating federal revenue	12,789,366	13,070,929
Other non-operating revenue	2,085,250	433,192
Net cash provided (used) by non-capital financing	<u>27,894,325</u>	<u>26,162,209</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from capital lease	-	-
Purchases of capital assets	(2,118,127)	(1,353,317)
Payments on capital debt and leases -- principal	(1,826,596)	(1,800,917)
Payments on capital debt and leases -- interest	(897,906)	(947,087)
Net cash provided (used) by capital and related financing activities	<u>(4,842,629)</u>	<u>(4,101,321)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from maturity of investments	4,922,563	7,617,000
Receipts from interest	112,506	84,067
Purchase of investments	(4,662,544)	(7,410,139)
Net cash provided (used) by investing activities	<u>372,525</u>	<u>290,928</u>
Increase (decrease) in cash and cash equivalents	2,375,816	(1,136,563)
Cash and cash equivalents - Beginning of Year	<u>3,662,160</u>	<u>4,798,723</u>
Cash and cash equivalents - End of Year	<u>\$ 6,037,976</u>	<u>\$ 3,662,160</u>
Reconciliation of operating income (loss) to net cash provided (used)		
by operating activities:		
Operating income (loss)	\$ (26,269,054)	\$ (25,854,920)
Adjustment to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	1,662,957	1,493,545
Prior period adjustment	497,064	-
Bad debt expense	67,283	(118,561)
Payments made directly by state for benefits	2,093,745	2,073,601
Changes in assets and liabilities		
Receivables, net	(741,889)	(366,928)
Inventories	12,996	2,875
Prepaid expenses	536,012	(78,072)
Accounts payable	(35,870)	(452,230)
Accrued liabilities	88,877	(12,651)
Deposits	11,859	15,203
Unearned revenue	1,027,615	(190,241)
Net cash provided (used) by operating activities	<u>\$ (21,048,405)</u>	<u>\$ (23,488,379)</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, 2019 and August 31, 2018**

	August 31, 2019	August 31, 2018
<u>Cash flows from operating activities:</u>		
Change in net assets	\$ (118,513.69)	\$ (153,136.82)
Add (deduct) items not affecting cash:		
Receivables	8.30	999.96
Loss/(Gain) on Investment	(4,833.12)	7,983.79
Depreciation	295,294.86	296,514.34
	<u>171,956.35</u>	<u>152,361.27</u>
Net cash provided by operating activities	<u>171,956.35</u>	<u>152,361.27</u>
<u>Cash flow from investing activities:</u>		
Used for long term investment - CD	(200,000.00)	-
Used for purchase of Land	(250,014.80)	-
Proceeds from maturity of short-term investments	34,022.45	38,326.09
	<u>(415,992.35)</u>	<u>38,326.09</u>
Net cash used in investing activities	<u>(415,992.35)</u>	<u>38,326.09</u>
<u>Cash flow from financing activities:</u>		
Proceeds from Note Payable - FSB	200,000.00	-
Principal payments of long-term debt	(148,413.89)	(117,221.07)
	<u>51,586.11</u>	<u>(117,221.07)</u>
Net cash provided by financing activities	<u>51,586.11</u>	<u>(117,221.07)</u>
Net increase in cash and cash equivalents	(192,449.89)	73,466.29
Cash and cash equivalents - beginning of year	<u>329,669.26</u>	<u>256,202.97</u>
Cash and cash equivalents - end of year	<u><u>\$ 137,219.37</u></u>	<u><u>\$ 329,669.26</u></u>

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

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

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, 2019**

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, 2019**

2. Summary of Significant Accounting Policies (Continued)

Inventories

Inventories consist of consumable office supplies, physical plant supplies, and food service 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 \$6,922,432 and \$7,024,059 have been reported as unearned revenues at August 31, 2019 and August 31, 2018, 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, 2019**

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) bankers 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, 2019**

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, 2019	<u>SWTJC</u>	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 5,236,911	\$ 137,119
Time Deposits	110,000	-
Petty Cash on Hand	17,000	-
Total Current Cash and Deposits	<u>5,363,911</u>	<u>137,119</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	65,000	-
Demand Deposits - Endowments	609,065	-
Time Deposits	-	400,000
Total Noncurrent Cash and Deposits	<u>674,065</u>	<u>400,000</u>
 Total Cash and Deposits	 <u>\$ 6,037,976</u>	 <u>\$ 537,119</u>

August 31, 2018	<u>SWTJC</u>	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 2,939,278	\$ 329,669
Time Deposits	110,000	-
Petty Cash on Hand	22,000	-
Total Current Cash and Deposits	<u>3,071,278</u>	<u>329,669</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	297,820	-
Demand Deposits - Endowments	293,062	-
Time Deposits	-	200,000
Total Noncurrent Cash and Deposits	<u>590,882</u>	<u>200,000</u>
 Total Cash and Deposits	 <u>\$ 3,662,160</u>	 <u>\$ 529,669</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

4. Deposits and Investments (Continued)

Additional policies 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, 2019**

4. Deposits and Investments (Continued)

Reconciliation of Deposits and Investments to Exhibit 1

<u>Type of Security</u>	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Real Estate Investment	\$ 13,093	\$ 13,655
Corporate Stocks	347,173	308,965
Other Investments	56,290	53,955
Total Cash and Deposits	6,037,976	3,662,160
Total Certificates of Deposits	<u>3,740,000</u>	<u>4,040,000</u>
	<u>\$ 10,194,532</u>	<u>\$ 8,078,735</u>
Cash and Cash Equivalents (Exhibit 1)	\$ 5,363,911	\$ 3,071,278
Restricted Cash and Cash Equivalents (Exhibit 1)	674,065	590,882
Endowment Investments (Exhibit 1)	2,201,778	2,518,875
Other Long-Term Investments (Exhibit 1)	<u>1,954,778</u>	<u>1,897,700</u>
	<u>\$ 10,194,532</u>	<u>\$ 8,078,735</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

5. Changes in Property and Equipment

Changes in property and equipment for SWTJC for the year ended August 31, 2019 were as follows:

	<u>Sept. 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2019</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Construction In Progress	336,166	-	336,166	-
Subtotal	<u>1,149,608</u>	<u>-</u>	<u>336,166</u>	<u>813,442</u>
<u>Other Capital Assets</u>				
Buildings	43,646,418	562,937	-	44,209,355
Land Improvements	2,578,099	-	-	2,578,099
Furniture & Fixtures	4,603,688	515,009	-	5,118,697
Library Books	1,262,794	17,152	-	1,279,946
Telecommunication and Peripheral Equipment	6,213,687	1,359,195	-	7,572,882
Subtotal	<u>58,304,686</u>	<u>2,454,293</u>	<u>-</u>	<u>60,758,979</u>
<u>Accumulated Depreciation</u>				
Buildings	9,010,333	761,449	-	9,771,782
Land Improvements	1,985,277	45,435	-	2,030,712
Furniture & Fixtures	3,030,351	252,517	-	3,282,868
Library Books	401,710	23,820	-	425,530
Telecommunication and Peripheral Equipment	5,039,497	579,737	-	5,619,234
Subtotal	<u>19,467,168</u>	<u>1,662,958</u>	<u>-</u>	<u>21,130,126</u>
Net Other Capital Assets	<u>38,837,518</u>	<u>791,335</u>	<u>-</u>	<u>39,628,853</u>
Net Capital Assets	<u>\$ 39,987,126</u>	<u>\$ 791,335</u>	<u>\$ 336,166</u>	<u>\$ 40,442,295</u>

Reconciliation of Capital Assets to Statement of Net Position

SWTJC - Capital Assets (Exhibit 1)	\$ 40,442,295
Total	<u>\$ 40,442,295</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

5. Changes in Property and Equipment (Continued)

Changes in property and equipment for SWTJC for the year ended August 31, 2018 were as follows:

	<u>Sept. 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2018</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Construction In Progress	-	336,166	-	336,166
Subtotal	<u>813,442</u>	<u>336,166</u>	<u>-</u>	<u>1,149,608</u>
<u>Other Capital Assets</u>				
Buildings	43,513,483	132,935	-	43,646,418
Land Improvements	2,578,099	-	-	2,578,099
Furniture & Fixtures	3,962,291	641,397	-	4,603,688
Library Books	1,240,995	21,799	-	1,262,794
Telecommunication and Peripheral Equipment	5,992,667	221,020	-	6,213,687
Subtotal	<u>57,287,535</u>	<u>1,017,151</u>	<u>-</u>	<u>58,304,686</u>
<u>Accumulated Depreciation</u>				
Buildings	8,242,371	767,962	-	9,010,333
Land Improvements	1,939,843	45,434	-	1,985,277
Furniture & Fixtures	2,797,417	232,934	-	3,030,351
Library Books	378,233	23,477	-	401,710
Telecommunication and Peripheral Equipment	4,615,759	423,738	-	5,039,497
Subtotal	<u>17,973,623</u>	<u>1,493,545</u>	<u>-</u>	<u>19,467,168</u>
Net Other Capital Assets	<u>39,313,912</u>	<u>(476,394)</u>	<u>-</u>	<u>38,837,518</u>
Net Capital Assets	<u>\$ 40,127,354</u>	<u>\$ (140,228)</u>	<u>\$ -</u>	<u>\$ 39,987,126</u>
Reconciliation of Capital Assets to Statement of Net Position				
SWTJC - Capital Assets (Exhibit 1)				\$ 39,987,126
Total				<u>\$ 39,987,126</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

5. Changes in Property and Equipment (Continued)

Changes in property and equipment for the Foundation for the years ended August 31, 2019 and August 31, 2018 were as follows:

	<u>Sept. 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2019</u>
Land	\$ 2,498,646	\$ 250,015	\$ -	\$ 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>13,756,507</u>	<u>250,015</u>	<u>-</u>	<u>14,006,522</u>
Accumulated Depreciation	<u>5,068,606</u>	<u>\$ 295,295</u>	<u>\$ -</u>	<u>5,363,901</u>
Net Property & Equipment	<u>\$ 8,687,901</u>			<u>\$ 8,642,621</u>
Reconciliation to Statement of Financial Position Total				<u>\$ 8,642,621</u> <u>\$ 8,642,621</u>
	<u>Sept. 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2018</u>
Land	\$ 2,498,646	\$ -	\$ -	\$ 2,498,646
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>13,756,507</u>	<u>-</u>	<u>-</u>	<u>13,756,507</u>
Accumulated Depreciation	<u>4,772,092</u>	<u>\$ 296,514</u>	<u>\$ -</u>	<u>5,068,606</u>
Net Property & Equipment	<u>\$ 8,984,415</u>			<u>\$ 8,687,901</u>
Reconciliation to Statement of Financial Position Total				<u>\$ 8,687,901</u> <u>\$ 8,687,901</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

6. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2019 was as follows:

	September 1, 2018	Additions	Reductions	August 31, 2019	Current Portion
SWTJC					
Revenue Bonds	\$ 23,480,000	\$ -	\$ 1,215,000	\$ 22,265,000	\$ 1,260,000
Premium on Bonds	286,380	-	19,904	266,476	19,904
Maintenance Tax Notes	1,450,000	-	225,000	1,225,000	235,000
Capital Leases Payable	410,951	-	150,672	260,279	155,447
Net Pension Liability	6,099,009	3,579,725	-	9,678,734	-
Net OPEB Liability	19,305,748	4,408,987	-	23,714,735	-
Total Long-Term Liabilities	\$ 51,032,088	\$ 7,988,712	\$ 1,610,576	\$ 57,410,224	\$ 1,670,351
SWTJC Foundation					
Notes Payable	\$ 987,006	\$ 200,000	\$ 148,414	\$ 1,038,592	\$ 171,962
Total Long-Term Liabilities	\$ 987,006	\$ 200,000	\$ 148,414	\$ 1,038,592	\$ 171,962

Long-term liability activity for the year ended August 31, 2018 was as follows:

	September 1, 2017	Additions	Reductions	August 31, 2018	Current Portion
SWTJC					
Revenue Bonds	\$ 24,645,000	\$ -	\$ 1,165,000	\$ 23,480,000	\$ 1,215,000
Premium on Bonds	306,284	-	19,904	286,380	19,904
Maintenance Tax Notes	1,670,000	-	220,000	1,450,000	225,000
Capital Leases Payable	556,997	-	146,046	410,951	150,672
Net Pension Liability	6,720,277	-	621,268	6,099,009	-
Net OPEB Liability	-	19,305,748	-	19,305,748	-
Total Long-Term Liabilities	\$ 33,898,558	\$ 19,305,748	\$ 2,172,218	\$ 51,032,088	\$ 1,610,576
SWTJC Foundation					
Notes Payable	\$ 1,104,227	\$ -	\$ 117,221	\$ 987,006	\$ 131,099
Total Long-Term Liabilities	\$ 1,104,227	\$ -	\$ 117,221	\$ 987,006	\$ 131,099

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

7. Debt and Lease Obligations

Debt service requirements at August 31, 2019 for SWTJC were as follows:

For the Year Ended August 31,	Revenue Bonds and Maintenance Tax Note		
	Principal	Interest	Total
FY 2020	\$ 1,495,000	\$ 855,246	\$ 2,350,246
FY 2021	1,545,000	812,995	2,357,995
FY 2022	1,585,000	758,942	2,343,942
FY 2023	1,645,000	703,277	2,348,277
FY 2024	1,705,000	645,447	2,350,447
FY 2025-2029	8,105,000	2,345,225	10,450,225
FY 2030-2034	7,410,000	713,713	8,123,713
	<u>\$ 23,490,000</u>	<u>\$ 6,834,845</u>	<u>\$ 30,324,845</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

7. Debt and Lease Obligations (Continued)

Obligations through notes payable for the Foundation at August 31, 2019 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 5.5% interest, 88 principal and interest payments of \$15,176 due monthly and one final principal and interest payment due February 28, 2025.	\$	860,240
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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.		178,352
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Total Notes Payable		<u>1,038,592</u>
Less current portion		<u>171,962</u>
Long-Term portion	\$	<u><u>866,630</u></u>

The following is a summary of debt service requirements:

2020	\$	226,212
2021		226,212
2022		226,212
2023		226,212
2024		200,125
2025		<u>103,442</u>
	\$	<u><u>1,208,415</u></u>
Total minimum debt payments		1,208,415
Less amounts representing interest		<u>169,823</u>
Present value of minimum note payments	\$	<u><u>1,038,592</u></u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

8. Bonds Payable

General information related to bonds payable is summarized below:

- Southwest Texas Junior College District Combined Fee Revenue Bonds, Series 2006A
- Proceeds used to construct a new facility for lessee, Sul Ross State University Rio Grande College
- Issued May 15, 2006
- Amount of issue, \$5,500,000
- Debt to be serviced through pledged lease revenue and tuition and fees
- Outstanding balance, \$3,750,000

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, \$5,865,000

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, \$8,185,000

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, 2019**

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, \$2,340,000

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, \$2,125,000

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, \$1,225,000

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, 2019**

10. Short-Term Debt

The college had short-term debt in the fiscal years ended August 31, 2019 and August 31, 2018. It was used to finance the expansion of the college's Crystal City campus and the purchase of fleet vehicles. The notes are secured by CDs at an annual interest rate equal to 1% over the collateralized CD rate.

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019
Crystal City Campus	\$ 66,020	\$ -	\$ 66,020	\$ -
Roofs	307,541	-	100,000	207,541
Fleet Vehicles	50,000	-	50,000	-
	<u>423,561</u>	<u>-</u>	<u>216,020</u>	<u>-</u>
Total	<u>\$ 423,561</u>	<u>\$ -</u>	<u>\$ 216,020</u>	<u>\$ 207,541</u>

	Balance September 1, 2017	Additions	Reductions	Balance August 31, 2018
Crystal City Campus	\$ 165,987	\$ -	\$ 99,967	\$ 66,020
Roofs	407,541	-	100,000	307,541
Fleet Vehicles	100,000	-	50,000	50,000
	<u>673,528</u>	<u>-</u>	<u>249,967</u>	<u>423,561</u>
Total	<u>\$ 673,528</u>	<u>\$ -</u>	<u>\$ 249,967</u>	<u>\$ 423,561</u>

The entire balance is reported as current. The college will service this debt on a 12 year schedule, or until the rate of interest based on the pledged CDs is unfavorable. At that time, the balance will be financed using the most advantageous method.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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 Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/cafr_2018.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 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).

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

11. Employees' Retirement Plan (Continued)

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

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. 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

Contribution Rates

	<u>2019</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
SWTJC 2019 Employer Contributions		\$559,442
SWTJC 2019 Member Contributions		\$1,164,231
SWTJC 2018 NECE On-behalf Contributions		\$411,142

SWTJC's contributions to the TRS pension plan in 2019 were \$559,442 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 2019 were \$458,754.

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, 2019**

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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2017, rolled forward to August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	6.907%
Long-term Expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	3.69%*
Last year ending August 31 in	
Projection period (100 years)	2116
Inflation	2.3%
Payroll Growth Rate	2.5%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

11. Employees' Retirement Plan (Continued)

The actuarial methods and assumptions were selected by the 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 were primarily based on a study of actual experience for the three-year period ending August 31, 2017 and were adopted in July 2018. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period. Assumptions, methods, and plan changes were updated from the prior year's report. The net pension liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The discount rate changed from 8 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long-term assumed rate of return changed from 8 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

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

Discount Rate. The discount rate used to measure the total pension liability was 6.907 percent. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date. The long-term rate of return on pension plan investments is 7.25 percent.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

11. Employees' Retirement Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS' target asset allocation as of August 31, 2019, are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non-U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
Real Return			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Asset	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Inflation Expectations			2.30%
Volatility Drag**			-0.79%
Total	100.00%		7.25%

* Target allocations are based on the FY2016 policy model.

** The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2018 Comprehensive Annual Financial Report

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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 (6.907%) in measuring the 2018 Net Pension Liability.

	1% Decrease in Discount Rate 5.907%	Discount Rate 6.907%	1% Increase in Discount Rate 7.907%
SWJTC's proportionate share of the net position liability:	\$ 14,607,531	\$ 9,678,734	\$ 5,688,581

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At August 31, 2019, the College reported a liability of \$9,678,734 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	\$ 9,678,734
State's proportionate share that is associated with SWTJC	6,721,887
Total	<u>\$ 16,400,621</u>

The net pension liability was measured as of August 31, 2018 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, 2017 thru August 31, 2018.

At the measurement date of August 31, 2018, the employer's proportion of the collective net pension liability was 0.0175841344%, which was a decrease of 0.0014904023% from its proportion measured as of August 31, 2017.

For the year ended August 31, 2019, the College recognized pension expense of \$665,288 and revenue of \$665,228 for support provided by the State. Refer to the August 31, 2019 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, 2019**

11. Employees' Retirement Plan (Continued)

At August 31, 2019, 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	\$ 60,329	\$ 237,478
Changes in actuarial assumptions	3,489,650	109,052
Difference between projected and actual investment earnings	502,997	686,644
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	318,618	776,242
Contributions paid to TRS subsequent to the measurement date of August 31, 2015	559,442	-
Total	\$ 4,931,036	\$ 1,809,416

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
2020	\$647,188
2021	\$260,724
2022	\$186,647
2023	\$586,437
2024	\$549,972
Thereafter	\$331,211

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 7.31% 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.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

11. Employees' Retirement Plan (Continued)

The retirement expense to the State for the College was \$665,288 and \$509,646 for the fiscal years ended August 31, 2019 and 2018, respectively.

This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was \$19,526,926 and \$19,478,426 for fiscal years 2019 and 2018, respectively. The total payroll of employees covered by the Teacher Retirement System was \$15,119,881 and \$14,857,153, and the total payroll of employees covered by the Optional Retirement Program was \$2,530,127 and \$2,723,572 for fiscal years 2019 and 2018, 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, 2019**

14. Disaggregation of Receivables and Payables Balances

Receivables

Receivables at August 31, 2019 were as follows:

Student Receivables	\$ 4,639,769
Federal Receivables	752,218
Accounts Receivables	889,361
Other Receivables	-
Subtotal	<u>6,281,348</u>
Allowance for Doubtful Accounts	<u>1,416,688</u>
Total Receivables (Exhibit 1)	<u>\$ 4,864,660</u>

Receivables at August 31, 2018 were as follows:

Student Receivables	\$ 4,633,846
Federal Receivables	266,899
Accounts Receivables	659,109
Other Receivables	-
Subtotal	<u>5,559,854</u>
Allowance for Doubtful Accounts	<u>1,369,800</u>
Total Receivables (Exhibit 1)	<u>\$ 4,190,054</u>

Payables

Payables at August 31, 2019 and August 31, 2018 were as follows:

	August 31, 2019	August 31, 2018
Vendor Payables (Exhibit 1)	<u>\$ 672,504</u>	<u>\$ 708,374</u>
Accrued Interest Payable	\$ 294,148	\$ 311,358
Accrued Workers Compensation	25,326	26,483
Other	<u>93,527</u>	<u>(13,717)</u>
Accrued Liabilities (Exhibit 1)	<u>\$ 413,001</u>	<u>\$ 324,124</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

15. Operating Lease Commitments and Rental Agreement

Obligations under operating leases to the Foundation at August 31, 2019 were as follows:

Agreement Year	Property	Annual Due	Term
2014	Eagle Pass Campus	\$ 190,800	60 Years
2019	Eagle Pass Tech Addition	\$ 44,100	5 Years

These leases do not meet the criteria of a capital lease and are recorded as operating leases.

Included in the Foundation's revenue and the college's operating expenses are the following amounts of rent under operating leases:

	Year Ended August 31, 2019	Year Ended August 31, 2018
<u>Operating Expenses</u>		
Rental Expense - SWTJC	\$ 218,800	\$ 190,800
Foundation Rental Income	\$ 218,800	\$ 190,800

The following is a schedule by years of future minimum rental payments from the College to the Foundation required under these operating leases that have an initial term in excess of one year as of August 31, 2019.

	Minimum Future Rental Payments
2020	\$ 234,900
2021	234,900
2022	234,900
2023	234,900
Thereafter	234,900
Required Total Minimum Payment	<u>\$ 1,174,500</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

16. Contract and Grant Awards

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

17. Self-Insured Plans

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

18. Post-Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee for the years ended August 31, 2019 and August 31, 2018 was approximately \$625 and \$622 per month, respectively, and totaled \$1,634,991 and \$1,563,955 for each year, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

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 Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-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.

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.

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.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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

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 2018

Retiree Only	\$621.90
Retiree & Spouse	\$978.22
Retiree & Children	\$860.48
Retiree & Family	\$1,216.80

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, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Employers	\$1,865,313	\$2,464,879
Members (Employees)	\$763,120	\$776,343
Nonemployer Contributing Entity (State of Texas)	\$1,572,452	\$330,879

Source: ERS 2018 Comprehensive Annual Financial Report

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2018 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, 2018
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll, Open
Amortization period	30 Years
Asset valuation method	Not applicable
Discount rate	3.96%
Projected annual salary increase (includes tuition)	2.50% to 9.50%
Annual healthcare trend rate	7.30% for FY2020, 7.40% for FY2021, 7.00% for FY2022, decreasing 0.50% per year to 4.50% for 2027 and later years
Inflation assumption rate	2.50%
Ad hoc postemployment benefit changes	None
Mortality assumptions	
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale projected from the year 2018.
Disability retirees	Tables based on TRS experience with Ultimate MP PProjection Scale projected from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex District RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale form the year 2014.

Source: 2018 ERS CAFR except for mortality assumptions obtained from ERS 2018 GASB 74 Actuarial Valuation

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period (ex. September 1, 2010 to August 31, 2014) for higher education members.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4% (see August 31, 2018 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 3.51%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.96%, which amounted to an increase of 0.45%. 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 (3.96%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate 2.96%	Discount Rate 3.96%	1% Increase in Discount Rate 4.96%
SWTJC's proportionate share of the net OPEB liability:	\$ 28,154,907	\$ 23,714,735	\$ 20,354,023

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 7.3% and the ultimate rate is 4.5%. 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 6.30% decreasing to 3.50%	Current Healthcare Cost Trend Rates 7.30% decreasing to 4.50%	1% Increase in Healthcare Cost Trend Rates 8.30% decreasing to 5.50%
SWTJC's proportionate share of the net OPEB liability:	\$ 20,083,313	\$ 23,714,735	\$ 28,399,275

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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, 2019, SWTJC reported a liability of \$23,714,735 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	\$	23,714,735
State's proportionate share that is associated with SWTJC		16,042,885
Total	\$	39,757,620

The net OPEB liability was measured as of August 31, 2018, 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, 2017, thru August 31, 2018.

At the measurement date of August 31, 2018, the employer's proportion of the collective net OPEB liability was .08001532%.

For the year ended August 31, 2019, SWTJC recognized OPEB expense of \$1,634,991 and revenue of \$1,634,991 for support provided by the State.

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

- Demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the Trustees from the Teachers Retirement System of Texas.
- Assumed Expenses, assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost, Retiree Contribution and Expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The 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 percentage of future retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was increased from 3.51% to 3.96% 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
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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

Changes of Benefit Terms Since Prior Measurement Date – The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

These minor benefit changes have been reflected in the fiscal year 2019 Assumed Per Capita Health Benefit Costs.

At August 31, 2019, 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	\$ -	\$ 868,832
Changes in actuarial assumptions	-	8,310,291
Difference between projected and actual investment earnings	11,230	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	8,195,313	-
Contributions paid to ERS subsequent to the measurement date	152,199	-
Totals	<u>\$ 8,358,742</u>	<u>\$ 9,179,123</u>

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
2020	(\$552,932)
2021	(\$552,932)
2022	(\$552,932)
2023	\$205,353
2024	\$480,862
Thereafter	\$0

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019**

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, 2019	August 31, 2018
Assessed Valuation	\$ 3,713,311,896	\$ 3,469,459,898
Less: Exemptions	365,651,151	191,735,689
Net Assessed Valuation	\$ 3,347,660,745	\$ 3,277,724,209

Authorized tax rates for the College for years 2018 and 2017 were as follows:

	Current Operations	Debt Service	Total
August 31, 2019			
Maximum tax rates per \$100 valuation	\$ 0.5000	\$ 0.5000	\$ 1.0000
Adopted tax rate per \$100 valuation	\$ 0.1652	\$ -	\$ 0.1652
August 31, 2018			
Maximum tax rates per \$100 valuation	\$ 0.5000	\$ 0.5000	\$ 1.0000
Adopted tax rate per \$100 valuation	\$ 0.1652	\$ -	\$ 0.1652

Taxes levied for the years ended August 31, 2019 and August 31, 2018, respectively, were \$5,491,983 and \$5,216,087. 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, 2019**

20. Property Tax (Continued)

August 31, 2019	Current	Debt	
Taxes Collected	Operations	Service	Total
Current Taxes Collected	\$ 5,296,200	\$ -	\$ 5,296,200
Delinquent Taxes Collected	150,841	-	150,841
Penalties and Interest Collected	111,514	-	111,514
Total Collections	<u>\$ 5,558,555</u>	<u>\$ -</u>	<u>\$ 5,558,555</u>

Tax collections for the year ended August 31, 2019 were 96.44% 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, 2018	Current	Debt	
Taxes Collected	Operations	Service	Total
Current Taxes Collected	\$ 5,016,667	\$ -	\$ 5,016,667
Delinquent Taxes Collected	155,507	-	155,507
Penalties and Interest Collected	94,701	-	94,701
Total Collections	<u>\$ 5,266,875</u>	<u>\$ -</u>	<u>\$ 5,266,875</u>

Tax collections for the year ended August 31, 2018 were 96.18% 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, 2017 or August 31, 2016.

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, 2019**

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. Prior Period Adjustment

During fiscal year ending August 31, 2019, the College realized a \$497,064 credit from the Employees Retirement System of Texas (ERS) for reallocation of insurance premiums from prior years. Recognition of this credit required a prior period adjustment to report the effect retroactively. The prior period adjustment of \$497,064 resulted in a restated beginning net position balance of \$(8,970,772).

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*,	2018**	2017**	2016**	2015**	2014**
SWTJC Proportionate Share of the Net Pension Liability (%)	0.0175841%	0.0190745%	0.0177839%	0.0174035%	0.0203443%
SWTJC Proportionate Share of the Net Pension Liability (\$)	\$ 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	6,721,887	3,148,498	4,273,823	4,192,832	3,420,061
Total	<u>\$ 16,400,621</u>	<u>\$ 9,247,507</u>	<u>\$ 10,994,100</u>	<u>\$ 10,344,738</u>	<u>\$ 8,854,305</u>
SWJTC Covered Payroll	\$ 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	65.15%	43.78%	48.24%	45.50%	42.73%
Plan fiduciary net position as percentage of the total pension liability	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*,	2019**	2018**	2017**	2016**	2015**
Legally Required Contributions	\$ 559,442	\$ 638,055	\$ 625,152	\$ 565,040	\$ 515,784
Actual Contributions	559,442	638,055	625,152	565,040	515,784
Contributions deficiency/(excess)	\$ -	\$ -	\$ -	\$ -	-
SWJTC Covered Payroll	\$ 15,119,884	\$ 14,857,153	\$ 13,930,638	\$ 13,519,470	\$ 12,716,474
Ratio of : Actual Contributions/SWTJC Covered Payroll	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*,	2018**	2017**
SWTJC Proportionate Share of the Net OPEB Liability (%)	0.0800153%	0.0566599%
SWTJC Proportionate Share of the Net OPEB Liability (\$)	\$ 23,714,735	\$ 19,207,789
State's Proportionate Share of the Net OPEB Liability associated with the College	16,042,885	12,163,867
Total	<u>\$ 39,757,620</u>	<u>\$ 31,371,656</u>
SWJTC Covered Payroll	\$ 14,857,153	\$ 13,930,638
SWTJC Proportionate Share of the Net OPEB Liability as a percentage of Covered Payroll	159.62%	137.88%
Plan fiduciary net position as percentage of the total OPEB liability	246.00%	290.10%

* 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*,	2019**	2018**
Legally Required Contributions	\$ 522,269	\$ 520,793
Actual Contributions	522,269	520,793
Contributions deficiency/(excess)	\$ -	\$ -
 SWJTC Covered Payroll	 \$ 15,119,884	 \$ 14,857,153
Ratio of : Actual Contributions/SWTJC Covered Payroll	3.45%	3.51%

* 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, 2019**

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, 2019.

Changes of Assumptions.

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report. The Net Pension Liability increased significantly since the prior measurement date due to a change in the following actuarial assumptions:

- The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017.
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants were updated based on the same experience study.
- The discount rate changed from 8.0 percent as of August 31, 2017 to 6.907 percent as of August 31, 2018.
- The long term assumed rate of return changed from 8.0 percent to 7.25 percent.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.

2. Notes to Schedules for the ERS OPEB Plan

Changes of Benefit Terms.

The only benefit revisions have been adopted since the prior valuation is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary. These minor benefit changes have been reflected in the fiscal year 2019 Assumed Per Capita Health Benefit Costs.

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2019**

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:

- Demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members have been updated to reflect assumptions recently adopted by the Trustees from the Teachers Retirement System of Texas.
- Assumed Expenses, assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost, Retiree Contribution and Expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The 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 percentage of future retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was increased from 3.51% to 3.96% to utilize the updated yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

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SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Operating Revenues
Year Ended August 31, 2019 (With Memorandum Totals for the Year Ended August 31, 2018)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	August 31, 2019 Total	August 31, 2018 Total
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 7,229,139	\$ -	\$ 7,229,139	\$ -	\$ 7,229,139	\$ 6,603,037
Out-of-district resident tuition	6,111,287	-	6,111,287	-	6,111,287	5,702,736
Non-resident tuition	370,953	-	370,953	-	370,953	460,507
TPEG - credit (set aside)*	440,556	-	440,556	-	440,556	426,231
State funded continuing education	1,172,050	-	1,172,050	-	1,172,050	960,293
TPEG non-credit (set aside)*	10,670	-	10,670	-	10,670	10,725
Non-state funded educational programs	89,890	-	89,890	-	89,890	163,497
Total Tuition	15,424,545	-	15,424,545	-	15,424,545	14,327,026
Fees:						
General fees	5,504,619	-	5,504,619	-	5,504,619	5,032,730
Laboratory fees	504,567	-	504,567	-	504,567	442,776
Total Fees	6,009,186	-	6,009,186	-	6,009,186	5,475,506
Scholarship allowance and discount						
Remission and exemption - state	(553,339)	-	(553,339)	-	(553,339)	(606,187)
Remission and exemption - local	(4,654,387)	-	(4,654,387)	-	(4,654,387)	(3,548,197)
Title IV federal grants	(8,037,221)	-	(8,037,221)	-	(8,037,221)	(8,513,375)
Other federal grants	-	-	-	-	-	-
TPEG awards	(165,227)	-	(165,227)	-	(165,227)	(225,182)
Other state grants	(409,622)	-	(409,622)	-	(409,622)	(444,961)
Other local grants	(57,866)	-	(57,866)	-	(57,866)	(57,223)
Total Scholarship Allowances	(13,877,662)	-	(13,877,662)	-	(13,877,662)	(13,395,125)
Total net tuition and fees	7,556,069	-	7,556,069	-	7,556,069	6,407,407
Additional operating revenues:						
Federal grants and contracts	-	3,520,879	3,520,879	26,300	3,547,179	2,035,034
State grants and contracts	-	1,202,451	1,202,451	49,549	1,252,000	1,220,015
Non-governmental grants and contracts	-	39,243	39,243	-	39,243	76,859
Sales and services of educational activities	20,860	-	20,860	-	20,860	25,823
General operating revenue	2,078,802	-	2,078,802	-	2,078,802	2,496,980
Total additional operating revenues	2,099,662	4,762,573	6,862,235	75,849	6,938,084	5,854,711
Auxiliary Enterprises						
Bookstore	-	-	-	140,256	140,256	139,620
Less Discounts	-	-	-	-	-	-
Residential life	-	-	-	903,814	903,814	844,337
Less Discounts	-	-	-	(357,357)	(357,357)	(333,841)
Day Care	-	-	-	249,105	249,105	270,996
SWTNET	-	-	-	2,250	2,250	2,550
Other revenues	-	-	-	18,031	18,031	7,331
Total net auxiliary enterprises	-	-	-	956,099	956,099	930,993
Total Operating Revenues	\$ 9,655,731	\$4,762,573	\$ 14,418,304	\$ 1,031,948	\$ 15,450,252	\$ 13,193,111

*In accordance with Education Code 56.033, \$451,226 and \$436,956 for years August 31, 2019 and August 31, 2018, 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, 2019 (With Memorandum Totals for the Year Ended August 31, 2018)

	Operating Expense				August 31, 2019 Total	August 31, 2018 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 10,353,112	\$ -	\$ 3,197,900	\$ 1,344,293	\$ 14,895,305	\$ 13,943,591
Public Service	39,566	-	12,221	3,328	55,115	69,212
Academic Support	1,823,869	-	563,362	312,830	2,700,061	2,672,401
Student Services	1,332,947	-	411,725	267,211	2,011,883	2,049,500
Institutional Support	2,600,444	-	803,233	2,127,348	5,531,025	4,925,616
Operation and Maintenance of Plant	1,296,889	-	400,587	1,990,938	3,688,414	3,637,947
Scholarship	-	-	-	-	-	-
Total Unrestricted Educational Activities	17,446,827	-	5,389,028	6,045,948	28,881,803	27,298,267
Restricted - Educational Activities						
Instruction	46,616	1,342,220	5,962	252,930	1,647,728	1,525,182
Public Service	773,973	5,130	98,982	331,199	1,209,284	1,196,270
Academic Support	227,694	236,454	29,119	-	493,267	442,939
Student Services	488,624	172,809	62,489	726,668	1,450,590	896,854
Institutional Support	-	337,132	-	-	337,132	314,167
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarship	-	-	-	4,478,972	4,478,972	4,352,289
Total Restricted Educational Activities	1,536,907	2,093,745	196,552	5,789,769	9,616,973	8,727,701
Total Educational Activities	18,983,734	2,093,745	5,585,580	11,835,717	38,498,776	36,025,968
Auxiliary Enterprises	543,192	-	154,173	860,208	1,557,573	1,528,518
Depreciation Expense - Buildings and other real estate improvements	-	-	-	806,883	806,883	813,396
Depreciation Expense - Equipment and furniture	-	-	-	832,254	832,254	656,672
Depreciation Expense - Library Books	-	-	-	23,820	23,820	23,477
Total Operating Expenses	\$ 19,526,926	\$ 2,093,745	\$ 5,739,753	\$ 14,358,882	\$ 41,719,306	\$ 39,048,031

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule C

Schedule of Non-Operating Revenues and Expenses
 Year Ended August 31, 2019 (With Memorandum Totals for the Year Ended August 31, 2018)

	Unrestricted	Restricted	Auxiliary Enterprises	August 31, 2019 Total	August 31, 2018 Total
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 7,470,070	\$ -	\$ -	\$ 7,470,070	\$ 7,470,217
State group insurance	-	1,634,991	-	1,634,991	1,563,955
State retirement matching	-	665,288	-	665,288	509,646
Total state appropriations	7,470,070	2,300,279	-	9,770,349	9,543,818
Maintenance ad valorem taxes	5,557,488	-	-	5,557,488	5,281,800
Federal Revenue, Non Operating	-	12,789,366	-	12,789,366	13,070,929
Gifts	-	50,451	-	50,451	39,931
Investment Income	112,137	-	369	112,506	84,067
Other non-operating revenue	-	63,942	-	63,942	64,627
Total non-operating revenues	5,669,625	12,903,759	369	28,344,102	28,085,172
NON-OPERATING EXPENSES:					
Interest on capital related debt	897,906	-	-	897,906	947,087
Other non-operating expense	194,440	-	-	194,440	111,305
Total non-operating expenses	1,092,346	-	-	1,092,346	1,058,392
Net non-operating revenues	\$ 12,047,349	\$ 15,204,038	\$ 369	\$ 27,251,756	\$ 27,026,780

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule D

Schedule of Net Position by Source and Availability
 Year Ended August 31, 2019 (With Memorandum Totals for the Year Ended August 31, 2018)

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current							
Unrestricted	\$ 2,101,034	\$ -	\$ -	\$ -	\$ 2,101,034	\$ 2,101,034	\$ -
Unrestricted Pension	(6,557,114)				(6,557,114)		(6,557,114)
Unrestricted OPEB	(24,535,116)				(24,535,116)		(24,535,116)
Restricted	-	193,896	-	-	193,896	193,896	-
Auxiliary	245,091				245,091	245,091	-
Loan	-	432,260	-	-	432,260	-	432,260
Endowment							
Quasi:							
Unrestricted	2,137,805	-	-	-	2,137,805	-	2,137,805
Plant							
Debt Service	-	1,308,255	-	-	1,308,255	-	1,308,255
Revenue Bond	-	-	-	-	-	-	-
Investment in Plant	-	-	-	16,685,819	16,685,819	-	16,685,819
Total Net Position, August 31, 2019	(26,608,300)	1,934,411	-	16,685,819	(7,988,070)	2,540,021	(10,528,091)
Total Net Position, August 31, 2018	(25,691,272)	1,876,251	-	14,347,185	(9,467,836)	1,513,268	(10,981,104)
Prior Period Adjustment (Note 23)	497,064	-	-	-	497,064	497,064	-
Total Net Position, August 31, 2018, as restated	(25,194,208)	1,876,251	-	14,347,185	(8,970,772)	2,010,332	(10,981,104)
Net Increase (Decrease) in Net Position	\$ (1,414,092)	\$ 58,160	\$ -	\$ 2,338,634	\$ 982,702	\$ 529,689	\$ 453,013

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2019

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		\$ 12,417,577
Federal Direct Student Loan	84.268		2,146,092
Supplemental Education Opportunity Grant	84.007		192,132
Federal College Workstudy Program	84.033		179,657
TRIO Cluster			
TRIO Student Support Services	84.042A		354,852
TRIO Upward Bound	84.047A		270,896
TRIO Education Opportunity Center	84.066A		225,691
STEMward Bound			
			435,787
Pass-Through From:			
Angelo State University			
ASU Title V Co-op Project	84.031S	P031S140160-16	174,566
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	164254	298,209
Texas Workforce Commission			
Adult Education and Literacy	84.002	2718ALA000	532,380
Adult Education and Literacy	84.002	2718ALAB00	109,860
Local Performance Quality Improvement	84.002A	2717PQI001	11,650
Region 20 - Alamo Consortium			
Adult Education and Literacy			44,608
Texas State University			
Reenergize - MSEIP	84.120	PR120A140055	-
Total Department of Education			<u>17,393,957</u>
U.S. Department of Agriculture			
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	03270	26,300
Rural Utilities Service Grant 1			
	10.855		473,177
Rural Utilities Service Grant 2			
	10.855		500,000
U.S. Department of Health and Human Services			
Pass-Through From:			
Texas Workforce Commission			
Temporary Assistance for Needy Families (TANF)	93.558	2718ALA000	87,415
Region 20 - Alamo Consortium			
Temporary Assistance for Needy Families (TANF)			1,788
Total Department of Health and Human Services			<u>89,203</u>
Total Federal Financial Assistance			<u>\$ 18,482,637</u>

Schedule E (Continued)

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$	3,547,179
Add: Non Operating Federal Revenue from Schedule C		12,789,366
Add: Direct Student Loans		2,146,092
		<u>18,482,637</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.

SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Expenditures of State Awards
For the Year Ended August 31, 2019

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Workforce Commission		
Adult Education and Literacy	2718ALA000	\$ 92,007
Jobs & Education for Texans Grant	2719JET001	284,592
South Texas College Skills Development Grant	2318SDF000	133,849
Region 20 - Alamo Consortium		
Adult Education and Literacy		5,888
Region 20 - Alamo Consortium		
Temporary Assistance for Needy Families (TANF)		662
Texas Health and Human Services Commission		
Child Care		49,549
Office of the Governor, Texas Military Preparedness Commission		
Aviation (DEAAG) Grant		11,373
Texas Department of Criminal Justice		
College Classes for Inmates	696-PS-16-16-A034	49,403
Texas Higher Education Coordinating Board		
Texas Educational Opportunity Grant		541,094
Texas College Workstudy		33,240
Texas College Workstudy Mentorship		14,797
Nursing Shortage Reduction - Regular		20,898
Nursing Shortage Reduction - Under 70		5,164
NIGP Building Simulation Capacitor Grant		9,484
Total State Financial Assistance		<u>\$ 1,252,000</u>
Note 1: State Assistance Reconciliation		
State Revenues - per Schedule A		\$ 1,252,000
		<u>\$ 1,252,000</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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Donna Ede Jones

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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, 2019 and 2018, 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 2, 2019. 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.

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.

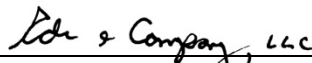
Texas Public Funds Investment Act

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, 2019, no instances of noncompliance were found.

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*.

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
Knippa, Texas

December 2, 2019

EDE & COMPANY, LLC

Certified Public Accountants

Eric Ede
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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 and State Program

We have audited Southwest Texas Junior College's compliance with the types of compliance requirements described 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 and state programs for the year ended August 31, 2019. Southwest Texas Junior College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Southwest Texas Junior College's major federal and state programs based on our audit of the types of compliance requirements referred to above. 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*. Those standards and the Uniform Guidance, and the Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Southwest Texas Junior College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Southwest Texas Junior College's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Southwest Texas Junior College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2019.

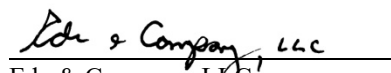
Report on Internal Control Over Compliance

Management of Southwest Texas Junior College, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Southwest Texas Junior College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwest Texas Junior College's 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 and state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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. Accordingly, this report is not suitable for any other purpose.


Ede & Company, LLC
Certified Public Accountants
Knippa, Texas

December 2, 2019

**SOUTHWEST TEXAS JUNIOR COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2019**

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

Student Financial Aid Cluster	
Pell Grant	CFDA 84.063
College Work Study	CFDA 84.033
Supplemental Education Opportunity Grant	CFDA 84.007
Federal Direct Student Loan	CFDA 84.268
TRIO Cluster	
TRIO Student Support Services	CFDA 84.042A
TRIO Upward Bound	CFDA 84.047A
TRIO Education Opportunity Center	CFDA 84.066A
Rural Utilities Service Grant	CFDA 10.855

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Invested in capital assets, net of related debt	\$ 16,685,819	\$ 14,347,185	\$ 12,832,542	\$ 9,818,324	\$ 3,011,230	\$ (1,498,379)	\$ 3,717,874	\$ 6,055,003	\$ 9,030,617	\$ 8,293,391
Restricted - expendable	1,934,411	1,876,251	1,608,512	3,273,205	7,559,563	11,342,268	6,110,299	4,028,205	1,699,928	1,587,988
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(26,608,300)	(25,691,272)	(2,545,291)	(2,475,378)	512,707	7,848,366	7,425,127	7,326,594	6,436,933	6,333,358
Total primary government net assets	\$ (7,988,070)	\$ (9,467,836)	\$ 11,895,763	\$ 10,616,151	\$ 11,083,500	\$ 17,692,255	\$ 17,253,300	\$ 17,409,802	\$ 17,167,478	\$ 16,214,737

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

	For the Fiscal Year Ended August 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	\$ 7,556,069	\$ 6,407,407	\$ 6,361,957	\$ 9,300,779	\$ 5,566,228	\$ 5,567,283	\$ 5,130,032	\$ 5,493,939	\$ 5,930,984	\$ 3,719,005
Governmental Grants and Contracts										
Federal Grants and Contracts	3,547,179	2,035,034	1,880,555	1,760,511	1,783,893	1,649,023	2,283,343	2,581,256	3,700,527	4,174,551
State Grants and Contracts	1,252,000	1,220,015	1,249,089	933,925	1,320,527	1,279,914	991,238	1,385,040	1,270,208	1,451,117
Non-Governmental Grants and Contracts	39,243	76,859	1,744	62,940	146,653	168,270	189,125	112,713	56,904	25,540
Sales and services of educational activities	20,860	25,823	24,333	35,851	28,743	23,203	26,819	22,630	23,556	24,044
Auxiliary enterprises (Net of Discounts)	956,099	930,993	899,221	853,216	842,153	770,428	887,173	972,184	2,070,432	2,278,908
Other Operating Revenue	2,078,802	2,496,980	2,170,209	2,269,990	1,946,558	1,899,408	1,955,008	1,959,051	1,965,962	1,770,344
Total Operating Revenues	15,450,252	13,193,111	12,587,108	15,217,212	11,634,755	11,357,529	11,462,738	12,526,813	15,018,573	13,443,509
State Appropriations	9,770,349	9,543,818	8,883,623	8,854,607	8,982,067	8,906,925	8,075,275	8,613,312	9,360,771	9,441,219
Ad Valorem Taxes	5,557,488	5,281,800	5,175,847	4,143,045	3,703,685	3,121,746	2,689,311	2,572,349	2,486,117	2,375,217
Federal Revenue, Non-operating	12,789,366	13,070,929	12,104,014	8,042,837	11,352,547	11,080,630	12,737,968	12,243,611	15,038,509	15,565,999
Investment income	112,506	84,067	83,897	39,898	83,365	44,993	68,390	73,443	71,539	97,442
Other non-operating revenues	114,393	104,558	155,149	101,579	74,746	1,088,287	115,399	67,210	101,293	67,630
Total Non-Operating Revenues	28,344,102	28,085,172	26,362,530	21,181,966	24,196,410	24,242,581	23,686,343	23,569,925	27,058,229	27,547,507
Total Revenues	\$ 43,794,354	\$ 41,278,283	\$ 38,949,638	\$ 36,399,178	\$ 35,831,165	\$ 35,600,110	\$ 35,149,081	\$ 36,096,738	\$ 42,076,802	\$ 40,991,016

	For the Fiscal Year Ended August 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tuition and Fees (Net of Discounts)	17.25%	15.52%	16.33%	25.55%	15.53%	15.64%	14.60%	15.22%	14.10%	9.07%
Governmental Grants and Contracts										
Federal Grants and Contracts	8.10%	4.93%	4.83%	4.84%	4.98%	4.63%	6.50%	7.15%	8.79%	10.18%
State Grants and Contracts	2.86%	2.96%	3.21%	2.57%	3.69%	3.60%	2.82%	3.84%	3.02%	3.54%
Non-Governmental Grants and Contracts	0.09%	0.19%	0.00%	0.17%	0.41%	0.47%	0.54%	0.31%	0.14%	0.06%
Sales and services of educational activities	0.05%	0.06%	0.06%	0.10%	0.08%	0.07%	0.08%	0.06%	0.06%	0.06%
Auxiliary enterprises	2.18%	2.26%	2.31%	2.34%	2.35%	2.16%	2.52%	2.69%	4.92%	5.56%
Other Operating Revenue	4.75%	6.05%	5.57%	6.24%	5.43%	5.34%	5.56%	5.43%	4.67%	4.32%
Total Operating Revenues	35.28%	31.96%	32.32%	41.81%	32.47%	31.90%	32.61%	34.70%	35.69%	32.80%
State Appropriations	22.31%	23.12%	22.81%	24.33%	25.07%	25.02%	22.97%	23.86%	22.25%	23.03%
Ad Valorem Taxes	12.69%	12.80%	13.29%	11.38%	10.34%	8.77%	7.65%	7.13%	5.91%	5.79%
Federal Revenue, Non-operating	29.20%	31.67%	31.08%	22.10%	31.68%	31.13%	36.24%	33.92%	35.74%	37.97%
Investment income	0.26%	0.20%	0.11%	0.11%	0.23%	0.13%	0.19%	0.20%	0.17%	0.24%
Other non-operating revenues	0.26%	0.25%	0.40%	0.28%	0.21%	3.06%	0.33%	0.19%	0.24%	0.16%
Total Non-Operating Revenues	64.72%	68.04%	67.68%	58.19%	67.53%	68.10%	67.39%	65.30%	64.31%	67.20%
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,

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction	\$ 16,543,033	\$ 15,468,773	\$ 14,140,392	\$ 13,887,730	\$ 13,088,671	\$ 12,385,581	\$ 12,166,721	\$ 11,910,414	\$ 12,484,217	\$ 12,349,906
Public service	1,264,399	1,265,482	1,078,951	955,087	1,015,412	1,175,159	1,151,997	1,511,783	2,068,587	2,075,941
Academic support	3,193,328	3,115,340	2,970,862	3,072,582	2,850,670	2,835,344	2,835,240	3,008,190	2,787,990	2,693,002
Student services	3,462,473	2,946,354	2,972,179	2,851,119	2,816,843	2,729,763	2,978,274	2,929,304	3,451,245	3,210,434
Institutional support	5,868,157	5,239,783	5,251,454	4,919,589	5,560,658	5,085,854	4,816,132	4,456,411	4,238,281	3,481,474
Operation and maintenance of plant	3,688,414	3,637,947	3,278,421	3,205,879	3,080,156	3,329,945	3,401,842	3,699,346	3,769,594	3,968,955
Scholarships and fellowships	4,478,972	4,352,289	4,044,557	3,979,349	4,345,218	4,220,402	4,802,594	5,275,942	8,171,634	7,792,456
Auxiliary enterprises	1,557,573	1,528,518	1,550,259	1,613,748	1,457,924	1,370,996	1,404,080	1,675,472	2,757,928	2,984,306
Depreciation	1,662,957	1,493,545	1,284,903	1,107,660	883,763	865,463	818,353	823,623	759,582	743,353
Total Operating Expenses	41,719,306	39,048,031	36,571,978	35,592,743	35,099,315	33,998,507	34,375,233	35,290,485	40,489,058	39,299,827
Interest on capital related debt	897,906	947,087	987,594	1,071,710	982,252	826,442	676,830	383,417	384,648	420,862
Other non-operating expense	194,440	111,305	110,454	202,074	201,341	336,206	253,520	180,512	128,807	85,310
Total Non-Operating Expenses	1,092,346	1,058,392	1,098,048	1,273,784	1,183,593	1,162,648	930,350	563,929	513,455	506,172
Total Expenses	\$ 42,811,652	\$ 40,106,423	\$ 37,670,026	\$ 36,866,527	\$ 36,282,908	\$ 35,161,155	\$ 35,305,583	\$ 35,854,414	\$ 41,002,513	\$ 39,805,999

For the Fiscal Year Ended August 31,

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Instruction	38.64%	38.57%	37.54%	37.67%	36.07%	35.23%	34.46%	33.22%	30.45%	31.03%
Public service	2.95%	3.16%	2.86%	2.59%	2.80%	3.34%	3.26%	4.22%	5.05%	5.22%
Academic support	7.46%	7.77%	7.89%	8.33%	7.86%	8.06%	8.03%	8.39%	6.80%	6.77%
Student services	8.09%	7.35%	7.89%	7.73%	7.76%	7.76%	8.44%	8.17%	8.42%	8.07%
Institutional support	13.71%	13.06%	13.94%	13.34%	15.33%	14.46%	13.64%	12.43%	10.34%	8.75%
Operation and maintenance of plant	8.62%	9.07%	8.70%	8.70%	8.49%	9.47%	9.64%	10.32%	9.19%	9.97%
Scholarships and fellowships	10.46%	10.85%	10.74%	10.79%	11.98%	12.00%	13.60%	14.71%	19.93%	19.58%
Auxiliary enterprises	3.64%	3.81%	4.12%	4.38%	4.02%	3.90%	3.98%	4.67%	6.73%	7.50%
Depreciation	3.88%	3.72%	3.41%	3.00%	2.44%	2.46%	2.32%	2.30%	1.85%	1.87%
Total Operating Expenses	97.45%	97.36%	97.09%	96.54%	96.74%	96.69%	97.36%	98.43%	98.75%	98.73%
Interest on capital related debt	2.10%	2.36%	2.62%	2.91%	2.71%	2.35%	1.92%	1.07%	0.94%	1.06%
Other non-operating expense	0.45%	0.28%	0.29%	0.55%	0.55%	0.96%	0.72%	0.50%	0.31%	0.21%
Total Non-Operating Expenses	2.55%	2.64%	2.91%	3.46%	3.26%	3.31%	2.64%	1.57%	1.25%	1.27%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Resident
Fees per Semester Credit Hour (SCH)

Academic Year	Registration Fee	In-District Tuition	Out-of-District Fee	Technology Fees	General Use Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year	
								In-District	Out-of-District
2019 \$	8.25 \$	61.00 \$	65.00 \$	8.00 \$	21.00 \$	1,191.00 \$	1,971.00	0.00%	0.00%
Spring, Sum I & II 2018	8.25	61.00	65.00	8.00	21.00	1,191.00	1,971.00	8.77%	7.88%
Fall 2018	8.25	57.00	61.00	8.00	17.00	1,095.00	1,827.00	0.00%	0.00%
2017	8.25	57.00	61.00	8.00	17.00	1,095.00	1,827.00	0.00%	0.00%
2016	8.25	57.00	61.00	8.00	17.00	1,095.00	1,827.00	5.80%	9.34%
2015	8.25	57.00	53.00	8.00	13.00	1,035.00	1,671.00	0.00%	0.00%
2014	8.25	57.00	53.00	8.00	13.00	1,035.00	1,671.00	0.00%	0.00%
2013	8.25	57.00	53.00	8.00	13.00	1,035.00	1,671.00	6.15%	7.32%
2012	8.25	55.00	48.50	5.00	13.00	975.00	1,557.00	0.00%	0.00%
Summer I & II 2011	8.25	55.00	48.50	5.00	13.00	975.00	1,557.00	13.64%	22.41%
Fall & Spring 2011	8.25	48.00	34.50	5.00	10.25	858.00	1,272.00	4.38%	2.91%
2010	8.25	48.00	34.50	5.00	7.25	822.00	1,236.00	6.06%	9.48%

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
2019 \$	8.25 \$	202.00 \$	8.00 \$	21.00 \$	2,883.00	0.00%
Spring, Sum I & II 2018	8.25 \$	202.00	8.00	21.00	2,883.00	26.95%
Fall 2018	8.25	155.00	8.00	17.00	2,271.00	0.00%
2017	8.25	155.00	8.00	17.00	2,271.00	0.00%
2016	8.25	155.00	8.00	17.00	2,271.00	11.82%
2015	8.25	140.00	8.00	13.00	2,031.00	0.00%
2014	8.25	140.00	8.00	13.00	2,031.00	0.00%
2013	8.25	140.00	8.00	13.00	2,031.00	15.73%
2012	8.25	120.00	5.00	13.00	1,755.00	0.00%
Summer I & II 2011	8.25	120.00	5.00	13.00	1,755.00	23.42%
Fall & Spring 2011	8.25	95.00	5.00	10.25	1,422.00	2.60%
2010	8.25	95.00	5.00	7.25	1,386.00	3.51%

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

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

Direct Rate							
Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
2018-19	\$ 3,713,311,896	\$365,651,151	\$ 3,347,660,745	90.15%	\$ 0.1652	\$ -	\$ 0.1652
2017-18	3,469,459,898	191,735,689	3,277,724,209	94.47%	0.1652	-	0.1652
2016-17	3,524,886,112	427,942,115	3,096,943,997	87.86%	0.1600	-	0.1600
2015-16	3,364,750,879	217,890,863	3,146,860,016	93.52%	0.1300	-	0.1300
2014-15	2,869,576,572	123,977,704	2,745,598,868	95.68%	0.1300	-	0.1300
2013-14	2,403,429,373	6,214,612	2,397,214,761	99.74%	0.1300	-	0.1300
2012-13	2,058,839,802	7,358,719	2,051,481,083	99.64%	0.1300	-	0.1300
2011-12	1,965,266,998	13,892,409	1,951,374,589	99.29%	0.1300	-	0.1300
2010-11	1,916,219,239	5,541,642	1,910,677,597	99.71%	0.1300	-	0.1300
2009-10	1,843,114,815	7,817,048	1,835,297,767	99.58%	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	
2018-19	\$ 7,470,070	11,004	\$ 678.85	1,770,250	669,680	2,439,930	\$ 3.06
2017-18	7,470,217	10,160	735.26	1,761,681	659,728	2,421,409	3.09
2016-17	6,983,201	9,250	754.94	1,695,360	526,448	2,221,808	3.14
2015-16	6,972,780	8,747	797.16	1,534,527	558,912	2,093,439	3.33
2014-15	7,311,744	8,949	817.05	1,561,301	627,985	2,189,286	3.34
2013-14	7,311,744	8,638	846.46	1,567,952	480,736	2,048,688	3.57
2012-13	6,422,513	9,333	688.15	1,713,424	488,640	2,202,064	2.92
2011-12	7,304,514	9,152	798.13	1,690,688	498,128	2,188,816	3.34
2010-11	7,153,135	10,369	689.86	1,923,424	544,000	2,467,424	2.90
2009-10	7,221,296	10,321	699.67	1,889,904	520,672	2,410,576	3.00

Notes:

*Includes appropriation for education and general state support

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

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

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

SOUTHWEST TEXAS JUNIOR COLLEGE

Statistical Supplement 7

Principal Taxpayers

Last Ten Tax Years

(Unaudited)

Taxpayer	Taxable Assessed Value (TAV) by Tax Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
AEP Texas Inc	\$ 68,980,210	\$ 54,083,589	\$ 44,210,251	\$ 38,034,100	\$ 49,906,127	\$ 46,935,851	\$ 33,774,866	\$ 28,057,165	\$ 17,652,091	\$ 18,175,900
AEP Electric Transm of TX LLP			18,112,440	19,945,842						
Bailey Four Canyon Ranch Prop Ltd						16,204,800	15,979,010	16,030,244	16,138,063	
Briscoe Ranch Inc.								8,553,949	10,376,612	9,773,262
Buffco Production Inc	27,950,897	22,707,260	23,629,350	52,165,310	58,417,460					
Cactus II Pipeline LLC	27,845,380									
CED Alamo 5 LLC	125,192,184	150,192,760	228,225,600	255,000,001						
Chaparrosa Enterprises, LP									9,458,093	8,181,466
Chesapeake Operating / MIDCON							58,046,498	12,972,585		
CML Exploration LLC	28,672,541	24,162,240			19,503,970		24,518,473	21,972,721		
Dan Hughes and Co.							13,596,602			
DCP Sand Hills Pipeline	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	23,400,540	19,085,090	21,945,890	22,656,400	17,220,550	22,209,541	21,868,060
Exco Operating Company Inc	287,678,618	201,192,000	153,297,000	275,295,590	485,894,300	309,197,760				
First State Bank of Uvalde										5,729,035
General Tire Inc									6,699,108	7,863,003
KL & L Traylor LP			12,520,980	16,697,640	26,534,780					
Lone Star NGL Pipeline LP		14,540,670	14,119,400	15,188,730				17,325,720		
Martin Marietta Materials			13,474,321	15,286,273	17,522,995	17,517,567				
OCI Alamo 5 LLC										
Paradigm Midstream Services		16,382,260	15,821,690	19,796,000						
Plains Pipeline	39,238,670	38,461,720	30,866,470	38,219,510	24,831,400					
Sage Energy										
South Texas Children's Home				18,382,030	19,302,610					
Southwestern Bell Telephone Company									12,345,904	14,103,191
Texas American Resources									8,823,811	
Trinidad Drilling						31,150,000				
Umphrey Family Ltd. Partnership									5,895,907	5,730,269
Union Pacific Railroad	38,685,790	44,785,641	35,027,950	32,931,398	30,947,403	27,986,530	25,125,547	22,663,091	17,983,340	16,659,470
US Energy Development Corp	40,650,461	26,697,680	16,420,050							
Vulcan Construction Materials								7,518,025	7,901,360	8,116,360
Wal-Mart Real Estate Business Trust		14,782,153	14,531,222	14,898,670		16,153,152	15,768,379	15,718,065	16,048,422	17,094,269
Williamson Dickie MFG Co						9,110,488		11,888,716	8,327,822	7,588,377
	\$ 732,541,615	\$ 679,474,693	\$ 677,371,834	\$ 871,288,314	\$ 804,460,807	\$ 527,074,718	\$ 256,997,083	\$ 174,019,265	\$ 167,621,904	\$ 150,347,662
Total Taxable Assessed Value	\$ 3,347,660,745	\$ 3,277,724,209	\$ 3,096,943,997	\$ 3,146,860,016	\$ 2,745,598,868	\$ 2,397,214,761	\$ 2,051,481,083	\$ 1,951,374,589	\$ 1,910,677,597	\$ 1,835,297,767

Taxpayer	% of Taxable Assessed Value (TAV) by Tax Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
AEP Texas Inc	2.06%	1.65%	1.43%	1.21%	1.82%	1.96%	1.65%	1.44%	0.92%	0.99%
AEP Electric Transm of TX LLP			0.58%							
Bailey Four Canyon Ranch Prop Ltd						0.68%	0.78%	0.82%	0.84%	
Briscoe Ranch Inc.								0.44%	0.54%	0.53%
Buffco Production Inc	0.83%	0.69%	0.76%	1.66%	2.13%					
Cactus II Pipeline LLC	0.83%									
CED Alamo 5 LLC	3.74%	4.58%	7.37%							
Chaparrosa Enterprises, LP									0.50%	0.45%
Chesapeake Operating / MIDCON							2.83%	0.66%		
CML Exploration LLC	0.86%	0.74%			0.71%		1.20%	1.13%		
Dan Hughes and Co.							0.66%			
DCP Sand Hills Pipeline	1.42%	1.21%	1.05%	1.15%	0.90%	1.29%				
Del Monte Foods	0.97%	0.97%	0.80%	0.74%	0.70%	0.92%	1.10%	0.88%	1.16%	1.19%
Exco Operating Company Inc	8.59%	6.14%	4.95%	8.75%	17.70%	12.90%				
First State Bank of Uvalde										0.31%
General Tire Inc									0.35%	0.43%
KL & L Traylor LP			0.40%	0.53%	0.97%					
Lone Star NGL Pipeline LP		0.44%	0.46%	0.48%			0.84%			
Martin Marietta Materials			0.44%	0.49%	0.64%	0.73%	1.47%	0.59%	0.41%	0.52%
OCI Alamo 5 LLC					1.02%					
Paradigm Midstream Services		0.50%	0.51%							
Plains Pipeline	1.17%	1.17%	1.00%	1.21%	0.90%					
Sage Energy										
South Texas Children's Home				0.58%	0.70%					
Southwestern Bell Telephone Company									0.65%	0.77%
Texas American Resources									0.46%	
Trinidad Drilling						1.30%				
Umphrey Family Ltd. Partnership									0.31%	0.31%
Union Pacific Railroad	1.16%	1.37%	1.13%	1.05%	1.13%	1.17%	1.22%	1.16%	0.94%	0.91%
US Energy Development Corp	1.21%	0.81%	0.53%							
Vulcan Construction Materials								0.39%	0.41%	0.44%
Wal-Mart Real Estate Business Trust		0.45%	0.47%	0.47%		0.67%	0.77%	0.81%	0.84%	0.93%
Williamson Dickie MFG Co						0.38%		0.61%	0.44%	0.41%
Totals	21.88%	20.73%	21.87%	18.32%	29.30%	21.99%	12.53%	8.92%	8.77%	8.19%

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
2019	\$ 5,500,896	\$ (8,913)	\$ 5,491,983	\$ 5,296,200	96.44%	\$ -	\$ 150,841	\$ 5,447,041	99.18%
2018	5,216,087	7,029	5,223,116	5,016,667	96.05%	-	159,389	5,176,056	99.10%
2017	4,955,110	203,628	5,158,738	4,975,914	96.46%	-	115,301	5,091,215	98.69%
2016	4,096,358	(5,440)	4,090,918	3,943,932	96.41%	-	117,025	4,060,957	99.27%
2015	3,611,376	(4,709)	3,606,667	3,480,235	96.49%	-	132,514	3,612,749	100.17%
2014	3,066,916	(11,332)	3,055,584	2,925,733	95.75%	-	111,799	3,037,532	99.41%
2013	2,600,402	2,744	2,603,146	2,499,072	96.00%	-	127,025	2,626,097	100.88%
2012	2,501,500	(12,279)	2,489,221	2,372,315	95.30%	-	108,338	2,480,653	99.66%
2011	2,421,647	-	2,421,647	2,297,451	94.87%	-	85,159	2,382,610	98.39%
2010	2,315,903	(100)	2,315,803	2,196,203	94.84%	-	97,826	2,294,029	99.06%

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,

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Bonded Debt										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
Net general bonded debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other debt										
Revenue bonds	\$ 23,756,476	\$ 25,216,380	\$ 26,621,284	\$ 28,016,187	\$ 27,073,394	\$ 24,962,257	\$ 15,245,000	\$ 7,990,000	\$ 8,225,000	\$ 8,450,000
Notes	207,541	423,561	673,528	915,987	2,460,987	2,840,987	3,132,278	3,132,278	718,984	832,741
Capital lease obligations	260,279	410,951	556,997	433,638	-	18,173	58,276	302,434	536,685	153,522
Total Outstanding Debt	\$ 24,224,296	\$ 26,050,892	\$ 27,851,809	\$ 29,365,812	\$ 29,534,381	\$ 27,821,417	\$ 18,435,554	\$ 11,424,712	\$ 9,480,669	\$ 9,436,263
General Bonded Debt Ratios										
Per Capita	-	-	-	-	-	-	-	-	-	-
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt Ratios										
Per Capita	\$ 573	\$ 613	\$ 655	\$ 688	\$ 690	\$ 651	\$ 434	\$ 276	\$ 229	\$ 228
Per FTSE	2,201	2,564	3,011	3,357	3,300	3,221	1,975	1,248	914	914
As a percentage of Taxable Assessed Value	0.72%	0.79%	0.90%	0.93%	1.08%	1.16%	0.90%	0.59%	0.50%	0.51%

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,

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Taxable Assessed Value	\$ 3,713,311,896	\$ 3,469,459,898	\$ 3,524,886,112	\$ 3,364,750,879	\$ 2,869,576,572	\$ 2,403,429,373	\$ 2,058,839,802	\$ 1,965,266,998	\$ 1,916,219,239	\$ 1,843,114,815
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	18,566,559	17,347,299	17,624,431	16,823,754	14,347,883	12,017,147	10,294,199	9,826,335	9,581,096	9,215,574
Less Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	18,566,559	17,347,299	17,624,431	16,823,754	14,347,883	12,017,147	10,294,199	9,826,335	9,581,096	9,215,574
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 18,566,559	\$ 17,347,299	\$ 17,624,431	\$ 16,823,754	\$ 14,347,883	\$ 12,017,147	\$ 10,294,199	\$ 9,826,335	\$ 9,581,096	\$ 9,215,574
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
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	256,130	-	-	-	-	-	-	-	-	256,130	-	-	-	-

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
2018	42,307	**	**	5.8%
2017	42,509	\$ 1,446,541	\$ 34,005	6.6%
2016	42,697	1,463,877	34,437	8.5%
2015	42,787	1,500,112	35,060	6.4%
2014	42,755	1,312,173	28,645	7.2%
2013	42,432	1,547,351	31,451	9.6%
2012	41,391	1,288,956	31,141	9.4%
2011	41,391	1,211,599	28,978	10.3%
2010	41,391	1,126,577	27,138	10.2%
2009	41,321	1,069,385	26,056	9.0%

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

*U.S. Census Bureau latest data in 2010; 2011 - 2018 is estimate

Sources

Population: US Census Bureau American Fact Finder

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

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

Taxing District: Real, Uvalde, and Zavala Co.

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

Employer	Number of Employees	% of Total Employment*
Southwest Texas Junior College	500-999	4%
Uvalde CISD	500-999	4%
HEB Foods	250-499	2%
Uvalde Memorial Hospital	250-499	2%
Wal-Mart Supercenter	250-499	2%
Ameri Gas	100-249	1%
Amistad Nursing Home Inc	100-249	1%
City of Uvalde	100-249	1%
Max E Mart	100-249	1%
Sabinal ISD	100-249	1%
Southwest Area Regional Transit	100-249	1%
Crystal City ISD	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*									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty											
	Full-Time	131	128	117	112	114	110	111	117	115	112
	Part-Time	72	61	85	61	61	64	64	63	86	62
	Total	203	189	202	173	175	174	175	180	201	174
Percent											
	Full-Time	65%	68%	58%	65%	65%	63%	63%	65%	57%	64%
	Part-Time	35%	32%	42%	35%	35%	37%	37%	35%	43%	36%
Staff & Administrators											
	Full-Time	221	224	219	219	209	212	199	206	210	229
	Part-Time	145	135	142	178	173	110	136	122	90	193
	Total	366	359	361	397	382	322	335	328	300	422
Percent											
	Full-Time	60%	62%	61%	55%	55%	66%	59%	63%	70%	54%
	Part-Time	40%	38%	39%	45%	45%	34%	41%	37%	30%	46%
FTSE per Full-time Faculty		84.0	79.3	79.0	78.1	74.8	77.5	76.8	75.1	83.8	81.9
FTSE per Full-time Staff Member		49.8	45.3	42.2	39.9	40.8	40.2	42.8	42.7	45.9	40.1
Average Annual Faculty Salary**		\$67,428	\$65,208	\$64,980	\$59,604	\$63,756	\$65,616	\$51,409	\$50,078	\$48,602	\$46,177

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

**Source: IPEDS Salary Survey, weighted average full-time faculty salary over 9/10 month and 11/12 month contracts.

file://oipr/data/IPEDS/2018-2019/Human%20Resources/IPEDS_Human_Resources_Data.pdf

FTSE per FT Faculty: Tab 6, (a)/c11

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

Student Classification*	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours (freshmen)	5,074	73.42%	5,023	72.92%	4,904	73.63%	4,619	71.73%	3,868	68.96%
31-60 hours (sophomores)	1,395	20.19%	1,376	19.98%	1,266	19.01%	1,313	20.39%	1,286	22.93%
> 60 hours (assoc. & bacc.)	442	6.40%	489	7.10%	490	7.36%	507	7.87%	455	8.11%
Total	6,911	100.00%	6,888	100.00%	6,660	100.00%	6,439	100.00%	5,609	100.00%

*excludes unclassified students

Semester Hour Load	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	44	0.64%	77	1.12%	18	0.27%	15	0.23%	28	0.50%
3-5 semester hours	2,008	29.06%	1,918	27.85%	1,666	25.02%	1,729	26.85%	1,236	22.04%
6-8 semester hours	1,767	25.57%	1,794	26.05%	1,782	26.76%	1,726	26.81%	1,592	28.38%
9-11 semester hours	1,243	17.99%	1,267	18.39%	1,209	18.15%	1,021	15.86%	837	14.92%
12-14 semester hours	1,508	21.82%	1,569	22.78%	1,656	24.86%	1,651	25.64%	1,577	28.12%
15-17 semester hours	305	4.41%	235	3.41%	264	3.96%	241	3.74%	248	4.42%
18 & over	36	0.52%	28	0.41%	65	0.98%	56	0.87%	91	1.62%
Total	6,911	100.00%	6,888	100.00%	6,660	100.00%	6,439	100.00%	5,609	100.00%

Average course load	7.8	7.8	8.2	8.4	8.6
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Tuition Status*	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	1,432	21.01%	1,517	22.35%	1,468	22.37%	1,383	21.90%	1,248	22.63%
Texas Resident (Out-of-District)	5,249	77.00%	5,032	74.13%	4,887	74.46%	4,756	75.30%	4,121	74.71%
Non-Resident Tuition	136	2.00%	239	3.52%	208	3.17%	177	2.80%	147	2.66%
Total	6,817	100.00%	6,788	100.00%	6,563	100.00%	6,316	100.00%	5,516	100.00%

*excludes waivers

Source: CBM001

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

Gender	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	4,102	59.35%	4,051	58.81%	3,834	57.57%	3,694	57.37%	3,275	58.39%
Male	2,809	40.65%	2,837	41.19%	2,826	42.43%	2,745	42.63%	2,334	41.61%
Total	6,911	100.00%	6,888	100.00%	6,660	100.00%	6,439	100.00%	5,609	100.00%

Ethnic Origin	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	747	10.81%	741	10.76%	769	11.55%	773	12.00%	717	12.78%
Hispanic	5,902	85.40%	5,885	85.44%	5,651	84.85%	5,429	84.31%	4,693	83.67%
African American	61	0.88%	66	0.96%	74	1.11%	86	1.34%	65	1.16%
Asian	26	0.38%	22	0.32%	19	0.29%	19	0.30%	24	0.43%
Foreign	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Native American	31	0.45%	38	0.55%	34	0.51%	60	0.93%	50	0.89%
Other	144	2.08%	136	1.97%	113	1.70%	72	1.12%	60	1.07%
Total	6,911	100.00%	6,888	100.00%	6,660	100.00%	6,439	100.00%	5,609	100.00%

Age	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	3,467	50.17%	3,164	45.93%	2,972	44.62%	2,771	43.03%	1,317	23.48%
18-21	2,120	30.68%	2,240	32.52%	2,115	31.76%	2,031	31.54%	2,446	43.61%
22-24	437	6.32%	453	6.58%	504	7.57%	524	8.14%	664	11.84%
25-35	634	9.17%	720	10.45%	744	11.17%	796	12.36%	869	15.49%
36-50	228	3.30%	277	4.02%	289	4.34%	282	4.38%	275	4.90%
51 +	25	0.36%	34	0.49%	36	0.54%	35	0.54%	38	0.68%
Total	6,911	100.00%	6,888	100.00%	6,660	100.00%	6,439	100.00%	5,609	100.00%

Average Age	19.9	19.9	20.2	20.3	21.8
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Source: CBM001

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 17
Transfers to Senior Institutions
SWTJC Students Found as First-Time Transfers In Fall 2017
(Includes only public senior colleges in Texas)

	Transfer Student Count					Total of all SWTJC Transfer Students	% of all SWTJC Transfer Students
	Associate Degree Academic	Associate Degree Technical	Certificate	No Award	Core Completion		
Angelo State University	6	0	0	12	6	18	5%
Sam Houston State University						0	0%
Sul Ross State University - Rio Grande College	130	7	1	48	57	186	48%
Sul Ross State University	5	3	1	2	3	11	3%
Texas A&M International University	5		1	6	2	12	3%
Texas A&M University at Corpus Christi	6		1	5	3	12	3%
Texas A&M University at Kingsville	13	2		5	9	20	5%
Texas A&M University at San Antonio	6			11	4	17	4%
Texas A&M University	2			4	2	6	2%
Texas State University	9			23	8	32	8%
Texas Tech University						0	0%
University of Texas at Arlington	3	3		0	2	6	2%
University of Texas at Austin						0	0%
University of Texas at San Antonio	18			26	15	44	11%
University of Houston						0	0%
Other Public 4-Year Institution	7	2		17	3	26	7%
Totals	210	17	4	159	114	390	100%

Source:

THECB Transfer Report http://www.txhighereddata.org/reports/performance/ctctransfer/inst.cfm?inst=003614&report_type=2&report_yr=2017

Students reported here completed at least 30 hours with SWTJC in the six years prior to their initial enrollment at the listed institution in Fall 2017. Fall 2017 is the most current data available.

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

SOUTHWEST TEXAS JUNIOR COLLEGE
Statistical Supplement 18
Capital Asset Information
Fiscal Years 2014 to 2019

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
Academic buildings	38	38	38	36	32	31
Square footage	493,125	493,125	493,125	315,506	290,751	260,936
Libraries	4	4	4	3	3	3
Square footage	35,388	35,388	35,388	34,116	28,266	25,466
Administrative and support buildings	17	17	17	7	7	6
Square footage	63,380	63,380	63,380	58,100	54,512	48,597
Dormitories	2	2	2	2	2	2
Square footage	50,146	50,146	50,146	50,146	50,146	50,146
Number of beds	251	251	251	256	256	256
Dining facilities*	3	3	3	1	1	1
Square footage	37,770	37,770	37,770	35,770	35,770	35,770
Average daily customers	650	650	650	600	600	600
Athletic facilities	2	2	2	2	2	2
Square footage	38,338	38,338	38,338	38,338	38,338	38,338
Plant facilities	5	5	5	4	4	4
Square footage	19,391	19,391	19,391	18,482	18,482	18,482
Transportation						
Cars/vans	37	36	36	39	34	66
Light trucks/other	36	41	58	37	31	27

* Includes all of student center

Data includes property leased from SWTJC Foundation, Inc.

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