



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

**For the Year Ended August 31, 2015**

**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, 2015

**SOUTHWEST TEXAS JUNIOR COLLEGE  
2015 ANNUAL FINANCIAL REPORT**

**TABLE OF CONTENTS**

	<u>Exhibit/Schedule</u>	<u>Page</u>
Letter from the President .....		1
Transmittal Letter .....		2 - 3
Organizational Data .....		4
Independent Auditor's Opinion on the Basic Financial Statements Unmodified Opinions on Basic Financial Statements Accompanied by Required Supplementary Information and Other Information .....		6 - 7
Management Discussion and Analysis.....		8 - 18
Statement of Net Position	1 .....	20
SWTJC Foundation, Inc. Comparative Statement of Financial Position.....		21
Statement of Revenue, Expenses and Changes in Net Position	2 .....	22
SWTJC Foundation, Inc. Comparative Statement of Activities.....		23
Statement of Cash Flows	3 .....	24
SWTJC Foundation, Inc. Comparative Statement of Cash Flows .....		25
Notes to the Financial Statements .....		26 - 53
Required Supplementary Schedules		
Schedule of SWTJC's Share of Net Pension Liability.....		55
Schedule of SWTJC's Contributions.....		56
Notes to the Required Supplementary Schedules.....		57
Schedule of Operating Revenues	A.....	58
Schedule of Operating Expenses by Object	B.....	59
Schedule of Non-Operating Revenues and Expenses	C.....	60
Schedule of Net Position by Source and Availability	D.....	61
Schedule of Expenditures of Federal Awards	E .....	62-63
Schedule of Expenditures of State Awards	F .....	64
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....		66 - 67
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133 and the Texas Single Audit Circular .....		68 - 69
Schedule of Findings and Questioned Cost.....		70
Required Statistical Supplements .....		71 - 89



November 16, 2015

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

I am pleased to submit the Annual Financial Report for the fiscal year 2015. A discussion and analysis of the college's financial statements provide an overview of the financial activities for the fiscal year ended August 31, 2015.

This past year the college has focused on four major items: expansion, partnerships, student success and accreditation. Moving forward, the college is in a pivotal position to further improve the institution.

During this past year the college continued with its campus expansions projects. Coming off the completion of the \$7.5 million Del Rio campus expansion, the college embarked on expanding facilities at the Eagle Pass campus. This expansion \$10 million was a combination of two separate projects in Eagle Pass. The first project expanded our classrooms, library, an engineering/physics lab, multi-use center and snack bar. The completion date for this project is December 15, 2015. The second project was the establishment of a technical campus for Eagle Pass. This new campus will house Diesel Technology, Welding Technology, Law Enforcement, Allied Health programs and the Office of Work Force Development. This project is estimated to be completed during the Spring of 2016.

Another campus expansion is the addition of a library to the Crystal City campus. The design and blueprints have been completed and final bids expected to be awarded in December. The library is expected to be operational by the fall of 2016.

In addition, SWTJC has been committed to enhancing its partnerships with our area high schools. The college believes that through partnerships we can increase the educational opportunities of the students we serve. One clear example was the establishment of three Early College High Schools with Knippa ISD, San Felipe Del Rio ISD, and Dilley ISD. These Early College High School partnerships will afford high school students the opportunity to graduate with their Associates Degree before they graduate high school.

The college has also focused on improving student success and reaffirming its accreditation. We developed a Quality Enhancement Plan titled Rise to the Top that aims to increase students' critical thinking skills through various high impact practices that promote student/faculty engagement.

In October of 2015, as part of the accrediting process, the college hosted the On-Site visiting committee for SACS-COC, our accrediting body. The committee commented that the college "is an attractive campus with excellent programs, dedicated faculty and staff, comprehensive support services, and actively engaged students, altogether creating a vibrant educational community. Institutional effectiveness measures indicate that the mission is being achieved exceptionally well." The college achieved a remarkable milestone, in which we have reaffirmed our accreditation without any findings or additional reporting requirements, a feat that few colleges have achieved.

The activities of this past year demonstrate that SWTJC continues to strive toward excellence in student success.

Sincerely,

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

Hector E. Gonzales, Ph.D.  
President



November 16, 2015

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, 2015, 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 2015 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, 2015.

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 2014 - 2015

### 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	2016
Dr. Antonio H. Rivera	Zavala	Secretary	2016
Tony Moreno	Uvalde	Member	2020
Maria Elena Lara	Uvalde	Member	2018
Victor Lopez	Zavala	Member	2018
Anita Shackelford	Real	Member	2018

### Administration

Dr. Hector E. Gonzales	President
Joe Barker	Vice President of Administrative Services
Margot Mata	Vice President of Student Services
Anne H. Tarski	Vice President of Finance
Dr. Mark Underwood	Vice President of Academic Affairs
Gilbert C. Bermea	Vice President, Eagle Pass Campus
Derek Sandoval	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, 2015 and 2014, 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, 2015, and 2014, 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.

## **Emphasis of Matter**

### *Change in Accounting Principal*

During fiscal year 2015, the College adopted GASB Statement No. 68 for Accounting and Reporting for Pensions. With GASB 68, the College must assume their proportionate share of the Net Pension Liability of the Teachers Retirement System of Texas. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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*

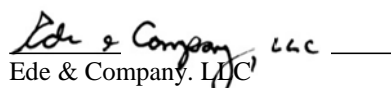
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southwest Texas Junior College's basic financial statements. The exhibits identified in the Table of Contents as required statistical supplements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 November 19, 2015, 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

November 19, 2015

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **August 31, 2015**

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

### **Basic Financial Statements**

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

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

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

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

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

### **Comparative Financial Information**

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

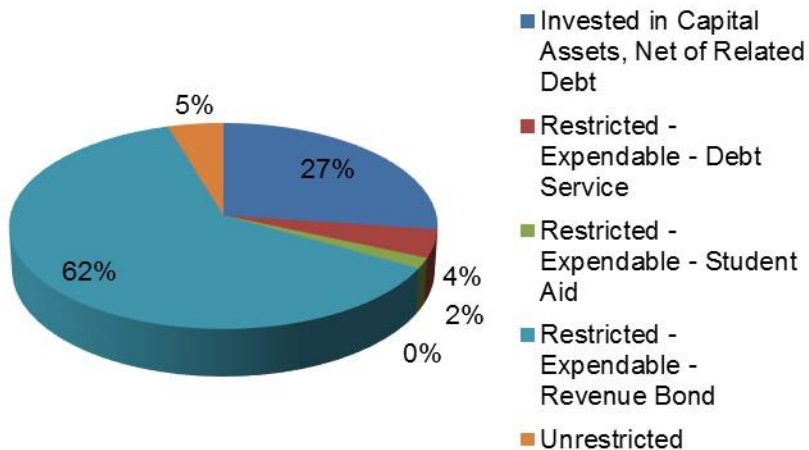
### **Financial Analysis**

Total assets exceed total liabilities by \$11,083,500 (21%), of which \$512,707 (4.6%) is unrestricted. Of the College's total assets, \$32,545,611 (60%) 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, 2015**  
**Southwest Texas Junior College's Net Position**

	Year Ended	
	2015	
<b>Assets</b>		
Current Assets	\$ 9,482,131	\$
Restricted Cash and Cash Equivalents	1,422,627	
Endowment Investments	2,710,717	
Capital Assets	32,545,611	
Other Noncurrent Investments	7,837,300	
Total Assets	53,998,386	
	952,599	
<b>Deferred Outflows of Resources</b>		
<b>Liabilities</b>		
Current Liabilities	8,901,359	
Noncurrent Liabilities	33,303,775	
Total Liabilities	42,205,134	
	1,662,351	
<b>Deferred Inflows of Resources</b>		
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	3,011,230	
Restricted - Expendable - Debt Service	489,008	
Restricted - Expendable - Student Aid	180,901	
Restricted - Expendable - Maintenance Note	-	
Restricted - Expendable - Revenue Bond	6,889,654	
Unrestricted	512,707	
Total Net Position	\$ 11,083,500	\$

**Net Position**



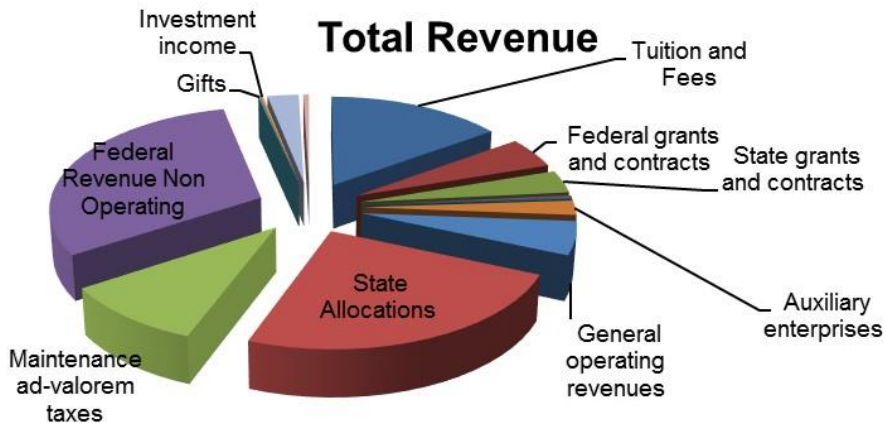
## MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2015

For the year ended August 31, 2015, 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 \$3,703,685 in the current year as compared to \$3,121,746 for the year ended August 31, 2014, and \$2,689,311 for the year ended August 31, 2013, listed as non-operating revenue.

State appropriations including restricted insurance and retirement payments totaled \$8,982,067 (26%), \$8,906,925 (26%), and \$8,075,275 (24%); tuition and fees totaled \$5,566,228 (16%), \$5,567,283 (16%), and \$5,130,032 (15%); and federal grants and contracts totaled \$13,136,440 (38%), \$12,729,653 (37%), and \$15,021,311 (44%), all for years ended August 31, 2015, 2014, and 2013, respectively.

Instruction continues to be the largest component of operating expenses at \$13,088,671 (37%) in the current year as compared to the year ended August 31, 2014, of \$12,385,581 (36%) and the year ended August 31, 2013, of \$12,166,721 (35%). Scholarships of \$4,345,218 (12%) in the current year compared to the year ended August 31, 2014 amount of \$4,220,402 (12%), and the year ended August 31, 2013, amount of \$4,802,594 (14%), passed through to students after being applied to tuition and fees. Included in operating expenses is depreciation of \$883,763 in the current year, \$865,463 for the year ended August 31, 2014, and \$818,353 for the year ended August 31, 2013, which represent non-cash expenses.

For the year ended August 31, 2015, the result of operations was an operating loss of \$23,464,550, compared to the year ended August 31, 2014, amount of \$22,640,978 and the year ended August 31, 2013, amount of \$22,912,495. The current year operating loss combined with the current year net non-operating revenue of \$23,012,817 results in a decrease in net position of \$451,733.



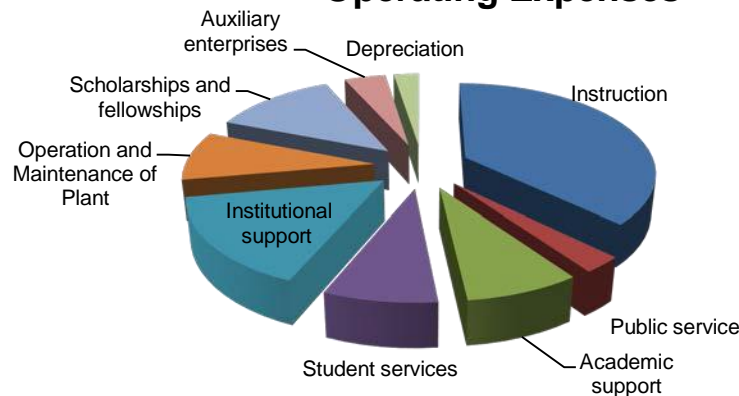
# MANAGEMENT'S DISCUSSION AND ANALYSIS

## August 31, 2015

### Southwest Texas Junior College's Change in Net Position

Operating Revenues	FY 2015	\$
Tuition and Fees (net of discounts of \$8,665,310; \$9,717,869; \$8,465,239)	\$ 5,566,228	\$
Federal grants and contract	1,783,893	
State grants and contracts	1,320,527	
Non-governmental grants and contracts	146,653	
Sales and services of educational activities	28,743	
Auxiliary enterprises (net of discounts of \$294,270; \$349,967; \$464,009)	842,153	
General operating revenues	1,946,558	
<b>Total Operating Revenues (Schedule A)</b>	<b>11,634,755</b>	<b>—</b>
 Operating Expenses		
Instruction	13,088,671	
Public Service	1,015,407	
Academic support	2,850,668	
Student services	2,816,840	
Institutional support	5,560,658	
Operation and maintenance of plant	3,080,156	
Scholarships and fellow ships	4,345,218	
Auxiliary enterprises	1,457,924	
Depreciation	883,763	
<b>Total Operating Expenses (Schedule B)</b>	<b>35,099,305</b>	<b>—</b>
<b>Operating Loss</b>	<b>(23,464,550)</b>	
 <b>Non-Operating Revenues (Expenses)</b>		
State Allocations	8,982,067	
Maintenance ad-valorem taxes	3,703,685	
Federal Revenue, Non Operating	11,352,547	
Gifts	51,755	
Investment income	83,365	
Interest on Capital related debt	(982,252)	
Other non-operating revenues	(178,350)	
<b>Net Non-Operating Revenues (Schedule C)</b>	<b>23,012,817</b>	<b>—</b>
<b>Increase (Decrease) in Net Position</b>	<b>(451,733)</b>	
 <b>Net Position</b>		
Net Position - Beginning of Year	17,692,255	
Cumulative Effect of Change in Accounting Principle (Note 11)	(6,157,022)	
Net Position - Beginning of Year, as restated	11,535,233	—
Net Position - End of Year	\$ 11,083,500	\$

### Operating Expenses



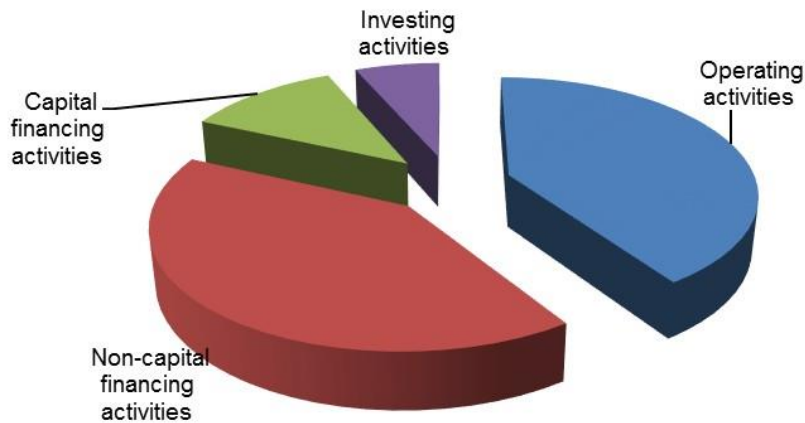
## MANAGEMENT'S DISCUSSION AND ANALYSIS August 31, 2015

Cash and cash equivalents decreased during the current fiscal year by \$2,616,642. Cash was used by operating activities in the amount of \$22,004,809. Cash was provided from non-capital financing activities in the amount of \$22,252,250. Cash was used in capital and related financing activities in the amount of \$6,393,797. Cash was provided by investing activities in the amount of \$3,529,713.

### Southwest Texas Junior College's Statement of Cash Flows

	2015	2014
Net cash used by operating activities	\$ (22,004,809)	\$ (19,771,598)
Net cash provided by non-capital financing activities	22,252,250	22,256,114
Net cash provided (used) by capital and related financing activities	(6,393,797)	3,484,446
Net cash provided (used) by investing activities	<u>3,529,713</u>	<u>(6,974,680)</u>
Increase (decrease) in cash and cash equivalents	(2,616,643)	(1,005,718)
Cash and Cash equivalents at beginning of year	<u>9,721,032</u>	<u>10,726,750</u>
Cash and cash equivalents at end of year	<u>\$ 7,104,389</u>	<u>\$ 9,721,032</u>

### Cash Flows By Activity

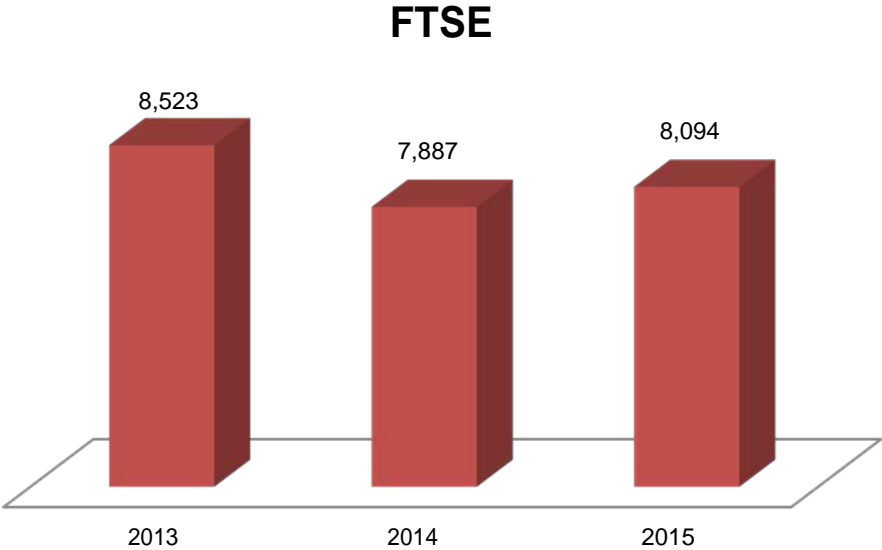
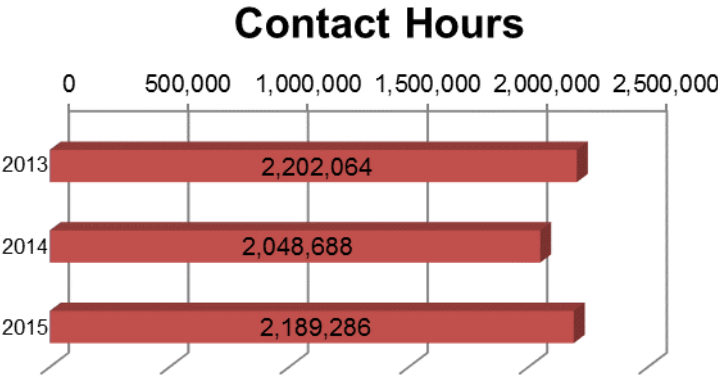




**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**August 31, 2015**

Enrollment and contact hours in academic and technical programs increased in the 2015 fiscal year.

	<u>FTSE</u>	<u>Contact Hours</u>
2013	8,523	2,202,064
2014	7,887	2,048,688
2015	8,094	2,189,286



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **August 31, 2015**

### **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, 2015, SWTJC recorded a depreciation expense of \$883,763, \$865,463 in the fiscal year ended August 31, 2014, and \$818,353 in the fiscal year ended August 31, 2013. 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. At year ended 2014, the building on the Eagle Pass campus was under construction (completion date December 15, 2015), renovations on the Uvalde campus were on-going, and the library for the Crystal City campus was being designed.

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 land purchase was made November, 2014, and at year end renovations were on-going with an expected completion in Spring 2016.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## August 31, 2015

### 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 2015, Endowment Funds amounted to \$3,296,474.

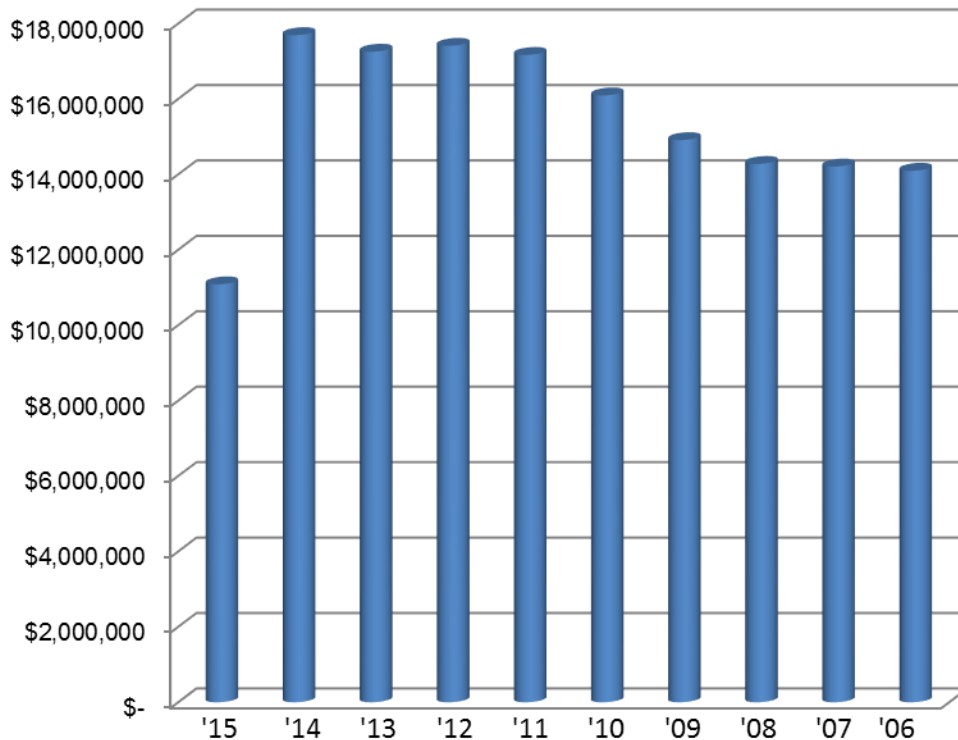
Unrestricted assets for the year 2015 were \$512,707 as compared to \$7,848,365 in 2014. This is due to the implementation of Governmental Accounting Standards Board (GASB) #68. This standard requires that governmental agencies recognize, on the Statement of Net Position, their portion of the State of Texas' unfunded pension liability. This is shown on SWTJC Exhibit 1 as Deferred Inflows - Pensions, Deferred Outflows – Pensions, and Net Pension Liability. This is very misleading; as it is truly a liability of the State of Texas and not Southwest Texas Junior College.

Year	Net Capital Assets	Change in Net Position						Unrestricted	Total	Net Change	
		Restricted for:				Unrestricted	Total				Net Change
		Unused Bond	Debt Service	Student Aid	Other						
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			
2009	8,293,391	-	562,034	198,659	-	5,854,088	14,908,172	630,882			
2008	8,188,931	-	376,038	209,826	-	5,502,495	14,277,290	69,531			
2007	4,128,283	4,155,920	66,792	413,393	-	5,443,371	14,207,759	111,313			
2006	389,530	8,402,603	121,273	229,722	3,285,606	1,667,712	14,096,446	297,749			

# MANAGEMENT'S DISCUSSION AND ANALYSIS

August 31, 2015

## Net Position



### Other Conditions and Factors

**Mission Statement and Strategic Goals (2014-2019):** During 2014, SWTJC reviewed, evaluated, and revised its mission and strategic goals.

**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)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **August 31, 2015**

**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. SWTJC is aggressively working to implement many of the suggestions of the Aspen committee in order to continue to excel as one of the nation's most outstanding community colleges.

**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

**Partnerships:** In 2015, SWTJC partnered with three Independent Consolidated School Districts (Knippa, Del Rio, and Dilley) to form Early College High School programs. This will allow students the educational opportunity of graduating with an Associate's degree before they graduate from high school.

The College has worked, throughout the year, to form meaningful legislative priorities for dual credit courses with ISD superintendents in its eleven county service area and to strengthen relationships between the ISD's and the College to profoundly contribute to the students' growth.

**Engineering:** In 2015, the college continued, as a sub-recipient with Angelo State University, to develop a Pre-Engineering degree. A state of the art physics lab to promote the growth of this five year grant has been constructed in the new Eagle Pass campus expansion.

Also in 2015, the college became a sub-recipient with Texas State University for a STEM renewable energy research project. Thus far, STEM students have designed renewable energy projects to test and study. These students have presented their ideas to several groups of peers at other colleges and the administration of SWTJC. In 2016, they will begin running experiments and evaluating results.

**Facilities:** In 2015, the College began construction on an expansion of the academic campus at Eagle Pass. The project will be completed in December of 2015, allowing the College to expand student options in the area. Also in Eagle Pass, the College began construction of a new Technical Center. This campus will be finished Spring 2016 and will hold classes beginning Fall 2016.

Final bids for a library addition to the Crystal City campus should be awarded in December of 2015 with completion Fall 2016.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **August 31, 2015**

**State Economy:** Although the state economy has seen a substantial recovery, the 84<sup>th</sup> Regular Session of the Texas State Legislative was not a successful year for community colleges.

During 2014, in preparation for the 84<sup>th</sup> Legislature, the 50 Community Colleges recommended core funding and funding based on the 90/10% structure as in the previous biennium (90% based on contact hours and 10% based on student success points). The Colleges requested an amount not lower than \$186 per student success point (the level funded for 2013-14).

The 84<sup>th</sup> Legislative session funded SWTJC at \$740,313 for success points, \$6,071,431 for contact hours and \$500,000 for core funding. This amounts to \$89.98 per success point for SWTJC.

The 50 Community Colleges, bound together by the Texas Association of Community Colleges (TACC), have already been meeting to discuss more successful tactics for the 85<sup>th</sup> Legislative Session.

**Enrollment:** The College had an increase in enrollment during 2015 of 2.62%. Currently the Uvalde campus has 26% of the students, Del Rio has 18%, and Eagle Pass has 27%. Administration believes that the enrollment trend will continue or surpass the 2% level considering the addition of new classroom space.

Dual credit students now make up 20% of the SWTJC student enrollment. The passage of legislation in the 84<sup>th</sup> session that allows freshmen and sophomores, along with juniors and seniors, to take an unlimited amount of college courses will allow this percentage to grow dramatically. The interest in Early College High School programs will also drive these enrollment figures upward.

**Reaffirmation:** In October of 2015, the College was visited by the Southern Association of Colleges and Schools, Commission on Colleges (SACSCOC) for its ten year reaffirmation of accreditation. The on-site team was very complimentary of the "attractive campus, excellent programs, dedicated staff, comprehensive support services and actively engaged students". The College achieved the superlative report in which all areas were in complete compliance with SACSCOC standards. The committee chairman reported that he had never seen a college at this level in his many years of chairing on-site committees.

**Quality Enhancement Plan:** During the 2015 year, the College developed a new 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" activities began in the Fall Semester 2015 with a new course entitled "First Year Experience" and will expand for the following five years.

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## SOUTHWEST TEXAS JUNIOR COLLEGE

Statement of Net Position  
August 31, 2015 and August 31, 2014

<b>ASSETS</b>	<b>FY2015</b>	<b>FY2014</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 5,681,762	\$ 8,172,017
Accounts receivable (net of \$1,361,124; \$1,134,954)	3,344,272	2,928,750
Taxes receivable (net of \$49,995; \$49,456)	320,879	344,774
Inventories	64,200	69,693
Prepaid expenses	71,018	135,367
<b>Total Current Assets</b>	<u>9,482,131</u>	<u>11,650,601</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	1,422,627	1,549,015
Endowment investments	2,710,717	2,892,460
Other long-term investments	7,837,300	11,101,905
Capital assets (net of \$15,664,168; \$14,780,405)	32,545,611	26,304,865
<b>Total Noncurrent Assets</b>	<u>44,516,255</u>	<u>41,848,245</u>
<b>Total Assets</b>	<u>53,998,386</u>	<u>53,498,846</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Outflows - Pensions	<u>952,599</u>	<u>-</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,096,774	950,085
Accrued liabilities	372,445	532,216
Deposits	237,690	227,999
Unearned revenues	5,529,600	6,274,874
Notes payable - current portion	575,987	745,987
Bonds payable - current portion	1,088,863	888,863
<b>Total Current Liabilities</b>	<u>8,901,359</u>	<u>9,620,024</u>
<b>Noncurrent Liabilities:</b>		
Lease payable	-	18,173
Notes payable	1,885,000	2,095,000
Bonds payable	25,984,531	24,073,394
Net Pension Liability	5,434,244	-
<b>Total Noncurrent Liabilities</b>	<u>33,303,775</u>	<u>26,186,567</u>
<b>Total Liabilities</b>	<u>42,205,134</u>	<u>35,806,591</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - Pensions	<u>1,662,351</u>	<u>-</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	3,011,230	(1,498,379)
Restricted for:		
Expendable		
Debt service	489,008	1,063,053
Revenue bond	6,889,654	9,741,550
Student aid	180,901	537,665
Unrestricted	512,707	7,848,366
<b>Total Net Position (Schedule D)</b>	<u>\$ 11,083,500</u>	<u>\$ 17,692,255</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, 2015**

	August 31, 2015	August 31, 2014
<b>ASSETS</b>		
<u>Current Assets</u>		
Cash and cash equivalents	\$ 240,182.66	\$ 157,261.60
Short-term Investments	560,319.20	617,887.88
Total current assets	800,501.86	775,149.48
<u>Noncurrent Assets</u>		
Long-term Investments	200,000.00	200,000.00
Total noncurrent assets	200,000.00	200,000.00
<u>Property and equipment, at cost</u>		
Land	2,498,646.23	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
	13,756,508.03	13,756,508.03
Less accumulated depreciation	4,177,727.45	3,879,875.94
Net property and equipment	9,578,780.58	9,876,632.09
<b>TOTAL ASSETS</b>	<b>\$ 10,579,282.44</b>	<b>\$ 10,851,781.57</b>
<b>LIABILITIES AND NET ASSETS</b>		
<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	126,812.01	121,519.28
Total current liabilities	272,282.01	266,989.28
<u>Long-term liabilities</u>		
Long-term debt, less current maturities		
Notes payable	1,232,923.66	1,358,877.82
Total liabilities	1,505,205.67	1,625,867.10
Net assets - Permanently restricted	9,074,076.77	9,225,914.47
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,579,282.44</b>	<b>\$ 10,851,781.57</b>

**Southwest Texas Junior College**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Years Ended August 31, 2015 and August 31, 2014**

<b>Operating Revenues</b>	<b><u>FY 2015</u></b>	<b><u>FY 2014</u></b>
Tuition and fees (net of discounts of \$9,157,306; \$8,665,310)	\$ 5,566,228	\$ 5,567,283
Federal grants and contracts	1,783,893	1,649,023
State grants and contracts	1,320,527	1,279,914
Non-governmental grants and contracts	146,653	168,270
Sales and services of educational activities	28,743	23,203
Auxiliary enterprises (net of discounts of \$317,275; \$294,270)	842,153	770,428
General operating revenues	<u>1,946,558</u>	<u>1,899,408</u>
<b>Total Operating Revenues (Schedule A)</b>	<u>11,634,755</u>	<u>11,357,529</u>
<b>Operating Expenses</b>		
Instruction	13,088,671	12,385,581
Public service	1,015,407	1,175,159
Academic support	2,850,668	2,835,344
Student services	2,816,840	2,729,763
Institutional support	5,560,658	5,085,854
Operation and maintenance of plant	3,080,156	3,329,945
Scholarships and fellowships	4,345,218	4,220,402
Auxiliary enterprises	1,457,924	1,370,996
Depreciation	<u>883,763</u>	<u>865,463</u>
<b>Total Operating Expenses (Schedule B)</b>	<u>35,099,305</u>	<u>33,998,507</u>
<b>Operating Loss</b>	<u>(23,464,550)</u>	<u>(22,640,978)</u>
<b>Non-Operating Revenues (Expenses)</b>		
State Allocations	8,982,067	8,906,925
Maintenance ad-valorem taxes	3,703,685	3,121,746
Federal Revenue, Non Operating	11,352,547	11,080,630
Gifts	51,755	1,038,287
Investment income	83,365	44,993
Interest on capital related debt	(982,252)	(826,442)
Other non-operating revenues (expenses)	<u>(178,350)</u>	<u>(286,206)</u>
<b>Net Non-Operating Revenues (Schedule C)</b>	<u>23,012,817</u>	<u>23,079,933</u>
<b>Increase (Decrease) in Net Position</b>	(451,733)	438,955
<b>Net Position</b>		
Net Position - Beginning of Year	17,692,255	17,253,300
Cumulative Effect of Change in Accounting Principle (Note 11)	<u>(6,157,022)</u>	<u>-</u>
Net Position - Beginning of Year, as restated	<u>11,535,233</u>	<u>17,253,300</u>
Net Position - End of Year	<u>\$ 11,083,500</u>	<u>\$ 17,692,255</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, 2015 and August 31, 2014**

	<u>August 31, 2015 Permanently Restricted</u>	<u>August 31, 2014 Permanently Restricted</u>
<b><u>Support and Revenues:</u></b>		
Support:		
Contributions	\$ -	\$ 315,000.00
Revenue:		
Rental income	190,800.00	764,838.00
Interest income	29,479.96	36,772.89
Realized Gain/(Loss) on Investments	889.79	(2,820.37)
Unrealized Gain/(Loss) on Investments	<u>(2,881.57)</u>	<u>44,736.20</u>
Total revenue	<u>218,288.18</u>	<u>843,526.72</u>
Total support and revenue	218,288.18	1,158,526.72
<b><u>Expenses:</u></b>		
Depreciation	297,851.51	297,851.51
Interest	61,450.57	76,569.68
Professional Fees	9,285.00	9,437.83
Donation	-	400,000.00
Scholarship	-	10,000.00
Miscellaneous	<u>1,538.80</u>	<u>1,143.38</u>
Total expenses	<u>370,125.88</u>	<u>795,002.40</u>
Change in net assets	(151,837.70)	363,524.32
Net assets, beginning of year	<u>9,225,914.47</u>	<u>8,862,390.15</u>
<b>Net assets, end of year</b>	<u><u>\$ 9,074,076.77</u></u>	<u><u>\$ 9,225,914.47</u></u>

## SOUTHWEST TEXAS JUNIOR COLLEGE

Statement of Cash Flows  
Years Ended August 31, 2015 and August 31, 2014

	<u>FY2015</u>	<u>FY2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from student and other customers	\$ 5,286,019	\$ 6,821,158
Receipts from grants and contracts	3,251,073	3,097,207
Other receipts	1,946,558	1,899,408
Payment to or on behalf of employees	(20,599,146)	(19,828,421)
Payment to suppliers for goods or services	(7,544,095)	(7,540,548)
Payment of scholarships	<u>(4,345,218)</u>	<u>(4,220,402)</u>
Net cash provided (used) by operating activities	<u>(22,004,809)</u>	<u>(19,771,598)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	7,311,744	7,311,744
Ad valorem tax revenue	3,727,580	3,111,659
Receipts from non operating federal revenue	11,352,547	11,080,630
Other non-operating revenue	<u>(139,621)</u>	<u>752,081</u>
Net cash provided (used) by non-capital financing	<u>22,252,250</u>	<u>22,256,114</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from bond issue	3,000,000	10,077,257
Proceeds from transportation note	-	-
Purchases of capital assets	(7,124,509)	(5,074,975)
Payments on capital debt and leases -- principal	(1,287,036)	(691,394)
Payments on capital debt and leases -- interest	<u>(982,252)</u>	<u>(826,442)</u>
Net cash provided (used) by capital and related financing activities	<u>(6,393,797)</u>	<u>3,484,446</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from maturity of investments	34,580,000	13,092,000
Receipts from interest	83,365	44,993
Purchase of investments	<u>(31,133,652)</u>	<u>(20,111,673)</u>
Net cash provided (used) by investing activities	<u>3,529,713</u>	<u>(6,974,680)</u>
Increase (decrease) in cash and cash equivalents	(2,616,643)	(1,005,718)
Cash and cash equivalents - Beginning of Year	<u>9,721,032</u>	<u>10,726,750</u>
Cash and cash equivalents - End of Year	<u>\$ 7,104,389</u>	<u>\$ 9,721,032</u>
<b>Reconciliation of operating income (loss) to net cash provided (used)</b>		
by operating activities:		
Operating income (loss)	\$ (23,464,550)	\$ (22,640,978)
Adjustment to reconcile operating loss to net cash used		
by operating activities:		
Depreciation expense	883,763	865,463
Bad debt expense	579,036	147,538
Payments made directly by state for benefits	1,670,323	1,595,181
Changes in assets and liabilities		
Receivables, net	(994,558)	(301,606)
Inventories	5,493	7,584
Prepaid expenses	64,349	(110,367)
Accounts payable	146,689	(138,152)
Accrued liabilities	(159,771)	189,427
Deposits	9,691	528
Unearned revenue	<u>(745,274)</u>	<u>613,784</u>
Net cash provided (used) by operating activities	<u>\$ (22,004,809)</u>	<u>\$ (19,771,598)</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, 2015 and August 31, 2014**

	<b>August 31, 2015</b>	<b>August 31, 2014</b>
<b><u>Cash flows from operating activities:</u></b>		
Change in net assets	\$ (151,837.70)	\$ 363,524.32
Add items not affecting cash:		
Accounts Payable	-	(21,677.63)
Unrealized Loss on Investment	2,881.57	(44,736.20)
Depreciation	297,851.51	297,851.51
Net cash provided by operating activities	148,895.38	594,962.00
<b><u>Cash flow from investing activities:</u></b>		
Proceeds from maturity of short-term investments	54,687.11	113,166.21
Net cash used in investing activities	54,687.11	113,166.21
<b><u>Cash flow from financing activities:</u></b>		
Principal payments of long-term debt	(120,661.43)	(899,825.70)
Net cash provided by financing activities	(120,661.43)	(899,825.70)
<b>Net increase in cash and cash equivalents</b>	82,921.06	(191,697.49)
Cash and cash equivalents - beginning of year	157,261.60	348,959.09
Cash and cash equivalents - end of year	\$ 240,182.66	\$ 157,261.60

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**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, 2015**

**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, 2015**

**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 \$6,036,540 and \$5,975,273 have been reported as unearned revenues at August 31, 2015 and August 31, 2014, 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, 2015**

**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 substantial compliance with the requirements of the Act and with local policies.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**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, 2015	SWTJC	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 4,041,762	\$ 240,183
Time Deposits	1,610,000	-
Petty Cash on Hand	30,000	-
Total Current Cash and Deposits	5,681,762	<u>240,183</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	858,064	-
Demand Deposits - Endowments	564,563	-
Time Deposits	-	200,000
Total Noncurrent Cash and Deposits	1,422,627	<u>200,000</u>
 Total Cash and Deposits	 \$ 7,104,389	 \$ <u>440,183</u>
August 31, 2014	SWTJC	<u>Foundation</u>
<u>Current Assets</u>		
Demand Deposits	\$ 5,822,017	\$ 157,262
Time Deposits	2,310,000	-
Petty Cash on Hand	40,000	-
Total Current Cash and Deposits	8,172,017	<u>157,262</u>
 <u>Noncurrent Assets</u>		
Demand Deposits - Restricted	447,939	-
Demand Deposits - Endowments	1,101,076	-
Time Deposits	-	200,000
Total Noncurrent Cash and Deposits	1,549,015	<u>200,000</u>
 Total Cash and Deposits	 \$ 9,721,032	 \$ <u><u>357,262</u></u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**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, 2015**

**4. Deposits and Investments (Continued)**

**Reconciliation of Deposits and Investments to Exhibit 1**

Type of Security	August 31, 2015	August 31, 2014
Real Estate Investment	\$ 13,655	\$ 13,655
Corporate Stocks	190,043	185,728
Other Investments	54,319	54,982
Total Cash and Deposits	5,494,389	7,411,032
Total Certificates of Deposits	11,900,000	16,050,000
	<u>\$ 17,652,406</u>	<u>\$ 23,715,397</u>
Cash and Cash Equivalents (Exhibit 1)	\$ 5,681,762	\$ 8,172,017
Restricted Cash and Cash Equivalents (Exhibit 1)	1,422,627	1,549,015
Endowment Investments (Exhibit 1)	2,710,717	2,892,460
Other Long-Term Investments (Exhibit 1)	7,837,300	11,101,905
	<u>\$ 17,652,406</u>	<u>\$ 23,715,397</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**5. Changes in Property and Equipment**

Changes in property and equipment for SWTJC for the year ended August 31, 2015 were as follows:

	<u>Sept. 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2015</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Construction In Progress	7,723,443	-	1,415,996	6,307,447
Subtotal	<u>8,536,885</u>	<u>-</u>	<u>1,415,996</u>	<u>7,120,889</u>
<u>Other Capital Assets</u>				
Buildings	21,332,671	8,152,782	-	29,485,453
Land Improvements	2,554,227	-	-	2,554,227
Furniture & Fixtures	3,230,722	213,260	-	3,443,982
Library Books	1,185,221	6,138	-	1,191,359
Telecommunication and Peripheral Equipment	4,245,544	168,325	-	4,413,869
Subtotal	<u>32,548,385</u>	<u>8,540,505</u>	<u>-</u>	<u>41,088,890</u>
<u>Accumulated Depreciation</u>				
Buildings	6,616,344	384,607	-	7,000,951
Land Improvements	1,806,674	44,360	-	1,851,034
Furniture & Fixtures	2,332,253	181,809	-	2,514,062
Library Books	301,632	26,556	-	328,188
Telecommunication and Peripheral Equipment	3,723,502	246,431	-	3,969,933
Subtotal	<u>14,780,405</u>	<u>883,763</u>	<u>-</u>	<u>15,664,168</u>
Net Other Capital Assets	<u>17,767,980</u>	<u>7,656,742</u>	<u>-</u>	<u>25,424,722</u>
Net Capital Assets	<u>\$ 26,304,865</u>	<u>\$ 7,656,742</u>	<u>\$ 1,415,996</u>	<u>\$ 32,545,611</u>

Reconciliation of Capital Assets to Statement of Net Position

SWTJC - Capital Assets (Exhibit 1)	\$ <u>32,545,611</u>
Total	\$ <u><u>32,545,611</u></u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**5. Changes in Property and Equipment (Continued)**

Changes in property and equipment for SWTJC for the year ended August 31, 2014 were as follows:

	<u>Sept. 1, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Aug. 31, 2014</u>
<u>Not Depreciated</u>				
Land	\$ 813,442	\$ -	\$ -	\$ 813,442
Construction				
In Progress	3,361,776	4,361,667		7,723,443
Subtotal	<u>4,175,218</u>	<u>4,361,667</u>	<u>-</u>	8,536,885
<u>Other Capital Assets</u>				
Buildings	21,089,595	243,076	-	21,332,671
Land Improvements	2,534,605	19,622	-	2,554,227
Furniture & Fixtures	2,903,993	326,729	-	3,230,722
Library Books	1,172,564	12,657	-	1,185,221
Telecommunication and				
Peripheral Equipment	4,134,320	111,224	-	4,245,544
Subtotal	<u>31,835,077</u>	<u>713,308</u>	<u>-</u>	32,548,385
<u>Accumulated Depreciation</u>				
Buildings	6,246,205	370,139	-	6,616,344
Land Improvements	1,763,123	43,551	-	1,806,674
Furniture & Fixtures	2,162,355	169,898	-	2,332,253
Library Books	274,220	27,412	-	301,632
Telecommunication and				
Peripheral Equipment	3,469,039	254,463	-	3,723,502
Subtotal	<u>13,914,942</u>	<u>865,463</u>	<u>-</u>	14,780,405
Net Other Capital Assets	<u>17,920,135</u>	<u>(152,155)</u>	<u>-</u>	17,767,980
Net Capital Assets	<u>\$ 22,095,353</u>	<u>\$ 4,209,512</u>	<u>\$ -</u>	<u>\$ 26,304,865</u>

Reconciliation of Capital Assets to Statement of Net Position

SWTJC - Capital Assets (Exhibit 1)	\$ 26,304,865
Total	<u>\$ 26,304,865</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**5. Changes in Property and Equipment (Continued)**

Changes in property and equipment for the Foundation for the years ended August 31, 2015 and August 31, 2014 were as follows:

	<u>Sept. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2015</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>3,879,875</u>	<u>\$ 297,851</u>	<u>\$ -</u>	<u>4,177,726</u>
Net Property & Equipment	<u>\$ 9,876,632</u>			<u>\$ 9,578,781</u>
Reconciliation to Statement of Financial Position				<u>\$ 9,578,781</u>
Total				<u>\$ 9,578,781</u>

	<u>Sept. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Aug. 31, 2014</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>3,582,023</u>	<u>\$ 297,852</u>	<u>\$ -</u>	<u>3,879,875</u>
Net Property & Equipment	<u>\$ 10,174,484</u>			<u>\$ 9,876,632</u>
Reconciliation to Statement of Financial Position				<u>\$ 9,876,632</u>
Total				<u>\$ 9,876,632</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**6. Long-Term Liabilities**

Long-term liability activity for the year ended August 31, 2015 was as follows:

	September 1, 2014	Additions	Reductions	August 31, 2015	Current Portion
SWTJC					
Revenue Bonds	\$ 24,885,000	\$ 3,000,000	\$ 885,000	\$ 27,000,000	\$ 1,085,000
Premium on Bonds	77,257	-	3,863	73,394	3,863
Maintenance Tax Notes	2,300,000	-	205,000	2,095,000	210,000
Capital Leases Payable	18,173	-	18,173	-	-
Net Pension Liability	-	-	-	-	-
Total Long-Term Liabilities	<u>\$ 27,280,430</u>	<u>\$ 3,000,000</u>	<u>\$ 1,112,036</u>	<u>\$ 29,168,394</u>	<u>\$ 1,298,863</u>
SWTJC Foundation					
Notes Payable	\$ 1,480,397	-	\$ 120,661	\$ 1,359,736	\$ 126,812
Total Long-Term Liabilities	<u>\$ 1,480,397</u>	<u>\$ -</u>	<u>\$ 120,661</u>	<u>\$ 1,359,736</u>	<u>\$ 126,812</u>

Long-term liability activity for the year ended August 31, 2014 was as follows:

	September 1, 2013	Additions	Reductions	August 31, 2014	Current Portion
SWTJC					
Revenue Bonds	\$ 15,245,000	\$ 10,000,000	\$ 360,000	\$ 24,885,000	\$ 885,000
Premium on Bonds	-	77,257	-	77,257	3,863
Maintenance Tax Notes	2,500,000	-	200,000	2,300,000	205,000
Capital Leases Payable	58,276	-	40,103	18,173	-
Total Long-Term Liabilities	<u>\$ 17,803,276</u>	<u>\$ 10,077,257</u>	<u>\$ 600,103</u>	<u>\$ 27,280,430</u>	<u>\$ 1,093,863</u>
SWTJC Foundation					
Notes Payable	\$ 2,380,223	-	\$ 899,826	\$ 1,480,397	\$ 121,519
Total Long-Term Liabilities	<u>\$ 2,380,223</u>	<u>\$ -</u>	<u>\$ 899,826</u>	<u>\$ 1,480,397</u>	<u>\$ 121,519</u>



**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**7. Debt and Lease Obligations**

Debt service requirements at August 31, 2015 for SWTJC were as follows:

For the Year Ended August 31,	Revenue Bonds and Maintenance Tax Note		
	Principal	Interest	Total
FY 2016	\$ 1,295,000	\$ 1,078,351	\$ 2,373,351
FY 2017	1,335,000	1,035,251	2,370,251
FY 2018	1,380,000	990,572	2,370,572
FY 2019	1,435,000	942,430	2,377,430
FY 2020	1,495,000	890,171	2,385,171
FY 2021-2025	8,010,000	3,600,929	11,610,929
FY 2026-2030	8,505,000	2,077,880	10,582,880
FY 2031-2035	5,640,000	443,981	6,083,981
	<u>\$ 29,095,000</u>	<u>\$ 11,059,565</u>	<u>\$ 40,154,565</u>

Obligations through notes payable for the Foundation at August 31, 2015 were as follows:

Bank Note, original balance \$1,709,530 secured by first lien on 18.098 acres of land including any improvements and second lien on 15 acres of real estate and buildings, adjustable rate, currently 4.25% interest, 59 principal and interest payments of \$15,176 due monthly and one final principal and interest balloon payment due August 29, 2017. \$ 1,359,736

Total Notes Payable 1,359,736

Less current portion 126,812

Long-Term portion \$ 1,232,924

The following is a summary of debt service requirements:

2016	\$ 182,112
2017	<u>1,281,845</u>
Total minimum debt payments	1,463,957
Less amounts representing interest	<u>104,221</u>
Present value of minimum note payments	<u>\$ 1,359,736</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**8. Bonds Payable**

General information related to bonds payable is summarized below:

- Southwest Texas Junior College District Combined Fee Revenue Bonds, Series 2006
- Proceeds used to construct a new student services building and remodel existing office areas
- Issued March 15, 2006
- Amount of issue, \$3,500,000
- Debt to be serviced through tuition and fees
- Outstanding balance, \$2,760,000

This is a private placement issue with annual installments varying from \$152,250 to \$238,675 at a 4.50% interest rate, with the final installment due April 1, 2032.

- 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, \$4,460,000

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, \$7,110,000

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  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**8. Bonds Payable (Continued)**

- 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, \$9,670,000

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 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, \$3,000,000

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.

**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, \$2,095,000

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, 2015**

**10. Short-Term Debt**

The college had short-term debt in the fiscal years ended August 31, 2015 and August 31, 2014. 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, 2014	Additions	Reductions	Balance August 31, 2015
Crystal City Campus	\$ 465,987	\$ -	\$ 100,000	\$ 365,987
Fleet Vehicles	75,000	-	75,000	-
	<u>540,987</u>	<u>-</u>	<u>175,000</u>	<u>365,987</u>
<b>Total</b>	<b>\$ 540,987</b>	<b>\$ -</b>	<b>\$ 175,000</b>	<b>\$ 365,987</b>

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014
Crystal City Campus	\$ 557,278	\$ -	\$ 91,291	\$ 465,987
Fleet Vehicles	75,000	-	-	75,000
	<u>632,278</u>	<u>-</u>	<u>91,291</u>	<u>540,987</u>
<b>Total</b>	<b>\$ 632,278</b>	<b>\$ -</b>	<b>\$ 91,291</b>	<b>\$ 540,987</b>

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.

**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.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**11. Employees' Retirement Plan (Continued)**

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.state.tx.us/about/documents/cafr.pdf#CAFR>; 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 COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

*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' 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.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**11. Employees' Retirement Plan (Continued)**

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83<sup>rd</sup> Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. The 83<sup>rd</sup> Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015.

Contribution Rates

	<u>2014</u>	<u>2015</u>
Member	6.4%	6.7%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
SWTJC 2014 Employer Contributions		\$515,784
SWTJC 2014 Member Contributions		\$782,225
SWTJC 2014 NECE On-behalf Contributions		\$323,920

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**11. Employees' Retirement Plan (Continued)**

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, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll,
Open	
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Salary Increases*	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

*\*Includes Inflation of 3%*

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011.

With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

*Discount Rate.* The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. 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 those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**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-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2014 are summarized below:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Real Return Geometric Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return*</b>
<b>Global Equity</b>			
U.S.	18.0%	7.0%	1.4%
Non-U.S. Developed	13.0%	7.3%	1.1%
Emerging Markets	9.0%	8.1%	0.9%
Directional Hedge Funds	4.0%	5.4%	0.2%
Private Equity	13.0%	9.2%	1.4%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	2.9%	0.3%
Absolute Return	0.0%	4.0%	0.0%
Stable Value Hedge Funds	4.0%	5.2%	0.2%
Cash	1.0%	2.0%	0.0%
<b>Real Return</b>			
Global Inflation Linked Bonds	3.0%	3.1%	0.0%
Real Asset	16.0%	7.3%	1.5%
Energy and Natural Resources	3.0%	8.8%	0.3%
Commodities	0.0%	3.4%	0.0%
<b>Risk Party</b>			
Risk Party	5.0%	8.9%	0.4%
Alpha			1.0%
<b>Total</b>	100.0%		8.7%

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

Source: Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report



**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**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 (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
SWJTC's proportionate share of the net position liability:	\$ 9,710,665	\$ 5,434,244	\$ 2,236,278

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* At August 31, 2014, the College reported a liability of \$5,434,244 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	\$ 5,434,244
State's proportionate share that is associated with SWTJC	3,420,061
Total	<u>\$ 8,854,305</u>

The net pension liability was measured as of August 31, 2014 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, 2013 thru August 31, 2014.

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

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

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the employer's reporting date. A 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance (OASDI) on certain employees went into law effective 09/01/2014. The amount of the expected resultant change in the employer's proportion cannot be determined at this time.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**11. Employees' Retirement Plan (Continued)**

For the year ended August 31, 2014, the College recognized pension expense of \$316,178 and revenue of \$316,178 for support provided by the State.

At August 31, 2014, 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	\$ 84,042	\$ -
Changes in actuarial assumptions	353,232	-
Difference between projected and actual investment earnings	-	1,660,927
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	1,424
Contributions paid to TRS subsequent to the measurement date of August 31, 2014	-	
<b>Total</b>	<b>\$ 437,274</b>	<b>\$ 1,662,351</b>

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
2015	(\$341,704)
2016	(\$341,704)
2017	(\$341,704)
2018	(\$341,704)
2019	\$73,528
Thereafter	\$68,211

**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.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**11. Employees' Retirement Plan (Continued)**

*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.

The retirement expense to the State for the College was \$431,039 and \$440,533 for the fiscal years ended August 31, 2015 and 2014, 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 \$17,394,359 and \$17,138,352 for fiscal years 2015 and 2014, respectively. The total payroll of employees covered by the Teacher Retirement System was \$12,716,474 and \$12,222,291, and the total payroll of employees covered by the Optional Retirement Program was \$2,528,494 and \$2,845,803 for fiscal years 2015 and 2014, 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 not carry their accrued vacation leave forward from one fiscal year to another fiscal year. 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, 2015**

**14. Disaggregation of Receivables and Payables Balances**

**Receivables**

Receivables at August 31, 2015 were as follows:

Student Receivables	\$ 3,947,075
Federal Receivables	271,634
Accounts Receivables	486,687
Other Receivables	-
Subtotal	<u>4,705,396</u>
Allowance for Doubtful Accounts	<u>1,361,124</u>
Total Receivables (Exhibit 1)	<u>\$ 3,344,272</u>

Receivables at August 31, 2014 were as follows:

Student Receivables	\$ 3,624,497
Federal Receivables	106,113
Accounts Receivables	382,550
Other Receivables	-
Subtotal	<u>4,113,160</u>
Allowance for Doubtful Accounts	<u>1,184,410</u>
Total Receivables (Exhibit 1)	<u>\$ 2,928,750</u>

**Payables**

Payables at August 31, 2015 and August 31, 2014 were as follows:

	August 31, 2015	August 31, 2014
Vendor Payables (Exhibit 1)	\$ 1,096,774	<u>\$ 950,085</u>
Accrued Interest Payable	\$ 378,865	\$ 468,226
Accrued Workers Compensation	40,916	41,611
Other	(47,336)	<u>22,379</u>
Accrued Liabilities (Exhibit 1)	<u>\$ 372,445</u>	<u>\$ 532,216</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**15. Operating Lease Commitments and Rental Agreement**

Obligations under operating leases to the Foundation at August 31, 2015 were as follows:

Agreement Year	Property	Annual Due	Term
2014	Eagle Pass Campus	\$ 190,800	60 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, 2015	Year Ended August 31, 2014
<u>Operating Expenses</u>		
Rental Expense - SWTJC	\$ 190,800	\$ 764,838
Foundation Rental Income	\$ 190,800	\$ 764,838

The following is a schedule by years of future minimum rental payments from the College to the Foundation required under these operating leases which have an initial term in excess of one year as of August 31, 2015.

	Minimum Future Rental Payments
2015	\$ 456,985
2016	456,985
2017	456,985
2018	456,985
Thereafter	456,985
Required Total Minimum Payment	\$ 2,284,925

**SOUTHWEST TEXAS JUNIOR COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015**

**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, 2015 and August 31, 2014 was approximately \$538 and \$503 per month, respectively, and totaled \$1,239,284 and \$1,154,648 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.

**19. 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.

	<u>August 31, 2015</u>
Assessed Valuation	\$ 2,869,576,572
Less: Exemptions	<u>123,977,704</u>
Net Assessed Valuation	<u>\$ 2,745,598,868</u>

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**19. Property Tax (Continued)**

Authorized tax rates for the College for years 2015 and 2014 were as follows:

August 31, 2015	Current Operations	Debt Service	Total
Maximum tax rates per \$100 valuation	\$ 0.20	\$ 0.50	\$ 0.70
Adopted tax rate per \$100 valuation	\$ 0.13	\$ -	\$ 0.13

August 31, 2014	Current Operations	Debt Service	Total
Maximum tax rates per \$100 valuation	\$ 0.20	\$ 0.50	\$ 0.70
Adopted tax rate per \$100 valuation	\$ 0.13	\$ -	\$ 0.13

Taxes levied for the years ended August 31, 2015 and August 31, 2014 respectively were \$3,611,376 and \$3,066,916. 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.

August 31, 2015	Current Operations	Debt Service	Total
<u>Taxes Collected</u>			
Current Taxes Collected	\$ 3,480,235	\$ -	\$ 3,480,235
Delinquent Taxes Collected	132,514	-	132,514
Penalties and Interest Collected	79,172	-	79,172
Total Collections	<u>\$ 3,691,921</u>	<u>\$ -</u>	<u>\$ 3,691,921</u>

Tax collections for the year ended August 31, 2015 were 96.49% 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.

**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**19. Property Tax (Continued)**

August 31, 2014 Taxes Collected	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 2,925,733	\$ -	\$ 2,925,733
Delinquent Taxes Collected	111,799	-	111,799
Penalties and Interest Collected	75,650	-	75,650
Total Collections	<u>\$ 3,113,182</u>	<u>\$ -</u>	<u>\$ 3,113,182</u>

Tax collections for the year ended August 31, 2014 were 95.75% 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.

**20. 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, 2015 or August 31, 2014.

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).

**21. 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.



**SOUTHWEST TEXAS JUNIOR COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2015**

**21. Component Units (Continued)**

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.

**REQUIRED SUPPLEMENTARY SCHEDULES**

**SOUTHWEST TEXAS JUNIOR COLLEGE  
SCHEDULE OF SWTJC'S SHARE OF NET PENSION LIABILITY  
AUGUST 31, 2015**

Fiscal year ending August 31*,		.
<hr/>		
Total TRS' Pension Liability		.
TRS' Net Position		.
TRS' Net Pension Liability		
TRS Net Position as % of Total Pension Liability		83.25%
SWTJC Proportionate Share of the Net Pension Liability (%)		0.0203443%
SWTJC Proportionate Share of the Net Pension Liability (\$)	\$	5,434,244
State's Proportionate Share of the Net Pension Liability associated with the College		3,420,061
Total	<hr/>	<hr/> \$ 8,854,305 <hr/>
SWJTC Covered-Employee Payroll	\$	12,716,474
SWTJC Proportionate Share of the Net Pension Liability as a percentage of Covered-Employee Payroll		42.73%

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

\*\* 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  
AUGUST 31, 2015**

Fiscal year ending August 31*,	2015**
Legally Required Contributions	\$ 515,784
Actual Contributions	515,784
Contributions deficiency/(excess)	\$ -
 SWJTC Covered-Employee Payroll	 \$ 12,716,474
Ratio of : Actual Contributions/SWTJC Covered Payroll	4.06%

\* The amounts presented above are as of the College's most recent 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, 2015**

*Changes of Benefit Terms.*

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

*Changes of Assumptions.*

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

## SOUTHWEST TEXAS JUNIOR COLLEGE

**Schedule of Operating Revenues**  
**Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	August 31, 2015 Total	August 31, 2014 Total
<b>Tuition:</b>						
<b>State funded credit courses:</b>						
In-district resident tuition	\$ 5,308,625	\$ -	\$ 5,308,625	\$ -	\$ 5,308,625	\$ 5,148,816
Out-of-district resident tuition	3,308,507	-	3,308,507	-	3,308,507	3,189,651
Non-resident tuition	445,459	-	445,459	-	445,459	503,291
TPEG - credit (set aside)*	342,560	-	342,560	-	342,560	329,391
<b>State funded continuing education</b>	<b>1,346,022</b>	<b>-</b>	<b>1,346,022</b>	<b>-</b>	<b>1,346,022</b>	<b>1,176,570</b>
TPEG non-credit (set aside)*	17,842	-	17,842	-	17,842	17,316
<b>Non-state funded educational programs</b>	<b>28,430</b>	<b>-</b>	<b>28,430</b>	<b>-</b>	<b>28,430</b>	<b>62,121</b>
<b>Total Tuition</b>	<b>10,797,445</b>	<b>-</b>	<b>10,797,445</b>	<b>-</b>	<b>10,797,445</b>	<b>10,427,156</b>
<b>Fees:</b>						
General fees	3,568,143	-	3,568,143	-	3,568,143	3,494,353
Laboratory fees	357,946	-	357,946	-	357,946	311,084
<b>Total Fees</b>	<b>3,926,089</b>	<b>-</b>	<b>3,926,089</b>	<b>-</b>	<b>3,926,089</b>	<b>3,805,437</b>
<b>Scholarship allowance and discount</b>						
Remission and exemption - state	(513,088)	-	(513,088)	-	(513,088)	(298,393)
Remission and exemption - local	(952,821)	-	(952,821)	-	(952,821)	(802,657)
Title IV federal grants	(6,873,419)	-	(6,873,419)	-	(6,873,419)	(6,840,396)
Other federal grants	-	-	-	-	-	-
TPEG awards	(140,940)	-	(140,940)	-	(140,940)	(245,996)
Other state grants	(605,872)	-	(605,872)	-	(605,872)	(477,868)
Other local grants	(71,166)	-	(71,166)	-	(71,166)	-
<b>Total Scholarship Allowances</b>	<b>(9,157,306)</b>	<b>-</b>	<b>(9,157,306)</b>	<b>-</b>	<b>(9,157,306)</b>	<b>(8,665,310)</b>
<b>Total net tuition and fees</b>	<b>5,566,228</b>	<b>-</b>	<b>5,566,228</b>	<b>-</b>	<b>5,566,228</b>	<b>5,567,283</b>
<b>Additional operating revenues:</b>						
Federal grants and contracts	-	1,767,606	1,767,606	16,287	1,783,893	1,649,023
State grants and contracts	-	1,305,753	1,305,753	14,774	1,320,527	1,279,914
Non-governmental grants and contracts	-	146,653	146,653	-	146,653	168,270
Sales and services of educational activities	28,743	-	28,743	-	28,743	23,203
General operating revenue	1,946,558	-	1,946,558	-	1,946,558	1,899,408
<b>Total additional operating revenues</b>	<b>1,975,301</b>	<b>3,220,012</b>	<b>5,195,313</b>	<b>31,061</b>	<b>5,226,374</b>	<b>5,019,818</b>
<b>Auxiliary Enterprises</b>						
Bookstore	-	-	-	161,020	161,020	154,469
Less Discounts	-	-	-	-	-	-
Residential life	-	-	-	802,440	802,440	744,257
Less Discounts	-	-	-	(317,275)	(317,275)	(294,270)
Day Care	-	-	-	172,402	172,402	138,729
SWTNET	-	-	-	8,400	8,400	15,000
Other revenues	-	-	-	15,166	15,166	12,243
<b>Total net auxiliary enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>842,153</b>	<b>842,153</b>	<b>770,428</b>
<b>Total Operating Revenues</b>	<b>\$ 7,541,529</b>	<b>\$3,220,012</b>	<b>\$ 10,761,541</b>	<b>\$ 873,214</b>	<b>\$ 11,634,755</b>	<b>\$ 11,357,529</b>

\*In accordance with Education Code 56.033, \$360,402 and \$346,707 for years August 31, 2015 and August 31, 2014, 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, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)

	Operating Expense				August 31, 2015 Total	August 31, 2014 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 9,193,083	\$ -	\$ 1,583,748	\$ 1,058,967	\$ 11,835,798	\$ 11,395,731
Public Service	6,700	-	1,154	3,931	11,785	34,465
Academic Support	1,657,595	-	285,564	361,416	2,304,575	2,296,610
Student Services	1,375,382	-	236,945	310,611	1,922,938	1,863,618
Institutional Support	2,329,345	-	401,290	2,562,839	5,293,474	4,816,240
Operation and Maintenance of Plant	1,114,425	-	191,989	1,773,742	3,080,156	3,329,945
Scholarship	-	-	-	-	-	-
<b>Total Unrestricted Educational Activities</b>	<b>15,676,530</b>	<b>-</b>	<b>2,700,690</b>	<b>6,071,506</b>	<b>24,448,726</b>	<b>23,736,609</b>
Restricted - Educational Activities						
Instruction	40,805	1,054,478	6,970	150,620	1,252,873	989,850
Public Service	648,482	768	110,774	243,598	1,003,622	1,140,694
Academic Support	219,266	190,132	37,455	99,240	546,093	538,734
Student Services	407,253	157,761	69,567	259,321	893,902	866,145
Institutional Support	-	267,184	-	-	267,184	269,614
Operation and Maintenance of Plant	-	-	-	-	-	-
Scholarship	-	-	-	4,345,218	4,345,218	4,220,402
<b>Total Restricted Educational Activities</b>	<b>1,315,806</b>	<b>1,670,323</b>	<b>224,766</b>	<b>5,097,997</b>	<b>8,308,892</b>	<b>8,025,439</b>
<b>Total Educational Activities</b>	<b>16,992,336</b>	<b>1,670,323</b>	<b>2,925,456</b>	<b>11,169,503</b>	<b>32,757,618</b>	<b>31,762,048</b>
<b>Auxiliary Enterprises</b>	<b>402,023</b>	<b>-</b>	<b>119,560</b>	<b>936,341</b>	<b>1,457,924</b>	<b>1,370,996</b>
<b>Depreciation Expense - Buildings and other real estate improvements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,967</b>	<b>428,967</b>	<b>413,690</b>
<b>Depreciation Expense - Equipment and furniture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>428,240</b>	<b>428,240</b>	<b>424,361</b>
<b>Depreciation Expense - Library Books</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,556</b>	<b>26,556</b>	<b>27,412</b>
<b>Total Operating Expenses</b>	<b>\$ 17,394,359</b>	<b>\$ 1,670,323</b>	<b>\$ 3,045,016</b>	<b>\$ 12,989,607</b>	<b>\$ 35,099,305</b>	<b>\$ 33,998,507</b>

## SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule C

**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>August 31, 2015 Total</u>	<u>August 31, 2014 Total</u>
NON-OPERATING REVENUES:					
State Appropriations:					
Education and general state support	\$ 7,311,744	\$ -	\$ -	\$ 7,311,744	\$ 7,311,744
State group insurance	-	1,239,284	-	1,239,284	1,154,648
State retirement matching	-	431,039	-	431,039	440,533
<b>Total state appropriations</b>	<u>7,311,744</u>	<u>1,670,323</u>	<u>-</u>	<u>8,982,067</u>	<u>8,906,925</u>
Maintenance ad valorem taxes	3,703,685	-	-	3,703,685	3,121,746
Federal Revenue, Non Operating	-	11,352,547	-	11,352,547	11,080,630
Gifts	25	51,730	-	51,755	1,038,287
Investment Income	82,529	-	836	83,365	44,993
Other non-operating revenue	-	22,991	-	22,991	50,000
<b>Total non-operating revenues</b>	<u>3,786,239</u>	<u>11,427,268</u>	<u>836</u>	<u>24,196,410</u>	<u>24,242,581</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	982,252	-	-	982,252	826,442
Other non-operating expense	201,341	-	-	201,341	336,206
<b>Total non-operating expenses</b>	<u>1,183,593</u>	<u>-</u>	<u>-</u>	<u>1,183,593</u>	<u>1,162,648</u>
<b>Net non-operating revenues</b>	<u>\$ 9,914,390</u>	<u>\$ 13,097,591</u>	<u>\$ 836</u>	<u>\$ 23,012,817</u>	<u>\$ 23,079,933</u>



SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule D

Schedule of Net Position by Source and Availability  
 Year Ended August 31, 2015 (With Memorandum Totals for the Year Ended August 31, 2014)

	Detail by Source					Available for Current Operations	
	Restricted			Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
	Unrestricted	Expendable	Non-Expendable				
Current							
Unrestricted	\$ (4,191,912)	\$ -	\$ -	\$ -	\$ (4,191,912)	\$ (4,191,912)	\$ -
Restricted	-	(93,915)	-	-	(93,915)	(93,915)	-
Auxiliary	1,408,145	-	-	-	1,408,145	1,408,145	-
Loan	-	274,816	-	-	274,816	-	274,816
Endowment							
Quasi:							
Unrestricted	3,296,474	-	-	-	3,296,474	-	3,296,474
Plant							
Debt Service	-	489,008	-	-	489,008	-	489,008
Revenue Bond	-	6,889,654	-	-	6,889,654	-	6,889,654
Investment in Plant	-	-	-	3,011,230	3,011,230	-	3,011,230
Total Net Position, August 31, 2015	512,707	7,559,563	-	3,011,230	11,083,500	(2,877,682)	13,961,182
Total Net Position, August 31, 2014	7,848,366	11,342,268	-	(1,498,379)	17,692,255	4,867,811	12,824,444
Cum Effect of Change in Accounting Prin (Note 11)	(6,157,022)	-	-	-	(6,157,022)	(6,157,022)	-
Total Net Position, August 31, 2014, as restated	1,691,344	11,342,268	-	(1,498,379)	11,535,233	(1,289,211)	12,824,444
Net Increase (Decrease) in Net Position	\$ (1,178,637)	\$ (3,782,705)	\$ -	\$ 4,509,609	\$ (451,733)	\$ (1,588,471)	\$ 1,136,738

## SOUTHWEST TEXAS JUNIOR COLLEGE

Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2015

Federal Grantor/Pass Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U.S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster			
Federal Pell Grant	84.063		\$ 11,105,010
Federal Direct Student Loan	84.268		2,060,593
Supplemental Education Opportunity Grant	84.007		105,456
Federal College Workstudy Program	84.033		142,081
TRIO Cluster			
TRIO Student Support Services	84.042A		300,956
TRIO Education Opportunity Center	84.066A		226,594
Pass-Through From:			
Angelo State University			
ASU Title V Co-op Project	84.031S	P0315140160	203,163
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education - Basic	84.048	94241	241,246
Texas Workforce Commission			
Adult Education and Literacy	84.002	2714AELA000	640,601
Region 20 - Alamo Consortium			
Adult Education and Literacy			49,415
Texas State University			
Reenergize - MSEIP	84.120	P120A140065	21,022
Total Department of Education			<u>15,096,137</u>
U.S. Department of Agriculture			
Rural Energy Efficiency Training & Outreach Initiative			
Pass-Through From:			
Texas Health and Human Services Commission			
Child and Adult Care Food Program	10.558	03270	16,287
Texas State University			
USDA Safe Grant	10.223	20143842222084	16,585
Total U.S. Department of Agriculture			<u>54,333</u>
U.S. Department of Health and Human Services			
Pass-Through From:			
Texas Workforce Commission			
Temporary Assistance for Needy Families (TANF)	93.558	2714AELA000	42,805
Region 20 - Alamo Consortium			
Temporary Assistance for Needy Families (TANF)			3,758
Total Department of Health and Human Services			<u>46,563</u>
Total Federal Financial Assistance			<u>\$ 15,197,033</u>

**Schedule E (Continued)**

Note 1: Federal Assistance Reconciliation

Federal Grants and Contracts revenue - per Schedule A	\$	1,783,893
Add: Non Operating Federal Revenue from Schedule C		11,352,547
Add: Direct Student Loans		2,060,593
	\$	<u>15,197,033</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, 2015

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Workforce Commission		
Adult Education and Literacy	2714AELA000	\$ 119,830
Temporary Assistance for Needy Families (TANF)	2714AELA000	22,050
Region 20 - Alamo Consortium		
Adult Education and Literacy		10,852
Region 20 - Alamo Consortium		
Temporary Assistance for Needy Families (TANF)		1,936
Workforce Solutions Middle Rio Grande		
Project Grow		56,633
Texas Health and Human Services Commission		
Child Care		14,774
Office of the Governor, Texas Military Preparedness Commission		
Aviation (DEAAG) Grant		171,369
Texas Department of Criminal Justice		
College Classes for Inmates	696-PS-16-16-A034	97,411
Texas Higher Education Coordinating Board		
Texas Grant		683,086
Adult Education and Literacy Innovation Grant	10790	83,016
Texas College Workstudy		39,612
TEOG		4,799
Top 10 %		10,600
Nursing Shortage Reduction - Regular		4,559
Total State Financial Assistance		<u>\$ 1,320,527</u>
Note 1: State Assistance Reconciliation		
State Revenues - per Schedule A		\$ 1,320,527
		<u>\$ 1,320,527</u>
		(A)

## Note 2: Significant Accounting Policies Used in Preparing the Schedule

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

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# EDE & COMPANY, LLC

Certified Public Accountants

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

### Independent Auditor's Report

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

Members of the Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Southwest Texas Junior College, as of and for the year ended August 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise Southwest Texas Junior College's basic financial statements, and have issued our report thereon dated November 19, 2015. 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.

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

November 19, 2015

# EDE & COMPANY, LLC

Certified Public Accountants

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Donna Ede Jones

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE TEXAS SINGLE AUDIT CIRCULAR

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

Members of the Board:

### **Report on Compliance for Each Major Federal Program**

We have audited Southwest Texas Junior College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Texas Single Audit Circular* that could have a direct and material effect on each of Southwest Texas Junior College's major federal programs for the year ended August 31, 2015. Southwest Texas Junior College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Southwest Texas Junior College's major federal 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Texas Single Audit Circular*. Those standards, OMB Circular A-133, 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 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 program. However, our audit does not provide a legal determination of Southwest Texas Junior College's compliance.

#### ***Opinion on Each Major Federal 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 programs for the year ended August 31, 2015.



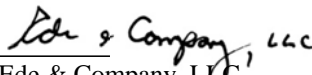
## Report on Internal Control Over Compliance

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 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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 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 program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 OMB Circular A-133, and the Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

  
Ede & Company, LLC  
Certified Public Accountants  
Knippa, Texas

November 19, 2015

**SOUTHWEST TEXAS JUNIOR COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2015**

**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
Texas Workforce Commission	
Adult Education and Literacy	CFDA 84.002

**Major State Programs of the College**

Texas Grant

The dollar threshold to distinguish between Type A and Type B federal programs was \$455,911.  
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)**

	<b>For the Fiscal Year Ended August 31,</b>									
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Invested in capital assets, net of related debt	\$ 3,011,230	\$ (1,498,379)	\$ 3,717,874	\$ 6,055,003	\$ 9,030,617	\$ 8,293,391	\$ 8,293,391	\$ 8,188,931	\$ 4,128,283	\$ 389,530
Restricted - expendable	7,559,563	11,342,268	6,110,299	4,028,205	1,699,928	1,587,988	760,693	585,864	4,636,105	12,039,204
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	512,707	7,848,366	7,425,127	7,326,594	6,436,933	6,333,358	5,854,088	5,312,622	5,443,371	1,667,712
<b>Total primary government net assets</b>	<b>\$ 11,083,500</b>	<b>\$ 17,692,255</b>	<b>\$ 17,253,300</b>	<b>\$ 17,409,802</b>	<b>\$ 17,167,478</b>	<b>\$ 16,214,737</b>	<b>\$ 14,908,172</b>	<b>\$ 14,087,417</b>	<b>\$ 14,207,759</b>	<b>\$ 14,096,446</b>

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

**For the Fiscal Year Ended August 31,**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Tuition and Fees (Net of Discounts)	\$ 5,566,228	\$ 5,567,283	\$ 5,130,032	\$ 5,493,939	\$ 5,930,984	\$ 3,719,005	\$ 4,132,832	\$ 4,917,321	\$ 5,532,691	\$ 3,373,893
Governmental Grants and Contracts										
Federal Grants and Contracts	1,783,893	1,649,023	2,283,343	2,581,256	3,700,527	4,174,551	4,086,099	3,764,995	3,309,559	2,839,435
State Grants and Contracts	1,320,527	1,279,914	991,238	1,385,040	1,270,208	1,451,117	1,147,896	879,839	663,381	863,062
Non-Governmental Grants and Contracts	146,653	168,270	189,125	112,713	56,904	25,540	103,454	145,706	127,682	132,711
Sales and services of educational activities	28,743	23,203	26,819	22,630	23,556	24,044	26,299	24,209	27,722	27,152
Auxiliary enterprises (Net of Discounts)	842,153	770,428	887,173	972,184	2,070,432	2,278,908	2,019,967	1,923,731	1,920,838	1,547,658
Other Operating Revenue	1,946,558	1,899,408	1,955,008	1,959,051	1,965,962	1,770,344	1,960,895	1,886,021	1,733,216	1,657,717
<b>Total Operating Revenues</b>	<b>11,634,755</b>	<b>11,357,529</b>	<b>11,462,738</b>	<b>12,526,813</b>	<b>15,018,573</b>	<b>13,443,509</b>	<b>13,477,442</b>	<b>13,541,822</b>	<b>13,315,089</b>	<b>10,441,628</b>
State Appropriations	8,982,067	8,906,925	8,075,275	8,613,312	9,360,771	9,441,219	10,113,651	10,114,906	9,584,008	9,879,911
Ad Valorem Taxes	3,703,685	3,121,746	2,689,311	2,572,349	2,486,117	2,375,217	2,039,186	1,845,476	1,843,045	1,614,528
Federal Revenue, Non-operating	11,352,547	11,080,630	12,737,968	12,243,611	15,038,509	15,565,999	9,401,077	6,636,804	6,308,389	7,867,429
Investment income	83,365	44,993	68,390	73,443	71,539	97,442	96,889	280,930	622,569	255,958
Other non-operating revenues	74,746	1,088,287	115,399	67,210	101,293	67,630	105,064	102,484	-	-
<b>Total Non-Operating Revenues</b>	<b>24,196,410</b>	<b>24,242,581</b>	<b>23,686,343</b>	<b>23,569,925</b>	<b>27,058,229</b>	<b>27,547,507</b>	<b>21,755,867</b>	<b>18,980,600</b>	<b>18,358,011</b>	<b>19,617,826</b>
<b>Total Revenues</b>	<b>\$ 35,831,165</b>	<b>\$ 35,600,110</b>	<b>\$ 35,149,081</b>	<b>\$ 36,096,738</b>	<b>\$ 42,076,802</b>	<b>\$ 40,991,016</b>	<b>\$ 35,233,309</b>	<b>\$ 32,522,422</b>	<b>\$ 31,673,100</b>	<b>\$ 30,059,454</b>

**For the Fiscal Year Ended August 31,**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Tuition and Fees (Net of Discounts)	15.53%	15.64%	14.60%	15.22%	14.10%	9.07%	11.73%	15.12%	17.47%	11.22%
Governmental Grants and Contracts										
Federal Grants and Contracts	4.98%	4.63%	6.50%	7.15%	8.79%	10.18%	11.60%	11.58%	10.45%	9.45%
State Grants and Contracts	3.69%	3.60%	2.82%	3.84%	3.02%	3.54%	3.26%	2.71%	2.09%	2.87%
Non-Governmental Grants and Contracts	0.41%	0.47%	0.54%	0.31%	0.14%	0.06%	0.29%	0.45%	0.40%	0.44%
Sales and services of educational activities	0.08%	0.07%	0.08%	0.06%	0.06%	0.06%	0.07%	0.07%	0.09%	0.09%
Auxiliary enterprises	2.35%	2.16%	2.52%	2.69%	4.92%	5.56%	5.73%	5.92%	6.06%	5.15%
Other Operating Revenue	5.43%	5.34%	5.56%	5.43%	4.67%	4.32%	5.57%	5.80%	5.47%	5.51%
<b>Total Operating Revenues</b>	<b>32.47%</b>	<b>31.90%</b>	<b>32.61%</b>	<b>34.70%</b>	<b>35.69%</b>	<b>32.80%</b>	<b>38.25%</b>	<b>41.64%</b>	<b>42.04%</b>	<b>34.74%</b>
State Appropriations	25.07%	25.02%	22.97%	23.86%	22.25%	23.03%	28.70%	31.10%	30.26%	32.87%
Ad Valorem Taxes	10.34%	8.77%	7.65%	7.13%	5.91%	5.79%	5.79%	5.67%	5.82%	5.37%
Federal Revenue, Non-operating	31.68%	31.13%	36.24%	33.92%	35.74%	37.97%	26.68%	20.41%	19.92%	26.17%
Investment income	0.23%	0.13%	0.19%	0.20%	0.17%	0.24%	0.27%	0.86%	1.97%	0.85%
Other non-operating revenues	0.21%	3.06%	0.33%	0.19%	0.24%	0.16%	0.30%	0.32%	0.00%	0.00%
<b>Total Non-Operating Revenues</b>	<b>67.53%</b>	<b>68.10%</b>	<b>67.39%</b>	<b>65.30%</b>	<b>64.31%</b>	<b>67.20%</b>	<b>61.75%</b>	<b>58.36%</b>	<b>57.96%</b>	<b>65.26%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

For the Fiscal Year Ended August 31,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	\$ 13,088,671	\$ 12,385,581	\$ 12,166,721	\$ 11,910,414	\$ 12,484,217	\$ 12,349,906	\$ 11,539,955	\$ 11,389,564	\$ 10,576,180	\$ 10,151,621
Public service	1,015,407	1,175,159	1,151,997	1,511,783	2,068,587	2,075,941	1,808,083	1,539,084	1,664,383	1,530,040
Academic support	2,850,668	2,835,344	2,835,240	3,008,190	2,787,990	2,693,002	2,342,428	2,465,644	2,494,815	2,380,994
Student services	2,816,840	2,729,763	2,978,274	2,929,304	3,451,245	3,210,434	2,242,411	2,135,536	2,462,228	2,132,291
Institutional support	5,560,658	5,085,854	4,816,132	4,456,411	4,238,281	3,481,474	3,707,149	3,778,780	3,334,844	3,197,701
Operation and maintenance of plant	3,080,156	3,329,945	3,401,842	3,699,346	3,769,594	3,968,955	3,865,770	4,053,378	3,710,069	3,676,253
Scholarships and fellowships	4,345,218	4,220,402	4,802,594	5,275,942	8,171,634	7,792,456	5,011,267	3,561,580	3,274,153	3,270,079
Auxiliary enterprises	1,457,924	1,370,996	1,404,080	1,675,472	2,757,928	2,984,306	2,659,229	2,619,667	2,841,246	2,789,801
Depreciation	883,763	865,463	818,353	823,623	759,582	743,353	709,187	625,426	516,034	494,589
<b>Total Operating Expenses</b>	<b>35,099,305</b>	<b>33,998,507</b>	<b>34,375,233</b>	<b>35,290,485</b>	<b>40,489,058</b>	<b>39,299,827</b>	<b>33,885,479</b>	<b>32,168,659</b>	<b>30,873,952</b>	<b>29,623,369</b>
Interest on capital related debt	982,252	826,442	676,830	383,417	384,648	420,862	421,715	363,546	580,416	41,924
Other non-operating expense	201,341	336,206	253,520	180,512	128,807	85,310	105,360	110,559	107,419	96,412
<b>Total Non-Operating Expenses</b>	<b>1,183,593</b>	<b>1,162,648</b>	<b>930,350</b>	<b>563,929</b>	<b>513,455</b>	<b>506,172</b>	<b>527,075</b>	<b>474,105</b>	<b>687,835</b>	<b>138,336</b>
<b>Total Expenses</b>	<b>\$ 36,282,898</b>	<b>\$ 35,161,155</b>	<b>\$ 35,305,583</b>	<b>\$ 35,854,414</b>	<b>\$ 41,002,513</b>	<b>\$ 39,805,999</b>	<b>\$ 34,412,554</b>	<b>\$ 32,642,764</b>	<b>\$ 31,561,787</b>	<b>\$ 29,761,705</b>

For the Fiscal Year Ended August 31,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction	36.07%	35.23%	34.46%	33.22%	30.45%	31.03%	33.53%	34.89%	33.51%	34.11%
Public service	2.80%	3.34%	3.26%	4.22%	5.05%	5.22%	5.25%	4.71%	5.27%	5.14%
Academic support	7.86%	8.06%	8.03%	8.39%	6.80%	6.77%	6.81%	7.55%	7.90%	8.00%
Student services	7.76%	7.76%	8.44%	8.17%	8.42%	8.07%	6.52%	6.54%	7.80%	7.16%
Institutional support	15.33%	14.46%	13.64%	12.43%	10.34%	8.75%	10.77%	11.58%	10.57%	10.74%
Operation and maintenance of plant	8.49%	9.47%	9.64%	10.32%	9.19%	9.97%	11.23%	12.42%	11.75%	12.35%
Scholarships and fellowships	11.98%	12.00%	13.60%	14.71%	19.93%	19.58%	14.56%	10.91%	10.37%	10.99%
Auxiliary enterprises	4.02%	3.90%	3.98%	4.67%	6.73%	7.50%	7.73%	8.03%	9.00%	9.37%
Depreciation	2.44%	2.46%	2.32%	2.30%	1.85%	1.87%	2.06%	1.92%	1.63%	1.66%
<b>Total Operating Expenses</b>	<b>96.74%</b>	<b>96.69%</b>	<b>97.36%</b>	<b>98.43%</b>	<b>98.75%</b>	<b>98.73%</b>	<b>98.47%</b>	<b>98.55%</b>	<b>97.82%</b>	<b>99.54%</b>
Interest on capital related debt	2.71%	2.35%	1.92%	1.07%	0.94%	1.06%	1.23%	1.11%	1.84%	0.14%
Other non-operating expense	0.55%	0.96%	0.72%	0.50%	0.31%	0.21%	0.31%	0.34%	0.34%	0.32%
<b>Total Non-Operating Expenses</b>	<b>3.26%</b>	<b>3.31%</b>	<b>2.64%</b>	<b>1.57%</b>	<b>1.25%</b>	<b>1.27%</b>	<b>1.53%</b>	<b>1.45%</b>	<b>2.18%</b>	<b>0.46%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

<b>Resident</b>
<b>Fees per Semester Credit Hour (SCH)</b>

Academic Year	Registration Fee	In-District Tuition	Out-of-District Fee	Technology Fees	General Use Fees	Cost for 12 SCH		Increase from Prior Year	
						In-District	Out-of-District	In-District	Out-of-District
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%
2009	8.25	46.00	31.50	5.00	7.25	775.00	1,129.00	0.00%	0.00%
2008	8.25	43.00	29.50	5.00	7.25	775.00	1,129.00	12.32%	14.39%
2007	8.25	39.00	24.75	3.00	7.25	690.00	987.00	26.37%	22.30%
2006	8.25	29.00	21.75	1.00	7.25	546.00	807.00	2.25%	1.51%

<b>Non-Resident</b>
<b>Fees per Semester Credit Hour (SCH)</b>

Academic Year	Registration Fee	Non-Resident Tuition Out-of-State	Technology Fees	Building Use Fees	Cost for 12 SCH Out-of-State	Increase from Prior Year
						Out-of-State
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%
2009	8.25	90.00	5.00	7.25	1,339.00	0.00%
2008	8.25	90.00	5.00	7.25	1,339.00	26.08%
2007	8.25	70.00	3.00	7.25	1,062.00	15.69%
2006	8.25	60.00	1.00	7.25	918.00	1.32%

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)
2014-15	\$ 2,828,277,839	\$ 2,908,758	\$ 2,825,369,081	99.90%	\$ 0.13	\$ -	\$ 0.13
2013-14	2,403,429,373	6,214,612	2,397,214,761	99.74%	0.13	-	0.13
2012-13	2,058,839,802	7,358,719	2,051,481,083	99.64%	0.13	-	0.13
2011-12	1,965,266,998	13,892,409	1,951,374,589	99.29%	0.13	-	0.13
2010-11	1,916,219,239	5,541,642	1,910,677,597	99.71%	0.13	-	0.13
2009-10	1,843,114,815	7,817,048	1,835,297,767	99.58%	0.13	-	0.13
2008-09	1,812,568,169	4,270,010	1,808,298,159	99.76%	0.11	-	0.11
2007-08	1,675,745,594	1,802,289	1,673,943,305	99.89%	0.11	-	0.11
2006-07	1,570,255,446	4,662,012	1,565,593,434	99.70%	0.11	-	0.11
2005-06	1,443,317,414	2,874,294	1,440,443,120	99.80%	0.11	-	0.11

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*	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a)	Total Contact Hours	State Appropriation per Contact Hour
2014-15	\$ 7,311,744	8,094	\$ 903.35	1,561,301	627,985	2,189,286	\$ 3.34
2013-14	7,311,744	7,887	927.06	1,567,952	480,736	2,048,688	3.57
2012-13	6,422,513	8,523	753.55	1,713,424	488,640	2,202,064	2.92
2011-12	7,304,514	8,788	831.19	1,690,688	498,128	2,188,816	3.34
2010-11	7,153,135	10,028	713.32	1,923,424	544,000	2,467,424	2.90
2009-10	7,221,296	9,849	733.20	1,889,904	520,672	2,410,576	3.00
2008-09	7,704,531	8,519	904.39	1,621,477	438,704	2,060,181	3.74
2007-08	7,704,532	8,029	959.59	1,530,320	454,736	1,985,056	3.88
2006-07	7,704,532	8,204	939.12	1,582,855	455,808	2,038,663	3.78
2005-06	7,704,532	8,454	911.35	1,631,944	463,776	2,095,720	3.68

Notes:

\*Includes appropriation for education and general state support

FTSE is defined as the total hours taken by part-time students divided by 12 plus the number of full time students.

(a) Source CBM001 provided by Herlinda Pena

**SOUTHWEST TEXAS JUNIOR COLLEGE**

**Statistical Supplement 7**

**Principal Taxpayers**

**Last Ten Tax Years**

**(Unaudited)**

Taxpayer	Taxable Assessed Value (TAV) by Tax Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
AEP Texas Central Co/Transmission	\$ 49,906,127	\$ 46,935,851	\$ 33,774,866	\$ 28,057,165	\$ 17,652,091	\$ 18,175,900	\$ 11,445,590	\$ 7,807,100	\$ 11,184,090	\$ 9,426,300
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	9,958,117	8,172,035	8,216,849	7,803,122
Buffco Production Inc	58,417,460									
Chaparrosa Enterprises, LP					9,458,093	8,181,466	8,260,913	8,165,895	8,009,617	
Chesapeake Operating / MIDCON			58,046,498	12,972,585						
CML Exploration LLC	19,503,970		24,518,473	21,972,721						
Dan Hughes and Co.			13,596,602							
DCP Sand Hills Pipeline	24,628,370	30,872,680								
Del Monte Foods	19,085,090	21,945,890	22,656,400	17,220,550	22,209,541	21,868,060	21,868,060			
Exco Operating Company Inc	485,894,300	309,197,760								
First State Bank of Uvalde						5,729,035		5,875,736	6,157,146	5,793,588
General Tire Inc					6,699,108	7,863,003	7,905,340	5,542,708	4,988,323	
KL & L Traylor LP	26,534,780									
Lone Star NGL Pipeline LP			17,325,720							
Martin Marietta Materials	17,522,995	17,517,567	30,205,588	11,424,154	7,761,830	9,465,000	8,112,850	7,743,100	7,135,380	8,176,160
OCI Alamo 5 LLC	27,886,302									
Plains Pipeline	24,831,400									
Raul Gomez and Enrique Davila								27,890,224		
Sage Energy							15,741,230			
South Texas Children's Home	19,302,610									
Southwestern Bell Telephone Company					12,345,904	14,103,191	9,824,125	11,403,465	10,989,160	11,199,690
Texas American Resources					8,823,811		13,850,880			
Trinidad Drilling		31,150,000								
Umphrey Family Ltd. Partnership					5,895,907	5,730,269				
Union Pacific Railroad	30,947,403	27,986,530	25,125,547	22,663,091	17,983,340	16,659,470	14,746,250	13,511,620	13,064,480	9,494,000
Vulcan Construction Materials				7,518,025	7,901,360	8,116,360	9,752,800	8,396,820	7,342,860	7,500,990
Wal-Mart Stores Texas LP		16,153,152	15,768,379	15,718,065	16,048,422	17,094,269	17,346,553	17,166,499	17,837,964	18,503,555
Williamson Dickie MFG Co		9,110,488		11,888,716	8,327,822	7,588,377	7,592,209		5,353,020	6,794,943
<b>Total Taxable Assessed Value</b>	<b>\$ 2,825,369,081</b>	<b>\$ 2,397,214,761</b>	<b>\$ 2,051,481,083</b>	<b>\$ 1,951,374,589</b>	<b>\$ 1,910,677,597</b>	<b>\$ 1,835,297,767</b>	<b>\$ 1,808,298,159</b>	<b>\$ 1,673,943,305</b>	<b>\$ 1,565,593,434</b>	<b>\$ 1,440,443,120</b>

Taxpayer	% of Taxable Assessed Value (TAV) by Tax Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
AEP Texas Central Co/Transmission	1.77%	1.96%	1.65%	1.44%	0.92%	0.99%	0.63%	0.47%	0.71%	0.65%
Bailey Four Canyon Ranch Prop Ltd		0.68%	0.78%	0.82%	0.84%					
Briscoe Ranch Inc.				0.44%	0.54%	0.53%	0.55%	0.49%	0.52%	0.54%
Buffco Production Inc	2.07%									
Chaparrosa Enterprises, LP			2.83%	0.66%	0.50%	0.45%	0.46%	0.49%	0.51%	
Chesapeake Operating / MIDCON										
CML Exploration LLC	0.69%		1.20%	1.13%						
Dan Hughes and Co.			0.66%							
DCP Sand Hills Pipeline	0.87%	1.29%								
Del Monte Foods	0.68%	0.92%	1.10%	0.88%	1.16%	1.19%	1.21%			
Exco Operating Company Inc	17.20%	12.90%								
First State Bank of Uvalde						0.31%		0.35%	0.39%	0.40%
General Tire Inc					0.35%	0.43%	0.44%	0.33%	0.32%	
KL & L Traylor LP	0.94%									
Lone Star NGL Pipeline LP			0.84%							
Martin Marietta Materials	0.62%	0.73%	1.47%	0.59%	0.41%	0.52%	0.45%	0.46%	0.46%	0.57%
OCI Alamo 5 LLC	0.99%									
Plains Pipeline	0.88%									
Raul Gomez and Enrique Davila								1.67%		
Sage Energy							0.87%			
South Texas Children's Home	0.68%									
Southwestern Bell Telephone Company					0.65%	0.77%	0.54%	0.68%	0.70%	0.78%
Texas American Resources					0.46%		0.77%			
Trinidad Drilling		1.30%								
Umphrey Family Ltd. Partnership					0.31%	0.31%				
Union Pacific Railroad	1.10%	1.17%	1.22%	1.16%	0.94%	0.91%	0.82%	0.81%	0.83%	0.66%
Vulcan Construction Materials				0.39%	0.41%	0.44%	0.54%	0.50%	0.47%	0.52%
Wal-Mart Stores Texas LP		0.67%	0.77%	0.81%	0.84%	0.93%	0.96%	1.03%	1.14%	1.28%
Williamson Dickie MFG Co		0.38%		0.61%	0.44%	0.41%	0.42%		0.34%	0.47%
<b>Totals</b>	<b>28.47%</b>	<b>21.99%</b>	<b>12.53%</b>	<b>8.92%</b>	<b>8.77%</b>	<b>8.19%</b>	<b>8.65%</b>	<b>7.27%</b>	<b>6.41%</b>	<b>5.88%</b>

**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		Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
				Year of Levy (c)	Percentage				
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%
2009	1,983,622	-	1,983,622	1,866,202	94.08%	-	85,996	1,952,198	98.42%
2008	1,800,038	-	1,800,038	1,729,130	96.06%	-	89,650	1,818,780	101.04%
2007	1,799,937	-	1,799,937	1,689,185	93.85%	-	50,311	1,739,496	96.64%
2006	1,575,444	-	1,575,444	1,480,404	93.97%	-	60,409	1,540,813	97.80%

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,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Bonded Debt</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes	-	-	-	-	-	-	-	-	-	-
Less: Funds restricted for debt service	-	-	-	-	-	-	-	-	-	-
<b>Net general bonded debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Other debt</b>										
Revenue bonds	\$ 27,073,394	\$ 24,962,257	\$ 15,245,000	\$ 7,990,000	\$ 8,225,000	\$ 8,450,000	\$ 8,665,000	\$ 8,870,000	\$ 9,000,000	\$ 9,000,000
Notes	2,460,987	2,840,987	3,132,278	3,132,278	718,984	832,741	944,624	834,000	918,000	1,000,000
Capital lease obligations	-	18,173	58,276	302,434	536,685	153,522	-	13,807	67,778	119,293
<b>Total Outstanding Debt</b>	<b>\$ 29,534,381</b>	<b>\$ 27,821,417</b>	<b>\$ 18,435,554</b>	<b>\$ 11,424,712</b>	<b>\$ 9,480,669</b>	<b>\$ 9,436,263</b>	<b>\$ 9,609,624</b>	<b>\$ 9,717,807</b>	<b>\$ 9,985,778</b>	<b>\$ 10,119,293</b>
<b>General Bonded Debt Ratios</b>										
Per Capita	-	-	-	-	-	-	-	-	-	-
Per FTSE	-	-	-	-	-	-	-	-	-	-
As a percentage of Taxable Assessed Value	-	-	-	-	-	-	-	-	-	-
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 691	\$ 656	\$ 445	\$ 276	\$ 231	\$ 229	\$ 228	\$ 233	\$ 239	\$ 242
Per FTSE	3,649	3,528	2,098	1,030	1,208	1,268	1,089	1,080	1,145	1,219
As a percentage of Taxable Assessed Value	1.05%	1.16%	0.96%	0.62%	0.52%	0.56%	0.61%	0.67%	0.77%	0.82%

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,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Taxable Assessed Value	\$ 2,828,277,839	\$ 2,403,429,373	\$ 2,058,839,802	\$ 1,965,266,998	\$ 1,951,374,589	\$ 1,910,677,597	\$ 1,835,297,767	\$ 1,673,943,305	\$ 1,565,593,434	\$ 1,440,443,120
<b>General Obligation Bonds</b>										
Statutory Tax Levy Limit for Debt Service	14,141,389	12,017,147	10,294,199	9,826,335	9,756,873	9,553,388	9,176,489	8,369,717	7,827,967	7,202,216
Less Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	14,141,389	12,017,147	10,294,199	9,826,335	9,756,873	9,553,388	9,176,489	8,369,717	7,827,967	7,202,216
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 14,141,389	\$ 12,017,147	\$ 10,294,199	\$ 9,826,335	\$ 9,756,873	\$ 9,553,388	\$ 9,176,489	\$ 8,369,717	\$ 7,827,967	\$ 7,202,216
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
2015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	256,130	-	-	-	-	-	-	-	256,130	-	-	-	-
2009	460,988	-	-	-	-	-	-	-	460,988	-	-	-	-
2008	65,908	-	-	-	-	-	-	-	65,908	*	-	-	-
2007	35,138	-	-	-	-	-	-	-	35,138	*	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-	-

\*Debt service provided by unexpended bond proceeds in 2007 and 2008, pledged revenues to reserve

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

<b>Calendar Year</b>	<b>*District Population</b>	<b>District Personal Income (\$1,000's)</b>	<b>District Personal Income per Capita</b>	<b>District Unemployment Rate</b>
2014	42,755	**	**	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%
2008	41,014	1,061,127	25,773	6.8%
2007	41,211	965,934	23,455	6.4%
2006	41,181	891,254	21,629	7.2%
2005	40,993	865,991	21,077	7.2%

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

\*U.S. Census Bureau latest data in 2010, 2011-2014 are estimates

**Sources**

Population: Census

Income: US Bureau of Econ Analysis

Unemployment: TWC & Bureau of Labor Statistics

Taxing District: Real, Uvalde, and Zavala Co.

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

<b>Employer</b>	<b>Number of Employees</b>	<b>% of Total Employment*</b>
Del Monte Foods	500-999	4%
American Medical Home Health Svc	100-499	2%
Amistad Nursing and Rehab Ctr	100-499	2%
Friends of the Frio	100-499	2%
HEB Foods (Uvalde)	100-499	2%
Sabinal High School	100-499	2%
Southwest Texas Junior College	100-499	2%
Statewide Transport	100-499	2%
United Stationers Supply Co.	100-499	2%
Uvalde County	100-499	2%
Uvalde High School	100-499	2%
Uvalde Memorial Hospital	100-499	2%
Wal-Mart Supercenter (Uvalde)	100-499	2%
Williamson-Dickie Mfg Co	100-499	2%
<u>Labor force (average of monthly estimates, Oct 2014-Sept 2015)</u>		

**Sources:**

Texas Workforce Commission

Socrates Employer Search

\*Exact number of employees is confidential and not available.

\*\*Percentages based on midpoint of interval



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

**Fall Semester\***

	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Faculty</b>										
Full-Time	114	110	111	117	115	112	114	114	119	113
Part-Time	61	64	64	63	86	62	77	72	82	89
Total	175	174	175	180	201	174	191	186	201	202
<b>Percent</b>										
Full-Time	65%	63%	63%	65%	57%	64%	60%	61%	59%	56%
Part-Time	35%	37%	37%	35%	43%	36%	40%	39%	41%	44%
<b>Staff &amp; Administrators</b>										
Full-Time	209	212	199	206	210	229	203	204	185	171
Part-Time	173	110	136	122	90	193	74	43	47	34
Total	382	322	335	328	300	422	277	247	232	205
<b>Percent</b>										
Full-Time	55%	66%	59%	63%	70%	54%	73%	83%	80%	83%
Part-Time	45%	34%	41%	37%	30%	46%	27%	17%	20%	17%
FTSE per Full-time Faculty	74.8	77.5	76.8	75.1	83.8	81.9	68.9	65.3	64.3	69.6
FTSE per Full-time Staff Member	40.8	40.2	42.8	42.7	45.9	40.1	38.7	36.5	41.4	46.0
Average Annual Faculty Salary**	\$63,756	\$62,520	\$51,409	\$50,078	\$48,602	\$46,177	\$45,859	\$46,430	\$44,915	\$42,350

\*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.

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

Student Classification*	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours (freshmen)	3,868	71.48%	3,925	73.04%	3,772	72.58%	4,200	73.83%	4,202	73.82%	4,379	73.00%
31-60 hours (sophomores)	1,286	23.77%	1,179	21.94%	1,179	22.69%	1,219	21.43%	1,220	21.43%	1,318	21.97%
> 60 hours (assoc. & bacc.)	257	4.75%	270	5.02%	246	4.73%	270	4.75%	270	4.74%	302	5.03%
<b>Total</b>	<b>5,411</b>	<b>100.00%</b>	<b>5,374</b>	<b>100.00%</b>	<b>5,197</b>	<b>100.00%</b>	<b>5,689</b>	<b>100.00%</b>	<b>5,692</b>	<b>100.00%</b>	<b>5,999</b>	<b>100.00%</b>

\*excludes unclassified students

Semester Hour Load	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	28	0.50%	18	0.32%	19	0.35%	13	0.22%	13	0.22%	12	0.19%
3-5 semester hours	1,236	22.04%	1,162	20.85%	1,158	21.40%	1,374	23.21%	1,375	23.22%	1,311	21.03%
6-8 semester hours	1,592	28.38%	1,644	29.50%	1,461	27.01%	1,611	27.21%	1,612	27.22%	1,663	26.67%
9-11 semester hours	837	14.92%	785	14.09%	733	13.55%	723	12.21%	725	12.24%	727	11.66%
12-14 semester hours	1,577	28.12%	1,638	29.40%	1,691	31.26%	1,816	30.68%	1,815	30.65%	2,060	33.04%
15-17 semester hours	248	4.42%	229	4.11%	265	4.90%	284	4.80%	284	4.80%	357	5.73%
18 & over	91	1.62%	96	1.72%	83	1.53%	99	1.67%	98	1.65%	105	1.68%
<b>Total</b>	<b>5,609</b>	<b>100.00%</b>	<b>5,572</b>	<b>100.00%</b>	<b>5,410</b>	<b>100.00%</b>	<b>5,920</b>	<b>100.00%</b>	<b>5,922</b>	<b>100.00%</b>	<b>6,235</b>	<b>100.00%</b>

Average course load	8.4	8.6	8.7	8.5	8.7	8.8
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Tuition Status*	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	1,248	22.63%	1,259	22.93%	1,242	23.19%	1,445	24.59%	1,444	24.57%	1,504	25.60%
Texas Resident (Out-of-District)	4,121	74.71%	4,081	74.32%	3,965	74.03%	4,278	72.80%	4,280	72.83%	4,559	77.59%
Non-Resident Tuition	147	2.66%	151	2.75%	149	2.78%	153	2.60%	153	2.60%	155	2.64%
<b>Total</b>	<b>5,516</b>	<b>100.00%</b>	<b>5,491</b>	<b>100.00%</b>	<b>5,356</b>	<b>100.00%</b>	<b>5,876</b>	<b>100.00%</b>	<b>5,877</b>	<b>100.00%</b>	<b>6,218</b>	<b>105.82%</b>

\*excludes waivers

Source: CBM001

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

Gender	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	3,275	58.39%	3,308	59.37%	3,176	58.71%	3,573	60.35%	3,406	60.13%	3,605	57.82%
Male	2,334	41.61%	2,264	40.63%	2,234	41.29%	2,347	39.65%	2,258	39.87%	2,630	42.18%
<b>Total</b>	<b>5,609</b>	<b>100.00%</b>	<b>5,572</b>	<b>100.00%</b>	<b>5,410</b>	<b>100.00%</b>	<b>5,920</b>	<b>100.00%</b>	<b>5,664</b>	<b>100.00%</b>	<b>6,235</b>	<b>100.00%</b>

Ethnic Origin	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	717	12.78%	684	12.27%	718	13.27%	783	13.23%	779	13.75%	2,300	36.89%
Hispanic	4,693	83.67%	4,686	84.05%	4,490	82.99%	4,951	83.63%	4,695	82.89%	3,594	57.64%
African American	65	1.16%	57	1.02%	70	1.29%	70	1.18%	79	1.39%	101	1.62%
Asian	24	0.43%	27	0.48%	23	0.43%	30	0.51%	-	0.00%	27	0.43%
Foreign		0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	11	0.18%
Native American	50	0.89%	45	0.81%	60	1.11%	45	0.76%	-	0.00%	73	1.17%
Other	60	1.07%	76	1.36%	49	0.91%	41	0.69%	111	1.96%	129	2.07%
<b>Total</b>	<b>5,609</b>	<b>100.00%</b>	<b>5,575</b>	<b>100.00%</b>	<b>5,410</b>	<b>100.00%</b>	<b>5,920</b>	<b>100.00%</b>	<b>5,664</b>	<b>100.00%</b>	<b>6,235</b>	<b>100.00%</b>

Age	Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,317	23.48%	2,102	37.72%	2,304	42.59%	1,741	29.41%	1,170	20.66%	1,637	26.26%
18-21	2,446	43.61%	2,021	36.27%	1,659	30.67%	2,367	39.98%	2,675	47.24%	2,462	39.49%
22-24	664	11.84%	513	9.21%	499	9.22%	650	10.98%	576	10.17%	590	9.46%
25-35	869	15.49%	657	11.79%	647	11.96%	766	12.94%	834	14.73%	1,057	16.95%
36-50	275	4.90%	253	4.54%	269	4.97%	341	5.76%	364	6.43%	417	6.69%
51 +	38	0.68%	26	0.47%	32	0.59%	55	0.93%	43	0.76%	72	1.15%
<b>Total</b>	<b>5,609</b>	<b>100.00%</b>	<b>5,572</b>	<b>100.00%</b>	<b>5,410</b>	<b>100.00%</b>	<b>5,920</b>	<b>100.00%</b>	<b>5,662</b>	<b>100.00%</b>	<b>6,235</b>	<b>100.00%</b>

Average Age	21.8	20.6	22.0	22.3	22.2	22.9
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Source: CBM001

**SOUTHWEST TEXAS JUNIOR COLLEGE**  
**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**SWTJC Students Found as First-Time Transfers In Fall 2013**  
**(Includes only public senior colleges in Texas)**

Fall 2013 is the most current data.

	Transfer Student Count					Core Completion	Total of all SWTJC Transfer Students	% of all SWTJC Transfer Students
	Associate Degree Academic	Associate Degree Technical	Certificate	No Award				
Angelo State University	3	1	0	6	1	10	3%	
Sam Houston State University	2	0	0	3	2	5	2%	
Sul Ross State University - Rio Grande College	95	4	0	68	92	167	51%	
Texas A&M International University	5	0	1	5	7	11	3%	
Texas A&M University at Corpus Christi	4	0	0	5	3	9	3%	
Texas A&M University at Kingsville	4	4	0	3	4	11	3%	
Texas A&M University at San Antonio	5	1	0	8	7	14	4%	
Texas State University	7	0	0	16	8	23	7%	
Texas Tech University	4	0	0	2	4	6	2%	
The University of Texas at San Antonio	20	0	1	30	19	51	16%	
Other Public 4-Year Institution	7	1	0	12	6	20	6%	
<b>Totals</b>	<b>156</b>	<b>11</b>	<b>2</b>	<b>158</b>	<b>153</b>	<b>327</b>	<b>100%</b>	

**Source:**

THECB Transfer Report

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 2013.

**SOUTHWEST TEXAS JUNIOR COLLEGE**  
**Statistical Supplement 18**  
**Capital Asset Information**  
**Fiscal Years 2010 to 2015**

	Fiscal Year					
	2015	2014	2013	2012	2011	2010
Academic buildings	32	31	31	31	31	30
Square footage	290,751	260,936	260,936	260,936	260,936	259,136
Libraries	3	3	3	3	3	3
Square footage	28,266	25,466	25,466	25,466	25,466	25,466
Administrative and support buildings	7	6	6	6	6	6
Square footage	54,512	48,597	48,597	48,597	48,597	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	256	256	256	256	256	256
Dining facilities*	1	1	1	1	1	1
Square footage	35,770	35,770	35,770	35,770	35,770	35,770
Average daily customers	600	600	600	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	4	4	4	4	4	4
Square footage	18,482	18,482	18,482	18,482	18,482	18,482
Transportation						
Cars/vans	34	66	66	64	64	65
Light trucks/other	31	27	27	28	28	28

\* Includes all of student center

Data includes property leased from SWTJC Foundation, Inc.



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