SOUTH TEXAS COLLEGE

South Texas College District

Annual Comprehensive Financial Report

2021

Fiscal Years Ended August 31, 2021 and 2020

Serving Hidalgo and Starr County, Texas

South Texas College District

Annual Comprehensive Financial Report

Fiscal Years Ended August 31, 2021 and 2020

Prepared by the
Business Office

Serving Hidalgo and Starr County, Texas

3201 W. Pecan Blvd., McAllen, TX 78501
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South Texas College District
Annual Comprehensive Financial Report
Fiscal Years Ended August 31, 2021 and 2020

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SOUTH TEXAS COLLEGE

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Introductory Section

South Texas College District

3201 West Pecan Blvd.
P.O. Box 9701
McAllen, Texas 78502
(956) 872-4646

December 14, 2021

To: Dr. Ricardo J. Solis, President
Members of the Board of Trustees and
Citizens of the South Texas College District:

The Annual Comprehensive Financial Report (ACFR) of South Texas College District ("the District"), for the fiscal years ended August 31, 2021 and 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the District.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that impartially presents the financial position and results of operations of the District. All disclosures necessary to help the reader gain an understanding of the District's financial activities, in relation to its mission, have been included.

The District's management is responsible for establishing and maintaining an internal control structure designed to protect the District's assets, prevent loss from theft or misuse, and provide adequate accounting data to allow for the preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles (GAAP). This structure additionally provides reasonable assurance that these objectives are met.

The concept of reasonable assurance recognizes: (1) the cost of internal control should not exceed the benefits presumed to be derived, and (2) the benefits include decreasing the risk associated with failing to accomplish the District's objectives.

This letter of transmittal complements and should be read in conjunction with Management's Discussion and Analysis which immediately follows the independent auditors' report and which provides a narrative introduction, overview, and analysis of the basic financial statements. The Notes to the Financial Statements, included in the financial section, are considered integral to the basic financial statements and should be read in conjunction with them.

Annual Comprehensive Financial Report

The South Texas College District Annual Comprehensive Financial Report for the fiscal years ended August 31, 2021 and 2020, was prepared by the Business Office. The financial statements are prepared in accordance with GAAP as established by the Governmental Accounting Standards Board (GASB), and comply with the Annual Financial Reporting Requirements for Texas Public Community Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The

financial records of the District are maintained on the accrual basis of accounting, whereby all revenues are recorded when earned and all expenses are recorded when incurred.

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide reasonable assurance, based on an independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects.

The District's Board of Trustees selected the accounting firm of Carr, Riggs & Ingram, LLP. In addition to meeting the requirements set forth in State statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, Uniform and Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards, and the State of Texas Single Audit Circular. The Independent Auditors Report includes an unmodified opinion on the District's financial statements for the years ended August 31, 2021 and 2020. The independent auditors' report is included in the financial section of this report on page 17.

The District is a special purpose government engaged solely in business type activity (BTA). Adhering to GASB Statements 34 and 35, this presentation of financial reporting combines all fund groups into a single column and resembles the format of corporate financial statements. It also serves to make the financial statements more comparable across organizations.

Profile of the District

In 1993, Texas Senate Bill 251 created the District to serve the people of Hidalgo and Starr Counties. The District is governed by a seven-member Board of Trustees, who are elected locally to six-year staggered terms by Hidalgo and Starr County voters. The Board is responsible for policy making functions and delegates administrative responsibilities to the President, who serves as the Chief Executive Officer of the District.

The District is a political subdivision of the State of Texas located in Hidalgo and Starr Counties. It offers academic, general occupational, developmental, and continuing adult education programs through a network of locations in Hidalgo and Starr Counties. These locations include:

- Pecan Campus
- Technology Campus
- Dr. Ramiro R. Casso Nursing and Allied Health Campus
- Starr County Campus
- Mid-Valley Campus
- Regional Center for Public Safety Excellence

In addition, the District has an online virtual campus and Continuing Education Workforce Training Centers at the Pecan Plaza, Technology Campus, Mid-Valley Campus, and Starr County Campus as well as Higher Education Centers in La Joya and Pharr. The District is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award baccalaureate and associate degrees. The District offers certificates and institutional awards, and is also approved for veteran's educational training in Certificate and Associate of Applied Science degree programs by the Texas Education Agency.

The District offers 123 degree and certificate options. The District also offers bachelor, associates and certificate programs completely online. South Texas College District is one of the community colleges in Texas that has authorization to offer bachelor degrees. These degrees are:

- Bachelor of Applied Technology (BAT) degree in Technology Management
- BAT degree in Computer & Information Technologies
- BAT degree in Medical & Health Services Management
- Bachelor of Applied Science in Organizational Leadership (BAS-OL)
- Bachelor of Science in Nursing

The District has experienced growth since its inception in the fall of 1993. The following tables illustrate the District's enrollment data over the last five fiscal years.

Annual Enrollment – Academic and Vocational					
	FY 2021	**FY 2020**	**FY 2019**	**FY 2018**	**FY 2017**
Total credit hours	543,493	651,153	617,703	641,823	637,181
Total contact hours	10,939,952	13,009,248	12,364,880	12,966,960	12,907,280
Unduplicated full-time student equivalent	18,116	21,705	20,590	21,394	21,239
Unduplicated headcount	38,161	43,524	42,590	43,251	44,768

Annual Enrollment – Continuing Education					
	FY 2021	**FY 2020**	**FY 2019**	**FY 2018**	**FY 2017**
Total contact hours	179,154	180,160	223,642	204,448	211,493
Unduplicated full-time student equivalent	1,493	1,501	1,864	1,704	1,762
Unduplicated headcount	3,526	3,715	4,388	3,681	3,310

The District has 83 articulation agreements, including:

- 2+2 articulation agreements
- Memorandums of Understanding
- Partnership/Collaboration agreements with state, national, universities, and institutions
- Informal agreements

Currently, agreements to benefit students from the District as they transfer and continue to pursue their educational goals are active with over 60 institutions, including:

- 54 domestic institutions
    - 44 four-year universities/colleges
    - 10 two-year colleges
- 6 international institutions
    - 5 in Mexico
    - 1 in India

The District has one of the largest Dual Credit Programs in the State of Texas, serving Hidalgo and Starr Counties, which includes 21 school districts at 70 high school sites. The District provides eligible students the opportunity to earn college credit hours and/or a credential prior to graduating from high school. Dual Credit Programs offer the following four options:

- Dual Credit Courses
- Career and Technical Education Programs
- Designated High School
- Academy Programs

Approximately 12,986 students were enrolled in dual credit college-level courses during the 2021 spring semester.

The District's Continuing, Professional and Workforce Education (CPWE) program provides opportunities for lifelong learners to upgrade their skills, change careers, or seek personal enrichment through education on various topics.

Economic Condition and Outlook

Nestled in the Rio Grande Valley (RGV), near the Texas-Mexico border, the District serves Hidalgo and Starr Counties. Hidalgo County, of which McAllen is its largest city, was founded in 1852 and named for Don Miguel Hidalgo y Costilla. As of 2021, its population is 1,031,525. Starr County was founded in 1848 and named after James Harper Starr. It has a population of 72,218 as of 2021 and its largest city is Rio Grande City.

Unemployment rates and per capita income for Hidalgo and Starr Counties are as follows:

- The unemployment rate for Hidalgo County decreased from 10.90% in 2020 to 8.90% in 2021.
- The unemployment rate for Starr County decreased from 15.70% in 2020 to 15.30% in 2021.
- Per capita income in Hidalgo County increased from $26,410 in 2020 to $27,415 in 2021.
- Per capita income in Starr County increased from $26,316 in 2020 to $27,713 in 2021.

Additional data related to some of the major cities in the District and surrounding communities include the following:

- The McAllen housing indicators continued to improve through 2021. Dollar Volume of Home Sales as of August 2021 were $606,067,536 compared to August 2020 sales of $440,681,685. This is an increase of 37.50% between August 2020 and August 2021 (source: Texas A&M University Texas Real Estate Research Center).

- The City of Edinburg is home to United Soccer League's professional team, the Rio Grande Valley Toros and the NBA G League's Rio Grande Valley Vipers who won NBA G League Championships in 2010, 2013, and 2019.

- The Santa Ana National Wildlife Refuge, located along the Rio Grande River on the U.S. border with Mexico in south Texas, is one of the most ecologically important areas in the nation. The Santa Ana National Wildlife Refuge, is one of the top destinations for nature lovers and birding enthusiasts worldwide.

- South Padre Island, in neighboring Cameron County, is a tropical oasis with 34 miles of beautiful white sand and clear emerald water. The calm beaches and more than 300 days of sunshine make it the ideal year-round destination for visitors.

- According to Niche.com, two cities in the Rio Grande Valley, McAllen and Brownsville, are amongst the top 25 U.S. cities with the lowest cost of living in 2020.

McAllen is located near the border between the United States and Reynosa, Mexico creating a binational international metro area population of approximately 2.4 million. McAllen's central location in the Rio Grande Valley, a large, young and continually growing labor pool, and its consistently low Cost of Living Index has allowed it to become an economic powerhouse (source: McAllen Economic Development Corporation).

Part of McAllen's success has been the explosive growth of its twin city, Reynosa, Tamaulipas, Mexico located just across the United States-Mexico border. With a population of 917,021 inhabitants, Reynosa is known as a dynamic business, industry and trade orientated city. Both communities have collaborated to create one of the most recognized industrial sectors home to several Fortune 500 companies (sources: worldpopulationreview.com/world-cities/reynosa-population and McAllen Economic Development Corporation).

The Rio Grande Valley is still continuing its transformation into a major international trade area with the development of first-rate commercial, retail, industrial, medical, retirement, and higher education institutions. Due to the promotion of international and retail trade, tourism and manufacturing are among the most successful along the U.S.-Mexico Border (source: McAllen Chamber of Commerce).

For over 40 years, retirees from all over the United States and Canada have traveled to the Rio Grande Valley to spend their winters in the temperate climate of South Texas. The RGV region spans the area from South Padre Island to Rio Grande City. This 110 mile region borders on Mexico and the Gulf of Mexico and offers visitors of all ages a wide variety of activities throughout the year.

These retirees, known as "Winter Texans", provide a substantial boost to the region's economy. They typically stay anywhere from 3 weeks to 6 months to enjoy the area's many incentives. These include a temperate winter climate, low cost of living, diverse cultural and social events, and various outdoor activities such as the beach, wildlife/birding sites, and flea markets (source: University of Texas Rio Grande Valley).

The District plays a vital role in providing educational opportunities for its citizens and preparing a strong workforce in the region. Enthusiastic support of the area's private, business, corporate, and industrial communities has earned the District a popular reputation. Due to the rapid expansion of its technical/vocational and academic programs, and its strong commitment to meeting the need for a trained and skilled workforce, the District's students are graduating in record numbers, transferring to four-year colleges and universities, or finding employment.

The District's financial outlook for the future continues to be positive. In 28 years, South Texas College District has grown from a student headcount of over 1,000 in Fall 1993 to over 26,919 in

Spring 2021. The District's unrestricted fund budget increased from $2,325,212 in 1993 to $186,896,815 in 2021.

Long-Term Financial Planning

The District has a five-year Comprehensive Plan which identifies major initiatives to be undertaken. The objectives and initiatives identified in the Comprehensive Plan form the basis for budget allocations.

Other than federal grants used for scholarships, the District's three main sources of revenue:

- Net Tuition and Fees – decreased by $2,553,684 due to a decrease in gross tuition and fees.
- State Appropriations – increased by $4,409,924 mainly due to additional state group insurance.
- Ad Valorem Taxes – the Taxable Assessed Value increased by $1,859,165,147 or 4.62% from $40,256,755,406 for Levy 2020 to $42,115,920,553 for Levy 2021.

The District has levied taxes since fiscal year 1997. The following table illustrates the District's property tax levy rates and tax collections over the last ten years.

Tax Levy Rates (Per $100 of assessed valuation)				
Fiscal Year	**Current Operations**	**Debt Service**	**Taxable Assessed Value (TAV)**	**Total Tax Collections**
2012	$0.11000	$0.04070	$29,518,175,339	$44,157,110
2013	0.11000	0.04070	29,645,534,071	44,193,705
2014	0.11000	0.04000	30,246,199,691	45,108,905
2015	0.14000	0.04500	30,965,159,425	56,344,301
2016	0.14000	0.04500	33,304,492,691	59,726,169
2017	0.14000	0.04500	34,902,217,340	62,418,265
2018	0.14000	0.04500	36,596,147,819	66,710,260
2019	0.14000	0.03800	38,381,832,847	66,934,297
2020	0.14000	0.03330	40,256,755,406	67,929,064
2021	0.14000	0.03180	42,115,920,553	71,952,164

The Texas Higher Education Coordinating Board (THECB) gathers financial documents for Texas Public Institutions of Higher Education, including community colleges. The THECB's annual report on the financial condition of the state's community colleges is required as referenced in the General Appropriations Act, Senate Bill 1 (S.B. 1), 83rd Texas Legislature, Section 13. The report provides an assessment of the overall financial health of public community colleges and identifies institutions with the potential for financial stress.

Each community/junior college in Texas must file a copy of an annual operating budget which includes departmental operating budgets by function, and subsequent amendments thereto, approved by the community/junior college governing board. It must be filed by December 1 of

each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the THECB.

The budget is developed in collaboration with personnel from all divisions of the District. Available resources are allocated based on division's requirements and as approved by the Board of Trustees. The budget process ensures that demands are integrated with the District's mission statement. Monthly budget reports reflecting budgeted and actual revenue and expenses are prepared and provided to management and the Board of Trustees to assist in decision-making and to monitor compliance and performance.

The District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees.

Relevant Financial Policies

The District is required to undergo an annual federal single audit in conformity with the provisions of the Federal Single Audit Act amendments of 1996 and related Uniform Guidance, and an annual state single audit in conformity with the Texas Governor's Office of Budget and Planning Uniform Grant Management and Standards Single Audit Circular. The auditor's reports related to single audits are included in the Special Reports Section of the annual comprehensive financial report.

Board Policy 5350, Unrestricted Fund Balance, requires the District to maintain an unrestricted fund balance sufficient to cover no less than four months of budgeted expenditures, unless the Board of Trustees approves the use, transfer, or designation of fund balance, and a plan to restore the fund balance to the minimum amount.

The District has complied with Board Policy 5350 as follows:

Unrestricted Fund Balance Reserve			
	August 31, 2021	**August 31, 2020**	**August 31, 2019**
Current Undesignated Unrestricted Fund Balance	$66,932,951	$58,763,688	$60,708,372
Next Fiscal Year Budgeted Unrestricted Fund Expenses (including transfers and contingencies)	182,717,923	168,394,087	181,730,329
Fund Balance as a % of Total Expenses	37.0%	34.9%	33.4%
Number of Months Expenses in Reserve	4.4 months	4.2 months	4.0 months

During the fiscal year, the District may designate a portion of the unrestricted fund balance. The unrestricted fund balance designation represents the District's intended use of available resources for specific initiatives.

As of August 31, 2021, the District's Board of Trustees has designated a total of $37,500,000 of the unrestricted net position for the purpose of supplementing:

- Future employee health insurance costs - $7,500,000

- Infrastructure maintenance and renewal of the District's Enterprise Resource Planning system - $18,000,000

- Deferred maintenance of facilities - $4,000,000

- Reserve for the District's business continuity and disaster plan - $6,000,000

- Furniture Replacement - $2,000,000

Awards and Acknowledgments

The District's innovative endeavors and dedication to excellence have paved the way to praise and acclaim. The District has received numerous awards from national, state, and local bodies that recognize its leadership among the community colleges in the state of Texas and the nation. Some of the accomplishments and initiatives include:

- The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2020. This is the eighteenth consecutive year that the District has achieved this prestigious award. To be awarded a certificate of achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of only one year. The District's current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

- The Government Treasurers' Organization of Texas presented the Certificate of Distinction to the District for its Investment Policy for the seventh straight time. The certificate was issued for the District's success in developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the Government Treasurers' Organization of Texas. The Certificate of Distinction is effective for a two-year period ending August 31, 2022.

- The College has earned the three Texas Comptroller of Public Accounts' Transparency Stars Program Awards. These awards recognize local governments that have achieved excellence in transparency for different areas including:

    - Traditional Finance Transparency Star
    - Economic Development Transparency Star
    - Debt Obligation Transparency Star

- South Texas College District Dual Credit Programs are the first in the state of Texas to receive a prestigious accreditation by the National Alliance of Concurrent Enrollment Partnerships (NACEP) reaching a historical milestone in May 2020.

- The District is among the most innovative online schools for students seeking associate degrees. Named among the '30 most innovative online colleges', according to Online Schools Center (OSC), the website is an online resource geared towards students who are seeking an online option for college apart from traditional brick and mortar institutions. The District was the only institution in Texas to receive the recognition. The variety of associate degrees makes the District an excellent transfer school and a top-rated college for military personnel whether they are veterans or on active duty, according to OSC.

- Ranked number 1 in Texas as the 2021 Best Online Community College by Premium Schools.

- Ranked 1st in the nation as the most affordable Associate Degree in Nursing program for 2021 by NursingSchoolHub.

Acknowledgments

The dedication of the District's Business Office staff is what made the timely preparation of the Annual Comprehensive Financial Report possible. Each member is invaluable and wholly appreciated for their contributions to this report. Gratitude is unequivocally given to the District's Board of Trustees and President for their continued support to maintaining ethical and professional standards of professionalism in the management of the District's finances and operations.

Respectfully submitted,

Mary G. Elizondo

Maria G. Elizondo, MBA, CFE, CGMA, CPA
Vice President for Finance and Administrative Services

Myriam Lopez

Myriam Lopez, MBA
Comptroller

SOUTH TEXAS COLLEGE

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South Texas College
Board of Trustees and President
For the Fiscal Year Ending August 31, 2021

Rose Benavidez - Chair

President of Starr County Industrial Foundation

District 1
Representing Starr County

First Elected November 2009; current term through May 2024

Serves as Chair of the Board.

Serves as a Member of the Facilities Committee.

Formerly served as Chair and Vice Chair of the Board.

Dr. Alejo Salinas, Jr. – Vice Chair

Retired Superintendent, Superintendent Emeritus, Hidalgo ISD

District 5
Representing Northwest Hidalgo County, Edinburg, North San Juan, and Northeast Pharr

First Elected May 1996; current term through May 2026

Serves as Vice Chair of the Board.

Serves as a Chair of the Facilities Committee and a Member of the Finance, Audit, and Human Resources Committee.

Formerly served as Chair and Vice Chair of the Board.

Victoria Cantú - Secretary

CEO of Children's Education Station, LLC

District 2
Representing La Joya, Western Mission, Palmview, Sullivan City, Penitas, and West Alton

First Term: May 2018 - May 2024

Serves as Secretary of the Board.

Serves as a Chair of the Education and Workforce Development Committee.

Paul R. Rodriguez - Member

CEO of Valley Land Title Co.

District 3
Representing South McAllen, Southwest Pharr, Hidalgo, Sharyland, Southeast Mission, and Granjeno

First appointed August 2012; current term through May 2022

Serves as a Member of the Facilities Committee and the Finance, Audit, and Human Resources Committee.

Formerly served as Chair and Secretary of the Board.

Gary Gurwitz - Member

Managing Partner, Atlas, Hall & Rodriguez, L.L.P., McAllen

District 4
Representing North McAllen, Northwest Pharr, Palmhurst, Northeast Mission, and Southwest Edinburg

First Appointed in 1993; current term through May 2022

Serves as Member of the Facilities Committee.

Formerly served as a Chair, Vice Chair, and Secretary of the Board.

Rene Guajardo – Member

Student Services Director, Crystal City ISD

District 6
Representing Donna, South Alamo, South San Juan, Southeast Pharr, South Weslaco, and Progresso

First Term: May 2018 - May 2024

Serves as Chair of the Finance, Audit, and Human Resources Committee.

Danny Guzman - Member

Right-of-Way Agent, Hidalgo County Precinct #1

District 7

Representing Northeast Hidalgo County, North Weslaco, Edcouch, Elsa, La Villa, Mercedes, Monte Alto, Northeast Alamo, Northeast Edinburg, and Hargill

First Elected November 2020, through May 2026.

Serves as a Member of the Education and Workforce Development Committee.

Dr. Ricardo J. Solis

College President: July 2021 - Present

South Texas College District

ADMINISTRATIVE OFFICIALS

For the Fiscal Year 2021

Name	Position
Dr. Ricardo J. Solis	President
Maria G. Elizondo, MBA, CFE, CGMA, CPA	Vice President for Finance and Administrative Services
Myriam Lopez, MBA	Comptroller

South Texas College
2020 - 2021
Administrative - Executive Organization Chart

College President
Dr. Ricardo J. Solis

Executive Vice President for Educational Programming and Student Achievement (Interim)
701340 Vacant

Dean of Continuing Education, Workforce Training, and Economic Development
712590 Vacant

- **Associate Dean of Industry Training and Economic Development** — *Dr. Carlos Margo*
- **Director of Professional and Workforce Education** — *Olivia De La Rosa*

Executive Director for Resource Development, Management, and Compliance
Dr. Virginia Champion

- **Associate Director of Grant Management and Compliance** — *704420 Vacant*

Executive Director of Public Relations and Marketing
Lynda Lopez

- **Assistant Director of Public Relations and Marketing** — *Raymond G. Pedraza*

Special Assistant to the President for Continuing Education
Juancarlos Aguirre

Vice President for Academic Affairs
Dr. Anahid Petrosian, Interim

- **Assistant Vice President for Academic Advancement** — *Dr. Anahid Petrosian*
- **Dean of Distance Learning** — *Dr. Rachel Sale*
  - **Director of Distance Learning** — *Ana Pena*
- **Dean for Dual Credit Programs and School District Partnerships** — *Dr. Rebecca De Leon*
  - **Director of Dual Credit Pathways** — *Antonio De La Cruz III*
  - **Director of Academies and High School Projects** — *Leonardo Castaneda*
- **Director of Curriculum** — *Christina Y. Cavazos*
- **Director of Learning Outcomes** — *Yolonda Jaramillo*
- **Associate Dean of Professional and Organizational Development** — *Jessica Galloso*
- **Starfish Administrator** — *Shannon M. Perales*
- **Dean for Math, Science, Information Technology and Bachelor Programs** — *Dr. Ali Esmaeili*
  - **Department Chairs**
- **Dean for Business, Public Safety, and Technology** — *Sara M. Lozano*
  - **Department Chairs**
  - **Director of Regional Center for Public Safety Excellence** — *Jose Moroles*
- **Dean for Social and Behavioral Sciences** — *Dr. Eric Reittinger*
  - **Department Chairs**
- **Dean for Liberal Arts** — *Dr. Christopher Nelson*
  - **Department Chairs**
- **Dean for Nursing and Allied Health** — *Dr. Jayson Valerio*
  - **Department Chairs**
- **Director of University Relations, Transfer and Articulation Center** — *Dr. Kelli Anne Davis*

Campus Administrators
Mid Valley Campus: *Daniel Montez*
Technology Campus: *Sara Lozano*
Starr County Campus: *Dr. Arturo Montiel*
Dr. Ramiro R. Casso Nursing & Allied Health Campus: *Dr. Jayson Valerio*

Vice President for Student Affairs and Enrollment Management
Matthew Hebbard

- **Dean of Enrollment Services** — *704612 Vacant*
  - **Director of Student Records and Registrar** — *Cynthia A Blanco*
  - **Director of College Connections and Admissions for Traditional Students** — *Dr. Larry Barroso*
  - **Director of Enrollment Services for Dual Credit** — *Tony Matamoros*
  - **Associate Dean of Student Financial Services, Testing and Veteran Affairs** — *700146 Vacant*
  - **Director of Testing Services** — *Adrian Lozano*
  - **Director of Student Financial Services** — *Juan Miguel Galvan*
- **Dean for Student Affairs** — *Paul Hernandez*
  - **Director of Comprehensive Advisement and Mentoring Services** — *Dr. Nancy Garcia*
  - **Director of Counseling and Student Accessibility Services** — *Santa Elisa Pena*
  - **Director of Career and Employer Services** — *Celinda E. Salinas*
  - **Director of Student Activities and Wellness** — *Eli Nguma*
  - **Director of Student Rights and Responsibilities** — *Karey Barnes*

Vice President for Finance and Administrative Services
Mary Elizondo

- **Director of Facilities Planning and Construction** — *Ricardo De La Garza*
  - **Assistant Director of Facilities Planning and Construction** — *Robert Cuellar*
  - **Director of Facilities Operations and Maintenance** — *George McCaleb*
    - **Assistant Director of Facilities Maintenance Services** — *Luis De La Garza*
    - **Assistant Director of Custodial Support Services** — *Luis Alonzo Silva*
  - **Director of Purchasing** — *Rebecca Cavazos*
    - **Associate Director of Purchasing** — *704580 Vacant*
- **Director of Accountability, Risk, and Compliance** — *Frank Jason Gutierrez*
- **Internal Auditor** — *Khalil Abdullah*
- **Director of Institutional Equity/Title IX and 504 Coordinator** — *722360 Vacant*
- **Comptroller** — *Myriam Lopez*
  - **Associate Comptroller** — *Katarina Bugariu*
  - **Director of Student Accounts and Bursar** — *Norma Jimenez*
- **Chief of Police** — *Ruben Suarez*
- **Director of Human Resources** — *Laura Requena*
  - **Assistant Director of Human Resources** — *Alicia Correa*
  - **Employee Relations Officer** — *703240 Vacant*
  - **Employee Relations Officer** — *Jaime Navarro*
- **Director of Food Services** — *622515 Vacant*
- **FAS Administrative Officer** — *Artemio E. Romero Jr*

Vice President for Information Services, Planning, Performance and Strategic Initiatives
Dr. David Plummer

- **Dean of Library and Learning Support Services** — *Dr. Jesús H. Campos*
  - **Associate Dean of Library Services** — *Lisa Bea Walters*
  - **Director of Educational Technologies** — *Dr. Maria L. Evans*
    - **Assistant Director of Educational Technology** — *Yolanda T. Martinez*
  - **Director of Learning Commons and Open Labs** — *Arturo Solano*
  - **Director of Centers for Learning Excellence** — *Lynell Williams*
- **Chief Information Officer** — *Alicia Gomez*
  - **Asst CIO for Information Technology Services** — *700396 Vacant*
  - **Asst CIO for Infrastructure and Software Development** — *Lucio Gonzalez*
  - **Chief Information Security Officer** — *Jose Luis Gonzalez*
- **Dean of Institutional Research, Effectiveness and Strategic Planning** — *Dr. Fernando Chapa*
  - **Director of Research and Analytical Services** — *Serkan Celtek*
  - **Director of Institutional Effectiveness, Assessment and Accreditation** — *Dr. Bradley Warren Davis*

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Texas College

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

Christopher P. Morrill

Executive Director/CEO

Financial Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
4100 N. 23rd St.
McAllen, TX 78504

(956) 686-3701
(956) 686-6830 (fax)
CRIcpa.com

INDEPENDENT AUDITORS' REPORT

To the President and Board of Trustees
South Texas College
McAllen, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of South Texas College (the College) as of and for the years ended August 31, 2021 and 2020, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Texas College as of August 31, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of District's Proportionate Share of Net Pension Liability, Schedule of District's Proportionate Share of Net OPEB Liability, Schedule of District's Contributions for Pensions, and Schedule of District's Contributions for OPEB as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise South Texas College's basic financial statements. The introductory section, supplementary schedules (schedules A-D), and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards (schedule E) and schedule of expenditures of state awards (schedule F) are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and the Texas Comptroller of Public Accounts, *State of Texas Single Audit Circular*, respectively, and are also not a required part of the basic financial statements.

The supplementary schedules (schedules A-D) and the schedules of expenditures of federal and state awards (schedules E-F) 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 supplementary schedules (schedules A-D) and schedules of expenditures of federal and

state awards (schedules E-F) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2021, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Cano, Riggs & Ingram, L.L.C.

McAllen, Texas
December 14, 2021

SOUTH TEXAS COLLEGE

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Introduction

Management's discussion and analysis (MD&A) of the District's financial statements is designed to help readers understand the conditions and events impacting the financial statements, furthermore pointing out trends and changes affecting our operations for the fiscal years ending August 31, 2021 and 2020. This discussion is prepared by management and should be read in conjunction with the transmittal letter, the District's basic financial statements, and notes to the financial statements. Responsibility for the completeness and fairness of this information in this section rests with the District's management.

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with the reporting requirements as set by the Texas Higher Education Coordinating Board (THECB).

The financial statements of this annual report consist of three parts: The Statements of Net Position provide a summary of assets, liabilities, and net position; the Statements of Revenues, Expenses, and Changes in Net Position provide a summary of operations; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the last two fiscal years.

These statements are prepared in accordance with the Governmental Accounting Standards Board Statements No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments;* and Statement No. 35 (GASB 35), *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities.*

These three statements will assist the reader in determining whether the District, as a whole, is performing financially better this year as compared to last year. The financial statements are presented using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

This discussion and analysis of the District's financial statements provides an overview of its financial activities for the fiscal year. The financial focal points of fiscal year 2021 are as follows:

- Total assets increased $29.2 million and total liabilities increased $5.6 million.
- The net position increased by $14.3 million to $391.6 million.
- Cash and cash equivalents decreased by $39.1 million, and investments increased by $76.5 million.
- Capital assets, net of accumulated depreciation, decreased by $7.9 million to $329.3 million.
- The bond rating for the District's general obligation bonds is AA by Standards & Poor's and Aa2 by Moody's Investors Service.

- Tuition and fees were discounted by $71.4 million, which consisted of federal, state, local and private grants that were provided as financial aid to students and other remissions and exemptions.

Analysis of Overall Financial Position and Results of Operations and Condensed Financial Information

The Statements of Net Position

The Statements of Net Position is a 'point in time' financial statement and provides the reader with a snapshot of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources at the end of the fiscal year. Net position is the difference between (a) assets and deferred outflows and (b) liabilities and deferred inflows, and is divided into three major categories. Net investment in capital assets provides the District's equity in property, plant and equipment. Restricted net position are assets, which have external limitations in the way they may be used, and are not accessible for general use. Assets categorized as unrestricted net positions are available to be used for any lawful purpose of the District at the direction of the District's management.

Changes in net position that occur over time can indicate the improvement or weakening of the District's financial condition when considered with non-financial facts, such as enrollment levels and the condition of the facilities. From the data presented, readers of the financial statements are able to determine the assets available to continue operations of the District, and the amount the District owes vendors, investors, and lending institutions. Current liabilities are generally liabilities, due within one year, and current assets are those assets available in the short term, which is considered one year or less. Deferred inflows and outflows are transactions occurring in the current or prior periods although they are related to future periods and are not assets or liabilities. The District's deferred outflows of resources include deferred charges on debt refunding and deferred outflows related to pensions and other post-employment benefits (OPEB). The District's deferred inflows of resources are related to pensions and OPEB. The focus is to report the total net resources available to finance future services. Assets and liabilities are presented in the order of liquidity.

The following is prepared from the District's Statements of Net Position and provides a summary of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the change in net position for the years ended August 31:

Condensed Statements of Net Position

(in millions)

	2021	2020	2019	2020-2021 Change	2019-2020 Change
Assets					
Current assets	$ 126.7	$ 163.9	$ 135.4	$ (37.2)	$ 28.5
Capital assets, net	329.3	337.3	345.7	(8.0)	(8.4)
Noncurrent assets	211.9	137.4	134.7	74.5	2.7
Total Assets	**667.9**	**638.6**	**615.8**	**29.3**	**22.8**
Deferred Outflows of Resources					
Deferred outflows of resources	110.9	112.7	117.0	(1.8)	(4.3)
Total Deferred Outflows of Resources	**110.9**	**112.7**	**117.0**	**(1.8)**	**(4.3)**
Liabilities					
Current liabilities	38.1	40.9	33.9	(2.8)	7.0
Noncurrent liabilities	304.5	296.0	282.1	8.5	13.9
Total Liabilities	**342.6**	**336.9**	**316.0**	**5.7**	**20.9**
Deferred Inflows of Resources					
Deferred inflows related to pension & OPEB	44.6	37.1	38.8	7.5	(1.7)
Total Deferred Inflows of Resources	**44.6**	**37.1**	**38.8**	**7.5**	**(1.7)**
Net investment in capital assets	205.2	205.2	206.8	-	(1.6)
Restricted expendable	21.8	20.9	20.0	0.9	0.9
Restricted non-expendable	0.3	0.3	0.3	-	-
Unrestricted	164.3	150.9	150.9	13.4	-
Total Net Position	**$ 391.6**	**$ 377.3**	**$ 378.0**	**$ 14.3**	**$ (0.7)**

Condensed Statement of Net Position Comparison - August 31, 2021, 2020, and 2019

(in millions)

In fiscal year 2021, total assets increased by $29.2 million or 4.6% from $638.6 million at August 31, 2020 to $667.9 million at August 31, 2021. The primary source of the increase was an increase of $37.5 million in net cash, cash equivalents and investments, due to the District receiving additional Higher Education Emergency Relief Fund (HEERF) funding, state appropriation, tax revenue and a reduction in unrestricted expenditures compared to fiscal year 2020. Investments increased by $76.5 million which was offset by a decrease in cash and cash equivalents of $39.1 million. In addition, the increase in investments was offset by a decrease in capital assets, net of accumulated depreciation at August 31, 2021 of $7.9 million. The increase in investments is directly related the District's strategic decision to place funds in short-term and long-term investments instead of cash, due to the low interest rates caused by the COVID-19 pandemic. In fiscal year 2021 the College was no longer required to maintain $20 million in a non-interest-bearing account with the Depository bank and, as a result invested the money in certificate of deposits.

In fiscal year 2020, total assets increased by $22.8 million or 3.7% from $615.8 million at August 31, 2020 to $638.6 million at August 31, 2021. The primary source of the increase in assets is an increase in cash and cash equivalents of $40.1 million which was offset by a decrease in investments of $8.3 million. In addition, the increase in cash and cash equivalents was offset by a decrease in capital assets, net of accumulated depreciation at August 31, 2021 of $8.4 million. The net increase in cash and cash equivalents is primarily due to $10.0 million received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act grant and the timing of investments from the proceeds of nine certificates of deposit that matured in July and August and were reinvested during September and October in the amount of $28.5 million. The decrease of $8.3 million in investments is related to the timing of reinvesting the matured proceeds compared to August 31, 2020 as discussed above. The District obtained approval to use the funds from the CARES Act grant to transition from face-to-face instruction to online instruction for the last part of the spring semester due to the COVID-19 pandemic, and drew down funds from the Department of Education. However, due to the change of guidance from the Department of Education, some expenses were no longer allowed to be reimbursed by the grant, and the District reversed the revenue and recorded a payable to the Department of Education.

In fiscal year 2021, deferred outflows of resources decreased by $1.8 million due to a decrease of deferred outflows related to pension of $6.2 million, primarily due to changes in assumptions and changes in proportion and differences between the employer's contributions and proportionate share of contributions, and a decrease of deferred charges on debt refunding of $.6 million. These decreases were offset by an increase in deferred outflows related to OPEB activity by $5.0 million, due to changes in proportion and difference between the employer's contributions and the proportionate share of contributions. Deferred inflows of resources increased by $7.6 million due to an increase in deferred inflows related to OPEB activity of $6.5 million attributed to changes in actuarial assumptions and differences between expected and actual economic experience, and an increase of $1.1 million related to pension activity.

In fiscal year 2020, deferred outflows of resources decreased by $4.3 million due to a decrease in deferred outflows related to OPEB activity of $6.4 million. This decrease was offset by an increase in deferred charges on debt refunding of $1.7 million due to the refunding of bond series 2014, and an increase of $0.4 million in deferred outflows related to pension. Deferred inflows of resources decreased by $1.7 million due to a decrease in deferred inflows related to OPEB activity by $7.1 million and an increase of $5.4 million related to pension activity.

Deferred inflows of resources related to pension decreased by $1.6 million in fiscal year 2020, largely due to differences between projected and actual investment earnings. Total deferred inflows increased $30.5 million or 369.7%.

During fiscal year 2021, current liabilities decreased $2.9 million or 7.1%. The primary reason for the decrease is due to a decrease in accounts payable by $7.0 million as a result of a payable of $6.8 million at the end of the fiscal year. The District had obtained approval to use the funds for the CARES Act grant to transition from face-to-face instruction to online instruction for the last part of the spring semester due to the COVID-19 pandemic, and drew down funds from the Department of Education. However, due to the change of guidance from the Department of Education, some expenses were no longer allowed to be reimbursed by the grant, and the District reversed the revenue and recorded a payable to the Department of Education.

This decrease was offset by an increase in unearned revenue of $3.1 million attributed to an increase in fall 2021 enrollment. The increase in enrollment in the fiscal year 2022 fall semester is primarily due to the College offering students HEERF financial aid assistance. The District's OPEB liability increased by $1.0 million due to the District's proportionate share related to the ERS OPEB liability increased 0.085% compared to fiscal year 2020.

Noncurrent liabilities increased by $8.5 million or 2.9%, primarily due to an increase in the net OPEB liability of $22.2 million since the District's proportionate share increased by 0.085%. The increase was offset by a $9.5 million decrease in bonds payable attributed the debt service payments, and a $4.0 million decrease in net pension liability mostly due to the District's contributions and changes in proportion and differences between employer's contributions and the proportionate share.

During fiscal year 2020, current liabilities increased $7.1 million or 21.0%. The primary reason for the increase is due to an increase in accounts payable by $5.9 million as a result of a payable of $6.8 million at the end of the fiscal year. The District had obtained approval to use the funds for the CARES Act grant to transition from face-to-face instruction to online instruction for the last part of the spring semester due to the COVID-19 pandemic, and drew down funds from the Department of Education. However, due to the change of guidance from the Department of Education, some expenses were no longer allowed to be reimbursed by the grant, and the District reversed the revenue and recorded a payable to the Department of Education. This increase was offset by postponed construction projects and the District's Board of Trustees' restrictions on procurement during the months of March through August to limit the District to only purchase critical items as a result of the COVID-19 pandemic.

The District's OPEB liability increased by $2.2 million since the Employees Retirement System (ERS) total OPEB liability increased by $4.9 billion and the District's proportionate share related to the ERS OPEB liability increased 0.018% compared to fiscal year 2019. Bonds payable increased by $1.0 million, due to scheduled debt payments, and the accrued compensable absences increased $0.4 million due to employees utilizing less vacation days as a result of the COVID-19 pandemic. These increases were offset by the $1.1 million decrease in unearned revenue due to an enrollment decrease for fall 2020. Accrued liabilities decreased by $1.3 million primarily due to the timing of the Texas Retirement System (TRS) August payment that was paid during August for fiscal year 2020, but was paid in September of the following fiscal year for fiscal year 2019.

Noncurrent liabilities increased by $13.9 million or 4.9%, primarily due to an increase in the net OPEB liability of $19.1 million since the ERS total OPEB liability increased $4.9 billion and the District's proportionate share increased 0.018%. The TRS total net pension liability decreased by $3.1 billion, however due to an increase in the District's proportionate share, the District's net pension liability increased by $1.5 million. The increases of these noncurrent liabilities were offset by a $6.6 million decrease in bonds payable attributed the debt service payments. The debt service payments were lowered during fiscal year 2020 due to the District's refunding of bond series 2014, which saved the District more than $4.4 million in debt service payments and reduced the ad valorem tax rate for the residents of Hidalgo and Starr Counties.

The District's net position at August 31, 2021 was $391.6 million compared to $377.3 million at August 31, 2020. The increase of $14.3 million is primarily due to HEERF funding from the Department of Education for lost revenue and student debt discharge, additional Higher Education Employee Group Insurance (HEGI) from the state, and additional tax revenue.

The District's net position at August 31, 2020 was $377.3 million compared to $378.0 million at August 31, 2019. The decrease of $0.7 million is primarily due to $27.1 million pension and net OPEB expenses allocated to the District by TRS and ERS. Disregarding the effect of the ERS OPEB liability and the TRS pension liability, the District's net position increased by $26.4 million resulting from excess revenues over expenses. Of the $26.4 million increase in net position, the unrestricted net position increased by $27.2 million, net investment in capital assets decreased by $1.7 million, and expendable net position increased by $0.9 million.

A little over half of the net position, $205.2 million in fiscal year 2021 and $205.2 million in fiscal year 2020, reflects the District's substantial net investment in capital assets, net of outstanding debt obligations and accumulated depreciation related to those capital assets. Restricted net position such as endowment gifts with specific restrictions, grants from third-party agencies with expenditure restrictions, student loan funds, and assets designated for debt service represent an additional 5.6% of the net position in fiscal year 2021 and 5.5% of the net position in fiscal year 2020. The remaining unrestricted net position may be used for educational or general operations of the District, which were $164.3 million and $150.9 million as of August 31, 2021 and 2021.

Net Position
Comparison - August 31, 2021, 2020, and 2019
(in millions)

Statements of Revenues, Expenses, and Changes in Net Position

The Statements of Revenues, Expenses, and Changes in Net Position present the District's results of operations for the fiscal year. Activities are reported as either operating or non-operating. Operating revenues are received for providing goods and services to the various customers and constituencies of the District. Operating revenues are primarily those that result from instruction, the operation of the District's auxiliary services, and federal and state grants. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the District. Depreciation on capital assets is included in operating expenses. Non-operating revenues are revenues received for which goods and services are not provided. State appropriations and ad valorem taxes are considered to be non-operating revenue. Since state appropriations and ad valorem taxes are a significant portion of general operations and maintenance funding, classification of these revenues as non-operating will usually result in an operating deficit, as it does for fiscal years 2021 and 2021.

Changes in total net position as presented on the Statements in Net Position are based on the activity presented in the Statements of Revenues, Expenses and Changes in Net Position. The purpose of the statement is to present revenues earned by the District, both operating and non-operating, expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District during the year.

The following summary is prepared from the District's Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended August 31:

Condensed Statements of Revenues, Expenses, and Changes in Net Position
(in millions)

	2021	2020	2019	2020-2021 Change	2019-2020 Change
Operating revenues	$ 41.6	$ 44.6	$ 44.6	$ (3.0)	$ -
Operating expenses	230.7	231.2	228.7	(0.5)	2.5
Operating loss	**(189.1)**	**(186.6)**	**(184.1)**	**(2.5)**	**(2.5)**
Non-operating revenues, net	203.3	185.9	175.7	17.4	10.2
Capital contributions	0.1	-	-	0.1	-
Increase in net position	**14.3**	**(0.7)**	**(8.4)**	**15.0**	**7.7**
Net position - beginning of year	**377.3**	**378.0**	**386.4**	**(0.7)**	**(8.4)**
Cummulative effect of change in accounting principle	-	-	-	-	-
Net Position - End of Year	**$ 391.6**	**$ 377.3**	**$ 378.0**	**$ 14.3**	**$ (0.7)**

The District's operating revenue decreased $3.0 million during fiscal year 2021 from $44.6 million at August 31, 2020 to $41.6 million at August 31, 2021. Net tuition and fees decreased by $2.6 million, attributable to a decrease of $9.1 million in gross tuition of in-district and non-resident tuition, and a decrease of $5.7 million in gross fees primarily in student registration fees and incidental fees due to a decrease in enrollment. These decreases in revenue were offset by a decrease in scholarship allowance and discounts of $12.3 million, mainly in dual credit exemptions

and federal grants to students, directly related to the decrease in enrollment. Due to the COVID-19 pandemic, the cafeteria operations ceased which caused a $0.5 million decrease in auxiliary enterprises.

The District's operating revenue stayed flat during fiscal year 2020 from $44.6 million at August 31, 2019 to $44.6 million at August 31, 2020. Net tuition and fees increased by $1.1 million, attributable to an increase of $5.7 million in gross tuition primarily due to a $7 per semester credit hour increased tuition rate in in-district and out-of-district tuition, and a $0.9 million increase in gross fees due to charging a flat registration fee and charging a registration fee for the second summer term. These increases were offset by an increase in scholarship allowances and discounts of $5.6 million due to a $3.9 million increase in federal grants to students directly related to the increase in gross tuition and fees, and a $3.2 million increase in dual credit exemptions resulting from an enrollment increase in the dual credit program. These increases in scholarship allowances and discounts were offset by a $1.0 million decrease in the Texas Public Educational Grant (TPEG) allowance.

Grants and contracts include restricted revenues made available by government agencies as well as private agencies. Grant funding is recognized as revenue at the point when all eligibility requirements imposed by the provider have been met. This source of revenue was 46.3% of operating revenues in fiscal year 2021 and 42.6% of operating revenues in fiscal year 2020.

Operating expenses decreased by $.6 million or 0.3% during fiscal year 2021 to $230.7 million, and increased $2.5 million during fiscal year 2020 to $231.2 million from $228.7 million at August 31, 2020. The primary reasons for the decrease in operating expenses during fiscal year 2021 is an increase in scholarships and fellowships of $8.7 million. This increase was offset by a decrease in instruction expenditures of $7.1 million, primarily in salaries and benefits due to reduced enrollment in fiscal year 2021 as a result of the COVID-19 pandemic compared to fiscal year 2020, and a reduction in non-employer contribution expenses allocated from ERS and TRS. Part of the reduction in salaries and benefits expenditures in fiscal year 2021 is directly related to the District's decision to continue to limit hiring and position freezes.

In fiscal year 2020, the primary reason for the $2.5 million increase in operating expenses is due to an increase in benefit expenses of $3.8 million related to pension activities and an increase of $1.8 million related to OPEB activities. These expense increases are related to the District's increase in proportionate share accounting for the pension and OPEB liabilities. Furthermore, the state contribution rate for TRS increased from 6.8% in fiscal year 2019 to 7.5% in fiscal year fiscal year 2020. In fiscal year 2020, the Board of Trustees approved a 3% salary increase for all faculty and staff. These increases in salary and benefit expenses were offset by the District's decision to implement new hire limitations and staff furloughs due to the COVID-19 pandemic and a $6.5 million decrease in other expenses due to the District's Board of Trustees' procurement restrictions which limited the District to only purchasing critical items as a result of the COVID-19 pandemic.

Operating revenues, used to fund operating expenses, consisted of the following percentages of the total for the fiscal years ended August 31:

Condensed Operating Revenues
(in millions)

	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Net tuition and fees	$ 21.1	50.7%	$ 23.7	53.1%	$ 22.6	50.7%
Grants and contracts	19.3	46.4%	19.0	42.6%	19.5	43.7%
Auxiliary enterprises	0.7	1.7%	1.3	2.9%	1.8	4.0%
General operating revenues	0.5	1.2%	0.6	1.4%	0.7	1.6%
Total	**$ 41.6**	**100.0%**	**$ 44.6**	**100.0%**	**$ 44.6**	**100.0%**

Condensed Operating Revenues
Comparison - August 31, 2021, 2020, and 2019
(in millions)

Operating expenses, including depreciation, may be viewed by their function or by natural (object) classification as illustrated below. Operating expenses consisted of the following percentages of the total for the fiscal years ended August 31:

Operating Expenses by Function
(in millions)

	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	$ 87.6	38.0%	$ 94.8	41.1%	$ 92.1	40.3%
Public service	1.6	0.7%	1.3	0.6%	1.8	0.8%
Academic support	22.4	9.7%	21.5	9.3%	23.0	10.1%
Student services	13.7	5.9%	14.4	6.2%	14.6	6.4%
Institutional support	33.2	14.4%	35.0	15.1%	32.3	14.1%
Operations and maintenance of plant	20.8	9.0%	20.4	8.8%	21.5	9.4%
Scholarships and fellowships	37.8	16.4%	29.1	12.6%	28.0	12.2%
Auxiliary enterprises	1.7	0.7%	2.6	1.1%	3.4	1.5%
Depreciation	11.9	5.2%	12.1	5.2%	12.0	5.2%
Total	**$ 230.7**	**100.0%**	**$ 231.2**	**100.0%**	**$ 228.7**	**100.0%**

Operating Expenses by Function
Comparison - August 31, 2021, 2020, and 2019
(in millions)

Operating Expenses by Classification
(in millions)

	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	$ 94.9	41.1%	$ 101.8	44.0%	$ 101.6	44.4%
State benefits	7.5	3.3%	8.4	3.8%	9.3	4.1%
Local benefits	50.5	21.9%	52.3	22.5%	43.5	19.0%
Other (travel, operating and depriciation)	40.0	17.3%	39.6	17.1%	46.5	20.3%
Scholarships and fellowships	37.8	16.4%	29.1	12.6%	27.8	12.2%
Total	**$ 230.7**	**100.0%**	**$ 231.2**	**100.0%**	**$ 228.7**	**100.0%**

Net non-operating revenues and expenses increased by $17.3 million or 9.3% to $203.3 million in fiscal year 2021 and $10.2 million or 5.8% to $185.9 million in fiscal year 2020. The primary reason for the increase in fiscal year 2021 is due to a $10.5 million increase in federal revenue, due to an increase of $22.8 million in HEERF funding received by the District to assist students with emergency aid and to help offset institutional costs incurred as a result of the pandemic. The increase in HEERF funding was offset by a decrease in Pell awards of $12.3 million due to a decrease in enrollment. In addition, there was an increase in state appropriations of $4.4 million due to an increase in state group insurance resulting from additional funding from a supplemental appropriation for funds that had not been adequately allocated to the District for fiscal years 2021 and 2020. Net non-operating revenues increased by $3.5 million in ad valorem tax revenue resulting from an increase in property valuation in the District, and decreased $2.7 million in investment income due to a decline in return on investments as a result of the COVID-19 pandemic.

Net non-operating revenues and expenses increased by $10.2 million or 5.8% to $185.9 million in fiscal year 2020 and $14.7 million or 9.1% to $175.7 million in fiscal year 2019. The primary reason for the increase in fiscal year 2020 is due to a $5.6 million increase in federal revenue, due to an increase in the maximum Pell grant awarded to students from $275 to $6,195 compared to fiscal year 2019, and a $3.2 million due to the CARES Act grant received by the District to help offset institutional costs incurred as a result of the pandemic. In addition, there was an increase in state appropriations due to a $1.7 million increase in education and general state support as a result of increased state appropriation for student success points and contact hours, a $0.2 million increase in education and general state support related to increased semester credit hours for the District's Bachelor programs, and a $1.3 million increase in state appropriation due to additional non-employer contribution related to pension and OPEB activities resulting from the increased proportionate share allocated to the District. Net non-operating revenues increased by $1.1 million or 1.6% in ad valorem tax revenue resulting from an increase in property valuation in the District. These increases were offset by the $2.0 million decrease in revenue received for state group insurance appropriation that was not adequately allocated to the District, and a $0.7 million decrease in investment income due to a decline in return on investments as a result of the COVID-19 pandemic.

Non-operating revenues consisted of the following for the fiscal years ended August 31:

Non-Operating Revenues
(in millions)

	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
State allocations	$ 55.4	26.5%	$ 50.9	26.3%	$ 49.6	27.0%
Ad-valorem taxes - maintenance and operations	59.4	28.3%	56.1	29.0%	53.9	29.3%
Ad-valorem taxes - debt service	13.8	6.6%	13.6	7.0%	14.7	8.0%
Federal revenue, non-operating	78.4	37.4%	67.8	35.0%	59.4	32.3%
Gifts	0.2	0.1%	0.3	0.2%	0.3	0.2%
Investment income (net of investment expenses)	2.1	1.0%	4.9	2.5%	5.6	3.0%
Other non-operating revenues	0.3	0.1%	0.1	0.0%	0.4	0.2%
Total	**$ 209.6**	**100.0%**	**$ 193.7**	**100.0%**	**$ 183.9**	**100.0%**

Non-operating expenses consisted of the following for the fiscal years ended August 31:

Non-Operating Expenses
(in millions)

	2021		2020		2019	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Interest on capital related debt	$ 4.6	73.0%	$ 5.8	74.4%	$ 5.7	69.6%
Loss on sale/disposal/return of capital assets	0.2	3.2%	-	0.0%	0.1	1.4%
Non-capital construction costs	0.7	11.1%	1.2	15.4%	2.0	24.8%
Bond costs amortization	0.6	9.5%	0.5	6.4%	0.2	2.1%
Other non-operating expenses	0.2	3.2%	0.3	3.8%	0.2	2.1%
Total	**$ 6.3**	**100.0%**	**$ 7.8**	**100.0%**	**$ 8.2**	**100.0%**
Net non-operating revenues (expenses)	**$ 203.3**		**$ 185.9**		**$ 175.7**	

The financial statements included in this MD&A include the impact of GASB Statement 68 and GASB Statement 75, and even though they are required entries by GASB, the District does not deem that the results with these entries appropriately reflect the District's operations throughout the years. Disregarding the impact of GASB Statement 68 and GASB Statement 75, the District had an increase in net position of $42.3 million during fiscal year 2021.

Statements of Revenues, Expenses and Changes in Net Position
Excluding impact of GASB 68 (Pension) and GASB 75 (OPEB)
(in millions)

	2021	2020	2019	2020-2021 Change
Operating revenues	$ 41.6	$ 44.6	$ 44.6	$ (3.0)
Operating expenses	201.3	201.8	205.9	(0.5)
Operating loss	**(159.7)**	**(157.2)**	**(161.3)**	**(2.5)**
Non-operating revenues and expenses	201.9	183.6	174.6	18.3
Capital contributions	0.1	-	-	0.1
Increase in net position	**42.3**	**26.4**	**13.3**	**15.9**
Net position - beginning of year	**467.5**	**441.1**	**427.8**	**26.4**
Net Position - end of year	**$ 509.8**	**$ 467.5**	**$ 441.1**	**$ 42.3**

Statements of Cash Flows

Another important factor to consider when evaluating financial viability, is the District's ability to meet financial obligations as they mature and the impact of external financing. The Statements of Cash Flows present information related to cash inflows and outflows summarized by operating, non-capital financing, capital and related financing, and investing activities.

The following summary is prepared from the District's Statements of Cash Flows for the fiscal years ended August 31:

Condensed Statement of Cash Flows

(in millions)

	2021	2020	2019	2020-2021 Change
Cash provided (used) by:				
Operating activities	$ (137.9)	$ (145.4)	$ (144.5)	$ 7.5
Non-capital financing activities	176.9	176.1	156.6	0.8
Capital and related financing activities	(3.7)	(3.9)	(7.0)	0.2
Investing activities	(74.4)	13.3	(44.6)	(87.7)
Net change in cash and cash equivalents	(39.1)	40.1	(39.5)	(79.2)
Cash and cash equivalents-Sept 1,	138.4	98.3	137.8	40.1
Cash and cash equivalents-August 31,	**$ 99.3**	**$ 138.4**	**$ 98.3**	**$ (39.1)**

The Statements of Cash Flows indicate an overall decrease in cash and cash equivalents of $39.1 million at August 31, 2021 and an increase of $40.1 million at August 31, 2020.

Net cash used for operating activities decreased by $7.5 million or 5.1% during fiscal year 2021. The primary use of cash in operations was in payment of salaries and benefits, which decreased by $15.6 million or 11.9% during fiscal year 2021 to $115.1 million, primarily due to a decrease in salary and benefit expenses and an increase in state group insurance appropriation revenue that was initially not adequately allocated to the District in fiscal years 2021 and 2020. Furthermore, payments for scholarships and fellowships increased by $8.8 million to $37.8 million related to the increase student awards from HEERF funding, receipts from grants and contracts decreased by $10.2 million, and receipts from students and other customers increased by $10.8 million due to the HEERF financial aid assistance.

Net cash used for operating activities increased by $0.9 million or 0.7% during fiscal year 2020. In fiscal year 2020, the primary use of cash in operations was in payment of salaries and benefits, which increased by $5.4 million or 4.3% during fiscal year 2020 to $130.7 million, primarily due to an increase in benefit expenses related to a 0.7% increase in the state contribution rate for TRS and a decrease in state group insurance appropriation revenue that was not adequately allocated to the District. In addition, payments for scholarships and fellowships increased by $1.3 million to $29.0 million related to the increase in gross tuition and fees, and receipts from grants and contracts increased by $4.7 million, due to federal money received for the CARES Act grant. During fiscal year 2020, payments to suppliers for goods or services decreased by $6.8 million or 19.8% to $27.6 million due to the District's Board of Trustees' procurement restrictions which limited the District to only purchasing critical items as a result of the pandemic, and receipts from students and other customers decreased $6.4 million or 25.4% to $19.0 million.

Net cash provided by non-capital financing activities increased by $0.8 million or 1.6% during fiscal year 2021 and $19.6 million or 12.5% during fiscal year 2020. Sources of cash from non-capital financing activities are primarily from non-operating federal revenue, state appropriations, and ad valorem taxes for maintenance and operation. The primary reason for the increase in fiscal year 2021 is due to an increase in receipts from ad valorem taxes-maintenance and operation of $4.0 million attributed to an increase in property valuation in the District. This increase was offset by a decrease of receipt from non-operating federal revenue due to a decrease in federal Pell awards resulting from a decrease in enrollment. In fiscal year 2020, the primary reason for the increase is due to an increase of $15.4 million in receipts from non-operating federal revenue attributed to the CARES Act grant. Receipts from state appropriations increased by $2.5 million due to the increased funding for student success points and contact hours. Receipts from ad valorem taxes-maintenance and operation increased by $2.1 million during fiscal year 2020 attributed to an increase in property valuation in the District.

Net cash used for capital and related financing activities decreased by $0.3 million or 6.4% during fiscal year 2021 and $3.1 million or 44.0% during fiscal year 2020. Capital and related financing activities include proceeds on the issuance of capital debt and ad valorem taxes for debt service and payment of capital debt, both principal and interest, as well as capital asset acquisitions. In fiscal year 2020, the primary reason for the $3.1 million decrease is due to a decrease in purchases of capital assets including payments for construction costs due to the delay of construction projects as a direct result of the COVID-19 pandemic.

Capital Assets and Long-Term Debt Administration

The District had $451.5 million in capital assets and $122.1 million in accumulated depreciation at August 31, 2021. A summary of net capital assets for fiscal years ended August 31 is presented below:

Capital Assets
(Net of Depreciation)
(in millions)

	2021	2020	2019	2020-2021 Change	2019-2020 Change
Land	$ 32.5	$ 32.5	$ 32.5	$ -	$ -
Construction in progress	1.1	0.9	0.4	0.2	0.5
Buildings	251.0	255.6	260.4	(4.6)	(4.8)
Land improvements	27.2	28.5	30.3	(1.3)	(1.8)
Library books	1.9	1.9	1.9	-	-
Furniture, machinery, vehicles, and other equipment	15.6	17.9	20.2	(2.3)	(2.3)
Total	**$ 329.3**	**$ 337.3**	**$ 345.7**	**$ (8.0)**	**$ (8.4)**

Below is a graphic illustration of capital assets, net of depreciation for the fiscal years ended August 31.

Capital Assets (Net of Depreciation)
Comparison - August 31, 2021, 2020, and 2019
(in millions)

In fiscal year 2021, the decrease in net capital assets of $8.0 million was mainly due to a $9.5 million increase in accumulated depreciation, which was offset by a $1.9 million increase in buildings and other land improvements.

In fiscal year 2020, the decrease in net capital assets of $8.4 million or 21.0%, was due to a $11.6 million increase in accumulated depreciation, which was offset by a $1.3 million increase in furniture, machinery, vehicles and other equipment, a $0.9 million increase in buildings, and $0.5 million increase in construction in progress.

The bonds payable liability balances for the fiscal years ended August 31 are as follows:

Outstanding Debt - Bonds
(in millions)

	2021	2020	2019
South Texas College District Limited Tax Bonds, Series 2014	$ 5.4	$ 7.9	$ 51.5
South Texas College District Limited Tax Bonds, Series 2015	74.6	79.7	84.6
South Texas College District Limited Tax Refunding Bonds, Series 2020	40.9	41.2	-
Total Bonds Payable	**$ 120.9**	**$ 128.8**	**$ 136.1**

The District is authorized to issue negotiable coupon bonds for the construction and equipment of school buildings and purchase of necessary site, per Education Code Section 130.122, provided that the annual bond tax should never exceed $0.50 per $100 valuation of taxable property. The District's debt tax rate in fiscal year 2021 was $0.0318 per $100 valuation of taxable property. The District's bond ratings on the outstanding bonds are AA by Standard & Poor's Ratings Services and Aa2 by Moody's Investors Service.

The bonds were issued to address the facility requirements of the District due to the enrollment increase over the years since the District's inception. For additional information concerning capital assets and long-term debt, see Notes No. 5, No. 6, No. 7, and No. 8 in the Notes to the Financial Statements.

Economic Outlook

The taxable assessed value for fiscal year 2022 increased by 7.4%. For fiscal year 2022, the Board of Trustees approved the same maintenance and operations tax rate as fiscal year 2021 of $0.14 per $100 valuation. The fiscal year 2022 debt service tax rate that was approved by Board of Trustees was decreased by $0.0003 to $0.0315 per $100 valuation.

Historically, the state appropriations Texas community colleges have received enabled the low tuition rates community colleges have been able to provide. The District will continue to receive the majority of state funding based on contact hours, however a portion of the funding is tied to a success points system in which colleges earn funding for students' academic milestones. In the future, the District and all Texas community colleges will continue to face a challenge to fund the increasing demand for state education services. The District will continue to focus on increasing enrollment and student success, as well as meeting the workforce needs, while maintaining its sound financial position.

The COVID-19 pandemic impacted the District's ability to offer and conduct face-to-face classes in fiscal year 2021. In fiscal year 2022, the District is returning to face-to-face classes, and has seen

an increase in fall traditional student enrollment of 23.1% compared to the fiscal year 2021 fall traditional student enrollment.

The District's management expects that the ongoing economic impacts of the COVID-19 pandemic will continue to present somewhat of a challenge to the institution. In anticipation of the financial uncertainty associated with COVID-19, however, the District's Board of Trustees approved an 8.5% increase in the District's Unrestricted Fund fiscal year 2022 budget compared to the original fiscal year 2021 budget. Despite these challenges and when compared to other higher education entities around the country, the District remains well-positioned and the outlook of the District for the foreseeable future remains positive as a result of its strategic direction and fiscal management.

Request for Information

This financial report is intended to provide a general overview of the District's finances. Requests for additional financial information may be addressed to South Texas College, Office of the President, 3201 W Pecan Boulevard, McAllen, Texas 78501.

South Texas College District
Statements of Net Position
August 31, 2021 and 2020

Exhibit 1

	FY 2021	FY 2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 88,248,280	$ 119,610,401
Restricted cash and cash equivalents	11,073,060	18,771,827
Short-term investments	7,006,084	13,017,444
Restricted short-term investments	8,250,298	-
Accounts receivable (net of allowance for doubtful accounts of $2,617,027 in 2021 and $4,286,252 in 2020)	4,590,411	4,495,494
Taxes receivable (net of allowance for doubtful accounts of $7,570,468 in 2021 and $7,124,609 in 2020)	5,903,834	6,680,375
Prepaid expenses	1,631,301	1,302,930
Total Current Assets	**126,703,268**	**163,878,471**
Noncurrent Assets:		
Endowment investments	5,590	5,590
Restricted investments	-	331,900
Long-term investments	211,815,676	137,173,820
Capital assets, net (Note 5)	329,347,534	337,274,965
Total Noncurrent Assets	**541,168,800**	**474,786,275**
Total Assets	**667,872,068**	**638,664,746**
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on debt refunding	1,130,801	1,696,201
Deferred outflows related to pensions	20,286,164	26,498,858
Deferred outflows related to OPEB	89,491,849	84,506,224
Total Deferred Outflows of Resources	**110,908,814**	**112,701,283**
Total Assets & Deferred Outflows of Resources	**778,780,882**	**751,366,029**
LIABILITIES		
Current Liabilities:		
Accounts payable	2,242,783	9,220,244
Accrued liabilities	1,824,115	1,923,090
Lease liabilities - current portion	68,527	68,527
Accrued compensable absences - current portion	973,369	1,266,360
Funds held for others	264,325	322,770
Unearned revenue	18,586,692	15,498,912
Bonds payable - current portion	9,528,923	9,128,923
OPEB liability - current portion	4,507,183	3,548,107
Total Current Liabilities	**37,995,917**	**40,976,933**
Noncurrent Liabilities:		
Accrued compensable absences	28,077	168,368
Lease liability	1,096,426	1,164,952
Bonds payable, net	124,582,337	134,054,318
Net pension liability	48,245,978	52,245,580
Net OPEB liability	130,614,702	108,399,377
Total Noncurrent Liabilities	**304,567,520**	**296,032,595**
Total Liabilities	**$ 342,563,437**	**$ 337,009,528**

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

South Texas College District
Statements of Net Position
August 31, 2021 and 2020
(Continued)

Exhibit 1

	FY 2021	FY 2020
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	$ 10,218,162	$ 9,127,686
Deferred inflows related to OPEB	34,397,882	27,928,993
Total Deferred Inflows of Resources	**44,616,044**	**37,056,679**
Total Liabilities & Deferred Inflows of Resources	**387,179,481**	**374,066,207**
NET POSITION		
Net investment in capital assets	205,202,705	205,172,770
Restricted for:		
Expendable		
Student aid	3,384,142	2,917,717
Instructional programs	112,385	78,318
Institutional activities	78,318	112,440
Loans	2,110,152	1,779,010
Debt service	16,071,340	16,002,125
Non-expendable		
Endowment	339,524	339,521
Unrestricted	164,302,835	150,897,921
Total Net Position (Schedule D)	**391,601,401**	**377,299,822**
Total Liabilities, Deferred Inflows of Resources & Net Position	**$ 778,780,882**	**$ 751,366,029**

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

South Texas College District
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended August 31, 2021 and 2020

Exhibit 2

	FY 2021	FY 2020
OPERATING REVENUES		
Tuition and fees (net of discounts of $71,437,443 in 2021 and $83,773,532 in 2020)	$ 21,098,778	$ 23,652,462
Federal grants and contracts	4,752,189	4,890,928
State grants and contracts	4,109,030	4,081,215
Local grants and contracts	8,939,528	8,710,679
Non-governmental grants and contracts	1,450,472	1,344,736
Auxiliary enterprises	678,506	1,355,127
General operating revenues	572,671	612,825
Total Operating Revenues (Schedule A)	**41,601,174**	**44,647,972**
OPERATING EXPENSES		
Educational and general		
Instruction	87,620,251	94,767,643
Research	13,930	-
Public service	1,611,221	1,295,671
Academic support	22,358,202	21,510,411
Student services	13,693,983	14,394,224
Institutional support	33,176,871	34,970,309
Operation and maintenance of plant	20,821,673	20,419,241
Scholarships and fellowships	37,788,198	29,136,804
Auxiliary enterprises	1,693,536	2,627,299
Depreciation	11,878,971	12,162,030
Total Operating Expenses (Schedule B)	**230,656,836**	**231,283,632**
OPERATING LOSS	**(189,055,662)**	**(186,635,660)**
NON-OPERATING REVENUES (EXPENSES)		
State appropriation	55,359,735	50,949,811
Ad-valorem taxes		
Taxes for maintenance and operations	59,403,574	56,146,535
Taxes for debt service	13,783,392	13,571,701
Federal revenue, non-operating	78,372,230	67,836,841
Gifts	197,836	275,475
Investment income (net of investment expenses)	2,129,834	4,872,160
Insurance proceeds	288,021	2,600
Interest on capital related debt	(4,623,748)	(5,841,189)
Loss on disposal of capital assets	(233,709)	(42)
Non-capital construction costs	(685,243)	(1,163,367)
Bond costs amortization	(559,358)	(532,856)
Other non-operating revenues	68,527	68,527
Other non-operating expenses	(249,823)	(262,755)
Non-Operating Revenues, Net (Schedule C)	**203,251,268**	**185,923,441**
Income (Loss) Before Contributions	**14,195,606**	**(712,219)**
Capital contributions	105,973	8,909
Increase (Decrease) In Net Position	**14,301,579**	**(703,310)**
NET POSITION		
Net Position-Beginning of Year	377,299,822	378,003,132
Net Position-End of Year	**$ 391,601,401**	**$ 377,299,822**

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

South Texas College District
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020

Exhibit 3

	FY 2021	FY 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	$ 29,754,710	$ 18,963,780
Receipts from grants and contracts	14,118,401	24,268,501
Payments to suppliers for goods or services	(28,811,797)	(27,645,285)
Payments to or on behalf of employees	(115,107,311)	(130,690,016)
Payments for scholarships and fellowships	(37,404,933)	(29,044,578)
Payments for loans issued to students	(378,414)	(997,155)
Receipts from collection of loans to students	505,443	1,016,650
Other receipts	426,250	428,414
Payments for non-operating construction costs	(794,109)	(1,433,465)
Payments for non-operating transactions	(249,823)	(262,756)
Net cash used by operating activities	**(137,941,583)**	**(145,395,910)**
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	45,059,082	45,313,398
Receipts from ad-valorem taxes-maintenance and operation	60,148,379	56,113,338
Receipts from non-operating federal revenue	71,515,123	74,693,947
Payments for collection of taxes for maintenance and operation	(198,953)	(187,872)
Receipts from gifts or grants for other than capital purposes	178,896	275,414
Receipts from student organizations and other agency transactions	2,097,160	2,769,174
Payments to student organizations and other agency transactions	(2,119,936)	(2,924,662)
Receipts from endowment interest	867	6,740
Proceeds from insurance claims	288,021	102,600
Net cash provided by non-capital financing activities	**176,968,639**	**176,162,077**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from ad-valorem taxes-debt services	14,070,686	13,704,244
Payments for collection of taxes for debt service	(57,442)	(54,680)
Contribution received in aid of construction	126,801	11,805
Proceeds from sale/return of capital assets	9,251	-
Purchases of capital assets including payments for construction costs	(4,123,065)	(3,875,195)
Payments on capital debt-principal	(7,900,000)	(7,295,000)
Payments on capital debt-interest and fees	(5,824,258)	(6,433,356)
Bond issue costs paid on new capital debt issue	6,042	-
Net cash used by capital and related financing activities	**(3,691,985)**	**(3,942,182)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturity of investments	119,962,223	119,745,931
Receipts from interest on investments	2,152,937	4,983,777
Purchase of investments	(196,511,119)	(111,471,789)
Net cash (used) provided by investing activities	**(74,395,959)**	**13,257,919**
Increase (decrease) in cash and cash equivalents	**(39,060,888)**	**40,081,904**
Cash and cash equivalents-September 1,	138,382,228	98,300,324
Cash and cash equivalents-August 31,	**$ 99,321,340**	**$ 138,382,228**

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

South Texas College District
Statements of Cash Flows
For the Years Ended August 31, 2021 and 2020
(Continued)

Exhibit 3

	FY 2021	FY 2020
Reconciliation of net operating loss to net cash used by operating activities:		
Operating loss	$ (189,055,662)	$ (186,635,660)
Adjustments to reconcile net operating loss to net cash used by operating activities:		
Depreciation expense	11,878,971	12,162,030
Payments made directly by state for benefits	10,300,653	5,636,413
Payments for non-operating construction costs	(794,109)	(1,433,465)
Payments for non-operating transactions	(249,823)	(227,666)
Changes in assets and liabilities:		
Receivables, net	(226,685)	196,489
Prepaid expenses	(328,371)	162,257
Deferred outflow related to pension	6,212,694	(398,534)
Deferred outflow related to OPEB	(4,985,625)	6,420,312
Accounts payable	8,390	(435,304)
Accrued liabilities	(77,192)	(1,294,994)
Compensable absences	(433,281)	362,373
Unearned revenues	3,074,293	(1,006,356)
Net pension liability	(3,999,602)	1,491,066
Net OPEB liability	23,174,401	21,339,019
Deferred inflow related to pensions	1,090,476	5,408,402
Deferred inflow related to OPEB	6,468,889	(7,142,292)
Net cash used by operating activities	**$ (137,941,583)**	**$ (145,395,910)**

Non-cash investing, capital, and financing activities for fiscal year 2021:

During the fiscal year, General Motors donated to the Automotive Technology five vehicles with a net value of total $105,899. The vehicles were a 2008 Pontiac Grand Prix valued at $22,415, two 2019 GMC Sierra valued at $20,871 each and two 2019 Chevy Silverado valued at $20,871 each.

The Library received three book donations amounting to a net value of $75. One book titled "Rise: Rio Grande Valley Youth Anthology", valued at $15 and two books titled "The Texas Libertors Narratives form World War II", valued at $30 each.

In-kind contributions provided by vendors for the Valley Scholars Program during the fiscal year amounted to $60.

Bond discount and premiums are amortized over the debt repayment period for the following bond series.

Premium - LT Bond Series 2014	$	603,310
Premium - LT Bond Series 2015	$	6,745,645
Premium - LT Bond Series 2020	$	5,790,670

The deferred loss ending balance as of August 31, 2021 is $1,130,801 for Limited Tax Refunding Bond Taxable Series 2021, which will be amortized over the debt repayment period.

Pledge contributions as of August 31, 2021, consisted of $30,000 non-cash.

Payments made directly by the state for benefits as of August 31, 2021, consisted of $2,904,958.

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

Non-cash investing, capital, and financing activities for fiscal year 2020:

During the fiscal year, General Motors donated to the Automotive Technology a 2017 GM Chevy Malibu vehicle valued at $6,559.

The Library Art Gallery Department received a couple work of art donations amounting to a net value of $2,350. The pieces of art work were individually valued at $2,000 and $350 and entitled respectively as follows: "Frond Up In The Air" and "Charra de Tradicion".

In-kind contributions provided by vendors for the Valley Scholars Program during the fiscal year amounted to $35,090.

Bond discount and premiums are amortized over the debt repayment period for the following bond series.

Premium - LTR Bond Series 2014	$	904,965
Premium - LT Bond Series 2015	$	7,227,477
Premium - LT Bond Series 2020	$	6,236,106

The deferred loss ending balance as of August 31, 2020 is $1,696,201 for Limited Tax Refunding Bond Taxable Series 2020, which will be amortized over the debt repayment period.

Pledge contributions as of August 31, 2020, consisted of $60 non-cash and $11,000 cash.

Payments made directly by the state for benefits as of August 31, 2020, consisted of $3,410,085.

Note 1 – Reporting Entity

South Texas College District was established on June 1, 1993, in accordance with the laws of the State of Texas, to serve the educational needs of Hidalgo and Starr Counties and the surrounding communities. South Texas College District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the District 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.

South Texas College District is a political subdivision of the State of Texas located in Hidalgo and Starr Counties, Texas. The District offers academic, general occupational, developmental and continuing adult education programs through a network of locations. The District is governed by a seven-member Board of Trustees who serve staggered six-year terms with elections held in May of each even-numbered year.

Note 2 – Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Annual Financial Reporting Requirements for Texas Public Community Colleges established by the Texas Higher Education Coordinating Board (THECB)*. The accompanying financial statements of the District are presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP), as established by the Governmental Accounting Standards Board (GASB). The District applies all applicable GASB pronouncements. For financial reporting purposes, the District is considered a special-purpose, primary government engaged in business-type activities (BTA).

Tuition Discounting

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

Title IV, Higher Education Act Program (HEA) Funds
Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District 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 dispersed directly to the student, the amount is recorded as a scholarship expense.

Note 2 – Summary of Significant Accounting Policies (Continued)

Other Tuition Discounts
The District 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 tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

The District's financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. All revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 District's Board of Trustees adopts the budget, for internal management use at the individual fund and account group level on which the books of the District are maintained, and it 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, the Legislative Budget Board, the Legislative Reference Library, and the Governor's Office of Budget and Planning by December 1.

Elimination of Internal Activity

The internal activity and balances reflected in the internal use only fund financial statements are eliminated in the preparation of the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position, to avoid the inappropriate "grossing-up" effects that internal activity would otherwise have on aggregated amounts.

Cash and Cash Equivalents

The District'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.

Restricted Cash and Cash Equivalents and Investments

Restricted cash and cash equivalents and investments reserved for payment of restricted current liabilities are included as current assets. Cash and cash equivalents and investments that are externally restricted as to their use are classified as noncurrent assets in the Statements of Net Position. This category includes cash and investment balances restricted to make debt service payments, maintain sinking or reserve funds, or purchase or construct capital or other noncurrent assets, or that are restricted by donors.

Note 2 – Summary of Significant Accounting Policies (Continued)

Investments

The District reports investments in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, and GASB 72, *Fair Value Measurement and Application,* 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 purchase. For more information, see Note 4.

Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value at the date of donation. South Texas College District capitalization policy includes real and personal property with a unit cost equal to or greater than $5,000 and an estimated useful life in excess of one year. Renovations of $100,000 or more to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following useful lives are used:

Buildings	50 years
Facilities and land improvements	20 years
Library books and materials	15 years
Furniture, machinery, vehicles, and other equipment	10 years
Telecommunications and peripheral equipment	5 years
Land and work of art/collections	Not Depreciated

Residual values of 10% are maintained for buildings, facilities and land improvements.

Deferred Outflows of Resources

In addition to assets, the Statements of Net Position include a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expensed) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. The District recorded deferred outflow of resources for deferred charges on refunding of debt, and deferred outflows of resources for its proportionate share of collective deferred outflows of the Teacher Retirement System of Texas (TRS) pension plan required by the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and for contributions made to the TRS plan subsequent to the measurement date of the respective net pension liability. In addition, the District recorded deferred outflow of resources for its proportionate share of collective deferred outflows of the Employees Retirement System of Texas (ERS) other post-employment benefits (OPEB)

Note 2 – Summary of Significant Accounting Policies (Continued)

plan required by the implementation of GASB Statement 75, *Accounting and Financial Reporting for OPEB* and for contributions made to the ERS plan subsequent to the measurement date of the respective net OPEB liability. For additional information, see Notes 10 and 13.

Pensions

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

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) State Retiree Health Plan (SRHP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits; OPEB expense; and information about assets, liabilities, and additions to/deductions from SRHP's fiduciary net position. Benefit payments are recognized when due and are payable in accordance with the benefit terms.

Compensable Absences

It is the District's policy to accrue employee annual leave as earned except for sick leave. Accrued and unused sick leave will not be paid as compensation to the employee in the event an employee voluntarily or involuntarily terminates employment with the District. See Note 6 and Note 12 for additional information.

Deferred Inflows of Resources

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to future periods and thus, will not be recognized as an inflow of resources (revenue) until then. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. The District records deferred inflows of resources for its proportionate share of collective deferred inflows of the TRS pension plan and the ERS OPEB plan. For additional information, see Notes 10 and 13.

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position

The District's net position is classified as follows:

Net investment in capital assets: This represents the District's total investment in capital assets, net of outstanding debt obligations and accumulated depreciation related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net position–expendable: This includes resources in which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net position–non-expendable: This consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to the principal.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises which are substantially self-supporting activities that provide services for students, faculty, and staff.

These resources are used for transactions relating to the educational and general operations of the District, and may be used at the discretion of the governing board to meet current expenses for any purpose. When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense towards restricted resources.

Unearned Revenues

Tuition and fees of $17,052,216 and $9,054,425, and federal, state, local, and private grants of $1,534,476 and $6,444,487 have been reported as unearned revenues at August 31, 2021, and 2020, respectively. Total unearned revenues were $18,586,692 and $15,498,912 at August 31, 2021, and 2020, respectively.

Noncurrent Liabilities

Noncurrent liabilities include (1) principal amount of bonds payable, notes payable and capital lease obligations with contractual maturities greater than one year, (2) other liabilities that will not be paid within the next fiscal year and (3) other liabilities that, although payable within a year, are to be paid from funds that are classified as noncurrent assets.

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.

Note 2 – Summary of Significant Accounting Policies (Continued)

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees, net of discounts. The District also recognizes operating revenue as federal, state, and local grants, non-governmental grants and contracts, auxiliary enterprises, and other operating revenues. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Non-operating revenues include activities that have the characteristic of non-exchange transactions, such as property tax, state appropriations, gifts, and contributions and other revenue sources that are defined as non-operating revenues by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and investment income. Non-exchange transactions are recognized in accordance with the standards in GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* and GASB 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*. The major non-operating revenues are allocations from the state, including restricted revenues such as state insurance and benefit allocations, property tax collections, and Title IV funds. Transactions for which cash flows are reported as capital and related financing activities, non-capital financing activities, or investing activities are reported as non-operating revenues or non-operating expenses. The operation of the bookstore is not performed by the District.

Capitalization of Interest

Interest cost during the construction period is capitalized in accordance with GASB Statement No. 62. The District's policy is to capitalize interest cost as a component of construction in progress upon completion of capital assets. As of August 31, 2021, the District incurred $5,802,475 in interest cost expense and $11,033 was capitalized. As of August 31, 2020, the District incurred $6,411,419 in interest cost expense and $1,625 was capitalized.

Bond Discounts/Premiums

Bond discounts/premiums and issuance costs are deferred and amortized over the term of the bond. Bond discounts/premiums are presented as a reduction/addition of the face amount of bonds payable, whereas issuance costs for insurance premiums are recorded as deferred charges.

Gain or Loss on Retirement of Debt

The gain or loss on the early retirement of debt is deferred and amortized over the shorter of (1) the remaining amortization period that was used in the original refunding or (2) the life of the newly issued debt. This deferred amount is reported as a deduction from the new debt liability on the statement of net position.

Note 2 – Summary of Significant Accounting Policies (Continued)

Pending Pronouncements

The following GASB pronouncements have been issued but not yet implemented by the District.

GASB Statement 87
Leases. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement 89
Accounting for Interest Cost Incurred before the End of a Construction Period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement 91
Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

GASB Statement 92
Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics and includes the following: Statement No. 87, Statement No. 73, Statement No. 74, Statement No. 84, and other topics. The application of this statement is expected to provide more comparable reporting and improve the usefulness for financial statement users.

Note 2 – Summary of Significant Accounting Policies (Continued)

GASB Statement 93
Replacement of Interbank Offered Rates (IBOR). The objective of this statement is to address accounting and financial reporting implications resulting from global reference rate reform. Government agreements in which variable payments made or received depend on IBOR, most notably the London Interbank Offered Rate (LIBOR), will be affected, as LIBOR will cease to exist at the end of 2021. Rate provisions in Statement Nos. 53 and 87 will also be affected.

GASB Statement 94
Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The objective of this statement is to improve financial reporting related to PPPs and APAs by establishing the definitions of these arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This statement will enhance the decision usefulness of financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions.

GASB Statement 95
Postponement of the Effective Dates of Certain Authoritative Guidance. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement Nos. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guide Nos. 2017-3, 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3.

GASB Statement 96
Subscription-Based Information Technology Arrangements (SBITA). The objective of this statement is to (1) define a SBITA; (2) establish that SBITA results in a right-to-use subscription (intangible) asset and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments; and (4) require note disclosures regarding a SBITA. The statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

GASB Statement 97
Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32. The primary objectives of this statement are the following: (1) increase consistency and comparability in the reporting of fiduciary component units where the potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

Note 3 – Authorized Investments

The District 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, including letters of credit, of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas, or its agencies and instrumentalities, (3) obligations of political subdivisions rated not less than A or its equivalent by a nationally recognized investment rating firm, (4) financial institution deposits issued by a depository institution, (5) no-load government money market mutual funds registered with and regulated by the Securities and Exchange Commission, (6) eligible investment pools organized and operating in compliance with the Public Funds Investment Act and continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service, and (7) other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States.

Note 4 – Cash, Cash Equivalents and Investments

The Public Funds Investment Act allows funds belonging to South Texas College District to be invested. District policy delegates this authority to three investment officers. It is the policy of the District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are preservation of capital, safety of District funds, maintenance of sufficient liquidity, maximization of return within acceptable risk constraints, and diversification of investments.

At August 31, 2021, and 2020, the carrying amount of South Texas College District's bank deposits were $97,691,669 and $126,756,340 respectively, and total bank balances equaled $102,389,353 and $130,449,644, respectively. Federal Deposit Insurance Corporation (FDIC) deposit insurance of $250,000 served as collateral for demand deposit accounts, money market accounts, money market insured cash sweep accounts, and time deposit accounts, respectively, at each financial institution. Deposits in excess of FDIC deposit insurance are collateralized at a minimum level of 102%, or 100% for Letters of Credit issued by a Federal Home Loan Bank, of the principal amount plus accrued interest of the deposit. Monthly collateral reports reporting the pledged securities and their fair values are required from each financial institution. The District is subject to collateral credit risk in the event of the bank's nonperformance of collateral requirements under the collateral agreement.

Note 4 – Cash, Cash Equivalents and Investments (Continued)

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

	August 31, 2021	August 31, 2020
Bank Deposits		
Demand deposits	$ 40,624,768	$ 84,842,618
Money market deposits	57,066,900	41,913,722
Total bank deposits	97,691,668	126,756,340
Cash and Cash Equivalents		
Change funds on hand	8,860	11,810
Investment pools (TexPool)	1,620,812	11,614,078
Total Cash and Cash Equivalents	**$ 99,321,340**	**$ 138,382,228**

Total deposits and investments are as follows:

Type of Security	Fair Value August 31, 2021	Fair Value August 31, 2020
Certificates of deposit	$ 227,072,058	$ 150,523,164
Endowment investment	5,590	5,590
Total Investments	227,077,648	150,528,754
Total Cash and Cash Equivalents	99,321,340	138,382,228
Total Cash and Cash Equivalents and Investments	**$ 326,398,988**	**$ 288,910,982**

Exhibit 1	August 31, 2021	August 31, 2020
Cash and cash equivalents	$ 88,248,280	$ 119,610,401
Current restricted cash and cash	11,073,060	18,771,827
Short-term investments-current	7,006,084	13,017,444
Restricted short-term investments-current	8,250,298	-
Endowment investment*	5,590	5,590
Long-term investments	211,815,676	137,173,820
Restricted investments	-	331,900
Total Reconciliation to Exhibit 1	**$ 326,398,988**	**$ 288,910,982**

*Endowment investment consists of a donated coin collection.

Note 4 – Cash, Cash Equivalents and Investments (Continued)

As of August 31, 2021, the District had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Exposure	Exposure Permitted by Investment Policy
Investments pools (TexPool)	$ 1,620,812	-	0.49%	50.00%
Certificates of deposit	227,072,058	0.66	68.58%	100.00%
Total Fair Value	**$ 228,692,870**			

As of August 31, 2020, the District had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Exposure	Exposure Permitted by Investment Policy
Investments pools (TexPool)	$ 11,614,078	-	3.97%	50.00%
Certificates of deposit	150,523,164	0.36	51.44%	100.00%
Total Fair Value	**$ 162,137,242**			

Interest Rate Risk - In accordance with its Investment Policy, the District limits its exposure to interest rate risk by investing in securities whose maturities will not exceed the anticipated cash flow requirements for the funds and limits the weighted average maturity of its investment portfolio to 270 days or less with a maximum allowable maturity of two years for any one investment.

The investment maturities of Unexpended Plant Funds and of Funds for Retirement of Indebtedness are generally limited to the anticipated cash flow requirements of the funds.

Credit Risk - In accordance with State law and the District's Investment Policy, investments in eligible investment pools must be continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service and obligations of states, agencies, counties, cities, and other political subdivisions of any State rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent. Financial institution deposits must be guaranteed or insured by the FDIC or its successors or the National Credit Union Share Insurance Fund or its successor, secured by obligations described by the Public Funds Collateral Act, or secured in any other manner and amount provided by law and governed by a depository agreement. At August 31, 2021, the District's certificates of deposit were collateralized by letters of credit or pledged securities and were FDIC insured. The District's investments pools had a Standard and Poor's rating of AAAm. At August 31, 2020, the District's certificates of deposit were collateralized by a letter of credit and were FDIC insured. The District's investments pools had a Standard and Poor's rating of AAAm.

Concentration of Credit Risk - The District's Investment Policy seeks to minimize its concentration of credit risk by establishing the following maximum percentages of investment types for the total District investment portfolio: U.S. Treasury Bills/Notes/Bonds 100%; U.S. Agencies and Instrumentalities 100%; States, Counties, Cities, and Other 25%; Financial Institution Deposits 100%; Money Market Mutual Funds 25%; and Eligible Investment Pools 50%. At August 31, 2021,

Note 4 – Cash, Cash Equivalents and Investments (Continued)

the District's cash and investments were in TexPool (0.49%) and certificates of deposit (68.58%). At August 31, 2020, the District's cash and investments were in TexPool (3.97%) and certificates of deposit (51.44%).

The Texas Local Government Investment Pools (the "TexPool Portfolios") have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight responsibility is demonstrated by financial interdependency, ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in the TexPool portfolios and other persons who do not have a business relationship with TexPool. The Advisory Board members review the TexPool's investments policy and management fee structure.

TexPool investments meet the requirements of GASB 79 to be stated at amortized cost, which in most cases approximates the market value of the securities. TexPool seeks to maintain a $1.00 net asset value per share as required by the Texas Public Funds Investment Act; however, the $1.00 net asset value is not guaranteed or insured by the State of Texas. Accordingly, the fair value of the District's position in TexPool is the same value as the value of TexPool shares. The District reports investments in TexPool as cash and cash equivalents.

Note 5 – Capital Assets

Capital assets activity for the year ended August 31, 2021, was as follows:

	Balance September 1, 2020	Increases	Decreases	Balance August 31, 2021
Not Depreciated:				
Land	$ 32,487,642	$ -	$ -	$ 32,487,642
Collections	70,884	2,299	14,100	59,083
Construction in progress	918,738	2,196,379	2,014,279	1,100,838
Subtotal	33,477,264	2,198,678	2,028,379	33,647,563
Buildings and Other Capital Assets:				
Buildings	311,198,440	1,190,070	-	312,388,510
Land improvements	46,107,188	824,209	64,380	46,867,017
Total Buildings and Other Land Improvements	357,305,628	2,014,279	64,380	359,255,527
Library books	6,616,524	122,147	262	6,738,409
Furniture, machinery, vehicles, and other equipment	47,028,617	1,670,655	467,799	48,231,473
Telecommunications and peripheral equipment	5,464,104	-	1,862,116	3,601,988
Total Buildings and Other Capital	416,414,873	3,807,081	2,394,557	417,827,397
Accumulated Depreciation:				
Buildings	55,657,120	5,722,549	-	61,379,669
Land improvements	17,624,886	2,124,812	43,320	19,706,378
Library books	4,734,424	106,996	237	4,841,183
Furniture, machinery, vehicles, and other equipment	29,144,816	3,921,425	463,044	32,603,197
Telecommunications and peripheral equipment	5,455,926	3,189	1,862,116	3,596,999
Total Accumulated Depreciation	112,617,172	11,878,971	2,368,717	122,127,426
Net Buildings and Other Capital Assets	303,797,701	(8,071,890)	25,840	295,699,971
Total Capital Assets, Net	**$ 337,274,965**	**$ (5,873,212)**	**$ 2,054,219**	**$ 329,347,534**
Net Buildings and Other Capital Assets-Detail				
Buildings	$ 255,541,320	$ (4,532,479)	$ -	$ 251,008,841
Land improvements	28,482,302	(1,300,603)	21,060	27,160,639
Library books	1,882,100	15,151	25	1,897,226
Furniture, machinery, vehicles, and other equipment	17,883,801	(2,250,770)	4,755	15,628,276
Telecommunications and peripheral equipment	8,178	(3,189)	-	4,989
Total Net Buildings and Other Capital Assets	**$ 303,797,701**	**$ (8,071,890)**	**$ 25,840**	**$ 295,699,971**

Note 5 – Capital Assets (Continued)

Construction in progress, including capitalized interest of $6,746 consists of the following:

Project	Balance September 1, 2020	Additions/ Deductions	Completed/ Reclassifications	Balance August 31, 2021
Pecan Cooling Towers Screen Upgrades	$ 13,198	$ -	$ -	$ 13,198
Pecan Building G Physical Science Classroom Conversion	2,735	127,063	-	129,798
Pecan Plaza Building C Kinesiology Renovation	3,782	113,046	-	116,828
Pecan Sand Volleyball Courts	120,613	50,896	171,509	-
Pecan Library Renovation	129,078	352,924	-	482,002
Pecan Building H Cafeteria Renovation	-	135	135	-
Pecan Building M Office and Work Space Renovation	231,934	210,886	442,820	-
Tech Emerging Tech Bldg A & Adv Tech Careers Bldg B Ren	-	46,800	-	46,800
Nursing Allied Health Bldg A Student Services Renovation	19,779	239,140	258,919	-
Nursing Allied Health West Entry Campus Sign	2,940	(2,940)	-	-
Mid Valley Building F Student Services Renovation	105,310	179,462	284,772	-
Mid Valley Conversion of Cafeteria to CLE	1,070	-	-	1,070
Starr Building G Student Services Renovation	12,213	191,211	203,424	-
RCPSE Target Range _ STC	3,620	47,564	-	51,184
RCPSE Target Range _ Grant	10,861	478	-	11,339
RCPSE Chiller Installation	-	11,581	-	11,581
RCPSE Site Drainage Improvements	23,751	26,607	-	50,358
RCPSE CityScape Remediation	-	103,535	103,535	-
Mid Valley Resurfacing Northwest Drive	9,732	123,141	132,873	-
Mid Valley Drainage Improvements Ph I	228,122	188,170	416,292	-
Mid Valley Workforce Ctr Bld D Roof Deferred Maint - Recoat	-	9,396	-	9,396
Mid Valley Library Bldg E Roof Deferred Maint - Recoating	-	9,396	-	9,396
Mid Valley Student Union Bldg F Roof Deferred Maint - Recoat	-	9,396	-	9,396
Mid Valley North Academic Bldg G Roof Deferred Maint - Recoat	-	9,396	-	9,396
Nursing Allied Health Bldg A Roof Deferred Maint - Recoating	-	110,460	-	110,460
Nursing Allied Health East Bldg A Stair Repairs and Replace	-	9,600	-	9,600
Starr North Academic Bldg C Roof Deferred Maint - Recoat	-	4,208	-	4,208
Starr South Academic Bldg E Roof Deferred Maint - Recoat	-	4,208	-	4,208
Starr Workforce Ctr Bldg D Roof Deferred Maint - Recoating	-	4,208	-	4,208
Starr Cultural Arts Ctr Bldg F Roof Deferred Maint - Recoat	-	4,208	-	4,208
Pecan Bldg M Generator Replacement	-	12,204	-	12,204
Total	**$ 918,738**	**$ 2,196,379**	**$ 2,014,279**	**$ 1,100,838**

Note 5 – Capital Assets (Continued)

For comparison purposes, capital assets activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019	Increases	Decreases	Balance August 31, 2020
Not Depreciated:				
Land	$ 32,487,642	$ -	$ -	$ 32,487,642
Collections	68,534	2,350	-	70,884
Construction in progress	385,492	1,676,395	1,143,149	918,738
Subtotal	32,941,668	1,678,745	1,143,149	33,477,264
Buildings and Other Capital Assets:				
Buildings	310,334,196	864,244	-	311,198,440
Land improvements	45,828,283	278,905	-	46,107,188
Total Buildings and Other Land Improvements	356,162,479	1,143,149	-	357,305,628
Library books	6,338,381	278,143	-	6,616,524
Furniture, machinery, vehicles, and other equipment	45,736,852	1,767,339	475,574	47,028,617
Telecommunications and peripheral equipment	5,527,799	-	63,695	5,464,104
Total Buildings and Other Capital	413,765,511	3,188,631	539,269	416,414,873
Accumulated Depreciation:				
Buildings	49,967,027	5,690,093	-	55,657,120
Land improvements	15,530,584	2,094,302	-	17,624,886
Library books	4,486,366	248,058	-	4,734,424
Furniture, machinery, vehicles, and other equipment	25,493,958	4,126,390	475,532	29,144,816
Telecommunications and peripheral equipment	5,516,434	3,187	63,695	5,455,926
Total Accumulated Depreciation	100,994,369	12,162,030	539,227	112,617,172
Net Buildings and Other Capital Assets	312,771,142	(8,973,399)	42	303,797,701
Total Capital Assets, Net	**$ 345,712,810**	**$ (7,294,654)**	**$ 1,143,191**	**$ 337,274,965**
Net Buildings and Other Capital Assets-Detail				
Buildings	$ 260,367,169	$ (4,825,849)	$ -	$ 255,541,320
Land improvements	30,297,699	(1,815,397)	-	28,482,302
Library books	1,852,015	30,085	-	1,882,100
Furniture, machinery, vehicles, and other equipment	20,242,894	(2,359,051)	42	17,883,801
Telecommunications and peripheral equipment	11,365	(3,187)	-	8,178
Total Net Buildings and Other Capital Assets	**$ 312,771,142**	**$ (8,973,399)**	**$ 42**	**$ 303,797,701**

Note 5 – Capital Assets (Continued)

Construction in progress as of August 31, 2020, including capitalized interest of $6,526 consists of the following:

Project	Balance September 1, 2019	Additions/ Deductions	Completed/ Reclassifications	Balance August 31, 2020
Pecan Athletic Field Fence Enclosure	$ 3,570	$ (3,570)	$ -	$ -
Pecan Cooling Towers Screen Upgrades	13,198	-	-	13,198
Pecan Building G Physical Science Classroom Conversion	-	2,735	-	2,735
Pecan Plaza Building C Kinesiology Renovation	-	3,782	-	3,782
Pecan 2501 Human Resources	-	(4,375)	(4,375)	-
Pecan Sand Volleyball Courts	94,487	26,126	-	120,613
Pecan Plaza Emergency Generator & Wiring Improvements	-	-	-	-
Pecan Library Renovation	-	129,078	-	129,078
Pecan Building H Cafeteria Renovation	40,782	627,095	667,877	-
Pecan Building M Office and Work Space Renovation	23,514	208,420	-	231,934
Nursing Allied Health Student Services Renovation	831	18,948	-	19,779
Nursing Allied Health Student Success Center Renovation	163,254	37,188	200,442	-
Nursing Allied Health West Entry Campus Sign	-	2,940	-	2,940
Mid Valley Thermal Plant Renovation	1,493	(1,493)	-	-
Mid Valley Student Services Renovation	3,675	101,635	-	105,310
Mid Valley Conversion of Cafeteria to CLE	-	1,070	-	1,070
Starr Building E & J Crisis Management Center Generators	-	300	300	-
Starr Student Services Renovation	-	12,213	-	12,213
RCPSE Portables	13,521	265,384	278,905	-
RCPSE Target Range_STC	1,985	1,635	-	3,620
RCPSE Target Range_Grant	5,954	4,907	-	10,861
RCPSE Site Drainage Improvements	-	23,751	-	23,751
Pecan Arbor Brick Columns Repair and Replacement	832	(832)	-	-
Mid Valley Resurfacing Northwest Drive	-	9,732	-	9,732
Mid Valley Drainage Improvements Ph I	-	228,122	-	228,122
Tech Building B Concrete Floor Repairs	3,039	(3,039)	-	-
Nursing Allied Health Resurface Parking Lot #1	9,094	(9,094)	-	-
DW Marker Boards Replacement	6,263	(6,263)	-	-
Total	**$ 385,492**	**$ 1,676,395**	**$ 1,143,149**	**$ 918,738**

Note 6 – Long Term Liabilities

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

	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
Bonds					
South Texas College District Limited Tax Bonds, Series 2014	$ 7,895,000	$ -	$ 2,505,000	$ 5,390,000	$ 2,630,000
South Texas College District Limited Tax Bonds, Series 2015	79,725,000	-	5,155,000	74,570,000	5,310,000
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	41,194,693	-	240,000	40,954,693	360,000
General Obligation Bonds Subtotal	128,814,693	-	7,900,000	120,914,693	8,300,000
Net Pension Liability	52,245,580	-	3,999,602	48,245,978	-
Other Post Employment Benefits (OPEB)	111,947,484	40,048,509	16,874,108	135,121,885	4,507,183
Lease Liability	1,233,479	-	68,527	1,164,952	68,527
Accrued Compensable Absences	1,434,728	-	433,282	1,001,446	973,369
Total Liabilities	**$ 295,675,964**	**$ 40,048,509**	**$ 29,275,519**	**$ 306,448,954**	**$ 13,849,079**
Bonds Detail					
Total Bonds Payable	$ 128,814,693	$ -	$ 7,900,000	$ 120,914,693	$ 8,300,000
Accreted Interest Premium CAB, Taxable Series 2020	-	56,942	-	56,942	-
Premium on Bonds Payable	14,368,548	-	1,228,923	13,139,625	1,228,923
Total Bonds Payable, Net	**$ 143,183,241**	**$ 56,942**	**$ 9,128,923**	**$ 134,111,260**	**$ 9,528,923**
Less Bonds Payable - Current Portion				(9,528,923)	
Total Noncurrent Bonds Payable, Net				**$ 124,582,337**	

Note 6 – Long Term Liabilities (Continued)

Unamortized bond discount/premium and deferred loss for the year ended August 31, 2021, on the above bond issues are as follows:

	Bond Premium	Deferred Loss
South Texas College District Limited Tax Bonds, Series 2014	$ 603,310	$ 1,130,801
South Texas College District Limited Tax Bonds, Series 2015	6,745,645	-
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	5,790,670	-
Total	**$ 13,139,625**	**$ 1,130,801**

Arbitrage

IRS rules governing arbitrage are designed to minimize arbitrage benefits by investing the proceeds of tax-exempt bonds in higher interest rate investments. Any excess earnings resulting from arbitrage must be rebated to the federal government. The District calculates arbitrage at the end of each five-year period that bonds are outstanding and at maturity. At August 31, 2021, the District did not have a liability.

Note 6 – Long Term Liabilities (Continued)

For comparison purposes, the long-term liabilities activity for the year ended August 31, 2020, was as follows:

	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Bonds					
South Texas College District Limited Tax Bonds, Series 2014	$ 51,475,000	$ -	$ 43,580,000	$ 7,895,000	$ 2,505,000
South Texas College District Limited Tax Bonds, Series 2015	84,635,000	-	4,910,000	79,725,000	5,155,000
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	-	41,194,693	-	41,194,693	240,000
General Obligation Bonds Subtotal	136,110,000	41,194,693	48,490,000	128,814,693	7,900,000
Net Pension Liability	50,754,514	5,008,858	3,517,792	52,245,580	-
Other Post Employment Benefits	90,608,465	27,878,171	6,539,152	111,947,484	3,548,107
Lease Liability	1,302,005	-	68,526	1,233,479	68,527
Accrued Compensable Absences	1,072,355	446,823	84,450	1,434,728	1,266,360
Total Liabilities	**$ 279,847,339**	**$ 74,528,545**	**$ 58,699,920**	**$ 295,675,964**	**$ 12,782,994**
Bonds Detail					
Total Bonds Payable	$ 136,110,000	$ 41,194,693	$ 48,490,000	$ 128,814,693	$ 7,900,000
Premium on Bonds Payable	12,702,889	6,284,921	4,619,262	14,368,548	1,228,923
Total Bonds Payable, Net	**$ 148,812,889**	**$ 47,479,614**	**$ 53,109,262**	**$ 143,183,241**	**$ 9,128,923**
Less Bonds Payable - Current Portion				(9,128,923)	
Total Noncurrent Bonds Payable, Net				**$ 134,054,318**	

Note 6 – Long Term Liabilities (Continued)

Unamortized bond discount/premium, bond issue costs and deferred loss for the year ended August 31, 2020, on the above bond issues are as follows:

	Bond Premium	Deferred Loss
South Texas College District Limited Tax Bonds, Series 2014	$ 904,965	$ 1,696,201
South Texas College District Limited Tax Bonds, Series 2015	7,227,477	-
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	6,236,106	-
Total	**$ 14,368,548**	**$ 1,696,201**

Arbitrage

IRS rules governing arbitrage are designed to minimize arbitrage benefits by investing the proceeds of tax-exempt bonds in higher interest rate investments. Any excess earnings resulting from arbitrage must be rebated to the federal government. The District calculates arbitrage at the end of each five-year period that bonds are outstanding and at maturity. At August 31, 2020, the District did not have a liability.

Note 7 – Debt and Lease Obligations and Rental Agreements

As of August 31, 2021, bonds payable are due in annual installments varying from $240,000 to $6,455,000 with interest rates from 3% to 5% and the final installment due in 2035. The principal and interest expense requirement for the next five years and beyond is summarized below for bonds issued:

	General Obligation Bond		
Fiscal Year	Principal	Interest	Total
2022	$ 8,300,000	$ 5,427,806	$ 13,727,806
2023	8,600,000	5,119,006	13,719,006
2024	8,925,000	4,798,306	13,723,306
2025	6,894,693	4,612,363	11,507,056
2026	7,485,000	4,020,306	11,505,306
2027-2031	43,320,000	14,209,119	57,529,119
2032-2035	37,390,000	3,910,800	41,300,800
Total	**$ 120,914,693**	**$ 42,097,706**	**$ 163,012,399**

Note 7 – Debt and Lease Obligations and Rental Agreements (Continued)

For comparison purposes, as of August 31, 2020, bonds payable are due in annual installments varying from $2,385,000 to $6,455,000 with interest rates from 3.0% to 5.0% and the final installment due in 2035. The principal and interest expense requirement for the next five years and beyond is summarized below for bonds issued:

	General Obligation Bond		
Fiscal Year	Principal	Interest	Total
2021	$ 7,900,000	$ 5,824,258	$ 13,724,258
2022	8,300,000	5,427,806	13,727,806
2023	8,600,000	5,119,006	13,719,006
2024	8,925,000	4,798,306	13,723,306
2025	6,894,693	4,612,363	11,507,056
2026-2030	41,305,000	16,220,825	57,525,825
2031-2035	46,890,000	5,919,400	52,809,400
Total	**$ 128,814,693**	**$ 47,921,964**	**$ 176,736,657**

Included in current expenditures are the following amounts of facility rental paid or due:

Fund Group	August 31, 2021	August 31, 2020
Unrestricted Current Funds	$ 353,034	$ 398,795

The District leases postage and copier equipment under non-cancelable operating leases. The future minimum lease rental payments under these leases having an initial term in excess of one year are as follows:

Year Ended	August 31, 2021 Minimum Future Lease Payments	August 31, 2020 Minimum Future Lease Payments
2021	$ -	$ 215,434
2022	47,809	131,194
2023	3,043	58,554
2024	-	4,553
Total	**$ 50,852**	**$ 409,735**

During fiscal year 2021, the District did not enter into any lease agreements. No future receipts are expected for fiscal years 2022 and 2023.

Note 8 – Bonds Payable

General Information related to bonds payable and balances are summarized below:

	August 31, 2021	August 31, 2020
$53,750,000 South Texas College District Limited Tax Bonds, Series 2014 due in varying installments through 2023, interest at 5.0%. Purpose: Construction and equipping of College buildings to accommodate increased student enrollment and to pay for the cost of issuance of the bonds. Issued: February 26, 2014, Refunded in part by issued date July 23, 2020 Authorized Date: November 5, 2013 Authorized: $159,028,940; $53,750,000 issued Source of revenue for debt service: Ad valorem taxes	$ 5,390,000	$ 7,895,000
$90,220,000 South Texas College District Limited Tax Bonds, Series 2015 due in varying installments through 2035, interest at 2.0% - 5.0%. Purpose: Construction and equipping of College buildings to accommodate increased student enrollment and to pay for the cost of issuance of the bonds. Issued: July 21, 2015 Authorized Date: November 5, 2013 Authorized: $159,028,940; $90,220,000 issued Source of revenue for debt service: Ad valorem taxes	74,570,000	79,725,000
$41,194,693 South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020 due in varying installments through 2034, interest at 3.0% - 5.0%. Purpose: To advance refund a portion of the District's Bonds, Series 2014 in order to lower the overall annual debt service requirements of the District, and to pay for the cost of issuance of the bonds. Issued: July 23, 2020 Authorized: $41,194,693.20; $40,935,000 Current Interest Bonds and $259,693.20 Premium Capital Appreciation Bonds Source of revenue for debt service: Ad valorem taxes	40,954,693	41,194,693
Total Bonds Payable	**$ 120,914,693**	**$ 128,814,693**

Note 9 – Advance Refunding of Bonds

On July 23, 2020, South Texas College District issued a Limited Tax Refunding Bonds, Taxable Series 2020 totaling $41,194,693 and is being issued to refund a portion of the District's outstanding debt South Texas College District Limited Tax Bonds, Series 2014, in order to lower the overall debt service requirements of the District and to pay the cost associated with the issuance of the bonds. A total of $41,195,000 of Limited Tax Bonds, Taxable Series 2014 was refunded. Outstanding on the Limited Tax Refunding Taxable Bonds, Series 2020 at year end was $40,954,693. The average interest rate of bonds refunded were 5% for Bonds Series 2014. In order to refund the bonds, the proceeds of the new bonds in the amount of $48,038,595 after payments of $470,894 to underwriting fees, insurance, bond counsel fees, rating fees, financial advisor, paying agent/escrow agent fees, printing fee, verification agent fee, and other issuance costs, were deposited and held in an escrow fund by Bank of Texas. The refunding resulted in a reduction of the total debt service payments over the next thirteen years by $4,432,700 and gave the District an economic gain of $3,611,6266. The accounting loss resulting from the advance refunding totaled $1,1,758,163. The portion of post refunding Limited Tax Bonds, Taxable Series 2014 outstanding at August 31, 2021 is $5,390,000.

Note 10 – Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees. The District requires all full-time employees to participate in either the Teacher Retirement System of Texas (TRS) or in the Optional Retirement Plan (ORP). Employees who are eligible to participate in the ORP have ninety days from the date of their employment to select the optional retirement program. Employees who previously had the opportunity to participate in the ORP but declined must remain with the TRS for the duration of their employment in the Texas education system.

Teacher Retirement System of Texas - Defined Benefit Plan

Plan Description

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

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

Note 10 – Employees' Retirement Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf or write to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description in above.

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

Contributions

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

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

Note 10 – Employees' Retirement Plan (Continued)

Contribution Rates

	August 31, 2021	August 31, 2020
Member	7.7%	7.7%
District/Non-Employer Contributing Entity (State)	7.5%	7.5%

FY 2020 Member contributions	$ 6,050,938
FY 2020 District contributions	$ 3,716,800
FY 2020 State contributions	$ 2,716,575

The District's estimated contributions to the TRS pension plan in fiscal year ended 2021 were $3,433,634 as reported in the Schedule of District Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on behalf contributions for fiscal year ended 2021 were $2,505,930.

- 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.

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

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

Note 10 – Employees' Retirement Plan (Continued)

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return*	7.25%
Municipal Bond Rate*	2.33% *
Last year ending August 31	
Projection period (100 years)	2119
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Benefit changes during the year	
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions were selected by the board of trustees based upon analysis and recommendations by the system's actuary. The board of trustees has sole authority to determine the actuarial assumptions used for the plan. The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019.

Discount Rate

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

Based on 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.

Note 10 – Employees' Retirement Plan (Continued)

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the TRS' target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation[1]	Long Term Expected Geometric Real Rate of Return[2]	Expected Contribution to Long Term Portfolio Returns
Global Equity			
USA	18.00%	3.99%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
U.S. Treasuries	16.00%	(0.70)%	(0.05)%
Absolute Return	-	1.80%	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Assets	15.00%	4.60%	1.02%
Energy and Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	(1.50)%	(0.03)%
Asset Allocation Leverage	(6.00)%	(1.30)%	0.08%
Inflation Expectation	-		2.00%
Volatility Drag[3]	-		(0.67)%
Total	**100.00%**		**7.33%**

[1] Target Allocation based on the FY 2020 policy model.
[2] Capital Market Assumptions come from AON Hewitt (as of 08/31/2020)
[3] The volatility drag results from the conversion between arithmetic and geometric mean returns

Note 10 – Employees' Retirement Plan (Continued)

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the net pension liability which the District reported as follows:

	August 31, 2021		
	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	$ 74,394,435	$ 48,245,978	$ 27,000,930

	August 31, 2020		
	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
District's proportionate share of the net pension liability:	$ 80,309,046	$ 52,245,580	$ 29,508,755

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

At August 31, 2021, and 2020, the District reported a liability of $48,245,978 and $52,245,580, respectively, for its proportionate share of the TRS' net pension liability. This liability reflects a reduction for state pension support provided to the District. The amount recognized by the District 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 District are as follows:

	August 31, 2021	August 31, 2020
The District's proportionate share of the collective net pension liability	$ 48,245,978	$ 52,245,580
State's proportionate share that is associated with the District	35,262,597	31,421,847
Total	**$ 83,508,575**	**$ 83,667,427**

Note 10 – Employees' Retirement Plan (Continued)

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

At the measurement date of August 31, 2020, the District's proportion of the collective net pension liability was 0.090082%, which was a decrease of 0.010423% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

- The single discount rate as of August 31, 2018, was a blended rate of 6.907%, and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 86th Texas Legislature, 2019, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a $2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumption.
- The Texas Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or $2,000, whichever was less.

For the year ended August 31, 2021, the District recognized pension expense of $4,241,307 and revenue of $4,241,307 for support provided by the State.

Note 10 – Employees' Retirement Plan (Continued)

At August 31, 2021 and 2020, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	August 31, 2021		August 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 88,093	$ 1,346,417	$ 219,478	$ 1,814,049
Changes in actuarial assumption	11,194,784	4,759,944	16,209,145	6,698,385
Difference between projected and actual investment earnings, net	976,698	-	524,606	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	4,592,955	4,111,801	5,828,829	615,252
Contributions paid to TRS subsequent to the measurement date	3,433,634	-	3,716,800	-
Total	**$20,286,164**	**$10,218,162**	**$26,498,858**	**$ 9,127,686**

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

Year ended August 31:	Increase (Reduction) of Pension Expense
2022	$ 1,192,536
2023	$ 3,000,120
2024	$ 2,819,036
2025	$ 858,875
2026	$ (1,010,624)
Thereafter	$ (225,575)

The District is dependent upon information provided by the TRS Plan for recognizing the Pension liability, deferred inflows and deferred outflows of resources, and expenses. Future changes, if any, to the current methodology or actuarial assumptions being utilized, could result in significant changes in accounting and financial reporting in future periods.

Note 10 – Employees' Retirement Plan (Continued)

Optional Retirement Plan-Defined Contribution Plan

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state are 6.6% for fiscal years 2021, 2020, and 2019. The percentages of participant salaries currently contributed by each participant are 6.65% for fiscal years 2021, 2020, and 2019. The District contributed 1.9% for fiscal years 2021, 2020, and 2019, 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. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution of 50% of eligible employees in the reporting district.

Payroll for Retirement Plans

Total payroll for the District and for employees covered by each retirement plan, associated District contributions for ORP, State contributions made on behalf of the District for ORP and member contributions for ORP were as follows:

	August 31, 2021	August 31, 2020	August 31, 2019
Payroll for all district employees	$ 94,933,577	$ 101,796,200	$ 101,639,00
Total payroll for TRS	78,581,330	85,068,749	83,315,698
Total payroll for ORP	10,010,338	11,382,013	12,171,958
State contributions	320,211	365,301	390,048
District contributions	351,665	398,921	426,329
Total Contributions	**$ 671,876**	**$ 764,222**	**$ 816,377**
Member contributions	$ 665,688	$ 756,904	$ 809,436

Note 11 – Deferred Compensation Program

District 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.

As of August 31, 2021, the District has 87 employees participating in Section 403(b) Tax Sheltered Annuity (TSA) Program and 96 participated in 2020. A total of $544,774 and 619,565 in payroll deductions have been invested in approved 403(b) plans during the fiscal years 2021 and 2020, respectively.

As of August 31, 2021, the District has 86 employees participating in Section 457 Deferred Compensation Plans (DCP) and 84 participated in 2020. A total of $307,324 and $272,731 in payroll deductions have been invested in Section 457 Deferred Compensation Plan (DCP) during the fiscal years 2021 and 2020, respectively.

The deferred compensation program is not included in the basic financial statements because the program assets are assets of the plan participants and not of the District.

Note 12 – Compensable Absences

With the exception of faculty members who have appointments of less than 12 months, all full-time benefit eligible employees accrue vacation leave time at the rate of 8 hours per month. Less than full-time employees accrue vacation on a pro-rated basis.

All hours of unused accumulated vacation leave, except as authorized by the Board of Trustees, must be used by March 1, following the fiscal year in which it was accumulated. Any vacation leave not used by that date is forfeited. A time extension may be requested from the District's President for extenuating circumstances. The Board has made an exception to these guidelines and the associated cost is included in the long-term portion. Full-time benefit eligible employees are expected to utilize accrued vacation leave prior to their separation from the District. However, the employee will be compensated for accrued vacation leave if the leave is not taken prior to separation.

	August 31, 2021	August 31, 2020
Compensable absences-beginning	$ 1,434,728	$ 1,072,355
Net additions and reductions	(433,282)	362,373
Total Compensable Absences	**$ 1,001,446**	**$ 1,434,728**
Current portion	$ 973,369	$ 1,266,360

Sick leave, which can be accumulated up to 720 hours, is earned at the rate of 8 hours per month. It is paid to an employee who misses work under the criteria of board-approved guidelines for sick leave. Sick leave does not vest; therefore, no liability is recorded. Employees retiring under the Texas Retirement System (TRS) after September 1, 2001, may have the option to use accrued sick leave towards years of service credit under TRS rules.

Note 13 – Other Post-Employment Benefits (OPEB)

(In accordance with GASB Statement 75)

Plan Description

South Texas College District participates in a cost-sharing, multiple-employer, defined-benefit other post-employment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP) is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life, and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least 10 years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

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

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
For the Measurement Years Ended

	August 31, 2020	August 31, 2019
Retiree Only	$ 624.82	$ 624.82
Retiree and Spouse	$ 1,340.82	$ 1,340.82
Retiree and Children	$ 1,104.22	$ 1,104.22
Retiree and Family	$ 1,820.22	$ 1,820.22

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

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended

	August 31, 2021	August 31, 2020
Member (Employee) Contributions	$ 3,294,918	$ 3,368,127
District Contributions	$ 12,292,434	$ 9,597,828
State of Texas (NECE) Contributions	$ 3,329,554	$ 5,731,628

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions
ERS Group Benefits Program Plan

Valuation date	August 31, 2020
Actuarial cost method	Entry Age
Amortization method	Level Percent of Pay, Open
Remaining amortization period	30 years
Asset valuation method	Not Applicable
Discount rate	2.20%
Projected annual salary increase (includes inflation)	2.30% to 9.50%
Annual healthcare trend rate	8.80% for FY2022, 5.25% for FY2023, 5.00% for FY2024, 4.75% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for 2029 and later years
Inflation assumption rate	2.30%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors, and other inactive members	Tables based on TRS experience with Ultimate MP Projection Scale projected from the year 2018.
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

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

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.97%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.20%, which amounted to a decrease of 0.77%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedules shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 2.20% and 2.97% in measuring net OPEB Liability:

	August 31, 2021		
	1% Decrease in Discount Rate (1.20%)	Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
District's proportionate share of the net OPEB liability:	$160,601,889	$135,121,885	$115,160,585

	August 31, 2020		
	1% Decrease in Discount Rate (1.97%)	Discount Rate (2.97%)	1% Increase in Discount Rate (3.97%)
District's proportionate share of the net OPEB liability:	$133,588,167	$111,947,484	$ 95,295,762

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 8.8% and the ultimate rate is 4.3% at the measurement date of August 31, 2020 and the initial healthcare trend rate is 7.3% and the ultimate rate is 4.5% at the measurement date of August 31, 2019. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used 8.8% decreasing to 4.3% for FY 2020 and 7.3% decreasing to 4.5% for FY 2019 in measuring the net OPEB Liability which the District reported as follows:

	August 31, 2020		
	1% Decrease in Healthcare Cost Trend Rates (7.8% decreasing to 3.3%)	Current Healthcare Cost Trend Rates (8.8% decreasing to 4.3%)	1% Increase in Healthcare Cost Trend Rates (9.8% decreasing to 5.3%)
District's proportionate share of the net OPEB liability:	$113,088,129	$135,121,885	$ 64,005,837

	August 21, 2019		
	1% Decrease in Healthcare Cost Trend Rates (6.3% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.3% decreasing to 4.5%)	1% Increase in Healthcare Cost Trend Rates (8.3% decreasing to 5.5%)
District's proportionate share of the net OPEB liability:	$ 94,001,311	$111,947,484	$ 135,399,021

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

At August 31, 2021, and 2020 the District's reported a liability of $135,121,885 and $111,947,484 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB.

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability associated with the District were as follows:

	August 31, 2021	August 31, 2020
The District's proportionate share of the collective OPEB liability	$ 135,121,885	$ 111,947,484
State's proportionate share that is associated with the District	36,599,391	66,852,765
Total	**$ 171,721,276**	**$ 178,800,249**

The net OPEB liability was measured as of August 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019, thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was 0.40890722%, which was an increase of 0.08501017% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the District recognized OPEB expense of ($431,826) and revenue of ($431,826) for support provided by the State.

Changes Since the Prior Actuarial Valuation

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

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teacher Retirement System of Texas.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The proportion of future female retirees assumed to be married and electing coverage for their spouse have been updated to reflect recent plan experience and expected trends.
- The proportion of future retirees assumed to cover dependent children.
- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS Trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

- The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY 2021, are provided for in the FY 2021 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

At August 31, 2021 and 2020, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	FY 2021		FY 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 5,284,684	$ -	$ 2,912,974
Changes in actuarial assumption	7,822,618	29,113,198	7,966,706	25,016,019
Difference between projected and actual investment earnings, net	40,327	-	46,024	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	81,209,547	-	76,127,017	-
Contributions paid to ERS subsequent to the measurement date	419,357	-	366,477	-
Total	**$ 89,491,849**	**$ 34,397,882**	**$ 84,506,224**	**$ 27,928,993**

Note 13 – Other Post-Employment Benefits (OPEB) (Continued)

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

Year Ended August 31:	Increase (Reduction) of OPEB Expense
2022	$ 14,421,986
2023	$ 18,297,097
2024	$ 15,458,154
2025	$ 4,971,741
2026	$ 1,525,632
Thereafter	-

The District is dependent upon information provided by the ERS Plan for recognizing OPEB liability, deferred inflows and deferred outflows of resources, and expenses. Future changes, if any, to the current methodology or actuarial assumptions being utilized, could result in significant changes in accounting and financial reporting in future periods.

Note 14 – Pending Lawsuits and Claims

A. Litigation

On August 31, 2021, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

B. Federal and State Assisted Grant Programs

The District participates in several federal and state assisted grant programs. Although the District's grant programs have been audited in accordance with the provisions of the Uniform Guidance and the State of Texas Single Audit Circular through August 31, 2021, these programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures that may be disallowed by the grantor agencies cannot be determined at this time. The District expects such amounts, if any, to be immaterial.

Note 15 – Disaggregation of Receivable and Payable Balances

Receivables

Receivables at August 31, 2021, and 2020 were as follows:

	August 31, 2021	August 31, 2020
Student receivables	$ 3,630,611	$ 5,358,650
Federal receivables	1,715,176	1,413,843
Interest receivables	64,328	88,298
Accounts receivables		
Bookstore and auxiliary	118,623	148,069
State, local, and private	825,186	776,800
Pledges receivable	30,000	11,060
Contractors	62	126,800
Other receivables	823,452	858,226
Subtotal	7,207,438	8,781,746
Allowance for doubtful accounts-student	(2,617,027)	(4,286,252)
Total Accounts Receivable, Net	$ 4,590,411	$ 4,495,494

	August 31, 2021	August 31, 2020
Taxes receivables	$ 13,474,302	$ 13,804,984
Allowance for doubtful accounts-taxes	(7,570,468)	(7,124,609)
Total Taxes Receivable, Net	**$ 5,903,834**	**$ 6,680,375**

Student and taxes receivables may not all be collected within one year.

Payables

Payables at August 31, 2021, and 2020 were as follows:

	August 31, 2021		August 31, 2020	
	Accounts Payable	Accrued Liabilities	Accounts Payable	Accrued Liabilities
Vendor payable				
Vendors	$ 1,439,027	$ -	$ 1,855,988	$ -
Construction	113,485	-	217,025	-
Construction retainage	16,105	-	29,442	-
Federal Payable	-	-	6,857,107	-
Salaries & benefits	-	1,588,124	-	1,665,316
Students payable	624,862	-	68,211	-
Accrued interest	-	235,991	-	257,774
Other Payables	49,304	-	192,471	-
Total Payables	**$ 2,242,783**	**$ 1,824,115**	**$ 9,220,244**	**$ 1,923,090**

Note 16 – Funds Held for Others

At August 31, 2021, and at August 31, 2020, the District held, in trust funds, amounts of $264,325, and $322,770, respectively that pertain primarily to student organizations. These funds are not available to support the District's programs.

Note 17 – Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) audit and accounting guide, *State and Local Governments, 8.99*. All contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivables 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. Contract and grant award funds already committed (e.g. multi-year awards) or funds awarded during fiscal years ended 2021 and 2020, for which monies have not been received nor funds expended totaled $119,524,988 and $7,256,045, respectively.

These amounts are comprised of the following:

	August 31, 2021	August 31, 2020
Federal contracts and grant awards	$ 117,799,699	$ 4,455,884
State contracts and grant awards	752,672	1,832,513
Local contracts and grant awards	213,105	353,422
Private contracts and grant awards	759,512	614,226
Total	**$ 119,524,988**	**$ 7,256,045**

Note 18 – Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee was $624.82 per month for the year ended August 31, 2021 and for the year ended August 31, 2020, for the United Health Select of Texas. The state's contribution totaled $3,329,554 for fiscal year 2021 and $3,329,554 for fiscal year 2020.

The cost of providing those benefits for one hundred and fifty-four retirees in the year ended August 31, 2021, was $324,582 and for one hundred and twenty-six retirees in the year ended August 31, 2020, was $284,718. For 1,515 United Health Select of Texas active employees, the cost of providing benefits was $3,004,972 for the year ended August 31, 2021. For 1,642 United Health Select of Texas active employees, the cost was $3,044,836 for the year ended August 31, 2020. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

Note 18 – Health Care and Life Insurance Benefits (Continued)

The number of employees and retirees and associated District contributions and state contributions made on behalf of the District were as follows:

	August 31, 2021	August 31, 2020
Full time employees	1,515	1,642
Number of retirees	154	126
Active employee-state	$ 3,004,972	$ 3,044,836
Retiree - state	324,582	284,718
Total State Contributions	$ 3,329,554	$ 3,329,554
District contributions	11,396,546	12,236,782
Total Health Insurance Cost	**$ 14,726,100**	**$ 15,566,336**

Note 19 – Ad Valorem Tax

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

	August 31, 2021	August 31, 2020
Assessed valuation of the District	$ 55,493,969,962	$ 53,052,419,455
Less: Exemptions	(12,599,367,371)	(12,276,143,241)
Less: Abatements	(778,682,038)	(519,520,808)
Net Assessed Valuation of the District	**$ 42,115,920,553**	**$ 40,256,755,406**

	Fiscal Year 2021			Fiscal Year 2020		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized tax rate per $100 valuation (maximum per enabling legislation)	$ 0.1400	$ 0.5000	$ 0.6400	$ 0.1400	$ 0.5000	$ 0.6400
Assessed tax rate per $100 valuation	$ 0.1400	$ 0.0318	$ 0.1718	$ 0.1400	$ 0.0333	$ 0.1733

Taxes levied for the year ended August 31, 2021, and 2020 amounted to $73,170,899 and $70,551,770, respectively, including any penalty and interest assessed. 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.

Note 19 – Ad Valorem Tax (Continued)

The Hidalgo County Tax Assessor-Collector and the Starr County Tax Assessor-Collector are the collecting agencies for the tax levy and remit the collections to the District, net of a collection fee.

	August 31, 2021			August 31, 2020		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	$55,667,851	$12,892,171	$68,560,022	$52,540,370	$12,670,104	$65,210,474
Delinquent taxes collected	2,664,068	728,074	3,392,142	2,088,855	629,735	2,718,590
Penalties & interest collected	1,629,283	450,877	2,080,160	1,420,855	408,804	1,829,659
Total gross collections	59,961,202	14,071,122	74,032,324	56,050,080	13,708,643	69,758,723
Tax appraisal & collection fees	(993,258)	(57,302)	(1,050,560)	(929,285)	(55,301)	(984,586)
Bad debt expense	(386,132)	(59,727)	(445,859)	(355,121)	(65,408)	(420,529)
Total Net Collections	**$58,581,812**	**$13,954,093**	**$72,535,905**	**$54,765,674**	**$13,587,934**	**$68,353,608**

Tax collections for the year ended August 31, 2021, and 2020, were 95.59% and 94.87%, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

Note 20 – Property Tax Abatement

The District entered into a property tax abatement agreement with Duke Energy Renewables Wind, LLC, (formerly known as DEGS Wind, LLC) and Longroad Energy under the Property Tax Abatement Act (Chapter 312 of Texas Tax Code). Four wind farm projects were constructed under Duke Energy Renewables Wind, LLC known as: Los Vientos Windpower III, Los Vientos Windpower IV, Los Vientos Windpower V, and Rio Bravo Windpower and Mesteño Windpower project wind farm project constructed under Longroad Energy tax abatement agreements. The abatements were granted for the construction of a wind farm that will provide clean power to customers, with little or no emissions impacting the environment. Los Vientos Wind Facilities, Mesteño Windpower, and Rio Bravo Windpower, will contribute to the expansion of employment, attract major investment to Starr County, benefit the property on which it is constructed, and contribute to the economic development of Starr County. The project consists of a renewable energy wind powered electric generating facility with an estimated value of at least $900,000,000 upon completion of the project. The operation and maintenance of this project will create four to five new fulltime jobs with full benefits. Salaries of Wind turbine technicians will exceed the minimum living wage requirements for Starr County.

For the fiscal year ended August 31, 2021, the District abated property tax revenue totaling $1,090,155 due to the reduction of the county's taxable assessed value. The property tax abatement was granted for a period of ten years at a rate of eighty-five percent for Duke Energy Renewables Wind, LLC (Los Vientos Wind Facilities), and at a rate of seventy-five percent for Mesteño Windpower and Rio Bravo Windpower of the assessed maintenance and operations

Note 20 – Property Tax Abatement (Continued)

property tax values. Under this program, the abatements are comprised of a partial exemption from ad valorem taxes of certain added value to real and personal property in a zone designated for economic development purposes pursuant to the Act by the County of Starr.

Per Texas Tax Code 312.205, if Duke Energy Renewables Wind, LLC or Longroad Energy fails to make the improvement as provided for by their agreements, the College is entitled to cancel the agreement and recover the property tax revenue abated under this agreement through the cancellation date. Duke Energy Renewables Wind, LLC has agreed to make annual payments, in lieu of taxes in the amount of $65,000 for each year of the tax abatement for Los Vientos Wind Facilities and $25,805 for Mesteño Windpower. Longroad Energy has agreed to make annual payments, in lieu of taxes in the amount of $30,500 for each year of the tax abatement for Rio Bravo Windpower.

Note 21 – Income Taxes

The District 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 District had no unrelated business income tax liability for the year ended August 31, 2021 and 2020.

Note 22 – Related Parties

One member of the Board of Trustees provided professional services to other entities that conducted business with the District during fiscal year 2021.

Note 23 – Auxiliary Operations

The District currently outsources its auxiliary bookstore operations to Barnes and Noble College Booksellers, LLC. The District closed all the food service departments for the months of April 2020 through July 2020 as a result of the COVID-19 pandemic and re-opened for business for Fall 2020. The Food Service Departments remain closed on all campuses.

Note 24 – Risk Management

The College is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal years 2021 and 2020, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Note 25 – Construction and Improvement Commitments

Construction and improvement commitments for August 31, 2021 were as follows:

Project	Contracted Amount	Spent to Date	Commitments
Pecan Campus	$ 745,682	$ 675,113	$ 70,569
Nursing Allied Campus	548,414	381,871	166,543
Mid Valley Campus	749,513	749,513	-
Starr Campus	175,979	175,979	-
Pharr Site	87,990	87,990	-
Total	**$ 2,307,578**	**$ 2,070,466**	**$ 237,112**

At August 31, 2021, the District had $16,105 of remaining contractual commitments in construction and improvement projects.

Construction and improvement commitments for August 31, 2020, were as follows:

Project	Contracted Amount	Spent to Date	Commitments
Pecan Campus	$ 1,279,217	$ 1,060,905	$ 218,312
Nursing Allied Campus	323,382	323,382	-
Technology Campus	78,675	78,675	-
Mid Valley Campus	651,120	326,576	324,544
District Wide	125,260	125,260	-
Pharr Site	206,041	206,041	-
Total	**$ 2,663,695**	**$ 2,120,839**	**$ 542,856**

At August 31, 2020, the District had $29,442 of remaining contractual commitments in construction and improvement projects.

Note 26 – Endowments

The District is the recipient of six endowments. By District policy, the net appreciation is earmarked for student scholarships. The amount of net appreciation on investments that was available for spending was $799 and $6,446 in fiscal years 2021 and 2020 respectively.

The endowments are presented in Restricted Non-Expendable Net Assets.

Note 26 – Endowments (Continued)

The fund balances of the endowments were as follows:

Endowment	August 31, 2021	August 31, 2020
Alfredo De Los Santos Endowment	$ 15,100	$ 15,100
Futuro Brillante Endowment	200,100	200,100
Glen & Rita K. Roney Endowment	116,700	116,700
Martin Harvey Endowment	1,093	1,092
Roberto Gutierrez Sr. Endowment	941	939
Edwynne G. Cooper Endowment*	5,590	5,590
Total Endowments	**$ 339,524**	**$ 339,521**

*Endowment investment consists of a donated coin collection.

In fiscal year 2012, the District's Board of Trustees accepted the Mission Economic Development Authority (MEDA) Scholarship Fund Endowment. The MEDA deposited $3,151,875 into the MEDA Scholarship Fund Trust for the purpose of awarding and distributing scholarships to students of South Texas College District who reside in the City of Mission, Texas, and/or to establish educational facility(ies) within the City of Mission, Texas. Edward Jones Trust Company will serve as the initial sole trustee. South Texas College District, as the Trust's initial sole beneficiary, will receive, each fiscal year of the Trust, distributions not to exceed an amount equal to the greater of the following: 1) the net income of the Trust; and 2) 5% of the fair market value of the undistributed income and corpus of the Trust as of the last day of the Trust's previous fiscal year. At August 31, 2021, the market value of the Trust was $4,468,627. The Trust made a distribution to the District in the amount of $211,984 in fiscal year 2021. At August 31, 2020, the market value of the Trust was $3,903,149. The Trust made a distribution to the District in the amount of $198,720 in fiscal year 2020. The funds are presented in Restricted Expendable Net Assets.

Note 27 – Pledges of Gifts

The District records pledges of gifts when an unconditional promise to pay is received. At August 31, 2021, pledges receivable totaled $30,000 of non-cash gifts. At August 31, 2020 pledges receivable totaled $11,060, which consisted of non-cash gifts of $60 and $11,000 in cash gifts. Pledges receivable are recorded on the statement of financial position as assets net of allowance for uncollectible accounts.

Note 28 – Subsequent Events

The District has evaluated subsequent events through the date that the financial statements were available to be issued, December 14, 2021.

Limited Tax Refunding Bonds, Taxable Series 2021

On August 24, 2021, the Board of Trustees approved the issuance, sale, and delivery of South Texas College District Limited Tax Refunding Bonds, Taxable Series 2021 (LTRBT), of which the date of closing will be November 16, 2021 and the its par value amount will be $58,160,000. The proceeds from the sale of the bonds will be used to refund certain outstanding debt obligations of the District for a debt service savings and to pay costs of issuing the Bonds. The refunded bonds are $58,165,000 of the Limited Tax Bonds, Series 2015. The net present value savings resulting from this refunding total $5,807,231.

Acquisition of BBVA USA by PNC Financial Services

On October 8, 2021, BBVA Bank officially merged with and into PNC Bank, National Association (N.A.). PNC Bank, N.A. is part of PNC Financial Services, a top 10 financial services company headquartered in Pittsburgh, Pennsylvania.

The Board of Trustees for South Texas College District approved the assignment of the bank depository services contract from BBVA to PNC Bank on September 28, 2021. The conversion of accounts, products, and services to PNC has been completed.

Supplemental Assistance to Institutions of Higher Education (SAIHE)

On August 24, 2021, the Board of Trustees of South Texas College District approved US Department of Education, Higher Education Emergency Relief Fund Supplemental Assistance to Institutions of Higher Education (SAIHE) Program in the amount of $10,136,521. This grant will be used in fiscal year 2022, to support students in their continued engagement and reengagement in postsecondary education.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH TEXAS COLLEGE

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South Texas College District
Schedule of District's Proportionate Share of Net Pension Liability
Last Seven Fiscal Years**

Fiscal Year ending August 31*	2021**	2020**	2019**
District's proportinate share of collective net pension liability (%)	0.0900818%	0.1005049%	0.0922099%
District's proportinate share of collective net pension liability ($)	$ 48,245,978	$ 52,245,580	$ 50,754,514
State's proportionate share of net pension liability associated with District	35,262,597	31,421,847	35,598,251
Total	**$ 83,508,575**	**$ 83,667,427**	**$ 86,352,765**
Covered payroll	$ 85,068,749	$ 83,315,698	$ 77,726,679
District's proportionate share of the collective net pension liability as a percentage of covered payroll	56.71%	62.71%	65.30%
Plan fiduciary net position as percentage of total pension liability	75.54%	75.24%	73.74%

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

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

2018**	2017**	2016**	2015**
0.0832350%	0.0784417%	0.0768868%	0.0852209%
$ 26,614,054	$ 29,641,935	$ 27,178,460	$ 22,763,681
19,727,818	22,641,257	20,886,258	17,659,066
$ 46,341,872	**$ 52,283,192**	**$ 48,064,718**	**$ 40,422,747**
$ 69,206,093	$ 63,586,601	$ 58,805,553	$ 55,705,206
38.46%	46.62%	46.22%	40.86%
82.17%	78.00%	78.43%	83.25%

South Texas College District
Schedule of District's Contributions for Pensions
Last Seven Fiscal Years**

Fiscal Year ending August 31*	2021**	2020**	2019**
Legally required contributions	$ 3,433,634	$ 3,716,800	$ 3,561,522
Actual contributions	3,433,634	3,716,800	3,561,522
Contributions deficiency (excess)	**$ -**	**$ -**	**$ -**
District's Covered payroll	$ 78,581,330	$ 85,068,749	$ 83,315,698
Contributions as a percentage of covered payroll	4.37%	4.37%	4.27%

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

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

2018**	2017**	2016**	2015**
$ 3,146,914	$ 2,744,690	$ 2,497,718	$ 2,281,121
3,146,914	2,744,690	2,497,718	2,281,121
$ -	**$ -**	**$ -**	**$ -**
$ 77,726,679	$ 69,206,093	$ 63,586,601	$ 58,805,553
4.05%	3.97%	3.93%	3.88%

There were no changes in assumptions since the prior measurement date.

South Texas College District
Schedule of District's Proportionate Share of Net OPEB Liability
Employee Retirement System of Texas
State Retiree Health Plan
Last Four Fiscal Years**

Fiscal Year ending August 31*	2021**	2020**	2019**	2018**
District's proportionate share of collective net OPEB liability (%)	0.4089072%	0.3238971%	0.3057199%	0.0388427%
District's proportionate share of collective net OPEB liability ($)	$ 135,121,885	$ 111,947,484	$ 90,608,465	$ 13,234,872
State's proportionate share of net OPEB liability associated with District	36,599,391	66,852,765	56,321,731	11,397,449
Total	**$ 171,721,276**	**$ 178,800,249**	**$ 146,930,196**	**$ 24,632,321**
District's covered employee Payroll	$ 83,419,153	$ 79,796,858	$ 73,825,523	$ 66,981,577
District's proportionate share of the collective net OPEB liability as a percentage of covered employee payroll	161.98%	140.29%	122.73%	19.76%
Plan fiduciary net position as percentage of total OPEB liability	0.32%	0.17%	1.27%	2.04%

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

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

South Texas College District
Schedule of District's Contributions for OPEB
Employee Retirement System of Texas
State Retiree Health Plan
Last Four Fiscal Years**

Fiscal Year ending August 31*	2021**	2020**	2019**	2018**
Legally required contributions ***	$ 419,357	$ 366,477	$ 163,189	$ 419,711
Actual contributions	419,357	366,477	163,189	419,711
Contributions deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**
Covered employee payroll	$ 80,300,063	$ 83,419,153	$ 79,796,858	$ 73,825,253
Contributions as a percentage of covered employee payroll	0.52%	0.44%	0.20%	0.57%

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

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

***Since the OPEB plan is intended to be a PAYGO plan that does not accumulate funds, ERS altered how they administer and record the employer contributions. In fiscal year 2019 ERS placed the employer contributions into

Changes Since Prior Actuarial Valuation:

The following changes to actuarial assumptions have been changed since the previous valuation of the amounts reported in the required supplementary information schedules related to OPEB:

Demographic Assumptions:

Assumed rates of pre-retirement and post-disability mortality for all State Agency members, assumed rates of termination and retirement for certain CPO/CO members and assumed salary and aggregate payroll increases have been updated to reflect assumptions adopted by the ERS Trustees since the last valuation date. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future female retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees to cover dependent children.

Economic Assumptions

- Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.
- The Patient-Centered Outcome Research Institute (PCORI) fees payable under the ACA have been updated since the previous valuation to reflect IRS Notice 2020-44 published June 8, 2020.
- Assumed inflation has been updated to reflect an assumption adopted by the ERS trustees since the last valuation date. This new assumption was adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

Other Inputs

The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Please see ERS valuation report dated December 5, 2019 for a complete list of previous assumptions and other inputs.

SOUTH TEXAS COLLEGE

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South Texas College District
Schedule of Operating Revenues
Year Ended August 31, 2021 (With Totals for the Year Ended August 31, 2020)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2021 Total	FY 2020 Total
Tuition:						
State funded credit courses						
In-district resident tuition	$ 42,523,456	$ -	$ 42,523,456	$ -	$ 42,523,456	$ 50,399,760
Out-of-district resident tuition	1,916,127	-	1,916,127	-	1,916,127	1,774,377
Non-resident tuition	3,274,325	-	3,274,325	-	3,274,325	4,456,889
TPEG state (set aside) *	1,753,216	-	1,753,216	-	1,753,216	2,093,373
State funded continuing education	493,095	-	493,095	-	493,095	658,627
TPEG non-credit (set aside) *	31,722	-	31,722	-	31,722	41,873
State funded workforce development	382,641	-	382,641	-	382,641	305,281
TPEG non-credit (set aside) *	24,423	-	24,423	-	24,423	19,486
Non-state funded continuing education	646,978	-	646,978	-	646,978	344,119
TPEG non-credit (set aside) *	38,836	-	38,836	-	38,836	21,965
Non-state funded workforce development	217,028	-	217,028	-	217,028	327,841
TPEG non-credit (set aside) *	16,091	-	16,091	-	16,091	20,926
Total Tuition	**51,317,938**	**-**	**51,317,938**	**-**	**51,317,938**	**60,464,517**
Fees:						
Student registration fee	10,510,091	-	10,510,091	-	10,510,091	12,367,568
Laboratory fees	1,129,494	-	1,129,494	-	1,129,494	1,258,185
Incidental fees	27,451,527	-	27,451,527	2,127,171	29,578,698	33,335,724
Total Fees	**39,091,112**	**-**	**39,091,112**	**2,127,171**	**41,218,283**	**46,961,477**
Scholarship Allowances and Discounts:						
Bad debt allowance	-	-	-	-	-	(833,353)
Remissions and exemptions	(33,182,794)	-	(33,182,794)	(811,103)	(33,993,897)	(39,062,083)
TPEG allowances	(1,324,651)	-	(1,324,651)	-	(1,324,651)	(1,609,523)
Local grants to students	(870,502)	-	(870,502)	-	(870,502)	(1,041,432)
Private grants to students	(587,434)	-	(587,434)	-	(587,434)	(654,070)
State grants to students	(1,561,048)	-	(1,561,048)	-	(1,561,048)	(1,847,396)
Federal grants to students	(33,099,911)	-	(33,099,911)	-	(33,099,911)	(38,725,675)
Total Scholarship Allowances and Discounts	**(70,626,340)**	**-**	**(70,626,340)**	**(811,103)**	**(71,437,443)**	**(83,773,532)**
Total Net Tuition and Fees	**19,782,710**	**-**	**19,782,710**	**1,316,068**	**21,098,778**	**23,652,462**
Additional Operating Revenues:						
Federal grants and contracts	241,469	4,510,720	4,752,189	-	4,752,189	4,890,928
State grants and contracts	87,840	4,021,190	4,109,030	-	4,109,030	4,081,215
Local grants and contracts	7,002,493	1,937,035	8,939,528	-	8,939,528	8,710,679
Non-governmental grants and contracts	19,618	1,430,854	1,450,472	-	1,450,472	1,344,736
General operating revenues	337,187	235,484	572,671	-	572,671	612,825
Total Additional Operating Revenues	**7,688,607**	**12,135,283**	**19,823,890**	**-**	**19,823,890**	**19,640,383**
Auxiliary Enterprises:						
Bookstore	-	-	-	321,951	321,951	483,336
Food service	-	-	-	12,835	12,835	474,389
Vending commissions	-	-	-	30,721	30,721	127,890
Other commissions	-	-	-	521	521	22,042
Child care center	-	-	-	193,998	193,998	191,172
General conferences	-	-	-	80,480	80,480	14,298
Other	-	-	-	38,000	38,000	42,000
Total Auxiliary Enterprises	**-**	**-**	**-**	**678,506**	**678,506**	**1,355,127**
Total Operating Revenues	**$ 27,471,317**	**$ 12,135,283**	**$ 39,606,600**	**$ 1,994,574**	**$ 41,601,174**	**$ 44,647,972**
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, $1,864,288 and $2,197,623 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended 2021 and 2020, respectively.

South Texas College District
Schedule of Operating Expenses by Object
Year Ended August 31, 2021 (With Totals for the Year Ended August 31, 2020)

Schedule B

	Operating Expenses					
	Salaries and Wages	Benefits State	Benefits Local	Other Expenses	FY 2021 Total	FY 2020 Total
Unrestricted-Educational Activities						
Instruction	$ 50,785,212	$ -	$ 27,367,803	$ 3,743,307	$ 81,896,322	$ 88,145,381
Public service	792,756	-	192,919	268,298	1,253,973	1,024,733
Academic support	10,513,166	-	6,174,093	2,853,484	19,540,743	18,126,961
Student services	7,224,295	-	4,264,790	978,937	12,468,022	12,914,809
Institutional support	13,090,562	-	8,326,224	7,946,717	29,363,503	30,190,683
Operation and maintenance of plant	9,338,627	-	3,323,224	8,159,822	20,821,673	20,419,241
Total Unrestricted Educational Activities	**91,744,618**	**-**	**49,649,053**	**23,950,565**	**165,344,236**	**170,821,808**
Restricted-Educational Activities						
Instruction	487,149	4,450,712	120,691	665,377	5,723,929	6,622,262
Research	5,438	-	831	7,661	13,930	-
Public service	117,056	-	17,150	223,042	357,248	270,938
Academic support	900,467	970,052	241,700	705,240	2,817,459	3,383,450
Student services	312,262	734,704	17,056	161,939	1,225,961	1,479,415
Institutional support	540,342	1,303,778	16,159	1,953,089	3,813,368	4,779,626
Scholarships and fellowships	-	-	-	37,788,198	37,788,198	29,136,804
Total Restricted Educational Activities	**2,362,714**	**7,459,246**	**413,587**	**41,504,546**	**51,740,093**	**45,672,495**
Total Educational Activities	**94,107,332**	**7,459,246**	**50,062,640**	**65,455,111**	**217,084,329**	**216,494,303**
Auxiliary Enterprises	**826,245**	**-**	**403,262**	**464,029**	**1,693,536**	**2,627,299**
Depreciation expense-buildings and other real estate improvements	-	-	-	7,847,361	7,847,361	7,784,395
Depreciation expense-books	-	-	-	106,996	106,996	248,058
Depreciation expense-equipment and furniture	-	-	-	3,924,614	3,924,614	4,129,577
Total Operating Expenses	**$ 94,933,577**	**$ 7,459,246**	**$ 50,465,902**	**$ 77,798,111**	**$ 230,656,836**	**$ 231,283,632**
					(Exhibit 2)	(Exhibit 2)

South Texas College District
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2021 (With Totals for the Year Ended August 31, 2020)

Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	FY 2021 Total	FY 2020 Total
NON-OPERATING REVENUES:					
State appropriations:					
Education and general state support	$ 40,874,690	$ -	$ -	$ 40,874,690	$ 40,877,256
Education and general state support BAT	1,307,616	-	-	1,307,616	1,307,616
State group insurance	5,660,318	2,904,958	-	8,565,276	3,410,085
State retirement matching	-	4,561,518	-	4,561,518	5,301,231
Hazlewood reimbursement	50,635	-	-	50,635	53,623
Total State Appropriations	**47,893,259**	**7,466,476**	**-**	**55,359,735**	**50,949,811**
Ad-valorem taxes-maintenance and operations	59,403,574	-	-	59,403,574	56,146,535
Ad-valorem taxes-debt service	-	13,783,392	-	13,783,392	13,571,701
Federal revenue, non operating	-	78,372,230	-	78,372,230	67,836,841
Gifts	197,836	-	-	197,836	275,475
Investment income (net of investment expenses)	2,046,182	74,356	9,296	2,129,834	4,872,160
Gain on disposal of capital assets	9,251	-	-	9,251	-
Insurance proceeds	288,021	-	-	288,021	2,600
Other non-operating revenue	68,527	-	-	68,527	68,527
Total Non-Operating Revenues	**109,906,650**	**99,696,454**	**9,296**	**209,612,400**	**193,723,650**
NON-OPERATING EXPENSES:					
Interest on capital related debt	4,623,748	-	-	4,623,748	5,841,189
Loss on disposal of capital assets	242,960	-	-	242,960	42
Non-capital construction costs	685,243	-	-	685,243	1,163,367
Bond costs amortization	559,358	-	-	559,358	532,856
Other non-operating expenses	44,849	204,974	-	249,823	262,755
Total Non-Operating Expenses	**6,156,158**	**204,974**	**-**	**6,361,132**	**7,800,209**
Net Non-Operating Revenues	**$ 103,750,492**	**$ 99,491,480**	**$ 9,296**	**$ 203,251,268**	**$ 185,923,441**
				(Exhibit 2)	(Exhibit 2)

South Texas College District
Schedule of Net Position by Source and Availability
Year Ended August 31, 2021 (With Totals for the Year Ended August 31, 2020)

	Detail by Source				
		Restricted			
	Unrestricted	Expendable	Non-Expendable	Net Investment in Capital Assets	FY 2021 Total
Current:					
Unrestricted	$ 66,932,951	$ -	$ -	$ -	$ 66,932,951
Board designated	37,500,000	-	-	-	37,500,000
Restricted					
Student Aid	-	3,384,142	-	-	3,384,142
Instructional Programs	-	112,385	-	-	112,385
Institutional Activities	-	78,318	-	-	78,318
Auxiliary enterprises	5,149,296		-	-	5,149,296
Loan	-	2,110,152	-	-	2,110,152
Endowment:					
True	-	-	339,524	-	339,524
Plant:					
Unexpended	32,424,222	-	-	-	32,424,222
Renewals & replacements	22,296,366	-	-	-	22,296,366
Debt service	-	16,071,340	-	-	16,071,340
Investment in plant	-	-	-	205,202,705	205,202,705
Total Net Position, August 31, 2021	**164,302,835**	**21,756,337**	**339,524**	**205,202,705**	**391,601,401**
					(Exhibit 1)
Total Net Position, August 31, 2020	150,897,921	20,889,610	339,521	205,172,770	$ 377,299,822
					(Exhibit 1)
Net Increase in Net Position	**$ 13,404,914**	**$ 866,727**	**$ 3**	**$ 29,935**	**$ 14,301,579**
					(Exhibit 2)

Note: The Unexpended Plant Fund is earmarked in the fiscal year 2021 board approved budget for construction projects.
The Renewals & Replacements Plant Fund is earmarked in the fiscal year 2021 board approved budget for deferred maintenance projects.

Schedule D

Available for Current Operations	
Yes	No
$ 66,932,951	$ -
-	37,500,000
-	3,384,142
-	112,385
-	78,318
5,149,296	-
-	2,110,152
-	339,524
-	32,424,222
-	22,296,366
-	16,071,340
-	205,202,705
72,082,247	**319,519,154**
63,602,650	313,697,172
$ 8,479,597	**$ 5,821,982**

South Texas College District
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2021

Schedule E

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Expenditures: Direct Awards	Expenditures: Pass-Through Awards	Expenditures: Total	Subrecipient Expenditures
U.S. Department of Education					
Direct Programs:					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	$ 1,018,291	$ -	$ 1,018,291	$ -
Federal Work-Study Program	84.033	331,810	-	331,810	-
Federal Pell Grant Program	84.063	46,601,441	-	46,601,441	-
Total Student Financial Assistance Cluster		47,951,542	-	47,951,542	-
Higher Education Institutional Aid	84.031S	181,563	-	181,563	-
Migrant Education High School Equivalency Program	84.141A	190,327	-	190,327	-
Childcare Access Means Parents In School	84.335A	213,109	-	213,109	-
COVID-19 Emergency Funding- Education Stabilization Fund	84.425E	9,659,899	-	9,659,899	-
COVID-19 Emergency Funding- Education Stabilization Fund	84.425F	18,389,550	-	18,389,550	-
COVID-19 Emergency Funding- Education Stabilization Fund	84.425L	2,371,239	-	2,371,239	-
Pass-Through From:					
Texas Higher Education Coordinating Board					
COVID-19 Emergency Funding- Education Stabilization Fund 23552	84.425C	-	537,084	537,084	-
COVID-19 Emergency Funding- Education Stabilization Fund 24762	84.425C	-	62,883	62,883	-
Total COVID-19 Emergency Funding- Education Stabilization Fund		30,420,688	599,967	31,020,655	-
Region One					
Adult Education - Basic Grants to States 2318ALA000	84.002A	-	109,672	109,672	-
Texas Workforce Commission					
Adult Education - Basic Grants to States 2319AEL001	84.002A	-	89,951	89,951	-
Adult Education - Basic Grants to States 2319AEL000	84.002A	-	25,801	25,801	-
Total Adult Education - Basic Grants to States		-	225,424	225,424	-
Dallas County Community College District					
Career and Technical Education - Basic Grants to States 21937	84.048	-	5,611	5,611	-
Texas Higher Education Coordinating Board					
Career and Technical Education-Basic Grants to States 23703	84.048	-	1,894,997	1,894,997	-
Total Career and Technical Education-Basic Grants to States		-	1,900,608	1,900,608	-
Education Research, Development and Dissemination 15516	84.305H	-	1,727	1,727	-
Rehabilitation Services Vocational Rehabilitation Grants to States 3020VRS055	84.126A	-	1,906	1,906	-
Rehabilitation Services Vocational Rehabilitation Grants to States 3021VRS091	84.126A	-	28,937	28,937	-
Total Rehabilitation Services Vocational Rehabilitation		-	30,843	30,843	-
Total U.S. Department of Education		**$ 78,957,229**	**$ 2,758,569**	**$ 81,715,798**	**$ -**

South Texas College District
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2021
(Continued)

Schedule E

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Expenditures: Direct Awards	Expenditures: Pass-Through Awards	Expenditures: Total	Subrecipient Expenditures
U.S Department of Agriculture					
Pass-Through From:					
The University of Texas at San Antonio					
Hispanic Serving Institutions Education Grants	10.223	$ -	$ 5,419	$ 5,419	$ -
2020-38422-32258					
Pass-Through From:					
Texas Department of Agriculture					
Child and Adult Care Food Program	10.558	-	29,805	29,805	-
03264					
Total U.S. Department of Agriculture		-	**35,224**	**35,224**	-
U.S. Department of Defense					
Direct Programs:					
Military Spouse Career Advancement	12.U01	13,399	-	13,399	-
Total U.S. Department of Defense		**13,399**	-	**13,399**	-
U.S. Department of Labor					
Direct Programs:					
Occupational Safety and Health Susan Harwood Training Grants	17.502	79,035	-	79,035	-
SH99028SH0					
Pass-Through From:					
Lower Rio Grande Workforce Development Board					
Apprenticeship USA Grants	17.285	-	1,706	1,706	-
2319ATG000					
Apprenticeship USA Grants	17.285	-	78,699	78,699	-
2321ATG001					
Apprenticeship USA Grants	17.285	-	2,731	2,731	-
2321ATG002					
Total U.S. Department of Labor		**79,035**	**83,136**	**162,171**	-
National Foundation on the Arts and the Humanities					
Pass-Through From:					
Institute of Museum and Library Services					
Grants to States	45.310	-	48,928	48,928	-
CAR2-21022					
Total National Foundation on the Arts and the Humanities		-	**48,928**	**48,928**	-
National Science Foundation					
Direct Programs:					
Research and Development Cluster					
Education and Human Resources	47.076	110,288	-	110,288	-
1930525					
Total National Science Foundation		**$ 110,288**	**$ -**	**$ 110,288**	$ -

South Texas College District
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2021
(Continued)

Schedule E

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Expenditures: Direct Awards	Expenditures: Pass-Through Awards	Expenditures: Total	Subrecipient Expenditures
U.S Department of Health and Human Services					
Pass-Through From:					
University of Texas Rio Grande Valley					
Biomedical Research and Research Training	93.859	$ -	$ 19,630	$ 19,630	$ -
1T34GM137854-01 (02)					
Total Research and Development Cluster		110,288	19,630	129,918	
Texas Workforce Commission					
Temporary Assistance for Needy Families	93.558	-	11,647	11,647	-
2319SSF001					
Child Care and Development Fund Cluster					
Child Care and Development Block Grant	93.575	-	70,242	70,242	-
2921CCR004460					
Total Child Care and Development Fund Cluster		-	70,242	70,242	
Total U.S. Department of Health and Human Services		-	**101,519**	**101,519**	-
Total Federal Financial Assistance		**$ 79,159,951**	**$ 3,027,376**	**$ 82,187,327**	**$ -**

Note 1: Federal Assistance Reconciliation

Other Operating Revenues - Federal Grants and Contracts - per Schedule A	$ 4,510,720
Add: Indirect/Administrative Cost Recoveries - per Schedule A	241,469
Add: Non-Operating Revenues - Federal Revenue, non-operating - per Schedule C	78,372,230
Total Federal Revenues per Schedule A and C	83,124,419
Reconciling Item:	
Minus Veteran Funds	(937,092)
Total Federal Revenues per Schedule of Expenditures of Federal Awards	**$ 82,187,327**

Note 2: Significant accounting policies used in preparing the schedule.

The expenditures included in the schedule are reported for the District'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 District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule. Since the District has agency-approved indirect recovery rate, it has elected not to use the 10% de minimis cost rate as permitted in UG, section 200.414.

Note 3: Expenditures not subject to federal single audit.

The following federal funds were not subject to federal single audit -

Assistance Listing Number 64.027 Post 9/11 Veterans Education Assistance	$ 696,129
Assistance Listing Number 64.125 Vocational and Educational Counseling for Service members and Veterans	$ 240,963

These funds were not subject to a federal single audit as indicated in the Catalog of Federal Domestic Assistance distributed by the office of Management and Budget.

Note 4: Student Loans Processed and Administrative Costs Recovered (if not included in schedule).

There were no student loans processed and administrative costs recovered by the District in fiscal year 2021.

Note 5: Amounts Passed Through by the District.

The District did not pass-through any amounts in fiscal year 2021.

Note 6: Nonmonetary Federal Assistance.

There were no federal noncash awards in fiscal year 2021.

South Texas College District
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2021

Schedule F

Grantor Agency/Program Title	Contract Number	Expenditures: Direct Awards	Expenditures: Pass-Through Awards	Expenditures: Total	Subrecipient Expenditures
Texas Higher Education Coordinating Board					
Nursing Shortage Reduction Program		$ -	$ 211,177	$ 211,177	$ -
CB Comprehensive College Readiness and Success Models for 60x30TX	20522	-	65,195	65,195	-
Texas College Work-study Program		-	106,062	106,062	-
Texas Educational Opportunity Grant - Initial Year		-	1,728,241	1,728,241	-
Texas Educational Opportunity Grant - Renewal Year		-	927,234	927,234	-
State Cert Educational Aide SchP		-	2,824	2,824	-
Work-Study Mentorship Program		-	62,244	62,244	
Total Texas Higher Education Coordinating Board		-	**3,102,977**	**3,102,977**	-
Texas Association for Education of Young Children					
T.E.A.C.H. Early Childhood Texas		4,610	-	4,610	-
Texas Department of Transportation					
TxDot Employee Career Development, Recruitment and Retention.	601CT0000024486	59,904	-	59,904	-
Texas National Guard					
State Tuition Assistance Program		5,140	-	5,140	-
Texas Workforce Commission					
Skills Development Small Business	2320SSD001	-	52,022	52,022	-
Skills for Small Business Program	2321SSD001	-	155,003	155,003	-
South Texas College in Partnership with RGV Med, L.L.C.	2319SDF001	-	355,544	355,544	-
Skills Development Funds	2320SDF001	-	141,506	141,506	-
COVID-19 Emergency Funding-Skills Development Fund-Special Initiative	2320COS002	-	232,324	232,324	-
Total Texas Workforce Commission		-	**936,399**	**936,399**	-
Total State Financial Assistance		**$ 69,654**	**$ 4,039,376**	**$ 4,109,030**	**$ -**

Note 1: State Assistance Reconciliation

State Revenues - per Schedule A	$ 4,021,190
Add: Indirect/Administrative Cost Recoveries - per Schedule A	87,840
Total State Revenues per Schedule A	**$ 4,109,030**

Note 2: Significant accounting policies used in preparing the schedule.

The accompanying schedule is presented using the accrual basis. See notes to the financial statements for District's significant accounting policies. The expenditures are reported for the District'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 District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

Note 3: Amounts Pass-Through by the District

The District did not pass-through any amounts in fiscal year 2021.

SOUTH TEXAS COLLEGE

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Statistical Section

(Unaudited)

South Texas College District
Annual Comprehensive Financial Report
Fiscal Years Ended August 31, 2021 and 2020

Table of Contents

Statistical Information

This part of South Texas College District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information indicates about the District's overall financial health.

Financial Trends **Page No.**

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Net Position by Component ---------- 116-117

Statistical Supplement 2
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Program Expenses by Function ---------- 122-125

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Changes In Net Position ---------- 158-162

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

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Property Tax Rates – All Direct and Overlapping Governments ---------- 164-167

These schedules contain information to help the reader assess the District's most significant local revenue sources, including the property tax.

Debt Capacity

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Statistical Supplement 11
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These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

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Demographic and Economic Statistics – Taxing District ---------- 148-149

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Principal Employers ---------- 150

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating and Other Information

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These schedules contain service, infrastructure and other data to help the reader understand how the information in the District's financial report relates to the services the government provides and the activities it performs.

Sources:
Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Statistical Supplement 1
Net Position by Component
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Net Position				
Net investment in capital assets	$ 205,202,705	$ 205,172,770	$ 206,861,404	$ 205,569,611
Restricted expendable	21,756,337	20,889,610	19,956,978	18,748,658
Restricted non-expendable	339,524	339,521	339,500	339,472
Unrestricted	164,302,835	150,897,921	150,845,250	161,722,905
Total Net Position	**$ 391,601,401**	**$ 377,299,822**	**$ 378,003,132**	**$ 386,380,647**
Net position, beginning of year	377,299,822	378,003,132	386,380,647	396,395,889
Cumulative effect of change in accounting principle (Note 2)[1]	N/A	N/A	N/A	(15,448,970)
Net position, beginning of year, as restated (Note 2)	377,299,822	378,003,132	386,380,647	380,946,919
Increase (decrease) in net position	**$ 14,301,579**	**$ (703,310)**	**$ (8,377,515)**	**$ 5,433,728**

[1] In fiscal year 2018, net position as of the beginning of the year was restated (reduced) by $15,448,970 for the cumulative effect of applying GASB Statement No. 75.

* In fiscal year 2015, net position as of the beginning of the year was restated (reduced) by $25,791,345 for the cumulative effect of applying GASB Statement No. 68.

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
$ 213,988,457	$ 181,421,943	$ 170,833,415	$ 169,028,494	$ 162,064,429	$ 156,914,256
19,145,139	19,790,038	21,990,627	21,972,306	20,325,155	17,978,771
339,455	339,449	339,446	339,445	339,444	340,664
162,922,837	169,726,346	147,038,865	146,201,265	133,119,225	117,854,250
$ 396,395,889	**$ 371,277,776**	**$ 340,202,353**	**$ 337,541,511**	**$ 315,848,253**	**$ 293,087,941**
371,277,776	340,202,353	337,541,511 *	315,848,253	293,087,941	257,119,048
N/A	N/A	(25,791,345)	(452,726)	N/A	N/A
371,277,776	340,202,353	311,750,166	315,395,527	293,087,941	257,119,048
$ 25,118,113	**$ 31,075,423**	**$ 28,452,187**	**$ 22,145,985**	**$ 22,760,312**	**$ 35,968,893**

Statistical Supplement 2
Revenues by Source
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Operating Revenues				
Tuition and fees (net of discounts)	$ 21,098,778	$ 23,652,462	$ 22,589,007	$ 21,657,866
Federal grants and contracts	4,752,189	4,890,928	4,660,747	4,304,540
State grants and contracts	4,109,030	4,081,215	4,701,165	4,108,972
Local grants and contracts	8,939,528	8,710,679	8,160,205	6,660,734
Non-governmental grants and contracts	1,450,472	1,344,736	2,022,875	2,538,696
Auxiliary enterprises	678,506	1,355,127	1,766,603	1,890,180
General operating revenues	572,671	612,825	665,435	704,996
Total Operating Revenues	**41,601,174**	**44,647,972**	**44,566,037**	**41,865,984**
Non-Operating Revenues				
State appropriations	55,359,735	50,949,811	49,608,274	47,940,649
Ad valorem taxes - maintenance & operations	59,403,574	56,146,535	53,934,103	48,931,234
Ad valorem taxes - debt service	13,783,392	13,571,701	14,694,007	15,656,580
Federal revenue, non-operating	78,372,230	67,836,841	59,341,569	60,276,808
Gifts	197,836	275,475	320,507	353,250
Investment income (net of investment expenses)	2,129,834	4,872,160	5,572,742	3,698,483
Gain on disposal of capital assets	9,251	-	3,790	6,547
Insurance proceeds	288,021	2,600	425,000	14,959
Other non-operating revenues	68,527	68,527	68,526	19,732
Total Non-Operating Revenues	**209,612,400**	**193,723,650**	**183,968,518**	**176,898,242**
Total Revenues	**$ 251,213,574**	**$ 238,371,622**	**$ 228,534,555**	**$ 218,764,226**

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
$ 23,129,705	$ 21,452,743	$ 21,373,162	$ 20,488,244	$ 21,051,377	$ 19,583,509
4,490,675	3,889,497	4,368,574	3,445,294	4,630,302	4,748,007
4,076,652	3,266,315	4,068,944	4,246,315	5,160,704	6,794,060
6,102,604	5,063,983	1,099,573	1,118,054	1,270,376	1,293,135
2,061,438	2,487,482	5,235,358	4,949,832	3,113,960	2,740,134
1,833,407	1,893,838	1,773,325	1,835,353	1,810,240	1,872,734
603,343	729,855	1,308,903	645,811	621,264	439,642
42,297,824	**38,783,713**	**39,227,839**	**36,728,903**	**37,658,223**	**37,471,221**
45,315,830	46,077,235	42,858,200	42,766,020	38,977,829	37,017,673
48,822,561	46,781,602	43,951,580	33,983,319	32,403,363	33,244,142
15,652,143	15,016,847	14,105,277	12,291,870	12,030,232	12,276,741
55,666,373	54,858,852	54,881,496	55,351,962	57,151,307	61,950,136
252,614	251,022	305,146	323,100	351,843	418,606
2,612,017	1,034,010	144,206	214,915	389,519	417,074
5,575	12,350	-	-	-	2,793
149,634	-	24,282	-	-	-
352,500	-	-	35,840	-	-
168,829,247	**164,031,918**	**156,270,186**	**144,967,026**	**141,304,093**	**145,327,165**
$ 211,127,071	**$ 202,815,631**	**$ 195,498,025**	**$ 181,695,929**	**$ 178,962,316**	**$ 182,798,386**

(Continued)

Statistical Supplement 2
Revenues by Source
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Operating Revenues				
Tuition and fees (net of discounts)	8.40%	9.93%	9.88%	9.91%
Federal grants and contracts	1.89%	2.05%	2.04%	1.97%
State grants and contracts	1.64%	1.71%	2.06%	1.88%
Local grants and contracts	3.56%	3.65%	3.57%	3.04%
Non-governmental grants and contracts	0.58%	0.56%	0.89%	1.16%
Auxiliary enterprises	0.27%	0.57%	0.77%	0.86%
General operating revenues	0.22%	0.26%	0.29%	0.32%
Total Operating Revenues	**16.56%**	**18.73%**	**19.50%**	**19.14%**
Non-Operating Revenues				
State appropriations	22.03%	21.38%	21.71%	21.91%
Ad-valorem taxes - maintenance & operations	23.65%	23.55%	23.60%	22.37%
Ad-valorem taxes - debt service	5.49%	5.69%	6.43%	7.16%
Federal revenue, non-operating	31.20%	28.46%	25.97%	27.55%
Gifts	0.08%	0.12%	0.14%	0.16%
Investment income (net of investment expenses)	0.85%	2.04%	2.44%	1.69%
Gain on disposal of capital assets	-	-	-	-
Insurance proceeds	0.11%	-	0.19%	0.01%
Other non-operating revenues	0.03%	0.03%	0.03%	0.01%
Total Non-Operating Revenues	**83.44%**	**81.27%**	**80.50%**	**80.86%**
Total Revenues	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Note:
Change in Net position reflected on Statistical Supplement 1 and Statistical Supplement 19.

(Continued)

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
10.95%	10.58%	10.93%	11.28%	11.76%	10.71%
2.13%	1.92%	2.24%	1.90%	2.59%	2.60%
1.93%	1.61%	2.08%	2.34%	2.88%	3.72%
2.89%	2.50%	0.56%	0.61%	0.71%	0.71%
0.98%	1.22%	2.68%	2.72%	1.74%	1.50%
0.87%	0.93%	0.91%	1.01%	1.01%	1.02%
0.29%	0.36%	0.67%	0.35%	0.35%	0.24%
20.04%	**19.12%**	**20.07%**	**20.21%**	**21.04%**	**20.50%**
21.46%	22.72%	21.92%	23.54%	21.78%	20.25%
23.12%	23.07%	22.48%	18.70%	18.11%	18.19%
7.41%	7.40%	7.22%	6.77%	6.72%	6.71%
26.37%	27.05%	28.07%	30.46%	31.93%	33.89%
0.12%	0.12%	0.16%	0.18%	0.20%	0.23%
1.24%	0.51%	0.07%	0.12%	0.22%	0.23%
-	0.01%	-	-	-	-
0.07%	-	0.01%	-	-	-
0.17%	-	-	0.02%	-	-
79.96%	**80.88%**	**79.93%**	**79.79%**	**78.96%**	**79.50%**
100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Statistical Supplement 3
Program Expenses by Function
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Operating Expenses				
Instruction	$ 87,620,251	$ 94,767,643	$ 92,144,487	$ 77,741,287
Research	13,930	-	-	-
Public service	1,611,221	1,295,671	1,860,996	2,276,663
Academic support	22,358,202	21,510,411	23,030,399	18,306,332
Student services	13,693,983	14,394,224	14,602,287	11,722,551
Institutional support	33,176,871	34,970,309	32,251,981	26,803,724
Operations and maintenance of plant	20,821,673	20,419,241	21,534,803	20,048,333
Scholarships and fellowships	37,788,198	29,136,804	27,797,829	27,412,188
Auxiliary enterprises	1,693,536	2,627,299	3,451,000	3,355,013
Depreciation	11,878,971	12,162,030	12,009,110	9,917,643
Total Operating Expenses	**230,656,836**	**231,283,632**	**228,682,892**	**197,583,734**
Non-Operating Expenses				
Interest on capital related debt	4,623,748	5,841,189	5,690,864	3,513,058
Loss on sale/disposal/return on capital assets	242,960	42	114,727	838,031
Non-capital construction costs	685,243	1,163,367	2,025,830	11,107,175
Bond costs amortization	559,358	532,856	166,273	268,803
Other non-operating expenses	249,823	262,755	246,594	84,956
Total Non-Operating Expenses	**6,361,132**	**7,800,209**	**8,244,288**	**15,812,023**
Total Expenses	**$ 237,017,968**	**$ 239,083,841**	**$ 236,927,180**	**$ 213,395,757**

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
$ 70,879,518	$ 66,249,496	$ 60,820,171	$ 59,447,105	$ 57,766,578	$ 53,899,805
-	-	-	-	4,516	67,273
709,252	912,507	1,205,480	829,711	903,735	736,507
17,101,883	16,333,241	15,281,478	13,980,994	12,775,912	11,551,178
11,228,508	11,477,740	10,969,940	10,403,813	10,090,241	9,681,946
26,074,788	23,138,061	21,790,954	19,813,088	21,108,957	19,494,885
15,977,257	14,064,638	13,675,484	12,563,251	9,486,934	9,459,757
26,028,594	26,432,169	27,815,696	27,692,817	28,724,249	31,873,082
2,529,295	1,562,463	1,403,408	1,388,717	1,383,521	1,418,145
7,262,313	6,966,274	6,759,801	6,731,486	6,589,876	6,414,932
177,791,408	**167,136,589**	**159,722,412**	**152,850,981**	**148,834,519**	**144,597,510**
4,150,374	6,602,765	5,964,767	1,340,664	1,513,884	1,821,871
5,886	-	240,389	10,154	217	-
3,548,465	1,911,123	1,731,576	1,715,994	849,455	1,400,934
295,436	284,829	1,166,614	873,318	566,261	536,677
265,017	320,767	274,655	208,684	290,477	500,835
8,265,178	**9,119,484**	**9,378,001**	**4,148,813**	**3,220,294**	**4,260,317**
$ 186,056,587	**$ 176,256,073**	**$ 169,100,413**	**$ 156,999,794**	**$ 152,054,813**	**$ 148,857,827**

(Continued)

Statistical Supplement 3
Program Expenses by Function
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Operating Expenses				
Instruction	36.97%	39.63%	38.89%	36.43%
Research	0.01%	-	-	-
Public service	0.68%	0.54%	0.79%	1.07%
Academic support	9.43%	9.00%	9.72%	8.58%
Student services	5.78%	6.02%	6.16%	5.49%
Institutional support	14.00%	14.63%	13.61%	12.56%
Operations and maintenance of plant	8.78%	8.54%	9.09%	9.39%
Scholarships and fellowships	15.94%	12.19%	11.73%	12.85%
Auxiliary enterprises	0.71%	1.10%	1.46%	1.57%
Depreciation	5.02%	5.09%	5.07%	4.65%
Total Operating Expenses	**97.32%**	**96.74%**	**96.52%**	**92.59%**
Non-Operating Expenses				
Interest on capital related debt	1.95%	2.44%	2.40%	1.65%
Loss on sale/disposal/return on capital assets	0.10%	-	0.05%	0.39%
Non-capital construction costs	0.29%	0.49%	0.86%	5.20%
Bond costs amortization	0.24%	0.22%	0.07%	0.13%
Other non-operating expenses	0.10%	0.11%	0.10%	0.04%
Total Non-Operating Expenses	**2.68%**	**3.26%**	**3.48%**	**7.41%**
Total Expenses	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Notes:
Change in Net position reflected on Statistical Supplement 1 and Statistical Supplement 19.
Other non-operating expenses were segregated into separate categories for FY 2009 - FY 2018.
The segregation is not reflected in the previous years.

(Continued)

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
38.10%	37.59%	35.97%	37.86%	37.99%	36.22%
-	-	-	-	-	0.05%
0.38%	0.52%	0.71%	0.53%	0.59%	0.49%
9.19%	9.27%	9.03%	8.91%	8.40%	7.76%
6.04%	6.51%	6.49%	6.63%	6.64%	6.50%
14.01%	13.13%	12.88%	12.62%	13.88%	13.10%
8.59%	7.98%	8.09%	8.00%	6.24%	6.35%
13.99%	15.00%	16.45%	17.64%	18.89%	21.41%
1.36%	0.88%	0.83%	0.88%	0.91%	0.95%
3.90%	3.95%	4.00%	4.29%	4.34%	4.31%
95.56%	**94.83%**	**94.45%**	**97.36%**	**97.88%**	**97.14%**
2.23%	3.75%	3.53%	0.85%	1.00%	1.22%
-	-	0.14%	0.01%	-	-
1.91%	1.08%	1.03%	1.09%	0.56%	0.94%
0.16%	0.16%	0.69%	0.56%	0.37%	0.36%
0.14%	0.18%	0.16%	0.13%	0.19%	0.34%
4.44%	**5.17%**	**5.55%**	**2.64%**	**2.12%**	**2.86%**
100.00%	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Statistical Supplement 4
Tuition and Fees
Last Ten Academic Years
(unaudited)

		Resident Fees per Semester Credit Hour (SCH)				
Academic Year (Fall)	Registration Fee (per student)	In-District Tuition (a)	Out-of-District Tuition (a)	Technology Fee	Learning Support Fee	Student Activity Fee
2020	$ 150	$ 77	$ 87	$ 31	$ 14	$ 4
2019	150	77	87	30	12	4
2018	100/160	70	80	30	12	4
2017	100/160	70	80	24	16	4
2016	100/160	67	76	24	16	2
2015	90/150	67	76	22	15	2
2014	90/150	67	76	20	13	-
2013	90/150	67	76	18	13	-
2012	90/150	67	76	16	12	-
2011	90/150	67	76	16	12	-

		Non - Resident Fees per Semester Credit Hour (SCH)				
Academic Year (Fall)	Registration Fee (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fee	Learning Support Fee	Student Activity Fee
2020	$ 150	$ 200	$ 200	$ 31	$ 14	$ 4
2019	150	200	200	30	12	4
2018	100/160	200	200	30	12	4
2017	100/160	200	200	24	16	4
2016	100/160	192	192	24	16	2
2015	90/150	100	100	22	15	2
2014	90/150	105	105	20	13	-
2013	90/150	202	202	18	13	-
2012	90/150	202	202	16	12	-
2011	90/150	202	202	16	12	-

Notes:
Includes basic enrollment tuition and fees, but excludes course based fees such as laboratory fees, testing fees and certification fees.
(a) Tuition rate at 12 credit hours.

Source:
South Texas College District Student Guide

Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase From Prior Year In-District	Increase From Prior Year Out-of-District
$ 1,662	$ 1,782	2.21%	2.06%
1,626	1,746	8.98%	8.31%
1,492/1,552	1,612/1,672	1.63%	1.51%
1,468/1,528	1,588/1,648	4.26%	4.68%
1,408/1,468	1,517/1,577	3.38%	3.13%
1,362/1,422	1,471/1,531	5.58%	5.22%
1,290/1,350	1,398/1,458	1.90%	1.67%
1,266/1,326	1,375/1,435	2.93%	2.69%
1,230/1,290	1,339/1,399	-	-
1,230/1,290	1,339/1,399	4.06%	-

Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase From Prior Year Out-of-State	Increase From Prior Year International
$ 3,138	$ 3,138	1.16%	1.16%
3,102	3,102	1.64%	1.64%
3,052/3,112	3,052/3,112	0.79%	0.79%
3,028/3,088	3,028/3,088	4.13%	4.13%
2,908/2,968	2,908/2,968	65.42%	65.42%
1,758/1,818	1,758/1,818	0.69%	0.69%
1,746/1,806	1,746/1,806	(39.50%)	(39.50%)
2,886/2,946	2,886/2,946	1.26%	1.26%
2,850/2,910	2,850/2,910	-	-
2,850/2,910	2,850/2,910	-	-

Statistical Supplement 5
Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Assessed Valuation of Property	Less: Exempt Property	Less: Exemptions	Taxable Assessed Value (TAV)
2020-21	$ 55,493,969,962	$ 11,735,671,129	$ 1,642,378,280	$ 42,115,920,553
2019-20	53,052,419,455	11,310,116,498	1,485,547,551	40,256,755,406
2018-19	50,847,373,837	10,915,450,453	1,550,090,537	38,381,832,847
2017-18	48,331,824,331	10,258,297,206	1,477,379,306	36,596,147,819
2016-17	46,095,416,000	10,006,121,217	1,187,077,443	34,902,217,340
2015-16	43,541,107,619	9,442,963,099	793,651,829	33,304,492,691
2014-15	40,017,479,312	8,339,328,628	712,991,259	30,965,159,425
2013-14	39,073,962,437	8,153,953,156	673,809,590	30,246,199,691
2012-13	38,329,106,121	8,122,084,714	561,487,336	29,645,534,071
2011-12	38,076,515,412	8,066,423,089	491,916,984	29,518,175,339

Notes:
Property is assessed at fair market value.
Property in each county is reassessed annually.
Exempt property includes exclusions.
(a) Tax rates are per $100 of Taxable Assessed Value.

Sources:
Hidalgo County Tax Assessor & Collector
Starr County Tax Assessor & Collector

Ratio of Taxable Assessed Value to Assessed Value	Direct Rate Maintenance & Operations (a)	Debt Service (a)	Total (a)
75.89%	0.1400	0.0318	0.1718
75.88%	0.1400	0.0333	0.1733
75.48%	0.1400	0.0380	0.1780
75.72%	0.1400	0.0450	0.1850
75.72%	0.1400	0.0450	0.1850
76.49%	0.1400	0.0450	0.1850
77.38%	0.1400	0.0450	0.1850
77.41%	0.1100	0.0400	0.1500
77.34%	0.1100	0.0407	0.1507
77.52%	0.1100	0.0407	0.1507

Statistical Supplement 6a
General Appropriations Act Before Contact Hour Adjustments[1]
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
Appropriation Funding Elements	2021	2020	2019	2018
State Appropriation Contact Hour Funding (CH)	$ 34,847,891	$ 34,850,456	$ 34,396,461	$ 34,397,316
State Appropriation Student Success Points (SSP)	5,346,393	5,346,394	4,089,966	4,089,967
State Appropriation Core Operations (CO)	680,406	680,406	680,406	680,406
State Appropriation Bachelor of Applied Technology (BAT)	1,307,616	1,307,616	1,071,990	1,071,990
Total	**$ 42,182,306**	**$ 42,184,872**	**$ 40,238,823**	**$ 40,239,679**

Note:
The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

[1] General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds
*Formula funding methodology changed in fiscal year 2014.

Source:
THECB - Ten Pay Schedule

For the Fiscal Year Ended August 31,						
2017	2016	2015	2014*	2013	2012
$ 32,558,148	$ 33,471,584	$ 31,439,245	$ 31,439,245	$ 33,527,444	$ 31,810,174
3,670,735	3,670,736	3,394,950	3,394,950	-	-
500,000	500,000	500,000	500,000	-	-
805,107	805,106	562,474	562,474	354,687	355,845
$ 37,533,990	**$ 38,447,426**	**$ 35,896,669**	**$ 35,896,669**	**$ 33,882,131**	**$ 32,166,019**

Statistical Supplement 6b
State Appropriation per FTSE
Last Ten Fiscal Years
(unaudited)

Fiscal Year	State Appropriation (Unrestricted) From Sch C	FTSE[1]	State Appropriation per FTSE
2021	$ 34,847,891	18,313	$ 1,903
2020	34,850,456	21,902	1,591
2019	34,396,461	20,835	1,651
2018	34,397,316	21,619	1,591
2017	32,558,148	21,474	1,516
2016	33,471,584	21,665	1,545
2015	31,439,245	20,585	1,527
2014*	31,439,245	20,306	1,548
2013	33,527,444	19,729	1,699
2012	31,810,174	18,991	1,675

Note:
The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

[1] Full time student equivalent (FTSE) is calculated using semester credit hours (SCH) divided by 30 plus non-semester (continuing education) contact hours divided by 900.
*Formula funding methodology changed is fiscal year 2014.

Source:
CBM004/CBM001 and CBM00C/CBM00A.

Statistical Supplement 6c
State Appropriation per Funded Contact Hour (CH)
Last Ten Fiscal Years
(unaudited)

Fiscal Year	CH - State Appropriation (Unrestricted)[1]	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours[2]	CH- State Appropriation per Funded Contact Hour
2021	$ 34,847,891	7,603,456	2,824,848	177,169	10,605,473	$ 3.29
2020	34,850,456	9,319,520	3,199,200	177,187	12,695,907	2.75
2019	34,396,461	8,873,696	3,016,304	220,585	12,110,585	2.84
2018	34,397,316	9,331,808	3,140,496	202,707	12,675,011	2.71
2017	32,558,148	9,118,640	3,341,936	210,795	12,671,371	2.57
2016	33,471,584	9,037,632	3,682,592	218,567	12,938,791	2.59
2015	31,439,245	8,283,144	3,469,008	730,548	12,482,700	2.52
2014*	31,439,245	8,269,360	3,453,056	716,914	12,439,330	2.53
2013	33,527,444	8,276,552	3,246,752	449,630	11,972,934	2.80
2012	31,810,174	8,112,432	3,076,192	219,989	11,408,613	2.79

Note:
The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

[1]State Funded Contact Hour Appropriations as it appears in schedule 6a.
[2]Contact hours (CH) for Academic, Technical and Continuing Education include the Fall, Spring and Summer semesters of the respective year.
*Formula funding methodology changed in fiscal year 2014.

Source:
CBM004/CBM001
CBM00C/CBM00A

SOUTH TEXAS COLLEGE

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Statistical Supplement 6d
State Appropriation per Student Success Point - Annualized
Last Eight Fiscal Years[1]
(unaudited)

Fiscal Year	SSP - State Appropriation (unrestricted)[2]	Year Average Student Success Points	Appropriation per Success Point
2021	$ 5,346,393	59,197	$ 90.32
2020	5,346,394	52,796	101.27
2019	4,089,966	53,382	76.62
2018	4,089,967	53,823	75.99
2017	3,670,735	51,888	70.74
2016	3,670,736	50,659	72.46
2015	3,394,950	45,191	75.12
2014*	3,394,950	45,173	75.15

Note:
The requirements for Statistical Supplement 6 were changed by THECB in fiscal year 2018.

[1]Schedule is intended to include 10 years, additional years will be presented as they become available.
[2]State Funded Success Point Appropriation as it appears in Statistical Supplement 6a.
*The formula funding methodology was changed in fiscal year 2014 to include appropriations based on student success points. As such, appropriations per student success points are not applicable for fiscal years prior to 2014.

Source:
THECB - Ten Pay Schedule

Statistical Supplement 6e
Student Success Points (SSP)
Last Eight Fiscal Years[1]
(Unaudited)

	For the Fiscal Year Ended August 31,			
Success Point Elements[2]	2021	2020	2019	2018
Math Readiness	1,591	1,888	1,467	1,867
Read Readiness	712	797	1,266	1,655
Write Readiness	363	699	608	1,058
Students Who Pass FCL Math Course	6,852	6,402	6,758	6,586
Students Who Pass FCL Read Course	4,277	4,097	8,894	8,520
Students Who Pass FCL Write Course	3,638	3,455	7,503	7,151
Students Who Complete 15 SCH	10,099	10,048	10,192	9,919
Students Who Complete 30 SCH	10,485	6,438	6,997	6,807
Student Transfers to a 4-Yr Inst	9,521	5,772	2,962	3,037
Degrees, CCCs, or Certs (Unduplicated)	6,214	8,990	5,234	5,416
Degrees or Certs in Critical Fields	5,445	4,210	1,501	1,807
Total Annual Success Points	**59,197**	**52,796**	**53,382**	**53,823**

Note:
The requirements for Statistical Supplement 6 were changed by THECB in fiscal year 2018.

[1]Appropriations per student success points are not applicable for fiscal years prior to 2014. Schedule is intended to include 10 years, additional years will be presented as they become available.
[2]These are annual SSP, not 3-year rolling averages for year 2019 and prior.
*Formula funding methodology changed in fiscal year 2014.

Source:
THECB - Accountability System

For the Fiscal Year Ended August 31,			
2017	2016	2015	2014*
1,939	1,857	1,289	1,307
1,658	1,470	1,229	1,488
1,618	1,516	1,222	1,650
6,370	6,251	5,654	5,673
8,048	8,016	7,366	5,894
6,776	6,801	6,261	5,545
9,861	10,364	8,574	9,911
6,423	6,083	5,011	5,798
3,029	2,592	3,202	3,017
4,309	3,760	3,428	2,987
1,857	1,949	1,955	1,903
51,888	**50,659**	**45,191**	**45,173**

Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer[1]	Type of Business	Taxable Assessed Value (TAV) by Tax Year 2021	2020	2019	2018
AEP Texas Inc.	Electric Utility	$ 455,458,070	$ 504,873,150	$ 404,804,330	$ 352,495,470
EDP Renewables NA-Los Mirasole	Electric Utility	190,972,650	258,825,660	283,318,230	234,782,400
Merit Energy Company	Electric Utility	179,152,256	172,941,689	159,177,822	230,641,575
Simon Property Group - McAllen No.2	Development	170,341,039	170,193,064	135,839,131	154,055,359
Merit Energy LTD	Electric Utility	-	135,619,580	132,743,560	-
CPG Mercedes LP	Real Estate	115,000,000	115,000,000	89,891,425	79,979,184
H. E. Butt Grocery Company	Grocery Chain	104,365,283	104,625,471	104,522,304	114,446,193
Electric Transmission of Texas	Electric Utility	101,036,810	97,727,750	103,752,010	100,423,530
AEP Electric Transmission of Texas	Electric Utility	75,673,940	77,366,680	75,178,960	84,059,570
NET Mexico Pipeline Partners LLC	Pipeline	73,597,660	75,256,980	79,214,920	68,130,000
South Texas Elec Coop-Red Gate	Electric Utility	61,372,430	70,814,340	153,130,490	153,130,490
McAllen Levcal LLC	Development	-	63,301,789	60,056,707	58,275,372
Big Sky Commercial Property	Commercial	60,605,570	61,006,197	61,421,881	-
Magic Valley Electric Co-op	Electric Utility	62,577,260	57,138,160	56,017,320	-
Rio Grande Regional Hospital	Hospital	-	55,249,830	-	-
Frontera Generation LTD Partnership	Land & Improvements	-	-	56,052,250	57,631,060
Los Vientos Windpower IV, LLC	Electric Utility	-	-	-	308,100,000
Los Vientos Windpower III, LLC	Electric Utility	-	-	-	287,000,000
Los Vientos Windpower V, LLC	Electric Utility	-	-	-	146,599,970
AEP Texas Central Co.	Electric Utility	-	-	-	-
OXY USA Inc.	Oil & Gas	-	-	-	-
Walmart Stores	Retail Store	-	-	-	-
Calpine Const Fin (Magic VY GN)	Electric Utility	-	-	-	-
Day Surgery at Renaissance LLC	Healthcare	104,428,470	-	-	-
Southwestern Bell Telephone	Utility	-	-	-	-
Sharyland Utilities LP	Electric Utility	-	-	-	-
Cantera Operating LLC	Real Estate	-	-	-	-
Universal Health Services	Healthcare	-	-	-	-
Palm Crossing Town Center LLC	Real Estate	-	-	-	-
El Paso Production Oil & Gas	Oil & Gas	-	-	-	-
Legend Natural Gas LLP	Oil & Gas	-	-	-	-
Chevron U.S.A. Inc.	Oil & Gas	-	-	-	-
Kerr-McGee Oil & Gas Onshore	Oil & Gas	-	-	-	-
Rio Bravo Windpower	Wind Farm/Turbines	60,000,000	-	-	-
Mestino Windpower	Wind Farm/Turbines	57,504,435	-	-	-
Total		**1,872,085,873**	**2,019,940,340**	**1,955,121,340**	**2,429,750,173**
Total Taxable Assessed Value		**$ 42,115,920,553**	**$ 40,256,755,406**	**$ 38,381,832,847**	**$ 36,596,147,819**

[1] Includes both Starr and Hidalgo Counties

Sources:
First Southwest Company: Table 5 - Fifteen Largest Taxpayers, pg. 4
South Texas College District ACFR (Fiscal Year Ended August 31, 2020): Note 18 - Ad Valorem Tax

Taxable Assessed Value (TAV) by Tax Year

2017	2016	2015	2014	2013	2012
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
121,013,266	115,303,024	85,303,024	61,802,878	51,503,892	50,708,897
-	-	-	-	-	-
71,900,000	71,900,000	71,900,000	59,259,989	59,589,853	59,589,853
106,142,740	105,032,930	104,974,764	99,587,906	97,514,949	100,817,846
-	-	-	-	-	-
-	-	-	-	-	-
61,062,170	50,433,870	-	-	-	-
71,187,500	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,728,656	54,415,269	54,415,269	56,328,437	56,871,910	52,965,623
61,378,270	60,508,140	67,964,220	63,178,400	69,157,000	70,561,190
-	-	-	-	-	-
325,864,600	227,904,960	-	-	-	-
86,150,000	-	-	-	-	-
294,465,210	294,682,640	261,746,510	240,344,300	193,373,940	186,023,180
120,816,900	379,446,207	480,051,211	417,907,900	379,637,700	570,009,910
58,267,204	83,501,468	111,616,706	110,650,697	87,206,008	85,068,298
54,720,720	61,014,790	65,093,830	64,184,330	73,089,400	69,200,480
49,580,969	94,283,759	96,644,921	87,177,604	88,878,995	-
48,706,030	-	51,319,700	53,302,090	54,950,030	70,080,780
-	64,409,510	67,452,860	56,941,250	51,663,190	-
-	63,232,029	64,113,853	-	-	-
-	46,786,593	46,786,593	52,246,584	53,599,944	54,844,645
-	-	41,915,932	-	-	-
-	-	-	86,226,095	110,119,062	123,772,278
-	-	-	62,055,660	78,265,270	66,012,120
-	-	-	-	-	52,344,210
-	-	-	-	-	48,146,650
-	-	-	-	-	-
-	-	-	-	-	-
1,585,984,235	**1,772,855,189**	**1,671,299,393**	**1,571,194,120**	**1,505,421,143**	**1,660,145,960**
$ 34,902,217,340	**$ 33,304,492,691**	**$ 30,965,159,425**	**$ 30,246,199,691**	**$ 29,645,534,071**	**$ 29,518,175,339**

(Continued)

Statistical Supplement 7
Principal Taxpayers
Last Ten Tax Years
(unaudited)

Taxpayer[1]	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year			
		2021	2020	2019	2018
AEP Texas Inc.	Electric Utility	1.08%	1.25%	1.05%	0.96%
EDP Renewables NA-Los Mirasole	Electric Utility	0.45%	0.64%	0.74%	0.64%
Merit Energy Company	Electric Utility	0.43%	0.43%	0.41%	0.63%
Simon Property Group - McAllen No.2	Development	0.40%	0.42%	0.35%	0.42%
Merit Energy LTD	Electric Utility	-	0.34%	0.35%	-
CPG Mercedes LP	Real Estate	0.27%	0.29%	0.23%	0.22%
H. E. Butt Grocery Company	Grocery Chain	0.25%	0.26%	0.27%	0.31%
Electric Transmission of Texas	Electric Utility	0.24%	0.24%	0.27%	0.27%
AEP Electric Transmission of Texas	Electric Utility	0.18%	0.19%	0.20%	0.23%
NET Mexico Pipeline Partners LLC	Pipeline	0.18%	0.19%	0.21%	0.19%
South Texas Elec Coop-Red Gate	Electric Utility	0.15%	0.18%	0.40%	0.42%
McAllen Levcal LLC	Development	-	0.16%	0.16%	0.16%
Big Sky Commercial Property	Commercial	0.14%	0.15%	0.16%	-
Magic Valley Electric Co-op	Electric Utility	0.15%	0.14%	0.15%	-
Rio Grande Regional Hospital	Hospital	-	0.14%	-	-
Frontera Generation LTD Ptnshp	Land & Improvements	-	-	0.15%	0.16%
Los Vientos Windpower IV, LLC	Electric Utility	-	-	-	0.84%
Los Vientos Windpower III, LLC	Electric Utility	-	-	-	0.78%
Los Vientos Windpower V, LLC	Electric Utility	-	-	-	0.40%
AEP Texas Central Co.	Electric Utility	-	-	-	-
OXY USA Inc.	Oil & Gas	-	-	-	-
Walmart Stores	Retail Store	-	-	-	-
Calpine Const Fin (Magic VY GN)	Electric Utility	-	-	-	-
Day Surgery at Renaissance LLC	Healthcare	0.25%	-	-	-
Southwestern Bell Telephone	Utility	-	-	-	-
Sharyland Utilities LP	Electric Utility	-	-	-	-
Cantera Operating LLC	Real Estate	-	-	-	-
Universal Health Services	Healthcare	-	-	-	-
Palm Crossing Town Center LLC	Real Estate	-	-	-	-
El Paso Production Oil & Gas	Oil & Gas	-	-	-	-
Legend Natural Gas LLP	Oil & Gas	-	-	-	-
Chevron U.S.A. Inc.	Oil & Gas	-	-	-	-
Kerr-McGee Oil & Gas Onshore	Oil & Gas	-	-	-	-
Rio Bravo Windpower	Oil & Gas	0.14%	-	-	-
Mestino Windpower	Oil & Gas	0.14%	-	-	-
Total		**4.45%**	**5.02%**	**5.10%**	**6.63%**

[1] Includes both Starr and Hidalgo Counties

Source:
First Southwest Company: Table 5 - Fifteen Largest Taxpayers, pg. 4

(Continued)

% of Taxable Assessed Value (TAV) by Tax Year					
2017	2016	2015	2014	2013	2012
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.35%	0.35%	0.28%	0.20%	0.17%	0.17%
-	-	-	-	-	-
0.21%	0.22%	0.23%	0.20%	0.20%	0.20%
0.30%	0.32%	0.34%	0.33%	0.33%	0.34%
-	-	-	-	-	-
-	-	-	-	-	-
0.17%	0.15%	-	-	-	-
0.20%	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.16%	0.16%	0.18%	0.19%	0.19%	0.18%
0.18%	0.18%	0.22%	0.21%	0.23%	0.24%
-	-	-	-	-	-
0.93%	0.68%	-	-	-	-
0.25%	-	-	-	-	-
0.84%	0.88%	0.85%	0.79%	0.65%	0.63%
0.35%	1.14%	1.55%	1.38%	1.28%	1.93%
0.17%	0.25%	0.36%	0.37%	0.29%	0.29%
0.16%	0.18%	0.21%	0.21%	0.25%	0.23%
0.14%	0.28%	0.31%	0.29%	0.30%	-
0.14%	-	0.17%	0.18%	0.19%	0.24%
-	0.19%	0.22%	0.19%	0.17%	-
-	0.19%	0.21%	-	-	-
-	0.14%	0.15%	0.17%	0.18%	0.19%
-	-	0.14%	-	-	-
-	-	-	0.29%	0.37%	0.42%
-	-	-	0.21%	0.26%	0.22%
-	-	-	-	-	0.18%
-	-	-	-	-	0.16%
-	-	-	-	-	-
-	-	-	-	-	-
4.55%	**5.31%**	**5.42%**	**5.21%**	**5.06%**	**5.62%**

Statistical Supplement 8
Property Tax Levies and Collections
Last Ten Tax Years
(unaudited)

Fiscal Year Ended August 31,	Original Levy (a)	Cumulative Levy Adjustment**	Adjusted Tax Levy (b)	Collections Year of Levy (c)	Percentage
2021	$ 71,090,739	$ 634,177	$ 71,724,916	$ 68,560,022	95.59%
2020	68,722,111	89,521	68,811,632	65,210,474	94.77%
2019	67,294,780	(11,734)	67,283,045	63,995,664	95.11%
2018	66,558,586	482,506	67,041,092	63,658,716	94.95%
2017	63,195,313	(76,795)	63,118,517	59,624,975	94.47%
2016	60,279,269	104,475	60,383,744	57,139,510	94.63%
2015	56,134,038	617,074	56,751,113	53,732,185	94.68%
2014	45,078,972	36,225	45,115,197	42,542,880	94.30%
2013	44,351,826	(159,279)	44,192,547	41,562,746	94.05%
2012	44,227,775	(149,199)	44,078,576	41,368,696	93.85%

Notes:
(a) As reported in notes to the financial statements for the year of the levy.
(b) As of August 31st of the current reporting year.
(c) Property tax only - does not include Penalty & 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.
(f) Represents penalty and interest collection.

*Includes rollback total collections
**Modifications to Levy provided by Hidalgo Country and Starr County, and Beginning Balance Adjustments

Source:
Hidalgo County and Starr County Tax Assessor & Collector and College's records

Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Penalty & Interest Collections (f)	Total Collections	Cumulative Collections of Adjusted Levy
-	$ -	$ 720,162	$ 69,280,184	95.59%
-	1,828,848 *	391,173 *	67,430,495	97.42%
1,494,357 *	595,464	207,649	66,293,134	98.22%
2,093,741	296,243	132,289	66,180,989	98.52%
2,523,416	178,518	97,689	62,424,598	98.75%
2,478,101	107,818	69,674	59,795,103	98.91%
2,365,821	71,096	53,352	56,222,454	98.97%
2,085,762	49,440	41,547	44,719,629	99.03%
2,219,817	44,290	42,068	43,868,921	99.17%
2,278,709	36,771	38,810	43,722,986	99.11%

Statistical Supplement 9
Ratios of Outstanding Debt
Last Ten Fiscal Years
(unaudited)

	For the Year Ended August 31,			
	2021	2020	2019	2018
General Bonded Debt				
General obligation bonds	$ 134,054,318	$ 143,183,241	$ 148,812,889	$ 156,832,917
Less: Funds restricted for debt service	(16,071,340)	(16,002,125)	(15,817,687)	(14,017,689)
Net General Bonded Debt	**$ 117,982,978**	**$ 127,181,116**	**$ 132,995,202**	**$ 142,815,228**
Other Debt				
Lease liability	1,164,952	1,233,479	1,302,005	1,370,532
Total Outstanding Debt	**$ 135,219,270**	**$ 144,416,720**	**$ 150,114,894**	**$ 158,203,449**
General Bonded Debt Ratios				
Per Capita (a)	$ 106.89	$ 118.12	$ 126.59	$ 139.35
Per FTSE (b)	6,443	5,807	6,383	6,606
As a percentage of taxable assessed value (c)	0.28%	0.32%	0.35%	0.39%
As a percentage of personal income (d)	0.39%	0.45%	0.50%	0.57%
Total Outstanding Debt Ratios				
Per Capita (a)	$ 122.51	$ 134.12	$ 142.88	$ 154.36
Per FTSE (b)	7,384	6,594	7,205	7,318
As a percentage of taxable assessed value (c)	0.32%	0.36%	0.39%	0.43%
As a percentage of personal income (d)	0.44%	0.51%	0.56%	0.63%

Notes:
(a) Ratios calculated using current year district population from Statistical Supplement 12
(b) Ratios calculated using the FTSE from Statistical Supplement 6b
(c) Ratios calculated using the current Taxable Assessed Value Statistical Supplement 5
(d) Ratios calculated using District Personal Income from Statistical Supplement 12

For the Year Ended August 31,					
2017	2016	2015	2014	2013	2012
$ 167,532,403	$ 178,297,054	$ 188,761,705	$ 97,817,879	$ 47,249,685	$ 56,569,741
(14,329,738)	(15,223,843)	(17,161,084)	(17,635,362)	(16,294,897)	(14,493,499)
$ 153,202,665	**$ 163,073,211**	**$ 171,600,621**	**$ 80,182,517**	**$ 30,954,788**	**$ 42,076,242**
-	-	-	-	-	-
$ 167,532,403	**$ 178,297,054**	**$ 188,761,705**	**$ 97,817,879**	**$ 47,249,685**	**$ 56,569,741**
$ 153.34	$ 179.27	$ 191.20	$ 90.61	$ 35.43	$ 48.87
7,134	7,527	8,336	3,949	1,569	2,216
0.44%	0.49%	0.55%	0.27%	0.10%	0.14%
0.62%	0.76%	0.87%	0.43%	0.17%	0.35%
$ 167.69	$ 196.01	$ 210.33	$ 110.54	$ 54.08	$ 65.70
7,802	8,230	9,170	4,817	2,395	2,979
0.48%	0.54%	0.61%	0.32%	0.16%	0.19%
0.68%	0.83%	0.96%	0.52%	0.26%	0.47%

Statistical Supplement 10
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

General Obligation Bonds

For the Year Ended August 31,	Taxable Assessed Value	Statutory Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment	Total Net Debt	Current Year Debt Service Requirements	Excess of Statutory Limit for Debt Service over Current Requirements	Net Current Requirements as a % of Statutory Limit
2021	42,115,920,553	$ 210,579,603	$ (16,071,340)	$ 194,508,263	$ (13,727,806)	$ 180,780,457	(1.11%)
2020	40,256,755,406	201,283,777	(16,002,125)	185,281,652	(13,724,258)	171,557,394	(1.13%)
2019	38,381,832,847	191,909,164	(15,817,687)	176,091,477	(13,728,356)	162,363,121	(1.09%)
2018	36,596,147,819	182,980,739	(14,017,689)	168,963,050	(13,726,756)	155,236,294	(0.16%)
2017	34,902,217,340	174,511,087	(14,329,738)	160,181,349	(16,669,606)	143,511,743	1.34%
2016	33,304,492,691	166,522,463	(15,223,843)	151,298,621	(17,068,156)	134,230,465	1.11%
2015	30,965,159,425	154,825,797	(17,161,084)	137,664,713	(17,430,990)	120,233,723	0.17%
2014	30,246,199,691	151,230,998	(17,635,362)	133,595,636	(14,901,182)	118,694,454	(1.81%)
2013	29,645,534,071	148,227,670	(16,294,897)	131,932,774	(11,139,750)	120,793,024	(3.48%)
2012	29,518,175,339	147,590,877	(14,493,499)	133,097,378	(11,151,900)	121,945,478	(2.26%)

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

Sources:
Texas Education Code Section 130.122
Hidalgo County Tax Assessor & Collector
Starr County Tax Assessor & Collector

Statistical Supplement 11
Pledged Revenue Coverage
Last Ten Fiscal Years
(unaudited)

Statistical Supplement 11 required by THECB is not applicable to South Texas College District.

Statistical Supplement 12
Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(unaudited)

Calendar Year	District Population (a)	Hidalgo County Median Household Money Income (b)	Starr County Median Household Money Income (c)	District Median Household Money Income (d = (b+c) / 2)	Hidalgo County Personal Income Per Capita (e)	Starr County Personal Income Per Capita (f)
2021	1,103,743 (7)	$ 41,800 (4)	$ 32,991 (5)	$ 37,396	$ 27,415 (6)	$ 27,713 (6)
2020	1,076,737 (7)	39,165 (4)	31,000 (3)	35,083	26,410 (6)	26,316 (6)
2019	1,050,627 (7)	41,309 (5)	31,103 (5)	36,206	25,617 (6)	24,981 (6)
2018	1,024,901 (7)	38,653 (5)	29,063 (5)	33,858	24,805 (6)	24,140 (6)
2017	999,080 (7)	38,795 (5)	29,456 (5)	34,126	24,579 (6)	24,540 (6)
2016	909,653 (7)	36,620 (5)	27,007 (5)	31,814	23,753 (6)	23,215 (6)
2015	897,472 (2)	35,036 (5)	25,696 (5)	30,366	23,073 (6)	20,811 (6)
2014	884,888 (2)	34,140 (5)	26,714 (5)	30,427	22,400 (6)	19,866 (6)
2013	873,715 (2)	33,839 (5)	26,017 (5)	29,928	21,620 (1)	19,235 (1)
2012	860,992 (2)	32,471 (5)	24,741 (5)	28,606	16,272 (1)	11,980 (1)

Sources:
(1) Texas Labor Market Information (TWC)
(2) Office of the State Demographer
(3) Starr County Data
(4) Datausa.Hidalgo County
(5) Zoom Prospector
(6) FRED Economic Data & Research 2016 - Federal Reserve Bank of St. Louis
(7) Hilltop Securities

District Personal Income Per Capita (g = (e+f) / 2)	District Wide Personal Income (Thousands of Dollars) (h = (a*g) / 1000)	Hidalgo County Unemployment Rate (i)	Starr County Unemployment Rate (j)	District Unemployment Rate (k)	State Unemployment Rate (l)	National Unemployment Rate (m)
$ 27,564	$ 30,423,572	8.90% (1)	15.30% (1)	12.10% (1)	5.30% (1)	5.30% (1)
26,363	28,386,018	10.90% (1)	15.70% (1)	13.30% (1)	7.00% (1)	8.50% (1)
25,299	26,579,812	6.40% (1)	10.00% (1)	8.20% (1)	3.60% (1)	3.80% (1)
24,473	25,082,402	6.60% (1)	9.10% (1)	7.85% (1)	3.90% (1)	3.90% (1)
24,560	24,537,405	8.00% (1)	11.10% (1)	9.55% (1)	4.50% (1)	4.50% (1)
23,484	21,362,291	8.40% (1)	14.10% (1)	11.25% (1)	5.00% (1)	5.00% (1)
21,942	19,692,331	8.00% (1)	13.20% (1)	10.60% (1)	4.50% (1)	5.20% (1)
21,133	18,700,338	9.15% (1)	13.45% (1)	11.30% (1)	5.10% (1)	5.70% (1)
20,428	17,848,250	10.80% (1)	15.00% (1)	12.90% (1)	6.35% (1)	7.30% (1)
14,126	12,162,373	11.70% (1)	14.70% (1)	13.20% (1)	7.05% (1)	8.20% (1)

Statistical Supplement 13
Principal Employers
(unaudited)

	2021			2012	
Employer	Number of Employees	Percentage of Total Employment	Employer	Number of Employees	Percentage of Total Employment
H-E-B[1]*	5,861	1.73%	H-E-B[2]	4,363	1.48%
University of Texas Rio Grande Valley	5,822	1.72%	Pharr-San Juan-Alamo ISD	4,200	1.42%
Walmart*	5,378	1.59%	Hidalgo County	3,938	1.33%
Edinburg Consolidated ISD	4,878	1.44%	Walmart[3]	3,759	1.27%
Doctor's Hospital at Renaissance	4,600	1.36%	Edinburg Consolidated ISD	3,600	1.22%
Pharr-San Juan-Alamo ISD	4,370	1.29%	McAllen ISD	3,595	1.22%
La Joya ISD	4,214	1.25%	Doctor's Hospital at Renaissance	3,400	1.15%
Hidalgo County[4]	4,135	1.22%	Edinburg Regional Medical Center	3,000	1.02%
McAllen ISD	3,265	0.97%	University of Texas - Pan American	2,850	0.96%
South Texas Health System	2,500	0.74%	McAllen Medical Center	2,800	0.95%
Total	**45,023**	**13.31%**	**Total**	**35,505**	**12.02%**

Note:
Total employment as of August 2021 for the district was 355,043. Based on latest economic indicators, provided by the Texas Workforce Commission for Texas Labor Market Information for August 2021.

[1] Includes Hidalgo County and Starr County. Starr County has not provided updated employee data since 2016.
[2] Total number of employees includes Hidalgo County stores and one H-E-B store located in Starr County (Rio Grande City, TX).
[3] Total number of employees includes Hidalgo County stores and one Walmart store located in Starr County (Rio Grande City, TX).
[4] Total number of employees includes Hidalgo County and County related agencies.
* Starr County employee data presented in range; calculated average for each employer.

Sources:
Hidalgo County 2020 ACFR
Starr County Industrial Foundation
South Texas College 2012 ACFR

Statistical Supplement 14
Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(unaudited)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty										
Full-time	603	657	642	623	590	593	538	533	517	500
Part-time	449	525	540	536	583	536	522	519	493	475
Total	**1,052**	**1,182**	**1,182**	**1,159**	**1,173**	**1,129**	**1,060**	**1,052**	**1,010**	**975**
Percent										
Full-time	57.3%	55.6%	54.3%	53.8%	50.3%	52.5%	50.8%	50.7%	51.2%	51.3%
Part-time	42.7%	44.4%	45.7%	46.2%	49.7%	47.5%	49.2%	49.3%	48.8%	48.7%
Staff and Administrators										
Full-time	1,120	1,142	1,147	1,078	918	877	852	827	768	704
Part-time	492	806	909	827	855	857	933	902	924	911
Total	**1,612**	**1,948**	**2,056**	**1,905**	**1,773**	**1,734**	**1,785**	**1,729**	**1,692**	**1,615**
Percent										
Full-time	69.5%	58.6%	55.8%	56.6%	51.8%	50.6%	47.7%	47.8%	45.4%	43.6%
Part-time	30.5%	41.4%	44.2%	43.4%	48.2%	49.4%	52.3%	52.2%	54.6%	56.4%
Total										
Full-time	1,723	1,799	1,789	1,701	1,508	1,470	1,390	1,360	1,285	1,204
Part-time	941	1,331	1,449	1,363	1,438	1,393	1,455	1,421	1,417	1,386
Total	**2,664**	**3,130**	**3,238**	**3,064**	**2,946**	**2,863**	**2,845**	**2,781**	**2,702**	**2,590**
Percent										
Full-time	64.7%	57.5%	55.3%	55.5%	51.2%	51.3%	48.9%	48.9%	47.6%	46.5%
Part-time	35.3%	42.5%	44.7%	44.5%	48.8%	48.7%	51.1%	51.1%	52.4%	53.5%
FTSE per Full-time Faculty	30.4	33.3	32.5	34.7	36.4	36.5	38.3	38.1	38.2	38.0
FTSE per Full-time Staff member	16.4	19.2	18.2	20.1	23.4	24.7	24.2	24.6	25.7	27.0
FTSE*	18,313	21,902	20,835	21,619	21,474	21,665	20,585	20,306	19,729	18,991
Average Annual Faculty Salary	$ 72,459	$ 75,002	$75,221	$77,178	$74,689	$70,691	$72,614	$72,163	$71,495	$71,840

Note:
*Student FTSE was obtained from Statistical Supplement 6b and FY14 Formula Funding Changed Methodology.

Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

	Academic									
	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Student Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	17,043	61.50%	21,057	64.84%	20,131	63.63%	19,830	63.21%	22,276	67.41%
31-60 hours	8,145	29.39%	8,829	27.18%	9,076	28.69%	9,335	29.75%	8,884	26.89%
> 60 hours	2,522	9.11%	2,592	7.98%	2,433	7.68%	2,209	7.04%	1,884	5.70%
Total	**27,710**	**100.00%**	**32,478**	**100.00%**	**31,640**	**100.00%**	**31,374**	**100.00%**	**33,044**	**100.00%**

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Semester Hour Load	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	223	0.80%	186	0.57%	171	0.54%	129	0.41%	132	0.40%
3-5 semester hours	6,599	23.81%	7,033	21.65%	7,149	22.59%	7,168	22.85%	8,906	26.95%
6-8 semester hours	8,107	29.26%	8,819	27.17%	8,483	26.81%	8,079	25.75%	8,408	25.44%
9-11 semester hours	5,964	21.52%	6,892	21.22%	6,891	21.78%	6,812	21.71%	6,531	19.76%
12-14 semester hours	5,897	21.28%	8,305	25.57%	7,694	24.32%	7,914	25.22%	7,673	23.22%
15-17 semester hours	823	2.98%	1,131	3.48%	1,156	3.65%	1,151	3.67%	1,236	3.74%
18 & over	97	0.35%	112	0.34%	96	0.31%	121	0.39%	158	0.49%
Total	**27,710**	**100.00%**	**32,478**	**100.00%**	**31,640**	**100.00%**	**31,374**	**100.00%**	**33,044**	**100.00%**
Average course load	8.17		8.55		8.49		8.57		8.28	

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Tuition Status	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Resident (in-district)	25,974	93.74%	30,498	93.90%	29,691	93.84%	29,364	93.59%	30,925	93.59%
Resident (out-of-district)	891	3.22%	894	2.75%	814	2.57%	756	2.41%	738	2.23%
Non-Resident Tuition	845	3.04%	1,086	3.35%	1,135	3.59%	1,254	4.00%	1,381	4.18%
Total	**27,710**	**100.00%**	**32,478**	**100.00%**	**31,640**	**100.00%**	**31,374**	**100.00%**	**33,044**	**100.00%**

Source:
CBM001

Statistical Supplement 15
Enrollment Details
Last Five Fiscal Years
(unaudited)

	Continuing Education									
Student Classification	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
(Contact Hours)	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Continuing Education (CE)	970	100.00%	1,464	100.00%	1,199	100.00%	1,364	100.00%	1,124	100.00%
CE Not State Funded	-	-	-	-	-	-	-	-	-	-
Inter-Institutional	-	-	-	-	-	-	-	-	-	-
Total	**970**	**100.00%**	**1,464**	**100.00%**	**1,199**	**100.00%**	**1,364**	**100.00%**	**1,124**	**100.00%**

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Contact Hour Load	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	-	-	-	-	-	-	55	4.03%	-	-
3-5 semester hours	-	-	-	-	-	-	-	-	-	-
6-8 semester hours	66	6.80%	129	8.81%	130	10.84%	129	9.46%	39	3.47%
9-11 semester hours	19	1.96%	128	8.74%	16	1.33%	49	3.59%	4	0.36%
12-14 semester hours	32	3.30%	95	6.49%	141	11.76%	124	9.09%	150	13.35%
15-17 semester hours	15	1.55%	59	4.03%	108	9.01%	66	4.84%	3	0.27%
18 & over	838	86.39%	1,053	71.93%	804	67.06%	941	68.99%	928	82.55%
Total	**970**	**100.00%**	**1,464**	**100.00%**	**1,199**	**100.00%**	**1,364**	**100.00%**	**1,124**	**100.00%**
Average course load	45.49		39.37		46.43		44.71		55.69	

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Tuition Status	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Both Contract and Non-Contract Courses	-	-	-	-	-	-	-	-	-	-
Contract Course(s) Only	-	-	-	-	-	-	-	-	-	-
Non-Contract Course(s) Only	970	100.00%	1,464	100.00%	1,199	100.00%	1,364	100.00%	1,124	100.00%
Total	**970**	**100.00%**	**1,464**	**100.00%**	**1,199**	**100.00%**	**1,364**	**100.00%**	**1,124**	**100.00%**

Source:
CBM00A

Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

	Academic									
	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	16,308	58.85%	18,487	56.92%	17,862	56.45%	17,421	55.53%	18,304	55.39%
Male	11,402	41.15%	13,991	43.08%	13,778	43.55%	13,953	44.47%	14,740	44.61%
Total	**27,710**	**100.00%**	**32,478**	**100.00%**	**31,640**	**100.00%**	**31,374**	**100.00%**	**33,044**	**100.00%**

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	627	2.26%	738	2.27%	702	2.22%	756	2.41%	920	2.78%
Hispanic	26,458	95.47%	31,010	95.49%	30,107	95.15%	29,668	94.56%	31,130	94.21%
African American	107	0.39%	118	0.36%	94	0.30%	97	0.31%	84	0.25%
Asian	204	0.74%	237	0.73%	258	0.82%	282	0.90%	285	0.86%
Foreign	63	0.23%	79	0.24%	79	0.25%	107	0.34%	114	0.34%
Native American	25	0.09%	21	0.06%	18	0.06%	19	0.06%	16	0.05%
Unknown	226	0.82%	275	0.85%	382	1.21%	445	1.42%	495	1.51%
Total	**27,710**	**100.00%**	**32,478**	**100.00%**	**31,640**	**100.00%**	**31,374**	**100.00%**	**33,044**	**100.00%**

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	11,968	43.19%	13,346	41.09%	12,652	39.99%	11,456	36.51%	13,404	40.56%
18 - 21	8,799	31.75%	11,467	35.31%	11,111	35.12%	11,518	36.71%	11,258	34.07%
22 - 24	2,438	8.80%	2,767	8.52%	2,886	9.12%	3,209	10.23%	3,151	9.54%
25 - 35	3,198	11.54%	3,471	10.69%	3,567	11.27%	3,748	11.95%	3,827	11.58%
36 - 50	1,183	4.27%	1,290	3.97%	1,283	4.05%	1,298	4.14%	1,265	3.83%
51 & over	124	0.45%	137	0.42%	141	0.45%	145	0.46%	139	0.42%
Total	**27,710**	**100.00%**	**32,478**	**100.00%**	**31,640**	**100.00%**	**31,374**	**100.00%**	**33,044**	**100.00%**
Average Age	20.4		20.6		20.4		20.7		20.4	

Source:
CBM001

Statistical Supplement 16
Student Profile
Last Five Fiscal Years
(unaudited)

	Continuing Education									
	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Gender	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	601	61.96%	905	61.82%	816	68.06%	842	61.73%	785	69.84%
Male	369	38.04%	559	38.18%	383	31.94%	522	38.27%	339	30.16%
Total	**970**	**100.00%**	**1,464**	**100.00%**	**1,199**	**100.00%**	**1,364**	**100.00%**	**1,124**	**100.00%**

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Ethnic Origin	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	17	1.75%	13	0.89%	20	1.67%	17	1.25%	20	1.78%
Hispanic	798	82.27%	1,100	75.14%	1,031	85.99%	1,183	86.73%	752	66.90%
African American	1	0.10%	1	0.07%	1	0.08%	3	0.22%	-	-
Asian	1	0.10%	3	0.20%	3	0.26%	6	0.44%	5	0.44%
Foreign	-	0.00%	-	0.00%	1	0.08%	1	0.07%	-	-
Native American	-	0.00%	-	0.00%	1	0.08%	-	-	-	-
Unknown	153	15.78%	347	23.70%	142	11.84%	154	11.29%	347	30.88%
Total	**970**	**100.00%**	**1,464**	**100.00%**	**1,199**	**100.00%**	**1,364**	**100.00%**	**1,124**	**100.00%**

	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016	
Age	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	233	24.02%	74	5.05%	18	1.50%	-	0.00%	2	0.18%
18 - 21	83	8.56%	142	9.70%	111	9.26%	107	7.84%	145	12.90%
22 - 24	29	2.99%	87	5.94%	80	6.67%	78	5.72%	86	7.65%
25 - 35	190	19.59%	324	22.13%	301	25.10%	409	29.99%	338	30.07%
36 - 50	302	31.13%	565	38.59%	487	40.62%	542	39.74%	431	38.35%
51 & over	133	13.71%	272	18.57%	202	16.85%	228	16.71%	122	10.85%
Unknown	-	-	-	-	-	-	-	-	-	-
Total	**970**	**100.00%**	**1,464**	**100.00%**	**1,199**	**100.00%**	**1,364**	**100.00%**	**1,124**	**100.00%**

Average Age	33.0	38.0	38.0	38.0	36.0

Source:
CBM00A

Statistical Supplement 17
Transfers to Senior Institutions
Students as of Fall 2020
(includes only the top 26 public senior colleges in Texas)
(unaudited)

		Transfer Student Count Academic	Transfer Student Count Technical	Transfer* Student Count Tech-Prep	Total of All Sample Transfer Students	% of All Sample Transfer Students
1	The University of Texas - Rio Grande Valley	2,889	321	-	3,210	56.42%
2	South Texas College	489	523	-	1,012	17.79%
3	Texas A&M University	252	24	-	276	4.85%
4	The University of Texas at Austin	234	21	-	255	4.48%
5	Texas A&M University - Kingsville	192	18	-	210	3.69%
6	The University of Texas at San Antonio	177	24	-	201	3.53%
7	Texas State University	109	11	-	120	2.11%
8	Texas A&M International University	46	7	-	53	0.93%
9	Texas A&M University - Corpus Christi	39	5	-	44	0.77%
10	University of Houston	37	3	-	40	0.70%
11	Texas A&M University System Health Science Center	30	5	-	35	0.62%
12	Sam Houston State University	29	1	-	30	0.53%
13	Texas State Technical College - Harlingen	24	19	-	43	0.76%
14	Texas Tech University	19	4	-	23	0.40%
15	Blinn College District	18	2	-	20	0.35%
16	The University of Texas at Arlington	17	12	-	29	0.51%
17	University of North Texas	15	1	-	16	0.28%
18	Texas A&M University - San Antonio	14	-	-	14	0.25%
19	The University of Texas at Dallas	8	2	-	10	0.18%
20	Stephen F. Austin State University	7	1	-	8	0.14%
21	Austin Community College	6	3	-	9	0.16%
22	Lamar University	6	2	-	8	0.14%
23	University of Houston - Victoria	5	2	-	7	0.12%
24	Houston Community College	4	2	-	6	0.11%
25	The University of Texas Permian Basin	4	2	-	6	0.11%
26	The University of Texas at El Paso	4	-	-	4	0.07%
	Total	**4,674**	**1,015**	**-**	**5,689**	**100.00%**

Notes:
Student count for South Texas College represents graduates or completers who have returned to pursue additional education at same institution.
In addition to the 4,674 Academy Students, 64 were transferred to 38 other Senior Institutions.
In addition to the 1,015 Technical Students, 42 were transferred to 23 other Senior Institutions.

*Information for Transfer Student Count Tech-Prep not available

Sources:
Texas Higher Education Data: ASALFS Students Pursuing Additional Education
ASALFS South Texas College - http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/

Statistical Supplement 18
Capital Asset Information
Last Five Fiscal Years
(unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
Academic buildings	33	33	32	32	24
Square footage	1,332,310	1,332,310	1,366,431	1,366,431	963,682
Academic portable buildings	34	36	38	33	35
Square footage	50,547	53,643	56,811	50,278	53,446
Libraries	3	3	4	4	3
Square footage	121,311	121,311	135,152	135,152	105,507
Libraries portable buildings	1	1	-	-	-
Square footage	1,504	1,504	-	-	-
Number of volumes	134,492	133,686	138,082	139,047	143,535
Administrative and support buildings	17	16	14	14	13
Square footage	395,871	387,260	339,298	339,298	294,733
Administrative and support portable buildings	20	18	16	16	14
Square footage	27,988	24,892	21,724	21,724	18,556
Dining facilities	5	5	5	5	5
Square footage	20,479	20,479	20,479	20,479	15,343
Average daily customers*	76 **	935	755	683	902
Fitness facilities	2	2	2	2	2
Square footage	28,821	37,432	37,432	37,432	37,432
Plant facilities	4	4	4	4	2
Square footage	26,592	26,592	26,592	26,592	18,747
Transportation					
Automobiles	2	2	2	2	2
Automobiles - instructional	17	16	20	20	20
Light trucks/vans	71	70	67	63	56
Light trucks/vans - instructional	23	18	18	19	19
Heavy trucks/backhoe	11	10	12	6	5
Heavy trucks/backhoe - instructional	8	7	5	5	5
Golf and forklift	67	63	72	59	38
Trailer	3	1	1	3	3
Shuttle buses	8	8	8	7	6

* Does not include customers from Starr County Campus Cafeteria due to services being outsourced.
** Due to a pandemic all campuses cafeterias were closed indefinitely in December 2020

Sources:
South Texas College District Office of Facilities Planning and Construction
South Texas College District Capital Assets Department

Statistical Supplement 19
Changes in Net Position
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Operating Revenues				
Tuition and fees (net of discounts)	$ 21,098,778	$ 23,652,462	$ 22,589,007	$ 21,657,866
Federal grants and contracts	4,752,189	4,890,928	4,660,747	4,304,540
State grants and contracts	4,109,030	4,081,215	4,701,165	4,108,972
Local grants and contracts	8,939,528	8,710,679	8,160,205	6,660,734
Non-governmental grants and contracts	1,450,472	1,344,736	2,022,875	2,538,696
Auxiliary enterprises	678,506	1,355,127	1,766,603	1,890,180
General operating revenues	572,671	612,825	665,435	704,996
Total Operating Revenues	**41,601,174**	**44,647,972**	**44,566,037**	**41,865,984**
Operating Expenses				
Instruction	87,620,251	94,767,643	92,144,487	77,741,287
Research	13,930	-	-	-
Public service	1,611,221	1,295,671	1,860,996	2,276,663
Academic support	22,358,202	21,510,411	23,030,399	18,306,332
Student services	13,693,983	14,394,224	14,602,287	11,722,551
Institutional support	33,176,871	34,970,309	32,251,981	26,803,724
Operations and maintenance of plant	20,821,673	20,419,241	21,534,803	20,048,333
Scholarships and fellowships	37,788,198	29,136,804	27,797,829	27,412,188
Auxiliary enterprises	1,693,536	2,627,299	3,451,000	3,355,013
Depreciation	11,878,971	12,162,030	12,009,110	9,917,643
Total Operating Expenses	**230,656,836**	**231,283,632**	**228,682,892**	**197,583,734**
Operating Loss	**$ (189,055,662)**	**$ (186,635,660)**	**$ (184,116,855)**	**$ (155,717,750)**

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
$ 23,129,705	$ 21,452,743	$ 21,373,162	$ 20,488,244	$ 21,051,377	$ 19,583,509
4,490,675	3,889,497	4,368,574	3,445,294	4,630,302	4,748,007
4,076,652	3,266,315	4,068,944	4,246,315	5,160,704	6,794,060
6,102,604	5,063,983	1,099,573	1,118,054	1,270,376	1,293,135
2,061,438	2,487,482	5,235,358	4,949,832	3,113,960	2,740,134
1,833,407	1,893,838	1,773,325	1,835,353	1,810,240	1,872,734
603,343	729,855	1,308,903	645,811	621,264	439,642
42,297,824	**38,783,713**	**39,227,839**	**36,728,903**	**37,658,223**	**37,471,221**
70,879,518	66,249,496	60,820,171	59,447,105	57,766,578	53,899,805
-	-	-	-	4,516	67,273
709,252	912,507	1,205,480	829,711	903,735	736,507
17,101,883	16,333,241	15,281,478	13,980,994	12,775,912	11,551,178
11,228,508	11,477,740	10,969,940	10,403,813	10,090,241	9,681,946
26,074,788	23,138,061	21,790,954	19,813,088	21,108,957	19,494,885
15,977,257	14,064,638	13,675,484	12,563,251	9,486,934	9,459,757
26,028,594	26,432,169	27,815,696	27,692,817	28,724,249	31,873,082
2,529,295	1,562,463	1,403,408	1,388,717	1,383,521	1,418,145
7,262,313	6,966,274	6,759,801	6,731,486	6,589,876	6,414,932
177,791,408	**167,136,589**	**159,722,412**	**152,850,981**	**148,834,519**	**144,597,510**
$ (135,493,584)	**$ (128,352,876)**	**$ (120,494,573)**	**$ (116,122,078)**	**$ (111,176,296)**	**$ (107,126,289)**

(Continued)

Statistical Supplement 19
Changes in Net Position
Last Ten Fiscal Years
(unaudited)

	For the Fiscal Year Ended August 31,			
	2021	2020	2019	2018
Non-Operating Revenues (Expenses)				
State appropriations	$ 55,359,735	$ 50,949,811	$ 49,608,274	$ 47,940,649
Ad-valorem taxes				
Taxes for maintenance & operations	59,403,574	56,146,535	53,934,103	48,931,234
Taxes for debt service	13,783,392	13,571,701	14,694,007	15,656,580
Federal revenue, non-operating	78,372,230	67,836,841	59,341,569	60,276,808
Gifts	197,836	275,475	320,507	353,250
Investment income (net of investment expenses)	2,129,834	4,872,160	5,572,742	3,698,483
Insurance proceeds	288,021	2,600	425,000	14,959
Interest and capital related debt	(4,623,748)	(5,841,189)	(5,690,864)	(3,513,058)
Gain on disposal of capital assets	9,251	-	3,790	6,547
Loss on sale/disposal/return on capital assets	(242,960)	(42)	(114,727)	(838,031)
Non-capital construction costs	(685,243)	(1,163,367)	(2,025,830)	(11,107,175)
Bond costs amortization	(559,358)	(532,856)	(166,273)	(268,803)
Other non-operating revenues	68,527	68,527	68,526	19,732
Other non-operating expenses	(249,823)	(262,755)	(246,594)	(84,956)
Non-Operating Revenues, Net	**203,251,268**	**185,923,441**	**175,724,230**	**161,086,219**
Income before contributions, endowment and extraordinary item	14,195,606	(712,219)	(8,392,625)	5,368,469
Capital contributions	105,973	8,909	15,110	65,259
Additions (deductions) to permanent and term endowment	-	-	-	-
Extraordinary item	-	-	-	-
Increase in net position	14,301,579	(703,310)	(8,377,515)	5,433,728
Net position - beginning of year, as restated	377,299,822	378,003,132	386,380,647	396,395,889
Cumulative effect of change in accounting principle	-	-	-	(15,448,970)
Net Position-End of Year	**$ 391,601,401**	**$ 377,299,822**	**$ 378,003,132**	**$ 386,380,647**

(Continued)

For the Fiscal Year Ended August 31,					
2017	2016	2015	2014	2013	2012
$ 45,315,830	$ 46,077,235	$ 42,858,200	$ 42,766,020	$ 38,977,829	$ 37,017,673
48,822,561	46,781,602	43,951,580	33,983,319	32,403,363	33,244,142
15,652,143	15,016,847	14,105,277	12,291,870	12,030,232	12,276,741
55,666,373	54,858,852	54,881,496	55,351,962	57,151,307	61,950,136
252,614	251,022	305,146	323,100	351,843	418,606
2,612,017	1,034,010	144,206	214,915	389,519	417,074
149,634	-	24,282	-	-	-
(4,150,374)	(6,602,765)	(5,964,767)	(1,340,664)	(1,513,884)	(1,821,871)
5,575	12,350	-	-	-	2,793
(5,886)	-	(240,389)	(10,154)	(217)	-
(3,548,465)	(1,911,123)	(1,731,576)	(1,715,994)	(849,455)	(1,400,934)
(295,436)	(284,829)	(1,166,614)	(873,318)	(566,261)	(536,677)
352,500	-	-	35,840	-	-
(265,017)	(320,767)	(274,655)	(208,684)	(290,477)	(500,835)
160,564,069	**154,912,434**	**146,892,186**	**140,818,213**	**138,083,799**	**141,066,848**
25,070,485	26,559,559	26,397,613	24,696,134	26,907,503	33,940,559
47,629	4,515,864	66,908	105,190	83,298	22,740
-	-	-	-	-	(4,700)
-	-	1,987,665	(2,655,340)	(4,230,489)	2,010,294
25,118,114	31,075,423	28,452,186	22,145,984	22,760,312	35,968,893
371,277,775	340,202,352	337,541,511	315,848,253	293,087,941	257,119,048
-	-	(25,791,345)	(452,726)	-	-
$ 396,395,889	**$ 371,277,775**	**$ 340,202,352**	**$ 337,541,511**	**$ 315,848,253**	**$ 293,087,941**

SOUTH TEXAS COLLEGE

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Statistical Supplement 20
Ad Valorem Tax Rates Authorized
Last Ten Fiscal Years
(unaudited)

Fiscal Year	Current Operations	Debt Service	Total
2021	$ 0.1400	$ 0.5000	$ 0.6400
2020	0.1400	0.5000	0.6400
2019	0.1400	0.5000	0.6400
2018	0.1400	0.5000	0.6400
2017	0.1400	0.5000	0.6400
2016	0.1400	0.5000	0.6400
2015	0.1400	0.5000	0.6400
2014	0.1100	0.5000	0.6100
2013	0.1100	0.5000	0.6100
2012	0.1100	0.5000	0.6100

Sources:
Texas Constitution and Statutes, Education Code (Debt Service)
South Texas College District Tax Order Resolution (Current Operations)

Statistical Supplement 21
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

Governmental Subdivision	Percent Applicable*	Tax Year 2020	Tax Year 2019	Tax Year 2018	Tax Year 2017
South Texas College	100.00%	$0.171800	$0.173300	$0.178000	$0.185000
HIDALGO COUNTY					
Cities:					
Alamo	100.00%	0.581700	0.581700	0.581700	0.556500
Alton	-	0.436700	0.444000	0.444000	0.444000
Donna	100.00%	0.788855	0.788855	0.798855	0.798855
Edcouch	-	0.915200	0.965400	0.968700	0.915400
Edinburg	100.00%	0.680000	0.680000	0.635000	0.635000
Elsa	-	0.883200	0.883200	0.882200	0.901800
Granjeno	-	0.444800	0.460700	0.460700	0.446900
Hidalgo	100.00%	0.351400	0.351400	0.351400	0.351400
La Joya	100.00%	0.589800	0.590400	0.566800	0.525100
La Villa	100.00%	0.792900	0.792900	0.783600	0.783600
McAllen	100.00%	0.495600	0.495677	0.479234	0.476300
Mercedes	100.00%	0.745000	0.745000	0.745000	0.745000
Mission	100.00%	0.529900	0.521200	0.486200	0.486200
Palmview	-	0.490100	0.500100	0.500100	0.500100
Penitas	100.00%	0.556200	0.556200	0.556200	0.556200
Pharr	100.00%	0.717600	0.717600	0.649000	0.649000
Progreso	100.00%	0.842900	0.842900	0.812900	0.784000
San Juan	100.00%	0.692600	0.699300	0.699300	0.699300
Sullivan City	-	0.483800	0.500000	0.500000	0.500000
Weslaco	100.00%	0.696700	0.696700	0.666700	0.666700
School Districts:					
Donna ISD	100.00%	1.130400	1.226700	1.258200	1.258200
Edcouch-Elsa ISD	100.00%	1.258000	1.258000	1.258000	1.258000
Edinburg CISD	98.01%	1.138200	1.138200	1.239800	1.239800
Hidalgo ISD	100.00%	1.276500	1.296300	1.470000	1.470000
La Joya ISD	100.00%	1.311000	1.311000	1.311000	1.311000
La Villa ISD	100.00%	1.483800	1.483800	1.483800	1.303800
Lyford CISD	3.45%	1.214700	1.228400	1.320000	1.310000
McAllen ISD	100.00%	1.138600	1.152800	1.155000	1.155000
Mercedes ISD	100.00%	1.351900	1.278400	1.380000	1.380000
Mission CISD	100.00%	1.199300	1.239550	1.339800	1.350200
Monte Alto ISD	100.00%	1.238000	1.350000	1.350000	1.350000
PSJA ISD	100.00%	1.267500	1.272500	1.379200	1.389200
Progreso ISD	100.00%	1.260000	1.320000	1.390000	1.390000
Sharyland ISD	100.00%	1.280800	1.298700	1.375500	1.375500
South Texas ISD	-	0.049200	0.049200	0.049200	0.049200
Valley View ISD	100.00%	1.277000	1.277000	1.277000	1.277000
Weslaco ISD	100.00%	1.018900	1.068700	1.159700	1.159700

Tax Year 2016	Tax Year 2015	Tax Year 2014	Tax Year 2013	Tax Year 2012	Tax Year 2011
$0.185000	$0.185000	$0.185000	$0.150000	$0.150700	$0.150700
0.581000	0.588100	0.598970	0.598970	0.598970	0.585480
0.449000	0.454000	0.459100	0.462400	0.479900	0.482500
0.982828	0.982828	1.142421	1.252376	1.252300	1.252300
0.928600	0.928600	0.928600	0.970500	0.999900	0.884200
0.635000	0.635000	0.635000	0.635000	0.635000	0.635000
0.917700	0.856600	0.986700	0.991600	0.990000	0.990000
0.441900	0.425100	0.423000	0.425300	0.425300	0.425300
0.351400	0.351400	0.351400	0.351400	0.351400	0.351400
0.539400	0.543500	0.570000	0.567800	0.567800	0.545200
0.783600	0.783600	0.783600	0.783600	0.783600	0.622400
0.476300	0.476300	0.476300	0.431300	0.431300	0.431300
0.745000	0.755000	0.760000	0.775000	0.785000	0.785000
0.496200	0.498800	0.518800	0.528800	0.528800	0.538800
0.475100	0.475100	0.479000	0.466500	0.466500	0.460000
0.506000	0.506000	0.459500	0.434500	0.410000	0.362500
0.654000	0.654000	0.680000	0.680000	0.680000	0.680000
0.796100	0.806100	0.793000	0.812600	0.538900	0.499900
0.699300	0.699300	0.699300	0.738600	0.738600	0.738600
0.460600	0.466800	0.447800	0.416000	0.383800	0.353500
0.666700	0.676700	0.676700	0.686700	0.696700	0.696700
1.258200	1.258200	1.258200	1.258200	1.258200	1.258200
1.258000	1.258000	1.258000	1.258000	1.258000	1.258000
1.239800	1.239800	1.239800	1.239800	1.239800	1.239800
1.490000	1.530000	1.530000	1.556400	1.556400	1.586400
1.311000	1.311000	1.311000	1.311000	1.311000	1.311000
1.303800	1.303800	1.303800	1.303800	1.303800	1.303800
1.280000	1.280000	1.280000	1.220000	1.330000	1.330000
1.155000	1.155000	1.165000	1.165000	1.165000	1.165000
1.380000	1.380000	1.380000	1.290000	1.290000	1.290000
1.358200	1.367200	1.330000	1.300000	1.300000	1.300000
1.350000	1.350000	1.350000	1.350000	1.350000	1.350000
1.399200	1.399200	1.359200	1.359200	1.359200	1.359200
1.390000	1.370000	1.370000	1.327500	1.370000	1.430000
1.375500	1.335500	1.335500	1.285500	1.285500	1.200000
0.049200	0.049200	0.049200	0.049200	0.049200	0.049200
1.277000	1.277000	1.277000	1.277000	1.277000	1.317000
1.139700	1.139700	1.139700	1.139700	1.139700	1.139700

(Continued)

Statistical Supplement 21
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years
(unaudited)

Governmental Subdivision	Percent Applicable*	Tax Year 2020	Tax Year 2019	Tax Year 2018	Tax Year 2017
HIDALGO COUNTY					
Special Districts:					
Hidalgo County	100.00%	0.575000	0.575000	0.580000	0.580000
Drainage District #1	99.62%	0.102600	0.105100	0.095100	0.095100
EMS District #1	-	0.019600	0.020000	0.019400	0.017600
EMS District #2	-	0.035200	0.036000	0.036000	0.038000
EMS District #3	-	0.022700	0.024500	0.025700	0.028500
EMS District #4	-	0.024600	0.025300	0.025200	0.025400
Donna Irrigation #1	-	0.210000	0.210000	0.210000	0.210000
Delta Lake Irrigation	-	0.560000	0.550000	0.550000	0.555000
Engleman Water District #6	-	0.000000	0.000000	0.000000	0.000000
Kennedy County GCD	-	0.012800	0.012800	0.015300	0.015300
Brush County GCD	-	0.018500	0.020700	0.024000	0.024500
Red Sands Groundwater CD	-	0.152800	0.152800	0.152800	0.169000
STARR COUNTY					
Cities:					
Escobares City	-	0.457300	0.500417	0.432025	0.432025
Rio Grande City	100.00%	0.507579	0.507579	0.497579	0.497579
Roma	100.00%	0.605435	0.605435	0.531372	0.531372
School Districts					
Rio Grande City CISD	100.00%	1.300600	1.322400	1.359200	1.430900
Roma ISD	100.00%	1.377200	1.445790	1.561950	1.484000
San Isidro ISD	-	1.164800	1.176300	1.280000	1.290800
Special Districts:					
Starr County	100.00%	0.538400	0.538400	0.531900	0.545800
F&M & FC	-	0.240000	0.240000	0.246500	0.232600
Starr County Memorial Hospital District	-	0.264146	0.264146	0.268163	0.268163

*Municipal Advisory Council of Texas

Sources:
Hidalgo County Appraisal District
Starr County Appraisal District

(Continued)

Tax Year 2016	Tax Year 2015	Tax Year 2014	Tax Year 2013	Tax Year 2012	Tax Year 2011
0.590000	0.590000	0.590000	0.590000	0.590000	0.590000
0.095100	0.095100	0.095700	0.095700	0.075000	0.073300
0.020000	0.185000	0.016500	0.015400	0.014300	0.013400
0.038000	0.036100	0.036100	0.036100	0.036100	0.033600
0.030000	0.030000	0.030000	0.030000	0.030000	0.010000
0.027200	0.027200	0.272000	0.026700	0.026200	0.024500
0.210000	0.210000	0.210000	0.210000	0.210000	0.210000
0.550000	0.550000	0.550000	0.580000	0.580000	0.510000
0.000000	0.000000	0.000000	0.000000	0.230000	0.220000
0.015300	0.015300	0.015300	0.015300	0.015300	0.015300
0.026020	0.026020	0.026020	0.027000	0.029894	0.030000
0.169000	0.169000	0.169000	0.169000	0.169000	0.169000
0.403517	0.403517	0.403517	0.364809	0.340000	0.340000
0.497579	0.514749	0.514749	0.514080	0.514160	0.507459
0.523055	0.523055	0.523055	0.519030	0.516500	0.508710
1.451400	1.438400	1.447200	1.440600	1.442600	1.479500
1.569390	1.553660	1.459090	1.459090	1.459090	1.459920
1.295000	1.271800	1.260000	1.130000	1.130000	1.040000
0.545800	0.561000	0.561700	0.524600	0.551100	0.510100
0.232600	0.217400	0.217400	0.254600	0.228100	0.189100
0.277314	0.248092	0.262775	0.256915	0.251238	0.237531

Statistical Supplement 22
Computation of Direct and Overlapping Debt
August 31, 2021
(unaudited)

Taxing Body	Debt Amount		As of	Percent Overlapping	Overlapping Amount
Alamo, City of	$ 10,040,000	*	08/31/2021	100.00%	$ 10,040,000
Donna ISD	56,055,000	*	08/31/2021	100.00%	56,055,000
Donna, City of	48,095,000	*	08/31/2021	100.00%	48,095,000
Edcouch-Elsa ISD	31,460,197	*	08/31/2021	100.00%	31,460,197
Edinburg CISD	130,240,000	*	08/31/2021	98.01%	127,648,224
Edinburg, City of	113,565,000	*	08/31/2021	100.00%	113,565,000
Hidalgo County	354,620,000	*	08/31/2021	100.00%	354,620,000
Hidalgo County DD #1	195,219,000	*	08/31/2021	99.62%	194,477,168
Hidalgo ISD	25,359,000	*	08/31/2021	100.00%	25,359,000
Hidalgo, City of	3,992,000	*	08/31/2021	100.00%	3,992,000
La Joya ISD	215,657,680	*	08/31/2021	100.00%	215,657,680
La Joya, City of	-		08/31/2021	100.00%	-
La Villa ISD	9,300,000	*	08/31/2021	100.00%	9,300,000
La Villa, City of	3,202,000	*	08/31/2021	100.00%	3,202,000
Lyford CISD	3,480,000	*	08/31/2021	3.45%	120,060
McAllen ISD	90,191,000	*	08/31/2021	100.00%	90,191,000
McAllen, City of	100,815,000	*	08/31/2021	100.00%	100,815,000
Mercedes ISD	48,522,300	*	08/31/2021	100.00%	48,522,300
Mercedes, City of	21,305,000	*	08/31/2021	100.00%	21,305,000
Mission CISD	107,272,960	*	08/31/2021	100.00%	107,272,960
Mission, City of	54,015,000	*	08/31/2021	100.00%	54,015,000
Monte Alto ISD	11,085,000	*	08/31/2021	100.00%	11,085,000
Penitas, City of	5,089,000	*	08/31/2021	100.00%	5,089,000
Pharr, City of	124,756,788	*	08/31/2021	100.00%	124,756,788
Pharr-San Juan-Alamo ISD	274,810,000	*	08/31/2021	100.00%	274,810,000
Progreso ISD	18,075,000	*	08/31/2021	100.00%	18,075,000
Progreso, City of	1,461,000	*	08/31/2021	100.00%	1,461,000
Rio Grande City CISD	148,210,000	*	08/31/2021	100.00%	148,210,000
Rio Grande City, City of	40,390,000	*	08/31/2021	100.00%	40,390,000
Roma ISD	62,415,000	*	08/31/2021	100.00%	62,415,000
Roma, City of	6,422,000	*	08/31/2021	100.00%	6,422,000

(Continued)

Taxing Body	Debt Amount		As of	Percent Overlapping	Overlapping Amount
San Juan, City of	$ 27,930,000	*	08/31/2021	100.00%	$ 27,930,000
Sharyland ISD	88,475,000	*	08/31/2021	100.00%	88,475,000
Starr County	416,667	*	08/31/2021	100.00%	416,667
Valley View ISD	37,015,000	*	08/31/2021	100.00%	37,015,000
Weslaco ISD	64,920,447	*	08/31/2021	100.00%	64,920,447
Weslaco, City of	87,206,000	*	08/31/2021	100.00%	87,206,000
Total Net Overlapping Debt					**2,614,389,491**
South Texas College			08/31/2021		120,914,693
Total Direct and Overlapping Debt					**$ 2,735,304,184**

*Gross Debt

Source:
Municipal Advisory Council of Texas

SOUTH TEXAS COLLEGE

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Special Reports Section

CRI CARR RIGGS & INGRAM
CPAs and Advisors

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

To the President and Board of Trustees
South Texas College
McAllen, Texas

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 South Texas College (the College) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 14, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Texas Public Funds Investment Act

We also performed tests of the College's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). The results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and accordingly, we do not express an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cary, Rigge & Ingram, L.L.C.

McAllen, Texas

December 14, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the President and Board of Trustees
South Texas College
McAllen, Texas

Report on Compliance for The Major Federal Program

We have audited South Texas College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended August 31, 2021. The College's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the College's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the 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 the major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on the Major Federal Program

In our opinion, South Texas College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2021.

Report on Internal Control over Compliance

Management of the 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 the College's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Cain, Riggs & Ingram, L.L.C.

McAllen, Texas
December 14, 2021

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE STATE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS *SINGLE AUDIT CIRCULAR*

To the President and Board of Trustees
South Texas College
McAllen, Texas

Report on Compliance for the Major State Program

We have audited South Texas College's (the College) compliance with the types of compliance requirements described in the State Comptroller's Office, Uniform Grant Management Standards that could have a direct and material effect on the College's major state programs for the year ended August 31, 2021. The College's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the College's major state program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the State of Texas *Single Audit Circular*. Those standards and the State of 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 state program occurred. An audit includes examining, on a test basis, evidence about the 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 the major state program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on the Major State Program

In our opinion, South Texas College, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended August 31, 2021.

Report on Internal Control over Compliance

Management of the 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 the College's internal control over compliance with the types of requirements that could have a direct and material effect on the major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major state program and to test and report on internal control over compliance in accordance with the State of 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 the 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 state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Cain, Riggs & Ingram, L.L.C.

McAllen, Texas
December 14, 2021

SOUTH TEXAS COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:
   a. Material weakness (es) identified? _____yes___X___no

   b. Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes ___X___none reported

   c. Noncompliance material to financial statements noted? _____yes ___X__ no

Federal Awards

1. Type of auditors' report issued on compliance for major program: Unmodified

2. Internal control over major program:

   a. Material weakness (es) identified? _____ yes ___X___no

   b. Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes___X___none reported

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? _____yes___X___no

4. Identification of major federal program:

Assistance Listing number	Name of Federal program or cluster
84.425C	Education Stabilization Fund – GEER
84.425E	Education Stabilization Fund – HEERF Student Portion
84.425F	Education Stabilization Fund – HEERF Institutional Portion
84.425L	Education Stabilization Fund – HEERF MSI

Dollar threshold used to distinguish between type A and type B programs: **$2,465,620**

Auditee qualified as low-risk auditee under 2CRF 200.520? **Yes**

SOUTH TEXAS COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2021

Section I - Summary of Auditors' Results (Continued)

State Awards

1. Type of auditors' report issued on compliance for major program: Unmodified

2. Internal control over major program:
   a. Material weakness (es) identified? _____ yes __X__no

   b. Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ yes___X__none reported

3. Any audit findings disclosed that are required to be reported in accordance with the State of Texas *Single Audit Circular*? _____yes___X___no

4. Identification of major state program:

Name of state program or cluster
Texas Educational Opportunity Grant

Dollar threshold used to distinguish between type A and type B programs: **$300,000**

Auditee qualified as low-risk auditee under the State of Texas *Single Audit Circular*? **Yes**

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None noted that were required to be reported.

Section IV – State Award Findings and Responses

None noted that were required to be reported.

SOUTH TEXAS COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
Corrective Action Plan
For the Year Ended August 31, 2021

Financial Statement Findings:

Not applicable

Federal Award Findings:

Not applicable

State Award Findings:

Not applicable

SOUTH TEXAS COLLEGE

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SOUTH TEXAS
COLLEGE