

Board of Trustees

Finance, Audit, and Human Resources Committee Meeting

December 5, 2017

5:30 p.m.

**Ann Richards Administration Building,
Board Room-Pecan Campus-McAllen, TX**



**SOUTH TEXAS
COLLEGE**

South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, December 5, 2017 @ 5:30 p.m.

“At anytime during the course of this meeting, the Board of Trustees may retire to Executive Session under Texas Government Code 551.071(2) to confer with its legal counsel on any subject matter on this agenda in which the duty of the attorney to the Board of Trustees under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code. Further, at anytime during the course of this meeting, the Board of Trustees may retire to Executive Session to deliberate on any subject slated for discussion at this meeting, as may be permitted under one or more of the exceptions to the Open Meetings Act set forth in Title 5, Subtitle A, Chapter 551, Subchapter D of the Texas Government Code.”

I. Approval of November 14, 2017 Finance, Audit, and Human Resources Committee Minutes	1-10
II. Discussion and Recommend Action on Rio Bravo Windpower, LLC, Tax Abatement Application and Resolution for the Tax Abatement Agreement	11-42
III. Update on Status of Fiscal Year 2017 Financial Audit.....	43
IV. Review and Action as Necessary on Award of Proposal, Purchases, and Renewal (Non-Bond Proceeds)	44-61
V. Review and Action as Necessary on Purchases for the 2013 Bond Construction Program Bond Related Projects Funded by Non-Bond Proceeds ...	62-64
VI. Review and Recommend Action to Revise Policy #4305: Employee Leave, Spring Break, Semester Break, and Holidays.....	65-67
VII. Review and Recommend Action on 2017 Tax Roll/Tax Levy for Hidalgo County	68-72
VIII. Review and Recommend Action on Appraisal District Allocated Cost Payments for Hidalgo County and Starr County	73-77
IX. Review and Recommend Action on Disposal/Recycle of Technology and Electronic Items with an Original Value of \$5,000 and Over	78-79
X. Review and Discussion of Position Vacancy Report for FY 2017 – 2018	80-94

**Approval of November 14, 2017 Finance, Audit, and Human Resources
Committee Minutes**

The Minutes for the Finance, Audit, and Human Resources Committee Meeting of November 14, 2017 are presented for Committee approval.

**South Texas College
Board of Trustees
Finance, Audit, and Human Resources Committee
Ann Richards Administration Building Board Room
Pecan Campus, McAllen, Texas
Tuesday, November 14, 2017 @ 5:30 p.m.**

Minutes

The Finance, Audit, and Human Resources Committee Meeting was held on Tuesday, November 14, 2017 in the Ann Richards Administration Building Board Room at the Pecan Campus in McAllen, Texas. The meeting commenced at 5:53 p.m. with Mr. Paul R. Rodriguez presiding.

Members present: Mr. Paul R. Rodriguez, Dr. Alejo Salinas, Jr., Ms. Rose Benavidez, and Mr. Roy de León

Other Trustees Present: Mrs. Graciela Farias, Mr. Jesse Villarreal, and Mr. Gary Gurwitz

Members absent: None

Also present: Dr. Shirley A. Reed, Mrs. Mary Elizondo, Mr. Matthew Hebbard, Dr. Anahid Petrosian, Dr. David Plummer, Mr. Rick De La Garza, Mrs. Becky Cavazos, Mrs. Brenda Balderaz, Mr. George McCaleb, Ms. Katarina Bugariu, Dr. Lelia Salinas, Mr. Khalil Abdullah, Mr. Jose Luis Silva, Dr. Jayson Valerio, Ms. Karen Castillo, Ms. Cindy Zavala, Mr. Gilbert Gallegos, Mr. Jimmy Barraco, Mr. Tim Wheldon, Mr. Hector Garcia, Mr. Robert Pena, Mr. Jeff Neves, Mr. Keith Moore, Mr. Bryan Harris, Ms. Kelly Lara, Ms. Kelly Salazar, and Mr. Andrew Fish

**Approval of October 10, 2017 Finance, Audit, and Human Resources
Committee Minutes**

Upon a motion by Mr. Roy de León and a second by Ms. Rose Benavidez, the Minutes for the Finance, Audit, and Human Resources Committee Meeting of October 10, 2017 were approved as written. The motion carried.

Presentation on Rio Bravo Wind Project by Longroad Energy

Longroad Energy presented Rio Bravo Wind Project in Starr County to the Committee.

Mr. Bryan Harris, Director of Development for Longroad Energy, Mr. Robert Peña, President for Texas Energy Consultants, and Mr. Jeff Neves, Head of Development for Amshore US Wind, LLC, presented to the Committee and responded to any questions.

The energy project would include the installation of 66 3.6 GW turbines in Starr County, with the project to be completed during the 2018 calendar year.

The presenters requested that the College review its guidelines and criteria for the consideration of tax abatements and consider a pending application for the upcoming project.

No action was required from the Committee. This item was presented for information and feedback to staff.

Review and Discussion of Delinquent Tax Collection Comparison for 2012 through 2017

A report on the Delinquent Tax Collection Comparison for 2012 through 2017 was presented to the Committee.

Purpose – Mrs. Kelly Salazar from Linebarger Goggan Blair & Sampson, LLP, presented the Delinquent Tax Collection Comparison.

Background – The Delinquent Tax Collection Report for the Period Ending August 31, 2017 was presented at the October 24, 2017 Board of Trustees Meeting. The Board of Trustees requested that the representative provide a report including a five-year collection history and the total outstanding delinquent amounts to clearly reflect the collection rate per year.

Linebarger Goggan Blair & Sampson, LLP provided the information for Hidalgo County; however, limited information was provided for Starr County collections at the time of the packet publication. During the meeting, Mrs. Salazar provided a handout of the Starr County collections.

Reviewers – The Business Office staff reviewed the information being presented by Linebarger Goggan Blair & Sampson, LLP.

Enclosed Documents – The Five Year Comparison Information report was included in the packet for the Committee's information and review.

No action was required from the Committee. This item was presented for information and feedback to staff.

Review and Action as Necessary on Award of Proposal, Renewals, and Interlocal Agreement (Non-Bond Proceeds)

Upon a motion by Mr. Roy de León and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval of the award of proposal, purchases, renewals, and Interlocal agreement (Non-Bond Proceeds) as listed below:

- | | |
|------------------------------------|--------------------------------|
| A. Award | D. Technology Items |
| B. Instructional Item | E. Interlocal Agreement |
| C. Non- Instructional Items | |

A. Award

- 1) **Fire Suppression Systems and Alarm Monitoring (Award):** award the proposal for fire suppression systems and alarm monitoring to the following vendors, for the period beginning November 29, 2017 through November 28, 2018 with two one-year options to renew, at an estimated amount of \$137,832.93:

#	Services	Vendor	Amount
1	Fire Alarm Panels	Strongline Security & Fire (San Juan, TX) (New)	\$13,950.00
2	Fire Alarm Repairs	Strongline Security & Fire (San Juan, TX) (New)	\$30,000.00
3	Kitchen Hood Repairs	EI Fire & Safety, Inc. (Mission, TX)	\$5,000.00
4	Fire Sprinklers Inspection	1st FP McAllen, LLC. (McAllen, TX)	\$9,500.00
5	Fire Sprinklers Repairs	1st FP McAllen, LLC. (McAllen, TX)	\$35,000.00
6	Fire Extinguishers/ Inspection Rates	EI Fire & Safety, Inc. (Mission, TX)	\$5,000.00
7	Fire Extinguishers – Hydro Test Rates	EI Fire & Safety, Inc. (Mission, TX)	\$5,000.00
8	Fire Extinguishers – Recharge Rates	EI Fire & Safety, Inc. (Mission, TX)	\$5,000.00
9	Fire Alarm Equipment and Monitoring	Strongline Security & Fire (San Juan, TX) (New)	\$27,957.93
10	Fire Alarm Monitoring	Strongline Security & Fire (San Juan, TX) (New)	\$1,425.00

B. Instructional Item

- 2) **Instructional Equipment (Purchase):** purchase instructional equipment from **Technical Laboratory Systems** (Houston, TX), a Harris County Department of Education – Choice Partners Purchasing Cooperative approved vendor, at a total amount of \$87,964.00;

C. Non – Instructional Items

- 3) **Chiller Water Treatment Chemicals, Maintenance, and Equipment (Purchase):** purchase chiller water treatment chemicals, maintenance, and equipment from **U. S. Water Services, Inc./dba ChemCal** (St. Michael, MN), a State of Texas Purchasing and Support Services (TPASS) – Managed Contracts approved vendor, for the period of September 1, 2017 through August 31, 2018, at an estimated cost of \$85,000.00, which is based on prior year expenditures and includes a filtration system;
- 4) **Furniture (Purchase):** purchase furniture from the National Intergovernmental Purchasing Alliance (NIPA/TCPN) approved vendors, at a total amount of \$120,387.04.

#	Vendor	Amount
A	Exemplis Corporation/Gateway Printing and Office Supply, Inc. (Cypress, CA/Edinburg, TX)	\$1,080.26

B	The Hon Company/Gateway Printing and Office Supply, Inc. (Muscatine, IA/Edinburg, TX)	\$8,577.28
C	National Office Furniture/Gateway Printing and Office Supply, Inc. (Jasper, IN/Edinburg, TX)	\$110,729.50
	Furniture Total	\$120,387.04

- 5) **Shuttle Bus (Purchase):** purchase a shuttle bus from **Creative Bus Sales, Inc.** (Irving, TX) (New), a Houston-Galveston Area Council (HGAC) approved vendor, at a total amount of \$88,205.00;
- 6) **Food Service – Starr County Campus (Renewal):** renew the food service – Starr County Campus contract with **Cactus Restaurant** (Rio Grande City, TX), for the period beginning February 1, 2018 through January 31, 2019, with a 4% commission of total monthly sales;
- 7) **Graduation Caps and Gowns (Renewal):** renew the graduation caps and gowns contract with **Jostens, Inc.** (Minneapolis, MN), for the period beginning February 1, 2018 through January 31, 2019, at an estimated amount of \$55,000.00;
- 8) **Moving Services (Renewal):** renew the moving services contracts for the period beginning February 24, 2018 through February 23, 2019, at an estimated amount of \$280,000.00 with the following vendors:
 - a. **Gateway Printing & Office Supply, Inc.** (Edinburg, TX)
 - b. **Groves Moving & Storage** (Harlingen, TX)
- 9) **Vehicle Fuel Program (Renewal):** renew the vehicle fuel program with **U. S. Bank/ Voyager Fleet Systems** (Kansas City, MO), a State of Texas Procurement and Support Services (TPASS) approved vendor, acting by and through the State of Texas Council of Competitive Government (CCG), for the period beginning January 1, 2018 through December 31, 2018, at an estimated amount of \$90,000.00, based on prior year history;

D. Technology

- 10) **Computers, Laptops, and Tablets (Purchase):** purchase of computers, laptops, and tablets from the State of Texas Department of Information Resources (DIR) approved vendor **Dell Marketing, LP.** (Dallas, TX) and **GovConnection, Inc./dba Connection** (Pittsburgh, PA), a National IPA approved vendor, at a total amount of \$137,192.87;
- 11) **Public Website Equipment and Service (Purchase):** purchase of upgrade for the public website equipment and service with **Rackspace US, Inc.** (Dallas, Texas), a sole source vendor, for the period beginning December 1, 2017 through November 30, 2018, at a total annual cost of \$80,304.99;
- 12) **Training Services (Renewal):** renew the training services contract with **Global Knowledge Training, LLC.** (Cary, NC), for the period beginning January 1, 2018 through December 31, 2018, at an estimated amount of \$30,000.00 per semester and an annual amount of \$60,000.00;

E. Facility Usage Agreement

- 13) **Graduation Facility (Lease Agreement):** lease the graduation facility from the **City of Hidalgo – Texas Municipal Facilities Corporation** (State Farm Arena) (Hidalgo,

TX), through an interlocal license agreement from May 11, 2018 at midnight through May 12, 2018 at midnight, at an estimated amount of \$30,000.00.

Recommend Action - The total for all award of proposal, purchases, renewals, and Interlocal agreement (Non-Bond Proceeds) was \$1,251,886.83.

The motion carried.

Review and Action as Necessary on Purchases for the 2013 Bond Construction Program Funded by Bond Proceeds and Bond Related Projects Funded by Non-Bond Proceeds

Upon a motion by Mr. Roy de León and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval of the purchases for the 2013 Bond Construction Program Funded by Bond Proceeds and Bond Related Projects Funded by Non-Bond Proceeds as listed below:

A. Bond Proceeds	B. Non-Bond Proceeds - Maintenance and Operation Property Taxes (M&O)
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A. Bond Proceeds

- 1) **Furniture (Purchase):** purchase furniture from E & I Cooperative, National Cooperative Purchasing Alliance (NCPA), and Texas Association of School Board-Buy Board purchasing cooperatives, at a total amount of \$324,408.84.

#	Vendor	Amount
a	Agati Furniture/Gateway Printing and Office Supply, Inc. (Chicago, IL/Edinburg, TX)	\$101,287.68
b	Landscape Forms, Inc. (Kalamazoo, MI)	\$44,785.29
c	Library Design Systems, Inc. (Houston, TX)	\$176,115.79
d	Lone Star Furnishings (Carrollton, TX)	\$2,220.08
Total Amount		\$324,408.84

B. Non-Bond Proceeds - Maintenance and Operation Taxes (M&O)

- 2) **Cafeteria Equipment and Accessories (Purchase):** purchase cafeteria equipment and accessories from **Jean’s Restaurant Supply** (McAllen, TX), a Texas Association of School Boards – Buyboard approved vendor, at an estimated amount of \$78,000.00;
- 3) **Spectrometers (Purchase):** purchase spectrometers from **Magritek, Inc.** (San Diego, CA), a sole source vendor, at a total amount of \$127,740.00;
- 4) **Spectrophotometers (Purchase):** purchase spectrophotometers from **Shimadzu Scientific Instruments** (Houston, TX), a State of Texas Multiple Award Schedule (TXMAS) approved vendor, at a total amount of \$77,349.04.

Recommend Action - The total for the purchases of the 2013 Bond Construction Program and Related Projects Funded by Bond Proceeds and Bond Related Projects Funded by Non-Bond Proceeds was:

Bond Proceeds	\$324,408.84
Non-Bond M&O Taxes	\$283,089.04
Total	\$607,497.88

The motion carried.

**Review and Recommend Action on Annual Investment Report
for FY 2016 – 2017**

Approval of the Annual Investment Report for FY 2016 - 2017 would be requested at the November 28, 2017 Board Meeting.

Purpose – The State Auditor’s Office (SAO) requires that higher education institutions report to the SAO certain investment information prescribed by General Appropriations Act (82nd Legislature), Article III, Rider 5-Investment Reports. The governing board of each of the educational institutions is required to file with the SAO, Comptroller of Public Accounts, Legislative Budget Board, and the Governor an annual report of all investment transactions involving endowment funds, short-term and long-term investment funds, and all other securities transactions. The College’s Policy #5120: Investment Policy and Investment Strategy Statement, requires the independent auditor to review the Investment report at least annually and the result of the review is to be reported to the Board of Trustees.

Justification – The Administration brings the Annual Investment Report to the Board of Trustees annually, as required.

Reviewers – The College’s Investments were reviewed by Carr, Riggs & Ingram, LLC (external auditors).

Enclosed Documents – The Annual Investment Report prepared for the State Auditor’s Office follows in the packet for the Committee’s information and review.

Dr. Shirley A. Reed, President, and Mary Elizondo, Vice President for Finance and Administrative Services, attended the Finance and Human Resources Committee meeting to address any questions by the committee.

Upon a motion by Ms. Rose Benavidez and a second by Mr. Roy de León, the Finance and Human Resources Committee recommended Board approval of the Annual Investment Report for FY 2016 – 2017, as presented. The motion carried.

Review and Recommend Action on Tuition and Fees Schedule for Student Tuition and Fees for FY 2017 - 2018

Approval to revise the Tuition and Fees Schedule for Student Tuition and Fees for FY 2017 - 2018 would be requested at the November 14, 2017 Board meeting.

Purpose – Per House Bill 2223, the state will not fund contact hours for students enrolled in more than 18 semester credit hours of developmental courses. The threshold previous to House Bill 2223 was more than 27 semester credit hours. As a result, the College may assess a fee to students enrolled in more than 18 semester credit hours in developmental courses.

Justification – The Developmental Courses fee is assessed when students exceed a limit in enrolling for developmental courses. The limit had been 27 semester credit hours of developmental courses. Institutions are not funded legislative appropriations for developmental courses when students exceed the limit of 27 semester credit hours. Per House Bill 2223, the limit to receive funding for enrollment in developmental courses was reduced from 27 to 18 semester credit hours for public junior colleges effective Spring 2018. Institutions are allowed to assess a fee to students to offset the loss in legislative appropriations related to these courses.

On December 13, 2017, the Board of Trustees approved the Tuition and Fees Schedule for Student Tuition and Fees for FY 2017 – 2018. The recommended changes for FY 2017 – 2018, Spring 2018 are as follows:

	Board Approved FY 2017-2018
COURSE FEES:	
Excessive Hours Course Repeat Fee per credit hour	
<ul style="list-style-type: none"> Enrollment in Developmental Studies Courses (>27 credit hours) Effective Spring 2017 	\$125.00
Replace with	
<ul style="list-style-type: none"> Enrollment in Developmental Studies Courses (>18 credit hours) Effective Spring 2018 	\$125.00

Reviewers - The revised Tuition and Fees Schedule for Student Tuition and Fees for FY 2017 – 2018 for students enrolled in more than 18 credit hours in developmental studies has been reviewed by staff and President’s Cabinet.

Upon a motion by Mr. Roy de León and a second by Ms. Rose Benavidez, the Finance, Audit, and Human Resources Committee recommended Board approval to revise the Tuition and Fees Schedule for Student Tuition and Fees for FY 2017 - 2018 as presented. The motion carried.

Review and Discussion of Internal Audit Report in the Area of Fixed Assets

Mr. Khalil Abdullah, Internal Auditor, attending the Committee meeting to discuss the procedures, findings, and recommendations of the internal audit report in the area of Fixed Assets.

The Internal Audit Report was provided in the packet for the Committee's review.

No action was required from the Committee. This item was presented for information and feedback to staff.

Review and Discussion of Position Vacancy Report for FY 2017 – 2018

The Staffing Plan Position Vacancy Report for FY 2017 - 2018 was provided in the packet for the Committee's information and review. Information was current as of November 9, 2017.

Dr. Shirley A. Reed, President, and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, were available to respond to questions from the Committee.

The position information listed below includes the Unrestricted Fund only and does not include positions for Auxiliary and Restricted Funds.

1) Positions Filled during Fiscal Year 2017 - 2018

(EXHIBIT A – HIRED)

- Eighty-four (84) of the FY 2016 - 2017 positions have been filled as of November 9, 2017; two (2) new FY 2017 - 2018 Full Time, Regular positions have been filled.

2) Vacancies at Beginning of Fiscal Year 2017 - 2018

(EXHIBIT B - VACANT POSITIONS - NEW)

(EXHIBIT C - VACANT POSITIONS - CONTINUING)

- Two-hundred and thirty-two (232) vacant positions were carried over from FY 2016 – 2017.
- Seventy-three (73) new positions were Board approved for FY 2017 – 2018.
- Three-hundred and five (305) Full Time Regular positions were vacant on September 1, 2017.

3) Position Turnover during Fiscal Year 2017 - 2018

- Twelve (12) vacancies due to resignations, terminations, or retirements have been submitted for Full Time, Regular positions as of November 9, 2017.

Below is a detail of the Fiscal Year 2017 – 2018 Non-Faculty Vacancies by Division as of November 9, 2017.

	Academic Affairs	Finance & Admin. Services	Information Services, Planning, Perform. & Strategic Initiatives	President's Office	Student Affairs & Enrollment Management	Total
Continued	37	78	47	16	13	191
New	8	9	4	2	8	31
New- Bond	13	25	2	0	0	40
Total	58	112	53	18	21	262

Further details can be found in the Position Vacancy Report in the packet.

The Position Vacancy Report for Fiscal Year 2017 - 2018 and Positions Filled and Vacated Report were presented for information and review by the Committee. No action was required from the Committee.

Adjournment

There being no further business to discuss, the Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees adjourned at 6:27 p.m.

I certify that the foregoing are the true and correct Minutes of the November 14, 2017 Finance, Audit, and Human Resources Committee Meeting of the South Texas College Board of Trustees.

Mr. Paul R. Rodriguez
 Chair

Discussion and Recommend Action on Rio Bravo Windpower, LLC, Tax Abatement Application and Resolution for the Tax Abatement Agreement

Approval of the Rio Bravo Windpower, LLC, Tax Abatement Application and the Resolution for the Tax Abatement Agreement will be requested at the December 12, 2017 Board meeting.

Rio Bravo Windpower, LLC has submitted an application for tax abatement for their wind powered electric generating facility project in Starr County. Legal Counsel has reviewed the application and has prepared an agreement and a resolution for the tax abatement.

According to Rio Bravo Windpower, LLC, the improvements will consist of a proposed wind power generation facility, comprised of 238 megawatts of nameplate capacity located in the Reinvestment Zone. The project is scheduled to begin construction no later than March 31, 2018 and it is currently anticipated that construction will be complete by June, 2019.

The improvements are expected to have an estimated value of at least \$252,000,000 upon completion, although the actual value will be determined by an appraisal by the Starr County Appraisal District. The Project is expected to include approximately 66 wind turbines and towers, although the exact number may vary substantially depending on factors such as the type of turbines used and site wind characteristics.

Mr. Bryan Harris, Director of Development for Rio Bravo Windpower, LLC, Mr. Robert Peña, President for Texas Energy Consultants, and Mr. Jeff Neves, Head of Development for Amshore US Wind, LLC will be present at the Committee meeting and respond to any questions.

The Rio Bravo Windpower, LLC, tax abatement application, the tax abatement agreement, and the resolution for the tax abatement agreement follow in the packet for the Committee's information and review.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the December 12, 2017 Board meeting, the Rio Bravo Windpower, LLC, Tax Abatement Application and the Resolution for the Tax Abatement Agreement as presented and subject to additional negotiations by the Committee.

Application for Tax Abatement
South Texas College

Please submit the answers to the following questions and attach any additional pages as needed.

Applicant name: Rio Bravo Windpower, LLC

Applicants address and phone number: 133 Federal Street, Suite 1202
Boston, MA 02110

Applicant organization: Longroad Energy LLC

Type of Business: Wind powered generation of electricity

Organization address and phone: 133 Federal Street, Suite 1202
Boston, MA 02110

Organization Contact: Bryan Harris
Director, Development

Contact address and phone: 133 Federal Street, Suite 1202
Boston, MA 02110

Proposed project or facility address: West Hwy 83 at Starr/Zapata Co Line,
Starr County, TX

1. Brief description of project or facility for which tax abatement is sought:

The improvements will consist of a proposed wind power generation facility, comprised of 238 megawatts (“MW”) of nameplate capacity located in the Reinvestment Zone (the “Project”), to begin construction no later than March 31, 2018 and it is currently anticipated that construction will be complete by June, 2019.

The improvements are expected to have an estimated value of at least \$252,000,000 upon completion, although the actual value will be determined by an appraisal by the Starr County Appraisal District. The Project is expected to include approximately 66 wind turbines and towers, although the exact number may vary depending on factors such as the type of turbines used and site wind characteristics. The projection regarding the number of turbines is based on the use of 3.6 megawatt turbines. The improvements shall also include any other property in the Reinvestment Zone meeting the definition of “Eligible Property” contained in the Tax Abatement Guidelines and criteria for South Texas College

that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

Does this property fall under the definition of “eligible property” provided in the South Texas College Guidelines & Criteria?

Yes
 No

2. This application is for (choose one):

new plant
 Expansion
 Modernization

3. Please list all the taxing jurisdictions in which the proposed project or facility is located.

Starr County, Starr County Hospital District, Rio Grande City Independent School District, and Roma Independent School District. Applications and abatement / limitation agreements have been approved by all the above named taxing entities.

4. Please describe the nature and scope of the tax abatement that is sought. What is the total estimated taxable value or total range of taxable values of the project or facility for which abatement is sought?

Rio Bravo Windpower seeks an abatement of taxes effective for ten (10) full calendar years for the project beginning on January 1 of the next tax year, after the date that the College President and/or the President of the Board of Trustees receives a letter certifying completion of construction of Project, outlining the Improvements included in the Project, and stipulating the overall turbine capacity.

The estimated taxable value of the Project when completed is expected to be \$252,000,000 although the actual value will depend upon annual appraisal by the Starr County Appraisal District and specific decisions to be made by Rio Bravo Windpower in the future.

5. What will be the total estimated taxable value or total range of taxable values of the project or facility in the first year after the expiration of the abatement?

Rio Bravo Wind estimates the project will have an estimated taxable value of approximately \$252,000,000 in the first year after expiration of the proposed

abatement although the value will be determined by appraisals by the Starr County Appraisal District and other factors.

6. Please attach information describing how the proposed project or facility meets the minimum Requirement for tax abatement outlined in the Guidelines & Criteria.

See Attachment 1

7. Please attach information on the following aspects of the proposed project or facility:

- (1) current value of land and existing improvements, if any;
- (2) type, value and purpose of proposed improvements;
- (3) productive life of proposed improvements;
- (4) impact of proposed improvements and other expenditures on existing jobs;
- (5) number and type of new jobs, if any, to be created by proposed improvements and expenditures;
- (6) costs to be incurred by Starr County, if any, to provide facilities or services directly resulting from the new improvements;
- (7) types and values of public improvements, if any, to be made by applicant seeking abatement;
- (8) estimation of the amount of ad valorem property taxes to be paid to Starr County after expiration of the abatement agreement;
- (9) the impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any;
- (10) the overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area;
- (11) whether the applicant's proposed facility or improvement or modernization is an industry which is new to Starr County.

See Attachment 1

8. Please attach the following information to this application:

- (1) A map and description of the property for which abatement is sought;
- (2) A time schedule for completing the planned improvements; and
- (3) Basic financial information about yourself and your organization sufficient to enable evaluation of the applicant's financial capacity.

See Attachment 1

9. Please describe the Reinvestment Zone in which this project will be located.

Rio Bravo Wind has received the County's approval of the Reinvestment Zone attached as Exhibit A. The Project will be located in the approximate area of West Hwy 83 at the Starr/Zapata county line.

I attest that the information provided in this application is true and correct to the best of my knowledge.

Applicant Signature:

Bryan Harris, Director, Development

Name of Applicant: Rio Bravo Windpower, LLC

Date of application submission:

Attachment 1

Part 7: Minimum Requirements

The Project 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 the County.

Rio Bravo Wind intends to construct a wind powered electric generating facility with an expected value greater than \$252,000,000 in Starr County. At a minimum, the Project will result in a wind power facility with an estimated 200 megawatt nameplate capacity.

Rio Bravo Wind estimates that installing the wind turbines will create 100 to 150 temporary construction jobs over the course of the Project's construction, which is estimated to last twelve months of construction. Rio Bravo Wind further anticipates the creation of five to seven full-time jobs by the operator of the Project for the operation and maintenance of the Project. Continuing operations and maintenance activities in Starr County will create opportunities for purchase of contracting services and supplies from Starr County businesses. Over the course of construction of the Project, Rio Bravo Wind will make an effort to use local labor and purchase services and materials local businesses where practicable.

The Project will make use of land that is currently used for agricultural and ranching purposes. The location of the Project is remote and not ideal for industrial or commercial development, but is well suited for a wind farm. Without the Project, the land could remain in its current state and would be unlikely to attract new investment to the area.

The wind farm will provide "clean" power to customers served by Rio Bravo Wind. Wind energy creates little or no emissions impacting the environment. The project will provide this clean energy source.

The addition of full-time and contract-related jobs, the purchase of local services, supplies and materials, and the productive use of land to generate revenue and spur investment are examples of the kind of economic benefit that the proposed wind farm will bring to Starr County.

Part 8: Information about specific aspects of the project

(1) Value of land and existing improvements, if any;

Based on information supplied by Starr County, the current value of the land included in the proposed wind farm site is approximately \$12,000,000, based upon approximately 18,000 acres valued at \$665 per acre. There are no existing industrial improvements on the land.

(2) Type, value and purpose of proposed improvements;

The improvements will consist of a wind power facility, comprised of Rio Bravo Wind project (1 phase) expected to be approximately 238 megawatts of nameplate capacity located in the Reinvestment Zone. It is currently anticipated that the wind farm will consist of approximately 66 – 3.6 megawatt wind turbines.

The improvements are expected to have a value of in excess of \$252,000,000, although the actual value will be determined by an appraisal by the Starr County Appraisal District. This projection regarding the number of turbines is based upon the use of 3.6MW turbines, and over the course of developing the project, Rio Bravo Wind may elect to use another size turbine, or a combination of turbine types, however, the nameplate capacity of the facility is estimated to be 238 megawatts. The improvements also shall include any other property in the Reinvestment Zone meeting the contractual definition of “Eligible Property” that will be used to produce wind power and perform other functions related to the production, distribution and transmission of electric power.

Productive life of proposed improvements; The Project is estimated to have a useful life of 30 years.

(3) Impact of proposed improvements and other expenditures on existing jobs; The Project is not expected to negatively affect any existing jobs. Based on Rio Bravo Wind experience with existing wind projects in Texas, Rio Bravo Wind investments in Starr County will create new jobs and result in increased local economic activity.

(4) Number and type of new jobs, if any, to be created by proposed improvements and expenditures; According to preliminary estimates, the direct effect of Rio Bravo Wind’s investment will be the creation of approximately 100 to 150 temporary construction jobs in Starr County during the construction phase of the wind power facility, which is estimated to last twelve months. The operations and maintenance of the wind power facility will provide at least five to seven full-time jobs.

(5) Cost to be incurred by South Texas College, if any, to provide facilities or services directly resulting from the new improvements; Rio Bravo Wind expects that South Texas College will incur NO new costs as a result of the project.

(6) Types and values of public improvements, if any, to be made by applicant seeking abatement; Because almost all development will take place on private land, Rio Bravo Wind does not anticipate constructing any public improvements other than the possible upgrade of county roads to a level sufficient to support construction needs.

- (7) The amount of ad valorem property taxes to be paid to South Texas College after expiration of the abatement agreement; It is difficult to estimate the exact amount of ad valorem taxes to be paid after expiration of the agreement, given the present uncertainty about future tax rates, appraisals, depreciation schedules, and final figures regarding the taxable value of the wind farm.
- (8) Rio Bravo Wind estimates that at the end of the abatement (yr. 11), based on current tax rates and a value of \$76,507,200, the proposed project would produce in excess of \$400,000 in annual property taxes to South Texas College. The College would receive tax revenues during the first 10 years of the abatement in addition to the payments in lieu of taxes and then would receive post-abatement taxes in years 11-25 of the projected full useful life of the project.
- (9) The impact on the business opportunities of existing businesses and the attraction of new businesses to the area, if any; Over the course of construction of the project, Rio Bravo Windpower will make an effort to use local businesses to provide services and materials to the Project where practicable. Continuing operations and maintenance activities in Starr County will create opportunities for obtaining services and supplies from County businesses for the duration of the Project. The increased economic activity in Starr County resulting from the development and operation of the Project may result in attraction of new businesses to the area.
- (10) The overall compatibility with the zoning ordinances and comprehensive plan, if any, for the area; Not applicable. Starr County does not have a zoning ordinance or a comprehensive plan.
- (11) Whether the applicant's proposed facility or improvement or modernization is in an industry which is new to Starr County; The Project will contribute to the growth of the wind industry in Starr County and should have significant economic benefits for Starr County.

Part 9 (1): A map and descriptions of the property for which abatement is sought.

Exhibits A and B depict and describe the Project.

Part 9 (2): Time schedule for completing project.

Rio Bravo Windpower contemplates that construction will begin no later than March 31, 2018 and will be completed on or about June, 2019.

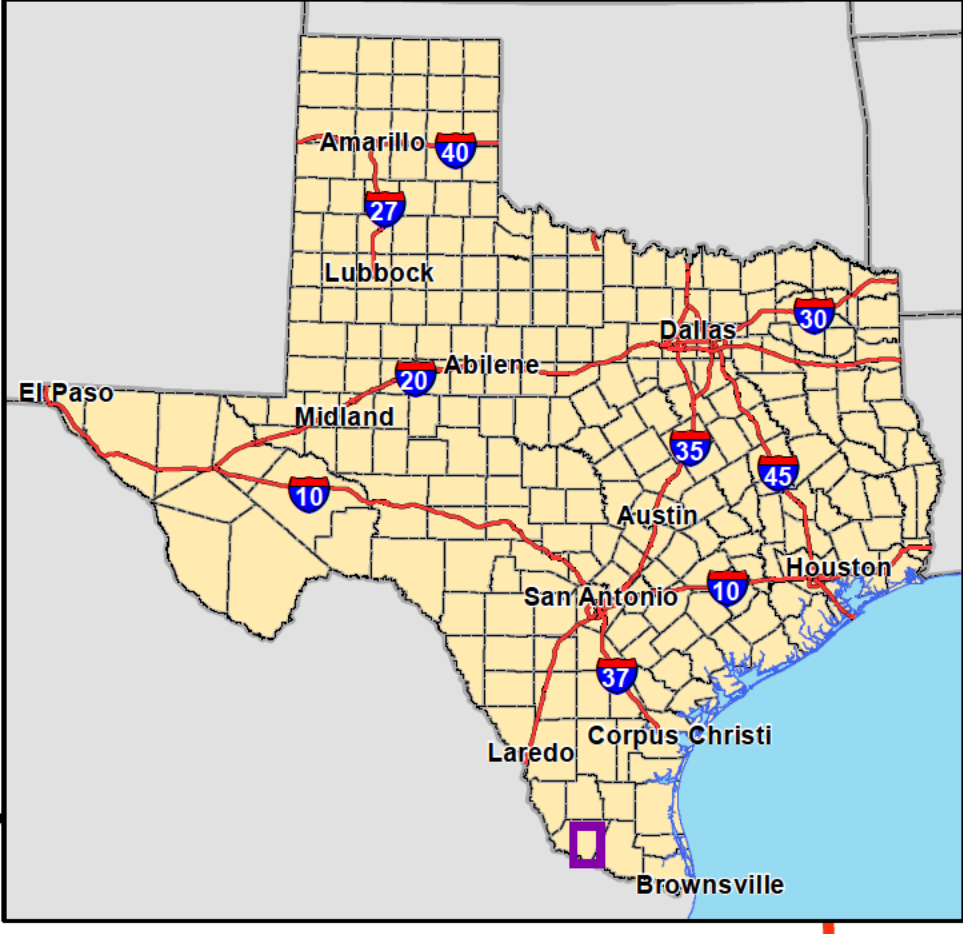
Part 9 (3): Basic financial information.

Longroad Energy is a leading source of renewable energy development companies in the United States. Headquartered in Boston, Massachusetts, Longroad Energy is a renewable energy developer focused on the development and operation of wind and solar energy projects throughout North America. Longroad Energy was founded by the former executive team of First Wind Energy: Paul Gaynor (First Wind co-founder and CEO), Michael Alvarez, Peter Keel, and

Charles Spilotis. The Longroad team has a consistent track record of successfully financing wind and solar projects, with several company principals and key employees focusing on sourcing construction and long-term capital for the projects, including debt and tax equity. More information about the company is available at www.longroadenergy.com.

Exhibit A
Legal Description of Reinvestment Zone
Containing Proposed Project

Morales-Sanchez



Zapata County

Starr County

Lopeno

New Falcon

83

Falcon Village

Falcon Heights

Salineno

Los Villareales

C&M RR CO
SECTION 192
AB 932
RAMIREZ, J G

FOSTER, J A
SECTION 435
AB 1174
HATON, A P

BENAVIDES, J
AB 121

HE&WT RR CO
SECTION 302
AB 754
SALINAS, J A

HE&WT RR CO
SECTION 301
AB 332

HE&WT RR CO
SECTION 300
AB 756
SALINAS, J A

HE&WT RR CO
SECTION 299
AB 264

B&F
SECTION 102
AB 755
SALINAS, J A

SK&K
SECTION 72
AB 753
SALINAS, J A

WALSH, MRS M F
SECTION 882
AB 1001
SALINAS, Z

LEAL, J
PORCION 25
AB 330

PANTALEON, J / JOAQUIN, J
PORCION 56
AB 199

VELA, L
PORCION 57
AB 2754

CHAPA, J
PORCION 59
AB 289

DE DIOS GARCIA, J
PORCION 58
AB 376

FARIAS, B
PORCION 60
AB 645

Loma Blanca Road

Sanchez Road

Falcon Loop (Alvaro's Road)

FM 2098

Poplar Road

Legend

- Proposed Reinvestment Zone
- Starr County Sections
- County Line

Rio Bravo Windpower Project

Rio Bravo Reinvestment Zone #1 Starr County, TX

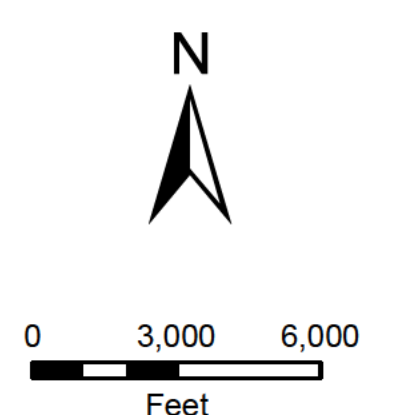
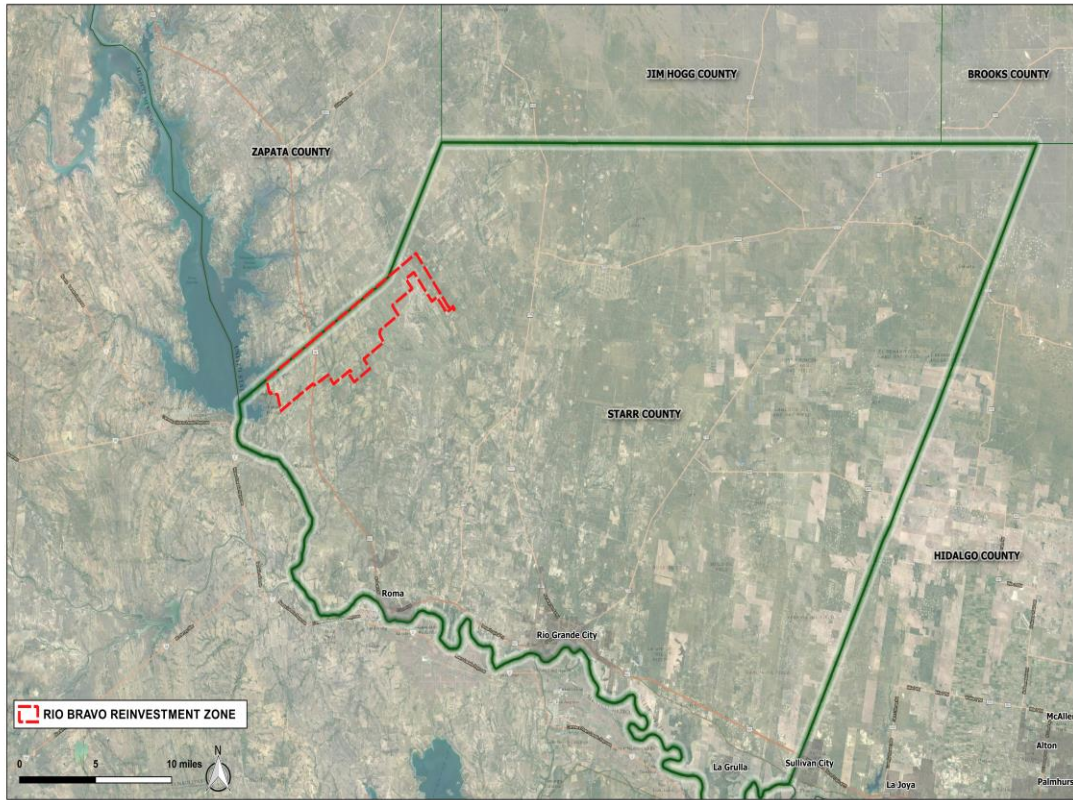


Exhibit B Map of Project Area



**Tax Abatement Agreement
between
South Texas College and
Rio Bravo Windpower, LLC**

State of Texas

County of Starr

This Tax Abatement Agreement (this “Agreement”) is made and entered into by and between South Texas College (the “College”), acting through its duly elected officers, and Rio Bravo Windpower, LLC, a Texas limited liability company (the “Owner”), owner of Eligible Property (as hereinafter defined) to be located on the tract of land comprising Reinvestment Zone #1, more specifically described in Attachment A to this Agreement, and this Agreement becomes effective upon final signature by both parties. The Agreement remains in effect until fulfillment of the obligations described in Paragraph IV (D) herein, unless terminated earlier as provided herein.

I. Authorization

This Agreement is authorized and governed by Chapter 312 of the Texas Tax Code, as amended, and by the College Tax Abatement Guidelines and Criteria.

II. Definitions

As used in this Agreement, the following terms shall have the meaning set forth below, and any undefined terms shall be given the definition provided in the College’s Tax Abatement Guidelines and Criteria.

- A. “Abatement” means the full or partial exemption from ad valorem Maintenance Taxes on property in a Reinvestment Zone as provided herein, and in no event will the duration of the Abatement period exceed 10 years, commencing on the date of Final Completion of Construction of the Eligible Property.
- B. “Act” shall mean Chapter 312 of the Texas Tax Code.
- C. “Calendar Year” means each year beginning on January 1 and ending on December 31. “Certificate” means a letter, provided by the Owner to the College, certifying that Owner has completed construction of the wind power project or any phase thereof described herein (the “Project”), outlining the Improvements and stipulating the overall Turbine Nameplate Capacity of the Project. Upon receipt of the Certificate, the College may inspect the Site in accordance with this Agreement to determine that the Improvements are in place as certified.
- D. “Certified Appraised Value” means the appraised value, for property tax purposes, of the Facility within Reinvestment Zone #1 as certified by the Starr County Appraisal District for each taxable year.

- E. “Eligible Property” means the Facility which has been approved and designated by the College as property eligible for Abatement under the College Tax Abatement Guidelines and Criteria, and this agreement as described in Attachment B hereto, including: designated new, expanded or modernized buildings and structures; fixed machinery and equipment; Site improvements; related fixed improvements; other tangible items necessary to the operation and administration of the Project or facility; and all other real and tangible personal property permitted by Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria. Taxes on Real Property may be abated only to the extent the property’s value for a given year exceeds its value for the year in which the Agreement is executed. Tangible personal property eligible for Abatement shall not include inventory or supplies. The maximum value of the Eligible Property to which the tax abatement will apply shall not exceed \$235 Million.
- F. “Force Majeure” means any contingency or cause beyond the reasonable control of the party claiming Force Majeure including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, governmental or de facto governmental action (unless caused by acts or omissions of such party), fires, explosions, floods, tornadoes, and strikes.
- G. “Improvements” means Eligible Property as defined herein and includes, but is not limited to, any building, structure, or fixture erected on or affixed to the land. Improvements specifically include the Owner’s substation and switching station if located within Reinvestment Zone.
- H. “Maintenance Taxes” means the College’s maintenance and operations tax, as distinguished from its debt taxes.
- I. “Owner” means Rio Bravo Windpower, LLC, the entity that owns or holds under fee simple title or one or more lease hold interests the Real Property for which Abatement is being granted, and any assignee or successor thereof.
- J. “Real Property” means Buildings and structures; Site improvements and related fixed improvements.
- K. “Reinvestment Zone” means Reinvestment Zone #1, the reinvestment zone (as that term is defined in Chapter 312 of the Texas Tax Code) created by Starr County Commissioners Court and described in Attachment A to this Agreement.
- L. “Site” means the portion of the Reinvestment Zone on which Owner makes the Improvements for which the Abatement is granted hereunder.
- M. “Turbine Nameplate Capacity” means the generating capacity of an individual wind turbine as designated by the manufacturer(s) of the turbines to be constructed as Improvements hereunder and where appropriate may refer to the total or overall generating capacity.

III. Improvements in Reinvestment Zone

Owner agrees to make the following Improvements in consideration for the Abatement set forth herein:

- A. The Owner anticipates that it will complete the construction of Phase III of the Improvements on or about _____ and that upon completion, Phase III will have an estimated appraised value of \$235 million. The owner anticipates that _____ of the Improvements shall be completed on or about _____ and that upon completion, the Improvements will have minimum appraised value of \$235 million.
- B. Improvements also shall include any other property in the Reinvestment Zone owned by Owner and meeting the definition of “Eligible Property” that is used to produce wind power and perform other functions related to the production, distribution and transmission of electric power. The College agrees, without limitation, that the wind turbines, towers, transmission lines, substations, operations & maintenance buildings and other related materials and equipment affixed to the Eligible Property will constitute Improvements under this Agreement.
- C. Owner shall complete construction of the Improvements no later than _____.

IV. Term and Portion of Tax Abatement; Taxability of Property

- A. The College and Owner specifically agree and acknowledge that the Facility in the Reinvestment Zone shall be taxable in the following ways before and during the Term of this Agreement:
 - 1. Property not eligible for Abatement, if any, shall be fully taxable at all times;
 - 2. Prior to commencement of the Abatement period designated in Paragraph IV(B), 100% of property taxes levied on the Certified Appraised Value of real and personal property owned by Owner and located in the Reinvestment Zone will be owed and taxes thereon payable by Owner;
 - 3. College property taxes on the Certified Appraised Value of Eligible Property shall be abated for the periods and in the amounts provided for by Paragraph IV(B) below; and
 - 4. 100% of the Certified Appraised Value of Eligible Property existing in the Reinvestment Zone shall be fully taxable after expiration of the Abatement period designated in Paragraph IV(B), including during the remainder of the Term.

B. The College and Owner specifically agree and acknowledge that this Agreement shall provide for tax Abatement, under the conditions set forth herein, of Owner's property taxes as follows:

1. There shall be granted and allowed hereunder to Owner by the College a property tax abatement on the approved Eligible Property and Improvements constructed, expanded, or acquired hereunder on the Property at a rate of eighty-five percent (85%) for ten years, commencing on January 1 of the tax year next after the date that College President receives the Certificate of Completion for the Improvements.
2. The foregoing percentage of property taxes on the Certified Appraised Value of all Improvements approved by the College and described in the Certificate (and actually in place in the Reinvestment Zone) are abated in the respective period designated above up to the maximum taxable value approved in this Agreement.

C. A portion or all of the Improvements may be eligible for complete or partial exemption, now or in the future, from ad valorem taxes as a result of existing law or future legislation. Should any such existing exemption not have been addressed herein or should any such exemption be proposed or adopted by the Texas Legislature, (a) Owner may request a modification of this Agreement, and (b) College may reconsider the effect of such exemption on its tax revenues, and amend the Agreement accordingly to the extent that the exemption as applied to the Eligible Property would materially reduce the College's tax benefits as anticipated in this Agreement. This Agreement is not to be automatically construed as evidence that no such exemptions shall apply to the Improvements.

D. As partial consideration for the granting of tax abatement in Paragraph IV(B) hereof, the Owner agrees to make the following payments to the College. On December 31 of each year of the first ten years of tax abatement, commencing in the year ____, the Owner shall pay the College the following payments as annual payment in lieu of abated taxes:

Year 1- 10 - \$_____

In the event the amounts due under this Paragraph IV(D) are not paid by December 31 of the year in which they are due, the College shall notify the Company that such payments are due and owing by January 15 of the following year. Delinquent payments shall accrue penalty and interest as provided in the Texas Tax Code commencing thirty days after receipt of notice of such delinquency from the College.

E. Owner agrees that the Improvements described in Paragraph III hereof, once constructed, will remain in place until at least twenty (20) Calendar Years after the date the Certificate for such Improvements is provided to the College by the Owner ("Term"); provided that nothing herein prevents Owner from replacing equipment or fixtures comprising the Improvements prior to that date, as long as such replacement does not result in a reduction of the Certified Appraised Value

of the Improvements. In the event that Owner removes Improvements (comprising in the aggregate not more than 10% of all Improvements), the Owner's removal shall not be deemed a default under this Agreement if Owner pays to the College as liquidated damages for such removal from the Abatement in this Agreement, within thirty (30) days after demand, all taxes for such removed Improvements (which otherwise would have been paid to the College through the date of such removal without benefit of a tax abatement) with interest at the statutory rate under the Texas Tax Code, as amended, but without penalty. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), THE SOLE REMEDY OF THE COLLEGE, AND OWNER'S SOLE LIABILITY, WILL BE FOR OWNER TO PAY TO THE COLLEGE THE FULL AMOUNT OF ACTUAL TAXES ABATED DURING THE YEAR OF DEFAULT UNDER THIS AGREEMENT. IN THE EVENT OF A BREACH OF THIS PARAGRAPH IV(E), ANY TAXES DUE BY OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

V. Representations

The College and Owner make the following respective representations:

- A. Owner represents and agrees that (i) Owner, its successors and/or assigns, will have a taxable interest with respect to Improvements to be placed on the Site; (ii) construction of the proposed Improvements described in Paragraph III will be performed by the Owner, its successors and/or assigns and/or their contractors or subcontractors, (iii) Owner's, its successors' and assigns' use of the property in the Reinvestment Zone is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the area during the period of the Abatement, (iv) all representations made in this Agreement and in the Application for Abatement, if any, are true and correct in all material respects to the best of Owner's knowledge, and (v) Owner will make required filings, if any, by Owner with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement that may be required in the future.
- B. The College represents that (i) this Agreement has been entered into in accordance with Chapter 312 of the Texas Tax Code and the College Tax Abatement Guidelines and Criteria as both exist on the effective date of this Agreement; (ii) no interest in the Improvements or the land on which they are located is held or subleased by an officer of the College or a member of the College Board of Trustees, (iii) the property within the Reinvestment Zone is located within the legal boundaries of the College; and (iv) the College has made and will continue to make all required filings with the Office of the Comptroller of Public Accounts and other governmental entities concerning this Agreement.
- C. At least 24 hours prior to Owner issuing the press release relating to the Project announcing the commencement of commercial operation, Owner shall email or fax a copy of such press release to the College. The College shall maintain the

confidentiality of any press release and shall not disclose any information in the press release until such time as such information is made public by Owner.

- D. Owner represents and agrees that, if built, the Project will, within the proposed time lines, (i) add at least _____ Thousand Dollars (\$_____) to the tax roll of Eligible Property, (ii) create no fewer than _____ (____) new, permanent, full-time jobs in Starr County, and (iii) lead to a positive net economic benefit to Starr County of at least ____ Million Dollars (\$_____) over the life of this Agreement, computed to include (but not limited to) new sustaining payroll and/or capital improvement.

VI. Access to and Inspection of Property by College Employees

- A. Owner shall allow the College employees or designees of the College access to the Improvements for the purpose of inspecting any Improvements erected to ensure that the same are conforming to the minimum specifications of this Agreement and to ensure that all terms and conditions of this Agreement are being met. All such inspections shall be made only after giving Owner twenty-four (24) hours' notice and shall be conducted in such a manner as to avoid any unreasonable interference with the construction and/or operation of the Improvements. All such inspections shall be made with one (1) or more representatives of Owner in accordance with all applicable safety standards.
- B. Owner shall, within ninety (90) days of the beginning of each Calendar Year, certify annually to the College its compliance with this Agreement by providing written testament to the same to the College Board of Trustees.

VII. Default, Remedies and Limitation of Liability

- A. No party may terminate this Agreement unless (i) such party provides written notice in accordance with Paragraph X hereof (a "Notice") to the other party specifying a material default in the performance of a material covenant or obligation under this Agreement and (ii) such failure is not (x) excused by the occurrence an event of Force Majeure or (y) cured by the other party within sixty (60) days after Notice thereof, or if such failure cannot be cured within a sixty (60)-day period, the other party shall have such additional time to cure such default as is reasonably necessary as long as such party has commenced remedial action to cure such failure and continued to diligently and timely pursue the completion of such remedial action. Notwithstanding the preceding portions of this paragraph, if any default arises from a violation of law resulting from a change in law, or a change in the interpretation or enforcement of law, by a governmental entity, then such default shall not give rise to the termination of this Agreement so long as the defaulting party acts in accordance with a commercially reasonable plan of action to cure such default prepared by such defaulting party and delivered to the other party. If Owner believes that such termination was improper, Owner may file suit in the proper court challenging such termination. In the event of default which remains uncured after all applicable notice and cure periods, the College may pursue the remedies provided for in Paragraph VII(D) below or the preceding Paragraph IV(E), as applicable.

- B. The College shall not declare a default, and no default will be deemed to have occurred, when the circumstances giving rise to such declaration are the result of Force Majeure.
- C. The Parties shall not deem any default to have occurred in situations involving minor or immaterial (as reasonably determined by the Parties) changes to the description of the Site, minor or immaterial (as reasonably determined by the Parties) changes to the description of the Improvements and/or Eligible Property, or any changes in ownership or in management of Rio Bravo or of the Project (so long as Rio Bravo or any Related Entity provides notice as provided for herein of such changes to the extent such notice is otherwise required under this Agreement) and so long as any and all successors of any interest whatsoever of Rio Bravo in this matter, expressly accepts all terms and conditions of this entire Abatement Agreement.
- D. The College shall notify Owner and any Owner lender of which the College has notice of any default in writing in the manner prescribed herein. All contact information for purposes of a notice of default shall be provided to the College Board of Trustees. The notice shall specify the basis for the declaration of default, and Owner shall have the periods of time specified above to cure any default. Any Owner lender of which the College has notice shall have the right to cure any defect or default, including any defect caused by an assignee or contractor of Owner, during the same cure periods provided for Owner under this Agreement.
- E. Rio Bravo shall have sixty (60) days from the date of County's notice to cure any default (unless fulfillment of any obligations requires activity over a period of time, in which case performance shall be commenced within sixty (60) days after the actual receipt of notice and such performance shall be diligently continued until the default is cured). The decision whether to cure any such default solely and absolutely belongs to Rio Bravo, and no party may compel Rio Bravo to cure.
- F. As required by section 312.205 of the Texas Tax Code, if Owner fails to make the Improvements as provided for by this Agreement, the College shall be entitled to cancel the Agreement and all future tax abatements under this Agreement shall be void.
- G. **LIMITATION OF LIABILITY: CANCELLATION OF THE AGREEMENT (RESULTING IN A FORFEITURE OF ANY RIGHT TO ABATEMENT HEREUNDER BEYOND THE CANCELLATION DATE), RECAPTURE OF PROPERTY TAXES ABATED ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH VII(D) OF THIS AGREEMENT, AND/OR RECOVERY OF THE AMOUNTS PROVIDED FOR IN PARAGRAPH IV(E) ONLY AS PROVIDED FOR AND ONLY UNDER THE CIRCUMSTANCES DEFINED IN PARAGRAPH IV(E), ALONG WITH ANY REASONABLY INCURRED COURT COSTS AND ATTORNEYS' FEES, SHALL BE THE COLLEGE'S SOLE REMEDY, AND OWNER'S SOLE LIABILITY, IN THE EVENT OWNER FAILS TO TAKE**

ANY ACTION REQUIRED BY THIS AGREEMENT, INCLUDING ANY FAILURE TO PAY AMOUNTS OWED UNDER THIS AGREEMENT. OWNER AND THE COLLEGE AGREE THAT THE LIMITATIONS CONTAINED IN THIS PARAGRAPH ARE REASONABLE AND REFLECT THE BARGAINED FOR RISK ALLOCATION AGREED TO BY THE PARTIES. IN THE EVENT OF A BREACH OF THIS AGREEMENT, ANY TAXES DUE FROM OWNER SHALL BE SUBJECT TO ANY AND ALL STATUTORY RIGHTS FOR THE PAYMENT AND COLLECTION OF TAXES IN ACCORDANCE WITH THE TEXAS TAX CODE.

H. RECAPTURE. College may be entitled to recapture property tax revenue lost as a result of the exercise of remedies under this Agreement. The amount of property tax revenue that may be recaptured is set forth below:

(1) If entitled under Article VII(H) to recapture property tax revenue lost as a result of this Agreement, College shall have the right to recapture one hundred percent (100%) of taxes already actually abated under this Agreement (i.e., recapture for prior tax years only – no anticipatory/prospective recapture of future taxes).

(2) If termination occurs during the Term of Abatement, then Rio Bravo shall have sixty (60) calendar days from its date of notice of demand from College to recapture under Article VII(H) to pay all recaptured property tax revenues.

(3) Any recapture under this Article VII(H) shall be subject to any and all lawful offsets, settlements, deductions, and credits to which Rio Bravo may be entitled.

I Rio Bravo and College agree that any litigation of any kind whatsoever that is or may be necessary to be filed to protect any interest of any party with any interest herein, arising from or under this agreement, shall be filed, if at all, and shall only be maintained, exclusively in a State District Court in Starr County, Texas, and no other legal forum or venue whatsoever. This legal venue stipulation expressly includes the prohibition of removal of any litigation based in whole or in part upon federal statutes, rights, or causes of action. Further, any administrative or legal protest or any other legal challenge procedure(s) permitted by law to be undertaken by Rio Bravo in connection with taxes due and owing pursuant to this Abatement Agreement shall not release, delay or relieve Rio Bravo from making and meeting any and all additional and other financial commitments, payments and obligations it has agreed to make and is undertaking pursuant to all and other terms of this Abatement Agreement. During the pendency of any suit (including any appeals thereto), Abatement shall remain in effect as though no event of default had occurred and Rio Bravo shall continue to pay any disputed amounts to the College; provided, that upon final adjudication of the matter, if Rio Bravo is the prevailing party, such disputed amounts, if applicable, shall be returned to Rio Bravo.

- J. Any notice of default under this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COLLEGE. FAILURE TO CURE THIS DEFAULT WITHIN SIXTY DAYS OF NOTICE OR OTHERWISE CURE THE DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN TERMINATION OF THE TAX ABATEMENT AGREEMENT AND IF THE DEFAULT INVOLVED FAILURE TO MAKE IMPROVEMENTS UNDER THE AGREEMENT, MAY INCLUDE RECAPTURE OF TAXES ABATED PURSUANT TO THAT AGREEMENT.

VIII. Compliance with State and Local Regulations

Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any order, rule, statute or regulation of the College, Starr County, or the State of Texas.

IX. Assignment of Agreement

- A. Owner may assign its rights and responsibilities hereunder; provided however, that Owner shall give College written notice prior to any such assignment.
- B. Any assignment of this Agreement shall require that all conditions and obligations in this Agreement shall apply to and be binding upon assignee. Upon such assignment and assumption, Owner shall have no further rights, duties or obligations under the Agreement to the extent such rights, duties or obligations apply to the interest acquired by the assignee.
- C. No assignment shall be allowed if (a) the College has declared a default hereunder that has not been cured within all applicable notice and cure periods, or (b) the assignee is delinquent in the payment of any amount required under this Agreement or ad valorem taxes owed to the College or any other taxing jurisdiction in Starr County. The parties hereto agree that a transfer of all or a portion of ownership interests in Owner to a third party shall not be considered an assignment under the terms of this Agreement and shall not require any consent of the College. However, Owner shall notify the College President at least 24 hours before the transfer of any ownership interest in Owner.

X. Notice

All notices, demands, or other communications of any type (collectively, "Notices") given shall be given in accordance with this Paragraph. All Notices shall be in writing and delivered, by commercial delivery service, to the office of the person to whom the Notice is directed (provided that that delivery is confirmed by the courier delivery service); by United States Postal Service

(USPS), postage prepaid, as a registered or certified item, return receipt requested in a proper wrapper and with proper postage; by recognized overnight delivery service as evidenced by a bill of lading; or by facsimile transmission. Notices delivered by commercial delivery service shall be deemed delivered on receipt or refusal; notices delivered by USPS shall be deemed to have been given upon deposit with the same; facsimile notice shall be effective upon receipt by the sender of an electronic confirmation. Regardless of the method of delivery, in no case shall notice be deemed delivered later than actual receipt. In the event of a notice of default given pursuant to Paragraph VII, such notice shall be given by at least two (2) methods of delivery and consistent with Paragraph VII(F). All Notices shall be mailed or delivered to the following addresses:

To the Owner: Rio Bravo Windpower, LLC

With Copies to: Rio Bravo Windpower, LLC
Rio Bravo Windpower, LLC

To the College: South Texas College Board of Trustees
3201 West Pecan
McAllen, TX 78501
Attention: Dr. Shirley Reed, President

Any party may designate a different address by giving the other party at least ten (10) days written notice in the manner prescribed above.

XI. Severability

In the event any paragraph or other part of this Agreement is held invalid, illegal, factually insufficient, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended at all times to delete said invalid sections or other part. In the event that (i) the term of the Abatement with respect to any property is longer than allowed by law, or (ii) the Abatement applies to a broader classification of property than is allowed by law, then the Abatement shall be valid with respect to the classification of property not deemed overly broad, and for the portion of the term of the Abatement not deemed excessive. Any provision required by the Tax Code to be contained herein that does not appear herein is incorporated herein by reference.

XII. Applicable Law

This Agreement shall be construed under the laws of the State of Texas.

XIII. Amendment

Except as otherwise provided, this Agreement may be modified by the parties hereto upon mutual written consent to include other provisions which could have originally been included in this Agreement or to delete provisions that were not originally necessary to this Agreement pursuant to the procedures set forth in Chapter 312 of the Texas Tax Code.

XIV. Guidelines and Criteria

This Agreement is entered into by the parties consistent with the College Tax Abatement Guidelines and Criteria. To the extent this Agreement modifies any requirement or procedure set forth in the College Tax Abatement Guidelines and Criteria, those Guidelines and Criteria are deemed amended for purposes of this Agreement only.

XV. Entire Agreement

This Agreement contains the entire and integrated Tax Abatement Agreement between the College and Owner, and supersedes any and all other negotiations and agreements, whether written or oral, between the parties. This Agreement has not been executed in reliance upon any representation or promise except those contained herein.

XVI. Coordination of Local Hiring and Services

Owner shall use reasonable commercial efforts to maximize its use of Starr County labor and services and supplies purchased from Starr County businesses in the course of performing under this Agreement.

XVII. Provision of Health Insurance

As of the date this Agreement becomes effective, and until the earlier to occur of (i) the end of the tenth (10th) year of Abatement or (ii) the date this Agreement is terminated as provided herein, Owner shall provide health insurance to its full-time employees working in Starr County. Owner also agrees to use commercially reasonable efforts to require that the prime engineering, procurement and construction contractor working on the Project provides health insurance to its full time employees.

XVIII. Attorney Fees

The Owner agrees to reimburse the College for its reasonable attorneys' fees incurred in the negotiation and preparation of this Agreement.

(Signature Page Follows)

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the College as authorized by the College Board of Trustees and executed by the Owner on the respective dates shown below.

South Texas College

DATED: _____, 2017

South Texas College Board of Trustees

Dr. Alejo Salinas, Ph D, Chair

_____, Vice Chair

Attest:

_____, Secretary

Rio Bravo Windpower, LLC

By: _____
_____, President

Attachment A

Attached is the Resolution Designating Reinvestment Zone by Starr County Commissioners Court.

Attachment B

Attached is a description and location of the proposed Eligible Property

Draft

**A Resolution and Order Approving Designation of
Rio Bravo Reinvestment Zone No. 1**

The Commissioners' Court of Starr County, Texas, meeting in regular session on February 9, 2015, considered the following resolution:


WHEREAS, Starr County Texas considered the creation of the Rio Bravo Reinvestment Zone No. 1 (the "Zone");

WHEREAS, the County has determined that the designation of the Zone will contribute to the retention or expansion of primary employment and will attract major investment in the Zone that will benefit the Zone and will contribute to the economic development of the County;

BE IT ORDERED BY THE COMMISSIONERS' COURT OF STARR COUNTY, TEXAS AS FOLLOWS:

1. That the County designates the property located in Starr County, having the boundary description in Exhibit "A" and shown on the map in Exhibit B, both attached to this Order, as the Rio Bravo Reinvestment Zone No. 1 ("the Zone"), under the Starr County Guidelines and Criteria for Granting Tax Abatements, having determined that the designation will contribute to the retention or expansion of primary employment and will attract major investment in the Zone and will contribute to the economic development of the County, and
2. That the County declare eligible for property tax abatement all property eligible for commercial-industrial development, now or thereafter located in that Zone as authorized by the Starr County Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones and Chapter 312 of the Texas Tax Code.
3. That the zone shall be called "Rio Bravo Reinvestment Zone No. 1"

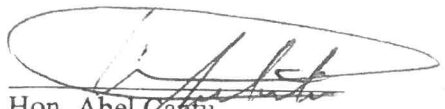
PASSED AND APPROVED at this public hearing of the Starr County Commissioners' Court, at which a quorum was present, on the 9th day of February, 2015.



Hon. Eloy Vera
County Judge

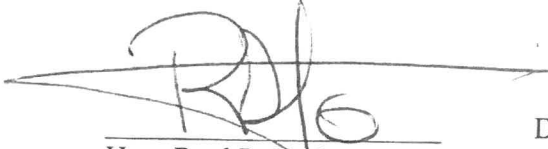
Date: 2-9-2015

ORIGINAL



Hon. Abel Cantu
Commissioner Precinct 1

Date: Feb. 9, 2015



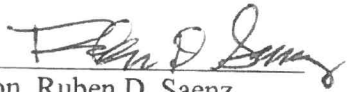
Hon. Raul Peña, Jr.
Commissioner Precinct 2

Date: Feb. 9, 2015



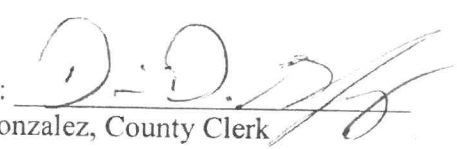
Hon. Eloy Garza
Commissioner Precinct 3

Date: Feb. 9, 2015



Hon. Ruben D. Saenz
Commissioner Precinct 4

Date: Feb. 9, 2015

ATTESTED: 
Dennis D. Gonzalez, County Clerk

Date: Feb. 9, 2015

ORIGINAL

Exhibit A

Legal description of Reinvestment Zone

The real property in Starr County, being all of the Lots in the

AB 121

AB 932 Sec 192

AB 332 Sec 301

AB 264 Sec 299

AB 756 Sec 300

AB 53 Sec 101

AB 1174 Sec 435

AB 754 Sec 302

AB 755 Sec 102

AB 1001 Sec 882

AB 753 Sec 72

Porcion 55 AB 335, being all lands east of western boundary formed by western edge of Tr.2 Par. S-1, continuing SSE along private road until it intersects with Porcion 56 AB 139.

Porcion 56 AB 139, being all lands east of western boundary formed by Park Road 46 running NNW to a point where said Park Road curves west into the park and from there, said western boundary formed by continuation of private road running NNW until it intersects with Porcion 55 AB 335.

Porcion 57 AB 354, all lands in the Porcion except those west of Park Road 46 and south of FM 2098.

Porcion 58 Sec 289, being all lands within said Porcion east of US Highway 83.

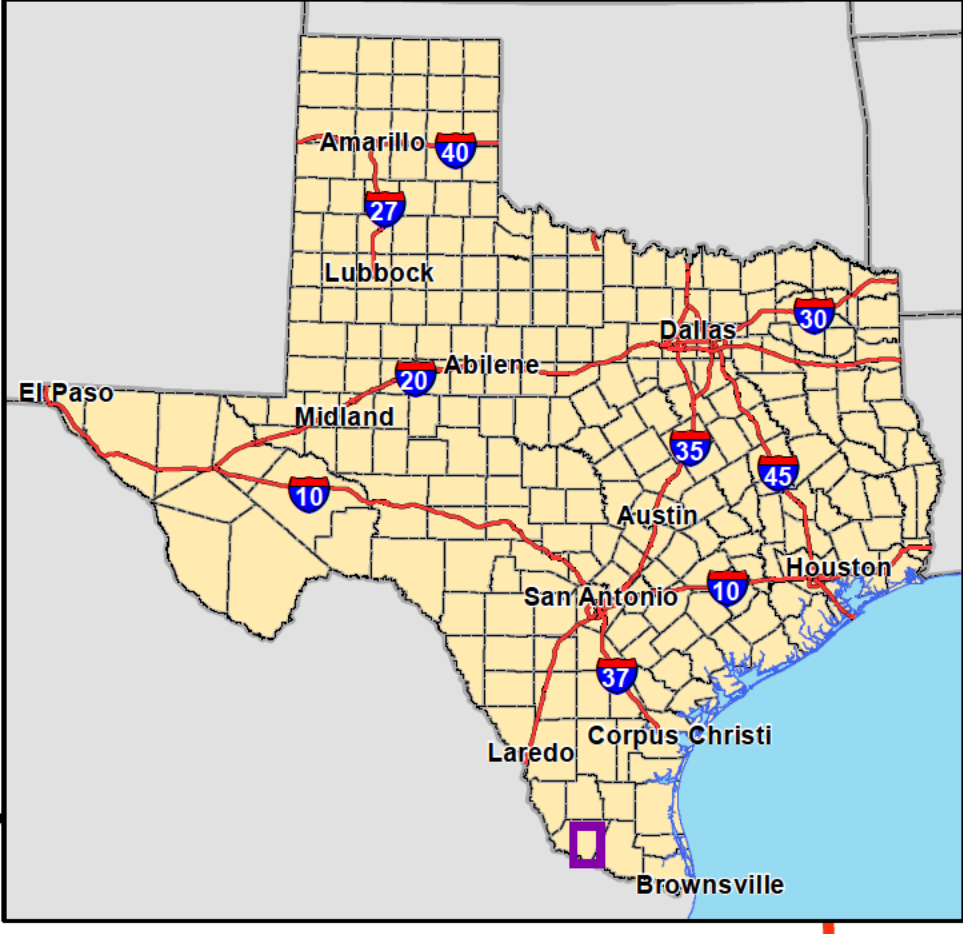
Porcion 59 Sec 326, being all lands within said Porcion east of US Highway 83.

Porcion 60 Sec 843, being all lands within said Porcion east of US Highway 83.

Exhibit B

Map of Reinvestment Zone

Morales-Sanchez



Zapata County

Starr County

Lopeno

New Falcon

83

Falcon Village

Falcon Heights

Salineno

Los Villareales

C&M RR CO
SECTION 192
AB 932
RAMIREZ, J G

FOSTER, J A
SECTION 435
AB 1174
HATON, A P

BENAVIDES, J
AB 121

HE&WT RR CO
SECTION 302
AB 754
SALINAS, J A

HE&WT RR CO
SECTION 301
AB 332

HE&WT RR CO
SECTION 300
AB 756
SALINAS, J A

HE&WT RR CO
SECTION 299
AB 264

B&F
SECTION 102
AB 755
SALINAS, J A

SK&K
SECTION 72
AB 753
SALINAS, J A

WALSH, MRS M F
SECTION 882
AB 1001
SALINAS, Z

LEAL, J
PORCION 25
AB 330

PANTALEON, J / JOAQUIN, J
PORCION 56
AB 199

VELA, L
PORCION 57
AB 2754

CHAPA, J
PORCION 59
AB 289

DE DIOS GARCIA, J
PORCION 58
AB 378

FERRAS, B
PORCION 60
AB 645

Loma Blanca Road

Sanchez Road

Falcon Loop (Alvaro's Road)

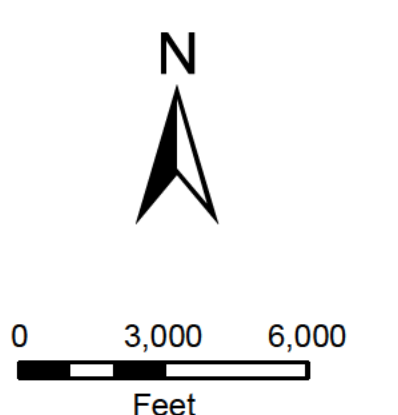
FM 2098

Paper Road St

Legend

- Proposed Reinvestment Zone
- Starr County Sections
- County Line

Rio Bravo Windpower Project
 Rio Bravo Reinvestment Zone #1
 Starr County, TX



PASSED AND APPROVED ON THE ____ DAY OF _____, 2017, at a regular meeting of the Board of Trustees of South Texas College at which a quorum was present and which was held in accordance with the provisions of Texas Government Code Chapter 551.

SOUTH TEXAS COLLEGE

ATTEST:

Update on Status of Fiscal Year 2017 Financial Audit

Mr. David Segovia and staff from Carr, Riggs & Ingram, LLC will review the status of the Comprehensive Annual Financial Report for the Fiscal Years Ended August 31, 2017 and 2016 with the Committee and will respond to any questions the Committee members may have on the audit.

Included under separate cover is a draft of the Comprehensive Annual Financial Report for the Fiscal Years Ended August 31, 2017 and 2016.

The Fiscal Year 2017 Financial Audit will be presented at the December 12, 2017 Board Meeting for review and action.

No action is required from the Committee. This item is presented for information and feedback to staff.

Review and Action as Necessary on Award of Proposal, Purchases, and Renewal (Non-Bond Proceeds)

Approval of the following award of proposal, purchases, and renewal (Non-Bond Proceeds) will be requested at the December 12, 2017 Board meeting as follows:

- | | |
|-------------------------------|-------------------------------------|
| A. Award | C. Non - Instructional Items |
| B. Instructional Items | |

A. Award

1) Signs, Banners, and Related Products (Award)

Award the proposal for signs, banners, and related products for the period beginning February 1, 2018 through January 31, 2019 with two one-year options to renew, at an estimated amount of \$50,000.00. The vendors are as follows:

- **AGAS, Mfg.** (Philadelphia, PA)
- **FedEx Office** (McAllen, TX)
- **Huntington Sky Production dba/Fastsigns** (McAllen, TX)
- **The Sign Depot** (McAllen, TX)

Purpose – The Office of Public Relations, Planning and Construction, Student Services, Continuing Education, and various departments are requesting the purchase of signs, banners, and related products for identification purposes and event awareness.

Justification and Benefit - The signs, flags, and related products will be used by various departments' college wide to promote and market instructional programs, departments, events and South Texas College in the community and the public schools.

The proposal award to each vendor will be based upon the services they provide, their pricing, and their availability (delivery timeline). It will include hanging banners, event directional yard signs, table covers, metal signs, nameplates, and office entrance signs.

Background - Proposal documents were advertised October 30, 2017 and November 6, 2017 and issued to nineteen (19) vendors. Eleven (11) responses were received on November 14, 2017 and reviewed by the Office of Public Relations and Marketing and Purchasing Department.

Funds for this expenditure are budgeted in the Public Relations and Marketing, Student Services, Continuing Education, Planning and Construction, and various department budgets for FY 2017-2018.

B. Instructional Items

2) Birthing Simulator (Purchase)

Purchase a birthing simulator from **Gaumard** (Miami, FL), a sole source vendor, at a total amount of \$63,000.00.

Purpose - The Associate Degree Nursing program in the Nursing & Allied Health Division is requesting the purchase of a birthing simulator for student instruction in the obstetrics simulation lab.

Justification and Benefit – This equipment is needed to ensure that students are getting hands-on experience with equipment found at hospital sites. This equipment is also part of the overall simulation experience that has become a widely accepted method of instruction by accrediting bodies to better prepare students for real-life experiences in a safe and non-threatening environment. It is designed to provide “real” complete birthing simulation experience before, during, and after delivery. It is equipped with fetal heart sounds, cervix dilatation, perinatal monitor, realistic uterus, placental delivery, and complicated pregnancy deliveries like shoulder dystocia and intubatable newborn baby. While in clinical rotation, students do not always witness labor and delivery, which is why this equipment will provide advanced training on how to handle delivering moms in an ambulance setting and antepartum, intrapartum, and postpartum nursing care for both mom and the newborn.

Funds for this expenditure are budgeted in the Nursing Innovation grant budget for FY 2017 – 2018.

3) Instructional Training Mannequin (Purchase)

Purchase an instructional training mannequin from **Laerdal Medical Corporation** (Wappingers Falls, NY), a Texas Association of School Boards – Buyboard approved vendor, at a total amount of \$68,125.00.

Purpose – The Associate Degree Nursing program in the Nursing & Allied Health Division is requesting the purchase of the training mannequins and accessories to provide students the opportunity to perform realistic assessments on patient mannequins and alongside practice scenarios, which helps students, learn different concepts and skills. The students will perform patient treatments in an advanced simulated clinical environment, which is required for the completion of their program.

Justification and Benefit – The patient simulators have the ability to create clinical reality-based scenarios for student education. This allows faculty to evaluate the student’s care of patients and provide effective and consistent feedback. The mannequins assist the students in correcting practical skills and enhancing critical thinking. This hands-on experience reinforces theory and skills that help with the board exam and/or certification. Finally, this simulation clinical instruction ensures that students be exposed to different patient situations that students might not always have an opportunity to experience in real hospital or clinical settings.

Funds for this expenditure are budgeted in the Nursing Innovation grant budget for FY 2017 – 2018.

C. Non-Instructional Items

4) Chill Water Chiller (Purchase)

Purchase a chill water chiller from **Johnson Controls** (Little Rock, AR), a The Interlocal Purchasing System (TIPS) approved vendor, at a total amount of \$297,012.28.

Purpose – Facilities Operation and Maintenance and Planning and Construction are requesting the purchase of a new chill water chiller system for the Technology Campus. The new chiller will replace a twenty (20) year old chiller, which is currently located at the Technology Campus and is out of warranty and out of life. The upgrade to a newer more efficient model is needed and will serve as the second chiller at the location.

Justification and Benefit - Because of the length of time the chiller has been operating, there have been numerous operational issues with the chiller including that both chiller compressors need to have compressor veins and seals either replaced or repaired. The existing chiller does not maintain compressor oil, the compressors are always in fault and need to be serviced often, and the display monitor is constantly going blank.

Every other week, the Facilities, Operations, and Maintenance Department will designate the new and existing chiller to serve as the lead chiller or the backup chiller (for redundancy). The chillers will alternate as leads every other week. These chillers will support four buildings: the existing Buildings A, B, C, and the new Bond Building E. The purchase of a new chiller would be a turnkey operation and Johnson Controls will remove the existing chiller and replace it with a new chiller.

Funds for this expenditure are budgeted in the Facilities Renewal and Replacement budget for FY 2017 – 2018.

5) Furniture (Purchase)

Purchase furniture from National Cooperative Purchasing Alliance (NCPA), National Intergovernmental Purchasing Alliance (NIPA/TCPN), National Joint Powers Alliance (NJPA), and the State of Texas Multiple Award Schedule (TXMAS) approved vendors, at a total amount of \$106,905.88.

#	Vendor	Amount
A	Allsteel, Inc./Gateway Printing and Office Supply, Inc. (Muscatine, IA/Edinburg, TX)	\$16,815.31
B	American Seating Company/Gateway Printing and Office Supply, Inc. (Houston, TX)	\$6,387.90
C	Exemplis Corporation/Gateway Printing and Office Supply, Inc. (Cypress, CA/Edinburg, TX)	\$15,771.40
D	The Hon Company/Gateway Printing and Office Supply, Inc. (Muscatine, IA/Edinburg, TX)	\$4,012.80
E	Krueger International, Inc./Gateway Printing and Office Supply, Inc. (Green Bay, WI/Edinburg, TX)	\$33,957.92
F	National Office Furniture/Gateway Printing and Office Supply, Inc. (Jasper, IN/Edinburg, TX)	\$4,813.60

G	Watson/Gateway Printing and Office Supply, Inc. (Poulsbo, WA/Edinburg, TX)	\$25,146.95
	Furniture Total	\$106,905.88

The purchases can be summarized as follows:

- Allsteel Inc./Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Nursing and Allied Health Campus
 - 9 Partition Panels for Nursing Portable Buildings 2 and 3
- American Seating Company/Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Mid Valley Campus
 - 30 Chairs for the Learning Commons and Open Labs
- Exemplis Corporation/Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Mid Valley Campus
 - 8 Lobby Area Seats and 1 Staff Chair for the Learning Commons and Open Labs
 - ⇒ Nursing and Allied Health Campus
 - 15 Staff Chairs for Nursing Portable Buildings 2 and 3
 - ⇒ Pecan Campus
 - 4 Staff Chairs for Facility Maintenance Department
- The Hon Company/Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Nursing and Allied Health Campus
 - 15 Bookcases for Nursing Portable Buildings 2 and 3
 - ⇒ Pecan Campus
 - 1 Storage Cabinet for the Learning Commons and Open Labs
 - ⇒ Technology Campus
 - 1 Storage Cabinet for the Learning Commons and Open Labs
- Krueger International, Inc./Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Mid Valley Campus
 - 1 Desk for the Learning Commons and Open Labs
 - ⇒ Nursing and Allied Health Campus
 - 15 Desks and 15 Guest Chairs for Nursing Portable Buildings 2 and 3
 - ⇒ Starr County Campus
 - 2 Guest Chairs for Psychological Science Program
- National Office Furniture/Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Mid Valley Campus
 - 9 Tables for the Learning Commons and Open Labs
- Watson/Gateway Printing and Office Supply, Inc. (Edinburg, TX)
 - ⇒ Mid Valley Campus
 - 2 Tables for the Learning Commons and Open Labs

Fund for these expenditures are budgeted in the requesting department budgets for FY 2017 - 2018 as follows: Department of Psychological Science, Facility Maintenance and Learning Commons, Open Labs, and New Furniture.

6) Online Continuing Education Services (Renewal)

Renew the contracts for online continuing education services for the period beginning March 30, 2018 through March 29, 2019, with the following vendors:

- a. **Education To Go/A Division of Cengage Learning, Inc.** (Mason, OH)
- b. **World Education, LLC.** (Arlington, TX)

Purpose – Continuing Professional and Workforce Education is requesting online continuing education services, which include some of the following courses: accounting, computer applications, writing, fitness, law, business management, technology, energy, software development, etc.

Justification and Benefit – The online continuing education services will provide the community with online, non-credit, instructor-facilitated continuing and professional education courses covering the full spectrum from skills training and re-tooling to professional development and personal enrichment

Background – The Board awarded contracts for online continuing education services at the March 29, 2016 Board of Trustees meeting for one-year with two one-year annual renewals. The last renewal period begins on March 30, 2018 through March 29, 2019.

Award	Board Meeting Date	Original Term	Renewal Term
Original	3/29/16	3/30/16 – 3/29/17	2 – one year options
1 st Renewal	1/31/17		3/30/17 – 3/29/18
2 nd Renewal	12/12/17		3/30/18 – 3/29/19

The vendors have complied with all the terms and conditions of the contract and services have been satisfactory.

Funds for this expenditure are budgeted in Continuing Education – State and Continuing Education – Non State budgets for FY 2017 - 2018 and FY 2018 - 2019 pending Board approval of the budget.

Recommendation:

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the December 12, 2017 Board meeting the award of proposal, purchases, and renewal (Non-Bond Proceeds) as listed below:

- A. Award**
- B. Instructional Items**
- C. Non – Instructional Items**

A. Award

- 1) **Signs, Banners, and Related Materials (Award):** award the proposal for signs, banners, and related materials for the period beginning February 1, 2018 through

January 31, 2019 with two one-year options to renew, at an estimated amount of \$50,000.00. The vendors are as follows:

- **AGAS, Mtg.** (Philadelphia, PA)
- **Fedex Office** (McAllen, TX)
- **Huntington Sky Production dba/Fastsigns** (McAllen, TX)
- **The Sign Depot** (McAllen, TX)

B. Instructional Items

- 2) **Birthing Simulator (Purchase):** purchase a birthing simulator from **Gaumard**, (Miami, FL), a sole source vendor, at a total amount of \$63,000.00;
- 3) **Instructional Training Mannequin (Purchase):** purchase an instructional training mannequin from **Laerdal Medical Corporation** (Wappingers Falls, NY), a Texas Association of School Boards – Buyboard approved vendor, at a total amount of \$68,125.00.

C. Non – Instructional Items

- 4) **Chill Water Chiller (Purchase):** purchase a chill water chiller from **Johnson Controls** (Little Rock, AR), a The Interlocal Purchasing System (TIPS) approved vendor, at a total amount of \$297,012.28.
- 5) **Furniture (Purchase):** purchase furniture from National Cooperative Purchasing Alliance (NCPA), National Intergovernmental Purchasing Alliance (NIPA/TCPN), National Joint Powers Alliance (NJPA), and the State of Texas Multiple Award Schedule (TXMAS) approved vendors, at a total amount of \$106,905.88;

#	Vendor	Amount
A	Allsteel, Inc./Gateway Printing and Office Supply, Inc. (Muscatine, IA/Edinburg, TX)	\$16,815.31
B	American Seating Company/Gateway Printing and Office Supply, Inc. (Houston, TX)	\$6,387.90
C	Exemplis Corporation/Gateway Printing and Office Supply, Inc. (Cypress, CA/Edinburg, TX)	\$15,771.40
D	The Hon Company/Gateway Printing and Office Supply, Inc. (Muscatine, IA/Edinburg, TX)	\$4,012.80
E	Krueger International, Inc./Gateway Printing and Office Supply, Inc. (Green Bay, WI/Edinburg, TX)	\$33,957.92
F	National Office Furniture/Gateway Printing and Office Supply, Inc. (Jasper, IN/Edinburg, TX)	\$4,813.60
G	Watson/Gateway Printing and Office Supply, Inc. (Poulsbo, WA/Edinburg, TX)	\$25,146.95
	Furniture Total	\$106,905.88

- 6) **Online Continuing Education Services (Renewal):** renew the contracts for online continuing education services for the period beginning March 30, 2018 through March 29, 2019, with the following vendors:
 - a. **Education To Go/A Division of Cengage Learning, Inc.** (Mason, OH)
 - b. **World Education, LLC.** (Arlington, TX)

Recommend Action - The total for all award of proposal, purchases, and renewal (Non-Bond Proceeds) is \$585,043.16.

**SOUTH TEXAS COLLEGE
I. SIGNS, BANNERS AND RELATED PRODUCTS
PROJECT NO. 17-18-1019**

VENDOR	AGAS, Mfg.	Bill Guthrie Sports, Inc.	Copy Plus, LLC.	Copy Zone, Ltd.	EG Print & Design, LLC.	Huntington Sky Production DBA Fassigns	FedEx Office	Gateway Printing & Office Supply, Inc.	Images In Ink, Inc.	Imprezos Pro Uniforms, LLC.	The Sign Depot
ADDRESS	2701 E Tioga St	5701 W Expressway 83	4500 N 10th Ste 240	4131 N 10th St	3101 N 21st St Ste A	4117 N 10th St	2812 N 10th St	315 S Closner	1200 E Hackberry Ste H	1317 W US Hwy 83 Ste A	1915 N 10th Ste B
CITY/STATE/ZIP	Philadelphia, PA 19134	Huntingen, TX 78552	McAllen, TX 78504	McAllen, TX 78504	McAllen, TX 78501	McAllen, TX 78504	McAllen, TX 78501	Edinburg, TX 78539	McAllen, TX 78501	Pharr, TX 78577	McAllen, TX 78501
PHONE	212-777-1178	956-428-6462	956-668-7587	956-668-9600	956-627-3987	956-618-1800	956-682-4040	956-383-3861	956-330-3725	956-685-5099	956-897-0566
FAX	212-202-4830	956-428-7074	956-668-7590	956-668-9603		956-618-5088	956-682-4013	956-316-0253	956-994-8133	866-733-8509	956-702-1285
CONTACT	Matthew Poster	Joey Mackie	Leonel Cantu	Daniel Clarke	Angelica Martinez	Jessica Reyes	Humberto Barberena	Butch Shook	Viola Hanshaw	Francisco Javier Morales	Andy Long
#	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
1	Catalog Discount (Signs, Flags and Banners)	0%	0-25%	0%	0%	0%	30%	0%	10%	10%	25%
2	Catalog Discount (Retractable Banner Stands)	0%	0-25%	0%	0%	0%	30%	0%	10%	10%	25%
3	Catalog Discount (Yard/Metal/Real Estate Signs)	0%	0-25%	0%	0%	0%	30%	0%	10%	10%	25%
4	Catalog Discount (Table Covers)	0%	0-25%	0%	0%	0%	No Bid	0%	10%	10%	25%
5	Catalog Discount (Feather Flags)	0%	0-25%	0%	0%	0%	No Bid	0%	10%	10%	25%
6	Catalog Discount (Name Plates/Office Entrance Signs)	0%	0-25%	0%	0%	0%	No Bid	0%	10%	10%	25%
7	Set-Up Charges	\$0.00	\$0.00	\$75/Graphic Hour "Layout" Time is prorated	\$10 per Job Ticket	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00 All prices include set up fee	No Charge
8	Shipping Charges	\$0.00	Free Delivery in the RGV	\$5.00 McAllen \$15.00 Weslaco \$25.00 Rio Grande City	\$30.00 for Table Runners, Table Covers, & Feather Flags	\$15.00 Delivery Fee/Free in Store Pick Up	No Charge to the Pecan Location	\$0.00	\$0.00	\$0.00	No Charge
9	Return Policy	Returns within a month	No Returns	Will vary case by case; from full refund to zero.	Within 24 hours of inspection/delivery of product	We do not accept any returned merchandise. All of our items are custom made.	100% Satisfaction, We will fix the issue	Custom printed products cannot be returned unless Gateway made the error	Yes Customer Satisfied	We follow our order and proof process to avoid any returns. Returns are only on manufacturer's defects.	Replace or Refund Full Purchase Price
10	Number of days for delivery once order is placed	14 Days	0-7 Days	1-5 Days	3 days	1-7 Business Days	2 Days	1-5 days	2 Weeks Depending on Qty	10 days	1-3 Days
Hanging (Matte Material)											
11	6 ft x 4 ft Banner	\$49.00	\$63.89	\$95.50	\$84.00	\$139.00	\$54.00	\$65.00	\$230.00	\$82.00	\$54.00
Hanging (Vinyl Glossy)											
12	6 ft x 4 ft Banner	\$49.00	\$63.89	\$95.50	\$84.00	\$139.00	\$54.00	\$85.00	\$230.00	\$82.00	\$54.00

**SOUTH TEXAS COLLEGE
I. SIGNS, BANNERS AND RELATED PRODUCTS
PROJECT NO. 17-18-1019**

#	VENDOR Description	AGAS, Mfg.		Bill Guthrie Sports, Inc.		Copy Plus, LLC.		Copy Zone, Ltd.		EC Print & Design, LLC.		Huntington Sky Production DBA Fastsigns		FedEx Office		Gateway Printing & Office Supply, Inc.		Images In Ink, Inc.		Imprezos Pro Uniforms, LLC.		The Sign Depot		
		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		Proposed		
Retractable Banner Matte and Stand																								
13	33" x 83" banner including stand	\$106.00		\$160.00				\$220.00		\$201.88		\$239.99		\$490.00		\$110.00		\$250.00						
14	33.5" x 83" Economy Retractor Kit																							
15	34" x 83" banner including stand More-Expo Campaign Ready					\$237.00																		
16	35" x 83" banner including stand Bric Cabrio With Change Out					\$415.00																		
17	33" x 80" banner including stand Ret-10m					\$149.95																		
Replacement Banner Matte Only																								
18	33 in x 83 in	\$40.50		\$90.00		\$56.80		\$131.63		\$142.00		\$39.99		\$300.00		\$65.00		\$42.00						
19	33 in x 83 in Only Cabrio Kit					\$120.00																		
Yard Signs (Coroplast) with "H" Stake Frame; Printed; Double Sided; Full Color																								
20	18 in x 12 in	\$6.75		\$54.00		\$12.99		\$18.00		\$10.00		\$29.99		\$290.00		\$10.50		\$7.00						
21	24 in x 18 in	\$9.25		\$54.00		\$31.26		\$30.00		\$16.00		\$29.99		\$350.00		\$12.00		\$10.00						
Yard Signs (Coroplast) with "H" Stake Frame; BLANK																								
22	18 in x 12 in	\$4.90		\$10.50		\$7.92		\$2.50		\$6.00		\$4.99		\$250.00		\$5.00		\$3.50						
23	24 in x 18 in	\$5.40		\$19.25		\$13.32		\$3.50		\$9.00		\$6.99		\$300.00		\$6.00		\$4.00						
Metal Sign and Black Frame/Real Estate Sign																								
24	24 in x 18 in	\$15.50		\$54.00		\$42.08		\$50.00		\$34.00		\$9.99		No Bid		\$16.00		\$19.50						
A Frame Signs																								
25	36" x 24"	\$42.50		\$260.00		\$161.20		\$233.45		\$24.72		\$89.99		\$390.00		\$195.00		\$65.00						
Table Covers (Custom Made)																								
26	6 ft Table (28 in x 72 in x 30 in)	\$195.00		\$250.00		\$255.00		\$275.44		\$133.00		No Bid		\$300.00		\$260.00		\$275.00						
27	8 ft Table (28 in x 96 in x 30 in)	\$215.00		\$275.00		\$285.00		\$299.44		\$152.00		No Bid		\$350.00		\$275.00		\$305.00						
Table Covers (Blank)																								
28	6 ft Table (28 in x 72 in x 30 in)	\$24.50		\$125.00		No Bid		\$145.84		\$133.00		No Bid		\$100.00		\$160.00		\$135.00						
29	8 ft Table (28 in x 96 in x 30 in)	\$29.50		\$150.00		No Bid		\$153.84		\$152.00		No Bid		\$100.00		\$175.00		\$165.00						
Table Runners (Full Color Logo)																								
30	34" x 80"					\$64.00																		
31	54" x 80"					\$94.00																		
32	35" x 80"	\$149.00		\$240.00		\$80.60		\$75.60		\$108.00		No Bid		\$490.00		\$175.00		\$180.00						
33	55" x 80"	\$159.00		\$250.00		\$134.50		\$126.00		\$143.00		No Bid		\$490.00		\$180.00		\$285.00						

**SOUTH TEXAS COLLEGE
1. SIGNS, BANNERS AND RELATED PRODUCTS
PROJECT NO. 17-18-1019**

VENDOR		AGAS, Mfg.	Bill Guthrie Sports, Inc.	Copy Plus, LLC.	Copy Zone, Ltd.	EC Print & Design, LLC.	Huntington Sky Production DBA Fastsigns	FedEx Office	Gateway Printing & Office Supply, Inc.	Images In Ink, Inc.	Imprezos Pro Uniforms, LLC.	The Sign Depot
#	Description	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed	Proposed
Feather Flags												
34	8 ft. feather flag	\$63.00	No Bid	\$155.60	\$185.00	\$191.98	\$140.00	No Bid	\$235.00	\$350.00	\$130.00	\$50.00
35	9ft small											
Wall Mount Name Plate												
36	2 in x 10 in x 1/16 in	\$9.46	No Bid	\$13.75	No Bid	\$3.96	\$25.00 10+ \$20.00 ea	No Bid	10.95	\$50.00 - \$75.00	\$20.00	\$11.00
Wall Mount Frame for Name Plate (Silver)												
37	2 in x 10 in x 1/16 in name plate	\$2.95	No Bid	\$12.25	No Bid	\$8.42	\$15.50 10+ \$12.00ea	No Bid	10.95	\$75.00	\$10.00	\$4.50
Desk Mounting Frame for Name Plate (Silver)												
38	2 in x 10 in x 1/16 in name plate	\$4.75	No Bid	\$12.25	No Bid	16.15	\$15.50 10+ \$12.00ea	No Bid	13.95	\$75.00	\$9.59	\$6.50
Office Entrance Sign												
39	8 in x 10 in x 1/16 in	\$17.50	No Bid	\$55.95	No Bid	No Bid	\$25.00	No Bid	\$40.00	\$50.00 - \$75.00	\$55.00	\$19.00
Price Escalation for 2nd Year												
40		0%	5%	0%	0%	0%	0%	5%	0%	5%	0%	0%
Price Escalation for 3rd Year												
41		0%	10%	0%	0%	0%	0%	10%	0%	5%	0%	1%
TOTAL EVALUATION POINTS		65.71	41.44	60	61.92	58.55	68.83	70.1	57.2	46.95	60.81	78.73
RANKING		4	11	7	5	8	3	2	9	10	6	1

**SOUTH TEXAS COLLEGE
I. SIGNS, BANNERS, AND RELATED PRODUCTS
PROJECT NO. 17-18-1019
EVALUATION SUMMARY**

VENDOR	AGAS, Mfg.	Bill Guthrie Sports, Inc.	Copy Plus, LLC.	Copy Zone, Ltd.	EC Print & Design, LLC.	Huntington Sky Production dba/Fastsigns	FedEx Office	Gateway Printing & Office Supply, Inc.	Images In Ink, Inc.	Imprezos Pro Uniforms, LLC.	The Sign Depot
ADDRESS	2701 E Tioga St	5701 W Expressway 83	4500 N 10th Ste 240	4131 N 10th St	3101 N 21st St Ste A	4117 N 10th St	2812 N 10th St	315 S Clostner	1200 E Hackberry Ste H	1317 W US Hwy 83 Ste A	1915 N 10th Ste B
CITY/STATE/ZIP	Philadelphia, PA 19134	Harlingen, TX 78552	McAllen, TX 78504	McAllen, TX 78504	McAllen, TX 78501	McAllen, TX 78504	McAllen, TX 78501	Edinburg, TX 78539	McAllen, TX 78501	Pharr, TX 78577	McAllen, TX 78501
PHONE	212-777-1178	956-428-6462	956-668-7587	956-668-9600	956-627-3987	956-618-1800	956-682-4040	956-383-3861	956-330-3725	956-685-5099	956-897-0566
FAX	212-202-4830	956-428-7074	956-668-7590	956-668-9603		956-618-5088	956-682-4013	956-316-0253	956-994-8133	866-733-8509	956-702-1285
CONTACT	Matthew Poster	Joey Mackie	Leonel Cantu	Daniel Clarke	Angelica Martinez	Jessica Reyes	Humberto Barberena	Jeff Talbert	Viola Hanshaw	Francisco J Morales	Andy Long
1 The purchase price. (up to 45 points)	35.71 35.71 35.71 35.71	14.19 14.19 14.19 14.19	19 19 19 19	20.42 20.42 20.42 20.42	22.05 22.05 22.05 22.05	22.33 22.33 22.33 22.33	24.1 24.1 24.1 24.1	10.45 10.45 10.45 10.45	7.2 7.2 7.2 7.2	22.81 22.81 22.81 22.81	29.48 29.48 29.48 29.48
2 The reputation of the vendor and of the vendor's goods and/or services. (up to 10 points)	7 6 5 8	7 5 7 9	7 8 7 8	8 8 8 9	7 5 5 7	9 8 8 9	9 9 10 9	7 8 10 9	8 7 7 8	8 6 8 8	9 9 10 8
3 The quality of the vendor's goods and/or services. (up to 18 points)	12 9 13 13	13 9 9 5	13 10 13 11	13 9 14 11	13 8 13 13	17 13 14 16	17 14 16 15	14 13 18 15	14 13 14 12	16 9 14 12	17 14 18 15
4 The extent to which the vendor's goods and/or services meet the College's needs. (up to 18 points)	8 4 3 4	8 8 9 4	13 14 13 14	14 13 14 14	14 8 13 12	17 10 16 14	17 16 16 16	17 13 18 14	14 13 14 12	8 10 12 8	16 16 18 17
5 The vendor's past relationship with the College. (up to 3 points)	2 2 2 2	2 2 2 2	2 2 2 3	3 2 3 3	2 2 2 2	3 2 3 3	3 3 3 3	3 2 3 3	3 2 3 3	2 2 3 3	3 3 3 3
6 The impact on the ability of the College to comply with laws and rules relating to Historically Underutilized Businesses. (up to 1 point)	0 0 0 0	0 0 0 0	1 1 1 1	0 0 0 0	0 0 0 0	1 1 1 1	0 0 0 0	0 0 0 0	0 0 0 0	0 1 1 1	0 0 0 0
7 The total long-term cost to the College to acquire the vendor's goods or services. (up to 5 points)	5 5 5 5	2 2 2 2	5 5 5 5	5 5 5 5	5 5 5 5	5 5 5 5	2 2 2 2	5 5 5 5	3 3 3 3	5 5 5 5	4.5 4.5 4.5 4.5
TOTAL EVALUATION POINTS	65.71	41.44	60	61.92	58.55	68.83	70.1	57.2	46.95	60.81	78.73
RANKING	4	11	7	5	8	3	2	9	10	6	1

**SOUTH TEXAS COLLEGE
2. BIRTHING SIMULATOR**

NAME			Gaumard	
ADDRESS			14700 SW 136th St	
CITY/STATE/ZIP			Miami, FL 33196	
PHONE			305-971-3790	
FAX			305-252-0755	
CONTACT			Alva Gaskey	
#	Qty	Description	Unit Price	Extension
1	1	Victoria Light Skin Tone Advanced Birthing Simulator	\$ 62,500.00	\$ 62,500.00
2	1	Estimated Freight	\$ 500.00	\$ 500.00
TOTAL AMOUNT			\$	63,000.00

SOUTH TEXAS COLLEGE
3. INSTRUCTIONAL TRAINING MANNEQUIN

NAME			Laerdal Medical Corporation	
ADDRESS			167 Myers Corners Rd	
CITY/STATE/ZIP			Wappingers Falls, NY 12590	
PHONE			888-297-7772	
FAX			800-227-1143	
CONTACT			Sherri Brister	
#	Qty	Description	Unit Price	Extension
1	1	Sim Man 3G Light Mannequin and Accessories	\$ 67,849.22	\$ 67,849.22
2	1	Estimated Freight	\$ 275.78	\$ 275.78
TOTAL AMOUNT			\$ 68,125.00	

**SOUTH TEXAS COLLEGE
4. CHILL WATER CHILLER**

NAME			Johnson Controls	
ADDRESS			10600 Colonel Glen Rd	
CITY/STATE/ZIP			Little Rock, AR 72204	
PHONE			956-535-2718	
FAX			956-428-1591	
CONTACT			Adalberto Cavazos	
#	Qty	Description	Unit Price	Extension
1	1	YMC2 - York Magnetic VSD Centrifugal Chiller Includes: Installation, Piping Work, Rigging Services, Electrical Work, and Removal of Old Chiller	\$ 297,012.28	\$ 297,012.28
TOTAL AMOUNT			\$	297,012.28

**SOUTH TEXAS COLLEGE
5. DISTRICT WIDE FURNITURE REQUEST
DECEMBER 12, 2017**

#	Qty	Description	Unit Price	Extension	Requesting Department
Allsteel Inc./Gateway Printing and Office Supply, Inc. (National IPA/TCPN)					
1	11	896942P Acoustical Panel 69H x 42W Low Profile Painted	\$200.08	\$2,200.88	New Furniture - Ricardo De La Garza
	6	802569P 69H Wall Mounting Kit Painted	\$53.68	\$322.08	Panel Partitions for faculty and staff offices
	11	801069P Straight Conn Kit 69H Low Profile Painted	\$24.71	\$271.81	at Nursing Portable Bldgs. 2 and 3
	6	801169P Ell Conn Kit 69H Low Profile Painted	\$42.09	\$252.54	
	6	801469P Panel End Cover-Fabric 69H Low Profile Painted	\$24.71	\$148.26	
	6	896930P Acoustical Panel 69H x 30W Low Profile Painted	\$161.96	\$971.76	
	12	896960P Acoustical Panel 69H x 60W Low Profile Painted	\$232.11	\$2,785.32	
	22	896942P Acoustical Panel 69H x 42W Low Profile Painted	\$200.08	\$4,401.76	
	12	802569P 69H Wall Mounting Kit Painted	\$53.68	\$644.16	
	22	801069P Straight Conn Kit 69H Low Profile	\$24.71	\$543.62	
	12	801169P Ell Conn Kit 69H Low Profile Painted	\$42.09	\$505.08	
	12	801469P Panel End Cover-Fabric 69H Low Profile Painted	\$24.71	\$296.52	
	12	896930P Acoustical Panel 69H x 30W Low Profile Painted	\$161.96	\$1,943.52	
2	1	Labor to receive, inspect, deliver, install and remove debris	\$1,528.00	\$1,528.00	
		Allsteel, Inc. Total		\$16,815.31	
American Seating Company/Gateway Printing and Office Supply, Inc. (TXMAS)					
1	30	FGE2230HOHGGR Nima Swivel Base Desk Chairs, No Arms	\$187.93	\$5,637.90	Learning Commons and Open Labs - Leila Salinas Chairs will be used at the new Learning Commons Area at Mid Valley Campus
2	1	Labor to receive, inspect, deliver, install and remove debris	\$750.00	\$750.00	
		American Seating Company Total		\$6,387.90	
Exemplis Corporation/Gateway Printing and Office Supply, Inc. (National IPA/TCPN)					
1	8	CP-AS1-SN1 Compositum Sharp Seating Club 34HX31WX28D	\$989.00	\$7,912.00	Learning Commons and Open Labs - Leila Salinas Seating will be used at the new Learning Commons Area at Mid Valley Campus
2	4	40Y.A17 TR2 Sit On It Task Enhanced Synchro Control Chair	\$328.42	\$1,313.68	Facility Maintenance - George McCaleb Chair will be used by Maintenance Staff
3	1	40Y.A17 TR2 Sit On It Task Enhanced Synchro Control Chair	\$328.42	\$328.42	Learning Commons and Open Labs - Leila Salinas Chair will be used by Open Labs Staff at Mid Valley Campus

**SOUTH TEXAS COLLEGE
5. DISTRICT WIDE FURNITURE REQUEST
DECEMBER 12, 2017**

#	Qty	Description	Unit Price	Extension	Requesting Department
4	5	40Y.A17 TR2 Sit On It Task Enhanced Synchro Control Chair	\$328.42	\$1,642.10	New Furniture - Ricardo De La Garza
	10	40Y.A17 TR2 Sit On It Task Enhanced Synchro Control Chair	\$328.42	\$3,284.20	Chairs for faculty and staff offices at Nursing Portable Bldgs. 2 and 3
5	1	Labor to receive, inspect, deliver, install and remove debris	\$1,291.00	\$1,291.00	
		Exemplis Corporation Total		\$15,771.40	
The Hon Company/Gateway Printing and Office Supply, Inc. (National IPA/TCPN)					
1	1	HSC2472 Storage Cabinet 24D x 36W x 72H	\$417.90	\$417.90	Learning Commons and Open Labs - Leila Salinas Storage Cabinet will be used at the Open Labs at Technology Campus
2	1	HSC2472 Storage Cabinet 24D x 36W x 72H	\$417.90	\$417.90	Learning Commons and Open Labs - Leila Salinas Storage Cabinet will be used at the Open Labs at Pecan Campus
3	5	HS72ABC Brigade Bookcase 5-Shelf 12-5/8D x 34-1/2W x 71H	\$184.80	\$924.00	New Furniture - Ricardo De La Garza
	10	HS72ABC Brigade Bookcase 5-Shelf 12-5/8D x 34-1/2W x 71H	\$184.80	\$1,848.00	Bookcases for faculty and staff offices at Nursing Portable Bldgs. 2 and 3
4	1	Labor to receive, inspect, deliver, install and remove debris	\$405.00	\$405.00	
		The Hon Company Total		\$4,012.80	
Krueger International, Inc./Gateway Printing and Office Supply, Inc. (NJPA)					
1	2	RAPWAUS Rapture Four-Leg Armchair Uphold	\$194.88	\$389.76	Department of Psychological Science - Janene Israel Guest chairs will be used at Starr County Psychological Science Program
2	1	7D/D3066-74P-F Desk Full Modesty Panel, 74P Edge 30x66"W	\$558.72	\$558.72	Learning Commons and Open Labs - Leila Salinas
	1	7D/R2448-74P-F Desk, Return, Full Modesty Panel, 74P Edge, 24x48"W	\$406.08	\$406.08	Desk will be used by Open Labs staff at Mid Valley Campus
	1	S7P/1530WBBF Files Supporting Ped-Box/File - 30" Nominal Depth	\$408.00	\$408.00	
	1	S7P/1524WFF Files Supporting Ped-File/File 24" Nominal Depth	\$353.76	\$353.76	
3	5	RAPWAUS Rapture Four-Leg Armchair, Uph Seat/Poly Back	\$194.88	\$974.40	New Furniture - Ricardo De La Garza
	5	7D/D3066-74P-F Desk, Full Modesty Panel, 74P Edge, 30x66"W	\$558.72	\$2,793.60	Desks and Guest Charis for Faculty and Staff Offices at Nursing Portable Bldgs. 2 and 3
	5	7D/R2448-74P-F Desk, Return, Full Modesty Panel, 74P Edge, 24x48"W	\$406.08	\$2,030.40	
	5	S7P/1530WBBF Files Supporting Ped-Box/File-30" Nominal	\$408.00	\$2,040.00	

SOUTH TEXAS COLLEGE
5. DISTRICT WIDE FURNITURE REQUEST
DECEMBER 12, 2017

#	Qty	Description	Unit Price	Extension	Requesting Department
	5	S7P/1524WFF Files Supporting Ped-File/File-24" Nominal Depth	\$353.76	\$1,768.80	
	10	RAPWAUS Rapture Four-Leg Armchair, Uph Seat/Poly Back	\$194.88	\$1,948.80	
	10	7D/D3066-74P-F Desk, Full Modesty Panel,74P Edge,30x66"W	\$558.72	\$5,587.20	
	10	7D/R2448-74P-F Desk, Return, Full Modesty Panel,74P Edge,24x48"W	\$406.08	\$4,060.80	
	10	S7P/1530WBBF Files Supporting Ped-Box/Box/File-30" Nominal	\$408.00	\$4,080.00	
	10	S7P/1524WFF Files Supporting Ped-File/File-24" Nominal Depth	\$353.76	\$3,537.60	
4	1	Labor to receive, inspect, deliver, install and remove debris	\$3,020.00	\$3,020.00	
		Krueger International, Inc. Total		\$33,957.92	
National Office Furniture/Gateway Printing and Office Supply, Inc. (National IPA/TCPN)					
	1	WW2448WSSL Waveworks Rectangular Table, 24Dx48W	\$139.50	\$139.50	Learning Commons and Open Labs - Leila Salinas
	1	CBV2448ABES Base Support for 24Dx48W Top Adjustable Height	\$836.10	\$836.10	Tables will be used at the new Learning Commons Area
	8	10N1622RTPU Universal Pull Up Table 16Dx22W	\$429.75	\$3,438.00	at Mid Valley Campus
2	1	Labor to receive, inspect, deliver, install and remove debris	\$400.00	\$400.00	
		National Office Furniture Total		\$4,813.60	
Watson/Gateway Printing and Office Supply, Inc. (NCPA)					
	1	Tonic Bench Arrow 8 Pack W.A.	\$ 10,121.93	\$ 10,121.93	Learning Commons and Open Labs - Leila Salinas
	1	Tonic Bench Arrow 10 Pack W.A.	\$ 12,739.02	\$ 12,739.02	Tables will be used at the new Learning Commons Area at Mid Valley Campus
2	1	Labor to receive, inspect, deliver, install and remove debris	\$ 2,286.00	\$ 2,286.00	
		Watson Total		\$25,146.95	
		Furniture Total		\$106,905.88	



Purchasing and Distribution Services
3200 W. Pecan Blvd., McAllen TX 78501

t (956) 872-4681
f (956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

November 9, 2017

Education To Go/A Division of
Cengage Learning
Attn: Beverly M. Jones
5191 Natop Blvd.
Mason, OH 45040

Dear Ms. Jones:

On March 29, 2016, South Texas College awarded a contract to Education To Go/A Division of Cengage Learning for Online Continuing Education Services. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from March 30, 2018 through March 29, 2019.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through March 29, 2019 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: _____

Name Printed: Beredita Gonzalez

Date: 11/14/2017



Purchasing and Distribution Services
3200 W. Pecan Blvd., McAllen TX 78501

t (956) 872-4681
f (956) 872-4688

P.O. Box 9701, McAllen, TX 78502-9701
www.SouthTexasCollege.edu

November 9, 2017

World Education LLC
Attn: Mr. Chris Gores
PO Box 151526
Arlington, TX 76015

Dear Mr. Gores:

On March 29, 2016, South Texas College awarded a contract to World Education LLC for Online Continuing Education Services. The award allowed for two one-year renewal options on the contract if the terms and conditions remain the same. We are currently in the last few months of the second year of the contract and would like to renew for an additional one-year period. The last renewal period will be from March 30, 2018 through March 29, 2019.

We are requesting that you respond to us in writing if this would be acceptable to your company. For your convenience, we are providing a place for your signature approval at the bottom of the letter. If in acceptance of this extension, you may sign where indicated. The letter may be return via fax at (956) 872-4688 or email to Becky Cavazos at beckyc@southtexascollege.edu.

Sincerely,

Rebecca R. Cavazos
Director of Purchasing

Renewal of contract accepted through March 29, 2019 with no change in terms and conditions as per the South Texas College bid previously submitted.

Authorized Signature: CHRIS GORES

Name Printed: Chris Gores Vice President

Date: 11/10/17

Review and Action as Necessary on Purchases for the 2013 Bond Construction Program Bond Related Projects Funded by Non-Bond Proceeds

Approval of the following purchases for the 2013 Bond Construction Program Bond Related Projects Funded by Non-Bond Proceeds will be requested at the December 12, 2017 Board meeting as follows:

A. Non-Bond Proceeds - Maintenance and Operation Property Taxes (M&O)

A. Non-Bond Proceeds - Maintenance and Operation Property Taxes (M&O)

1) Timekeeping System Clocks (Purchase)

Purchase timekeeping system clocks from **Timeclock Plus by Data Management, Inc.** (San Angelo, TX), a National Intergovernmental Purchasing Alliance (NIPA/TCPN) approved vendor, at an estimated amount of \$79,732.08.

Purpose – The Business Office is requesting the purchase of twenty-two (22) timekeeping clocks, licenses, and maintenance for the new 2013 Bond Construction buildings at all campuses.

Justification and Benefit – The clocks are located in the buildings for all non-exempt professional support, classified, and part-time employees. The clocks will be located as follows:

Pecan STEM Building	1	Pecan South Academic Building	1
Pecan North Academic Building	6	Pecan Student Union Building	2
Technology Campus SW Renovation Building	1	Nursing & Allied Health Campus Expansion	1
Nursing & Allied Health Thermal Plant	1	Mid Valley Library Expansion	1
Mid Valley Health Professions Building	1	Mid Valley Student Services Expansion	2
Mid Valley Thermal Plant	1	Starr County New Library Building	1
Starr County Health Professions Building	1	Starr County Thermal Plant	1
Regional Center for Public Safety Training Facility	1		

Funds for this expenditure are budgeted in the Maintenance and Operations Taxes (M&O) Furniture, Fixtures, and Equipment (FFE) budget for FY 2017 – 2018.

Recommendation:

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the December 12, 2017 Board meeting the purchases for the 2013 Bond

Construction Program Bond Related Projects Funded by Non-Bond Proceeds as listed below:

A. Non-Bond Proceeds - Maintenance and Operation Property Taxes (M&O)
--

A. Non-Bond Proceeds - Maintenance and Operation Property Taxes (M&O)

1) Timekeeping System Clocks (Purchase)

Purchase timekeeping system clocks from **Timeclock Plus by Data Management, Inc.** (San Angelo, TX), a National Intergovernmental Purchasing Alliance (NIPA/TCPN) approved vendor, at an estimated amount of \$79,732.08.

Recommend Action - The total for the purchases of the 2013 Bond Construction Program Bond Related Projects Funded by Non-Bond Proceeds is:

Non-Bond M&O Taxes	<u>\$79,732.08</u>
Total	\$79,732.08

SOUTH TEXAS COLLEGE
1. TIMEKEEPING SYSTEM CLOCKS

NAME			Time Clock Plus by Data Management, Inc.	
ADDRESS			1 Time Clock Dr	
CITY/STATE/ZIP			San Angelo, TX 76904	
PHONE			325-223-9500	
CONTACT			April Bearden	
#	Qty	Description	Unit Price	Extension
1	22	Bio RDT Touch 400	\$ 2,449.00	\$ 53,878.00
2	1	Hardware Maintenance	\$ 8,059.56	\$ 8,059.56
3	500	Professional Employee Licenses	\$ 30.00	\$ 15,000.00
4	1	Software Maintenance	\$ 2,794.52	\$ 2,794.52
5	1	Shipping and Handling	\$ 169.64	\$ 169.64
TOTAL AMOUNT			\$	79,732.08

Review and Recommend Action to Revise Policy #4305: Employee Leave, Spring Break, Semester Break, and Holidays

Approval to revise Policy #4305: Employee Leave, Spring Break, Semester Break, and Holidays, will be requested at the December 12, 2017 Board meeting.

Purpose – The proposed policy revisions update the current policy, which was last revised by the Board in 2001.

Justification – The request for the revision to the policy is necessary for the following reasons:

- To clarify the eligibility for paid Holiday or Break leave.
- To include an option for eligible employees required to work during a paid Holiday or Break.
- To revise the policy's title from Employee Leave, Spring Break, Semester Break and Holidays to Holidays and Breaks for Non-Faculty

Background – Policy #4305: Employee Leave, Spring Break, Semester Break, and Holidays, was approved by the Board of Trustees on November 9, 1995, and was amended in 2001.

According to the Fair Labor Standards Act, employees who work during paid Holidays and Breaks earn:

- additional straight time (regular rate) pay for 40 or less hours worked during a work week and
- overtime (time and a half rate) pay for greater than 40 hours worked during a work week.

For example, an eligible employee who is required to work during the week of Spring Break and:

- works 40 hours, will be compensated for 40 hours for Spring Break, plus 40 hours for working during Spring Break, for a total of 80 hours at straight-time (regular rate).
- works 48 hours, will be compensated for 40 hours for Spring Break, plus 40 hours for working during Spring Break at straight-time (regular rate), plus 8 hours at a rate of time and a half.

Reviewers – The revised policy has been reviewed by staff, the President's Cabinet and/or by South Texas College legal counsel for Human Resources, Mr. Jose Guerrero.

Enclosed Documents - The revised policy follows in the packet for the Committee's review and information.

The additions to the policy are highlighted in yellow and the deletions are designated with a red strikeout.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval, at the December 12, 2017 Board meeting, Policy #4305: ~~Employee Leave, Holidays and Spring Breaks, Semester Break, for Non-Faculty and Holidays~~, as presented and which supersedes any previously adopted Board policy.

MANUAL OF POLICY

Title **Employee Leave, *Holidays and Spring Breaks*, Semester Break, *for Non-Faculty and Holidays*** 4305

Legal Authority Approval of the Board of Trustees

Date Approved by Board Board Minute Order dated November 9, 1995
As Amended by Board Minute Order dated May 24, 2001
As Amended by Board Minute Order dated December 12, 2017

Holidays, *Spring Break* and *Semester Breaks*

Holidays, *Spring Break* and *Semester Breaks* which the College observes for employees and students will be listed in the Board approved academic calendar of the current College Catalog.

Paid *h* *Holidays*, *Spring Break* and *Semester Breaks* are applicable only to *full time* regular *and full time temporary non-faculty* employees *holding staffing plan positions* and limited to only those days listed on the *Board approved* academic calendar.

These E employees must be on an active payroll status for the entire pay period(s) during which a paid *h* *Holiday*, *Spring break* or *semester b* *Break* falls in order to be entitled to the paid days as approved on the academic calendar by the Board.

Exempt and non-exempt full time regular and full time temporary non-faculty employees who are required to work on a paid holiday or break will be allowed to take an equivalent time off during the respective fiscal year on a day that is approved by the supervisor.

~~Staffing plan employees, excluding students employed in positions which require student status as a condition of employment, are entitled to the established employee benefits which include leaves and holidays. A "regular employee" means one who is employed to work at least 20 hours per week for a period of at least four and one-half (4.5) months.~~

~~Entitlements under Employee Leave include:~~

~~Vacation Leave
Sick Leave
Personal Leave
Funeral Leave
Family and Medical Leave
Jury and Witness Duty
Leave Without Pay
Military Leave
Professional Leave~~

~~Strikethrough denotes deletion~~

Italics denote addition

Review and Recommend Action on 2017 Tax Roll/Tax Levy for Hidalgo County

Approval of the 2017 Tax Roll/Tax Levy for Hidalgo County will be requested at the December 12, 2017 Board meeting.

Purpose – The Hidalgo County Tax Assessor-Collector has provided the 2017 Tax Roll Totals for approval by the College’s governing body.

Justification - The 2017 Tax Roll/Tax Levy for Hidalgo County requires approval from the governing body in order to be in compliance with Section 26.09 Item (e) of the Property Tax Code, which reads:

“The assessor shall enter the amount of tax determined as provided by this section in the appraisal roll and submit it to the governing body of the unit for approval. The appraisal roll with amounts of tax entered as approved by the governing body constitutes the unit’s tax roll.”

Background - Mr. Pablo “Paul” Villarreal, Jr., RTA, Assessor-Collector of Hidalgo County has entered the amount of tax determined as provided by Section 26.09 Item (e) of the Property Tax Code and have submitted to South Texas College the tax roll/tax levy totaling \$62,624,834.26.

The comparison from the 2016 to 2017 tax roll for Hidalgo County is as follows:

	<u>Hidalgo County</u>
2016	\$ 59,701,217.59
2017	<u>62,624,834.26</u>
Increase/(Decrease)	<u>\$ 2,923,616.67</u>

Enclosed Documents - The 2017 Tax Roll Total documents from Hidalgo County follows in the packet for the Committee’s information and review.

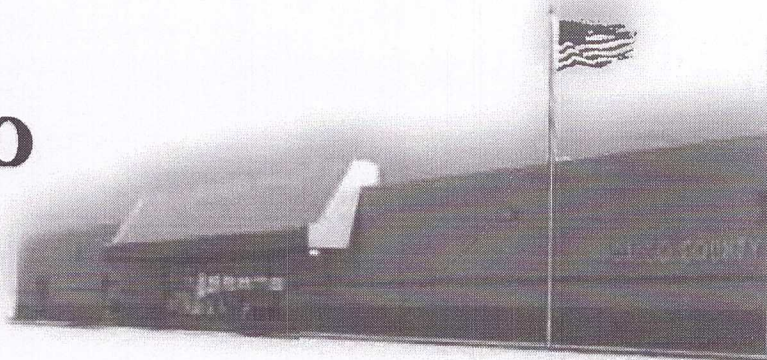
Starr County failed to submit the Tax Roll/Tax Levy and associated information, therefore the Committee will be asked to review this item at a later date.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the December 12, 2017 Board meeting, the 2017 Tax Roll/Tax Levy for Hidalgo County as presented.

South Texas College
2017 Tax Roll/Tax Levy
Fiscal Year 2017 - 2018

	Hidalgo County
Land	\$ 16,450,317,946.00
Improvements	22,869,990,964.00
Personal Property	4,758,867,221.00
Minerals & Utility Rolls	279,138,738.00
Gross - Total Market Value	\$ 44,358,314,869.00
 Total Homestead Cap Adjustment	 157,760,163.00
 AG Exclusion	 3,792,689,561.00
 Total Assessed	 \$ 40,407,865,145.00
 Less Exemptions:	
Total Exempt Property	4,971,515,800.00
Vet Full Exemption	176,952,439.00
Disable Veteran (Part)	36,830,313.00
House Bill 366	54,236.00
Freeport	478,035,081.00
Pollution	76,971,698.00
Community Housing Development Organizations (CHDO) Exemption	12,211,042.00
Primarily Charitable	2,017,482.00
Solar	31,730.00
Total Full Exemptions	57,245,550.00
Total Exemptions	\$ 5,811,865,371.00
 2017 Taxable Value	 34,595,999,774.00
2017 Tax Levy (Rate = 0.1850 / 100)	\$ 64,002,599.58
 2017 Taxable Value	 \$ 34,595,999,774.00
Frozen Taxable	(3,206,182,024.00)
Net Taxable Value	\$ 31,389,817,750.00
Tax Rate	0.1850
Levy (Before Frozen Levy Loss)	\$ 58,071,162.84
Unfrozen Levy Amount	5,931,439.00
Levy Loss due to Freeze	(1,438,000.90)
Frozen Levy Amount	4,493,438.10
Late AG	-
Late Rendition Amount	60,214.22
Adjustments	40.46
Rounding	(21.36)
Total Levy Amount	\$ 62,624,834.26
 Percentages	
M&O 0.1400 / 0.1850 = 75.68%	\$ 47,391,766.47
I&S 0.0450 / 0.1850 = 24.32%	15,233,067.79
Total	\$ 62,624,834.26

Office of Tax Assessor - Collector
COUNTY of HIDALGO
Pablo "Paul" Villarreal, Jr. RTA



P.O. Box 178
Edinburg, Texas 78540-0178
Ph. (956) 318-2157
Fax (956) 318-2733
www.hidalgocountytax.org

October 30, 2017

Shirley A. Reed, President
South Texas College
P.O. Box 9701
McAllen, TX. 78502

Dear Ms. Reed,

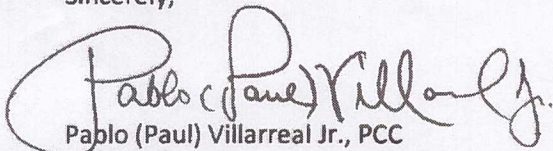
Enclosed please find the 2017 Tax Roll Totals for your district.

Be advised these totals do not include totals for accounts currently under protest. Those totals will be added once the protests are resolved.

Please place this item on the agenda of your next meeting for approval by your governing body, as per Section 26.09(e), of the Texas Property Tax Code.

Should you have any questions in regards, do contact our office.

Sincerely,



Pablo (Paul) Villarreal Jr., PCC
Hidalgo County Tax Assessor-Collector

Xc: Hon. Ray Eufrazio,
Hidalgo County Auditor



2804 S. Bus. Hwy 281 • Edinburg, Texas 78539

SOUTH TEXAS COLLEGE

ENTITY

The Following information is furnished as requested.

NOTE: IT IS IMPORTANT YOU COMPLETE EACH SECTION SEPARATELY.

Itemized 2017 Tax Rate (per \$100 valuation):

(A) Maintenance and Operation (M and O) \$ 0.14

(B) Debt Service (I and S) \$ 0.045

Total TAX RATE (A + B) FOR 2017 \$ 0.185

Total TAX LEVY FOR 2017 \$ 62,624,834.26

Effective Tax Rate 2017 \$ 0.1799

Rollback Tax Rate 2017 \$ 0.1947

Average Residential Value 2017 \$ 98,334

10/13/17
DATE

Paul Hill Jr.
SIGNATURE

HIDALGO COUNTY TAX ASSESSOR-COLLECTOR
TITLE

PLEASE RETURN AS SOON AS POSSIBLE TO:

HIDALGO COUNTY APPRAISAL DISTRICT
Attn: Lydia Elizondo, Finance/Personnel Director
PO BOX 208
EDINBURG, TX 78540-0208
FAX: (956) 289-2120

ENTITY	South Texas College		2017
JURISDICTION	55		
EXEMPT VALUE (EXXV)	0	TOTAL PARCELS	337,733
AG EXCLUSION	3,792,689,561	TOTAL MARKET VALUE	44,358,314,869
HS CAPPED AMOUNT	157,760,163	TOTAL EXEMPT PROPERTY	- 9,762,315,095
ABATED AMOUNT	0	TAXABLE VALUE	= 34,595,999,774
FREEPORT VALUE	478,035,081	TAX RATE PER \$100	* 0.1850
HB366 VALUE	54,236	LEVY (Before Frozen Levy Loss)	= 64,002,599.58
POLLUTION VALUE	76,971,698	LEVY LOSS DUE TO FREEZE	- 1,438,000.90
CHDO EXEMPTION	12,211,042	LATE AG	+ 0.00
PRO CHARITABLE ORG	1,117,838	LATE RENDITION	+ 60,214.22
PRO CHARITBLE FUNCT	83,184	LEVY	= 62,624,812.90
VETERAN FULL EXEMP	176,952,439	TOTAL LEVY (From TC502)	= 62,624,834.26
HOMESTEAD	0	VARIANCE	+/- -21.36
OVER 65 HOMESTEAD			
EXEMPTION	0		
OVER 65 HOMESTEAD			
SURVIVING SPOUCE	0		
DISABLED	0		
VETERAN EXEMPTIONS	36,741,074		
TIMBER EXCLUSION	0		
PRORATED EXXV	4,889,776,282		
PRORATED EXXA	0		
PRO MISC EXEMPTS	32,719,561		
PRO YOUTH ASSOC	662,963		
SOLAR EXEMPTION	31,730		
PRO SCHOOLS	29,829,624		
EXEMPT	57,245,550		
PRO NON PROFIT	16,017,264		
CHARITABLE ORG	2,017,482		
VET CHARITABLE HS DP	89,239		
PRORATED EXXL	1,309,084		
TOTAL EXEMPT PROPERTY	9,762,315,095		

Review and Recommend Action on Appraisal District Allocated Cost Payments for Hidalgo County and Starr County

Approval to process payments to the Hidalgo County Appraisal District and Starr County Appraisal District for allocated cost, as described below, will be requested at the December 12, 2017 Board meeting.

Purpose – The Hidalgo County Appraisal District and the Starr County Appraisal District perform property valuation assessments for taxes imposed during the tax year. The College’s allocated cost for property valuation services is provided annually.

Justification - The Hidalgo County Appraisal District and Starr County Appraisal District are considered a sole source and the College and other taxing entities are required to use their services to determine the assessed valuation of properties.

Background - Each year the Chief Appraiser prepares a proposed budget for the operations of the appraisal district for the following tax year. The County’s Appraiser submits copies of the budget to each taxing unit participating in the district and an estimate of the amount of the budget that will be allocated to each taxing unit.

Texas Property Tax Code Chapter 6 Section 6.06 (d) Appraisal District Budget and Financing indicates that the cost is allocated as follows: “Each taxing unit participating in the district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year.”

Each taxing unit pays its allocation in four equal payments.

The Tax Year 2017 estimated allocations, per the District’s budgets, are \$629,964.00 for Hidalgo County Appraisal District and \$127,631.47 for Starr County Appraisal District, for a total of \$757,595.47. The first quarterly invoice is due by December 31, 2017 for Starr County and by February 2, 2018 for Hidalgo County.

The Tax Year 2017 allocations changed from the Tax Year 2016 allocations as follows:

<u>Tax Year</u>	<u>Hidalgo County</u>	<u>Starr County</u>	<u>Total</u>
2016	\$ 598,928.00	\$ 93,568.00	\$ 692,496.00
2017	629,964.00	127,631.47	757,595.47
Increase/(Decrease)	\$ 31,036.00	\$ 34,063.47	\$ 65,099.47

The changes are based on the new year budgets of each Appraisal District.

The budget for Hidalgo County increased by \$329,418 from \$8,182,915 to \$8,512,333 and the budget for Starr County increased by \$176,539 from \$1,564,682 to \$1,741,221.

Funding Source – Funds for these expenditures are budgeted in the Hidalgo Appraisal/Collection Fee budget and the Starr Appraisal/Collection Fee budget for FY 2017-2018.

Enclosed Documents – The 2018 allocation payments for Tax Year 2017 follows in the packet for the Committee’s information and review.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the December 12, 2017 Board meeting, the payments to the Hidalgo County Appraisal District and the Starr County Appraisal District for the allocated cost as stated in the Texas Property Tax Code, Chapter 6, Section 6.06 (e) and as presented.

**2018 OFFICIAL
ENTITY ASSESSMENT**

ENTITY:	2017 Tax Levied	2017 Percent	2017 Assessment	2018 Projected Assessment	2018 Quarterly Assesment
Cities:					
Alamo	\$ 3,353,635	0.40%	\$ 33,604.00	\$ 33,735.00	\$ 8,433.75
Alton	\$ 1,777,867	0.21%	\$ 16,057.00	\$ 17,884.00	\$ 4,471.00
Donna	\$ 4,910,516	0.58%	\$ 52,357.00	\$ 49,396.00	\$ 12,349.00
Edcouch	\$ 481,761	0.06%	\$ 4,781.00	\$ 4,846.00	\$ 1,211.50
Edinburg	\$ 26,873,326	3.18%	\$ 258,007.00	\$ 270,328.00	\$ 67,582.00
Elsa	\$ 1,483,078	0.18%	\$ 14,179.00	\$ 14,919.00	\$ 3,729.75
Granjeno	\$ 19,300	0.00%	\$ 195.00	\$ 194.00	\$ 48.50
Hidalgo	\$ 2,075,427	0.25%	\$ 19,568.00	\$ 20,877.00	\$ 5,219.25
La Joya	\$ 768,997	0.09%	\$ 7,521.00	\$ 7,736.00	\$ 1,934.00
La Villa	\$ 205,858	0.02%	\$ 1,996.00	\$ 2,071.00	\$ 517.75
McAllen	\$ 43,393,343	5.13%	\$ 419,973.00	\$ 436,508.00	\$ 109,127.00
Mercedes	\$ 4,310,303	0.51%	\$ 42,096.00	\$ 43,358.00	\$ 10,839.50
Mission	\$ 19,976,560	2.36%	\$ 203,179.00	\$ 200,951.00	\$ 50,237.75
Palmview	\$ 2,178,076	0.26%	\$ 20,354.00	\$ 21,910.00	\$ 5,477.50
Penitas	\$ 1,185,534	0.14%	\$ 10,809.00	\$ 11,926.00	\$ 2,981.50
Progreso	\$ 668,140	0.08%	\$ 6,116.00	\$ 6,721.00	\$ 1,680.25
Pharr	\$ 18,625,155	2.20%	\$ 177,753.00	\$ 187,356.00	\$ 46,839.00
San Juan	\$ 7,112,364	0.84%	\$ 67,812.00	\$ 71,545.00	\$ 17,886.25
Sullivan City	\$ 453,048	0.05%	\$ 4,260.00	\$ 4,558.00	\$ 1,139.50
Weslaco	\$ 11,812,045	1.40%	\$ 117,161.00	\$ 118,821.00	\$ 29,705.25
Entity Totals	\$ 151,664,332	17.92%	\$ 1,477,778.00	\$ 1,525,640.00	\$ 381,410.00
Schools:					
Donna	\$ 17,612,741	2.08%	\$ 150,225.00	\$ 177,172.00	\$ 44,293.00
Edcouch-Elsa	\$ 3,943,322	0.47%	\$ 39,418.00	\$ 39,667.00	\$ 9,916.75
Edinburg	\$ 74,195,432	8.77%	\$ 714,905.00	\$ 746,356.00	\$ 186,589.00
Hidalgo	\$ 7,386,612	0.87%	\$ 67,929.00	\$ 74,304.00	\$ 18,576.00
La Joya	\$ 29,856,398	3.53%	\$ 301,014.00	\$ 300,336.00	\$ 75,084.00
La Villa	\$ 864,052	0.10%	\$ 10,024.00	\$ 8,692.00	\$ 2,173.00
Lyford	\$ 126,794	0.01%	\$ 1,283.00	\$ 1,275.00	\$ 318.75
McAllen	\$ 79,980,500	9.45%	\$ 777,508.00	\$ 804,550.00	\$ 201,137.50
Mercedes	\$ 7,176,167	0.85%	\$ 66,928.00	\$ 72,187.00	\$ 18,046.75
Mission	\$ 26,335,928	3.11%	\$ 252,391.00	\$ 264,922.00	\$ 66,230.50
Monte Alto	\$ 1,270,904	0.15%	\$ 13,071.00	\$ 12,785.00	\$ 3,196.25
PSJA	\$ 60,177,243	7.11%	\$ 576,148.00	\$ 605,343.00	\$ 151,335.75
Progreso	\$ 2,413,621	0.29%	\$ 19,734.00	\$ 24,280.00	\$ 6,070.00
Sharyland	\$ 42,654,287	5.04%	\$ 405,159.00	\$ 429,074.00	\$ 107,268.50
So Tx College	\$ 62,624,834	7.40%	\$ 601,062.00	\$ 629,964.00	\$ 157,491.00
South Texas ISD	\$ 17,272,464	2.04%	\$ 166,051.00	\$ 173,749.00	\$ 43,437.25
Valley View	\$ 7,490,458	0.89%	\$ 66,938.00	\$ 75,349.00	\$ 18,837.25
Weslaco	\$ 26,145,817	3.09%	\$ 245,928.00	\$ 263,009.00	\$ 65,752.25
Entity Total	\$ 467,527,575	55.25%	\$ 4,475,716.00	\$ 4,703,014.00	\$ 1,175,753.50
GRAND TOTALS	\$ 846,213,082	100%	\$ 8,182,915.00	\$ 8,512,333.00	
BUDGET TOTAL			\$ 8,182,915.00	\$ 8,512,333.00	

2018 OFFICIAL
ENTITY ASSESSMENT

ENTITY:	2017 Tax Levied	2017 Percent	2017 Assessment	2018 Projected Assessment	2018 Quarterly Assesment
Hidalgo County	\$ 193,338,421	22.85%	\$ 1,904,358.00	\$ 1,944,855.00	\$ 486,213.75
Drainage Dist.#1	\$ 31,437,136	3.72%	\$ 303,238.00	\$ 316,237.00	\$ 79,059.25
Entity Totals	\$ 224,775,557	26.56%	\$ 2,207,596.00	\$ 2,261,092.00	\$ 565,273.00
Fire Districts:					
EMS District #1	\$ 172,239	0.02%	\$ 1,422.00	\$ 1,732.00	\$ 433.00
EMS District #2	\$ 302,587	0.04%	\$ 2,864.00	\$ 3,044.00	\$ 761.00
EMS District #3	\$ 498,292	0.06%	\$ 5,181.00	\$ 5,012.00	\$ 1,253.00
EMS District #4	\$ 217,852	0.03%	\$ 2,127.00	\$ 2,191.00	\$ 547.75
Entity Totals	\$ 1,190,971	0.14%	\$ 11,594.00	\$ 11,979.00	\$ 2,994.75
Irrigation Districts:					
Donna #1	\$ 618,619	0.07%	\$ 5,316.00	\$ 6,223.00	\$ 1,555.75
Delta Lake	\$ 371,822	0.04%	\$ 4,155.00	\$ 3,740.00	\$ 935.00
Kennedy Co GCD	\$ 1,262	0.0001%	\$ 13.00	\$ 13.00	\$ 3.25
Brush Country GCD	\$ 454	0.00005%	\$ 6.00	\$ 4.00	\$ 1.00
Red Sands GCD	\$ 62,490	0.01%	\$ 741.00	\$ 628.00	\$ 157.00
Entity Totals	\$ 1,054,647	0.12%	\$ 10,231.00	\$ 10,608.00	\$ 2,652.00



STARR COUNTY APPRAISAL DISTRICT
100 N FM 3167, STE# 300
RIO GRANDE CITY, TEXAS 78582
PHONE: 956-487-5613 FAX: 956-487-8555

BOARD OF DIRECTORS

Arturo S. Perez, Chairman
Eduardo Ramirez, Secretary
Eloy Garza, Member
Raul Pena Jr., Member
Daniel J. Garcia, Member

ROSALVA GUERRA
CHIEF APPRAISER

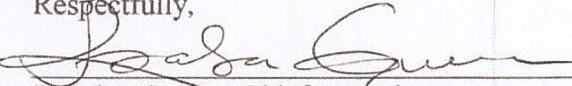
NOVEMBER 07, 2017
ALLOCATIONS FOR 2018

<u>ENTITY</u>	<u>TAX LEVY</u>	<u>ALLOCATION %</u>	<u>ENTITY ALLOCATION FOR 2018</u>
RIO GRANDE CITY C.I.S.D.	\$16,208,470.64	.2982	\$519,231.99
SAN ISIDRO I.S.D	\$ 2,203,765.56	.0405	\$ 70,519.43
ROMA I.S.D	\$ 7,426,942.45	.1366	\$237,850.74
STARR COUNTY (I&S & FM/FC& STARR CO DRAINAGE DIST)	\$15,532,503.10	.2858	\$497,640.85
STARR COUNTY HOSP.	\$ 5,363,657.00	.0987	\$171,858.47
SOUTH TEXAS COLLEGE	\$ 3,983,974.12	.0733	\$127,631.47
CITY OF ROMA	\$ 1,149,588.20	.0212	\$ 36,913.88
CITY OF R.G.C.	\$ 2,356,123.07	.0433	\$ 75,394.85
CITY OF ESCOBARES	\$ 130,820.60	.0024	\$ 4,178.93
	\$ 54,355,844.74	100%	\$ 1,741,220.61

Note Formula: $\frac{\text{Entity Levy}}{\text{Total Tax Levy}} = \text{Allocation \%}$

Total Appraisal District Budget x Allocation % = Entity Allocation Amount for 2018.
 (1,741,220.61 x % = Allocation)

Respectfully,


 Rosalva Guerra, Chief Appraiser
 Starr County Appraisal District

**Review and Recommend Action on Disposal/Recycle of
Technology and Electronic Items with an Original Value of
\$5,000 and Over**

Approval will be requested at the December 12, 2017 Board of Trustees meeting for dispose/recycle of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a state of Texas agency approved to properly recycle technology and electronic items is requested.

Purpose – The Fixed Asset/Inventory Department is requesting the disposal/recycle of technology and electronic items to be in compliance with the Environmental Protection Agency (EPA) regulations. TDCJ provides an environmentally sound way to dispose of surplus technology equipment.

Justification – As technology and electronic items become obsolete, out of warranty or not functioning, it is disposed of according to South Texas Board Policy #5135 Disposal of Surplus Property. TDCJ is the method of disposal to comply with all EPA regulations. They will clean data from all systems, recycle systems that can be repaired for inmate training or donation to schools and damaged systems are properly disposed of.

The technology and electronic items are located at the South Texas College, Technology Campus, Receiving Department, 3700 West Military Hwy Building D., McAllen, Texas.

Reviewers – These items have been inspected by the Information Technology, Educational Technologies, and approved by the Interim Vice President for Information Services, Planning and Strategic Initiatives to be disposed after Board approval.

Enclosed Documents - A listing of the technology and electronic items to be disposed/recycled follows in the packet for Committee's information and review.

Mary Elizondo, Vice President for Finance and Administrative Services, Dr. David Plummer, Vice President for Information Services, Planning and Strategic Initiatives, and Becky Cavazos, Director of Purchasing, will be present at the December 5, 2017 Finance, Audit, and Human Resources Committee meeting to address any questions by the committee.

It is requested that the Finance, Audit, and Human Resources Committee recommend for Board approval at the December 12, 2017 Board meeting, the disposal/recycle of technology and electronic items with an original value of \$5,000 and over through the Texas Department of Criminal Justice (TDCJ), a State of Texas agency approved to properly recycle technology and electronic items as presented.

**SOUTH TEXAS COLLEGE
TECHNOLOGY AND ELECTRONICS FOR DISPOSAL/RECYCLE VALUED AT \$5,000 AND OVER
DECEMBER 12, 2017**

Pallet	Qty	Description	Serial Number	Silver Tag	Green Tag	Purchase Date	Ptag	Amount	Net Book Value	Condition
1	1 ea	Extron Lockable Metal - Media Link Controller	A05N6HU	18211		07/23/2009	N00017703	7,600.50	\$ 1,393.18	Obsolete
2	1 set	IBM PC Cash Drawer	23GVY88	000005298		8/31/2000	000005712	7,433.96	\$ -	Obsolete
2	1 ea	Cisco Catalyst 3750 48 Port Switch	CAT1039NLH8	15141		04/12/2007	N00016070	5,696.71	\$ -	Obsolete
7	1 ea	Smartboard 3000i Portable	30005397	000007003	5000004067	06/24/2002	000007797	14,900.00	\$ -	Obsolete
8	1 ea	Smart Board Rear Projection 3000I-DV	11345	12178		10/25/2005	N00012788	11,986.89	\$ -	Obsolete
9	1 ea	Smart Board Interact Rear Projection	30005404	000007005	5000004065	06/24/2002	000007799	14,900.00	\$ -	Obsolete
10	1 ea	Sharp Projector	105317318	000006941	5000003939	11/13/2001	000007520	6,819.05	\$ -	Obsolete
11	1 ea	PE R710 Server with Chassis	5JDCXQ1	19285	5000019919	08/02/2011	N00019158	5,989.91	\$ -	Obsolete
11	1 ea	Cisco Catalyst 3750V2 48 Port Switch	FD01420Z07Y	18977		08/13/2010	N00018511	5,127.30	\$ -	Obsolete
11	1 ea	Cisco 2951 Router w/3 GE 4 EHWIC 3 DSP	FTX1530AJXD	19284		08/03/2011	N00019155	10,973.62	\$ -	Obsolete
11	1 ea	Panasonic PT-DW5100U 5500 Lumens/WXGA DLP Projector	SH8350043	11971		07/11/2008	N00017033	5,429.72	\$ 557.59	Obsolete
23	1 ea	HP Compaq Proliant LM350 Server	6J26KQV/K018	000007247		7/3/2002	000008310	\$6,289.00	\$ -	Obsolete
25	1 ea	16 Port San Switch	CNB0425C0S	0000010639		10/29/2004	000010701	\$5,375.00	\$ -	Obsolete
25	1 ea	16 Port San Switch	CNB0427C2T	0000010882		10/29/2004	000010700	\$5,375.00	\$ -	Obsolete
25	1 ea	HP Storageworks Switch Channel 2/16v	CNB0444C1P	0000011287		12/13/2004	000011930	\$5,625.00	\$ -	Obsolete
26	1 ea	Extron Switcher	816766021	0000010962		12/15/2004	000012302	\$5,207.55	\$ -	Obsolete
29	1 ea	Laerdal Computer System (Hardware & Software) for Intravenous Catheterization Training	1Z47691	17479	5000005921	7/4/2006	N00012775	\$10,378.29	\$ -	Obsolete
29	1 ea	Dell Power Edge 2950 Server Xeon Processor 5160	9NRTZC1	16095		5/24/2007	N00015571	\$5,126.00	\$ -	Obsolete
29	1 ea	Cathium Intravenous Training #32100	SFST0259089	32418	5000001790	5/10/2001	000006277	\$16,235.00	\$ -	Incomplete
30	1 ea	Sharp Projector	105317318	000006941	5000003939	11/13/2001	000007520	\$6,819.05	\$ -	Damaged
30	1 ea	Cisco Catalyst 3750 48 Port Switch	CAT1039NLH8	15141		4/12/2007	N00016070	\$5,696.71	\$ -	Obsolete

List 10 and 19

Grant Funded Asset

Review and Discussion of Position Vacancy Report for FY 2017 – 2018

The Staffing Plan Position Vacancy Report for FY 2017 - 2018 follows in the packet for the Committee’s information and review. Information is current as of December 1, 2017.

Dr. Shirley A. Reed, President, and Mrs. Mary Elizondo, Vice President for Finance and Administrative Services, will be available to respond to questions from the Committee.

The position information listed below includes the Unrestricted Fund only and does not include positions for Auxiliary and Restricted Funds.

1) Positions Filled during Fiscal Year 2017 - 2018

(EXHIBIT A – HIRED)

- One-hundred and two (102) of the FY 2016 - 2017 positions have been filled as of December 1, 2017 and ten (10) new FY 2017 - 2018 Full Time, Regular positions have been filled.
- One-hundred and twelve positions have been filled as of December 1, 2017.

2) Vacancies at Beginning of Fiscal Year 2017 - 2018

(EXHIBIT B - VACANT POSITIONS - NEW)

(EXHIBIT C - VACANT POSITIONS - CONTINUING)

- Two-hundred and thirty-two (232) vacant positions were carried over from FY 2016 – 2017.
- Seventy-three (73) new positions were Board approved for FY 2017 – 2018.
- Three-hundred and five (305) Full Time Regular positions were vacant on September 1, 2017.

3) Position Turnover during Fiscal Year 2017 - 2018

- Sixteen (16) vacancies due to resignations, terminations, or retirements have been submitted for Full Time, Regular positions as of December 1, 2017.

Below is a detail of the Fiscal Year 2017 – 2018 Non-Faculty Vacancies by Division as of December 1, 2017.

	Academic Affairs	Finance & Admin. Services	Information Services, Planning, Perform. & Strategic Initiatives	President’s Office	Student Affairs & Enrollment Management	Total
Continued	25	34	35	15	12	121
Cont-Bond	12	35	10	0	4	61
New	8	9	3	2	4	26
New- Bond	13	22	2	0	0	37
Total	58	100	50	17	20	245

Further details can be found in the Position Vacancy Report on the following pages.

The Position Vacancy Report for Fiscal Year 2017 - 2018 and Positions Filled and Vacated Report are presented for information and review by the Committee. No action is required from the Committee.

Positions Filled - EXHIBIT A

South Texas College
Positions Filled in FY 2017 - 2018
 As of December 1, 2017

Hired

Division	Position	Type	Category	Title	Date Position Vacated	Position Status	Hire Date
Academic Advancement							
Professional & Organizational Dev	705352	CONT	Prof/Tech Support Exempt	Instructional Coach - Prof & Org Dev	FY18 Position Chng	Filled	10-02-17
Academic Affairs							
Academic Affairs	700362	CONT	Prof/Tech Support Non-Exempt	Executive Administrative Assistant	05-01-17	Filled	10-02-17
Starr County Campus	704267	CONT BOND FY17	Prof/Tech Support Non-Exempt	Student Success Specialist	New for FY16	Filled	09-01-17
Division of Business, Public Safety and Technology							
Welding	701308	CONT	Classified	Faculty Secretary	04-01-17	Filled	09-18-17
Division of Liberal Arts and Social Sciences							
Developmental Math	701426	CONT	Classified	Developmental Lab Technician	06-08-17	Filled	12-04-17
Division of Math, Science and Bachelor Programs							
Biology	701203	CONT	Prof/Tech Support Non-Exempt	Lab Specialist II - Biology	07-14-17	Filled	11-01-17
Finance and Administrative Services							
Business Office	738184	CONT	Classified	Accounting Assistant	02-13-17	Filled	09-05-17
Business Office	700077	CONT	Classified	Accounting Assistant	06-09-17	Filled	09-05-17
Business Office	792184	CONT	Classified	Accounting Assistant	07-07-17	Filled	10-02-17
Business Office	795184	CONT	Classified	Accounting Assistant	07-07-17	Filled	11-01-17
Campus Police	775514	CONT BOND FY17	Prof/Tech Support Non-Exempt	Coord Emer Preparedness & Trng	New for FY17	Filled	10-02-17
Campus Police	762514	CONT BOND FY17	Prof/Tech Support Non-Exempt	Police Compliance Coordinator	New for FY17	Filled	09-11-17
Campus Police	721514	CONT	Prof/Tech Support Non-Exempt	Police Dispatcher	01-04-17	Filled	10-02-17
Cashiers Office	700050	CONT	Classified	Cashier	01-04-17	Filled	09-05-17
Cashiers Office	732184	CONT	Classified	Cashier	01-31-17	Filled	10-02-17
Cashiers Office	727184	CONT	Classified	Cashier	06-05-17	Filled	12-04-17
Cashiers Office	712184	CONT	Classified	Cashier II	09-01-14	Filled	09-18-17
Central Receiving	701581	CONT	Classified	Fixed Assets and Receiving Technician	07-10-17	Filled	11-13-17
Custodial	720503	NEW-BOND FY18	Prof/Tech Support Exempt	Custodial Manager	NEW FY18	Filled	11-15-17
Custodial	707503	NEW-BOND FY18	Prof/Tech Support Exempt	Custodial Manager	NEW FY18	Filled	11-15-17
Custodial	793502	CONT BOND FY17	Prof/Tech Support Non-Exempt	Custodial Supervisor	New for FY17	Filled	10-16-17
Custodial	773502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-02-17
Custodial	768502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-02-17
Custodial	776502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	09-01-17
Custodial	774502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	09-11-17
Custodial	766502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-02-17
Custodial	754502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-02-17
Custodial	756502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-02-17
Custodial	763502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-02-17
Custodial	760502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-09-17
Custodial	767502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-09-17
Custodial	759502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	10-16-17
Custodial	709502	CONT	Classified	Custodian	07-18-17	Filled	01-08-18

Positions Filled - EXHIBIT A

Hired

South Texas College
Positions Filled in FY 2017 - 2018
 As of December 1, 2017

Division	Position	Type	Category	Title	Date Position Vacated	Position Status	Hire Date
Custodial	705502	CONT	Classified	Custodian	07-18-17	Filled	11-01-17
Custodial	770502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	11-06-17
Custodial	700503	NEW-BOND FY18	Classified	Custodian	NEW FY18	Filled	11-06-17
Custodial	761502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	12-04-17
Custodial	786502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	12-04-17
Custodial	782502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	12-04-17
Custodial	781502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	12-04-17
Custodial	787502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	12-04-17
Custodial	783502	CONT BOND FY17	Classified	Custodian	New for FY17	Filled	12-04-17
Custodial	701503	NEW-BOND FY18	Classified	Custodian	NEW FY18	Filled	11-06-17
Custodial	758502	CONT BOND FY17	Classified	Lead Custodian	New for FY17	Filled	11-01-17
Custodial	765502	CONT BOND FY17	Classified	Lead Custodian	New for FY17	Filled	11-01-17
Custodial	779502	CONT BOND FY17	Classified	Lead Custodian	New for FY17	Filled	11-06-17
Custodial	780502	CONT BOND FY17	Classified	Floor Technician	New for FY17	Filled	09-05-17
Facility Maintenance	716499	CONT BOND FY17	Classified	Campus Facility Manager	New for FY17	Filled	09-05-17
Facility Maintenance	717499	CONT BOND FY17	Prof/Tech Support Exempt	Campus Facility Manager	New for FY17	Filled	01-03-17
Facility Maintenance	739499	CONT BOND FY17	Prof/Tech Support Non-Exempt	Construction Supervisor	New for FY17	Filled	11-13-17
Facility Maintenance	724499	CONT BOND FY17	Classified	Electrician	New for FY17	Filled	11-01-17
Facility Maintenance	723499	CONT BOND FY17	Classified	Electrician	New for FY17	Filled	12-04-17
Facility Maintenance	737499	CONT BOND FY17	Classified	Energy Technician	New for FY17	Filled	11-06-17
Facility Maintenance	738499	CONT BOND FY17	Classified	Energy Technician	New for FY17	Filled	11-01-17
Facility Maintenance	734499	CONT BOND FY17	Classified	Maintenance Assistant	New for FY17	Filled	10-02-17
Facility Maintenance	735499	CONT BOND FY17	Classified	Maintenance Assistant	New for FY17	Filled	10-16-17
Facility Maintenance	736499	CONT BOND FY17	Classified	Maintenance Assistant	New for FY17	Filled	10-16-17
Facility Maintenance	719499	CONT BOND FY17	Classified	Maintenance Technician	New for FY17	Filled	12-04-17
Facility Maintenance	718499	CONT BOND FY17	Classified	Warehouse Technician	New for FY17	Filled	10-09-17
Finance and Administrative Services	702360	CONT	Classified	Executive Administrative Assistant	01-31-17	Filled	12-01-17
Human Resources	704240	CONT	Administrative Exempt	Assistant Director of Human Resources	09-01-14	Filled	09-10-17
Human Resources	715240	CONT	Prof/Tech Support Non-Exempt	Benefits Specialist	08-04-17	Filled	09-11-17
Human Resources	716240	CONT	Prof/Tech Support Non-Exempt	Human Resources Staffing Specialist/Evaluator	07-03-17	Filled	10-02-17
Purchasing	726580	CONT	Prof/Tech Support Non-Exempt	Purchasing Specialist	09-01-16	Filled	09-18-17
Purchasing	707580	CONT	Prof/Tech Support Exempt	Buyer	01-24-17	Filled	09-18-17
Safety and Security	773514	CONT BOND FY17	Classified	Security Guard	New for FY17	Filled	09-11-17
Safety and Security	743514	CONT BOND FY17	Classified	Security Guard	New for FY17	Filled	09-11-17
Safety and Security	763514	CONT BOND FY17	Prof/Tech Support Non-Exempt	Security Support Specialist	New for FY17	Filled	10-02-17
Information Services, Planning and Strategic Initiatives							
Centers for Learning Excellence	704423	CONT	Prof/Tech Support Exempt	Learning Support Manager	07-31-17	Filled	12-01-17
Centers for Learning Excellence	721423	CONT	Prof/Tech Support Exempt	Coordinator of Campus Center for Learning Excellence	07-03-17	Filled	11-13-17
Client Services	710391	CONT	Prof/Tech Support Non-Exempt	Client Services Specialist	08-01-17	Filled	10-05-17

Positions Filled - EXHIBIT A

Hired

South Texas College
Positions Filled in FY 2017 - 2018
 As of December 1, 2017

Division	Position	Type	Category	Title	Date Position Vacated	Position Status	Hire Date
Educational Technologies	700186	CONT	Classified	Educational Technologies Assistant I	04-28-17	Filled	10-16-17
Educational Technologies	712271	CONT BOND FY17	Classified	Educational Technologies Assistant I	New for FY17	Filled	11-01-17
Educational Technologies	700085	CONT	Classified	Educational Technologies Assistant I	08-22-17	Filled	10-16-17
Educational Technologies	718271	CONT BOND FY17	Classified	Educational Technologies Assistant II	New for FY17	Filled	11-01-17
Educational Technologies	717271	CONT BOND FY17	Classified	Educational Technologies Assistant II	New for FY17	Filled	11-06-17
Educational Technologies	720271	CONT BOND FY17	Prof/Tech Support Exempt	Project Manager - Educational Technologies	New for FY17	Filled	10-16-17
Infrastructure	704393	CONT	Prof/Tech Support Exempt	Applications Analyst II	10-31-14	Filled	11-01-17
Instruction	700194	CONT	Prof/Tech Support Exempt	Service Delivery Manager	FY17 Position Chng	Filled	11-01-17
Learning Commons and Open Labs	715102	CONT	Classified	Open Lab Technician	08-21-17	Filled	12-04-17
Learning Commons and Open Labs	723397	CONT BOND FY17	Classified	Open Lab Technician	FY17 Position Chng	Filled	09-04-17
Learning Commons and Open Labs	719397	CONT BOND FY17	Classified	Open Lab Technician	FY17 Position Chng	Filled	09-05-17
Learning Commons and Open Labs	721397	CONT BOND FY17	Classified	Open Lab Technician	FY17 Position Chng	Filled	09-05-17
Learning Commons and Open Labs	701271	CONT	Classified	Open Lab Technician	08-21-17	Filled	12-04-17
Learning Commons and Open Labs	716397	CONT BOND FY17	Prof/Tech Support Non-Exempt	Technology Specialist	FY17 Position Chng	Filled	09-11-17
Learning Commons and Open Labs	726397	NEW FY18	Prof/Tech Support Non-Exempt	Technology Specialist	NEW FY18	Filled	12-01-17
Learning Commons and Open Labs	717397	CONT BOND FY17	Prof/Tech Support Non-Exempt	Open Labs Analyst	New for FY17	Filled	10-16-17
Library Acquisition	722101	CONT	Administrative	Librarian III - Collection Management and Acquisitions	01-17-17	Filled	12-11-17
Library Acquisition	700009	CONT	Classified	Library Technical Services Technician	07-06-17	Filled	10-09-17
Library Public Services	731101	CONT	Prof/Tech Support Exempt	Librarian III	07-31-14	Filled	10-04-17
Research and Analytical Services	705170	CONT	Prof/Tech Support Exempt	Institutional Research Analyst	06-05-17	Filled	10-02-17
Systems and Networking	700263	CONT	Classified	Systems Specialist	06-15-17	Filled	12-01-17
Technology Support	718392	CONT BOND FY17	Prof/Tech Support Non-Exempt	Computer Services Specialist	New for FY17	Filled	11-01-17
Technology Support	717392	CONT BOND FY17	Prof/Tech Support Non-Exempt	Computer Services Specialist	New for FY17	Filled	11-06-17
Technology Support	715392	CONT	Prof/Tech Support Non-Exempt	Computer Services Specialist	07-14-17	Filled	11-15-17
Technology Support	716392	CONT BOND FY17	Prof/Tech Support Non-Exempt	Computer Services Specialist	New for FY17	Filled	11-13-17
Division of Nursing and Allied Health							
Radiologic Technology	703557	CONT	Classified	Faculty Secretary	05-31-17	Filled	10-02-17
Office of the President							
CPWE - State	704587	CONT	Classified	Customer Service Technician	06-30-17	Filled	12-04-17
CPWE - State	716590	CONT	Prof/Tech Support Exempt	Program Developer and Coordinator	11-30-10	Filled	09-05-17
Grant Development, Management, and Compliance	700316	CONT	Prof/Tech Support Exempt	Grant Development Officer	06-22-15	Filled	09-05-17
Public Relations/Marketing	707462	CONT	Prof/Tech Support Non-Exempt	Coordinator of Public Relations	07-10-16	Filled	11-13-17
Student Affairs and Enrollment Management							
Admissions & Records	700020	CONT	Classified	Admissions Technician	11-14-17	Filled	10-09-17
Advising	708332	CONT	Prof/Tech Support Non-Exempt	Advisor	09-01-17	Filled	10-02-17
College Connections	702461	NEW FY18	Prof/Tech Support Non-Exempt	Admissions Specialist	NEW FY18	Filled	Pending
College Connections	709190	CONT	Prof/Tech Support Non-Exempt	College Connection Specialist/Recruiter	04-03-17	Filled	12-04-17
College Connections	709461	NEW FY18	Prof/Tech Support Non-Exempt	Student Services Specialist I	NEW FY18	Filled	01-03-18
Counseling and Disability Services	700336	CONT BOND FY17	Prof/Tech Support Exempt	Counselor	New for FY17	Filled	10-16-17

Positions Filled - EXHIBIT A

South Texas College Positions Filled in FY 2017 - 2018 As of December 1, 2017						
Hired						
Division	Position	Type	Category	Title	Date Position Vacated	Position Status Hire Date
Dual2Degree	724610	NEW FY18	Classified	Administrative Assistant	NEW FY18	Filled 11-17-17
Dual2Degree	711610	CONT	Prof/Tech Support Non-Exempt	Dual2Degree Specialist	02-03-17	Filled 10-16-17
Dual2Degree	703610	CONT	Prof/Tech Support Non-Exempt	Dual2Degree Specialist	08-04-17	Filled 10-02-17
External Affairs	702144	NEW FY18	Classified	Administrative Assistant	NEW FY18	Filled 12-04-17
Student Financial Services	730440	NEW FY18	Prof/Tech Support Non-Exempt	Financial Aid Specialist	NEW FY18	Filled 11-01-17

Vacant Positions - New - Exhibit B

South Texas College
NEW Vacant Full-Time Regular Positions Approved for FY 2017 - 2018
New Positions
 As of December 1, 2017

Division	Position	Type	Category	Title	Hiring Process Status (Steps 1 - 7)	Position Status	Proposed Hire Date
Academic Advancement							
High School Programs & Services	708286	NEW FY18	Administrative	Interim Dean for Dual Credit Programs and School District Partnerships	3a	Re-advertised	02-05-18
High School Programs & Services	706285	NEW FY18	Classified	Administrative Assistant	4	Screening in Progress	01-22-18
Division of Math, Science and Bachelor Programs							
BAT/BAS	701293	NEW FY18	Prof/Tech Support Exempt	Academic Coach	2	Requisition in Progress	03-05-18
BAT/BAS	702293	NEW FY18	Prof/Tech Support Exempt	Academic Coach	2	Requisition in Progress	03-05-18
Biology	706204	NEW-BOND FY18	Classified	Faculty Secretary	1	Pending Requisition	03-05-18
Biology	707204	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Lab Specialist II - Biology	1	Pending Requisition	03-05-18
Chemistry	703200	NEW-BOND FY18	Classified	Faculty Secretary	1	Pending Requisition	03-05-18
Chemistry	704200	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Lab Specialist II - Chemistry	4	Screening in Progress	01-22-18
Div. of Math, Science & BA Programs	705281	NEW FY18	Classified	Administrative Assistant	4	Screening in Progress	01-22-18
Division of Business, Public Safety and Technology							
Fire Science	701312	NEW-BOND FY18	Classified	Faculty Secretary	1	Pending Requisition	04-01-18
Fire Science	702312	NEW-BOND FY18	Classified	Lab Assistant – Fire Science	1	Pending Requisition	04-01-18
Law Enforcement							
Law Enforcement	701593	NEW FY18	Classified	Secretary	5	Recommendation in Progress	01-08-18
Division of Nursing and Allied Health							
Nursing & Allied Health	713557	NEW FY18	Prof/Tech Support Non-Exempt	Advisor	2	Requisition in Progress	03-05-18
Nursing & Allied Health	714557	NEW FY18	Prof/Tech Support Non-Exempt	Student Success Specialist	2	Requisition in Progress	03-05-18
Nursing & Allied Health	715557	NEW-BOND FY18	Classified	Faculty Secretary	1	Pending Requisition	03-05-18
Nursing & Allied Health	716557	NEW-BOND FY18	Classified	Faculty Secretary	1	Pending Requisition	03-05-18
Nursing & Allied Health	717557	NEW-BOND FY18	Classified	Faculty Secretary	1	Pending Requisition	03-05-18
Nursing & Allied Health	720557	NEW-BOND FY18	Classified	Lab Assistant - NAH	1	Pending Requisition	03-05-18
Nursing & Allied Health	718557	NEW-BOND FY18	Classified	Secretary	1	Pending Requisition	03-05-18
Nursing & Allied Health	719557	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Simulation Network Specialist	1	Pending Requisition	03-05-18
Pharmacy Technology	701562	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Registered Lab Assistant - Pharmacy	4	Screening in Progress	01-22-18
Finance and Administrative Services							
Business Office	760184	NEW FY18	Prof/Tech Support Exempt	Budget Manager	2	Requisition in Progress	03-05-18
Campus Police	700516	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Dispatch Supervisor	1	Pending Requisition	03-05-18
Campus Police	701516	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Police Officer	3	Advertised	02-05-18
Campus Police	702516	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Police Officer	3	Advertised	02-05-18

Legend: Tiered steps in Hiring Process
 1 - Pending Requisition
 2 - Requisition in Progress
 3 - Advertised
 3a - Re-Advertised
 4 - Screening in Progress
 5 - Recommendation in Progress

Vacant Positions - New - Exhibit B

South Texas College NEW Vacant Full-Time Regular Positions Approved for FY 2017 - 2018 As of December 1, 2017							New Positions	
Division	Position	Type	Category	Title	Hiring Process Status (Steps 1 - 7)	Position Status	Proposed Hire Date	
Cashiers Office	757184	NEW-BOND FY18	Classified	Accounting Assistant	4	Screening in Progress	01-22-18	
Cashiers Office	758184	NEW-BOND FY18	Classified	Administrative Assistant	4	Screening in Progress	01-22-18	
Cashiers Office	755184	NEW-BOND FY18	Classified	Cashier	4	Screening in Progress	01-22-18	
Cashiers Office	756184	NEW-BOND FY18	Classified	Cashier	4	Screening in Progress	01-22-18	
Cashiers Office	759184	NEW-BOND FY18	Classified	Cashier	4	Screening in Progress	01-22-18	
Custodial	702503	NEW-BOND FY18	Classified	Custodian	3a	Re-advertised	02-05-18	
Custodial	703503	NEW-BOND FY18	Classified	Custodian	4	Screening in Progress	01-22-18	
Custodial	705503	NEW-BOND FY18	Classified	Floor Technician	5	Recommendation in Progress	01-08-18	
Custodial	704503	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Lead Custodian	3a	Re-advertised	02-05-18	
Custodial Supervisor	706503	NEW-BOND FY18	Prof/Tech Support Non-Exempt	Custodial Supervisor	5	Recommendation in Progress	01-08-18	
Dir Fac Planning and Construction	730501	NEW-BOND FY18	Classified	Facilities, Planning and Construction Accounts Assistant	4	Screening in Progress	01-22-18	
Facility Operations and Maintenance	729501	NEW-BOND FY18	Prof/Tech Support Exempt	Environmental Health and Safety Manager	1	Pending Requisition	03-01-18	
Facility Operations and Maintenance	728501	NEW-BOND FY18	Prof/Tech Support Exempt	Events Manager	1	Pending Requisition	03-01-18	
Office of Human Resources	727240	NEW-BOND FY18	Prof/Tech Support Exempt	Coordinator of Staffing & Recruiting	1	Pending Requisition	03-05-18	
Office of Human Resources	731240	NEW-BOND FY18	Classified	HR Secretary	4	Screening in Progress	01-22-18	
Office of Human Resources	732240	NEW-BOND FY18	Prof/Tech Support Non-Exempt	HR Systems Specialist	3a	Re-advertised	02-05-18	
Office of Human Resources	730240	NEW-BOND FY18	Classified	HR Technician	4	Screening in Progress	01-22-18	
Office of Human Resources	733240	NEW-BOND FY18	Prof/Tech Support Exempt	Training and Development Manager	1	Pending Requisition	03-05-18	
Safety and Security	786514	NEW-BOND FY18	Prof/Tech Support Exempt	Safety and Security Manager	1	Pending Requisition	03-05-18	
Student Transportation Services	701359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	702359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	703359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	704359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	705359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	707359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	708359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Student Transportation Services	709359	NEW FY18	Classified	Bus Driver	4	Screening in Progress	01-22-18	
Information Services, Planning and Strategic Initiatives								
Educational Technologies	721271	NEW-BOND FY18	Prof/Tech Support Exempt	Audio Visual Systems Designer	1	Pending Requisition	03-05-18	
Educational Technologies	723271	NEW-BOND FY18	Prof/Tech Support Exempt	Coordinator of Special Events	1	Pending Requisition	03-05-18	
Learning Commons and Open Labs	725397	NEW FY18	Prof/Tech Support Exempt	Coordinator of Open Labs Logistics	1	Pending Requisition	03-05-18	

Legend-Tiered steps in Hiring Process
 1 - Pending Requisition
 2 - Requisition in Progress
 3 - Advertised
 3a - Re-Advertised
 4 - Screening in Progress
 5 - Recommendation in Progress

Vacant Positions - New - Exhibit B

South Texas College						
NEW Vacant Full-Time Regular Positions Approved for FY 2017 - 2018						
As of December 1, 2017						
Division	Position	Type	Category	Title	Hiring Process Status (Steps 1 - 7)	Proposed Hire Date
Library Acquisitions	701104	NEW FY18	Prof/Tech Support Exempt	Learning Support Systems and Applications Analyst	4	01-22-18
Library Public Services	744101	NEW FY18	Prof/Tech Support Exempt	Librarian I - Public Services	4	01-22-18
Office of the President						
Grant Development, Management and Compliance	702420	NEW FY18	Prof/Tech Support Exempt	Development Officer - Foundation/Corporate Outreach	1	03-05-18
Public Relations/Marketing	726462	NEW FY18	Prof/Tech Support Exempt	Marketing Manager	4	01-22-18
Student Affairs and Enrollment Management						
Admissions and Records	724612	NEW FY18	Prof/Tech Support Non-Exempt	Admissions Specialist	4	01-22-18
Special Programs	708192	NEW FY18	Classified	Administrative Assistant	4	01-22-18
Student Affairs & Enrollment Management	725612	NEW FY18	Prof/Tech Support Exempt	Project Manager - SAEM	1	03-05-18
Student Rights and Responsibilities	708191	NEW FY18	Classified	Administrative Assistant	1	03-05-18

Legend-Tiered steps in Hiring Process

- 1 - Pending Requisition
- 2 - Requisition in Progress
- 3 - Advertised
- 3a - Re-Advertised
- 4 - Screening in Progress
- 5 - Recommendation in Progress

Vacant Positions - Continuing EXHIBIT C

South Texas College							Vacant Positions - Continuing				
Vacant - Continuing Full-Time Regular Positions							As of December 1, 2017				
Division	Position	Type	Category	Title	Date Position Vacated	Hiring Process Status	Position Status	Proposed Hire Date			
Academic Advancement											
Curriculum and Student Learning	701283	CONT	Administrative	Associate Dean of Curriculum and Student Learning	09-21-17	1	Pending Requisition	03-05-18			
Curriculum and Student Learning	704335	CONT	Administrative	Director of Academic Assessment	FY18 Position Chng	3a	Re-Advertised	02-05-18			
Distance Learning	710276	CONT BOND FY17	Prof/Tech Support Exempt	Director of Distance Learning	New BOND FY17	4	Screening in Progress	01-22-18			
Professional & Organizational Dev	702352	CONT	Administrative	Associate Dean Professional & Organizational Dev	01-06-17	1	Pending Requisition	03-05-18			
Professional & Organizational Dev	701352	CONT	Prof/Tech Support Non-Exempt	Professional Development Manager	FY18 Position Chng	2	Requisition in Progress	03-05-18			
Professional & Organizational Dev	703352	CONT	Prof/Tech Support Non-Exempt	Professional Development Trainer	07-22-16	1	Pending Requisition	03-05-18			
Academic Affairs											
Academic Affairs	700176	CONT	Classified	Secretary	04-03-17	4	Screening in Progress	01-22-18			
Academic Affairs	703279	CONT	Executive	Vice President for Academic Affairs	08-31-13	1	Pending Requisition	03-05-18			
Distance Learning	702279	CONT	Administrative	Dean of Distance Learning	02-02-17	3a	Re-Advertised	02-05-18			
Mid Valley Campus	701269	CONT BOND FY17	Prof/Tech Support Non-Exempt	Student Services Specialist II	New BOND FY17	1	Pending Requisition	03-05-18			
Division of Business, Public Safety and Technology											
Architectural and Engineering Design Technology	700303	CONT	Classified	Lab Assistant - Architectural and Engineering Design Technology	06-09-17	5	Recommendation in Progress	01-08-18			
Electrician Assistant	701310	CONT	Classified	Lab Assistant - ELTR	10-01-17	3	Advertised	02-05-18			
Health Information	700555	CONT	Classified	Faculty Secretary	11-17-17	1	Pending Requisition	03-05-18			
HVACR	701300	CONT	Classified	Lab Assistant - HVACR	10-01-17	3	Advertised	02-05-18			
Welding	707415	CONT	Classified	Lab Assistant - Welding	New for FY16	4	Screening in Progress	01-22-18			
Division of Liberal Arts and Social Sciences											
Division of Liberal Arts and Social Sciences	702426	CONT	Classified	Developmental Lab Technician	07-13-12	1	Pending Requisition	03-05-18			
Division of Liberal Arts and Social Sciences	711150	CONT BOND FY17	Classified	Faculty Secretary	New BOND FY17	3	Advertised	02-05-18			
Division of Liberal Arts and Social Sciences	710150	CONT BOND FY17	Classified	Faculty Secretary	New BOND FY17	3	Advertised	02-05-18			
Division of Liberal Arts and Social Sciences	712150	CONT BOND FY17	Prof/Tech Support Non-Exempt	Student Success Specialist	New BOND FY17	2	Requisition in Progress	03-05-18			
Division of Liberal Arts and Social Sciences	713150	CONT BOND FY17	Prof/Tech Support Non-Exempt	Student Success Specialist	New BOND FY17	2	Requisition in Progress	03-05-18			
History	701225	CONT	Classified	Faculty Secretary	New FY17	4	Screening in Progress	01-22-18			
MV-Child Care and Development	708137	CONT	Prof/Tech Support Non-Exempt	Assistant Childcare Center Manager	08-08-17	4	Screening in Progress	01-22-18			
Speech	701228	CONT BOND FY17	Classified	Speech Lab Technician	New BOND FY17	1	Pending Requisition	03-05-18			
Division of Math, Science and Bachelor Programs											
Chemistry	701200	CONT	Prof/Tech Support Non-Exempt	Lab Specialist II - Chemistry	09-27-17	5	Recommendation in Progress	01-08-18			
Division of Math, Science and Bachelor Programs	701416	CONT	Classified	Administrative Assistant	11-30-15	1	Pending Requisition	03-05-18			
Division of Math, Science and Bachelor Programs	701298	CONT	Prof/Tech Support Exempt	Project Manager- MSB	FY18 Position Chng	3	Advertised	02-05-18			

Legend-Tiered steps in Hiring Process

- 1 - Pending Requisition
- 2 - Requisition in Progress
- 3 - Advertised
- 3a - Re-Advertised
- 4 - Screening in Progress
- 5 - Recommendation in Progress

Vacant Positions - Continuing EXHIBIT C

South Texas College		Vacant Positions - Continuing							As of December 1, 2017	
Division	Position	Type	Category	Title	Date Position Vacated	Hiring Process Status	Position Status	Proposed Hire Date		
Division of Math, Science and Bachelor Programs	706203	CONT	Prof/Tech Support Non-Exempt	Senior Administrative Assistant	10-02-17	5	Recommendation in Progress	01-08-18		
Division of Math, Science and Bachelor Programs	725332	CONT	Prof/Tech Support Non-Exempt	Student Success Specialist	06-28-17	4	Screening in Progress	01-22-18		
Engineering Mathematics	701412 702415	CONT BOND FY17 CONT	Prof/Tech Support Non-Exempt Classified	Lab Specialist II - Engineering Faculty Secretary	New BOND FY17 09-22-17	4 4	Screening in Progress Screening in Progress	01-22-18 01-22-18		
Division of Nursing and Allied Health										
Division of Nursing and Allied Health	708557	CONT BOND FY17	Classified	Faculty Secretary	New BOND FY17	1	Pending Requisition	03-05-18		
Division of Nursing and Allied Health	710557	CONT BOND FY17	Classified	Faculty Secretary	New BOND FY17	1	Pending Requisition	03-05-18		
Division of Nursing and Allied Health	707557	CONT BOND FY17	Classified	Lab Asst - NAH	New BOND FY17	1	Pending Requisition	03-05-18		
Division of Nursing and Allied Health	709557	CONT BOND FY17	Classified	Lab Asst - NAH	New BOND FY17	1	Pending Requisition	03-05-18		
Division of Nursing and Allied Health	700164	CONT	Prof/Tech Support Non-Exempt	Senior Administrative Assistant	01-31-16	4	Screening in Progress	01-22-18		
Emergency Medical Technology	701555	CONT	Prof/Tech Support Non-Exempt	Licensed Lab Assistant - EMT	05-15-14	4	Screening in Progress	01-22-18		
Pharmacy Technology	715272	CONT	Classified	Faculty Secretary	10-02-17	1	Pending Requisition	03-05-18		
Finance and Administrative Services										
Accountability, Risk, and Compliance	706160	CONT	Prof/Tech Support Exempt	Compliance Coordinator	New FY17	4	Screening in Progress	01-22-18		
Business Office	798184	CONT	Classified	Accounting Assistant	06-05-17	1	Pending Requisition	03-05-18		
Business Office	792184	CONT	Classified	Accounting Assistant	11-01-17	2	Requisition in Progress	03-05-18		
Business Office	733184	CONT	Prof/Tech Support Exempt	Accounting Group Manager	10-27-17	2	Requisition in Progress	03-05-18		
Business Office	753184	CONT BOND FY17	Prof/Tech Support Non-Exempt	Payroll Specialist	New BOND FY17	3	Advertised	02-05-18		
Cashiers Office	739184	CONT	Prof/Tech Support Exempt	Business System Analyst	Frozen in FY14 & FY15	4	Screening in Progress	01-22-18		
Cashiers Office	794184	CONT	Classified	Cashier	07-03-17	5	Recommendation in Progress	01-08-18		
Cashiers Office	715184	CONT	Classified	Cashier	10-02-17	4	Screening in Progress	01-22-18		
Cashiers Office	721580	CONT	Classified	Fixed Assets Assistant	10-16-17	2	Requisition in Progress	03-05-18		
Central Receiving	727502	CONT	Classified	Custodian	06-05-17	3	Advertised	02-05-18		
Custodial	703502	CONT	Classified	Custodian	05-31-17	3a	Re-Advertised	02-05-18		
Custodial	706502	CONT	Classified	Custodian	10-02-17	4	Screening in Progress	01-22-18		
Custodial	769502	CONT BOND FY17	Classified	Custodian	New BOND FY17	4	Screening in Progress	01-22-18		
Custodial	771502	CONT BOND FY17	Classified	Custodian	New BOND FY17	4	Screening in Progress	01-22-18		
Custodial	764502	CONT BOND FY17	Classified	Custodian	New BOND FY17	5	Recommendation in Progress	01-08-18		
Custodial	775502	CONT BOND FY17	Classified	Custodian	New BOND FY17	4	Screening in Progress	01-22-18		
Custodial	785502	CONT BOND FY17	Classified	Custodian	New BOND FY17	5	Recommendation in Progress	01-08-18		
Custodial	784502	CONT BOND FY17	Classified	Custodian	New BOND FY17	5	Recommendation in Progress	01-08-18		
Custodial	762502	CONT BOND FY17	Classified	Custodian	New BOND FY17	5	Recommendation in Progress	01-08-18		
Custodial	755502	CONT BOND FY17	Classified	Custodian	New BOND FY17	3a	Re-Advertised	02-05-18		
Custodial	757502	CONT BOND FY17	Classified	Custodian	New BOND FY17	5	Recommendation in Progress	01-08-18		

Legend-Tiered steps in Hiring Process
 1 - Pending Requisition
 2 - Requisition in Progress
 3 - Advertised
 3a - Re-Advertised
 4 - Screening in Progress
 5 - Recommendation in Progress

Vacant Positions - Continuing EXHIBIT C

South Texas College		Vacant Positions - Continuing							Proposed Hire Date	
Vacant - Continuing Full-Time Regular Positions As of December 1, 2017		Division	Position	Type	Category	Title	Date Position Vacated	Hiring Process Status	Position Status	Proposed Hire Date
Custodial	772502	CONT BOND FY17	Classified	Custodian	New BOND FY17	4	Screening in Progress	01-22-18		
Custodial	744502	CONT	Classified	Custodian	07-18-17	4	Screening in Progress	01-22-18		
Custodial	700502	CONT	Classified	Custodian	11-06-17	4	Screening in Progress	01-22-18		
Custodial	791502	CONT BOND FY17	Classified	Floor Technician	New BOND FY17	3a	Re-Advertised	02-05-18		
Custodial	792502	CONT BOND FY17	Classified	Floor Technician	New BOND FY17	3a	Re-Advertised	02-05-18		
Custodial	788502	CONT BOND FY17	Classified	Floor Technician	New BOND FY17	3a	Re-Advertised	02-05-18		
Custodial	789502	CONT BOND FY17	Classified	Floor Technician	New BOND FY17	3a	Re-Advertised	02-05-18		
Custodial	778502	CONT BOND FY17	Classified	Lead Custodian	New BOND FY17	4	Screening in Progress	01-22-18		
Custodial	753502	CONT	Classified	Lead Custodian	06-30-17	5	Recommendation in Progress	01-08-18		
Custodial	701502	CONT	Classified	Lead Custodian	07-18-17	5	Recommendation in Progress	01-08-18		
Distribution Center	702583	CONT	Classified	General Services Technician	10-31-17	2	Requisition in Progress	03-05-18		
Fac Planning & Construction	707501	CONT	Prof/Tech Support Exempt	Senior Facilities Plan & Const Project Man	05-31-16	3a	Re-Advertised	02-05-18		
Facilities Operations and Maintenance	709501	CONT	Classified	Administrative Assistant	08-22-17	5	Recommendation in Progress	01-08-18		
Facilities Operations and Maintenance	700037	CONT	Classified	Secretary	08-22-17	5	Recommendation in Progress	01-08-18		
Facilities Planning and Construction	721501	CONT BOND FY17	Administrative	Asst Director Facilities Planning & Cons	New BOND FY17	1	Pending Requisition	03-05-18		
Dir Fac Planning and Construction	708501	CONT	Prof/Tech Support Non-Exempt	Fac Plng and Cons Sp Mngmnt Spec	10-09-17	2	Requisition in Progress	03-05-18		
Facilities Planning and Construction	722501	CONT BOND FY17	Prof/Tech Support Exempt	Facil Plng and Constr Project Manager	New BOND FY17	4	Screening in Progress	01-22-18		
Facilities Planning and Construction	723501	CONT BOND FY17	Classified	Facil Plng and Constr Project Technician	New BOND FY17	3	Advertised	02-05-18		
Facilities Planning and Construction	725501	CONT BOND FY17	Prof/Tech Support Non-Exempt	Technical Facilities Specialist	New BOND FY17	1	Pending Requisition	03-05-18		
Facility Maintenance	740499	CONT BOND FY17	Administrative	Asst Director of Custodial Support Sys	New BOND FY17	1	Pending Requisition	03-05-18		
Facility Maintenance	733499	CONT BOND FY17	Classified	Carpenter	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	732499	CONT BOND FY17	Classified	Carpenter	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	725499	CONT BOND FY17	Classified	Electrician	New BOND FY17	3a	Re-Advertised	02-05-18		
Facility Maintenance	702515	CONT	Classified	Electrician	11/1/2017	3a	Re-Advertised	02-05-18		
Facility Maintenance	729499	CONT BOND FY17	Classified	Locksmith	New BOND FY17	3a	Re-Advertised	02-05-18		
Facility Maintenance	704499	CONT	Classified	Maintenance Assistant	11/1/2017	4	Screening in Progress	01-22-18		
Facility Maintenance	720499	CONT BOND FY17	Classified	Maintenance Technician	New BOND FY17	5	Recommendation in Progress	01-08-18		
Facility Maintenance	721499	CONT BOND FY17	Classified	Maintenance Technician	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	722499	CONT BOND FY17	Classified	Maintenance Technician	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	714499	CONT	Classified	Maintenance Technician	02-24-17	5	Recommendation in Progress	01-08-18		
Facility Maintenance	710501	CONT	Prof/Tech Support Exempt	Operations Energy Manager	03-31-16	3a	Re-Advertised	02-05-18		
Facility Maintenance	731499	CONT BOND FY17	Classified	Painter	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	730499	CONT BOND FY17	Classified	Painter	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	726499	CONT BOND FY17	Classified	Plumber	New BOND FY17	4	Screening in Progress	01-22-18		
Facility Maintenance	727499	CONT BOND FY17	Classified	Plumber	New BOND FY17	4	Screening in Progress	01-22-18		

Legend-Tiered steps in Hiring Process
 1 - Pending Requisition
 2 - Requisition in Progress
 3 - Advertised
 3a - Re-Advertised
 4 - Screening in Progress
 5 - Recommendation in Progress

Vacant Positions - Continuing EXHIBIT C

Division	Position	Type	Category	Title	Date Position Vacated	Hiring Process Status	Position Status	Proposed Hire Date
Facility Maintenance	728499	CONT BOND FY17	Classified	Plumber	New BOND FY17	4	Screening in Progress	01-22-18
Finance and Administrative Services	703360	CONT	Prof/Tech Support Non-Exempt	FAS Support Specialist	05-18-17	4	Screening in Progress	01-22-18
Human Resources	703240	CONT	Administrative	Employee Relations Officer	09-11-17	4	Screening in Progress	01-22-18
Human Resources	726240	CONT BOND FY17	Classified	Human Resources Assistant	New BOND FY17	3a	Re-Advertised	02-05-18
Human Resources	724240	CONT	Prof/Tech Support Non-Exempt	Human Resources Specialist - Employee Relations	New for FY16	4	Screening in Progress	01-22-18
Human Resources	719240	CONT BOND FY17	Prof/Tech Support Non-Exempt	Human Resources Staffing Specialist	New BOND FY17	3a	Re-Advertised	02-05-18
Human Resources	702240	CONT	Classified	Payroll Assistant - Human Resources	10-16-17	4	Screening in Progress	01-22-18
Purchasing	725580	CONT	Prof/Tech Support Exempt	Contracts Manager	09-01-15	4	Screening in Progress	01-22-18
Purchasing	728580	CONT	Prof/Tech Support Exempt	Specifications Writer	New for FY16	4	Screening in Progress	01-22-18
Safety and Security	755514	CONT	Classified	Security Guard	08-31-16	1	Pending Requisition	03-05-18
Safety and Security	735514	CONT	Classified	Security Guard Specialist	08-17-17	4	Screening in Progress	01-22-18
Safety and Security	744514	CONT	Classified Non-Exempt	Security Guard	09-29-17	1	Pending Requisition	03-05-18
Safety and Security	738514	CONT	Prof/Tech Support Non-Exempt	Security Guard Specialist	09-01-15	4	Screening in Progress	01-22-18
Information Services, Planning and Strategic Initiatives								
Applications Development-Instruction	709393	CONT	Prof/Tech Support Exempt	Applications Analyst III	11-09-17	1	Pending Requisition	03-05-18
Applications Development-Instruction	700062	CONT	Prof/Tech Support Exempt	Business Analyst	11-01-17	1	Pending Requisition	03-05-18
Applications Development-Instruction	705393	CONT	Prof/Tech Support Non-Exempt	Reporting Analyst I	FY18 Position Chng	1	Pending Requisition	03-05-18
Applications Development-Instruction	712393	CONT	Prof/Tech Support Exempt	Systems and Networking Manager	FY18 Position Chng	2	Requisition in Progress	03-05-18
Centers for Learning Excellence	705423	CONT	Classified	Student Learning Assistant	FY18 Position Chng	4	Screening in Progress	01-22-18
Centers for Learning Excellence	720426	CONT	Classified	Student Learning Assistant	FY18 Position Chng	1	Pending Requisition	03-05-18
Client Services	703394	CONT BOND FY17	Prof/Tech Support Exempt	Client Services Analyst I	New BOND FY17	1	Pending Requisition	03-05-18
Client Services	715393	CONT	Prof/Tech Support Exempt	Client Services Analyst I	FY18 Position Chng	1	Pending Requisition	03-05-18
Client Services	798391	CONT	Prof/Tech Support Non-Exempt	Client Services Analyst II	FY18 Position Chng	1	Pending Requisition	03-05-18
Educational Technologies	719271	CONT BOND FY17	Prof/Tech Support Non-Exempt	Digital Signage/Classroom Tech Trng Spec	New BOND FY17	2	Requisition in Progress	03-05-18
Educational Technologies	706102	CONT	Classified	Educational Technologies Assistant I	08-24-17	3a	Re-Advertised	02-05-18
Educational Technologies	709102	CONT	Classified	Educational Technologies Assistant I	08-22-17	5	Recommendation in Progress	01-08-18
Educational Technologies	711271	CONT BOND FY17	Classified	Educational Technologies Assistant I	New BOND FY17	4	Screening in Progress	01-22-18
Educational Technologies	713271	CONT BOND FY17	Classified	Educational Technologies Assistant I	New BOND FY17	5	Recommendation in Progress	01-08-18
Educational Technologies	714271	CONT BOND FY17	Classified	Educational Technologies Assistant I	New BOND FY17	4	Screening in Progress	01-22-18
Educational Technologies	715271	CONT BOND FY17	Classified	Educational Technologies Assistant I	New BOND FY17	5	Recommendation in Progress	01-08-18
Educational Technologies	716271	CONT BOND FY17	Classified	Educational Technologies Assistant I	New BOND FY17	4	Screening in Progress	01-22-18
Educational Technologies	703100	CONT	Classified	Educational Technologies Assistant I	11-01-17	1	Pending Requisition	03-05-18
Educational Technologies	710102	CONT	Classified	Educational Technologies Assistant I	11-06-17	2	Requisition in Progress	03-05-18
Information Services and Planning	729101	CONT	Prof/Tech Support Exempt	Project Man - Inst. Res. Effe. & Stra. &PI.	Frozen in FY16	5	Recommendation in Progress	01-08-18

Legend-Tiered steps in Hiring Process

1 - Pending Requisition

2 - Requisition in Progress

3 - Advertised

3a - Re-Advertised

4 - Screening in Progress

5 - Recommendation in Progress

Vacant Positions - Continuing EXHIBIT C

South Texas College		Vacant Positions - Continuing							As of December 1, 2017	
Division	Position	Type	Category	Title	Date Position Vacated	Hiring Process Status	Position Status	Proposed Hire Date		
Information Technology	700242	CONT	Classified	Administrative Assistant	02-13-15	4	Screening in Progress	01-22-18		
Information Technology	700396	CONT	Administrative	Asst Chief Info Officer for Software Dev	07-21-16		On Hold	10-02-17		
Infrastructure	711393	CONT	Prof/Tech Support Exempt	Applications Analyst III	10-31-14	4	Screening in Progress	01-22-18		
Infrastructure	701393	CONT	Prof/Tech Support Exempt	Applications Specialist	06-14-17	2	Requisition in Progress	03-05-18		
Infrastructure	713393	CONT	Prof/Tech Support Non-Exempt	Systems Analyst I	07-14-17	3a	Re-Advertised	02-05-18		
Infrastructure	701375	CONT	Prof/Tech Support Non-Exempt	Systems Analyst I	07-14-17	3a	Re-Advertised	02-05-18		
Learning Commons and Open Labs	700073	CONT	Classified	Open Lab Technician	11-01-17	3	Advertised	02-05-18		
Learning Commons and Open Labs	714102	CONT	Classified	Open Lab Technician	09-01-17	3	Advertised	02-05-18		
Learning Commons and Open Labs	724397	CONT	Classified	Open Lab Technician	12-01-17	1	Pending Requisition	03-05-18		
Library Acquisition	734101	CONT	Classified	Library Technician	09-15-17	1	Pending Requisition	03-05-18		
Library Public Services	742101	CONT	Prof/Tech Support Non-Exempt	Library Specialist	06-02-17	2	Requisition in Progress	03-05-18		
Library Public Services	743101	CONT BOND FY17	Prof/Tech Support Exempt	Librarian I - Public Services	New BOND FY17	4	Screening in Progress	01-22-18		
Library Public Services	741101	CONT	Prof/Tech Support Exempt	Librarian I - Public Services	10-01-17	1	Pending Requisition	03-05-18		
Library Services	702101	CONT	Administrative	Dean of Library and Learning Support Services	09-21-17	3a	Re-Advertised	02-05-18		
Office of Strategic Initiatives	704170	CONT	Prof/Tech Support Non-Exempt	Project Management Analyst I	11-28-16	4	Screening in Progress	01-22-18		
Research and Analytical Services	700271	CONT	Prof/Tech Support Exempt	Qualitative Researcher	09-29-17	4	Screening in Progress	01-22-18		
Systems and Networking	708391	CONT	Prof/Tech Support Exempt	Network Services Analyst III	FY18 Position Chng	1	Pending Requisition	03-05-18		
Technology Support	710262	CONT	Prof/Tech Support Exempt	Computer Inventory Specialist	FY18 Position Chng	2	Requisition in Progress	03-05-18		
Technology Support	713392	CONT	Prof/Tech Support Non-Exempt	Computer Services Analyst I	06-06-16	4	Screening in Progress	01-22-18		
Technology Support	719392	CONT BOND FY17	Prof/Tech Support Exempt	Computer Services Analyst III	New BOND FY17	1	Pending Requisition	03-05-18		
Technology Support	712392	CONT	Prof/Tech Support Non-Exempt	Computer Services Specialist	12-01-18	1	Pending Requisition	03-05-18		
Technology Support	710392	CONT	Prof/Tech Support Exempt	Service Transition Manager	12-11-17	1	Pending Requisition	03-05-18		
Telecom	702390	CONT BOND FY17	Prof/Tech Support Exempt	Systems Analyst III	New BOND FY17	1	Pending Requisition	03-05-18		
TR PM Risk and Security	719395	CONT	Prof/Tech Support Exempt	Information Security Analyst	09-01-15	5	Recommendation in Progress	01-08-18		
TR PM Risk and Security	701171	CONT	Prof/Tech Support Exempt	Project Manager - Information Technology	09-01-15	4	Screening in Progress	01-22-18		
Office of the President										
CPWE - State	714590	CONT	Classified	Customer Service Technician	06-30-12	1	Pending Requisition	03-05-18		
CPWE - State	707587	CONT	Classified	Customer Service Technician	09-01-09	3	Advertised	02-05-18		
CPWE - State	708587	CONT	Classified	Customer Service Technician	11-09-12	1	Pending Requisition	03-05-18		
CPWE - State	701880	CONT	Administrative	Director of College and Career Preparation	09-01-15	1	Pending Requisition	03-05-18		
CPWE - State	718590	CONT	Prof/Tech Support Exempt	Program Developer and Coordinator	09-01-00	3	Advertised	02-05-18		
CPWE - State	703587	CONT	Prof/Tech Support Exempt	Program Developer and Coordinator	11-01-10	1	Pending Requisition	03-05-18		
Grant Development, Management, and Compliance	703420	CONT	Prof/Tech Support Non-Exempt	Grants and Contracts Compliance Specialist	09-05-17	1	Pending Requisition	03-05-18		
Office of President	704362	CONT	Classified	Administrative Assistant	09-01-05	1	Pending Requisition	03-05-18		

Legend-Tiered steps in Hiring Process

- 1 - Pending Requisition
- 2 - Requisition in Progress
- 3 - Advertised
- 3a - Re-Advertised
- 4 - Screening in Progress
- 5 - Recommendation in Progress

Vacant Positions - Continuing EXHIBIT C

South Texas College		Vacant Positions - Continuing					As of December 1, 2017	
Division	Position	Type	Category	Title	Date Position Vacated	Hiring Process Status	Position Status	Proposed Hire Date
Office of President	700202	CONT	Classified	Administrative Assistant	09-09-08	4	Screening in Progress	01-22-18
Office of President	701369	CONT	Executive	Exec Officer for External Relations	FY18 Position Chng	1	Pending Requisition	03-05-18
Office of President	701340	CONT	Executive	Executive Vice Pres for Student Success	09-01-14	1	Pending Requisition	03-05-18
Public Relations/Marketing	701462	CONT	Classified	Administrative Assistant	05-04-16	1	Pending Requisition	03-05-18
Public Relations/Marketing	724462	CONT	Prof/Tech Support Non-Exempt	Chief Photographer	New FY17	3a	Re-Advertised	02-05-18
Public Relations/Marketing	725462	CONT	Classified	Community Relations Asst	New FY17	2	Requisition in Progress	03-05-18
Public Relations/Marketing	723462	CONT	Prof/Tech Support Non-Exempt	Copy Writer	05-14-17	1	Pending Requisition	03-05-18
Student Affairs and Enrollment Management								
Admissions and Records	723612	CONT BOND FY17	Prof/Tech Support Non-Exempt	Admissions Specialist	New BOND FY17	5	Recommendation in Progress	01-08-18
Admissions and Records	708612	CONT	Prof/Tech Support Non-Exempt	Records and Registration Specialist	10-09-17	1	Pending Requisition	03-05-18
Admissions and Records	700167	CONT	Classified	Records Technician	01-03-18	1	Pending Requisition	03-05-18
Admissions and Records	715612	CONT	Prof/Tech Support Non-Exempt	Transcript/Graduation Analyst	12-15-17	1	Pending Requisition	03-05-18
Advising	717332	CONT	Prof/Tech Support Non-Exempt	Advisor	09-01-17	4	Screening in Progress	01-22-18
Advising	700081	CONT	Prof/Tech Support Non-Exempt	Advisor	11-03-17	4	Screening in Progress	01-22-18
College Connections	706610	CONT	Classified	Administrative Assistant	12-01-17	1	Pending Requisition	03-05-18
College Connections	700042	CONT	Prof/Tech Support Non-Exempt	Student Services Specialist I	08-03-17	4	Screening in Progress	01-22-18
Counseling and Disability Services	704336	CONT BOND FY17	Prof/Tech Support Exempt	Counselor	New BOND FY17	1	Pending Requisition	03-05-18
Dua2Degree	700134	CONT	Prof/Tech Support Non-Exempt	Dual2Degree Specialist	11-30-17	4	Screening in Progress	01-22-18
Office of Enrollment Services	704612	CONT	Administrative	Dean of Enrollment Services	08-31-16	1	Pending Requisition	03-05-18
Student Affairs	703191	CONT	Administrative	Associate Dean of Student Rights and Responsibilities and Title IX Student Support Services	FY18 Position Change	3a	Re-Advertised	02-05-18
Student Financial Services	714440	CONT	Prof/Tech Support Non-Exempt	Financial Aid Specialist	03-01-17	4	Screening in Progress	01-22-18
Student Financial Services	708440	CONT	Prof/Tech Support Non-Exempt	Financial Aid Specialist	03-01-17	4	Screening in Progress	01-22-18
Student Financial Services	728440	CONT BOND FY17	Prof/Tech Support Non-Exempt	Veterans Affairs Certifying Official	New BOND FY17	5	Recommendation in Progress	01-08-18
Student Financial Services	727440	CONT BOND FY17	Prof/Tech Support Non-Exempt	Veterans Affairs Certifying Official	New BOND FY17	5	Recommendation in Progress	01-08-18

Legend-Tiered steps in Hiring Process
 1 - Pending Requisition
 2 - Requisition in Progress
 3 - Advertised
 3a - Re-Advertised
 4 - Screening in Progress
 5 - Recommendation in Progress

*The following document
was provided as a
handout at the meeting.*

MANUAL OF POLICY

Title **Employee Leave, Holidays and Spring Breaks, Semester Break, for Non-Faculty and Holidays** 4305

Legal Authority Approval of the Board of Trustees

Date Approved by Board Board Minute Order dated November 9, 1995
As Amended by Board Minute Order dated May 24, 2001
As Amended by Board Minute Order dated December 12, 2017

Holidays, Spring Break and Semester Breaks

Holidays, Spring Break and Semester Breaks which the College observes for employees and students will be listed in the Board approved academic calendar of the current College Catalog.

Paid holidays, Spring Break and Semester Breaks are applicable only to full time regular and full time temporary non-faculty employees holding staffing plan positions and limited to only those days listed on the Board approved academic calendar.

These employees must be on an active payroll status for the entire pay period(s) during which a paid holiday, Spring break or semester break falls in order to be entitled to the paid days as approved on the academic calendar by the Board.

Exempt and non-exempt full time regular and full time temporary non-faculty employees who are required to work on a paid holiday or break will be allowed to take an equivalent time off within the following three months, as approved by the supervisor. The maximum number of Holiday and Break time that may be extended shall be limited to a total of 40 hours.

~~Staffing plan employees, excluding students employed in positions which require student status as a condition of employment, are entitled to the established employee benefits which include leaves and holidays. A "regular employee" means one who is employed to work at least 20 hours per week for a period of at least four and one-half (4.5) months.~~

~~Entitlements under Employee Leave include:~~

~~Vacation Leave
Sick Leave
Personal Leave
Funeral Leave
Family and Medical Leave
Jury and Witness Duty
Leave Without Pay
Military Leave
Professional Leave~~

~~Strikethrough denotes deletion~~
Italics denote addition



Policy #4305: Employee Leave, Spring Break, Semester Break, and Holidays

Frequently Asked Questions

1. Is the Policy applies to full-time employees only? What about part-time and work-study employees?

Policy #4305 is applicable only for full time regular and full time temporary non-faculty employees.

2. What about exempt employees?

Policy applies to exempt and non-exempt employees.

3. How do I request to work during a Holiday?

Supervisor will determine if an employee is required to work during a Holiday or Break.

4. How do we document the approval?

A form will be created which will need to be signed by the employee and approved by the supervisor who will document the request.

5. If I am required to work during a Holiday or Break, how am I going to be compensated?

Employees who work during paid Holidays and Breaks earn additional straight time (regular rate) pay for hours worked up to and including 40 hours and overtime (time and a half rate) pay for hours worked greater than 40 hours during a work week. For example, an eligible employee who is required to work during the week of Spring Break and:

- works 40 hours, will be compensated for 40 hours for Spring Break, plus 40 hours for working during Spring Break, for a total of 80 hours at straight-time (regular rate).
- works 48 hours, will be compensated for 40 hours for Spring Break, plus 40 hours for working during Spring Break at straight-time (regular rate), plus 8 hours at a rate of time and a half.

6. If I am required to work during a Holiday or Break, may I choose to not be compensated, but instead, receive equivalent time-off with pay to be taken at a later date?

Yes, exempt and non-exempt full time regular and full time temporary non-faculty employees who are required to work on a paid holiday or break will be allowed to take an equivalent time off during the respective fiscal year on a day that is approved by the supervisor.

7. Which dates are considered Holidays and Breaks for South Texas College?

Please refer to the calendar approved by the Board of Trustees.

https://admin.southtexascollege.edu/president/pdf/Board_Calendar.pdf

2017-2018 Calendar



Fall Semester 2017 (August 28 - December 17)

August 16 (Wednesday)	New Faculty Start Date – New Faculty Benefits & Orientation Human Resources Dept.
August 17 (Thursday)	New Faculty Orientation
August 18 (Friday)	New Faculty Service Area Tour
August 21 (Monday)	Faculty Return – Academic Affairs Convocation / Division Meetings
August 22 (Tuesday)	Faculty Preparation Day / Departmental Meetings
August 23 (Wednesday)	Faculty Preparation Day / FOCUS Academy Kick-Off
August 24 (Thursday)	Faculty Preparation Day / Distance Learning Symposium / Full-Time Faculty Teaching Dual Enrollment Courses PD Day
August 25 (Friday)	Faculty Preparation Day / Departmental Meetings
August 26 (Saturday)	Adjunct & Dual Enrollment Faculty Conference
August 28 (Monday)	Classes Begin
September 4 (Monday)	College Closed – Labor Day
September 13 (Wednesday)	Census Day - Twelfth Class Day
September 22 (Friday)	College Closed – College-Wide Organizational Development Day
November 17 (Friday)	Last Day to Withdraw
November 23-26 (Thursday – Sunday)	College Closed - Thanksgiving Holiday
December 11-17 (Monday – Sunday)	Finals
December 16 (Saturday)	Graduation
December 17 (Sunday)	End of Term
December 18 (Monday)	Grades Due Date
December 18-January 2 (Monday - Tuesday)	Winter Break (College Closed)

Spring Semester 2018 (January 16 – May 10)

January 3 (Wednesday)	College Opens – Staff return
January 8 (Monday)	Faculty Return – Division / Department Meetings
January 9 (Tuesday)	Faculty Preparation Day / New Faculty Benefits & Orientation – Human Resources Dept.
January 10-12 (Wednesday-Friday)	Faculty Preparation Day / Departmental Meetings
January 13 (Saturday)	Adjunct / Dual Enrollment Faculty Professional Development Day
January 15 (Monday)	Martin Luther King, Jr. Day – College Closed
January 16 (Tuesday)	Classes Begin
January 31 (Wednesday)	Census Day - Twelfth Class Day
February 9 (Friday)	College Closed - College-Wide Organizational Development Day
March 12 – 18 (Monday - Sunday)	College Closed - Spring Break
March 29 – April 1 (Thursday – Sunday)	College Closed - Semester Break
April 16 (Monday)	Last Day to Withdraw
May 4-10 (Friday – Thursday)	Finals
May 10 (Thursday)	End of Term
May 11-12 (Friday - Saturday)	Graduation
May 14 (Monday)	Grades Due Date

Summer Sessions 2018



Summer Session I (June 4 – July 6)

May 28 (Monday) College Closed - Memorial Day
May 29-June 3 (Tuesday-Sunday) Final registration dates for Summer I, III
June 4 (Monday) Classes Begin
June 7 (Thursday) Census Day - Fourth Class Day
June 28 (Thursday) Last Day to Withdraw
July 4 (Wednesday)..... College Closed-Independence Day
July 5(Thursday) End of Classes
July 6 (Friday)..... Finals / End of Term
July 9 (Monday)..... Grades Due Date

Summer Session II (July 10 – August 9)

July 9 (Monday)..... Final registration dates for Summer II
July 10 (Tuesday) Classes Begin
July 13 (Friday)..... Census Day - Fourth Class Day
August 2 (Thursday) Last Day to Withdraw
August 8 (Wednesday)..... End of Classes
August 9 (Thursday) Finals / End of Term
August 13 (Monday)..... Grades Due Date

Summer Session III (June 4 – August 9)

May 28 (Monday) College Closed - Memorial Day
May 29-June 3 (Tuesday-Sunday) Final registration dates for Summer I, III
June 4 (Monday) Classes Begin
June 12 (Tuesday)..... Census Day - Seventh Class Day
July 4 (Wednesday)..... College Closed-Independence Day
July 9 (Monday)..... No classes
July 25 (Wednesday)..... Last Day to Withdraw
August 8 (Wednesday)..... End of Classes
August 9 (Thursday) Finals / End of Term
August 13 (Monday)..... Grades Due Date

Finance 12/05/17



SOUTH TEXAS COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

SERVING HIDALGO AND STARR COUNTY, TEXAS



**SOUTH TEXAS
COLLEGE**

SOUTH TEXAS COLLEGE DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEARS ENDED AUGUST 31, 2017 AND 2016

Prepared by the Business Office

HIDALGO COUNTY AND STARR COUNTY, TX

3201 W. Pecan, McAllen TX 78501 • (956) 872-8311 • www.southtexascollege.edu



INTRODUCTORY SECTION



**South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016**

Table of Contents

Introductory Section	<u>Page No.</u>
Table of Contents -----	i-iv
Transmittal Letter -----	1-18
Board of Trustees -----	19-21
Administrative Officials -----	22
Organizational Plan -----	23
GFOA Certificate of Achievement -----	24
 Financial Section	
Independent Auditor's Report -----	25-28
Management's Discussion and Analysis -----	29-45
 Basic Financial Statements:	
<i>Exhibit 1</i>	
Statements of Net Position -----	46-47
<i>Exhibit 2</i>	
Statements of Revenues, Expenses, and Changes in Net Position -----	48
<i>Exhibit 3</i>	
Statements of Cash Flows -----	49-51
Notes to the Basic Financial Statements -----	52-95
 Required Supplementary Information:	
<i>Exhibit 4</i>	
Schedule of District's Share of Net Pension Liability -----	96
<i>Exhibit 5</i>	
Schedule of District's Contributions -----	98



**South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016**

Table of Contents (Continued)

Supplementary Information:	<u>Page No.</u>
<i>Schedule A</i>	
Schedule of Operating Revenues -----	99
<i>Schedule B</i>	
Schedule of Operating Expenses by Object -----	100
<i>Schedule C</i>	
Schedule of Non-Operating Revenues and Expenses -----	101
<i>Schedule D</i>	
Schedule of Net Position by Source and Availability -----	102-104
<i>Schedule E</i>	
Schedule of Expenditures of Federal Awards -----	105-106
<i>Schedule F</i>	
Schedule of Expenditures of State Awards -----	107-108
 Statistical Section (Unaudited)	
Statistical Information -----	109-111
<i>Statistical Supplement 1</i>	
Net Position by Component (Unaudited) -----	112-113
<i>Statistical Supplement 2</i>	
Revenues by Source (Unaudited) -----	114-117
<i>Statistical Supplement 3</i>	
Program Expenses by Function (Unaudited) -----	118-121
<i>Statistical Supplement 4</i>	
Tuition and Fees (Unaudited) -----	122-123
<i>Statistical Supplement 5</i>	
Assessed Value and Taxable Assessed Value of Property (Unaudited) -----	124-126
<i>Statistical Supplement 6</i>	
State Appropriation Per FTSE and Contact Hour (Unaudited) -----	127



**South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016**

Table of Contents (Continued)

	<u>Page No.</u>
<i>Statistical Supplement 7</i>	
Principal Taxpayers (Unaudited) -----	128-131
 <i>Statistical Supplement 8</i>	
Property Tax Levies and Collections (Unaudited) -----	132-133
 <i>Statistical Supplement 9</i>	
Ratios of Outstanding Debt (Unaudited) -----	134-135
 <i>Statistical Supplement 10</i>	
Legal Debt Margin Information (Unaudited) -----	136
 <i>Statistical Supplement 11</i>	
Pledged Revenue Coverage (Unaudited) -----	137
 <i>Statistical Supplement 12</i>	
Demographic and Economic Statistics – Taxing District (Unaudited) -----	138-139
 <i>Statistical Supplement 13</i>	
Principal Employers (Unaudited) -----	140
 <i>Statistical Supplement 14</i>	
Faculty, Staff, and Administrators Statistics (Unaudited) -----	141
 <i>Statistical Supplement 15</i>	
Enrollment Details (Unaudited) -----	142-143
 <i>Statistical Supplement 16</i>	
Student Profile (Unaudited) -----	144-145
 <i>Statistical Supplement 17</i>	
Transfers to Senior Institutions (Unaudited) -----	146
 <i>Statistical Supplement 18</i>	
Capital Asset Information (Unaudited) -----	147
 <i>Statistical Supplement 19</i>	
Changes in Net Position (Unaudited) -----	148-152
 <i>Statistical Supplement 20</i>	
Ad Valorem Tax Rates Authorized (Unaudited) -----	153



**South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016**

Table of Contents (Continued)

	<u>Page No.</u>
<i>Statistical Supplement 21</i>	
Property Tax Rates – All Direct and Overlapping Governments (Unaudited) -----	154-157
<i>Statistical Supplement 22</i>	
Computation of Direct and Overlapping Debt (Unaudited) -----	158-160
 Special Reports Section	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> -----	161-162
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance -----	163-164
Independent Auditor’s Report on Compliance with Requirements Applicable to Each State Major Program and on Internal Control Over Compliance in Accordance with the State of Texas Single Audit Circular -----	165-166
Schedule of Findings and Questioned Costs -----	167-169
Schedule of Findings and Questioned Costs Status of Prior Year Findings - Federal and State -----	170
Corrective Action Plan -----	171-172



South Texas College District

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

December , 2017

To: President Shirley A. Reed, MBA, Ed. D.
Members of the Board of Trustees and
Citizens of the South Texas College District:

The Comprehensive Annual Financial Report (CAFR) of South Texas College District (“the District”), Counties of Hidalgo and Starr, State of Texas, for the fiscal years ended August 31, 2017 and 2016, 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 designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities, in relation to its mission, have been included.

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

The concept of reasonable assurance recognizes that: (1) the cost of internal control should not exceed the benefits presumed to be derived, and (2) the benefits includes 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 Financial Statements, also in the financial section, are considered integral to the basic financial statements and should be read in conjunction with them.

Comprehensive Annual Financial Report

The South Texas College District Comprehensive Annual Financial Report for the fiscal years ended August 31, 2017 and 2016, was prepared by the Business Office.

The District’s Financial Statements are in compliance with GASB Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management’s Discussion and Analysis for Public Colleges*

and Universities. The financial statement presentation required by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the District's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows and replaces the fund-group perspective previously required.

The District maintains its accounts and prepares its financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as set forth by Governmental and Financial Accounting Standards Boards (GASB and FASB), National Association of College and University Business Officers (NACUBO), and 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 statutes require every community college to submit audited annual financial reports to the Texas Higher Education Coordinating Board by January 1 of each year.

Carr, Riggs & Ingram, LLP, Certified Public Accountants, have issued an unmodified opinion on the District's financial statements for the years ended August 31, 2017 and 2016. The independent auditors' report is included in the financial section of this report on page 25.

Profile of the District

The District is a political subdivision of the State of Texas located in Hidalgo and Starr Counties, which offers academic, general occupational, developmental, and continuing adult education programs through a network of locations in Hidalgo and Starr Counties. The District is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award the Baccalaureate and Associate degrees. Contact the Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call (404) 679-4500 for questions about the accreditation of South Texas College District. 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's program offerings are approved by the Texas Higher Education Coordinating Board.

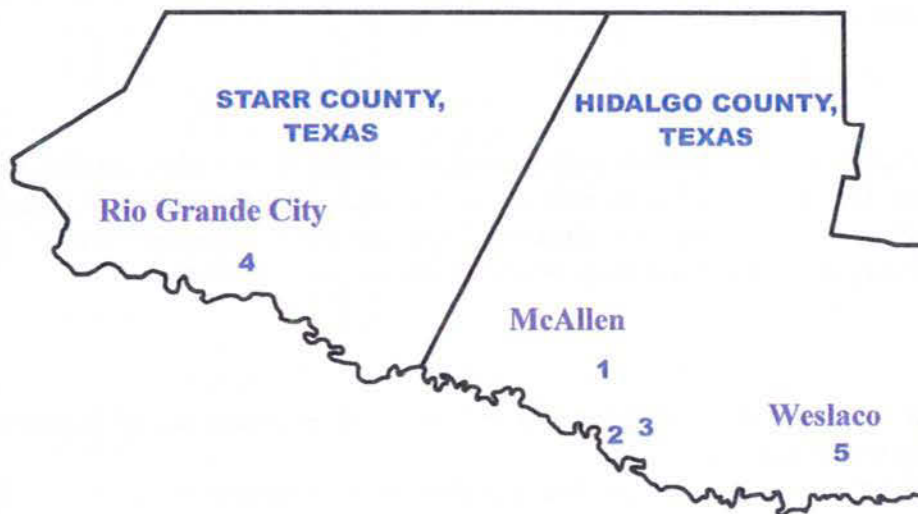
South Texas College is one of the three community colleges in Texas that has authorization to offer bachelor degrees. The first Bachelor of Applied Technology (BAT) degree in Technology Management was offered in 2005, followed by the BAT degree in Computer & Information Technologies in 2008. The District began to offer the third BAT degree in Medical & Health Services Management in 2011. The fourth Baccalaureate Degree – Bachelor of Applied Science in Organizational Leadership (BAS-OL) was developed as a partnership with Texas A&M University-Commerce (TAMUC), the Texas Higher Education Coordinating Board (THECB), and the College for All Texans Foundation (CFAT) as a part of an EDUCAUSE Next Generations Learning Challenges (NGLC) Wave III Grant. The BAS-OL is a Competency-Based Baccalaureate Degree that began in spring 2014 semester.

The District was created on September 1, 1993, by Texas Senate Bill 251, now codified as Section 130.0311, as amended, Texas Education Code, to serve Hidalgo and Starr Counties. It is the only community college in Texas to have been established prior to a taxing district being approved by local voters. A confirmation election, held on August 12, 1995, established a taxing district. Seven districts,

based on population, were also approved for single member representation on the Board of Trustees. A community leader, from each of the seven districts, was originally appointed by the Texas Governor to serve on the founding Board of Trustees. Since then, elections have been held for all of the seats, as required by state law, and all members were elected by the year 2000. The members of the Board of Trustees serve staggered six-year terms with elections held in May of each even-numbered year. Policy making functions are the responsibility of, and are vested in, the Board. The Board of Trustees delegates administrative responsibilities to the President, who is the Chief Executive Officer of the District.

The District's Board of Trustees voted unanimously at its June 24, 2004, meeting to change the name of the District from South Texas Community College District to South Texas College District to reflect its expanded scope and mission.

The District has five campuses located throughout Hidalgo and Starr Counties, and an on-line virtual campus. The five campuses are as follows: (1) the Pecan Campus, (2) the Technology Campus, (3) the Dr. Ramiro R. Casso Nursing and Allied Health Campus, (4) the Starr County Campus, and (5) the Mid-Valley Campus. The Pecan Campus in McAllen, the Mid-Valley Campus in Weslaco and the Starr County Campus in Rio Grande City offer traditional college programs. The Dr. Ramiro R. Casso Nursing and Allied Health Campus, and the Technology Campus in McAllen provide specialized training for students entering the workforce. In addition, the District has Continuing Education Workforce Training Centers at the Pecan Plaza, Technology Campus, Mid-Valley Campus, and Starr County Campus. Approximately 2,400 faculty and staff serve the District.



The District is located in the Rio Grande Valley of Texas, near the southernmost part of Texas along the U.S.-Mexico border. This region is composed of four counties including Hidalgo, Cameron, Starr, and Willacy.



The Vision, Purpose, Core Values, Guiding Principles, and Strategic Directions constitute the Comprehensive Mission for South Texas College District, and are as follows:

Vision

South Texas College is a world-class institution advancing regional prosperity through education for a better quality of life in our community.

Purpose

South Texas College is an innovative, public, post-secondary institution providing quality education and career pathways for the people and communities of Hidalgo and Starr counties. The College achieves student success, nurtures talent development, and promotes economic vitality through collaborative and creative approaches to teaching, learning, and support services.

Core Values

1. Student Success: We promote student success and completion through the implementation of diverse strategies and initiatives.
2. Opportunity: We value providing access and opportunities to students to meet the needs of our communities.
3. Excellence: We value excellence in teaching, learning, and all support services.
4. Innovation: We encourage creativity and champion innovative approaches to teaching, learning, and services.
5. Community: We value engaging the community in students' learning experiences and in the positive transformation of our region.
6. Professionalism: We demonstrate professionalism through collegiality, respect, and recognition for each other.

7. Collaboration: We value collaboration and communication among South Texas College employees and South Texas College constituents.
8. Integrity: We value integrity through honest and transparent communication and courageous dialogue.

Guiding Principles

1. South Texas College shares collective responsibility for student learning, student success, and regional prosperity.
2. Students succeed through mutual engagement with the College at each stage of their educational pathways.
3. South Texas College champions innovation through its willingness to transform the College's systems to meet the educational and workforce needs and challenges of our region.
4. Collaboration with educational and business partners is key to student, college, and community successes.

Strategic Directions

Clear Pathways

- South Texas College provides students with clear pathways to facilitate coherent educational experiences and timely completion of a post-secondary credential leading to relevant employment and/or further educational experiences.

Access and Success

- South Texas College is committed to increasing the college-going and college-completing rates in the region.

High Success Rate

- South Texas College engages in effective, proven efforts to ensure student success and positively affect the economic and social mobility of residents in our region.

Collective Responsibility

- South Texas College empowers faculty to work together within and across disciplines to design best learning experiences for students, leading to their academic success, career readiness, and timely completion.

Collaboration

- South Texas College commits to effective interdepartmental and interdivisional collaborations and advances mutually beneficial community and educational partnerships that create a collective impact on student success.

Cost Efficiency

- South Texas College seeks innovative redesign of college processes to promote new approaches to cost-consciousness and cost-efficiency.

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.

Fall Semester Enrollment					
	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
	Fall 2016	Fall 2015	Fall 2014	Fall 2013	Fall 2012
Academic and Vocational					
Headcount	33,044	33,994	30,849	30,246	29,812
Full-time equivalent	22,880	23,057	21,262	21,140	20,979
Continuing Education					
Headcount	1,124	6,655	5,858	5,022	2,385
Full-time equivalent	522	3,611	3,249	3,092	1,431

Annual Enrollment – Academic and Vocational					
	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Total credit hours	637,181	642,651	593,199	585,280	576,890
Total contact hours	12,907,280	13,137,424	12,118,584	12,073,392	11,839,880
Unduplicated full-time student equivalent	21,239	21,422	19,773	19,509	19,230
Unduplicated headcount	44,768	45,665	42,079	40,458	40,009

Annual Enrollment – Continuing Education					
	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Total contact hours	211,493	583,149	733,868	719,796	453,305
Unduplicated full-time student equivalent	1,762	4,860	6,115	5,998	3,778
Unduplicated headcount	3,310	8,673	10,200	8,476	5,355

The District has over 150 articulation agreements, including 2+2 articulation agreements, memorandums of understanding, and collaborative agreements with universities and institutions of higher education across the State of Texas, and the United States as well as with international institutions. Currently, agreements are in-place with over 30 institutions to benefit students from the District as they transfer and continue to pursue their educational goals. The articulation agreements include various fields of study such as: Biology, Business Administration, Chemistry, Childcare and Development, Computer Science, Communication Studies, Criminal Justice, English, Engineering, Mathematics, Mexican American Studies, Nursing, Physics, Psychology, Sociology, and Spanish. The District continues to form articulation agreements with other community colleges and institutions of higher education.

The District has developed five intensive academic programs for high school students interested in pursuing degrees in the medical, engineering, computer, or criminal justice science fields. These programs are the Dual Enrollment Medical Science Academy, the Dual Enrollment Engineering

Academy, the Dual Enrollment Computer Science Academy, the Dual Enrollment Criminal Justice Academy, and the School to Career Academy in Dual Enrollment. Each academy consists of concentrated two-year programs of study and internship opportunities for qualified students to pursue an Associate of Science degree during their junior and senior years of high school. The District has the largest Dual Credit Program in the State of Texas, serving Hidalgo and Starr Counties, which includes 22 school districts at over 78 high school sites. Approximately over 13,800 students were enrolled in Dual Credit College-Level Courses during the spring 2017 semester.

The Continuing, Professional and Workforce Education (CPWE) program provides opportunities for lifelong learners to upgrade their skills, change careers, or seek personal enrichment. The CPWE Division has programs on a variety of topics including an Alternative Teaching Certificate Program, General Education Development (GED) training, and continuing professional development courses in Human Resources and Grant Writing.

The District is one of the few community colleges in Texas to offer certificate programs and associate degrees completely online. The District offers four online baccalaureate degrees, 18 online associate degrees, and nine online certificates in: Computer and Information Technologies, Medical and Health Services Management, Technology Management, Interdisciplinary Studies, Education in Elementary, Generalist and Secondary, Anthropology, Psychology, Social Work, Sociology, Business Administration Transfer Plan, Criminal Justice, Language – Spanish Concentration, English, Human Resources Specialist, Accounting, Computer Information Systems, Computer Science, Philosophy, Political Science, Accounting Clerk, Computer Applications Specialist, Management, Marketing, Employee and Labor Relations Assistant, Payroll Assistant, Recruiter Assistant, Human Resources Assistant, and Administration of Early Childhood Programs.

With a total of approximately 1,044 full-time and adjunct instructors, the District's faculty is among the most qualified at any community college in the nation. There are 855 faculty members with master's degrees, 172 with double master's degrees, five (5) with triple master's degrees, and 187 with doctorate degrees. In certificate and other programs, there are 1,049 faculty members holding bachelor degrees, 44 holding double bachelor degrees, one (1) holding triple bachelor degrees, 253 faculty members holding associate degrees, 26 holding double associate degrees, and four (4) holding triple associate degrees, 86 holding certificates, 24 holding double certificates, and one (1) holding triple certificates. Several instructors fall into more than one category.

Local Economy

Located near the Texas-Mexico border, the District serves Hidalgo and Starr Counties. Hidalgo County was founded in 1852 from portions of Cameron and Starr Counties and named for *Don Miguel Hidalgo y Costilla*. It covers approximately 1,583 square miles with an estimated population of 931,010 in 2017 and its largest city is McAllen. Starr County was founded in 1848 out of Nueces County and named for James Harper Starr. It covers approximately 1,229 square miles with an estimated population of 68,070 for 2017 and its largest city is Rio Grande City. Both counties are located in the Rio Grande Valley of South Texas and border the Republic of Mexico, served by nine international bridges.

According to the 2010 U.S. Census, the McAllen Metropolitan Statistical Area (MSA) had a population of 774,769, a 66.8% increase since 2001; where the Hispanic population comprises up to 90% of the

total population. Forbes has noted the McAllen MSA as the 48th on job growth over 200 MSA's ranked nationwide (Source: Forbes, August 2016).

The McAllen MSA is outpacing the rest of the nation in population and job growth because of the very young and trainable labor force, as well as the abundance of extraordinary business opportunities created by the city's growth. The area is enriched by the contributions of many cultures and offers a range of outdoor creations, museums, theater, and musical performances (Source: McAllen Economic Development Corporation).

Today the Rio Grande Valley is being transformed into a major international trade area by developing first-rate commercial, retail, office, industrial, medical, retirement, and educational facilities. 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).

Despite the current rate of unemployment, the Rio Grande Valley continues to grow and create jobs (Source: McAllen Economic Development Corporation).

Unemployment rates, per capita income, and sales tax receipts for Hidalgo and Starr Counties are as follows:

- The unemployment rate for Hidalgo County decreased from 8.4% in 2016 to 7.7% in 2017.
- The unemployment rate for Starr County decreased from 14.1% in 2016 to 11.3% in 2017.
- Per capita income in Hidalgo County increased from \$23,753 in 2016 to \$24,579 in 2017.
- Per capita income in Starr County increased from \$23,215 in 2016 to \$24,540 in 2017.
- Sales tax receipts in Hidalgo County increased 3.3% from 2016 to 2017.
- Sales tax receipts in Starr County decreased 1.59% from 2016 to 2017.

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 midway through 2017. Existing home sales increased 28.1% for the second quarter, and increased by 16.0% on sales year-to-date. Prices increased by 5.9% on average in the second quarter, and 9.0% for the year-to-date compared to the first six months a year ago (Source: McAllen Chamber of Commerce, www.mcallen.org/Business-Community/Economic-Pulse).
- According to an article published on-line in June 2017 by MSN.com, McAllen ranked as the second-best city in America for Quality of Life. MSN.com states McAllen comes in second on this list, particularly for its short commute time – 22.1 minutes – and excellent marks for college readiness among high school students. (Source: www.msn.com).
- According to The Council for Community and Economic Research, the McAllen area is first "Least Expensive Urban Area" among 253 urban areas that participated in the 2017 Cost of Living Index. The index is based on six components: housing, utilities, grocery items, transportation, healthcare, and miscellaneous goods and services.

Reynosa, Tamaulipas, Mexico, McAllen's twin city and a principal city along the U.S.-Mexico border, is a dynamic and business-oriented city with current border population of approximately 649,800. These two interdependent communities are joined by three international bridges that allow economic and cultural exchanges on a daily basis. Reynosa has a diverse economic base, which includes oil and natural gas resources, livestock, agriculture, tourist trade, and industry (Source: population.city/mexico/reynosa).

The Rio Grande Valley is also quite popular with winter visitors due to the area's balmy weather. The seasonal residents enjoy the beach, golf courses, flea markets, Mexico sites, and participating in the various area festivals. Weather conditions are inviting for those who want to escape the snow, ice, and cold weather of the northern United States and Canadian winters. According to an article published on ValleyCentral.com in November 2016, an estimated 100,000 senior citizens make the Rio Grande Valley their winter home. Winter Texans make a significant impact to the local economy, Winter Texans spend more than \$700 million in the Rio Grande Valley every year.

Located 15 miles east of McAllen is the city of Weslaco. It is in the heart of an immense citrus, vegetable, and cotton-producing area. As of 2017, the estimated population was 40,187. Weslaco is known for preserving its history and has about 15 historic landmarks from the early 1900's. The city focuses its energy on attracting business and industry. It is the front door to business and trade between the United States and Mexico. Strategically located at the center of the Rio Grande Valley, Weslaco is home to a combination of retail, distribution, and manufacturing businesses which contribute to the city's strong economy (Sources: weslaco.com and texassitesearch.com).

Located 41 miles west of McAllen is the city of Rio Grande City. Many buildings in the Rio Grande City historic district are notable and have historical value. Rio Grande City is home to retail which contribute to the city's economy. As of 2017, the estimated population was 14,698 (Sources: texassitesearch.com).

The District's graduates find work in the Rio Grande Valley and stimulate the Texas economy. The area's rising number of college-educated residents has contributed to its economic boom. In academic year 2016-2017, the District held two graduation ceremonies in December 2016 and four ceremonies in May 2017, at which more than 5,600 degrees and certificates were awarded. Out of those degrees and certificates 1,874 were earned by high school students in dual enrollment programs.

Additionally, the District graduated 58 students from its Dual Enrollment Medical Science Academy (DEMSA), 25 students from the Dual Enrollment Engineering Academy (DEEA), 11 students from the Dual Enrollment Computer Science Academy (DECSA), and 15 students from the Dual Enrollment Criminal Justice Academy (DECJA).

The District plays a vital role in providing educational opportunities for its citizens and preparing a strong workforce in the region. The District has earned a popular reputation among the residents of the two counties due to the enthusiastic support of the private, business, corporate, and industrial communities of Hidalgo and Starr Counties, the rapid expansion of its technical/vocational and academic programs, and its strong commitment to meeting the area's 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.

Long-Term Financial Planning

The District has no short term or long term loans at August 31, 2017.

At August 31, 2017, the District has outstanding bonds payable for Bond Series 2007 MTR, Bonds Series 2007 LTR, Bonds Series 2010 LTR, Bonds Series 2014 LT, and Bonds Series 2015 LT. Bonds were issued in March 2007 and November 2010 to refund portions of the District's outstanding debt and lower the overall debt service requirements. The Limited Tax Bonds Series 2014 was issued in February 2014 and the Limited Tax Bonds Series 2015 was issued July 2015 for construction, equipping of buildings, and to accommodate increased student enrollment. The outstanding amounts at year-end were \$745,000, \$6,380,000, \$2,445,000, \$53,750,000, and \$89,175,000 for Bonds Series 2007 MTR, Bonds Series 2007 LTR, Bonds Series 2010 LTR, Bonds Series 2014 LT, and Bonds Series 2015 LT, respectively. Total bonds payable at August 31, 2017 was \$152,495,000. All debt service requirements are to be paid with ad-valorem taxes levied.

The District's outstanding bonds are rated AA by Standards & Poor's Ratings Services and Aa2 by Moody's Investors Service. These ratings are a reflection of the District's stable outlook for continued enrollment growth and favorable operating performance.

The District has levied taxes since fiscal year 1997. The following table illustrates the property tax levy rates and tax collections over the last 10 years.

Tax Levy Rates				
(Per \$100 of assessed valuation)				
Fiscal Year	Current Operations	Debt Service	Taxable Assessed Value (TAV)	Total Tax Collections
2008	\$0.11000	\$0.04400	\$26,529,232,568	\$40,964,399
2009	0.11000	0.03980	28,933,493,707	43,734,507
2010	0.11000	0.03910	30,304,183,226	44,615,970
2011	0.11000	0.03970	30,089,658,977	44,329,200
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

The District's average collection rate over the past 10 years, including collection of delinquent taxes, has been 97.87%. The tax base has increased by an average of 4.05% annually over the past 10 years. The tax base has increased from \$26,529,232,568 in fiscal year 2008 to \$34,902,217,340 in fiscal year 2017. The District's property value has shown a steady increase due to a tremendous amount of development. The tax base increase was due to an escalation of improvements and increase in personal property values. The increase in property values and tax levy rates caused a \$2,692,096 tax collection increase in fiscal year 2017 and a \$3,381,868 tax collection increase in fiscal year 2016.

In fiscal years 1997 through 2017, the District has set aside a total of \$113,710,860 for construction of facilities and a total of \$33,713,236 for deferred maintenance purposes.

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:

	August 31, 2017	August 31, 2016	August 31, 2015
Current Undesignated Unrestricted Fund Balance	\$91,120,844	\$85,533,204	\$71,932,033
Next Fiscal Year Budgeted Unrestricted Fund Expenses (including transfers and reserves)	188,083,617	179,711,050	163,175,686
Fund Balance as a % of Total Expenses	48.45%	48%	44%
Number of Months Expenses in Reserve	5.8 months	5.7 months	5.3 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, 2017, the District's Board of Trustees has designated a total of \$34,500,000 of the unrestricted net position for the purpose of supplementing future employee health insurance costs, infrastructure maintenance and renewal of the District's Enterprise Resource Planning system, deferred maintenance of facilities, and a reserve for the District's business continuity and disaster plan.

	August 31, 2017	August 31, 2016	August 31, 2015
Future Employee Health Insurance Costs	\$7,500,000	\$7,500,000	\$7,500,000
Infrastructure Maintenance and Renewal of the District's Enterprise Resource Planning System	15,000,000	13,500,000	11,500,000
Deferred Maintenance of Facilities	4,000,000	4,000,000	4,000,000
Reserve for the District's Business Continuity and Disaster Plan	6,000,000	3,500,000	3,500,000
Furniture Replacement	2,000,000	2,000,000	2,000,000
Total	\$34,500,000	\$30,500,000	\$28,500,000

The Texas Higher Education Coordinating Board gathers financial documents for Texas Public Institutions of Higher Education, including community colleges. The Texas Higher Education Coordinating Board's (THECB) annual report on the financial condition of the state's community colleges is required as referenced in the General Appropriates Act, Senate Bill 1 (S.B. 1), 83rd Texas Legislature, Section 13 (page 111-198).

The objective of this report is to provide an assessment of the overall financial health of public community colleges and to identify institutions with the potential for financial stress.

One of the measures used to determine the financial condition of the community colleges is the Composite Financial Index (CFI) which combines four ratios into one metric. The four (4) core ratios include primary reserve ratio, viability ratio, return on net position, and operating margin. The core ratios were selected because they represent measurement of key components in relation to institutional risk that must be consistently addressed.

The College's composite financial index for the last three years is as follows:

Composite Financial Index (CFI)			
	August 31, 2017	August 31, 2016	August 31, 2015
Primary Reserve Ratio	1.00	1.09	1.02
Viability Ratio	6.10	6.95	7.40
Return on Net Position Ratio	6.8%	9.1%	0.8%
Operating Margin Ratio	8.1%	13.7%	14.2%
Total CFI	7.80	8.28	7.26

The established CFI value for an institution in a strong financial position is 4.0 or above, according to *Strategic Financial Analysis for Higher Education*. As reflected above, the District's CFI scores are consistently significantly higher than the threshold for an institution with a strong financial position.

Relevant Financial Policies

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and related Uniform Guidance, U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Schedule of Expenditures of State Awards and Related Notes, and the Independent Auditors' Report on Internal Control Over Financial Reporting, and on Compliance and Other Matters, is included in the single audit section of this report.

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.

Each community/junior college in Texas must file by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the Texas Higher Education Coordinating Board, a copy of an annual operating budget, and subsequent amendments thereto, approved by the community/junior college governing board. The budget must include departmental operating budgets by function.

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 budget allocations are based on prioritizing initiatives that support the College's Strategic Directions. To operationalize the College's Strategic Plan, the President and Vice Presidents develop a five-year Comprehensive Plan which identifies the prioritized major initiatives to be undertaken by each area. The objectives and initiatives identified in the Comprehensive Plan form the basis for budget allocations.

For internal management purposes, activities of the following fund groups and individual funds are included in the annual budget.

Fund Group	Fund
Current Funds	Unrestricted Auxiliary Restricted
Plant Funds	Unexpended Renewals and Replacements Retirement of Indebtedness

The District's Board of Trustees approved the following changes to Student Tuition and Fees for fiscal year 2017.

Tuition/Fee Description	FY 16 – 17	FY 15 – 16	\$ Change
Non-Resident Tuition – Out of State/International Per Credit Hour:			
1 credit hour	225.00	200.00	25.00
2 credit hours	225.00	100.00	125.00
3 credit hours	213.00	100.00	113.00
4-5 credit hours	203.00	100.00	103.00
6-8 credit hours	198.00	100.00	98.00
9-11 credit hours	193.00	100.00	93.00
12-21 credit hours	192.00	100.00	92.00
Differential Tuition Per Credit Hour:			
Biology	15.00	10.00	5.00
Chemistry	15.00	10.00	5.00
Mandatory Fees:			
Registration Fee: <ul style="list-style-type: none"> • If registered and paid or registered and financial aid processed <u>BEFORE</u> August 1st, January 1st, May 15th, and June 15th Or,	100.00	90.00	10.00
Registration Fee After Deadline: <ul style="list-style-type: none"> • If registered and paid or financial aid processed <u>ON</u> or <u>AFTER</u> August 1st, January 1st, May 15th, and June 15th 	160.00	150.00	10.00

Tuition/Fee Description	FY 16 – 17	FY 15 – 16	\$ Change
Learning Support Fee / credit hr.	15.00	16.00	1.00
Course Fee Per Credit Hour:			
• Third or more attempts (Excludes Developmental) Effective Spring 2017	125.00	0.00	125.00
• Enrollment in Developmental Studies Courses (>27 credit hours) Effective Spring 2017	125.00	0.00	125.00
Installment Plan/Emergency Loan Fees:			
Installment Plan Fee	35.00	30.00	5.00
Installment Plan Late Payment Fee	35.00	30.00	5.00
Emergency Loan Late Payment Fee	35.00	30.00	5.00
Parking/Moving Violation Fees:			
Proposed Skateboard and Other Appliance Violation:			
• Second	30.00	-	30.00
• Third	50.00	-	50.00
• Fourth	70.00	-	70.00
• Fifth	90.00	-	90.00
Testing Fees:			
Sign Language Certification Exam Fee	95.00	-	95.00
Proctoring/Professional Testing Services Fee	Recovery of costs and processing fees to be negotiated		Recovery of costs and processing fees to be negotiated

The District's Investment Policy and Investment Strategy Statement are reviewed and approved annually by the Board of Trustees. It is designed to establish guidelines for investing the District funds by maintaining the preservation and safety of principal by mitigating credit and interest rate risk while attaining a competitive yield on the portfolio. The District's bank deposits and investments must be FDIC insured or properly collateralized with eligible securities as defined by the Public Funds Collateral Act, Chapter 2257, Texas Government Code in accordance with collateral levels as established by State law and the District's Investment Policy and Investment Strategy Statement.

The District continually conducts self-assessment of risk exposure. An outsourced risk consultant is retained to monitor risk factors and to recommend insurance coverage. Insurances include property, general liability, crime, auto, flood, sports activity, errors and omissions, workers compensation, and tax collectors bond. The District has elected to reimburse the Texas Workforce Commission, on a quarterly basis, for unemployment benefits.

Major Initiatives

The District's major initiatives included the following:

- In November 2013, the constituents of Hidalgo County and Starr County passed a \$159 million bond issuance for the construction and equipping of college buildings to accommodate increased student enrollment.
 - On February 26, 2014, the District issued Limited Tax Bonds, Series 2014 in the amount of \$53,750,000.
 - On July 21, 2015, the District issued Limited Tax Bonds, Series 2015 in the amount of \$90,220,000.

The bonds are being used to fund the design and construction phase of new facilities in all campuses. Bond funds will also be utilized to furnish the new facilities with state of the art equipment.

- Major construction ongoing during fiscal year 2017 included renovation and improvements at all campuses.

The District's financial outlook for the future continues to be positive. In 23 years, South Texas College District has grown from a student headcount of over 1,000 in Fall 1993 to over 32,000 in Spring 2017. The District's unrestricted fund budget increased from \$2,325,212 in 1993 to \$183,857,177 in 2017.

Awards and Acknowledgments

The District has continued its tradition of being recognized and honored for its dedication to excellence and its innovative endeavors. The District has received numerous awards from national, state and local sources that demonstrate its leadership among the community colleges in the State of Texas and the nation. Some of the accomplishments and initiatives of the past year include:

- As large portions of the population begin to retire, it is expected that there will be 12 million older Americans that will require long-term care, according to a 2014 study conducted by the National League for Nursing. Through partnerships with industry and collaborative support with governmental agencies like the Texas Workforce Commission, South Texas College is prepared to meet the demand, and provide better lives for the people in communities across the region. At a check signing ceremony on June 19, 2017 Texas Workforce Commission awarded South Texas College \$223,000 in the form of a Jobs and Education for Texas grant. The grant will help the college purchase and install equipment to provide 150 students with training for career in the medical profession as licensed practical and vocational nurses.
- Hundreds of new and incumbent workers will benefit from a \$400,000 grant awarded by the City of McAllen to the Institute of Advanced Manufacturing (IAM) at South Texas College. On January 19, 2017 at the South Texas College's Technology Campus, McAllen presented a grant from the city's Development Corporation fund that will support customized training

dedicated to local industry. Customized training involves 300 courses at South Texas College that have been tailored for the needs of local industry. The strength of the college lies in modifying and customizing these courses, or developing new courses that companies need in order to thrive in the region.

- The Texas Comptroller of Public Accounts launched a revised and improved Transparency award program in March 2016 by announcing the new Transparency Stars Program. The purpose is to recognize cities, counties, and school districts going above and beyond their transparency efforts. The program recognizes entities that accomplish the following:
 - Provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualizations, downloadable data and other relevant information. The College has earned the following three Texas Comptroller of Public Accounts' Transparency Stars Program Awards.
 - Traditional Finance Transparency Star
 - Economic Development Transparency Star
 - Debt Obligation Transparency Star
- *Diverse Education* listing released in 2017 ranks the District as number one in the country in awarding Associate Degrees in the majors of Education, Public Administration, Social Service, Homeland Security, Law Enforcement, and Firefighting. The District ranked number two in All Disciplines Combined, Psychology, Business, Management and Marketing degrees.
- South Texas College has been recognized by The Hispanic Outlook on Education Magazine (HO) as one of the leading community colleges for Hispanics in the United States and has been highlighted in the February 2017 issue. South Texas College ranks number two on the 2015 Associate degrees granted by four-year schools according to HO. The designation comes from HO's "Top 25 Community Colleges for Hispanics." South Texas College is the only Texas college that made the rankings, sharing the top 10 spotlight with colleges from Florida, and Nevada. Miami Dade College ranked at the top of the list.
- In July 2016, the Government Treasurers' Organization of Texas presented the Certificate of Distinction to the District for its Investment Policy for the fifth 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, 2018.

Certificate of Achievement

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 Comprehensive Annual Financial Report for the fiscal year ended August 31, 2016. This is the fourteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. The District's current comprehensive annual 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.

Acknowledgments

The timely preparation of the Comprehensive Annual Financial Report was made possible by the efficient and dedicated service of the entire staff of the District's Business Office. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Due credit is also granted to the District's Board of Trustees and President for their continued support for maintaining ethical and professional standards of professionalism in the management of the District's finances and operations.

Respectfully submitted,

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

Myriam Lopez, MBA
Comptroller

**South Texas College District
Board of Trustees
For the Fiscal Year 2017**

Dr. Alejo Salinas, Jr.
Chair



Clinical Lecturer, University of Texas Rio Grande Valley
Retired Superintendent/Superintendent Emeritus, Hidalgo ISD
District 5
Representing Northwest Hidalgo County, Edinburg, North San Juan, and
Northeast Pharr
First Term: May 1996 – May 2002
Second Term: May 2002 – May 2008
Third Term: May 2008 – May 2014
Fourth Term: May 2014 – May 2020
Serves as Chair of the Board, member of the Finance & Human Resources
Committee, member of the Education and Workforce Innovation Committee, and
member of the Facilities Committee.
Formerly served as Vice Chair of the Board, Chair and member of the Facilities
Committee, Chair and member of the Education and Workforce Development
Committee, and chair and member of the Finance & Human Resources
Committee.

Graciela Farias
Vice Chair



Self-Employed Educational Consultant
Retired from McAllen Independent School District
District 2
Representing La Joya, Western Mission, Palmview, Sullivan City, Penitas, and
Western Alton
First Term: May 2012 – May 2018
Serves as Vice Chair of the Board, Chair of the Education and Workforce
Development Committee, and member of the Facilities Committee.
Formerly served as Secretary of the Board and member of the Education and
Workforce Development Committee.

Jesse Villarreal
Secretary



Parental Involvement Specialist, Weslaco ISD
District 6
Representing Donna, South Alamo, South San Juan, Southeast Pharr, South
Weslaco, and Progreso
First Term: May 2000 – May 2006
Second Term: May 2006 – May 2012
Third Term: May 2012 – May 2018
Serves as Secretary of the Board and member of the Facilities Committee.
Formerly served as Vice Chair and Secretary of the Board, and member of the
Facilities Committee.

**South Texas College District
Board of Trustees
For the Fiscal Year 2017**

Rose Benavidez
Member



President of Starr County Industrial Foundation
District 1
Representing Starr County
First Term: Nov. 2009 – May 2012
Second Term: May 2012 – May 2018
Serves as member of the Finance, Audit, & Human Resources Committee and member of the Facilities Committee.
Formerly served as Chair and Vice Chair of the Board, member of the Facilities Committee, and member of the Finance & Human Resources 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 Term: August 2012 – May 2016
Second Term: May 2016 – May 2022
Serves as Chair of the Finance, Audit, & Human Resources Committee and member of the Facilities Committee.
Formerly served as member of the Finance & Human Resources Committee.

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
(Appointed 1993 - 1998)
First Term: May 1998 – May 2004
Second Term: May 2004 – May 2010
Third Term: May 2010 – May 2016
Fourth Term: May 2016 – May 2022
Serves as Chair of the Facilities Committee and member of the Education and Workforce Innovation Committee.
Formerly served as Chair, Vice Chair, and Secretary of the Board, Chair and member of the Facilities Committee, member of the Finance & Human Resources Committee, and member of the Education and Workforce Development Committee.

**South Texas College District
Board of Trustees
For the Fiscal Year 2017**

Roy De León
Member



Branch Retail Executive of BBVA Compass Bank – Mercedes District 7

Representing Northeast Hidalgo County, North Weslaco, Edcouch-Elsa, La Villa, North Mercedes, Northeast Alamo, Northeast Edinburg, and Hargill (Appointed 1997 - 1998)

First Term: May 1998 – May 2002

Second Term: May 2002 – May 2008

Third Term: May 2008 – May 2014

Fourth Term: May 2014 – May 2020

Serves as member of the Finance, Audit, & Human Resources Committee and member of the Facilities Committee.

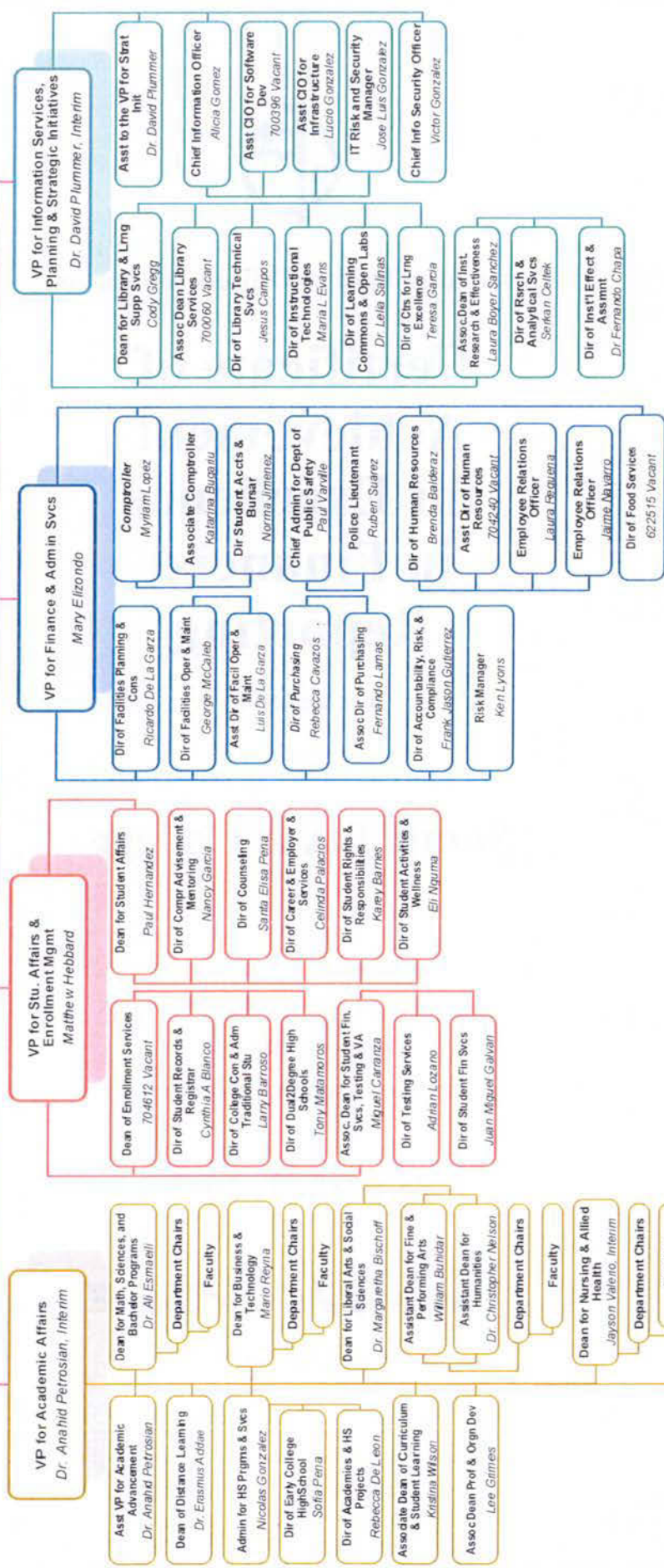
Formerly served as Chair, Vice Chair and Secretary of the Board, Chair and member of the Finance & Human Resources Committee, and member of the Facilities Committee.

South Texas College District
ADMINISTRATIVE OFFICIALS
For the Fiscal Year 2017

Name	Position
Shirley A. Reed, MBA., Ed. D.	President
Maria G. Elizondo, MBA, CFE, CGMA, CPA	Vice President for Finance and Administrative Services
Myriam Lopez, MBA	Comptroller

Updated South Texas College 2016 - 2017 Organization Chart Overview

College President
Dr. Shirley A. Reed



Campus Administrators
Mid Valley Campus: Daniel Moralez
Technology Campus: Mairo Reyna
Starr County Campus: Arturo Montal
Dr. Ramiro R. Casso Nursing & Allied Health Campus: Jayson Valero (Interim)

Updated 9/1/2016 ss



Government Finance Officers Association

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South Texas College

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2016

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

**INDEPENDENT AUDITOR'S REPORT
(CONTINUED)**

**INDEPENDENT AUDITOR'S REPORT
(CONTINUED)**



SOUTH TEXAS COLLEGE

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**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

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 effecting our operations for the fiscal years ending August 31, 2017 and 2016. 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 as of August 31, 2017; the Statements of Revenues, Expenses, and Changes in Net Position provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the fiscal year.

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 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.

Some of the 2017 financial highlights of the fiscal year are as follows:

- ◆ The District's total combined net position was \$396.4 million at August 31, 2017, which was an increase of \$25.1 million. Of the total increase, \$33.0 million was an increase in net investment in capital assets which was slightly offset with a decrease in unrestricted of \$7.2 million with an ending balance of \$162.5 million and may be used to meet the District's ongoing obligations. In addition, the budget adopted by the Board of Trustees for fiscal year 2018 indicates that budget revenue together with unrestricted Net Position will be sufficient to meet operating needs and will allow the District to sustain anticipated capital outlay requirements.

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

- ◆ Capital assets, net of accumulated depreciation, at August 31, 2017, had an increase of \$96.2 million from August 31, 2016, primarily due to a \$73.5 million increase in construction in progress.
- ◆ During 2017, investments decreased by \$41.3 million, and cash and cash equivalent decreased \$21.5 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 \$66.6 million, \$62.7 million, and \$57.7 million in fiscal years 2017, 2016, and 2015, respectively, 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 provide 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 on the way in which 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.

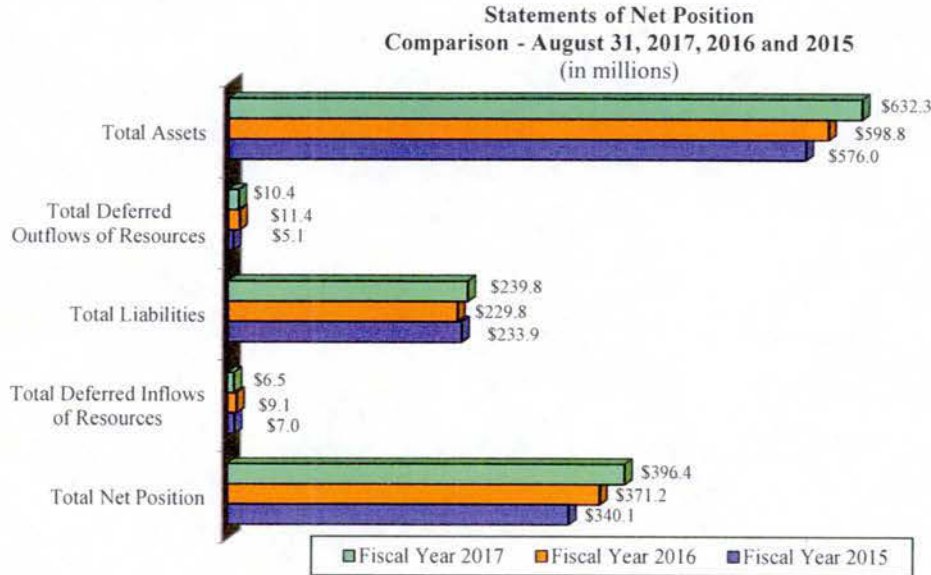
Changes in net position that occur over time can indicate the improvement or weakening of the District's financial condition when considered with non-financial facts, such as enrollment levels and the condition of the facilities. From the data presented, readers of the financial statements are able to 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 which are due within one year and current assets are those assets which are available in the short term which is considered to be one year or less. Deferred inflows and outflows are transactions occurring in the current or prior periods but are related to future periods but are not assets or liabilities. The District's deferred outflows of resources include deferred charges on debt refunding and deferred outflows related to pensions. The District's deferred inflows of resources are related to pensions. The focus is to report the total net resources available to finance future services. Assets and liabilities are presented in the order of their liquidity.

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

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:

Statements of Net Position					
(in millions)					
	2017	2016	2015	2016 - 2017 Change	2015 - 2016 Change
Assets					
Current assets	\$ 153.0	\$ 156.0	\$ 213.1	\$ (3.0)	\$ (57.1)
Capital assets, net	308.2	212.0	199.6	96.2	12.4
Noncurrent assets	171.1	230.8	163.3	(59.7)	67.5
Total Assets	632.3	598.8	576.0	33.5	22.8
Deferred Outflows of Resources					
Deferred outflows of resources	10.4	11.4	5.1	(1.0)	6.3
Total Deferred Outflows of Resources	10.4	11.4	5.1	(1.0)	6.3
Liabilities					
Current liabilities	53.2	35.0	32.8	18.2	2.2
Noncurrent liabilities	186.6	194.8	201.1	(8.2)	(6.3)
Total Liabilities	239.8	229.8	233.9	10.0	(4.1)
Deferred Inflows of Resources					
Deferred inflows related to pension	6.5	9.1	7.0	(2.6)	2.1
Total Deferred Inflows of Resources	6.5	9.1	7.0	(2.6)	2.1
Net investment in capital assets	214.4	181.4	170.8	33.0	10.6
Restricted expendable	19.2	19.8	22.0	(0.6)	(2.2)
Restricted non-expendable	0.3	0.3	0.3	-	-
Unrestricted	162.5	169.7	147.0	(7.2)	22.7
Total Net Position	\$ 396.4	\$ 371.2	\$ 340.1	\$ 25.2	\$ 31.1

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**



In 2017, total assets increased by \$33.5 million or 5.6% from \$598.8 million at August 31, 2016 to \$632.3 million at August 31, 2017. In 2016, total assets increased by \$22.8 million or 4.0% from \$576.0 million at August 31, 2015. The primary source of the increase in assets in 2017 are capital assets that increased \$96.2 million which was offset by a decrease in cash, cash equivalents of \$21.5 million and a decrease in investments of \$41.3 million. The increase in capital assets is primarily due to an increase of \$73.5 million in construction in progress and \$19.9 million in buildings for new facilities funded by the District Limited Tax Bonds Series 2014 and 2015. The decrease in cash, cash equivalents and investments is directly related to the increase in capital assets.

The main drivers of the increase in assets in 2016 are capital assets that increased \$12.4 million or 6.2% and a net increase of \$8.7 million or 2.4% in cash, cash equivalents and investments. The increase in capital assets is primarily due to an increase of \$11.9 million in construction in progress for new facilities funded by the District Limited Tax Bonds Series 2014 and 2015. An increase in long-term and short-term investments of \$172.8 million or 51,208.4% was offset by a decrease in cash and cash equivalents of \$164.1 million or 45.4%. The shift from cash to investments was a strategic move to maximize the return on investments and better meet the District's operational goals.

In 2017, the deferred outflows of resources decreased by \$1.0 million or 9.0% from \$11.4 million at August 31, 2016 to \$10.4 million at August 31, 2017. The primary reason for the decrease in deferred outflows is due to a decrease of \$0.7 million related to pensions and a decrease in deferred outflows of \$2 million, both decreases are due to differences between projected and actual earnings as administered by the Teacher Retirement System of Texas (TRS). In 2016, the deferred outflows of resources increased 123.4% or \$6.3 million from \$5.1 million at August 31, 2015 to \$11.4 million as of August 31, 2016. The primary reason for the increase in 2016 is due to \$6.7

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

million as a result of a difference in projected and actual investment earnings as administered by TRS.

Deferred inflows of resources decreased \$2.6 million or 29.0% from \$9.1 million in at August 31, 2016 to \$6.5 million at August 31, 2017. Deferred inflow of resources related to pension increased \$2.2 million or 31.3% from \$7.0 million at August 31, 2015. The \$2.2 million increase in deferred inflows related to pension is due to changes in the proportionate share and actuarial assumption as well as differences in the actual actuarial experience compared to expectations

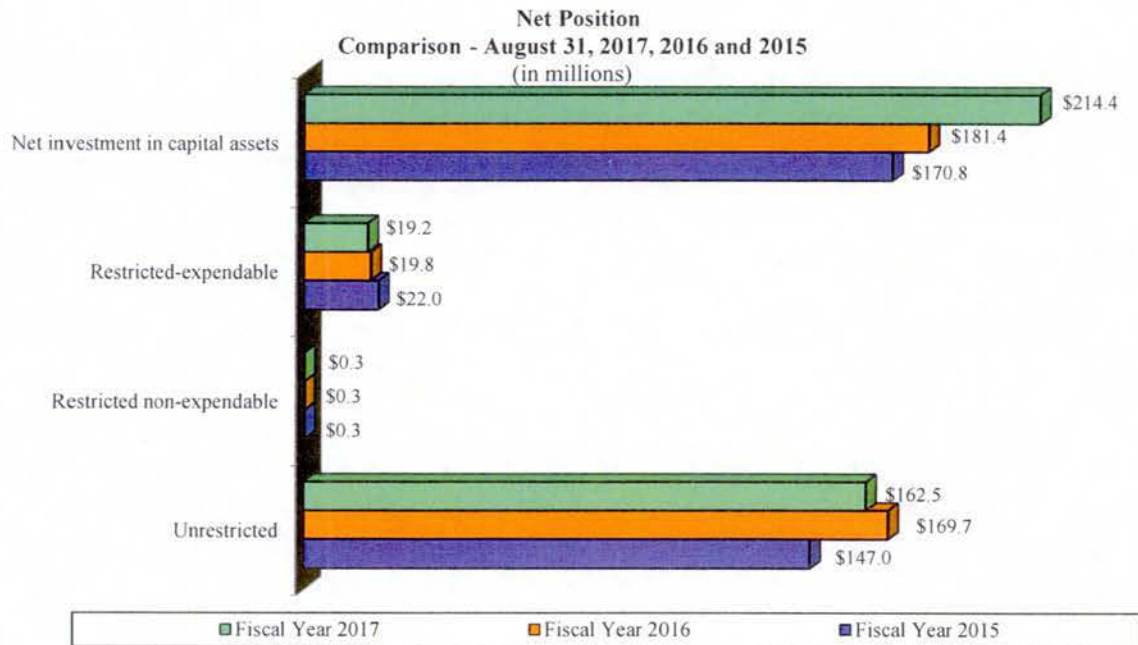
During fiscal year 2017, total liabilities increased by \$10.0 million or 4.4% from \$229.8 million at August 31, 2016 to \$239.8 million at August 31, 2017. Total liabilities decreased by \$4.1 million or 1.8% from \$233.9 million at August 31, 2015. The \$10.0 million increase in 2017 resulted from an increase in current liabilities of \$18.3 million or 52.4%, partially offset by a decrease in noncurrent liabilities of \$8.2 million or 4.2%. The increase in current liabilities was caused by an increase in accounts payable of \$17.4 million or 360.3%. The increase is due to the acquisition of merchandise, materials, supplies and services pertaining to construction projects from the issuance of South Texas College District Limited Tax Bonds, Series 2014 and 2015.

Bonds payable and net pension liability comprise the majority of the noncurrent liabilities balance. The main reason for the decrease in 2017 was a decrease of \$10.7 million or 6.4% in noncurrent bonds payable attributed to debt service payments, which was offset by a \$2.5 million or 9.1% increase in net pension liability primarily due to the difference in projected and actual investment earnings. The main reason for the decrease in liabilities in 2016 was a decrease of \$10.8 million or 6.0% in noncurrent bonds payable attributed to debt service payments, which was offset by a \$4.4 million or 19.4% increase in net pension liability primarily due to the difference in projected and actual investment earnings.

The District's already strong net position increased by \$25.2 million or 6.8% from \$371.2 million at August 31, 2016 to \$396.4 million at August 31, 2017 due to excess revenues over expenses. Of the \$25.2 million increase in net position, the net investment in capital assets increased by \$33.0 million, which was offset by a decrease of \$7.2 million of unrestricted net position.

Approximately fifty percent of net position, \$214.4 million in 2017 and \$181.4 million in 2016, 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 4.8% in 2017 and 5.3% in 2016 of net position. The remaining unrestricted net position may be used for educational or general operations of the District, which were \$162.5 million and \$169.7 million as of August 31, 2017 and 2016.

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**



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 allocation and ad-valorem taxes, are considered to be non-operating revenue. Since state allocation and ad-valorem taxes are a significant portion of general operations and maintenance funding, classification of this revenue as non-operating will usually result in an operating deficit, as it does for fiscal years 2017 and 2016.

Changes in total net position as presented on the Statements of 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 the revenues earned by the District, both operating and non-operating, and the expenses incurred by the District, operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District during the year.

On the next page, 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:

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

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

	2017	2016	2015	2016 - 2017 Change	2015 - 2016 Change
Operating revenues	\$ 42.3	\$ 38.8	\$ 39.2	\$3.5	\$(0.4)
Operating expenses	177.8	167.1	159.7	10.7	7.4
Operating loss	(135.5)	(128.3)	(120.5)	(7.2)	(7.8)
Non-operating revenues and expenses	160.6	154.9	146.9	5.7	8.0
Capital contributions	-	4.5	0.1	(4.5)	4.4
Extraordinary item	-	-	2.0	0.0	(2.0)
Increase in net position	25.1	31.1	28.5	(4.5)	6.4
Net position - beginning of year	371.3	340.2	337.5	31.1	2.7
Cumulative effect of change in accounting principle	-	-	(25.8)	0.0	25.8
Net Position - End of Year	\$ 396.4	\$ 371.3	\$ 340.2	25.1	31.1

The District's operating revenue increased \$3.5 million or 9.1% during 2017 from \$38.8 million at August 31, 2016 to \$42.3 million at August 31, 2017. The primary drivers of the increase was tuition and fees with an increase of \$1.7 million, due to an increase in the non-resident tuition. Federal, State and Local grants and contracts increases \$2.5 million compared to 2016. Operating revenue remained stable in 2016 and the District saw a slight decrease of \$0.4 million or 1.1% from \$39.2 million for the period ending August 31, 2015.

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 approximately 39.6% in 2017 and 37.9% in 2016 of total revenues.

Operating expenses increased \$10.7 million or 6.4% during 2017 to \$177.8 million and \$7.4 million or 4.6% in 2016 to \$167.1 million. For fiscal year 2017, the driving factors for the \$10.7 million increase were instruction, institutional support, operations and maintenance of plant expenditures. For fiscal year 2016, the driving factors for the \$7.4 million increase were instruction, academic support, and institutional support expenditures. The primary drivers of the increase in expenditures in 2017 and 2016 were the 3% salary increase approved by the Board of Trustees for all faculty and staff, new faculty positions created, and an increase in health insurance costs not funded by the State. The salary increase was offset by the salary savings generated by vacant positions. The increase in Institutional Support for both 2017 and 2016 was also impacted

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

by additional marketing and advertising expenses incurred due to a rebranding initiative to increase enrollment and improvements for the District's technology resources.

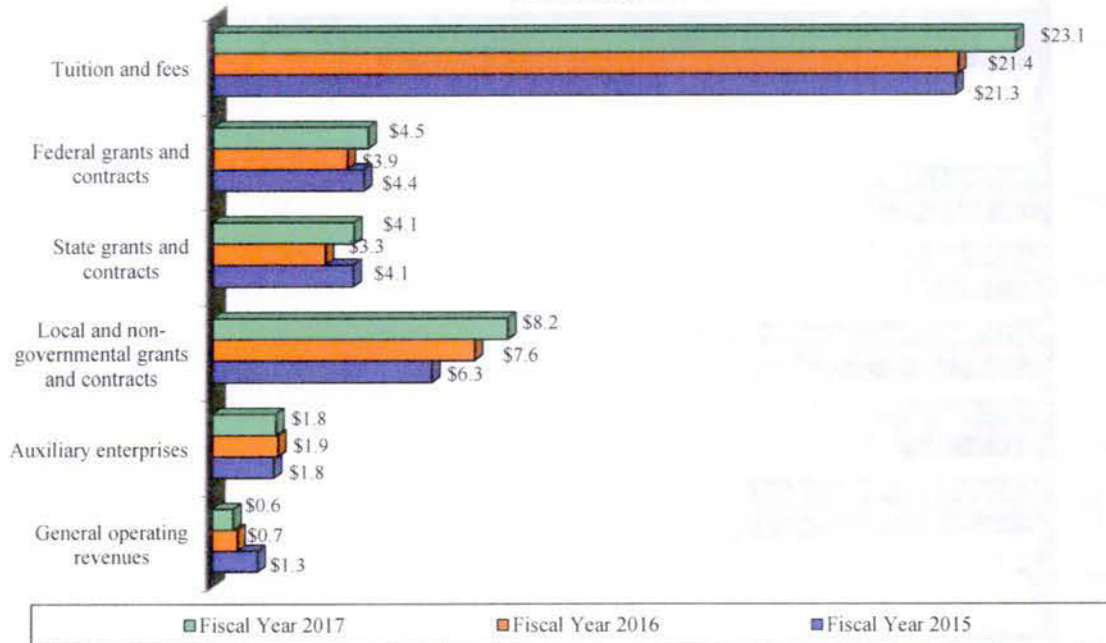
Operating revenues, used to fund operating expenses, consisted of the following percentages of the total:

(in millions)

Operating Revenues	2017		2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Tuition and fees (net of discounts of \$66.6, \$62.7, and \$57.7)	\$ 23.1	54.7%	\$ 21.4	55.3%	\$ 21.3	54.5%
Federal grants and contracts	4.5	10.6%	3.9	10.0%	4.4	11.1%
State grants and contracts	4.1	9.7%	3.3	8.4%	4.1	10.4%
Local and non-governmental grants and contracts	8.2	19.3%	7.6	19.5%	6.3	16.2%
Auxiliary enterprises	1.8	4.3%	1.9	4.9%	1.8	4.5%
General operating revenues	0.6	1.4%	0.7	1.9%	1.3	3.3%
Total	\$ 42.3	100.0%	\$ 38.8	100.0%	\$ 39.2	100.0%

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

**Operating Revenues
Comparison - Fiscal Years 2017, 2016 and 2015
(in millions)**



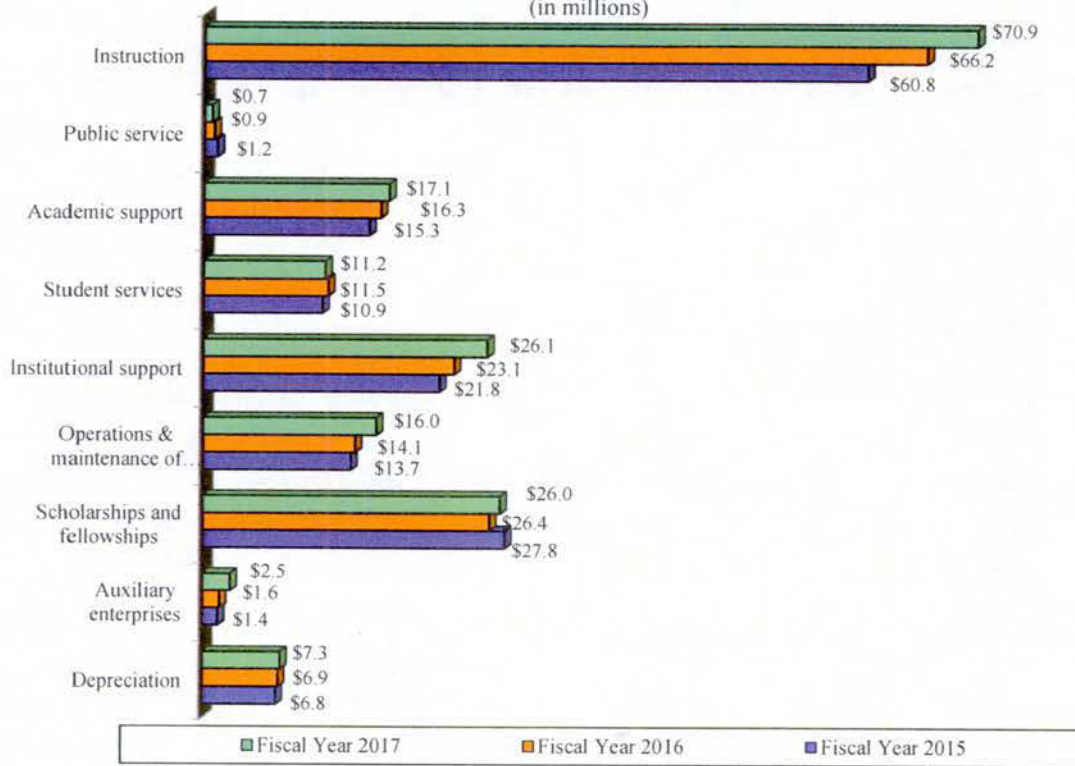
Operating expenses, including depreciation, may be viewed by their function or by natural (object) classification as illustrated below:

(in millions)

Operating Expenses by Function	2017		2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 70.9	39.8%	\$ 66.2	39.6%	\$ 60.8	38.0%
Public service	0.7	0.4%	0.9	0.6%	1.2	0.8%
Academic support	17.1	9.6%	16.3	9.8%	15.3	9.6%
Student services	11.2	6.3%	11.5	6.9%	10.9	6.9%
Institutional support	26.1	14.8%	23.1	13.8%	21.8	13.6%
Operations and maintenance of plant	16.0	9.0%	14.1	8.4%	13.7	8.6%
Scholarships and fellowships	26.0	14.6%	26.4	15.8%	27.8	17.4%
Auxiliary enterprises	2.5	1.4%	1.6	0.9%	1.4	0.9%
Depreciation	7.3	4.1%	7.0	4.2%	6.8	4.2%
Total	\$ 177.8	100.0%	\$ 167.1	100.0%	\$ 159.7	100.0%

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

**Operating Expenses by Function
Comparison - Fiscal Years 2017, 2016 and 2015
(in millions)**

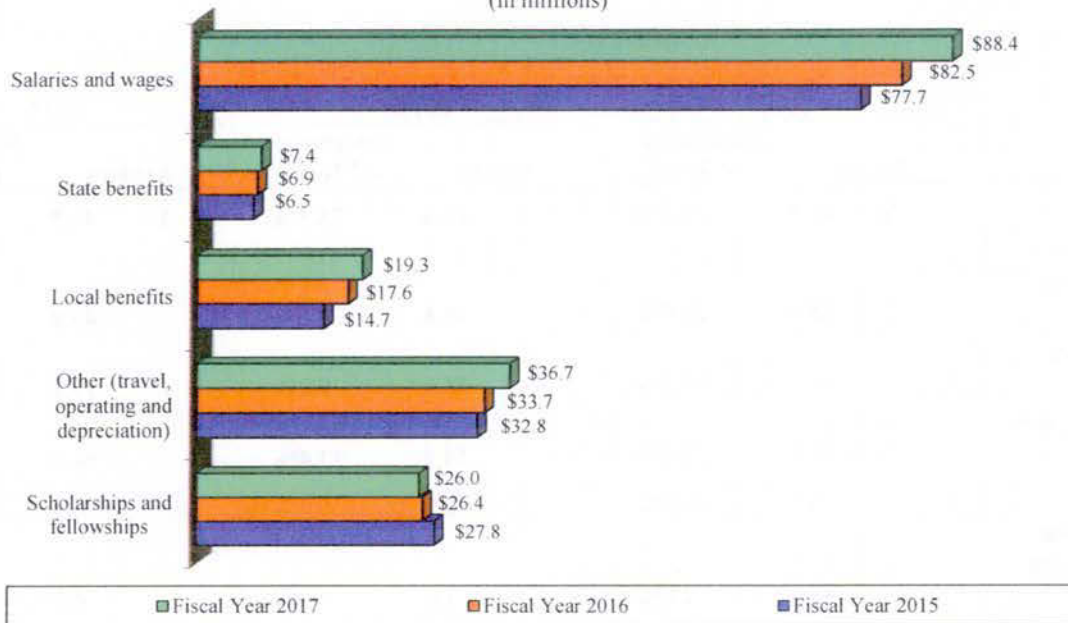


(in millions)

Operating Expenses by Classification	2017		2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Salaries and wages	\$ 88.4	49.7%	\$ 82.5	49.4%	\$ 77.7	48.6%
State benefits	7.4	4.2%	6.9	4.1%	6.5	4.1%
Local benefits	19.3	10.9%	17.6	10.5%	14.7	9.3%
Other (travel, operating and depreciation)	36.7	20.6%	33.7	20.2%	32.8	20.6%
Scholarships and fellowships	26.0	14.6%	26.4	15.8%	27.8	17.4%
Total	\$ 177.8	100.0%	\$ 167.1	100.0%	\$ 159.7	100.0%

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

**Operating Expenses by Classification
Comparison - Fiscal Years 2017, 2016 and 2015
(in millions)**



Net non-operating revenues and expenses increased by \$5.7 million or 3.6% to \$160.6 million in 2017 and \$8.0 million or 5.5% to \$154.9 million in 2016. Of the \$5.7 million increase in 2017, \$2.7 million or 4.2% was due to an increase in ad-valorem tax collections. The ad-valorem tax collection increase is primarily due to a tax base increase caused by an increase in personal property tax values. The Board of Trustees approved the same property tax rate as levied in 2016. In addition to the tax collections, the District had an increase of \$1.6 million or 152.6% in investment income. The \$8.0 million increase in 2016 is partly attributed to the \$3.7 million or 6.4% increase in ad-valorem tax collections. The ad-valorem tax collection increase is primarily due to a tax base increase caused by an escalation of improvements and increase in personal property tax values. The Board of Trustees approved the same property tax rate as levied in 2015. In addition to the tax collections, the District had an increase of \$3.2 million or 7.5% in state allocation revenue and an increase of \$0.8 million or 617.0% in investment income.

The Statements of Revenues, Expenses, and Changes in Net Position reflect a very positive year with an increase in the net position at the end of the year.

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

Non-operating revenues consisted of the following:

(in millions)

Non-Operating Revenues	2017		2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
State allocations	\$ 45.3	26.9%	\$ 46.0	28.1%	\$ 42.8	27.5%
Ad-valorem taxes – maintenance and operations	48.8	28.9%	46.8	28.5%	43.9	28.1%
Ad-valorem taxes – debt service	15.7	9.3%	15.0	9.2%	14.1	9.0%
Federal revenue, non-operating	55.7	33.0%	54.9	33.4%	54.9	35.1%
Gifts	0.3	0.2%	0.3	0.2%	0.3	0.2%
Investment income (net of investment expenses)	2.6	1.6%	1.0	0.6%	0.1	0.1%
Other non-operating revenues	0.4	0.1%	0.01	0.0%	0.2	0.0%
Total	\$ 168.8	100.0%	\$ 164.0	100.0%	\$ 156.3	100.0%

Non-operating expenses consisted of the following:

(in millions)

Non-Operating Expenses	2017		2016		2015	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Interest on capital related debt	\$ 4.2	51.9%	\$ 6.6	72.4%	\$ 5.9	63.6%
Loss on sale/disposal/return of capital assets	-	- %	-	- %	0.2	2.6%
Non-capital construction costs	3.5	44.4%	1.9	21.0%	1.8	18.5%
Bond costs amortization	0.3	3.7%	0.3	3.1%	1.2	12.4%
Other non-operating expenses	0.2	- %	0.3	3.5%	0.3	2.9%
Total	\$ 8.2	100.0%	\$ 9.1	100.0%	\$ 9.4	100.0%
Net non-operating revenues (expenses)	\$ 160.6		\$ 154.9		\$ 146.9	

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

Statement 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:

Statements of Cash Flows
(in millions)

	2017	2016	2015
Cash provided (used) by:			
Operating activities	\$ (123.9)	\$ (119.6)	\$ (110.7)
Non-capital financing activities	144.4	142.9	139.5
Capital and related financing activities	(86.0)	(15.5)	92.4
Investing activities	43.9	(171.9)	164.4
Net change in cash and cash equivalents	(21.6)	(164.1)	285.6
Cash and cash equivalents-September 1,	197.7	361.8	76.2
Cash and cash equivalents-August 31,	\$ -176.1	\$ 197.7	\$ 361.8

The Statements of Cash Flows indicates an overall decrease in cash and cash equivalents of \$21.6 million at August 31, 2017 and \$164.1 million at August 31, 2016.

Net cash used for operating activities increased by \$4.3 million or 3.7% during 2017 and increased \$8.9 million or 8.0% during 2016. In 2017, the primary use of cash in operations was in payment of salaries and benefits, which increased by \$6.8 million or 6.6% during 2017 to \$108.8 million. The increase in salaries and benefits was offset by an increase in receipts from grants and contracts of \$2.2 million or 14.6% to \$16.9 million. In 2016, the primary use of cash in operations was in payment of salaries and benefits, which increased by \$7.6 million or 8.1% during 2016 to \$102.0 million, followed by payment to suppliers for goods and services which increased by \$2.4 million or 9.5%. These increases were offset by an increase in receipts from students and other customers by \$0.9 million or 4.1% and grants and contracts by \$0.8 million or 5.8%.

Net cash provided by non-capital financing activities increased by \$1.5 million or 1.1% during 2017 and \$3.4 million or 2.4% during 2016. Sources of cash from non-capital financing activities are primarily from non-operating federal revenue, state allocations and ad-valorem taxes for maintenance and operations. In 2017, receipts from ad-valorem taxes increased by \$2.1 million or 4.6% to \$48.6 million and receipts from non-operating federal revenue increased 0.8 million to \$55.7 million. These increases were offset by a decrease in state allocations by \$1.4 million or 3.4% to \$40.0 million. The reason for the decrease is primarily due to a \$0.9 million reduction in Education and general state support due to an audit finding in 2016 of Continuing Education formula funding which resulted in a reduction in contact hour state allocation in fiscal year 2017. Furthermore, state retirement matching decreased \$0.6 million due to a reduction in the non-

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

employer contributing entity on-behalf payments from Texas Retirement System's allocation. The primary reason for the \$3.4 million increase in 2016, is due to an increase in receipts from state allocations by \$2.9 million or 7.7% to \$41.4 million, and ad-valorem taxes increased by \$2.5 million or 5.8% to \$46.5 million, which was offset by a decrease of \$2.0 million in proceeds from insurance claims.

Net cash used for capital and related financing activities increased \$70.5 million or 455.1% during 2017 and increased \$107.9 million or 116.8% during 2016. Capital and related financing activities include proceeds on 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. The primary reason in 2017 for the increase is due to \$69.9 million increase in purchases of capital assets including payments for construction costs, which is attributed by several projects of new facilities on all campuses for the District Limited Tax Bonds Series 2014 and 2015. The primary reasons for the \$107.9 million change during 2016 is due to the issuance of capital debt during 2015, which resulted in \$99.9 million proceeds. There was no issuance of capital debt during 2016. The other major factor of the decrease is due to an \$8.6 million increase in capital assets acquisitions during 2016.

Net cash provided by investing activities increased \$215.8 million or 125.6% during 2017 and decreased by \$336.3 million or 204.6% during 2016. Investing activities include purchase of investments, proceeds from sale and maturity of investments, and receipts from interest on investments. Proceeds from sale of maturity of investments increased \$146.2 million or 1,790.2% during 2017 and a reduction in purchases of investment increased the cash flow by \$68.0 million. Purchases of investments increased \$181.0 million during 2016 and proceeds from sale and maturity of investments decreased \$156.1 million or 95.0% to \$8.1 million.

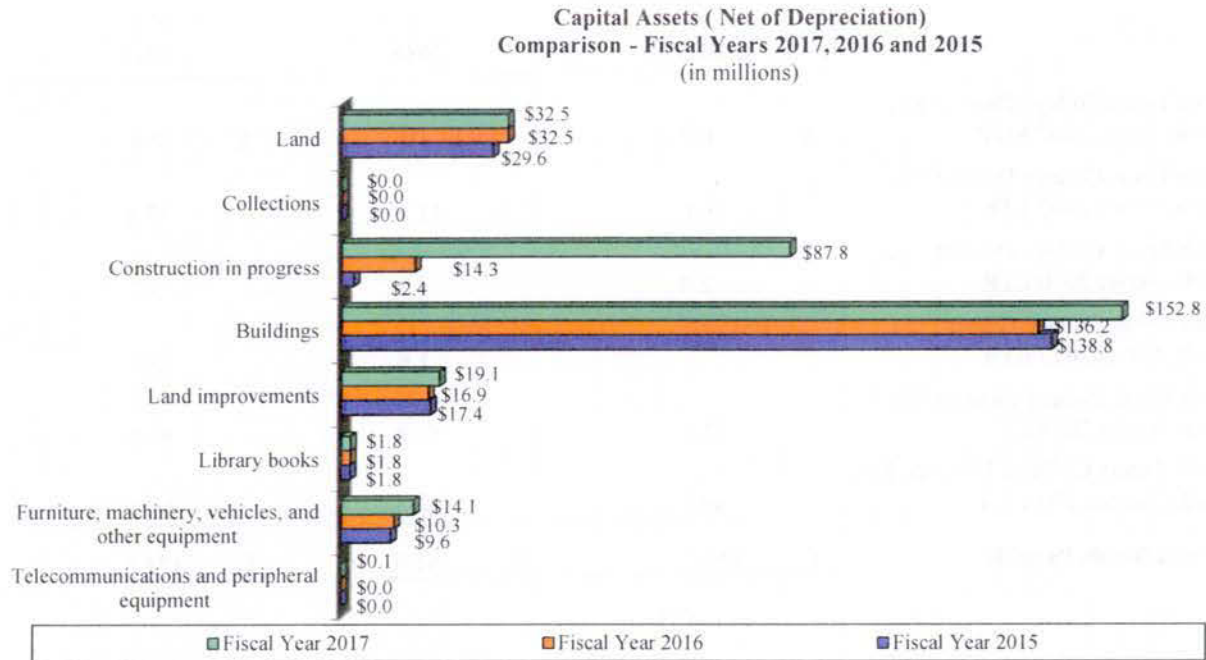
Capital Assets and Long-Term Debt Administration

The District had \$389.6 million in capital assets and \$81.4 million in accumulated depreciation at August 31, 2017.

	Capital Assets (Net of Depreciation) (in millions)		
	2017	2016	2015
Land	\$ 32.5	\$ 32.5	\$ 29.6
Collections	-	-	-
Construction in progress	87.8	14.3	2.4
Buildings	152.8	136.2	138.8
Land improvements	19.1	16.9	17.4
Library books	1.8	1.8	1.8
Furniture, machinery, vehicles, and other equipment	14.1	10.3	9.6
Telecommunications and peripheral equipment	0.1	-	-
Net capital assets	\$ 308.2	\$ 212.0	\$ 199.6

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

Below is a graphic illustration of capital assets, net of depreciation at August 31, 2017, 2016 and 2015.



In 2017, the increase in net capital assets of \$96.2 million or 45.37% was due to the \$73.5 million increase in construction in progress and \$19.9 million in buildings which is attributed by several projects of new facilities on all campuses for the District Limited Tax Bonds Series 2014 and 2015. In 2016, the increase in net capital assets of \$12.3 million was due to the \$11.9 million increase in construction in progress which is attributed by several projects in process of new facilities on all campuses for the District Limited Tax Bonds Series 2014 and 2015. In addition, buildings net of depreciation decreased \$2.6 million, which was offset of additional land in the amount of \$2.9 million.

The bonds payable liability balances at August 31, 2017, 2016 and 2015 are as follows:

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

	Outstanding Debt – Bonds (in millions)		
	2017	2016	2015
South Texas College District Tax Bonds, Series 2007 MTR	\$ 0.7	\$ 1.1	\$ 1.4
South Texas College District Tax Bonds, Series 2007 LTR	6.4	11.4	17.2
South Texas College District Tax Bonds, Series 2010 LTR	2.4	4.3	5.2
South Texas College District Tax Bonds, Series 2013 LTR	-	1.6	3.2
South Texas College District Tax Bonds, Series 2014 LT	53.8	53.8	53.8
South Texas College District Tax Bonds, Series 2015 LT	89.2	89.7	90.2
Total Bonds Payable	\$ 152.5	\$ 161.9	\$ 171.0

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. The enrollment has increased over the years since the District's inception. Over the last five years, the unduplicated annual headcount enrollment has increased by 11.89%, from 40,009 in fiscal year 2013 to 44,768 in fiscal year 2017. During the same period, the total contact hour generation has increased 9.02%, from 11,839,880 contact hours in 2013 to 12,907,280 contact hours in 2017.

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.

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 2017 was \$0.0450 per \$100 valuation of taxable property.

Economic Outlook

The District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the coming fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.

**South Texas College District
Management's Discussion and Analysis
August 31, 2017 and 2016**

The District's overall financial position is strong. Increases in tuition and fee revenues and conservative spending practices have contributed to the District's ability to realize an increase in net position.

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 78502-9701.



**South Texas College District
Statements of Net Position
August 31, 2017 and 2016**

Exhibit 1

	FY 2017	FY 2016
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 122,962,475	\$ 119,829,772
Restricted cash and cash equivalents	13,861,890	13,759,095
Short-term investments	837	6,513,991
Accounts receivable (net of allowance for doubtful accounts of \$4,401,951 in 2017 and \$4,125,941 in 2016)	4,496,955	3,768,908
Taxes receivable (net of allowance for doubtful accounts of \$1,685,970 in 2017 and \$2,152,745 in 2016)	10,385,787	10,038,889
Deposits in escrow	126,801	152,100
Prepaid expenses	1,148,493	1,940,800
Total Current Assets	152,983,238	156,003,555
Noncurrent Assets:		
Restricted cash and cash equivalents	39,301,620	64,072,612
Endowment investments	5,590	5,590
Long-term investments	100,339,245	81,212,027
Restricted short-term investments	26,473,424	75,081,272
Restricted long-term investments	5,032,641	10,360,499
Deferred bond issuance costs (net of related amortization of \$6,858 in 2017 and \$6,858 in 2016)	7,503	14,361
Capital assets, net (note 5)	308,190,124	212,000,692
Total Noncurrent Assets	479,350,147	442,747,053
Total Assets	632,333,385	598,750,608
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on debt refundings	427,574	716,152
Deferred outflows related to pensions	9,978,653	10,714,543
Total Deferred Outflows of Resources	10,406,227	11,430,695
Total Assets & Deferred Outflows of Resources	642,739,612	610,181,303
LIABILITIES		
Current Liabilities:		
Accounts payable	22,170,666	4,816,762
Accrued liabilities	2,676,124	2,372,110
Accrued compensable absences - current portion	786,773	683,580
Funds held for others	264,314	459,136
Unearned revenue	16,649,627	15,853,447
Bonds payable - current portion	10,699,486	10,764,651
Total Current Liabilities	53,246,990	34,949,686
Noncurrent Liabilities:		
Accrued compensable absences	126,393	100,178
Bonds payable, net	156,832,917	167,532,403
Net pension liability	29,641,935	27,178,460
Total Noncurrent Liabilities	186,601,245	194,811,041
Total Liabilities	\$ 239,848,235	\$ 229,760,727

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



**South Texas College District
Statements of Net Position
August 31, 2017 and 2016**

Exhibit 1

	FY 2017	FY 2016
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows related to pensions	\$ 6,495,488	\$ 9,142,801
Total Deferred Inflows of Resources	6,495,488	9,142,801
NET POSITION		
Net investment in capital assets	214,396,469	181,421,943
Restricted for:		
Expendable		
Student aid	3,189,024	3,028,124
Instructional programs	224,262	306,909
Institutional activities	117,319	68,308
Loans	1,284,796	1,162,853
Debt service	14,329,738	15,223,843
Non-expendable		
Endowment	339,455	339,449
Unrestricted	162,514,826	169,726,346
Total Net Position (Schedule D)	396,395,889	371,277,775
Total Liabilities, Deferred Inflows of Resources & Net Position	\$ 642,739,612	\$ 610,181,303

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, 2017 and 2016

Exhibit 2

	FY 2017	FY 2016
OPERATING REVENUES		
Tuition and fees (net of discounts of \$66,586,565 in 2017 and \$62,662,289 in 2016)	\$ 23,129,705	\$ 21,452,743
Federal grants and contracts	4,490,675	3,889,498
State grants and contracts	4,076,652	3,266,315
Local grants and contracts	6,102,604	5,063,983
Non-governmental grants and contracts	2,061,438	2,487,482
Auxiliary enterprises	1,833,407	1,893,838
General operating revenues	603,343	729,855
Total Operating Revenues (Schedule A)	42,297,824	38,783,714
OPERATING EXPENSES		
Educational and general		
Instruction	70,879,518	66,249,496
Public service	709,252	912,507
Academic support	17,101,883	16,333,241
Student services	11,228,508	11,477,740
Institutional support	26,074,788	23,138,061
Operations and maintenance of plant	15,977,257	14,064,638
Scholarships and fellowships	26,028,594	26,432,169
Auxiliary enterprises	2,529,295	1,562,463
Depreciation	7,262,313	6,966,274
Total Operating Expenses (Schedule B)	177,791,408	167,136,589
OPERATING LOSS	(135,493,584)	(128,352,875)
NON-OPERATING REVENUES (EXPENSES)		
State allocations	45,315,830	46,077,235
Ad-valorem taxes		
Taxes for maintenance and operations	48,822,561	46,781,602
Taxes for debt service	15,652,143	15,016,847
Federal revenue, non-operating	55,666,373	54,858,852
Gifts	252,614	251,022
Investment income (net of investment expenses)	2,612,017	1,034,010
Insurance proceeds	149,634	-
Interest on capital related debt	(4,150,374)	(6,602,765)
Gain (loss) on disposal of capital assets	(311)	12,350
Non-capital construction costs	(3,548,465)	(1,911,123)
Bond costs amortization	(295,436)	(284,829)
Other non-operating revenues (expenses)	87,483	(320,767)
Net Non-Operating Revenues (Expenses) (Schedule C)	160,564,069	154,912,434
Income Before Contributions and Extraordinary Item	25,070,485	26,559,559
Capital contributions	47,629	4,515,864
Increase In Net Position	25,118,114	31,075,423
NET POSITION		
Net Position-Beginning of Year	371,277,775	340,202,352
Net Position-End of Year	\$ 396,395,889	\$ 371,277,775

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, 2017 and 2016

Exhibit 3

	FY 2017	FY 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from students and other customers	\$ 25,204,618	\$ 24,440,311
Receipts from grants and contracts	16,944,534	14,792,306
Payments to suppliers for goods or services	(29,011,971)	(28,148,568)
Payments to or on behalf of employees	(108,775,083)	(102,009,387)
Payments for scholarships and fellowships	(26,000,515)	(26,445,371)
Payments for loans issued to students	(1,168,148)	(1,152,098)
Receipts from collection of loans to students	1,095,800	1,039,377
Other receipts	462,266	591,796
Payments for non-operating construction costs	(2,450,733)	(2,376,028)
Payments for non-operating transactions	(238,178)	(288,528)
Net cash used by operating activities	(123,937,410)	(119,556,190)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from state allocations	40,009,325	41,435,858
Receipts from ad-valorem taxes-maintenance and operation	48,645,890	46,497,893
Receipts from non-operating federal revenue	55,666,374	54,858,852
Payments for collection of taxes for maintenance and operation	(121,578)	(122,685)
Receipts from gifts or grants for other than capital purposes	174,672	244,032
Receipts from student organizations and other agency transactions	3,289,610	3,080,466
Payments to student organizations and other agency transactions	(3,340,958)	(3,122,556)
Receipts from endowment interest	2,272	1,238
Proceeds from insurance claims	149,634	-
Net cash provided by non-capital financing activities	144,475,241	142,873,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Refund of overpayment of issuance cost bond	-	10,607
Receipts from ad-valorem taxes-debt services	15,669,186	15,018,781
Payments for collection of taxes for debt service	(63,198)	(63,627)
Receipts from capital contracts, gifts and grants	-	1,582,000
Proceeds from sale/return of capital assets	5,575	28,350
Purchases of capital assets including payments for construction costs	(84,531,384)	(14,637,058)
Payments on capital debt-principal	(9,410,000)	(9,110,000)
Payments on capital debt-interest and fees	(7,658,156)	(8,320,990)
Expense incurred in disposal of capital asset	(5,886)	-
Net cash provided (used) by capital and related financing activities	(85,993,863)	(15,491,937)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale and maturity of investments	154,321,641	8,164,136
Receipts from interest on investments	2,598,897	911,872
Purchase of investments	(113,000,000)	(181,000,000)
Net cash provided (used) by investing activities	43,920,538	(171,923,992)
Increase (decrease) in cash and cash equivalents	(21,535,494)	(164,099,021)
Cash and cash equivalents-September 1,	197,661,479	361,760,500
Cash and cash equivalents-August 31,	\$ 176,125,985	\$ 197,661,479

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, 2017 and 2016

Exhibit 3

	FY 2017	FY 2016
Reconciliation of net operating loss to net cash used		
by operating activities:		
Operating loss	\$ (135,493,585)	\$ (128,352,875)
Adjustments to reconcile net operating loss to net cash used		
by operating activities:		
Depreciation expense	7,262,313	6,966,274
Health insurance and benefits paid by the state	332,753	
Payments made directly by state for benefits	4,973,752	4,641,377
Payments for non-operating construction costs	(3,523,164)	(1,911,123)
Payments for non-operating transactions	(238,178)	(288,528)
Changes in assets and liabilities:		
Receivables, net	(313,721)	165,278
Prepaid expenses	792,307	(1,256,973)
Deferred outflow	735,890	(6,601,709)
Accounts payable	498,049	(900,157)
Accrued liabilities	322,211	374,555
Compensable absences	129,409	142
Unearned revenues	768,392	1,013,446
Net pension liability	2,463,475	4,414,779
Deferred inflow	(2,647,313)	2,179,324
Net cash used by operating activities	\$ (123,937,410)	\$ (119,556,190)

Non-cash investing, capital, and financing activities for fiscal year 2017:

Library books donated to the District during the fiscal year amounted to \$1,191.

During the fiscal year, General Motors donated the following vehicles to the Automotive Technology Department for a total of \$39,868: 2012 Chevy Cruze \$5,583, 2016 GMC Sierra \$8,120, 2011 Silver Chevrolet Suburban \$15,000, 2017 Chevy Malibu \$5,583, and 2012 Chevy Cruze \$5,582.

The Art Department received several work of art donations amounting to a net value of \$6,570. A painting entitled "Guadalupe, Guadalupe" for \$4,500, another painting entitled and valued as "Pan Dulce Azul" for \$1,300, "Rainy Day, 2016" for \$120, "Peaceful Easy Feeling" for \$50, and four more pieces of art work for of which two valued at \$200 and the other two at \$100 respectively entitled "This Place" and "La Doñaen Madero, and "White" and "Black & White & Red All Over".

In-kind contributions provided by vendors for the Valley Scholars Program during the fiscal year amounted to \$26,839.

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

Premium - Bond Series 2002	-
Premium - Bond Series 2003	-
Premium - Bond Series 2002 & 2003 I&S	-
Premium - Bond Series 2004	-
Premium - MTR Bond Series 2007	1,666
Premium - LTR Bond Series 2007	204,459
Premium - LTR Bond Series 2010	248,624
Premium - LTR Bond Series 2013	85,164
Premium - LT Bond Series 2014	332,905
Premium - LT Bond Series 2015	481,833

The deferred loss ending balance as of August 31, 2017 is \$15,757, \$96,315, and \$315,502, for MTR Bond Series 2007, LTR Bond

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, 2017 and 2016**

Exhibit 3

Series 2007, and LTR Bond Series 2010, respectively, which will be amortized over the debt repayment period.

The bond issuance costs are amortized over the debt repayment period for the following bond series.

Bond Series 2002	-
Bond Series 2003	-
Bond Series 2004	-
MTR Bond Series 2007	644
LTR Bond Series 2007	6,214
Bond Series 2013	-

Payments made directly by the state for benefits as of August 31, 2017, consisted of \$4,973,752

Non-cash investing, capital, and financing activities for fiscal year 2016:

Library books donated to the District during the fiscal year amounted to \$1,109.

During the fiscal year, General Motors donated the following vehicles to the Automotive Technology Department for a total of \$49,633: 2013 Chevrolet Cadillac XTS \$11,165, 2015 Chevy Traverse \$9,541, 2015 GMC Yukon \$17,762, and 2016 Cadillac XTS \$11,165.

Two pieces of land were donated to the District with a value of \$2,500,000 and \$370,532 from the City of Pharr and Pharr-San Juan-Alamo Independent School District, respectively.

The Art Department received several work of art donations amounting to a net value of \$12,590. A painting entitled "Raven" for \$14,100, another painting entitled and valued as "Costura" for \$900, "untitled" for \$555, "Vereda" for \$500, "America the Beautiful" for \$500, "Trinidad" for \$500, " Love Letters" for \$500, "Memoria de Mexico" \$300, "Cielo Azul, Cielo Nublado" for \$250, "Looking for Magic" for \$225, and two more pieces of art work for \$80 each entitled "WDYMYDGI" and "Yellow Blunderbuss." In addition, a painting, entitled "Trafficked," valued at \$20,000 last fiscal year was appraised this fiscal year for \$5,900 less.

In-kind contributions provided by vendors for the Valley Scholars Program during the fiscal year amounted to \$32,238.

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

Premium - MTR Bond Series 2007	1,666
Premium - LTR Bond Series 2007	204,459
Premium - LTR Bond Series 2010	248,624
Premium - LTR Bond Series 2013	85,164
Premium - LT Bond Series 2014	332,906
Premium - LT Bond Series 2015	481,832

The deferred loss ending balance as of August 31, 2016 is \$23,635, \$192,631, \$473,253, and \$26,633 for MTR Bond Series 2007, LTR Bond Series 2007, LTR Bond Series 2010 and LTR Bond Series 2013, respectively, which will be amortized over the debt repayment period.

The bond issuance costs are amortized over the debt repayment period for the following bond series.

MTR Bond Series 2007	644
LTR Bond Series 2007	6,214

Payments made directly by the state for benefits as of August 31, 2016, consisted of \$4,641,377.

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



South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 1 – Reporting Entity

South Texas College District (“the 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.

Note 2 – Summary of Significant Accounting Policies

A. 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. The District is reported as a special-purpose government engaged in business-type activities (BTA).

B. Nature of Operations

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.

C. 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 the 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

C. Tuition Discounting (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 a tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

D. 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.

E. 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 as operating revenue 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.

F. 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

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

F. Budgetary Data (Continued)

Coordinating Board, the Legislative Budget Board, the Legislative Reference Library and the Governor's Office of Budget and Planning by December 1.

G. 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.

H. 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.

I. 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.

J. Investments

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

K. Inventories

Inventories consist of consumable office supplies, physical plant supplies and food service supplies. Inventories are valued at cost under the "first-in, first-out" method and are charged to expenses as consumed.

L. 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 cost 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

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

L. Capital Assets (Continued)

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 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.

M. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. A typical deferred outflow for community colleges is a deferred charge on refunding debt.

N. Unearned Revenues

Tuition and fees of \$15,070,719 and \$14,681,006 and federal, state, local, and private grants of \$1,578,908 and \$1,172,441 have been reported as unearned revenues at August 31, 2017, and 2016, respectively. Total unearned revenues were \$16,649,627 and \$15,853,447 at August 31, 2017, and 2016, respectively.

O. 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

P. 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 based using the flow of economic resource 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, and 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.

Q. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. A typical deferred inflow for community colleges is a deferred earning on plan investments.

R. 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.

S. 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: Restricted expendable net position 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: Restricted non-expendable net position 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 2 – Summary of Significant Accounting Policies (Continued)

S. Net Position (Continued)

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.

T. Capitalization of Interest

Interest cost during the construction period is capitalized in accordance with GASB Statement 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, 2017, the District incurred \$7,639,958 in interest cost expense and \$722,505 was capitalized. As of August 31, 2016, the District incurred \$8,280,265 in interest cost expense and \$8,898 was capitalized.

U. 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.

V. 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.

W. Characterization of Title IV Grant Revenues

In response to guidance provided by the Government Accounting Standards Board (GASB) as question/answer 7.72.10 in the Implementation Guide, beginning fiscal year 2009, the Texas Higher Education Coordinating Board required colleges to reclassify the revenue received for federal Title IV grant programs (i.e. Pell grants) from operating revenue to non-operating revenue.

X. Prior-Year Reclassifications

A reclassification in the Statements of Revenues, Expenses, and Changes in Net Position was necessary to change the previous classification of Dual Credit grants and contracts from non-governmental grants and contracts to local grants and contracts.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

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 AAA-m 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, and maintenance of sufficient liquidity, maximization of return within acceptable risk constraints and diversification of investments.

At August 31, 2017, and 2016, the carrying amount of South Texas College’s District bank deposits were \$146,320,196 and \$114,784,416, respectively, and total bank balances equaled \$152,060,116 and \$118,450,805, respectively. Federal Deposit Insurance Corporation (FDIC) deposit insurance of \$250,000 served as collateral for demand deposit accounts, money market 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.

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

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

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

	August 31, 2017	August 31, 2016
Bank Deposits		
Demand deposits	\$ 56,264,618	\$ 78,758,577
Money market deposits	90,055,578	27,525,839
Time deposits	-	8,500,000
Total bank deposits	146,320,196	114,784,416
Cash and Cash Equivalents		
Change funds on hand	8,600	9,450
Investment pools (TexPool)	29,797,189	82,867,613
Total Cash and Cash Equivalents	\$ 176,125,985	\$ 197,661,479

Total deposits and investments at August 31, 2017, and 2016, are as follows:

Reconciliation of Cash and Cash Equivalents and Investments to Statements of Net Position

<u>Type of Security</u>	Fair Value August 31, 2017	Fair Value August 31, 2016
Certificates of deposit	\$ 131,846,147	\$ 173,167,789
Endowment investment	5,590	5,590
Total Investments	131,851,737	173,173,379
Total Cash and Cash Equivalents	176,125,985	197,661,479
Total Cash and Cash Equivalents and Investments	\$ 307,977,722	\$ 370,834,858

Exhibit 1

Cash and cash equivalents	\$ 122,962,475	\$ 119,829,772
Restricted cash and cash equivalents-current	13,861,890	13,759,095
Short-term investments-current	837	6,513,991
Restricted cash and cash equivalents-noncurrent	39,301,620	64,072,612
Endowment investment	5,590	5,590
Long-term investments	100,339,245	81,212,027
Restricted short-term investments	26,473,424	75,081,272
Restricted long-term investments	5,032,641	10,360,499
Total Reconciliation to Exhibit 1	\$ 307,977,722	\$ 370,834,858

Endowment investment consists of a donated coin collection.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

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

As of August 31, 2017, 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)	\$ 29,797,189	0.00	9.50%	50.00%
Certificates of Deposit	131,846,147	0.71	42.03%	100.00%
Total Fair Value	\$ 161,643,336			

Portfolio weighted average maturity 0.30

As of August 31, 2016, 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)	\$ 82,867,613	0.00	22.34%	50.00%
Certificates of Deposit	181,667,789	0.67	48.99%	100.00%
Total Fair Value	\$ 264,530,402			

Portfolio weighted average maturity 0.33

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 AAA-m 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, 2017, 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, 2016, 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

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

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, 2017, the District's cash and investments were in TexPool (9.50%) and certificates of deposit (42.03%). At August 31, 2016, the District's cash and investments were in TexPool (22.34%) and certificates of deposit (48.99%).

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 are 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 5 – Capital Assets

Capital assets activity for the year ended August 31, 2017, was as follows:

	Balance September 1, 2016	Increases	Decreases	Balance August 31, 2017
<u>Not Depreciated:</u>				
Land	\$ 32,487,562	\$ 80	\$ -	\$ 32,487,642
Collections	48,590	7,925	-	56,515
Construction in progress	14,293,506	96,847,299	23,373,848	87,766,957
Subtotal	<u>46,829,658</u>	<u>96,855,304</u>	<u>23,373,848</u>	<u>120,311,114</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings	172,762,332	19,905,698	-	192,668,030
Land improvements	27,443,185	3,468,151	-	30,911,336
Total Buildings and Other Land Improvements	200,205,517	23,373,849	-	223,579,366
Library books	5,648,565	243,796	-	5,892,361
Furniture, machinery, vehicles, and other equipment	27,920,840	6,348,563	700,314	33,569,089
Telecommunications and peripheral equipment	6,576,422	9,445	331,288	6,254,579
Total Buildings and Other Capital Assets	<u>240,351,344</u>	<u>29,975,653</u>	<u>1,031,602</u>	<u>269,295,395</u>
<u>Accumulated Depreciation:</u>				
Buildings	36,596,458	3,253,728	-	39,850,186
Land improvements	10,502,297	1,294,463	-	11,796,760
Library books	3,857,574	215,150	-	4,072,724
Furniture, machinery, vehicles, and other equipment	17,656,113	2,491,601	694,427	19,453,287
Telecommunications and peripheral equipment	6,567,868	6,847	331,287	6,243,428
Total Accumulated Depreciation	<u>75,180,310</u>	<u>7,261,789</u>	<u>1,025,714</u>	<u>81,416,385</u>
Net Buildings and Other Capital Assets	<u>165,171,034</u>	<u>22,713,864</u>	<u>5,888</u>	<u>187,879,010</u>
Total Capital Assets, Net	<u>\$ 212,000,692</u>	<u>\$ 119,569,168</u>	<u>\$ 23,379,736</u>	<u>\$ 308,190,124</u>
<u>Net Buildings and Other Capital Assets-Detail</u>				
Buildings	\$ 136,165,874	\$ 16,651,970	\$ -	\$ 152,817,844
Land improvements	16,940,888	2,173,688	-	19,114,576
Library books	1,790,991	28,646	-	1,819,637
Furniture, machinery, vehicles, and other equipment	10,264,727	3,856,962	5,887	14,115,802
Telecommunications and peripheral equipment	8,554	2,598	1	11,151
Total Net Buildings and Other Capital Assets	<u>\$ 165,171,034</u>	<u>\$ 22,713,864</u>	<u>\$ 5,888</u>	<u>\$ 187,879,010</u>

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 5 – Capital Assets (Continued)

Construction in progress as of August 31, 2017, including capitalized interest of \$2,134,934, consists of the following:

Project	Balance September 1, 2016	Additions/ Deductions	Completed/ Reclassifications	Balance August 31, 2017
Pecan AECHS Portable Infrastructure	\$ -	\$ 25,355	\$ 25,355	\$ -
Pecan Enrollment Center Improvements	30,724	443,335	474,059	-
Pecan Plaza Emergency Generator & Wiring Improvements	23,031	25,200	-	48,231
Pecan Plaza Parking Area for Police Vehicles	10,748	229,134	239,882	-
Pecan Fume Hoods	-	293,669	293,669	-
Pecan Relocation of Portable Buildings Infrastructure	-	45,420	45,420	-
Nursing Allied Health Thermal Plant	61,948	1,932,113	-	1,994,061
Nursing Allied Health Thermal Plant Parking & Sitework	13,708	26,445	-	40,153
Technology GM Car Storage Area Improvements	31,199	272,391	303,590	-
Mid Valley Thermal Plant Alternate	-	367,170	-	367,170
Mid Valley Library Repurpose	-	436,843	-	436,843
Starr Crisis Management Center	3,000	25,200	-	28,200
Starr Thermal Alternate	-	295,253	-	295,253
District Wide ADA Compliance	22,194	(22,194)	-	-
Regional Center for Public Safety Excellence Parking	-	204,014	30,523	173,491
RCPSE Parking and Site work _ DPS	-	1,146,500	1,146,500	-
La Joya Jimmy Carter Teaching Site	-	11,857	-	11,857
New Construction Accrual	-	10,545	-	10,545
Bond 2014 Pecan Campus	6,721,087	32,018,209	4,945,078	33,794,218
Bond 2014 Nursing Allied Health Campus	2,192,907	13,052,292	-	15,245,199
Bond 2014 Nursing Allied Health Campus Additional Thermal Plant	-	188,118	-	188,118
Bond 2014 Technology Campus	1,343,950	10,642,204	11,479,489	506,665
Bond 2014 Mid Valley Campus	2,303,939	18,962,792	4,390,283	16,876,448
Bond 2014 Starr Campus	1,472,588	14,459,771	-	15,932,359
Bond 2014 Regional Center for Public Safety Excellence	38,133	583,302	-	621,435
Bond 2014 La Joya Jimmy Carter Teaching Site	19,432	983,682	-	1,003,114
Bond Accrual	-	193,597	-	193,597
Nursing Allied Health Resurface Parking Lot #2	4,918	(4,918)	-	-
Total	\$ 14,293,506	\$ 96,847,299	\$ 23,373,848	\$ 87,766,957

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 5 – Capital Assets (Continued)

For comparison purposes, capital assets activity for the year ended August 31, 2016, was as follows:

	Balance September 1, 2015	Increases	Decreases	Balance August 31, 2016
<u>Not Depreciated:</u>				
Land	\$ 29,555,510	\$ 2,932,052	\$ -	\$ 32,487,562
Collections	36,000	12,590	-	48,590
Construction in progress	2,393,384	13,221,308	1,321,186	14,293,506
Subtotal	<u>31,984,894</u>	<u>16,165,950</u>	<u>1,321,186</u>	<u>46,829,658</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings	172,273,116	489,216	-	172,762,332
Land improvements	26,627,215	815,970	-	27,443,185
Total Buildings and Other Land Improvements	198,900,331	1,305,186	-	200,205,517
Library books	5,390,896	257,669	-	5,648,565
Furniture, machinery, vehicles, and other equipment	26,919,723	2,940,538	1,939,421	27,920,840
Telecommunications and peripheral equipment	8,557,802	-	1,981,380	6,576,422
Total Buildings and Other Capital Assets	<u>239,768,752</u>	<u>4,503,393</u>	<u>3,920,801</u>	<u>240,351,344</u>
<u>Accumulated Depreciation:</u>				
Buildings	33,436,267	3,160,191	-	36,596,458
Land improvements	9,248,524	1,253,773	-	10,502,297
Library books	3,635,279	222,295	-	3,857,574
Furniture, machinery, vehicles, and other equipment	17,275,290	2,320,244	1,939,421	17,656,113
Telecommunications and peripheral equipment	8,515,552	9,771	1,957,455	6,567,868
Total Accumulated Depreciation	<u>72,110,912</u>	<u>6,966,274</u>	<u>3,896,876</u>	<u>75,180,310</u>
Net Buildings and Other Capital Assets	<u>167,657,840</u>	<u>(2,462,881)</u>	<u>23,925</u>	<u>165,171,034</u>
Total Capital Assets, Net	<u>\$ 199,642,734</u>	<u>\$ 13,703,069</u>	<u>\$ 1,345,111</u>	<u>\$ 212,000,692</u>
<u>Net Buildings and Other Capital Assets-Detail</u>				
Buildings	\$ 138,836,849	\$ (2,670,975)	\$ -	\$ 136,165,874
Land improvements	17,378,691	(437,803)	-	16,940,888
Library books	1,755,617	35,374	-	1,790,991
Furniture, machinery, vehicles, and other equipment	9,644,433	620,294	-	10,264,727
Telecommunications and peripheral equipment	42,250	(9,771)	23,925	8,554
Total Net Buildings and Other Capital Assets	<u>\$ 167,657,840</u>	<u>\$ (2,462,881)</u>	<u>\$ 23,925</u>	<u>\$ 165,171,034</u>

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 5 – Capital Assets (Continued)

Construction in progress as of August 31, 2016, including capitalized interest of \$322,850, consists of the following:

Project	Balance September 1, 2015	Additions/ Deductions	Completed/ Reclassifications	Balance August 31, 2016
Pecan AECHS Portable Infrastructure	\$ 10,729	\$ -	\$ 10,729	\$ -
Pecan Ceramic Art Kilns Renovation	150,816	354,401	505,217	-
Pecan Health & Wellness Spots Field Lighting	15,253	234,641	249,894	-
Pecan Relocation of Portable Buildings Infrastructure	115,311	303,706	419,017	-
Pecan Enrollment Center Improvements	4,990	25,734	-	30,724
Pecan AECHS Service Drive and Sidewalk	2,474	(2,474)	-	-
Pecan Plaza Emergency Generator & Wiring Improvements	23,031	-	-	23,031
Pecan Plaza Parking Area for Police Vehicles	-	10,748	-	10,748
Nursing Allied Health Thermal Plant	-	61,948	-	61,948
Nursing Allied Health Thermal Plant Parking & Sitework	-	13,708	-	13,708
Technology GM Car Storage Area Improvements	-	31,199	-	31,199
Starr Crisis Management Center	3,000	-	-	3,000
District Wide ADA Compliance	-	22,194	-	22,194
Bond 2014 Pecan Campus	596,011	6,125,076	-	6,721,087
Bond 2014 Nursing Allied Health Campus	333,506	1,859,401	-	2,192,907
Bond 2014 Technology Campus	172,740	1,171,210	-	1,343,950
Bond 2014 Mid Valley Campus	461,124	1,842,815	-	2,303,939
Bond 2014 Starr Campus	327,565	1,145,023	-	1,472,588
Bond 2014 Regional Center for Public Safety Excellence	11,585	26,548	-	38,133
Bond 2014 La Joya Jimmy Carter Teaching Site	9,487	9,945	-	19,432
Pecan Plaza Resurface Parking Lot and Replace Lighting	72,323	64,006	136,329	-
Technology West Academic Building Re-Roofing	44,513	(44,513)	-	-
Technology Cooling Tower Replacement / Improvements	34,999	(34,999)	-	-
Nursing Allied Health Irrigation System Upgrade	1,390	(1,390)	-	-
Nursing Allied Health Resurface Parking Lot #2	-	4,918	-	4,918
District Wide Upgrades for Parking Lot	2,537	(2,537)	-	-
Total	\$ 2,393,384	\$ 13,221,308	\$ 1,321,186	\$ 14,293,506

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 6 – Long Term Liabilities

Long-term liabilities activity for the year ended August 31, 2017, was as follows:

	Balance September 1, 2016	Additions	Reductions	Balance August 31, 2017	Current Portion
Bonds					
South Texas College District Maintenance Tax Refunding Bonds, Series 2007	\$ 1,095,000	\$ -	\$ 350,000	\$ 745,000	\$ 365,000
South Texas College District Limited Tax Refunding Bonds, Series 2007	11,360,000	-	4,980,000	6,380,000	6,380,000
South Texas College District Limited Tax Refunding Bonds, Series 2010	4,365,000	-	1,920,000	2,445,000	2,075,000
South Texas College District Limited Tax Refunding Bonds, Series 2013	1,635,000	-	1,635,000	-	-
South Texas College District Limited Tax Bonds, Series 2014	53,750,000	-	-	53,750,000	-
South Texas College District Limited Tax Bonds, Series 2015	89,700,000	-	525,000	89,175,000	610,000
General Obligation Bonds Subtotal	161,905,000	-	9,410,000	152,495,000	9,430,000
Net Pension Liability	27,178,460	4,960,722	2,497,247	26,641,935	-
Accrued Compensable Absences	783,758	193,428	64,020	913,166	786,773
Total Liabilities	\$ 189,867,218	\$ 5,154,150	\$ 11,971,267	\$ 180,050,101	\$ 10,216,773
Bonds Detail					
Total Bonds Payable	\$ 161,905,000	\$ -	\$ 9,410,000	\$ 152,495,000	\$ 9,430,000
Premium on Bonds Payable	16,392,054	-	1,354,651	15,037,403	1,269,486
Total Bonds Payable, Net	\$ 178,297,054	\$ -	\$ 10,764,651	\$ 167,532,403	\$ 10,699,486
Less Bonds Payable - Current Portion				(10,699,486)	
Total Noncurrent Bonds Payable, Net				\$ 156,832,917	

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 6 – Long Term Liabilities (Continued)

Unamortized bond discount/premium, bond issue costs and deferred loss for the year ended August 31, 2017, on the above bond issues are as follows:

	<u>Deferred Bond Issuance Cost</u>	<u>Bond Premium</u>	<u>Deferred Loss</u>
South Texas College District Maintenance Tax Refunding Bonds, Bonds, Series 2007	\$ 1,288	\$ 3,332	\$ 15,757
South Texas College District Limited Tax Refunding Bonds, Series 2007	6,215	204,458	96,315
South Texas College District Limited Tax Refunding Bonds, Series 2010	-	497,250	315,502
South Texas College District Limited Tax Refunding Bonds, Series 2013	-	-	-
South Texas College District Limited Tax Bonds, Series 2014	-	5,659,391	-
South Texas College District Limited Tax Bonds, Series 2015	-	8,672,972	-
Total	<u>\$ 7,503</u>	<u>\$ 15,037,403</u>	<u>\$ 427,574</u>

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, 2017, the District did not have a liability.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 6 – Long Term Liabilities (Continued)

For comparison purposes, the long-term liabilities activity for the year ended August 31, 2016, was as follows:

	Balance September 1, 2015	Additions	Reductions	Balance August 31, 2016	Current Portion
Bonds					
South Texas College District Maintenance Tax Refunding Bonds, Series 2007	\$ 1,435,000	\$ -	\$ 340,000	\$ 1,095,000	\$ 350,000
South Texas College District Limited Tax Refunding Bonds, Series 2007	17,235,000	-	5,875,000	11,360,000	4,980,000
South Texas College District Limited Tax Refunding Bonds, Series 2010	5,150,000	-	785,000	4,365,000	1,920,000
South Texas College District Limited Tax Refunding Bonds, Series 2013	3,225,000	-	1,590,000	1,635,000	1,635,000
South Texas College District Limited Tax Bonds, Series 2014	53,750,000	-	-	53,750,000	-
South Texas College District Limited Tax Bonds, Series 2015	90,220,000	-	520,000	89,700,000	525,000
General Obligation Bonds Subtotal	171,015,000	-	9,110,000	161,905,000	9,410,000
Net Pension Liability	22,763,681	11,275,168	6,860,389	27,178,460	-
Accrued Compensable Absences	783,616	56,439	56,297	783,758	683,580
Total Liabilities	\$ 194,562,297	\$ 11,331,607	\$ 16,026,686	\$ 189,867,218	\$ 10,093,580
Bonds Detail					
Total Bonds Payable	\$ 171,015,000	\$ -	\$ 9,110,000	\$ 161,905,000	\$ 9,410,000
Premium on Bonds Payable	17,746,705	-	1,354,651	16,392,054	1,354,651
Total Bonds Payable, Net	\$ 188,761,705	\$ -	\$ 10,464,651	\$ 178,297,054	\$ 10,764,651
Less Bonds Payable - Current Portion				(10,764,651)	
Total Noncurrent Bonds Payable, Net				\$ 167,532,403	

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 6 – Long Term Liabilities (Continued)

Unamortized bond discount/premium, bond issue costs and deferred loss for the year ended August 31, 2016, on the above bond issues are as follows:

	<u>Deferred Bond Issuance Cost</u>	<u>Bond Premium</u>	<u>Deferred Loss</u>
South Texas College District Maintenance Tax Refunding Bonds, Bonds, Series 2007	\$ 1,932	\$ 4,998	\$ 23,635
South Texas College District Limited Tax Refunding Bonds, Series 2007	12,429	408,917	192,631
South Texas College District Limited Tax Refunding Bonds, Series 2010	-	745,875	473,253
South Texas College District Limited Tax Refunding Bonds, Series 2013	-	85,164	26,633
South Texas College District Limited Tax Bonds, Series 2014	-	5,992,296	-
South Texas College District Limited Tax Bonds, Series 2015	-	9,154,804	-
Total	<u>\$ 14,361</u>	<u>\$ 16,392,054</u>	<u>\$ 716,152</u>

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, 2016, the District did not have a liability.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 7 – Debt and Lease Obligations and Rental Agreements

As of August 31, 2017, bonds payable are due in annual installments varying from \$365,000 to \$6,455,000 with interest rates from 2.0% to 5.0% and the final installment due in 2035. The principal and interest expense requirements for the next five years and beyond are summarized below for bonds issued:

Fiscal Year	General Obligation Bond		Total
	Principal	Interest	
2018	\$ 9,430,000	\$ 7,239,606	\$ 16,669,606
2019	6,955,000	6,771,756	13,726,756
2020	7,295,000	6,433,356	13,728,356
2021	7,660,000	6,068,606	13,728,606
2022	7,940,000	5,788,706	13,728,706
2023-2027	39,385,000	23,907,481	63,292,481
2028-2032	45,750,000	13,990,413	59,740,413
2033-2035	28,080,000	2,603,500	30,683,500
Total	\$ 152,495,000	\$ 72,803,424	\$ 225,298,424

For comparison purposes, as of August 31, 2016, bonds payable were due in annual installments varying from \$350,000 to \$6,455,000 with interest rates from 2.0% to 5.0% and the final installment due in 2035. The principal and interest expense requirements for the next five years and beyond are summarized below for bonds issued:

Fiscal Year	General Obligation Bond		Total
	Principal	Interest	
2017	\$ 9,410,000	\$ 7,658,156	\$ 17,068,156
2018	9,430,000	7,239,606	16,669,606
2019	6,955,000	6,771,756	13,726,756
2020	7,295,000	6,433,356	13,728,356
2021	7,660,000	6,068,606	13,728,606
2022-2026	39,410,000	25,662,482	65,072,482
2027-2031	43,625,000	16,118,119	59,743,119
2032-2035	38,120,000	4,509,500	42,629,500
Total	\$ 161,905,000	\$ 80,461,581	\$ 242,366,581

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

Fund Group	August 31, 2017	August 31, 2016
Unrestricted Current Funds	\$ 381,440	\$ 391,163

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

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

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, 2017 Minimum Future Lease Payments	August 31, 2016 Minimum Future Lease Payments
2017	-	319,201
2018	275,443	232,812
2019	176,155	137,328
2020	91,914	66,287
2020	666	-
Total	\$ 544,178	\$ 755,628

During fiscal year 2017, the District did not enter into any lease agreements. No future receipts are expected for fiscal years 2018 and 2019.

Note 8 – Bonds Payable

General information related to bonds payable and balances at August 31, are summarized below:

	2017	2016
\$2,985,000 South Texas College District Maintenance Tax Refunding Bonds, Series 2007 due in varying installments through 2019, interest at 4.0%.		
Purpose: To advance refund a portion of the District's Bonds Series 1999, in order to lower the overall annual debt service requirements of the District, and to pay for the costs of issuance of the bonds.		
Issued: March 29, 2007		
Authorized: \$5,200,000; \$2,940,000 Current Interest Bonds and \$2,985,000		
Source of revenue for debt service: Ad-valorem taxes	\$ 745,000	\$ 1,095,000

**South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016**

Note 8 – Bonds Payable (Continued)

	2017	2016
<p>\$23,589,991 South Texas College District Limited Tax Refunding Bonds, Series 2007 due in varying installments through 2018, interest at 4.0% - 5.0%. Purpose: To advance refund a portion of the District's Bonds Series 2002, in order to lower the overall annual debt service requirements of the District, and to pay for the costs of issuance of the bonds. Issued: March 29, 2007 Authorized: \$71,230,000; \$47,640,000 Current Interest Bonds and \$23,589,991 Source of revenue for debt service: Ad-valorem taxes</p>	6,380,000	11,360,000
<p>\$19,550,011 South Texas Junior College District Limited Tax Refunding Bonds, Series 2010 due in varying installments through 2019, interest at 3.0% - 5.6%. Purpose: To advance refund a portion of the District's Bonds, Series 2002 and 2003 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: November 18, 2010 Authorized: \$71,230,000 for Series 2002; \$37,620,000 Current Interest Bonds \$23,589,991 and \$9,726,028 refunded Authorized: \$22,845,000 for Series 2003; \$13,305,000 Current Interest Bonds and \$9,823,983 refunded Source of revenue for debt service: Ad-valorem taxes</p>	2,445,000	4,365,000
<p>\$6,630,000 South Texas College District Limited Tax Refunding Bonds, Series 2013 due in varying installments through 2017, interest at 2.0% - 3.0%. Purpose: To advance refund a portion of the District's Refunding Bonds, Series 2004 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: June 12, 2013 Authorized: \$15,514,996; \$8,814,996 Current Interest Bonds \$6,630,000 Source of revenue for debt service: Ad-valorem taxes</p>	-	1,635,000

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 8 – Bonds Payable (Continued)

	<u>2017</u>	<u>2016</u>
<p>\$53,750,000 South Texas College District Limited Tax Bonds, Series 2014 due in varying installments through 2034, 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 Authorized Date: November 5, 2013 Authorized: \$159,028,940; \$53,750,000 issued Source of revenue for debt service: Ad-valorem taxes</p>	53,750,000	53,750,000
<p>\$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</p>	89,175,000	89,700,000
Total Bonds Payable	\$ 152,495,000	\$ 161,905,000

Bonds Payable are due in annual installments varying from \$365,000 to \$6,455,000 with interest rates from 2.0% to 5.0% with the final installment due in 2035.

Note 9 – Employees’ Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees.

Teacher Retirement System of Texas - Defined Benefit Plan

A. 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees' Retirement Plan (Continued)

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.

B. 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_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

C. 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.

D. Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 84th Texas Legislature, General Appropriations Act (GAA), established the employer contribution rates for fiscal years 2016 and 2017.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees’ Retirement Plan (Continued)

	<u>Contribution Rates</u>	
	<u>FY 2017</u>	<u>FY 2016</u>
Member	7.7%	7.2%
District/Non-Employer Contributing Entity (State)	6.8%	6.8%
FY 2016 Member contributions		\$ 4,758,046
FY 2016 District contributions		\$ 2,492,290
FY 2016 State contributions		\$ 1,907,460

The District’s contribution to the TRS pension plan in fiscal year ended 2017 were \$2,744,690 as reported in the Schedule of District Contribution in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for fiscal year ended 2017 were \$2,016,870.

- 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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees’ Retirement Plan (Continued)

E. Actuarial Assumptions

The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2016
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Single Discount Rate	8.00%
Long-term expected Investment Rate of Return*	8.00%
Municipal Bond Rate*	N/A*
Last year ending August 31 in the 2016 to 2115	
Projection period (100 years)	2115
Inflation	2.5%
Payroll Growth Rate	2.5%
Salary increases including inflation	3.5% to 9.5%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**If a municipal bond rate was to be used, the rate would be 2.84% as of August 2016 (i.e., the weekly rate closest to but not later than the Measurement Date). The source for the rate is the Federal Reserve Statistical Release H.15, citing the Bond Buyer Index of general obligation bonds with 20 years to maturity and an average AA credit rating.*

Actuarial methods and assumptions were updated based on a study of actual experience for the four year period ending August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

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

F. Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees’ Retirement Plan (Continued)

on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the system’s target asset allocation as of August 31, 2016 are summarized below:

Asset Class	Target Allocation	Long Term Expected Geometric Real Rate of Return	Expected Contribution to Long Term Portfolio Returns*
Global Equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Return	0.0%	1.8%	0.0%
Stable Value Hedge Funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy and Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk Parity			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	100.0%		8.7%

*The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source: Teacher Retirement System of Texas 2016 Comprehensive Annual Financial Report

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees’ Retirement Plan (Continued)

G. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the fiscal year 2016 Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District’s proportionate share of the net pension liability:	\$ 45,875,731	\$ 29,641,935	\$ 15,872,395

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

At August 31, 2017, the District reported a liability of \$29,641,935 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 were as follows:

The District’s proportionate share of the collective net pension liability	\$ 29,641,935	
State’s proportionate share that is associated with the District	22,641,257	
Total	\$ 52,283,192	

The net pension liability was measured as of August 31, 2016, 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, 2015 thru August 31, 2016.

At the measurement date of August 31, 2016, the District’s proportion of the collective net pension liability was 0.0784416559%, which was an increase of 0.0015549% from its proportion measured as of August 31, 2015.

For the year ended August 31, 2017, the District recognized pension expense of \$2,349,623 and revenue of \$2,349,623 for support provided by the State.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees’ Retirement Plan (Continued)

At August 31, 2017, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 464,780	\$ 885,091
Changes in actuarial assumption	903,433	821,635
Difference between projected and actual investment earnings	5,712,041	3,202,023
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	153,709	1,586,739
Contributions paid to TRS subsequent to the measurement date	2,744,690	-
Total	\$ 9,978,653	\$ 6,495,488

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
2018	\$ (64,416)
2019	(64,416)
2020	1,536,596
2021	(187,408)
2022	(535,875)
Thereafter	53,994

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 9 – Employees’ Retirement Plan (Continued)

Optional Retirement Plan-Defined Contribution Plan

A. 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.

B. 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 2017, 2016, and 2015. The percentages of participant salaries currently contributed by each participant are 6.65% for fiscal years 2017, 2016, and 2015 respectively. The District contributes 1.9% for fiscal years 2017, 2016, and 2015, 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 to 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:

	<u>August 31, 2017</u>	<u>August 31, 2016</u>	<u>August 31, 2015</u>
Payroll for All District employees	<u>\$ 88,389,546</u>	<u>\$ 82,473,840</u>	<u>\$ 77,739,719</u>
Total payroll for TRS	<u>69,206,093</u>	<u>63,586,601</u>	<u>58,805,553</u>
Total payroll for ORP	<u>12,378,137</u>	<u>12,521,213</u>	<u>12,438,910</u>
State contributions	<u>398,078</u>	<u>403,073</u>	<u>398,918</u>
District contributions	<u>436,098</u>	<u>441,081</u>	<u>442,126</u>
Total Contributions	<u>\$ 834,176</u>	<u>\$ 844,154</u>	<u>\$ 841,044</u>
Member Contributions	<u>\$ 832,147</u>	<u>\$ 832,661</u>	<u>\$ 827,188</u>

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 10 – 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 Texas Government Code 609.001.

As of August 31, 2017, the District has 96 employees participating in Section 403(b) Tax Sheltered Annuity (TSA) Program and 96 participated in 2016. A total of \$532,426 and \$514,982 in payroll deductions have been invested in approved 403(b) plans during the fiscal years 2017 and 2016, respectively.

As of August 31, 2017, the District has 77 employees participating in Section 457 Deferred Compensation Plan (DCP) and 81 participated in 2016. A total of \$198,855 and \$183,085 in payroll deductions have been invested in Section 457 Deferred Compensation Plan (DCP) during the fiscal years 2017 and 2016, 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 11 – 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.

	<u>August 31, 2017</u>	<u>August 31, 2016</u>
Compensable absences-beginning	\$ 783,758	\$ 783,616
Net additions and reductions	129,408	142
Total Compensable Absences	<u>\$ 913,166</u>	<u>\$ 783,758</u>
Current portion	<u>\$ 786,773</u>	<u>\$ 683,580</u>

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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 12 – Pending Lawsuits and Claims

A. Litigation

On August 31, 2017, 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 OMB Circular A-133 and the State of Texas Single Audit Circular through August 31, 2017, 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 13 – Disaggregation of Receivable and Payable Balances

Receivables

Receivables at August 31, 2017, and 2016 were as follows:

	August 31, 2017	August 31, 2016
Student receivables	\$ 5,466,957	\$ 5,024,598
Federal receivables	1,570,829	1,304,226
Interest receivables	142,973	132,126
Accounts receivables		
Bookstore and auxiliary	47,453	52,496
State, local and private	865,282	982,388
Pledges receivable	51,103	-
Contractors	352,500	-
Agency	-	125
Other receivables	401,809	398,890
Subtotal	8,898,906	7,894,849
Allowance for doubtful accounts-student	(4,401,951)	(4,125,941)
Total Accounts Receivable, Net	\$ 4,496,955	\$ 3,768,908
	August 31, 2017	August 31, 2016
Taxes receivables	\$ 12,071,757	\$ 12,191,634
Allowance for doubtful accounts-taxes	(1,685,970)	(2,152,745)
Total Taxes Receivable, Net	\$ 10,385,787	\$ 10,038,889

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

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 13 – Disaggregation of Receivable and Payable Balances (Continued)

Payables

Payables at August 31, 2017, and 2016 were as follows:

	August 31, 2017		August 31, 2016	
	Accounts Payable	Accrued Liabilities	Accounts Payable	Accrued Liabilities
Vendor payable				
Vendors	\$ 4,790,985	\$ -	\$ 2,129,930	\$ -
Construction	12,824,250	-	2,241,107	-
Construction retainage	4,414,102	-	302,909	-
Salaries & benefits	-	2,361,358	-	2,039,147
Students payable	113,022	-	84,943	-
Accrued interest	-	314,766	-	332,963
Other Payables	28,307	-	57,873	-
Total Payables	\$ 22,170,666	\$ 2,676,124	\$ 4,816,762	\$ 2,372,110

Note 14 – Funds Held for Others

At August 31, 2017, and 2016, the District held, in trust funds, amounts of \$264,314 and \$459,136, respectively that pertain primarily to student organizations. These funds are not available to support the District's programs.

Note 15 – Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants. For federal contract and grant awards, funds expended, but not collected, are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards for which funds have been received but not yet expended are included in unearned revenue in 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 2017 and 2016, for which monies have not been received nor funds expended totaled \$3,681,529 and \$5,345,839, respectively.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 15 – Contract and Grant Awards (Continued)

These amounts are comprised of the following:

	August 31, 2017	August 31, 2016
Federal contracts and grant awards	\$ 1,429,167	\$ 2,842,913
State contracts and grant awards	1,711,788	2,113,626
Local contracts and grant awards	53,855	4,950
Private contracts and grant awards	486,719	384,350
Total	\$ 3,681,529	\$ 5,345,839

Note 16 – 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 \$617.30 per month for the year ended August 31, 2017 and \$576.54 per month for the year ended August 31, 2016 for United Health Select of Texas. The state's contribution totaled \$4,973,753 for the year ended August 31, 2017 and \$4,641,377 for the year ended August 31, 2016.

The cost of providing those benefits for eighty-four retirees in the year ended August 31, 2017, was \$283,293 and for sixty-five retirees in the year ended August 31, 2016, was \$229,171. For 1,382 active employees, the cost of providing benefits was \$4,690,460 for the year ended August 31, 2017. Active employee benefits for 1,330 active employees cost \$4,412,206 for the year ended August 31, 2016. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

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

	August 31, 2017	August 31, 2016
Full time employees	1,382	1,330
Number of retirees	84	65
Active employee-state	\$ 4,690,460	\$ 4,412,206
Retiree-state	283,293	229,171
Total State Contributions	4,973,753	4,641,377
District contributions	8,105,478	7,051,007
Total Health Insurance Cost	\$ 13,079,231	\$ 11,692,384

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 17 – 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, 2017	August 31, 2016
Assessed valuation of the District	\$ 46,095,416,000	\$ 43,541,107,619
Less: Exemptions	(10,777,687,569)	(10,236,614,928)
Less: Abatements	(415,511,091)	-
Net Assessed Valuation of the District	\$ 34,902,217,340	\$ 33,304,492,691

	Fiscal Year 2017			Fiscal Year 2016		
	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	\$ 0.0450	\$ 0.1850	\$ 0.1400	\$ 0.0450	\$ 0.1850

Taxes levied for the year ended August 31, 2017, and 2016 amounted to \$65,021,929 and \$62,070,301, 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.

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.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 17 – Ad Valorem Tax (Continued)

	August 31, 2017			August 31, 2016		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$45,121,592	\$14,503,383	\$59,624,975	\$43,240,701	\$13,898,809	\$57,139,510
Delinquent taxes collected	2,090,900	702,390	2,793,290	1,922,309	664,350	2,586,659
Penalties & interest collected	1,365,682	460,934	1,826,616	1,333,901	457,131	1,791,032
Total Gross Collections	48,578,174	15,666,707	64,244,881	46,496,911	15,020,290	61,517,201
Tax Appraisal & Collection Fees	(772,969)	(63,604)	(836,573)	(760,560)	(63,604)	(824,164)
Bad Debt Expense	(130,256)	(51,060)	(181,316)	(175,685)	(78,686)	(254,371)
Total Net Collections	<u>\$47,674,949</u>	<u>\$15,552,043</u>	<u>\$63,226,992</u>	<u>\$45,560,666</u>	<u>\$14,878,000</u>	<u>\$60,438,666</u>

Tax collections for the year ended August 31, 2017, and 2016, were 94.35% and 94.79%, 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 18 – Property Tax Abatement

The District entered into a property tax abatement agreement with Duke Energy Renewables Wind, LLC, formerly known as DEGS Wind I, LLC under the Property Tax Abatement Act (Chapter 312 of Texas Tax Code). The abatement was granted for the construction of a wind farm that will provide clean power to customers, with little or no emissions impacting the environment. Duke Energy Renewables Wind, LLC project 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 expected value of at least \$460,000,000 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, 2017, the District abated property tax revenue totaling \$581,716 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 (85%) of the assessed maintenance and operations property tax value. Under this program, the abatement is 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 Counties of Starr.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 18 – Property Tax Abatement (Continued)

Per Texas Tax Code 312.205, if Duke Energy Renewables Wind, LLC fails to make the improvement as provided for by this agreement, 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.

Note 19 – 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, 2017 and 2016.

Note 20 – Related Parties

One member of the Board of Trustees is employed at the District's depository bank. Another member of the Board of Trustees provided professional services to the District's depository bank and other entities that conducted business with the District during fiscal year 2017.

Note 21 – Postemployment Benefits Other than Pensions

This footnote is in accordance with GASB Statement 45.

A. Plan Description

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the state. South Texas College District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment healthcare plan administered by the ERS. SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Texas Legislature.

The ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 21 – Postemployment Benefits Other than Pensions (Continued)

B. Funding Policy

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. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy and is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years.

Beginning September 1, 2013, SB 1812 limited the state's contribution to 50% of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2017, 2016, and 2015 were \$399,721, \$286,511 and \$354,889, respectively, which equaled the required contributions each year. The State's contribution to SRHP for the years ended August 31, 2017, 2016, and 2015 were \$283,293, \$229,171, and \$39,965, respectively. The state's contribution for fiscal year ended August 31, 2015 included a fiscal year 2014 state reduction in allocation for retirees and an increase for active employees.

Note 22 – Auxiliary Operations

The District currently outsources its auxiliary bookstore operations to Barnes and Noble College Booksellers, Inc. The Dr. Ramiro R. Casso Nursing Allied Health campus cafeteria and the Mid-Valley campus cafeteria operations are outsourced to Domine Catering, LLP. The Starr County campus cafeteria operations are outsourced to Cactus Restaurant.

Note 23 – Risk Management

The District controls risk through participation in a governmental risk management pool, the purchase of insurance from commercial insurance providers, or a combination of both. Each year, the district solicits competitive proposals from insurance providers to cover various risks such as injuries to employees; natural disasters; theft, damage or destruction of assets; errors and omissions; and injuries to persons and property. Both governmental risk pools and commercial insurance companies may respond to the solicitation. The District evaluates responses for each type of insurance and awards to the respondent who affords the best value. There has been no reduction in insurance coverage from prior year. The more significant coverage's include \$1,000,000 and \$1,000,000 of general liability insurance for fiscal years 2017

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 23 – Risk Management (Continued)

and 2016, property insurance covering the District's buildings and properties including commercial inland marine in an aggregate amount of \$324,160,202 and \$324,371,892 for fiscal years 2017 and 2016 respectively, business income with extra expense coverage of \$34,100,000 and \$34,100,000 for fiscal years 2016 and 2015 respectively, and \$1,000,000 and \$5,000,000 in education legal and employment practices liability for fiscal years 2017 and 2016 respectively. The District's employees were covered by workers' compensation insurance in the event of work related injury or occupational disease. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. The District did not maintain or operate a self-insured insurance plan for fiscal years 2017 and 2016.

Note 24 – Construction and Improvement Commitments

Construction and improvement commitments for August 31, 2017, were as follows:

<u>Project</u>	<u>Contracted Amount</u>	<u>Spent to Date</u>	<u>Commitments</u>
Pecan Campus	\$ 42,959,794	\$ 34,904,282	\$ 8,055,512
Technology Campus	22,412,825	14,937,449	7,475,376
Nursing Allied Campus	11,239,405	10,510,707	728,698
Mid Valley Campus	28,879,870	18,597,622	10,282,248
Starr Campus	24,106,752	13,793,796	10,312,956
District Wide	1,983,670	1,531,753	451,917
Regional Center for Public Safety Excellence	7,522,292	1,523,978	5,998,314
Total	\$ 139,104,608	\$ 95,799,587	\$ 43,305,021

At August 31, 2017, the District had \$43,305,021 of remaining contractual commitments in construction and improvement projects.

**South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016**

Note 24 – Construction and Improvement Commitments (Continued)

Construction and improvement commitments for August 31, 2016, were as follows:

<u>Project</u>	<u>Contracted Amount</u>	<u>Spent to Date</u>	<u>Commitments</u>
Pecan Campus	\$ 16,675,570	\$ 5,268,172	\$ 11,407,398
Technology Campus	2,205,910	2,052,934	152,976
Nursing Allied Campus	4,306,134	992,718	3,313,416
Mid Valley Campus	25,341,179	461,823	24,879,356
Starr Campus	5,826,800	118,072	5,708,728
District Wide	518,461	494,567	23,894
Total	\$ 54,874,054	\$ 9,388,286	\$ 45,485,768

At August 31, 2016, the District had \$45,485,768 of remaining contractual commitments in construction and improvement projects.

Note 25 – Deposits in Escrow

South Texas College District entered into the following infrastructure improvement escrow agreements with the City of McAllen. In fiscal year 2015, \$5,216 was deposited into an escrow account for a proposed sidewalk subdivision on South McColl Road at the Nursing and Allied Health Campus. In fiscal year 2012, \$13,677 was deposited into an escrow account for a sidewalk along Military Road at the Technology Campus. In fiscal year 2010, \$6,406 was deposited into an escrow account for a sidewalk along Ivy Avenue at the Pecan Campus. As of August 31, 2017 these escrow agreements were nulled and \$126,801 deposited into an escrow account in fiscal year 2010 for the thirty foot portion of the Quince Avenue roadway dedication at the District's West 15 acre parking lot remains in effect. As a result, the District has balance of \$126,801 in the escrow account at August 31, 2017.

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 \$2,266, \$1,235 and \$86, in fiscal years 2017, 2016, and 2015, respectively.

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

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 26 – Endowments (Continued)

The fund balances of the endowments were as follows:

Endowment	August 31, 2017	August 31, 2016
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	1,056	1,053
Roberto Gutierrez Sr. Endowment	909	906
Edwynne G. Cooper Endowment	5,590	5,590
Total Endowments	\$ 339,455	\$ 339,449

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, 2017, the market value of the Trust was \$3,707,223. The Trust made a distribution to the District in the amount of \$180,512 in fiscal year 2017. At August 31, 2016, the market value of the Trust was \$3,543,050. The Trust made a distribution to the District in the amount of \$173,938 in fiscal year 2016. The funds are presented in Restricted Expendable Net Position.

Note 27 – Pledges of Gifts

The District records pledges of gifts when an unconditional promise to pay is received. At August 31, 2017, pledges receivable totaled \$51,103, which consisted of non-cash gifts of \$34,203 and \$16,900 in cash gifts. At August 31, 2016 the District did not have pledges receivable to report. All the pledges are expected to be received within the next fiscal year. Pledges receivable are recorded on the statement of financial position as assets net of allowance for uncollectible accounts.

Note 28 – Recent Accounting Pronouncements – Governmental Accounting Standards Board

New Pronouncements

In June 2016, GASB issued Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement requires more extensive note disclosures and required supplemental information related to measurement of the OPEB liabilities for which assets have been

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

**Note 28 – Recent Accounting Pronouncements – Governmental Accounting Standards Board
(Continued)**

accumulated. Statement No. 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement was determined to have no effect on the District's financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77). This Statement requires state and local governments for the first time to disclose information about tax abatement agreements. GASB 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. The District implemented the provisions of this Statement for the year ended August 31, 2017. For more detailed information, see Note 18.

In December 2015, GASB issued Statement No. 78 *Pension Provided Through Certain Multiple Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68. This issue is associate with pensions provided through a certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement was determined to have no effect on the District's financial statements.

In December 2015, GASB issued Statement No. 79 *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share. The District implemented the provisions of this Statement for the year ended August 31, 2017. For more detailed information, see Note 4.

In January 2016, GASB issued Statement No. 80 *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 51 of Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this Statement enhance the comparability of financial

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

Note 28 – Recent Accounting Pronouncements – Governmental Accounting Standards Board (Continued)

statements among governments. Greater comparability improves the usefulness of information reported in financial statements and enhances its value for assessing government accountability. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member, except for units included in entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. This Statement was determined to have no effect on the District's financial statements.

In March 2016, GASB issued Statement No. 82 *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with the respect to Statements No. 67, *Financial Reporting for Pensions Plans*, No. 68 *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB G7 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The District implemented the provisions of this Statement for the year ended August 31, 2017. For more detailed information, see Note 9, Exhibit 4 and Exhibit 5.

Pending Pronouncements

In June 2015, GASB issued Statement No. 75 *Accounting for Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflow of resources and expenses. This Statement is effective for fiscal years beginning after June 15, 2017.

In March 2016, GASB issued Statement No. 81 *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreements. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administrated by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resource become applicable to the reporting period. This Statement is effective for periods beginning after December 15, 2016 and should be applied retroactively.

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

**Note 28 – Recent Accounting Pronouncements – Governmental Accounting Standards Board
(Continued)**

In November 2016, GASB issued Statement No. 83 *Certain Asset Retirement Obligation*. The Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). It requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred and requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement. In addition, this statement requires the current value of a government's ARO to be adjusted for the effects of general inflation or deflation, at least annually, and requires a government to evaluate all relevant factors, at least annually, to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. In cases where governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities, this statement requires disclosure of how those funding and assurance requirement are being met, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This Statement is effective for periods beginning after June 15, 2018.

In January 2017, GASB issued Statement No. 84 *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement also provides a for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement is effective for periods beginning after December 15, 2018.

In March 2017, GASB issued Statement No. 85 *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending components units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). Specifically, this statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation.
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements

South Texas College District
Notes to the Basic Financial Statements
August 31, 2017 and 2016

**Note 28 – Recent Accounting Pronouncements – Governmental Accounting Standards Board
(Continued)**

- Presenting payroll-related measures in required supplementary information for purposes or reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefits OPEB plans

This Statement is effective for periods beginning after June 15, 2017.

In May 2017, GASB issued Statement No. 86 *Certain Debt Extinguishment Issues*. The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for periods beginning after June 15, 2017.

In June 2017, GASB issued Statement No. 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 a 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 deferred inflow of resources, thereby enhancing the relevance and consistence of information about governments' leasing activities. This Statement is effective for periods beginning after December 15, 2019.

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 75, 81, 83, 84, 85, 86 and 87 on its financial statements.



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

Exhibit 4

Fiscal Year ending August 31st*	FY 2017**	FY 2016**	FY 2015**
District's proportionate share of collective net pension	0.0007844%	0.0007689%	0.0009000%
District's proportionate share of collective net pension liability (\$)	\$ 29,641,935	\$ 27,178,460	\$ 22,763,681
State's proportionate share of net pension liability associated with District	22,641,257	20,886,258	17,659,066
Total	\$ 52,283,192	\$ 48,064,718	\$ 40,422,747
District's covered-employee payroll	\$ 69,206,093	\$ 63,586,601	\$ 58,805,553
District's proportionate share of the collective net pension liability as a percentage of covered-employee payroll	42.83%	42.74%	38.71%
Plan fiduciary net position as percentage of total pension liability	78.00%	78.43%	83.25%

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

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

Changes of Benefit Term:

There were no material changes for the year ended August 31, 2017.

Changes of Assumptions:

There were no material changes of assumption for the year ended August 31, 2017.

For details regarding actuarial assumption, please review TRS's Comprehensive Annual Financial



**South Texas College District
Schedule of District's Contributions
Last Three Fiscal Years ****

Exhibit 5

Fiscal Year ending August 31st*	FY 2017**	FY 2016**	FY 2015**
Legally required contributions	\$ 2,744,690	\$ 2,497,718	\$ 2,281,121
Actual contributions	2,744,690	2,497,718	2,281,121
Contributions deficiency (excess)	\$ -	\$ -	\$ -
District's covered-employee payroll amount	\$ 69,206,093	\$ 63,586,601	\$ 58,805,553
Contributions as a percentage of covered-employee payroll	4.0%	3.9%	3.9%

* 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.

Changes of Benefit Term:

There were no material changes for the year ended August 31, 2017.

Changes of Assumptions:

There were no material changes of assumption for the year ended August 31, 2017.

For details regarding actuarial assumption, please review TRS's Comprehensive Annual Financial



South Texas College District
Schedule of Operating Revenues
Year Ended August 31, 2017 (With Totals for the Year Ended August 31, 2016)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2017 Total	FY 2016 Total
Tuition:						
State funded credit courses						
In-district resident tuition	\$ 43,588,949	\$ -	\$ 43,588,949	\$ -	\$ 43,588,949	\$ 43,924,077
Out-of-district resident tuition	1,237,779	-	1,237,779	-	1,237,779	1,149,552
Non-resident tuition	4,534,282	-	4,534,282	-	4,534,282	2,491,137
TPEG state (set aside) *	1,833,192	-	1,833,192	-	1,833,192	1,815,232
State funded continuing education	918,034	-	918,034	-	918,034	1,049,217
TPEG non-credit (set aside) *	58,598	-	58,598	-	58,598	66,971
State funded workforce development	242,324	-	242,324	-	242,324	196,231
TPEG non-credit (set aside) *	15,468	-	15,468	-	15,468	12,525
Non-state funded continuing education	480,750	-	480,750	-	480,750	370,560
TPEG non-credit (set aside) *	30,687	-	30,687	-	30,687	23,652
Non-state funded workforce development	77,503	-	77,503	-	77,503	41,514
TPEG non-credit (set aside) *	4,947	-	4,947	-	4,947	2,650
Total Tuition	53,022,513	-	53,022,513	-	53,022,513	51,143,318
Fees:						
Student registration fee	9,336,012	-	9,336,012	-	9,336,012	8,450,106
Laboratory fees	1,345,109	-	1,345,109	-	1,345,109	1,403,445
Incidental fees	27,659,630	-	27,659,630	1,141,549	28,801,179	23,118,163
Total Fees	38,340,751	-	38,340,751	1,141,549	39,482,300	32,971,714
Scholarship Allowances and Discounts:						
Bad debt allowance	(1,365,190)	-	(1,365,190)	-	(1,365,190)	(1,199,160)
Remissions and exemptions	(30,045,205)	-	(30,045,205)	(311,365)	(30,356,570)	(25,558,024)
TPEG allowances	(1,652,634)	-	(1,652,634)	-	(1,652,634)	(1,254,467)
Local grants to students	(526,675)	-	(526,675)	-	(526,675)	(457,340)
Private grants to students	(957,339)	-	(957,339)	-	(957,339)	(1,271,413)
State grants to students	(1,589,381)	-	(1,589,381)	-	(1,589,381)	(1,475,644)
Federal grants to students	(32,927,319)	-	(32,927,319)	-	(32,927,319)	(31,446,241)
Total Scholarship Allowances and Discounts	(69,063,743)	-	(69,063,743)	(311,365)	(69,375,108)	(62,662,289)
Total Net Tuition and Fees	22,299,521	-	22,299,521	830,184	23,129,705	21,452,743
Additional Operating Revenues:						
Federal grants and contracts	247,847	4,242,828	4,490,675	-	4,490,675	3,889,498
State grants and contracts	53,351	4,023,301	4,076,652	-	4,076,652	3,266,315
Local grants and contracts	4,916,956	1,185,648	6,102,604	-	6,102,604	5,063,983
Non-governmental grants and contracts	67,583	1,993,855	2,061,438	-	2,061,438	2,487,482
General operating revenues	416,081	187,262	603,343	-	603,343	729,855
Total Additional Operating Revenues	5,701,818	11,632,894	17,334,712	-	17,334,712	15,437,133
Auxiliary Enterprises:						
Bookstore	-	-	-	607,104	607,104	580,506
Food service	-	-	-	566,558	566,558	699,523
Vending commissions	-	-	-	137,572	137,572	141,310
Other commissions	-	-	-	28,682	28,682	9,172
Child care center	-	-	-	327,156	327,156	360,234
General conferences	-	-	-	123,685	123,685	97,093
Other	-	-	-	42,650	42,650	6,000
Total Auxiliary Enterprises	-	-	-	1,833,407	1,833,407	1,893,838
Total Operating Revenues	\$ 28,001,339	\$ 11,632,894	\$ 39,634,233	\$ 2,663,591	\$ 42,297,824	\$ 38,783,714
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$1,942,892 and \$1,921,030 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended 2017 and 2016, respectively.



South Texas College District
Schedule of Operating Expenses by Object
Year Ended August 31, 2017 (With Totals for the Year Ended August 31, 2016)

Schedule B

	Operating Expenses			FY 2017 Total	FY 2016 Total	
	Salaries and Wages	Benefits				Other Expenses
		State	Local			
Unrestricted-Educational Activities						
Instruction	\$ 50,265,842	\$ -	\$ 9,304,178	\$ 5,488,827	\$ 65,058,847	\$ 61,166,273
Public service	153,429	-	36,072	222,891	412,392	452,183
Academic support	9,491,352	-	1,953,624	2,941,760	14,386,736	12,927,837
Student services	6,880,461	-	1,515,237	1,532,689	9,928,387	10,210,996
Institutional support	11,813,929	-	3,036,799	9,054,104	23,904,832	21,588,656
Operation and maintenance of plant	6,472,367	-	2,494,410	6,998,149	15,964,926	14,058,047
Total Unrestricted Educational Activities	85,077,380	-	18,340,320	26,238,420	129,656,120	120,403,992
Restricted-Educational Activities						
Instruction	552,038	4,480,109	115,300	673,224	5,820,671	5,083,223
Public service	152,694	-	25,456	118,710	296,860	460,324
Academic support	912,902	855,803	257,313	689,129	2,715,147	3,405,404
Student services	313,346	774,354	203	212,218	1,300,121	1,266,744
Institutional support	332,343	1,278,435	68,081	491,097	2,169,956	1,549,405
Operation and maintenance of plant	12,331	-	-	-	12,331	6,591
Scholarships and fellowships	-	-	-	26,028,594	26,028,594	26,432,169
Total Restricted Educational Activities	2,275,654	7,388,701	466,353	28,212,972	38,343,680	38,203,860
Total Educational Activities	87,353,034	7,388,701	18,806,673	54,451,392	167,999,800	158,607,852
Auxiliary Enterprises	1,036,512	-	500,341	992,442	2,529,295	1,562,463
Depreciation expense-buildings and other real estate improvements	-	-	-	5,575,634	5,575,634	4,413,964
Depreciation expense-books	-	-	-	215,150	215,150	222,295
Depreciation expense-equipment and furniture	-	-	-	1,471,529	1,471,529	2,330,015
Total Operating Expenses	\$ 88,389,546	\$ 7,388,701	\$ 19,307,014	\$ 62,706,147	\$ 177,791,408	\$ 167,136,589
				(Exhibit 2)	(Exhibit 2)	



South Texas College District
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2017 (With Totals for the Year Ended August 31, 2016)

Schedule C

	Unrestricted	Restricted	Auxiliary Enterprises	FY 2017 Total	FY 2016 Total
NON-OPERATING REVENUES:					
State allocations:					
Education and general state support	\$ 36,728,883	\$ -	\$ -	\$ 36,728,883	\$ 37,642,320
Education and general state support BAT	805,107	-	-	805,107	805,106
State group insurance	-	4,973,753	-	4,973,753	4,641,377
State retirement matching	332,753	2,414,948	-	2,747,701	3,379,029
Hazlewood reimbursement	60,386	-	-	60,386	69,403
Professional nursing shortage reduction	-	-	-	-	(460,000)
Total State Allocations	37,927,129	7,388,701	-	45,315,830	46,077,235
Ad-valorem taxes-maintenance and operations	48,822,561	-	-	48,822,561	46,781,602
Ad-valorem taxes-debt service	-	15,652,143	-	15,652,143	15,016,847
Federal revenue, non operating	-	55,666,373	-	55,666,373	54,858,852
Gifts	-	252,614	-	252,614	251,022
Investment income (net of investment expenses)	1,583,526	1,017,094	11,397	2,612,017	1,034,010
Gain on disposal of capital assets	5,575	-	-	5,575	12,350
Insurance proceeds	149,634	-	-	149,634	-
Other non-operating revenue	352,500	-	-	352,500	-
Total Non-Operating Revenues	88,840,925	79,976,925	11,397	168,829,247	164,031,918
NON-OPERATING EXPENSES:					
Interest on capital related debt	4,150,374	-	-	4,150,374	6,602,765
Loss on disposal of capital assets	5,886	-	-	5,886	-
Non-capital construction costs	3,548,465	-	-	3,548,465	1,911,123
Bond costs amortization	295,436	-	-	295,436	284,829
Other non-operating expenses	36,322	228,695	-	265,017	320,767
Total Non-Operating Expenses	8,036,483	228,695	-	8,265,178	9,119,484
Net Non-Operating Revenues	\$ 80,804,442	\$ 79,748,230	\$ 11,397	\$ 160,564,069	\$ 154,912,434
				(Exhibit 2)	(Exhibit 2)



South Texas College District
Schedule of Net Position by Source and Availability
Year Ended August 31, 2017 (With Totals for the Year Ended August 31, 2016)

	Detail by Source				
	Unrestricted	Restricted		Net Investment in Capital Assets	FY 2017 Total
		Expendable	Non-Expendable		
Current:					
Unrestricted	\$ 91,120,844	\$ -	\$ -	\$ -	\$ 91,120,844
Board designated	34,500,000	-	-	-	34,500,000
Restricted					
Student Aid		3,189,024	-	-	3,189,024
Instructional Programs		224,262	-	-	224,262
Institutional Activities		117,319	-	-	117,319
Auxiliary enterprises	4,351,497	-	-	-	4,351,497
Loan	-	1,284,796	-	-	1,284,796
Endowment:					
Quasi:					
Unrestricted	-	-	-	-	-
Restricted	-	-	-	-	-
Endowment					
True	-	-	339,455	-	339,455
Term (per instructions at maturity)	-	-	-	-	-
Life income contracts	-	-	-	-	-
Annuities	-	-	-	-	-
Plant:					
Unexpended	8,498,290	-	-	-	8,498,290
Renewals & replacements	24,044,195	-	-	-	24,044,195
Debt service	-	14,329,738	-	-	14,329,738
Investment in plant	-	-	-	214,396,469	214,396,469
Total Net Position, August 31, 2017	162,514,826	19,145,139	339,455	214,396,469	396,395,889
					(Exhibit 1)
Total Net Position, August 31, 2016	169,726,346	19,790,037	339,449	181,421,943	371,277,775
					(Exhibit 1)
Net Increase (Decrease) in Net Position	\$ (7,211,520)	\$ (644,898)	\$ 6	\$ 32,974,526	\$ 25,118,114
					(Exhibit 2)

Note: The Unexpended Plant Fund is earmarked in the fiscal year 2017 board approved budget for construction projects.
The Renewals & Replacements Plant Fund is earmarked in the fiscal year 2017 board approved budget for deferred maintenance projects.

Schedule D

Available for Current Operations

	Yes	No
\$	91,120,844	\$ -
	-	34,500,000
	-	3,189,024
	-	224,262
	-	117,319
	4,351,497	-
	-	1,284,796
	-	-
	-	-
	-	339,455
	-	-
	-	-
	-	-
	-	8,498,290
	-	24,044,195
	-	14,329,738
	-	214,396,469
	95,472,341	300,923,548
	88,843,211	282,434,564
\$	6,629,130	\$ 18,488,984



**South Texas College District
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2017**

Schedule E

Federal Grantor/Cluster/Program Title/Pass Through Grantor Pass-Through Grantor's Award Number	CFDA Number	Direct Awards	Expenditures Pass-Through Awards	Total
U.S. Department of Education				
Student Financial Assistance Cluster				
FSEOG	84.007	\$ 742,205	\$ -	\$ 742,205
Federal Work-Study Program	84.033	598,131	-	598,131
Federal Pell Grant Program	84.063	54,326,038	-	54,326,038
Total Student Financial Assistance Cluster		55,666,374	-	55,666,374
Higher Education Institutional Aid	84.031	661,702	-	661,702
Childcare Access Means Parents In School	84.335	212,218	-	212,218
Pass-Through From:				
Texas Workforce Commission				
Adult Education-Basic Grants to States 2315AEL000	17.258	-	31,239	31,239
Adult Education-Basic Grants to States 2316AEL000	17.259	-	191,774	191,774
Adult Education-Basic Grants to States 2916AEL013	84.002	-	253,327	253,327
Total		-	476,340	476,340
Texas Higher Education Coordinating Board Career and Technical Education-Basic Grants 17683	84.048	-	1,370,322	1,370,322
Education Research, Development and Dissemination 15516	84.305	-	8,505	8,505
Total U.S. Department of Education		56,540,294	1,855,167	58,395,461
U.S. Department of Health and Human Services				
Pass-Through From:				
University of Texas Rio Grande Valley Substance Abuse and Mental Health Services Projects of Regional and National Significance 5H79SP021371	93.243	-	2,808	2,808
Total U.S. Department of Health and Human Services		-	2,808	2,808
U.S. Department of Agriculture				
Pass-Through From:				
University of Texas Rio Grande Valley Hispanic Serving Institutions Education Grants 2015-38422-24061	10.223	-	23,431	23,431
Texas Department of Agriculture Child and Adult Care Food Program 03264	10.558	-	52,090	52,090
Total U.S. Department of Agriculture		-	75,521	75,521
U.S. Department of Defense				
Military Spouse Career Advancement	12.000	5,435	-	5,435
Total U.S. Department of Defense		5,435	-	5,435



South Texas College District
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2017

Schedule F

Grantor Agency/Program Title	Contract Number	Total Expenditures and Pass Through Disbursements
Texas Higher Education Coordinating Board		
Nursing Shortage Regular Program		\$ 81,123
Accelerate Texas-Adult Basic Education Innovation	14938	82,425
Accelerate Texas-Mentor College	15131	17,904
Comprehensive College Readiness and Success Models for 60x30TX	17435	32,304
Texas College Workstudy Program		159,407
TEXAS Grant I - Renewal Year		15,902
Texas Educational Opportunity Grant - Initial Year		1,703,802
Texas Educational Opportunity Grant - Renewal Year		635,076
Work-Study Mentorship Program	11843, 15565	56,250
T-STEM Scholarship	15149	174,496
State Cert Educational Aide SchP		6,611
Total Texas Higher Education Coordinating Board		2,965,300
University of Texas - San Antonio		
Texprep Program		16,923
Texas Association for Education of Young Children		1,580
Texas National Guard Tuition Assistance Program		5,260
Texas Holocaust and Genocide Commission		
Hate, Hope and Healing		4,000
Texas Workforce Commission		
Jobs and Education for Texans - Nursing	5535-19	176,130
Jobs and Education for Texans - Nursing	2317JET000	198,289
Skills for Small Business Program	2315SSD000	23,494
Skills for Small Business Program		31,795
Skills Development Fund #21	2315SDF000	110,540
Skills Development Fund #22	2316SDF000	142,824
Skills Development Fund #23		449,076
Skills Development Fund #24	2317SDF000	32,564
Total Texas Workforce Commission		1,164,712
Total State Financial Assistance		\$ 4,157,775
Note 1: State Assistance Reconciliation		
State Revenues - per Schedule A		\$ 4,023,301
Add: Indirect/Administrative Cost Recoveries - per Schedule A		53,351
Total State Revenues per Statement of Revenues, Expenses and Changes in Net Assets		4,076,652
Reconciling Item:		
Add: Revenue classified as Non Operating Professional Nursing Shortage Reduction		81,123
Total State Revenues per Schedule of Expenditures of State Awards		\$ 4,157,775



**South Texas College District
 Schedule of Expenditures of State Awards
 For the Year Ended August 31, 2017**

Schedule F

Grantor Agency/Program Title	Contract Number	Total Expenditures and Pass Through Disbursements
------------------------------	--------------------	---

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.

Note 3: Inkind Match

The Jobs and Education for Texans grant award 5535-19 and the Jobs and Education for Texans grant award 2317JET000 received an inkind match from South Texas College District in the amount of \$19,569.95 and 6,48.63, respectively. This amount was not included in the Schedule of Expenditures of Federal Awards but was included in the basic financial statements of the District.



**South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016**

Statistical Information

This part of South Texas College District's comprehensive annual 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.

Table of Contents

Page No.

Financial Trends

<i>Statistical Supplement 1</i>	
Net Position by Component -----	112-113
 <i>Statistical Supplement 2</i>	
Revenue by Source -----	114-117
 <i>Statistical Supplement 3</i>	
Program Expenses by Function -----	118-121
 <i>Statistical Supplement 19</i>	
Changes In Net Position -----	148-152

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

<i>Statistical Supplement 4</i>	
Tuition and Fees -----	122-123
 <i>Statistical Supplement 5</i>	
Assessed Value and Taxable Assessed Value of Property -----	124-126
 <i>Statistical Supplement 6</i>	
State Appropriation per FTSE and Contact Hour -----	127
 <i>Statistical Supplement 7</i>	
Principal Taxpayers -----	128-131
 <i>Statistical Supplement 8</i>	
Property Tax Levies and Collections -----	132-133
 <i>Statistical Supplement 20</i>	
Ad Valorem Tax Rates Authorized -----	153



**South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016**

Statistical Supplement 21
Property Tax Rates – All Direct and Overlapping Governments ----- 154-157

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

Debt Capacity

Statistical Supplement 9
Ratios of Outstanding Debt ----- 134-135

Statistical Supplement 10
Legal Debt Margin Information ----- 136

Statistical Supplement 11
Pledged Revenue Coverage ----- 137

Statistical Supplement 22
Computation of Direct and Overlapping Debt ----- 158-160

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

Statistical Supplement 12
Demographic and Economic Statistics – Taxing District ----- 138-139

Statistical Supplement 13
Principal Employers ----- 140

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

Statistical Supplement 14
Faculty, Staff, and Administrators Statistics ----- 141



South Texas College District
Comprehensive Annual Financial Report
Fiscal Years Ended August 31, 2017 and 2016

<i>Statistical Supplement 15</i>	
Enrollment Details -----	142-143
<i>Statistical Supplement 16</i>	
Student Profile -----	144-145
<i>Statistical Supplement 17</i>	
Transfers to Senior Institutions -----	146
<i>Statistical Supplement 18</i>	
Capital Asset Information -----	147

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.



SOUTH TEXAS
COLLEGE

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

For the Fiscal Year Ended August 31,

	For the Fiscal Year Ended August 31,			
	2017	2016	2015	2014
Net Position				
Net investment in capital assets	\$ 214,396,469	\$ 181,421,943	\$ 170,833,415	\$ 169,028,494
Restricted expendable	19,145,139	19,790,037	21,990,626	21,972,306
Restricted non-expendable	339,455	339,449	339,446	339,445
Unrestricted	162,514,826	169,726,346	147,038,865	146,201,266
Total Net Position	\$ 396,395,889	\$ 371,277,775	\$ 340,202,352	\$ 337,541,511

For the Fiscal Year Ended August 31,

2013	2012	2011	2010	2009	2008
\$ 162,064,429	\$ 156,914,256	\$ 147,207,945	\$ 136,773,512	\$ 113,996,844	\$ 99,425,786
20,325,155	17,978,771	17,161,889	16,906,861	14,027,153	12,741,856
339,444	340,664	346,360	346,050	346,041	332,230
133,119,225	117,854,250	92,402,854	75,665,289	74,119,953	69,192,197
\$ 315,848,253	\$ 293,087,941	\$ 257,119,048	\$ 229,691,712	\$ 202,489,991	\$ 181,692,069



SOUTH TEXAS
COLLEGE

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

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014
Operating Revenues				
Tuition and fees (net of discounts)	\$ 23,129,705	\$ 21,452,743	\$ 21,373,162	\$ 20,488,244
Federal grants and contracts	4,490,675	3,889,497	4,368,574	3,445,293
State grants and contracts	4,076,652	3,266,315	4,068,944	4,246,315
Local grants and contracts	6,102,604	5,063,983	1,099,573	1,118,054
Non-governmental grants and contracts	2,061,438	2,487,482	5,235,358	4,949,832
Auxiliary enterprises	1,833,407	1,893,838	1,773,325	1,835,353
General operating revenues	603,343	729,855	1,308,903	645,811
Total Operating Revenues	42,297,824	38,783,713	39,227,839	36,728,902
Non-Operating Revenues				
State allocations	45,315,830	46,077,235	42,858,200	42,766,020
Ad-valorem taxes - maintenance & operations	48,822,561	46,781,602	43,951,580	33,983,319
Ad-valorem taxes - debt service	15,652,143	15,016,847	14,105,277	12,291,870
Federal revenue, non-operating	55,666,373	54,858,852	54,881,496	55,351,962
Gifts	252,614	251,022	305,146	323,100
Investment income (net of investment expenses)	2,612,017	1,034,010	144,206	214,915
Gain on disposal of capital assets	5,575	12,350	-	-
Insurance proceeds	149,634	-	24,282	-
Other non-operating revenues	352,500	-	-	35,840
Total Non-Operating Revenues	168,829,247	164,031,918	156,270,187	144,967,026
Total Revenues	\$ 211,127,071	\$ 202,815,631	\$ 195,498,026	\$ 181,695,928

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009	2008
\$	21,051,377	\$ 19,583,509	\$ 18,281,708	\$ 17,153,615	\$ 16,561,311	\$ 15,075,608
	4,630,302	4,748,007	6,172,207	8,979,526	7,015,595	6,508,073
	5,160,704	6,794,060	6,335,567	6,711,706	5,412,226	4,292,294
	1,270,376	1,293,135	1,380,691	1,255,944	1,129,509	741,390
	3,113,960	2,740,134	2,796,686	2,200,618	1,594,568	1,555,367
	1,810,240	1,872,734	1,877,501	1,666,738	1,403,045	1,300,682
	621,264	439,642	545,846	1,988,232	2,280,483	1,129,049
	37,658,223	37,471,221	37,390,206	39,956,379	35,396,737	30,602,463
	38,977,829	37,017,673	36,676,953	37,514,938	33,173,275	32,857,808
	32,403,363	33,244,142	33,798,861	34,314,946	33,731,408	30,822,108
	12,030,232	12,276,741	12,187,090	12,197,541	12,212,764	12,319,291
	57,151,307	61,950,136	66,972,554	59,089,947	34,498,524	28,470,310
	351,843	418,605	309,868	663,193	775,113	519,842
	389,519	417,075	327,497	388,426	1,335,180	2,627,475
	-	2,793	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	141,304,093	145,327,165	150,272,823	144,168,991	115,726,264	107,616,834
\$	178,962,316	\$ 182,798,386	\$ 187,663,029	\$ 184,125,370	\$ 151,123,001	\$ 138,219,297

(Continued)



SOUTH TEXAS
COLLEGE

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

	For the Fiscal Year Ended August 31,			
	2017	2016	2015	2014
Operating Revenues				
Tuition and fees (net of discounts)	10.95%	10.58%	10.93%	11.28%
Federal grants and contracts	2.13%	1.92%	2.24%	1.90%
State grants and contracts	1.93%	1.61%	2.08%	2.34%
Local grants and contracts	2.89%	2.50%	0.56%	0.61%
Non-governmental grants and contracts	0.98%	1.22%	2.68%	2.72%
Auxiliary enterprises	0.87%	0.93%	0.91%	1.01%
General operating revenues	0.29%	0.36%	0.67%	0.35%
Total Operating Revenues	20.04%	19.12%	20.07%	20.21%
Non-Operating Revenues				
State allocations	21.46%	22.72%	21.92%	23.54%
Ad-valorem taxes - maintenance & operations	23.12%	23.07%	22.48%	18.70%
Ad-valorem taxes - debt service	7.41%	7.40%	7.22%	6.77%
Federal revenue, non-operating	26.37%	27.05%	28.07%	30.46%
Gifts	0.12%	0.12%	0.16%	0.18%
Investment income (net of investment expenses)	1.24%	0.51%	0.07%	0.12%
Gain on disposal of capital assets	-	0.01%	-	-
Insurance proceeds	0.07%	-	0.01%	-
Other non-operating revenues	0.17%	-	-	0.02%
Total Non-Operating Revenues	79.96%	80.88%	79.93%	79.79%
Total Revenues	100.00%	100.00%	100.00%	100.00%

Notes:

Change in Net position reflected on Statistical Supplement 19.

(Continued)

For the Fiscal Year Ended August 31,

2013	2012	2011	2010	2009	2008
11.76%	10.71%	9.74%	9.31%	10.96%	10.90%
2.59%	2.60%	3.29%	4.88%	4.64%	4.71%
2.88%	3.72%	3.38%	3.64%	3.58%	3.10%
0.71%	0.71%	0.74%	0.68%	0.75%	0.54%
1.74%	1.50%	1.49%	1.20%	1.06%	1.13%
1.01%	1.02%	1.00%	0.91%	0.93%	0.94%
0.35%	0.24%	0.28%	1.08%	1.51%	0.82%
21.04%	20.50%	19.92%	21.70%	23.43%	22.14%
21.78%	20.25%	19.55%	20.37%	21.95%	23.77%
18.11%	18.19%	18.01%	18.65%	22.32%	22.30%
6.72%	6.71%	6.49%	6.62%	8.08%	8.91%
31.93%	33.89%	35.69%	32.09%	22.83%	20.60%
0.20%	0.23%	0.17%	0.36%	0.51%	0.38%
0.22%	0.23%	0.17%	0.21%	0.88%	1.90%
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
78.96%	79.50%	80.08%	78.30%	76.57%	77.86%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



SOUTH TEXAS
COLLEGE

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

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014
Operating Expenses				
Instruction	\$ 70,879,518	\$ 66,249,496	\$ 60,820,171	\$ 59,447,106
Research	-	-	-	-
Public service	709,252	912,507	1,205,480	829,711
Academic support	17,101,884	16,333,241	15,281,478	13,980,994
Student services	11,228,507	11,477,740	10,969,940	10,403,814
Institutional support	26,074,787	23,138,061	21,790,954	19,813,087
Operations and maintenance of plant	15,977,259	14,064,638	13,675,484	12,563,250
Scholarships and fellowships	26,028,594	26,432,169	27,815,696	27,692,817
Auxiliary enterprises	2,529,295	1,562,463	1,403,408	1,388,716
Depreciation	7,262,313	6,966,274	6,759,801	6,731,486
Total Operating Expenses	177,791,409	167,136,589	159,722,412	152,850,981
Non-Operating Expenses				
Interest on capital related debt	4,150,374	6,602,765	5,964,767	1,340,664
Loss on sale/disposal/return on capital assets	5,886	-	240,389	10,154
Non-capital construction costs	3,548,465	1,911,123	1,731,576	1,715,994
Bond costs amortization	295,436	284,829	1,166,614	873,317
Other non-operating expenses	265,017	320,767	274,655	208,684
Total Non-Operating Expenses	8,265,178	9,119,484	9,378,001	4,148,813
Total Expenses	\$ 186,056,587	\$ 176,256,073	\$ 169,100,413	\$ 156,999,794

Notes:

Other non-operating expenses were segregated into separate categories for FY 2008 - FY 2017.
The segregation is not reflected in the previous years.

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009	2008
\$	57,766,578	\$ 53,899,805	\$ 57,359,050	\$ 55,454,200	\$ 48,698,353	\$ 42,291,067
	4,516	67,273	6,303	-	-	-
	903,735	736,507	640,673	2,460,617	2,637,239	2,924,649
	12,775,912	11,551,178	12,035,474	9,565,508	9,271,172	8,241,265
	10,090,241	9,681,946	9,939,104	10,264,591	9,070,935	8,057,220
	21,108,957	19,494,885	20,293,881	19,044,676	17,197,508	15,303,315
	9,486,934	9,459,757	10,270,614	10,437,077	10,356,102	9,336,528
	28,724,249	31,873,082	39,320,494	37,212,122	23,176,417	19,424,919
	1,383,521	1,418,145	1,421,243	1,524,084	1,498,378	655,258
	6,589,876	6,414,932	6,265,826	5,923,105	5,848,873	5,391,971
	148,834,519	144,597,510	157,552,662	151,885,980	127,754,977	111,626,192
	1,513,884	1,821,871	2,054,633	2,986,702	3,186,226	3,046,995
	217	-	3,500	4,698	77,747	-
	849,455	1,400,934	464,503	2,268,529	1,038,216	735,663
	566,261	536,677	496,724	353,037	353,037	353,211
	290,477	500,835	396,032	673,262	706,561	426,718
	3,220,294	4,260,317	3,415,392	6,286,228	5,361,787	4,562,587
\$	152,054,813	\$ 148,857,827	\$ 160,968,054	\$ 158,172,208	\$ 133,116,764	\$ 116,188,779

(Continued)



SOUTH TEXAS
COLLEGE

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

	For the Fiscal Year Ended August 31,			
	2017	2016	2015	2014
Operating Expenses				
Instruction	38.10%	37.59%	35.97%	37.86%
Research	-	-	-	-
Public service	0.38%	0.52%	0.71%	0.53%
Academic support	9.19%	9.27%	9.03%	8.91%
Student services	6.04%	6.51%	6.49%	6.63%
Institutional support	14.01%	13.13%	12.88%	12.62%
Operations and maintenance of plant	8.59%	7.98%	8.09%	8.00%
Scholarships and fellowships	13.99%	15.00%	16.45%	17.64%
Auxiliary enterprises	1.36%	0.88%	0.83%	0.88%
Depreciation	3.90%	3.95%	4.00%	4.29%
Total Operating Expenses	95.56%	94.83%	94.45%	97.36%
Non-Operating Expenses				
Interest on capital related debt	2.23%	3.75%	3.53%	0.85%
Loss on sale/disposal/return on capital assets	-	-	0.14%	0.01%
Non-capital construction costs	1.91%	1.08%	1.03%	1.09%
Bond costs amortization	0.16%	0.16%	0.69%	0.56%
Other non-operating expenses	0.14%	0.18%	0.16%	0.13%
Total Non-Operating Expenses	4.44%	5.17%	5.55%	2.64%
Total Expenses	100.00%	100.00%	100.00%	100.00%

Notes:

Change in Net Position reflected on Statistical Supplement 19.

Other non-operating expenses were segregated into separate categories for FY 2008 - FY 2017.

The segregation is not reflected in the previous years.

(Continued)

For the Fiscal Year Ended August 31,

2013	2012	2011	2010	2009	2008
37.99%	36.22%	35.63%	35.13%	36.58%	36.40%
-	0.05%	-	-	-	-
0.59%	0.49%	0.40%	1.56%	1.98%	2.52%
8.40%	7.76%	7.48%	6.06%	6.96%	7.09%
6.64%	6.50%	6.17%	6.50%	6.82%	6.93%
13.88%	13.10%	12.61%	12.06%	12.92%	13.17%
6.24%	6.35%	6.38%	6.61%	7.78%	8.04%
18.89%	21.41%	24.43%	23.57%	17.41%	16.72%
0.91%	0.95%	0.88%	0.97%	1.13%	0.56%
4.34%	4.31%	3.89%	3.75%	4.39%	4.64%
97.88%	97.14%	97.87%	96.21%	95.97%	96.07%
1.00%	1.22%	1.28%	1.70%	2.39%	2.63%
-	-	-	-	0.06%	-
0.56%	0.94%	0.29%	1.44%	0.78%	0.63%
0.37%	0.36%	0.31%	0.22%	0.27%	0.30%
0.19%	0.34%	0.25%	0.43%	0.53%	0.37%
2.12%	2.86%	2.13%	3.79%	4.03%	3.93%
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
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	-
2010	90/150	63	76	16	12	-
2009	90/150	63	76	12	7	-
2008	90/150	59	76	10	5	-
2007	90/150	59	76	7	-	-

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
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	-
2010	90/125	202	202	16	12	-
2009	90/125	202	202	12	7	-
2008	90/125	202	202	10	5	-
2007	85/120	202	202	7	-	-

Sources:
South Texas College District Student Guide

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.

	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
\$	1,408/1,468	\$ 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	0.00%	0.00%
	1,230/1,290	1,339/1,399	4.06%	0.00%
	1,182/1,217	1,339/1,374	10.06%	8.77%
	1,074/1,109	1,231/1,266	9.82%	4.15%
	978/1,013	1,182/1,217	11.52%	9.34%
	877/912	1,081/1,116	1.39%	1.12%

	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase From Prior Year Out-of-State	Increase From Prior Year International
\$	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	0.00%	0.00%
	2,850/2,910	2,850/2,910	0.00%	0.00%
	2,850/2,885	2,850/2,885	3.94%	3.94%
	2,742/2,777	2,742/2,777	1.78%	1.78%
	2,694/2,729	2,694/2,729	3.90%	3.90%
	2,593/2,628	2,593/2,628	0.46%	0.46%



SOUTH TEXAS
COLLEGE

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)
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
2010-11	38,564,676,317	8,008,313,427	466,703,913	30,089,658,977
2009-10	38,657,894,136	7,884,586,948	469,123,962	30,304,183,226
2008-09	36,065,859,928	6,466,957,338	665,408,883	28,933,493,707
2007-08	33,049,275,732	6,097,590,820	422,452,344	26,529,232,568

Sources:

Hidalgo County and Starr County Tax Assessor & Collector

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.

Direct Rate

Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations (a)	Debt Service (a)	Total (a)
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
78.02%	0.1100	0.0397	0.1497
78.39%	0.1100	0.0391	0.1491
80.22%	0.1100	0.0398	0.1498
80.27%	0.1100	0.0440	0.1540



SOUTH TEXAS COLLEGE

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Statistical Supplement 6
State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
 (unaudited)

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE (a&b)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a&b)	Total Contact Hours	State Appropriation per Contact Hour
2016-17	\$ 36,728,883	22,646	\$ 1,622	9,118,640	3,552,731	12,671,371	\$ 2.90
2015-16	37,642,320	26,282	1,432	9,037,632	3,901,079	12,938,711	2.91
2014-15	35,334,195	25,498	1,386	8,283,144	4,199,556	12,482,700	2.83
2013-14	35,334,195	25,508	1,385	8,269,360	4,169,970	12,439,330	2.84
2012-13	33,527,444	23,007	1,457	8,276,552	3,696,382	11,972,934	2.80
2011-12	31,810,174	20,612	1,543	8,112,432	3,296,181	11,408,613	2.79
2010-11	27,944,746	20,282	1,378	8,185,840	3,076,852	11,262,692	2.48
2009-10	28,236,264	20,442	1,381	7,755,466	3,218,188	10,973,654	2.57
2008-09	25,271,072	15,956	1,584	6,123,504	2,639,854	8,763,358	2.88
2007-08	25,271,074	14,762	1,712	5,617,712	2,193,404	7,811,116	3.24

Sources:

- (a) Source CBM001
- (b) Source CBM00A

Notes:

FTSE is calculated by summing total credit hours taken by academic students divided by 30 and contact hours taken by continuing education students divided by 120.
 Data for BAT is not reflected in this supplement.



SOUTH TEXAS
COLLEGE

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

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year			
		2017	2016	2015	2014
Los Vientos Windpower III, LLC	Electric Utility	\$ 325,864,600	\$ 227,904,960	\$ -	\$ -
AEP Texas Central Co.	Electric Utility	294,465,210	294,682,640	261,746,510	240,344,300
Simon Property Group - McAllen No.2	Development	121,013,266	115,303,024	85,303,024	61,802,878
OXY USA Inc.	Oil & Gas	120,816,900	379,446,207	480,051,211	417,907,900
H. E. Butt Grocery Company	Grocery Chain	106,142,740	105,032,930	104,974,764	99,587,906
Los Vientos Windpower V, LLC	Electric Utility	86,150,000	-	-	-
CPG Mercedes LP	Real Estate	71,900,000	71,900,000	71,900,000	59,259,989
South Texas Elec Coop-Red Gate	Electric Utility	71,187,500	-	-	-
Frontera Generation LTD	Land & Improv	61,378,270	60,508,140	67,964,220	63,178,400
Net Pipeline Partners LLC	Pipeline	61,062,170	-	-	-
Wal-Mart Stores ¹	Retail Store	58,267,204	83,501,468	111,616,706	110,650,697
Rio Grande Regional Hospital	Hospital	54,728,656	54,415,269	54,415,269	56,328,437
Calpine Const Fin (Magic VY GN)	Electric Utility	54,720,720	61,014,790	65,093,830	64,184,330
Day Surgery at Renaissance LLC ²	Healthcare	49,580,969	94,283,759	96,644,921	87,177,604
Southwestern Bell Telephone	Utility	48,706,030	-	51,319,700	53,302,090
Sharyland Utilities LP	Electric Utility	-	64,409,510	67,452,860	56,941,250
Cantera Operating LLC	Real Estate	-	63,232,029	64,113,853	-
NET Mexico Pipeline	Pipeline	-	50,433,870	-	-
Universal Health Services	Healthcare	-	46,786,593	46,786,593	52,246,584
Palm Crossing Town Center LLC	Real Estate	-	-	41,915,932	-
El Paso Production Oil & Gas	Oil & Gas	-	-	-	86,226,095
Legend Natural Gas LLP	Oil & Gas	-	-	-	62,055,660
Chevron U.S.A. Inc.	Oil & Gas	-	-	-	-
Kerr-McGee Oil & Gas Onshore	Oil & Gas	-	-	-	-
Shell Western E&G Inc.	Oil & Gas	-	-	-	-
Smith Production Inc.	Oil & Gas	-	-	-	-
Chesapeake Operating	Oil & Gas	-	-	-	-
Trenton Street Corporation	Real Estate	-	-	-	-
Shell Western E&P (Total E&P)	Oil & Gas	-	-	-	-
Wal-Mart Stores East, Inc. #452	Retail Store	-	-	-	-
Newfield Exploration Company	Oil & Gas	-	-	-	-
Totals		1,585,984,235	1,772,855,189	1,671,299,393	1,571,194,120
Total Taxable Assessed Value		\$ 34,902,217,340	\$ 33,304,492,691	\$ 30,965,159,425	\$ 30,246,199,691

Sources:

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

South Texas College District CAFR (Fiscal Year Ended August 31, 2017): Note 17 - Ad Valorem Tax

Notes:

1) Includes Wal-Mart Stores Texas LLC, Wal-Mart Real Estate Business TR, and Wal-Mart Store #1958.

2) Includes Day Surgery at Renaissance LLC and Day Surgery at Renaissance.

Taxable Assessed Value (TAV) by Tax Year

2013	2012	2011	2010	2009	2008
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
193,373,940	186,023,180	174,591,370	174,591,370	173,471,710	159,251,780
51,503,892	50,708,897	50,944,799	50,944,799	-	51,557,233
379,637,700	570,009,910	-	-	-	-
97,514,949	100,817,846	114,289,734	114,289,734	117,156,504	95,953,669
-	-	-	-	-	-
59,589,853	59,589,853	60,625,220	60,625,220	-	-
-	-	-	-	-	-
69,157,000	70,561,190	82,100,300	82,100,300	82,417,210	99,208,230
-	-	-	-	-	-
87,206,008	85,068,298	104,810,618	104,810,618	107,262,492	-
56,871,910	52,965,623	66,677,559	66,677,559	67,737,830	61,468,351
73,089,400	69,200,480	87,490,000	87,490,000	97,713,920	113,654,620
88,878,995	-	-	-	-	-
54,950,030	70,080,780	93,005,380	93,005,380	98,438,720	110,118,990
51,663,190	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
53,599,944	54,844,645	83,905,804	83,905,804	86,464,634	88,442,154
-	-	-	-	-	-
110,119,062	123,772,278	233,251,590	233,251,590	310,057,070	358,107,640
78,265,270	66,012,120	-	-	-	-
-	52,344,210	194,500,240	194,500,240	456,481,610	219,565,590
-	48,146,650	107,433,880	107,433,880	-	-
-	-	697,953,120	697,953,120	598,628,940	572,030,780
-	-	153,359,110	153,359,110	166,694,640	-
-	-	-	-	91,207,190	-
-	-	-	-	58,908,315	72,528,462
-	-	-	-	56,191,760	62,130,020
-	-	-	-	-	95,159,294
-	-	-	-	-	51,796,170
1,505,421,143	1,660,145,960	2,304,938,724	2,304,938,724	2,568,832,545	2,210,972,983
\$ 29,645,534,071	\$ 29,518,175,339	\$ 30,089,658,977	\$ 30,304,183,226	\$ 28,933,493,707	\$ 26,529,232,568

(Continued)



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

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year			
		2017	2016	2015	2014
Los Vientos Windpower III, LLC	Electric Utility	0.93%	0.68%	-	-
AEP Texas Central Co.	Electric Utility	0.84%	0.88%	0.85%	0.79%
Simon Property Group - McAllen No.2	Development	0.35%	0.35%	0.28%	0.20%
OXY USA Inc.	Oil & Gas	0.35%	1.14%	1.55%	1.38%
H. E. Butt Grocery Company	Grocery Chain	0.30%	0.32%	0.34%	0.33%
Los Vientos Windpower V, LLC	Electric Utility	0.25%	-	-	-
CPG Mercedes LP	Real Estate	0.21%	0.22%	0.23%	0.20%
South Texas Elec Coop-Red Gate	Electric Utility	0.20%	-	-	-
Frontera Generation LTD	Land & Improvements	0.18%	0.18%	0.22%	0.21%
Net Pipeline Partners LLC	Pipeline	0.17%	-	-	-
Wal-Mart Stores ¹	Retail Store	0.17%	0.25%	0.36%	0.37%
Rio Grande Regional Hospital	Hospital	0.16%	0.16%	0.18%	0.19%
Calpine Construction Finance Co. LP	Electric Utility	0.16%	0.18%	0.21%	0.21%
Day Surgery at Renaissance LLC ²	Healthcare	0.14%	0.28%	0.31%	0.29%
Southwestern Bell Telephone	Utility	0.14%	-	0.17%	0.18%
Sharyland Utilities LP	Electric Utility	-	0.19%	0.22%	0.19%
Cantera Operating LLC	Real Estate	-	0.19%	0.21%	-
NET Mexico Pipeline	Pipeline	-	0.15%	-	-
Universal Health Services	Healthcare	-	0.14%	0.15%	0.17%
Palm Crossing Town Center LLC	Real Estate	-	-	0.14%	-
El Paso Production Oil & Gas	Oil & Gas	-	-	-	0.29%
Legend Natural Gas LLP	Oil & Gas	-	-	-	0.21%
Chevron U.S.A. Inc.	Oil & Gas	-	-	-	-
Kerr-McGee Oil & Gas Onshore	Oil & Gas	-	-	-	-
Shell Western E&G Inc.	Oil & Gas	-	-	-	-
Smith Production Inc.	Oil & Gas	-	-	-	-
Chesapeake Operating	Oil & Gas	-	-	-	-
Trenton Street Corporation	Real Estate	-	-	-	-
Shell Western E&P (Total E&P)	Oil & Gas	-	-	-	-
Wal-Mart Stores East, Inc. #452	Retail Store	-	-	-	-
Newfield Exploration Company	Oil & Gas	-	-	-	-
Totals		4.55%	5.31%	5.42%	5.21%

Sources:

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

(Continued)

% of Taxable Assessed Value (TAV) by Tax Year					
2013	2012	2011	2010	2009	2008
-	-	-	-	-	-
0.65%	0.63%	0.58%	0.58%	0.60%	0.64%
0.17%	0.17%	0.17%	0.17%	-	0.21%
1.28%	1.93%	-	-	-	-
0.33%	0.34%	0.38%	0.38%	0.40%	0.39%
-	-	-	-	-	-
0.20%	0.20%	0.20%	0.20%	-	-
-	-	-	-	-	-
0.23%	0.24%	0.27%	0.27%	0.28%	0.40%
-	-	-	-	-	-
0.29%	0.29%	0.35%	0.35%	0.37%	-
0.19%	0.18%	0.22%	0.22%	0.23%	0.25%
0.25%	0.23%	0.29%	0.29%	0.34%	0.46%
0.30%	-	-	-	-	-
0.19%	0.24%	0.31%	0.31%	0.34%	0.44%
0.17%	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
0.18%	0.19%	0.28%	0.28%	0.30%	0.36%
-	-	-	-	-	-
0.37%	0.42%	0.77%	0.77%	1.07%	1.45%
0.26%	0.22%	-	-	-	-
-	0.18%	0.64%	0.64%	1.57%	0.89%
-	0.16%	0.36%	0.36%	-	-
-	-	2.31%	2.31%	2.06%	2.31%
-	-	0.51%	0.51%	0.57%	-
-	-	-	-	0.31%	-
-	-	-	-	0.20%	0.29%
-	-	-	-	0.19%	0.25%
-	-	-	-	-	0.38%
-	-	-	-	-	0.21%
5.06%	5.62%	7.64%	7.64%	8.83%	8.93%



SOUTH TEXAS
COLLEGE

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

Fiscal Year Ended August 31,	Levy (a)	Cumulative Levy Adjustment**	Adjusted Tax Levy (b)	Collections Year of Levy (c)	Percentage
2017	\$ 63,195,313	\$ (119,350)	\$ 63,075,963	\$ 59,624,975	94.35%
2016	60,279,269	275,666	60,554,935	57,139,510	94.79%
2015	56,134,038	735,685	56,869,723	53,732,185	95.72%
2014	45,078,972	131,305	45,210,277	42,542,880	94.37%
2013	44,351,826	(110,295)	44,241,531	41,562,746	93.71%
2012	44,227,775	(127,358)	44,100,417	41,368,696	93.54%
2011	44,806,807	(61,798)	44,745,009	41,594,864	92.83%
2010	44,968,114	126,215	45,094,329	41,700,948	92.73%
2009	43,218,654	1,404,876	44,623,530	41,017,803	94.91%
2008	40,856,871	664,461	41,521,332	38,370,024	93.91%

Sources:

Hidalgo County and Starr County Tax Assessor/Collector and the District's records

(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

Total Collections = c + d + e + f

Notes:

*Includes rollback total collections

**Modifications to Levy provided by Hidalgo and Starr County, and Beginning Balance Adjustments

Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Penalty & Interest Collections (f)	Total Collections (g = c + d + e + f)	Cumulative Collections of Adjusted Levy (h = g / b)
\$ -	\$ -	\$ 697,181	\$ 60,322,156	95.63%
-	1,564,513 *	332,558 *	59,036,581	97.49%
1,401,132 *	490,219	175,722	55,799,258	98.12%
1,625,020	214,202	99,993	44,482,095	98.39%
1,915,861	131,139	75,607	43,685,353	98.74%
2,050,125	85,022	60,545	43,564,388	98.78%
2,480,501	65,009	54,985	44,195,359	98.77%
2,839,244	49,114	48,206	44,637,512	98.99%
3,133,953	37,637	43,556	44,232,949	99.12%
2,832,914	31,732	36,345	41,271,015	99.40%



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

For the Year Ended August 31,

	2017	2016	2015	2014
General Bonded Debt				
General obligation bonds	\$ 167,532,403	\$ 178,297,054	\$ 188,761,705	\$ 97,817,879
Notes	-	-	-	-
Less: Funds restricted for debt service	(14,329,738)	(15,223,843)	(17,161,084)	(17,635,362)
Net General Bonded Debt	153,202,665	163,073,211	171,600,621	80,182,517
Other Debt				
Revenue bonds	-	-	-	-
Notes	-	-	-	-
Capital lease obligations	-	-	-	-
Total Outstanding Debt	\$ 167,532,403	\$ 178,297,054	\$ 188,761,705	\$ 97,817,879

General Bonded Debt Ratios

Per Capita (a)	\$ 153.34	\$ 179.27	\$ 191.20	\$ 90.61
Per FTSE (b)	6,765	6,205	6,730	3,143
As a percentage of taxable assessed value (c)	0.44%	0.49%	0.55%	0.27%
As a percentage of personal income (d)	0.62%	0.76%	0.87%	0.43%

Total Outstanding Debt Ratios

Per Capita (a)	\$ 167.69	\$ 196.01	\$ 210.33	\$ 110.54
Per FTSE (b)	7,398	6,784	7,403	3,835
As a percentage of taxable assessed value (c)	0.48%	0.54%	0.61%	0.32%
As a percentage of personal income (d)	0.68%	0.83%	0.96%	0.52%

Notes:

- (a) Ratio calculated using current year district population from Statistical Supplement 12
- (b) Ratios calculated using the FTSE from Statistical Supplement 6
- (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,

2013	2012	2011	2010	2009	2008
\$ 47,249,685	\$ 56,569,741	\$ 65,994,008	\$ 73,749,384	\$ 81,837,974	\$ 89,621,562
-	-	-	-	-	-
(16,294,897)	(14,493,499)	(13,204,788)	(11,946,974)	(10,475,704)	(8,974,272)
30,954,788	42,076,242	52,789,220	61,802,410	71,362,270	80,647,290
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 47,249,685	\$ 56,569,741	\$ 65,994,008	\$ 73,749,384	\$ 81,837,974	\$ 89,621,562

\$ 35.43	\$ 48.87	\$ 62.23	\$ 73.95	\$ 83.42	\$ 99.23
1,345	2,041	2,603	3,023	4,472	5,463
0.10%	0.14%	0.18%	0.20%	0.25%	0.30%
0.17%	0.35%	0.62%	0.75%	0.83%	0.98%

\$ 54.08	\$ 65.70	\$ 77.80	\$ 88.24	\$ 95.66	\$ 110.27
2,054	2,745	3,254	3,608	5,129	6,071
0.16%	0.19%	0.22%	0.24%	0.28%	0.34%
0.26%	0.47%	0.77%	0.90%	0.96%	1.09%



SOUTH TEXAS
COLLEGE

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
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%)
2011	30,089,658,977	150,448,295	(13,204,788)	137,243,507	(11,148,943)	126,094,565	(1.37%)
2010	30,304,183,226	151,520,916	(11,946,974)	139,573,942	(11,150,535)	128,423,407	(0.53%)
2009	28,933,493,707	144,667,469	(10,475,704)	134,191,765	(11,146,701)	123,045,064	0.46%
2008	26,529,232,568	132,646,163	(8,974,272)	123,671,891	(11,147,686)	112,524,205	1.64%

Sources:

Texas Education Code Section 130.122
Hidalgo County and Starr County Tax Assessor and Collector

Notes:

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



**SOUTH TEXAS
COLLEGE**

**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.



SOUTH TEXAS
COLLEGE

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)	Hidalgo County Median Household Money Income (b)	District Median Household Money Income (d = (b+c) / 2)	Hidalgo County Personal Income Per Capita (e)	Hidalgo County Personal Income Per Capita (e)	Hidalgo County Personal Income Per Capita (e)
2017	999,080 (7)	\$ 38,795 (5)	\$ 29,456 (5)	\$ 34,126	\$ 24,579 (1,6)	\$ 24,540 (1,6)	
2016	909,653 (7)	36,620 (5)	27,007 (5)	31,814	23,753 (1,6)	23,215 (1,6)	
2015	897,472 (2)	35,036 (5)	25,696 (5)	30,366	23,073 (1,6)	20,811 (1,6)	
2014	884,888 (2)	34,140 (5)	26,714 (5)	30,427	22,400 (1,6)	19,866 (1,6)	
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)	
2011	848,228 (2)	33,558 (4)	19,931 (4)	26,745	12,056 (4)	8,099 (4)	
2010	835,737 (2,3)	30,593 (4)	19,536 (4)	25,065	11,769 (4)	7,908 (4)	
2009	855,503 (7)	30,863 (4)	19,493 (4)	25,178	12,009 (4)	7,980 (4)	
2008	812,734 (7)	30,932 (4)	19,430 (4)	25,181	12,276 (4)	7,986 (4)	

Sources:

- (1) Texas Labor Market Information (TWC)
- (2) Office of the State Demographer
- (3) U.S. Census Bureau
- (4) Economic Development Intelligence System
- (5) Zoom Prospector
- (6) FRED Economic Data & Research - Federal Reserve Bank of St. Louis
- (7) First Southwest Company

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 (1) (m)
\$ 24,560	\$ 24,537,405	8.00% (1)	11.10% (1)	9.55%	4.50% (1)	4.50%
23,484	21,362,291	8.40% (1, 7)	14.10% (1, 7)	11.25%	5.00% (1, 7)	5.00%
21,942	19,692,331	8.00% (1, 7)	13.20% (1, 7)	10.60%	4.50% (1, 7)	5.20%
21,133	18,700,338	9.15% (1, 7)	13.45% (1, 7)	11.30%	5.10% (1, 7)	5.70%
20,428	17,848,250	10.80% (1, 7)	15.00% (1, 7)	12.90%	6.35% (1, 7)	7.30%
14,126	12,162,373	11.70% (1, 7)	14.70% (1, 7)	13.20%	7.05% (1, 7)	8.20%
10,078	8,548,442	12.60% (1, 7)	16.80% (1, 7)	14.70%	8.50% (1, 7)	9.10%
9,839	8,222,816	12.10% (1, 7)	17.90% (1, 7)	15.00%	8.50% (1, 7)	9.60%
9,995	8,550,752	11.60% (1, 7)	17.80% (1, 7)	14.70%	8.30% (1, 7)	9.80%
10,131	8,233,808	7.90% (1, 7)	10.90% (1, 7)	9.40%	5.10% (1, 7)	6.10%



Statistical Supplement 13
Principal Employers
(unaudited)

Employer	2017		Employer	2008	
	Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment
Wal-Mart ^{1*}	5,855	1.77%	Edinburg Consolidated I.S.D.	3,600	1.65%
Edinburg Consolidated I.S.D.	4,813	1.45%	Wal-Mart ⁴	3,460	1.59%
H-E-B ^{2*}	4,618	1.40%	McAllen Independent School District	3,451	1.58%
Pharr-San Juan-Alamo I.S.D.	4,297	1.30%	Edinburg Regional Medical Center	3,000	1.37%
Doctor's Hospital at Renaissance	3,968	1.20%	University of Texas - Pan American	2,850	1.31%
Hidalgo County ³	3,910	1.18%	Hidalgo County	2,211	1.01%
McAllen Consolidated I.S.D.	3,422	1.03%	Mission Consolidated I.S.D.	2,140	0.98%
Edinburg Regional Medical Center	3,000	0.91%	City of McAllen	1,801	0.83%
University of Texas Rio Grande Valley	2,850	0.86%	McAllen Medical Center	1,700	0.78%
Rio Grande City I.S.D.*	2,250	0.68%	South Texas College	1,689	0.77%
Totals	38,983	11.78%	Totals	25,902	11.87%

Sources:

Hidalgo County 2016 CAFR
Starr County Industrial Foundation

Notes:

Total employment as of August 2017 for the district was 330,858. Based on latest economic indicators, provided by the Texas Workforce Commission for Texas Labor Market Information.

- (1) Includes stores in Hidalgo and Starr County. Hidalgo County data not found for 2016, used 2015.
- (2) Includes stores in Hidalgo and Starr County. Hidalgo County data not found for 2016, used 2015.
- (3) Total number of employees includes Hidalgo County and County related agencies.
- (4) Partial information received from retail store.
- (*) Starr County employee data presented in range; calculated median for each employer.



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

	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Faculty										
Full-Time	618	598	586	420	530	526	552	446	437	428
Part-Time	426	397	135	177	146	192	197	194	170	252
Total	1,044	995	721	597	676	718	749	640	607	680
Percent										
Full-Time	59.2%	60.1%	81.3%	70.4%	78.4%	73.3%	73.7%	69.7%	72.0%	62.9%
Part-Time	40.8%	39.9%	18.7%	29.6%	21.6%	26.7%	26.3%	30.3%	28.0%	37.1%
Staff and Administrators										
Full-Time	913	846	808	794	698	710	720	718	675	596
Part-Time	467	415	522	547	446	426	408	428	428	404
Total	1,380	1,261	1,330	1,341	1,144	1,136	1,128	1,146	1,103	1,000
Percent										
Full-Time	66.2%	67.1%	60.8%	59.2%	61.0%	62.5%	63.8%	62.7%	61.2%	59.6%
Part-Time	33.8%	32.9%	39.2%	40.8%	39.0%	37.5%	36.2%	37.3%	38.8%	40.4%
FTSE per Full-time Faculty	36.6	43.9	43.5	60.7	43.4	39.2	36.7	45.8	36.5	34.5
FTSE per Full-Time Staff Member	24.8	31.1	31.6	32.1	33.0	29.0	28.2	28.5	23.6	24.8
FTSE*	22,646	26,282	25,498	25,508	23,007	20,612	20,282	20,442	15,956	14,762
Average Annual Faculty Salary**	\$ 43,844	\$ 43,234	\$ 55,811	\$ 66,383	\$ 56,701	\$ 52,051	\$ 52,435	\$ 56,880	\$ 52,830	\$ 44,391

Sources:
South Texas College District Office of Human Resources

Notes:
*FTSE was obtained from Statistical Supplement 6.
**Average annual faculty salary includes annualized salaries for faculty under nine month contract.



SOUTH TEXAS
COLLEGE

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

Student Classification	Academic									
	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	22,276	67.41%	23,509	69.16%	20,911	67.79%	20,746	68.59%	20,391	68.40%
31-60 hours	8,884	26.89%	8,549	25.15%	7,996	25.92%	8,353	27.62%	8,391	28.15%
> 60 hours	1,884	5.70%	1,936	5.69%	1,942	6.29%	1,147	3.79%	1,030	3.45%
Total	33,044	100.00%	33,994	100.00%	30,849	100.00%	30,246	100.00%	29,812	100.00%

Semester Hour Load	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	132	0.40%	83	0.24%	79	0.26%	85	0.28%	105	0.35%
3-5 semester hours	8,906	26.95%	9,918	29.18%	8,377	27.15%	8,239	27.24%	7,729	25.93%
6-8 semester hours	8,408	25.44%	8,376	24.64%	7,416	24.04%	7,016	23.20%	6,867	23.03%
9-11 semester hours	6,531	19.76%	6,465	19.02%	6,274	20.34%	5,829	19.27%	5,838	19.58%
12-14 semester hours	7,673	23.22%	7,686	22.61%	7,483	24.26%	7,545	24.95%	7,991	26.80%
15-17 semester hours	1,236	3.74%	1,300	3.82%	1,084	3.51%	1,347	4.45%	1,136	3.81%
18 & over	158	0.49%	166	0.49%	136	0.44%	185	0.61%	146	0.50%
Total	33,044	100.00%	33,994	100.00%	30,849	100.00%	30,246	100.00%	29,812	100.00%

Average course load 8.28 7.58 8.36 8.39 8.44

Tuition Status	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	30,885	93.58%	31,881	93.78%	29,057	94.19%	28,868	95.44%	28,649	96.10%
Texas Resident (out-of-District)	738	2.24%	682	2.01%	683	2.21%	597	1.97%	682	2.29%
Non-Resident Tuition	1,381	4.18%	1,431	4.21%	1,109	3.60%	781	2.59%	481	1.61%
Total	33,004	100.00%	33,994	100.00%	30,849	100.00%	30,246	100.00%	29,812	100.00%

Sources:
CBM001



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

Continuing Education

Student Classification (Contact Hours)	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Continuing Education (CE)	1,124	100.00%	1,426	21.43%	5,798	98.98%	4,972	99.00%	2,314	97.02%
CE Not State Funded	-	0.00%	5,229	78.57%	60	1.02%	50	1.00%	71	2.98%
Inter-Institutional	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%

Contact Hour Load	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
3-5 semester hours	-	0.00%	1	0.01%	-	0.00%	-	0.00%	-	0.00%
6-8 semester hours	39	3.47%	67	1.01%	92	1.57%	169	3.37%	295	12.37%
9-11 semester hours	4	0.36%	39	0.59%	2	0.03%	3	0.06%	-	0.00%
12-14 semester hours	150	13.35%	238	3.58%	233	3.98%	192	3.82%	209	8.76%
15-17 semester hours	3	0.27%	27	0.40%	11	0.19%	9	0.18%	30	1.26%
18 & over	928	82.55%	6,283	94.41%	5,520	94.23%	4,649	92.57%	1,851	77.61%
Total	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%

Average course load	55.69	66.05	66.55	73.87	72.03
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Tuition Status	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Both contact and non-contact courses	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Contact course(s) only	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Non-contact course(s) only	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%
Total	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%

Sources:
CBM00A



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

Academic

Gender	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	18,304	55.39%	18,999	55.89%	17,476	56.65%	17,102	56.54%	17,160	57.56%
Male	14,740	44.61%	14,995	44.11%	13,373	43.35%	13,144	43.46%	12,652	42.44%
Total	33,044	100.00%	33,994	100.00%	30,849	100.00%	30,246	100.00%	29,812	100.00%

Ethnic Origin	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	920	2.78%	979	2.88%	880	2.85%	825	2.73%	769	2.58%
Hispanic	31,130	94.21%	31,865	93.74%	28,829	93.45%	28,257	93.42%	27,582	92.52%
African American	84	0.25%	85	0.25%	90	0.29%	66	0.22%	65	0.22%
Asian	285	0.86%	265	0.78%	259	0.84%	247	0.82%	227	0.76%
Foreign	114	0.34%	100	0.29%	76	0.25%	67	0.22%	82	0.27%
Native American	16	0.05%	18	0.05%	16	0.05%	11	0.04%	26	0.09%
Unknown	495	1.51%	682	2.01%	699	2.27%	773	2.55%	1,061	3.56%
Total	33,044	100.00%	33,994	100.00%	30,849	100.00%	30,246	100.00%	29,812	100.00%

Age	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	13,404	40.56%	14,501	42.66%	11,954	38.75%	11,693	38.66%	10,783	36.17%
18 - 21	11,258	34.07%	10,955	32.22%	10,508	34.06%	10,248	33.88%	10,281	34.49%
22 - 24	3,151	9.54%	3,164	9.31%	3,136	10.17%	3,079	10.18%	3,039	10.19%
25 - 35	3,827	11.58%	3,901	11.48%	3,775	12.24%	3,704	12.25%	4,019	13.48%
36 - 50	1,265	3.83%	1,309	3.85%	1,311	4.25%	1,343	4.44%	1,489	5.00%
51 & over	139	0.42%	164	0.48%	165	0.53%	179	0.59%	201	0.67%
Unknown	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	33,044	100.00%	33,994	100.00%	30,849	100.00%	30,246	100.00%	29,812	100.00%

Average Age	20.4	21.0	20.7	21.2	21.2
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Sources:
CBM001



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

Continuing Education

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	785	69.84%	3,613	54.29%	3,069	52.39%	2,418	48.15%	1,039	43.56%
Male	339	30.16%	3,042	45.71%	2,789	47.61%	2,604	51.85%	1,346	56.44%
Total	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Ethnic Origin										
White	20	1.78%	148	2.22%	109	1.86%	91	1.81%	10	0.42%
Hispanic	752	66.90%	3,688	55.42%	3,755	64.10%	3,369	67.08%	1,255	52.62%
African American	-	0.00%	11	0.16%	6	0.10%	14	0.28%	3	0.13%
Asian	5	0.44%	10	0.15%	26	0.44%	15	0.30%	5	0.21%
Foreign	-	0.00%	-	0.00%	1	0.02%	-	0.00%	-	0.00%
Native American	-	0.00%	3	0.05%	5	0.09%	3	0.06%	2	0.08%
Unknown	347	30.88%	2,795	42.00%	1,956	33.39%	1,530	30.47%	1,110	46.54%
Total	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%

	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Age										
Under 18	2	0.18%	5,159	77.52%	4,275	72.98%	3,625	72.18%	927	38.87%
18 - 21	145	12.90%	447	6.72%	456	7.78%	485	9.66%	259	10.86%
22 - 24	86	7.65%	129	1.94%	124	2.12%	147	2.93%	143	6.00%
25 - 35	338	30.07%	323	4.85%	404	6.90%	306	6.09%	418	17.52%
36 - 50	431	38.35%	461	6.93%	480	8.19%	324	6.45%	481	20.17%
51 & over	122	10.85%	136	2.04%	119	2.03%	135	2.69%	157	6.58%
Unknown	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	1,124	100.00%	6,655	100.00%	5,858	100.00%	5,022	100.00%	2,385	100.00%

Average Age	36.0	19.0	20.1	21.7	27.0
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Sources:
CBM00A



SOUTH TEXAS
COLLEGE

Statistical Supplement 17

Transfers to Senior Institutions

Students as of Fall 2016

(includes only 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	2,387	426	78	2,891	50.43%
2 South Texas College	352	733	-	1,085	18.93%
3 Texas A&M University	261	28	12	301	5.25%
4 Texas A&M University - Kingsville	253	30	6	289	5.04%
5 The University of Texas at Austin	179	20	7	206	3.59%
6 Texas State University	161	32	9	202	3.52%
7 The University of Texas at San Antonio	144	32	8	184	3.21%
8 Texas A&M University - Corpus Christi	75	10	2	87	1.52%
9 Texas State Technical College - Harlingen	41	40	6	87	1.52%
10 Texas A&M International University	50	17	2	69	1.20%
11 Sam Houston State University	34	7	-	41	0.72%
12 University of Houston	31	5	2	38	0.66%
13 Texas Tech University	31	3	3	37	0.65%
14 University of North Texas	25	2	-	27	0.47%
15 The University of Texas at Arlington	18	8	1	27	0.47%
16 Texas A&M University System Health Science Center	20	6	-	26	0.45%
17 Austin Community College	13	11	1	25	0.44%
18 Blinn College	16	3	-	19	0.33%
19 The University of Texas at Dallas	14	2	-	16	0.28%
20 Del Mar College	7	7	1	15	0.26%
21 ACCD - Northwest Vista College	12	1	1	14	0.24%
22 Lamar University	11	-	-	11	0.19%
23 ACCD - San Antonio College	10	1	-	11	0.19%
24 Texas Southmost College	4	5	-	9	0.16%
25 McLennan Community College	5	3	-	8	0.14%
26 Texas A&M University - San Antonio	5	2	1	8	0.14%
	4,159	1,434	140	5,733	100.00%

Sources:

Texas Higher Education Data: ASALFS Students Pursuing Additional Education

ASALFS South Texas College - <http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>

Notes:

Student count for South Texas College represents graduates or completers who have returned to pursue additional education at same institution.



**SOUTH TEXAS
COLLEGE**

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Academic buildings	24	23	23	23	23
Square footage	963,682	949,435	949,435	949,435	949,435
Academic portable buildings	35	35	43	43	43
Square footage	53,446	53,446	71,305	71,305	71,305
Libraries	3	3	3	3	3
Square footage	105,507	105,507	105,507	105,507	105,507
Number of volumes	143,535	141,913	139,465	141,500	138,221
Administrative and support buildings	13	13	13	13	13
Square footage	294,733	305,970	305,970	305,970	305,970
Administrative and support portable buildings	14	14	12	12	12
Square footage	18,556	18,556	15,124	15,124	15,124
Dining facilities	5	5	5	5	5
Square footage	15,343	15,343	15,343	15,343	15,343
Average daily customers	902	993	1,544	1,401	1,052
Fitness facilities	2	2	2	2	2
Square footage	37,432	37,432	37,432	37,432	37,432
Plant facilities	2	1	1	1	1
Square footage	18,747	11,754	11,754	11,754	11,754
Transportation					
Automobiles	2	-	-	-	-
Automobiles - Instructional	20	25	30	32	29
Light trucks/vans	56	41	41	35	24
Light trucks/vans - Instructional	19	23	29	29	28
Heavy trucks/backhoe	5	3	2	1	1
Heavy trucks/backhoe - Instructional	5	5	6	5	5
Golf and forklift	38	29	28	27	18
Trailer	3	1	1	1	1
Shuttle buses	6	6	3	3	2

Sources:

South Texas College District Office of Facilities Planning and Construction
South Texas College District Fixed Assets Department



SOUTH TEXAS
COLLEGE

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

For the Fiscal Year Ended August 31,

	2017	2016	2015	2014
Operating Revenues				
Tuition and fees (net of discounts)	\$ 23,129,705	\$ 21,452,743	\$ 21,373,162	\$ 20,488,244
Federal grants and contracts	4,490,675	3,889,497	4,368,574	3,445,293
State grants and contracts	4,076,652	3,266,315	4,068,944	4,246,315
Local grants and contracts	6,102,604	5,063,983	1,099,573	1,118,054
Non-governmental grants and contracts	2,061,438	2,487,482	5,235,358	4,949,832
Auxiliary enterprises	1,833,407	1,893,838	1,773,325	1,835,353
General operating revenues	603,343	729,855	1,308,903	645,811
Total Operating Revenues	42,297,824	38,783,713	39,227,839	36,728,902
Operating Expenses				
Instruction	70,879,518	66,249,496	60,820,171	59,447,106
Research	-	-	-	-
Public service	709,252	912,507	1,205,480	829,711
Academic support	17,101,884	16,333,241	15,281,478	13,980,994
Student services	11,228,507	11,477,740	10,969,940	10,403,814
Institutional support	26,074,787	23,138,061	21,790,954	19,813,087
Operations and maintenance of plant	15,977,259	14,064,638	13,675,484	12,563,250
Scholarships and fellowships	26,028,594	26,432,169	27,815,696	27,692,817
Auxiliary enterprises	2,529,295	1,562,463	1,403,408	1,388,716
Depreciation	7,262,313	6,966,274	6,759,801	6,731,486
Total Operating Expenses	177,791,409	167,136,589	159,722,412	152,850,981
Operating Loss	\$ (135,493,585)	\$ (128,352,876)	\$ (120,494,573)	\$ (116,122,079)

Notes:

Other non-operating expenses were segregated into separate categories for FY 2008 - FY 2017.
The segregation is not reflected in the previous years.

For the Fiscal Year Ended August 31,

	2013	2012	2011	2010	2009	2008
\$	21,051,377	\$ 19,583,509	\$ 18,281,708	\$ 17,153,615	\$ 16,561,311	\$ 15,075,608
	4,630,302	4,748,007	6,172,207	8,979,526	7,015,595	6,508,073
	5,160,704	6,794,060	6,335,567	6,711,706	5,412,226	4,292,294
	1,270,376	1,293,135	1,380,691	1,255,944	1,129,509	741,390
	3,113,960	2,740,134	2,796,686	2,200,618	1,594,568	1,555,367
	1,810,240	1,872,734	1,877,501	1,666,738	1,403,045	1,300,682
	621,264	439,642	545,846	1,988,232	2,280,483	1,129,049
	37,658,223	37,471,221	37,390,206	39,956,379	35,396,737	30,602,463
	57,766,578	53,899,805	57,359,050	55,454,200	48,698,353	42,291,067
	4,516	67,273	6,303	-	-	-
	903,735	736,507	640,673	2,460,617	2,637,239	2,924,649
	12,775,912	11,551,178	12,035,474	9,565,508	9,271,172	8,241,265
	10,090,241	9,681,946	9,939,104	10,264,591	9,070,935	8,057,220
	21,108,957	19,494,885	20,293,881	19,044,676	17,197,508	15,303,315
	9,486,934	9,459,757	10,270,614	10,437,077	10,356,102	9,336,528
	28,724,249	31,873,082	39,320,494	37,212,122	23,176,417	19,424,919
	1,383,521	1,418,145	1,421,243	1,524,084	1,498,378	655,258
	6,589,876	6,414,932	6,265,826	5,923,105	5,848,873	5,391,971
	148,834,519	144,597,510	157,552,662	151,885,980	127,754,977	111,626,192
\$	(111,176,296)	(107,126,289)	(120,162,456)	(111,929,601)	(92,358,240)	(81,023,729)

(Continued)



SOUTH TEXAS
COLLEGE

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

	For the Fiscal Year Ended August 31,			
	2017	2016	2015	2014
Non-Operating Revenues (Expenses)				
State allocations	\$ 45,315,830	\$ 46,077,235	\$ 42,858,200	\$ 42,766,020
Ad-valorem taxes				
Taxes for maintenance & operations	48,822,561	46,781,602	43,951,580	33,983,319
Taxes for debt service	15,652,143	15,016,847	14,105,277	12,291,870
Federal revenue, non-operating	55,666,373	54,858,852	54,881,496	55,351,962
Gifts	252,614	251,022	305,146	323,100
Investment income (net of investment expenses)	2,612,017	1,034,010	144,206	214,915
Insurance proceeds	149,634	-	24,282	-
Interest and capital related debt	(4,150,374)	(6,602,765)	(5,964,767)	(1,340,664)
Gain on disposal of capital assets	5,575	12,350	-	-
Loss on sale/disposal/return on capital assets	(5,886)	-	(240,389)	(10,154)
Non-capital construction costs	(3,548,465)	(1,911,123)	(1,731,576)	(1,715,994)
Bond costs amortization	(295,436)	(284,829)	(1,166,614)	(873,317)
Other non-operating revenues (expenses)	87,483	(320,767)	(274,655)	(172,844)
Net Non-Operating Revenues (Expenses)	160,564,069	154,912,434	146,892,186	140,818,213
Income before contributions, endowment and extraordinary item	25,070,485	26,559,559	26,397,613	24,696,134
Capital contributions	47,629	4,515,864	66,908	105,190
Additions (deductions) to permanent and term endowment	-	-	-	-
Special item	-	-	-	-
Extraordinary item	-	-	1,987,665	(2,655,340)
Increase in net position	25,118,114	31,075,423	28,452,186	22,145,984
Net position - beginning of year, as restated	371,277,775	340,202,352	337,541,511	315,848,253
Cumulative effect of change in accounting principle	-	-	(25,791,345)	(452,726)
Net Position - End of Year	\$ 396,395,889	\$ 371,277,775	\$ 340,202,352	\$ 337,541,511

(Continued)

For the Fiscal Year Ended August 31,					
2013	2012	2011	2010	2009	2008
\$ 38,977,829	\$ 37,017,673	\$ 36,676,953	\$ 37,514,938	\$ 33,173,275	\$ 32,857,808
32,403,363	33,244,142	33,798,861	34,314,946	33,731,408	30,822,108
12,030,232	12,276,741	12,187,090	12,197,541	12,212,764	12,319,291
57,151,307	61,950,136	66,972,554	59,089,947	34,498,524	28,470,310
351,843	418,605	309,868	663,193	775,113	519,842
389,519	417,075	327,497	388,426	1,335,180	2,627,475
-	-	-	-	-	-
(1,513,884)	(1,821,871)	(2,054,633)	(2,986,702)	(3,186,226)	(3,046,995)
-	2,793	-	-	-	-
(217)	-	(3,500)	(4,698)	(77,747)	-
(849,455)	(1,400,934)	(464,503)	(2,268,529)	(1,038,216)	(735,663)
(566,261)	(536,677)	(496,724)	(353,037)	(353,037)	(353,211)
(290,477)	(500,835)	(396,032)	(673,262)	(706,561)	(426,718)
138,083,799	141,066,848	146,857,431	137,882,763	110,364,477	103,054,247
26,907,503	33,940,559	26,694,975	25,953,162	18,006,237	22,030,518
83,298	22,740	732,061	1,248,559	2,407,855	86,333
-	(4,700)	300	-	9,690	-
-	-	-	-	374,140	-
(4,230,489)	2,010,294	-	-	-	-
22,760,312	35,968,893	27,427,336	27,201,721	20,797,922	22,116,851
293,087,941	257,119,048	229,691,712	202,489,991	181,692,069	159,575,218
-	-	-	-	-	-
\$ 315,848,253	\$ 293,087,941	\$ 257,119,048	\$ 229,691,712	\$ 202,489,991	\$ 181,692,069



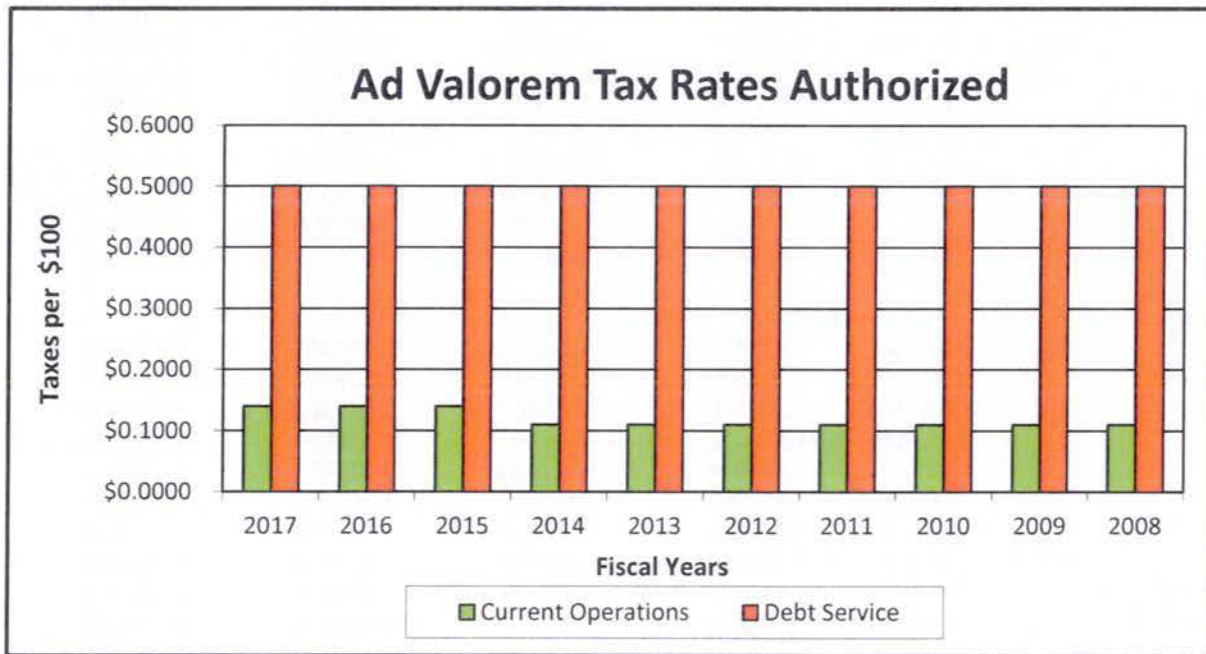
SOUTH TEXAS COLLEGE

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

Fiscal Year	Current Operations	Debt Service	Total
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
2011	0.1100	0.5000	0.6100
2010	0.1100	0.5000	0.6100
2009	0.1100	0.5000	0.6100
2008	0.1100	0.5000	0.6100



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



**SOUTH TEXAS
COLLEGE**

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

Governmental Subdivision	Percent Applicable*	Tax Year 2016	Tax Year 2015	Tax Year 2014	Tax Year 2013
South Texas College	100.00%	\$0.185000	\$0.185000	\$0.185000	\$0.150000
HIDALGO COUNTY					
Cities:					
Alamo	100.00%	0.581000	0.588100	0.598970	0.598970
Alton	-	0.449000	0.454000	0.459100	0.462400
Donna	100.00%	0.982828	0.982828	1.142421	1.252376
Edcouch	-	0.928600	0.928600	0.928600	0.970500
Edinburg	100.00%	0.635000	0.635000	0.635000	0.635000
Elsa	-	0.917700	0.856600	0.986700	0.991600
Granjeno	-	0.441900	0.425100	0.423000	0.425300
Hidalgo	100.00%	0.351400	0.351400	0.351400	0.351400
La Joya	100.00%	0.539400	0.543500	0.570000	0.567800
La Villa	100.00%	0.783600	0.783600	0.783600	0.783600
McAllen	100.00%	0.476300	0.476300	0.476300	0.431300
Mercedes	100.00%	0.745000	0.755000	0.760000	0.775000
Mission	100.00%	0.496200	0.498800	0.518800	0.528800
Palmview	-	0.475100	0.475100	0.479000	0.466500
Penitas	100.00%	0.506000	0.506000	0.459500	0.434500
Pharr	100.00%	0.654000	0.654000	0.680000	0.680000
Progreso	100.00%	0.796100	0.806100	0.793000	0.812600
San Juan	100.00%	0.699300	0.699300	0.699300	0.738600
Sullivan City	-	0.460600	0.466800	0.447800	0.416000
Weslaco	100.00%	0.666700	0.676700	0.676700	0.686700
School Districts:					
Donna ISD	100.00%	1.258200	1.258200	1.258200	1.258200
Edcouch-Elsa ISD	100.00%	1.258000	1.258000	1.258000	1.258000
Edinburg CISD	100.00%	1.239800	1.239800	1.239800	1.239800
Hidalgo ISD	100.00%	1.490000	1.530000	1.530000	1.556400
La Joya ISD	100.00%	1.311000	1.311000	1.311000	1.311000
La Villa ISD	100.00%	1.303800	1.303800	1.303800	1.303800
Lyford CISD	2.20%	1.280000	1.280000	1.280000	1.220000
McAllen ISD	100.00%	1.155000	1.155000	1.165000	1.165000
Mercedes ISD	100.00%	1.380000	1.380000	1.380000	1.290000
Mission CISD	100.00%	1.358200	1.367200	1.330000	1.300000
Monte Alto ISD	100.00%	1.350000	1.350000	1.350000	1.350000
PSJA ISD	100.00%	1.399200	1.399200	1.359200	1.359200
Progreso ISD	100.00%	1.390000	1.370000	1.370000	1.327500
Sharyland ISD	100.00%	1.375500	1.335500	1.335500	1.285500
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%	1.139700	1.139700	1.139700	1.139700

Tax Year 2012	Tax Year 2011	Tax Year 2010	Tax Year 2009	Tax Year 2008	Tax Year 2007
\$0.150700	\$0.150700	\$0.149700	\$0.149100	\$0.149800	\$0.154000
0.598970	0.585480	0.591910	0.591910	0.591910	0.592850
0.479900	0.482500	0.485000	0.049500	0.497400	0.499900
1.252300	1.252300	1.125979	1.038320	0.989999	0.989999
0.999900	0.884200	0.854200	0.854200	0.901200	0.899000
0.635000	0.635000	0.635000	0.635000	0.635000	0.635000
0.990000	0.990000	0.904200	0.904200	0.904220	0.741851
0.425300	0.425300	0.375700	0.037200	0.311100	0.281000
0.351400	0.351400	0.351400	0.351400	0.351400	0.351400
0.567800	0.545200	0.532300	0.517600	0.567800	0.560100
0.783600	0.622400	0.623400	0.623400	0.839600	0.772400
0.431300	0.431300	0.421300	0.421300	0.421300	0.421300
0.785000	0.785000	0.790000	0.790000	0.805000	0.850000
0.528800	0.538800	0.556600	0.556600	0.566600	0.556600
0.466500	0.460000	0.453400	0.443800	0.467964	0.352146
0.410000	0.362500	0.329600	0.308500	0.338900	0.275000
0.680000	0.680000	0.680000	0.680000	0.683120	0.683120
0.538900	0.499900	0.455300	0.455300	0.414700	0.422200
0.738600	0.738600	0.738600	0.738600	0.699300	0.699300
0.383800	0.353500	0.322000	0.323200	0.326000	0.326000
0.696700	0.696700	0.696700	0.696700	0.696700	0.696700
1.258200	1.258200	1.258200	1.177900	1.200000	1.200000
1.258000	1.258000	1.258000	1.258000	1.258000	1.258000
1.239800	1.239800	1.239800	1.219800	1.189800	1.115200
1.556400	1.586400	1.586400	1.436400	1.350000	1.320000
1.311000	1.311000	1.311000	1.311000	1.321600	1.252000
1.303800	1.303800	1.224800	1.224800	1.224800	1.224800
1.330000	1.330000	0.000000	0.000000	0.000000	0.000000
1.165000	1.165000	1.165000	1.165000	1.145000	1.145000
1.290000	1.290000	1.290000	1.290000	1.290000	1.290000
1.300000	1.300000	1.300000	1.280000	1.240000	1.180000
1.350000	1.350000	1.350000	1.220000	1.240000	1.186000
1.359200	1.359200	1.359200	1.301300	1.271000	1.211300
1.370000	1.430000	1.430000	1.310000	1.340000	1.239000
1.285500	1.200000	1.200000	1.200000	1.185000	1.185000
0.049200	0.049200	0.049200	0.049200	0.049200	0.049200
1.277000	1.317000	1.317000	1.317000	1.317000	1.255200
1.139700	1.139700	1.139700	1.139700	1.139700	1.104700

(Continued)



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

Governmental Subdivision	Percent Applicable*	Tax Year 2016	Tax Year 2015	Tax Year 2014	Tax Year 2013
HIDALGO COUNTY					
Special Districts:					
Hidalgo County	100.00%	0.590000	0.590000	0.590000	0.590000
Drainage District #1	100.00%	0.095100	0.095100	0.095700	0.095700
EMS District #1	-	0.020000	0.185000	0.016500	0.015400
EMS District #2	-	0.038000	0.036100	0.036100	0.036100
EMS District #3	-	0.030000	0.030000	0.030000	0.030000
EMS District #4	-	0.027200	0.027200	0.272000	0.026700
Donna Irrigation #1	-	0.210000	0.210000	0.210000	0.210000
Delta Lake Irrigation	-	0.550000	0.550000	0.550000	0.580000
Engleman Water District #6	-	0.000000	0.000000	0.000000	0.000000
Kennedy County GCD	-	0.015300	0.015300	0.015300	0.015300
Brush County GCD	-	0.026020	0.026020	0.026020	0.027000
Red Sands Groundwater CD	-	0.169000	0.169000	0.169000	0.169000
STARR COUNTY					
Cities:					
Escobares City	-	0.403517	0.403517	0.403517	0.364809
Rio Grande City	100.00%	0.497579	0.514749	0.514749	0.514080
Roma	100.00%	0.523055	0.523055	0.523055	0.519030
School Districts					
Rio Grande City CISD	100.00%	1.451400	1.438400	1.447200	1.440600
Roma ISD	100.00%	1.569390	1.553660	1.459090	1.459090
San Isidro ISD	-	1.295000	1.271800	1.260000	1.130000
Special Districts:					
Starr County	100.00%	0.545800	0.561000	0.561700	0.524600
F&M & FC	-	0.232600	0.217400	0.217400	0.254600
Starr County Memorial Hospital District	-	0.277314	0.248092	0.262775	0.256915

Sources:

Hidalgo County Appraisal District

Starr County Appraisal District

*Municipal Advisory Council of Texas

(Continued)

Tax Year 2012	Tax Year 2011	Tax Year 2010	Tax Year 2009	Tax Year 2008	Tax Year 2007
0.590000	0.590000	0.590000	0.590000	0.590000	0.590000
0.075000	0.073300	0.072500	0.072500	0.070000	0.049200
0.014300	0.013400	0.013400	0.013200	0.013200	0.014700
0.036100	0.033600	0.031100	0.028400	0.029000	0.028000
0.030000	0.010000	0.008800	0.008000	0.007500	0.008600
0.026200	0.024500	0.024500	0.024000	0.021800	0.022800
0.210000	0.210000	0.210000	0.210000	0.210000	0.210000
0.580000	0.510000	0.510000	0.000000	0.480000	0.000000
0.230000	0.220000	0.220000	0.210000	0.280000	0.270000
0.015300	0.015300	0.012500	0.015000	0.020000	0.000000
0.029894	0.030000	0.000000	0.000000	0.000000	0.000000
0.169000	0.169000	0.000000	0.000000	0.000000	0.000000
0.340000	0.340000	0.322050	0.300000	0.300000	0.000000
0.514160	0.507459	0.506460	0.350000	0.292292	0.292292
0.516500	0.508710	0.508710	0.446330	0.444620	0.453780
1.442600	1.479500	1.489500	1.413000	1.418900	1.418900
1.459090	1.459920	1.464760	1.416680	1.437683	1.234090
1.130000	1.040000	1.030000	1.040000	1.040000	1.040000
0.551100	0.510100	0.460100	0.520400	0.514200	0.514200
0.228100	0.189100	0.239100	0.178800	0.185000	0.185000
0.251238	0.237531	0.204604	0.193676	0.200178	0.196300



Statistical Supplement 22
Computation of Direct and Overlapping Debt
August 31, 2017
(unaudited)

Taxing Body	Debt Amount		As of	Percent Overlapping	Overlapping Amount
Alamo, City of	\$ 10,345,000 *		08/31/2017	100.00%	\$ 10,345,000
Donna ISD	77,265,000 *		08/31/2017	100.00%	77,265,000
Donna, City of	55,805,000 *		08/31/2017	100.00%	55,805,000
Edcouch-Elsa ISD	44,101,687 *		08/31/2017	100.00%	44,101,687
Edinburg CISD	133,345,000 *		08/31/2017	100.00%	133,345,000
Edinburg, City of	42,795,000 *		08/31/2017	100.00%	42,795,000
Hidalgo County	211,290,000 *		08/31/2017	100.00%	211,290,000
Hidalgo County DD #1	137,910,000 *		08/31/2017	100.00%	137,910,000
Hidalgo ISD	34,427,000 *		08/31/2017	100.00%	34,427,000
Hidalgo, City of	3,840,000 *		08/31/2017	100.00%	3,840,000
La Joya ISD	241,943,332 *		08/31/2017	100.00%	241,943,332
La Villa ISD	4,505,000 *		08/31/2017	100.00%	4,505,000
La Villa, City of	1,620,000 *		08/31/2017	100.00%	1,620,000
Lyford CISD	5,960,000 *		08/31/2017	2.20%	131,120
McAllen ISD	90,131,000 *		08/31/2017	100.00%	90,131,000
McAllen, City of	91,005,000 *		08/31/2017	100.00%	91,005,000
Mercedes ISD	62,104,090 *		08/31/2017	100.00%	62,104,090
Mercedes, City of	20,475,000 *		08/31/2017	100.00%	20,475,000
Mission CISD	127,193,000 *		08/31/2017	100.00%	127,193,000
Mission, City of	39,640,000 *		08/31/2017	100.00%	39,640,000
Monte Alto ISD	13,385,000 *		08/31/2017	100.00%	13,385,000
Penitas, City of	5,422,000 *		08/31/2017	100.00%	5,422,000
Pharr, City of	47,430,000 *		08/31/2017	100.00%	47,430,000
Pharr-San Juan-Alamo ISD	336,810,000 *		08/31/2017	100.00%	336,810,000
Progreso ISD	24,700,000 *		08/31/2017	100.00%	24,700,000
Progreso , City of	1,792,000 *		08/31/2017	100.00%	1,792,000
Rio Grande City CISD	101,850,000 *		08/31/2017	100.00%	101,850,000
Rio Grande City, City of	25,550,000 *		08/31/2017	100.00%	25,550,000
Roma ISD	76,530,000 *		08/31/2017	100.00%	76,530,000
Roma, City of	7,229,000 *		08/31/2017	100.00%	7,229,000
San Juan, City of	24,745,000 *		08/31/2017	100.00%	24,745,000

Taxing Body	Debt Amount		As of	Percent Overlapping	Overlapping Amount
Sharyland ISD	108,184,999 *		08/31/2017	100.00%	108,184,999
Starr County	1,413,373 *		08/31/2017	100.00%	1,413,373
Valley View ISD	43,409,764 *		08/31/2017	100.00%	43,409,764
Weslaco ISD	73,810,000 *		08/31/2017	100.00%	73,810,000
Weslaco, City of	90,435,000 *		08/31/2017	100.00%	90,435,000
Total Net Overlapping Debt:					2,412,567,365
South Texas College			08/31/2017		152,495,000
Total Direct and Overlapping Debt:					\$ 2,565,062,365

Sources:
Municipal Advisory Council of Texas

Notes:
*Gross Debt



SOUTH TEXAS COLLEGE

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**INDEPENDENT AUDITOR'S 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***

**INDEPENDENT AUDITOR'S 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***

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
(CONTINUED)**

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS
(CONTINUED)**

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS STATUS OF PRIOR
YEAR FINDINGS FEDERAL AND STATE**

CORRECTIVE ACTION PLAN



**SOUTH TEXAS
COLLEGE**