

**FISCAL  
YEARS  
ENDED**

AUGUST 31,  
2025 AND 2024



**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**



# **SOUTH TEXAS COLLEGE DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT**

FISCAL YEARS ENDED AUGUST 31, 2025 AND 2024

Prepared by  
**Business Office**

---

Serving Hidalgo and Starr County, Texas  
3201 W. Pecan Blvd., McAllen, TX 78501  
[www.southtexascollege.edu](http://www.southtexascollege.edu)  
956-872-8311

**South Texas College District  
Annual Comprehensive Financial Report  
Fiscal Years Ended August 31, 2025 and 2024**

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# **SOUTH TEXAS COLLEGE**

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**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**



# **INTRODUCTORY SECTION**



3201 West Pecan Blvd.  
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McAllen, Texas 78502  
(956) 872-4646

## South Texas College District

December 19, 2025

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

The Annual Comprehensive Financial Report (ACFR) of South Texas College District (“the District”), for the fiscal years ended August 31, 2025, and 2024, is hereby submitted. The purpose of this report is to provide detailed information about the financial condition and performance of the District. Based upon a comprehensive framework of internal controls, 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. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. The concept of reasonable assurance ensures that the costs of the controls do not exceed the benefits derived.

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

### **Annual Comprehensive Financial Report**

The South Texas College District Annual Comprehensive Financial Report for the fiscal years ended August 31, 2025 and 2024, was prepared by the Business Office. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), and comply with the Annual Financial Reporting Requirements for Texas Public Community Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). This letter of transmittal complements and should be read in conjunction with Management’s Discussion and Analysis, which immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The Notes to the Financial Statements, included in the financial section, are considered integral to the basic financial statements and should be read in conjunction with them.

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



The District's Board of Trustees selected the accounting firm of Carr, Riggs & Ingram, LLC. In addition to meeting the requirements outlined in State statutes, their audit was also designed to meet the requirements of the Federal Single Audit Act, the U.S. Office of Management and Budget (OMB) 2 Code of Federal Regulations (CFR) 200, *Audits of States, Local Governments, and Non-Profit Organizations*, Uniform and Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards, and the Texas Grant Management Standards. The Independent Auditor's Report includes an unmodified opinion on the District's financial statements for the years ended August 31, 2025, and 2024. The independent auditor's report is included in the financial section of this report on page 13.

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

## **Profile of the District**

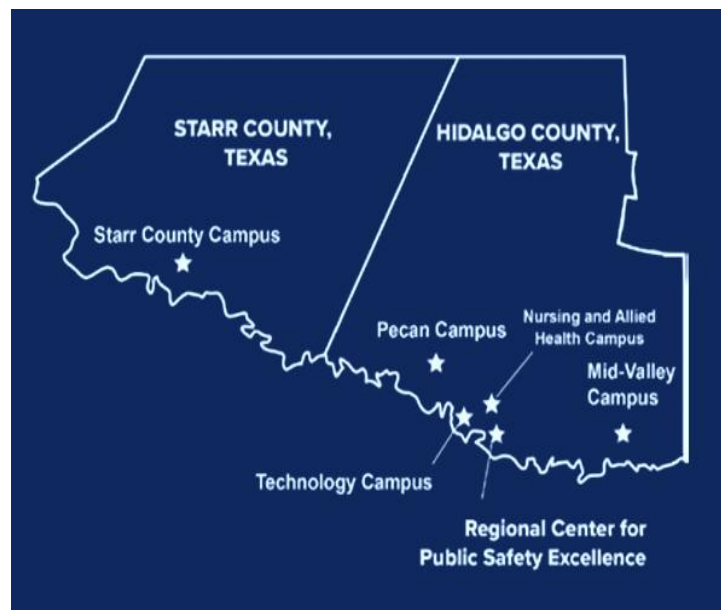
### ***Organizational Structure and Service Area***

The District was created on September 1, 1993, by Texas Senate Bill 251 to serve the people of Hidalgo and Starr counties. A confirmation election, held on August 12, 1995, established a taxing district for the District. The South Texas College District is governed by a seven-member Board of Trustees, who are elected locally to six-year terms by voters in Hidalgo and Starr counties. The Board is responsible for policy-making functions and delegates administrative responsibilities to the President, who serves as the Chief Executive Officer of the District.

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

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

In addition, the District has an online virtual campus and Continuing Education Workforce Training Centers located at the Pecan Plaza, Technology Campus, Mid-Valley Campus, and Starr County Campus as well as Higher Education Centers in La Joya and Pharr.



### ***Mission, Strategic Goals and Vision***

South Texas College is a comprehensive public higher education institution that transforms lives through innovative education, holistic learner support, and community engagement. We empower our region and drive socioeconomic advancement through lifelong learning opportunities. The District actualizes its mission following a systematic and collaborative process that establishes future direction through the development of its strategic goals:

- Champion Student Success
- Develop, Align, and Optimize Educational Programs
- Maximize Institutional Effectiveness and Efficiency
- Cultivate Community Engagement

It is through the commitment to these strategic goals that South Texas College District works to fulfill its vision of changing lives and transforming communities through higher education.

### ***Programs and Major Initiatives***

The District is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award baccalaureate and associate degrees. It offers 131 degree and certificate options, including Associate's degrees in various art, science, technology, and allied health fields of study. Additionally, the South Texas College District is the only community college in the State of Texas to offer five baccalaureate degrees. These degrees are Bachelor of Applied Technology degrees in Operations Management, Computer and Information Technologies, and Medical and Health Services Management, a Bachelor of Applied Science in Organizational Leadership, and a Bachelor of Science in Nursing. Currently, 22 associate degrees, 10 certificates, and all five bachelor's programs are available online, making it possible for students to earn their degrees without ever setting foot on campus. For students who wish to transfer and continue pursuing their educational goals, the District has over 120 articulation agreements and partnerships with more than 70 domestic and international institutions.

The District's Dual Credit Program is a national model of collaboration and is the first in Texas to receive the prestigious accreditation by the National Alliance of Concurrent Enrollment Partnerships. The Dual Credit Program offers four options: dual credit courses, career and technical education programs, designated high schools, and academy programs. The Program currently collaborates with 21 school districts and 70 high school sites throughout Hidalgo and Starr Counties. Approximately 11,500 students were enrolled in dual credit college-level courses during the 2024 fall semester.

The District's Continuing Education and Workforce Development (CEWD) program offers opportunities for lifelong learners to enhance their skills, transition into new careers, or pursue personal enrichment through education on various topics. The District's Center for Advanced Training & Apprenticeships (CATA) is committed to fostering long-term, sustained economic growth by serving the advanced manufacturing and related industries. Through the Institute for Advanced Manufacturing, CATA provides customized training to new and incumbent workers in these sectors, which include suppliers to end producers and supporting services. Through the Regional Center for Public Safety Excellence, the District became the first border community college in the nation to

establish integrative training for local, state, and federal professionals in public safety and homeland security along the US/Mexico border. The District is also approved for veterans' educational training in Certificate and Associate of Applied Science degree programs by the Texas Education Agency.

The following tables illustrate the District's enrollment data over the last five fiscal years.

<b>Annual Enrollment – Academic and Vocational</b>					
	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>
Total credit hours	556,952	533,951	535,581	552,755	543,493
Total contact hours	11,356,224	10,851,928	10,882,496	11,187,936	10,939,952
Unduplicated full-time student equivalent	18,565	17,798	17,853	18,425	18,116
Unduplicated headcount	35,412	34,059	37,433	39,325	38,161

<b>Annual Enrollment – Continuing Education</b>					
	<b>FY 2025</b>	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>
Total contact hours	184,203	195,851	226,728	197,689	179,154
Unduplicated full-time student equivalent	1,535	1,632	1,889	1,647	1,493
Unduplicated headcount	3,129	4,009	4,382	3,884	3,526

### **Economic Condition and Outlook**

Nestled in the Rio Grande Valley (RGV), near the Texas-Mexico border, the District serves Hidalgo and Starr Counties. Hidalgo County, of which McAllen is its largest city, was founded in 1852 and named for Don Miguel Hidalgo y Costilla. As of 2025, its population is 902,061. Starr County was founded in 1848 and named after James Harper Starr. It has a population of 66,587 as of 2025 and its largest city is Rio Grande City. The combined population is 968,648.

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

- The unemployment rate for Hidalgo County increased from 6.4% in 2024 to 7.1% in 2025.
- The unemployment rate for Starr County remains the same at 9.6% from 2024 to 2025.
- Per capita income in Hidalgo County increased from \$33,525 in 2024 to \$34,373 in 2025.
- Per capita income in Starr County increased from \$31,643 in 2024 to \$32,785 in 2025.

The McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA), comprised of numerous connected cities (McAllen, Mission, Edinburg, Pharr, San Juan, Alamo, Weslaco, and Mercedes, among others) in Hidalgo County, is a key economic player in South Texas. Its location near the border between the United States and Reynosa, Mexico, creates a binational, international metro area most recognized for its industrial and manufacturing sectors. McAllen's central location in the Rio Grande Valley, a large, young, and continually growing labor pool, and its consistently low Cost of Living Index have allowed it to become an economic powerhouse.

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

The District's financial outlook for the future remains positive. In 32 years, the South Texas College District has grown from a student headcount of over 1,000 in Fall 1993 to 27,654 in Spring 2025. The District's unrestricted fund budget increased from \$2,325,212 in 1993 to \$250,359,445 in 2025.

### Long-Term Financial Planning

The District has a five-year Comprehensive Plan that identifies major initiatives to be undertaken. The objectives and initiatives outlined in the Comprehensive Plan serve as the basis for budget allocations.

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

- Net Tuition and Fees – decreased by \$2,170,948. Gross tuition increased due to higher enrollment and semester credit hour per student compared to the previous fiscal year, however, the decrease is driven by increases to scholarship allowances and dual credit exemptions.
- State Appropriations – increased \$4,000,713 primarily due a favorable rate increase in the weighted outcome 15 semester credit hours Dual Credit from the Community College Formula Funding Model.
- Ad Valorem Taxes – net ad valorem tax revenue increased by \$8,996,287 due to a rise in both the Maintenance & Operations tax rate and taxable value assessments for the District's counties.

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

Tax Levy Rates (Per \$100 of assessed valuation)				
Fiscal Year	Current Operations	Debt Service	Taxable Assessed Value (TAV)	Total Tax Collections
2016	\$0.1400	\$0.0450	\$33,304,492,691	\$56,344,301
2017	0.1400	0.0450	34,902,217,340	59,726,169
2018	0.1400	0.0450	36,596,147,819	62,418,265
2019	0.1400	0.0380	38,381,832,847	66,710,260
2020	0.1400	0.0333	40,256,755,406	66,934,297
2021	0.1400	0.0318	42,115,920,553	67,929,064
2022	0.1400	0.0315	45,214,407,716	71,952,164
2023	0.1388	0.0227	50,864,349,747	77,314,037
2024	0.1335	0.0227	58,137,262,311	79,887,946
2025	0.1393	0.0227	62,493,280,038	96,429,044

The District's tax abatement agreements are structured to support strategic economic development throughout Hidalgo and Starr Counties. These agreements are evaluated individually in accordance with the District's Tax Abatement Guidelines and Criteria, which outline the standards and approval process for granting property tax incentives. In determining whether to participate in an abatement, the District considers several factors, including the level of proposed capital investment, potential for job creation, alignment with regional workforce and educational priorities, and the long-term economic benefits to the community.

The District's abatements primarily relate to agreements entered into by Hidalgo County and Starr County, which may result in the District foregoing a portion of its property tax revenues in exchange for the broader economic and community benefits derived from such developments. The financial impact of these abatements, including the total amount of taxes abated during the fiscal year and the nature of the related commitments, is disclosed in the notes to the financial statements.

Each community/junior college in Texas must file a copy of an annual operating budget, which includes departmental operating budgets by function, and subsequent amendments thereto, approved by the community/junior college governing board. It must be filed by December 1 of each fiscal year directly with the Governor, Legislative Budget Board, the Legislative Reference Library, and the THECB.

The budget is developed in collaboration with personnel from all divisions of the District. Available resources are allocated based on the 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, which reflect both budgeted and actual revenue and expenses, are prepared and provided to management and the Board of Trustees to support informed decision-making and monitor compliance and performance.

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

### **Relevant Financial Policies**

Board Policy CC, Unrestricted Fund Balance, adopted by the Board on January 31, 2023, requires the District to maintain an unrestricted fund balance sufficient to cover no less than three 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.

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.

The District has complied with Board Policy CC as follows:

Unrestricted Fund Balance Reserve			
	August 31, 2025	August 31, 2024	August 31, 2023
Unrestricted Fund Balance Reserve	\$191,957,589	\$158,949,121	\$138,842,496
Next Fiscal Year Budgeted			
Unrestricted Fund Expenses (including transfers and contingencies)	\$250,359,445	\$235,901,042	\$204,151,801
Fund Balance as a % of Total Expenses	76.7%	67.4%	68.0%
Number of Months Expenses in Reserve	9.2 months	8.1 months	8.2 months

As of August 31, 2025, the District's Board of Trustees has designated a total of \$48,725,835 of the unrestricted net position for the purpose of:

- Future employee health insurance costs - \$7,500,000
- Infrastructure maintenance and renewal of the District's Enterprise Resource Planning system - \$35,225,835
- Reserve for the District's business continuity and disaster plan - \$6,000,000

### Achievements and Awards

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

- Earned the No. 1 spot in the nation as a Hispanic-Serving Institution (HSI) by the Washington Monthly 2025 College Ranking report.
- Recognized by Newsweek as one of America's Top Online Colleges 2025
- In 2025, Hispanic Outlook on Education Magazine ranked South Texas College:
  - 1<sup>st</sup> in the nation for highest percentage of Hispanics/Latinos as proportion of total enrollment (96%)
  - 3<sup>rd</sup> in the nation for awarding the largest number of Associate and Bachelor's Degrees to Hispanics.
- The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2024. This is the twenty-second consecutive year that the District has achieved this prestigious award. To be awarded a certificate of achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a

period of only one year. The District's current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and will be submitted to the GFOA to determine its eligibility for another certificate.

- The Government Treasurers' Organization of Texas presented the Certificate of Distinction to the District for its Investment Policy for the seventh straight time. The certificate was issued in recognition of 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 two years ending August 31, 2026.
- The District has earned the three Texas Comptroller of Public Accounts' Transparency Stars Program Awards. These awards recognize local governments that have achieved excellence in transparency for different areas, including:
  - Traditional Finance Transparency Star
  - Economic Development Transparency Star
  - Debt Obligation Transparency Star

## **Acknowledgments**

The timely preparation of the Annual Comprehensive Financial Report could not have happened without the diligent efforts and dedicated service of the District's Business Office staff. Gratitude is unequivocally given to the Board of Trustees and President for their interest, integrity, and insight in maintaining ethical and professional standards in the management of the District's finances and operations. Additional recognition goes to the accounting firm of Carr, Riggs & Ingram, LLC, for their assistance with the audit.

Respectfully submitted,

*Mary G. Del Paz*

Maria G. Del Paz, MBA, CFE, CGMA, CPA  
Vice-President for Finance and Administrative Services

*Myriam Lopez*

Myriam Lopez  
Associate Vice-President Finance and Management

**South Texas College  
Board of Trustees and President  
For the Fiscal Year Ending August 31, 2025**



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**Chair**

**Dr. Alejo Salinas, Jr.**  
*Retired Superintendent,  
Superintendent Emeritus,  
Hidalgo ISD*

**District 5**  
Term Expires: May 2026



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**Vice Chair**

**Paul R. Rodriguez**  
*CEO, Valley Land Title Co.*

**District 3**  
Term Expires: May 2028



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**Secretary**

**Danny Guzman**  
*Right-of-Way Agent,  
Hidalgo County Precinct  
#1*

**District 7**  
Term Expires: May 2026



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**Member**

**Rose Benavidez**  
*President of Starr County  
Industrial Foundation*

**District 1**  
Term Expires: May 2030



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**Member**

**Victoria Cantú**  
*CEO, Children's Education  
Station, LLC*

**District 2**  
Term Expires: May 2030



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**Member**

**Dalinda Gonzalez-  
Alcantar**  
*CEO, Boys & Girls Club of  
McAllen*

**District 4**  
Term Expires: May 2028



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**Member**

**David De Los Rios**  
*Trustee  
DLR Consulting &  
Management Group*

**District 6**  
Term Expires: May 2030



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**College President**

**Dr. Ricardo J. Solis**  
*July 2021 - Present*



**South Texas College  
Board of Trustees and President  
For the Fiscal Year Ending August 31, 2025**

Name	Position
Dr. Ricardo J. Solis	President
Maria G. Del Paz, MBA, CFE, CGMA, CPA	Vice-President for Finance and Administrative Services
Myriam Lopez, MBA	Associate Vice-President for Finance and Management



# South Texas College

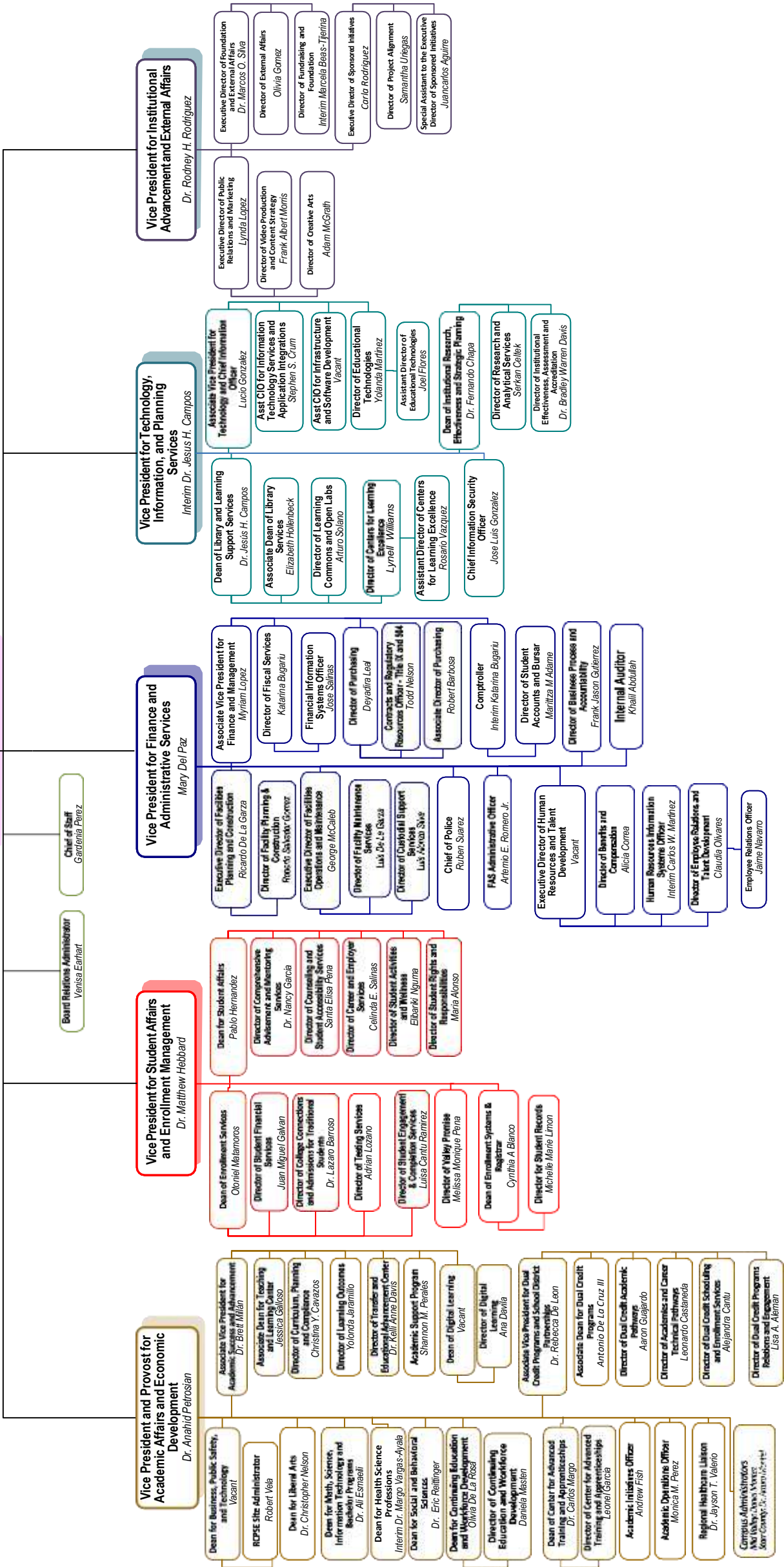
2025 - 2026

## Administrative - Executive Organization Chart

# Board of Trustees

## College President

Dr. Ricardo J. Solis





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**South Texas College**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2024

*Christopher P. Morrill*

Executive Director/CEO

**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**



**FINANCIAL  
SECTION**



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**

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Suite 500

McAllen, TX 78503

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of South Texas College (the College) as of and for the years ended August 31, 2025, and August 31, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Texas College as of August 31, 2025, and August 31, 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

##### ***Change in Accounting Principle***

As described in Note 2 to the financial statements, the College adopted new accounting guidance, GASB statement No. 101. *Compensated Absences*. The total effect was \$664,293 of prior period adjustment to net position. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of District's Proportionate Share of Net Pension Liability, Schedule of District's Proportionate Share of Net OPEB Liability, Schedule of District's Contributions for Pensions, and Schedule of District's Contributions for OPEB as listed in the table of contents be presented to supplement the basic financial statements. Such information is the

responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise South Texas College's basic financial statements. The accompanying supplementary schedules (schedules A-D, as listed in the table of contents), schedule of expenditures of federal awards (schedule E) as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and schedule of expenditures of state awards (schedule F), as required by the Texas Comptroller of Public Accounts, Texas Grant Management Standards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules (schedules A-D), the schedule of expenditures of federal awards (schedule E), and the schedule of expenditures of state awards (schedule F) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Example School District's internal control over financial reporting and compliance.

*Carr, Riggs & Ingram, L.L.C.*

McAllen, Texas  
December 19, 2025



**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

**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, pointing out trends and changes affecting our operations for the fiscal years ending August 31, 2025, 2024, and 2023. This discussion is prepared by management and is based on currently known facts, decisions, and conditions impacting the District's financial activities and other key financial data as required by GASB Statement No. 34 *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. It should be read in conjunction with the transmittal letter, the District's basic financial statements, and notes on the financial statements. Responsibility for the completeness and fairness of the 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 District's financial report consists of three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position; the Statements of Revenues, Expenses, and Changes in Net Position provide a summary of operations; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the last two fiscal years.

These three statements will assist the reader in determining whether the District, as a whole, is performing financially better this year than 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.

The District has restated the comparative financial statements for fiscal year 2024 in accordance with the newly implemented GASB Statement No 101, *Compensated Absences*, which amends previously required disclosures to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Additional information can be found in Note 2 – Prior-Year Restatement and Note 16 – Compensable Absences.

**Financial Highlights for 2025**

- The District's net position at August 31, 2025, was \$534.5 million, reflecting a \$48.5 million increase from the prior year.
- Total assets increased by \$39.1 million, and total liabilities increased by \$1.7 million.
- Cash and cash equivalents increased by \$5.7 million, and investments grew by \$15.9 million, primarily driven by higher state appropriations, FAST funding, and increased property tax revenue.
- Capital assets, net of accumulated depreciation and amortization, increased by \$9.4 million from \$347.7 million to \$357.1 million.

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

- The rating for the District's general obligation bonds is AA by Standards & Poor's and Aa2 by Moody's Investors Service.
- Scholarships and fellowships expenses experienced an increase of \$8.2 million from \$25.5 million to \$33.7 million, while federal non-operating revenue increased from \$57.6 million to \$66.2 million.

**Financial Highlights for 2024**

- The District's net position at August 31, 2024, was \$486.0 million, reflecting a \$46.9 million increase from the prior year.
- Total assets increased by \$54.0 million, and total liabilities increased by \$0.8 million.
- Cash and cash equivalents decreased by \$24.9 million, and investments increased by \$54.5 million. The District generated \$21.9 million in investment income due to the interest rate increases available throughout the year for invested funds and utilizing laddering investment strategies to manage cash flow.
- Capital assets, net of accumulated depreciation and amortization, increased by \$19.6 million from \$328.1 million to \$347.7 million.
- The rating for the District's general obligation bonds is AA by Standards & Poor's and Aa2 by Moody's Investors Service.
- Scholarships and fellowships expenses experienced a reduction of \$5.6 million from \$31.1 million to \$25.5 million, while federal non-operating revenue decreased from \$82.8 million to \$57.6 million.

***The Statements of Net Position***

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

Changes in net position that occur over time can indicate the improvement or weakening of the District's financial condition when considered with non-financial facts, such as enrollment levels and the condition of the facilities. From the data presented, readers of the financial statements can determine the assets available to continue operations of the District, and the amount the District

**South Texas College District**  
**Management's Discussion and Analysis**  
**August 31, 2025 and 2024**

owes vendors, investors, and lending institutions. Current liabilities are generally liabilities, due within one year, and current assets are those available in the short-term, considered one year or less. Deferred inflows and outflows are transactions occurring in the current or prior periods, although they are related to future periods and are not assets or liabilities. The District's deferred outflows of resources include deferred charges on debt refunding and deferred outflows related to pensions and other post-employment benefits (OPEB). The District's deferred inflows of resources are related to pensions, OPEB, and leases. The focus is to report the total net resources available to finance future services. Assets and liabilities are presented in the order of liquidity.

The Condensed Statements of Net Position provide a summary of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the change in net position for the years ended August 31:

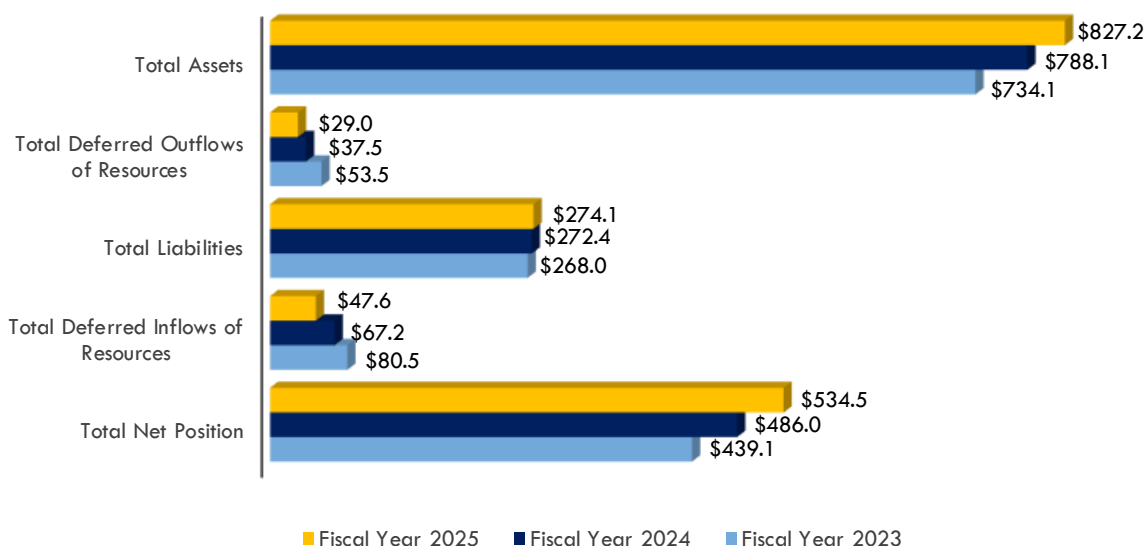
**Condensed Statements of Net Position**

(in millions)

	2025	Restated 2024	Restated 2023	2024-2025 Change	Restated 2023-2024 Change
<b>Assets</b>					
Current assets	\$ 147.8	\$ 162.9	\$ 147.0	\$ (15.1)	\$ 15.9
Capital assets, net	357.1	347.7	328.1	9.4	19.6
Noncurrent assets	322.3	277.5	259.0	44.8	18.5
<b>Total Assets</b>	<b>827.2</b>	<b>788.1</b>	<b>734.1</b>	<b>39.1</b>	<b>54.0</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources	29.0	37.5	53.5	(8.5)	(16.0)
<b>Total Deferred Outflows of Resources</b>	<b>29.0</b>	<b>37.5</b>	<b>53.5</b>	<b>(8.5)</b>	<b>(16.0)</b>
<b>Liabilities</b>					
Current liabilities	40.2	38.9	38.3	1.3	0.6
Noncurrent liabilities	233.9	233.5	229.7	0.4	3.8
<b>Total Liabilities</b>	<b>274.1</b>	<b>272.4</b>	<b>268.0</b>	<b>1.7</b>	<b>4.4</b>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources	47.6	67.2	80.5	(19.6)	(13.3)
<b>Total Deferred Inflows of Resources</b>	<b>47.6</b>	<b>67.2</b>	<b>80.5</b>	<b>(19.6)</b>	<b>(13.3)</b>
Net investment in capital assets	256.0	244.2	218.5	11.8	25.7
Restricted expendable	16.6	14.1	20.9	2.5	(6.8)
Restricted non-expendable	0.3	0.3	0.3	-	-
Unrestricted	261.6	227.4	199.4	34.2	28.0
<b>Total Net Position</b>	<b>\$ 534.5</b>	<b>\$ 486.0</b>	<b>\$ 439.1</b>	<b>\$ 48.5</b>	<b>\$ 46.9</b>

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

**Condensed Statement of Net Position  
Comparison - August 31, 2025, 2024, and 2023  
(in millions)**



In fiscal year 2025, total assets increased by \$39.1 million or 5% from \$788.1 million at August 31, 2024 to \$827.2 million at August 31, 2025. The primary source of the increase was an increase of \$21.5 million in net cash, cash equivalents and investments, which was attributed to the District receiving an increase in state appropriation revenue, additional funding from the Financial Aid for Swift Transfer (FAST) program, an increase in property tax revenue because of a rise in tax rates and in property value assessments, and high investment income due to the interest rates available throughout the year for invested funds. Accounts receivable increased by \$6.6 million mostly attributed to outstanding disbursement payments due from the FAST program. Furthermore, there was an increase in capital assets, net of accumulated depreciation at August 31, 2025, of \$9.4 million attributed to renovations and new building construction projects, as well the subscription and continuing implementation of the Enterprise Resource Planning (ERP) system from Workday through Precision Tax Group (PTG) which falls under the category of Subscription-Based Information Technology Arrangements (SBITA).

In fiscal year 2024, total assets increased by \$54.0 million or 7.4% from \$734.1 million at August 31, 2023 to \$788.1 million at August 31, 2024. The primary source of the increase was an increase of \$29.6 million in net cash, cash equivalents and investments, which was attributed to the District receiving an increase in state appropriation revenue caused by the change in the formula funding model, additional funding from the new FAST program, an increase in property tax revenue because of a rise in property value assessments, and an increase in unrestricted investment income due to the interest rate increases available throughout the year for invested funds. Furthermore, there was an increase in capital assets, net of accumulated depreciation at August 31, 2024, of \$19.6 million attributed to building construction projects and renovations, and the subscription of a new Enterprise Resource Planning (ERP) system from Workday.

**South Texas College District  
Management's Discussion and Analysis  
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In fiscal year 2025, deferred outflows of resources decreased by \$8.5 million. The majority of this reduction was driven by an \$8.1 million decline in deferred outflows related to pension activities, primarily due to lower investment earnings. For fiscal year 2025 deferred outflows related to investment earnings decreased compared to the prior year, while deferred inflows increased. This change primarily reflects improved investment performance during the measurement period relative to actuarial assumptions, resulting in higher gains and fewer losses being deferred. Prior year differences continue to be amortized, contributing to the balances reported. In September 2023, a one-time stipend was paid to eligible annuitants who met the age requirements as of August 31, 2023. Annuitants age 75 and older received a \$7,500 stipend, while those ages 70 to 74 received a \$2,400 stipend. The cost-of-living adjustment (COLA) was contingent upon voter approval of Proposition 9. The amendment was approved in November 2023, and the COLA was applied to eligible annuitants beginning with the January 2024 payment.

In the fiscal year of 2024, there was a reduction of \$16.0 million in deferred outflows of resources. This decrease was primarily attributed to a decline in deferred outflows linked to OPEB amounting to \$17.7 million decrease. This was partially offset by an increase of \$2.3 million in deferred outflows related to pensions. The decrease related to OPEB is attributed to an increase due to the 2024 effect of change in proportion and contribution difference of \$3.7 million to be amortized over 5.5 years, a reduction due to amortization of 2019-2024 layers of specific employee adjustments of \$19.4 million, and a decrease in changes in actuarial assumption of \$2.0 million. The upswing in deferred outflow related to pension is due to an increase related the difference between projected and actual investment of \$3.5 million and an increase of difference between expected and actual experience of \$1.3 million, offset by a decrease to changes in assumptions of \$3.3 million.

During fiscal year 2025, current liabilities increased \$1.4 million or 3%. There was a decrease in unearned revenue of \$11.7 million due to the timing of Pell funds received, an increase in accounts payable of \$2.6 million due to timing of vendor payments, and an increase in accrued liabilities of \$2.9 million which includes an increase in accrued salaries and benefits. The increase in accrued salaries and benefits is primarily due to a change in the College's payroll schedule following the implementation of Workday. Under the previous Banner system, employees were paid on the last day of the month, which required minimal accruals at year-end. With Workday, the College transitioned to a semi-monthly payroll schedule that pays on a lag. This change results in additional days of earned but unpaid salaries and benefits at fiscal year-end, requiring higher accruals compared to prior years. Additionally, there was an increase in current bonds payable of \$1.7 million and current subscription liability of \$5.5 million.

Noncurrent liabilities experienced an increase of \$0.3 million or 0.1% during fiscal year 2025. The change is attributed to a decrease in bond payable of \$13.8 million as a result of debt service payments, and \$3.3 million related to pension for contributions made by employers or non-employer contributing entities in fiscal year 2024. This decrease was offset by a \$13.2 million increase in net OPEB liability primarily due to the impact of change in proportionate share, changes of assumptions, service cost and interest for the year. Additionally, there was an increase in subscription liability of \$3.9 million.

During fiscal year 2024, current liabilities increased \$0.06 million or 0.2%. The primary reason is an increase in accounts payable of \$0.8 million due to timing of vendor payments, and an increase in accrued liabilities of \$1.5 million which includes an increase in accrued salaries and benefits, and

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

a rise in accrued interest. Additionally, there was an increase in subscription liability of \$1.2 million. This was offset by an decrease in the current portion of bond payable of \$3.8 million.

Noncurrent liabilities experienced an increase of \$3.8 million or 1.7% during fiscal year 2024. The increase is primarily attributed to a \$9.5 million increase in net pension liability primarily due to the difference between projected and actual investment earnings of \$3.8 million and pension expenses of \$6.7 million. Additionally, there was an increase in subscription liability of \$9.9 million primarily due to the new ERP system. This was offset by a decrease in bonds payable of \$15.1 million due to debt service payments.

Deferred inflows of resources decreased \$19.6 million in fiscal year 2025. This decline was primarily driven by a \$16.6 million decrease in deferred inflows related to OPEB, and a \$2.9 million decrease in pension activities. The decrease related to OPEB is mainly driven by the amortization of the 2023-2022 employer specific adjustments layers, which total \$9.9 million, as well as \$7.8 million related to the recognition of assumption changes, including updates to the discount rate and other actuarial assumptions. The decrease in deferred inflows related to pension activities is primarily due to a \$1.7 million reduction in the difference between the employer's contributions and its proportionate share, along with a \$0.9 million decrease resulting from changes in actuarial assumptions. These amounts are amortized over the periods required by GASB 68 and will continue to impact future pension expense.

Deferred inflows of resources decreased \$13.3 million in fiscal year 2024. This decline was primarily driven by a \$10.3 million decrease in deferred inflows related to OPEB, and a \$2.9 million decrease in pension activities. The reduction in OPEB can be primarily attributed to the amortization of the 2023-2022 layers of employer specific adjustments, totaling \$9.9 million. The reduction in deferred inflow associated with pension activities is mainly a result of a decrease of \$1.7 million of difference in proportion and difference between the employer's contributions and the proportionate share of contributions, and an additional decrease of \$0.8 million due to changes in actuarial assumptions.

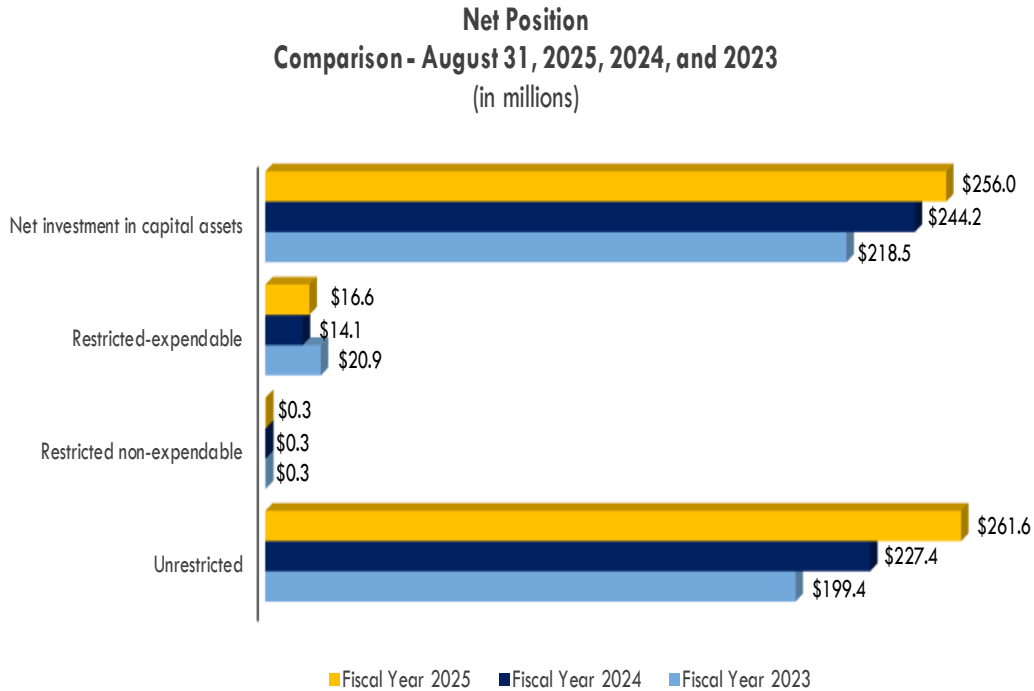
The District's net position at August 31, 2025 was \$534.5 million compared to \$486.0 million at August 31, 2025. The increase of \$48.5 million is primarily due an increase in state appropriation revenue, additional funding from the FAST program, investment income resulting from high interest rates, and a rise in property tax revenue.

The District's net position at August 31, 2024 was \$486.0 million compared to \$439.1 million at August 31, 2023. The increase of \$46.9 million is primarily due to an increase in tuition and fees revenue, an increase in state appropriation revenue that resulted from a change in the formula funding model, additional funding from the new FAST program, an increase in investment income resulting from higher interest rates, and a rise in property tax revenue.

Almost half of the net position, \$256.0 million in fiscal year 2025 and \$244.2 million in fiscal year 2024, 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 3.1% of the net position in fiscal year 2025 and 2.9% in fiscal year 2024. The remaining unrestricted

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

net position may be used for educational or general operations of the District, which were \$261.6 million and \$227.4 million as of August 31, 2025 and 2024.



**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 and amortization on capital assets is included in operating expenses. Non-operating revenues are revenues received for which goods and services are not provided. Since state appropriations and ad valorem taxes are a significant portion of general operations and maintenance funding, classification of these revenues as non-operating will usually result in an operating deficit, as it does for fiscal years 2025 and 2024.

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 revenues earned and expenses incurred by the District, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the District during the year.

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

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

(in millions)

	2025	Restated 2024	Restated 2023	2024-2025 Change	Restated 2023-2024 Change
Operating revenues	\$ 45.5	\$ 46.4	\$ 32.4	\$ (0.9)	\$ 14.0
Operating expenses	255.4	236.9	227.2	18.5	9.7
<b>Operating loss</b>	<b>(209.9)</b>	<b>(190.5)</b>	<b>(194.8)</b>	<b>(19.4)</b>	<b>4.3</b>
Non-operating revenues and expenses	258.3	237.4	217.9	20.9	19.5
<b>Income before contributions</b>	<b>48.4</b>	<b>46.9</b>	<b>23.1</b>	<b>1.5</b>	<b>23.8</b>
Capital contributions	0.1	-	-	0.1	-
<b>Increase in net position</b>	<b>48.5</b>	<b>46.9</b>	<b>23.1</b>	<b>1.6</b>	<b>23.8</b>
<b>Net position - beginning of year</b>	<b>486.0</b>	<b>439.1</b>	<b>416.0</b>	<b>46.9</b>	<b>23.1</b>
<b>Net position - end of year</b>	<b>\$ 534.5</b>	<b>\$ 486.0</b>	<b>\$ 439.1</b>	<b>\$ 48.5</b>	<b>\$ 46.9</b>

The District's operating revenue decreased by \$0.9 million, 1.9% during fiscal year 2025 from \$46.4 million at August 31, 2024 to \$45.5 million at August 31, 2025. Gross tuition increased due to a both higher enrollment and average semester credit hour (SCH) per student compared to the previous fiscal year. However, net tuition and fees decreased by \$2.1 million driven by increases to scholarship allowances and dual credit exemptions. Conversely there was an increase in state grants of \$3.2 million due to additional Texas Educational Opportunity Grant (TEOG) funds compared to fiscal year 2024.

The District's operating revenue increased by 43.1% during fiscal year 2024 from \$32.4 million at August 31, 2023 to \$46.4 million at August 31, 2024. The increase in operating revenue amounted to \$14.0 million and was primarily driven by tuition and fees revenue, which increased by \$8.2 million mostly due to a change in the methodology of the tuition discounting and a slight tuition rate increase that occurred when the simplified tuition rate was implemented in fiscal year 2024, and an increase in federal grants of \$2.5 million and other grants to students of \$3.2 million.

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 58.9% of operating revenues in fiscal year 2025 and 55.2% in 2024.

Operating expenses increased by \$18.5 million during fiscal year 2025. The primary factors contributing to this change were increases in expenditures for student services of \$2.1 million, operation and maintenance of plant of \$3.1 million, and instruction of \$2.2 million. In fiscal year 2025, the Board of Trustees approved increases in salaries and related benefits for all faculty and staff, which resulted in the increase in operating expenses. Additional factors include increased to



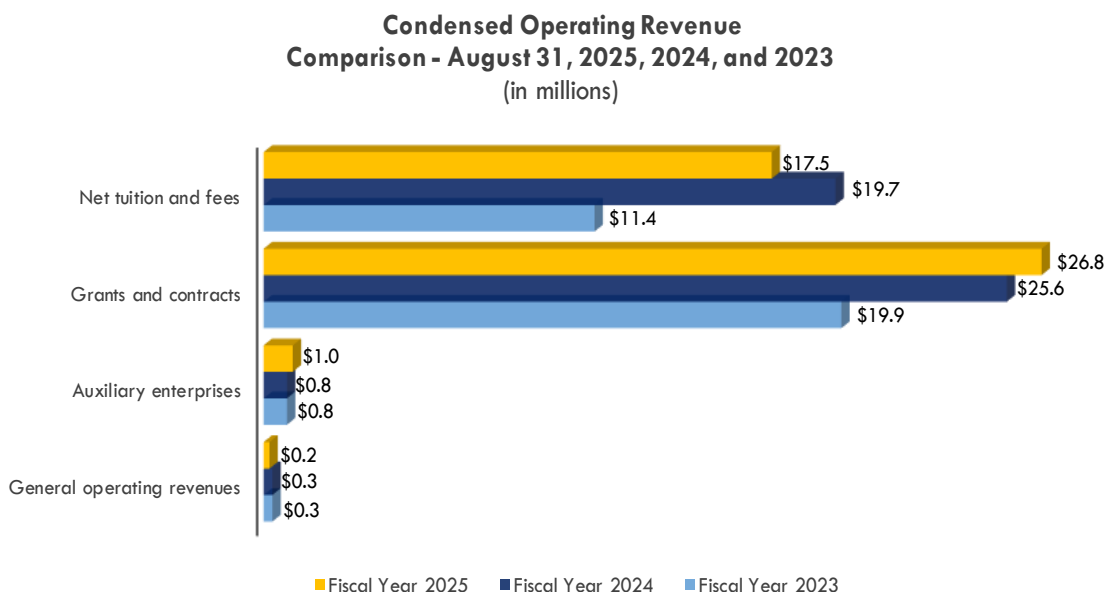
**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

cost of utilities. Depreciation & amortization expense increased by \$2.4 million primarily attributed to the new ERP system. Additionally, there was an increase in scholarships and fellowships of \$8.2 million primarily due to additional funding from the Federal Pell Grant Program.

Operating expenses increased by \$9.7 million during fiscal year 2024. The primary factors contributing to this change were increases in institutional expenditures of \$3.9 million, operation and maintenance of plant of \$2.2 million, and academic support of \$3.7 million. In fiscal year 2024, the Board of Trustees approved increases in salaries and related benefits for all faculty and staff, which resulted in the increase in operating expenses. Depreciation and amortization expense increased by \$2.7 million due to an increase in capital assets. This was offset by a decrease in scholarships and fellowships of \$5.7 million primarily due to the conclusion of COVID-19 Emergency Funding- Education Stabilization Fund in fiscal year 2023.

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

<b>Condensed Operating Revenues</b> (in millions)						
	2025		2024		Restated 2023	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Net tuition and fees	\$ 17.5	38.5%	\$ 19.7	42.5%	\$ 11.4	35.2%
Grants and contracts	26.8	58.9%	25.6	55.2%	19.9	61.4%
Auxiliary enterprises	1.0	2.2%	0.8	1.7%	0.8	2.5%
General operating revenues	0.2	0.4%	0.3	0.6%	0.3	0.9%
<b>Total</b>	<b>\$ 45.5</b>	<b>100.0%</b>	<b>\$ 46.4</b>	<b>100.0%</b>	<b>\$ 32.4</b>	<b>100.0%</b>

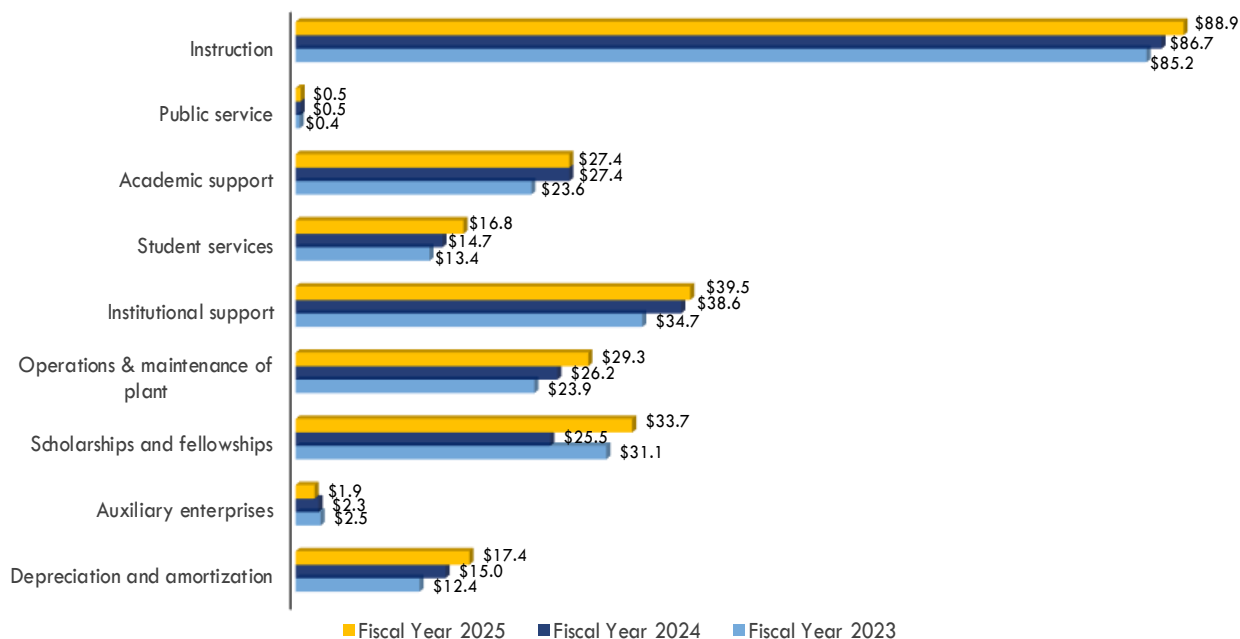


**South Texas College District  
Management's Discussion and Analysis  
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Operating expenses, including depreciation and amortization, may be viewed by their function or by natural (object) classification for the fiscal years ended August 31, as illustrated below:

<b>Operating Expenses by Function</b> (in millions)						
	2025		Restated 2024		Restated 2023	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Instruction	\$ 88.9	34.8%	\$ 86.7	36.5%	\$ 85.2	37.4%
Public service	0.5	0.2%	0.5	0.2%	0.4	0.2%
Academic support	27.4	10.7%	27.4	11.6%	23.6	10.4%
Student services	16.8	6.6%	14.7	6.2%	13.4	5.9%
Institutional support	39.5	15.5%	38.6	16.3%	34.7	15.3%
Operations and maintenance of plant	29.3	11.5%	26.2	11.1%	23.9	10.5%
Scholarships and fellowships	33.7	13.2%	25.5	10.8%	31.1	13.7%
Auxiliary enterprises	1.9	0.7%	2.3	1.0%	2.5	1.1%
Depreciation and amortization	17.4	6.8%	15.0	6.3%	12.4	5.5%
<b>Total</b>	<b>\$ 255.4</b>	<b>100.0%</b>	<b>\$ 236.9</b>	<b>100.0%</b>	<b>\$ 227.2</b>	<b>100.0%</b>

**Operating Expenses by Function  
Comparison - August 31, 2025, 2024, and 2023**  
(in millions)



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Management's Discussion and Analysis  
August 31, 2025 and 2024**

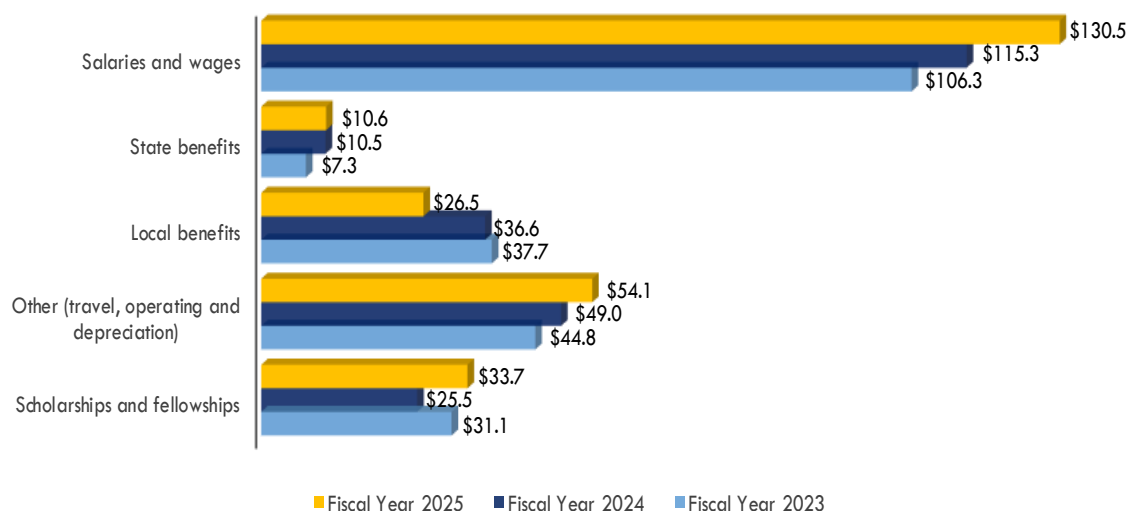
**Operating Expenses by Classification**

(in millions)

	2025		Restated 2024		Restated 2023	
	Percentage		Percentage		Percentage	
	Amount	of Total	Amount	of Total	Amount	of Total
Salaries and wages	\$ 130.5	51.0%	\$ 115.3	48.7%	\$ 106.3	46.8%
State benefits	10.6	4.2%	10.5	4.4%	7.3	3.2%
Local benefits	26.5	10.4%	36.6	15.4%	37.7	16.6%
Other (travel, operating and depreciation & amortization)	54.1	21.2%	49.0	20.7%	44.8	19.7%
Scholarships and fellowships	33.7	13.2%	25.5	10.8%	31.1	13.7%
<b>Total</b>	<b>\$ 255.4</b>	<b>100.0%</b>	<b>\$ 236.9</b>	<b>100.0%</b>	<b>\$ 227.2</b>	<b>100.0%</b>

**Operating Expenses by Classification  
Comparison - August 31, 2025, 2024, and 2023**

(in millions)



**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

Net non-operating revenues and expenses increased by \$20.9 million from \$237.4 million in fiscal year 2024 to \$258.3 million in fiscal year 2025. This increase is mostly attributed to an increase in ad-valorem property tax revenue associated with maintenance and operation of \$8.2 million and debt service of \$0.8 million due to a rise in the M&O tax rate and taxable value assessments for the District's counties. There was also a net \$4.0 million increase in state appropriations mainly due a favorable rate increase in the weighted outcome 15 (SCH) Dual Credit from the Community College Formula Funding Model. Furthermore, compared to the previous fiscal year, the college received additional funding from both the FAST program of \$1.5 million and \$8.6 million in federal funding from the Federal Pell Grant Program as a result of the new FAFSA Simplification Act, simplifying the process and expanding eligibly to more students.

Net non-operating revenues and expenses increased by \$19.5 million to \$237.4 million in fiscal year 2024. This increase is mostly attributed to a boost of \$11 million of unrestricted investment income caused by the interest rate increases available throughout the year for invested funds. In addition, there was increases in ad-valorem property tax revenue associated with maintenance and operation of \$6.7 million and debt service of \$1.5 million due to a rise in taxable value assessments for the District's counties. There was also a net \$16.0 million increase in state appropriations mainly due to the change in the formula funding model. Furthermore, the college received \$8.8 million of additional funding from the new FAST program. This was offset by a decrease in federal revenue of \$25.2 million primarily due to the conclusion of COVID-19 Emergency Funding- Education Stabilization Fund in fiscal year 2023.

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

<b>Non-Operating Revenues</b> (in millions)						
	2025		2024		Restated 2023	
	Percentage		Percentage		Percentage	
	Amount	of Total	Amount	of Total	Amount	of Total
State allocations	\$ 67.6	25.7%	\$ 63.6	26.1%	\$ 47.4	21.2%
Ad-valorem taxes - maintenance and operations	85.7	32.4%	77.5	31.7%	70.8	31.6%
Ad-valorem taxes - debt service	14.1	5.3%	13.3	5.4%	11.8	5.3%
Federal revenue, non-operating	66.2	25.0%	57.6	23.6%	82.8	36.9%
Financial Aid for Swift Transfer Program	10.3	3.9%	8.8	3.6%	-	0.0%
Gifts	0.6	0.2%	0.5	0.2%	0.3	0.1%
Investment income (net of investment expenses)	19.6	7.4%	21.9	9.0%	10.9	4.9%
Gain on bond defeasance	0.1	0.0%	0.9	0.4%	-	0.0%
Insurance Proceeds	0.2	0.1%	-	0.0%	-	0.0%
Other non-operating revenue	0.1	0.0%	0.1	0.0%	0.1	0.0%
<b>Total</b>	<b>\$ 264.5</b>	<b>100.0%</b>	<b>\$ 244.2</b>	<b>100.0%</b>	<b>\$ 224.1</b>	<b>100.0%</b>

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

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

<b>Non-Operating Expenses</b> (in millions)						
	2025		2024		Restated 2023	
	Amount	Percentage of Total	Amount	Percentage of Total	Amount	Percentage of Total
Interest on capital related debt	\$ 3.4	54.8%	\$ 3.3	48.5%	\$ 3.0	48.5%
Loss on sale/disposal/return of capital assets	-	0.0%	0.1	1.5%	0.3	4.8%
Non-capital construction costs	2.1	33.9%	2.1	30.9%	1.5	24.2%
Bond costs and fees	0.1	1.6%	0.6	8.8%	1.1	17.7%
Other non-operating expenses	0.6	9.7%	0.7	10.3%	0.3	4.8%
<b>Total</b>	<b>\$ 6.2</b>	<b>100.0%</b>	<b>\$ 6.8</b>	<b>100.0%</b>	<b>\$ 6.2</b>	<b>100.0%</b>
<b>Net non-operating revenues (expenses)</b>	<b><u>\$ 258.3</u></b>		<b><u>\$ 237.4</u></b>		<b><u>\$ 217.9</u></b>	

The financial statements in this MD&A include the impact of GASB Statement 68 and GASB Statement 75, although they are required entries by GASB, the District does not deem that the results with these entries appropriately reflect the District's operations throughout the years. Excluding the impact of GASB Statement 68 and GASB Statement 75, the District had an increase in net position of \$47.7 million during fiscal year 2025.

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

	2025	Restated 2024	Restated 2023	2024-2025 Change	Restated 2023-2024 Change
Operating revenues	\$ 45.5	\$ 46.4	\$ 32.4	\$ (0.9)	\$ 14.0
Operating expenses	255.8	225.3	215.3	30.5	10.0
<b>Operating loss</b>	<b>(210.3)</b>	<b>(178.9)</b>	<b>(182.9)</b>	<b>(31.4)</b>	<b>4.0</b>
Non-operating revenues and expenses	257.9	236.7	219.9	21.2	16.8
<b>Income before contributions</b>	<b>47.6</b>	<b>57.8</b>	<b>37.0</b>	<b>(10.2)</b>	<b>20.8</b>
Capital contributions	0.1	-	-	0.1	-
<b>Increase in net position</b>	<b>47.7</b>	<b>57.8</b>	<b>37.0</b>	<b>(10.1)</b>	<b>20.8</b>
<b>Net position - beginning of year</b>	<b>648.0</b>	<b>590.2</b>	<b>553.2</b>	<b>57.8</b>	<b>37.0</b>
<b>Net position - end of year</b>	<b><u>\$ 695.7</u></b>	<b><u>\$ 648.0</u></b>	<b><u>\$ 590.2</u></b>	<b><u>\$ 47.7</u></b>	<b><u>\$ 57.8</u></b>

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

**Statements of Cash Flows**

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

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

**Condensed Statement of Cash Flows**

(in millions)

		Restated	Restated	2024-2025	Restated 2023-2024
	2025	2024	2023	Change	Change
Cash provided (used) by:					
Operating activities	\$ (179.0)	\$ (155.3)	\$ (160.0)	\$ (23.7)	\$ 4.7
Non-capital financing activities	199.9	200.2	197.0	(0.3)	3.2
Capital and related financing activities	(17.6)	(36.2)	(18.5)	18.6	(17.7)
Investing activities	2.3	(33.6)	7.3	35.9	(40.9)
Net change in cash and cash equivalents	5.6	(24.9)	25.8	30.5	(50.7)
Cash and cash equivalents-Sept 1,	93.7	118.6	92.8	(24.9)	25.8
<b>Cash and cash equivalents-August 31,</b>	<b>\$ 99.3</b>	<b>\$ 93.7</b>	<b>\$ 118.6</b>	<b>\$ 5.6</b>	<b>\$ (24.9)</b>

The Statements of Cash Flows indicate an overall increase in cash and cash equivalents of \$5.6 million at August 31, 2025 and a decrease of \$24.9 million at August 31, 2024.

Net cash used for operating activities increased by \$23.7 million during fiscal year 2025. The increase is primarily attributable to higher disbursements for salaries and benefits which increased by \$10.5 million, to \$153.6 million. This increase was driven by the Board of Trustees' approval of a 7% general pay increase for all faculty and staff. Payments to suppliers for goods or services increased by \$9.2 million, from \$27.4 million to \$36.6 million due to higher costs from rising prices for essential goods and services as well as additional operational needs and contractual obligations to support institutional programs and activities. Payments for scholarships and fellowships increased by \$7.2 million amounting to \$33.3 million due to higher federal grant support. While the maximum Pell Grant award remained at \$7,395, implementation of the FAFSA Simplification Act introduced significant changes to the calculation process by replacing the Expected Family Contribution (EFC) with the Student Aid Index (SAI). These changes streamlined the application process and broadened eligibility, allowing more students to qualify for Pell Grants. Receipts from students and other customers decreased by \$0.6 million, from \$19.5 million to \$18.9 million, compared to the prior fiscal year. While gross tuition and fees increased by \$5.2 million, net tuition and fees declined due to a \$7.40 million increase in scholarship allowances and discounts, primarily from local remissions and exemptions for dual credit students and higher federal grant support to students. Receipts from grants and contracts increased by \$3.9 million, mostly due to additional Texas Educational Opportunity Grant (TEOG) funds compared to fiscal year 2024.

Net cash used for operating activities decreased by \$4.7 million during fiscal year 2024. Compared to the previous fiscal year, receipts from students and other customers increased by \$1.4 million from \$18.1 million to \$19.5 million. This increase is mostly due to a change in the

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

methodology of the tuition discounting and a slight tuition rate increase that occurred when the simplified tuition rate was implemented in fiscal year 2024. Receipts from grants and contracts also saw an increase of \$3.9 million due to a rise in federal and other grants designated for students. Disbursements for salaries and benefits, experienced a \$11.5 million increase, reaching \$143.2 million, due to the Board of Trustees' approval of increases in salaries and related benefits for all faculty and staff. Additionally, cash outflows for scholarships and fellowships decreased by \$10.0 million, amounting to \$26.1 million, which can be attributed to the conclusion of COVID-19 Emergency Funding- Education Stabilization Fund in fiscal year 2023.

Net cash provided by non-capital financing activities decreased by \$0.3 million during fiscal year 2025. Sources of cash from non-capital financing activities are primarily from funding from the Financial Aid for Swift Transfer (FAST) program, non-operating federal revenue, state appropriations, and ad valorem taxes for maintenance and operation. The decrease in fiscal year 2025 is primarily attributable to \$4.5 million in outstanding disbursement payments from the FAST program and \$3.5 million related to timing differences in the drawdown of Federal Pell funds. These decreases were partially offset by an \$8.1 million increase in receipts from ad valorem taxes for maintenance and operations, driven by an increase in the M&O tax rate and higher property valuations within the District.

Net cash provided by non-capital financing activities increased by \$3.2 million during fiscal year 2024. Sources of cash from non-capital financing activities are primarily from non-operating federal revenue, state appropriations, and ad valorem taxes for maintenance and operation. The primary reasons for the increase in fiscal year 2024 is attributed to the District receiving an increase in receipts from state appropriation revenue of \$13.4 million caused by the change in the formula funding model, additional receipts from the new FAST program of \$8.8 million, and an increase in receipts from ad valorem taxes-maintenance and operation of \$6.2 million attributed to an increase in property valuation in the District. This was offset by a decrease in receipts from non-operating federal revenue of \$25.6 million primarily due to the conclusion of COVID-19 Emergency Funding-Education Stabilization Fund in fiscal year 2023.

Net cash used by capital and related financing activities decreased by \$18.6 million in fiscal year 2025. This decrease was primarily attributable to a \$10.1 million reduction in principal payments on capital debt and leases, driven by lower bond obligations in fiscal year 2025, and an \$8.6 million decrease in capital asset purchases. The reduction in capital asset activity reflects the addition of \$15.0 million in intangible right-to-use assets during fiscal year 2024, primarily related to the subscription of the new Enterprise Resource Planning (ERP) system that went live in January 2025, compared to \$7.4 million in additional intangible right-to-use assets recorded in fiscal year 2025, related to the ongoing implementation of the ERP student module.

Net cash used by capital and related financing activities increased by \$17.7 million in fiscal year 2024. The increase in 2024 is primarily driven by a \$5.7 million rise in capital asset acquisitions, encompassing construction expenses, and \$13.3 million rise in payments on capital debt and leases-principal primarily attributed to the subscription of a new Enterprise Resource Planning (ERP) system.

Net cash used for investing activities decreased by \$35.9 million in fiscal year 2025. Purchases of investments decreased by \$37.5 million during the fiscal year, reflecting a shift from short-term certificates of deposit to higher-yield investments with maturities not exceeding 24 months, such as

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

U.S. Treasuries. This decrease was partially offset by a \$2.1 million reduction in proceeds from the sale and maturity of investments, driven by lower interest rates compared to the prior year.

Net cash used for investing activities increased by \$40.9 million in fiscal year 2024. The increase in activity during fiscal year 2024 can be attributed to an \$80.1 million increase in purchases of investments, which can be attributed to the District receiving an increase in state appropriation revenue caused by the change in the formula funding model, additional funding from the new FAST program, and an increase in property tax revenue because of a rise in property value assessments. This was offset by a \$31.8 million rise in proceeds from the sale and maturity of investments. Additionally, there was a \$7.4 million increase in receipts from interest on investments, driven by higher interest rates.

**Capital Assets and Long-Term Debt Administration**

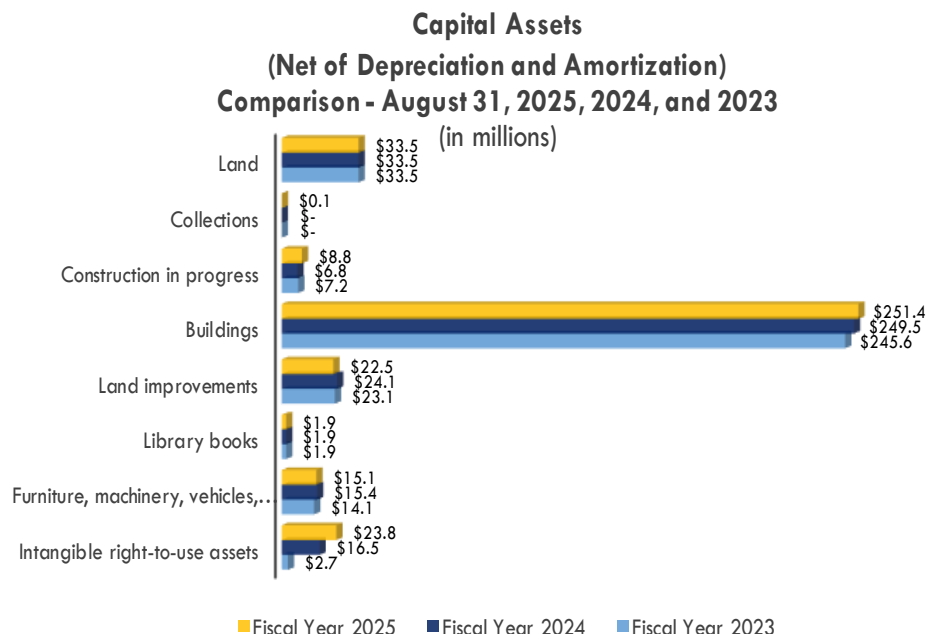
A summary of net capital assets for fiscal years ended August 31 is presented below:

<b>Capital Assets</b> <b>(Net of Depreciation and Amortization)</b> (in millions)					
	2025	2024	Restated 2023	2024-2025 Change	Restated 2023-2024 Change
Capital Assets, not being depreciated					
Land	\$ 33.5	\$ 33.5	\$ 33.5	\$ -	\$ -
Collections	0.1	-	-	0.1	-
Construction in progress	8.8	6.8	7.2	2.0	(0.4)
Total Capital Assets, not being depreciated	42.4	40.3	40.7	2.0	(0.4)
Capital Assets, being depreciated / amortized					
Buildings	251.4	249.5	245.6	1.9	3.9
Land improvements	22.5	24.1	23.1	(1.6)	1.0
Library books	1.9	1.9	1.9	-	-
Furniture, machinery, vehicles, and other equipment	15.1	15.4	14.1	(0.3)	1.3
Intangible right-to-use assets	23.8	16.5	2.7	7.3	13.8
Total Capital Assets, being depreciated / amortized	314.7	307.4	287.4	7.3	20.0
<b>Total Capital Assets</b>	<b>\$ 357.1</b>	<b>\$ 347.7</b>	<b>\$ 328.1</b>	<b>\$ 9.4</b>	<b>\$ 19.6</b>



**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

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



There was increase in net capital assets of \$9.4 million from \$347.7 million in fiscal year 2024 to \$357.1 million in fiscal year 2025 primarily resulting from the ongoing new building construction projects, as well as the subscription and continuing implementation of the Enterprise Resource Planning (ERP) system.

In fiscal year 2024, the increase in net capital assets totaling \$19.6 million primarily resulted from the ongoing new construction projects, and the subscription of a new Enterprise Resource Planning (ERP) system.

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

<b>Outstanding Debt - Bonds</b>			
(in millions)			
	2025	2024	2023
South Texas College District Limited Tax Bond, Series 2015	\$ -	\$ -	\$ 5.6
South Texas College District Limited Tax Refunding Bonds, Series 2020	21.4	28.3	40.2
South Texas College District Limited Tax Refunding Bonds, Series 2021	54.0	57.1	57.4
<b>Total Bonds Payable</b>	<b>\$ 75.4</b>	<b>\$ 85.4</b>	<b>\$ 103.2</b>

**South Texas College District  
Management's Discussion and Analysis  
August 31, 2025 and 2024**

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 2025 was \$0.0227 per \$100 valuation of taxable property. The District's bond ratings on the outstanding bonds are AA by Standard & Poor's Ratings Services and Aa2 by Moody's Investors Service.

The bonds were issued to address the facility requirements of the District due to the enrollment increase over the years since the District's inception. For additional information concerning capital assets and long-term debt, see Notes No. 5, No. 6, No. 7, No. 8, No. 9, and No. 10, in the Notes to the Financial Statements.

### **Economic Outlook**

The District's economic position is closely related to that of Hidalgo and Starr Counties and the State of Texas. The taxable assessed value for fiscal year 2026 increased by 11.31%. The Board of Trustees approved an increase of \$0.0007 in the maintenance and operations tax rate for the fiscal year 2026, bringing it to \$0.1400 per \$100 valuation. Additionally, the Board of Trustees approved a decrease of \$0.0007 in the debt service tax rate bringing it to \$0.0220 per \$100 valuation.

Beginning with fiscal year 2024, HB 8 transitioned state funding from the traditional model largely based on student contact hours and, to a lesser degree, student success points, to a model with a primary focus on student performance. The funding formula focuses on four key areas of student success: obtaining credentials of value, obtaining credentials in high demand areas, transfer to four-year universities and completing sequences of courses in high school programs. The District will continue to focus on student outcomes and success, as well as meeting the workforce needs, and is optimistic that it will be well positioned for favorable results under the new model.

### **Request for Information**

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

**South Texas College District**  
**Statements of Net Position**  
**August 31, 2025 and 2024**

		<b>Exhibit 1</b>
	FY 2025	Restated FY 2024
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 84,041,509	\$ 86,791,291
Restricted cash and cash equivalents	15,312,954	6,909,510
Investments	21,716,631	43,697,572
Restricted short-term investments	-	7,001,796
Accounts receivable (net of allowance for doubtful accounts of \$4,025,183 in 2025 and \$3,528,628 in 2024)	16,581,451	9,964,604
Taxes receivable (net of allowance for doubtful accounts of \$8,337,752 in 2025 and \$7,762,369 in 2024)	8,717,592	7,482,284
Prepaid expenses	1,387,098	1,052,315
<b>Total Current Assets</b>	<b>147,757,235</b>	<b>162,899,372</b>
<b>Noncurrent Assets:</b>		
Endowment investments	5,590	5,590
Long-term investments	322,339,754	277,487,281
<b>Capital Assets:</b>		
Non-Depreciable	42,392,637	40,361,128
Depreciable, net	314,741,177	307,360,982
<b>Total Noncurrent Assets</b>	<b>679,479,158</b>	<b>625,214,981</b>
<b>Total Assets</b>	<b>827,236,393</b>	<b>788,114,353</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	14,064,564	22,207,275
Deferred outflows related to OPEB	14,974,846	15,299,549
<b>Total Deferred Outflows of Resources</b>	<b>29,039,410</b>	<b>37,506,824</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	7,776,642	5,180,779
Accrued liabilities	5,543,333	2,618,516
Accrued compensable absences - current portion	2,515,106	2,591,604
Lease liability - current portion	266,080	250,270
Subscription liability - current portion	7,677,193	2,209,081
Funds held for others	261,216	213,281
Unearned revenue	5,072,003	16,783,187
Unearned interest revenue - current portion	37,046	39,134
Bonds payable - current portion	8,530,239	6,849,932
OPEB liability - current portion	2,599,183	2,180,391
<b>Total Current Liabilities</b>	<b>40,278,041</b>	<b>38,916,175</b>
<b>Noncurrent Liabilities:</b>		
Accrued compensable absences	1,921,036	1,236,434
Lease liability	379,571	571,575
Subscription liability	14,214,406	10,334,567
Unearned interest revenue	253,175	290,221
Bonds payable, net	76,406,717	90,236,361
Net pension liability	51,717,193	55,069,406
Net OPEB liability	88,966,106	75,770,347
<b>Total Noncurrent Liabilities</b>	<b>233,858,204</b>	<b>233,508,911</b>
<b>Total Liabilities</b>	<b>\$ 274,136,245</b>	<b>\$ 272,425,086</b>

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

**South Texas College District**  
**Statements of Net Position**  
**August 31, 2025 and 2024**  
**(Continued)**

**Exhibit 1**

	FY 2025	Restated FY 2024
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to leases	\$ 600,625	\$ 635,133
Deferred inflows related to pensions	4,095,740	6,987,660
Deferred inflows related to OPEB	42,916,896	59,545,103
<b>Total Deferred Inflows of Resources</b>	<b>47,613,261</b>	<b>67,167,896</b>
<b>NET POSITION</b>		
Net investment in capital assets	256,042,320	244,166,429
Restricted for:		
Expendable		
Student aid/non-governmental grants and contracts	6,063,510	4,612,656
Loans	500,607	538,865
Debt service	9,996,575	8,937,780
Non-expendable		
Endowment	347,652	339,639
Unrestricted	261,575,633	227,432,826
<b>Total Net Position (Schedule D)</b>	<b>\$ 534,526,297</b>	<b>\$ 486,028,195</b>

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, 2025 and 2024**

		<b>Exhibit 2</b>
		Restated
	FY 2025	FY 2024
<b>OPERATING REVENUES</b>		
Tuition and fees (net of discounts of \$86,446,171 in 2025 and \$79,043,062 in 2024 as restated)	\$ 17,495,704	\$ 19,666,652
Federal grants and contracts	7,836,957	8,793,669
State grants and contracts	9,475,981	6,256,727
Local grants and contracts	7,590,867	8,569,356
Non-governmental grants and contracts	1,881,439	1,974,564
Auxiliary enterprises	994,800	838,888
General operating revenues	216,887	275,807
<b>Total Operating Revenues (Schedule A)</b>	<b>45,492,635</b>	<b>46,375,663</b>
<b>OPERATING EXPENSES</b>		
Educational and general		
Instruction	88,934,939	86,654,966
Research	11,582	8,885
Public service	497,578	465,588
Academic support	27,428,973	27,381,965
Student services	16,762,948	14,708,843
Institutional support	39,499,140	38,597,293
Operation and maintenance of plant	29,276,407	26,232,548
Scholarships and fellowships	33,689,396	25,476,837
Auxiliary enterprises	1,894,033	2,292,900
Depreciation and amortization	17,358,574	15,070,826
<b>Total Operating Expenses (Schedule B)</b>	<b>255,353,570</b>	<b>236,890,651</b>
<b>OPERATING LOSS</b>	<b>(209,860,935)</b>	<b>(190,514,988)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State appropriation	67,580,996	63,580,283
Ad-valorem taxes		
Taxes for maintenance and operations	85,701,227	77,476,521
Taxes for debt service	14,117,332	13,345,751
Federal revenue, non-operating	66,161,748	57,582,054
Financial Aid for Swift Transfer Program	10,258,650	8,822,990
Gifts	577,943	459,755
Investment income (net of investment expenses)	19,638,354	21,866,535
Insurance proceeds	218,824	-
Interest on capital related debt	(3,398,717)	(3,272,245)
Gain (loss) on disposal of capital assets	(3,741)	(79,127)
Non-capital construction costs	(2,078,897)	(2,099,031)
Bond costs and fees	(55,000)	(597,722)
Gain on bond defeasance	134,173	982,687
Other non-operating revenues	73,642	73,733
Other non-operating expenses	(637,113)	(748,144)
<b>Non-Operating Revenues, Net (Schedule C)</b>	<b>258,289,421</b>	<b>237,394,040</b>
<b>Income Before Contributions</b>	<b>48,428,486</b>	<b>46,879,052</b>
Capital contributions	69,616	35,477
<b>Increase In Net Position</b>	<b>48,498,102</b>	<b>46,914,529</b>
<b>NET POSITION</b>		
Net Position-Beginning of Year	486,028,195	439,113,666
<b>Net Position-End of Year</b>	<b>\$ 534,526,297</b>	<b>\$ 486,028,195</b>

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, 2025 and 2024**

**Exhibit 3**

	FY 2025	Restated FY 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 18,897,081	\$ 19,532,717
Receipts from grants and contracts	28,430,239	24,523,189
Payments to suppliers for goods or services	(36,583,556)	(27,353,506)
Payments to or on behalf of employees	(153,640,732)	(143,173,757)
Payments for scholarships and fellowships	(33,311,542)	(26,102,642)
Payments for loans issued to students	(363,889)	(427,189)
Receipts from collection of loans to students	314,978	335,322
Other receipts	216,912	198,034
Payments for non-operating construction costs	(2,087,044)	(2,080,786)
Payments for non-operating transactions	(858,142)	(750,453)
<b>Net cash used by operating activities</b>	<b>(178,985,695)</b>	<b>(155,299,071)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	56,929,724	56,730,686
Receipts from Financial Aid Skill Transfer	4,356,179	8,822,990
Receipts from ad-valorem taxes-maintenance and operation	84,678,874	76,530,832
Receipts from non-operating federal revenue	53,920,408	57,483,968
Payments for collection of taxes for maintenance and operation	(176,502)	(223,657)
Receipts from gifts or grants for other than capital purposes	588,743	459,755
Receipts from student organizations and other agency transactions	1,618,962	2,347,157
Payments to student organizations and other agency transactions	(2,012,378)	(1,912,155)
Receipts from endowment interest	8,014	17,372
Proceeds from insurance claims	32,169	-
<b>Net cash provided by non-capital financing activities</b>	<b>199,944,193</b>	<b>200,256,948</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Receipts from ad-valorem taxes-debt services	14,025,008	13,251,300
Payments for collection of taxes for debt service	(39,604)	(50,801)
Contribution received in aid of construction	-	11,032
Proceeds from sale/return of capital assets	20,320	3,011
Proceeds from insurance for stolen or destroyed capital assets	186,655	-
Purchases of capital assets including payments for construction costs	(12,634,139)	(21,244,941)
Payments on capital debt, leases and SBITAs-principal	(13,185,436)	(23,325,375)
Payments on capital debt, leases and SBITAs-interest and fees	(5,959,850)	(4,775,220)
Payments from bond issue costs on capital debt issue	(55,000)	(65,795)
<b>Net cash used by capital and related financing activities</b>	<b>(17,642,046)</b>	<b>(36,196,789)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale and maturity of investments	200,247,327	202,374,978
Receipts from interest on investments	18,640,330	18,060,428
Purchase of investments	(216,550,447)	(254,083,932)
<b>Net cash provided (used) by investing activities</b>	<b>2,337,210</b>	<b>(33,648,526)</b>
<b>Increase (Decrease) in cash and cash equivalents</b>	<b>5,653,662</b>	<b>(24,887,438)</b>
Cash and cash equivalents-September 1,	93,700,801	118,588,239
<b>Cash and cash equivalents - August 31</b>	<b>\$ 99,354,463</b>	<b>\$ 93,700,801</b>

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, 2025 and 2024**  
**(Continued)**

**Exhibit 3**

	FY 2025	Restated FY 2024
<b>Reconciliation of net operating loss to net cash used</b>		
<b>by operating activities:</b>		
Operating loss	\$ (209,860,935)	\$ (190,514,988)
Adjustments to reconcile net operating loss to net cash used		
by operating activities:		
Depreciation and amortization expense	17,358,574	15,070,826
Payments made directly by state for benefits	9,986,979	6,849,598
Payments for non-operating construction costs	(2,087,044)	(2,080,786)
Payments for non-operating transactions	(1,048,348)	4,944,323
Changes in assets and liabilities:		
Receivables, net	2,018,689	(2,185,896)
Prepaid expenses	(327,772)	(250,066)
Deferred outflow related to pension	8,142,711	(2,299,723)
Deferred outflow related to OPEB	324,703	17,733,899
Accounts payable	1,461,540	998,628
Accrued liabilities	3,548,083	465,111
Compensable absences	608,104	1,047,565
Unearned revenues	146,810	(553,253)
Net pension liability	(3,352,213)	9,481,993
Net OPEB liability	13,614,551	(746,431)
Deferred inflow related to pensions	(2,891,920)	(2,881,701)
Deferred inflow related to OPEB	(16,628,207)	(10,378,170)
<b>Net cash used by operating activities</b>	<b>\$ (178,985,695)</b>	<b>\$ (155,299,071)</b>

**Non-cash investing, capital, and financing activities for fiscal year 2025:**

The Automotive Technology Department received five (5) vehicles: 2022 Chevrolet Colorado valued at \$7,240; 2023 Cadillac XT5 valued at \$8,407; 2023 Cadillac CT5 valued at \$8,407; 2024 Chevrolet Silverado valued at \$14,727.25; and 2024 Chevrolet Corvette valued at \$23,035.25.

The Library Art Gallery Department received several works of art donations amounting to a net value of \$7,800. Nine pieces of artwork were individually valued at \$2,080, \$1,820, \$1,250, \$800, \$700, \$425, \$375, \$200, and \$150, and entitled respectively as follows: "Ristra y las Tres", "Tres Avayuns", "De Colores", "Dos Negras", "Los Amigos", "Santo Domingo", "Tres Portadora", "Las Dos de la Tarde", and "Southwest Navajo".

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

Premium - LT Bond Series 2020	\$ 4,008,925
Premium - LT Bond Series 2021	\$ 5,498,031

Payments made directly by the state for benefits as of August 31, 2025, totaled to \$6,143,049.

Leases and Subscription Based-Information Technology Arrangements initiated as of August 31, 2025.

Leases - Equipment	\$ 84,665
Subscription Based-Information Technology Arrangements	\$ 12,417,008

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, 2025 and 2024**  
**(Continued)**

**Exhibit 3**

**Non-cash investing, capital, and financing activities for fiscal year 2024:**

The Automotive Technology Department received a 2022 Chevrolet Silverado valued at \$14,727.

The Department of Institutional Advancement & External Affairs received a Stained Glass Artwork valued at \$16,000.

The Library Art Gallery Department received several work of art donations amounting to a net value of \$4,750. The art work were individually valued at \$2,500, \$1,333, \$667, and \$250 and entitled respectively as follows: "Georgraphy Destiny", "Untitled", "by Luis Corpus", and "Ratibida Columnifera Mexican Hats".

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

Premium - LT Bond Series 2020	\$	4,454,362
Premium - LT Bond Series 2021	\$	6,047,834

Payments made directly by the state for benefits as of August 31, 2024, totaled to \$4,489,721.

Leases and Subscription Based-Information Technology Arrangements initiated as of August 31, 2024.

Leases - Equipment	\$	333,044
Leases - Facilities	\$	464,971
Subscription Based-Information Technology Arrangements	\$	16,320,429

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



**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 1 – Reporting Entity**

South Texas College District was established on June 1, 1993, in accordance with the laws of the State of Texas, to serve the educational needs of Hidalgo and Starr Counties and the surrounding communities. South Texas College District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

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

Component Unit

The South Texas College Foundation (The Foundation) is a non-profit organization, and its sole purpose is to provide benefits such as scholarships and grants to the students, faculty and staff of the District. The Foundation is a legally separate entity and solicits donations and acts as coordinator of gifts made by other parties. The District does not appoint any of the Foundation's board members. Under Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, The Foundation is considered a component unit as the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. The financial statements of the Foundation are not material to the financial statements of the District and have not been included in the basic financial statements. Financial Information can be requested from the Office of Institutional Advancement and Economic Development, Attention: Dr. Marcos Silva, 3201 W Pecan Blvd. McAllen, TX 78501.

**Note 2 – Summary of Significant Accounting Policies**

Reporting Guidelines

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

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Tuition Discounting

**Texas Public Education Grants (TPEG)**

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

**Title IV, Higher Education Act Program (HEA) Funds**

Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

**Other Tuition Discounts**

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amount is recorded as tuition discount. If the amount is dispersed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Budgetary Data

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, for internal management use at the individual fund and account group level on which the books of the District are maintained, and it is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, the Legislative Budget Board, the Legislative Reference Library, and the Governor's Office of Budget and Planning by December 1.

Elimination of Internal Activity

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

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Restricted Cash and Cash Equivalents and Investments

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

Investments

The District reports investments in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, and GASB 72, *Fair Value Measurement and Application*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase. For more information, see Note 4.

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.

Leases Receivable

The District is a lessor for noncancelable property leases and recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

The District initially measures the lease receivable at the present value of payments at the commencement date; however, the District acquired FinQuery (LeaseQuery) software services, a program that specializes in calculating and managing leases, software subscriptions, and other contracts in a cloud-based platform to assist with calculations and lease maintenance.

The lease receivable is reduced by the principal portion of the payments received (refer to Note 11 – Lessor Accounting for details). The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, if any. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Leases Receivable (Continued)

Critical estimates and judgments related to leases include how the District determines the discount rate it uses to discount the expected lease receipts to present value, the lease term, and lease receipts.

- The District uses the Depository Bank rate with the maturity that most closely matches the length of the lease term, as of the date of the beginning of the lease term, as the discount rate for leases unless the rate is stated in the agreement.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Leases

The District is a lessee for a noncancelable lease of equipment and facilities. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present values, (2) lease term, and (3) lease payments.

- The District uses the interest rate the lessor charges as the discount rate. When the interest rate charged by the lessor is not provided, the District used the borrowing interest rates offered by its Depository Bank at 6.3% for leases less than 3 years, 6.7% for leases less than 5 years, and 7.0% for leases greater than 5 years. Unless the agreement/contract states that no interest rate will be charged.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the District is reasonably sure to exercise.

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Leases (Continued)

The District monitors changes in circumstances that would require measuring its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets, and lease liabilities are reported as long-term debt on the statement of net position.

Subscription-Based Information Technology Arrangements (SBITA)

The District is under contracts for Subscription-Based Information Technology Arrangements (SBITA) for various educational, IT management, facilities management, and financial software agreements. The agreements/contracts are noncancellable, and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statement. The District recognizes SBITA liabilities with an initial individual value of \$5,000 or more over the contract term.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of the SBITA payment made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized straight-line over the useful life. Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected SBITA payment to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the SBITA vendor's interest rate as the discount rate. When the interest rate charged by the lessor is not provided, the District used the borrowing interest rates provided by its Depository Bank at 6.30% for leases less than 3 years, 6.7% for leases less than 5 years, and 7% for leases greater than 5 years. Unless the agreement/contract states that no interest rate will be charged.
- The SBITA term includes the noncancellable period of the SBITA, and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the District is reasonably certain to exercise. The District does not intend to purchase any of the software at the end of the SBITA terms.

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to affect the amount of the SIBTA liability significantly.

SBITA assets are reported with other capital assets, and SBITA liabilities are reported with long-term debt on the statement of net position.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Capital Assets

Capital assets are recorded at cost (except for intangible right-to-use subscription assets and intangible right-to-use lease assets, the measuring of which is discussed in Note 2, Leases, below) at the date of acquisition. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value at the date of donation. South Texas College District capitalization policy includes real and personal property with a unit cost equal to or greater than \$5,000 and an estimated useful life more than one year. Renovations of \$100,000 or more to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

Buildings	50 years
Facilities and land improvements	20 years
Library books and materials	15 years
Furniture, machinery, vehicles, and other equipment	10 years
Telecommunications and peripheral equipment	5 years
Right-to-use lease assets	2-5 years
Right-to-use subscription assets	2-10 years
Land and work of art/collections	Not Depreciated

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

Deferred Outflows of Resources

In addition to assets, the Statements of Net Position include a separate section for deferred outflows of resources, which represents a consumption of net assets that applies to future periods and thus, will not be recognized as an outflow of resources (expensed) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. The District recorded deferred outflow of resources for deferred charges on refunding of debt, and deferred outflows of resources for its proportionate share of collective deferred outflows of the Teacher Retirement System of Texas (TRS) pension plan required by the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and for contributions made to the TRS plan subsequent to the measurement date of the respective net pension liability. In addition, the District recorded deferred outflow of resources for its proportionate share of collective deferred outflows of the Employees Retirement System of Texas (ERS) other post-employment benefits (OPEB) plan required by the implementation of GASB Statement 75, *Accounting and Financial Reporting for OPEB* and for contributions made to the ERS plan subsequent to the measurement date of the respective net OPEB liability. For additional information, see Notes 14 and 17.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Pensions

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

Other Post-Employment Benefits (OPEB)

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

Compensable Absences

It is the District's policy to accrue annual vacation leave as earned. 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. See Note 6 and Note 16 for additional information.

Deferred Inflows of Resources

In addition to liabilities, the Statements of Net Position include a separate section for deferred inflows of resources, which represents an acquisition of net assets that applies to future periods and thus, will not be recognized as an inflow of resources (revenue) until then. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. The District records deferred inflows of resources related to leases and for its proportionate share of collective deferred inflows of the TRS pension plan and the ERS OPEB plan. For additional information, see Notes 14 and 17.

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Net Position

The District's net position is classified as follows:

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

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

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

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

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

Unearned Revenues

Tuition and fees of \$3,723,008 and \$15,304,152 and federal, state, local, and private grants of \$1,348,995 and \$1,479,035 have been reported as unearned revenues at August 31, 2025, and 2024, respectively. Total unearned revenues were \$5,072,003 and \$16,783,187 at August 31, 2025, and 2024, respectively.

Noncurrent Liabilities

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

Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Operating and Non-Operating Revenue and Expense Policy

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

Capitalization of Interest

Interest cost during the construction period is capitalized in accordance with GASB Statement No. 62. The District's policy is to capitalize interest cost as a component of construction in progress upon completion of capital assets. As of August 31, 2025, the District incurred \$4,862,702 in interest cost expense and \$390,261 was capitalized. As of August 31, 2024, the District incurred \$3,740,513 in interest cost expense and \$243,816 was capitalized.

Bond Discounts and Premiums

Bond discounts and premiums are deferred and amortized over the term of the bond. Bond discounts and premiums are presented as a reduction or addition of the face amount of bonds payable. Issuance costs are expensed in the year they are incurred.

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.

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

New Pronouncements effective fiscal year 2025

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The District implemented the provisions of this statement for the year ended August 31, 2025. For information see prior-year restatement – due to change in accounting principle.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The requirements of this Statement will take effect for financial statements starting with the fiscal year that begins after June 30, 2024. This Statement was determined to have no effect on the District's financial statements.

New Pronouncements

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

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that begins after December 31, 2025.

In September 2024, GASB issues Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

Prior-Year Restatement – Due to Change in Accounting Principle

A change in accounting principle based on the new implementation of GASB Statement No. 101, *Compensated Absences* resulted in a restatement to accrued compensable absences liabilities in the amount of \$664,293. The offset was to operating expenses for the same amount. There was no impact to prior year net position as of August 31, 2023 related to the restatement. See table as follows:

	FY2024		
	As Previously Reported	Difference Due To Change in Accounting Principle	As Restated
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued compensable absences - current portion	\$ 1,940,656	\$ 650,948	\$ 2,591,604
<b>Noncurrent Liabilities</b>			
Accrued compensable absences	1,223,089	13,345	1,236,434
<b>Total Restated Liabilities</b>	<u>3,163,745</u>	<u>664,293</u>	<u>3,828,038</u>
<b>OPERATING EXPENSES</b>			
Instruction	86,235,970	418,996	86,654,966
Academic support	27,327,104	54,861	27,381,965
Student services	14,657,460	51,383	14,708,843
Institutional support	38,543,750	53,543	38,597,293
Operation and maintenance of plant	<u>26,147,038</u>	<u>85,510</u>	<u>26,232,548</u>
<b>Total Restated Operating Expenses</b>	<u>192,911,322</u>	<u>664,293</u>	<u>193,575,615</u>
<b>NET POSITION</b>			
Unrestricted	228,097,119	(664,293)	227,432,826
Net Position-End of Year	<u>\$486,692,488</u>	<u>\$ (664,293)</u>	<u>\$ 486,028,195</u>

**Note 3 – Authorized Investments**

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001, Texas Government Code). Such investments include (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas, or its agencies and instrumentalities, (3) obligations of political subdivisions rated not less than A or its equivalent by a nationally recognized investment rating firm, (4) financial institution deposits issued by a depository institution, (5) no-load government money market mutual funds registered with and regulated by the Securities and Exchange Commission, (6) eligible investment pools organized and operating in compliance with the Public Funds Investment Act and continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service, and (7) other obligations, the principal and interest on which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the FDIC or by the explicit full faith and credit of the United States.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 4 – Deposit and Investments**

At August 31, 2025, and 2024, the carrying amount of South Texas College District's bank deposits were \$97,472,068 and \$91,900,811 respectively, and total bank balances equaled \$107,181,201 and \$95,915,989 respectively. Federal Deposit Insurance Corporation (FDIC) deposit insurance of \$250,000 served as collateral for demand deposit accounts, money market accounts, money market insured cash sweep accounts, and time deposit accounts, respectively, at each financial institution. Deposits in excess of FDIC deposit insurance are collateralized at a minimum level of 102%, or 100% for Letters of Credit issued by a Federal Home Loan Bank, of the principal amount plus accrued interest of the deposit. Monthly collateral reports reporting the pledged securities and their fair values are required from each financial institution. The District is subject to collateral credit risk in the event of the bank's nonperformance of collateral requirements under the collateral agreement.

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

	August 31, 2025	August 31, 2024
Bank Deposits		
Demand deposits	\$ 31,040,249	\$ 28,492,149
Money market deposits	66,431,819	63,408,662
Total bank deposits	97,472,068	91,900,811
Cash and Cash Equivalents		
Change funds on hand	6,375	6,375
Investment pools (TexPool)	1,876,020	1,793,615
<b>Total Cash and Cash Equivalents</b>	<b>\$ 99,354,463</b>	<b>\$ 93,700,801</b>

Total deposits and investments are as follows:

Type of Security	August 31, 2025	August 31, 2024
U.S. Government Securities-Treasuries	\$ 184,571,370	\$ 62,661,191
U.S. Government Securities-Agency	124,242,350	109,008,229
Certificates of deposit	35,242,665	156,517,229
Endowment investment	5,590	5,590
Total Investments	344,061,975	328,192,239
Total Cash and Cash Equivalents	99,354,463	93,700,801
<b>Total Reconciliation to Exhibit 1 and Investments</b>	<b>\$ 443,416,438</b>	<b>\$ 421,893,040</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 4 – Deposit and Investments (Continued)**

Exhibit 1	August 31, 2025	August 31, 2024
Cash and cash equivalents	\$ 84,041,509	\$ 86,791,291
Current restricted cash and cash equivalents	15,312,954	6,909,510
Short-term investments-current	21,716,631	43,697,572
Restricted short-term investments-current	-	7,001,796
Endowment investment*	5,590	5,590
Long-term investments	322,339,754	277,487,281
<b>Total Reconciliation to Exhibit 1</b>	<b>\$ 443,416,438</b>	<b>\$ 421,893,040</b>

\*Endowment investment consists of a donated coin collection.

As of August 31, 2025, the District had the following investments and maturities:

Investment Type	Fair Value/Cost	Weighted Average Maturity (Years)	Credit Exposure	Exposure Permitted by Investment Policy
U.S. Government Securities-Treasuries	\$ 184,571,370	1.09	41.30%	100.0%
U.S. Government Securities-Agency Investments pools (TexPool)	124,242,350	0.71	27.80%	100.0%
Certificates of deposit	1,876,020	-	0.42%	50.0%
	35,242,665	0.25	7.89%	100.0%
<b>Total Fair Value</b>	<b>\$ 345,932,405</b>			

As of August 31, 2024, the District had the following investments and maturities:

Investment Type	Fair Value/Cost	Weighted Average Maturity (Years)	Credit Exposure	Exposure Permitted by Investment Policy
U.S. Government Securities-Treasuries	\$ 62,661,191	0.16	15.83%	100.0%
U.S. Government Securities-Agency Investments pools (TexPool)	109,008,229	0.28	27.59%	100.0%
Certificates of deposit	1,793,615	-	0.46%	50.0%
	156,517,229	0.54	39.79%	100.0%
<b>Total Fair Value</b>	<b>\$ 329,980,264</b>			

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 4 – Deposit and Investments (Continued)**

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

Credit Risk - In accordance with State law and the District's Investment Policy, investments in eligible investment pools must be continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service and obligations of states, agencies, counties, cities, and other political subdivisions of any State rated as to investment quality by a nationally recognized investment rating firm of not less than A or its equivalent. Financial institution deposits must be guaranteed or insured by the FDIC or its successors or the National Credit Union Share Insurance Fund or its successor, secured by obligations described by the Public Funds Collateral Act, or secured in any other manner and amount provided by law and governed by a depository agreement. At August 31, 2025, 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, 2024, the District's certificates of deposit were collateralized by a letter of credit and were FDIC insured. The District's investments pools had a Standard and Poor's rating of AAAm.

Concentration of Credit Risk - The District's Investment Policy seeks to minimize its concentration of credit risk by establishing the following maximum percentages of investment types for the total District investment portfolio: U.S. Treasury Bills/Notes/Bonds 100%; U.S. Agencies and Instrumentalities 100%; States, Counties, Cities, and Other 25%; Financial Institution Deposits 100%; Money Market Mutual Funds 25%; and Eligible Investment Pools 50%. At August 31, 2025, the District's cash and investments were in U.S. Government Securities-Treasuries (41.30%), U.S. Government Securities – Agency (27.80%), TexPool (0.42%), Certificates of Deposit (7.89%), and Money Markets (22.60%). At August 31, 2024, the District's cash and investments were in U.S. Government Securities-Treasuries (15.83%), U.S. Government Securities – Agency (27.59%), TexPool (0.46%), Certificates of Deposit (39.79%), and Money Markets (16.11%).

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

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

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 4 – Deposit and Investments (Continued)**

the District's position in TexPool is the same as the value of TexPool shares. The District reports investments in TexPool as cash and cash equivalents. In addition, the pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. The pools do not impose any liquidity fees or redemption gates.

Fair Value Measurement – Governmental Accounting Standards Board Statement No. 72, Fair Value Measurement and Application (GASB 72), establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy give the highest priority to unadjusted quoted prices in active market for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described hereafter:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access of the measurement date.

Level 2 Inputs are inputs, other than quoted prices included within Level 1, which are observable for an asset or liability, either directly or indirectly. Level 2 valuation methodologies include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in an active market
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

PNC Bank, as the safekeeping agent of the District's securities, obtains market quotes on a daily basis from Intercontinental Exchange (ICE), and then reports them to the District via PNC Bank's web site. ICE evaluates U.S. Treasury securities by obtaining feeds from a number of live data sources including active market makers and inter-dealer brokers. Sources are reviewed on the basis of historical accuracy for individual issues and maturity ranges. Evaluations are marked at 15:00 and 16:00 (ET).

U.S. Government Agency securities are valued using a multi-dimensional relational model that considers relevant trade data, benchmark quotes and spreads obtained from publicly available trade execution platforms, electronic trading platforms and the dealer community.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 4 – Deposit and Investments (Continued)**

As required by GASB Statement No. 72, Fair Value Measurement and Application, the following table presents the financial instruments carried on the statement of financial position by caption and by level of inputs within the valuation hierarchy as of August 31, 2025:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Securities-Treasuries	\$177,873,395	\$ 6,697,975	\$ -	\$184,571,370
U.S. Government Securities-Agency	14,965,684	109,276,666	-	124,242,350
<b>Total</b>	<b>\$ 192,839,079</b>	<b>\$ 115,974,641</b>	<b>\$ -</b>	<b>\$308,813,720</b>

The following table presents the financial instruments carried on the statement of financial position by caption and by level of inputs within the valuation hierarchy as of August 31, 2024:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Securities-Treasuries	\$62,662,191	\$ -	\$ -	\$ 62,661,191
U.S. Government Securities-Agency	24,385,938	84,622,291	-	109,088,229
<b>Total</b>	<b>\$87,047,129</b>	<b>\$84,622,291</b>	<b>\$ -</b>	<b>\$ 171,669,420</b>

Certificates of Deposit (CDs) were valued at cost.



**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 5 – Capital Assets**

Capital assets activity for the year ended August 31, 2025, was as follows:

	Balance September 1, 2024	Increases	Deletions	Balance August 31, 2025
<u>Capital assets, not being depreciated:</u>				
Land	\$ 33,532,535	\$ -	\$ -	\$ 33,532,535
Collections	79,938	7,800	-	87,738
Construction in progress	6,748,655	10,733,273	8,709,564	8,772,364
Total capital assets, not being depreciated	40,361,128	10,741,073	8,709,564	42,392,637
<u>Capital assets, being depreciated/amortized</u>				
Buildings	328,446,668	8,058,075	-	336,504,743
Land improvements	50,178,726	651,489	34,642	50,795,573
Total buildings and other land improvements	378,625,394	8,709,564	34,642	387,300,316
Library books	6,550,504	214,109	-	6,764,613
Furniture, machinery, vehicles, and other equipment	56,215,340	3,392,229	1,182,129	58,425,440
Telecommunications and peripheral equipment	2,372,487	-	529,712	1,842,775
Intangible Right-to-Use Asset_Equipment	961,648	84,665	-	1,046,313
Intangible Right-to-Use Asset_Facilities	510,672	-	-	510,672
Intangible Right-to-Use Asset_Subscriptions	20,771,045	12,417,008	-	33,188,053
Total capital assets being depreciated/amortized	466,007,090	24,817,575	1,746,483	489,078,182
<u>Less accumulated depreciation/amortization for:</u>				
Buildings	78,921,821	6,165,882	-	85,087,703
Land improvements	26,134,955	2,156,322	34,642	28,256,635
Library books	4,651,180	215,205	-	4,866,385
Furniture, machinery, vehicles, and other equipment	40,858,757	3,607,213	1,158,068	43,307,902
Telecommunications and peripheral equipment	2,372,487	-	529,712	1,842,775
Intangible Right-to-Use Asset_Equipment	537,165	182,827	-	719,992
Intangible Right-to-Use Asset_Facilities	115,284	93,157	-	208,441
Intangible Right-to-Use Asset_Subscriptions	5,054,459	4,992,713	-	10,047,172
Total accumulated depreciation/amortization	158,646,108	17,413,319	1,722,422	174,337,005
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<b>307,360,982</b>	<b>7,404,256</b>	<b>24,061</b>	<b>314,741,177</b>
<b>Total Capital Assets</b>	<b>\$ 347,722,110</b>	<b>\$ 18,145,329</b>	<b>\$ 8,733,625</b>	<b>\$ 357,133,814</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 5 – Capital Assets (Continued)**

Construction in progress, including capitalized interest of \$390,261 consists of the following:

Project	Balance September 1, 2024	Additions	Completed/ Deductions	Balance August 31, 2025
Pecan Kinesiology Bldg Q	\$ 332,289	\$ 1,152,289	\$ -	\$ 1,484,578
Pecan Cooper Performing Arts Bldg L Renovation	511,540	2,637,246	-	3,148,786
Pecan West Continuing Education Bldg A	193,148	2,347,340	-	2,540,488
Pecan West New CE Bldg Park & Site Impr	35,788	639,230	-	675,018
Pecan Student Services Bldg K Cashier's Renovation	-	37,288	-	37,288
Pecan Business & Science Bldg G Eng Lab Renovation	-	9,000	-	9,000
Pecan Athletic Field Bldg R	-	4,761	-	4,761
Tech Emerging Tech Bldg A Renovation	18,500	-	-	18,500
Tech Advanced Tech Careers Bldg B Renovation	40,000	-	-	40,000
Tech Welding Lab Bldg F Expansion	3,272,363	972,496	4,244,859	-
NAH East Bldg A Radiology Lab Renov to Multipurpose Skills Lab	-	10,919	-	10,919
NAH Regional Workforce Development Healthcare Ctr Bldg E	-	412,961	-	412,961
NAH East Bldg A Community Pharmacy Lab	-	23,069	-	23,069
Mid Valley Workforce Bldg D Welding Expansion	58,461	32,404	90,865	-
Mid Valley Bldg M Automotive Lab Expansion	101,265	43,007	144,272	-
Mid Valley Workforce Bldg D HVAC-R Outdoor Covered Area	47,313	11,320	58,633	-
Starr Bldg Q Automotive Expansion	1,367,144	1,183,895	2,551,039	-
Starr Workforce Bldg D Welding Expansion	-	196	196	-
Starr North Acad Bldg C HVAC-R & Outdoor Covered Area	237,512	242,517	480,029	-
RCPSE Target Range	69,906	3,519	-	73,425
RCPSE Perimeter Fencing	-	40,264	-	40,264
RCPSE Two-Story Residential Fire Training Structure	-	2,200	2,200	-
RCPSE Parking Lot #1 Additional Expenses	14,212	311,644	325,856	-
Pecan Reseeding & Regrading of Athletic Fields	-	113,754	113,754	-
Pecan South Academic Bldg J Generator Replacement	-	221	221	-
Pecan Stucco Repainting Bldg L	-	18,344	-	18,344
Pecan Business & Science Bldg G HVAC Replacements	-	46,131	-	46,131
Pecan Student Activities Bldg H HVAC Replacements	-	34,599	-	34,599
Pecan Physical Plant Bldg E Cooling Tower Piping System Upgrade	-	41,880	-	41,880
Pecan Student Activities Bldg H Flooring Replacements (DW)	-	124,830	124,830	-
NAH East Bldg A Generator Replacements	-	131	131	-
MV Library Bldg E HVAC Replacements	30,134	4,442	-	34,576
MV Student Union Bldg F HVAC Replacements	15,067	2,257	-	17,324
MV North Academic Bldg G HVAC Replacements	52,733	7,720	-	60,453
MV North Academic Bldg G Flooring Replacements	340,464	20,336	360,800	-
Tech Resurfacing and Regrading of Parking Lot #2	10,816	201,063	211,879	-
<b>Total</b>	<b>\$ 6,748,655</b>	<b>\$ 10,733,273</b>	<b>\$ 8,709,564</b>	<b>\$ 8,772,364</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 5 – Capital Assets (Continued)**

For comparison purposes, capital assets activity for the year ended August 31, 2024, was as follows:

	Restated Balance September 1, 2023	Increases	Deletions	Balance August 31, 2024
<u>Capital assets, not being depreciated</u>				
Land	\$ 33,532,535	\$ -	\$ -	\$ 33,532,535
Collections	59,188	20,750	-	79,938
Construction in progress	7,236,420	12,555,121	13,042,886	6,748,655
Total capital assets, not being depreciated	40,828,143	12,575,871	13,042,886	40,361,128
<u>Capital assets, being depreciated/amortized</u>				
Buildings	318,541,976	9,904,692	-	328,446,668
Land improvements	47,088,165	3,138,193	47,632	50,178,726
Total buildings and other land improvements	365,630,141	13,042,885	47,632	378,625,394
Library books	6,305,381	245,123	-	6,550,504
Furniture, machinery, vehicles, and other equipment	52,041,624	4,915,671	741,955	56,215,340
Telecommunications and peripheral equipment	2,747,649	-	375,162	2,372,487
Intangible Right-to-Use Asset_Equipment	628,604	333,044	-	961,648
Intangible Right-to-Use Asset_Facilities	45,701	464,971	-	510,672
Intangible Right-to-Use Asset_Subscriptions	4,450,616	16,320,429	-	20,771,045
Total capital assets being depreciated/amortized	431,849,716	35,322,123	1,164,749	466,007,090
<u>Less accumulated depreciation/amortization for:</u>				
Buildings	72,977,481	5,944,340	-	78,921,821
Land improvements	23,956,039	2,215,661	36,745	26,134,955
Library books	4,446,971	204,209	-	4,651,180
Furniture, machinery, vehicles, and other equipment	37,954,166	3,646,546	741,955	40,858,757
Telecommunications and peripheral equipment	2,746,675	974	375,162	2,372,487
Intangible Right-to-Use Asset_Equipment	357,007	180,158	-	537,165
Intangible Right-to-Use Asset_Facilities	32,315	82,969	-	115,284
Intangible Right-to-Use Asset_Subscriptions	2,106,567	2,947,892	-	5,054,459
Total accumulated depreciation/amortization	144,577,221	15,222,749	1,153,862	158,646,108
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<b>287,272,495</b>	<b>20,099,374</b>	<b>10,887</b>	<b>307,360,982</b>
<b>Total Capital Assets</b>	<b>\$ 328,100,638</b>	<b>\$ 32,675,245</b>	<b>\$ 13,053,773</b>	<b>\$ 347,722,110</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 5 – Capital Assets (Continued)**

Construction in progress as of August 31, 2024, including capitalized interest of \$273,921 consists of the following:

Project	Balance September 1, 2023	Additions	Completed/ Deductions	Balance August 31, 2024
Pecan Cooling Towers Screen Upgrades	\$ 13,198	\$ (13,198)	\$ -	\$ -
Pecan North Academic Humanities Bldg P Renovation	186,094	557,103	743,197	-
Pecan Kinesiology Bldg Q	109,241	223,048	-	332,289
Pecan Cooper Performing Arts Bldg L	41,895	469,645	-	511,540
Pecan Bldg A Additional Parking Lot	17,627	274,822	292,449	-
Pecan West Continuing Education Bldg A	-	193,148	-	193,148
Pecan West New CE Bldg Park & Site Impr - EDA Grant	19,540	9,090	-	28,630
Pecan West New CE Bldg Park & Site Impr - STC Match	4,885	2,273	-	7,158
Tech Emerging Tech Bldg A Renovation	18,500	-	-	18,500
Tech Exterior Solar Panels Structure	236,257	8,615	244,872	-
Tech Advanced Tech Careers Bldg B Renovation	40,000	-	-	40,000
Tech Welding Lab Bldg Expansion	126,616	3,145,747	-	3,272,363
MV Workforce Bldg D Welding Expansion	309,146	950,925	1,201,610	58,461
MV Workforce Bldg M Automotive Lab Expansion	533,929	1,667,387	2,100,051	101,265
MV Workforce Bldg D HVAC-R Outdoor Covered Area	327,099	710,990	990,776	47,313
MV CDC Portable L2 Relocations & Infrastructure	8,925	(8,925)	-	-
Starr Workforce Bldg D Welding Expansion	1,084,291	17,194	1,101,485	-
Starr Workforce Bldg Q Automotive Expansion	342,717	1,024,427	-	1,367,144
Starr Acad Bldg C HVAC-R & Outdoor Covered Area	84,619	152,893	-	237,512
RCPSE Target Range _ STC	55,360	14,546	-	69,906
RCPSE Target Range _ Grant	11,991	(11,991)	-	-
RCPSE Fire Training Area	460,065	(6,372)	453,693	-
RCPSE Canopy for Safety Training Vehicles	820,816	28,974	849,790	-
RCPSE Canopy for Students / Instructors	590,034	23,304	613,338	-
RCPSE Skills Pad and EVOG Lighting	338,353	15,585	353,938	-
RCPSE Two-Story Residential Fire Training Structure	578,337	2,188,102	2,766,439	-
RCPSE Parking Lot #1 Additional Expenses	-	14,212	-	14,212
Pecan Resurfacing of East Drive	314,692	15,422	330,114	-
Pecan Academic Bldg J Generator Replacement	74,960	283,304	358,264	-
MV Academic Bldg H Repairs & Renov	1,816	(1,816)	-	-
MV Library Bldg E HVAC Replacements	-	30,134	-	30,134
MV Student Union Bldg F HVAC Replacements	-	15,067	-	15,067
MV North Academic Bldg G HVAC Replacements	-	52,733	-	52,733
MV North Academic Bldg G Flooring Replacements	-	340,464	-	340,464
Tech Resurfacing of Parking Lot #2 & Regrading Existing Swales	-	10,816	-	10,816
NAH East Bldg A Generator Replacement	67,650	157,453	225,103	-
DW Flooring Replacement	417,767	-	417,767	-
<b>Total</b>	<b>\$ 7,236,420</b>	<b>\$12,555,121</b>	<b>\$13,042,886</b>	<b>\$6,748,655</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 6 – Long Term Liabilities**

Long-term liabilities activity for the year ended August 31, 2025, was as follows:

	Restated Balance September 1, 2024	Additions	Deletions	Balance August 31, 2025	Current Portion
<b>Bonds Payable</b>					
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	\$ 28,279,693	\$ -	\$ 6,894,693	\$ 21,385,000	\$ 3,145,000
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2021	57,140,000	-	3,095,000	54,045,000	4,390,000
General Obligation Bonds Subtotal	85,419,693	-	9,989,693	75,430,000	7,535,000
Net Pension Liability	55,069,406	1,418,985	4,771,198	51,717,193	-
Other Post Employment Benefits (OPEB)	77,950,738	16,500,159	2,885,608	91,565,289	2,599,183
Accrued Compensable Absences*	3,828,038	608,104	-	4,436,142	2,515,106
Leased Liability	821,845	84,664	260,858	645,651	266,080
Subscription Based Information Technology Arrangements	12,543,648	12,417,008	3,069,057	21,891,599	7,677,193
Unearned Interest	329,355	-	39,134	290,221	37,046
<b>Total Liabilities</b>	<b>\$ 235,962,723</b>	<b>\$ 31,028,920</b>	<b>\$ 21,015,548</b>	<b>\$ 245,976,095</b>	<b>\$ 20,629,608</b>
<b>Bonds Detail</b>					
Total Bonds Payable	\$ 85,419,693	\$ -	\$ 9,989,693	\$ 75,430,000	\$ 7,535,000
Accreted Interest Premium CAB, Taxable Series 2020	211,071	49,236	260,307	-	-
Accreted Interest Premium CAB, Taxable Series 2021	953,333	346,667	1,300,000	-	-
Premium on Bonds Payable	10,502,196	-	995,240	9,506,956	995,239
<b>Total Bonds Payable, Net</b>	<b>\$ 97,086,293</b>	<b>\$ 395,903</b>	<b>\$ 12,545,240</b>	<b>\$ 84,936,956</b>	<b>\$ 8,530,239</b>
Less Bonds Payable - Current Portion				(8,530,239)	
<b>Total Noncurrent Bonds Payable, Net</b>				<b>\$ 76,406,717</b>	

\*The change in compensated absences above is a net change for the year

August 31, 2025, the District does not have any direct borrowings.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 6 – Long Term Liabilities (Continued)**

Unamortized bond discount, premium, bond insurance costs, and deferred loss for the year ended August 31, 2025, on the above bond issues are as follows:

	<u>Bond Premium</u>	<u>Deferred Loss</u>
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	\$ 4,008,925	\$ -
South Texas College District Limited Tax Bonds, Series 2021	5,498,031	-
<b>Total</b>	<b><u>\$ 9,506,956</u></b>	<b><u>\$ -</u></b>

**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, 2025, the District did not have a liability.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 6 – Long Term Liabilities (Continued)**

For comparison purposes, the long-term liabilities activity for the year ended August 31, 2024, was as follows:

	Restated Balance September 1, 2023	Additions	Deletions	Balance August 31, 2024	Current Portion
<b>Bonds Payable</b>					
South Texas College District Limited Tax Bonds, Series 2015	\$ 5,630,000	\$ -	\$ 5,630,000	\$ -	\$ -
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	40,219,693	-	11,940,000	28,279,693	2,759,693
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2021	57,385,000	-	245,000	57,140,000	3,095,000
General Obligation Bonds Subtotal	103,234,693	-	17,815,000	85,419,693	5,854,693
Net Pension Liability	45,587,413	13,602,949	4,120,956	55,069,406	-
Other Post Employment Benefits (OPEB)	78,697,169	10,125,512	10,871,943	77,950,738	2,180,391
Accrued Compensable Absences*	1,689,893	494,405	-	2,184,298	2,591,604
Leased Liability	252,485	798,016	228,656	821,845	250,270
Subscription Based Information Technology Arrangements	1,504,938	16,320,429	5,281,719	12,543,648	2,209,081
Unearned Interest	370,432	-	41,077	329,355	39,134
<b>Total Liabilities</b>	<b>\$ 231,337,023</b>	<b>\$ 41,341,311</b>	<b>\$ 38,359,351</b>	<b>\$ 234,318,983</b>	<b>\$ 13,125,173</b>
<b>Bonds Detail</b>					
Total Bonds Payable	\$ 103,234,693	\$ -	\$ 17,815,000	\$ 85,419,693	\$ 5,854,693
Accreted Interest Premium CAB, Taxable Series 2020	159,695	51,376	-	211,071	-
Accreted Interest Premium CAB, Taxable Series 2021	606,667	346,666	-	953,333	-
Premium on Bonds Payable	11,972,784	-	1,470,588	10,502,196	995,239
<b>Total Bonds Payable, Net</b>	<b>\$ 115,973,839</b>	<b>\$ 398,042</b>	<b>\$ 19,285,588</b>	<b>\$ 97,086,293</b>	<b>\$ 6,849,932</b>
Less Bonds Payable - Current Portion				(6,849,932)	
<b>Total Noncurrent Bonds Payable, Net</b>				<b>\$ 90,236,361</b>	

\*The change in compensated absences above is a net change for the year.

As of August 31, 2024, the District does not have any direct borrowings.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 6 – Long Term Liabilities (Continued)**

Unamortized bond discount, premium, bond issue costs and deferred loss for the year ended August 31, 2024, on the above bond issues are as follows:

	<u>Bond Premium</u>	<u>Deferred Loss</u>
South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020	\$ 4,454,362	\$ -
South Texas College District Limited Tax Bonds, Series 2021	6,047,834	-
<b>Total</b>	<b><u>\$ 10,502,196</u></b>	<b><u>\$ -</u></b>

**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, 2024, the District did not have a liability.



**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 7 – Bonds Payable**

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

	<u>August 31, 2025</u>	<u>August 31, 2024</u>
\$41,194,693 South Texas College District Limited Tax Refunding Bonds, Taxable Series 2020 due in varying installments through 2034, interest at 3.0% - 5.0%. Purpose: To advance refund a portion of the District's Bonds, Series 2014 in order to lower the overall annual debt service requirements of the District, and to pay for the cost of issuance of the bonds. Issued: July 23, 2020 Authorized: \$41,194,693.20; \$40,935,000 Current Interest Bonds and \$259,693.20 Premium Capital Appreciation Bonds Source of revenue for debt service: Ad valorem taxes	\$ 21,385,000	\$ 28,279,693
\$58,160,000 South Texas College District Limited Tax Refunding Bonds, Taxable Series 2021 due in varying installments through 2035, interest at 2.2% - 5.0%. Purpose: To refund certain outstanding debt obligations of the District for debt service savings (Bond Series 2015) and to pay for the cost of issuance of the bonds. Issued: November 16, 2021 Authorized: \$58,160,000; \$55,065,000 Current Interest Bonds and \$3,095,000 Premium Capital Appreciation Bonds Source of revenue for debt service: Ad valorem taxes	54,045,000	57,140,000
<b>Total Bonds Payable</b>	<b><u>\$ 75,430,000</u></b>	<b><u>\$ 85,419,693</u></b>

**Note 8 – Advance Refunding of Bonds**

On November 16, 2021, South Texas College District issued a Limited Tax Refunding Bonds, Taxable Series 2021 totaling \$58,160,000 and is being issued to refund a portion of the District's outstanding debt South Texas College District Limited Tax Bonds, Series 2015, in order to lower the overall debt service requirements of the District and to pay the cost associated with the issuance of the bonds. A total of \$58,165,000 of Limited Tax Bonds, Taxable Series 2015 was refunded. Outstanding on the Limited Tax Refunding Bonds, Taxable Series 2021 at year-end was \$57,140,000. The average interest rate of bonds refunded were 4.4% for Bonds Series 2015. In order to refund the bonds, the proceeds of the new bonds in the amount of \$65,790,204 after payments of \$674,166 to underwriting fees, insurance, bond counsel fees, rating fees, financial advisor, paying agent or escrow agent fees, printing fees, verification agent fees, and other issuance costs, were deposited and held in an escrow fund by Bank of Texas. The refunding resulted in a reduction of the total debt service payments over the next eleven years by \$5,732,991 and gave the District an economic gain of \$5,807,231. The accounting loss resulting from the advance refunding totaled \$531,927. At August 31, 2024, the Limited Tax Bond Series 2015 are considered fully defeased.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 9 – Defeasing Debt with Cash**

On August 27, 2025, South Texas College District issued a cash defeasance and redemption of a portion of an outstanding Limited Tax Refunding Bonds, Taxable Series 2020, totaling \$21,385,000. It is in the best interest of the District and its taxpayers to apply legally available funds of the District, in a principal amount not to exceed \$4,800,000, towards the redemption of the Bonds stated to mature on August 15, 2032. The District disbursed \$4,055,827 to BOKF, NA as escrow agent, which will create in its books a special fund and irrevocable escrow to be known as the “South Texas College District 2025 Cash Defeasance Escrow Fund” as established in the Escrow Agreement for the purpose of defeating the Defeasing Obligations. Also, processed any costs necessary or appropriate in connection with after payments of \$55,000 to bond counsel fees and expenses, cost of issuance, escrow agent fees, bond redemption fees, and disbursement fees were deposited and held in an escrow fund by the Bank of Texas. An accounting gain of \$134,173 and an escrow wired value of \$4,000,827.

Exhibit for South Texas College's Bonds Defeased Bond Outstanding		
<u>Bonds</u>	<u>Year Funded</u>	<u>Par Value Outstanding</u>
South Texas College Limited Tax Refunding Bonds, Taxable Series 2020	2020	\$21,385,000
South Texas College Limited Tax Refunding Bonds, Taxable Series 2021	2021	54,045,000
<b>Total</b>		<b><u>\$ 75,430,000</u></b>

On October 24, 2023, South Texas College District issued a cash defeasance and redemption of a portion of an outstanding Limited Tax Refunding Bonds, Taxable Series 2020, totaling \$40,594,693. It is in the best interest of the District and its taxpayers to apply legally available funds of the District in a principal amount not to exceed \$8,645,000 towards the redemption of the bonds stated to mature on August 15, 2033, and August 15, 2034. The District disbursed \$7,732,313 to BOKF, NA as escrow agent, which will create in its books a special fund and irrevocable escrow to be known as the “South Texas College District 2023 Cash Defeasance Escrow Fund” as established in the Escrow Agreement for the purpose of defeating the Defeasing Obligations. Also, processed any cost necessary or appropriate in connection with after payments of \$70,000 to bond counsel fees and expenses, cost of issuance, escrow agent fees, bond redemption fees, and disbursement fees were deposited and held in an escrow fund by the Bank of Texas. An accounting gain of \$982,687 and an escrow wired value of \$7,662,313.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 9 – Defeasing Debt with Cash (Continued)**

Exhibit for South Texas College's Bonds Defeased Bond Outstanding		
Bonds	Year Funded	Par Value Outstanding
South Texas College Limited Tax Refunding Bonds, Taxable Series 2020	2020	\$28,279,693
South Texas College Limited Tax Refunding Bonds, Taxable Series 2021	2021	57,140,000
<b>Total</b>		<b><u>\$ 85,419,693</u></b>

**Note 10 – Debt Obligations**

As of August 31, 2025, bonds payable are due in annual installments varying from \$3,145,000 to \$6,165,000 with interest rates from 2.24% to 5.0% and the final installment due in 2035. The principal and interest expense requirement for the next five years and beyond is summarized below for bonds issued:

Fiscal Year	General Obligation Bond		
	Principal	Interest	Total
2026	\$ 7,535,000	\$ 3,064,173	\$ 10,599,173
2027	7,915,000	2,687,423	10,602,423
2028	8,305,000	2,291,673	10,596,673
2029	8,725,000	1,876,423	10,601,423
2030	9,160,000	1,440,173	10,600,173
2031- 2035	33,790,000	2,477,152	36,267,152
<b>Total</b>	<b><u>\$ 75,430,000</u></b>	<b><u>\$ 13,837,017</u></b>	<b><u>\$ 89,267,017</u></b>

For comparison purposes, as of August 31, 2024, bonds payable are due in annual installments varying from \$245,000 to \$6,165,000 with interest rates from 2.0% to 5.0% and the final installment due in 2035. The principal and interest expense requirement for the next five years and beyond is summarized below for bonds issued:

Fiscal Year	General Obligation Bond		
	Principal	Interest	Total
2025	\$ 5,854,693	\$ 4,873,530	\$ 10,728,223
2026	7,535,000	3,188,223	10,723,223
2027	7,915,000	2,811,473	10,726,473
2028	8,305,000	2,415,723	10,720,723
2029	8,725,000	2,000,473	10,725,473
2030-2034	40,985,000	4,133,375	45,118,375
2035-Thereafter	6,100,000	156,099	6,256,099
<b>Total</b>	<b><u>\$ 85,419,693</u></b>	<b><u>\$ 19,578,896</u></b>	<b><u>\$ 104,998,589</u></b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 11 – Lease Obligations and Rental Agreements**

The District has entered into agreements to lease certain equipment and facilities. The lease agreements qualify as other than short-term leases under GASB 87 Leases and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Lease liabilities at August 31, 2025 and August 31, 2024 restated are as follows:

	FY 2025	Restated FY 2024
Agreements with Xerox Corporation for District-wide copy machines, average monthly payments of \$203; lease liability measured using a discount rate of 5.86% - 7.00%, which is the District's depository borrowing interest rate	\$ 245,932	\$ 254,599
Agreements with Cannon Financial Services, Inc. for District-wide copy machines, monthly payments of \$265; lease liability measured using a discount rate of 6%, which is the District's depository borrowing interest rate	9,268	21,060
Agreements with UBEO, LLC (Ricoh USA, Inc.) for District-wide copy machines, monthly payments of \$198; lease liability measured using a discount rate of 2.67%, which is the stated rate in the lease agreement	5,365	14,614
Agreement with VirTra for the Regional Center for Public Safety Excellence , annual payment of \$63,793 lease liability measured no discount rate, which is stated in the lease financing agreement	63,793	127,586
Agreement with Shah Eye Center for facility usage, monthly payment of \$9,030, lease liability measured using a discount rate, of 7%, which is the District's depository borrowing interest rate	321,293	403,986
<b>Total</b>	<b>\$ 645,651</b>	<b>\$ 821,845</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 11 – Lease Obligations and Rental Agreements (Continued)**

Lease obligations as of August 31, 2025 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 266,080	\$ 32,757	\$ 298,837
2027	184,763	19,793	204,556
2028	143,439	8,632	152,071
2029	51,369	903	52,272
<b>Total</b>	<b>\$ 645,651</b>	<b>\$ 62,085</b>	<b>\$ 707,736</b>

Lease obligations as of August 31, 2024 were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 250,270	\$ 41,101	\$ 291,371
2026	246,608	28,931	275,539
2027	164,117	17,140	181,257
2028	121,554	7,218	128,772
2029	39,296	644	39,940
<b>Total</b>	<b>\$ 821,845</b>	<b>\$ 95,034</b>	<b>\$ 916,879</b>

**Note 12 – Lessor Accounting**

On January 22, 2016, the Board of Trustees approved the College and Pharr-San Juan-Alamo Independent School District (PSJA) Interlocal Agreement to lease four classrooms, consisting in the aggregate, approximately 5,800 square feet or more, located at the Regional Center for Public Safety Excellence (“Regional Center”). The initial term of this Lease shall commence at the earlier of (a) the date of Final Completion of the Project, or (b) delivery of Notice of Right to Possession by College, and shall terminate and expire on the date immediately preceding the 20<sup>th</sup> anniversary of the effective date. PSJA lease payment amortization started in the Fall of 2018.

PSJA contributed \$1,370,532, which includes its \$1,000,000 monetary contribution and ten acres of real property that supported the development of the South Texas College Regional Center for Public Safety Excellence in Pharr, Texas. This contribution was redeemed for the term of the lease. Therefore, there is no lease receivable.

A Facilities Lease Agreement between the College and Easter Seals Rio Grande Valley for the use of three offices, consisting in aggregate, approximately 413 square feet, located at the Starr County Campus Building J was executed. The premises will serve as an extension of Easter Seals Rio Grande Valley services for their Family Resource Center (FRC). The commence date is August 1, 2023 and termination date is July 31, 2025.

The College will be recognizing lease revenues throughout the term of the agreement over straight line. Lessors remaining lease obligations as of August 31, 2025 was \$600,625 and as of August 31, 2024 was \$635,133.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 13 – Subscription Based Information Technology Arrangements**

General Description

The College has several existing and some new subscription based information technology arrangements subject to the requirements of GASB 96. These agreements can be described in groups – those related to the provision of assisting students, those related to the training of faculty/staff/students, and those used for administrative support purposes. The College makes advance payments and/or annual payments and the agreements are for varying terms. The SBITA liability is amortized providing the principal and interest components of the payments over the SBITA term. The SBITA Asset is measured as the SBITA Liability plus any capitalized expenditures/expenses incurred in the initial implementation stage. The SITA asset is depreciated (amortized) using a straight-line depreciation method over the term of the SBITA arrangement. SBITAs paid to vendor at commencement are recognized as a prepayment asset annually amortized.

The SBITA Liabilities and Associated Principal and Interest Requirements as of fiscal year end 2025:

	<u>Interest Rate</u>	<u>Beginning Liability</u>	<u>Term in Months</u>	<u>Ending Balance</u>
Educational assistance for students	5% - 7%	\$ 2,537,865	24 - 84	\$ 2,129,132
Training programs for faculty/staff/students	6.25% - 6.7%	870,005	24 - 36	595,258
Administrative support software	5% - 7%	9,135,778	24 - 120	19,167,209
<b>Total</b>		<b><u>\$ 12,543,648</u></b>		<b><u>\$ 21,891,599</u></b>

The future principal and interest SBITA arrangement payments as of fiscal year end 2025 are as follows:

<u>Year End August 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 7,677,193	\$ 1,072,276	\$ 8,749,469
2027	6,185,839	946,161	7,132,000
2028	2,274,311	566,487	2,840,798
2029	1,018,477	412,892	1,431,369
2030	1,035,461	339,335	1,374,796
2031-2034	3,700,318	545,696	4,246,014
<b>Total</b>	<b><u>\$ 21,891,599</u></b>	<b><u>\$ 3,882,847</u></b>	<b><u>\$ 25,774,446</u></b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 13 – Subscription Based Information Technology Arrangements (Continued)**

The SBITA liabilities and associated principal and interest requirements as of fiscal year end 2024 are as follows:

	<u>Interest Rate</u>	<u>Restated Beginning Liability</u>	<u>Term in Months</u>	<u>Ending Balance</u>
Educational assistance for students	5% - 7%	\$ 766,208	24 - 84	\$ 2,537,865
Training programs for faculty/staff/students	6.25% - 6.7%	25,721	24 - 36	870,005
Administrative support software	5% - 7%	713,009	24 - 120	9,135,778
<b>Total</b>		<b>\$ 1,504,938</b>		<b>\$ 12,543,648</b>

The future principal and interest SBITA arrangement payments as of fiscal year end 2024 are as follows:

<u>Year End August 31:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,209,081	\$ 860,015	\$ 3,069,096
2026	1,817,864	745,007	2,562,871
2027	1,726,721	614,806	2,341,527
2028	1,565,982	490,901	2,056,883
2029	866,267	378,757	1,245,024
2030-2034	4,357,733	822,437	5,180,170
<b>Total</b>	<b>\$ 12,543,648</b>	<b>\$ 3,911,923</b>	<b>\$ 16,455,571</b>

**Commitments and Impairments:**

There were no impairments or modifications to be reported during this fiscal year.

**Note 14 – Employees' Retirement Plan**

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

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 14 – Employees' Retirement Plan (Continued)**

**Teacher Retirement System of Texas - Defined Benefit Plan**

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report is available online or by writing to TRS at attention Finance Division, PO Box 149676, Austin, Texas, 78714-0185, or by calling 1-800-223-8778.

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. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan Description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.



**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 14 – Employees’ Retirement Plan (Continued)**

One-time stipend, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirements on or before August 31, 2023. A one-time \$7,500 stipend was paid to eligible annuitants who are 75 years of age or older. A one-time \$2,400 stipend was paid to eligible annuitants age 70 to 74.

A COLA was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants’ payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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. Actuarial implications of the funding provided in this manner are determined by the System’s actuary.

Contributions

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

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

Contribution Rates

	<u>August 31, 2025</u>	<u>August 31, 2024</u>
Member	8.25%	8.25%
District/Non-Employer Contributing Entity (State)	8.25%	8.25%
 FY 2024 Member contributions	 \$ 8,039,006	
FY 2024 District contributions	\$ 4,771,198	
FY 2024 State contributions	\$ 3,237,538	

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 14 – Employees' Retirement Plan (Continued)**

Contributors to the plan include active members, employers, and the State of Texas as the only non-employers contributing entity. The State is also the employer for senior colleges and universities, medical schools, and other entities, including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

The District's estimated contributions to the TRS pension plan in fiscal year ended 2025 were \$5,121,062 as reported in the Schedule of District Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on behalf contributions for fiscal year ended 2025 were \$3,815,962.

- 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, 2025 and 2024**

**Note 14 – Employees’ Retirement Plan (Continued)**

Actuarial Assumptions

The total pension liability in the August 31, 2023 and August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024	August 31, 2022 rolled forward to August 31, 2023
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Asset Valuation Method	Fair Value	Fair Value
Actuarial Assumptions:		
Single Discount Rate	7.0%	7.0%
Long-term expected Rate	7.0%	7.0%
Municipal Bond Rate	3.87%*	4.13%**
Last year ending August 31		
Projection period (100 years)	2123	2122
Inflation	2.30%	2.30%
Salary increases including inflation	2.95% to 8.95%	2.95% to 8.95%
Ad hoc post-employment benefit changes	None	None

\* The source for the Municipal Bond rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders

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

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuations as of August 31, 2023. For a full disclosure of these assumptions please see the actuarial valuation report dated November 21, 2023.

Changes Since the Prior Actuarial Valuation: There were no changes in assumptions since the prior measurement date.

Discount Rate

The single discount rate of 7.0% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.0%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes all employer and State contributions for active and rehired retirees.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 14 – Employees’ Retirement Plan (Continued)**

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term rate of return on pension plan investments is 7.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the TRS’ target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation <sup>2</sup>	Long Term Expected Geometric Real Rate of Return <sup>3</sup>	Expected Contribution to Long Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0%	4.4%	1.00%
Non-U.S. Developed	13.0%	4.2%	0.80%
Emerging Markets	9.0%	5.2%	0.70%
Private Equity <sup>1</sup>	14.0%	6.7%	1.20%
<b>Stable Value</b>			
Government Bonds	16.0%	1.9%	0.40%
Stable Value Hedge Funds	5.0%	3.0%	0.20%
Absolute Return <sup>1</sup>	-	4.0%	-
<b>Real Return</b>			
Real Estate	15.0%	6.6%	1.20%
Energy and Natural Resources and Infrastructure	6.0%	5.6%	0.40%
Commodities	-	2.5%	-
<b>Risk Parity</b>			
Risk Parity	8.0%	4.0%	0.40%
<b>Asset Allocation Leverage</b>			
Cash	2.0%	1.0%	-
Asset Allocation Leverage	(6.0)%	1.3%	(0.01)%
Inflation Expectation	-		2.40%
Volatility Drag <sup>4</sup>	-		(0.70)%
<b>Total</b>	<b>100.0%</b>		<b>7.90%</b>

<sup>1</sup> Absolute Return includes Credit Sensitive Investment

<sup>2</sup> Target Allocation based on the FY 2024 policy model.

<sup>3</sup> Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)

<sup>4</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 14 – Employees’ Retirement Plan (Continued)**

Best estimates of geometric real rates of return for each major asset class included in the TRS’ target asset allocation as of August 31, 2023 are summarized below:

Asset Class	Target Allocation <sup>2</sup>	Long Term Expected Geometric Real Rate of Return <sup>3</sup>	Expected Contribution to Long Term Portfolio Returns
<b>Global Equity</b>			
USA	18.0%	4.0%	1.0%
Non-U.S. Developed	13.0%	4.5%	0.9%
Emerging Markets	9.0%	4.8%	0.7%
Private Equity <sup>1</sup>	14.0%	7.0%	1.5%
<b>Stable Value</b>			
Government Bonds	16.0%	2.5%	0.5%
Absolute Return <sup>1</sup>	-	3.6%	-
Stable Value Hedge Funds	5.0%	4.1%	0.2%
<b>Real Return</b>			
Real Estate	15.0%	4.9%	1.1%
Energy and Natural Resources and Infrastructure	6.0%	4.8%	0.4%
Commodities	-	4.4%	-
<b>Risk Parity</b>			
Risk Parity	8.0%	4.5%	0.4%
<b>Asset Allocation Leverage</b>			
Cash	2.0%	3.7%	-
Asset Allocation Leverage	(6.0)%	4.4%	(0.1)%
Inflation Expectation	-		2.3%
Volatility Drag <sup>4</sup>	-		(0.9)%
<b>Total</b>	<b>100.0%</b>		<b>8.0%</b>

<sup>1</sup> Absolute Return includes Credit Sensitive Investment

<sup>2</sup> Target Allocation based on the FY 2023 policy model.

<sup>3</sup> Capital Market Assumptions come from AON Hewitt (as of 06/30/2023)

<sup>4</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 14 – Employees’ Retirement Plan (Continued)**

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.0%, 7.0%) in measuring the net pension liability which the District reported as follows:

<u>August 31, 2025</u>			
	<u>1% Decrease in Discount Rate (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase in Discount Rate (8.0%)</u>
District’s proportionate share of the net pension liability:	\$ 82,605,462	\$ 51,717,193	\$ 26,124,067

<u>August 31, 2024</u>			
	<u>1% Decrease in Discount Rate (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase in Discount Rate (8.0%)</u>
District’s proportionate share of the net pension liability:	\$ 82,331,812	\$ 55,069,406	\$ 32,400,701

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

At August 31, 2025, and 2024, the District reported a liability of \$51,717,193 and \$55,069,406, respectively, for its proportionate share of the TRS net pension liability. This liability reflects a reduction for state pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District are as follows:

	<u>August 31, 2025</u>	<u>August 31, 2024</u>
The District’s proportionate share of the collective net pension liability	\$ 51,717,193	\$ 55,069,406
State’s proportionate share that is associated with the District	35,093,158	37,685,834
<b>Total</b>	<b><u>\$ 86,810,351</u></b>	<b><u>\$ 92,755,240</u></b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 14 – Employees' Retirement Plan (Continued)**

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 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, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the District's proportion of the collective net pension liability was 0.0847%, which was an increase of 0.0045% from its proportion measured as of August 31, 2023. At the measurement date of August 31, 2023, the District's proportion of the collective net pension liability was 0.0802%, which was an increase of 0.0034% from its proportion measured as of August 31, 2022.

For the year ended August 31, 2025, the District recognized on-behalf revenue and expense of \$4,194,219 for support provided by the State. For the year ended August 31, 2024, the District recognized on-behalf revenue and expense of \$5,690,235 for support provided by the State.

At August 31, 2025 and 2024, the District reported its proportionate share of the TRS' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	August 31, 2025		August 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,850,581	\$ 403,783	\$ 1,962,142	\$ 666,830
Changes in actuarial assumption	2,670,269	357,992	5,208,487	1,274,636
Difference between projected and actual investment earnings, net	314,370	-	8,013,936	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,108,282	3,333,965	2,251,512	5,046,194
Contributions paid to TRS subsequent to the measurement date	5,121,062	-	4,771,198	-
<b>Total</b>	<b>\$ 14,064,564</b>	<b>\$ 4,095,740</b>	<b>\$ 22,207,275</b>	<b>\$ 6,987,660</b>

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 14 – Employees' Retirement Plan (Continued)**

The District recognized \$5,121,062 as a deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended August 31, 2026.

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
2026	\$ (642,748)
2027	\$ 4,969,328
2028	\$ 808,058
2029	\$ (729,073)
2030	\$ 442,197
Thereafter	\$ -

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

**Optional Retirement Plan-Defined Contribution Plan**

Plan Description

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

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas Legislature. The percentages of participant salaries currently contributed by the state are 6.60% for fiscal years 2025, 2024, and 2023. The percentages of participant salaries currently contributed by each participant are 6.65% for fiscal years 2025, 2024, and 2023. The District contributed 1.90% for fiscal years 2025, 2024, and 2023, for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. S.B. 1812, effective September 1, 2013, limits the amount of the state's contribution of 50.0% of eligible employees in the reporting district.



**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 14 – Employees’ Retirement Plan (Continued)**

**Payroll for Retirement Plans**

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

	August 31, 2025	August 31, 2024	August 31, 2023
Payroll for all district	<u>\$ 130,465,395</u>	<u>\$ 115,359,413</u>	<u>\$ 106,253,715</u>
Total payroll for TRS	<u>109,762,235</u>	<u>97,442,303</u>	<u>87,065,266</u>
Total payroll for ORP	<u>10,136,648</u>	<u>9,655,127</u>	<u>9,411,253</u>
State contributions	320,859	302,791	296,836
District contributions	356,845	342,969	331,790
<b>Total Contributions</b>	<u><b>\$ 677,704</b></u>	<u><b>\$ 645,760</b></u>	<u><b>\$ 628,626</b></u>
Member contributions	<u>\$ 673,848</u>	<u>\$ 642,066</u>	<u>\$ 625,848</u>

**Note 15 – Deferred Compensation Program**

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001.

As of August 31, 2025, the District has 69 employees participating in Section 403(b) Tax Sheltered Annuity (TSA) Program and 72 participated in 2024. A total of \$494,254 and \$490,845 in payroll deductions have been invested in approved 403(b) plans during the fiscal years 2025 and 2024, respectively.

As of August 31, 2025, the District has 79 employees participating in Section 457 Deferred Compensation Plan (DCP) and 79 participated in 2024. A total of \$324,307 and \$285,384 in payroll deductions have been invested in Section 457 Deferred Compensation Plan (DCP) during the fiscal years 2025 and 2024, 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 16 – Compensable Absences**

The College accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Compensated absences include vacation and sick leave that are attributable to services already rendered, accumulate over time, and are considered more likely than not to be used, paid in cash or otherwise settled through noncash means.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 16 – Compensable Absences (Continued)**

In accordance with GASB Statement No. 101, the FY2024 compensated absences liability was restated to reflect the new accounting standard for leave-related obligations.

**Vacation Leave**

Staff earn vacation leave on a monthly basis, ranging from 8 to 16 hours, based on years of service. Staff may carry forward up to 96 hours to the next fiscal year; any excess of vacation leave is forfeited on August 31. Upon termination, staff are compensated in cash for unused vacation leave at their hourly rate in effect at the time of separation. Faculty generally do not accrue vacation leave, except for 12- month faculty, who accrue vacation at the same rate as staff. The President earns 160 hours of vacation annually and may carry forward an unlimited balance; this amount is reported as a long-term liability.

	August 31, 2025	Restated August 31, 2024
Vacation compensable absences- beginning	\$ 2,184,298	\$ 1,689,893
Net additions and reductions	267,285	494,405
<b>Total Vacation Compensable Absences</b>	<b>\$ 2,451,583</b>	<b>\$ 2,184,298</b>
Current portion	\$ 2,277,343	\$ 2,042,811

**Sick leave**

Employees earn 8 hours of sick leave each month, up to a maximum of 720 hours. Upon termination, staff and faculty are compensated at 50 percent of their accumulated sick leave between 480 and 720 hours, at their hourly rate at the time of separation. Sick leave balances may also be applied toward service credit under TRS; however, since no employees have exercised this option, it is excluded from the liability calculation. On average, faculty maintain higher sick leave balances than staff.

	August 31, 2025	Restated August 31, 2024
Sick compensable absences- beginning	\$ 1,643,740	\$ 1,090,580
Net additions and reductions	340,819	553,160
<b>Total Sick Compensable Absences</b>	<b>\$ 1,984,559</b>	<b>\$ 1,643,740</b>
Current Portion	\$ 237,763	\$ 548,793

**Sick Leave Pool**

Eligible full-time employees may participate in the Catastrophic Sick Leave Pool by donating accrued sick leave hours. Effective July 1, 2025, the pool is capped at 5,000 hours, with any hours exceeding this limit written off at the end of the fiscal year. No liability was recorded for the pool in fiscal year 2025, as annual contributions continued to exceed usage.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 16 – Compensable Absences (Continued)**

Measurement and Methodology

The College uses the Last-In, First-Out (LIFO) method to estimate the use of compensated absences, assuming the most recently earned leave is used first. Although individual leave accruals are not tracked by date, this methodology is applied for all types of leave, including the sick leave pool. The reported liability includes only the employer's share of salary-related payments for Social Security and Medicare.

**Note 17 – Other Post-Employment Benefits (OPEB)**

(In accordance with GASB Statement 75)

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

Contributions

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

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

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

	August 31, 2024	August 31, 2023
Retiree Only	\$ 625	\$ 625
Retiree and Spouse	\$ 1,341	\$ 1,341
Retiree and Children	\$ 1,104	\$ 1,104
Retiree and Family	\$ 1,820	\$ 1,819

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

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

	August 31, 2025	August 31, 2024
Member (Employee) Contributions	\$ 3,488,412	\$ 3,341,850
District Contributions	\$ 9,528,491	\$ 8,700,749
State of Texas (NECE) Contributions	\$ 6,143,052	\$ 6,235,044

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2022 to require that all funds in the plan be invested in cash and equivalent securities.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2024 and August 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions		
<u>ERS Group Benefits Program Plan</u>		
Valuation date	August 31, 2024	August 31, 2023
Actuarial cost method	Entry Age	Entry Age
Last experience study	7-year period from August 31, 2021	7-year period from September 1, 2010 to August 31, 2017
Discount rate	3.87%	3.81%
Projected annual salary increase (includes inflation)	2.30% to 8.95% including inflation	2.30% to 8.95% including inflation
Annual healthcare trend rate	5.60% for FY 2026, 5.60% for FY 2027, 5.25% for FY 2028, 5.00% for FY 2029, 4.75% for FY 2030 decreasing 10 basis points per year to an ultimate rate of 4.30% for 2033 and later years	5.60% for FY 2025, 5.30% for FY 2026, 5.00% for FY 2027, 4.75% for FY 2028, 4.60% for FY 2029 decreasing 10 basis points per year to an ultimate rate of 4.30% for 2032 and later years
Inflation assumption rate	2.30%	2.30%
Ad hoc postemployment benefit changes	None	None
Mortality assumptions:		
Service retirees, survivors and other inactive members	Tables based on TRS experience with Ultimate MP-2021 Projection Scale projected from the year 2021.	Tables based on TRS experience with Ultimate MP-2021 Projection Scale projected from the year 2021.
Disability retirees	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.	Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.
Active members	Sex Distinct Pub-2010 Amount Weighted Below Median Income Teacher mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010	Sex Distinct Pub-2010 Amount Weighted Below Median Income Teacher mortality with a 2-year set forward for males with Ultimate MP Projection Scale from the year 2010

Source: ERS FY24 & FY23 Annual Comprehensive Financial Report except for mortality assumptions obtained from ERS FY24 and FY23 GASB 74 Actuarial Valuation

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS plan actuary as of August 1, 2019 and TRS retirement plan actuary as of August 31, 2021.

Changes Since the Prior Actuarial Valuation

Since the last valuation was prepared for this plan, demographic assumptions (including the mortality projection scale for all State Agency members; base mortality for Judges; assumed rates of retirement for certain members who are Regular Class, Elected Class or Certified Peace Officers/Custodial Officers (CPO/CO); assumed rates of termination for certain members who are Regular Class, Judges or Certified Peace Officers/Custodial Officers (CPO/CO); and assumed rates of disability for all State Agency members) have been updated to reflect assumptions recently adopted by the ERS Trustees.

In addition, assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations. In addition, (a) the percentage of future retirees assumed to be married and electing coverage for their spouse, (b) the proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the Opt-Out Credit at retirement, and (c) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect recent plan experience and expected trends.

Lastly, the discount rate was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.81%. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.87%, which amounted to an increase of 0.06%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets, and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

Discount Rate Sensitivity Analysis

The following schedules shows the impact on the District's proportionate share of the collective net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 3.87% and 3.81% in measuring net OPEB Liability:

	<u>August 31, 2025</u>		
	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the net OPEB liability:	\$ 106,536,741	\$ 91,565,289	\$ 79,550,531

	<u>August 31, 2024</u>		
	1% Decrease in Discount Rate (2.81%)	Discount Rate (3.81%)	1% Increase in Discount Rate (4.81%)
District's proportionate share of the net OPEB liability:	\$ 90,450,632	\$ 77,950,738	\$ 67,896,752

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.60% and 5.60% the ultimate rate is 4.30% and 4.30% at the measurement date of August 31, 2024 and 2023. The following schedule shows the impact on the District's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.60% decreasing to 4.30%) in measuring the net OPEB liability which the District reported at August 31, 2025 and 2024 is as follows:

	<u>August 31, 2025</u>		
	1.0% Decrease in Healthcare Cost Trend Rates (4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (5.60% decreasing to 4.30%)	1.0% Increase in Healthcare Cost Trend Rates (6.60% decreasing to 5.30%)
District's proportionate share of the net OPEB liability:	\$ 78,567,623	\$ 91,565,289	\$ 108,133,810

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

	<u>August 31, 2024</u>		
	1.0% Decrease in Healthcare Cost Trend Rates (4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (5.60% decreasing to 4.30%)	1.0% Increase in Healthcare Cost Trend Rates (6.60% decreasing to 5.30%)
District's proportionate share of the net OPEB liability:	\$ 67,048,469	\$ 77,950,738	\$ 91,796,675

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

At August 31, 2025, and 2024 the District's reported a liability of \$91,565,289 and \$77,950,738 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB.

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

	<u>August 31, 2025</u>	<u>August 31, 2024</u>
The District's proportionate share of the collective OPEB liability	\$ 91,565,289	\$ 77,950,738
State's proportionate share that is associated with the District	59,032,461	55,860,279
<b>Total</b>	<b><u>\$ 150,597,750</u></b>	<b><u>\$ 133,811,017</u></b>

The net OPEB liability was measured as of August 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on its contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023, thru August 31, 2024.

At the measurement date of August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.312450%, which was an increase of 0.020691% from its proportion measured as of August 31, 2023.

At the measurement date of August 31, 2023, the employer's proportion of the collective net OPEB liability was 0.291759%, which was an increase of 0.015502% from its proportion measured as of August 31, 2022.

For the year ended August 31, 2025, and 2024 the District recognized OPEB revenue and expense of \$12,164 and \$1,657,760 for support provided by the State.



**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

At August 31, 2025 and 2024, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	FY 2025		FY 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,510,720	\$ -	\$ 2,061,839
Changes in actuarial assumption	5,013,157	18,240,499	2,600,352	24,345,051
Difference between projected and actual investment earnings, net	-	3,500	6,298	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	9,268,941	23,162,177	12,119,326	33,128,210
Contributions paid to ERS subsequent to the measurement date	692,748	-	573,573	-
<b>Total</b>	<b>\$ 14,974,846</b>	<b>\$ 42,916,896</b>	<b>\$ 15,299,549</b>	<b>\$ 59,545,103</b>

The \$692,748 amount reported at August 31, 2025 as deferred outflows of resources related to OPEB resulting from District contributions to the OPEB plan made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2026.

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

Year Ended August 31:	Increase (Reduction) of OPEB Expense
2026	\$ (11,810,982)
2027	(13,018,759)
2028	(6,031,788)
2029	1,293,088
2030	933,643
Thereafter	-

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 17 – Other Post-Employment Benefits (Continued)**

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

**Note 18 – Pending Lawsuits and Claims**

A. Litigation

On August 31, 2025, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

B. Federal and State Assisted Grant Programs

The District participates in several federal and state assisted grant programs. Although the District's grant programs have been audited in accordance with the provisions of the Uniform Guidance and the State of Texas Single Audit Circular through August 31, 2025, 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 19 – Disaggregation of Receivable and Payable Balances**

Receivables

Receivables at August 31, 2025 and 2024 were as follows:

	August 31, 2025	August 31, 2024
Student receivables	\$ 5,545,220	\$ 4,869,497
Contracts & grants receivable	4,548,785	4,012,106
Interest receivables	3,521,783	2,098,386
Other receivables	6,990,846	2,513,243
Subtotal	20,606,634	13,493,232
Allowance for doubtful accounts-student	(4,025,183)	(3,528,628)
<b>Total Accounts Receivable, Net</b>	<b>\$ 16,581,451</b>	<b>\$ 9,964,604</b>
	August 31, 2025	August 31, 2024
Taxes receivable	\$ 17,055,343	\$ 15,244,653
Allowance for doubtful accounts-taxes	(8,337,752)	(7,762,369)
<b>Total Taxes Receivable, Net</b>	<b>\$ 8,717,592</b>	<b>\$ 7,482,284</b>

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

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 19 – Disaggregation of Receivable and Payable Balances (Continued)**

Payables

Payables at August 31, 2025, and 2024 were as follows:

	August 31, 2025		August 31, 2024	
	Accounts Payable	Accrued Liabilities	Accounts Payable	Accrued Liabilities
Vendor payable				
Vendors	\$ 4,141,154	\$ -	\$ 2,904,044	\$ -
Construction	2,840,269	-	1,537,911	-
Construction retainage	337,679	-	449,125	-
Salaries & benefits	-	5,227,021	-	1,678,938
Students payable	326,222	-	163,053	-
Accrued interest	-	316,312	-	939,578
Other Payables	131,318	-	126,646	-
<b>Total Payables and Accrued Liabilities</b>	<b>\$ 7,776,642</b>	<b>\$ 5,543,333</b>	<b>\$ 5,180,779</b>	<b>\$ 2,618,516</b>

**Note 20 – Funds Held for Others**

At August 31, 2025 and 2024, the District held funds in the amounts of \$261,216 and \$213,281, respectively that pertain primarily to student organizations. These funds are not available to support the District's programs.

**Note 21 – Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. All contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivables on Exhibit 1. Contract and grant awards 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 2025 and 2024, for which monies have not been received nor funds expended totaled \$6,120,274 and \$9,167,348, respectively.

These amounts are comprised of the following:

	August 31, 2025	August 31, 2024
Federal contracts and grant awards	\$ 4,766,139	\$ 7,643,447
State contracts and grant awards	519,847	463,198
Local contracts and grant awards	282,006	14,508
Private contracts and grant awards	552,282	1,046,195
<b>Total contract and grant awards</b>	<b>\$ 6,120,274</b>	<b>\$ 9,167,348</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 22 – 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 \$625 per month for the year ended August 31, 2025 and for the year ended August 31, 2024, for the United Health Select of Texas. The state's contribution totaled \$6,143,049 for fiscal year 2025 and for fiscal year 2024.

The cost of providing those benefits for two hundred and twenty-four retirees in the year ended August 31, 2025, was \$746,473 and for two hundred and eight retirees in the year ended August 31, 2024, was \$756,416. For 1,625 United Health Select of Texas active employees, the cost of providing benefits was \$5,396,576 for the year ended August 31, 2025. For 1,575 United Health Select of Texas active employees, the cost was \$5,386,633 for the year ended August 31, 2024. 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, 2025	August 31, 2024
Full time employees	1,625	1,575
Number of retirees	224	208
Active employee-state	\$ 5,396,576	\$ 5,386,633
Retiree - state	746,473	756,416
Total State Contributions	6,143,049	6,143,049
District contributions	10,756,205	9,442,869
<b>Total Health Insurance Cost</b>	<b>\$ 16,899,254</b>	<b>\$ 15,585,918</b>

**Note 23 – 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, 2025	August 31, 2024
Assessed valuation of the District	\$ 82,053,538,331	\$ 76,221,238,668
Less: Exemptions	(19,058,838,674)	(17,546,831,356)
Less: Abatements	(501,419,619)	(537,145,001)
<b>Net Assessed Valuation of the District</b>	<b>\$ 62,493,280,038</b>	<b>\$ 58,137,262,311</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 23 – Ad Valorem Tax (Continued)**

	Fiscal Year 2025			Fiscal Year 2024		
	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	\$ 0.1393	\$ 0.0227	\$ 0.1620	\$ 0.1335	\$ 0.0227	\$ 0.1562

Taxes levied for the year ended August 31, 2025, and 2024 amounted to \$99,809,970 and \$90,417,397, 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.

	August 31, 2025			August 31, 2024		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes collected	\$80,004,044	\$13,153,061	\$93,157,105	\$72,344,895	\$12,424,912	\$84,769,807
Delinquent taxes collected	2,754,955	516,984	3,271,939	2,598,939	529,147	3,128,086
Penalties & interest collected	1,834,517	357,026	2,191,543	1,677,431	353,222	2,030,653
Total gross collections	84,593,516	14,027,071	98,620,587	76,621,265	13,307,281	89,928,546
Tax appraisal & collection fees	(1,483,997)	(38,907)	(1,522,904)	(1,185,584)	(50,217)	(1,235,801)
Bad debt expense	525,685	49,697	575,382	(237,261)	37,658	(199,603)
<b>Total Net Collections</b>	<b>\$83,635,204</b>	<b>\$14,037,861</b>	<b>\$97,673,065</b>	<b>\$75,198,420</b>	<b>\$13,294,722</b>	<b>\$88,493,142</b>

Tax collections for the year ended August 31, 2025, and 2024, were 94.78% 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.

**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 24 – Property Tax Abatement**

The District entered into a property tax abatement agreement with Duke Energy Renewables Wind, LLC, (formerly known as DEGS Wind, LLC) and Longroad Energy under the Property Tax Abatement Act (Chapter 312 of Texas Tax Code). Four wind farm projects were constructed under Duke Energy Renewables Wind, LLC known as: Los Vientos Windpower III, Los Vientos Windpower IV, Los Vientos Windpower V, and Mesteño Windpower and the Rio Bravo Windpower wind farm project constructed under Longroad Energy tax abatement agreements. The abatements were granted for the construction of a wind farm that will provide clean power to customers, with little or no emissions impacting to the environment. Duke Energy Renewables Wind, LLC projects, Mesteño Windpower, and Rio Bravo Windpower, will contribute to the expansion of employment, attract major investment to Starr County, benefit the property on which it is constructed, and contribute to the economic development of Starr County. The projects consist of a renewable energy wind powered electric generating facility with an estimated value of at least \$629,119,490 and \$672,300,000 for fiscal years ended August 31, 2025 and 2024, respectively upon completion of the project. The operation and maintenance of these projects will create four to five new full-time jobs with full benefits. Salaries of Wind turbine technicians will exceed the minimum living wage requirements for Starr County.

For the fiscal years ended August 31, 2025 and 2024, the District abated property tax revenue totaling \$698,478 and \$717,089, respectively 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%) for Duke Energy Renewables Wind, LLC (Los Vientos Wind Facilities), and at a rate of seventy-five percent (75%) for Mesteño Windpower and Rio Bravo Windpower of the assessed maintenance and operations property tax values. Under this program, the abatements are comprised of a partial exemption from ad valorem taxes of certain added value to real and personal property in a zone designated for economic development purposes pursuant to the Act by the County of Starr.

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

**Note 25 – 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, 2025 and 2024.

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 26 – Related Parties**

One member of the Board of Trustees provided professional services to other entities that conducted business with the District during fiscal year 2025.

**Note 27 – Auxiliary Operations**

The District currently outsources its auxiliary bookstore operations to BibliU Campus, Inc. The District currently outsources its auxiliary vending operations to Bottling Group, LLC and STX Snacktime Vending Co., LLC. The Food Service Department remains closed on all campuses. The Pecan Campus cafeteria operations were outsourced to Laredo Comidas, LLC dba Taco Palenque and Zaycor Management Company. The Mid-Valley Campus cafeteria operations were outsourced to All Affairs and Occasions; the Nursing and Allied Health Campus cafeteria operations were outsourced to Cornerstone Catering; the Technology Campus cafeteria operations were outsourced to Atencion Selecta, LLC; and the Starr County Campus cafeteria operations were outsourced to D.A. Restaurant Group, Inc.

**Note 28 – Risk Management**

The College is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal years 2025 and 2024, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**Note 29 – Construction and Improvement Commitments**

Construction and improvement commitments for August 31, 2025 were as follows:

Project	Contracted Amount	Spent to Date	Commitments
Pecan Campus	\$ 25,680,726	\$ 6,436,671	\$ 19,244,055
Nursing Allied Campus	-	-	-
Technology Campus	3,993,317	3,993,317	-
Mid Valley Campus	5,125,183	4,746,633	378,550
Starr Campus	2,707,082	2,707,082	-
District Wide	589,694	545,082	44,612
Pharr Site	394,069	316,003	78,066
<b>Total</b>	<b>\$ 38,490,071</b>	<b>\$ 18,744,788</b>	<b>\$ 19,745,283</b>

**South Texas College District**  
**Notes to the Basic Financial Statements**  
**August 31, 2025 and 2024**

**Note 29 – Construction and Improvement Commitments (Continued)**

Construction and improvement commitments for August 31, 2024, were as follows:

Project	Contracted Amount	Spent to Date	Commitments
Pecan Campus	\$ 1,579,361	\$ 1,579,361	\$ -
Nursing Allied Campus	201,403	201,403	-
Technology Campus	3,886,475	3,138,636	747,839
Mid Valley Campus	4,887,113	4,839,889	47,224
Starr Campus	3,807,729	2,488,816	1,318,913
District Wide	360,800	340,464	20,336
Pharr Site	4,487,887	4,487,887	-
<b>Total</b>	<b>\$ 19,210,768</b>	<b>\$ 17,076,456</b>	<b>\$ 2,134,312</b>

**Note 30 – 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 \$9,228 and \$13,940 in fiscal years 2025 and 2024 respectively.

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

The fund balances of the endowments were as follows:

Endowment	August 31, 2025	August 31, 2024
Alfredo De Los Santos Endowment	\$ 15,462	\$ 15,100
Futuro Brillante Endowment	204,900	200,100
Glen & Rita K. Roney Endowment	119,499	116,700
Martin Harvey Endowment	1,183	1,155
Roberto Gutierrez Sr. Endowment	1,018	994
Edwynne G. Cooper Endowment*	5,590	5,590
<b>Total Endowments</b>	<b>\$ 347,652</b>	<b>\$ 339,639</b>

\*Endowment investment includes a donated coin collection.

In fiscal year 2012, the District's Board of Trustees accepted the Mission Economic Development Authority (MEDA) Scholarship Fund Endowment. The MEDA deposited \$3,151,875 into the MEDA Scholarship Fund Trust for the purpose of awarding and distributing scholarships to students of South Texas College District who reside in the City of Mission, Texas, and/or to establish educational facility(ies) within the City of Mission, Texas. Edward Jones Trust Company will serve as the initial sole trustee. South Texas College District, as the Trust's initial sole beneficiary, will receive, each fiscal year of the Trust, distributions not to exceed an amount equal to the greater of the following: 1) the net income of the Trust; and 2) 5.0% 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, 2025, the market value of the Trust was \$4,216,026. The Trust made a distribution to the District in the



**South Texas College District  
Notes to the Basic Financial Statements  
August 31, 2025 and 2024**

**Note 30 – Endowments (Continued)**

amount of \$202,880 in fiscal year 2025. At August 31, 2024, the market value of the Trust was \$4,058,971. The Trust made a distribution to the District in the amount of \$193,566 in fiscal year 2024. The funds are presented in Restricted Expendable Net Assets.

**Note 31 – Subsequent Events**

Bond Defeasement

On August 26, 2025, the Board of Trustees approved the resolution to authorize the defeasance and redemption of a portion of the South Texas College District Limited Tax Refunding Bonds, Taxable Series 2021, in a principal amount not to exceed \$5,000,000. The defeasance reduced the payment of interest, the District's aggregate debt service requirements, and the District's legal debt outstanding. The District shall deposit into the Escrow Fund the Escrow Deposit, as soon as practicable after funds of the District become available for such purpose, but no later than August 31, 2026.



# **SOUTH TEXAS COLLEGE**

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# **REQUIRED SUPPLEMENTARY INFORMATION**



# **SOUTH TEXAS COLLEGE**

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**South Texas College District**  
**Schedule of District's Proportionate Share of Net Pension Liability**

<b><u>Fiscal Year ending August 31*</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>
District's proportionate share of collective net pension liability (%)	0.0846655%	0.0801705%	0.0767886%
District's proportionate share of collective net pension liability (\$)	\$ 51,717,193	\$ 55,069,406	\$ 45,587,413
State's proportionate share of net pension liability associated with District	35,093,158	37,685,834	31,901,974
<b>Total</b>	<b><u>\$ 86,810,351</u></b>	<b><u>\$ 92,755,240</u></b>	<b><u>\$ 77,489,387</u></b>
Covered payroll	\$ 97,442,303	\$ 87,065,266	\$ 78,648,222
District's proportionate share of the collective net pension liability as a percentage of covered payroll	53.07%	63.25%	57.96%
Plan fiduciary net position as percentage of total pension liability	77.51%	73.15%	75.62%

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

2022	2021	2020	2019	2018	2017	2016
0.0804606%	0.0900818%	0.1005049%	0.0922099%	0.0832350%	0.0784417%	0.0768887%
\$ 20,490,457	\$ 48,245,978	\$ 52,245,580	\$ 50,754,514	\$ 26,614,054	\$ 29,641,935	\$ 27,178,460
14,960,114	35,262,597	31,421,847	35,598,251	19,727,818	22,641,257	20,886,258
<b>\$ 35,450,571</b>	<b>\$ 83,508,575</b>	<b>\$ 83,667,427</b>	<b>\$ 86,352,765</b>	<b>\$ 46,341,872</b>	<b>\$ 52,283,192</b>	<b>\$ 48,064,718</b>
\$ 78,581,330	\$ 85,068,749	\$ 83,315,698	\$ 77,726,679	\$ 69,206,093	\$ 63,586,601	\$ 58,805,553
26.08%	56.71%	62.71%	65.30%	38.46%	46.62%	46.22%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

**South Texas College District**  
**Schedule of District's Contributions for Pensions**

<b><u>Fiscal Year ending August 31*</u></b>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Legally required contributions	\$ 5,121,062	\$ 4,771,198	\$ 4,120,956
Actual contributions	<u>5,121,062</u>	<u>4,771,198</u>	<u>4,120,956</u>
<b>Contributions deficiency (excess)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
District's Covered payroll	\$ 109,762,235	\$ 97,442,303	\$ 87,065,266
Contributions as a percentage of covered payroll	4.67%	4.90%	4.73%

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

2022	2021	2020	2019	2018	2017	2016
\$ 3,583,076	\$ 3,433,634	\$ 3,716,800	\$ 3,561,522	\$ 3,146,914	\$ 2,744,690	\$ 2,497,718
3,583,076	3,433,634	3,716,800	3,561,522	3,146,914	2,744,690	2,497,718
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 78,684,222	\$ 78,581,330	\$ 85,068,749	\$ 83,315,698	\$ 77,726,679	\$ 69,206,093	\$ 63,586,601
4.55%	4.37%	4.37%	4.27%	4.05%	3.97%	3.93%



**South Texas College District**  
**Notes to Required Supplementary Information for Pensions**  
**For the Year Ended August 31, 2025**

Changes of Assumptions: None



# **SOUTH TEXAS COLLEGE**

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

<b><u>Fiscal Year ending August 31*</u></b>	<b><u>2025**</u></b>	<b><u>2024**</u></b>	<b><u>2023**</u></b>
District's proportionate share of collective net OPEB liability (%)	0.3124499%	0.2917588%	0.2762568%
District's proportionate share of collective net OPEB liability (\$)	\$ 91,565,289	\$ 77,950,738	\$ 78,697,169
State's proportionate share of net OPEB liability associated with District	59,032,461	55,860,279	60,238,368
<b>Total</b>	<b><u>\$ 150,597,750</u></b>	<b><u>\$ 133,811,017</u></b>	<b><u>\$ 138,935,537</u></b>
District's covered employee Payroll	\$ 95,787,658	\$ 86,910,803	\$ 80,416,792
District's proportionate share of the collective net OPEB liability as a percentage of covered employee payroll	95.59%	89.69%	97.86%
Plan fiduciary net position as percentage of total OPEB liability	0.47%	0.63%	0.57%

\* 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

2022**	2021**	2020**	2019**	2018**
0.3832090%	0.4089072%	0.3238971%	0.3057199%	0.0388427%
\$ 137,478,159	\$ 135,121,885	\$ 111,947,484	\$ 90,608,465	\$ 13,234,872
39,743,669	36,599,391	66,852,765	56,321,731	11,397,449
<b>\$ 177,221,828</b>	<b>\$ 171,721,276</b>	<b>\$ 178,800,249</b>	<b>\$ 146,930,196</b>	<b>\$ 24,632,321</b>
\$ 80,300,063	\$ 83,419,153	\$ 79,796,858	\$ 73,825,523	\$ 66,981,577
171.21%	161.98%	140.29%	122.73%	19.76%
0.38%	0.32%	0.17%	1.27%	2.04%

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

<b><u>Fiscal Year ending August 31*</u></b>	<b><u>2025**</u></b>	<b><u>2024**</u></b>	<b><u>2023**</u></b>
Legally required contributions ***	\$ 692,748	\$ 573,573	\$ 543,603
Actual contributions	692,748	573,573	543,603
<b>Contributions deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 101,749,729	\$ 95,787,658	\$ 86,910,803
Contributions as a percentage of covered employee payroll	0.68%	0.60%	0.63%

\* 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.

\*\*\*Since the OPEB plan is intended to be a PAYGO plan that does not accumulate funds, ERS altered how they administer and record the employer contributions. IN FY2019 ERS placed the employer contributions into an agency fund and then transferred funds from the agency fund into the OPEB trust fund as benefit claims became due. In 2018, twelve months of retiree contribution was reported.

2022**	2021**	2020**	2019**	2018**
\$ 441,372	\$ 419,357	\$ 366,477	\$ 163,189	\$ 419,711
441,372	419,357	366,477	163,189	419,711
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 80,416,792	\$ 80,300,063	\$ 83,419,153	\$ 79,796,858	\$ 73,825,253
0.55%	0.52%	0.44%	0.20%	0.57%

**South Texas College District  
Notes to Required Supplementary Information  
Net Pension Liability  
For the Year Ended August 31, 2025**

**Changes Since Prior Actuarial Valuation:**

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the previous actuarial valuation as of August 31, 2023.

**Factors that Significantly Affect Trends in Pension RSI Schedules**

- 2025: Changes of assumptions: There were no changes in assumptions since the prior measurement date.
- 2024: Changes of assumptions: There were no changes in assumptions since the prior measurement date.
- 2023: Changes of assumptions: The discount rate was changed from 7.25% to 7.00%.
- 2022: Changes of assumptions: The public education employer contribution rate changed from 1.5% in measurement year 2020 to 1.6% in measurement year 2021.
- 2021: Changes of assumptions: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in measurement year 2019 and it changed in measurement year 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.
- 2020: None
- 2019: Changes of assumptions: The discount rate changed from 8.0% as of the August 31, 2017 measurement date to a blended rate of 6.907% as of the August 31, 2018 measurement date. The long-term assumed rate of return changed from 8.0% as of the August 31, 2017 measurement date to 7.25% as of the August 31, 2018 measurement date. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ended August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

**South Texas College District**  
**Notes to Required Supplementary Information for OPEB**  
**For the Year Ended August 31, 2025**

**Changes Since Prior Actuarial Valuation:**

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

- Demographic assumptions (including the mortality projection scale and assumed rates of disability).
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution.
- The percentage of future retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect recent plan experience and expected trends.
- The discount rate was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 as result of requirement by GASB no 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement rate.





# **SOUTH TEXAS COLLEGE**

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**South Texas College District**  
**Schedule of Operating Revenues**  
**Year Ended August 31, 2025 (With Totals for the Year Ended August 31, 2024)**

**Schedule A**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY 2025 Total	Restated FY 2024 Total
<b>Tuition:</b>						
State funded credit courses						
In-district resident tuition	\$ 82,260,648	\$ -	\$ 82,260,648	\$ 1,151,549	\$ 83,412,197	\$ 78,516,002
Out-of-district resident tuition	3,464,102	-	3,464,102	69,003	3,533,105	3,274,592
Non-resident tuition	8,203,076	-	8,203,076	34,423	8,237,499	6,296,051
TPEG state (set aside) *	3,502,075	-	3,502,075	-	3,502,075	3,322,187
State funded continuing education	1,260,942	-	1,260,942	-	1,260,942	1,175,681
TPEG non-credit (set aside) *	79,693	-	79,693	-	79,693	75,047
Non-state funded continuing education	756,422	-	756,422	-	756,422	957,683
TPEG non-credit (set aside) *	48,283	-	48,283	-	48,283	61,129
<b>Total Tuition</b>	<b>99,575,241</b>	<b>-</b>	<b>99,575,241</b>	<b>1,254,975</b>	<b>100,830,216</b>	<b>93,678,372</b>
<b>Fees:</b>						
Course-based fees	437,934	-	437,934	-	437,934	368,491
Testing fees	326,084	-	326,084	-	326,084	281,579
Installment plan fees	484,265	-	484,265	-	484,265	521,680
Incidental fees	1,823,443	-	1,823,443	39,933	1,863,376	3,859,592
<b>Total Fees</b>	<b>3,071,726</b>	<b>-</b>	<b>3,071,726</b>	<b>39,933</b>	<b>3,111,659</b>	<b>5,031,342</b>
<b>Scholarship Allowances and Discounts:</b>						
Bad debt allowance	(1,179,259)	-	(1,179,259)	-	(1,179,259)	(720,923)
Remissions and exemptions - state	(1,754,977)	-	(1,754,977)	-	(1,754,977)	(1,614,032)
Remissions and exemptions - local	(36,410,768)	-	(36,410,768)	304	(36,410,464)	(33,152,585)
TPEG allowances	(2,269,152)	-	(2,269,152)	-	(2,269,152)	(2,760,442)
Federal grants to students	(37,846,706)	-	(37,846,706)	-	(37,846,706)	(35,377,961)
Other grants to students	(6,985,613)	-	(6,985,613)	-	(6,985,613)	(5,417,119)
<b>Total Scholarship Allowances and Discounts</b>	<b>(86,446,475)</b>	<b>-</b>	<b>(86,446,475)</b>	<b>304</b>	<b>(86,446,171)</b>	<b>(79,043,062)</b>
<b>Total Net Tuition and Fees</b>	<b>16,200,492</b>	<b>-</b>	<b>16,200,492</b>	<b>1,295,212</b>	<b>17,495,704</b>	<b>19,666,652</b>
<b>Additional Operating Revenues:</b>						
Federal grants and contracts	285,123	7,551,834	7,836,957	-	7,836,957	8,793,669
State grants and contracts	-	9,475,981	9,475,981	-	9,475,981	6,256,727
Local grants and contracts	5,659,680	1,931,187	7,590,867	-	7,590,867	8,569,356
Non-governmental grants and contracts	1,464	1,879,975	1,881,439	-	1,881,439	1,974,564
General operating revenues	216,887	-	216,887	-	216,887	275,807
<b>Total Additional Operating Revenues</b>	<b>6,163,154</b>	<b>20,838,977</b>	<b>27,002,131</b>	<b>-</b>	<b>27,002,131</b>	<b>25,870,123</b>
<b>Auxiliary Enterprises:</b>						
Bookstore	-	-	-	268,455	268,455	300,426
Vending commissions	-	-	-	123,304	123,304	113,963
Child care center	-	-	-	356,455	356,455	289,831
General conferences	-	-	-	146,502	146,502	96,418
Other	-	-	-	100,084	100,084	38,250
<b>Total Auxiliary Enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>994,800</b>	<b>994,800</b>	<b>838,888</b>
<b>Total Operating Revenues</b>	<b>\$ 22,363,646</b>	<b>\$ 20,838,977</b>	<b>\$ 43,202,623</b>	<b>\$ 2,290,012</b>	<b>\$ 45,492,635</b>	<b>\$ 46,375,663</b>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code 56.033, \$3,630,051 and \$3,458,363 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended 2025 and 2024, respectively.

**South Texas College District**  
**Schedule of Operating Expenses by Object**  
**Year Ended August 31, 2025 (With Totals for the Year Ended August 31, 2024)**

**Schedule B**

	Operating Expenses				FY 2025 Total	Restated FY 2024 Total
	Salaries and Wages	Benefits State	Local	Other Expenses		
<b>Unrestricted-Educational Activities</b>						
Instruction	\$ 65,258,540	\$ -	\$ 11,242,025	\$ 5,390,767	\$ 81,891,332	\$ 79,155,857
Public service	-	-	-	37,116	37,116	43,245
Academic support	16,887,110	-	2,903,767	3,105,919	22,896,796	21,816,208
Student services	10,381,706	-	1,933,742	2,497,196	14,812,644	13,181,724
Institutional support	19,375,713	-	4,847,935	11,373,096	35,596,744	34,958,462
Operation and maintenance of plant	13,835,312	-	4,501,922	10,939,173	29,276,407	26,232,548
Scholarships and fellowships	-	-	-	29,850	29,850	5,037
<b>Total Unrestricted Educational Activities</b>	<b>125,738,381</b>	<b>-</b>	<b>25,429,391</b>	<b>33,373,117</b>	<b>184,540,889</b>	<b>175,393,081</b>
<b>Restricted-Educational Activities</b>						
Instruction	937,589	5,480,564	231,027	394,427	7,043,607	7,499,109
Research	9,100	-	1,284	1,198	11,582	8,885
Public service	176,425	-	63,471	220,566	460,462	422,343
Academic support	1,732,070	1,526,911	392,696	880,500	4,532,177	5,565,757
Student services	842,042	1,059,882	16,268	32,112	1,950,304	1,527,119
Institutional support	221,269	2,578,606	30,490	1,072,031	3,902,396	3,638,831
Scholarships and fellowships	-	-	-	33,659,546	33,659,546	25,471,800
<b>Total Restricted Educational Activities</b>	<b>3,918,495</b>	<b>10,645,963</b>	<b>735,236</b>	<b>36,260,380</b>	<b>51,560,074</b>	<b>44,133,844</b>
<b>Total Educational Activities</b>	<b>129,656,876</b>	<b>10,645,963</b>	<b>26,164,627</b>	<b>69,633,497</b>	<b>236,100,963</b>	<b>219,526,925</b>
<b>Auxiliary Enterprises</b>	<b>808,520</b>	<b>-</b>	<b>381,829</b>	<b>703,684</b>	<b>1,894,033</b>	<b>2,292,900</b>
Depreciation expense - buildings and other real estate improvements	-	-	-	8,322,204	8,322,204	8,160,001
Depreciation expense - equipment, software and furniture	-	-	-	3,767,672	3,767,672	3,699,806
Amortization expense - right-to-use assets	-	-	-	5,268,698	5,268,698	3,211,019
<b>Total Operating Expenses</b>	<b>\$ 130,465,396</b>	<b>\$ 10,645,963</b>	<b>\$ 26,546,456</b>	<b>\$ 87,695,755</b>	<b>\$ 255,353,570</b>	<b>\$ 236,890,651</b>
					(Exhibit 2)	(Exhibit 2)

**South Texas College District**  
**Schedule of Non-Operating Revenues and Expenses**  
**Year Ended August 31, 2025 (With Totals for the Year Ended August 31, 2024)**

**Schedule C**

	Unrestricted	Restricted	Auxiliary Enterprises	FY 2025 Total	Restated FY 2024 Total
<b>NON-OPERATING REVENUES:</b>					
State appropriations:					
Education and general state support	\$ 56,743,212	\$ -	\$ -	\$ 56,743,212	\$ 52,949,625
State group insurance	-	6,136,193	-	6,136,193	4,489,721
State retirement matching	-	4,515,078	-	4,515,078	5,993,025
Hazlewood reimbursement	186,513	-	-	186,513	147,912
<b>Total State Appropriations</b>	<b>56,929,725</b>	<b>10,651,271</b>	<b>-</b>	<b>67,580,996</b>	<b>63,580,283</b>
Ad-valorem taxes-maintenance and operations	85,701,227	-	-	85,701,227	77,476,521
Ad-valorem taxes-debt service	-	14,117,332	-	14,117,332	13,345,751
Federal revenue, non operating	-	66,161,748	-	66,161,748	57,582,054
Financial Aid for Swift Transfer Program	10,258,650	-	-	10,258,650	8,822,990
Gifts	-	577,943	-	577,943	459,755
Investment income (net of investment expenses)	18,866,739	678,402	93,213	19,638,354	21,866,535
Gain on disposal of capital assets	20,320	-	-	20,320	3,011
Insurance proceeds	218,824	-	-	218,824	-
Gain on bond defeasance	-	134,173	-	134,173	982,687
Other non-operating revenue	68,527	-	5,115	73,642	73,733
<b>Total Non-Operating Revenues</b>	<b>172,064,012</b>	<b>92,320,869</b>	<b>98,328</b>	<b>264,483,209</b>	<b>244,193,320</b>
<b>NON-OPERATING EXPENSES:</b>					
Interest on capital related debt	695,659	2,703,058	-	3,398,717	3,272,245
Loss on disposal of capital assets	10,749	13,312	-	24,061	82,138
Non-capital construction costs	2,073,665	5,232	-	2,078,897	2,099,031
Bond costs and fees	-	55,000	-	55,000	597,722
Other non-operating expenses	48,314	583,334	5,465	637,113	748,144
<b>Total Non-Operating Expenses</b>	<b>2,828,387</b>	<b>3,359,936</b>	<b>5,465</b>	<b>6,193,788</b>	<b>6,799,280</b>
<b>Net Non-Operating Revenues</b>	<b>\$ 169,235,625</b>	<b>\$ 88,960,933</b>	<b>\$ 92,863</b>	<b>\$ 258,289,421</b>	<b>\$ 237,394,040</b>
				(Exhibit 2)	(Exhibit 2)

**South Texas College District**  
**Schedule of Net Position by Source and Availability**  
**Year Ended August 31, 2025 (With Totals for the Year Ended August 31, 2024)**

	Detail by Source					FY 2025 Total
	Restricted			Net Investment in Capital Assets		
	Unrestricted	Expendable	Non-Expendable			
Current:						
Unrestricted	\$ 143,231,754	\$ -	\$ -	\$ -	\$ -	\$ 143,231,754
Board designated	48,725,835	-	-	-	-	48,725,835
Restricted						
Student aid/non-governmental grants and contracts	-	6,063,510	-	-	-	6,063,510
Auxiliary enterprises	6,020,875	-	-	-	-	6,020,875
Loan	-	500,607	-	-	-	500,607
Endowment	-	-	347,652	-	-	347,652
Plant:						
Unexpended	46,595,219	-	-	-	-	46,595,219
Renewals & replacements	17,001,950	-	-	-	-	17,001,950
Debt service	-	9,996,575	-	-	-	9,996,575
Investment in plant	-	-	-	256,042,320	-	256,042,320
<b>Total Net Position, August 31, 2025</b>	<b>261,575,633</b>	<b>16,560,692</b>	<b>347,652</b>	<b>256,042,320</b>		<b>534,526,297</b>
					(Exhibit 1)	
Total Net Position, Restated, August 31, 2024	227,432,826	14,089,301	339,639	244,166,429		486,028,195
					(Exhibit 1)	
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 34,142,807</b>	<b>\$ 2,471,391</b>	<b>\$ 8,013</b>	<b>\$ 11,875,891</b>		<b>\$ 48,498,102</b>
					(Exhibit 2)	

Note: The Unexpended Plant Fund is earmarked in the fiscal year 2025 board approved budget for construction projects.  
The Renewals & Replacements Plant Fund is earmarked in the fiscal year 2025 board approved budget for deferred maintenance projects.

# **Schedule D**

Available for Current Operations	
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Yes		No	
\$	143,231,754	\$	-
	-		48,725,835
	-		6,063,510
	6,020,875		-
	-		500,607
	-		347,652
	-		46,595,219
	-		17,001,950
	-		9,996,575
	-		256,042,320
	<b>149,252,629</b>		<b>385,273,668</b>
	111,273,718		374,754,477
<b>\$</b>	<b>37,978,911</b>	<b>\$</b>	<b>10,519,191</b>

**South Texas College District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2025**

**Schedule E**

		Expenditures				
Federal Grantor/Cluster/Program Title/Pass-Through Grantor/ Pass-Through Grantor's Award Number	Assistance Listing Number	Direct Award	Pass Through Awards	Total	Subrecipient Expenditures	
U.S. Department of Education						
Direct Programs:						
Student Financial Assistance Cluster						
Federal Supplemental Educational Opportunity Grants	84.007	\$ 945,800	\$ -	\$ 945,800	\$ -	
Federal Work-Study Program	84.033	694,674	-	694,674	-	
Federal Pell Grant Program	84.063	64,521,274	-	64,521,274	-	
Total Student Financial Assistance Cluster		66,161,748	-	66,161,748	-	
Higher Education Institutional Aid	84.031S	320,784	-	320,784	-	
Migrant Education High School Equivalency Program	84.141A	58,823	-	58,823	-	
Childcare Access Means Parents In School	84.335A	513,589	-	513,589	-	
Pass Through Programs:						
Texas Workforce Commission						
Adult Education - Basic Grants to States	84.002A					
2924ALA046		-	721,602	721,602	-	
Total Adult Education - Basic Grants to States		-	721,602	721,602	-	
Texas Higher Education Coordinating Board						
Career and Technical Education - Basic Grants to States	84.048A					
01148		-	18,374	18,374	-	
01837		-	2,216,142	2,216,142	-	
Total Career and Technical Education-Basic Grants to States		-	2,234,516	2,234,516	-	
Region One Esc						
Career and Technical Education - National Programs	84.051F			-		
PIM Fall 2024		-	33,108	33,108	-	
Total Career and Technical Education - National Programs		-	33,108	33,108	-	
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	-	16,761	16,761	-	
Total Gaining Early Awareness and Readiness for Undergraduate Programs		-	16,761	16,761	-	
Texas Workforce Commission						
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126A					
3024VRS230		-	18,437	18,437	-	
Total Rehabilitation Services Vocational Rehabilitation Grants to States		-	18,437	18,437	-	
Total U.S. Department of Education		\$ 67,054,944	\$ 3,024,424	\$ 70,079,368	\$ -	
U.S Department of Commerce						
Direct Programs:						
STEM Talent Challenge Program						
ED23OIEOG0050	11.023	15	-	15	-	
Total STEM Talen Challenge Program		15	-	15	-	
Connecting Minorities Communities Pilot Program						
48-09-C13025	11.028	1,211,974	-	1,211,974	-	
Total Connecting Minorities Communties Pilot Program		1,211,974	-	1,211,974	-	
Economic Development Cluster						
Direct Programs:						
Economic Adjustment Assistance	11.307					
08-01-05613/118171		485,860	-	485,860	-	
Total Economic Development Cluster		485,860	-	485,860	-	
Total U.S. Department of Commerce		\$ 1,697,849	\$ -	\$ 1,697,849	\$ -	
U.S. Department of Defense						
Direct Programs:						
Military Spouse Career Advancement	12.U01	1,956	-	1,956	-	
Total U.S. Department of Defense		\$ 1,956	\$ -	\$ 1,956	\$ -	

See accompanying notes to Schedule of Expenditures of Federal Awards

**South Texas College District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2025**  
**(Continued)**

**Schedule E**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/ Pass-Through Grantor's Award Number	Assistance Listing Number	Expenditures			Subrecipient Expenditures
		Direct Award	Pass Through Awards	Total	
U.S. Department of Labor					
Pass-Through From:					
Texas Workforce Commission					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities 2425WPB001	17.207	-	118,820	118,820	-
Total Employment Service Cluster		-	118,820	118,820	-
WIOA Cluster					
WIOA Adult Program 2324WOS001	17.258	-	31,888	31,888	-
Total WIOA Cluster		-	31,888	31,888	-
Pass-Through From:					
Texas Workforce Commission					
Registered Apprenticeship					
2322ATG003	17.285	-	59,436	59,436	-
2323ATG001		-	79,506	79,506	-
WRMA @ Trimetrix Company					
Registered Apprenticeship	17.285				
16052C-23-C-0013		-	5,300	5,300	-
Total Registered Apprenticeship		-	144,242	144,242	-
Direct Programs:					
Department of Labor					
Community Project Funding/Congressionally Directed Spending					
24A60CP000321-01-00	17.289	109,172	-	109,172	-
Total Community Project Funding/Congressionally Directed Spending		109,172	-	109,172	-
Occupational Safety and Health Susan Harwood Training Grants					
23F60SH000027	17.502	15,290	-	15,290	-
24F60SH000131		124,291	-	124,291	-
Total Occupational Safety and Health Susan Harwood Training Grants		139,581	-	139,581	-
Total U.S. Department of Labor		\$ 248,753	\$ 294,950	\$ 543,703	\$ -
U.S. Department of the Treasury					
Pass-Through From:					
Hidalgo County					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds					
ARPA-21-110-034	21.027	-	356,028	356,028	-
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds		-	356,028	356,028	-
Total U.S. Department of the Treasury		\$ -	\$ 356,028	\$ 356,028	\$ -
U.S Department of Agriculture					
Pass-Through From:					
Texas Department of Agriculture					
Child and Adult Care Food Program					
NT4XL1YGLGC5	10.558	-	47,034	47,034	-
		-	5,024	5,024	-
Total Child and Adult Care Food Program		-	52,058	52,058	-
Research and Development Cluster					
Pass-Through From:					
The University of Texas at San Antonio					
Hispanic Serving Institutions Education Grants					
1000003572	10.223	-	376	376	-
The University of Texas at Rio Grande Valley					
Hispanic Serving Institutions Education Grants					
2021-77040-34869-01		-	16,405	16,405	-
Total Hispanic Serving Institutions Education Grants		-	16,781	16,781	-
Agriculture and Food Research Initiative					
20226801836606(01)	10.310	-	27,595	27,595	-

See accompanying notes to Schedule of Expenditures of Federal Awards



**South Texas College District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2025**  
**(Continued)**

**Schedule E**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/ Pass-Through Grantor's Award Number	Assistance Listing Number	Expenditures			Subrecipient Expenditures
		Direct Award	Pass Through Awards	Total	
Pass-Through From:					
Texas A&M University - Kingsville					
Agriculture and Food Research Initiative					
S24-1108-STC		-	41,818	41,818	-
Total Agriculture and Food Research Initiative		-	69,413	69,413	-
<b>Total U.S. Department of Agriculture</b>		<b>\$ -</b>	<b>\$ 138,252</b>	<b>\$ 138,252</b>	<b>\$ -</b>
<b>U.S. Department of Transportation</b>					
Pass-Through From:					
The University of Texas at Rio Grande Valley					
University Transportation Centers Program	20.701				
69A3552348340		-	5,784	5,784	-
<b>Total U.S. Department of Transportation</b>		<b>\$ -</b>	<b>\$ 5,784</b>	<b>\$ 5,784</b>	<b>\$ -</b>
<b>National Science Foundation</b>					
Direct Programs:					
STEM Education	47.076				
DUE-1930525		59,755	-	59,755	-
2452628		1,198	-	1,198	-
Pass-Through From:					
The University of Texas at Rio Grande Valley					
STEM Education					
2421228 (01)		-	63,399	63,399	-
2318341 (01)		-	27,111	27,111	-
2417437-01		-	14,425	14,425	-
Total STEM Education		60,953	104,935	165,888	-
<b>Total National Science Foundation</b>		<b>\$ 60,953</b>	<b>\$ 104,935</b>	<b>\$ 165,888</b>	<b>\$ -</b>
<b>U.S. Department of Health and Human Services</b>					
Pass-Through From:					
The University of Texas at Rio Grande Valley					
Biomedical Research and Research Training	93.859				
1T34GM137854-01 (02)		-	15,520	15,520	-
Total Research and Development Cluster		60,953	212,433	273,386	-
Pass-Through From:					
Texas Workforce Commission					
COVID-19 Temporary Assistance for Needy Families (TANF)	93.558				
2324SSF001		-	28,752	28,752	-
2325SMP001		-	83,362	83,362	-
Total COVID-19 Temporary Assistance for Need Families		-	112,114	112,114	-
CCDF Cluster					
Texas Workforce Commission					
Child Care and Development Block Grant	93.575				
24-CSC-013		-	22,250	22,250	-
24-CSC-014		-	12,000	12,000	-
Total Child Care and Development Block Grant		-	34,250	34,250	-
Total CCDF Cluster		-	34,250	34,250	-
<b>Total U.S. Department of Health and Human Services</b>		<b>\$ -</b>	<b>\$ 161,884</b>	<b>\$ 161,884</b>	<b>\$ -</b>
<b>U.S. Department of Homeland Security</b>					
Direct Programs:					
Citizenship Education And Training	97.010				
24CICET00382		1,335	-	1,335	-
<b>Total U.S. Department of Homeland Security</b>		<b>1,335</b>	<b>-</b>	<b>1,335</b>	<b>-</b>
<b>Total Federal Financial Assistance</b>		<b>\$ 69,065,790</b>	<b>\$ 4,086,257</b>	<b>\$ 73,152,047</b>	<b>\$ -</b>

See accompanying notes to Schedule of Expenditures of Federal Awards

**South Texas College District**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended August 31, 2025**  
**(Continued)**

**Schedule E**

**Note 1: Federal Assistance Reconciliation**

Other Operating Revenues - Federal Grants and Contracts - per Schedule A	\$ 7,551,834
Add: Indirect/Administrative Cost Recoveries - per Schedule A	285,123
Add: Non-Operating Revenues - Federal Revenue, non-operating - per Schedule C	66,161,748
	<hr/>
Total Federal Revenues per Schedule A and C	73,998,705
Reconciling Item:	
Minus Veteran Funds	(860,423)
Plus reversal of Texas Workforce Commission Temporary Assistance for Need Families	13,765
Total Federal Revenues per Schedule of Expenditures of Federal Awards	<u><u>\$ 73,152,047</u></u>

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

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

**Note 3: Expenditures not subject to federal single audit.**

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

ALN 64.027 Post 9/11 Veterans Education Assistance	\$ 666,070
ALN 64.125 Vocational and Educational Counseling for Service members and Veterans	\$ 194,353

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

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

There were no student loans processed and administrative costs recovered by the District in fiscal year 2025.

**Note 5: Amounts Passed Through by the District.**

The District did not pass-through any amounts in fiscal year 2025.

**Note 6: Nonmonetary Federal Assistance.**

There were no federal noncash awards in fiscal year 2025.

See accompanying notes to Schedule of Expenditures of Federal Awards

**South Texas College District  
Schedule of Expenditures of State Awards  
Year Ended August 31, 2025**

**Schedule F**

State Grantor/ Pass-Through Grantor - Program Title	Contract Number	Expenditures*
<b>Texas Higher Education Coordinating Board</b>		
Nursing Shortage Reduction Program	27021	\$ 221,751
Nursing Students Scholarship Program		498,299
Texas College Work-Study Program		92,628
Texas Educational Opportunity Grant - Initial Year		5,931,446
Texas Educational Opportunity Grant - Renewal Year		2,159,395
The Texas Reskilling and Upskilling through Education 2023 Grant Program	00308	44,938
The Texas Reskilling and Upskilling through Education 2025 Grant Program	01507	180,062
Student Success Acceleration Program	01363	20,683
Work-Study Mentorship Program	29271	52,099
<b>Total Texas Higher Education Coordinating Board</b>		<b>9,201,301</b>
<b>Texas Association for Education of Young Children</b>		
T.E.A.C.H. Early Childhood Texas		6,786
<b>Texas Department of Transportation</b>		
TxDot Employee Career Development, Recruitment and Retention	32377	247,397
<b>Texas Military Department</b>		
Texas National Guard Tuition Assistance Program		20,497
<b>Total State Financial Assistance</b>		<b>\$ 9,475,981</b>

**Note 1: State Assistance Reconciliation**

State Revenues	\$ 9,475,981
Add: Indirect/Administrative Cost Recoveries	-
Total State Revenues per Schedule A	<b>\$ 9,475,981</b>

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

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

**Note 3: Amounts Pass-Through by the District**

The District did not pass-through any amounts in fiscal year 2025

\* No funds were provided to subrecipients by the District.

**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**



**STATISTICAL  
SECTION**

**South Texas College District  
Annual Comprehensive Financial Report  
Fiscal Years Ended August 31, 2025 and 2024**

**Table of Contents**

**Statistical Information**

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

<b>Financial Trends</b>	<b><u>Page No.</u></b>
<i>Statistical Supplement 1</i>	
Net Position by Component -----	126-127
<i>Statistical Supplement 2</i>	
Revenue by Source -----	128-129
<i>Statistical Supplement 3</i>	
Program Expenses by Function -----	130-131
<i>Statistical Supplement 19</i>	
Changes In Net Position -----	166-170
 <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	
 <b>Revenue Capacity</b>	
<i>Statistical Supplement 4</i>	
Tuition and Fees -----	132-133
<i>Statistical Supplement 5</i>	
Assessed Value and Taxable Assessed Value of Property -----	134-135
<i>Statistical Supplement 6a</i>	
General Appropriation Act Before Contact Hour Adjustments -----	136-137
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**South Texas College District  
Annual Comprehensive Financial Report  
Fiscal Years Ended August 31, 2025 and 2024**

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<i>Statistical Supplement 20</i> Ad Valorem Tax Rates Authorized -----	171
<i>Statistical Supplement 21</i> Property Tax Rates – All Direct and Overlapping Governments -----	172-175

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

**Debt Capacity**

<i>Statistical Supplement 9</i> Ratios of Outstanding Debt -----	152-153
<i>Statistical Supplement 10</i> Legal Debt Margin Information -----	154
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<i>Statistical Supplement 22</i> Computation of Direct and Overlapping Debt -----	176-178

*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.*

**South Texas College District  
Annual Comprehensive Financial Report  
Fiscal Years Ended August 31, 2025 and 2024**

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<b>Demographic and Economic Information</b>	<b><u>Page No.</u></b>
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Demographic and Economic Statistics – Taxing District -----	156-157
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Principal Employers -----	158
 <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.</i>	

**Operating and Other Information**

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<i>Statistical Supplement 15</i>	
Enrollment Details -----	160-161
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<i>Statistical Supplement 17</i>	
Transfers to Senior Institutions -----	164
<i>Statistical Supplement 18</i>	
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 <i>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.</i>	

**Sources:**

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

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

	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
Net Position				
Net investment in capital assets	\$ 256,042,320	\$ 244,166,429	\$ 218,478,692	\$ 206,580,723
Restricted expendable	16,560,692	14,089,301	20,860,264	22,464,778
Restricted non-expendable	347,652	339,639	339,580	339,528
Unrestricted	261,575,633	227,432,826	199,435,130	186,621,360
<b>Total Net Position</b>	<b>\$ 534,526,297</b>	<b>\$ 486,028,195</b>	<b>\$ 439,113,666</b>	<b>\$ 416,006,389</b>
Net position, beginning of year	486,028,195	439,113,666	416,006,389	391,602,075
Cumulative effect of change in accounting principle (Note 2) <sup>1</sup>	N/A	N/A	N/A	N/A
Net position, beginning of year, as restated (Note 2)	486,028,195	439,113,666	416,006,389	391,602,075
Increase (decrease) in net position	<b>\$ 48,498,102</b>	<b>\$ 46,914,529</b>	<b>\$ 23,107,277</b>	<b>\$ 24,404,314</b>

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



For the Fiscal Year Ended August 31,

Restated 2021	2020	2019	2018 <sup>1</sup>	2017	2016
\$ 205,203,379	\$ 205,172,770	\$ 206,861,404	\$ 205,569,611	\$ 213,988,457	\$ 181,421,943
21,756,337	20,889,610	19,956,978	18,748,658	19,145,139	19,790,038
339,524	339,521	339,500	339,472	339,455	339,449
164,302,835	150,897,921	150,845,250	161,722,905	162,922,837	169,726,346
<b>\$ 391,602,075</b>	<b>\$ 377,299,822</b>	<b>\$ 378,003,132</b>	<b>\$ 386,380,647</b>	<b>\$ 396,395,889</b>	<b>\$ 371,277,776</b>
377,299,822	378,003,132	386,380,647	396,395,889	371,277,776	340,202,353
N/A	N/A	N/A	(15,448,970)	N/A	N/A
377,299,822	378,003,132	386,380,647	380,946,919	371,277,776	340,202,353
<b>\$ 14,302,253</b>	<b>\$ (703,310)</b>	<b>\$ (8,377,515)</b>	<b>\$ 5,433,728</b>	<b>\$ 25,118,113</b>	<b>\$ 31,075,423</b>

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

	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
<b>Operating Revenues</b>				
Tuition and fees (net of discounts)	\$ 17,495,704	\$ 19,666,652	\$ 11,467,897	\$ 16,951,303
Federal grants and contracts	7,836,957	8,793,669	6,273,554	5,464,987
State grants and contracts	9,475,981	6,256,727	3,740,668	3,997,724
Local grants and contracts	7,590,867	8,569,356	8,274,752	7,914,784
Non-governmental grants and contracts	1,881,439	1,974,564	1,612,412	1,240,607
Auxiliary enterprises	994,800	838,888	767,395	779,359
General operating revenues	216,887	275,807	282,456	381,428
<b>Total Operating Revenues</b>	<b>45,492,635</b>	<b>46,375,663</b>	<b>32,419,134</b>	<b>36,730,192</b>
<b>Non-Operating Revenues</b>				
State appropriations	67,580,996	63,580,283	47,433,191	45,987,869
Ad valorem taxes - maintenance & operations	85,701,227	77,476,521	70,772,519	64,294,497
Ad valorem taxes - debt service	14,117,332	13,345,751	11,805,118	14,773,167
Federal revenue, non-operating	66,161,748	57,582,054	82,815,671	138,419,143
Financial Aid for Swift Transfer Program	10,258,650	8,822,990	-	-
Gifts	577,943	459,755	310,482	201,541
Investment income (net of investment expenses)	19,638,354	21,866,535	10,862,837	305,668
Gain on disposal of capital assets	20,320	3,011	20,890	33,217
Insurance proceeds	218,824	-	-	88,572
Gain on bond defeasance	134,173	982,687	-	-
Other non-operating revenues	73,642	73,733	68,572	68,526
<b>Total Non-Operating Revenues</b>	<b>264,483,209</b>	<b>244,193,320</b>	<b>224,089,280</b>	<b>264,172,200</b>
<b>Total Revenues</b>	<b>\$ 309,975,844</b>	<b>\$ 290,568,983</b>	<b>\$ 256,508,414</b>	<b>\$ 300,902,392</b>
	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
<b>Operating Revenues</b>				
Tuition and fees (net of discounts)	5.65%	6.77%	4.47%	5.63%
Federal grants and contracts	2.53%	3.03%	2.45%	1.82%
State grants and contracts	3.06%	2.15%	1.46%	1.33%
Local grants and contracts	2.45%	2.95%	3.23%	2.63%
Non-governmental grants and contracts	0.61%	0.68%	0.63%	0.41%
Auxiliary enterprises	0.32%	0.29%	0.30%	0.26%
General operating revenues	0.07%	0.09%	0.11%	0.13%
<b>Total Operating Revenues</b>	<b>14.69%</b>	<b>15.96%</b>	<b>12.65%</b>	<b>12.22%</b>
<b>Non-Operating Revenues</b>				
State appropriations	21.79%	21.87%	18.49%	15.28%
Ad-valorem taxes - maintenance & operations	27.65%	26.66%	27.59%	21.37%
Ad-valorem taxes - debt service	4.55%	4.59%	4.60%	4.91%
Federal revenue, non-operating	21.34%	19.82%	32.28%	46.00%
Financial Aid for Swift Transfer Program	3.31%	3.04%	0.00%	0.00%
Gifts	0.19%	0.16%	0.12%	0.07%
Investment income (net of investment expenses)	6.34%	7.53%	4.23%	0.10%
Gain on disposal of capital assets	0.01%	0.00%	0.01%	0.01%
Insurance proceeds	0.07%	0.00%	0.00%	0.03%
Gain on bond defeasance	0.04%	0.34%	0.00%	0.00%
Other non-operating revenues	0.02%	0.03%	0.03%	0.02%
<b>Total Non-Operating Revenues</b>	<b>85.31%</b>	<b>84.04%</b>	<b>87.35%</b>	<b>87.78%</b>
<b>Total Revenues</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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

For the Fiscal Year Ended August 31,						
Restated 2021	2020	2019	2018	2017	2016	
\$ 21,098,778	\$ 23,652,462	\$ 22,589,007	\$ 21,657,866	\$ 23,129,705	\$ 21,452,743	
4,752,189	4,890,928	4,660,747	4,304,540	4,490,675	3,889,497	
4,109,030	4,081,215	4,701,165	4,108,972	4,076,652	3,266,315	
8,939,528	8,710,679	8,160,205	6,660,734	6,102,604	5,063,983	
1,450,472	1,344,736	2,022,875	2,538,696	2,061,438	2,487,482	
678,506	1,355,127	1,766,603	1,890,180	1,833,407	1,893,838	
572,671	612,825	665,435	704,996	603,343	729,855	
<b>41,601,174</b>	<b>44,647,972</b>	<b>44,566,037</b>	<b>41,865,984</b>	<b>42,297,824</b>	<b>38,783,713</b>	
55,359,735	50,949,811	49,608,274	47,940,649	45,315,830	46,077,235	
59,403,574	56,146,535	53,934,103	48,931,234	48,822,561	46,781,602	
13,783,392	13,571,701	14,694,007	15,656,580	15,652,143	15,016,847	
78,372,230	67,836,841	59,341,569	60,276,808	55,666,373	54,858,852	
-	-	-	-	-	-	
197,836	275,475	320,507	353,250	252,614	251,022	
2,129,834	4,872,160	5,572,742	3,698,483	2,612,017	1,034,010	
9,251	-	3,790	6,547	5,575	12,350	
288,021	2,600	425,000	14,959	149,634	-	
-	-	-	-	-	-	
68,527	68,527	68,526	19,732	352,500	-	
<b>209,612,400</b>	<b>193,723,650</b>	<b>183,968,518</b>	<b>176,898,242</b>	<b>168,829,247</b>	<b>164,031,918</b>	
<b>\$ 251,213,574</b>	<b>\$ 238,371,622</b>	<b>\$ 228,534,555</b>	<b>\$ 218,764,226</b>	<b>\$ 211,127,071</b>	<b>\$ 202,815,631</b>	
For the Fiscal Year Ended August 31,						
Restated 2021	2020	2019	2018	2017	2016	
8.40%	9.92%	9.88%	9.91%	10.95%	10.58%	
1.89%	2.05%	2.04%	1.97%	2.13%	1.92%	
1.64%	1.71%	2.06%	1.88%	1.93%	1.61%	
3.56%	3.65%	3.57%	3.04%	2.89%	2.50%	
0.58%	0.56%	0.89%	1.16%	0.98%	1.22%	
0.27%	0.57%	0.77%	0.86%	0.87%	0.93%	
0.22%	0.26%	0.29%	0.32%	0.29%	0.36%	
<b>16.56%</b>	<b>18.73%</b>	<b>19.50%</b>	<b>19.14%</b>	<b>20.04%</b>	<b>19.12%</b>	
22.03%	21.37%	21.71%	21.91%	21.46%	22.72%	
23.65%	23.55%	23.60%	22.37%	23.12%	23.07%	
5.49%	5.69%	6.43%	7.16%	7.41%	7.40%	
31.20%	28.46%	25.97%	27.55%	26.37%	27.05%	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
0.08%	0.12%	0.14%	0.16%	0.12%	0.12%	
0.85%	2.04%	2.44%	1.69%	1.24%	0.51%	
0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	
0.11%	0.00%	0.19%	0.01%	0.07%	0.00%	
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
0.03%	0.03%	0.03%	0.01%	0.17%	0.00%	
<b>83.44%</b>	<b>81.27%</b>	<b>80.50%</b>	<b>80.86%</b>	<b>79.96%</b>	<b>80.88%</b>	
<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

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

	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
<b>Operating Expenses</b>				
Instruction	\$ 88,934,939	\$ 86,654,966	\$ 85,189,049	\$ 80,659,869
Research	11,582	8,885	5,836	7,214
Public service	497,578	465,588	383,685	232,426
Academic support	27,428,973	27,381,965	23,642,008	20,182,671
Student services	16,762,948	14,708,843	13,386,317	12,210,400
Institutional support	39,499,140	38,597,293	34,681,414	43,078,959
Operations and maintenance of plant	29,276,407	26,232,548	23,898,970	20,503,476
Scholarships and fellowships	33,689,396	25,476,837	31,135,626	75,671,920
Auxiliary enterprises	1,894,033	2,292,900	2,511,386	2,219,495
Depreciation	17,358,574	15,070,826	12,348,313	13,623,741
<b>Total Operating Expenses</b>	<b>255,353,570</b>	<b>236,890,651</b>	<b>227,182,604</b>	<b>268,390,171</b>
<b>Non-Operating Expenses</b>				
Interest on capital related debt	3,398,717	3,272,245	3,072,238	3,946,606
Loss on sale/disposal/return on capital assets	24,061	82,138	285,632	3,110
Non-capital construction costs	2,078,897	2,099,031	1,503,083	2,300,251
Bond costs and fees	55,000	597,722	1,097,328	1,652,444
Other non-operating expenses	637,113	748,144	275,852	205,601
<b>Total Non-Operating Expenses</b>	<b>6,193,788</b>	<b>6,799,280</b>	<b>6,234,133</b>	<b>8,108,012</b>
<b>Total Expenses</b>	<b>\$ 261,547,358</b>	<b>\$ 243,689,931</b>	<b>\$ 233,416,737</b>	<b>\$ 276,498,183</b>
	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
<b>Operating Expenses</b>				
Instruction	34.02%	35.57%	36.50%	29.17%
Research	0.00%	0.00%	0.00%	0.00%
Public service	0.19%	0.19%	0.16%	0.08%
Academic support	10.49%	11.24%	10.13%	7.30%
Student services	6.41%	6.04%	5.73%	4.42%
Institutional support	15.10%	15.84%	14.86%	15.58%
Operations and maintenance of plant	11.19%	10.76%	10.24%	7.42%
Scholarships and fellowships	12.88%	10.45%	13.34%	27.37%
Auxiliary enterprises	0.72%	0.94%	1.08%	0.80%
Depreciation and amortization	6.64%	6.18%	5.29%	4.93%
<b>Total Operating Expenses</b>	<b>97.64%</b>	<b>97.21%</b>	<b>97.33%</b>	<b>97.07%</b>
<b>Non-Operating Expenses</b>				
Interest on capital related debt	1.30%	1.34%	1.32%	1.43%
Loss on sale/disposal/return on capital assets	0.01%	0.03%	0.12%	0.00%
Non-capital construction costs	0.79%	0.86%	0.64%	0.83%
Bond costs and fees	0.02%	0.25%	0.47%	0.60%
Other non-operating expenses	0.24%	0.31%	0.12%	0.07%
<b>Total Non-Operating Expenses</b>	<b>2.36%</b>	<b>2.79%</b>	<b>2.67%</b>	<b>2.93%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Notes:  
Change in Net position reflected on Statistical Supplement 1 and Statistical Supplement 19.  
Other non-operating expenses were segregated into separate categories for FY 2015 - FY 2018.  
The segregation is not reflected in the previous years.

For the Fiscal Year Ended August 31,						
Restated						
2021	2020	2019	2018	2017	2016	
\$ 87,620,251	\$ 94,767,643	\$ 92,144,487	\$ 77,741,287	\$ 70,879,518	\$ 66,249,496	
13,930	-	-	-	-	-	
1,611,221	1,295,671	1,860,996	2,276,663	709,252	912,507	
22,358,202	21,510,411	23,030,399	18,306,332	17,101,883	16,333,241	
13,693,983	14,394,224	14,602,287	11,722,551	11,228,508	11,477,740	
33,034,943	34,970,309	32,251,981	26,803,724	26,074,788	23,138,061	
20,821,673	20,419,241	21,534,803	20,048,333	15,977,257	14,064,638	
37,788,198	29,136,804	27,797,829	27,412,188	26,028,594	26,432,169	
1,693,536	2,627,299	3,451,000	3,355,013	2,529,295	1,562,463	
12,020,225	12,162,030	12,009,110	9,917,643	7,262,313	6,966,274	
<b>230,656,162</b>	<b>231,283,632</b>	<b>228,682,892</b>	<b>197,583,734</b>	<b>177,791,408</b>	<b>167,136,589</b>	
4,623,748	5,841,189	5,690,864	3,513,058	4,150,374	6,602,765	
242,960	42	114,727	838,031	5,886	-	
685,243	1,163,367	2,025,830	11,107,175	3,548,465	1,911,123	
559,358	532,856	166,273	268,803	295,436	284,829	
249,823	262,755	246,594	84,956	265,017	320,767	
<b>6,361,132</b>	<b>7,800,209</b>	<b>8,244,288</b>	<b>15,812,023</b>	<b>8,265,178</b>	<b>9,119,484</b>	
<b>\$ 237,017,294</b>	<b>\$ 239,083,841</b>	<b>\$ 236,927,180</b>	<b>\$ 213,395,757</b>	<b>\$ 186,056,587</b>	<b>\$ 176,256,073</b>	
For the Fiscal Year Ended August 31,						
Restated						
2021	2020	2019	2018	2017	2016	
36.97%	39.64%	38.89%	36.43%	38.10%	37.59%	
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	
0.68%	0.54%	0.79%	1.07%	0.38%	0.52%	
9.43%	9.00%	9.72%	8.58%	9.19%	9.27%	
5.78%	6.02%	6.16%	5.49%	6.04%	6.51%	
13.94%	14.63%	13.61%	12.56%	14.01%	13.13%	
8.78%	8.54%	9.09%	9.39%	8.59%	7.98%	
15.94%	12.19%	11.73%	12.85%	13.99%	15.00%	
0.71%	1.10%	1.46%	1.57%	1.36%	0.88%	
5.08%	5.09%	5.07%	4.65%	3.90%	3.95%	
<b>97.32%</b>	<b>96.74%</b>	<b>96.52%</b>	<b>92.59%</b>	<b>95.56%</b>	<b>94.83%</b>	
1.95%	2.44%	2.40%	1.65%	2.23%	3.75%	
0.10%	0.00%	0.05%	0.39%	0.00%	0.00%	
0.29%	0.49%	0.86%	5.20%	1.91%	1.08%	
0.24%	0.22%	0.07%	0.13%	0.16%	0.16%	
0.10%	0.11%	0.10%	0.04%	0.14%	0.18%	
<b>2.68%</b>	<b>3.26%</b>	<b>3.48%</b>	<b>7.41%</b>	<b>4.44%</b>	<b>5.17%</b>	
<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	

**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
2024	\$ -	\$164	\$174	\$ -	\$ -	\$ -
2023	-	160	170	-	-	4
2022	150	77	87	31	14	4
2021	150	77	87	31	14	4
2020	150	77	87	31	14	4
2019	150	77	87	30	12	4
2018	100/160	70	80	30	12	4
2017	100/160	70	80	24	16	4
2016	100/160	67	76	24	16	2
2015	90/150	67	76	22	15	2

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
2024	\$ -	\$254	\$254	\$ -	\$ -	\$ -
2023	-	250	250	-	-	-
2022	-	250	250	-	-	-
2021	-	250	250	-	-	-
2020	150	200	200	31	14	4
2019	150	200	200	30	12	4
2018	100/160	200	200	30	12	4
2017	100/160	200	200	24	16	4
2016	100/160	192	192	24	16	2
2015	90/150	100	100	22	15	2

Notes:

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

(a) Tuition rate at 12 credit hours.

Source:

South Texas College District Student Guide

Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase From Prior Year In-District	Increase From Prior Year Out-of-District
\$1,968	\$2,088	0.00%	0.00%
1,968	2,088	18.41%	17.17%
1,662	1,782	0.00%	0.00%
1,662	1,782	0.00%	0.00%
1,662	1,782	2.21%	2.06%
1,626	1,746	8.98%	8.31%
1,492/1,552	1,612/1,672	1.63%	1.51%
1,468/1,528	1,588/1,648	4.26%	4.68%
1,408/1,468	1,517/1,577	3.38%	3.13%
1,362/1,422	1,471/1,531	5.58%	5.22%

Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase (Decrease) From Prior Year Out-of-State	Increase (Decrease) From Prior Year International
\$3,048	\$3,048	1.60%	1.60%
3,000	3,000	0.00%	0.00%
3,000	3,000	0.00%	0.00%
3,000	3,000	(4.40%)	(4.40%)
3,138	3,138	1.16%	1.16%
3,102	3,102	1.64%	1.64%
3,052/3,112	3,052/3,112	0.79%	0.79%
3,028/3,088	3,028/3,088	4.13%	4.13%
2,908/2,968	2,908/2,968	65.42%	65.42%
1,758/1,818	1,758/1,818	0.69%	0.69%

**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)
2024-25	\$ 82,053,538,331	\$ 17,507,650,969	\$ 2,052,607,324	\$ 62,493,280,038
2023-24	76,221,238,668	16,148,834,611	1,935,141,746	58,137,262,311
2022-23	66,477,089,900	13,908,302,221	1,704,437,932	50,864,349,747
2021-22	59,272,156,863	12,484,852,354	1,572,896,793	45,214,407,716
2020-21	55,493,969,962	11,735,671,129	1,642,378,280	42,115,920,553
2019-20	53,052,419,455	11,310,116,498	1,485,547,551	40,256,755,406
2018-19	50,847,373,837	10,915,450,453	1,550,090,537	38,381,832,847
2017-18	48,331,824,331	10,258,297,206	1,477,379,306	36,596,147,819
2016-17	46,095,416,000	10,006,121,217	1,187,077,443	34,902,217,340
2015-16	43,541,107,619	9,442,963,099	793,651,829	33,304,492,691

**Notes:**

Property is assessed at fair market value.

Property in each county is reassessed annually.

Exempt property includes exclusions.

(a) Tax rates are per \$100 of Taxable Assessed Value.

**Sources:**

Hidalgo County Tax Assessor & Collector

Starr County Tax Assessor & Collector



Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Maintenance		
	& Operations (a)	Debt Service (a)	Total (a)
76.16%	0.1393	0.0227	0.1620
76.27%	0.1335	0.0227	0.1562
76.51%	0.1388	0.0227	0.1615
76.28%	0.1400	0.0315	0.1715
75.89%	0.1400	0.0318	0.1718
75.88%	0.1400	0.0333	0.1733
75.48%	0.1400	0.0380	0.1780
75.72%	0.1400	0.0450	0.1850
75.72%	0.1400	0.0450	0.1850
76.49%	0.1400	0.0450	0.1850

**Statistical Supplement 6a**  
**General Appropriations Act**  
**Last Ten Fiscal Years**  
(unaudited)

Appropriation Funding Elements	For the Fiscal Year Ended August 31,			
	2025	2024	2023	2022
State Appropriation Non-Formula Items	\$ -	\$ -	\$ -	\$ -
State Appropriation - Base Tier	-	-	-	-
State Appropriations - Performance Tier <sup>2</sup>	56,743,212	52,949,625	-	-
State Appropriation Contact Hour Funding*	-	-	30,785,853	30,785,854
State Appropriation Student Success Points*	-	-	7,337,690	7,337,691
State Appropriation Core Operations*	-	-	680,406	680,406
State Appropriation Bachelor of Applied Technology*	-	-	1,290,084	1,290,084
<b>Total</b>	<b>\$ 56,743,212</b>	<b>\$ 52,949,625</b>	<b>\$ 40,094,033</b>	<b>\$ 40,094,035</b>

Note:

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

<sup>1</sup> General Appropriations Act, SB 1, 88th Texas Legislature, Section 1 (page III-239) - Informational Listing of Appropriated Funds

<sup>2</sup> Total amount received in fiscal year.

\*Only applies to FY 2023 and prior fiscal years while this funding structure was in effect.

Source:

THECB - Ten and Three Pay Schedule

For the Fiscal Year Ended August 31,					
2021	2020	2019	2018	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
34,847,891	34,850,456	34,396,461	34,397,316	32,558,148	33,471,584
5,346,393	5,346,394	4,089,966	4,089,967	3,670,735	3,670,736
680,406	680,406	680,406	680,406	500,000	500,000
1,307,616	1,307,616	1,071,990	1,071,990	805,107	805,106
<b>\$ 42,182,306</b>	<b>\$ 42,184,872</b>	<b>\$ 40,238,823</b>	<b>\$ 40,239,679</b>	<b>\$ 37,533,990</b>	<b>\$ 38,447,426</b>

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

Fiscal Year	State Appropriation (Unrestricted) From Sch C		FTSE <sup>1</sup>	State Appropriation per FTSE	
2025	\$	56,743,212	18,769	\$	3,023
2024		52,949,625	18,014		2,939
2023		40,094,033	18,102		2,215
2022		40,094,035	18,642		2,151
2021		42,182,306	18,313		2,303
2020		42,184,872	21,902		1,926
2019		40,238,823	20,835		1,931
2018		40,239,679	21,619		1,861
2017		37,533,990	21,474		1,748
2016		38,447,426	21,665		1,775

**Note:**

The requirements for Schedule 6 were changed by THECB in fiscal year 2018. State funding is the sum received in a fiscal year.

<sup>1</sup> 1 Fiscal Year (FY) FTSE is equal to the sum of state-funded SCH divided by 30 and FY state-funded Continuing Education contact hours divided by 900.

**Source:**

CBM004/CBM001 and CBM00C/CBM00A.

**Statistical Supplement 6c**  
**State Funding per Funded Contact Hour**  
**Contact Hour (CH) portion only of State Appropriation**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	CH - State Appropriation (Unrestricted) <sup>1</sup>	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours <sup>2</sup>	CH- State Appropriation per Funded Contact Hour
2025	\$ -	7,672,160	3,200,928	183,299	11,056,387	\$ -
2024	-	7,398,816	3,004,440	194,754	10,598,010	-
2023	30,785,853	7,310,032	3,072,944	224,321	10,607,297	2.90
2022	30,785,854	7,433,552	3,131,840	195,076	10,760,468	2.86
2021	34,847,891	7,603,456	2,824,848	177,169	10,605,473	3.29
2020	34,850,456	9,319,520	3,199,200	177,187	12,695,907	2.75
2019	34,396,461	8,873,696	3,016,304	220,585	12,110,585	2.84
2018	34,397,316	9,331,808	3,140,496	202,707	12,675,011	2.71
2017	32,558,148	9,118,640	3,341,936	210,795	12,671,371	2.57
2016	33,471,584	9,037,632	3,682,592	218,567	12,938,791	2.59

**Note:**

The requirements for Schedule 6 were changed by THECB in fiscal year 2018. State funding is the sum received in a fiscal year.

<sup>1</sup>State Funded Contact Hour Appropriations as it appears in schedule 6a.

<sup>2</sup>Contact hours (CH) for state funded Academic, Technical and Continuing Education contact hours for Fall, Spring and Summer semesters of the current fiscal year.

**Source:**

CBM004/CBM001 and CBM00C/CBM00A.



# **SOUTH TEXAS COLLEGE**

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**Statistical Supplement 6d**  
**State Appropriation per Student Success Point - Annualized**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	SSP - State Appropriation (Unrestricted) <sup>1</sup>	3-Year Average Student Success Points	SSP - State Appropriation per Success Point
2025	\$ -	N/A	\$ -
2024	-	N/A	-
2023	7,337,690	59,197	123.95
2022	7,337,691	59,197	123.95
2021	5,346,393	52,795	101.27
2020	5,346,394	52,795	101.27
2019	4,089,966	47,680	85.78
2018	4,089,967	47,680	85.78
2017	3,670,735	42,538	86.29
2016	3,670,736	42,538	86.29
2015	3,394,950	36,678	92.56

**Note:**

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

The funding model changed in fiscal year 2024. State funding is no longer based on Student Success Points.

<sup>1</sup>State Funded Success Point Appropriations as it appears in Statistical Supplement 6a.

**Source:**

THECB - Ten and Three Pay Schedule.

**Statistical Supplement 6e**  
**Student Success Points (SSP)**  
**Last Ten Fiscal Years**  
(Unaudited)

Success Point Elements <sup>1</sup>	For the Fiscal Year Ended August 31,			
	2025**	2024**	2023*	2022*
Math Readiness	-	-	1,592	1,592
Read Readiness	-	-	712	712
Write Readiness	-	-	363	363
Students Who Pass FCL Math Course	-	-	6,852	6,852
Students Who Pass FCL Read Course	-	-	4,277	4,277
Students Who Pass FCL Write Course	-	-	3,638	3,638
Students Who Complete 15 SCH	-	-	10,099	10,099
Students Who Complete 30 SCH	-	-	10,485	10,485
Student Transfers to a 4-Yr Inst	-	-	9,521	9,521
Degrees, CCCs, or Certs (Unduplicated)	-	-	6,214	6,214
Degrees or Certs in Critical Fields	-	-	5,445	5,445
<b>Total Annual Success Points</b>	<b>-</b>	<b>-</b>	<b>59,197</b>	<b>59,197</b>

**Note:**

The requirements for Statistical Supplement 6 were changed by THECB in fiscal year 2018. This table is only recommended if the Annual Financial Report concerns fiscal years 2023 and prior.

<sup>1</sup>These are annual weighted SSP, not 3-year rolling averages.

\*2023 and 2022 SSP are the 3-year rolling average used for biennium funding. 2021 SSP are estimated.

\*\*Student Success Points discontinued in 2024.

Source: THECB - Accountability System



For the Fiscal Year Ended August 31,

2021*	2020	2019	2018	2017	2016
893	1,441	1,467	1,867	1,939	1,857
342	676	633	828	829	735
130	256	304	529	809	758
5,382	7,212	6,758	6,586	6,370	6,251
2,647	4,125	4,447	4,260	4,024	4,008
2,553	3,586	3,753	3,576	3,388	3,401
7,226	10,187	10,192	9,919	9,861	10,364
8,483	10,748	10,496	10,211	6,423	6,083
10,401	10,215	9,237	9,111	6,058	5,184
5,177	5,861	6,281	6,499	8,618	7,520
4,716	5,584	4,878	5,873	4,178	4,385
<b>47,949</b>	<b>59,889</b>	<b>58,445</b>	<b>59,258</b>	<b>52,497</b>	<b>50,546</b>

**Statistical Supplement 6f**  
**Performance Outcomes**  
**Last Ten Fiscal Years**  
(Unaudited)

Performance Tier Outcomes	For the Fiscal Year Ended August 31,			
	2025 <sup>2</sup>	2024	2023	2022
15 SCHs Dual Credit	-	3,860	3,583	3,160
GAI Transfer or Co-Enrollment	-	2,548	2,580	3,506
Institutional Credential leading to Licensure or Certification (ICLC)	-	33	23	131
Occupational Skills Award (OSA)	-	465	615	437
Certificate Level One or Two	-	1,047	633	569
Advanced Technical Certification (ATC)	-	-	-	-
Certificate Credential of Value Premium	-	29	21	-
Associate Degree	-	2,581	2,932	2,535
Associate Degree Credential of Value Premium	-	70	72	-
Bachelor's Degree	-	86	364	284
Bachelor's Degree Credential of Value Premium	-	32	19	-
<b>Annual Outcomes - Total<sup>1</sup></b>	<b>-</b>	<b>10,751</b>	<b>10,842</b>	<b>10,622</b>

Note:

These are actual (not forecasted) outcomes reported for each year, not three-year averages (even if the three-average was funded in that year). This table reports outcomes no earlier than fiscal year 2020, as that was the earliest year used as a direct funding input in FY 2024, which was the first year in which the performance tier was implemented.

<sup>1</sup>This represents the total funded outcomes; "credential of value premium" categories are not mutually exclusive from the general credential category. For example, Certificate Credential of Value Premium is a subset of Certificate Level One or Two, so summing them double-counts the certificates that qualified as credentials of value premium.

<sup>2</sup>2025 actual outcome from the Texas Higher Education Coordinating Board are not available at this time.

Source: THECB - Accountability System; Community College Formula Funding Model.

For the Fiscal Year Ended August 31,

2021	2020	2019	2018	2017	2016
3,453	4,777	-	-	-	-
3,600	3,429	-	-	-	-
168	105	-	-	-	-
190	414	-	-	-	-
426	549	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,822	3,147	-	-	-	-
-	-	-	-	-	-
282	278	-	-	-	-
-	-	-	-	-	-
<b>10,941</b>	<b>12,699</b>	-	-	-	-

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

Taxpayer <sup>1</sup>	Type of Business	Taxable Assessed Value (TAV) by Tax Year			
		2025*	2024*	2023	2022
AEP Texas Inc-27th	Electric Utility/Power Plant	\$ 607,195,740	\$ 585,649,500	\$ 545,493,040	\$ 455,458,070
Anemoi Energy Storage LLC	Electric Utility/Power Plant	175,876,090	-	-	-
Simon Property Group - McAllen No	Shopping Center/Developmen	158,158,612	156,416,994	155,336,606	170,341,039
Electric Transmission of Texas 27th	Electric Utility/Power Plant	126,383,050	111,454,950	107,674,690	101,036,810
Day Surgery at Renaissance LLC	Healthcare	125,988,729	55,447,346	53,482,155	104,428,470
H E Butt Grocery Company	Grocery	116,710,613	104,705,721	105,923,290	104,365,283
CPG Mercedes LP	Real Estate	112,000,000	107,000,000	110,000,000	115,000,000
EDP Renewables NA-Los Mirasole	Electric Utility/Power Plant	102,324,610	130,547,070	174,497,580	190,972,650
AEP Electric Trasmision of Texas LLC	Electric Utility/Power Plant	95,508,810	77,946,940	85,802,670	75,673,940
NET Mexico Pipeline Partnes	Pipeline	84,739,520	74,286,060	67,096,650	73,597,660
AEP Texas Inc	Electric Utility/Power Plant	82,482,370	-	-	-
Trenton Street Corporation	Healthcare	74,925,700	-	-	-
Magic Valley Electric Coop-27th	Electric Utility/Power Plant	73,094,780	69,315,670	65,430,420	62,577,260
Big Sky Commercial Property	Commercial	69,109,702	63,828,610	63,326,929	60,605,570
Ignacio Grid LLC	Electric Utility/Power Plant	66,012,830	-	-	-
Merit Energy Company	Electric Utility/Power Plant	-	193,093,387	166,780,232	179,152,256
South Texas Elec Coop-Red Gate	Electric Utility/Power Plant	-	58,223,550	61,372,430	61,372,430
La Plaza Mall LLC	Retail	-	52,000,000	-	-
Rio Grande Regional Hospital	Healthcare	-	50,752,851	-	-
Rio Bravo Windpower	Wind Farm/Turbines	-	-	55,575,000	60,000,000
Walmart Stores Texas LLC	Retail Store	-	-	53,241,254	-
Mestino Wind Power	Wind Farm/Turbines	-	-	-	57,504,435
Merit Energy LTD	Electric Utility	-	-	-	-
McAllen Levcal LLC	Development	-	-	-	-
Frontera Generation LTD Ptnshp	Land & Improvements	-	-	-	-
Los Vientos Windpower IV LLC	Electric Utility	-	-	-	-
Los Vientos Windpower III, LLC	Electric Utility	-	-	-	-
Los Vientos Windpower V LLC	Electric Utility	-	-	-	-
AEP Texas Central Co.	Electric Utility	-	-	-	-
OXY USA Inc.	Oil & Gas	-	-	-	-
Calpine Const Fin (Magic VY GN)	Electric Utility	-	-	-	-
Southwestern Bell Telephone	Utility	-	-	-	-
Sharyland Utilities LP	Electric Utility	-	-	-	-
Cantera Operating LLC	Real Estate	-	-	-	-
Universal Health Services	Healthcare	-	-	-	-
Palm Crossing Town Center LLC	Real Estate	-	-	-	-
<b>Total</b>		<b>2,070,511,156</b>	<b>1,890,668,649</b>	<b>1,871,032,946</b>	<b>1,872,085,873</b>
<b>Total Taxable Assessed Value</b>		<b>\$ 62,493,280,038</b>	<b>\$ 58,137,262,311</b>	<b>\$ 50,864,349,747</b>	<b>\$ 45,214,407,716</b>

<sup>1</sup> Includes both Starr and Hidalgo Counties

Sources:

\*Hidalgo County Appraisal District Certified Reports

\*Starr County Appraisal District Public Information

Estrada & Hinojosa Investment Bankers, Table 5 - Fifteen Largest Taxpayers, p.7

South Texas College District ACFR (Fiscal Year Ended August 31, 2025): Note 21 - Ad Valorem Tax

Taxable Assessed Value (TAV) by Tax Year						
2021	2020	2019	2018	2017	2016	
\$ 504,873,150	\$ 404,804,330	\$ 352,495,470	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
170,193,064	135,839,131	154,055,359	121,013,266	115,303,024	85,303,024	
97,727,750	103,752,010	100,423,530	-	-	-	
-	-	-	49,580,969	94,283,759	96,644,921	
104,625,471	104,522,304	114,446,193	106,142,740	105,032,930	104,974,764	
115,000,000	89,891,425	79,979,184	71,900,000	71,900,000	71,900,000	
258,825,660	283,318,230	234,782,400	-	-	-	
77,366,680	75,178,960	84,059,570	-	-	-	
75,256,980	79,214,920	68,130,000	61,062,170	50,433,870	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
57,138,160	56,017,320	-	-	-	-	
61,006,197	61,421,881	-	-	-	-	
-	-	-	-	-	-	
172,941,689	159,177,822	230,641,575	-	-	-	
70,814,340	153,130,490	153,130,490	71,187,500	-	-	
-	-	-	-	-	-	
55,249,830	-	-	54,728,656	54,415,269	54,415,269	
-	-	-	-	-	-	
-	-	-	58,267,204	83,501,468	111,616,706	
-	-	-	-	-	-	
135,619,580	132,743,560	-	-	-	-	
63,301,789	60,056,707	58,275,372	-	-	-	
-	56,052,250	57,631,060	61,378,270	60,508,140	67,964,220	
-	-	308,100,000	-	-	-	
-	-	287,000,000	325,864,600	227,904,960	-	
-	-	146,599,970	86,150,000	-	-	
-	-	-	294,465,210	294,682,640	261,746,510	
-	-	-	120,816,900	379,446,207	480,051,211	
-	-	-	54,720,720	61,014,790	65,093,830	
-	-	-	48,706,030	-	51,319,700	
-	-	-	-	64,409,510	67,452,860	
-	-	-	-	63,232,029	64,113,853	
-	-	-	-	46,786,593	46,786,593	
-	-	-	-	-	41,915,932	
<b>2,019,940,340</b>	<b>1,955,121,340</b>	<b>2,429,750,173</b>	<b>1,585,984,235</b>	<b>1,772,855,189</b>	<b>1,671,299,393</b>	
<b>\$ 42,115,920,553</b>	<b>\$ 40,256,755,406</b>	<b>\$ 38,381,832,847</b>	<b>\$ 36,596,147,819</b>	<b>\$ 34,902,217,340</b>	<b>\$ 33,304,492,691</b>	

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

Taxpayer <sup>1</sup>	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year			
		2025	2024	2023	2022
AEP Texas Inc-27th	Electric Utility/Power Plant	0.97%	1.01%	1.07%	0.90%
Anemol Energy Storage LLC	Electric Utility/Power Plant	0.28%	-	-	-
Simon Property Group - McAllen No 2	Shopping Center/Development	0.25%	0.27%	0.31%	0.33%
Electric Transmission of Texas 27th	Electric Utility/Power Plant	0.20%	0.19%	0.21%	0.20%
Day Surgery at Renaissance LLC	Healthcare	0.20%	0.10%	0.11%	0.21%
H E Butt Grocery Company	Grocery	0.19%	0.18%	0.21%	0.21%
CPG Mercedes LP	Real Estate	0.18%	0.18%	0.22%	0.23%
EDP Renewables NA-Los Mirasole	Electric Utility/Power Plant	0.16%	0.22%	0.34%	0.38%
AEP Electric Transmission of Texas LLC	Electric Utility/Power Plant	0.15%	0.13%	0.17%	0.15%
NET Mexico Pipeline Partnes	Pipeline	0.14%	0.13%	0.13%	0.14%
AEP Texas Inc	Electric Utility/Power Plant	0.13%	-	-	-
Trenton Street Corporation	Healthcare	0.12%	-	-	-
Magic Valley Electric Coop-27th	Electric Utility/Power Plant	0.12%	0.12%	0.13%	0.12%
Big Sky Commercial Property	Commercial	0.11%	0.11%	0.12%	0.12%
Ignacio Grid LLC	Electric Utility/Power Plant	0.11%	-	-	-
Merit Energy Company	Electric Utility/Power Plant	-	0.33%	0.33%	0.35%
South Texas Elec Coop-Red Gate	Electric Utility/Power Plant	-	0.10%	0.12%	0.12%
La Plaza Mall LLC	Retail	-	0.09%	-	-
Rio Grande Regional Hospital	Healthcare	-	0.09%	-	-
Rio Bravo Windpower	Wind Farm/Turbines	-	-	0.11%	0.12%
Walmart Stores Texas LLC	Retail Store	-	-	0.10%	-
Mestino Wind Power	Wind Farm/Turbines	-	-	-	0.11%
Merit Energy LTD	Electric Utility	-	-	-	-
McAllen Levcal LLC	Development	-	-	-	-
Frontera Generation LTD Ptnshp	Land & Improvements	-	-	-	-
Los Vientos Windpower IV LLC	Electric Utility	-	-	-	-
Los Vientos Windpower III, LLC	Electric Utility	-	-	-	-
Los Vientos Windpower V LLC	Electric Utility	-	-	-	-
AEP Texas Central Co.	Electric Utility	-	-	-	-
OXY USA Inc.	Oil & Gas	-	-	-	-
Calpine Const Fin (Magic VY GN)	Electric Utility	-	-	-	-
Southwestern Bell Telephone	Utility	-	-	-	-
Sharyland Utilities LP	Electric Utility	-	-	-	-
Cantera Operating LLC	Real Estate	-	-	-	-
Universal Health Services	Healthcare	-	-	-	-
Palm Crossing Town Center LLC	Real Estate	-	-	-	-
<b>Total</b>		<b>3.31%</b>	<b>3.25%</b>	<b>3.68%</b>	<b>3.69%</b>

<sup>1</sup> Includes both Starr and Hidalgo Counties

Sources:

Hidalgo County Appraisal District Certified Reports

Starr County Appraisal District Public Information

Estrada & Hinojosa Investment Bankers, Table 5 - Fifteen Largest Taxpayers, p.7

South Texas College District ACFR (Fiscal Year Ended August 31, 2024): Note 21 - Ad Valorem Tax

**% of Taxable Assessed Value (TAV) by Tax Year**

2021	2020	2019	2018	2017	2016
1.12%	1.01%	0.92%	-	-	-
-	-	-	-	-	-
0.38%	0.34%	0.40%	0.33%	0.33%	0.26%
0.22%	0.26%	0.26%	-	-	-
-	-	-	0.14%	0.27%	0.29%
0.23%	0.26%	0.30%	0.29%	0.30%	0.32%
0.25%	0.22%	0.21%	0.20%	0.21%	0.22%
0.57%	0.70%	0.61%	-	-	-
0.17%	0.19%	0.22%	-	-	-
0.17%	0.20%	0.18%	0.17%	0.14%	-
-	-	-	-	-	-
-	-	-	-	-	-
0.13%	0.14%	-	-	-	-
0.13%	0.15%	-	-	-	-
-	-	-	-	-	-
0.38%	0.40%	0.60%	-	-	-
0.16%	0.38%	0.40%	0.19%	-	-
-	-	-	-	-	-
0.12%	-	-	0.15%	0.16%	0.16%
-	-	-	-	-	-
-	-	-	0.16%	0.24%	0.34%
-	-	-	-	-	-
0.30%	0.33%	-	-	-	-
0.14%	0.15%	0.15%	-	-	-
-	0.14%	0.15%	0.17%	0.17%	0.20%
-	-	0.80%	-	-	-
-	-	0.75%	0.89%	0.65%	-
-	-	0.38%	0.24%	-	-
-	-	-	0.80%	0.84%	0.79%
-	-	-	0.33%	1.09%	1.44%
-	-	-	0.15%	0.17%	0.20%
-	-	-	0.13%	-	0.15%
-	-	-	-	0.18%	0.20%
-	-	-	-	0.18%	0.19%
-	-	-	-	0.13%	0.14%
-	-	-	-	-	0.13%
<b>4.47%</b>	<b>4.87%</b>	<b>6.33%</b>	<b>4.34%</b>	<b>5.06%</b>	<b>5.03%</b>

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

Fiscal Year Ended August 31,	Original Levy (a)	Cumulative Levy Adjustment**	Adjusted Tax Levy (b)	Collections Year of Levy (c)	Percentage
2025	\$ 97,618,427	\$ 667,992	\$ 98,286,419	\$ 93,157,105	94.78%
2024	88,386,744	1,171,516	89,558,260	84,769,807	94.65%
2023	80,251,063	511,377	80,762,440	76,878,078	95.19%
2022	75,733,437	1,749,227	77,482,663	73,966,818	95.46%
2021	71,090,739	633,202	71,723,941	68,560,022	95.59%
2020	68,722,111	(7,485)	68,714,626	65,210,474	94.90%
2019	67,294,780	(103,804)	67,190,976	63,995,664	95.24%
2018	66,558,586	395,192	66,953,778	63,658,716	95.08%
2017	63,195,313	(116,040)	63,079,273	59,624,975	94.52%
2016	60,279,269	64,143	60,343,412	57,139,510	94.69%

Notes:

- (a) As reported in notes to the financial statements for the year of the levy.
- (b) As of August 31<sup>st</sup> of the current reporting year.
- (c) Property tax only - does not include Penalty & Interest.
- (d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.
- (e) Represents current year collections of prior years levies.
- (f) Represents penalty and interest collection.

\*Includes rollback total collections

\*\*Modifications to Levy provided by Hidalgo County and Starr County, and Beginning Balance Adjustments

Source:

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



Prior Collections of Prior Levies (d)	Current Collections of Prior Levies (e)	Penalty & Interest Collections (f)	Total Collections (c+d+e+f)	Cumulative Collections of Adjusted Levy
\$ -	\$ -	\$ 1,004,656	\$ 94,161,761	94.78%
-	2,063,967 *	460,375 *	87,294,149	96.96%
1,798,267	557,386 *	204,020 *	79,437,751	98.11%
2,245,988 *	230,393	107,463	76,550,662	98.66%
2,338,896	100,139	61,768	71,060,825	98.99%
2,788,964	61,499	45,086	68,106,024	99.05%
2,630,669	49,198	36,664	66,712,195	99.23%
2,740,698	38,247	31,678	66,469,340	99.23%
2,938,366	30,073	27,653	62,621,068	99.23%
2,771,514	25,731	26,347	59,963,100	99.33%

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

	For the Year Ended August 31,			
	2025	2024	Restated 2023	Restated 2022
<b>General Bonded Debt</b>				
General obligation bonds	\$ 87,413,542	\$ 97,086,293	\$ 115,973,839	\$ 126,183,040
Less: Funds restricted for debt service	(9,996,575)	(8,937,780)	(15,930,500)	(16,920,857)
<b>Net General Bonded Debt</b>	<b>\$ 77,416,967</b>	<b>\$ 88,148,513</b>	<b>\$ 100,043,339</b>	<b>\$ 109,262,183</b>
<b>Other Debt</b>				
Lease liability	\$ 645,651	\$ 821,845	\$ 252,485	\$ 237,763
Subscription Based Information Tech Arrangements	21,891,599	12,543,648	1,504,938	2,246,083
<b>Total Outstanding Debt</b>	<b>\$ 109,950,792</b>	<b>\$ 110,451,786</b>	<b>\$ 117,731,262</b>	<b>\$ 128,666,886</b>
<b>General Bonded Debt Ratios</b>				
Per Capita (a)	\$79.92	\$74.37	\$86.41	\$96.65
Per FTSE (b)	4,125	4,893	5,527	5,861
As a percentage of taxable assessed value (c)	0.12%	0.15%	0.20%	0.24%
As a percentage of personal income (d)	0.24%	0.23%	0.25%	0.31%
<b>Total Outstanding Debt Ratios</b>				
Per Capita (a)	\$113.51	\$93.18	\$101.68	\$113.82
Per FTSE (b)	5,858	6,131	6,504	6,902
As a percentage of taxable assessed value (c)	0.18%	0.19%	0.23%	0.28%
As a percentage of personal income (d)	0.34%	0.29%	0.29%	0.36%

Notes:

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

For the Year Ended August 31,

Restated						
2021	2020	2019	2018	2017	2016	
\$ 134,111,260	\$ 143,183,241	\$ 148,812,889	\$ 156,832,917	\$ 167,532,403	\$ 178,297,054	
(16,071,340)	(16,002,125)	(15,817,687)	(14,017,689)	(14,329,738)	(15,223,843)	
<b>\$ 118,039,920</b>	<b>\$ 127,181,116</b>	<b>\$ 132,995,202</b>	<b>\$ 142,815,228</b>	<b>\$ 153,202,665</b>	<b>\$ 163,073,211</b>	
\$ 234,917	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
<b>\$ 134,346,177</b>	<b>\$ 143,183,241</b>	<b>\$ 148,812,889</b>	<b>\$ 156,832,917</b>	<b>\$ 167,532,403</b>	<b>\$ 178,297,054</b>	

\$106.95	\$118.12	\$126.59	\$139.35	\$153.34	\$179.27
6,446	5,807	6,383	6,606	7,134	7,527
0.28%	0.32%	0.35%	0.39%	0.44%	0.49%
0.39%	0.45%	0.50%	0.57%	0.62%	0.76%

\$121.72	\$132.98	\$141.64	\$153.02	\$167.69	\$196.01
7,336	6,537	7,142	7,254	7,802	8,230
0.32%	0.36%	0.39%	0.43%	0.48%	0.54%
0.44%	0.50%	0.56%	0.63%	0.68%	0.83%

**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
2025	\$ 62,493,280,038	\$ 312,466,400	\$ (9,996,575)	\$ 302,469,825	\$ (10,599,173)	\$ 291,870,652	0.19%
2024	58,137,262,311	290,686,312	(8,937,780)	281,748,532	(10,728,223)	271,020,309	0.62%
2023	50,864,349,747	254,321,749	(15,930,500)	238,391,249	(13,201,073)	225,190,176	(1.07%)
2022	45,214,407,716	226,072,037	(16,920,857)	209,151,180	(13,198,523)	195,952,657	(1.65%)
2021	42,115,920,553	210,579,603	(16,071,340)	194,508,262	(13,727,806)	180,780,456	(1.11%)
2020	40,256,755,406	201,283,777	(16,002,125)	185,281,652	(13,724,258)	171,557,394	(1.13%)
2019	38,381,832,847	191,909,164	(15,856,323)	176,052,841	(13,728,356)	162,324,485	(1.11%)
2018	36,596,147,819	182,980,739	(14,017,689)	168,963,050	(13,726,756)	155,236,294	(0.16%)
2017	34,902,217,340	174,511,087	(14,329,738)	160,181,349	(16,669,606)	143,511,743	1.34%
2016	33,304,492,691	166,522,463	(15,223,843)	151,298,620	(17,068,156)	134,230,464	1.11%

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

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

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

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

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

Calendar Year	District Population (a)	Hidalgo County Median Household Money Income (b)	\$	Hidalgo County Median Household Money Income (b)	(2)	\$	Starr County Median Household Money Income (c)	(2)	\$	District Median Household Money Income (d = (b+c) / 2)	\$	Hidalgo County Personal Income Per Capita (e)	(5)	\$	Starr County Personal Income Per Capita (f)	(5)
2025	968,648 (6)	\$ 52,281 (2)	\$	38,182 (2)	(2)	\$	45,232	(2)	\$	34,373 (5)	\$	32,785 (5)	(5)	\$	31,643 (5)	(5)
2024	1,185,325 (6)	49,371 (2)		35,979 (2)	(2)		42,675	(2)		33,525 (5)		34,933 (5)	(5)		32,146 (5)	(5)
2023	1,157,814 (6)	44,666 (2)		30,931 (2)	(2)		37,396	(2)		27,415 (5)		26,316 (5)	(5)		24,981 (5)	(5)
2022	1,130,466 (6)	41,846 (3)		31,000 (2)	(2)		35,083	(2)		24,805 (5)		24,540 (5)	(5)		23,215 (5)	(5)
2021	1,103,743 (6)	41,800 (3)		31,103 (4)	(4)		36,206	(4)		24,579 (5)		23,753 (5)	(5)			
2020	1,076,737 (6)	39,165 (3)		29,063 (4)	(4)		33,858	(4)		34,126						
2019	1,050,627 (6)	41,309 (4)		29,456 (4)	(4)		34,126	(4)		23,753 (5)						
2018	1,024,901 (6)	38,653 (4)		27,007 (4)	(4)											
2017	999,080 (6)	38,795 (4)														
2016	909,653 (6)	36,620 (4)														

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

District Personal Income Per Capita (g = (e+f) / 2)	District Wide Personal Income (Thousands of Dollars) (h = (a*g) / 1000)	Hidalgo County Unemployment Rate (i)	Starr County Unemployment Rate (j)	District Unemployment Rate (k)	State Unemployment Rate (l)	National Unemployment Rate (m)
\$ 33,579	\$ 32,526,231	7.10% (1)	9.60% (1)	8.35% (1)	4.40% (1)	4.40% (1)
32,584	38,622,630	6.40% (1)	9.60% (1)	8.00% (1)	4.40% (1)	4.40% (1)
34,718	40,196,986	6.80% (1)	9.40% (1)	8.10% (1)	4.50% (1)	3.90% (1)
31,650	35,778,684	7.70% (1)	13.00% (1)	10.35% (1)	4.20% (1)	3.80% (1)
27,564	30,423,572	8.90% (1)	15.30% (1)	12.10% (1)	5.30% (1)	5.30% (1)
26,363	28,386,018	10.90% (1)	15.70% (1)	13.30% (1)	7.00% (1)	8.50% (1)
25,299	26,579,812	6.40% (1)	10.00% (1)	8.20% (1)	3.60% (1)	3.80% (1)
24,473	25,082,402	6.60% (1)	9.10% (1)	7.85% (1)	3.90% (1)	3.90% (1)
24,560	24,537,405	8.00% (1)	11.10% (1)	9.55% (1)	4.50% (1)	4.50% (1)
23,484	21,362,291	8.40% (1)	14.10% (1)	11.25% (1)	5.00% (1)	5.00% (1)

**Statistical Supplement 13**  
**Principal Employers**  
(unaudited)

Employer	2025		Employer	2016	
	Number of Employees	Percentage of Total Employment		Number of Employees	Percentage of Total Employment
Doctor's Hospital at Renaissance	6,423	1.62%	Wal Mart <sup>3</sup>	5,842	1.76%
University of Texas Rio Grande Valley <sup>1</sup>	5,257	1.33%	H-E-B <sup>2</sup>	4,656	1.40%
Pharr-San Juan-Alamo I.S.D.	5,000	1.26%	Pharr-San Juan-Alamo. - ISD	4,100	1.23%
Edinburg Consolidated I.S.D.	4,993	1.26%	McAllen Consolidated I.S.D	3,900	1.17%
U.S. Customs and Border Patrol	3,700	0.93%	Edinburg Consolidated I.S.D	3,600	1.08%
Hidalgo County	3,579	0.90%	Doctor's Hospital at Renaissance	3,400	1.02%
McAllen Independent School District	3,400	0.86%	Hidalgo County	3,163	0.95%
City of McAllen	2,566	0.65%	Edinburg Regional Medical Center	3,000	0.90%
Donna I.S.D	2,360	0.60%	University of Texas Rio Grande Valle	2,850	0.86%
Mission Consolidated I.S.D.	2,290	0.58%	Weslaco I.S.D.	2,817	0.85%
<b>Total</b>	<b>39,568</b>	<b>9.99%</b>	<b>Total</b>	<b>37,328</b>	<b>11.22%</b>

Note:

Total employment as of August 2025 for the district was 397,309. Based on latest economic indicators, provided by the Texas Workforce Commission for Texas Labor Market Information for August 2024.

(1) Includes Hidalgo County and Starr County.

(2) Total number of employees includes Hidalgo County stores and 1 H-E-B store located in Starr County (Rio Grande City, TX).

(3) Total number of employees includes Hidalgo County stores and 1 Wal-Mart store located in Starr County (Rio Grande City, TX).

Sources:

Hidalgo County 2024 ACFR

Texas Workforce Commission

South Texas College 2016 ACFR



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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Faculty</b>										
Full-time	592	571	570	541	603	657	642	623	590	593
Part-time	489	443	435	377	449	525	540	536	583	536
<b>Total</b>	<b>1,081</b>	<b>1,014</b>	<b>1,005</b>	<b>918</b>	<b>1,052</b>	<b>1,182</b>	<b>1,182</b>	<b>1,159</b>	<b>1,173</b>	<b>1,129</b>
<b>Percent</b>										
Full-time	54.8%	56.3%	56.7%	58.9%	57.3%	55.6%	54.3%	53.8%	50.3%	52.5%
Part-time	45.2%	43.7%	43.3%	41.1%	42.7%	44.4%	45.7%	46.2%	49.7%	47.5%
<b>Staff and Administrators</b>										
Full-time	1,271	1,235	1,086	981	1,120	1,142	1,147	1,078	918	877
Part-time	503	528	531	263	492	806	909	827	855	857
<b>Total</b>	<b>1,774</b>	<b>1,763</b>	<b>1,617</b>	<b>1,244</b>	<b>1,612</b>	<b>1,948</b>	<b>2,056</b>	<b>1,905</b>	<b>1,773</b>	<b>1,734</b>
<b>Percent</b>										
Full-time	71.6%	70.1%	67.2%	78.9%	69.5%	58.6%	55.8%	56.6%	51.8%	50.6%
Part-time	28.4%	29.9%	32.8%	21.1%	30.5%	41.4%	44.2%	43.4%	48.2%	49.4%
<b>Total</b>										
Full-time	1,863	1,806	1,656	1,522	1,723	1,799	1,789	1,701	1,508	1,470
Part-time	992	971	966	640	941	1,331	1,449	1,363	1,438	1,393
<b>Total</b>	<b>2,855</b>	<b>2,777</b>	<b>2,622</b>	<b>2,162</b>	<b>2,664</b>	<b>3,130</b>	<b>3,238</b>	<b>3,064</b>	<b>2,946</b>	<b>2,863</b>
<b>Percent</b>										
Full-time	65.3%	65.0%	63.2%	70.4%	64.7%	57.5%	55.3%	55.5%	51.2%	51.3%
Part-time	34.7%	35.0%	36.8%	29.6%	35.3%	42.5%	44.7%	44.5%	48.8%	48.7%
FTSE per Full-time Faculty	31.7	31.5	31.8	34.5	30.4	33.3	32.5	34.7	36.4	36.5
FTSE per Full-time Staff member	14.8	14.6	16.7	19.0	16.4	19.2	18.2	20.1	23.4	24.7
FTSE*	18,769	18,014	18,102	18,642	18,313	21,902	20,835	21,619	21,474	21,665
Average Annual Faculty Salary	\$ 91,723	\$ 87,276	\$ 82,711	\$ 86,075	\$ 73,709	\$ 75,002	\$ 75,221	\$ 77,178	\$ 74,689	\$ 70,691

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

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

Student Classification	Academic									
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	17,618	65.12%	16,895	64.93%	16,745	61.48%	16,139	57.26%	17,043	61.50%
31-60 hours	6,904	25.52%	6,736	25.89%	7,407	27.20%	8,372	29.70%	8,145	29.39%
> 60 hours	2,533	9.36%	2,390	9.18%	3,084	11.32%	3,673	13.03%	2,522	9.11%
<b>Total</b>	<b>27,055</b>	<b>100.00%</b>	<b>26,021</b>	<b>100.00%</b>	<b>27,236</b>	<b>100.00%</b>	<b>28,184</b>	<b>100.00%</b>	<b>27,710</b>	<b>100.00%</b>

Semester Hour Load	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	167	0.62%	168	0.65%	134	0.49%	399	1.42%	223	0.80%
3-5 semester hours	5,951	22.00%	5,563	21.38%	6,669	24.49%	7,216	25.60%	6,599	23.81%
6-8 semester hours	7,427	27.45%	7,227	27.77%	7,961	29.23%	8,255	29.29%	8,107	29.26%
9-11 semester hours	5,552	20.52%	5,296	20.35%	5,582	20.49%	5,833	20.70%	5,964	21.52%
12-14 semester hours	6,836	25.27%	6,646	25.54%	5,913	21.71%	5,573	19.77%	5,897	21.28%
15-17 semester hours	1,030	3.80%	1,010	3.88%	878	3.22%	832	2.95%	823	2.98%
18 & over	92	0.34%	111	0.43%	99	0.36%	76	0.27%	97	0.35%
<b>Total</b>	<b>27,055</b>	<b>100.00%</b>	<b>26,021</b>	<b>100.00%</b>	<b>27,236</b>	<b>100.00%</b>	<b>28,184</b>	<b>100.00%</b>	<b>27,710</b>	<b>100.00%</b>

Average course load	8.50	8.54	8.10	7.90	8.17
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Tuition Status	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Resident (in-district)	24,312	89.86%	23,794	91.44%	25,411	93.30%	26,401	93.67%	25,974	93.74%
Resident (out-of-district)	967	3.57%	893	3.43%	914	3.36%	1,012	3.59%	891	3.22%
Non-Resident Tuition	1,776	6.57%	1,334	5.13%	911	3.34%	771	2.74%	845	3.04%
<b>Total</b>	<b>27,055</b>	<b>100.00%</b>	<b>26,021</b>	<b>100.00%</b>	<b>27,236</b>	<b>100.00%</b>	<b>28,184</b>	<b>100.00%</b>	<b>27,710</b>	<b>100.00%</b>

Source:  
CBMOC1 and CBMOC5

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

Student Classification (Contact Hours)	Continuing Education									
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Continuing Education (CE)	1,109	100.00%	1,764	100.00%	1,865	100.00%	1,363	100.00%	970	100.00%
<b>Total</b>	<b>1,109</b>	<b>100.00%</b>	<b>1,764</b>	<b>100.00%</b>	<b>1,865</b>	<b>100.00%</b>	<b>1,363</b>	<b>100.00%</b>	<b>970</b>	<b>100.00%</b>

Contact Hour Load	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
3-5 semester hours	-	-	42	2.38%	-	-	-	-	-	-
6-8 semester hours	73	6.58%	48	2.72%	31	1.66%	-	-	66	6.80%
9-11 semester hours	18	1.62%	1	0.06%	11	0.59%	-	-	19	1.96%
12-14 semester hours	172	15.51%	212	12.02%	158	8.47%	-	-	32	3.30%
15-17 semester hours	48	4.33%	199	11.28%	101	5.42%	160	11.74%	15	1.55%
18 & over	798	71.96%	1,262	71.54%	1,564	83.86%	1,203	88.26%	838	86.39%
<b>Total</b>	<b>1,109</b>	<b>100.00%</b>	<b>1,764</b>	<b>100.00%</b>	<b>1,865</b>	<b>100.00%</b>	<b>1,363</b>	<b>100.00%</b>	<b>970</b>	<b>100.00%</b>

Average course load	49.92		36.86		42.60		39.69		45.49	
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Tuition Status	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Non-Contract Course(s) Only	1,109	100.00%	1,764	100.00%	1,865	100.00%	1,363	100.00%	970	100.00%
<b>Total</b>	<b>1,109</b>	<b>100.00%</b>	<b>1,764</b>	<b>100.00%</b>	<b>1,865</b>	<b>100.00%</b>	<b>1,363</b>	<b>100.00%</b>	<b>970</b>	<b>100.00%</b>

Source:  
CBM00A

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

Gender	Academic									
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	15,198	56.17%	14,529	55.84%	15,425	56.63%	16,268	57.72%	16,308	58.85%
Male	11,857	43.83%	11,492	44.16%	11,811	43.37%	11,916	42.28%	11,402	41.15%
<b>Total</b>	<b>27,055</b>	<b>100.00%</b>	<b>26,021</b>	<b>100.00%</b>	<b>27,236</b>	<b>100.00%</b>	<b>28,184</b>	<b>100.00%</b>	<b>27,710</b>	<b>100.00%</b>

Ethnic Origin	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	509	1.88%	530	2.04%	575	2.11%	640	2.27%	627	2.26%
Hispanic	25,957	95.94%	24,878	95.59%	26,009	95.49%	26,911	95.48%	26,458	95.47%
African American	103	0.38%	103	0.40%	111	0.41%	109	0.39%	107	0.39%
Asian	167	0.62%	166	0.64%	137	0.50%	187	0.66%	204	0.74%
Foreign	87	0.32%	82	0.32%	67	0.25%	65	0.23%	63	0.23%
Native American	27	0.10%	28	0.11%	25	0.09%	25	0.09%	25	0.09%
Unknown	205	0.76%	234	0.90%	312	1.15%	247	0.88%	226	0.82%
<b>Total</b>	<b>27,055</b>	<b>100.00%</b>	<b>26,021</b>	<b>100.00%</b>	<b>27,236</b>	<b>100.00%</b>	<b>28,184</b>	<b>100.00%</b>	<b>27,710</b>	<b>100.00%</b>

Age	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	11,370	42.03%	10,149	39.00%	9,840	36.13%	9,008	31.96%	11,968	43.19%
18 - 21	9,087	33.59%	9,026	34.69%	9,018	33.11%	9,104	32.30%	8,799	31.75%
22 - 24	2,392	8.84%	2,457	9.44%	2,696	9.90%	3,020	10.72%	2,438	8.80%
25 - 35	2,917	10.78%	2,957	11.36%	3,650	13.40%	4,474	15.87%	3,198	11.54%
36 - 50	1,086	4.01%	1,214	4.67%	1,743	6.40%	2,250	7.98%	1,183	4.27%
51 & over	203	0.75%	218	0.84%	289	1.06%	328	1.16%	124	0.45%
<b>Total</b>	<b>27,055</b>	<b>100.00%</b>	<b>26,021</b>	<b>100.00%</b>	<b>27,236</b>	<b>100.00%</b>	<b>28,184</b>	<b>100.00%</b>	<b>27,710</b>	<b>100.00%</b>

Average Age	20.0	21.4	22.2	20.5	20.4
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Source:  
CBMOCI and CBMOCS

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

Gender	Continuing Education									
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	574	51.76%	878	49.77%	1,006	53.94%	822	60.31%	601	61.96%
Male	535	48.24%	886	50.23%	859	46.06%	541	39.69%	369	38.04%
<b>Total</b>	<b>1,109</b>	<b>100.00%</b>	<b>1,764</b>	<b>100.00%</b>	<b>1,865</b>	<b>100.00%</b>	<b>1,363</b>	<b>100.00%</b>	<b>970</b>	<b>100.00%</b>

Ethnic Origin	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	42	3.79%	43	2.44%	69	3.70%	29	2.13%	17	1.75%
Hispanic	929	83.77%	1,538	87.18%	1,484	79.57%	1,218	89.36%	798	82.27%
African American	4	0.36%	3	0.17%	3	0.16%	1	0.07%	1	0.10%
Asian	8	0.72%	4	0.23%	3	0.16%	3	0.22%	1	0.10%
Native American	1	0.09%	-	-	2	0.11%	2	0.15%	-	-
Unknown	125	11.27%	176	9.98%	304	16.30%	110	8.07%	153	15.78%
<b>Total</b>	<b>1,109</b>	<b>100.00%</b>	<b>1,764</b>	<b>100.00%</b>	<b>1,865</b>	<b>100.00%</b>	<b>1,363</b>	<b>100.00%</b>	<b>970</b>	<b>100.00%</b>

Age	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	147	13.25%	876	49.65%	948	50.83%	893	65.52%	233	24.02%
18 - 21	195	17.58%	185	10.49%	275	14.75%	205	15.04%	83	8.56%
22 - 24	89	8.03%	61	3.46%	67	3.59%	43	3.15%	29	2.99%
25 - 35	276	24.89%	208	11.79%	191	10.24%	117	8.58%	190	19.59%
36 - 50	282	25.43%	312	17.69%	282	15.12%	79	5.80%	302	31.13%
51 & over	120	10.82%	122	6.92%	102	5.47%	26	1.91%	133	13.71%
<b>Total</b>	<b>1,109</b>	<b>100.00%</b>	<b>1,764</b>	<b>100.00%</b>	<b>1,865</b>	<b>100.00%</b>	<b>1,363</b>	<b>100.00%</b>	<b>970</b>	<b>100.00%</b>

Average Age	32.0	26.0	25.0	21.0	33.0
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Source:  
CBM00A

**Statistical Supplement 17**  
**Transfers to Senior Institutions**  
**Students as of Fall 2024**

(includes only the top 26 public senior colleges in Texas)

(unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer* Student Count Tech-Prep	Total of All Sample Transfer Students	% of All Sample Transfer Students
1 The University of Texas - Rio Grande Valley	2,535	258	-	2,793	53.66%
2 South Texas College	486	577	-	1,063	20.43%
3 Texas A&M University	293	22	-	315	6.05%
4 The University of Texas at Austin	209	14	-	223	4.29%
5 The University of Texas at San Antonio	168	11	-	179	3.44%
6 Texas State University	120	9	-	129	2.48%
7 Texas A&M University - Kingsville	88	14	-	102	1.96%
8 Texas A&M University - Corpus Christi	44	1	-	45	0.86%
9 Texas Tech University	41	2	-	43	0.83%
10 University of Houston	36	1	-	37	0.71%
11 Texas State Technical College in Harlingen	32	4	-	36	0.69%
12 Texas A&M University System Health Science Center	31	6	-	37	0.71%
13 The University of Texas at Arlington	27	10	-	37	0.71%
14 University of North Texas	16	15	-	31	0.60%
15 Sam Houston State University	16	-	-	16	0.31%
16 Texas A&M International University	14	-	-	14	0.27%
17 Texas Woman's University	13	-	-	13	0.25%
18 Blinn College District	12	16	-	28	0.54%
19 Lamar University	11	-	-	11	0.21%
20 The University of Texas at Dallas	10	-	-	10	0.19%
21 Texas A&M University - Commerce	7	2	-	9	0.17%
22 ACCD - San Antonio College	7	1	-	8	0.15%
23 Austin Community College	6	-	-	6	0.12%
24 Dallas College	6	-	-	6	0.12%
25 ACCD - North Vista College	5	1	-	6	0.12%
26 Texas A&M University - San Antonio	5	2	-	7	0.13%
<b>Total</b>	<b>4,238</b>	<b>966</b>	<b>-</b>	<b>5,204</b>	<b>100.00%</b>

Notes:

Student count for South Texas College represents graduates or completers who have returned to pursue additional education at same institution.

In addition to the 4,238 Academy Students, 71 were transferred to 35 other Senior Institutions

In addition to the 966 Technical Students, 27 were transferred to 19 other Senior Institutions

Sources:

Texas Higher Education Data: ASALFS Students Pursuing Additional Education

ASALFS South Texas College - <http://www.txhighereddata.org/reports/performance/ctcasalf/ctcaddl/>

\*Information for Transfer Student Count Tech-Prep not available

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Academic buildings	37	35	33	33	33
Square footage	1,463,467	1,453,452	1,442,592	1,332,310	1,332,310
Academic portable buildings	29	30	30	25	34
Square footage	42,397	43,955	43,955	36,627	50,547
Libraries	3	3	3	3	3
Square footage	120,545	120,545	120,545	121,311	121,311
Libraries portable buildings	1	1	1	1	1
Square footage	1,536	1,536	1,536	1,504	1,504
Number of volumes	98,082	108,755	109,965	110,814	134,492
Administrative and support buildings	17	17	17	17	17
Square footage	339,220	339,220	339,220	395,871	395,871
Administrative and support portable buildings	19	22	22	29	20
Square footage	25,149	29,726	29,726	41,908	27,988
Dining facilities	5	5	5	5	5
Square footage	25,764	25,764	25,764	20,479	20,479
Average daily customers*	-	-	-	-	76
Fitness facilities	3	3	3	2	2
Square footage	30,270	30,270	30,270	28,821	28,821
Plant facilities	4	4	4	4	4
Square footage	28,626	28,626	28,626	26,592	26,592
Transportation					
Automobiles	3	3	2	2	2
Automobiles - instructional	18	16	17	16	17
Light trucks/vans	87	82	74	71	71
Light trucks/vans - instructional	27	21	23	21	23
Heavy trucks/backhoe	10	10	10	13	11
Heavy trucks/backhoe - instructional	4	3	3	8	8
Semi - Truck	4	4	-	-	-
Semi truck - instructional	5	5	9	-	-
Trailer	7	6	2	5	3
Trailer - instructional	-	-	4	-	-
Golf and forklift	65	66	65	67	67
Shuttle buses	5	6	6	6	8

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

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

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

	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
<b>Operating Revenues</b>				
Tuition and fees (net of discounts)	\$ 17,495,704	\$ 19,666,652	\$ 11,467,897	\$ 16,951,303
Federal grants and contracts	7,836,957	8,793,669	6,273,554	5,464,987
State grants and contracts	9,475,981	6,256,727	3,740,668	3,997,724
Local grants and contracts	7,590,867	8,569,356	8,274,752	7,914,784
Non-governmental grants and contracts	1,881,439	1,974,564	1,612,412	1,240,607
Auxiliary enterprises	994,800	838,888	767,395	779,359
General operating revenues	216,887	275,807	282,456	381,428
<b>Total Operating Revenues</b>	<b>45,492,635</b>	<b>46,375,663</b>	<b>32,419,134</b>	<b>36,730,192</b>
<b>Operating Expenses</b>				
Instruction	88,934,939	86,654,966	85,189,049	80,659,869
Research	11,582	8,885	5,836	7,214
Public service	497,578	465,588	383,685	232,426
Academic support	27,428,973	27,381,965	23,642,008	20,182,671
Student services	16,762,948	14,708,843	13,386,317	12,210,400
Institutional support	39,499,140	38,597,293	34,681,414	43,078,959
Operations and maintenance of plant	29,276,407	26,232,548	23,898,970	20,503,476
Scholarships and fellowships	33,689,396	25,476,837	31,135,626	75,671,920
Auxiliary enterprises	1,894,033	2,292,900	2,511,386	2,219,495
Depreciation and amortization	17,358,574	15,070,826	12,348,313	13,623,741
<b>Total Operating Expenses</b>	<b>255,353,570</b>	<b>236,890,651</b>	<b>227,182,604</b>	<b>268,390,171</b>
<b>Operating Loss</b>	<b>\$ (209,860,935)</b>	<b>\$ (190,514,988)</b>	<b>\$ (194,763,470)</b>	<b>\$ (231,659,979)</b>



\$	(189,054,988)	\$	(186,635,660)	\$	(184,116,855)	\$	(155,717,750)	\$	(135,493,584)	\$	(128,352,876)
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**Statistical Supplement 19**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(unaudited)

	For the Fiscal Year Ended August 31,			
	2025	Restated 2024	Restated 2023	Restated 2022
<b>Non-Operating Revenues (Expenses)</b>				
State appropriations	\$ 67,580,996	\$ 63,580,283	\$ 47,433,191	\$ 45,987,869
Ad-valorem taxes				
Taxes for maintenance & operations	85,701,227	77,476,521	70,772,519	64,294,497
Taxes for debt service	14,117,332	13,345,751	11,805,118	14,773,167
Federal revenue, non-operating	66,161,748	57,582,054	82,815,671	138,419,143
Financial Aid for Swift Transfer Program	10,258,650	8,822,990	-	-
Gifts	577,943	459,755	310,482	201,541
Investment income (net of investment expenses)	19,638,354	21,866,535	10,862,837	305,668
Insurance proceeds	218,824	-	-	88,572
Interest and capital related debt	(3,398,717)	(3,272,245)	(3,072,238)	(3,946,606)
Gain on disposal of capital assets	20,320	3,011	20,890	33,217
Loss on sale/disposal/return on capital assets	(24,061)	(82,138)	(285,632)	(3,110)
Non-capital construction costs	(2,078,897)	(2,099,031)	(1,503,083)	(2,300,251)
Bond costs and fees	(55,000)	(597,722)	(1,097,328)	(1,652,444)
Gain on bond defeasance	134,173	982,687	-	-
Other non-operating revenues	73,642	73,733	68,572	68,526
Other non-operating expenses	(637,113)	(748,144)	(275,852)	(205,601)
<b>Non-Operating Revenues, Net</b>	<b>258,289,421</b>	<b>237,394,040</b>	<b>217,855,147</b>	<b>256,064,188</b>
Income before contributions, endowment and extraordinary item	48,428,486	46,879,052	23,091,677	24,404,209
Capital contributions	69,616	35,477	15,600	105
Increase in net position	48,498,102	46,914,529	23,107,277	24,404,314
Net position - beginning of year, as restated	486,028,195	439,113,666	416,006,389	391,602,075
Cumulative effect of change in accounting principle	-	-	-	-
<b>Net Position-End of Year</b>	<b>\$ 534,526,297</b>	<b>\$ 486,028,195</b>	<b>\$ 439,113,666</b>	<b>\$ 416,006,389</b>

For the Fiscal Year Ended August 31,

Restated						
2021	2020	2019	2018	2017	2016	
\$ 55,359,735	\$ 50,949,811	\$ 49,608,274	\$ 47,940,649	\$ 45,315,830	\$ 46,077,235	
59,403,574	56,146,535	53,934,103	48,931,234	48,822,561	46,781,602	
13,783,392	13,571,701	14,694,007	15,656,580	15,652,143	15,016,847	
78,372,230	67,836,841	59,341,569	60,276,808	55,666,373	54,858,852	
-	-	-	-	-	-	
197,836	275,475	320,507	353,250	252,614	251,022	
2,129,834	4,872,160	5,572,742	3,698,483	2,612,017	1,034,010	
288,021	2,600	425,000	14,959	149,634	-	
(4,623,748)	(5,841,189)	(5,690,864)	(3,513,058)	(4,150,374)	(6,602,765)	
9,251	-	3,790	6,547	5,575	12,350	
(242,960)	(42)	(114,727)	(838,031)	(5,886)	-	
(685,243)	(1,163,367)	(2,025,830)	(11,107,175)	(3,548,465)	(1,911,123)	
(559,358)	(532,856)	(166,273)	(268,803)	(295,436)	(284,829)	
-	-	-	-	-	-	
68,527	68,527	68,526	19,732	352,500	-	
(249,823)	(262,755)	(246,594)	(84,956)	(265,017)	(320,767)	
<b>203,251,268</b>	<b>185,923,441</b>	<b>175,724,230</b>	<b>161,086,219</b>	<b>160,564,067</b>	<b>154,912,434</b>	
14,196,280	(712,219)	(8,392,625)	5,368,469	25,070,485	26,559,559	
105,973	8,909	15,110	65,259	47,629	4,515,864	
14,302,253	(703,310)	(8,377,515)	5,433,728	25,118,114	31,075,423	
377,299,822	378,003,132	386,380,647	396,395,889	371,277,775	340,202,352	
-	-	-	(15,448,970)	-	-	
<b>\$ 391,602,075</b>	<b>\$ 377,299,822</b>	<b>\$ 378,003,132</b>	<b>\$ 386,380,647</b>	<b>\$ 396,395,889</b>	<b>\$ 371,277,775</b>	

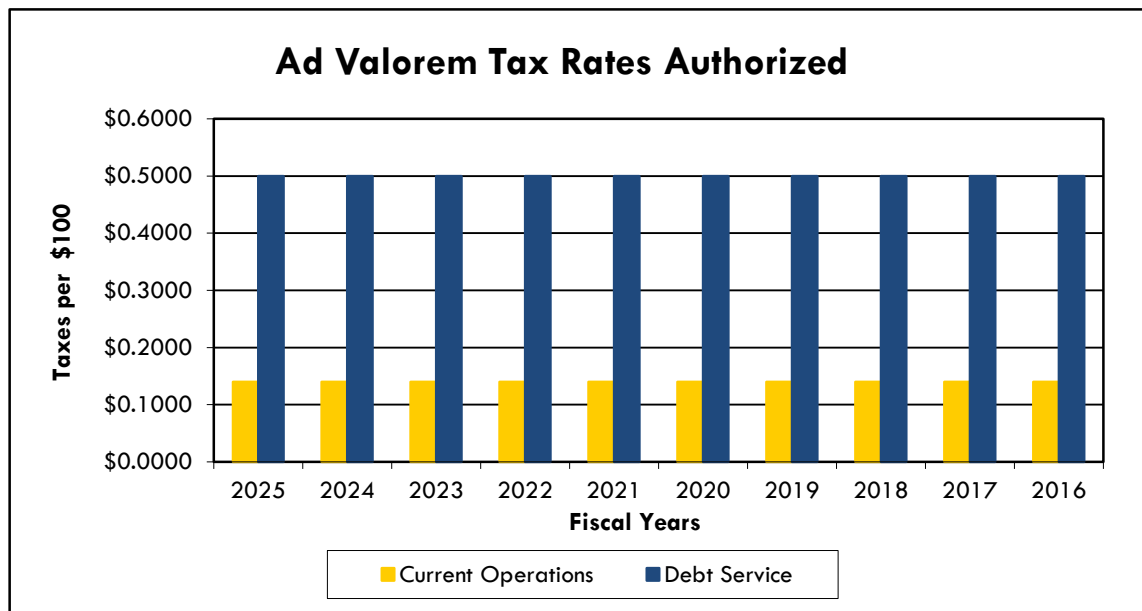


# **SOUTH TEXAS COLLEGE**

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

Fiscal Year	Current Operations	Debt Service	Total
2025	\$ 0.1400	\$ 0.5000	\$ 0.6400
2024	0.1400	0.5000	0.6400
2023	0.1400	0.5000	0.6400
2022	0.1400	0.5000	0.6400
2021	0.1400	0.5000	0.6400
2020	0.1400	0.5000	0.6400
2019	0.1400	0.5000	0.6400
2018	0.1400	0.5000	0.6400
2017	0.1400	0.5000	0.6400
2016	0.1400	0.5000	0.6400



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

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

Governmental Subdivision	Percent Applicable*	Tax Year 2024	Tax Year 2023	Tax Year 2022	Tax Year 2021
South Texas College	100.00%	\$0.162000	\$0.156200	\$0.161500	\$0.171500
<b>HIDALGO COUNTY</b>					
<b>Cities:</b>					
Alamo	100.00%	0.602200	0.580100	0.581700	0.581700
Alton	100.00%	0.436700	0.436700	0.436700	0.436700
Donna	100.00%	0.664694	0.665348	0.747937	0.778538
Edcouch	100.00%	0.845600	0.845600	0.845600	0.845600
Edinburg	100.00%	0.630000	0.630000	0.640000	0.680000
Elsa	100.00%	0.790800	0.789700	0.796100	0.823700
Granjeno	-	0.434200	0.434200	0.434200	0.434200
Hidalgo	100.00%	0.351400	0.351400	0.351400	0.351400
La Joya	100.00%	0.589800	0.579800	0.589800	0.589800
La Villa	100.00%	0.819300	0.792900	0.792900	0.792900
McAllen	100.00%	0.449989	0.457285	0.479900	0.495600
Mercedes	100.00%	0.785000	0.775000	0.775000	0.775000
Mission	100.00%	0.558000	0.527600	0.529900	0.529900
Palmview	100.00%	0.570000	0.558600	0.534600	0.500100
Penitas	100.00%	0.556200	0.556200	0.556200	0.556200
Pharr	100.00%	0.767600	0.767600	0.717600	0.717600
Progreso	100.00%	0.698000	0.698000	0.763600	0.829100
San Juan	100.00%	0.676500	0.676500	0.676500	0.687600
Sullivan City	-	0.500000	0.500000	0.500000	0.483800
Weslaco	100.00%	0.686700	0.686700	0.696700	0.696700
<b>School Districts:</b>					
Donna ISD	100.00%	1.102800	1.070900	1.119900	1.119900
Edcouch-Elsa ISD	100.00%	1.132500	1.132500	1.217500	1.217500
Edinburg CISD	100.00%	0.872700	0.875000	1.060400	1.105700
Hidalgo ISD	100.00%	1.196300	1.202800	1.232100	1.276500
La Joya ISD	100.00%	1.053300	1.034400	1.270000	1.266200
La Villa ISD	100.00%	1.278100	1.246500	1.447700	1.447700
Lyford CISD	1.57%	0.989200	0.989200	1.240300	1.120300
McAllen ISD	100.00%	0.996600	1.001100	1.096400	1.137000
Mercedes ISD	100.00%	1.126900	1.096000	1.345000	1.352000
Mission CISD	100.00%	1.113000	1.113000	1.113000	1.133200
Monte Alto ISD	100.00%	1.186800	1.189200	1.194600	1.223400
PSJA ISD	100.00%	1.016000	1.018300	1.183700	1.216700
Progreso ISD	100.00%	1.302900	1.182900	1.329900	1.260000
Sharyland ISD	100.00%	0.957500	0.957500	1.123400	1.159300
South Texas ISD	-	0.049200	0.049200	0.049200	0.049200
Valley View ISD	100.00%	1.159900	1.159900	1.245300	1.277000
Weslaco ISD	100.00%	0.948100	0.946400	0.959300	0.980700

Tax Year 2020	Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015
\$0.171800	\$0.173300	\$0.178000	\$0.185000	\$0.185000	\$0.185000
0.581700	0.581700	0.581700	0.556500	0.581000	0.588100
0.436700	0.444000	0.444000	0.444000	0.449000	0.454000
0.788855	0.788855	0.798855	0.798855	0.982828	0.982828
0.915200	0.965400	0.968700	0.915400	0.928600	0.928600
0.680000	0.680000	0.635000	0.635000	0.635000	0.635000
0.883200	0.883200	0.882200	0.901800	0.917700	0.856600
0.444800	0.460700	0.460700	0.446900	0.441900	0.425100
0.351400	0.351400	0.351400	0.351400	0.351400	0.351400
0.589800	0.590400	0.566800	0.525100	0.539400	0.543500
0.792900	0.792900	0.783600	0.783600	0.783600	0.783600
0.495600	0.495677	0.479234	0.476300	0.476300	0.476300
0.745000	0.745000	0.745000	0.745000	0.745000	0.755000
0.529900	0.521200	0.486200	0.486200	0.496200	0.498800
0.490100	0.500100	0.500100	0.500100	0.475100	0.475100
0.556200	0.556200	0.556200	0.556200	0.506000	0.506000
0.717600	0.717600	0.649000	0.649000	0.654000	0.654000
0.842900	0.842900	0.812900	0.784000	0.796100	0.806100
0.692600	0.699300	0.699300	0.699300	0.699300	0.699300
0.483800	0.500000	0.500000	0.500000	0.460600	0.466800
0.696700	0.696700	0.666700	0.666700	0.666700	0.676700
1.130400	1.226700	1.258200	1.258200	1.258200	1.258200
1.258000	1.258000	1.258000	1.258000	1.258000	1.258000
1.138200	1.138200	1.239800	1.239800	1.239800	1.239800
1.276500	1.296300	1.470000	1.470000	1.490000	1.530000
1.311000	1.311000	1.311000	1.311000	1.311000	1.311000
1.483800	1.483800	1.483800	1.303800	1.303800	1.303800
1.214700	1.228400	1.320000	1.310000	1.280000	1.280000
1.138600	1.152800	1.155000	1.155000	1.155000	1.155000
1.351900	1.278400	1.380000	1.380000	1.380000	1.380000
1.199300	1.239550	1.339800	1.350200	1.358200	1.367200
1.238000	1.350000	1.350000	1.350000	1.350000	1.350000
1.267500	1.272500	1.379200	1.389200	1.399200	1.399200
1.260000	1.320000	1.390000	1.390000	1.390000	1.370000
1.280800	1.298700	1.375500	1.375500	1.375500	1.335500
0.049200	0.049200	0.049200	0.049200	0.049200	0.049200
1.277000	1.277000	1.277000	1.277000	1.277000	1.277000
1.018900	1.068700	1.159700	1.159700	1.139700	1.139700

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

Governmental Subdivision	Percent Applicable*	Tax Year 2024	Tax Year 2023	Tax Year 2022	Tax Year 2021
<b>HIDALGO COUNTY</b>					
<b>Special Districts:</b>					
Hidalgo County	100.00%	0.575000	0.575000	0.575000	0.575000
Drainage District #1	100.00%	0.112300	0.113900	0.117900	0.126400
EMS District #1	-	0.026900	0.016900	0.019200	0.019500
EMS District #2	-	0.029600	0.032000	0.034700	0.034700
EMS District #3	-	0.007400	0.015400	0.017700	0.019700
EMS District #4	-	0.021900	0.022500	0.024100	0.024600
Donna Irrigation #1	-	0.210000	0.210000	0.210000	0.210000
Delta Lake Irrigation	-	0.547000	0.550000	0.560000	0.560000
Kennedy County GCD	-	0.015400	0.013065	0.012800	0.012800
Brush County GCD	-	0.010791	0.011000	0.016000	0.016000
Red Sands Groundwater CD	-	0.146300	0.146300	0.152800	0.152800
<b>STARR COUNTY</b>					
<b>Cities:</b>					
Escobares City	100.00%	0.340447	0.355679	0.355679	0.457300
Rio Grande City	100.00%	0.521090	0.527868	0.561228	0.537579
Roma	100.00%	0.567900	0.568200	0.568200	0.602256
<b>School Districts</b>					
Rio Grande City CISD	100.00%	1.162300	1.170800	1.366300	1.264100
Roma ISD	100.00%	1.218400	1.139100	1.324510	1.411600
San Isidro ISD	-	0.823800	0.933300	0.942900	1.051700
<b>Special Districts:</b>					
Starr County	100.00%	0.508380	0.515169	0.538200	0.538200
F&M & FC	-	0.202360	0.205218	0.225000	0.225000
Starr County Memorial Hospital District	-	0.254333	0.254333	0.262908	0.264146

\*Municipal Advisory Council of Texas

Sources:  
Hidalgo County Appraisal District  
Starr County Appraisal District



Tax Year 2020	Tax Year 2019	Tax Year 2018	Tax Year 2017	Tax Year 2016	Tax Year 2015
0.575000	0.575000	0.580000	0.580000	0.590000	0.590000
0.102600	0.105100	0.095100	0.095100	0.095100	0.095100
0.019600	0.020000	0.019400	0.017600	0.020000	0.185000
0.035200	0.036000	0.036000	0.038000	0.038000	0.036100
0.022700	0.024500	0.025700	0.028500	0.030000	0.030000
0.024600	0.025300	0.025200	0.025400	0.027200	0.027200
0.210000	0.210000	0.210000	0.210000	0.210000	0.210000
0.560000	0.550000	0.550000	0.555000	0.550000	0.550000
0.012800	0.012800	0.015300	0.015300	0.015300	0.015300
0.018500	0.020700	0.024000	0.024500	0.026020	0.026020
0.152800	0.152800	0.152800	0.169000	0.169000	0.169000
0.457300	0.500417	0.432025	0.432025	0.403517	0.403517
0.507579	0.507579	0.497579	0.497579	0.497579	0.514749
0.605435	0.605435	0.531372	0.531372	0.523055	0.523055
1.300600	1.322400	1.359200	1.430900	1.451400	1.438400
1.377200	1.445790	1.561950	1.484000	1.569390	1.553660
1.164800	1.176300	1.280000	1.290800	1.295000	1.271800
0.538400	0.538400	0.531900	0.545800	0.545800	0.561000
0.240000	0.240000	0.246500	0.232600	0.232600	0.217400
0.264146	0.264146	0.268163	0.268163	0.277314	0.248092

**Statistical Supplement 22**  
**Computation of Direct and Overlapping Debt**  
**August 31, 2025**  
(unaudited)

Taxing Body	Debt Amount		As of	Percent Overlapping	Overlapping Amount
Alamo, City of	\$ 13,630,000 *		08/31/2025	100.00%	\$ 13,630,000
Alton, City of	22,530,000 *		08/31/2025	100.00%	22,530,000
Donna ISD	156,265,000 *		08/31/2025	100.00%	156,265,000
Donna, City of	92,795,000 *		08/31/2025	100.00%	92,795,000
Edcouch-Elsa ISD	20,787,844 *		08/31/2025	100.00%	20,787,844
Edcouch, City of	1,470,000 *		08/31/2025	100.00%	1,470,000
Edinburg CISD	102,635,000 *		08/31/2025	100.00%	102,635,000
Edinburg, City of	116,580,000 *		08/31/2025	100.00%	116,580,000
Elsa, City of	5,550,000 *		08/31/2025	100.00%	5,550,000
Escobares, City of	370,000 *		08/31/2025	100.00%	370,000
Hidalgo Co	410,610,000 *		08/31/2025	100.00%	410,610,000
Hidalgo Co DD # 1	249,590,000 *		08/31/2025	100.00%	249,590,000
Hidalgo ISD	46,651,000 *		08/31/2025	100.00%	46,651,000
Hidalgo, City of	4,212,000 *		08/31/2025	100.00%	4,212,000
La Grulla, City of	1,930,000 *		08/31/2025	100.00%	1,930,000
La Joya ISD	152,817,680 *		08/31/2025	100.00%	152,817,680
La Joya, City of	5,251,000 *		08/31/2025	100.00%	5,251,000
La Villa ISD	7,355,000 *		08/31/2025	100.00%	7,355,000
La Villa, City of	4,314,000 *		08/31/2025	100.00%	4,314,000
Lyford CISD	22,804,000 *		08/31/2025	1.57%	358,023
McAllen ISD	50,461,000 *		08/31/2025	100.00%	50,461,000
McAllen, City of	80,755,000 *		08/31/2025	100.00%	80,755,000
Mercedes ISD	33,395,200 *		08/31/2025	100.00%	33,395,200
Mercedes, City of	27,085,000 *		08/31/2025	100.00%	27,085,000
Mission CISD	82,128,000 *		08/31/2025	100.00%	82,128,000
Mission, City of	47,355,000 *		08/31/2025	100.00%	47,355,000
Monte Alto ISD	8,785,000 *		08/31/2025	100.00%	8,785,000
Palmview, City of	15,338,000 *		08/31/2025	100.00%	15,338,000
Penitas, City of	15,376,536 *		08/31/2025	100.00%	15,376,536
Pharr-San Juan-Alamo ISD	216,895,000 *		08/31/2025	100.00%	216,895,000
Pharr, City of	108,838,000 *		08/31/2025	100.00%	108,838,000

Taxing Body	Debt Amount	As of	Percent Overlapping	Overlapping Amount
Progreso ISD	22,945,000 *	08/31/2025	100.00%	22,945,000
Progreso, City of	1,075,000 *	08/31/2025	100.00%	1,075,000
Rio Grande City Grulla ISD	120,905,000 *	08/31/2025	100.00%	120,905,000
Rio Grande City, City of	38,310,000 *	08/31/2025	100.00%	38,310,000
Roma ISD	86,405,000 *	08/31/2025	100.00%	86,405,000
Roma, City of	13,384,000 *	08/31/2025	100.00%	13,384,000
San Juan, City of	56,187,000 *	08/31/2025	100.00%	56,187,000
Sharyland ISD	68,670,000 *	08/31/2025	100.00%	68,670,000
Starr Co	18,480,000 *	08/31/2025	100.00%	18,480,000
Valley View ISD [Hidalgo]	26,890,000 *	08/31/2025	100.00%	26,890,000
Weslaco ISD	202,377,390 *	08/31/2025	100.00%	202,377,390
Weslaco, City of	103,766,000 *	08/31/2025	100.00%	103,766,000
<b>Total Net Overlapping Debt</b>				<b>2,861,507,674</b>
South Texas College		08/31/2025		75,430,000
<b>Total Direct and Overlapping Debt</b>				<b>\$ 2,936,937,674</b>
<b>Total Direct and Overlapping Debt % of A.V.:</b>				<b>4.22%</b>
<b>Total Direct and Overlapping Debt per Capita:</b>				<b>\$ 2,478</b>

\*Gross Debt

Source:

Municipal Advisory Council of Texas



# **SOUTH TEXAS COLLEGE**

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**ANNUAL  
COMPREHENSIVE  
FINANCIAL  
REPORT**



**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 *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of South Texas College (the College) as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 19, 2025.

#### **Report on Internal Control over Financial Reporting**

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

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

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

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed

no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

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

*Carr, Riggs & Ingram, L.L.C.*

McAllen, Texas

December 19, 2025



**CARR, RIGGS & INGRAM, L.L.C.**

**Carr, Riggs & Ingram, L.L.C.**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

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

***Opinion on Each Major Federal Program***

We have audited South Texas College's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2025. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally



accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Carr, Riggs & Ingram, L.L.C.*

McAllen, Texas  
December 19, 2025



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR STATE PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *TEXAS GRANT MANAGEMENT  
STANDARDS*

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

**Report on Compliance for the Major State Program**

***Opinion on the Major State Program***

We have audited South Texas College's (the College) compliance with the types of compliance requirements identified as subject to audit in the State Comptroller's Office, *Texas Grant Management Standards* that could have a direct and material effect on the College's major state program for the year ended August 31, 2025. The College's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended August 31, 2025.

***Basis for Opinion on the Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Texas Grant Management Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's state programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion

on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Texas Grant Management Standards* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the *Texas Grant Management Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *Texas Grant Management Standards*, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

*Carr, Riggs & Ingram, L.L.C.*

McAllen, Texas

December 19, 2025

**SOUTH TEXAS COLLEGE DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended August 31, 2025**

**Section I - Summary of Auditor's Results**

***Financial Statements***

1. Type of Auditor's report issued: Unmodified
2. Internal control over financial reporting:
- a. Material weakness (es) identified? \_\_\_\_\_ yes   X   no
- b. Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported
- c. Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

***Federal Awards***

1. Type of Auditor's report issued on compliance for major programs: Unmodified
2. Internal control over major programs:
- a. Material weakness (es) identified? \_\_\_\_\_ yes   X   no
- b. Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200.516(a)? \_\_\_\_\_ yes   X   no
4. Identification of major federal programs:

<u>Assistance Listing number</u>	<u>Name of Federal program or cluster</u>
11.028	Connecting Minority Communities Pilot Program
84.007, 84.033, 84.063	Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs: **\$2,194,561**

Auditee qualified as low-risk auditee under 2CRF 200.520? **No**



**SOUTH TEXAS COLLEGE DISTRICT  
Schedule of Findings and Questioned Costs  
For the Year Ended August 31, 2025**

**Section II – Financial Statement Findings**

None noted.

**Section III – Federal Award Findings and Questioned Costs**

None noted.

**Section IV – State Award Findings and Questioned Costs**

None noted.



**SOUTH TEXAS COLLEGE DISTRICT  
Schedule of Findings and Questioned Costs  
Status of Prior Year Findings  
For the Year Ended August 31, 2025**

**Financial Statement Findings:**

**Finding 2024-001: Material Weakness-Subscription-Based Information Technology Arrangements (SBITAs) - Resolved**

**Federal Award Findings:**

None

**State Award Findings:**

None



2025

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**