



### ANNUAL FINANCIAL REPORT

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### SOUTH PLAINS COLLEGE ANNUAL FINANCIAL REPORT' FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021 TABLE OF CONTENTS

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November 9, 2022

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### INDEPENDENT AUDITOR'S REPORT

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We have audited the financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of South Plains College (the "College"), as of and for the years ended August 31, 2022 and 2021, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary activities of the College as of August 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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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 GAAS and Government Auditing Standards, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify an 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 b n m M 3ln į igtnes... 3

schedules, which includes the schedule of expenditures of federal awards and schedule of expenditures of state awards, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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Management is responsible for the other information included in the annual report. The other information comprises the introductory section 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 misstatement of the other information exists, we are required to describe it in our report.

### Ch\Yf'FYdcfh]b['FYei]fYX'Vm'Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2022, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Certified Public Accountants

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FINANCIAL HIGHLIGHTS 2020-2022							
	% CHANGE					% CHANGE	
		2022	2021	2022	2020	2022	
REVENUES							
OPERATING REVENUES	\$ 2	2,449,088	\$23,336,639	-3.9%	\$22,792,726	-1.5%	
NON-OPERATING REVENUES	\$ 6	5,519,031	\$57,755,806	10.3%	\$75,022,320	-12.7%	
TOTAL	\$ 8	7,968,119	\$81,092,445	8.5%	\$97,815,046	-10.1%	
EXPENSES							
OPERATING EXPENSES	\$ 7	8,495,411	\$78,352,653	0.2%	\$73,198,540	7.2%	
NON-OPERATING EXPENSES	\$	462,907	\$ 501,747	-7.7%	\$ 575,047	-19.5%	
TOTAL	\$ 7	8,958,318	\$78,854,400	0.1%	\$73,773,587	7.0%	
INCREASE IN NET POSITION	\$	9,009,801	\$ 2,238,045	302.6%	\$24,041,459	-62.5%	
TOTAL NET POSITION	\$ 4	7,222,948	\$38,213,147	23.6%	\$35,975,102	31.3%	
CURRENT ASSETS	\$ 5	3,991,665	\$55,669,937	-3.0%	\$52,271,427	3.3%	
CURRENT LIABILITIES	\$ 2	3,239,570	\$21,958,972	5.8%	\$21,269,626	9.3%	
CURRENT RATIO		2.32	2.54	N/A	2.46	N/A	

This annual report consists of three parts—management's discussion and analysis, pension and OPEB schedules (required supplementary information), the financial statements, and other supplementary information. The financial statements include the Statement of Net Position (Exhibit 1); Statement of Revenues, Expenses, and Changes in Net Position (Exhibit 2); Statement of Cash Flows (Exhibit 3); and the Notes to the Financial Statements.

One of the most important questions asked about the College's finances is: "Is the College as a whole better off or worse off as a result of the year's activities?" The financial statements mentioned above report information about the College as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All the current year's revenues and expenses are recorded when the expense or revenue event takes place, regardless of when cash is received or paid.

The Statement of Net Position (Exhibit 1) reports the assets, liabilities, and the net position of the College as of the end of the fiscal year. The purpose is to give users a snapshot of the financial position of South Plains College on the last day of the fiscal year. Net position is the difference between assets and deferred outflow of resources, less liabilities, and deferred inflows of resources. It is one way to measure the financial health, or solvency of the College. Over time, increases or decreases in the College's net position are one indicator of whether its financial health is improving or deteriorating. The College's net position is one way to measure the College's financial health, or solvency.

Other non-financial indicators such as changes in the College's property tax base, enrollment levels, state funding, and the condition of the College's facilities should be considered when analyzing the health of the College.

The Statement of Revenues, Expenses, and Changes in Net Position (Exhibit 2) presents the operating results of the College as well as the non-operating revenues and expenses. Revenues received in exchange for providing the College goods and services are operating revenues. Operating expenses are those paid to acquire the goods and services provided in return for the operating revenues. Non-operating revenue are funds received with no direct relationship to the goods and services provided. Such things as state appropriations, local property taxes, gifts, investment income, and federal student aid grants and HEERF funds are non-operating revenues.

The Statement of Cash Flows (Exhibit 3) analyzes the cash activities of the College for the year. The statement (divided into activities) includes the following:

- Cash provided by or used for operating activities
- Cash flows from non-capital financing activities
- Cash flows from investing activities, and
- Cash provided by or used for capital and related financing activities

#### FINANCIAL ANALYSIS OF THE COLLEGE AS A WHOLE

The College's combined net position was \$47.2 million as of August 31, 2022. See Table A-1.

TABLE A-1
CONDENSED STATEMENT OF NET POSITION
(In millions)

The negative \$46.2 million unrestricted net position is primarily due to Government Accounting Standards Board (GASB) Statement 68 and 75 requirements. GASB 68 requires the college to record long term obligations for pensions (TRS) and GASB 75 requires the college to record long term obligations for other post-employment benefits (insurance for retirees). GASB 68 was implemented in FY2015 and GASB 75 was implemented in FY2018. These statements require the posting of non-cash entries that have a negative effect on the unrestricted net position. Without these entries, the unrestricted net position would be \$21,443,192 on August 31, 2022.

**Changes in net position.** As Table A-1 illustrates, the College's net position for FY2022 increased by \$9 million (23.6%). This change is due an increase of \$12.8 million in capital asset net position, an increase in unrestricted net position of .8 million and a decrease of \$4.6 million in restricted net position.

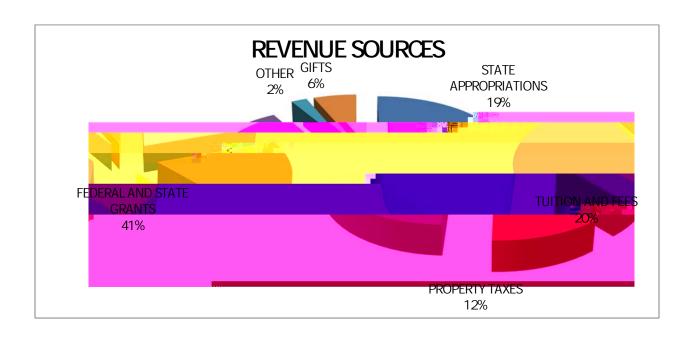
### **COLLEGE REVENUES AND EXPENSES**

The College's total revenues for FY2022 were \$88 million. This represents a \$6.9 increase from FY2021. The change is primarily from an increase in gifts of \$4 million and an increase in federal and state grants of \$6 million. Additionally, there was a decrease in property taxes of \$1.4 million. Approximately 41% of total revenues comes from federal and state grants and contracts, 19% comes from state appropriations, 20% from tuition and fees, 12% from property taxes, 6% from gifts, and the remaining 2% from other sources. The College's total operating expenses were \$78.5 million in FY2022, compared to \$78.4 million in FY21. The following are financial highlights presented in Table A-2.

- Property tax revenues decreased \$1,421,945 from FY2021 to FY2022 and decreased \$281,338 from FY2020 to FY2021.
- State appropriations decreased by \$719,203 from FY2021 to FY2022. Although general state support increased by \$153,362, and nursing increased by \$74,639, there was a decrease in OPEB and TRS non-cash revenue.
- Tuition and fees decreased by .6 million from FY2021 to FY2022. Tuition and fee rates stayed the same for FY22 as the previous year.
- Gifts increased by \$4 million from FY2021 to FY2022. The primary reason for the increase is a \$5 million increase in gifts in aid of construction and a \$1 million decrease in gifts in aid of debt service.
- Federal and state grants increased by \$6 million for a total of \$36 million. This is primarily due to HEERF revenue increases.

TABLE A-2 SOUTH PLAINS COLLEGE SOURCES OF REVENUE FY2022

REVENUE SOURCES(millions)	2022		2	2021		2	2020	
STATE APPROPRIATIONS	\$ 17.1	19.4%	\$	17.9	22.1%	\$	18.5	18.9%
TUITION AND FEES	\$ 17.3	19.7%	\$	17.9	22.1%	\$	17.6	18.0%
PROPERTY TAXES	\$ 10.1	11.5%	\$	11.5	14.2%	\$	11.8	12.1%
FEDERAL AND STATE GRANTS	\$ 36.0	40.9%	\$	30.0	37.0%	\$	24.3	24.8%
OTHER	\$ 2.0	2.3%	\$	2.3	2.8%	\$	2.4	2.5%
GIFTS	\$ 5.5	6.3%	\$	1.5	1.8%	\$	23.2	23.7%
TOTAL	\$ 88.0	100.0%	\$	81.1	100.0%	<b>*</b> \$	97.8	100.0%



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### POSSIBLE FUTURE FINANCIAL EFFECTS ON COLLEGE OPERATIONS

Enrollment levels directly affect tuition and fee revenues and auxiliary enterprise sales, services, and fee revenues. Population demographics (number of potential students) and the overall region's economic condition also affect enrollment. South Plains College continues to experience relatively stable enrollment numbers. The unduplicated headcount in the fall 2019 semester was 9,196, which was less than a 1% decrease from fall 2018, which had a headcount of 9,279. The headcount for the fall 2020 term was 8,879 (a 3.5% decrease from fall 2019). The unduplicated headcount for fall 2021 was 8,912, which is a .4% increase from fall 2020. The unduplicated

about a \$946,000 increase in revenue. Values were down slightly in FY21 to \$2.9 billion resulting in revenue of \$11.5 million (a decrease of \$281,338). Values were down again in FY22 by \$361 million for a decrease of over \$1 million in property tax revenue for FY22. Valuations were up about \$1 billion for FY23 with a budgeted increase of about \$850,000

of 8.0 percent. This allows the Foundation to disburse on the average 5.0 percent annually from scholarship endowment funds, while hedging for inflation.

For fiscal year 2022, the Foundation recorded \$1,636,276 in gifts and fundraising, about 21 percent less than the prior year. The Foundation received \$2,600,000 in non-scholarship restricted grant funds for capital improvement projects at South Plains College and posted an additional \$4,697,933 in pledges. Realized and unrealized investment income totaled -\$3,477,416. Total revenues for the fiscal year were -\$1,822,530.

The Foundation distributed to the College a record \$1,087,260 in scholarship funds, providing



### SOUTH PLAINS COLLEGE STATEMENTS OF NET POSITION AUGUST 31, 2022 AND 2021 EXHIBIT 1

	2022	2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 37,451,039	\$ 37,413,122
Accounts receivable (net)	14,784,001	15,516,655
Other receivables	1,000,000	2,110,000
Prepaid expenses	748,000	614,760
Inventories	8,625	15,400
Total Current Assets	53,991,665	55,669,937
Noncurrent Assets:		
Capital assets (net)	101,001,201	84,682,610
Other receivables	3,697,933	4,744,983
Total Noncurrent Assets	104,699,134	89,427,593
TOTAL ASSETS	158,690,799	145,097,530
TO THE MODE TO	100,000,700	1 10,001,000
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	3,388,152	4,326,021
Deferred outflows of resources related to OPEB	10,869,657	13,121,599
TOTAL DEFERRED OUTFLOWS OF RESOURCES	14,257,809	17,447,620
LIABILITIES		
Current Liabilities:		
Accounts payable	2,203,240	2,045,125
Accrued liabilities	1,152,655	1,084,135
Funds held for others	984,846	798,713
Unearned revenues	16,644,292	15,990,999
Lease liabilities - current portion	189,537	-
Bonds payable - current portion	2,065,000	2,040,000
Total Current Liabilities	23,239,570	21,958,972
Negouvent Liebilities		
Noncurrent Liabilities:	E 260 E42	11 117 765
Net pension liability	5,268,512 60,414,215	11,417,765 55,443,489
Net OPEB liability Lease liabilities	336,105	55,445,469
Bonds payable	20,210,000	17,275,000
Total Noncurrent Liabilities	86,228,832	84,136,254
TOTAL LIABILITIES	109,468,402	106,095,226
I O I AL LIADILI I ILO	103,400,402	100,093,220
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	6,493,770	2,227,456
Deferred inflows of resources related to OPEB	9,763,488	16,009,321
TOTAL DEFERRED INFLOWS OF RESOURCES	16,257,258	18,236,777

	<b>2022</b> 2021
<u>ASSETS</u>	
ASSETS	
Cash and cash equivalents	<b>\$ 1,287,719</b> \$ 1,209,362
Accrued interest and dividends receivable	<b>1,945</b> 2,088
Investments	<b>26,589,567</b> 29,782,022
Planned gift cash value	<b>356,508</b> 337,898
Vacation time share	<b>12,500</b> 12,500
Deferred scholarships	<b>578,393</b> 476,180
Pledges receivable	<b>4,697,933</b> 6,854,983
TOTAL ASSETS	<b>\$ 33,524,565 \$ 38,675,033</b>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Scholarships payable to South Plains College	\$ 578,3J ]h\cih Xcbcf fYghf]Wh]cbg
	With donor restrictions
	Total Net Assets
	10.01.100.100
	TOTAL LIABILITIES AND NET ASSETS

The accompanying notes are an integral part of the finance

### SOUTH PLAINS COLLEGE STATEMENTS OF FIDUCIARY NET POSITION AUGUST 31, 2022 AND 2021 EXHIBIT 1.2

	2022		2021
ASSETS			
Receivables:			
Employer contributions	\$ 104,	700 \$	106,800
Participant contributions		180	155
Investments at fair value:			
Mutual funds	1,706,0	003	2,277,145
Uninvested cash	1,2	201	1,147
TOTAL ASSETS	1,812,	084	2,385,247
LIABILITIES			
Accounts payable:			
South Plains College	25,0	660	29,324
Other payables	1,3	381	1,302
TOTAL LIABILITIES	27,	)41	30,626
NET POSITION			
Restricted for:			
Pensions	1,785,0	)43	2,354,621
TOTAL NET POSITION	\$ 1,785,	943 \$	2,354,621

### SOUTH PLAINS COLLEGE

	STATE	1,049,827		
	1,257	123,176		
	173,547	142,992		
	795	1,756		
133,407, respectively)	1,473,034	1,798,866		
years)	140,020	135,365		 
	22,449,088	23,336,639		
	33,269,177	31,288,861		
	424,167	309,114		

	78,495,411	78,352,653
Operating Loss	(56,046,323)	(55,016,014)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	17,139,106	17,858,309
Maintenance ad valorem taxes	10,055,928	11,477,873
Federal revenue, non-operating	32,613,622	26,809,233
Gifts	-	500
Gifts in kind	-	14,000
Gifts in aid of debt services	-	1,000,000
Gifts in aid of construction	5,502,950	452,801
Investment income	207,425	139,142
Interest on capital related debt	(462,907)	(501,747)
Gain on disposal of fixed assets	-	3,948
Net Non-Operating Revenues (Schedule C)	65,056,124	57,254,059
Increase in Net Position	9,009,801	2,238,045
NET POSITION		
Net position - beginning of year	38,213,147	35,975,102
Net position - end of year	<b>\$</b> 47,222,948 \$	38,213,147

REVENUE	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Contributions Less: amounts considered agency transactions Fundraising revenue Investment income (loss) Planned gift change in value Net assets released from restriction  TOTAL REVENUE	\$ 220 (55,426) 1,087,260 1,032,054	\$ 3,908,698 (2,600,000) 327,358 (3,528,181) 18,610 (1,087,260) (2,960,775)	\$ 3,908,698 (2,600,000) 327,578 (3,583,607) 18,610 - (1,928,721)
EXPENSE Scholarships Fundraising expenses Planned gift expenses Restricted program support Less: amounts considered agency transactions Other expenses  TOTAL EXPENSE	1,087,260	56,380 6,711 2,600,000 (2,600,000) 16,559 79,650	1,087,260 56,380 6,711 2,600,000 (2,600,000) 16,559 1,166,910
DECREASE IN NET ASSETS	(55,206)	(3,040,425)	(3,095,631)
NET ASSETS AT BEGINNING OF YEAR	339,150	31,004,720	31,343,870
NET ASSETS AT END OF YEAR	\$ 283,944	\$ 27,964,295	\$ 28,248,239

### SOUTH PLAINS COLLEGE FOUNDATION STATEMENT OF ACTIVITIES FOR THE YEAR ENDED AUGUST 31, 2021 EXHIBIT 2.2

DEVENUE	-	Net Assets Without Donor Restrictions	-	Net Assets With Donor Restrictions	-	Total
REVENUE Contributions Less: amounts considered agency transactions Fundraising revenue Investment income Non-cash gifts Planned gift change in value Other income	\$	525 38,530	\$	11,677,985 (9,825,000) 203,701 4,632,028 24,968 24,930 45	\$	11,677,985 (9,825,000) 204,226 4,670,558 24,968 24,930 45
Net assets released from restriction		1,013,063		(1,013,063)	_	-
TOTAL REVENUE	-	1,052,118	-	5,725,594	-	6,777,712
EXPENSE Scholarships Fundraising expenses Planned gift expenses Restricted program support Less: amounts considered agency transactions Unrestricted program support Other expenses	-	1,013,063	-	20,320 6,711 9,825,000 (9,825,000) 6,940 15,225	-	1,013,063 20,320 6,711 9,825,000 (9,825,000) 6,940 15,225
TOTAL EXPENSE	-	1,013,063	-	49,196	-	1,062,259
DECREASE IN NET ASSETS	-	39,055	-	5,676,398	-	5,715,453
NET ASSETS AT BEGINNING OF YEAR	-	300,095	-	25,328,322	-	25,628,417
NET ASSETS AT END OF YEAR	\$	339,150	\$	31,004,720	\$	31,343,870

	2022	2021
ADDITIONS		
Contributions:		
Employer \$	110,100	\$ 109,800
Participant	2,135	 1,860
Total Contributions	112,235	 111,660
Investment earnings:		
Net increase in fair value of investments	-	360,306
Interest, dividends and other	48,338	 49,485
Net investment earnings	48,338	 409,791
TOTAL ADDITIONS	160,573	 521,451
DEDUCTIONS		
Benefits paid to participants or beneficiaries	362,751	160,964
Net decrease in fair value of investments	312,366	-
Forfeitures	25,660	29,323
Administrative expense	29,374	 29,173
TOTAL DEDUCTIONS	730,151	 219,460
Increase (Decrease) in Net Position	(569,578)	 301,991
NET POSITION		
Net position restricted for pensions - beg 9		 

### SOUTH PLAINS COLLEGE STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED AUGUST 31, 2022 AND 2021 EXHIBIT 3

		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from students and other customers Receipts of appropriations, grants, and contracts Other receipts Payments to or on behalf of employees Payments to suppliers for goods or services Payments of scholarships Net cash used in operating activities	\$	19,359,002 3,993,169 140,815 (43,033,932) (21,226,312) (8,616,250) (49,383,508)	\$ 19,378,581 2,589,163 137,121 (41,869,637) (15,285,007) (12,406,713) (47,456,492)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES State appropriations Ad valorem tax revenues Federal revenue, nonoperating Gifts and grants (other than capital) Net cash provided by non-capital financing activities		13,960,454 10,079,278 33,120,263 - 57,159,995	13,738,757 11,624,244 26,833,066 500 52,196,567
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIE Contributions received in aid of construction Contributions received in aid of construction Contributions received in aid of debt service Purchases of capital assets Proceeds from sale of capital assets Payments on capital debt - principal Payments on capital debt - interest Net cash provided by (used in) capital and related financing activities	S	5,000,000 7,660,000 - (18,097,235) - (2,040,000) (468,760) (7,945,995)	5,000,000 8,835,000 1,000,000 (9,607,272) 3,948 (2,935,000) (533,599) 1,763,077
CASH FLOWS FROM INVESTING ACTIVITIES Investment earnings Net cash provided by investing activities		207,425 207,425	139,170 139,170
Increase in cash and cash equivalents	Net cash provided bM	37,917	6,642,322
Cash and cash equivalents - September 1	ver dasir provided bivi	37,413,122	30,770,800
Cash and cash equivalents - August 31	\$	37,451,039	\$ 37,413,122
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES: Operating loss Adjustments to reconcile operating loss to netM M M	\$	(56,046,323)	\$ (55,016,014)

140,815 "

### GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS

## GC I H<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

### <u>Inventories</u>

Inventories consist of consumable office supplies and physical plan supplies. Inventories are valued at cost and charged to expense when purchased, except for miscellaneous items purchased at year end which are more appropriately charged to the subsequent year.

### Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged to operating expenses in the year in which the expense is incurred.

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

Asset Type	Years
Buildings	50
Facilities and other improvements	20
Library books	15
Furniture, machinery, vehicles and other equipment	10
Telecommunications and peripheral equipment	5

#### Other Postemployment Benefits (OPEB)

The College participates in the Employee's Retirement System of Texas (ERS) postemployment health care plan, a multiple-employer cost sharing defined benefit plan with a special funding situation. The fiduciary net position of ERS 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 OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from ERS's fiduciary net position. Benefit payments (including refunds of employer contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

#### Pensions

The College 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 TRS has been determined using the flow of economic resources measurement focus on 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 pension, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

### **Unearned Revenues**

Tuition and fees of \$16,180,388 and \$15,880,278 and federal, state and local grants of \$463,904 and \$110,721 have been reported as unearned revenues as of August 31, 2022 and 2021, respectively.

### GC I H<'D@5=BG'7C@@9; 9 NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

**Deferred Inflows** 

# GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

# GC I H<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

### BchY'(.'''8Ydcg]hg'UbX'=bjYghaYbhg

### Cash and Deposits

South Plains College Cash and Deposits included in Exhibit 1 and Exhibit 1.1, Statement of Net Position and Statement of Financial Position, consist of the items reported below:

	Primary Institution		_	Component		nt Unit	
	&\$&& <sup>*</sup>		2021		&\$&&`		2021
Bank Deposits	•			_		_	
Demand deposits	" %)ž)+-ž)\$,	\$	15,734,537	٧.	*%*ž <b>+,(</b> ` S	\$	72,032
Time deposits	%,ž,% <b>\$</b> ž <b>\$(&amp;</b> `		20,633,100	٠.	*+\$ž- <b>')</b>		1,137,330
Total Bank Deposits	'(ž',-ž))\$		36,367,637	•	%ž&,+ž+%-		1,209,362
Cash and Cash Equivalents	•				•		
Petty cash on hand	% <b>\$ž</b> ,,)		12,387	•	i.		-
Cash equivalents –	•						
investment pools	'ž\$)\$ž*\$(`		1,033,098		<u>!</u> .		
Total Cash and Cash	•				•		
Equivalents	'ž\$*%ž(,-		1,045,485	•	<u>!</u> .		-
Total Cash and Deposits	'+ž()%ž\$'-	\$	37,413,122	٧.	%ž&,+ž+%-	\$_	1,209,362

Reconciliation of Deposits and Investments to Exhibit 1 and Exhibit 1.1:

Primary I	nstitution	Component Unit				
5 i [ i gh`'%ž` &\$&&`	August 31, 2021	5 i [ i gh' '%ž' &\$&&'	August 31, 2021			

Type of Security:

### GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS

### GCIH<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

The three levels of the fair value of hierarchy are as follows:

Level 1 inputs are quoted price pr mu p pu

### GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

#### BchY')."'7Ud]hU`'5ggYhg

Capital asset activity for the year ended August 31, 2022, was as follows:

6 i g]bYgg!hmdY'UWh] j]h]Yg'	6Y[]bb]b[	 · ₌bWfYUgYg <sup>· ·</sup>	8YWfYUgYg	9bX]b[ 6U`UbWYg
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7Ud]hU``UggYhg`VY]b[``				
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•			·	
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roujio oggriigz bili	, (ž*, &ž*%\$	'\$ž*)%ž&+%''	fl%(ž,(-ž)(\$Ł'	**************************************

Construction in progress at August 31, 2022 primarily relates to the Lubbock Downtown Center.

## GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

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

		Beginning					Ending
Business-type activities		Balances	_	Increases	 Decreases	_	Balances
Capital assets not being depreciated:							
Land	\$	2,013,473	\$	-	\$ -	\$	2,013,473
Construction in progress	_	7,957,945		7,461,147	-	_	15,419,092
Total capital assets not being						_	
depreciated	_	9,971,418	_	7,461,147	 -	_	17,432,565
Capital assets being depreciated:							
Buildings		103,337,336		-	-		103,337,336
Improvements		2,420,734		365,498	-		2,786,232
Library books		3,138,825		44,673	-		3,183,498
Furniture, machinery, vehicles							
and other equipment		14,338,910		501,035	(		

#### GC I H<'D@5=BG'7C@@9;9 NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

#### BchY',.'''6cbXg'DUmUV`Y'

On November 12, 2020, the College authorized a bond refunding transaction by issuing the "South Plains Junior College District Revenue Financing System Refunding and Improvements Bonds, Series 2020A" in the amount of \$14,315,000 for the purpose of providing funds to (a) refund and defease certain outstanding obligations of the district and (b) pay the costs of issuance related to the bonds. The source of revenues shall be payable from a first lien on the pledged revenues. The bonds outstanding as of August 31, 2022 was \$13,375,000. The bonds are scheduled to mature on August 31, 2034.

On November 12, 2020, the College authorized a bond refunding transaction by issuing the "South Plains Junior College District Revenue Financing System Refunding and Improvements Bonds, Series 2020B" in the amount of \$10,000,000 for the purpose of providing funds to (a) acquire, purchase, construct, improve, renovate, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, of any nature, for and on behalf of the College owned and operated by the College and (b) pay the costs of issuance related to the bonds. The source of revenues shall be payable from a first lien on the pledged revenues. The bonds outstanding as of August 31, 2022 was \$8,900,000. The bonds are scheduled to mature on August 31, 2031.

See **BchY**'\* for changes in long-term liabilities and **BchY**'+ for debt service requirements.

.

#### BchY'-."9 a d'cmYY0g'FYh]fY a Ybh'D'Ub'

The State of Texas has joint contributory retirement plans for almost all of its employees. TRS issues suggested footnote disclosures for pension plans resulting from the implementation of GASB Statement No. 68. The TRS sample footnotes are displayed below and can also be obtained from the TRS website. Certain revisions, including additions and deletions, have been made to the TRS suggested footnote disclosures below to achieve appropriate disclosure for community colleges.

#### Teacher Retirement System of Texas

#### Plan Description

The College 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). TRS's

## GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

#### GC I H<'D@5=BG'7C@@9; 9 NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

Public junior colleges or junior college districts are required

## GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

## GCIH<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

## GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

#### GC I H<'D@5=BG'7C@@9;9 NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

The retirement expense to the State for the College was \$275,095 and \$1,207,065 for the fiscal years ended August 31, 2022 and 2021, respectively.

The total payroll for all College employees was \$31,793,131 and \$30,804,203 for fiscal years 2022 and 2021, respectively. The total payroll for employees covered by the Teacher Retirement System was \$21,112,732 and \$19,977,396, and the total payroll for employees covered by the Optional Retirement Program was \$8,710,338 and \$8,532,199 for fiscal years 2022 and 2021, respectively.

#### BchY'%\$.'''8YZYffYX'7cadYbgUh]cb'Dfc[fUa'

The Pension Trust for South Plains College 401(a) Money Purchase Plan (the "Plan") is a defined contribution plan that allows College employees to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The Plan is essentially an unfunded promise to pay by the employer to each of the Plan participants.

As of August 31, 2022, the College has 348 employees participating in the Plan. There were 160 employees vested as of August 31, 2022. A total of \$110,100 in contributions were invested in the Plan during the fiscal year, bringing the total of deferred salaries and accumulated earnings of current employees to \$1,706,003.

As of August 31, 2021, the College had 355 employees participating in the Plan. There were 163 employees vested as of August 31, 2021. A total of \$109,800 in contributions were invested in the Plan during the fiscal year, bringing the total of deferred salaries and accumulated earnings of current employees to \$2,278,292.

The College implemented GASB Statement No. 84, Fiduciary Activities during the year ended August 31, 2021, which resulted in the Plan activities being reported as part of the College financial statements as fiduciary activities.

#### BchY'%%.'''7c a dYbgUhYX'5VgYbWYg'

The College has adopted a "use it or lose it" policy and does not compensate for unused vacation or sick leave.

#### BchY'%&.'''<YU`h\`7UfY'UbX'@]ZY'=bg i fUbWY'6YbYZ]hg'

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 total contributions for the years ended August 31, 2022 and 2021 were \$3,687,006 and \$3,653,000, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

#### BchY'%'.''Ch\Yf'Dcgh!9 a d`cm a Ybh'6YbYZ]hg'flCD96Ł'

#### Plan Description

The College participates in a cost-sharing, multiple-employer, other post-employment benefit (OPES) 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 post-employment 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

43

## GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

### GC I H<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

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, 2022 and 2021

		&\$&&	2021
Employers	٧.	+**ž*,-ž%*+	\$ 748,369,212
Members (Employees)	٠.	%-&ž(&*ž-(%	\$ 230,151,101
Nonemployer contributing			

### GCIH<'D@5:BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS

#### GC IH<'D@5:BG'7C@@9; 9 NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

### GCIH<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

As of August 31, 2022, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual economic experience	\$	_	\$	1,481,893
Changes in actuarial assumptions  Difference between projected and actual investment	Ψ	4,136,194	Ψ	6,728,791
earnings		10,700		-
Effect of change in proportion and contribution difference		5,937,383		1,552,804
Contributions paid subsequent to the measurement date		, ,		1,502,004
		785.380		-

#### GC I H<'D@5=BG'7C@@9;9 NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

Payables as of August 31, 2022 and 2021 were as follows:

		&\$&& <sup>.</sup>	2021
Vendor payables	Ų. <u> </u>	&ž&\$'ž&(\$`\$	2,045,125
Salaries and benefits payable	•	-+)ž()'	901,081
Students payable	•	-,(ž,(* <sup>·</sup>	798,713
Accrued interest	·	%++ž&\$&`	183,054
Total	v.	(ž'(\$ž+(%°\$	3,927,973

#### $\textbf{BchY'\%*.} \\ \textbf{```7cbhfUWh'UbX'}; \textbf{fUbh'5kUfXg'}$

Contract and grant awards are accounted for in accordance with requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities. Revenues are recogn

### GC I H<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

#### $\label{eq:bchy} \textbf{BchY`\&\$.} \\ \text{```@]e i ]X]hm`UbX`5 jU]`UV]`]hm`Ë`GD7`:c i bXUh]cb`$

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of August 31:

	&\$&8		2021
Financial assets:			
Cash and cash equivalents	%ž&,	+ž+%-`\$	1,209,362
Accrued interest and dividends receivable	•	%ž-()	2,088
Investments	· &*ž),	-ž)*+	29,782,022
Planned gift cash value	· ')	*ž)\$,	337,898
Vacation time share	•	&ž)\$\$	12,500
Pledges receivable	· (ž* -	+ž- ' '	6,854,983
Total Financial assets	' &ž- (	*ž%+&	38,198,853
Less:	•		
Donor restricted net assets	· fl&+ž-*(	(ž&-)Ł	(31,004,720)
Agency amounts	· fl ( ž*	+ž-""Ł"	(6,854,983)
	· fl'&ž**8	<u>k</u> ž&& , Ł˙	, ,

### GCIH<'D@5=BG'7C@@9;9' NOTES TO THE FINANCIAL STATEMENTS AUGUST 31, 2022 and 2021

Changes in endowment net assets consist of the following as of August 31:

	&\$&&`	2021
Endowment net assets, beginning of year	&,ž,*'ž+%'`\$	23,298,834
Contributions	· %ž(%(ž&%&	1,911,749
Investment earnings (loss)	˙ fl'ž"-\$ž*&"Ł˙	4,365,393
Scholarships	fl,",ž,,* <u>L</u> .	(712,263)
Endowment net assets, end of year	<u>*************************************</u>	28,863,713

The Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial

### SOUTH PLAINS COLLEGE SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE YEAR ENDED AUGUST 31, 2022 \* EXHIBIT 4

Fiscal Year Ending August 31,*	2021	2020	2019	2018	2017	2016	2015	2014
College's proportionate share of collective net pension liability (%)	.0206880421	.0213185210	.0220336984	.0210632914	.0216430538	.0215355517	.0219025000	.0240324000
College's proportionate share of collective net pension liability (\$)	\$ 5,268,512 \$	11,417,765 \$	11,453,805 \$	11,593,747 \$	6,920,283 \$	8,137,965 \$	7,742,242 \$	6,419,386
State's proportional share of net pension liability associated with College (\$) Total	\$ 3,666,772 8,935,284 \$	7,817,968 19,235,733 \$	7,618,648 19,072,453 \$	8,321,857 19,915,604 \$	5,065,774 11,986,057 \$	5,863,387 14,001,352 \$	5,595,333 13,337,575 \$	4,671,566 11,090,952
College's covered payroll	\$ 19,977,396 \$	19,793,642 \$	19,113,504 \$	18,062,784 \$	18,022,687 \$	17,207,261 \$	16,361,175 \$	15,402,251
College's proportionate share of collective net pension liability as a percentage of covered payroll  Plan fiduriary net position as percentage of total pension liability A	26.37%	57.68%	59.93%	64.19%	38.40%	47.29%	47.32%	41.68%

the respective fiscal year.

<sup>\*\*</sup>Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

### SOUTH PLAINS COLLEGE SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR PENSIONS LAST EIGHT FISCAL YEARS EXHIBIT 5

Fiscal Year Ending August 31, *	2022**	2021**	2020**	2019**	2018**	2017**	2016**	2015**
Legally required contributions \$ Actual contributions	986,614 \$ (986,614)	881,184 \$ (881,184)	879,195 (879,195)	\$ 770,990 \$ (770,990)	707,964 \$ (707,964)	684,239 (684,239)	\$ 679,003 \$ (679,003)	653,502 (653,502)
Contributions deficiency (excess)	- \$	- 9		\$ - 5	- 9	- :	- \$	<u>-</u>
College's covered payroll amount	21,679,296 \$	19,977,396	519,793,642	\$19,113,504	18,062,784 \$	18,022,687	\$17,207,261 \$	16,361,175
Contributions as a percentage of covered payroll	4.55%	4.41%	4.44%	4.03%	3.92%	3.80%	3.95%	3.99%

<sup>\*</sup>The amounts presented above are as of the College's respective fiscal year-end.

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

### SOUTH PLAINS COLLEGE SCHEDULE OF COLLEGE'S CONTRIBUTIONS FOR OPEB FOR THE YEAR ENDED AUGUST 31, 2022 EXHIBIT 7

Fiscal Year Ending August 31, *		2022**	2021**	2020**		2019**	2018	**
Legally required contributions Actual contributions	\$	785,380 (785,380)	\$ 871,321 (871,321)	\$ 843,185 (843,185)	\$	442,595 (442,595)	\$ 1,304 (1,304	,810 ,810)
Contributions deficiency (excess)	\$	-	\$ -	\$ -	\$	-	\$	
College's covered payroll amount	\$ 2	25,923,798	\$ 25,198,968	\$ 27,921,118	\$2	5,106,985	\$24,329	,118
Contributions as a percentage of covered payroll		3.03%	3.46%	3.02%		1.76%	5	.36%

 $<sup>{}^\</sup>star \text{The}$  amounts presented above are as of the College's respective fiscal year-end.

<sup>\*\*</sup>Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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#### SOUTH PLAINS COLLEGE SCHEDULE OF OPERATING REVENUES FOR THE YEAR ENDED AUGUST 31, 2022

231,104 173,736 16,437,536 -	231,104 173,736 16,437,536	301,889 44,037 16,300,046	TE/III ENGLS /	33331 31, 2322			
12,293,392	12,293,392	12,204,681					
Testing fee Reinstatement fee Building use fee Total Fees		154,878 - 220,860 18,164,215	<u>-</u>	234,082 154,878 - 220,860 18,164,215	Total Net Tuition a Other Operating R Federal grants ar	levenues	207,139 161,247 - 218,310 (17,325,701) 17,276,050
State grants and contracts Non-governmental grants and contrac		Investment income General operating r Total Other Operating	evenues	956,108 X	140,020 43 <u>2,504</u> 3,	795	2,135,444 1,049,827 56, Ngh M/ <b>08</b> 1,0 7 <b>795</b> 140,020 70 <u>0,004</u> -
		Residential life Scholarship allowar TPEG awards Title IV federal gran HEERF Commissions Student programs Total Net Auxiliary El	nterprises	\$ 17 20,976,054		26 <del>7,500</del> \$ 22,449,088 (Exhibit 2)	2,033,684 (88,985) (1,364) (470,482) (275,661) 183,749 92,093 - 1,473,034 * 23,336,639 (Exhibit 2)

<sup>\* -</sup> In accordance with Education Code 56.033, \$274,660 and \$271,135 for years August 31, 2022 and 2021, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

# SOUTH PLAINS COLLEGE STATEMENT OF OPERATING EXPENSES BY OBJECT FOR THE YEAR ENDED AUGUST 31, 2022 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021) SCHEDULE B

				Operating	Ехре	enses			Tota	ls	
		Salaries And Wages	_	Ber State	nefits	Local		Other Expenses	Fiscal Year 2022	Fiscal Year 2021	
Unrestricted - Educational and General Instruction	\$ 	18,236,850	\$		\$ 	4,102,912	\$	,104,961,191 \$ Academic support Student services Institutional suppor Operation and mai Scholarships and fi Total Unrestricted	ntenance of plant	4,10	208,080 \$ 2,164,593 2,718,513 3,397,690 2,111,484 28,838,160
							_	Restricted - Education Instruction Public service Academic support Student services	onal and General		1,092,996 7,118 817,707
Institutional support Scholarships and fellowships			. <u> </u>	(2,698)		316,323		1,439,982 1,205,658 8,556,692	2,990,871 1,202,960 8,556,692	2,059,672 1,058,654 12,293,356	·
Total Restricted		1,917,821		3,439,086		547,147	_	13,277,354	19,181,408	21,007,097	
Total Educational and General	_	30,755,981	. <u>-</u>	3,439,086	_	10,759,435	_	27,260,422	72,214,924	72,415,287	
Auxiliary Enterprises		1,037,150				327,070		1,960,254	3,324,474	3,055,595	
Depreciation expense - buildings and other real estate Depreciation expense - equipment and furniture Depreciation expense - library books	_						_	1,488,397 1,413,939 53,677	1,488,397 1,413,939 53,677	1,553,349 1,276,436 51,986	
Total Operating Expenses	\$	31,793,131	\$	3,439,086	\$	11,086,505	\$_	32,176,689 \$	78,495,411 \$ (Exhibit 2)	78,352,653 (Exhibit 2)	

# SOUTH PLAINS COLLEGE SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED AUGUST 31, 2022 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021) SCHEDULE C

								Т	otals	
	_	Unrestricted	_	Restricted	_	Auxiliary Enterprises	_	Fiscal Year 2022	_	Fiscal Year 2021
NON-OPERATING REVENUES:										
State Appropriations Education and general state support	\$	13,544,798	\$		\$		\$	13,544,798	\$	13,391,436
State group insurance	Ф	13,344,790	Ф	3,163,993	Ф		Ф	3,163,993	Φ	3,179,224
State retirement matching				275,092				275,092		1,207,065
Professional nursing shortage reduction				155,223				155,223		80.584
Total State Appropriations	-	13,544,798	_	3,594,308	_		_	17,139,106	_	17,858,309
Maintenance ad valorem taxes		10,055,928		3,334,300		_		10,055,928		11,477,873
Federal revenue, non-operating		3,161,307		29,452,315				32,613,622		26,809,233
Gifts		3,101,307		29,432,313				32,013,022		500
Gifts in kind								-		14.000
Gifts in aid of debt service								-		1,000,000
Gifts in aid of debt service				5,502,950				5,502,950		452,801
Gain on disposal of capital assets				3,302,930				3,302,930		3,948
Investment income		140,269		E7 17E		0.004		207.425		,
			_	57,175	_	9,981	_	207,425	_	139,142
Total Non-Operating Revenues		26,902,302	_	38,606,748	_	9,981	_	65,519,031	_	57,755,806
NON-OPERATING EXPENSES:										
Interest on capital related debt		8,782		454,125				462,907		501,747
Total Non-Operating Expenses	_	8,782	_	454,125	_	-	_	462,907	_	501,747
NET NON-OPERATING REVENUES	\$	26,893,520	\$_	38,152,623	\$_	9,981	\$_	65,056,124	\$_	57,254,059
	_	·	_	·	_	·	_	(Exhibit 2)	_	(Exhibit 2)

#### SOUTH PLAINS COLLEGE SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY FOR THE YEAR ENDED AUGUST 31, 2022 (WITH MEMORANDUM TOTALS FOR THE YEAR ENDED AUGUST 31, 2021) SCHEDULE D

	_					Detail by Source				_	Available for Cu	ırren	t Operations
		Unrestricted	-	Res Expendable	stric	Non-Expendable	Capital Assets Net of Depreciation and Related Debt	l	Total		Yes		No
Current:	-	Officatioted	-	Experidable		14011-Experidable	and related Debt	-	Total	_	103	_	140
Unrestricted	\$	(49,077,661)	\$		\$		\$	\$	(49,077,661)	\$	(49,077,661)	\$	
Restricted				572,435					572,435				572,435
Auxiliary enterprises Plant:		2,838,676							2,838,676		2,838,676		
Construction							9,544,252		9,544,252				9,544,252
Debt Service							5,144,687		5,144,687				5,144,687
Investment in Plant	_						78,200,559	_	78,200,559				78,200,559
Total Net Position, August 31, 2022		(46,238,985)		572,435		-	92,889,498		47,222,948		(46,238,985)		93,461,933
Total Net Position, August 31, 2021	_	(47,044,174)	_	494,779			84,762,542	-	38,213,147	_	(47,044,174)	_	85,257,321
Net Increase (Decrease) in Net Position	\$	805,189	\$_	77,656	\$	-	\$ 8,126,956	\$	9,009,801 (Exhibit 2)	\$_	805,189	\$_	8,204,612

Federal Grantor/Pass Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Direct Awards	Pass-Through Awards	Total Expenditures
U.S. Department of Education  Direct Programs: Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$	420,463		\$ 420,463
Federal Work-Study Program	84.033		189,632		189,632
Federal Pell Grant Program	84.063		15,928,926		15,928,926
Federal Direct Student Loans	84.268		9,049,309		9,049,309
Total Student Financial Aid Cluster			25,588,330		25,588,330
TM		25	588,330		

#### SOUTH PLAINS COLLEGE

#### Schedule of Expenditures of State Awards For the Year Ended August 31, 2022 Schedule F

	Grant Contract		
Grantor Agency/Program Title	Number	_ <u>_</u>	xpenditures
Texas Higher Education Coordinating Board			
Direct Programs:			
Texas Education Opportunities Grant	13399	\$	811,014
Nursing Shortage Reduction Program	13129		58,334
Total Texas Higher Education Coordinating Board			869,348
Texas Workforce Commission			
JET 00221 001 Grant	0221JET001		144,195
Total Workforce Commission			144,195
Texas Comptroller of Public Accounts			
Peace Officer Allocation			899
Total State Financial Assistance		\$	1,014,442
Note 1: State Assistance Reconciliation			
State Revenues - per Schedule A:		\$	956,108
State Financial Assistance per Schedule of Expenditures of State Awards			1,014,442
Difference (Nursing Shortage Reduction Program Expenditures \$58,334)		\$	(58,334)

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

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



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Certified Public Accountants and Business Advisors

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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.

Company, L.L. P. Condley and

Certified Public Accountants

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302 Pine Street PO Box 2993 Abilene, Texas 79604-2993 Phone 325-677-6251 Fax 325-677-0006 www.condley.com

Certified Public Accountants and Business Advisors

November 9, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

FYdcfh'cb'7cad']UbWY'Zcf'9UW\'AU^cf':YXYfU`'UbX'GhUhY'Dfc[fUa'

Cd]b]cb'cb'9UW\'AU^cf':YXYfU`'UbX'GhUhY'Dfc[fUa'

We have audited South Plains College's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of South Plains College's major federal and state programs for the year ended August 31, 2022. South Plains College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, South Plains College complied, in all material

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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 South Plains 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 GAAS, Government Auditing Standards, the Uniform Guidance, and the State of Texas Single Audit Circular 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

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

Certified Public Accountants

### GCIH<'D@5:BG'7C@@9; 9' SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2022

#### G97H=CB'='Ë'G | AA5FM'C: '5 | 8=HCF0G'F9G | @HG'

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?

 Significant deficiencies identified that are not considered to be material weaknesses?

Noncompliance material to financial statements? No

Federal and State Awards

Internal controls over major program:

Material weakness identified?

• Significant deficiencies identified that are not considered to be material weaknesses?

Type of auditor's report issued on compliance for Unmodified major program:

Any audit findings disclosed that are required to be No reported in accordance with 2 CFR 200.516(a)?

Identification of major program:

<u>CFDA Number (s)</u> <u>Name of Federal/State Program or</u>

Cluster

84.007, 84.033, 84.063, 84.268 Student Financial Aid Cluster

84.425, 84.425E, 84.425F, 84.425L Education Stabilization Fund

N/A – State Program Texas Education Opportunities Grant

(TEOG)

Dollar threshold used to distinguish between Type A

and Type B programs:

\$750,000 (Federal) \$300,000 (State)

Auditee qualified as low-risk auditee? Yes

G97H=CB'=='Ë':=B5B7=5@'GH5H9A9BH':=B8=B; G'

The results of our audit procedures disclosed no findings to be reported for the year ended August 31, 2022.

G97H=CB'==-'E': 989F5@'5K5F8': =B8=B; G'5B8'E I 9GH=CB98'7CGHG'

None reported.

### GCIH<'D@5=BG'7C@@9;9' SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended August 31, 2022

 ${\tt G97H-CB'-J'\ddot{E}'GH5H9'5K5F8':=B8-B;G'5B8'EI9GH-CB98'7CGHG'}$ 

None reported.

### GCIH<'D@5:BG'7C@@9;9' <u>SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS</u> For the Year Ended August 31, 2022

Identifying number 2021-001

Status: Finding was fully corrected.