

**SOUTHWEST TEXAS JUNIOR COLLEGE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2008**

17. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the state provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the state. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The state recognizes the cost of providing these benefits by expending the annual insurance premiums. The state's contribution per full-time employee for the years ended August 31, 2008 and August 31, 2007 were approximately \$300 per month for both years and totaled \$1,706,803 and \$1,130,173 for each year, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for the active employees.

18. Related Parties

The College leases a building from a board member, which is used as a classroom for Adult Basic Education. The College previously advertised for bids and the board member was the only respondent. The lease is \$1,250 a month, renewable on a month - to - month basis.

19. Property Tax

The College's Ad Valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the College District.

	August 31, 2008	August 31, 2007
Assesed Valuation	\$ 1,675,745,594	\$ 1,570,255,446
Less: Exemptions	1,802,289	4,662,012
Net Assessed Valuation	\$ 1,673,943,305	\$ 1,565,593,434