



San Jacinto Community College District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
AUGUST 31, 2013 AND 2012**

Prepared by
The Department of Fiscal Affairs
4624 Fairmont Parkway
Pasadena, Texas 77504

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Comprehensive Annual Financial Report
For the Fiscal Years Ended August 31, 2013 and 2012

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SAN JACINTO COMMUNITY COLLEGE DISTRICT
Organizational Data

Board of Trustees and Key Officers
Year Ended August 31, 2013

Officers

Mr. Dan Mims	Chair
Mr. Larry Wilson	Vice Chair
Mr. John Moon, Jr.	Secretary
Mr. Keith Sinor	Assistant Secretary

Members

		Term Expires
		<u>May 31,</u>
Mr. Dan Mims	Channelview, Texas	2015
Mr. John Moon, Jr.	Pasadena, Texas	2015
Mr. Keith Sinor	Deer Park, Texas	2015
Mr. Brad Hance	Pasadena, Texas	2017
Dr. Ruede Wheeler, D.D.S.	La Porte, Texas	2017
Mrs. Marie Flickinger	Houston, Texas	2019
Mr. Larry Wilson	Pasadena, Texas	2019

Trustee Emeritus

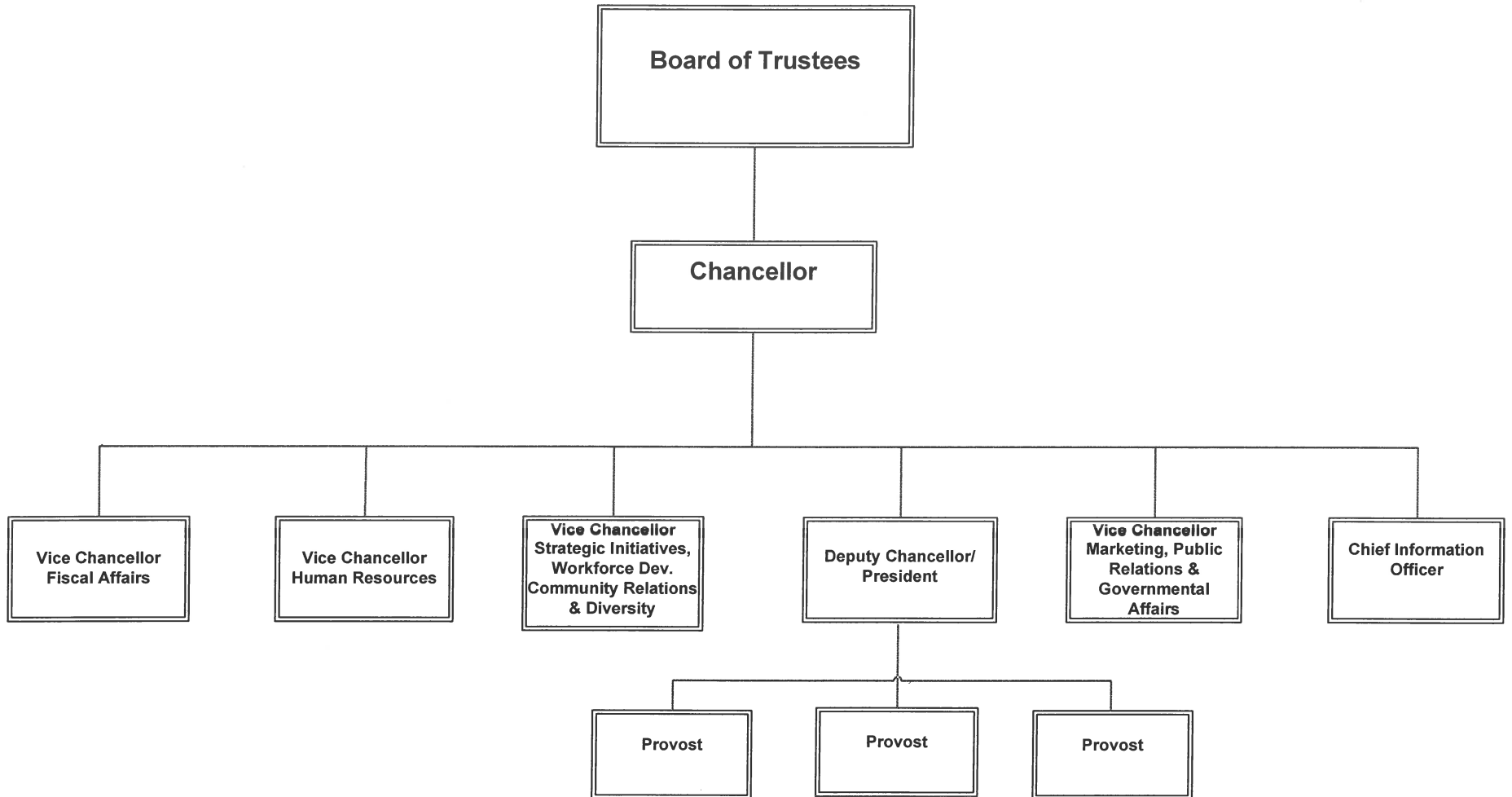
Mr. Ben Meador

Key Officers

Dr. Brenda L. Hellyer	Chancellor
Dr. Laurel V. Williamson	Deputy Chancellor and President
Mrs. Teri Crawford	Vice Chancellor of Marketing, Public Relations and Governmental Affairs
Dr. Allatia Harris	Vice Chancellor Strategic Initiatives, Workforce Development, Community Relations and Diversity
Mr. Kenneth D. Lynn, CPA	Vice Chancellor Fiscal Affairs
Mr. Steve Trncak	Vice Chancellor Human Resources
Mr. Rob Stanicic	Chief Information Officer
Dr. Brenda Jones	Provost
Mr. Van Wigginton, J.D.	Provost
Dr. William Raffetto	Interim Provost

San Jacinto Community College District

August 31, 2013



Vice Chancellor of Fiscal Affairs

December 10, 2013

Dr. Brenda Hellyer, Chancellor

Members of the Board of Trustees

Citizens of the San Jacinto Community College District

The Department of Fiscal Affairs is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the San Jacinto Community College District ("College") for the fiscal years ended August 31, 2013 and 2012. This financial report is published to provide readers with detailed information concerning the financial position and activities of the College. The report consists of management's representations concerning the finances of the College. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report.

To the best of our knowledge and belief, the enclosed financial report is complete and reliable in all material respects. It is organized in a manner designed to fairly present the financial position and results of operations of the College. The accompanying disclosures are necessary to enable the reader to gain an understanding of the College's financial affairs.

HISTORY OF THE COLLEGE

In September of 1961, some 870 students filed into a handful of renovated buildings off Spencer Highway to attend the very first classes offered by San Jacinto College. Since then, we've grown to three campuses and five extension centers offering more than 140 academic and technical degree programs. We now serve approximately 30,000 students. It has been an impressive run.

GETTING STARTED

In May 1960, voters in the Channelview, Deer Park, Galena Park, La Porte and Pasadena school districts approved the creation of East Harris County Union Junior College. They elected seven members to serve on the Board of Regents (now Board of Trustees) and authorized them to levy a tax for the school's operations and maintenance.

In February 1961, the Board of Regents changed the name to The San Jacinto Junior College District. The following September, we opened our doors.

EXPANSION IN THE 70's

Bonds issued in 1972 included funds for a second campus. North Shore High School provided space for classes until the North Campus opened in the fall of 1975. Then, in 1976, bonds were approved for a third campus. J. Frank Dobie High School provided classrooms until San Jacinto College South was ready in September of 1979.

MAJOR UPGRADES AND REACCREDITATION

In December 1999, voters approved the issuing of \$91 million in general obligation bonds, allowing us to add six new buildings including the Interactive Learning Centers and Fine Arts Centers along with substantial infrastructure improvements throughout the district. Then, in May 2008, another vote earmarked \$295 million to create updated science facilities, allied health facilities, library improvements, and physical education facility improvements.

This decade of funding has led to some extraordinary growth and innovation. Clear Horizons Early College High School opened its doors on the South campus in the fall of 2007. A partnership with the Clear Creek ISD, this program allows students to earn an associate degree while simultaneously earning a high school diploma. Since 2007, early college high schools have been established with Pasadena ISD and Sheldon ISD.

We've also faced some tough challenges. In 2008, Hurricane Ike inflicted significant damage to our campuses. But thanks to the strong College leadership and innovative faculty, we were all back in class in less than three weeks with a plan in place for students to complete the semester on time, a fact that didn't elude the Southern Association of Colleges and Schools, who awarded us reaccreditation later that fall.

As we look back over the past five decades, we are very proud of the vision, passion and anything-it-takes attitude that has marked this institution's growth. From the initial enrollment of 850 students, the College has grown to three academic campuses plus an administrative campus, twelve extension centers, approximately 30,000 credit students and approximately 11,900 continuing and professional development students. The College offers over 200 degree and certificate options and provides students the opportunity to be involved in inter-collegiate sports, intramural sports, and the fine arts.

ECONOMIC IMPACT

San Jacinto College plays a significant role in the local economy and is a sound investment from multiple perspectives. Students benefit from improved lifestyles and increased earnings. Taxpayers benefit from a larger economy and lower social costs. The community as a whole benefits from increased job and investment opportunities, higher business revenues, greater availability of public funds and a reduced tax burden.

- The average income at the career midpoint of someone with an associate's degree in Harris County (\$60,700) is 35% higher than a student with a high school diploma (\$44,963).
- Students enjoy a 14.8% rate of return on investment in San Jacinto College through increased lifetime earnings.
- San Jacinto College skills translate to higher earnings for students and increased output for businesses (\$626.8 million per year).
- State and local governments realize a 5.5% rate of return on their support of San Jacinto College.
- San Jacinto College operations generate \$81.9 million in annual income for the Harris County economy.
- The State of Texas will see avoided social costs of \$5.7 million per year due to San Jacinto College students, including savings associated with improved health, reduced crime, and reduced welfare and unemployment.

LOCAL ECONOMY

San Jacinto College is located in Harris County, Texas within the Houston-Sugar Land- Baytown metropolitan area. Houston has ranked as one of the top-performing metropolitan areas in 2012 and continues to lead the nation in population and job growth in 2013. Strengths that have Houston and Texas leading the way are strategic location, expanding energy sector due to extremely high oil and gas production levels in the Eagle Ford Shale region, an expanding sector for all forms of energy, medical advancements, technology, strong import/export activity, near-term expansion of the Panama Canal and the resulting cargo demands on the Port of Houston.

In May, 2013, Business Insider magazine published an article titled "17 Facts That Make Houston the Best City in America". Nine of those 17 reasons are economy related:

- Houston is the country's number one city for job creation.
- Houston's unemployment rate is way below the national level.
- A paycheck goes farther in Houston than any other metropolitan area.
- Housing is affordable: Houston didn't experience a housing bubble the way the rest of the country did.
- Houston is home to more Fortune 500 headquarters than anywhere in America except for New York.
- Houston is called Space City for a reason; it's home of the NASA Astronaut Corps.
- Houston is one of the centers of America's booming oil and gas industry.
- Massive international trade gives another big jobs boost to the rapidly growing city.
- It hosts the world's largest concentration of health care organizations, with scientists working hard to beat cancer.

LEGAL

Texas statutes require the Comptroller of Public Accounts and the Texas Higher Education Coordinating Board to jointly prescribe a system for financial accounting and reporting for institutions of higher education. Pursuant to that requirement, we have prepared the CAFR of the College for the fiscal years ended August 31, 2013 and 2012. Additionally, the College is statutorily required to submit audited financial statements to the Texas Higher Education Coordinating Board by January 1st of each year.

THE AUDIT

The College's financial statements have been audited by a public accounting firm. The goal of the independent audit is to provide a reasonable assurance that the financial statements of the College for the years ended August 31, 2013 and 2012 are free from material misstatement. The independent audits involve examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditors have concluded, based upon the audits, that there is a reasonable basis for rendering an unmodified opinion that the College's financial statements for the years ended August 31, 2013 and 2012 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

To provide a reasonable basis for making these representations, management of the College has established a comprehensive internal control framework that is designed to protect the College's assets from material loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the College's financial statements in conformity with generally accepted accounting principles (GAAP).

The College's system of internal control is supported by written policies and procedures and is continually reviewed, evaluated, and modified to meet current needs. Because the cost of internal controls should not outweigh their benefits, the College's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

THE REPORT

The CAFR is presented in 6 sections: introductory, financial, supplemental schedules, statistical, Federal awards and, State awards. The introductory section includes this transmittal letter, a list of the members of the Board of Trustees and key officers, an organization chart and the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

The financial section is prepared in accordance with generally accepted accounting principles (GAAP). This section of the CAFR includes the Independent Auditors' Report, Management's Discussion and

Analysis, basic financial statements, explanatory notes to the basic financial statements, and required supplementary information.

The supplemental schedules are presented to comply with the reporting requirements of the Texas Higher Education Coordinating Board. The purpose of the supplemental schedules are to present more detailed information to the reader to allow a deeper understanding of the basic financial statements. Analysis of operating revenue, operating expenses by object, non-operating revenue and expenses, and an analysis of net assets by source and availability are presented.

The statistical section provides a historical perspective through ten years of data regarding operations, the College community of students, faculty and communities served by the College and the local economy.

The Federal awards section contains information regarding participation in various Federal programs. The independent auditors are required to conduct a separate audit of Federal programs and the College's system of internal control according to the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133 (Circular A-133). This section contains the auditors' report on the system of internal control, a listing of the Federal programs in which the College participates and the dollar amount of expenditures for each program.

The State awards section contains information about the various State grant programs that the College participates in and the amount expended for the current fiscal year by program. The independent auditors are required to conduct a separate audit of State programs as required by the State of Texas Single Audit Circular. This section contains a listing of the State programs in which the College participates and the dollar amount of expenditures for each program.

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Jacinto Community College District for its comprehensive annual financial report for the fiscal year ended August 31, 2012. This was the sixth consecutive year that the College received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the services of the entire Fiscal Affairs staff. I would like to express my appreciation for their efforts toward advancing the quality and effectiveness of the College's financial reporting processes. Credit should also be given to the Chancellor and the Board of Trustees for their support in maintaining the highest standards of professionalism with regard to the College's financial operations.

Respectfully submitted,



Kenneth D. Lynn, CPA
Vice Chancellor of Fiscal Affairs



Government Finance Officers Association

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

Presented to

**San Jacinto
Community College District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2012

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

Board of Trustees
San Jacinto Community College District:

Report on the Financial Statements

We have audited the accompanying financial statements of the San Jacinto Community College District (the College) as of and for the year ended August 31, 2013, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2013, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

2012 Financial Statements

The financial statements of San Jacinto Community College District as of August 31, 2012, were audited by other auditors whose report dated December 11, 2012, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The supplementary schedules on pages 39 through 42 and statistical section on pages 44 through 61 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of Federal awards and State awards are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*, respectively, and are not a required part of the basic financial statements.

The supplementary schedules and the schedules of expenditures of Federal awards and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedules of expenditures of Federal awards and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, 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 on internal control over financial reporting or on 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.

A handwritten signature in cursive script that reads "Aileen Mayhew".

Houston, Texas
December 10, 2013

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis
Fiscal Year Ended August 31, 2013
(Unaudited)

About San Jacinto Community College District

The San Jacinto Community College District (the College) has served east Harris County in Texas since 1961 demonstrating a partnership between a growing community college and a sprawling area rich in history. The diverse college district has now grown to include three campuses, a network of off-campus learning centers, and online offerings. Total credit enrollment exceeds 30,000 students with approximately 11,900 adult learners enrolled in continuing education classes for personal enrichment or professional development. In order to serve these students, the College employs over 2,400 full-time and part-time personnel. Most faculty have earned master's and doctoral degrees, and many have been nationally recognized for their teaching, research, or authorship.

The College benefits from a solid tax base and proximity to Houston, the largest city in the State of Texas and the nation's fourth largest. The area is also home to the nation's second largest port and NASA's Johnson Space Center. In true community college fashion, the College maintains partnerships with many of the area's import and export companies, major oil and gas refineries, manufacturing firms, and a consortium of aerospace interests. To help meet the specialized workforce needs of the surrounding community, the College has fashioned innovative instructional partnerships with port industries, business, healthcare providers, various foundations and nonprofit organizations, and other colleges and universities.

Working closely with area school districts, the College has built educational ladders which take students from kindergarten to college within a framework that includes state-approved tech prep initiatives, articulation agreements, and dual credit programs. Students are attracted to the College's specialized instructional programs and the transferability of all credits to four-year universities. Students can choose from various certificate programs, workshops, and the following degrees: Associate of Arts, Associate of Science, Associate of Applied Science, and Associate of Arts in Teaching. In total, the College offers more than 140 degree and certificate programs.

The College is governed by a seven-member Board of Trustees (the Board) elected for six-year terms by the taxpayers within its taxing district, which encompasses more than 495,000 citizens and 320 square miles. The Board is responsible for oversight of academic programs, budgets, general administration, and employment of staff and faculty.

Overview of the Annual Financial Report

The College presents its annual financial report in a "business type activity" format, in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The statements are prepared on the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided by the College and expenses and liabilities are recognized when services are provided to the College, regardless of when cash is exchanged.

The annual financial report consists of three basic financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. While each statement presents a unique set of information, they should be used together and in conjunction with the notes to the basic financial statements. This section of the annual financial report is entitled "Management's Discussion and Analysis". It provides an overview of the College's financial activities for the current year along with a comparison to the prior year. In addition, the annual financial report includes an unmodified opinion letter from the College's independent auditors.

Financial Highlights for 2013

- In September of 2012, as part of the 2012-2013 Annual Priorities the College allocated \$1.8 million from reserve to fund the Banner Optimization Project. Banner is the Enterprise Resource Planning software from Ellucian providing the underlying architecture to support enrollment services, finances, financial aid, and human resources throughout the College. Banner was initially implemented in phases from the Fall of 2001 through the Summer of 2003. The Banner Optimization Project for 2013 is an effort by the College through business process modeling and a thorough review of current Banner utilization and capabilities including supporting systems to improve work practice efficiencies and effectiveness, provide access to information, automate workflows, enhance financial aid processing and improve human resource and payroll integration.
- In May of 2013, the Board approved the declaration of a tract of land, containing approximately 21.15 acres located in the Clear Lake area as surplus property and authorized the Chancellor or designee to perform the necessary steps to solicit bids for the sale of the property. A 2008 appraisal of the property obtained by the College valued it at \$15 to \$18 per square foot or approximately \$13.8 million to \$16.6 million. The College intends to establish a minimum amount it will accept for the property based on an updated appraisal. No contract for sale has been entered into as of August 31, 2013.
- During the 2011, legislative session, the Texas legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges in satisfaction of this requirement. Rider 13 restricted the community college appropriations for the State's contribution to the Teacher's Retirement System (TRS) to only six percent of each district's unrestricted General Revenue appropriation for each year of the biennium state budget. Since each community college's unrestricted General Revenue appropriation for the biennium was significantly less than the anticipated total of the college's compensation to be paid to employees, who are TRS participants, the State appropriation was less than that apparently required by the State constitution. The TRS had expectations that the College would provide the difference between the formula required contribution and the amount provided by the State, which is less than the amount believed to be required by the constitution. It was the College's contention, that the State is the employer government legally responsible for the required contributions under GASB Statement No. 27. This position was in agreement with the 50 community colleges in the State of Texas and under the Texas Association of Community Colleges (TACC). During the 83rd Texas Legislative Session, it was determined that future appropriations were contingent on the outstanding budget amount being paid. On July 12, 2013, Community Colleges were notified that pursuant to the General Appropriations Act, 83rd Texas Legislature, Regular Session, Article III, Public Community/Junior Colleges, Rider 22, an amount from each community college district's formula allocation, equal to the amount due and payable for retirement benefits was due. Additionally, any future State payments were contingent on the districts paying TRS in full for retirement contributions for Fiscal Year 2012 and Fiscal Year 2013.

The Board of Trustees approved on August 5, 2013, an amendment to the 2012-2013 operating expenditure budget to recognize additional expenses related to the TRS contributions for 2011-2012 and 2012-2013. The College's total contribution shortage is \$3,969,293; \$2,068,260 for Fiscal Year 2013 and \$1,901,033 for Fiscal Year 2012. Due to the nature of General Appropriations Act, 83rd Texas Legislature, Regular Session, Article III, Public Community/Junior Colleges, Rider 22, the expenditure was designated as funded from reserves. Payment was made August 6, 2013.

Financial Highlights for 2012

- Community colleges in Texas have three primary sources of revenue – State appropriations, ad valorem taxes, and tuition and fees. Historically, the College has endeavored to maintain a balance between the revenue sources so that responsibility for funding College operations is somewhat equally shared. During the 82nd Texas Legislature, funding to community colleges was reduced significantly. This reduction is compounded by unfunded enrollment growth, reduced funding for benefits, and increased costs for implementing mandates.

The College balanced the 2011-2012 budget through a combination of expense reduction strategies (budget reductions, funds and projects repurposed, and a hiring freeze) rather than by increasing tuition or property taxes.

- In the fall of 2010, the College Board of Trustees (the Board) authorized a compensation study to be conducted to provide a comprehensive evaluation of the external market position for the College's jobs, review and develop pay structures and salary grade ranges, and review and recommend compensation practices.

In May of 2012, the Board took a significant step to recognize our employees by moving forward with the study despite the difficult economic times and the reduction in State revenue. They also decided to continue with the project when many other colleges in the State chose not to provide merit or COLA (cost of living adjustments) for their employees.

Internal and external market equities have been addressed, to the extent possible, with the budgeted allotment, as part of the College's overall compensation study conducted in 2012. Recommendations for changes to compensation practices will be addressed in the future based on obtaining an additional understanding of the fiscal, competitive, and strategic impacts. The salary ranges and market competitiveness will not be stagnant, but will be reviewed and monitored on a regular basis.

- In March of 2012, the Board ratified the purchase of 13 acres, more or less, on the Bayport ship channel for one million dollars. The College intends to develop the property as part of a new Maritime Technology program for the Central Campus.

The College leadership proposed a full range of certificates culminating in an Associate of Applied Science (AAS) degree in Maritime Technology. The Associate of Applied Science consists of 61 semester credit hours (SCH); the Able Bodied Seaman certificate of technology consists of 27 SCH; the Professional Mariner C2-level certificate consists of 43 SCH; the Competent Mariner certificate of technology consists of 28 SCH; and the Maritime Dual Credit Career Interest certificate of technology consists of 17 SCH. The degree has multiple exit points wherein each exit point provides a certificate up to the associate degree. The curriculum follows the United States Coast Guard curriculum and regulations pertaining to instruction.

The Gulf Coast is one of the largest regional employers of professional mariners. Over half of the workforce is greater than 50 years of age and replacement workers will be needed. The expansion of the Panama Canal slated for completion in 2014 will require additional employees. The Bureau of Labor and Statistics (BLS) projects an overall increase of 12,000 jobs or 15% for all Water Transportation Occupations (from 81,100 to 93,100) for the period of 2008-2018. The BLS projects a 12% increase (3,800) in positions for Sailors and Marine Oilers, an increase of 16% (6,000) for Ship and Boat Captains and Operators, and an increase of 17% (5,700) for the same time period.

The Texas Labor Market Information source, TRACER, estimates an increase from 3,110 to 3,720 (19.6%) for 2008-2018 for the Gulf Coast. Standardized Occupational Components for Research and Analysis of Trends in Employment System (SOCRATES) projects a 21.6% increase from 3,110 to 3,720 for 2008-2018. The program is also supported by industry which participated in at least two advisory committee meetings during the curriculum development process.

There are no other college programs on the Texas Gulf Coast that offer certificates of technology or associate's degrees in maritime technology. Texas A&M University offers a bachelor degree in maritime administration and College representatives have met with its administrators several times to discuss alignment and partnerships. Additionally, the College has been actively working with local high schools in the development of maritime programs that engage high school students to explore potential career opportunities in the maritime industry. Dual credit offerings in maritime courses will be offered as part of the new programming.

- During the 2011 legislative session, the Texas legislature appropriated retirement funds for various types of educational institutions other than community and junior colleges. In satisfaction of this requirement, in the so-called "Rider 13" to the community college appropriations, the State's contribution to Teachers Retirement System of Texas (TRS)/Optional Retirement Plan (ORP) on behalf of community colleges was restricted to only six percent of each district's unrestricted General Revenue appropriation for each year of the biennium State budget.

Since each community college's unrestricted General Revenue appropriation for the biennium was significantly less than the anticipated total of the college's compensation to be paid to employees who are TRS or ORP participants, the State appropriation was less than that apparently required by the State constitution.

The TRS System of Texas has expectations that the College will provide the difference between the formula required contribution and the amount provided by the State, which is less than the amount believed to be required by the constitution. The College estimates the contribution shortage to be \$1,902,150. It is the College's contention that the State is the employer government legally responsible for the required contributions under GASB Statement No. 27.

The Statement of Net Position

The Statement of Net Position is a point in time financial statement and presents a fiscal snapshot of all assets owned by the College, all liabilities owed by the College to others, the deferred outflows and inflows of resources, and the resulting net position. The focus is to report the total net resources available to finance future services. Assets and liabilities are presented in the order of their liquidity with noncurrent defined as greater than one year. Net positions are displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Increases or decreases to net position are one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention, and other non-financial information. The Statement of Net position is useful in determining the assets available to continue operations as well as how much the College owes to vendors, bondholders, and other entities at the end of the year. The following is prepared from the College's Statement of Net position and provides a summary of its assets, liabilities, and net position for the years ended August 31:

**Summary of Statements of Net Position – Exhibit 1
(In Thousands)**

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Current assets	\$ 103,610	\$ 119,522	\$ 76,660
Noncurrent assets:			
Capital assets, net of depreciation	361,794	326,940	236,471
Other	<u>106,659</u>	<u>129,653</u>	<u>266,704</u>
Total assets	<u>\$ 572,063</u>	<u>\$ 576,115</u>	<u>\$ 579,835</u>
Current liabilities	\$ 55,891	\$ 54,059	\$ 57,051
Noncurrent liabilities	<u>299,541</u>	<u>309,704</u>	<u>318,602</u>
Total liabilities	<u>\$ 355,432</u>	<u>\$ 363,763</u>	<u>\$ 375,653</u>
Net position:			
Invested in capital assets, net of related debt	\$ 135,105	\$ 130,942	\$ 121,440
Restricted - expendable	5,251	3,197	4,199
Unrestricted	<u>76,275</u>	<u>78,213</u>	<u>78,543</u>
Total net position	<u>\$ 216,631</u>	<u>\$ 212,352</u>	<u>\$ 204,182</u>

Fiscal Year 2013 Compared to 2012

Total assets decreased \$4.1 million during 2013 a 0.07% decrease. The consistent modest change in total assets resulted from a \$40.3 million decrease in cash, cash equivalents and investments. Capital assets increased by \$34.9 million related to the on-going construction projects. The College continued its conservative approach to investments through a mixture of Federal agency and municipal securities as well as liquidity in investment pools and money market funds.

The College's current ratio decreased to 1.85 in 2013 from 2.21 in 2012.

Total liabilities decreased by \$8.3 million in 2013, a 2.3% decrease and \$11.9 million in 2012, a 3.2% decrease. This is primarily due to a decrease in bonds payable of \$10.96 million.

Total net position increased by \$4.3 million during 2013, a modest 2.0% increase.

Fiscal Year 2012 Compared to 2011

Total assets decreased \$3.7 million during 2012, a 0.06% decrease. The modest change in total assets resulted from a \$93 million decrease in cash, cash equivalents and investments and were offset by a \$90 million increase in capital assets related to the on-going construction projects. The College continued its conservative approach to investments through a mixture of Federal agency and municipal securities as well as liquidity in investment pools and money market funds.

The College's current ratio increased to 2.21 in 2012 from 1.34 in 2011 due to decreases in current liabilities related to vendor payments as of August 31, 2012, primarily in construction projects.

Total liabilities decreased by \$11.9 million during 2012, a 3.2% decrease due to a decrease in bonds and vendors payable.

Total net position increased by \$8 million during 2012, a 4% increase.

The Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position focuses on the “bottom line results” of the College’s operations. This approach summarizes and simplifies the user’s analysis of the revenues earned and the cost of services. It details how net position has increased during the year ended August 31, 2013, with comparative information for fiscal year 2012. The statement is divided into operating revenues and expenses and non-operating revenues and expenses. Operating revenues are received for providing goods and services to various customers and constituencies of the College. 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 College.

Tuition and auxiliary revenues are shown net of allowances and discounts, depreciation is provided for capital assets, and there is a required subtotal for net operating income or loss. This required subtotal will generally reflect a “loss” for community colleges in Texas. This is primarily due to the way operating and non-operating items are defined by generally accepted accounting principles. For community colleges, State appropriations, ad valorem taxes, and Federal Title IV revenues, while budgeted for operations, are non-exchange transactions and, as such, are treated as non-operating revenues for financial statement purposes.

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

Summary of Revenues, Expenses, and Changes Net Position - Exhibit 2
(In Thousands)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues:			
Operating revenues:			
Student tuition and fees, net of allowances and discounts	\$ 37,525	\$ 32,746	\$ 34,233
Federal grants and contracts	7,366	8,322	7,913
State grants and contracts	2,932	4,824	4,495
Non-government grants and contracts	1,817	1,260	1,470
Sales and services of educational activities	1,322	1,510	1,124
Auxiliary enterprises, net of discounts	3,872	3,895	3,923
General operating revenues	<u>2</u>	<u>1</u>	<u>2</u>
Total operating revenues	<u>54,836</u>	<u>52,558</u>	<u>53,160</u>
Expenses:			
Operating expenses:			
Instruction	70,339	64,118	68,296
Public service	5,208	4,343	3,702
Academic support	13,772	12,750	12,620
Student services	13,740	12,453	13,471
Institutional support	34,962	33,560	31,638
Operation and maintenance of plant	17,298	17,168	15,487
Scholarships and fellowships	40,616	45,304	42,060
Auxiliary enterprises	4,012	3,980	4,125
Depreciation	<u>13,107</u>	<u>9,627</u>	<u>7,798</u>
Total operating expenses	<u>213,054</u>	<u>203,303</u>	<u>199,197</u>
Operating loss	<u>(158,218)</u>	<u>(150,745)</u>	<u>(146,037)</u>
Non-operating revenues (expenses):			
State appropriations	45,888	42,513	47,123
Maintenance ad valorem taxes	48,245	43,476	43,432
Debt service ad valorem taxes	25,381	25,173	21,374
Federal revenue, non-operating	51,797	56,053	51,385
Investment income (net of investment expenses)	369	942	1,100
Interest on capital related debt	(9,183)	(9,135)	(12,144)
Other non-operating revenues (expenses)	<u>-</u>	<u>(107)</u>	<u>(355)</u>
Total non-operating revenues, net	<u>162,497</u>	<u>158,915</u>	<u>151,915</u>
Increase in net position	4,279	8,170	5,878
Net position, beginning of year	<u>212,352</u>	<u>204,182</u>	<u>198,304</u>
Net position, end of year	\$ <u>216,631</u>	\$ <u>212,352</u>	\$ <u>204,182</u>

Fiscal Year 2013 Compared to 2012

Tuition and fee revenue (before allowances and discounts) increased by \$8.1 million in 2013 to \$59.5 million from \$51.4 million in 2012. This increase is the result of consistent enrollment and increases of \$5 to \$21 per semester credit hour tuition depending on residency states in 2013 as well as a \$5 increase in the general service fee to \$140 from \$135 assessed to all credit students per term. It includes tuition and fees for both State-funded academic and non-State funded contract training and workforce development instructional activities. Contact hours decreased by a modest 0.4 million to 11.9 million for 2013, increased by 0.7 million to 12.3 million for 2012 and were 11.6 million contact hours for 2011. The State appropriation per contact hour fluctuated to \$3.10 for 2013, \$2.94 for 2012 and \$3.10 for 2011.

Operating expenses increased by \$9.7 million to \$213 million for 2013 from \$203.3 million for 2012. Five million is attributable to the College paying an increased share of benefits and \$1.9 million was related to the 2012 contingency determined and paid in 2013. Depreciation increased by \$3.5 million due to new buildings that were placed in service in 2012. Scholarships and fellowships decreased by \$4.7 million, attributable primarily to decreases in payments to Federal Title IV recipients for direct loans and grant programs. Auxiliary enterprises remained unchanged at \$4 million.

Increases in net non-operating revenues and expenses totaled \$3.6 million in 2013 from 2012. State appropriations increased by \$3.4 million to \$45.9 million in 2013 from \$42.5 million in 2012. Two and a half million is attributed to an increase in State paid benefits. Ad valorem tax revenue increased by \$5 million to \$73.6 million in 2013 from \$68.6 million in 2012 due to increases in taxable assessed valuations. The maintenance and operations tax rate was increased to \$0.121571 cents and the debt service tax rate was decreased to \$0.064031 cents. The 2012 tax rate of 18.5602 cents per \$100 valuation was the same as the tax rate for 2011. Net investment income decreased to \$369 thousand in 2013 from \$942 thousand in 2012 a decrease of \$573 thousand due to the continuation of lower rates. Interest on capital related debt remained unchanged at \$9.1 million. Federal revenue decreased by \$4.2 million to \$51.8 million in 2013 as compared to \$56 million for 2012 related to Federal Title IV direct loans and grant programs.

Fiscal Year 2012 Compared to 2011

Tuition and fee revenue (before allowances and discounts) increased by \$700 thousand in 2012 to \$51.4 million from \$50.7 million in 2011. This modest increase is the result of consistent enrollment and no increase to tuition in 2012. It includes tuition and fees for both State-funded academic and non-State funded contract training and workforce development instructional activities. Contact hours for 2012 increased by 0.7 million to 12.3 million from 11.6 million contact hours for 2011. Although the contact hours increased, the State appropriation per contact hour decreased by an average of \$0.16 per contact hour. Continuing education courses increased by \$1.3 million overall between State funded and non-funded courses.

Operating expenses increased by \$4.1 million to \$203.3 million for 2012 from \$199.2 million for 2011. Operating expenses related to instruction through operation and maintenance of plant increased by only \$822 thousand. Scholarships and fellowships increased by \$3.2 million, attributable primarily to an increase in payments to Federal Title IV recipients for direct loans and grant programs. Auxiliary enterprises remained unchanged at \$4 million, and depreciation increased by \$1.8 million.

Increases in net non-operating revenues and expenses totaled \$7 million in 2012 from 2011. Ad valorem tax revenue remained unchanged. The College's tax rate for maintenance and operations per \$100 valuation increased to 11.8688 cents for 2012 from 11.4293. The debt service increased to 6.6914 cents for 2012 from 6.1984 cents to offset the increase in debt service payment requirements. Net investment income remained steady at one million due to the continuation of lower rates. Interest on capital related debt declined by \$3 million for 2012. Federal revenue increased by \$4.6 million to \$56 million for 2012 as compared to \$51.4 million for 2011 related to Federal Title IV direct loans and grant programs.

The Statement of Cash Flows

The Statement of Cash Flows reports the cash receipts and cash payments that occurred during the fiscal year with comparative data for the prior year.

The statement helps users assess the College's ability:

- 1) To generate future cash flows;
- 2) To meet its obligations as they come due;
- 3) To meet its needs for external financing.

The sources and uses of cash are categorized by operating, non-capital financing, capital and related financing, and investing activities.

The following chart summarizes the Statements of Cash Flows Exhibit 3 (rounded to the nearest thousand) for the fiscal years ended August 31:

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Cash (used by) provided by:			
Operating activities	\$ (136,067)	\$ (136,473)	\$ (122,474)
Non-capital financing activities	137,588	136,443	131,370
Capital and related financing activities	(42,194)	(94,620)	(4,827)
Investing activities	<u>14,627</u>	<u>105,051</u>	<u>35,760</u>
Net (decrease) increase in cash and cash equivalents	(26,046)	10,401	39,829
Cash and cash equivalents - beginning of year	<u>173,234</u>	<u>162,833</u>	<u>123,004</u>
Cash and cash equivalents - end of year	\$ <u>147,188</u>	\$ <u>173,234</u>	\$ <u>162,833</u>

In accordance with generally accepted accounting principles, State appropriations, maintenance ad valorem tax revenues, and non-operating Federal revenue (Title IV) are reported as revenues from non-exchange transactions and are, therefore, classified as cash flow from non-capital financing activities.

Cash used by the College for operating activities remained constant at \$136 million for 2013 and 2012. State appropriations, maintenance ad valorem tax revenues, and non-operating Federal revenue provided consistent cash flows of \$138 million in 2013, \$137 million in 2012, and \$132 million in 2011. Maintenance tax increased by \$4.25 million and was offset a decrease of \$4.20 million in non-operating Federal revenues for 2013.

In 2012, the College received \$14.6 million from the sale of General Obligation Unlimited Tax Refunding bonds to retire bonds in the 2003 and 2004 series. The College used \$47 million in 2013, \$100 million in 2012, and \$70.9 million in 2011 in payments for purchases of capital assets as part of the on-going construction related projects. The College received in 2011, \$70.9 million from the sale of general obligation bonds. Net cash flows from capital and related financing activities used were \$42.2 million in 2013, \$94.6 million in 2012, and \$5 million in 2011. Net cash flows from investing activities were \$14.6 million in 2013, \$105 million in 2012, \$35.8 million for 2011. This is attributable to changes between pooled investments and securities and use of funds for capital projects.

Net cash provided by operating and non-capital financing activities resulted in a modest \$1.5 million increase in 2013, no increase or decrease for 2012 and provided \$8.9 million for 2011. Net cash used for capital and related financing activities plus investing activities was a use of \$27.6 million for 2013, provided \$10.4 million for 2012 and \$30.9 million for 2011.

Capital Assets and Long-Term Debt Activity

Capital Assets - Fiscal Year 2013

In 2013, the College completed the North Allied Health Science Building, the South Allied Health Science Building, and South Paving and Drainage for a total cost of \$93.3 million. At August 31, 2013, \$31.8 million remained in Construction in Progress for the College's Master Plan which includes the District West Administration Building, Central Davis Library, Central Anders Gym, Central Maintenance and Police Building, Central Transportation Center Build Out, District Maritime Center, North Nichols Gym Renovation, North Lehr Library, South Smallwood Gym, South Parker Williams Library, network upgrades and building renovations on all three campuses, and site work related to Phase 2 athletic field improvements. Several projects undertaken during the year were related to repairs and maintenance and did not qualify for capitalization. Land located on Cunningham Drive, consisting of approximately 1 acre, was purchased for \$214,389. During fiscal year 2013, the College performed a comprehensive review of its fixed assets. As a result of this review, it was determined that fully depreciated assets of \$9,929,579 be written off as of August 31, 2013.

Capital Assets - Fiscal Year 2012

In 2012, the College completed the Central Welding Addition, Central Allied Health Addition, Central Science Building, North Student Success Center, South Student Success Center, and District Wide Graphics for a total cost of \$72 million. At August 31, 2012, \$82.7 million remained in Construction in Progress for Central Davis Library, Central Ander's Gym, Central Maintenance and Police Building, Central Transportation Center Build-Out, Central Primary Service Retrofit, a new North Allied Health Science Building, North Nichol's Gym Renovation, North Lehr Library, a new South Allied Health Science Building, South Smallwood Gym, Parker Williams Library, South Infrastructure, South pavement and drainage improvements, network upgrades and building renovations on all three campuses, site work related to Phase 2 athletic field improvements, and a Maritime Center. Several projects undertaken during the year were related to repairs and maintenance and did not qualify for capitalization. Land located on the Bayport Turning Basin, consisting of 13.06 acres, was purchased for one million.

Long-Term Debt

On October 8, 2013, the Board approved the adoption of the 2013 tax rate of \$18.5602 cents per \$100 valuation. The maintenance and operations tax rate was increased to \$0.125460 cents and the debt service tax rate was decreased to \$0.060142 cents. The recommended 2013 tax rate of 18.5602 cents per \$100 valuation is the same as the total effective tax rate for 2012. The total taxes imposed on a residence homestead at the current year's appraised value of \$103,034 (excluding special exemptions for persons 65 years of age or older or disabled) at the proposed rate will be \$181.95 which is an increase of \$0.75 from 2012. A taxpayer owning a homestead residence and claiming the over 65 or older or disabled exemption would incur no taxes (\$0.00) to the College on a residence taxed at the current year's average market value.

On October 1, 2012, the Board approved the adoption of the 2012 tax rate of \$18.5602 cents per \$100 valuation. The maintenance and operations tax rate was increased to \$0.121571 cents and the debt service tax rate was decreased to \$0.064031 cents. The recommended 2012 tax rate of 18.5602 cents per \$100 valuation is the same as the total effective tax rate for 2011.

The 2012 maintenance and operations tax rate was established to generate approximately \$1.1 million additional revenue as in the prior year which resulted in the adoption of the maintenance and operations effective tax rate (11.9966 cents versus prior rate of 11.8688 cents). The total taxes imposed on a residence homestead with a market value of \$100,000 (excluding special exemptions for persons 65 years of age or older or disabled) at the proposed rate will be \$187.51, an increase of \$2.88 from 2011. A taxpayer owning a homestead residence and claiming the over 65 or older or disabled exemption would incur no taxes (\$0.00) to the College on a residence appraised at the current year's average appraised value.

On June 6, 2012, the Board approved the sale of \$13.8 million of General Obligation Unlimited Tax Refunding Bonds – Series 2012. The Refunding Bonds were used to extinguish all of the Limited Tax General Obligation Bonds, Series 2003 and a significant portion of the Limited Tax General Obligation Bonds, Series 2004. The Refunding Bonds will generate debt service savings in excess of \$1.3 million over the next 20 years. The present value of the stream of future savings is \$1.02 million.

On October 3, 2011, the Board approved the adoption of the 2011 tax rate of \$18.5602 cents per \$100 valuation. The maintenance and operations tax rate was increased to \$0.118688 cents and the debt service tax rate was increased to \$0.066914 cents. The debt service tax rate increase was necessary to fund the increase in debt service requirements related to the \$65 million dollars of newly issued 2011 general obligation bonds. The recommended 2011 tax rate of 18.5602 cents per \$100 valuation is less than the total effective tax rate for 2011.

The 2011 maintenance and operations tax rate was established to generate approximately the same tax revenue as in the prior year which resulted in the adoption of the maintenance and operations effective tax rate (11.8688 cents versus the 2010 rate of 11.4293 cents). The total taxes imposed on a residence homestead at the current year's average market value of \$106,030 (excluding special exemptions for persons 65 years of age or older or disabled) at the proposed rate was \$187.51, an increase of \$6.87 from 2010. A taxpayer owning a homestead residence and claiming the over 65 or older or disabled exemption incurred no taxes (\$0.00) to the College on a residence appraised at the current year's average appraised value.

On October 4, 2010, the Board approved the adoption of the 2010 tax rate of \$17.6277 cents per \$100 valuation. The 2010 maintenance and operations tax rate remained the same as 2009 at \$0.114293 cents and the debt service tax rate was increased from 2009 to \$0.061984 cents. Due to average appraised values on a residence homestead being reduced from \$109,879 in 2009 to \$107,473 in 2010, this resulted in a \$7.03 reduction in overall tax to the homeowner. The tax rate increase was necessary to fund the increase in debt service requirements related to the \$150 million dollars of 2009 general obligation bonds.

On May 10, 2008, a bond referendum providing for the issuance of \$295 million of general obligation bonds for College facilities was approved by the voters. On August 11, 2008, in order to provide funds for architectural design, site work, infrastructure upgrades, facility programming, and other construction activities, the Board approved an initial issuance of \$80 million. On July 15, 2009, the College issued an additional \$150 million of the \$295 million bond authorization, leaving a balance of \$65 million authorized but not issued.

The College is committed to progressing with its construction, facilities management, and technology programs, while still maintaining an aggressive debt payment schedule. As of August 31, 2013, the balance of the College Notes and Bonds Payable is \$307,282,298 a decrease of \$10,958,397 from August 31, 2012.

At August 31, 2013, the College's credit ratings have been affirmed as follows:

	<u>Moody's Investor's Service</u>	<u>Standard & Poor's</u>
General Obligation Bonds	Aa2	AA
Maintenance and Tax Notes	Aa2	AA
Date Affirmed	05/07/2012	05/15/2012

Related information is included in the Notes to Basic Financial Statements:

Note 6 - Capital Assets	Note 7 - Construction Commitments
Note 8 - Noncurrent Liabilities	Note 9 - Bonds and Notes Payable
Note 10 - Debt Obligations	Note 11 - Pledged Revenue Coverage
Note 12 - Refunding Bonds	Note 13 - Defeased Bonds Outstanding

Currently Known Facts, Decisions and Conditions

Looking ahead to fiscal year 2014 and beyond, management sees continuing challenges regarding the levels of State support, increased resistance to property tax increases, and increased pressure to keep tuition and fees affordable for students. Consequently, the College is committed to building upon current efforts to diversify revenue bases, reduce operating costs, develop and expand community partnerships, and manage financial risks, while maintaining a clear focus on quality instructional programs. A clear indication of its focus on quality is the College's emphasis in 2014 on redefining expectations, encouraging the exploration of new opportunities, and empowering students to achieve their goals. The College will continue to focus on strengthening the teaching and learning process while maintaining its sound financial position. San Jacinto Community College District is a dynamic institution which is an integral part of the success of East Harris County and the surrounding communities.

Contacting the College's Financial Management

This financial report is designed to provide the College's citizens, taxpayers, students, investors, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Vice Chancellor of Fiscal Affairs.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Statements of Net Position
August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 61,077,784	\$ 78,086,413
Deposits held by others	-	21,601
Other short-term investments	14,871,679	15,277,681
Accounts receivable, net	24,710,157	23,515,189
Deferred charges	2,471,743	2,167,685
Inventories	479,246	453,787
Total current assets	<u>103,610,609</u>	<u>119,522,356</u>
Noncurrent assets:		
Restricted cash and cash equivalents	86,109,834	95,147,389
Restricted short-term investments	-	22,154,208
Restricted long-term investments	1,042,741	10,004,230
Other long-term investments	17,263,447	-
Bond issuance costs	2,242,920	2,346,606
Capital assets net of accumulated depreciation	321,277,661	235,731,597
Capital assets not being depreciated	40,515,978	91,208,327
Total noncurrent assets	<u>468,452,581</u>	<u>456,592,357</u>
Total assets	<u>572,063,190</u>	<u>576,114,713</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	21,058,643	19,138,205
Accrued liabilities	716,365	579,434
Accrued compensable absences	120,086	154,221
Deferred compensation	10,000	10,000
Deferred revenues	23,624,885	23,219,117
Notes payable - current portion	316,792	251,792
Bonds payable - current portion	10,043,834	10,706,605
Total current liabilities	<u>55,890,605</u>	<u>54,059,374</u>
Noncurrent liabilities:		
Accrued compensable absences	2,620,178	2,421,153
Notes payable	3,449,340	3,766,132
Bonds payable	293,472,332	303,516,166
Total noncurrent liabilities	<u>299,541,850</u>	<u>309,703,451</u>
Total liabilities	<u>355,432,455</u>	<u>363,762,825</u>
<u>Net Position</u>		
Invested in capital assets, net of related debt	135,104,770	130,941,830
Restricted for:		
Expendable:		
Grants	3,265,881	2,492,490
Debt service	1,985,221	704,089
Unrestricted	76,274,863	78,213,479
Total net position (Schedule D)	<u>\$ 216,630,735</u>	<u>\$ 212,351,888</u>

See accompanying notes to basic financial statements.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Operating Revenues</u>		
Student tuition and fees (net of allowances and discounts of \$21,947,176 and \$18,692,369, respectively)	\$ 37,524,566	\$ 32,746,050
Federal grants and contracts	7,365,545	8,321,473
State grants and contracts	2,932,422	4,823,456
Non-governmental grants and contracts	1,817,072	1,260,427
Sales and services of educational and non-educational activities	1,322,296	1,510,234
Auxiliary enterprises (net of discounts)	3,871,491	3,894,798
General operating revenues	<u>2,470</u>	<u>1,443</u>
Total operating revenues (Schedule A)	<u>54,835,862</u>	<u>52,557,881</u>
<u>Operating Expenses</u>		
Instruction	70,339,068	64,117,436
Public service	5,208,105	4,342,374
Academic support	13,772,418	12,750,284
Student services	13,740,400	12,453,085
Institutional support	34,961,561	33,560,335
Operation and maintenance of plant	17,297,843	17,168,307
Scholarships and fellowships	40,615,683	45,303,998
Auxiliary enterprises	4,011,588	3,979,520
Depreciation	<u>13,107,474</u>	<u>9,627,286</u>
Total operating expenses (Schedule B)	<u>213,054,140</u>	<u>203,302,625</u>
Operating loss	<u>(158,218,278)</u>	<u>(150,744,744)</u>
<u>Non-Operating Revenues (Expenses)</u>		
State appropriations	45,888,117	42,513,037
Maintenance ad valorem taxes	48,245,405	43,476,293
Debt service ad valorem taxes	25,381,051	25,172,501
Federal revenue, non-operating	51,797,468	56,053,391
Investment income (net of investment expenses)	368,901	941,926
Interest on capital related debt	(9,183,817)	(9,135,053)
Other non-operating revenues (expenses)	<u>-</u>	<u>(107,383)</u>
Total non-operating revenues, net (Schedule C)	<u>162,497,125</u>	<u>158,914,712</u>
Increase in net position	4,278,847	8,169,968
Net position - beginning of year	<u>212,351,888</u>	<u>204,181,920</u>
Net position - end of year	<u>\$ 216,630,735</u>	<u>\$ 212,351,888</u>

See accompanying notes to basic financial statements.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Statements of Cash Flows
Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>Cash flows from operating activities</u>		
Receipts from students and other customers	\$ 41,529,069	\$ 41,584,359
Receipts of grants and contracts	12,679,341	14,129,811
Payments to suppliers for goods or services	(41,927,730)	(47,255,478)
Payments to or on behalf of employees and fellowships	(107,770,238)	(99,422,450)
Payments of scholarships	(40,577,551)	(45,508,906)
	<u>(136,067,109)</u>	<u>(136,472,664)</u>
<u>Net cash used by operating activities</u>		
<u>Cash flows from non-capital financing activities</u>		
Receipts from state appropriations	38,089,432	37,228,983
Receipts from ad valorem taxes - maintenance and operating	48,044,366	43,751,889
Receipts from non-operating Federal revenue	51,797,468	56,053,391
Payments on notes - principal	(251,792)	(527,676)
Payments on notes - interest	(91,838)	(63,945)
	<u>137,587,636</u>	<u>136,442,642</u>
<u>Net cash provided by non-capital financial activities</u>		
<u>Cash flows from capital and related financing activities</u>		
Receipts from ad valorem taxes - debt service	25,325,292	25,267,297
Purchases of capital assets	(47,753,817)	(100,203,238)
Proceeds from general obligation bonds	-	15,125,040
Payment on capital debt - principal	(10,706,605)	(25,878,459)
Payment on capital debt - interest	(9,058,734)	(8,931,208)
	<u>(42,193,864)</u>	<u>(94,620,568)</u>
<u>Net cash used by capital and related financing activities</u>		
<u>Cash flows from investing activities</u>		
Proceeds from sale and maturities of investments	59,195,000	157,550,000
Investment income	1,498,080	1,984,325
Purchase of investments	(46,065,927)	(54,482,988)
	<u>14,627,153</u>	<u>105,051,337</u>
<u>Net cash provided by investing activities</u>		
(Decrease)/Increase in cash and cash equivalents	(26,046,184)	10,400,747
Cash and cash equivalents, beginning of year	173,233,802	162,833,055
Cash and cash equivalents, end of year	<u>\$ 147,187,618</u>	<u>\$ 173,233,802</u>
<u>Reconciliation of operating loss to net cash used by operating activities</u>		
Operating loss	\$ (158,218,278)	\$ (150,744,744)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	13,107,474	9,627,286
Tax collection fee	95,050	103,590
State retirement match	3,299,337	1,015,973
State group insurance	4,499,348	4,268,081
Changes in assets and liabilities:		
Receivables, net	(1,033,220)	(120,336)
Deferred charges	(282,457)	47,448
Inventories	(25,459)	(90,648)
Accounts payable	2,530,046	(4,176,783)
Accrued liabilities	(609,608)	734,427
Compensated absences	164,890	(413,583)
Deferred revenues	405,768	3,276,625
	<u>(136,067,109)</u>	<u>(136,472,664)</u>
<u>Net cash used by operating activities</u>		

See accompanying notes to basic financial statements.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements August 31, 2013 and 2012

1. Reporting Entity

San Jacinto Community College District (the College) was established in 1960, in accordance with the laws of the State of Texas (State), to serve the educational needs of the Taxing Entity and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College 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.

2. Summary of Significant Accounting Policies

Reporting guidelines

The basic financial statements of the College are presented in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government*, Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and local Governments: Omnibus*. The College is reported as a special government engaged in business-type activities. The basic financial statement presentation provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows. The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The significant accounting policies followed by the College in preparing these basic financial statements are in accordance with the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements.

Adoption of new accounting standard

Effective with the fiscal year ended August, 31, 2013, the College adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. With the implementation of GASB Statement No. 63, the Statement of Net Assets has been renamed to the Statement of Net Position and net assets now becomes net position. Additionally, the Statement of Net Position now includes two new classifications, deferred outflows and deferred inflows of resources, separate from assets and liabilities. Amounts reported as deferred outflows of resources are required to be reported in the Statement of Net Position in a separate section following assets. Likewise, amounts reported as deferred inflows of resources are required to be reported in the Statement of Net Position in a separate section following liabilities. The totals of these two new classifications are added to the total for assets and liabilities, respectively, to arrive at net position. The College had no deferred outflows or deferred inflows of resources for the years ended August 31, 2013 and 2012 and therefore, the adoption of this new standard did not impact the presentation of the basic financial statements, other than the change of the name of the financial statement and the renaming of net assets to net position.

Tuition discounting

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Title IV Higher Education Act Program Funds (HEA) - Certain Title IV HEA funds are received by the College to pass through to the student. These funds are initially received by the College and recorded as non-operating restricted revenue. When the award is used by the student for tuition and fees, the amounts are recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Other tuition discounts - The College awards tuition and fee scholarships from institutional funds to qualifying students. When these amounts are used for tuition and fees, the amounts are recorded as tuition and fee revenue and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of accounting

The basic financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Budgetary data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The College's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and cash equivalents

The College'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. The governing board has designated public funds investment pools to be cash equivalents, as the investments are redeemable on demand.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase and are considered as noncurrent assets.

Inventories

Inventories consist of physical plant supplies. Inventories are valued at cost on a first in, first out basis and are charged to expense as consumed.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Capital assets

Capital assets are long-lived assets in the service of the College and include land, buildings, improvements, equipment, and library books. 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. Renovation in excess of \$100,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful 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 assets' lives are charged to operating expense in the year in which the expense is incurred. The College annually evaluates impairment of capital assets. The College does not believe any impairment exists as of August 31, 2013 and 2012. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings	50 years
Land improvements	20 years
Library books	15 years
Furniture, equipment and vehicles	10 years
Telecommunications and peripheral equipment	5 years

Deferred revenues

Deferred revenues, primarily consisting of tuition and fees, relate to academic terms in the next fiscal year and, as such, have been deferred.

Net position

The College's net position is classified as follows:

Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations 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 - nonexpendable: This represents amounts subject to externally imposed stipulations that they be maintained in perpetuity by the College.

Restricted - expendable: This represents amounts whose use is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to those stipulations or that expire by the passage of time.

Unrestricted: This represents resources derived from student tuition and fees, State appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises which are substantially self-supporting activities that provide services for students, faculty, and staff.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Classification of revenues and expenses

The College defines operating activities, for purposes of reporting on the statement of revenues, expenses, and changes in net position, as those activities that generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. With the exception of interest expense on long-term indebtedness, substantially all College expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, ad valorem taxes, Federal Title IV financial aid funds, and investment income.

Management estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

San Jacinto Community College District is exempt from Federal income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to Federal income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2013 and 2012.

3. Authorized Investments

The Board of Trustees of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board of Trustees' investment policy and the Public Funds Investment Act. Such investments include (1) obligations of the United States and its agencies, (2) directed obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit and, (5) other instruments and obligations authorized by statute.

4. Deposits and Investments

Cash and deposits included on Exhibit 1, Statement of Net position, consist of the items reported below, as of August 31:

	Cash and Deposits	
	<u>2013</u>	<u>2012</u>
Cash and cash equivalents:		
Petty cash on hand	\$ 17,085	\$ 18,025
Investment pools	79,555,834	90,613,928
Money market	<u>66,675,878</u>	<u>77,645,138</u>
Subtotal cash and cash equivalents	146,248,797	168,277,091
Bank deposits - demand deposits	<u>938,821</u>	<u>4,956,711</u>
Total cash and deposits, August 31	\$ <u>147,187,618</u>	\$ <u>173,233,802</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Reconciliation of Cash, Deposits and Investments to Exhibit 1

	Market Value	
	2013	2012
U.S. government securities and municipal bonds	\$ 33,177,867	\$ 47,436,119
Certificates of deposit	-	-
Total investments	<u>\$ 33,177,867</u>	<u>\$ 47,436,119</u>
Total cash, deposits and investments	<u>\$ 180,365,485</u>	<u>\$ 220,669,921</u>
Exhibit 1 - cash, cash equivalents and investments:		
Cash and cash equivalents - current and noncurrent	\$ 147,187,618	\$ 173,233,802
Investments - short-term and long-term	<u>33,177,867</u>	<u>47,436,119</u>
Total cash, cash equivalents and investments	<u>\$ 180,365,485</u>	<u>\$ 220,669,921</u>

As of August 31, the College had the following investments and maturities.

Investment Type	Investment Maturities (in Years)				Weighted Average (Days)	Moody's Rating
	2013 Fair Value	Maturity Less than 1	1 to 2	2 to 3		
U.S. Agencies - FHLMC Call Note	\$ 5,001,810	\$ -	\$ 5,001,810	\$ -	12.50	Aaa
Municipal Obligations	<u>28,176,057</u>	<u>14,871,679</u>	<u>9,731,703</u>	<u>3,572,675</u>	<u>61.75</u>	A2 to Aaa
Totals	<u>\$ 33,177,867</u>	<u>\$ 14,871,679</u>	<u>\$ 14,733,513</u>	<u>\$ 3,572,675</u>	<u>74.25</u>	
<u>2012</u>						
U.S. Agencies - Fannie Mae	\$ 10,004,230	\$ -	\$ 10,004,230	\$ -	20.21	Aaa
Municipal Obligations	<u>37,431,889</u>	<u>37,431,889</u>	<u>-</u>	<u>-</u>	<u>13.48</u>	MIG1/Aa2
Totals	<u>\$ 47,436,119</u>	<u>\$ 37,431,889</u>	<u>\$ 10,004,230</u>	<u>\$ -</u>	<u>33.69</u>	

Interest rate risk

In order to limit interest and market rate risk from changes in interest rates, the College's adopted Investment Policy (the Policy) sets a maximum maturity of three (3) years. The operating funds have a dollar weighted average maturity (WAM) limit of 365 days and debt service funds have a maximum WAM of six (6) months. The bond fund must maintain a 10% liquidity buffer.

During 2013 and 2012, the portfolio contained no investment maturing beyond three (3) years and the dollar weighted average maturity of the total portfolio was 75 days and 34 days as of August 31, 2013 and 2012, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Credit risk

State law and the Policy restrict time and demand deposits to those fully collateralized by obligations of the United States Government or its agencies or instrumentalities or FDIC insured from eligible depositories (banks) doing business in Texas. By the Policy, certificates of deposit are limited to maturities not exceeding one (1) year and are further collateralized to 102% with pledged securities, and all collateral is to be held by an independent custodian. The independent custodian is contractually liable for monitoring and maintaining the collateral margins.

State law and the Policy limit repurchase agreements to primary dealers. The Policy requires an industry standard written master repurchase agreement, independent safekeeping of collateral, and a 102% margin on collateral. Repurchase agreements are limited to a maximum maturity of ninety (90) days except for flex repurchase agreements which are restricted by the Policy to be used only with bond funds and are required to match the expenditure plan of the bond proceeds.

Commercial paper is restricted by State law and the Policy to dual rated A1/P1 paper. The Policy restricts all commercial paper to a maximum maturity of less than 90 days.

Constant dollar, local government investment pools, as defined by State law (2256.016) and approved by the Policy are authorized investments. By State law all local government pools are rated Aaa or equivalent by at least one Nationally Recognized Statistical Rating Organization (NRSRO).

Neither State law nor the Policy require SEC registered money market funds to be rated.

Concentration of credit risk

The Policy requires diversification on all authorized investment types which are monitored on at least a monthly basis. The College will diversify maturity dates and to the extent possible, match investments with anticipated cash flow requirements. No investment stated maturities will exceed three years at the time of purchase. The Policy requires the following diversifications:

<u>Type of Investment</u>	<u>Maximum % of Portfolio</u>
U.S. Treasury Obligations	90 %
U.S. Agency and Instrumentality Obligations	85 %
SEC Registered Money Market Funds	60 %
Repurchase Agreements	75 %
Flex Repurchase (Bond Funds)	100 % of Issue
Collateralized/Insured Certificates of Deposits	20 %
FDIC Insured Brokered Certificates of Deposits	20 %
Negotiable Certificates of Deposits	15 %
Limit per bank	5 %
Local Government Investment Pools	100 %
Participation Per Pool	10 % of Pool
Commercial Paper	25 %
Limit per issuer	5 %
Municipal Obligations	50 %
Limit per issuer	5 %
Limit per geographical region	50 %
Corporate Obligations	30 %
Limit per issuer	5 %

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

As of August 31, 2013:

The investment portfolio consisted of:
 81.08% in investment pools and money market accounts
 18.40% in U.S. Government and Municipal securities and
 0.52% in petty cash and demand deposits.

As of August 31, 2012:

The investment portfolio consisted of:
 76.25% in investment pools and money market accounts
 21.50% in U.S. Government and Municipal securities and
 2.25% in petty cash and demand deposits.

Custodial credit risk

To control custody risk, State law and the College's adopted Investment Policy require collateral for all time and demand deposits and repurchase agreements with securities transferred only on a delivery versus payment basis and held by an independent party approved by the College and held in the College's name. The custodian is required to provide original safekeeping receipts and monthly reporting of positions and position descriptions including market value. Repurchase agreements and deposits must be collateralized to 102% (with 110% on mortgaged-backed securities), and transactions are required to be executed under a written agreement. The counter-party of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

Portfolio disclosure as of August 31, 2013 and 2012:

The Portfolio did not contain any repurchase agreements or certificates of deposit. All bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank's holding company.

5. Disaggregation of Receivables and Payables Balances

Accounts receivable consist of the following at August 31:

	<u>2013</u>	<u>2012</u>
Student receivables	\$ 26,356,570	\$ 23,973,786
Federal receivables	1,848,329	2,225,716
State and local receivables	439,793	626,708
Other receivables	413,619	395,154
Less allowances for doubtful accounts	<u>(7,547,102)</u>	<u>(6,743,375)</u>
Total	<u>21,511,209</u>	<u>20,477,989</u>
Property tax receivable	3,431,698	3,288,580
Less allowances for doubtful accounts	<u>(232,750)</u>	<u>(251,380)</u>
Total	<u>3,198,948</u>	<u>3,037,200</u>
Total accounts receivables, net	<u>\$ 24,710,157</u>	<u>\$ 23,515,189</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Accounts payable and accrued liabilities consist of the following at August 31:

	<u>2013</u>	<u>2012</u>
Vendors payable	\$ 19,093,082	\$ 16,882,667
Students payable	276,507	238,375
Other payables	1,002,210	720,711
Benefits payable	686,844	1,296,452
Accrued interest payable	<u>716,365</u>	<u>579,434</u>
Total accounts payable and accrued liabilities	<u>\$ 21,775,008</u>	<u>\$ 19,717,639</u>

6. Capital Assets

	2013			Balance August 31, 2013
	Balance September 1, 2012	Increase	Decrease	
Not depreciated:				
Land	\$ 8,497,112	\$ 214,389	\$ -	\$ 8,711,501
Construction in progress	<u>82,711,215</u>	<u>45,750,345</u>	<u>96,657,083</u>	<u>31,804,477</u>
Total not depreciated	<u>91,208,327</u>	<u>45,964,734</u>	<u>96,657,083</u>	<u>40,515,978</u>
Other capital assets:				
Buildings	250,865,456	75,496,755	436,539	325,925,672
Land improvements	41,759,482	10,449,529	-	52,209,011
Furniture, equipment and vehicles	21,443,081	6,991,765	4,724,545	23,710,301
Telecommunications and computer peripheral equipment	21,675,654	5,351,225	5,205,034	21,821,845
Library books	<u>7,034,782</u>	<u>364,264</u>	<u>172,257</u>	<u>7,226,789</u>
Total depreciated	<u>342,778,455</u>	<u>98,653,538</u>	<u>10,538,375</u>	<u>430,893,618</u>
Less accumulated depreciation:				
Buildings	62,887,928	6,469,484	436,539	68,920,873
Land improvements	13,630,092	1,946,845	-	15,576,937
Furniture, equipment and vehicles	12,146,391	1,850,614	4,724,545	9,272,460
Telecommunications and computer peripheral equipment	13,885,089	2,605,474	5,205,034	11,285,529
Library books	<u>4,497,358</u>	<u>235,057</u>	<u>172,257</u>	<u>4,560,158</u>
Total accumulated depreciation	<u>107,046,858</u>	<u>13,107,474</u>	<u>10,538,375</u>	<u>109,615,957</u>
Net capital assets	<u>\$ 326,939,924</u>	<u>\$ 131,510,798</u>	<u>\$ 96,657,083</u>	<u>\$ 361,793,639</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

	2012			
	Balance			Balance
	September 1, <u>2011</u>	<u>Increase</u>	<u>Decrease</u>	August 31, <u>2012</u>
Not depreciated:				
Land	\$ 7,484,278	\$ 1,012,834	\$ -	\$ 8,497,112
Construction in progress	<u>58,629,150</u>	<u>95,769,377</u>	<u>71,687,312</u>	<u>82,711,215</u>
Total not depreciated	<u>66,113,428</u>	<u>96,782,211</u>	<u>71,687,312</u>	<u>91,208,327</u>
Other capital assets:				
Buildings	189,317,116	62,079,785	531,445	250,865,456
Land improvements	40,134,042	1,625,440	-	41,759,482
Furniture, equipment and vehicles	16,118,597	5,691,445	366,961	21,443,081
Telecommunications and computer peripheral equipment	16,272,309	5,469,551	66,206	21,675,654
Library books	<u>6,852,902</u>	<u>296,358</u>	<u>114,478</u>	<u>7,034,782</u>
Total depreciated	<u>268,694,966</u>	<u>75,162,579</u>	<u>1,079,090</u>	<u>342,778,455</u>
Less accumulated depreciation:				
Buildings	58,743,631	4,518,567	374,270	62,887,928
Land improvements	11,760,676	1,869,416	-	13,630,092
Furniture, equipment and vehicles	11,335,661	1,173,243	362,513	12,146,391
Telecommunications and computer peripheral equipment	12,223,973	1,727,322	66,206	13,885,089
Library books	<u>4,273,098</u>	<u>338,738</u>	<u>114,478</u>	<u>4,497,358</u>
Total accumulated depreciation	<u>98,337,039</u>	<u>9,627,286</u>	<u>917,467</u>	<u>107,046,858</u>
Net capital assets	<u>\$ 236,471,355</u>	<u>\$ 162,317,504</u>	<u>\$ 71,848,935</u>	<u>\$ 326,939,924</u>

7. Construction Commitments

The College has entered into construction commitments for various projects including the renovation of facilities and the construction of buildings. At August 31, 2013 and 2012, the outstanding commitment under construction contracts for facilities and other projects is approximately \$25 million and \$27 million, respectively.

8. Noncurrent Liabilities

Long-term liability activity for the year ended August 31:

	2013				
	Balance			Balance	Current Portion
	September 1, <u>2012</u>	<u>Increase</u>	<u>Decrease</u>	August 31, <u>2013</u>	
Bonds payable - general obligation bonds	\$ 314,222,771	\$ -	\$ 10,706,605	\$ 303,516,166	\$ 10,043,834
Notes payable - maintenance tax notes	4,017,924	-	251,792	3,766,132	316,792
Deferred compensation	10,000	10,000	10,000	10,000	10,000
Accrued compensable absences	<u>2,575,374</u>	<u>234,977</u>	<u>70,087</u>	<u>2,740,264</u>	<u>120,086</u>
Total	<u>\$ 320,826,069</u>	<u>\$ 244,977</u>	<u>\$ 11,038,484</u>	<u>\$ 310,032,562</u>	<u>\$ 10,490,712</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

	2012				
	Balance September 1, 2011	Increase	Decrease	Balance August 31, 2012	Current Portion
Bonds payable - general obligation bonds	\$ 324,976,190	\$ 15,838,599	\$ 26,592,018	\$ 314,222,771	\$ 10,706,605
Notes payable - maintenance tax notes	4,545,600	-	527,676	4,017,924	251,792
Accrued compensable absences	2,546,632	132,964	104,222	2,575,374	154,221
Deferred compensation	452,325	10,000	452,325	10,000	10,000
Total	\$ <u>332,520,747</u>	\$ <u>15,981,563</u>	\$ <u>27,676,241</u>	\$ <u>320,826,069</u>	\$ <u>11,122,618</u>

9. **Bonds and Notes Payable**

Bonds and notes payable at August 31 are as follows:

<u>General Obligation Bonds</u>	<u>2013</u>	<u>2012</u>
Limited Tax General Obligation Bonds, Series 2004, to construct, improve, renovate, and equip facilities. Issued February 2, 2004, in the amount of \$20,835,000. Tax supported bonds. Interest rates range from 3.125% to 5.125%. Due February 2033.	\$ 840,000	\$ 1,710,000
Limited Tax General Obligation Building and Refunding Bonds, Series 2007, to refund 2001 General Obligation Bonds, to construct, improve, renovate, and equip facilities. Issued May 1, 2007, in the amount of \$24,620,000. Tax supported bonds. Interest rates range from 4.00% to 5.00%. Due February 2033.	16,132,436	17,105,308
Limited Tax Refunding Bonds, Series 2008, to refund 2000 General Obligation Bonds. Issued March 19, 2008, in the amount of \$12,700,000. Tax supported bonds. Interest rates range from 3.00% to 5.00%. Due February 2025.	12,308,622	12,456,007
Limited Tax General Obligation Bonds, Series 2008A, to construct and equip school buildings in the system, including instructional facilities, academic support facilities, administrative support facilities, plant system replacements, technology infrastructure, and for the purchase of necessary sites. Issued September 1, 2008, in the amount of \$80,000,000. Tax supported bonds. Interest rates range from 3.250% to 5.000%. Due February 2038.	59,340,355	60,402,369

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Limited Tax General Obligation Bonds, Series 2009, to construct and equip school buildings in the system, including instructional facilities, academic support facilities, administrative support facilities, plant system replacements, technology infrastructure, and for the purchase of necessary sites. Issued July 15, 2009, in the amount of \$150,000,000. Tax supported bonds. Interest rates range from 3.500% to 5.000%. Due February 2039.

129,686,192 137,471,430

Limited Tax General Obligation Building and Refunding Bonds, Series 2011, to refund a portion of 2009 General Obligation Bonds, to construct and equip facilities, and to purchase sites for school buildings. Issued July 21, 2011, in the amount of \$68,055,568 plus a premium of \$2,863,979. Tax supported bonds. Interest rates range from 1.30% to 4.66%. Due February 2032.

70,720,362 70,819,058

Limited Tax General Obligation Refunding Bonds, Series 2012, to refund 2003 and 2004 General Obligation Bonds. Issued May 23, 2012, in the amount of \$13,800,000 plus a premium of \$548,973, less a discount of \$90,374. Tax supported bonds. Interest rates range from 2.00% to 5.00%. Due February 2033

14,488,199 14,258,599

Maintenance Tax Notes

Maintenance Tax Refunding Notes, Series 2011, to refund 2003 Maintenance Tax Notes. Issued July 21, 2011, in the amount of \$3,850,000 plus a premium of \$185,600. Tax supported notes. Interest rates range from 2.00% to 3.00%. Due February 2022.

3,766,132 4,017,924

Total bonds and notes payable

\$ 307,282,298 \$ 318,240,695

10. Debt Obligations

Debt service requirements as of August 31, 2013 were as follows:

Year Ending August 31,	General Obligation Bonds/Notes		Total Bonds
	<u>Principal</u>	<u>Interest</u>	
2014	\$ 10,360,626	\$ 14,552,215	\$ 24,912,841
2015	9,444,906	16,332,375	25,777,281
2016	10,042,136	13,648,369	23,690,505
2017	10,707,547	12,013,608	22,721,155
2018	10,658,078	11,608,451	22,266,529
2019-2023	53,817,120	57,537,322	111,354,442
2024-2028	59,380,844	46,096,317	105,477,161
2029-2033	60,128,660	27,381,034	87,509,694
2034-2038	68,559,745	12,111,784	80,671,529
2039-2040	<u>14,182,636</u>	<u>520,250</u>	<u>14,702,886</u>
Total	\$ <u>307,282,298</u>	\$ <u>211,801,725</u>	\$ <u>519,084,023</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

11. Pledged Revenue Coverage

The College has pledged a portion of maintenance and operating tax revenues for repayment of 2011 Maintenance Tax Notes as detailed in Note 9. The period covered is from fiscal year 2003 to fiscal year 2022.

Fiscal Year Ended August 31,	Maintenance and Operations Tax	Amount of Pledged Revenue			Percent of Total Pledged to M&O Taxes Recognized
		Principal	Interest	Total	
2003	\$ 26,355,326	\$ 500,000	\$ 161,131	\$ 661,131	2.5085%
2004	29,827,208	2,460,000	510,467	2,970,467	9.9589%
2005	30,668,749	1,290,000	450,370	1,740,370	5.6747%
2006	33,439,538	1,495,000	400,501	1,895,501	5.6684%
2007	37,666,186	510,000	364,018	874,018	2.3204%
2008	42,518,691	1,225,000	330,146	1,555,146	3.6576%
2009	46,492,505	1,225,000	284,065	1,509,065	3.2458%
2010	45,349,704	1,225,000	240,596	1,465,596	3.2318%
2011	43,431,527	690,000	205,808	895,808	2.0625%
2012	43,476,293	527,676	140,814	668,490	1.5376%
2013	48,245,405	251,792	126,750	378,542	0.7846%
2014-2022*	<u>432,000,000</u>	<u>3,766,132</u>	<u>682,750</u>	<u>4,448,882</u>	1.0298%
Total	\$ <u>859,471,132</u>	\$ <u>15,165,600</u>	\$ <u>3,897,416</u>	\$ <u>19,063,016</u>	

* Estimated

12. Refunding Bonds

Limited Tax General Obligation Refunding Bonds, Series 2012

On May 23, 2012, the College issued \$13,800,000 of Limited Tax General Obligation Refunding Bonds, Series 2012. The bonds mature serially through February 2033. The interest rates range from 2.00% to 5.00%. The bonds are to refund the Limited Tax General Obligation Building Bonds, Series 2003 and 2004. The par value of the refunding bonds was \$13,800,000 with a reoffering premium of \$548,973, less a discount of \$90,374.

The total cash flows required to service the refunded bonds as of the effective date of the refunding were \$14,966,700. The aggregate debt service payments of the refunding bonds of \$20,493,611 is \$1,615,412 less than the aggregate debt service payments of the refunded bonds of \$22,109,023. The net present value of the refunding transaction is \$1,019,722 or 7.33%.

Limited Tax General Obligation Building and Refunding Bonds, Series 2011

On July 21, 2011, the College issued \$68,055,568 of Limited Tax General Obligation Building and Refunding Bonds, Series 2011. The bonds mature serially through February 2032. The interest rates range from 1.30% to 5.00%. The bonds are to construct and equip school buildings in the District, for the purchase of necessary sites for school buildings, and to refund the Limited Tax General Obligation Building Bonds, Series 2009. The par value of the refunding bonds was \$3,060,000 with a reoffering premium of \$159,382.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

The total cash flows required to service the refunded bonds as of the effective date of the refunding were \$3,261,907. The aggregate debt service payments of the refunding bonds of \$6,403,494 is \$3,195,494 more than the aggregate debt service payments of the refunded bonds of \$3,208,000. The net present value savings of the refunding transaction is -\$300,948 or -9.834887%.

Maintenance Tax Refunding Notes, Series 2011

On July 21, 2011, the College issued \$3,850,000 of Maintenance Tax Refunding Notes, Series 2011. The notes mature serially through February 2022. The interest rates range from 2.000% to 3.000%. The notes are to refund the Maintenance Tax Notes, Series 2003. The par value of the refunding notes was \$3,850,000 with a reoffering premium of \$185,600.

The total cash flows required to service the refunded notes as of the effective date of the refunding were \$4,122,731. The aggregate debt service payments of the refunded notes of \$5,106,234 is \$315,482 less than the aggregate debt service payments of the refunding notes of \$4,790,752. The net present value of the refunding transaction is \$272,475 or 07.0407%.

Limited Tax Refunding Bonds, Series 2008

On March 19, 2008, the College issued \$12,700,000 of Limited Tax Refunding Bonds, Series 2008. The bonds mature serially through February 2025. The interest rates range from 3.000% to 5.000%. The bonds are to refund the variable rate Limited Tax General Obligation Bonds, Series 2000. The par value of the refunding bonds was \$12,700,000 with a reoffering premium of \$304,487.

The total cash flows required to service the refunded bonds as of the effective date of the refunding were \$13,080,983. The aggregate debt service payments of the refunded bonds of \$24,065,689 is \$2,495,905 less than the aggregate debt service payments of the refunding bonds of \$21,569,784. The net present value of the refunding transaction is \$1,554,032 or 12.236%.

Limited Tax General Obligation Building and Refunding Bonds, Series 2007

On May 1, 2007, the College issued \$24,620,000 of Limited Tax General Obligation Building and Refunding Bonds, Series 2007. The bonds mature serially through February 2033. The interest rates range from 4.000% to 5.000%. The bonds are to construct, improve, renovate, and equip certain District facilities, to purchase necessary sites, and to refund the Limited Tax General Obligation Bonds, Series 2001. The par value of the refunding bonds was \$28,950,000 with a reoffering premium of \$555,711.

The total cash flows required to service the refunded bonds as of the effective date of the refunding were \$24,332,787. The aggregate debt service payments of the refunding bonds of \$28,798,410 is \$17,342,175 less than the aggregate debt service payments of the refunded bonds of \$46,140,585. The net present value savings of the refunding transaction is \$917,099 or 3.168%.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

13. Defeased Bonds Outstanding

For the fiscal years ended August 31, 2013 and 2012, the College had the following defeased bonds outstanding:

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>	
		<u>2013</u>	<u>2012</u>
Limited Tax General Obligation Bonds, Series 2004	2012	\$ 10,845,000	\$ 10,845,000
Limited Tax General Obligation Bonds, Series 2009	2011	<u>560,000</u>	<u>560,000</u>
Total		\$ <u>11,405,000</u>	\$ <u>11,405,000</u>

14. Unrestricted Net Position

The College designates a portion of unrestricted net position to indicate management's tentative plans for future use of financial resources. At August 31, 2013 and 2012, the College has designated \$50 million of accumulated unrestricted net position. The designations consist of \$25 million for business continuity and emergency recovery and \$25 million for repair and renovation of facilities.

15. Operating Lease Commitments and Rental Agreements

The College leases computers, office space, storage space, copiers, and mailing equipment. The following operating lease commitments requiring future minimum annual rental payments for years ending August 31 are as follows:

<u>Year Ending August 31,</u>	<u>2013</u>	<u>2012</u>
2013	\$ -	\$ 1,952,266
2014	2,086,731	1,297,639
2015	1,279,353	325,407
2016	840,862	212,600
2017	532,405	92,346
2018	<u>234,274</u>	<u>-</u>
Total	\$ <u>4,973,625</u>	\$ <u>3,880,258</u>

Computer leases permit automatic renewal at three-month intervals and must be terminated in writing no less than ninety days prior to the end of the lease term. The leases have term expiration dates ranging from 2013 to 2018. In the event sufficient funds are not appropriated for subsequent fiscal years, the leases may be terminated by providing written notice sixty days prior to the end of the current fiscal year period in effect.

Office space leases have term expiration dates ranging from 2013 to 2015. Each agreement contains an escalation clause allowing the landlord to allocate additional direct costs related to the operation of the leased sites. Leases currently in effect contain options to renew and allow for subleasing property with landlord's written consent.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

The lease for record storage space permits automatic renewal every twelve months unless written notice is given at least ninety days in advance. Additional per box charges and service rates apply in addition to a flat monthly rental fee.

The lease for storage space is based on a monthly term with a requirement of thirty days written notice before the contract can be terminated.

Leases for copiers have term expiration dates ranging from 2014 to 2017. Monthly rental fees are based on model and number of units leased.

Operating expenses include \$2,304,310 and \$1,847,835 of lease payments paid during fiscal years 2013 and 2012, respectively.

16. **Employees' Retirement Plan**

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

Teacher Retirement System of Texas

Plan Description. The College contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas State legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from <http://www.trs.state.tx.us/>, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas State legislature. The State funding policy is as follows: (1) The State constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a State contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A State statute prohibits benefit improvements or contribution reductions 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. State law provides for a member contribution rate of 6.4% for fiscal years 2013, 2012, and 2011. The percentage of participant salaries currently contributed by the State are 3.0% for fiscal years 2013 and 2012, and 6.644% for fiscal year 2011. Beginning with fiscal year 2012 the State implemented a cost sharing provision that limits the State to 50% of the State General Revenue eligible employee coverage with the College paying any difference. For fiscal years 2013 and 2012 the College paid 3.0% of participant salaries. In certain instances, the College is required to make all or a portion of the State's contribution for fiscal years 2013, 2012, and 2011.

Optional Retirement Plan (ORP)

Plan Description. The State has also established an optional retirement program (ORP) for institutions of higher education. Participation in ORP is in lieu of participation in TRS. ORP provides for the purchase of individual annuity contracts and operates under the provisions of Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas State legislature. The percentage of participant salaries currently contributed by the State for each participant are 3.0% for fiscal year 2013 and 2012 and 6.4% for fiscal year 2011. Beginning with fiscal year 2012, the State implemented a cost sharing provision that limits the State to 50% of the State General Revenue eligible employee coverage with the College paying any difference. For fiscal years 2013 and 2012, the College paid 3.0% of participant salaries. Employee contribution percentages were 6.65% for fiscal years 2013, 2012, and 2011. The College contributed 2.5% for fiscal years 2013 and 2012 and 2.1% for fiscal year 2011 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, neither the State nor the College has any additional or unfunded liability for this program.

On-behalf payments by the State

These amounts represent the portion of expended appropriations made by the State legislature on behalf of the College. The retirement expense related to TRS and ORP contributions paid by the State for the College was \$4,431,603, \$2,164,927 and \$4,443,773 for the fiscal years ended August 31, 2013, 2012, and 2011, respectively. On-behalf payments of these benefits were recognized as restricted revenues and restricted expenses during the period. The total payroll for all College employees was \$88,983,644, \$86,481,931, and \$87,199,904 for fiscal years 2013, 2012, and 2011, respectively. The total payroll of employees covered by the State for TRS was \$51,545,835, \$48,633,309, and \$47,472,362 and the total payroll of employees covered by the State for ORP was \$19,068,708, \$19,647,658 and \$20,172,978 for fiscal years 2013, 2012, and 2011, respectively. See Schedules B and C.

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 a State sponsored program with premiums 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 contribution per full-time employees was \$85, \$87, and \$291 per month for the years ended August 31, 2013, 2012, and 2011, respectively. The State's cost of providing those benefits for 1,251 active employees was \$1,268,830 and for 487 retirees was \$3,230,518, for a total State funded amount of \$4,499,348 for the year ended August 31, 2013. The State's cost of providing those benefits for 1,246 active employees was \$1,293,586 and for 479 retirees was \$2,974,495, for a total State funded amount of \$4,268,081 for the year ended August 31, 2012. The State's cost of providing those benefits for 1,239 active employees was \$4,324,614 and for 442 retirees was \$2,338,001, for a total State funded amount of \$6,662,615 for the year ended August 31, 2011. The amounts represent the portion of expended appropriations made by the State Legislature on behalf of the College. On-behalf payments of these benefits were recognized as restricted revenues and restricted expenses during the period. See Schedules B and C.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

The following table provides a breakdown of the total premiums paid by fiscal year:

Fiscal Year Ended <u>August 31,</u>	State <u>Paid</u>	<u>%</u>	College <u>Paid</u>	<u>%</u>	Employee <u>Paid</u>	<u>%</u>	Total Annual <u>Premiums</u>
2013	\$ 4,499,348	25.80%	\$10,725,619	61.50%	\$ 2,215,307	12.70%	\$ 17,440,274
2012	\$ 4,268,081	26.61%	\$ 9,604,172	59.89%	\$ 2,164,989	13.50%	\$ 16,037,242
2011	\$ 6,662,615	43.55%	\$ 6,580,501	43.02%	\$ 2,053,949	13.43%	\$ 15,297,065

The Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions*, has been issued and is effective for the fiscal years ended August 31, 2013, 2012, and 2011. The following information is provided to comply with the requirements of the new statement.

Plan Description. The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing multiple-employer, defined benefit post-employment healthcare plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature. ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via their website at <http://www.ers.state.tx.us/>.

Funding Policy. Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS board of trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution. The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees.

The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The College's contributions to the plan for the years ended August 31 are detailed in the table above and equal the required contributions each year.

The Board of Trustees approved a provision in a former Chancellor's contract in 2007 to pay an annual premium of \$7,685 through July of 2026 to provide for a \$500,000 term life insurance policy. The insured has the discretion to name the beneficiary. The College is current on the premium payments as of August 31, 2013, 2012, and 2011, respectively.

18. Compensable Absences

Full-time employees earn annual leave from 6.66 to 16.66 hours per month depending on the number of years employed with the College. The College's policy is that an employee may carry a maximum of 200 hours of his accrued leave forward from one fiscal year to another fiscal year. Employees who terminate their employment are entitled for payment of all annual leave earned in the current year. The College recognized the accrued liability for the unpaid annual leave in the amounts of \$1,342,504 and \$1,217,337 as of August 31, 2013 and 2012, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

The College provides retirement incentive pay for unused sick days accumulated prior to August 1, 1988. To receive the incentive pay, the employees must not terminate for reasons other than leave authorized by Board policy, must retire under the terms of the Teacher Retirement System of Texas, or be paid by reason of death. There is no additional accumulation for retirement incentive pay purposes for any sick days that an employee earned after August 1, 1988. The College recognized for those employees who qualify for retirement incentive pay an accrued liability of \$1,397,760 and \$1,358,037 as of August 31, 2013 and 2012, respectively.

Effective August 1, 1988, the College allows sick leave to accumulate at a rate of eight hours per month to a maximum of 1,280 hours. An employee who is on sick leave will be paid only to the extent of accumulated hours. The College's policy is to recognize the sick leave cost when paid. Upon termination of employment, the employees do not receive payment for unused accumulated sick leave hours.

19. Deferred Compensation

The College has established a deferred compensation plan under which selected executives may elect to defer a portion of their earnings for tax and investment purposes pursuant to authority granted in Government Code 609.001. As of August 31, 2013 and 2012, the College had one employee participant and an accrued liability of \$10,000. Payment to a third-party provider on behalf of the participant was paid in September 2013 and October 2012, respectively.

20. Self-Insured Plans

The College provides workers' compensation insurance through a partially self-funded risk pool. An accrued liability in the amount of \$404,889 and \$553,767 as of August 31, 2013 and 2012, respectively, has been established as an estimate for unpaid claims and incurred but not reported claims. Accrued liabilities are based on an actuarial valuation and represent the present value of unpaid expected claims. Estimated future payments for incurred claims are charged to current operations. The College is not responsible for claims beyond its annual maximum loss limitation.

<u>Liability for Estimated Claims</u>	<u>2013</u>	<u>2012</u>
Beginning Balance, September 1	\$ 553,767	\$ 564,042
Claims incurred and changes in estimates	23,201	236,868
Payments on claims	<u>(172,079)</u>	<u>(247,143)</u>
Ending Balance, August 31	\$ <u>404,889</u>	\$ <u>553,767</u>

21. Ad Valorem Tax completed

The College's ad valorem 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 within the taxing district.

At August 31:

	<u>2013</u>	<u>2012</u>
Assessed valuation of the College	\$ 48,921,297,535	\$ 46,118,994,941
Less: Exemptions	(9,703,352,164)	(9,180,052,695)
Less: Abatements	<u>-</u>	<u>-</u>
Net assessed valuation of the College	\$ <u>39,217,945,371</u>	\$ <u>36,938,942,246</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

	2013			2012		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized tax rate per \$100 valuation	\$ 0.200000	\$ 0.500000	\$ 0.700000	\$ 0.200000	\$ 0.500000	\$ 0.700000
Assessed tax rate per \$100 valuation (Maximum per enabling legislation)	\$ 0.121571	\$ 0.064031	\$ 0.185602	\$ 0.118688	\$ 0.066914	\$ 0.185602

Taxes levied for the years ended August 31, 2013 and 2012, amounted to \$72,789,291 and \$64,559,416, respectively. 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. Harris County and Chamber County Tax collectors are the collecting agencies for the levy and remit the collections to the College, net of collection fees.

Under GASB Statement No. 33, *Accounting and Financial Reporting for Non Exchange Transactions*, ad valorem taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the assets or when the entity receives resources, whichever comes first. The enforceable legal claim date for ad valorem taxes is the assessment date. The College has recognized all assessed taxes in the current year and recorded a receivable for uncollected taxes.

	2013			2012		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Taxes collected for the year						
Current taxes	\$ 46,817,969	\$ 24,680,107	\$ 71,498,076	\$ 42,748,754	\$ 24,687,973	\$ 67,436,727
Delinquent taxes	459,925	241,959	701,884	604,739	349,245	953,984
Penalties and interest	<u>613,957</u>	<u>322,991</u>	<u>936,948</u>	<u>398,396</u>	<u>230,079</u>	<u>628,475</u>
Total collections	<u>\$ 47,891,851</u>	<u>\$ 25,245,057</u>	<u>\$ 73,136,908</u>	<u>\$ 43,751,889</u>	<u>\$ 25,267,297</u>	<u>\$ 69,019,186</u>

Tax collections for the years ended August 31, 2013 and 2012, were 98.23 percent and 104.46 percent, 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.

22. Federal and State Contract and Grant Awards

Federal and State contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audit of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedules A and C. For Federal and State contract and grant awards, funds expended, but not collected, are included in Accounts Receivables on Exhibit 1. Federal and State 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. Federal and State contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2013 and 2012 for which monies have not been received nor funds expended, totaled \$21,400,893 and \$25,366,108, respectively. Of these amounts, \$18,054,439 and \$22,079,318 were from Federal contract and grant awards and \$3,346,454 and \$3,286,790 were from State contract and grant awards for the fiscal years ended August 31, 2013 and 2012, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Basic Financial Statements, Continued

23. **Contingent Liabilities**

Pending lawsuits and claims

As of August 31, 2013, the College is a defendant in various legal actions. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, College management believes that this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

State and Federally assisted programs

The College participates in a number of State and Federally assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the College's compliance with applicable grant requirements will be finally determined at some future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

24. **Related Parties**

The San Jacinto Community College Foundation (Foundation), incorporated in 1996, is a nonprofit organization with the purpose of supporting the educational and general activities of the College. The College does not appoint a voting majority nor does it fund or is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation paid grants of \$466,877 and \$1,080,485 to the College's students and programs during the years ended August 31, 2013 and 2012, respectively. The College furnished certain services, such as office space, utilities, and staff assistance, to the Foundation. The cost of these un-reimbursed services was \$356,591 and \$367,230 for the fiscal years ended August 31, 2013 and 2012, respectively. The financial position of the Foundation is not significant to the College; therefore, it is not included in the College's basic financial statements.

25. **Subsequent Events**

Management has evaluated subsequent events through December 10, 2013, the date which the financial statements were available to be issued. Management of the College has determined that no subsequent events require disclosure in these financial statements.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Operating Revenues
 Year Ended August 31, 2013
 (With Memorandum Totals for the Year Ended August 31, 2012)

	2013				2012	
	Educational Activity		Educational Activity	Auxiliary Enterprises	Total	Total
	Unrestricted	Restricted				
<u>Tuition</u>						
State funded courses:						
In-district resident tuition	\$ 13,083,789	\$ -	\$ 13,083,789	\$ -	\$ 13,083,789	\$ 11,778,059
Out-of-district resident tuition	20,274,540	-	20,274,540	-	20,274,540	15,466,013
Non-resident tuition	2,602,822	-	2,602,822	-	2,602,822	2,609,839
TPEG-credit (set aside) *	1,528,787	-	1,528,787	-	1,528,787	1,386,263
State funded non credit continuing education courses	6,107,686	-	6,107,686	-	6,107,686	5,478,340
TPEG-non-credit (set aside) *	208,272	-	208,272	-	208,272	255,120
Non-state funded educational programs	2,016,042	-	2,016,042	-	2,016,042	1,341,972
Total tuition	<u>45,821,938</u>	<u>-</u>	<u>45,821,938</u>	<u>-</u>	<u>45,821,938</u>	<u>38,315,606</u>
<u>Fees</u>						
General service	9,922,744	-	9,922,744	-	9,922,744	9,655,115
Incidental	727,796	-	727,796	-	727,796	686,338
Instructional	2,223,771	-	2,223,771	-	2,223,771	1,956,789
Laboratory	775,493	-	775,493	-	775,493	824,571
Total fees	<u>13,649,804</u>	<u>-</u>	<u>13,649,804</u>	<u>-</u>	<u>13,649,804</u>	<u>13,122,813</u>
<u>Allowances and discounts</u>						
Allowance for bad debt	(800,000)	-	(800,000)	-	(800,000)	-
Remissions and exemptions - state	(1,020,792)	-	(1,020,792)	-	(1,020,792)	(612,283)
Remissions and exemptions - local	(1,477,315)	-	(1,477,315)	-	(1,477,315)	(1,161,132)
Scholarship allowances	(1,397,313)	-	(1,397,313)	-	(1,397,313)	(1,299,425)
TPEG awards	(322,094)	-	(322,094)	-	(322,094)	(269,718)
Federal grants to students	(15,947,089)	-	(15,947,089)	-	(15,947,089)	(13,854,577)
State grants to students	(982,573)	-	(982,573)	-	(982,573)	(1,495,234)
Total allowances and discounts	<u>(21,947,176)</u>	<u>-</u>	<u>(21,947,176)</u>	<u>-</u>	<u>(21,947,176)</u>	<u>(18,692,369)</u>
Total net tuition and fees	<u>37,524,566</u>	<u>-</u>	<u>37,524,566</u>	<u>-</u>	<u>37,524,566</u>	<u>32,746,050</u>
<u>Other operating revenues</u>						
Federal grants and contracts	270,336	7,095,209	7,365,545	-	7,365,545	8,321,473
State grants and contracts	16,742	2,915,680	2,932,422	-	2,932,422	4,823,456
Non-governmental grants and contracts	-	1,817,072	1,817,072	-	1,817,072	1,260,427
Sales and services of educational activities	394,858	-	394,858	-	394,858	539,117
Sales and services of non-educational activities	927,438	-	927,438	-	927,438	971,117
Investment income (program restricted)	-	2,470	2,470	-	2,470	1,443
Total other operating revenues	<u>1,609,374</u>	<u>11,830,431</u>	<u>13,439,805</u>	<u>-</u>	<u>13,439,805</u>	<u>15,917,033</u>
<u>Auxiliary enterprises</u>						
Bookstores	-	-	-	1,341,663	1,341,663	1,333,498
Child care centers	-	-	-	363,312	363,312	372,043
Less child care center discounts	-	-	-	(112,645)	(112,645)	(133,940)
Food services	-	-	-	1,243,025	1,243,025	1,302,818
Less food service discounts	-	-	-	(277,538)	(277,538)	(246,581)
Student services/other services	-	-	-	1,313,674	1,313,674	1,266,960
Total auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,871,491</u>	<u>3,871,491</u>	<u>3,894,798</u>
Total operating revenues	<u>\$ 39,133,940</u>	<u>\$ 11,830,431</u>	<u>\$ 50,964,371</u>	<u>\$ 3,871,491</u>	<u>\$ 54,835,862</u>	<u>\$ 52,557,881</u>
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, \$1,737,059 and \$1,641,383 for years ended August 31, 2013 and 2012, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Operating Expenses by Object
 Year Ended August 31, 2013
 (With Memorandum Totals for the Year Ended August 31, 2012)

	2013				2012	
	Salaries and Wages	Benefits		Other Expenses	Total	Total
		State	Local			
<u>Unrestricted - educational activities</u>						
Instruction	\$ 50,131,855	\$ -	\$ 8,697,773	\$ 5,254,437	\$ 64,084,065	\$ 57,885,940
Public service	2,074,338	-	518,499	1,992,430	4,585,267	3,823,766
Academic support	7,225,775	-	1,334,180	1,877,771	10,437,726	9,541,918
Student services	8,505,563	-	1,963,972	1,873,238	12,342,773	10,895,913
Institutional support	14,347,210	-	3,100,666	14,700,265	32,148,141	29,520,472
Operation and maintenance of plant	3,399,036	-	1,029,459	12,869,348	17,297,843	17,168,307
Total unrestricted educational activities	<u>85,683,777</u>	<u>-</u>	<u>16,644,549</u>	<u>38,567,489</u>	<u>140,895,815</u>	<u>128,836,316</u>
<u>Restricted - educational activities</u>						
Instruction	602,191	4,900,482	77,938	674,392	6,255,003	6,231,496
Public service	224,725	279,230	28,975	89,908	622,838	518,608
Academic support	954,529	887,587	165,092	1,327,484	3,334,692	3,208,366
Student services	236,488	1,106,943	122	54,074	1,397,627	1,557,172
Institutional support	157,612	1,756,709	13,084	886,015	2,813,420	4,039,863
Scholarships and fellowships	-	-	-	40,615,683	40,615,683	45,303,998
Total restricted educational activities	<u>2,175,545</u>	<u>8,930,951</u>	<u>285,211</u>	<u>43,647,556</u>	<u>55,039,263</u>	<u>60,859,503</u>
Total educational activities	<u>87,859,322</u>	<u>8,930,951</u>	<u>16,929,760</u>	<u>82,215,045</u>	<u>195,935,078</u>	<u>189,695,819</u>
Auxiliary enterprises	1,124,322	-	279,850	2,607,416	4,011,588	3,979,520
Depreciation expense - buildings and improvements	-	-	-	8,416,329	8,416,329	6,387,983
Depreciation expense - equipment, furniture and library books	-	-	-	4,691,145	4,691,145	3,239,303
Total operating expenses	<u>\$ 88,983,644</u>	<u>\$ 8,930,951</u>	<u>\$ 17,209,610</u>	<u>\$ 97,929,935</u>	<u>\$ 213,054,140</u>	<u>\$ 203,302,625</u>
				Exhibit 2		Exhibit 2

SAN JACINTO COLLEGE DISTRICT

Schedule of Non-Operating Revenues and Expenses
 Year Ended August 31, 2013
 (With Memorandum Totals for the Year Ended August 31, 2012)

	2013			2012
	Unrestricted	Restricted	Total	Total
<u>Non-operating revenues</u>				
State appropriations:				
Education and general State support	\$ 36,957,166	\$ -	\$ 36,957,166	\$ 36,080,029
State group insurance	-	4,499,348	4,499,348	4,268,081
State retirement matching	-	4,431,603	4,431,603	2,164,927
Total State appropriations	36,957,166	8,930,951	45,888,117	42,513,037
Ad valorem taxes:				
Maintenance ad valorem taxes	48,245,405	-	48,245,405	43,476,293
Debt service ad valorem taxes	-	25,381,051	25,381,051	25,172,501
Federal revenue, non-operating	116,360	51,681,108	51,797,468	56,053,391
Investment income	207,807	161,094	368,901	941,926
Total non-operating revenues	85,526,738	86,154,204	171,680,942	168,157,148
<u>Non-operating expenses</u>				
Interest on capital related debt	-	9,183,817	9,183,817	9,135,053
Loss on disposal of capital assets	-	-	-	107,383
Total non-operating expenses	-	9,183,817	9,183,817	9,242,436
Net non-operating revenues, net	\$ 85,526,738	\$ 76,970,387	\$ 162,497,125	\$ 158,914,712
			(Exhibit 2)	(Exhibit 2)

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Net Position by Source and Availability
 Year Ended August 31, 2013
 (With Memorandum Totals for the Year Ended August 31, 2012)

	Detail by Source				Current Operations	
	Unrestricted	Restricted	Capital Assets	Total	Yes	No
		Expendable	Net of Depreciation and Related Debt			
<u>Current</u>						
Unrestricted -						
Non-designated	\$ 11,979,868	\$ -	\$ -	\$ 11,979,868	\$ 11,979,868	\$ -
Board designated:						
Business continuity and emergency recovery	25,000,000	-	-	25,000,000	-	25,000,000
Repair and renovation of facilities	25,000,000	-	-	25,000,000	-	25,000,000
Restricted	-	3,265,881	-	3,265,881	-	3,265,881
Auxiliary	14,294,995	-	-	14,294,995	14,294,995	-
<u>Plant</u>						
Debt service	-	1,985,221	-	1,985,221	-	1,985,221
Investment in plant	-	-	135,104,770	135,104,770	-	135,104,770
Total net position, August 31, 2013	76,274,863	5,251,102	135,104,770	216,630,735	26,274,863	190,355,872
Total net position, August 31, 2012	78,213,479	3,196,579	130,941,830	212,351,888	28,213,479	184,138,409
Net (decrease) increase in net position	\$ (1,938,616)	\$ 2,054,523	\$ 4,162,940	\$ 4,278,847	\$ (1,938,616)	\$ 6,217,463

Exhibit 2

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Statistical Section
Table of Contents

	<u>Statistical Supplements</u>
Financial Trends	1 - 3
These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	
Revenue Capacity	4 - 8
These schedules contain trend information to help the reader assess the factors affecting the College's ability to generate property taxes, tuition, grants, and other revenue.	
Debt Capacity	9 - 11
The debt capacity information will assist the reader in understanding and assessing the College's debt burden and ability to issue debt.	
Demographic and Economic Information	12 - 13
The demographic and economic information is presented to assist users in understanding certain aspects of the environment in which the College operates.	
Operating Information	14 - 18
These schedules contain contextual information to help the reader assess the delivery and effectiveness of College operations.	

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Invested in capital assets, net of related debt	\$ 135,105	\$ 130,942	\$ 121,440	\$ 109,326	\$ 89,074	\$ 78,719	\$ 65,385	\$ 64,389	\$ 60,990	\$ 54,161
Restricted - expendable	5,251	3,197	4,199	4,624	6,549	5,715	10,067	13,957	9,892	27,636
Restricted - nonexpendable	-	-	-	-	-	-	-	12	12	12
Unrestricted	<u>76,275</u>	<u>78,213</u>	<u>78,543</u>	<u>84,354</u>	<u>89,116</u>	<u>77,145</u>	<u>74,419</u>	<u>60,851</u>	<u>55,981</u>	<u>39,144</u>
Total primary government net position	<u>\$ 216,631</u>	<u>\$ 212,352</u>	<u>\$ 204,182</u>	<u>\$ 198,304</u>	<u>\$ 184,739</u>	<u>\$ 161,579</u>	<u>\$ 149,871</u>	<u>\$ 139,209</u>	<u>\$ 126,875</u>	<u>\$ 120,953</u>
Prior Year Change	\$ 4,279	\$ 8,170	\$ 5,878	\$ 13,565	\$ 23,160	\$ 11,708	\$ 10,662	\$ 12,334	\$ 5,922	

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Revenues by Source
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tuition and fees (net of allowances and discounts)	\$ 37,525	\$ 32,746	\$ 34,233	\$ 31,298	\$ 30,069	\$ 29,220	\$ 28,361	\$ 27,358	\$ 24,446	\$ 28,868
Governmental grants and contracts:										
Federal grants and contracts	7,366	8,322	7,913	6,722	5,810	6,474	5,187	5,089	3,734	3,054
State and local grants and contracts	2,932	4,824	4,495	3,521	3,090	3,816	2,354	805	449	761
Non-governmental grants and contracts	1,817	1,260	1,470	1,265	1,014	795	831	638	783	425
Sales and services of educational activities	1,322	1,510	1,124	869	735	734	562	659	1,121	796
Auxiliary enterprises	3,872	3,895	3,923	3,755	3,668	3,581	5,748	9,463	8,154	11,299
Other operating revenues	2	1	2	2	-	22	43	35	26	13
Total operating revenues	<u>54,836</u>	<u>52,558</u>	<u>53,160</u>	<u>47,432</u>	<u>44,386</u>	<u>44,642</u>	<u>43,086</u>	<u>44,047</u>	<u>38,713</u>	<u>45,216</u>
State appropriations	45,888	42,513	47,123	47,400	47,838	47,658	44,310	43,906	41,472	41,457
Ad valorem taxes	73,626	68,649	64,806	67,377	65,388	53,316	47,231	42,073	38,777	37,984
Federal revenue, non-operating	51,797	56,053	51,385	40,151	24,744	19,511	19,763	22,629	22,646	19,802
Investment income	369	942	1,100	1,649	2,623	3,363	4,908	3,213	2,019	1,636
Total nonoperating revenues	<u>171,680</u>	<u>168,157</u>	<u>164,414</u>	<u>156,577</u>	<u>140,593</u>	<u>123,848</u>	<u>116,212</u>	<u>111,821</u>	<u>104,914</u>	<u>100,879</u>
Total revenues	<u>\$ 226,516</u>	<u>\$ 220,715</u>	<u>\$ 217,574</u>	<u>\$ 204,009</u>	<u>\$ 184,979</u>	<u>\$ 168,490</u>	<u>\$ 159,298</u>	<u>\$ 155,868</u>	<u>\$ 143,627</u>	<u>\$ 146,095</u>
Prior Year Change	\$ 5,801	\$ 3,141	\$ 13,565	\$ 19,030	\$ 16,489	\$ 9,192	\$ 3,430	\$ 12,241	\$ (2,468)	\$ 23,111
Tuition and fees (net of discounts)	16.57%	14.84%	15.73%	15.34%	16.26%	17.34%	17.80%	17.55%	17.02%	19.76%
Federal grants and contracts	3.25%	3.77%	3.64%	3.29%	3.14%	3.84%	3.26%	3.26%	2.60%	2.09%
State and local grants and contracts	1.29%	2.19%	2.07%	1.73%	1.67%	2.26%	1.48%	0.52%	0.31%	0.52%
Non-governmental grants and contracts	0.80%	0.57%	0.68%	0.62%	0.55%	0.47%	0.52%	0.41%	0.55%	0.29%
Sales and services of educational activities	0.58%	0.68%	0.52%	0.43%	0.40%	0.44%	0.35%	0.42%	0.78%	0.54%
Auxiliary enterprises	1.71%	1.76%	1.80%	1.84%	1.98%	2.13%	3.61%	6.07%	5.68%	7.73%
Other operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.03%	0.02%	0.02%	0.01%
Total operating revenues	<u>24.20%</u>	<u>23.81%</u>	<u>24.43%</u>	<u>23.25%</u>	<u>24.00%</u>	<u>26.50%</u>	<u>27.05%</u>	<u>28.26%</u>	<u>26.95%</u>	<u>30.95%</u>
State appropriations	20.26%	19.26%	21.66%	23.23%	25.86%	28.29%	27.82%	28.17%	28.87%	28.38%
Ad valorem taxes	32.50%	31.10%	29.79%	33.03%	35.35%	31.64%	29.65%	26.99%	27.00%	26.00%
Federal revenue, non-operating	22.85%	25.40%	23.62%	19.68%	13.38%	11.58%	12.41%	14.52%	15.77%	13.55%
Investment income	0.16%	0.43%	0.51%	0.81%	1.42%	2.00%	3.08%	2.06%	1.41%	1.12%
Total nonoperating revenues	<u>75.77%</u>	<u>76.19%</u>	<u>75.57%</u>	<u>76.75%</u>	<u>76.00%</u>	<u>73.50%</u>	<u>72.95%</u>	<u>71.74%</u>	<u>73.05%</u>	<u>69.05%</u>
Total revenues	<u>99.97%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Program Expenses by Function
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction	\$ 70,339	\$ 64,118	\$ 68,296	\$ 60,430	\$ 55,593	\$ 57,487	\$ 48,927	\$ 46,147	\$ 43,506	\$ 40,122
Public service	5,208	4,343	3,701	4,446	3,409	3,882	2,376	2,638	2,342	2,629
Academic support	13,772	12,750	12,620	10,088	10,557	12,486	8,978	6,514	6,143	5,870
Student services	13,740	12,453	13,471	13,239	12,343	11,830	8,108	7,724	7,619	7,199
Institutional support	34,962	33,560	31,638	30,855	26,367	25,643	29,608	27,287	24,294	25,268
Operation and maintenance of plant	17,298	17,168	15,487	13,427	14,163	14,820	14,218	12,251	12,781	10,705
Scholarships and fellowships	40,616	45,304	42,061	34,194	21,152	16,508	18,335	16,417	16,595	17,624
Auxiliary enterprises	4,012	3,980	4,125	4,044	3,929	3,656	5,832	13,107	10,137	10,181
Depreciation	13,107	9,627	7,798	6,816	7,626	6,765	6,811	6,929	6,923	7,103
Total operating expenses	<u>213,054</u>	<u>203,303</u>	<u>199,197</u>	<u>177,539</u>	<u>155,139</u>	<u>153,077</u>	<u>143,193</u>	<u>139,014</u>	<u>130,340</u>	<u>126,701</u>
Interest on capital related debt	9,184	9,135	12,144	12,355	6,600	3,544	3,872	3,645	3,953	3,282
Loss on disposal of capital assets	-	-	355	1,170	249	162	59	348	2,747	-
Other non-operating	-	107	-	(620)	(169)	-	1,510	526	666	6,002
Total non-operating expenses	<u>9,184</u>	<u>9,242</u>	<u>12,499</u>	<u>12,905</u>	<u>6,680</u>	<u>3,706</u>	<u>5,441</u>	<u>4,519</u>	<u>7,366</u>	<u>9,284</u>
Total expenses	<u>\$ 222,238</u>	<u>\$ 212,545</u>	<u>\$ 211,696</u>	<u>\$ 190,444</u>	<u>\$ 161,819</u>	<u>\$ 156,783</u>	<u>\$ 148,634</u>	<u>\$ 143,533</u>	<u>\$ 137,706</u>	<u>\$ 135,985</u>
Prior Year Change	\$ 9,693	\$ 849	\$ 21,252	\$ 28,625	\$ 5,036	\$ 8,149	\$ 5,101	\$ 5,827	\$ 1,721	\$ 13,515
Instruction	31.65%	30.17%	32.26%	31.73%	34.36%	36.67%	32.92%	32.15%	31.59%	29.50%
Public service	2.34%	2.04%	1.75%	2.33%	2.11%	2.48%	1.60%	1.84%	1.70%	1.93%
Academic support	6.20%	6.00%	5.96%	5.30%	6.52%	7.96%	6.04%	4.54%	4.46%	4.32%
Student services	6.18%	5.86%	6.36%	6.95%	7.63%	7.55%	5.46%	5.38%	5.53%	5.29%
Institutional support	15.73%	15.79%	14.95%	16.20%	16.29%	16.36%	19.92%	19.01%	17.64%	18.58%
Operation and maintenance of plant	7.78%	8.08%	7.32%	7.05%	8.75%	9.45%	9.57%	8.54%	9.28%	7.87%
Scholarships and fellowships	18.28%	21.32%	19.87%	17.95%	13.07%	10.53%	12.34%	11.44%	12.05%	12.96%
Auxiliary enterprises	1.81%	1.87%	1.95%	2.12%	2.43%	2.33%	3.92%	9.13%	7.36%	7.49%
Depreciation	5.90%	4.53%	3.68%	3.58%	4.71%	4.31%	4.58%	4.83%	5.03%	5.22%
Total operating expenses	<u>95.87%</u>	<u>95.65%</u>	<u>94.10%</u>	<u>93.22%</u>	<u>95.87%</u>	<u>97.64%</u>	<u>96.34%</u>	<u>96.85%</u>	<u>94.65%</u>	<u>93.17%</u>
Interest on capital related debt	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on disposal of capital assets	0.00%	0.00%	0.17%	0.61%	0.15%	0.10%	0.04%	0.24%	1.99%	0.00%
Other non-operating	0.00%	0.05%	0.00%	-0.33%	-0.10%	0.00%	1.02%	0.37%	0.48%	4.41%
Total non-operating expenses	<u>4.13%</u>	<u>4.35%</u>	<u>5.90%</u>	<u>6.78%</u>	<u>4.13%</u>	<u>2.36%</u>	<u>3.66%</u>	<u>3.15%</u>	<u>5.35%</u>	<u>6.83%</u>
Total expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Tuition and Fees
Last Ten Academic Years
(Unaudited)

Academic Year (Fall)	Matriculation Fee	General Service Fee	Resident Fees per Semester Credit Hour (SCH)				Student Activity Fees	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
			In-District Tuition	Out-of-District Tuition	Technology Fees						
2013	\$ -	\$ 140	\$ 43	\$ 84	\$ -	\$ -	\$ 656	\$ 1,148	11.00%	28.85%	
2012	-	135	38	63	-	-	591	891	-	-	
2011	-	135	38	63	-	-	591	891	-	-	
2010	-	135	38	63	-	-	591	891	12.36%	7.87%	
2009	-	130	33	58	-	-	526	826	-	-	
2008	-	130	33	58	-	-	526	826	-	-	
2007	-	130	33	58	-	-	526	826	7.35%	4.56%	
2006	-	130	30	55	-	-	490	790	-	-	
2005	-	130	30	55	-	-	490	790	13.16%	11.42%	
2004	15	60	22	45	6	14	433	709	-	-	

Academic Year (Fall)	Matriculation Fee	General Service Fee	Non-Resident Fees per Semester Credit Hour (SCH)				Student Activity Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
			Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Technology Fees						
2013	\$ -	\$ 140	\$ 134	\$ 134	\$ -	\$ -	\$ 1,748	\$ 1,748	17.24%	17.24%	
2012	-	135	113	113	-	-	1,491	1,491	-	-	
2011	-	135	113	113	-	-	1,491	1,491	-	-	
2010	-	135	113	113	-	-	1,491	1,491	4.56%	4.56%	
2009	-	130	108	108	-	-	1,426	1,426	-	-	
2008	-	130	108	108	-	-	1,426	1,426	-	-	
2007	-	130	108	108	-	-	1,426	1,426	38.45%	38.45%	
2006	-	130	75	75	-	-	1,030	1,030	-	-	
2005	-	130	75	75	-	-	1,030	1,030	4.57%	4.57%	
2004	15	60	68	68	6	14	985	985	-	-	

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(Amounts expressed in thousands)			Ratio of TAV to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2012-13	\$ 48,921,297	\$ 9,703,352	\$ 39,217,945	80.17%	0.121571	0.064031	0.185602
2011-12	46,118,995	9,180,053	36,938,942	80.09%	0.118688	0.066914	0.185602
2010-11	44,981,763	8,340,379	36,641,384	81.46%	0.114293	0.061984	0.176277
2009-10	47,500,387	8,333,505	39,166,882	82.46%	0.114293	0.056507	0.170800
2008-09	47,918,939	8,436,860	39,482,079	82.39%	0.115927	0.047484	0.163411
2007-08	43,571,837	7,403,078	36,168,759	83.01%	0.115927	0.029438	0.145365
2006-07	39,245,803	7,035,225	32,210,578	82.07%	0.115927	0.029438	0.145365
2005-06	34,824,332	6,030,925	28,793,407	82.68%	0.115927	0.029438	0.145365
2004-05	31,370,541	3,928,408	27,442,133	87.48%	0.109700	0.029430	0.139130
2003-04	30,129,024	3,576,980	26,552,044	88.13%	0.109700	0.029430	0.139130

Source: Harris County Appraisal District

Notes: Property is assessed at full market value.
(a) Per \$100 Taxable Assessed Valuation

SAN JACINTO COMMUNITY COLLEGE DISTRICT

State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years

(Unaudited)

(Amounts expressed in thousands)

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc-Tech Contact Hours (b)	Total Contact Hours	
2012-13	\$ 36,957	21	\$ 1,760	8,254	3,671	11,925	\$ 3.10
2011-12	36,080	22	1,640	8,493	3,768	12,261	2.94
2010-11	36,017	23	1,566	8,200	3,435	11,635	3.10
2009-10	36,378	21	1,732	7,455	3,284	10,739	3.39
2008-09	37,123	18	2,062	7,191	3,097	10,288	3.61
2007-08	37,123	18	2,062	6,852	3,119	9,971	3.72
2006-07	35,203	18	1,956	6,781	3,148	9,929	3.55
2005-06	35,203	17	2,071	6,739	3,288	10,027	3.51
2004-05	32,999	17	1,941	6,395	3,447	9,842	3.35
2003-04	32,999	16	2,062	6,497	3,367	9,864	3.35

Notes: Full Time Student Equivalent (FTSE) is defined as the number credit hours for the entire fiscal year divided by 30 plus the number of CPD contact hours divided by 900.

(a) Source CBM001 for FTSE

(b) Source THECB for Appropriation per Contact Hours (Prep Online Total Contact Hours by Fund)

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Houston Refining	Refinery	\$ 2,739,314	\$ 1,757,010	\$ 662,539	\$ 702,549	\$ 1,101,988	\$ 1,149,523	\$ 925,293	\$ -	\$ -	\$ -
Shell Oil Co.	Refinery	1,675,362	1,676,231	1,713,216	1,486,769	1,877,717	2,322,379	2,259,147	2,023,449	1,535,652	1,357,730
Equistar Chemicals LP	Chemicals	1,063,952	970,267	918,205	848,797	732,388	1,355,749	1,237,973	-	998,731	887,592
Lyondell Chemical Co.	Chemicals	812,824	786,743	705,239	592,522	550,065	878,319	842,933	1,548,825	1,125,395	649,833
Rohm & Haas Co.	Petrochemical	452,050	418,131	400,723	-	-	601,731	593,949	558,543	565,260	536,652
Centerpoint Energy, Inc.	Energy	426,797	345,180	342,704	345,960	373,904	366,282	395,178	424,297	426,292	475,685
Oxy Vinyls LP	Petrochemical	412,280	406,133	411,869	404,812	402,232	420,549	425,328	394,494	399,150	373,580
Chevron Chemical Co.	Refinery	363,130	442,462	404,968	370,234	442,761	433,345	301,017	238,414	197,235	-
BP America Production CO	Petrochemical	337,753	289,284	-	-	-	-	-	-	-	-
Lubrizol Corp	Chemicals	333,719	282,813	274,178	-	-	-	-	-	-	-
Air Liquide	Chemicals	-	-	-	339,915	331,289	354,719	-	-	-	-
Albemarle Corp	Chemicals	-	-	-	290,230	320,710	-	-	-	-	-
Calpine Central LP	Energy	-	-	-	-	-	-	-	225,987	412,795	308,600
Celanese LTD	Chemicals	-	-	-	-	-	-	-	-	-	-
Conoco Phillips	Refinery	-	-	-	-	-	-	416,796	-	376,933	-
Dow Chemical	Refinery	-	-	-	617,946	776,994	309,893	285,665	-	-	-
GE Aero Energy Products	Petrochemical	-	-	-	-	-	-	-	-	-	-
GE Packaged Power	Energy	-	-	-	-	-	-	-	211,958	-	-
Ineos Corp	Petrochemical	-	-	255,193	-	-	-	-	-	-	-
Lyondell Citgo Ref Co LTD	Refinery	-	-	-	-	-	-	-	-	-	275,072
Phillips 66 Company	Refinery	-	-	-	-	-	-	-	233,513	-	364,037
Reliant Energy Channelview	Energy	-	-	-	-	-	-	-	208,486	205,189	277,296
Totals		\$ 8,617,181	\$ 7,374,254	\$ 6,088,834	\$ 5,999,734	\$ 6,910,048	\$ 8,192,489	\$ 7,683,279	\$ 6,067,966	\$ 6,242,632	\$ 5,506,077
Total Taxable Assessed Value		\$ 39,217,945	\$ 36,938,942	\$ 36,641,384	\$ 39,166,882	\$ 39,482,079	\$ 36,168,759	\$ 32,210,578	\$ 28,793,407	\$ 27,442,133	\$ 26,552,044

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Houston Refining	Refinery	6.98%	4.76%	1.81%	1.79%	2.79%	3.18%	2.87%	0.00%	0.00%	0.00%
Shell Oil Co.	Refinery	4.27%	4.54%	4.68%	3.80%	4.76%	6.42%	7.01%	7.03%	5.60%	5.11%
Equistar Chemicals LP	Chemicals	2.71%	2.63%	2.51%	2.17%	1.85%	3.75%	3.84%	0.00%	3.64%	3.34%
Lyondell Chemical Co.	Chemicals	2.07%	2.13%	1.92%	1.51%	1.39%	2.43%	2.62%	5.38%	4.10%	2.45%
Shell Oil Co.	Refinery	1.15%	1.13%	1.09%	0.00%	0.00%	1.66%	1.84%	1.94%	2.06%	2.02%
Rohm & Haas Co.	Petrochemical	1.09%	0.93%	0.94%	0.88%	0.95%	1.01%	1.23%	1.47%	1.55%	1.79%
Oxy Vinyls LP	Petrochemical	1.05%	1.10%	1.12%	1.03%	1.02%	1.16%	1.32%	1.37%	1.45%	1.41%
Centerpoint Energy, Inc.	Energy	0.93%	1.20%	1.11%	0.95%	1.12%	1.20%	0.93%	0.83%	0.72%	0.00%
Chevron Chemical Co.	Refinery	0.86%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
BP America Production CO	Petrochemical	0.85%	0.77%	0.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lubrizol Corp	Chemicals	0.00%	0.00%	0.00%	0.87%	0.84%	0.98%	0.00%	0.00%	0.00%	0.00%
Albemarle Corp	Chemicals	0.00%	0.00%	0.00%	0.74%	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%
Calpine Central LP	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.78%	1.50%	1.18%
Celanese LTD	Chemicals	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dow Chemical	Refinery	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.29%	0.00%	1.37%	0.00%
GE Aero Energy Products	Petrochemical	0.00%	0.00%	0.00%	1.58%	1.97%	0.86%	0.89%	0.00%	0.00%	0.00%
GE Packaged Power	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Ineos Corp	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.74%	0.00%	0.00%
Lyondell Citgo Ref Co LTD	Refinery	0.00%	0.00%	0.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Phillips 66 Company	Refinery	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.04%
Reliant Energy Channelview	Energy	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	0.00%	1.37%
Totals		21.96%	19.97%	16.63%	15.32%	17.50%	22.65%	23.84%	20.35%	21.99%	19.69%

Source: Harris County Appraisal District

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Property Tax Levies and Collections
Last Ten Tax Years
(Unaudited)
(amounts expressed in thousands)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - year of Levy (c)	Percentage	Current Collections of Prior Levies (d)	Total Collections (c+d)	Percentage Cumulative Collections of Adjusted Levy
2013	\$ 72,789	\$ -	\$ 72,789	\$ 71,498	98.23%	\$ 702	\$ 72,200	99.19%
2012	64,559	-	64,559	67,437	104.46%	954	68,391	105.94%
2011	64,590	-	64,590	63,852	98.86%	336	64,188	99.38%
2010	66,897	-	66,897	64,656	96.65%	956	65,612	98.08%
2009	64,518	-	64,518	62,339	96.62%	1,521	63,860	98.98%
2008	52,577	-	52,577	51,215	97.41%	811	52,026	98.95%
2007	46,823	-	46,823	45,515	97.21%	1,150	46,665	99.66%
2006	41,856	-	41,856	40,729	97.31%	839	41,568	99.31%
2005	38,182	1,881	40,063	37,574	98.41%	1,335	38,909	97.12%
2004	36,945	1,168	38,113	35,487	96.05%	975	36,462	95.67%

Source: Harris County Tax Assessor Collector

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest.

(d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Bonded Debt:										
General obligation bonds	\$ 303,516	\$ 314,223	\$ 324,976	\$ 267,657	\$ 281,922	\$ 58,471	\$ 64,470	\$ 72,800	\$ 75,380	\$ 77,845
Notes	3,766	4,018	4,546	5,070	6,295	7,520	8,830	9,340	10,835	12,125
Less: funds restricted for debt service	(1,985)	(704)	(2,687)	(3,091)	(5,357)	(4,138)	(1,527)	(8,541)	(6,250)	(3,940)
Net general bonded debt	305,297	317,537	326,835	269,636	282,860	61,853	71,773	73,599	79,965	86,030
Revenue bonds										
Revenue bonds	-	-	-	-	-	-	1,325	2,615	5,325	7,940
Notes	-	-	-	-	-	-	-	555	980	1,388
Less: funds restricted for debt service	-	-	-	-	-	-	(1,344)	(1,342)	(2,595)	(2,755)
Total outstanding debt	\$ 305,297	\$ 317,537	\$ 326,835	\$ 269,636	\$ 282,860	\$ 61,853	\$ 71,754	\$ 75,427	\$ 83,675	\$ 92,603
General Bonded Debt Ratios:										
Per Capita	\$ 620	\$ 665	\$ 680	\$ 545	\$ 582	\$ 134	\$ 151	\$ 171	\$ 181	\$ 191
Per FTSE	14,734	14,733	14,562	13,296	15,653	3,744	4,171	4,717	5,150	5,596
As a percentage of taxable assessed value	0.78%	0.86%	0.89%	0.69%	0.72%	0.17%	0.22%	0.26%	0.29%	0.32%
Total Outstanding Debt Ratios:										
Per Capita	\$ 616	\$ 664	\$ 675	\$ 542	\$ 584	\$ 126	\$ 147	\$ 157	\$ 176	\$ 197
Per FTSE	14,638	14,700	14,443	13,145	15,362	3,510	4,083	4,331	4,805	5,760
As a percentage of taxable assessed value	0.78%	0.86%	0.89%	0.69%	0.72%	0.21%	0.25%	0.26%	0.30%	0.35%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time equivalent enrollment.
General Bonded Debt includes general obligation bonds and maintenance tax notes.
Revenue Bonds and Notes include revenue bonds and contractual obligation notes.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Taxable Assessed Value	\$ 39,217,945	\$ 36,938,942	\$ 36,641,384	\$ 39,166,882	\$ 39,482,079	\$ 36,168,759	\$ 32,210,578	\$ 28,793,407	\$ 27,442,133	\$ 26,552,044
<u>General Obligation Bonds</u>										
Statutory Tax Levy Limit for Debt Service	\$ 196,090	\$ 184,695	\$ 183,207	\$ 195,834	\$ 197,410	\$ 180,844	\$ 161,053	\$ 143,967	\$ 137,211	\$ 132,760
Less: funds restricted for repayment of general obligation bonds	(1,985)	(704)	(2,687)	(3,091)	(5,357)	(4,138)	(1,527)	(8,305)	(5,399)	(2,952)
Total net general obligation debt	194,105	183,991	180,520	192,743	192,053	176,706	159,526	135,662	131,812	129,808
Current year debt service requirements	24,913	24,091	26,945	25,625	18,590	9,138	6,843	6,488	5,731	5,492
Excess of statutory limit for debt service over current requirement	\$ 169,192	\$ 159,900	\$ 153,575	\$ 167,118	\$ 173,463	\$ 167,568	\$ 152,683	\$ 129,174	\$ 126,081	\$ 124,316
Net current requirements as a % of statutory limit	12.70%	13.04%	14.71%	13.09%	9.42%	5.05%	4.25%	4.51%	4.18%	4.14%

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Revenue Bonds	Pledged Revenues (\$000 omitted)									Debt Service Requirements (\$000 omitted)			
Fiscal Year Ended August 31	Tuition	Technology Fee	General Service/Other Fees	Laboratory Fees	Continuing or Non-Credit Education Tuition/Fees	General Fund Interest Income	Food Service Revenue	Bookstore Revenue	Total	Principal	Interest	Total	Coverage Ratio
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-	-
2007	4,816	-	10,532	620	5,075	4,908	396	3,346	29,693	1,732	66	1,798	16.51
2006	4,744	-	11,435	724	2,391	3,213	344	7,276	30,127	3,135	147	3,282	9.18
2005	4,392	2,999	6,770	719	2,928	1,707	300	8,917	28,732	3,023	254	3,277	8.77
2004	4,409	4,159	5,369	600	3,315	1,220	313	10,808	30,193	2,927	355	3,282	9.20

Note: Debt service requirements include revenue bonds.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(Unaudited)

Calendar Year	District Population	District Personal Income (a) (thousands of dollars)	District Personal Income Per Capita	Harris County Unemployment Rate
2012 *	495,309	9,814,290	19,814	6.80%
2011	478,297	9,462,150	19,783	8.20%
2010	484,546	9,205,003	18,997	8.50%
2009	497,422	9,549,838	19,199	8.20%
2008	491,929	9,332,877	18,972	5.50%
2007	486,664	9,104,016	18,707	5.10%
2006	481,398	8,877,766	18,442	5.50%
2005	476,133	8,654,310	18,176	5.70%
2004	470,868	8,433,649	17,911	6.00%
2003	465,602	8,215,782	17,646	6.40%

Sources: Personal income and Population from Economic Alliance - Houston Port Region.
Unemployment rate from Texas Workforce Commission.

* 2012 Numbers are Estimates.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
Principal Employers for the Service Area
Fiscal Years 2005 to 2012
(Unaudited)

Employer	Number of Employees							
	2012	2011	2010	2009	2008	2007	2006	2005
Pasadena ISD	7,177	7,069	7,056	7,062	7,000	7,000	7,000	7,000
NASA Lyndon B Johnson Space Ctr	2,500	2,500	2,500	2,500	2,750	2,500	3,200	3,200
Memorial Healthcare System	2,200	2,200	2,200	1,350	1,350	1,350	1,200	1,200
Boeing Co	2,000	-	2,530	2,000	2,000	2,000	-	-
Walmart	1,940	1,640	1,640	-	-	-	-	-
Lockheed Martin Corp	1,935	3,359	1,300	1,000	3,000	3,000	1,600	1,600
Powell Electrical Systems Inc	1,800	2,020	2,020	1,200	1,200	1,200	-	-
Shell Chemical	1,700	1,700	1,000	1,000	1,000	1,000	-	-
Clear Lake Regional Medical Ctr	1,600	1,600	1,600	1,600	1,550	1,600	1,300	1,300
ABC Professional Tree Services Inc	1,500	-	-	-	-	-	-	-
Bayshore Medical Center	1,500	1,500	1,200	1,200	1,350	1,500	1,200	1,200
Equistar Chemicals LP	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
University of Houston - Clear Lake	1,245	1,245	1,299	1,092	1,100	1,092	1,200	1,200
ARCO Chemical	1,200	1,200	-	-	-	-	-	-
Lyondell Chemical Co	1,200	1,200	1,200	1,200	1,200	1,200	-	-
San Jacinto College	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Pasadena City Hall	1,100	1,100	1,100	970	1,100	1,100	-	-
Anheuser-Busch Co	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Rohm & Haas Texas Inc	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
US Air Force	1,000	1,000	1,000	-	-	-	-	-
Aker Industrial Constructors	-	-	1,500	-	-	-	-	-
Channelview Complex	-	-	1,200	1,200	1,200	1,200	-	-
East Houston Regional Med Ctr	-	-	-	1,000	1,000	1,000	-	-
Gulf Stream Marine	-	-	-	1,700	1,700	1,700	-	-
IKON Office Solutions	-	-	-	1,400	1,400	-	-	-
International Business	-	-	-	1,100	1,100	-	-	-
Kellogg Brown & Root	-	-	-	-	-	-	1,700	1,700
Memorial 55 Plus	-	-	-	-	-	1,000	-	-
Pasadena Paper Co	-	-	-	1,100	1,100	1,100	-	-
Wyle Life Science	-	-	-	1,000	1,000	1,000	1,000	1,000
United Space Alliance	-	6,500	10,185	10,185	6,600	3,000	3,000	3,000
Totals	36,297	40,533	45,230	45,559	44,400	39,242	27,100	27,100

Employer	Percentage of Total Employment							
	2012	2011	2010	2009	2008	2007	2006	2005
Pasadena ISD	2.97%	3.03%	2.92%	3.89%	3.63%	1.02%	1.79%	1.79%
NASA Lyndon B Johnson Space Ctr	1.03%	1.07%	4.22%	5.61%	3.86%	2.39%	4.17%	4.17%
Memorial Healthcare System	0.91%	0.94%	0.54%	2.75%	1.79%	1.71%	0.00%	0.00%
Boeing Co	0.83%	0.00%	1.04%	1.38%	1.51%	0.86%	1.90%	1.90%
Walmart	0.80%	0.70%	0.91%	0.74%	0.74%	0.51%	0.72%	0.72%
Lockheed Martin Corp	0.80%	1.44%	0.84%	0.66%	0.61%	0.38%	0.00%	0.00%
Powell Electrical Systems Inc	0.74%	0.87%	0.84%	0.55%	0.55%	0.34%	0.00%	0.00%
Shell Chemical	0.70%	0.73%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%
Clear Lake Regional Medical Ctr	0.66%	0.69%	0.66%	0.66%	0.66%	0.41%	0.72%	0.72%
ABC Professional Tree Services Inc	0.62%	0.00%	0.00%	0.83%	0.83%	0.51%	0.89%	0.89%
Bayshore Medical Center	0.62%	0.64%	0.50%	0.60%	0.60%	0.37%	0.72%	0.72%
Equistar Chemicals LP	0.62%	0.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
University of Houston - Clear Lake	0.52%	0.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ARCO Chemical	0.50%	0.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lyondell Chemical Co	0.50%	0.52%	0.50%	0.66%	0.66%	0.41%	0.72%	0.72%
San Jacinto College	0.50%	0.52%	0.50%	0.66%	0.66%	0.41%	0.72%	0.72%
Pasadena City Hall	0.46%	0.47%	0.46%	0.53%	0.61%	0.38%	1.01%	1.01%
Anheuser-Busch Co	0.41%	0.43%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%
Rohm & Haas Texas Inc	0.41%	0.43%	0.41%	0.55%	0.55%	0.34%	0.60%	0.60%
US Air Force	0.41%	0.43%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%
Aker Industrial Constructors	0.00%	0.00%	0.62%	0.00%	0.00%	0.00%	0.00%	0.00%
Channelview Complex	0.00%	0.00%	0.50%	1.10%	1.10%	0.68%	0.00%	0.00%
East Houston Regional Med Ctr	0.00%	0.00%	0.50%	0.66%	0.66%	0.41%	0.00%	0.00%
Gulf Stream Marine	0.00%	0.00%	0.00%	0.55%	0.55%	0.34%	0.00%	0.00%
IKON Office Solutions	0.00%	0.00%	0.00%	0.94%	0.94%	0.58%	0.00%	0.00%
International Business	0.00%	0.00%	0.00%	0.77%	0.77%	0.00%	0.00%	0.00%
Kellogg Brown & Root	0.00%	0.00%	0.00%	0.61%	0.61%	0.00%	0.00%	0.00%
Memorial 55 Plus	0.00%	0.00%	0.00%	0.00%	0.00%	0.46%	0.71%	0.71%
Pasadena Paper Co	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.00%	0.00%
Wyle Life Science	0.00%	0.00%	0.00%	0.61%	0.61%	0.38%	0.00%	0.00%
United Space Alliance	0.00%	2.79%	4.22%	0.55%	0.55%	0.34%	0.60%	0.60%
Totals	15.01%	17.39%	21.41%	25.86%	23.05%	13.57%	15.27%	15.27%

Source: InfoUSA, Hoover's, and the Dunn & Bradstreet Million Dollar Directory.

Note: Based on businesses with 1,000 or more full time employees for a total of 241,672 local employees.

The College previously did not present this schedule. Information is being presented for the past eight years, and the College will continue to implement prospectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Faculty, Staff, and Administrators Statistics
Fiscal Years 2004 to 2013
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Faculty:										
Full-time	518	523	492	511	454	463	440	439	428	426
Part-time	<u>767</u>	<u>713</u>	<u>729</u>	<u>763</u>	<u>763</u>	<u>648</u>	<u>685</u>	<u>680</u>	<u>720</u>	<u>696</u>
Total	<u><u>1,285</u></u>	<u><u>1,236</u></u>	<u><u>1,221</u></u>	<u><u>1,274</u></u>	<u><u>1,217</u></u>	<u><u>1,111</u></u>	<u><u>1,125</u></u>	<u><u>1,119</u></u>	<u><u>1,148</u></u>	<u><u>1,122</u></u>
Percent:										
Full-time	40.3%	42.3%	40.3%	40.1%	37.3%	41.7%	39.1%	39.2%	37.3%	38.0%
Part-time	59.7%	57.7%	59.7%	59.9%	62.7%	58.3%	60.9%	60.8%	62.7%	62.0%
Staff and Administrators:										
Full-time	725	721	703	732	703	759	739	694	687	667
Part-time	<u>441</u>	<u>392</u>	<u>431</u>	<u>577</u>	<u>526</u>	<u>583</u>	<u>518</u>	<u>571</u>	<u>502</u>	<u>553</u>
Total	<u><u>1,166</u></u>	<u><u>1,113</u></u>	<u><u>1,134</u></u>	<u><u>1,309</u></u>	<u><u>1,229</u></u>	<u><u>1,342</u></u>	<u><u>1,257</u></u>	<u><u>1,265</u></u>	<u><u>1,189</u></u>	<u><u>1,220</u></u>
Percent:										
Full-time	62.2%	64.8%	62.0%	55.9%	57.2%	56.6%	58.8%	54.9%	57.8%	54.7%
Part-time	37.8%	35.2%	38.0%	44.1%	42.8%	43.4%	41.2%	45.1%	42.2%	45.3%
FTSE per full-time faculty	40	41	46	40	41	38	40	40	39	38
FTSE per full-time staff member	29	30	32	28	26	23	24	25	24	24
Average over 9 months faculty salary	\$56,007	\$55,893	\$56,858	\$55,500	\$55,722	\$55,944	\$49,000	\$46,166	\$47,686	\$46,821

Source: Texas Community College Teacher's Association Salary Survey.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Enrollment Details
Fiscal Years 2005 to 2012
(Unaudited)

Student Classification	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-29 hours	16,340	56.89%	17,142	58.32%	17,023	59.63%	16,467	60.96%	14,854	60.35%	14,134	60.01%	13,968	58.85%	14,611	60.63%
30-72 hours	8,055	28.05%	8,100	27.56%	7,589	26.58%	7,879	29.17%	7,265	29.51%	7,008	29.76%	7,170	30.21%	6,799	28.22%
> 72 hours	4,326	15.06%	4,150	14.12%	3,937	13.79%	2,665	9.87%	2,497	10.14%	2,409	10.23%	2,596	10.94%	2,687	11.15%
Total	<u>28,721</u>	<u>100.00%</u>	<u>29,392</u>	<u>100.00%</u>	<u>28,549</u>	<u>100.00%</u>	<u>27,011</u>	<u>100.00%</u>	<u>24,616</u>	<u>100.00%</u>	<u>23,551</u>	<u>100.00%</u>	<u>23,734</u>	<u>100.00%</u>	<u>24,097</u>	<u>100.00%</u>
Semester Hour Load	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	262	0.91%	235	0.80%	298	1.04%	297	1.10%	190	0.77%	146	0.62%	156	0.66%	150	0.62%
3 - 5 semester hours	4,722	16.44%	4,673	15.90%	4,485	15.71%	5,077	18.80%	4,294	17.44%	4,317	18.33%	4,056	17.09%	4,013	16.65%
6 - 8 semester hours	7,787	27.11%	7,595	25.84%	7,079	24.80%	6,809	25.21%	5,777	23.47%	5,484	23.29%	5,468	23.04%	5,601	23.24%
9 - 11 semester hours	6,134	21.36%	6,358	21.63%	5,661	19.83%	5,171	19.14%	4,513	18.33%	4,235	17.98%	4,446	18.73%	4,395	18.24%
12 - 14 semester hours	7,711	26.85%	8,327	28.33%	8,635	30.25%	7,743	28.67%	6,853	27.84%	6,505	27.62%	6,737	28.39%	6,821	28.31%
15 - 17 semester hours	1,679	5.85%	1,723	5.86%	1,837	6.43%	1,746	6.46%	2,184	8.87%	2,144	9.10%	2,208	9.30%	2,387	9.91%
18 & over	426	1.48%	481	1.64%	554	1.94%	168	0.62%	805	3.28%	720	3.06%	663	2.79%	730	3.03%
Total	<u>28,721</u>	<u>100.00%</u>	<u>29,392</u>	<u>100.00%</u>	<u>28,549</u>	<u>100.00%</u>	<u>27,011</u>	<u>100.00%</u>	<u>24,616</u>	<u>100.00%</u>	<u>23,551</u>	<u>100.00%</u>	<u>23,734</u>	<u>100.00%</u>	<u>24,097</u>	<u>100.00%</u>
Average course load	9.0		9.1		9.3		8.9		9.8		9.7		9.7		9.4	
Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	14,409	49.02%	14,666	49.90%	14,312	50.13%	12,891	47.72%	11,736	47.67%	11,523	48.93%	11,966	50.42%	12,482	51.80%
Texas Resident (out-of-District)	10,633	36.65%	10,775	36.65%	10,381	36.36%	9,664	35.78%	8,866	36.02%	8,286	35.18%	8,374	35.28%	8,453	35.08%
Non-Resident Tuition	766	2.61%	919	3.13%	853	2.99%	1,644	6.09%	1,584	6.43%	1,398	5.94%	1,358	5.72%	1,260	5.23%
Tuition Exemption	2,913	9.91%	3,032	10.32%	3,003	10.52%	2,693	9.97%	2,399	9.75%	2,299	9.76%	1,989	8.38%	1,826	7.58%
Other	-	0.00%	-	0.00%	-	0.00%	119	0.44%	31	0.13%	45	0.19%	47	0.20%	76	0.31%
Total	<u>28,721</u>	<u>100.00%</u>	<u>29,392</u>	<u>100.00%</u>	<u>28,549</u>	<u>100.00%</u>	<u>27,011</u>	<u>100.00%</u>	<u>24,616</u>	<u>100.00%</u>	<u>23,551</u>	<u>100.00%</u>	<u>23,734</u>	<u>100.00%</u>	<u>24,097</u>	<u>100.00%</u>

This schedule does not include non-credit Continuing and Professional Development enrollment.

Source: Data from the CBM001.

Note: The College previously did not present this schedule. Information is being presented for the past eight years, and the College will continue to implement prospectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Student Profile
Fiscal Years 2005 to 2012
(Unaudited)

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender																
Female	16,393	57.08%	16,781	57.09%	16,116	56.45%	15,107	55.93%	14,127	57.39%	13,437	57.05%	13,670	57.60%	14,008	58.13%
Male	12,328	42.92%	12,611	42.91%	12,433	43.55%	11,904	44.07%	10,489	42.61%	10,114	42.95%	10,064	42.40%	10,089	41.87%
Total	28,721	100.00%	29,392	100.00%	28,549	100.00%	27,011	100.00%	24,616	100.00%	23,551	100.00%	23,734	100.00%	24,097	100.00%
Ethnic Origin																
White	8,720	30.36%	9,636	32.78%	10,711	37.52%	11,114	41.15%	10,556	42.88%	10,577	44.91%	10,809	45.54%	11,247	46.67%
Hispanic	12,711	44.26%	11,847	40.32%	11,614	40.68%	10,397	38.49%	8,965	36.42%	8,157	34.64%	8,053	33.93%	7,977	33.10%
African American	2,889	10.06%	3,011	10.24%	3,027	10.60%	2,975	11.01%	2,496	10.14%	2,334	9.91%	2,424	10.21%	2,497	10.36%
Asian	1,576	5.49%	1,538	5.23%	1,628	5.70%	1,590	5.89%	1,419	5.76%	1,327	5.63%	1,275	5.37%	1,192	4.95%
Foreign	384	1.34%	581	1.98%	682	2.39%	791	2.93%	986	4.01%	859	3.65%	868	3.66%	934	3.88%
Native American	332	1.16%	248	0.84%	258	0.91%	144	0.53%	131	0.53%	115	0.49%	94	0.40%	69	0.29%
Other	2,109	7.34%	2,531	8.61%	629	2.20%	-	0.00%	63	0.26%	182	0.77%	211	0.89%	181	0.75%
Total	28,721	100.00%	29,392	100.00%	28,549	100.00%	27,011	100.00%	24,616	100.00%	23,551	100.00%	23,734	100.00%	24,097	100.00%
Age																
Under 18	1,903	6.63%	1,991	6.77%	2,057	7.21%	2,594	9.61%	1,784	7.25%	1,644	6.98%	1,344	5.66%	1,123	4.66%
18 - 21	12,917	44.97%	13,163	44.78%	12,805	44.85%	12,362	45.77%	11,329	46.02%	10,851	46.07%	10,786	45.45%	10,653	44.21%
22 - 24	4,679	16.29%	4,805	16.35%	4,575	16.02%	3,947	14.61%	3,901	15.85%	3,813	16.19%	3,956	16.67%	4,178	17.34%
25 - 35	6,264	21.81%	6,489	22.08%	6,234	21.84%	5,571	20.62%	5,149	20.92%	4,834	20.53%	5,135	21.64%	5,457	22.65%
36 - 50	2,422	8.43%	2,465	8.39%	2,380	8.34%	2,135	7.90%	2,043	8.30%	2,021	8.58%	2,139	9.01%	2,305	9.56%
51 & over	536	1.87%	479	1.63%	498	1.74%	402	1.49%	410	1.66%	388	1.65%	374	1.57%	381	1.58%
Total	28,721	100.00%	29,392	100.00%	28,549	100.00%	27,011	100.00%	24,616	100.00%	23,551	100.00%	23,734	100.00%	24,097	100.00%
Average age	24		24		24		24		24		24		24		25	

This schedule does not include non-credit Continuing and Professional Development enrollment.

Source: Data from the CBM001.

Note: The College previously did not present this schedule. Information is being presented for the past eight years, and the College will continue to implement prospectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Transfers to Senior Institutions
Institutions Attended Fall 2012

(Unaudited)

(Includes only public senior colleges in Texas)

	Total Transfer Student Count Academic	Total Transfer Student Count Technical	Total Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Student
1 University of Houston - Clear Lake	1,566	52	82	1,700	26.06%
1 University of Houston	1,400	77	70	1,547	23.72%
2 Texas A&M University	508	19	18	545	8.35%
3 The University of Texas at Austin	395	12	12	419	6.42%
4 University of Houston - Downtown	346	19	17	382	5.86%
5 Texas State University - San Marcos	246	17	15	278	4.26%
6 Sam Houston State University	242	3	9	254	3.89%
7 Texas Tech University	147	9	4	160	2.45%
8 The University of Texas Medical Branch at Galveston	118	10	1	129	1.98%
9 Stephen F. Austin State University	109	4	11	124	1.90%
10 The University of Texas at San Antonio	112	5	5	122	1.87%
11 Lamar University	89	11	-	100	1.53%
12 Texas Southern University	80	4	10	94	1.44%
13 The University of Texas at Arlington	82	9	3	94	1.44%
14 Texas A&M University at Galveston	78	2	2	82	1.26%
15 Prairie View A&M University	53	2	5	60	0.92%
16 The University of Texas Health Science Center at Houston	55	2	-	57	0.87%
17 Texas Woman's University	46	2	-	48	0.73%
18 University of North Texas	41	2	4	47	0.72%
19 The University of Texas at Dallas	43	-	1	44	0.67%
20 Texas A&M University - Corpus Christi	33	2	-	35	0.54%
21 The University of Texas M.D. Anderson Cancer Center	33	2	-	35	0.54%
22 Texas Tech University Health Science Center	22	9	-	31	0.47%
23 University of Houston - Victoria	18	1	2	21	0.32%
24 Tarleton State University	20	-	-	20	0.31%
25 Midwestern State University	15	1	-	16	0.25%
26 The University of Texas at Tyler	14	-	-	14	0.21%
27 Texas A&M University - Kingsville	13	-	-	13	0.20%
28 The University of Texas at El Paso	11	-	-	11	0.17%
29 Texas A&M University - Commerce	5	1	3	9	0.14%
30 The University of Texas of the Permian Basin	5	1	1	7	0.11%
31 The University of Texas Health Science Center at San Antonio	6	-	-	6	0.09%
32 Baylor College of Medicine	1	-	3	4	0.06%
33 Texas A&M International University	2	1	-	3	0.05%
34 Texas A&M University System Health Science Center	3	-	-	3	0.05%
35 University of North Texas Health Science Center	2	-	-	2	0.03%
36 West Texas A&M University	2	-	-	2	0.03%
37 The University of Texas Southwestern Medical Center	2	-	-	2	0.03%
38 Sul Ross State University	1	-	-	1	0.02%
39 The University of Texas - Pan American	1	-	-	1	0.02%
40 The University of Texas at Brownsville	1	-	-	1	0.02%
Totals	5,966	279	278	6,523	100.00%

Source: Texas Higher Education Coordinating Board Automated Student and Adult Learner Follow-Up System.

Note: This statistical supplement is presented with only the most current information.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Capital Asset Information
Fiscal Years 2006 to 2013
(Unaudited)

	Fiscal Year							
	2013	2012	2011	2010	2009	2008	2007	2006
Academic Buildings	35	34	33	34	32	32	32	32
Square footage (in thousands)	1,846,101	1,590,665	1,553,083	1,476,608	1,457,408	1,457,408	1,457,408	1,457,408
Libraries	3	3	3	3	3	3	3	3
Square footage (in thousands)	163,615	163,615	163,615	163,615	163,615	163,615	163,615	163,615
Number of Volumes (in thousands)	244,084	245,932	243,340	243,695	244,602	259,434	238,489	275,713
Administrative and Support Buildings	8	7	5	4	4	4	4	4
Square footage (in thousands)	411,754	369,754	288,613	265,906	265,906	265,906	265,906	265,906
Dormitories	1	1	1	1	1	1	1	1
Square footage (in thousands)	6,050	6,050	6,050	6,050	6,050	6,050	6,050	6,050
Athletic Facilities	10	10	10	10	10	10	10	10
Square footage (in thousands)	165,527	165,527	165,527	165,527	165,527	165,527	165,527	165,527
Stadiums	3	3	3	3	3	3	3	3
Fitness Centers/Gymnasiums	4	4	4	4	4	4	4	4
Tennis Courts	3	3	3	3	3	3	3	3
Other	2	2	2	2	2	2	2	2
Plant Facilities	14	14	14	14	14	14	14	14
Square footage (in thousands)	49,137	49,137	49,137	49,137	49,137	49,137	49,137	49,137
Transportation:								
Cars	1	4	6	9	11	11	12	12
Light Trucks/Vans	83	74	71	68	57	50	47	40

Source: Master property schedule.

Note: The College previously did not present this schedule. Information is being presented for the past eight years, and the College will continue to implement prospectively.

**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**

Board of Trustees
San Jacinto Community College District:

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 the San Jacinto Community College District (the College), as of and for the year ended August 31, 2013, 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 10, 2013.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Aileen Mayhew".

Houston, Texas
December 10, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
San Jacinto Community College District:

Report on Compliance for Each Major Federal and State Program

We have audited San Jacinto Community College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major Federal and State of Texas (State) programs for the year ended August 31, 2013. The 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal and State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major Federal and State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State of Texas Single Audit Circular*. Those standards and OMB Circular A-133 and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal or State program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal and State program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal and State Program

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 and State programs for the year ended August 31, 2013.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal and State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal and State program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal or State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 or 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 Federal or State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.



Houston, Texas
December 10, 2013

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards
Year Ended August 31, 2013

Federal Grantors/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>U. S. Department of Education</u>			
Direct Programs:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A124114	\$ 820,409
Federal Work - Study Program	84.033	P033A124114	461,216
Federal Pell Grant Program	84.063	P063P122303	33,875,285
Federal Direct Student Loans - Subsidized	84.268	P268K132303	8,090,046
Federal Direct Student Loans - Unsubsidized	84.268	P268K132303	8,471,975
Federal Direct Student Loans - Plus Loans	84.268	P268K132303	78,537
Total Federal Direct Student Loans			<u>16,640,558</u>
Total Student Financial Aid Cluster - Schedule C			<u>51,797,468</u>
Direct Programs:			
TRIO Cluster:			
TRIO Talent Search	84.044A	P044A110108	227,403
TRIO Upward Bound	84.047A	P047A070042	211
TRIO Upward Bound - Math & Science	84.047M	P047M070003	1,245
TRIO Upward Bound	84.047A	P047A120043	318,218
TRIO Upward Bound - Math & Science	84.047M	P047M120021	254,536
Total TRIO Upward Bound			<u>574,210</u>
Total TRIO Cluster			<u>801,613</u>
Fund for the Improvement of Postsecondary Education (FIPSE):			
Fund for the Improvement of Postsecondary Education - Veterans Center	84.116G	P116G100242	160,056
Fund for the Improvement of Postsecondary Education - Maritime Equipment	84.116Z	P116Z100163	38,869
Total Fund for the Improvement of Postsecondary Education			<u>198,925</u>
Pass-Through From:			
Harris County Juvenile Board (HCJB)			
Title I Part D Grants to Local Educational Agencies:			
Title I Grants to Local Educational Agencies - HCJJCSVEP 11-12	84.010 A	P195043	1,345
Title I Grants to Local Educational Agencies - HCJJCSVEP 12-13	84.010 A	P207265	284,490
Total Title I Grants to Local Educational Agencies			<u>285,835</u>
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States:			
Carl Perkins Vocational Education Basic 12-13	84.048	13053	642,990
Career and Technical Education - Basic Grants to States - Basic Reserve Grants	84.048	13072	17,894
Total Career and Technical Education - Basic Grants to States			<u>660,884</u>
Total U. S. Department of Education			<u>53,744,725</u>
<u>U. S. Department of Agriculture</u>			
Pass-Through From:			
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	03202	30,165
<u>U. S. Department of Justice</u>			
Direct Programs:			
Bulletproof Vest Partnership Program	16.607	445101701	3,740
<u>U. S. Department of Labor</u>			
Direct Programs:			
Workforce Investment Act Pilots, Demonstrations, and Research Project	17.261	EA-21471-11-60-A-48	101,275
H-1B Job Training Grants	17.268	HG-22720-12-60-A-48	2,069,917
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors (ARRA)	ARRA 17.275	GJ-20047-10-60-A-48	1,054,090
Community Based Job Training Cluster (CBJT):			
Community Based Job Training Grants -			
Gulf Coast Healthcare Partnership	17.269	CB-20567-10-60-A-48	996,974

Continued

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards, Continued
Year Ended August 31, 2013

Federal Grantors/Pass-Through Grantor/ Program Title/Program Name	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
Pass-Through From: Texas Workforce Commission - Incentive Grants - WIA Section 503	17.267	2913WSW013	925
Total U. S. Department of Labor			4,223,181
<u>U. S. Department of Transportation</u>			
Direct Programs: Commercial Motor Vehicle Operator Training Grants	20.235	FM-DTG-0001-11-01-00	47,900
<u>National Aeronautics and Space Administration</u>			
Direct Programs: Education - Strategic Education Alliance	43.008	NNX07AP99A	364,095
Education - Robotics, Ocean, Microgravity Explorers	43.008	NNX12AK88A	154,420
Total Education			518,515
Pass-Through From: University of Texas - Austin Science	43.001	UTA12-000833	3,058
Total National Aeronautics and Space Administration			521,573
<u>National Endowment for Arts</u>			
Direct Programs: Promotion of the Arts, Grants to Organizations and Individuals	45.024	12-5900-7110	10,000
<u>Institute of Museum and Library Services</u>			
Direct Programs: Grants to States	45.310	PO 306-13-8219	7,500
<u>National Science Foundation</u>			
Direct Programs: Education and Human Resources: Students Expanding Possibilities Undergraduate Program	47.076	DUE-0849391	87,739
Pass-Through From: University of Houston Houston Alliance for Minority Participation Project (PH III)	47.076	R-09-0172	23,310
Total Education and Human Resources and National Science Foundation			111,049
<u>U. S. Small Business Administration</u>			
Pass-Through From: The University of Houston-Central: Small Business Development Centers 11-12	59.037	R-12-0072-53826	18,103
Small Business Development Centers 12-13	59.037	R-13-0041	150,652
Total U. S. Small Business Administration			168,755
<u>U. S. Department of Veterans Affairs</u>			
Direct Programs - All-Volunteer Force Educational Assistance	64.124	362/242D	8,056

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Expenditures of Federal Awards, Continued
Year Ended August 31, 2013

Federal Grantors/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>U. S. Department of Health and Human Services</u>			
Pass-Through From:			
Child Care and Development Fund (CCDF) Cluster:			
Texas Workforce Commission (TWC)			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2813CCMC26	92,466
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2812CCMC26	8,458
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2812CCMC38	183,445
TWC Pass-Through From -			
Texas Education Agency			
TEA Pass-Through From:			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Texas School Ready! Program III	93.596	133914017110001	<u>2,000</u>
Total CCDF Cluster and U. S. Department of Health and Human Services			<u>286,369</u>
Total Federal Financial Assistance			<u>\$ 59,163,013</u>

See accompanying notes to schedules of expenditures of Federal and State awards.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

**Notes to Schedules of Expenditures of Federal Awards and State Awards
Year Ended August 31, 2013**

1. Federal Assistance Reconciliation

Direct Federal grants and contracts per Schedule A	\$ 7,095,209*
Add: Indirect/Administrative Cost Recoveries - per Schedule A	270,336
Direct Federal revenue, non-operating - Schedule C	51,681,108
Add: Indirect/Administrative Cost Recoveries - per Schedule C	<u>116,360</u>
 Total Federal Revenues per Schedule E – Schedule of Expenditures of Federal Awards	 \$ <u>59,163,013</u>

2. State Assistance Reconciliation

Direct State grants and contracts per Schedule A	\$ 2,915,680
Add: Indirect/Administrative Cost Recoveries - per Schedule A	<u>16,742</u>
 Total State Revenues per Schedule F – Schedule of Expenditures of State Awards	 \$ <u>2,932,422</u>

3. Significant Accounting Policies Used in Preparing the Schedules

The schedules of expenditures of Federal and State awards present the activity of Federal and State programs of the College for the year ended August 31, 2013. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedules.

4. Amounts passed through by the College - Sub-Recipients

*The following amounts were passed-through to the listed sub-recipients by the College. The total amount of \$1,353,745 is included in Note 1 - Federal Awards.

Sub-Recipient Name	CFDA	Grant Agency	Grant Program	Amount
Brazosport College	17.269	U.S. Department of Labor	Community Based Job Training	\$ 216,989
College of the Mainland	17.269	U.S. Department of Labor	Community Based Job Training	72,291
Houston-Galveston Area Council	17.269	U.S. Department of Labor	Community Based Job Training	60,343
Lee College	17.269	U.S. Department of Labor	Community Based Job Training	258,168
Brazosport College	17.275	U.S. Department of Labor	Program Competitive Grants	319,949
Lee College	17.275	U.S. Department of Labor	Program Competitive Grants	74,193
Universities Space Research Association	43.008	NASA	Education	351,812

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Notes to Schedules of Expenditures of Federal Awards and State Awards, Continued Year Ended August 31, 2013

5. Insurance Coverage

During the year ended August 31, 2013, the College maintained the following types of insurance:

General liability - \$1,000,000 per occurrence and \$1,000,000 aggregate

Property policy - \$100,000,000 per occurrence

Flood policy - \$44,850,000 per occurrence

Law enforcement policy - \$1,000,000 per wrongful act and \$1,000,000 aggregate

Excess policy - \$4,000,000 each occurrence and \$4,000,000 aggregate

Educator's legal policy - \$5,000,000 aggregate

Student liability policy - \$1,000,000 per incident and \$3,000,000 aggregate

Non-owned aviation policy - \$1,000,000 per occurrence and \$1,000,000 aggregate

Pollution policy - \$1,000,000 per claim and \$2,000,000 aggregate

Automobile liability - \$1,000,000 per person per accident and \$3,000,000 per accident

Workers compensation - \$51,754 annually and \$339,895 loss fund maximum

Unemployment compensation - \$152,652 annual loss fund maximum

Child Care Accident policy - \$25,000 per occurrence and \$250,000 for accidental death per occurrence

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Findings and Questioned Costs
Year Ended August 31, 2013

Section 1 Summary of Auditors' Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal and State Awards

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No |
| 2. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 or the <i>State of Texas Single Audit Circular</i> ? | No |
| 4. Identification of major programs: | |

Federal CFDA Number

Name of Federal Program

84.007	Student Financial Aid Cluster: Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
ARRA 17.275	Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors
84.010	Title I Grants to Local Educational Agencies
84.116	Fund for the Improvement of Postsecondary Education
17.268	H-1B Job Training Grants

SAN JACINTO COMMUNITY COLLEGE DISTRICT
 Schedule of Findings and Questioned Costs, Continued
 Year Ended August 31, 2013

<u>State - Contract Number</u>	<u>Name of State Program</u>
Texas Higher Education Board - Student Financial Aid Cluster:	
26041	State Military Tuition Assistance
13099	Texas Grant 1 - Initial
13009	Texas Grant II - Renewal
13399	Texas Education Opportunity Grant Program
22339	College Work Study Program
20356	Top Ten Percent
N/A	College Access Loan
02778	Development Education Demonstration Project
9258	Texas - Science, Technology, Engineering, and Math Challenge Scholarship Program

5. Dollar threshold used to distinguish
between Type A and Type B programs:
- | | |
|---------|------------|
| Federal | \$ 300,000 |
| State | \$ 300,000 |
6. Auditee qualified as a low-risk auditee?
- | | |
|---------|-----|
| Federal | Yes |
| State | Yes |

Section 2

Financial Statement Findings

None reported

Section 3

Federal and State Award Findings and Questioned Costs

None reported

Section 4

Schedule of Prior Year Audit Findings

None reported

SAN JACINTO COMMUNITY COLLEGE DISTRICT

Schedule of Expenditures of State Awards
Year Ended August 31, 2013

Grantor Agency/Program Title	Grant Contract Number	Expenditures
Texas Workforce Commission (TWC):		
TWC Medical Consortium II	2811SDF002	\$ (4,310)
TWC Maritime Consortium II	2812SDF000	286,383
TWC Hospital Corporation	2812SDF003	4,338
TWC Skills Development Fund (SDF) PolyOne	2812SDF001	42,654
TWC Skills for Small Business 2	2812SSD003	1,072
Pass- Through from:		
Brazosport College		
TWC/SDF Dow Chemical Training	2813SDF000	<u>36,452</u>
Total Texas Workforce Commission - Skills Development Fund		<u>366,589</u>
Texas Higher Education Coordinating Board:		
Student Financial Aid:		
State Military Tuition Assistance	26041	863
Texas Grant I - Initial	13099	852,618
Texas Grant I - Renewal	13099	428,657
Texas Education Opportunity Grant Program - Initial (TEOG)	13399	226,679
Texas Education Opportunity Grant Program - Renewal (TEOG)	13399	32,400
College Work Study Program	22339	72,707
Top Ten Percent	20356	4,000
College Access Loan	NA	23,277
Direct Program:		
P-16 Initiatives - First Year Experience Calling Program 2012/Outreach & Success	9630	70,084
Developmental Education Demonstration Project	02778	378,044
Nursing Innovation Central Campus	05664	43,803
Nursing Innovation South Campus	05666	50,775
Professional Nursing Shortage Reduction Program FY11 - South Campus	FY11 Under 70 SC	24,527
Professional Nursing Shortage Reduction Program FY12 - Central Campus	FY12 Regular CC	13,567
Professional Nursing Shortage Reduction Program FY12 - South Campus	FY11 Under 70 SC	9,985
Professional Nursing Shortage Reduction Program FY11 - South Campus	FY12-13 Under 70	55,839
Texas - Science, Technology, Engineering, and Math Challenge Scholarship Program	9258	260,781
Houston Pathways Supplement - CTG & CRU	09951	9,219
Pass-Through From:		
El Paso Community College:		
Community College Develop Education Initiative Program	NA	7,008
Trinity Valley Community College:		
Nursing Innovations	NA	<u>1,000</u>
Total Texas Higher Education Coordinating Board		<u>2,565,833</u>
Total State Financial Assistance		<u>\$ 2,932,422</u>