

San Jacinto Community College District



Comprehensive Annual Financial Report for the Fiscal Years Ending August 31, 2020 and 2019

Pasadena, Texas



San Jacinto Community College District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
AUGUST 31, 2020 AND 2019**

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

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Introductory



SAN JACINTO COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL DATA

Board of Trustees and Key Officers
Year Ended August 31, 2020

Officers

Mrs. Marie Flickinger	Chair
Mr. John Moon, Jr.	Vice Chair
Mr. Keith Sinor	Secretary
Mrs. Erica Davis Rouse	Assistant Secretary

Members

		<u>Term Expires</u> <u>May 31,</u>
Mr. Dan Mims	Channelview, Texas	2021
Mr. John Moon, Jr.	Pasadena, Texas	2021
Mr. Keith Sinor	Deer Park, Texas	2021
Mrs. Erica Davis Rouse	Houston, Texas	2023
Dr. Ruede Wheeler, D.D.S.	La Porte, Texas	2023
Mrs. Marie Flickinger	Houston, Texas	2025
Mr. Larry Wilson	Pasadena, Texas	2025

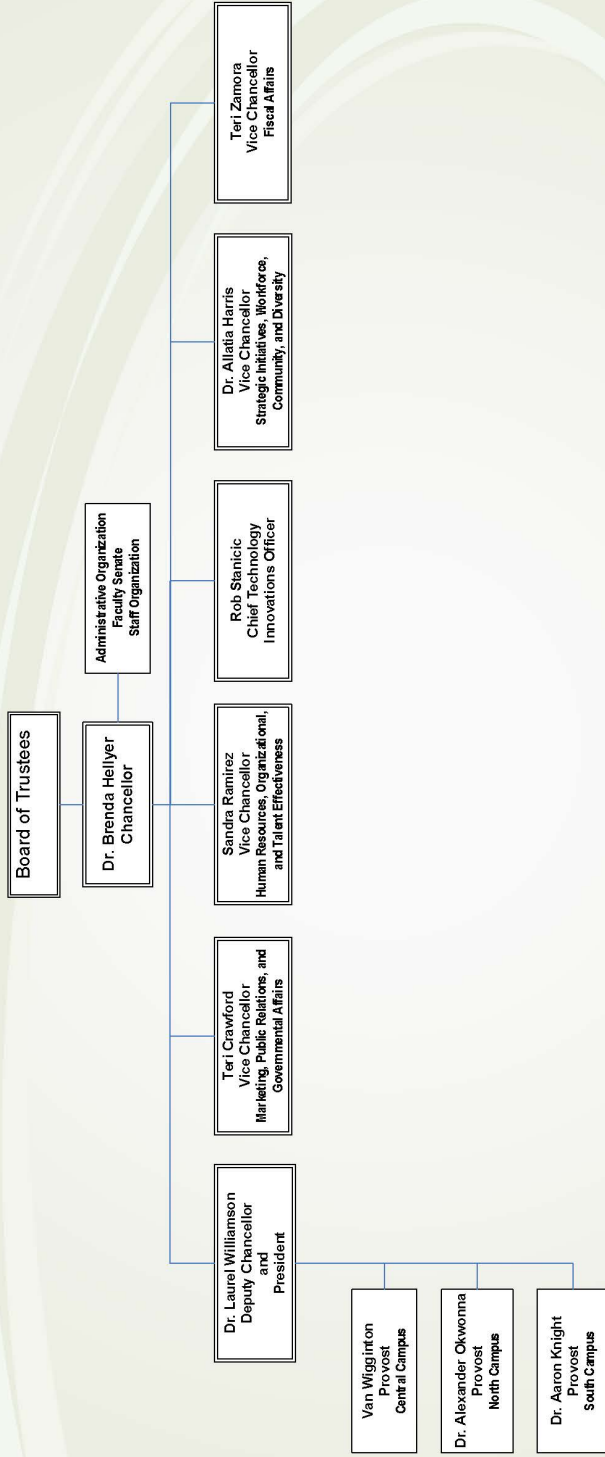
Trustee Emeritus

Mr. Ben Meador

Key Officers

Dr. Brenda L. Hellyer	Chancellor
Dr. Laurel V. Williamson	Deputy Chancellor and President
Mrs. Teri Crawford	Vice Chancellor, Marketing, Public Relations, and Government Affairs
Dr. Allatia Harris	Vice Chancellor, Strategic Initiatives, Workforce, Community, and Diversity
Mrs. Teri Zamora	Vice Chancellor, Fiscal Affairs
Ms. Sandra Ramirez	Vice Chancellor, Human Resources, Organizational, and Talent Effectiveness
Mr. Rob Stanicic	Chief Technology Innovations Officer
Mr. Van Wigginton, J.D.	Provost, Central Campus
Dr. Alexander Okwonna	Provost, North Campus
Dr. Aaron Knight	Provost, South Campus

**San Jacinto Community College District
Strategic Leadership Team
Organizational Structure**



Updated Oct. 2020



December 7, 2020

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the San Jacinto Community College District (College) for the fiscal years ended August 31, 2020 and 2019. The purpose of this report is to provide detailed information about the financial condition and performance of the College to the Board of Trustees, taxpayers, Texas Higher Education Coordinating Board (THECB), grantor agencies, employees and other interested parties. The report consists of management's representations concerning the finances of the College. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control.

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.

The CAFR is prepared by the College Division of Fiscal Affairs. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and also comply with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by THECB. The notes to the financial statements are provided in the financial section and are considered essential for fair and adequate disclosure of all information presented in this financial report.

PROFILE OF THE DISTRICT

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. Sheldon School District was added in 1968. Voters elected seven members to serve on the Board of Regents, now Board of Trustees, and authorized them to levy a tax for the College's operations and maintenance.

In February 1961, the Board changed the name to San Jacinto Junior College District. The name was changed again in 1995 to San Jacinto Community College District to better reflect the expanded mission as a community college. The College is commonly referred to throughout the community as San Jacinto College, or simply San Jac.

On September 18, 1961, the College opened and 876 students entered several renovated buildings in downtown Pasadena to attend the first classes offered by San Jacinto College. The voters of the College District voted favorably a \$.15 per \$100 valuation tax that was used to start operations, hire faculty, and begin building what is now the Central Campus of San Jacinto College.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

EXPANSION

By fall 1974, the College was offering several programs in leased store-front facilities on Federal Road until the North Campus opened in the spring of 1975. San Jacinto College South opened in September of 1979.

Expansion of all three campuses began in December 1999, when voters approved the issuance of \$91 million in general obligation bonds, and continued in May 2008, when another successful bond election provided \$295 million in funding to create updated facilities. Additionally, the College's new campus in La Porte was opened in 2016.

In November 2015, with a nearly 68 percent approval rate, voters continued their support of the College with approval of a \$425 million general obligation bond referendum to allow the College to continue to update and transform the campuses, with the focus on student success. The first project, the LyondellBasell Center for Petrochemical, Energy, and Technology on Central Campus, opened in fall 2019. Other funded projects include district-wide infrastructure upgrades, safety and security updates, renovation of nine buildings which are on average 30-years-old or older, construction of a student welcome center and a classroom building on Central Campus, center for culinary and cosmetology on North Campus and both a center for engineering and technology and a cosmetology center on South Campus. A number of these projects were completed in fiscal year 2020 and the remaining projects will be complete in 2021. This general obligation bond also partially funded the initial building at the new Generation Park Campus in the northernmost portion of the College's service area, which opened in Fall 2020.

San Jacinto College continues to expand partnerships with regional independent school districts and has expanded dual credit and early college high school offerings, including career and technical education options. The College has early college high schools and modified early college high schools with Clear Creek, Galena Park, Pasadena, Sheldon, Channelview, Deer Park and La Porte Independent School Districts. This work continues to be important with dual credit and early college high school students representing 22.0 percent of the fall 2020 student enrollment.

After adding the City of Houston portions of Ellington Spaceport into the College Taxing District in 2019, the College opened the EDGE Center at the Houston Spaceport at Ellington Field in fiscal year 2020 to address the workforce needs of the aerospace and aviation companies in the Clear Lake area. As NASA has been contracting some of the human spaceflight operations, the College worked with the City of Houston and multiple companies to create curriculum and begin offering training to support the commercial space industry at the EDGE Center.

Effective with the fall 2020 term, the College is approved to offer a Bachelor of Science in Nursing. The one-year BSN program is for the working registered nurse (RN with an associate degree) who wants to advance within the profession. The program's primary concepts include community health nursing, public and global health policy, and informatics and leadership. The program follows an eight-week course model and the first cohort class was filled for fall 2020.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

AWARDS AND PROGRAMS

The College has many accomplishments over the past 59 years and continues a tradition of excellence based on the vision, passion, and cooperative spirit that has marked this institution's leadership. After being selected as a Rising Star Award recipient from more than 1,100 community colleges across the country in 2017, San Jacinto College was once again designated as a Top 10 community college for 2019 and 2021 by the Aspen Institute. In addition, this year, the Aspen Institute awarded San Jacinto College with two Excellence and Equity in Community College STEM Awards. One for our Associate Degree Nursing program and the other for our Process Technology program. There were only eight of these awards nationwide, and we were the only community college in the country to receive two of the eight STEM Awards for meeting regional workforce needs focused on equity.

The LyondellBasell Center for Petrochemical, Energy, and Technology (CPET) claimed the American Chemical Society Greater Houston Section's Partners for Progress and Prosperity (P3) Award. This local award recognized CPET faculty, administrators, and industry partners for their expansive educational and workforce training partnerships.

For the seventh time, the College has received the Annual Achievement of Excellence in Procurement (AEP) from the National Procurement Institute Inc. The College numbers among only 46 agencies in Texas and 15 higher education institutions in the U.S. and Canada to receive the award.

San Jacinto College has been involved in the Houston Guided Pathways to Success project for several years. The program aims to provide seamless transfer opportunities from community colleges to four-year universities.

San Jacinto College is proud to partner with Pasadena Independent School District and Good Reason Houston to assist graduating seniors from Dobie, Sam Rayburn, and South Houston high schools with obtaining a higher education credential. The Harris County Promise program is available to Texas resident seniors, regardless of high school grade point average or income. Seniors who complete all the steps for enrollment and financial aid consideration become Promise Scholars and receive up to three years of guaranteed tuition and fees, assistance with books, and additional support to help them complete their degrees.

REPORTING ENTITY

San Jacinto College is considered a special purpose government engaged solely in a business-type activity as defined by the Governmental Accounting Standards Board (GASB). As such, the financial statement presentation combines all fund groups into a single column and resembles the format of a corporate presentation.

In accordance with the criteria established by GASB Statement 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements 14 and 34*, and GASB Statement 39, *Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement 14*, the San Jacinto College Foundation is reported as a component unit of the College using a discrete presentation.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

ECONOMIC CONDITION AND OUTLOOK FOR THE LOCAL ECONOMY

San Jacinto College is located in Harris County, Texas, within the nine-county Houston-The Woodlands-Sugar Land metropolitan statistical area (MSA). The nine-county MSA covers 9,444 square miles – an area just larger than five states: New Hampshire, New Jersey, Connecticut, Delaware and Rhode Island.

The Houston area continues to recover from job losses sustained due to COVID-19. As of September 30, 2020, 51.5% of jobs lost during March-April 2020 had been regained. Job sectors with the most progress were Finance, Retail, Construction and Restaurants. Non-farm jobs in August 2020 totaled 2.97 million, down 5.8% from 3.15 million jobs in August 2019.

On the east side of Harris County where San Jacinto College is located, various opportunities in chemical manufacturing, refining and supporting distribution/terminals continue to develop along with the capabilities of the Port of Houston. Coupled with the retiring workforce, industry leaders continue to project a need for a skilled workforce in the industrial and craft trades. San Jacinto College is working closely with many industry leaders and economic development groups to meet these workforce needs on both a near and long-term basis.

SAN JACINTO COLLEGE'S RESPONSE TO COVID-19

In response to the COVID-19 pandemic and Harris County and statewide orders, the College extended Spring Break for students so employees could focus on moving courses to an on-line format. Employees began working remotely and the instruction modality was changed to 100% on-line for academic courses in mid-March. Limited face to face instruction related to technical courses requiring skills demonstrations resumed in early May and continued throughout the summer and fall. The altered operations affected the remainder of spring 2020 and summer 2020 terms. Approximately 29,000 students enrolled for spring and 15,000 enrolled for summer were transitioned to remote learning. To maintain social distancing, spring technical students completed their courses starting in May and continued through the summer term.

The College took measures to reduce expenses in light of COVID-19 including enacting a hiring pause, reducing travel, reducing facility repairs and renovations, reducing utilities, and several other cost saving decisions. The College did incur additional costs to maintain a clean, healthy environment. This included purchasing additional cleaning supplies and personal protective equipment (PPE). These additional cleaning costs will continue to be incurred for the foreseeable future. The College has and will continue to upgrade information technology infrastructure, continue a computer and hot spot loan program created for students as well as maintain WiFi in parking lots to improve the on-line working and learning environment for students.

By August 17, 2020, all staff and administrators were working at College facilities a minimum of 50 percent of their time and working remotely the remainder of their time. San Jacinto College has put many protocols in place including requiring a daily health assessment for anyone who will be on campus, requiring face coverings and maintaining social distancing while on campus.

During the height of the pandemic in our region, San Jacinto College stepped up to help our health care providers. We transferred PPE supplies to the Harris County Public Health department, we loaned ventilators from our Respiratory Care department to Houston Methodist Baytown, and we 3-D printed approximately 1,500 face shields for front-line health care workers. Since June of this year, we have served as a Harris County Public Health department COVID-19 testing site.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

Throughout this pandemic, our focus on student success has never wavered. We reimagined how to deliver our courses for fall 2020, offering several different options for students. While the majority of classes are online, to complete required lab work, faculty created an instruction model called Hands-on Hybrid which includes both online and hands-on delivery.

Since many of our students were adversely affected by the COVID-19 pandemic, we instituted a program called San Jac Cares. This program was designed to provide support and a sense of connectedness to our students during this time of crisis. Over 350 employees have been dedicated to contacting students to ask how they are doing through this transition. The goal is to help our students feel cared for and connected, to be a friend, and to connect them with resources they may need to complete their education.

With the San Jacinto College Foundation's support combined with other resources, we were able to provide \$290,000 of emergency funding to help students meet their immediate needs during the pandemic. San Jacinto College was also awarded \$9.6 million in federal CARES Act funding. Emergency aid to students was \$4.5 million of the total, with \$3.8 million distributed directly to students as of August 31, 2020. The remaining funds are being used for critical technology needs for students and student, instructional and institutional support related to the pandemic.

SAN JACINTO COLLEGE'S STRONG FISCAL HEALTH, VALUE AND AFFORDABILITY

The College maintains strong fiscal health, and provides a strong return on investment to students, society, and taxpayers. The College Board of Trustees is committed to keeping taxes as low as possible, and the College continuously strives to find ways to improve services to students and support all necessary College operations at a lower cost. This long-term fiscal resiliency and sustainability is intended to poise the College for future success.

San Jacinto College is affordable. Effective fall 2019, the College instituted a tuition only model, and eliminated all enrollment fees. This change makes all programs available to every student at the same low price and also introduces a new level of transparency and simplicity to the process of registering and paying for college. At \$936 for tuition for 12 semester credit hours, the College in-district tuition rate is one of the most affordable in the Gulf Coast region and in the state of Texas.

VISION, MISSION AND VALUES

San Jacinto College is working with Houston-area businesses and higher-education institutions to update curriculum, to implement initiatives that foster innovation, to upskill current workers, and to train an incoming workforce for the highly technical jobs that this region attracts and would like to continue attracting. The College also partners closely with the local school districts, community groups including chambers and non-profits, and area economic organizations, as we strive to fulfill our goal of truly serving the community that supports us with their tax dollars.

Vision

San Jacinto College will advance the social and economic mobility of all members of our community. We will be known for our excellence in teaching and learning, our intentional student-centered support, and our commitment to every student. We will be the preferred workforce and economic development partner in the region and a champion for lifelong learning. San Jacinto College will inspire students to explore opportunities, define their educational and career paths, and achieve their goals and dreams.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

Mission

San Jacinto College is focused on student success, academic progress, university transfer, and employment. We are committed to opportunities that enrich the quality of life in the communities we serve.

Our Values

Every student's pathway is unique, and San Jacinto College students are a diverse mosaic — blending many perspectives on success. For 45.0% of our student body, being the first in the family to attend college is a life-changing act that propels future generations to succeed. Others aspire to master a trade or special interest, jump-start a new career, prepare for university transfer or help their communities succeed. Most San Jacinto College students are working, and their success requires a flexible pathway that balances college, work and family.

No matter how you define it, success for every graduate drives our value system at San Jacinto College. We are committed to seven deeply held beliefs:

Integrity: We Act Honorably and Ethically - “We conduct ourselves in ways that are professional, instill confidence, and promote trust.”

Inclusivity: We Grow through Understanding - “We respect and learn from the diversity of our cultures, experiences, and perspectives.”

Collaboration: We Are Stronger Together - “We believe in the power of working together.”

Innovation: We Embrace New Possibilities - “We anticipate change, explore opportunities, and create continuously evolving solutions.”

Accountability: We Are Responsible Individually and Collectively - “We take ownership for our commitments and outcomes.”

Sense of Community: We Care for Those We Serve - “We demonstrate concern for the well-being and success of our students, our communities, and our people.”

Excellence: We Strive for Outstanding Results - “We take risks, we assess our work, and we aspire to improve the quality of everything we do.”

STRATEGIC PLAN

San Jacinto College operates from a Strategic Plan approved by the Board of Trustees. This plan creates the focus of all employees on the five strategic goals of the plan. Each employee focuses on those goals through the lens of the underlying assumptions. In addition to the Strategic Plan, each year the College forwards Annual Priorities to the Board of Trustees on how each member of the College faculty, staff, and administration will help meet those goals and help students succeed in their higher education journey. It takes each employee working together to help reach these goals. Below is a listing of our Strategic Goals, the Underlying Assumptions, and the Annual Priorities approved by the Board of Trustees for fiscal year 2020. Each employee used this information to create their own individual performance plan of tactics to accomplish during the year to move the College closer to the annual priorities.

Strategic Goals

- Student Success
- Workforce and Economic Development
- Our People
- Operational Excellence
- Outreach and Partnerships

Underlying Assumptions

- Equity
- Collaborative Communication
- Continuous Improvement
- Continued One-College Alignment

Annual Priorities

The Board of Trustees adopted the following 2019-2020 annual priorities for the College on June 3, 2019:

- Expansion of Transfer Opportunities and Awareness
- Transition to Workforce
- Opening New Facilities
- System Technology and Architecture including Student Continuum Taskforce Assessment
- Opening of Generation Park Campus
- Equity Focus: High School Populations, Adult Populations, and San Jac Promise Program
- Positioning for the Future

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, 2020 and 2019. Additionally, the College is statutorily required to submit audited financial statements to the THECB by January 1st of each year.

THE AUDIT

A public accounting firm, Whitley Penn LLP, has audited the College's financial statements. 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, 2020 and 2019 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 auditor has 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, 2020 and 2019 are fairly presented in accordance with GAAP. The independent auditor's 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 accordance with GAAP.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

The College's system of internal control is supported by a strong budget development process and written policies and procedures which are 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 six 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, and the Government Finance Officers' Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

The financial section is prepared in accordance with GAAP. This section of the CAFR includes the Independent Auditor's Report, Management's Discussion and Analysis, basic financial statements, explanatory notes to the basic financial statements, and required supplementary information. Analysts, investors, community members, and other interested parties are encouraged to read Management's Discussion and Analysis.

The supplemental schedules are presented to comply with the reporting requirements of the GASB and the THECB. The purpose of the supplemental schedules is 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 auditor is required to conduct a separate audit of Federal programs and the College's system of internal control according to the standards applicable to financial audits contained in *Government Auditing Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. This section contains the auditor's 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 auditor is required to conduct a separate audit of State programs as required by the *State of Texas Single Audit Circular*.

Dr. Brenda Hellyer, Chancellor
Members of the Board of Trustees
Citizens of the San Jacinto Community College District

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, 2019. This was the thirteenth 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.

ACKNOWLEDGEMENT

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. I would also like to express my appreciation to the Board of Trustees and Chancellor for their support in maintaining the highest standards of professionalism and transparency with regard to the College's financial operations. Finally, I would like to thank the accounting firm, Whitley Penn LLP, for their experience and dedication in completion of the audit and review of this report.

Respectfully submitted,



Teri Zamora
Vice Chancellor, 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

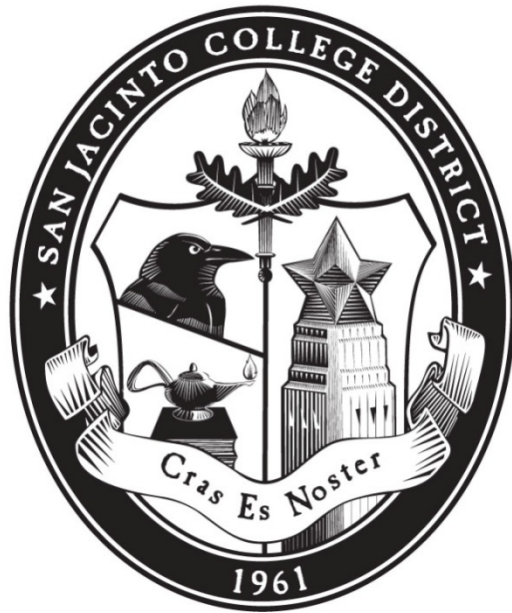
August 31, 2019

Christopher P. Morill

Executive Director/CEO



Financial



REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees
San Jacinto Community College District
Pasadena, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of San Jacinto Community College District (the "College"), as of and for the year ended August 31, 2020, which include the discretely presented component unit of San Jacinto Community College Foundation, Inc. (the "Foundation") as of and for the year ended June 30, 2020, 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 fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. 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 of material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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 entity'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 entity'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.

To the Board of Trustees
San Jacinto Community College District

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the College as of August 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and the financial position of the discretely presented component unit of the College as of June 30, 2020, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information, and other-post employment benefit information, as listed in the table of contents, 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Supplemental Schedules A through D, as required by the Texas Higher Education Coordinating Board's (THECB) *Budget Requirements and Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Schedule of Expenditures of State Awards as required by the State of Texas *Uniform Grant Management Standards*, and other information such as the introductory and statistical sections are also presented for additional analysis and are not a required part of the basic financial statements. The Supplemental Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of 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

To the Board of Trustees
San Jacinto Community College District

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 Supplemental Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2020 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Other Matter

The financial statements of the College and the Foundation for the years ended August 31, 2019 and June 30, 2019, respectively, were audited by another auditor who expressed an unmodified opinion on those statements on December 9, 2019.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
December 7, 2020



SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended August 31, 2020

ABOUT SAN JACINTO COMMUNITY COLLEGE DISTRICT

San Jacinto Community College District (the College) traces its roots to May 1960, when voters in five independent school districts (ISDs), Channelview, Deer Park, Galena Park, La Porte and Pasadena (Sheldon ISD was added in 1968), approved the creation of East Harris County Union Junior College, demonstrating a partnership between a growing community college and a sprawling area rich in history. The College's name was changed in February 1961 to San Jacinto Junior College District and then again in 1995 to San Jacinto Community College District. The College is most often referenced by the community as San Jacinto College or San Jac. The college district has now grown to include five campuses, a network of off-campus learning centers, nearly 45,000 students annually, a robust dual credit and early college high school program, and online offerings. In order to serve these students, the College employs over 3,000 full-time and part-time personnel. Most faculty have earned masters and doctoral degrees, and many have been nationally recognized for their teaching, innovation, 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 College's service district is also home to the nation's largest and world's second largest petrochemical complex, NASA-Johnson Space Center, and the Port of Houston (the Port), which is ranked first in the United States in foreign tonnage. 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, marine transportation companies, 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 companies supporting the Port, maritime companies, petrochemical companies, international and small businesses, healthcare providers, transportation entities, 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 technical workforce programs, academic articulation agreements, and dual credit and early college high school programs. Students are attracted to the College's specialized instructional programs and the transferability of credits to four-year universities. Students can choose from various certificate and credential programs, and the following degrees: Associate of Arts, Associate of Science, Associate of Applied Science, and Associate of Arts in Teaching.

The College works side-by-side with industry partners to train the next generation of workers. Our graduates leave with the skills necessary to move right into a job in their chosen career field. With more than 80 programs and 200 degree and certificate options, the College certifies workers who proceed to a high-paying job in a high-demand field. The College partners with hundreds of local companies to help meet the growing needs of industry, whether that means preparing employees for new positions or providing the industry with highly skilled workers to fulfill a shortage. The College maintains partnerships and designs training programs, to provide our industry partners and communities with the workforce they need.

The College opened its premier workforce facility, the LyondellBasell Center for Petrochemical, Energy, & Technology (CPET), in fall 2019. The College partners with Houston-area businesses and higher education institutions to provide updated and relevant business-driven curriculum, to implement initiatives that foster innovation and advanced manufacturing, to upskill current workers, and to train an incoming workforce for the highly technical jobs that this region attracts.

After adding portions of Ellington Field into the College Taxing District in 2019, the College opened the EDGE Center at the Houston Spaceport at Ellington Field in fiscal year 2020 to address the workforce needs of the aerospace and aviation companies in the Clear Lake area. As NASA has been contracting some of the human spaceflight operations, the College worked with the City of Houston and multiple companies to create curriculum and begin offering training at the EDGE Center.

The College's service area encompasses approximately 570,000 citizens and 330 square miles. A seven-member Board of Trustees (the Board), elected for six-year terms by the taxpayers in its taxing district govern the College. The Board sets the vision, mission, and strategic direction for the College and is responsible for oversight of budgets, policies, and governance.

SAN JACINTO COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Over a half-century of innovation, inclusion and extraordinary growth mark the history of San Jacinto College. The College has evolved from one location in urban Pasadena to five campuses and multiple extension centers serving the Greater Houston community. Today approximately 32,000 students each fall semester discover their pathways at San Jacinto College. To support their success, the College has invested nearly \$500 million in the last decade to build first-class facilities and partnerships that inspire the next generation of leaders.

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is the accreditation authority of the College. The accreditation process occurs every 10 years and is critical, as the College's accreditation assures our students and community of the quality and integrity of our institution and our programs. The College successfully completed the written report and an on-site visit by a peer review committee resulting in the reaffirmation in June 2019 of the College's reaccreditation.

The College has 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. However, State support for College operations, as a percentage of total unrestricted revenue, has continued to decrease. Meanwhile, the operational cost of delivering high quality instruction and maintaining equipment and facilities that prepare students for academic success and workforce readiness continues to increase. As the funding model for community colleges continues to shift from the State, the College is forced to rely more heavily on tuition and property taxes.

SAN JACINTO COLLEGE'S RESPONSE TO COVID-19

As discussed more fully in the Transmittal Letter, the College's response to COVID-19 was swift, decisive and focused on helping students complete their course work and be successful. The College extended Spring Break for students so employees could focus on moving courses to an on-line format. Employees began working remotely and the instruction modality was changed to 100% on-line for academic courses in mid-March. The altered operations affected the remainder of spring 2020 and summer 2020 terms. Approximately 29,000 students enrolled for spring and 15,000 enrolled for summer were transitioned to remote learning. To maintain social distancing, spring technical students completed their courses starting in May and continued through the summer term.

By August 17, 2020, all staff and administrators were working at College facilities a minimum of 50 percent of their time and working remotely the remainder of their time. San Jacinto College has put many protocols in place including requiring a daily health assessment for anyone who will be on campus, requiring face coverings and maintaining social distancing while on campus.

For the 2020 fall term, the College reimagined how to deliver courses offering several different options for students as outlined below.

1. Online Anytime – Students take classes on-line, at any time. This provides the students with the most flexible option to work on coursework as their schedule allows and no requirement to be on campus.
2. Online on a Schedule - This allows students to have a structured routine. All coursework will be completed on-line, but the lectures and virtual instruction will occur at specific times and days similar to a face to face course but from the comfort of their home.
3. Hands-On Hybrid – Technical and applied skill courses will use this hybrid format. The majority of class instruction will be delivered on-line. Students will come to campus in small groups to complete hands-on learning and practical testing.
4. Flex Campus – This unique option allows students to spend some time in the classroom with the instructor, in addition to on-line learning. Small groups of students in each class will have the option to attend in person while the remaining students access coursework on-line. The small groups will rotate so all students in class have multiple chances to attend in person.

SAN JACINTO COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

To help support students and the institution during this pandemic, the College was awarded almost \$4.5 million of CARES Act funding for student aid, all of which is required to be distributed directly to students. Approximately \$3.8 million in student aid from the CARES Act was distributed directly to over 3,400 eligible students during the spring and summer of 2020, and the remaining \$700,000 was disbursed in early September.

The College was also awarded almost \$5.1 million of CARES Act (Institutional and Minority Serving Institutions) funding for critical technology needs for students and student, instructional and institutional support related to the pandemic. Required reporting related to the CARES Act funding can be found on our website at the following link: <https://www.sanjac.edu/cares-act>.

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 Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements 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. The financial statements for the College’s component unit, San Jacinto Community College Foundation, Inc. (the Foundation), are discretely presented with the financial statements of the College since the Foundation raises and holds economic resources for the direct benefit of the College.

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. Reference should be made to the separately issued financial statements of the Foundation for additional information.

Financial Highlights for 2020

- The College experienced a 315-student enrollment growth for fall 2019 compared to fall 2018 with enrollment of 32,452 students compared to 32,137. During the start of COVID-19 in spring 2020 the College experienced a 90-student enrollment growth with enrollment of 29,427 compared to 29,337 for spring 2019. For summer 2020 the College experienced a 279-enrollment growth with enrollment of 15,068 compared to 14,787 for summer 2019. Total unduplicated annual enrollment was 42,120 for 2020 compared to 41,879 for 2019, an increase of 241 or .6%.
- The College continues to invest in its people, a strong student success agenda, and continuous improvement. Student success is evident by 7,654 certificates and associate degrees awarded in 2019, an increase of 162 credentials over 7,492 awarded in 2018. This is an increase of 24.3 percent in the number of certificates and associate degrees awarded since 2015 of 6,156.
- The net assessed valuation of the College District increased by \$6.9 billion resulting in an increase of \$0.9 million in tax receipts for maintenance & operations and \$8.1 million for debt service.
- In fiscal year 2020 the College implemented a Simplified Tuition Model in which course and other registration related fees rolled into semester credit hour tuition to ease the calculation of the cost of enrollment for students and provide equitable access for students to all programs at the same low cost.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

- CARES Act – Higher Education Emergency Relief Fund – Education Stabilization Fund

	<u>Amount Awarded</u>	<u>Amount Expended</u>	<u>Percent of Award Expended</u>
Student Portion	\$4,475,232	\$ 3,784,650	84.6%
Institutional Portion	\$4,475,231	\$ 3,095,043	69.2%
Minority Serving Institution	\$ 589,114	\$ 365,865	62.1%

- As of August 31, 2020, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$80.1 million (net position). The College had an overall increase of \$3.4 million in total net position. Net investment in capital assets increased by \$12.4 million. Restricted net position increased by \$1.2 million. Unrestricted net position decreased by \$10.2 million. The College's unrestricted net position is a negative \$82.1 million at year-end due to the effects of pension and OPEB outflows, net liability and inflows which contributed to a \$8.92 million decrease in net position.

Financial Highlights for 2019

- The College experienced a 1,628-student enrollment growth for fall 2018 compared to fall 2017 with enrollment of 32,452 students compared to 30,509. In spring 2019 the College experienced an 1,898-student enrollment growth with enrollment of 29,337 compared to 27,438 for spring 2018. For summer 2019 the College experienced a 137 enrollment decline with enrollment of 14,787 compared to 14,924 for summer 2018. Total unduplicated annual enrollment was 41,879 for 2019 compared to 40,479 for 2018, an increase of 1,400 or 3.45%.
- The Technology Fee approved in March of 2018 for fall 2018 resulted in an additional \$1.2 million in revenue.
- The assessed valuation of the College District increased by \$2.5 billion resulting in an increase of \$2.8 million in tax receipts for maintenance & operations and debt service.
- The College sold surplus land for \$8.8 million and defeased general obligation bonds and notes for \$9.0 million which will have an estimated savings of \$6.7 million on future gross debt service.
- The College continues to invest in its people, a strong student success agenda, and continuous improvement. Student success is evident by 7,492 certificates and associate degrees awarded in 2018, an increase of 473 credentials over 7,019 awarded in 2017. This is an increase of 14.0 percent in the number of certificates and associate degrees awarded since 2015 of 6,156.
- As of August 31, 2019, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$76.7 million (net position). The College had an overall increase of \$16.1 million in total net position. Net investment in capital assets increased by \$21.1 million. Restricted net position decreased by \$0.2 million. Unrestricted net position decreased by \$4.7 million. The College's unrestricted net position is a negative \$71.9 million at year-end due to the effects of pension and OPEB outflows, net liability and inflows.

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 and deferred outflows owned by the College, all liabilities and deferred inflows 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 position is displayed in three components: net investment in capital assets, restricted, and unrestricted.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 Statements of Net Position and provides a summary of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position for the years ended August 31:

Summary of Statements of Net Position - Exhibit 1
(In Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current assets	\$ 109,437	\$ 111,162	\$ 113,211
Noncurrent assets:			
Capital assets, net of depreciation	641,237	557,856	461,208
Other	<u>102,685</u>	<u>193,252</u>	<u>126,675</u>
Total assets	\$ <u>853,359</u>	\$ <u>862,270</u>	\$ <u>701,094</u>
Deferred outflows of resources	\$ <u>45,696</u>	\$ <u>52,694</u>	\$ <u>17,418</u>
Current liabilities	\$ 71,941	\$ 75,632	\$ 63,216
Noncurrent liabilities	<u>711,134</u>	<u>721,580</u>	<u>568,507</u>
Total liabilities	\$ <u>783,075</u>	\$ <u>797,212</u>	\$ <u>631,723</u>
Deferred inflows of resources	\$ <u>35,811</u>	\$ <u>41,003</u>	\$ <u>26,156</u>
Net position:			
Net investment in capital assets (as restated for 2018)	\$ 150,870	\$ 138,425	\$ 117,323
Restricted – expendable (as restated for 2018)	11,369	10,191	10,419
Unrestricted (as restated for 2018)	<u>(82,070)</u>	<u>(71,867)</u>	<u>(67,109)</u>
Total net position	\$ <u>80,169</u>	\$ <u>76,749</u>	\$ <u>60,633</u>

Accounting related to GASB 68 (Pension) and GASB 75 (OPEB) has a significant impact on the Statement of Net Position, including changes in deferred outflows of resources, liabilities, and deferred inflows of resources. Note 16 – Defined Benefit Plan – Teacher Retirement System of Texas relates to GASB 68 and Note 19 – Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas relates to GASB 75 in the accompanying Notes to the Financial Statements. The College total net position for 2020, 2019, and 2018 would have been \$230,960, \$218,622 and \$197,299, respectively, without the cumulative impact of GASB 68 and GASB 75.

Fiscal Year 2020 Compared to 2019

Total assets decreased by \$8.9 million during 2020, a 1.0 percent decrease. The change in total assets resulted from a \$1.7 million decrease in current assets primarily in cash. This was offset with a net increase in capital assets of \$83.4 million and a decrease of \$90.6 million in restricted cash related to payments from bond proceeds funding new construction. The College continues to limit its investments to investment pools and money market accounts. Investment earnings rates decreased from 2.01% at the start of the fiscal year to 0.22% at the end of the fiscal year.

The College's current ratio (current assets divided by current liabilities) increased to 1.52 in 2020 from 1.47 in 2019.

Deferred outflows decreased by \$7.0 million. The net change is attributed to (1) pensions decreased \$2.8 million, (2) OPEB decreased \$2.9 million, and (3) defeased debt decreased \$1.3 million. Deferred outflows

SAN JACINTO COMMUNITY COLLEGE DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

for pensions are related to the College's participation in the Teacher Retirement System of Texas (TRS). Deferred outflows for OPEB is related to the College's participation in the Employee Retirement System of Texas (ERS) for the State Retiree Health Plan. Both are as of the entities' measurement dates of August 31, 2019.

Total liabilities decreased by \$14.1 million in 2020. Bonds payable decreased by \$15.0 million. Net pension liability decreased by \$3.7 million and net OPEB liability increased by \$12.1 million due to changes in assumptions by the Teachers Retirement System of Texas (TRS - Pensions) and the Employees Retirement System of Texas (ERS - OPEB). Accounts payable decreased by \$5.5 million due to a decrease in pending construction in process payments. Other categories decreased by \$2.0 million.

Deferred inflows decreased by \$5.2 million. The net change is attributed to (1) pensions increased \$4.9 million and (2) OPEB decreased \$10.1 million.

The College had an overall increase of \$3.4 million in total net position. The College's unrestricted net position is a negative \$82.1 million at year-end due to the affects related to pension and OPEB outflows, net liability, and inflows which contributed to a \$8.9 million decrease in net position.

Fiscal Year 2019 Compared to 2018

Total assets increased by \$161.1 million during 2019, a 23.0 percent increase. The change in total assets resulted from a \$2.0 million decrease in current assets primarily in cash due to the defeasance of debt. This was offset with a net increase in capital assets of \$96.6 million and an increase of \$66.5 million in restricted cash from new bond proceeds. The College continues to limit its investments to investment pools and money market accounts. Investment earnings rates increased from 2.01% at the start of the fiscal year to 2.15% at the end of the fiscal year.

The College's current ratio (current assets divided by current liabilities) declined to 1.48 in 2019 from 1.80 in 2018, primarily due to an increase of \$10.2 million in construction costs payable at year end.

Deferred outflows increased by \$35.3 million. The net change is attributed to (1) pensions increased \$18.6 million, (2) OPEB increased \$17.9 million, and (3) defeased debt decreased \$1.2 million.

Total liabilities increased by \$165.5 million in 2019. Bonds payable increased by \$128.5 million and notes payable decreased by \$2.1 million net of new issuance and defeasance. Net pension liability increased by \$22.9 million and net OPEB liability increased by \$4.0 million due to changes in assumptions by the Teachers Retirement System of Texas (TRS - Pensions) and the Employees Retirement System of Texas (ERS - OPEB). Accounts payable increased by \$10.6 million due to pending construction in process payments. Other categories increased by \$1.6 million.

Deferred inflows increased by \$14.8 million. The net change is attributed to (1) pensions decreased \$1.8 million and (2) OPEB increased \$16.6 million.

Total net position increased by \$16.1 million from operations. Net investment in capital assets increased by \$21.1 million. Restricted net position decreased by \$0.2 million. Unrestricted net position decreased by \$4.8 million. The College's unrestricted net position is a negative \$71.9 million at year end.

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, 2020, with comparative information for fiscal year 2019. 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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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, CARES Act, 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 Statements of Revenues, Expenses and Changes in Net Position for the years ended August 31:

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues:			
Operating revenues:			
Student tuition and fees, net of allowances and discounts	\$ 44,233	\$ 44,940	\$ 43,765
Federal grants and contracts	5,406	5,792	6,959
State grants and contracts	3,008	2,889	3,252
Non-government grants and contracts	2,974	2,322	1,712
Sales and services of educational activities	3,178	4,266	2,598
Auxiliary enterprises, net of discounts	<u>2,767</u>	<u>3,868</u>	<u>3,184</u>
Total operating revenues	<u>61,566</u>	<u>64,077</u>	<u>61,470</u>
Expenses:			
Operating expenses:			
Instruction	80,838	78,634	75,679
Public service	7,543	7,794	7,325
Academic support	20,177	17,316	17,118
Student services	18,541	18,186	17,516
Institutional support	48,476	42,786	42,260
Operation and maintenance of plant	19,564	19,083	21,944
Scholarships and fellowships	33,326	29,554	30,389
Auxiliary enterprises	1,814	2,079	3,456
Depreciation	<u>18,227</u>	<u>16,538</u>	<u>17,116</u>
Total operating expenses	<u>248,506</u>	<u>231,970</u>	<u>232,803</u>
Operating loss	<u>(186,940)</u>	<u>(167,893)</u>	<u>(171,333)</u>
Non-operating revenues (expenses):			
State appropriations	53,624	51,419	51,368
Maintenance ad valorem taxes	71,440	69,383	66,657
Debt service ad valorem taxes	37,168	28,417	28,360
Federal revenue, non-operating	48,583	39,191	41,109
Investment income (net of investment expenses)	3,128	6,570	3,397
Interest on capital related debt	(23,399)	(17,882)	(17,297)
Other non-operating revenues (expenses)	<u>(184)</u>	<u>6,941</u>	<u>407</u>
Total non-operating revenues, net	<u>190,360</u>	<u>184,009</u>	<u>174,001</u>
Increase (Decrease) in net position	<u>3,420</u>	<u>16,116</u>	<u>2,668</u>
Net position, beginning of year	76,749	60,633	164,329
Cumulative effect of GASB No. 75 (OPEB)	-	-	<u>(106,364)</u>
Net position, beginning of year (as restated for OPEB in 2018)	-	-	<u>57,965</u>
Net position, end of year	<u>\$ 80,169</u>	<u>\$ 76,749</u>	<u>\$ 60,633</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Fiscal Year 2020 Compared to 2019

Operating revenues decreased by \$2.5 million to \$61.5 million for 2020 from \$64.0 million in 2019. Tuition and fee revenue (net of allowances and discounts) decreased by \$0.7 million in 2020 to \$44.2 million from \$44.9 in 2019. Enrollment increased to 32,452 from 32,137 from fall to fall. Total contact hours dipped slightly to 12.3 million for 2020 from 12.4 million for 2019. The average State appropriation per contact hour increased to \$2.94 for 2020 from \$2.75 for 2019. Sales and services activities and auxiliary enterprises decreased by \$2.2 million due to reduced student presence at the College campus as the result of safety precautions for students, faculty and staff related to COVID-19 altered operations. Grant related revenues increased by \$0.4 million.

Operating expenses increased by \$16.5 million to \$248.5 million for 2020 from \$232.0 million for 2019. Major components of the change were due to increases in the following operating expenses: (1) Salary and wages of \$2.8 million, (2) \$5.3 million Pension and Health attributed to TRS and ERS, (3) \$7.2 million for the CARES Act Higher Education Emergency Relief Fund for institution costs and student aid, (4) Depreciation \$1.7 million. Net decrease of \$0.5 million in Public Service and Auxiliary enterprises due to reduced student presence on campus in the spring and summer terms.

Net non-operating revenues and expenses increased by \$6.4 million to \$190.4 million for 2020 from \$184.0 million for 2019. State appropriations increased by \$2.2 million. Fiscal year 2020 is the first year of the biennium for State appropriations providing an increase in funding for fiscal years 2020 and 2021. Ad valorem tax revenue increased by \$10.8 million with \$8.8 million of the increase dedicated for debt service. The maintenance and operations tax rate decreased to 11.7251 cents from 12.7210 cents and the debt service tax rate was increased to 6.0918 cents from 5.2119 cents for 2020 and 2019, respectively. The total tax rate decreased to 17.8169 cents for 2020 from 17.9329 for 2019. Net investment income decreased by \$3.4 million due to decreases in earnings rates from a high of 2.01% at the start of the year to a low of 0.22% at the end of the year. Investable cash decreased due to the expenditures related to capital projects. Interest on capital debt increased by \$5.5 million. Federal revenue increased by \$9.4 million with \$7.2 million related to the CARES Act Higher Education Emergency Relief Fund for institutional costs and student aid. Other Non-operating revenues decreased by \$7.1 million. In fiscal year 2019, the College recognized a sale of surplus property.

Fiscal Year 2019 Compared to 2018

Tuition and fee revenue (net of allowances and discounts) increased by \$1.2 million in 2019 to \$44.9 million from \$43.8 in 2018. The \$1.2 million is primarily related to the addition of a technology fee of \$2 per semester credit hour for 2019. Enrollment increased to 32,137 from 30,500 from fall to fall. Total contact hours remained constant at 12.4 million and the average State appropriation per contact hour remained at \$2.75 for 2019 and 2018. Fiscal year 2019 was the second year of the biennium for State appropriations and remained unchanged from 2018.

Operating expenses decreased by \$0.8 million to \$232 million for 2019 from \$232.8 million for 2018. Salaries, wages, and benefits increased by \$3.6 million. Major decreases included (1) Operation and maintenance of plant \$2.9 million, (2) Scholarships and fellowships \$0.8 million, and (3) Depreciation \$0.6 million. Net decrease of other classifications \$0.1 million.

Net non-operating revenues and expenses increased by \$10.0 million in 2019 from 2018. State appropriations remained constant at \$51.4 million. Ad valorem tax revenue increased by \$2.8 million to \$97.8 million in 2019 from \$95.0 million in 2018 due to increases in taxable assessed valuations of \$2.5 billion. The maintenance and operations tax rate decreased to 12.7210 cents from 12.8828 cents and the debt service tax rate was increased to 5.2119 cents from 5.4507 cents for 2019 and 2018, respectively. Net investment income increased by \$3.2 million due to earnings rates increasing from a low of 2.01% at the start of the year to a high of 2.15% at the end of the year. Investable cash increased due to the issuance of new bonds. The sale of surplus land netted an increase of \$7.0. Interest on capital debt increased by \$0.6 million. Decreases of \$2.5 million are related to decrease in Federal Title IV and other increases/decreases in non-operating expenses categories.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

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 (rounded to the nearest thousand) for the fiscal years ended August 31:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash provided (used) by:			
Operating activities	\$ (159,046)	\$ (127,299)	\$ (133,476)
Non-capital financing activities	161,554	145,729	145,759
Capital and related financing activities	(100,420)	37,640	(49,169)
Investing activities	<u>3,128</u>	<u>6,570</u>	<u>3,397</u>
Increase (Decrease) in cash and cash equivalents	<u>(94,784)</u>	<u>62,640</u>	<u>(33,489)</u>
Cash and cash equivalents - beginning of year	<u>277,616</u>	<u>214,976</u>	<u>248,465</u>
Cash and cash equivalents - end of year	\$ <u>182,832</u>	\$ <u>277,616</u>	\$ <u>214,976</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 increased by \$31.7 million to \$159.0 million in 2020 from \$127.3 million in 2019. Decreases in cash receipts are related to (1) a decrease of \$2.3 million provided by students and other customers, (2) decrease of \$2.9 million provided by grants and scholarships, (3) the increase in cash used is related to a \$18.9 million increase in payments for good and services due to completion of on-going construction projects (4) a \$3.9 million increase to payroll and benefits and (5) an increase of \$3.7 million of scholarships and fellowships due to additional payments to students related to the CARES Act in response to COVID-19.

Cash provided to the College for non-capital financing activities increased \$15.8 million to \$161.5 million in 2020 from \$145.7 million in 2019. Receipts from state appropriations increased by \$3.3 million due to the first year of the new biennium funding. Maintenance ad valorem tax revenues increased by \$1.0 million. Non-operating Federal Title IV and CARES Act funding increased by \$9.4 million. Payments for debt principal and interest decreased \$2.1 million.

Net cash flows from capital and related financing activities decreased to a use of \$100.4 million in 2020 from \$37.6 million provided in 2019, a net decrease of \$138.0 million. Receipts provided are \$36.7 million in debt service ad valorem taxes. Uses are related to (1) \$99.7 million for purchases of capital assets, (2) a \$13.7 million used for capital debt principal, and (3) \$23.7 million used for capital debt interest.

Net cash flows provided from investing activities decreased \$3.4 million to \$3.1 million in 2020 from \$6.5 million in 2019 due to decreases in cash from bond proceeds and decreases in interest rates.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets - Fiscal Year 2020

In 2020, the College had the following additions and deletions to net capital assets totaling a \$83.4 million increase: \$41.7 million net decrease in construction in progress, and \$142.3 million net increase to depreciated assets as completed construction projects were placed in service. Net accumulated depreciation increased \$17.2 million.

Capital Assets - Fiscal Year 2019

In 2019, the College had the following additions and deletions to net capital assets totaling a \$96.6 million increase: \$43.0 million net increase in assets not depreciated, and \$64.5 million net increase to depreciated assets as completed construction projects were placed in service. Net accumulated depreciation increased \$10.9 million.

Long-Term Debt

During fiscal year 2020, the College did not issue any new debt. The net decrease in total was \$15.0 million to \$576.4 million for 2020 from \$591.4 million for 2019 and relates to normal annual principal payments.

During fiscal year 2019, the College issued \$151 million of limited tax general obligation bonds (Series 2019A, par value \$131 million plus a \$20 million premium). The proceeds will be used by the College to construct, renovate, acquire and equip school buildings, purchase necessary sites for school buildings, as well as pay the costs of the issuance for the Series 2019A Bonds.

During fiscal year 2019, the College issued limited tax general obligation bonds (Series 2019B) to partially refund debt issued in 2007, 2008, and 2009, as well as pay the costs of issuance for the Series 2019B Bonds. The proceeds of \$12,461,179 were deposited into an irrevocable trust for the defeasance of outstanding bond principal of \$11,755,000 and interest of \$731,368.

Additionally, the College defeased debt issued in 2011 through the use of unrestricted cash of \$8,992,750, which was deposited into an irrevocable trust for the defeasance of outstanding bond principal of \$8,600,000 and interest of \$604,075.

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

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

AD VALOREM TAXES

On October 7, 2019, the Board approved the adoption of the 2018 tax rate of 17.8169 cents per \$100 valuation which is 0.1160 cents below the prior year rate of 17.9329 cents. The adopted rate is the same as the calculated effective tax rate which is generally considered a "no new tax rate increase rate". The maintenance and operations tax rate decreased to 11.7251 cents and the debt service tax rate increased to 6.0918 cents. The total taxes imposed on a residence homestead at the current year's average appraised value of \$120,490 (excluding special exemptions for persons 65 years of age or older or disabled) at the proposed rate will be \$214.68. 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. Certified property tax values for the 2019 tax year were received from the Harris County Appraisal District (HCAD) on August 13, 2019. The certified tax roll values for 2019 are \$61.5 billion, which is \$6.7 billion (12.2%) higher than the prior year valuations.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

On October 1, 2018, the Board approved the adoption of the 2018 tax rate of 17.9329 cents per \$100 valuation which is 0.4006 cents below the prior year rate of 18.335 cents. The adopted rate is the same as the calculated effective tax rate which is generally considered a “no new tax rate increase rate”. The maintenance and operations tax rate decreased to 12.7210 cents and the debt service tax rate decreased to 05.2119 cents. The total taxes imposed on a residence homestead at the current year’s average appraised value of \$109,291 (excluding special exemptions for persons 65 years of age or older or disabled) at the proposed rate will be \$195.99. 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. Certified property tax values for the 2018 tax year were received from the Harris County Appraisal District (HCAD) on August 21, 2018. The certified tax roll values for 2018 are \$54.8 billion which is \$2.4 billion (4.6%) higher than the prior year valuations.

CREDIT RATINGS

At August 31, 2020, the College’s credit ratings are as follows:

	<u>Moody’s Investor’s Service (1)</u>	<u>Standard & Poor’s (2)</u>
General Obligation Bonds	Aa2	AA
Maintenance and Tax Notes	Aa2	AA
Combined Fee Revenue Bonds *	Aa3	Not Rated**

- (1) Moody’s affirmed its rating on the General Obligation Bonds and Maintenance Tax Notes on January 25, 2019.
- (2) Standard & Poor’s affirmed its rating on the General Obligation Bonds and Maintenance Tax Notes rating on January 23, 2019.
- * The rating on the Combined Fee Revenue Bonds was assigned on July 09, 2015.
- ** Standard & Poor’s was not requested to assign and does not maintain a rating the on the Combined Fee Revenue Bonds.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

San Jacinto Community College District is a dynamic institution that is an integral part of the success of East Harris County and the surrounding communities. The College’s leadership continues to build a culture focused on the student. The College’s employees work with students to redefine their expectations, encourage the exploration of new opportunities, and empower them to achieve their goals.

The Local Economy and COVID-19

Prior to the COVID-19 pandemic, Houston’s economy was experiencing continued growth at a moderate pace. However, with COVID-19 the Houston region has experienced impacts on many of the area’s primary industries, influencing the economy, jobs, and many other operating realities. As a result, the College could face potential shortfalls in its primary funding streams coming from enrollment, state funding, and property tax revenues during the upcoming fiscal years. With the College’s long history of financial resiliency and the readiness needed to weather challenges, the budget for FY 2021 is very conservative. In addition, all expenditures are being reviewed to determine whether or not they are critical for the success of our students and the mission of the College before being made. Similarly, the College continues to be very strategic in hiring positions. New postings or replacement postings for essential positions are also judged by the same criteria as other expenditures. If cyclical trends manifest as they have in the past, property values will rise at a much slower pace or decline. On the other hand, enrollment may increase as the unemployment rate rises and unemployed workers go back to school to increase their skills and opportunities.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Ad Valorem Taxes

On October 5, 2020, the Board approved the adoption of the 2020 tax rate of 16.9358 cents per \$100 valuation which is 0.8811 cents below the prior year rate of 17.8169 cents. The adopted rate is the same as the calculated no-new revenue tax rate (formerly known as the effective tax rate) which is generally considered a "no new tax rate increase rate". The maintenance and operations tax rate decreased to 11.1738 cents and the debt service tax rate decreased to 5.7620 cents. The total taxes imposed on a residence homestead at the current year's average appraised value of \$129,366 (excluding special exemptions for persons 65 years of age or older or disabled) at the proposed rate will be \$219.09. 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. Certified property tax values for the 2020 tax year were received from the Harris County Appraisal District (HCAD) on September 1, 2020. The certified tax roll values for 2020 are \$62.8 billion, which is \$1.3 billion (2.1%) higher than the prior year valuations.

Enrollment

Enrollment for fall 2020 is down by 4.07% compared to fall 2019. As of October 20, 2020, the student headcount enrollment was at 31,131, which is down 1,321 from fall 2019 enrollment of 32,452 at the same point in the term. Fall 2020 contact hours are 5,070,792, which is a decrease of 349,104 contact hours, or 6.4% compared to the fall 2019 contact hours of 5,419,896 generated at the same point in time the previous year. Administration is hopeful for an uptick in enrollment in spring 2021 assuming normal cyclical trends are realized. The College will also offer more face to face classes in spring 2020 with the ability to move quickly to fully online if necessary.

Future Outlook

Looking ahead to fiscal year 2021 and beyond, administration will closely monitor the levels of State support, property tax values, and continue to keep tuition and fees affordable for students. The College is also 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 of instructional programs.

The College has strong financial reserves, prudent debt reduction strategies and is positioned well for the future as a result of its strong leadership and fiscal management.

Bachelor of Science in Nursing Program

Effective with the fall 2020 term, the College was approved to offer a Bachelor of Science in Nursing, RN to BSN. The one-year BSN program is for the working registered nurse (RN with an associate degree) who wants to advance within the profession. The program's primary concepts include community health nursing, nursing research, public and global health policy, and informatics and leadership. The program follows an eight-week course model and the first cohort class is full.

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 resources it receives. If you have questions about this report or need additional financial information, please contact the Office of the Vice Chancellor, Fiscal Affairs at 4624 Fairmont Parkway, Pasadena, Texas 77504.

BASIC FINANCIAL STATEMENTS



SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
August 31, 2020 and 2019

Exhibit 1

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 80,146,687	\$ 84,364,984
Accounts receivable, net	25,775,074	22,880,285
Prepaid expenses	2,431,470	2,709,467
Deferred charges	717,721	851,556
Inventories	366,250	356,016
Total current assets	<u>109,437,202</u>	<u>111,162,308</u>
Noncurrent assets:		
Restricted cash and cash equivalents	102,685,318	193,251,468
Capital assets net of accumulated depreciation	571,790,193	446,694,962
Capital assets not being depreciated	69,446,417	111,160,915
Total noncurrent assets	<u>743,921,928</u>	<u>751,107,345</u>
Total assets	<u>853,359,130</u>	<u>862,269,653</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	20,383,403	23,209,806
Deferred outflows related to OPEB	17,632,637	20,497,036
Deferred outflows related to defeased debt	7,680,333	8,987,076
Total deferred outflows of resources	<u>45,696,373</u>	<u>52,693,918</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	24,505,730	29,976,790
Accrued liabilities	1,119,816	1,410,104
Accrued compensable absences - current portion	163,633	263,072
Deferred compensation	109,904	35,000
Unearned revenue	25,105,610	27,642,328
Net OPEB liability - current portion	2,508,489	1,398,656
Bonds payable - current portion	18,428,154	14,906,505
Total current liabilities	<u>71,941,336</u>	<u>75,632,455</u>
Noncurrent liabilities:		
Accrued compensable absences	2,655,467	1,918,316
Net pension liability	45,813,261	49,494,145
Net OPEB liability	104,673,728	93,684,522
Bonds payable	557,991,527	576,482,694
Total noncurrent liabilities	<u>711,133,983</u>	<u>721,579,677</u>
Total liabilities	<u>783,075,319</u>	<u>797,212,132</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	9,070,812	4,199,375
Deferred inflows related to OPEB	26,740,139	36,803,285
Total deferred inflows of resources	<u>35,810,951</u>	<u>41,002,660</u>
<u>Net Position</u>		
Net investment in capital assets	150,869,954	138,424,774
Restricted for:		
Expendable:		
Grants	2,131,504	1,666,449
Debt service	9,237,966	8,524,642
Unrestricted	<u>(82,070,191)</u>	<u>(71,867,086)</u>
Total net position (Schedule D)	<u>\$ 80,169,233</u>	<u>\$ 76,748,779</u>

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
 FOUNDATION, INC. (a Texas Nonprofit Corporation)
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2020 and 2019**

Exhibit 1A

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,845,093	\$ 1,094,924
Pledges receivable	285,759	177,873
Investments	12,352,256	11,866,926
Pledges receivable with perpetual donor restrictions	<u>4,008,500</u>	<u>10,000</u>
Total assets	<u>\$ 18,491,608</u>	<u>\$ 13,149,723</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Scholarships and programs payable	<u>\$ 358,100</u>	<u>\$ 391,109</u>
Total liabilities	<u>358,100</u>	<u>391,109</u>
Net assets:		
Without donor restrictions	4,294,589	3,175,114
With donor restrictions	<u>13,838,919</u>	<u>9,583,500</u>
Total net assets	<u>18,133,508</u>	<u>12,758,614</u>
Total liabilities and net assets	<u>\$ 18,491,608</u>	<u>\$ 13,149,723</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended August 31, 2020 and 2019

Exhibit 2

	<u>2020</u>	<u>2019</u>
<u>Operating Revenues</u>		
Student tuition and fees (net of allowances and discounts of \$27,330,186 and \$24,074,395, respectively)	\$ 44,232,735	\$ 44,940,388
Federal grants and contracts	5,406,560	5,792,143
State grants and contracts	3,008,422	2,889,010
Non-governmental grants and contracts	2,973,880	2,322,482
Sales and services of educational and non-educational activities	3,177,947	4,265,468
Auxiliary enterprises (net of discounts)	<u>2,766,730</u>	<u>3,867,765</u>
Total operating revenues (Schedule A)	<u>61,566,274</u>	<u>64,077,256</u>
<u>Operating Expenses</u>		
Instruction	80,837,810	78,634,042
Public service	7,543,313	7,793,845
Academic support	20,176,959	18,241,072
Student services	18,540,718	17,261,013
Institutional support	48,476,061	42,785,606
Operation and maintenance of plant	19,563,882	19,083,384
Scholarships and fellowships	33,326,233	29,553,522
Auxiliary enterprises	1,813,802	2,079,311
Depreciation	<u>18,227,393</u>	<u>16,538,467</u>
Total operating expenses (Schedule B)	<u>248,506,171</u>	<u>231,970,262</u>
Operating loss	<u>(186,939,897)</u>	<u>(167,893,006)</u>
<u>Non-Operating Revenues (Expenses)</u>		
State appropriations	53,624,159	51,418,898
Maintenance ad valorem taxes	71,440,051	69,383,250
Debt service ad valorem taxes	37,167,520	28,417,195
Federal revenue, non-operating	48,583,336	39,160,536
Investment income (net of investment expenses)	3,127,578	6,569,873
Interest on capital related debt	(23,399,148)	(17,881,651)
Other non-operating revenues (expenses)	<u>(183,145)</u>	<u>6,940,850</u>
Total non-operating revenues, net (Schedule C)	<u>190,360,351</u>	<u>184,008,951</u>
Increase in net position	3,420,454	16,115,945
<u>Net Position</u>		
Net position, beginning of year	<u>76,748,779</u>	<u>60,632,834</u>
Net position, end of year	<u>\$ 80,169,233</u>	<u>\$ 76,748,779</u>

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
FOUNDATION, INC. (a Texas Nonprofit Corporation)
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2020 and 2019**

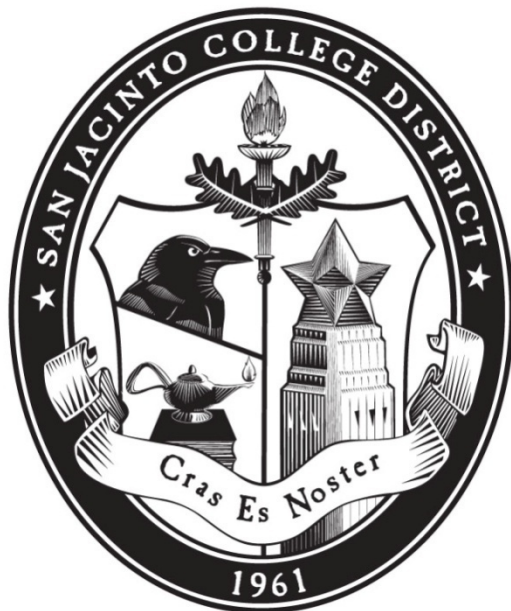
Exhibit 2A

	2020		2019		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Public support and revenues:					
Contributions	\$ 484,352	\$ 5,816,556	\$ 532,852	\$ 1,079,984	\$ 1,612,836
Special events, net of costs of direct donor benefits	305,196	-	84,974	-	84,974
Interest and dividends, net of investment expenses	291,292	-	326,771	-	326,771
Net change in fair value of investments	735,395	(537,080)	191,301	141,711	333,012
Net assets released from restrictions	1,024,057	(1,024,057)	859,709	(859,709)	-
Total public support and revenues	<u>2,840,292</u>	<u>4,255,419</u>	<u>1,995,607</u>	<u>361,986</u>	<u>2,357,593</u>
Expenses:					
Program services	1,188,325	-	1,052,004	-	1,052,004
Supporting services:					
General and administrative	362,021	-	396,409	-	396,409
Fundraising	170,471	-	126,623	-	126,623
Total expenses	<u>1,720,817</u>	<u>-</u>	<u>1,575,036</u>	<u>-</u>	<u>1,575,036</u>
Change in net assets	1,119,475	4,255,419	420,571	361,986	782,557
Net assets, beginning of year	3,175,114	9,583,500	2,754,543	9,221,514	11,976,057
Net assets, end of year	<u>\$ 4,294,589</u>	<u>\$ 13,838,919</u>	<u>\$ 3,175,114</u>	<u>\$ 9,583,500</u>	<u>\$ 12,758,614</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2020 and 2019

Exhibit 3

	<u>2020</u>	<u>2019</u>
<u>Cash flows from operating activities</u>		
Receipts from students and other customers	\$ 46,602,095	\$ 48,875,112
Receipts of grants and contracts	8,773,348	11,727,612
Payments to suppliers for goods or services	(51,035,916)	(32,124,140)
Payments to or on behalf of employees	(130,119,765)	(126,249,741)
Payments of scholarships and fellowships	(33,265,597)	(29,528,179)
Net cash used by operating activities	<u>(159,045,835)</u>	<u>(127,299,336)</u>
<u>Cash flows from non-capital financing activities</u>		
Receipts from State appropriations	42,569,734	39,274,972
Receipts from ad valorem taxes - maintenance and operating	70,400,650	69,448,755
Receipts from non-operating Federal revenue	48,562,418	39,150,816
Payments on notes - principal	-	(2,072,172)
Payments on notes - interest	-	(72,860)
Receipts from COVID-19 relief	20,918	-
Net cash provided by non-capital financing activities	<u>161,553,720</u>	<u>145,729,511</u>
<u>Cash flows from capital and related financing activities</u>		
Receipts from ad valorem taxes - debt service	36,671,257	28,541,144
Proceeds from sale of capital assets	-	8,843,556
Purchases of capital assets	(99,738,956)	(112,185,460)
Proceeds from general obligation bonds	-	151,048,754
Payment on capital debt - principal	(13,662,775)	(21,362,425)
Payment on capital debt - interest	(23,689,436)	(17,245,216)
Net cash provided (used) by capital and related financing activities	<u>(100,419,910)</u>	<u>37,640,353</u>
<u>Cash flows from investing activities</u>		
Investment income	3,127,578	6,569,872
Net cash provided by investing activities	<u>3,127,578</u>	<u>6,569,872</u>
Increase (Decrease) in cash and cash equivalents	(94,784,447)	62,640,400
Cash and cash equivalents, beginning of year	277,616,452	214,976,052
Cash and cash equivalents, end of year	<u>\$ 182,832,005</u>	<u>\$ 277,616,452</u>
<u>Reconciliation of operating loss to net cash used by operating activities</u>		
Operating loss	\$ (186,939,897)	\$ (167,893,006)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	18,227,393	16,538,467
Bad debt expense	457,831	1,187,003
Tax collection fee	242,673	234,389
Payments made directly by state for benefits	11,054,425	12,143,926
Changes in assets and liabilities:		
Receivables, net	(2,059,629)	(2,828,646)
Prepaid expenses and deferred charges	411,832	(673,507)
Inventories	(10,234)	3,397
Donated assets	(2,052,315)	(2,893,701)
Deferred outflows related to pensions	2,826,403	(21,150,263)
Deferred outflows related to OPEB	2,864,399	(17,915,782)
Accounts payable	(5,912,887)	11,024,286
Accrued liabilities	441,827	(331,558)
Unearned revenue	(2,536,718)	1,060,812
Compensated absences	712,616	(77,911)
Net pension liability	(3,680,884)	22,895,184
Net OPEB liability	12,099,039	3,958,142
Deferred inflow related to pensions	4,871,437	764,330
Deferred inflow related to OPEB	(10,063,146)	16,655,102
Net cash used by operating activities	<u>\$ (159,045,835)</u>	<u>\$ (127,299,336)</u>



SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

August 31, 2020 and 2019

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 its taxing district 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.

The San Jacinto Community College Foundation, Inc. (the Foundation) is a non-profit organization established in 1996 for the purpose of providing benefits, such as scholarships and grants, to the College through private funds raised by the Foundation. Under GASB Statement No. 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a government unit. Accordingly, the Foundation's most recent fiscal year end comparative Statements of Financial Position, Statements of Activities and Changes in Net Assets, and Statements of Cash Flows, which are prepared in accordance with the standards of the Financial Accounting Standards Board, are included in the College's comprehensive annual financial report as a discretely presented component unit. Complete financial statements for the Foundation can be obtained from the administrative office of the Foundation.

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges*. The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities.

New Accounting Pronouncements

All GASB Statements up to Statement No. 97 were reviewed for applicability to the College. Implementation status and applicability information is provided below.

GASB Statement No. 84 - *Fiduciary Activities*

[GASB Statement 84 Link](#)

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. This Statement was originally effective for the College's fiscal year ending August 31, 2020 but is now postponed to August 31, 2021, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

GASB Statement No. 87 - *Leases*
[GASB Statement 87 Link](#)

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement was originally effective for the College's fiscal year ending August 31, 2021 but is now postponed to August 31, 2022, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

GASB Statement No. 89 - *Accounting for Interest Cost Incurred Before the End of a Construction Period*
[GASB Statement 89 Link](#)

This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement was originally effective for the College's fiscal year ending August 31, 2021 but is now postponed to August 31, 2022, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

GASB Statement No. 90 - *Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)*
[GASB Statement 90 Link](#)

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement was originally effective for the College's fiscal year ending August 31, 2020 but is now postponed to August 31, 2021, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

GASB Statement No. 91 - Conduit Debt Obligations
[GASB Statement 91 Link](#)

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. This Statement was originally effective for the College's fiscal year ending August 31, 2022 but is now postponed to August 31, 2023, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

GASB Statement 92 - Omnibus 2020
[GASB Statement 92 Link](#)

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The statement addresses a variety of topics and includes the following: Statement No. 87, Statement No. 73, Statement No. 74, Statement No. 84, and other topics. The application of this statement is expected to provide more comparable reporting and improve the usefulness for financial statement users. Some requirements of this statement are effective upon issuance, and others are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. This Statement was originally effective for the College's fiscal year ending August 31, 2021 but is now postponed to August 31, 2022, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

GASB Statement No. 93 - Replacement of Interbank Offered Rates
[GASB Statement 93 Link](#)

The objective of this statement is to address accounting and financial reporting implications resulting from global reference rate reform. Government agreements in which variable payments made or received depend on IBOR, most notably the London Interbank Offered Rate (LIBOR), will be affected, as LIBOR will cease to exist at the end of 2021. Rate provisions in Statement Nos. 53 and 87 will also be affected. Most requirements of this statement are effective for reporting periods beginning after June 15, 2020; however, requirements regarding the removal of LIBOR as an appropriate benchmark are effective for reporting periods beginning after December 31, 2021. Earlier application is encouraged. This Statement is effective for the College's fiscal year ending August 31, 2022. The College is currently evaluating the impact of adopting this Statement.

GASB Statement 94 - Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)
[GASB Statement 94 Link](#)

The objective of this statement is to improve financial reporting related to PPPs and APAs by establishing the definitions of these arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This statement will enhance the decision usefulness of financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. Requirements of this statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. This Statement is effective for the College's fiscal year ending August 31, 2023. The College is currently evaluating the impact of adopting this Statement.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

GASB Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance*
[GASB Statement 95 Link](#)

The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement Nos. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guide Nos. 2017-3, 2018-1, 2019-1, and 2019-2. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3. Requirements of this statement are effective immediately. Changes in effective dates noted in the pertinent GASB Statements above.

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements (SBITA)*
[GASB Statement 96 Link](#)

The objective of this statement is to (1) define a SBITA; (2) establish that SBITA results in a right-to-use subscription (intangible) asset and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments; and (4) require note disclosures regarding a SBITA. The statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement is effective for the College's fiscal year ending August 31, 2023. The College is currently evaluating the impact of adopting this Statement.

GASB Statement 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (an amendment of GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32)*
[GASB Statement 97 Link](#)

The primary objectives of this statement are the following: (1) increase consistency and comparability in the reporting of fiduciary component units where the potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of reporting defined contribution plans, defined contribution OPEB plans, or other employee benefit plans that are administered through trusts are effective immediately. This Statement was originally effective for the College's fiscal year ending August 31, 2020 but is now postponed to August 31, 2021, as a result of GASB Statement No. 95. The College is currently evaluating the impact of adopting this Statement.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Tuition Discounting

Texas Public Education Grants (TPEG) - Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set aside, called the 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.

Title IV Higher Education Act Program Funds (HEA) - Certain Title IV HEA Program 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 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

The College is required by Texas State 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 a maturity of three months or less at time of purchase. The governing board has designated external public funds investment pools to be cash equivalents, as the investments are redeemable on demand.

Deferred Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense) until then. The College has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the statement of net position, deferred amounts related to pension, and deferred amounts related to OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Investments

The College reports investments at fair value. Fair values are based on published market rates, except for external public funds investment pools which are valued and reported at amortized cost, which approximates fair value. Short-term investments have an original maturity greater than three months but less than one year at time of purchase or current maturities of less than one year. The College has designated external public funds investment pools of \$160,462,075 and \$224,060,234 as of August 31, 2020 and 2019, respectively, to be cash equivalents. Long-term investments have an original maturity of greater than one year at the time of purchase and are considered as noncurrent assets. The College had no long-term investments at August 31, 2020 and 2019.

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.

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 that are purchased are recorded at cost. Donated capital assets are recorded at acquisition value. 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, 2020 and 2019. 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

Interest on Capital Related Debt

Interest incurred on capital related debt totaled \$26,447,913 and \$19,466,742 for fiscal years 2020 and 2019, respectively. Of these amounts, \$3,048,765 and \$1,585,091 was capitalized to construction in process for fiscal years 2020 and 2019, respectively.

Net Pension Liability - Teachers Retirement System of Texas

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (Continued)

Net Other Post-Employment Benefits Liability - Employees Retirement System of Texas

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

Unearned Revenue

Unearned revenue, primarily consisting of tuition and fees, relates to academic terms in the next fiscal year and, as such, has been recognized as a liability. At August 31, 2020 and 2019, unearned revenue was \$25,105,610 and \$27,642,328, respectively.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The College has two items that qualify for reporting in this category. In the statement of net position, the College reports deferred amounts related to pension and deferred amounts related to OPEB.

Net Position

The College's net position is classified as follows:

Net investment in capital assets: This represents the College's total investment in capital assets, net of outstanding debt obligations and payables 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 net investment in capital assets.

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 legal or contractual obligations that require the amounts to be spent in accordance with the external restrictions.

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)
August 31, 2020 and 2019

2. Summary of Significant Accounting Policies (continued)

Classification of Revenues and Expenses

The College defines operating activities, for purposes of reporting on the Statements 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 financial statements in accordance 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.

Reclassifications

Certain amounts in the 2019 financial statements have been reclassified to conform with the current year presentation.

3. 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, 2020 and 2019.

4. Authorized Investments

The Board of Trustees of the College has adopted a written investment policy (the Policy) regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct 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.

Deposits and Investments

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

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents:		
Petty cash on hand	\$ 20,200	\$ 19,825
External investment pools	160,462,075	224,060,234
Money market	<u>20,252,166</u>	<u>50,363,963</u>
Subtotal cash and cash equivalents	180,734,441	274,444,022
Bank deposits - demand deposits	<u>2,097,564</u>	<u>3,172,430</u>
Total cash and deposits, August 31	\$ <u>182,832,005</u>	\$ <u>277,616,452</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

4. Authorized Investments (continued)

The following is a reconciliation of cash, cash equivalents and investments to Exhibit 1, Statements of Net Position, as of August 31:

	<u>2020</u>	<u>2019</u>
Exhibit 1 - cash, cash equivalents and investments:		
Cash and cash equivalents:		
Current	\$ 80,146,687	\$ 84,364,984
Noncurrent	102,685,318	193,251,468
Investments	<u>-</u>	<u>-</u>
Total cash, cash equivalents and investments	\$ <u>182,832,005</u>	\$ <u>277,616,452</u>

As of August 31, the College had the following cash equivalents, investments and related maturities:

Investment Type	Investment Maturities (in Years)				Weighted Average (Days)	Rating
	Fair Value	Maturity Less than 1	1 to 2	2 to 3		
<u>2020</u>						
External investment pools	\$ 160,462,075	\$ 160,462,075	\$ -	\$ -	1.00	AAA-AAAm
Money market	<u>20,252,166</u>	<u>20,252,166</u>	<u>-</u>	<u>-</u>	<u>1.00</u>	n/a
Totals	\$ <u>180,714,241</u>	\$ <u>180,714,241</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1.00</u>	
<u>2019</u>						
External investment pools	\$ 224,060,234	\$ 224,060,234	\$ -	\$ -	1.00	AAA-AAAm
Money market	<u>50,363,963</u>	<u>50,363,963</u>	<u>-</u>	<u>-</u>	<u>1.00</u>	n/a
Totals	\$ <u>274,424,197</u>	\$ <u>274,424,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1.00</u>	

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the Policy sets a maximum maturity of three 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 months. The bond fund must maintain a 10% liquidity buffer. During 2020 and 2019, the portfolio contained no investment maturing beyond three years and the dollar weighted average maturity of the total portfolio was 1 day as of August 31, 2020 and 2019.

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 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 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.

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

4. Authorized Investments (continued)

Concentration of Credit Risk

The Policy of the College to invest its public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow requirements of the College and conforming to all state and federal statutes governing the investment of public funds. 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	10 %
Limit per geographical region	50 %
Corporate Obligations	30 %
Limit per issuer	5 %

As of August 31, 2020, the investment portfolio consisted of 98.84% in investment pools and money market accounts and 1.16% in petty cash and demand deposits. As of August 31, 2019, the investment portfolio consisted of 98.85% in investment pools and money market accounts and 1.15% in petty cash and demand deposits.

Custodial Credit Risk

To control custody risk, State law and the 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 counterparty of each type of transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

4. Authorized Investments (continued)

As of August 31, 2020 and 2019, 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. At August 31, 2020, and 2019, the carrying amount of the College deposits was \$22,223,241 and \$53,484,859 and the total bank balances equaled \$23,793,978 and \$54,764,853, respectively. Bank balances are covered by Federal depository insurance of up to \$250,000 per financial institution. The remaining \$23,046,127 and \$54,019,346 were covered by an FHLB letter of credit or collateral pledged with securities held by the pledging financial institution's trust department or agent in the College's name for the years ended August 31, 2020 and 2019, respectively.

Fair Value of Financial Instruments

GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value for certain investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets of liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The College had the following investments measured at fair value at August 31, 2020:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments measured at fair value level - money market	\$ 20,252,166	\$ <u>20,252,166</u>	\$ _____	\$ _____
Investments measured at NAV/amortized cost:				
TexPool	148,547,186			
Lone Star	<u>11,914,889</u>			
Total Investments	\$ <u>180,714,241</u>			

The College had the following investments measured at fair value at August 31, 2019:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments measured at fair value level - money market	\$ 50,363,963	\$ <u>50,363,963</u>	\$ _____	\$ _____
Investments measured at NAV/amortized cost:				
TexPool	188,173,581			
Lone Star	<u>35,886,653</u>			
Total	\$ <u>274,424,197</u>			

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

4. Authorized Investments (continued)

The State of Texas Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool (TexPool). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State of Texas Comptroller of Public Accounts has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's. As a requirement to maintain the rating, weekly portfolio information is submitted to both Standard & Poor's and the Office of the State of Texas Comptroller of Public Accounts for review. TexPool uses amortized cost to report net position to compute share prices. The fair value of the position in TexPool is the same as the value in TexPool shares.

The Lone Star Investment Pool (Lone Star) is a public funds investment pool established in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 225, Texas Government Code. Lone Star is governed by trustees comprised of active participants in Lone Star. The Board of Trustees for Lone Star has the responsibility for adopting and monitoring compliance with the investment policy, of appointing investment officers, of overseeing the selection of an investment advisor, custodian, investment consultant, administrator and other service providers. Lone Star is rated AAA by Standard & Poor's. Lone Star uses amortized cost to report net position to compute share prices. The fair value of the position in Lone Star is the same as the value in Lone Star shares.

TexPool and Lone Star are not registered with the Securities and Exchange Commission (SEC) as investment companies but they operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Under GASB, 2a7-like investment pools are permitted to use amortized cost rather than market value to report net positions and to compute share price.

TexPool and Lone Star do not place any restrictions on the number of withdrawals or dollar amount.

5. Disaggregation of Receivables and Payables Balances

Accounts receivable consist of the following at August 31:

	<u>2020</u>	<u>2019</u>
Student receivables	\$ 20,914,690	\$ 23,745,190
Federal receivables	3,194,854	996,616
State and local receivables	569,886	152,610
Other receivables	1,885,910	914,252
Less allowances for doubtful accounts	<u>(5,266,325)</u>	<u>(6,111,451)</u>
Total	<u>21,299,015</u>	<u>19,697,217</u>
Property tax receivable	4,708,809	3,415,818
Less allowances for doubtful accounts	<u>(232,750)</u>	<u>(232,750)</u>
Total	<u>4,476,059</u>	<u>3,183,068</u>
Total accounts receivables, net	<u>\$ 25,775,074</u>	<u>\$ 22,880,285</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

5. Disaggregation of Receivables and Payables Balances (continued)

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

	<u>2020</u>	<u>2019</u>
Vendors payable	\$ 5,461,706	\$ 4,243,237
Construction costs payable	11,123,735	17,306,875
Students payable	762,246	701,610
Other payables	841,279	1,850,131
Salaries and benefits payable	6,316,764	5,874,937
Accrued interest payable	<u>1,119,816</u>	<u>1,410,104</u>
Total accounts payable and accrued liabilities	<u>\$ 25,625,546</u>	<u>\$ 31,386,894</u>

6. Capital Assets

Capital assets activity for the years ended August 31 is as follows:

	<u>2020</u>			
	<u>Balance September 1, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance August 31, 2020</u>
Not depreciated:				
Land	\$ 17,122,501	\$ -	\$ -	\$ 17,122,501
Construction in progress	<u>94,038,414</u>	<u>98,156,445</u>	<u>139,870,943</u>	<u>52,323,916</u>
Total not depreciated	<u>111,160,915</u>	<u>98,156,445</u>	<u>139,870,943</u>	<u>69,446,417</u>
Other capital assets:				
Buildings	494,539,666	114,794,871	824,361	608,510,176
Land improvements	64,823,378	9,841,096	-	74,664,474
Furniture, equipment and vehicles	47,786,850	12,810,385	228,376	60,368,859
Telecommunications and computer peripheral equipment	32,381,134	5,829,890	8,300	38,202,724
Library books	<u>7,351,245</u>	<u>229,527</u>	<u>165,645</u>	<u>7,415,127</u>
Total depreciated	<u>646,882,273</u>	<u>143,505,769</u>	<u>1,226,682</u>	<u>789,161,360</u>
Less accumulated depreciation:				
Buildings	119,061,698	8,873,825	697,545	127,237,978
Land improvements	31,874,854	3,025,324	-	34,900,178
Furniture, equipment and vehicles	21,896,702	3,762,711	172,047	25,487,366
Telecommunications and computer peripheral equipment	22,594,322	2,211,068	8,300	24,797,090
Library books	<u>4,759,735</u>	<u>354,465</u>	<u>165,645</u>	<u>4,948,555</u>
Total accumulated depreciation	<u>200,187,311</u>	<u>18,227,393</u>	<u>1,043,537</u>	<u>217,371,167</u>
Net capital assets	<u>\$ 557,855,877</u>	<u>\$ 223,434,821</u>	<u>\$ 140,054,088</u>	<u>\$ 641,236,610</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

6. Capital Assets (continued)

	2019			Balance August 31, 2019
	Balance September 1, 2018	Increase	Decrease	
Not depreciated:				
Land	\$ 18,971,297	\$ -	\$ 1,848,796	\$ 17,122,501
Construction in progress	49,207,739	110,438,371	65,607,696	94,038,414
Total not depreciated	<u>68,179,036</u>	<u>110,438,371</u>	<u>67,456,492</u>	<u>111,160,915</u>
Other capital assets:				
Buildings	440,529,549	54,089,597	79,480	494,539,666
Land improvements	58,749,026	6,079,811	5,459	64,823,378
Furniture, equipment and vehicles	42,146,108	7,286,767	1,646,025	47,786,850
Telecommunications and computer peripheral equipment	33,584,127	2,550,381	3,753,374	32,381,134
Library books	<u>7,266,881</u>	<u>321,409</u>	<u>237,045</u>	<u>7,351,245</u>
Total depreciated	<u>582,275,691</u>	<u>70,327,965</u>	<u>5,721,383</u>	<u>646,882,273</u>
Less accumulated depreciation:				
Buildings	110,666,474	8,395,224	-	119,061,698
Land improvements	29,116,263	2,758,591	-	31,874,854
Furniture, equipment and vehicles	20,567,553	2,960,605	1,631,456	21,896,702
Telecommunications and computer peripheral equipment	24,249,304	2,074,232	3,729,214	22,594,322
Library books	<u>4,646,965</u>	<u>349,815</u>	<u>237,045</u>	<u>4,759,735</u>
Total accumulated depreciation	<u>189,246,559</u>	<u>16,538,467</u>	<u>5,597,715</u>	<u>200,187,311</u>
Net capital assets	\$ <u>461,208,168</u>	\$ <u>164,227,869</u>	\$ <u>67,580,160</u>	\$ <u>557,855,877</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, 2020 and 2019, the outstanding commitment under construction contracts for facilities and other projects is approximately \$58.2 and \$63.8 million, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

8. Noncurrent Liabilities

Noncurrent liability activity for the years ended August 31 is as follows:

	2020				
	Balance September 1, 2019	Increase	Decrease	Balance August 31, 2020	Current Portion
Bonds payable:					
General obligation bonds	\$ 544,008,506	\$ -	\$ 13,568,508	\$ 530,439,998	\$ 16,967,143
Revenue bonds	47,380,693	-	1,401,010	45,979,683	1,461,011
Accrued compensable absences	2,181,388	876,249	238,537	2,819,100	163,633
Net pension liability	49,494,145	-	3,680,884	45,813,261	-
Net OPEB liability	95,083,178	12,099,039	-	107,182,217	2,508,489
Total	\$ <u>738,147,910</u>	\$ <u>12,975,288</u>	\$ <u>18,888,939</u>	\$ <u>732,234,259</u>	\$ <u>21,100,276</u>

	2019				
	Balance September 1, 2018	Increase	Decrease	Balance August 31, 2019	Current Portion
Bonds payable:					
General obligation bonds	\$ 414,188,741	\$ 163,193,506	\$ 33,373,741	\$ 544,008,506	\$ 13,508,138
Revenue bonds	48,731,702	-	1,351,009	47,380,693	1,398,637
Notes payable - Maintenance tax notes	2,072,172	-	2,072,172	-	-
Accrued compensable absences	2,259,299	150,161	288,072	2,181,388	263,072
Net pension liability	26,598,961	22,895,184	-	49,494,145	-
Net OPEB liability	91,125,036	3,958,142	-	95,083,178	1,398,656
Total	\$ <u>584,975,911</u>	\$ <u>190,196,993</u>	\$ <u>37,024,994</u>	\$ <u>738,147,910</u>	\$ <u>16,568,233</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

9. Bonds and Notes Payable

Bonds and notes payable at August 31 are as follows:

	<u>2020</u>	<u>2019</u>
<u>General Obligation Bonds</u>		
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. Partially defeased during fiscal years 2017 and 2019. Tax supported bonds. Interest rates range from 1.30% to 4.66%. Due February 2038.	\$ 33,862,666	\$ 37,505,476
Limited Tax General Obligation Refunding Bonds, Series 2012, to refund Series 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.	9,434,477	9,996,386
Limited Tax General Obligation Refunding Bonds, Series 2015, to partially refund Series 2008, 2008A, and 2009 General Obligation Bonds. Issued September 10, 2015, in the amount of \$46,505,000 plus a premium of \$5,995,835, less a discount of \$303,503. Tax supported bonds. Interest rates range from 3.625% to 5.00%. Due February 2033.	50,240,952	50,566,228
Limited Tax General Obligation Bonds, Series 2016A, to construct, renovate, acquire and equip school buildings and for the purchase of necessary sites for school buildings, and pay the costs of issuance. Issued April 20, 2016, in the amount of \$138,220,000 plus a premium of \$14,856,886, less a discount of \$675,563. Tax supported bonds. Interest rates range from 3.00% to 5.00%. Due February 2046.	143,186,466	146,146,819
Limited Tax General Obligation Refunding Bonds, Series 2016B, to partially refund Series 2008A and 2009 General Obligation Bonds and pay the costs of issuance. Issued April 20, 2016 in the amount of \$50,235,000 plus a premium of \$5,989,839, less a discount of \$246,949. Tax supported bonds. Interest rates range from 4.00% to 5.00%. Due February 2038.	53,886,716	55,107,756
Limited Tax General Obligation Refunding Bonds, Series 2016C, to partially refund Series 2009 Limited Tax General Obligation Bonds and Series 2011 Limited Tax Refunding Bonds and pay the costs of issuance. Issued September 22, 2016 in the amount of \$73,770,000 plus a premium of \$9,659,340, less a discount of \$362,867. Tax supported bonds. Interest rates range from 2.50% to 5.00%. Due February 2039.	81,107,623	81,522,334

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

9. Bonds and Notes Payable (continued)

Limited Tax General Obligation Bonds, Series 2019A, to construct, renovate, acquire and equip school buildings, purchase necessary sites for school buildings, and pay the costs of issuance. Issued February 6, 2019 in the amount of \$131,205,000 plus a premium of \$19,828,053. Tax supported bonds. Interest rate 5.00%. Due February 2049. 149,986,572 150,647,508

Limited Tax General Obligation Refunding Bonds, Series 2019B, to refund Series 2007 Limited Tax General Obligation Building and Refunding Bonds, Series 2008 Limited Tax Refunding Bonds, 2009 Limited Tax General Obligation Bonds, and pay the costs of issuance. Issued February 6, 2019 in the amount of \$11,520,000 plus a premium of \$1,070,607. Tax supported bonds. Interest rate 5.00%. Due February 2033. 8,734,526 12,545,998

Revenue Bonds

Combined Fee Revenue Bonds, Series 2015, to purchase, construct, equip buildings, purchase sites for school buildings, and pay cost of issuance. Issued July 15, 2015, in the amount of \$47,535,000 plus a premium of \$3,036,445, less a discount of \$316,714. Pledged revenue supported bonds. Interest rates range from 3.75% to 5.00%. Due February 2040. 45,979,683 47,380,694

Total bonds and notes payable \$ 576,419,681 \$ 591,389,198

10. Debt Obligations

Debt service requirements for bonds and notes payable as of August 31, 2020 were as follows:

<u>Years Ending</u> <u>August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 18,428,154	\$ 24,211,383	\$ 42,639,537
2022	19,230,540	23,146,047	42,376,587
2023	19,940,965	22,448,696	42,389,661
2024	21,237,160	21,370,202	42,607,362
2025	19,795,408	22,780,179	42,575,587
2026-2030	114,125,428	88,045,099	202,170,527
2031-2035	125,156,220	62,615,628	187,771,848
2036-2040	123,548,529	35,508,372	159,056,901
2041-2045	73,181,440	17,207,025	90,388,465
2046-2049	<u>41,775,837</u>	<u>3,368,199</u>	<u>45,144,036</u>
Total	\$ <u>576,419,681</u>	\$ <u>320,700,830</u>	\$ <u>897,120,511</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

11. Pledged Revenue Coverage

Revenues pledged as security for the life of the revenue bond debt service include the statutory portion of tuition and fees related to continuing education, general service, installment payment plans, and course and laboratory fees. Revenue bonds are payable in annual installments averaging \$3.3 million with interest rates from 3.625% to 5.000% and the final installment due in 2040.

Under the provisions of GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, the College's pledged revenue for the secured debt outstanding as of and for the years ended August 31, 2020 and 2019 is as follows:

	2020		2019	
	Revenue Bonds	Maintenance Tax Notes	Revenue Bonds	Maintenance Tax Notes
Pledged revenue required for future principal and interest	\$ 65,391,900	\$ -	\$ 68,663,000	\$ -
Principal and interest paid during the year	\$ 3,271,100	\$ -	\$ 3,271,700	\$ 479,950
Revenue stream for the year	\$ 22,943,459	\$ -	\$ 32,422,000	\$ 69,383,250
Percentage of revenue stream pledged for the year	14.26%	-	10.09%	0.692%
Term of commitment	2040	-	2040	2022

12. Refunding Bonds

Limited Tax General Obligation Refunding Bonds, Series 2019B

On February 15, 2019, the College issued \$11,520,000 of Limited Tax General Obligation Refunding Bonds, Series 2019B. The bonds mature serially through February 2033. The interest rate is 5.00%. The bonds are to refund Series 2007 Limited Tax General Obligation Building and Refunding Bonds, Series 2008 Limited Tax Refunding Bonds, 2009 Limited Tax General Obligation Bonds, and pay the costs of issuance. The par value of the refunding bonds was \$11,520,000 with reoffering premiums of \$1,070,607.

As of the effective date of the refunding: (1) total cash flow required to service the refunded bonds was \$12,461,190, (2) the aggregate debt service payments of \$13,616,650 for the refunding bonds was \$729,068 less than the aggregate debt service payments of \$14,345,718 for the refunded bonds, and (3) the net present value of the refunding transaction was \$694,722 or 5.59%.

Limited Tax General Obligation Refunding Bonds, Series 2016C

On September 22, 2016, the College issued \$73,770,000 of Limited Tax General Obligation Refunding Bonds, Series 2016C. The bonds mature serially through February 2039. The interest rates range from 2.50% to 5.00%. The bonds are to refund portions of the Limited Tax Refunding Bonds, Series 2011 and portions of the Limited Tax General Obligation Bonds, Series 2009. The par value of the refunding bonds was \$73,770,000 with reoffering premiums of \$9,659,340, less discounts of \$362,867.

As of the effective date of the refunding: (1) total cash flow required to service the refunded bonds was \$82,779,434, (2) the aggregate debt service payments of \$120,672,610 for the refunding bonds was \$13,870,843 less than the aggregate debt service payments of \$134,543,453 for the refunded bonds, and (3) the net present value of the refunding transaction was \$10,849,558 or 14.62%.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

12. Refunding Bonds (continued)

Limited Tax General Obligation Refunding Bonds, Series 2016B

On April 20, 2016, the College issued \$50,235,000 of Limited Tax General Obligation Refunding Bonds, Series 2016B. The bonds mature serially through February 2036 and include term bonds maturing through February 2038. The interest rates range from 4.00% to 5.00%. The bonds are to refund the Limited Tax General Obligation Bonds, Series 2008A and 2009. The par value of the refunding bonds was \$50,235,000 with a reoffering premium of \$5,989,839, less a discount of \$246,949.

As of the effective date of the refunding: (1) total cash flow required to service the refunded bonds was \$57,574,944, (2) the aggregate debt service payments of \$82,156,274 for the refunding bonds was \$7,728,431 less than the aggregate debt service payments of \$89,884,705 for the refunded bonds, and (3) the net present value of the refunding transaction was \$5,572,359, or 10.84%.

Limited Tax General Obligation Refunding Bonds, Series 2015

On September 10, 2015, the College issued \$46,505,000 of Limited Tax General Obligation Refunding Bonds, Series 2015. The bonds mature serially through February 2040. The interest rates range from 3.625% to 5.00%. The bonds are to refund the Limited Tax General Obligation Bonds, Series 2008, 2008A, and 2009. The par value of the refunding bonds was \$46,505,000 with a reoffering premium of \$5,995,835, less a discount of \$303,503.

As of the effective date of the refunding: (1) total cash flow required to service the refunded bonds was \$51,966,449, (2) the aggregate debt service payments of \$70,549,430 for the refunding bonds was \$3,717,798 less than the aggregate debt service payments of \$74,267,228 for the refunded bonds, and (3) the net present value of the refunding transaction was \$2,820,872, or 5.99%.

13. Defeased Bonds Outstanding

For the fiscal years ended August 31, 2020 and 2019, the College had the following defeased bonds outstanding:

<u>Bond Issue</u>	<u>Calendar Year Refunded</u>	<u>Par Value Outstanding</u>	
		<u>2020</u>	<u>2019</u>
Limited Tax General Obligation Bonds, Series 2011	2016	\$ 16,585,000	\$ 16,585,000
Limited Tax General Obligation Bonds, Series 2011	2019	7,005,000	7,005,000
Maintenance Tax Refunding Notes, Series 2011	2019	<u>1,170,000</u>	<u>1,595,000</u>
Total		\$ <u>24,760,000</u>	\$ <u>25,185,000</u>

14. Unrestricted Net Position

The College may designate a portion of unrestricted net position to indicate management's tentative plans for future use of financial resources. As of August 31, 2020, and 2019, the College has not designated any portion of the unrestricted net position.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

15. Operating Lease Commitments and Rental Agreements

The College leases computer equipment, instructional equipment, office space, storage space, vehicles, and copiers. The following operating lease commitments requiring future minimum annual rental payments are as follows as of August 31, 2020:

Years Ending <u>August 31,</u>	
2021	\$ 2,209,404
2022	1,669,493
2023	1,166,922
2024	724,977
2025	<u>145,198</u>
Total	\$ <u>5,915,994</u>

Computer leases have term expiration dates ranging from calendar years 2020 to 2025. 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 calendar years 2020 to 2021. 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.

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 monthly rental fees based on model and number of units leased.

Operating expenses include \$3,454,977 and \$2,716,212 of lease payments paid during fiscal years 2020 and 2019, respectively.

16. Defined Benefit Plan - Teacher Retirement System of Texas

Plan Description

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

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

Pension Plan Fiduciary Net Position

TRS issues a publicly available, audited Comprehensive Annual Financial Report that includes financial statements, notes and required supplementary information. This report may be obtained on the internet at https://www.trs.texas.gov/TRS%20Documents/cafr_2019.pdf (select *About TRS*, then *Publications*, then

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Financial Reports) or by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, whose formulas use the three highest annual salaries. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the State, participating employers and active employees to make the pension fund actuarially sound. Because this action causes the pension fund to be actuarially sound, the Legislature approved funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

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

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Contribution Rates

	<u>2020</u>	<u>2019</u>
Member (Employee)	7.70%	7.70%
Non-Employer Contributing Entity (State)	3.75%	3.40%
College (Employer)	3.75%	3.40%
Member (Employee)	\$ 6,519,529	\$ 6,187,236
Non-Employer Contributing Entity (State)	2,970,807	2,548,975
College (Employer)	<u>3,569,331</u>	<u>3,088,864</u>
Total contributions	<u>\$ 13,059,667</u>	<u>\$ 11,825,075</u>

Contributors to TRS include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and State agencies including TRS. In each respective role, the State contributes to TRS in accordance with State Statutes and the GAA.

The College's contributions to the TRS pension plan in FY 2020 were \$3,569,331 as reported in the Schedule of Contributions for pensions in the Required Supplementary Information section of these financial statements. Estimated state of Texas on-behalf contributions for FY2020 were \$2,970,807.

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS during that fiscal year reduced by the amounts described below which are paid by the employers. The combined percentage contribution for both the State and the College equals 7.5%. The College is required to pay the State contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.
- For certain instructional or administrative employees, an amount equal to 50% of the State contribution rate and 100% of the State contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of TRS, there is a surcharge, an employer is subject to pay both the member contribution and the State contribution as an employment after retirement surcharge.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018 rolled forward To August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%*
Last year ending August 31 in the projection period (100 years)	2116
Inflation	2.30%
Salary increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

* Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."

The actuarial methods and assumptions were selected by the TRS Board of Trustees based upon analysis and recommendations by TRS's actuary. The TRS Board of Trustees has sole authority to determine the actuarial assumptions used for the pension plan. The active mortality rates were based on 90% of the RP 2014 Employee Mortality Tables for males and females. The post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables. The actuarial methods and assumptions are based on a study of actual experience for the three-year period ended August 31, 2018 and were adopted in July 2018 by the TRS Board of Trustees. Assumptions, methods, and plan changes were updated from the prior year's report.

Changes of assumptions since the prior measurement date:

- The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total pension liability to August 31, 2019.
- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.

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

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 7.70% percent of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and State contributions for active and rehired retirees.

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Discount Rate (continued)

The long-term expected rate of return on pension plan investments is 7.25%. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the TRS's target asset allocation as of August 31, 2019, are summarized below:

Asset Class	FY 2019 Target Allocation Percentage*	New Target Allocation Percentage**	Long-Term Expected Geometric Real Rate of Return***
Global Equity:			
U.S.A.	18%	18%	6.4%
Non-U.S. Developed	13%	13%	6.3%
Emerging Markets	9%	9%	7.3%
Directional Hedge Funds	4%	-	-
Private Equity	13%	14%	8.4%
Stable Value:			
U.S. Treasuries****	11%	16%	3.1%
Stable Value Hedge Funds	4%	5%	4.5%
Absolute Return (Including Credit Sensitive Investments)	-	-	-
Real Return:			
Global Inflation Linked Bonds****	3%	-	-
Real Estate	14%	15%	8.5%
Energy and Natural Resources And infrastructure	5%	6%	7.3%
Commodities	-	-	-
Risk Parity:			
Risk Parity	5%	8%	5.8%/6.5%*****
Asset Allocation Leverage			
Cash	1%	2%	2.5%
Asset Allocation Leverage	-	(6.0)%	2.7%
Total	100%	Expected Return	7.23%

* FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018

** New target allocation based on the Strategic Asset Allocation dated 10/1/2019

*** 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%

**** New Target Allocation Groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds

***** 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Discount Rate Sensitivity Analysis

The following table represents the net pension liability of the plan using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
College's proportionate share of the net pension liability	\$ 70,421,637	\$ 45,813,261	\$ 25,875,726

Pension Liabilities, Pension Expense and Related Pension Deferred Outflows/Inflows of Resources

At August 31, 2020 and 2019, the College reported a liability of \$45,813,261 and \$49,494,145, respectively, for its proportionate share of the TRS's net pension liability. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

	<u>2020</u>	<u>2019</u>
The College's proportionate share of the collective net pension liability	\$ 45,813,261	\$ 49,494,145
State's proportionate share that is associated with the College	<u>36,764,281</u>	<u>39,368,786</u>
Total	\$ <u>82,577,542</u>	\$ <u>88,862,931</u>

The net pension liability for fiscal year 2020 was measured as of August 31, 2018 and rolled forward to August 31, 2019. The total pension liability was determined by an actuarial valuation as of that date.

The net pension liability for fiscal year 2019 was measured as of August 31, 2017 and rolled forward to August 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2017 rolled forward to August 31, 2018.

The College's proportion of the net pension liability for fiscal year 2020 and 2019 was based on the College's contributions to the pension plan relative to the contribution of all employers to the plan for the period September 1, 2018 through August 31, 2019 and the period September 1, 2017 through August 31, 2018, respectively.

At the measurement date of August 31, 2019, the College's proportional share of the collective net pension liability was 0.0881310223%, which was a decrease of 0.0017889685% from its proportion measured as of August 31, 2018 of 0.0899199908%.

Changes since the prior actuarial valuation:

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and has been changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Pension Liabilities, Pension Expense and Related Pension Deferred Outflows/Inflows of Resources
(continued)

- The Texas Legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 received an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000 whichever was less.

For the fiscal year ended August 31, 2020, the College recognized pension expense of \$13,688,877 which includes revenues of \$5,775,151 representing pension expense incurred by the State on behalf of the College.

At August 31, 2020 and 2019, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2020</u>		<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 192,457	\$ 1,590,709	\$ 308,506	\$ 1,214,391
Changes in actuarial assumptions	14,213,523	5,873,700	17,845,023	557,657
Net difference between projected and actual investment earnings	460,018	-	-	939,116
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	<u>1,633,807</u>	<u>1,606,403</u>	<u>1,984,757</u>	<u>1,488,211</u>
Total as of August 31 measurement date	16,499,805	9,070,812	20,138,286	4,199,375
Contributions paid to TRS subsequent to the measurement date	<u>3,883,598</u>	<u>-</u>	<u>3,071,520</u>	<u>-</u>
Total	<u>\$ 20,383,403</u>	<u>\$ 9,070,812</u>	<u>\$ 23,209,806</u>	<u>\$ 4,199,375</u>

As of the August 31 measurement date, the College had the following net deferred outflows/(inflows) related to pensions as of August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Deferred outflows of resources	\$ 20,383,403	\$ 23,209,806
Deferred inflows of resources	<u>(9,070,812)</u>	<u>(4,199,375)</u>
Total	<u>\$ 11,312,591</u>	<u>\$ 19,010,431</u>

Deferred outflows of resources resulting from College contributions subsequent to the measurement date in the amount of \$3,883,598 will be recognized as a reduction to net pension liability in the fiscal year ended August 31, 2021.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

16. Defined Benefit Plan - Teacher Retirement System of Texas (continued)

Pension Liabilities, Pension Expense and Related Pension Deferred Outflows/Inflows of Resources
(continued)

The net amounts of the College's balances of deferred outflows and inflows of resources related to pensions, other than deferred outflows of resources for contributions made subsequent to the measurement date of the net pension liability, will be recognized in pension expense as follows:

<u>Years Ended</u> <u>August 31,</u>	<u>Pension</u> <u>Expense</u> <u>Amount</u>
2021	\$ 1,159,927
2022	764,377
2023	2,558,740
2024	2,528,958
2025	877,511
Thereafter	<u>(460,520)</u>
Total	7,428,993
Contributions paid to TRS subsequent to the measurement date	<u>3,883,598</u>
Total deferred outflows of resources, net	\$ <u>11,312,591</u>

17. Defined Contribution Plan - Optional Retirement Plan

Plan Description

The State has established an optional retirement program (ORP) for institutions of higher education. Faculty, administrators, counselors and librarians may enroll in either TRS or ORP. Secretarial, clerical and professional employees are limited to participation in TRS. Employees who are eligible to participate in ORP have ninety days from the date of employment to select the ORP program in lieu of participation in TRS. Employees who previously had the opportunity to participate in ORP but declined must remain with TRS for the duration of their employment in the Texas education system. 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.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas State legislature. The State contribution percentages for fiscal years 2020 and 2019 was 3.30% of ORP related salaries. The College contribution percentages for fiscal years 2020 and 2019 was 3.50%. The combined rate was 6.80% per year. The Employee contribution percentages were 6.65% for fiscal years 2020 and 2019. 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. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

17. Defined Contribution Plan - Optional Retirement Plan (continued)

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 ORP contributions paid by the State for the College was \$477,395 and \$477,422 for the fiscal years 2020 and 2019, respectively. On-behalf payments of these benefits were recognized as restricted revenues and restricted expenses during the period. The total payroll of employees covered by ORP was \$14,734,355 and \$14,709,272 for the fiscal years 2020 and 2019, respectively.

The following table provides a breakdown of the total ORP payments by fiscal year:

Fiscal Year Ended August 31,	State Paid	Contribution %	College Paid	Contribution %	Employee Paid	Contribution %	Total
2020	\$ 477,395	3.300%	\$ 515,702	3.500%*	\$ 979,834	6.65%	\$ 1,972,931
2019	\$ 477,422	3.300%	\$ 515,111	3.500%*	\$ 978,167	6.65%	\$ 1,970,700

* The College pays the State share for employees during the first 90 days of employment and the State share for Auxiliary Services, Grant, and Physical Plant employees.

18. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State contribution per full-time employees was \$379 and \$393 per month for the years ended August 31, 2020 and 2019, respectively. The State's cost of providing those benefits for 1,348 active employees was \$6,133,861 and for 542 retirees was \$2,325,009, for a total State funded amount of \$8,458,870 for the year ended August 31, 2020. The State's cost of providing those benefits for 1,365 active employees was \$6,434,767 and for 543 retirees was \$2,318,327, for a total State funded amount of \$8,753,094 for the year ended August 31, 2019. The amounts represent the portion of expended appropriations made by the State Legislature on behalf of the College. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State's contribution to 50 percent of eligible employees in the reporting district.

The Board of Trustees of the Employee Retirement System of Texas 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 State's contribution has been limited to 50% of eligible employees for community colleges.

Per the table below the amounts of these benefits paid by the State were recognized as restricted State appropriations with an equal amount recognized as restricted benefits expense. These payments do not flow through the College cash accounts.

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

Fiscal Year Ended August 31,	State Paid	%	College Paid	%	Employee Paid	%	Total Annual Premiums
2020	\$ 8,458,870	34.50%	\$ 9,789,669	39.92%	\$ 6,276,345	25.58%	\$ 24,524,884
2019	\$ 8,753,094	36.25%	\$ 9,190,449	38.06%	\$ 6,205,957	25.69%	\$ 24,149,500

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

18. Health Care and Life Insurance Benefits (continued)

State/Employer Contributions for Health Care Insurance (includes basic life insurance rate) per month:

HealthSelect of Texas Plan

	<u>2020</u>	<u>2019</u>
Member only	\$ 624.82	\$ 621.90
Member and spouse	1,340.82	1,334.54
Member and child(ren)	1,104.22	1,099.06
Member and family	1,820.22	1,811.70

19. Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas

Plan Description

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

OPEB Plan Fiduciary Net Position

Detailed information about the SRHP’s fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/>, (FY19CAFR) or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

Benefits Provided

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

Contributions

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

19. Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas (continued)

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

Maximum Monthly Employer Contribution Retiree Health and Basic Life Premium Fiscal Year 2019 (Measurement Year)	
Retiree only	\$ 624.82
Retiree and spouse	1,340.82
Retiree and children	1,104.22
Retiree and family	1,820.22

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

Premium Contributions by Source Group Benefits Program in the SRHP For Years Ended August 31, 2020 and 2019	
Fiscal Year 2020 Member Contributions	\$ 6,276,345
Fiscal Year 2020 College Contributions (active employees)	7,139,066
Fiscal Year 2020 College Contributions (retirees)	2,650,603
Fiscal Year 2019 Measurement Year NECE On-Behalf Contributions (all employees)	8,753,094

Premium Contributions by Source Group Benefits Program in the SRHP For Years Ended August 31, 2019 and 2018	
Fiscal Year 2019 Member Contributions	\$ 6,205,957
Fiscal Year 2019 College Contributions (active employees)	6,569,467
Fiscal Year 2019 College Contributions (retirees)	2,620,982
Fiscal Year 2018 Measurement Year NECE On-Behalf Contributions (all employees)	8,411,856

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

19. Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas (continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2019
Actuarial cost method	Entry Age
Amortization method	Level percent of payroll - open
Remaining amortization period	30 years
Asset valuation method	Not applicable
Actuarial assumptions:	
Discount rate	2.97%
Projected annual salary increase	2.50% to 9.50%, including inflation
Annual healthcare trend rate per year HealthSelect	7.30% for fiscal year 2021, 7.40% for fiscal year 2022, 7.00% for fiscal year 2023, decreasing 0.5% per year to 4.50% for fiscal year 2028 and later years
HealthSelect Medicare Advantage *	10.80% for fiscal year 2021, 7.40% for fiscal year 2022, 7.00% for fiscal year 2023, decreasing 0.5% per year to 4.50% for fiscal year 2028 and later years
Inflation assumption rate	2.50%
Ad hoc post-employment benefit changes	None

*The HealthSelect Medicare Advantage Trend is projected to be higher in fiscal year 2021 as a result of the reinstatement of the Affordable Care Act Health Insurance Providers Fee in 2020 following its suspension in 2019.

The mortality assumptions used in the valuation were as follows:

1. State Agency Members:
 - a. Service Retirees, Survivors and other Inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee Classes) -
 - 2017 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017.
 - b. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes) -
 - RP-2014 Disabled Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014.
 - c. Active Members -
 - RP-2014 Active Member Mortality tables with Ultimate MP Projection Scale from the year 2014.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

19. Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas (continued)

Actuarial Assumptions (continued)

2. Higher Education Members:

a. Service Retirees, Survivors and other Inactive Members -

Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018.

b. Disability Retirees -

Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.

c. Active Members -

Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014.

The actuarial methods and assumptions were selected by the ERS Board of Trustees based upon analysis and recommendations by ERS's actuary. The ERS Board of Trustees has sole authority to determine the actuarial assumptions used for the OPEB plan.

Investment Policy

The SRHP is a pay-as-you-go plan and does not accumulate funds in advance of retirement; therefore, the assumed asset allocation and long-term expected real rate of return on investments is not applicable. The ERS's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the SRHP be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

Discount Rate

Because the SRHP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rates. The discount rate used to determine the total OPEB liability as of the end of the measurement year was 2.97%. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA rating. Projected cash flows into the SRHP are equal to projected benefit payments out of the plan. Because SRHP operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.97%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.97%)	Discount Rate (2.97%)	1% Increase in Discount Rate (3.97%)
Proportionate share of net OPEB liability	\$ <u>127,901,722</u>	\$ <u>107,182,217</u>	\$ <u>91,239,309</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2020 and 2019

19. Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas (continued)

Healthcare Trend Rate Sensitivity Analysis

	<u>1% Decrease in Healthcare Cost</u>	<u>Current Healthcare Cost</u>	<u>1% Increase in Healthcare Cost</u>
Proportionate share of net OPEB liability	\$ <u>89,999,999</u>	\$ <u>107,182,217</u>	\$ <u>129,635,493</u>

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

At August 31, 2020 and 2019, the College reported a liability of \$107,182,217 and \$95,083,178, respectively, for its proportionate share of the SRHP net OPEB liability. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows at August 31:

	<u>2020</u>	<u>2019</u>
College proportionate share of the collective net OPEB liability	\$ 107,182,217	\$ 95,083,178
State's proportionate share that is associated with the College	<u>102,094,647</u>	<u>85,821,662</u>
Total	<u>\$ 209,276,864</u>	<u>\$ 180,904,840</u>

The net OPEB liability was measured as of August 31, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. For the August 31, 2020 and 2019 OPEB liability, the College's proportionate share was based on the College's contributions for employees and retirees to the OPEB plan relative to the contributions of all employers to the plan. The College's proportion of the collective net OPEB liability from its proportion measured at August 31, 2019, was 0.31010973%, which was a decrease of 0.01070815% from its proportion measured as of August 31, 2018 of 0.32081788%. Changes, if any, to the current methodology or actuarial assumptions being utilized by ERS, could result in significant changes in accounting and financial reporting in future periods.

For the fiscal year ended August 31, 2020, the College recognized OPEB expense of \$8,868,757 which includes revenues of \$115,663 representing OPEB expense incurred by the State on behalf of the College. Contributions made by the College subsequent to the measurement dates for active employees and retirees have been recorded as deferred outflows of resources as of August 31, 2020 and 2019.

At August 31, 2020, the College reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2020</u>		<u>2019</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experiences	\$ -	\$ 2,788,977	\$ -	\$ 3,483,542
Changes in actuarial assumptions	7,627,588	23,951,162	-	33,319,743
Net differences between projected and actual investment earnings	44,065	-	45,027	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	<u>7,829,994</u>	<u>-</u>	<u>19,483,670</u>	<u>-</u>
Total as of measurement date	15,501,647	26,740,136	19,528,697	36,803,285
Contributions paid to SRHP subsequent to the measurement date	<u>2,130,990</u>	<u>-</u>	<u>968,339</u>	<u>-</u>
Total as of fiscal year end	<u>\$ 17,632,637</u>	<u>\$ 26,740,136</u>	<u>\$ 20,497,036</u>	<u>\$ 36,803,285</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

19. Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas (continued)

Deferred outflows of resources resulting from College contributions subsequent to the measurement date in the amount of \$2,130,990 will be recognized as a reduction of the net pension liability in the year ended August 31, 2021.

The net amounts of the College's balances of deferred outflows and inflows of resources related to OPEB, other than deferred outflows of resources for contributions made subsequent to the measurement date of the net OPEB liability, will be recognized in expense as follows:

Years Ended <u>August 31,</u>	<u>OPEB Expense Amount</u>
2021	\$ (5,499,449)
2022	(5,499,449)
2023	(2,560,616)
2024	1,269,075
2025	1,557,801
2026	<u>(505,851)</u>
Total	(11,238,489)
Contributions paid to ERS subsequent to the measurement date	<u>2,130,990</u>
Total deferred outflows of resources, net	\$ <u><u>(9,107,499)</u></u>

20. 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 accrued leave forward from one fiscal year to another fiscal year. Employees who terminate their employment are entitled for payment of all earned and unused accrued leave. The College recognized the accrued liability for the unpaid annual leave in the amounts of \$2,496,759 and \$1,760,291 as of August 31, 2020 and 2019, respectively.

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 \$322,341 and \$421,097 as of August 31, 2020 and 2019, 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.

21. 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, 2020 and 2019, the College had one employee participant and an accrued liability \$109,904 and \$35,000, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

22. Self-Insured Plans

The College provides workers' compensation insurance through a partially self-funded risk pool. An accrued liability in the amount of \$618,706 and \$480,152 as of August 31, 2020 and 2019, 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>2020</u>	<u>2019</u>
Beginning Balance, September 1	\$ 480,152	\$ 330,149
Claims incurred and changes in estimates	368,323	333,236
Payments on claims	<u>(229,769)</u>	<u>(183,233)</u>
Ending Balance, August 31	\$ <u>618,706</u>	\$ <u>480,152</u>

23. Ad Valorem Tax

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>2020</u>	<u>2019</u>
Assessed valuation of the College	\$ 72,337,367,215	\$ 64,534,799,196
Less: Exemptions	(11,423,615,439)	(10,550,629,740)
Less: Abatements	<u>-</u>	<u>-</u>
Net assessed valuation of the College	\$ <u>60,913,751,776</u>	\$ <u>53,984,169,456</u>

	<u>2020</u>			<u>2019</u>		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
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)	\$ 0.117251	\$ 0.060918	\$ 0.178169	\$ 0.127210	\$ 0.052119	\$ 0.179329

Taxes levied for the years ended August 31, 2020 and 2019, amounted to \$108,529,422 and \$96,808,089, 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.

Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per \$100 taxable assessed valuation.

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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2020 and 2019

23. Ad Valorem Tax (continued)

Taxes Collected for the Year	2020			2019		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 69,467,031	\$ 36,184,940	\$ 105,651,971	\$ 68,210,279	\$ 27,946,322	\$ 96,156,601
Delinquent taxes	407,241	212,129	619,370	672,062	297,896	969,958
Penalties and interest	<u>526,378</u>	<u>274,188</u>	<u>800,566</u>	<u>566,414</u>	<u>296,926</u>	<u>863,340</u>
Total collections	\$ <u>70,400,650</u>	\$ <u>36,671,257</u>	\$ <u>107,071,907</u>	\$ <u>69,448,755</u>	\$ <u>28,541,144</u>	\$ <u>97,989,899</u>

Tax collections for the years ended August 31, 2020 and 2019, were 97.35 percent and 99.33 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.

24. 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 Audit and Accounting Guide, *State and Local Governments*. Revenues are recognized on Exhibit 2. 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, for funds awarded during fiscal years 2021 and 2020 for which monies have not been received nor funds expended, total \$23,621,308 and \$18,425,227, respectively. Of these amounts, \$20,292,742 and \$14,972,768 were from Federal contract and grant awards and \$3,328,566 and \$3,452,459 were from State contract and grant awards for the fiscal years ended August 31, 2020 and 2019, respectively.

25. Contingent Liabilities

Pending Lawsuits and Claims

As of August 31, 2020, 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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2020 and 2019

26. San Jacinto Community College Foundation (the Foundation) - A Discretely Presented Component Unit

The San Jacinto Community College Foundation, Inc. (the Foundation) was organized in the State of Texas on November 4, 1996 to function as a legally separate, not-for-profit corporation and is controlled by a separate Board of Trustees. The College does not appoint any of the Foundation board members nor does it fund or is it obligated to pay debt related to the Foundation. The duration of the Foundation is perpetual. The Foundation was established to raise private funds for the San Jacinto Community College District (the College) for charitable, scientific, literary, and educational purposes, which are to be administered by the Foundation solely for the benefit of the College, and to account for and enhance the value of funds submitted to it in support of the educational mission of the College.

Using the criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statement No. 14 and No. 34 and GASB No. 39, Determining Whether Certain Organizations are Component Units - An Amendment of GASB Statement No. 14*, the College's management has determined that the Foundation should be reported as a discrete component unit of the College because of the nature and significance of its relationship with the College. The Foundation raises and holds economic resources for the direct benefit of the College. Accordingly, the Foundation's financial statements are included in the College comprehensive annual financial report as a discretely presented component as Exhibit 1A - Statements of Financial Position - Foundation and Exhibit 2A - Statements of Activities and Changes in Net Assets - Foundation for the fiscal years ended August 31, 2020 and 2019.

For complete financial information about the Foundation, please contact the Foundation at: San Jacinto Community College Foundation 4624 Fairmont Parkway, Suite 208, Pasadena TX, 77504 or visit their website at: <https://www.sanjac.edu/foundation>

27. Noncash Investing, Capital and Financing Activities

During fiscal year 2020, the College had the following noncash activities:

- Received donated capital assets of \$2,052,315.

During fiscal year 2019, the College had the following noncash activities:

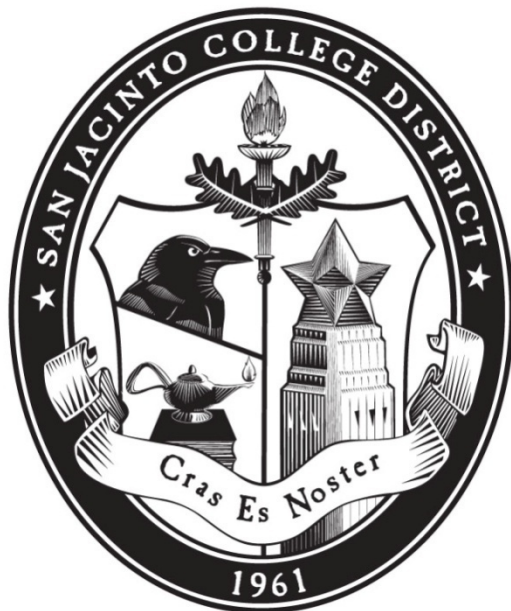
- Issued limited tax general obligation bonds (Series 2019B) to partially refund debt issued in 2007, 2008, and 2009 as well as pay the costs of issuance for the Series 2019B Bonds. The proceeds of \$12,461,179 were deposited into an irrevocable trust for the defeasance of outstanding bond principal of \$11,755,000 and interest of \$731,368.
- Received donated capital assets of \$2,883,701.

28. Subsequent Events

Management has evaluated subsequent events through December 7, 2020, the date which the financial statements were available to be issued. Management of the College has determined that no subsequent events require recognition or disclosure in these financial statements.



REQUIRED SUPPLEMENTAL SCHEDULES



**REQUIRED BY THE GOVERNMENTAL
ACCOUNTING STANDARDS BOARD**



**SAN JACINTO COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF THE COLLEGE'S SHARE OF NET PENSION LIABILITY
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
 LAST SIX MEASUREMENT YEARS*
 (UNAUDITED)**

RSI – 1

	Measurement Year				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2015</u>	<u>2014</u>
College's proportionate share of collective net pension liability based on a measurement period of August 31 of the prior year	0.0881310223%	0.0899199908%	0.0831877506%	0.0847051000%	0.0930021000%
College's proportionate share of collective net pension liability	\$ 45,813,261	\$ 49,494,145	\$ 26,598,961	\$ 29,942,125	\$ 24,842,147
State's proportionate share of net pension liability associated with the College	<u>36,764,281</u>	<u>39,368,786</u>	<u>21,638,412</u>	<u>24,104,919</u>	<u>19,954,950</u>
Total	<u>\$ 82,577,542</u>	<u>\$ 88,862,931</u>	<u>\$ 48,237,373</u>	<u>\$ 54,047,044</u>	<u>\$ 44,797,097</u>
College's covered-employee payroll amount related to TRS	\$ 80,232,953	\$ 79,662,920	\$ 71,679,236	\$ 68,966,250	\$ 61,563,262
College's proportionate share of collective net pension liability / College's covered-employee payroll amount related to TRS	57.10%	62.13%	37.11%	45.68%	40.35%
TRS net pension as percentage of total pension liability	75.24%	73.74%	82.17%	78.43%	83.25%

The amounts presented above are as of the measurement date of the collective net pension liability.

*GASB Statement No. 68 and No. 71 were implemented during fiscal year 2015 and prior years were not restated. Ten year trend information will be presented prospectively.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
 SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS FOR PENSIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
 LAST SIX FISCAL YEARS*
 (UNAUDITED)**

RSI – 2

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Legally required contribution	\$ 3,569,331	\$ 3,088,864	\$ 3,030,938	\$ 2,752,571	\$ 2,704,506	\$ 2,543,574
Actual contribution	<u>3,569,331</u>	<u>3,088,864</u>	<u>3,030,938</u>	<u>2,752,571</u>	<u>2,704,506</u>	<u>2,543,574</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
College's covered-employee payroll amount related to TRS	\$ 84,669,151	\$ 80,232,953	\$ 79,662,920	\$ 71,679,236	\$ 68,966,250	\$ 65,550,615
Contributions as a percentage of covered payroll related to TRS	4.22%	3.85%	3.80%	3.84%	3.92%	3.88%

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

*GASB Statement No. 68 and No. 71 were implemented during fiscal year 2015 and prior years were not restated. Ten year trend information will be presented prospectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

RSI – 3

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY*

EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)

STATE RETIREE HEALTH PLAN

LAST THREE MEASUREMENT YEARS*

(UNAUDITED)

	<u>2019</u>	<u>Measurement Year</u> <u>2018</u>	<u>2017</u>
College's proportionate share of collective net OPEB liability percentage based on the ERS measurement date of August 31,	0.31010973%	0.32081788%	0.26744051%
College's proportionate share of the net OPEB liability	\$ 107,182,217	\$ 95,083,178	\$ 91,125,036
State's proportionate share of net OPEB liability associated with the College	<u>102,094,647</u>	<u>85,821,662</u>	<u>80,389,330</u>
Total	<u>\$ 209,276,864</u>	<u>\$ 180,904,840</u>	<u>\$ 171,514,366</u>
College's covered-employee payroll amount related to ERS	\$ 76,931,961	\$ 76,226,019	\$ 74,307,687
College's proportionate share of collective net OPEB liability as a percentage of covered payroll related to ERS	139.32%	124.74%	122.63%
ERS plan fiduciary net position as a percentage of the total OPEB liability	0.17%	1.27%	2.04%

*GASB Statement No. 75 was implemented during fiscal year 2018 and prior years were not restated. Ten year trend information will be presented prospectively.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE COLLEGE'S CONTRIBUTION FOR OPEB*
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
STATE RETIREE HEALTH PLAN
LAST FOUR FISCAL YEARS*
(UNAUDITED)**

RSI – 4

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Legally required contribution	\$ 2,650,603	\$ 2,620,982	\$ 2,554,275	\$ 2,511,161
Contribution in relation to the contractually required contribution	<u>2,650,603</u>	<u>2,620,982</u>	<u>2,554,275</u>	<u>2,511,161</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered-employee payroll amount related to ERS	\$ 76,421,581	\$ 76,931,961	\$ 76,226,019	\$ 74,307,687
Contributions as a percentage of covered payroll amount related to ERS	3.47%	3.41%	3.35%	3.38%

The amounts presented above are as of the College's fiscal year-end.

*GASB Statement No. 75 was implemented during fiscal year 2018 and prior years were not restated. Ten year trend information will be presented prospectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL SCHEDULES
Years Ended August 31, 2020 and 2019
(Unaudited)

1. Schedules for Pensions - Net Pension Liability

Changes Since Prior Actuarial Valuation

The following changes since the prior actuarial valuation affected the measurement of the amounts reported in the required supplementary schedules:

- The single discount rate was changed from a blended rate of 6.907% as of August 31, 2018 to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.
- It is assumed that future employer and State contributions will be 7.5% of eligible payroll in fiscal year 2020 gradually increasing to 9.55% of eligible payroll over the next several years.

2. Schedules for Other Post-Employment Benefits (OPEB) - Net OPEB Liability

Changes Since Prior Actuarial Valuation

The following changes since the prior actuarial valuation affected the measurement of the amounts reported in the required supplementary schedules:

- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future male retirees assumed to be married and electing coverage for their spouse.
- The percentages of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was changed from 3.96% as of August 31, 2018 to 2.97% as of August 31, 2019 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Actuarial assumption changes are described in ERS's Comprehensive Annual Financial Report and the ERS Actuarial Valuation Report for the year ended August 31, 2019, which can be accessed at <https://www.ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2019-CAFR.pdf> and <https://www.ers.texas.gov/About-ERS/Reports-and-Studies/ERS-Actuarial-Valuation-Reports/2019-ERS-OPEB-Valuation-Report-December-2019.pdf>.

Changes to Benefit Terms

The valuation reflects the benefit change that will become effective January 1, 2020. The change to HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service maximums.



**REQUIRED BY THE TEXAS HIGHER EDUCATION
COORDINATING BOARD**



SAN JACINTO COMMUNITY COLLEGE DISTRICT

SCHEDULE A

SCHEDULE OF OPERATING REVENUES

Year Ended August 31, 2020

(With Memorandum Totals for the Year Ended August 31, 2019)

	2020				2019	
	Educational Activity		Educational Activity	Auxiliary Enterprises	Total	Total
	Unrestricted	Restricted				
<u>Tuition</u>						
State funded credit courses:						
In-district resident tuition	\$ 26,470,344	\$ -	\$ 26,470,344	\$ -	\$ 26,470,344	\$ 16,646,458
Out-of-district resident tuition	30,555,450	-	30,555,450	-	30,555,450	21,482,693
Non-resident tuition	5,123,551	-	5,123,551	-	5,123,551	3,961,441
TPEG-credit (set aside) *	2,899,638	-	2,899,638	-	2,899,638	1,787,575
State funded continuing non-credit education courses	5,555,634	-	5,555,634	-	5,555,634	6,886,812
TPEG-non-credit (set aside) *	85,991	-	85,991	-	85,991	123,240
Non-state funded educational programs	872,313	-	872,313	-	872,313	842,714
Total tuition	<u>71,562,921</u>	<u>-</u>	<u>71,562,921</u>	<u>-</u>	<u>71,562,921</u>	<u>51,730,933</u>
<u>Fees</u>						
General service	-	-	-	-	-	11,522,984
Incidental	-	-	-	-	-	100,679
Instructional	-	-	-	-	-	4,810,235
Laboratory	-	-	-	-	-	849,952
Total fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,283,850</u>
<u>Allowances and discounts</u>						
Allowance for bad debt	(457,831)	-	(457,831)	-	(457,831)	(1,118,703)
Remissions and exemptions - state	(1,015,154)	-	(1,015,154)	-	(1,015,154)	(1,057,463)
Remissions and exemptions - local	(6,905,434)	-	(6,905,434)	-	(6,905,434)	(5,554,595)
Scholarship allowances	(1,601,182)	-	(1,601,182)	-	(1,601,182)	(1,410,580)
TPEG awards	(690,237)	-	(690,237)	-	(690,237)	(567,972)
Federal grants to students	(16,226,128)	-	(16,226,128)	-	(16,226,128)	(13,721,633)
State grants to students	(434,220)	-	(434,220)	-	(434,220)	(643,449)
Total allowances and discounts	<u>(27,330,186)</u>	<u>-</u>	<u>(27,330,186)</u>	<u>-</u>	<u>(27,330,186)</u>	<u>(24,074,395)</u>
Total net tuition and fees	<u>44,232,735</u>	<u>-</u>	<u>44,232,735</u>	<u>-</u>	<u>44,232,735</u>	<u>44,940,388</u>
<u>Other operating revenues</u>						
Federal grants and contracts	319,031	5,087,529	5,406,560	-	5,406,560	5,792,143
State grants and contracts	865	3,007,557	3,008,422	-	3,008,422	2,889,010
Non-governmental grants and contracts	676	2,973,204	2,973,880	-	2,973,880	2,322,482
Sales and services of educational activities	100,844	-	100,844	-	100,844	156,364
Sales and services of non-educational activities	3,077,103	-	3,077,103	-	3,077,103	4,109,104
Total other operating revenues	<u>3,498,519</u>	<u>11,068,290</u>	<u>14,566,809</u>	<u>-</u>	<u>14,566,809</u>	<u>15,269,103</u>
<u>Auxiliary enterprises</u>						
Bookstores	-	-	-	967,687	967,687	1,351,087
Food services	-	-	-	701,633	701,633	706,724
Less food service discounts	-	-	-	(396,210)	(396,210)	(202,234)
Student services/other services	-	-	-	1,493,620	1,493,620	2,012,188
Total auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,766,730</u>	<u>2,766,730</u>	<u>3,867,765</u>
Total operating revenues	<u>\$ 47,731,254</u>	<u>\$ 11,068,290</u>	<u>\$ 58,799,544</u>	<u>\$ 2,766,730</u>	<u>\$ 61,566,274</u>	<u>\$ 64,077,256</u>
				(Exhibit 2)	(Exhibit 2)	

* In accordance with Education Code 56.033, \$2,985,629 and \$1,910,815 for years ended August 31, 2020 and 2019, 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, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

SCHEDULE B

	2020					2019
	Salaries and Wages	Benefits		Other Expenses	Total	Total
		State	Local			
<u>Unrestricted - educational activities</u>						
Instruction	\$ 58,418,053	\$ -	\$ 13,572,504	\$ 2,114,967	\$ 74,105,524	\$ 72,245,290
Public service	2,754,167	-	775,023	3,287,519	6,816,709	7,045,319
Academic support	9,046,533	-	2,677,541	1,859,853	13,583,927	13,199,979
Student services	11,536,804	-	3,683,815	1,257,829	16,478,448	15,063,607
Institutional support	20,667,409	-	6,725,288	15,850,093	43,242,790	38,636,950
Operation and maintenance of plant	4,371,387	-	1,624,503	13,567,992	19,563,882	19,083,384
Total unrestricted educational activities	<u>106,794,353</u>	<u>-</u>	<u>29,058,674</u>	<u>37,938,253</u>	<u>173,791,280</u>	<u>165,274,529</u>
<u>Restricted - educational activities</u>						
Instruction	492,583	5,397,114	23,920	818,669	6,732,286	6,388,752
Public service	232,292	331,621	57,411	105,280	726,604	748,526
Academic support	1,092,366	1,054,234	269,587	4,176,845	6,593,032	5,041,093
Student services	358,122	1,569,481	13,988	120,679	2,062,270	2,197,406
Institutional support	469,020	3,179,370	95,819	1,489,062	5,233,271	4,148,656
Scholarships and fellowships	-	-	-	33,326,233	33,326,233	29,553,522
Total restricted educational activities	<u>2,644,383</u>	<u>11,531,820</u>	<u>460,725</u>	<u>40,036,768</u>	<u>54,673,696</u>	<u>48,077,955</u>
Total educational activities	<u>109,438,736</u>	<u>11,531,820</u>	<u>29,519,399</u>	<u>77,975,021</u>	<u>228,464,976</u>	<u>213,352,484</u>
Auxiliary enterprises	380,035	-	375,891	1,057,876	1,813,802	2,079,311
Depreciation expense - buildings and improvements	-	-	-	11,898,439	11,898,439	11,153,815
Depreciation expense - equipment, furniture and library books	-	-	-	6,328,954	6,328,954	5,384,652
Total operating expenses	<u>\$ 109,818,771</u>	<u>\$ 11,531,820</u>	<u>\$ 29,895,290</u>	<u>\$ 97,260,290</u>	<u>\$ 248,506,171</u>	<u>\$ 231,970,262</u>
					(Exhibit 2)	(Exhibit 2)

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
Year Ended August 31, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

SCHEDULE C

	2020			2019
	Unrestricted	Restricted	Total	Total
<u>Non-operating revenues</u>				
State appropriations:				
Education and general State support	\$ 42,092,339	\$ -	\$ 42,092,339	\$ 38,797,550
State group insurance	-	8,579,122	8,579,122	8,247,466
State retirement matching	-	2,952,698	2,952,698	4,373,882
Total State appropriations	42,092,339	11,531,820	53,624,159	51,418,898
Ad valorem taxes:				
Maintenance ad valorem taxes	71,440,051	-	71,440,051	69,383,250
Debt service ad valorem taxes	-	37,167,520	37,167,520	28,417,195
Federal revenue, non-operating	112,513	48,449,905	48,562,418	39,160,536
FEMA proceeds	-	20,918	20,918	-
Gain on disposal of capital assets, net	-	-	-	6,950,571
Investment income	1,034,778	2,092,800	3,127,578	6,569,873
Total non-operating revenues	114,679,681	99,262,963	213,942,644	201,900,323
<u>Non-operating expenses</u>				
Interest on capital related debt	-	23,399,148	23,399,148	17,881,651
Loss on disposal of capital assets	183,145	-	183,145	-
FEMA return of funds	-	-	-	9,721
Total non-operating expenses	183,145	23,399,148	23,582,293	17,891,372
Net non-operating revenues, net	\$ 114,496,536	\$ 75,863,815	\$ 190,360,351	\$ 184,008,951
			(Exhibit 2)	(Exhibit 2)

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
Year Ended August 31, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

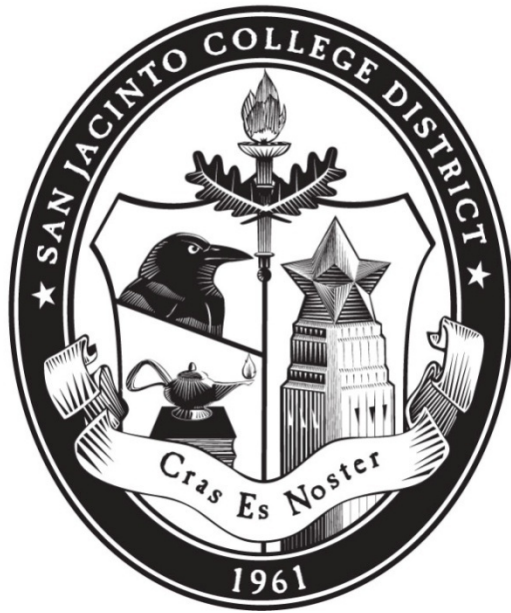
SCHEDULE D

	Detail by Source				Total	Current Operations	
	Unrestricted	Restricted Expendable	Capital Assets Net of Depreciation and Related Debt	-		Yes	No
<u>Current</u>							
Unrestricted	\$ (95,535,306)	\$ -	\$ -	\$ (95,535,306)	\$ (95,535,306)	\$ -	-
Restricted	-	2,131,504	-	2,131,504	-	2,131,504	-
Auxiliary	13,465,115	-	-	13,465,115	13,465,115	-	-
<u>Plant</u>							
Debt service	-	9,237,966	-	9,237,966	-	9,237,966	-
Investment in plant	-	-	150,869,954	150,869,954	-	150,869,954	-
Total net position, August 31, 2020	(82,070,191)	11,369,470	150,869,954	80,169,233	(82,070,191)	162,239,424	-
Total net position, August 31, 2019	(71,867,086)	10,191,091	138,424,774	76,748,779	(71,867,086)	148,615,865	-
Net increase (decrease) in net position	(10,203,105)	1,178,379	12,445,180	3,420,454	(10,203,105)	13,623,559	-

(Exhibit 2)

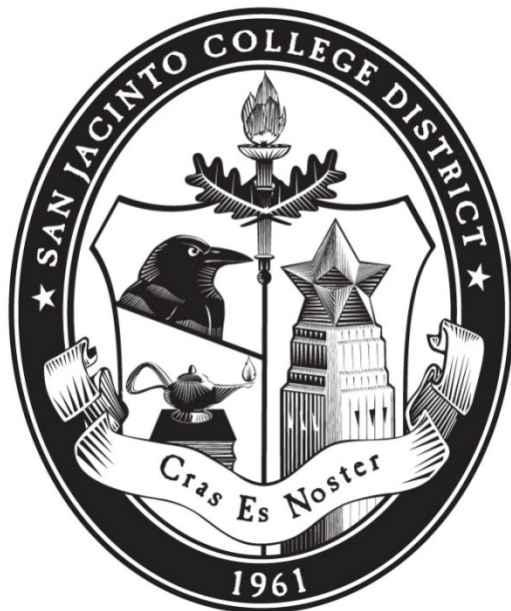


Statistical



SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATISTICAL SECTION
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	<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 (UNAUDITED)
LAST TEN FISCAL YEARS

SS-1

	For the Year Ended August 31, (amounts expressed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$ 150,870	\$ 138,425	\$ 117,323	\$ 121,647	\$ 132,443	\$ 134,450	\$ 125,621	\$ 135,105	\$ 130,942	\$ 121,440
Restricted - expendable	11,369	10,191	10,419	10,745	12,040	15,375	12,752	9,572	5,387	8,540
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	(82,070)	(71,867)	(67,109)	31,937	22,362	26,379	70,163	69,711	73,676	74,202
Total primary government net position	<u>\$ 80,169</u>	<u>\$ 76,749</u>	<u>\$ 60,633</u>	<u>\$ 164,329</u>	<u>\$ 166,845</u>	<u>\$ 176,204</u>	<u>\$ 208,536</u>	<u>\$ 214,388</u>	<u>\$ 210,005</u>	<u>\$ 204,182</u>
Prior year change	\$ 3,420	\$ 16,116	\$ (103,696)	\$ (2,516)	\$ (9,359)	\$ (32,332)	\$ (5,852)	\$ 4,383	\$ 5,823	\$ 5,878

For fiscal year 2018, the unrestricted net position includes a net change to the beginning balance from fiscal year 2017 as a reduction of \$106,364 due to the cumulative effect of the change in accounting principle related to GASB Statement No. 75.

For fiscal year 2015, the prior year change of \$32,332 is comprised of \$28,146 due to implementation of GASB Statement No. 68 and \$4,186 related to operations. Years prior to fiscal year 2015 were not restated.

Restricted - expendable for fiscal year 2013 and fiscal year 2012 were restated due to prior period adjustment of bond issuance costs per implementation of GASB Statement No. 65. Years prior to fiscal year 2012 were not restated.

For fiscal years 2018-2010, the amounts for Restricted-Nonexpendable have been restated to reflect the cash balances of the Debt Service Fund not previously included due to an error in the mapping of the balance. Unrestricted was offset for the change that ranges from \$648 thousand (2010) to \$8.6 million (2017).

For fiscal years 2018-2017, the amounts for Net Investment in Capital Assets were decreased by \$7.077 million for 2018 and \$2.659 million for 2017 to reflect reclassification of construction payables to Unrestricted.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
REVENUES BY SOURCE (UNAUDITED)
LAST TEN FISCAL YEARS

SS-2

	For the Year Ended August 31, (amounts expressed in thousands)									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Tuition and fees (net of allowances and discounts)	\$ 44,233	\$ 44,940	\$ 43,765	\$ 43,530	\$ 41,846	\$ 38,825	\$ 35,402	\$ 37,525	\$ 32,746	\$ 34,233
Governmental grants and contracts:										
Federal grants and contracts	5,406	5,792	6,959	6,965	5,463	4,070	4,592	7,366	8,322	7,913
State and local grants and contracts	3,008	2,889	3,252	3,080	2,701	3,425	2,671	2,932	4,824	4,495
Non-governmental grants and contracts	2,974	2,322	1,712	2,082	1,699	2,128	2,012	1,817	1,260	1,470
Sales and services of educational activities and non-educational activities	3,178	4,266	2,598	2,284	1,670	1,441	1,053	1,322	1,510	1,124
Auxiliary enterprises (net of discounts)	2,767	3,868	3,184	2,843	3,303	3,162	3,884	3,872	3,895	3,923
Other operating revenues	-	-	-	0	8	1	2	2	1	2
Total operating revenues	<u>61,566</u>	<u>64,077</u>	<u>61,470</u>	<u>60,784</u>	<u>56,690</u>	<u>53,052</u>	<u>49,616</u>	<u>54,836</u>	<u>52,558</u>	<u>53,160</u>
State appropriations	53,624	51,419	51,368	46,751	43,989	44,428	45,862	45,888	42,513	47,123
Ad valorem taxes	108,608	97,800	95,017	91,563	85,300	82,720	78,198	73,626	68,649	64,806
Federal revenue, non-operating	48,583	39,161	41,109	40,823	40,864	43,459	50,258	51,797	56,053	51,385
Investment income	3,128	6,570	3,397	1,519	545	247	254	369	942	1,100
Other non-operating	-	6,950	854	-	-	-	-	-	-	-
Total non-operating revenues	<u>213,943</u>	<u>201,900</u>	<u>191,745</u>	<u>180,656</u>	<u>170,698</u>	<u>170,854</u>	<u>174,572</u>	<u>171,680</u>	<u>168,157</u>	<u>164,414</u>
Total revenues	<u>\$ 275,509</u>	<u>\$ 265,977</u>	<u>\$ 253,215</u>	<u>\$ 241,440</u>	<u>\$ 227,388</u>	<u>\$ 223,906</u>	<u>\$ 224,188</u>	<u>\$ 226,516</u>	<u>\$ 220,715</u>	<u>\$ 217,574</u>
Prior year change	\$ 9,532	\$ 12,762	\$ 11,775	\$ 14,052	\$ 3,482	\$ (282)	\$ (2,328)	\$ 5,801	\$ 3,141	\$ 13,565
Tuition and fees (net of discounts)	16.06%	16.90%	17.28%	18.03%	17.33%	17.38%	15.80%	16.60%	14.84%	15.72%
Governmental grants and contracts:										
Federal grants and contracts	1.96%	2.18%	2.75%	2.88%	2.40%	1.82%	2.05%	3.25%	3.77%	3.64%
State and local grants and contracts	1.09%	1.09%	1.28%	1.28%	1.19%	1.53%	1.19%	1.29%	2.19%	2.07%
Non-governmental grants and contracts	1.08%	0.87%	0.68%	0.86%	0.75%	0.95%	0.90%	0.80%	0.57%	0.68%
Sales and services of educational activities and non-educational activities	1.15%	1.60%	1.03%	0.95%	0.73%	0.63%	0.47%	0.58%	0.68%	0.52%
Auxiliary enterprises	1.00%	1.45%	1.26%	1.18%	1.45%	1.41%	1.73%	1.71%	1.76%	1.80%
Other operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating revenues	<u>22.35%</u>	<u>24.09%</u>	<u>24.28%</u>	<u>25.18%</u>	<u>24.93%</u>	<u>23.70%</u>	<u>22.14%</u>	<u>24.23%</u>	<u>23.81%</u>	<u>24.43%</u>
State appropriations	19.46%	19.33%	20.29%	19.36%	19.35%	19.84%	20.46%	20.26%	19.26%	21.66%
Ad valorem taxes	39.42%	36.77%	37.52%	37.92%	37.51%	36.94%	34.88%	32.50%	31.10%	29.79%
Federal revenue, non-operating	17.63%	14.72%	16.23%	16.91%	17.97%	19.41%	22.41%	22.85%	25.40%	23.62%
Investment income	1.14%	2.47%	1.34%	0.63%	0.24%	0.11%	0.16%	0.16%	0.43%	0.51%
Gain on disposal of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating	0.00%	2.61%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total non-operating revenues	<u>77.65%</u>	<u>75.91%</u>	<u>75.72%</u>	<u>74.82%</u>	<u>75.07%</u>	<u>76.30%</u>	<u>77.86%</u>	<u>75.77%</u>	<u>76.19%</u>	<u>75.57%</u>
Total revenues	<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
PROGRAM EXPENSES BY FUNCTION (UNAUDITED)
LAST TEN FISCAL YEARS

SS-3

For the Year Ended August 31,
(amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Instruction	\$ 80,838	\$ 78,634	\$ 75,679	\$ 73,338	\$ 68,455	\$ 67,447	\$ 68,220	\$ 70,339	\$ 64,118	\$ 68,296
Public service	7,543	7,794	7,325	6,409	6,864	5,698	4,912	5,208	4,343	3,701
Academic support	20,177	17,316	17,118	16,864	14,814	12,929	12,310	13,157	12,207	12,059
Student services	18,541	18,186	17,516	16,395	15,072	15,068	15,232	14,355	12,996	14,032
Institutional support	48,476	42,786	42,260	40,531	43,150	40,839	39,365	34,962	33,560	31,638
Operation and maintenance of plant	19,564	19,083	21,944	16,882	16,700	17,556	17,680	17,298	17,168	15,487
Scholarships and fellowships	33,326	29,554	30,389	31,041	31,733	33,946	39,284	40,616	45,304	42,061
Auxiliary enterprises	1,814	2,079	3,456	3,723	4,091	4,527	4,118	4,012	3,980	4,125
Depreciation	18,227	16,538	17,116	18,439	18,808	17,401	16,365	13,107	9,627	7,798
Total operating expenses	248,506	231,970	232,803	223,622	219,687	215,411	217,486	213,054	203,303	199,197
Interest on capital related debt	23,399	17,882	17,297	18,248	17,034	12,645	12,386	9,080	6,788	12,144
Loss on disposal of capital assets	-	-	16	2,087	27	37	-	-	-	355
Other non-operating	184	9	430	-	-	-	168	-	107	-
Total non-operating expenses	23,583	17,891	17,743	20,335	17,061	12,682	12,554	9,080	6,895	12,499
Total expenses	\$ 272,089	\$ 249,861	\$ 250,546	\$ 243,957	\$ 236,748	\$ 228,093	\$ 230,040	\$ 222,134	\$ 210,198	\$ 211,696
Prior year change	\$ 22,228	\$ (685)	\$ 6,589	\$ 7,209	\$ 8,655	\$ (1,947)	\$ 7,906	\$ 11,936	\$ (1,498)	\$ 21,252
Instruction	29.71%	31.47%	30.21%	30.06%	28.91%	29.58%	29.66%	31.67%	30.50%	32.26%
Public service	2.77%	3.12%	2.92%	2.63%	2.90%	2.50%	2.14%	2.34%	2.07%	1.75%
Academic support	7.42%	6.93%	6.83%	6.91%	6.26%	5.67%	5.35%	5.92%	5.81%	5.70%
Student services	6.81%	7.28%	6.99%	6.72%	6.37%	6.60%	6.63%	6.46%	6.18%	6.63%
Institutional support	17.82%	17.12%	16.87%	16.61%	18.23%	17.90%	17.11%	15.74%	15.97%	14.95%
Operation and maintenance of plant	7.19%	7.64%	8.76%	6.92%	7.05%	7.70%	7.69%	7.79%	8.17%	7.32%
Scholarships and fellowships	12.25%	11.83%	12.13%	12.72%	13.40%	14.88%	17.08%	18.28%	21.55%	19.87%
Auxiliary enterprises	0.67%	0.83%	1.38%	1.53%	1.73%	1.98%	1.79%	1.81%	1.89%	1.95%
Depreciation	6.70%	6.62%	6.83%	7.56%	7.94%	7.63%	7.10%	5.90%	4.58%	3.71%
Total operating expenses	91.33%	92.84%	92.92%	91.66%	92.79%	94.44%	94.55%	95.91%	96.72%	94.10%
Interest on capital related debt	8.60%	7.16%	6.90%	7.48%	7.19%	5.54%	5.38%	4.09%	3.06%	5.74%
Loss on disposal of capital assets	0.00%	0.00%	0.01%	0.86%	0.01%	0.02%	0.00%	0.00%	0.00%	0.17%
Other non-operating	0.07%	0.00%	0.17%	0.00%	0.00%	0.00%	0.07%	0.00%	0.05%	0.00%
Total non-operating expenses	8.67%	7.16%	7.08%	8.34%	7.21%	5.56%	5.45%	4.09%	3.28%	5.90%
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Academic Support and Student Services amounts were restated for the 10 year period due to reclassification of the Dual Credit program expenses to align with NACUBO classifications.
Restricted - expendable for fiscal year 2013 and fiscal year 2012 were restated due to prior period adjustment of bond issuance costs per implementation of GASB Statement No. 65. Years prior to fiscal year 2012 were not restated.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
TUITION AND FEES – (UNAUDITED)
LAST TEN ACADEMIC YEARS**

SS-4

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)							Increase from Prior Year Out-of-District	
	General Service Fee	In-District Tuition	Out-of-District Tuition	Technology Fees	Student Activity Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District		Increase from Prior Year In-District
2020	\$ -	\$ -	\$ -	\$ -	\$ -	936	1,620	20.90%	23.30
2019	150	50	95	2	-	774	1,314	3.20%	1.86%
2018	150	50	95	-	-	750	1,290	-	-
2017	140	50	95	-	-	750	1,290	6.53%	6.79%
2016	140	47	89	-	-	704	1,208	-	-
2015	140	47	89	-	-	704	1,208	7.32%	5.23%
2014	140	43	84	-	-	656	1,148	-	-
2013	140	43	84	-	-	656	1,148	11.00%	28.85%
2012	135	38	63	-	-	591	891	-	-
2011	135	38	63	-	-	591	891	-	0.00%

Academic Year (Fall)	Non-Resident Fees per Semester Credit Hour (SCH)							Increase from Prior Year International	
	General Service Fee	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Technology Fees	Student Activity Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International		Increase from Prior Year Out-of-State
2020	\$ -	\$ -	\$ -	\$ -	\$ -	2,520	2,520	20.30%	20.30%
2019	150	160	160	-	-	2,094	2,094	1.16%	1.16%
2018	150	160	160	-	-	2,070	2,070	-	-
2017	150	160	160	-	-	2,070	2,070	11.83%	11.83%
2016	140	149	149	-	-	1,851	1,851	0.04%	0.04%
2015	140	142	142	-	-	1,844	1,844	5.49%	5.49%
2014	140	134	134	-	-	1,748	1,748	-	-
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	-	-

In fiscal year 2020 the College implemented a Simplified Tuition Model in which course and other registration related fees rolled into semester credit hour tuition to ease the calculation of the cost of enrollment for students.

Prior fiscal years include basic enrollment tuition and fees but exclude 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 (UNAUDITED)
LAST TEN FISCAL YEARS

SS-5

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)
2019-20	\$ 72,337,367	\$ 11,423,615	\$ 60,913,752	84.21%	0.117251	0.060918	0.178169
2018-19	64,534,799	10,550,630	53,984,169	83.65%	0.127210	0.052119	0.179329
2017-18	61,361,537	9,892,379	51,469,158	83.88%	0.128828	0.054507	0.183335
2016-17	59,423,942	9,224,246	50,199,696	84.48%	0.129194	0.053185	0.182379
2015-16	57,896,864	9,465,130	48,431,734	83.65%	0.129194	0.046589	0.175783
2014-15	53,936,177	9,867,005	44,069,172	81.71%	0.127045	0.058557	0.185602
2013-14	51,689,449	9,911,378	41,778,071	80.83%	0.125460	0.060142	0.185602
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

Source: Harris County Appraisal District and Chambers County Appraisal District

Property is assessed at full market value.

(a) Per \$100 Taxable Assessed Valuation

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
 GENERAL APPROPRIATION ACT BEFORE CONTACT HOUR ADJUSTMENTS (UNAUDITED)
 LAST TEN FISCAL YEARS
 (Amounts Expressed in Thousands)**

SS-6a

Appropriation Funding Elements	2020	2019	2018	2017	2016	2015	2014*	2013	2012	2011
State Appropriation Contact Hour Funding (CH)	\$ 36,226	\$ 34,252	\$ 32,501	\$ 32,501	\$ 32,442	\$ 33,030	\$ 33,030	\$ 36,957	\$ 36,080	\$ 36,017
State Appropriation Student Success Points (SSP)	5,186	3,865	3,478	3,478	3,478	3,613	3,613	-	-	-
State Appropriation Core Operations (CO)	680	680	500	500	500	500	500	-	-	-
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-	-	-	-	-	-
State Appropriation Non-Funding Items	-	-	-	-	-	-	-	-	-	-
Total	\$ 42,092	\$ 38,797	\$ 36,479	\$ 36,479	\$ 36,420	\$ 37,143	\$ 37,143	\$ 36,957	\$ 36,080	\$ 36,017

* In fiscal year 2014 the formula funding methodology changed.

Source: THECB - Ten Pay Schedule

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATE APPROPRIATION PER FTSE (UNAUDITED)
LAST TEN FISCAL YEARS

SS-6b

Amounts Expressed in Thousands			
Fiscal Year	State Appropriation (Unrestricted) From Schedule C	FTSE (a)	State Appropriation per FTSE - Dollars
2019-20	\$ 42,092	23	\$ 1,830
2018-19	38,797	23	1,687
2017-18	38,798	22	1,764
2016-17	36,479	22	1,658
2015-16	36,420	21	1,734
2014-15	37,143	21	1,769
2013-14*	37,143	21	1,769
2012-13	36,957	21	1,760
2011-12	36,080	22	1,640
2010-11	36,017	23	1,566

(a) Full Time Student Equivalent (FTSE) is equal to the sum of State Funded (Fall Semester Credit Hours (SCH) + Spring SCH + Summer SCH for the Current FY/30 SCH) plus State Funded Continuing Education (Fall Credit Hours (CH) + Spring CH + Summer CH for the Current FY/900 CH).

* In fiscal year 2014 the formula funding methodology changed.

Source: CBM004 and CBM00C

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATE APPROPRIATION PER FUNDED CONTACT HOUR
CONTACT HOUR (CH) PORTION ONLY OF STATE APPROPRIATION (UNAUDITED)
LAST TEN FISCAL YEARS

SS-6c

Amounts Expressed in Thousands

Fiscal Year	CH - State Appropriation (Unrestricted) (a)	Academic Contact Hours (b)	Vocational - Technical Contact Hours (b)	Continuing Education Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
2019-20	\$ 36,226	8,590	3,585	156	12,331	\$ 2.94
2018-19	34,252	8,392	3,789	253	12,434	2.75
2017-18	34,253	8,307	3,858	283	12,448	2.75
2016-17	32,501	8,357	3,829	365	12,551	2.59
2015-16	32,442	8,172	3,752	373	12,297	2.64
2014-15	33,030	7,903	3,772	393	12,068	2.74
2013-14*	33,030	8,092	3,739	327	12,158	2.72
2012-13	36,957	8,254	3,671	384	12,309	3.00
2011-12	36,080	8,493	3,768	433	12,694	2.84
2010-11	36,017	9,058	3,879	357	13,294	2.71

Contact Hour = State funded Academic, Vocational-Technical and Continuing Education contact hours for Fall, Spring and Summer of the Current Fiscal Year.

(a) State Appropriation Contact Hour Funding as it appears on schedule 6a.

(b) Source: CBM004 and CBM00C

* In fiscal year 2014 the formula funding methodology changed.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATE APPROPRIATION PER STUDENT SUCCESS POINT (SSP) - ANNUALIZED
(UNAUDITED)
LAST SIX FISCAL YEARS

SS-6d

Fiscal Year	(Amounts Expressed in Thousands)		Three Year Average Student Success Points	Appropriation per Success Point
	SSP - State Appropriation (Unrestricted) (a)			
2019-20	\$	5,186	49,824	\$ 104.09
2018-19		3,865	45,061	85.77
2017-18		3,865	45,061	85.78
2016-17		3,478	40,304	86.29
2015-16		3,478	40,304	86.29
2014-15		3,613	39,028	92.56

(a) State Funded Success Point Appropriations as it appears on schedule 6a.

(b) Source: THECB - Ten Pay Schedule

Note: The College did not present this schedule prior to fiscal year 2014.
The ten year trend information will be updated prospectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STUDENT SUCCESS POINTS (SSP) (UNAUDITED)
LAST SIX REPORTED FISCAL YEARS

SS-6e

Success Points Elements	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Math Readiness	2,546	2,676	2,819	2,143	1,232	352
Read Readiness	882	846	925	874	501	535
Write Readiness	709	449	848	829	502	408
Students Who Pass FCL Math Course	5,690	5,406	5,936	5,729	5,013	5,091
Students Who Pass FCL Read Course	4,354	4,549	4,424	4,090	3,929	3,981
Students Who Pass FCL Write Course	2,559	2,947	2,435	2,295	2,104	2,108
Students Who Complete 15 SCH	8,947	9,313	9,062	8,466	8,309	8,409
Students Who Complete 30 SCH	6,233	6,611	6,094	5,993	5,897	5,524
Student Transfers to a 4-Yr Inst Degrees, CCCs, or Certs (Undup)	5,152	5,210	5,226	5,020	5,144	4,592
Degrees or Certs in Critical Fields	<u>4,369</u>	<u>4,188</u>	<u>3,870</u>	<u>3,126</u>	<u>2,818</u>	<u>2,336</u>
Annual Success Points - Total	<u>51,208</u>	<u>51,103</u>	<u>52,435</u>	<u>49,061</u>	<u>43,865</u>	<u>40,826</u>

SCH = Semester Contact Hour

Note: The College did not present this schedule prior to fiscal year 2014.
The ten year trend information will be updated prospectively.

Source: THECB - Student Success Funding by Institution and the Ten Pay Schedule

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
TOP TEN PRINCIPAL TAXPAYERS (UNAUDITED)
LAST TEN TAX YEARS**

SS-7

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Equistar Chemicals LP	Chemical	\$ 1,757,873	\$ 1,677,218	\$ 1,372,684	\$ 1,356,982	\$ 1,531,712	\$ 1,566,440	\$ 1,201,778	\$ 1,063,952	\$ 970,267	\$ 918,205
Shell Oil Co.	Refinery	1,419,165	1,427,630	1,130,823	1,184,784	1,360,056	1,500,515	1,545,113	1,675,362	1,676,231	1,713,216
Enterprise Products	Petrochemical	1,174,347	1,076,865	407,948	455,662						
Lyondell Chemical Co.	Chemical	946,278	651,344	571,680	601,457	604,913	704,095	756,691	812,824	786,743	705,239
Intercontinental Terminal	Chemical	693,253	650,739								
Lubrizol Corp	Chemical	686,897	529,604						333,719	282,813	274,178
Oiltanking Houston	Petrochemical	638,207	576,921								
Fairway Methanol, LLC	Petrochemical	573,835	578,146	576,639							
Kinder Morgan	Petrochemical	561,671	509,475								
Kuraray America Inc	Chemical	518,194	502,495	484,717	440,321	500,418	453,555				
Air Liquide	Chemical			404,162	430,613	418,645	359,970				
Kirby Inland Marine, LLP	Marine Transportation			443,548		453,507					
Houston Refining	Refinery			417,286			393,460	391,376	2,739,314	1,757,010	662,539
Oxy Vinyls LP	Petrochemical			416,051	410,461	424,978	418,532	414,044	412,280	406,133	411,869
Celanese, LTD	Petrochemical				715,716	739,533					
Centerpoint Energy, Inc.	Energy				435,659	435,139	350,466	351,705	426,797	345,180	342,704
Rohm & Haas Co. (Parent DOW)	Petrochemical				406,834	424,828	518,150	529,774	452,050	418,131	400,723
Chevron Chemical Co.	Refinery						394,849	389,364	363,130	442,462	404,968
Exxon Mobil Corp	Petrochemical							385,773			
BP America Production CO	Petrochemical							368,848	337,753	289,284	
Totals - Top Ten Only		\$ 8,969,720	\$ 8,180,437	\$ 6,225,538	\$ 6,438,489	\$ 6,893,727	\$ 6,660,032	\$ 6,334,466	\$ 8,617,181	\$ 7,374,254	\$ 5,833,641
Total Taxable Assessed Value (TAV)		\$ 60,913,752	\$ 53,984,169	\$ 51,469,158	\$ 50,199,696	\$ 48,431,734	\$ 44,069,172	\$ 41,778,071	\$ 39,217,945	\$ 36,938,942	\$ 36,641,384

Taxpayer	Type of Business	% of Total Taxable Assessed Value (TAV) by Tax Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Equistar Chemicals LP	Chemical	2.89%	3.11%	2.67%	2.70%	3.16%	3.55%	2.88%	2.71%	2.63%	2.51%
Shell Oil Co.	Refinery	2.33%	2.64%	2.20%	2.36%	2.81%	3.40%	3.70%	4.27%	4.54%	4.68%
Enterprise Products	Petrochemical	1.93%	1.99%	0.79%	0.91%						
Lyondell Chemical Co.	Chemical	1.55%	1.21%	1.11%	1.20%	1.25%	1.60%	1.81%	2.07%	2.13%	1.92%
Intercontinental Terminal	Petrochemical	1.14%	1.21%								
Lubrizol Corp	Petrochemical	1.13%	0.98%					0.85%	0.77%	0.75%	
Oiltanking Houston	Refinery	1.05%	1.07%								
Fairway Methanol, LLC	Marine Transportation	0.94%	1.07%	1.12%							
Kinder Morgan	Petrochemical	0.92%	0.94%								
Kuraray America Inc	Chemical	0.85%	0.93%	0.94%	0.88%	1.03%	1.03%				
Air Liquide	Petrochemical			0.79%	0.86%	0.86%	0.82%				
Kirby Inland Marine, LLP	Energy			0.86%		0.94%					
Houston Refining	Petrochemical			0.81%			0.89%	0.94%	6.98%	4.76%	1.81%
Oxy Vinyls LP	Refinery			0.81%	0.82%	0.88%	0.95%	0.99%	1.05%	1.10%	1.12%
Celanese, LTD	Petrochemical				1.43%	1.53%					
Centerpoint Energy, Inc.	Petrochemical				0.87%	0.90%	0.80%	0.84%	1.09%	0.93%	0.94%
Rohm & Haas Co. (Parent DOW)	Chemical				0.81%	0.88%	1.18%	1.27%	1.15%	1.13%	1.09%
Chevron Chemical Co.							0.90%	0.93%	0.93%	1.20%	1.11%
Exxon Mobil Corp								0.92%			
BP America Production CO								0.88%	0.86%	0.78%	
Percentage of Top Ten Taxpayer to Grand Total TAV		14.73%	15.15%	12.10%	12.84%	14.24%	15.12%	15.16%	21.96%	19.97%	15.93%

This list is the Top Ten Principal Taxpayers based on Taxable Assessed Value by Tax Year.
Source: Harris County Appraisal District

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST TEN TAX YEARS
(Amounts Expressed in Thousands)**

SS-8

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage (c/b)	Current Collections of Prior Levies (d)	Penalty and Interest Collections (e)	Total Collections (c+d+e)	Percentage Cumulative Collections of Adjusted Levy [(c-d)/b]
2020	\$ 108,529	\$ -	\$ 108,529	\$ 105,652	97.35%	\$ 619	\$ 801	\$ 107,072	97.92%
2019	96,808	-	96,808	96,157	99.33%	970	863	97,990	100.33%
2018	94,361	-	94,361	93,079	98.64%	1,162	1,011	95,252	99.87%
2017	91,554	-	91,554	89,785	98.07%	628	881	91,294	98.75%
2016	85,135	-	85,135	83,919	98.57%	1,059	637	85,615	99.82%
2015	81,793	-	81,793	80,443	98.35%	1,109	619	82,171	99.71%
2014	77,613	-	77,613	76,423	98.47%	562	1,276	78,261	99.19%
2013	72,789	-	72,789	71,498	98.23%	702	937	73,137	99.19%
2012	68,559	-	68,559	67,437	98.36%	954	628	69,019	99.75%
2011	64,590	-	64,590	63,852	98.86%	336	600	64,788	99.38%

Source: Harris County Tax Assessor Collector and Chamber County Tax Assessor Collector

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
RATIOS OF OUTSTANDING DEBT (UNAUDITED)
LAST TEN FISCAL YEARS**

SS-9

For the Year Ended August 31 (amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Bonded Debt:										
General obligation bonds	\$ 530,440	\$ 544,008	\$ 414,189	\$ 428,268	\$ 433,908	\$ 284,351	\$ 293,469	\$ 303,516	\$ 314,223	\$ 324,976
Notes	-	-	2,072	2,434	2,786	3,123	3,449	3,766	4,018	4,546
Less: funds restricted for debt service	(9,238)	(8,525)	(8,835)	(8,587)	(8,293)	(11,603)	(8,925)	(6,564)	(5,241)	(7,028)
Net general bonded debt	521,202	535,483	407,426	422,115	428,401	275,871	287,993	300,718	313,000	326,835
Revenue bonds	45,980	47,381	48,732	50,033	50,144	50,255	-	-	-	-
Less: funds restricted for debt service	-	-	-	(625)	-	-	-	-	-	-
Total net outstanding debt	\$ 567,182	\$ 582,864	\$ 456,158	\$ 471,523	\$ 478,545	\$ 326,126	\$ 287,993	\$ 300,718	\$ 313,000	\$ 326,835

Figures for Debt Ratios (in thousands):

District Population	569.3	569.0	570.8	565.7	563.5	555.1	532.0	522.6	478.3	484.5
Full Time Student Equivalent (FTSE)	23.4	22.9	22.5	22.1	21.5	20.8	20.8	20.9	21.6	22.6
Taxable Assessed Value (TAV)	\$ 60,913,752	\$ 53,984,169	\$ 51,469,158	\$ 50,199,696	\$ 48,431,734	\$ 44,069,172	\$ 41,778,071	\$ 39,217,945	\$ 36,938,942	\$ 36,641,384

Net General Bonded Debt Ratios:

Per Capita	\$ 916	\$ 941	\$ 714	\$ 746	\$ 760	\$ 497	\$ 541	\$ 575	\$ 654	\$ 675
Per FTSE	22,276	23,378	18,132	19,142	19,949	13,236	13,856	14,419	14,490	14,443
As a percentage of TAV	0.86%	0.99%	0.79%	0.84%	0.88%	0.63%	0.69%	0.77%	0.85%	0.88%

Total Net Outstanding Debt Ratios:

Per Capita	\$ 996	\$ 1,024	\$ 799	\$ 834	\$ 849	\$ 588	\$ 541	\$ 575	\$ 654	\$ 675
Per FTSE	24,242	25,447	20,301	21,382	22,284	15,647	13,856	14,419	14,490	14,443
As a percentage of TAV	0.93%	1.08%	0.89%	0.94%	0.99%	0.74%	0.69%	0.77%	0.85%	0.88%

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
 LEGAL DEBT MARGIN INFORMATION (UNAUDITED)
 LAST TEN FISCAL YEARS**

SS-10

For the Year Ended August 31 (amounts expressed in thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Taxable Assessed Value	\$ 60,913,752	\$ 53,984,169	\$ 51,469,158	\$ 50,199,696	\$ 48,431,734	\$ 44,069,172	\$ 41,779,071	\$ 39,217,945	\$ 36,938,942	\$ 36,641,384
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	\$ 304,569	\$ 269,921	\$ 257,346	\$ 250,998	\$ 242,159	\$ 220,346	\$ 208,890	\$ 196,090	\$ 184,695	\$ 183,207
Less: funds restricted for repayment of general obligation bonds	(9,238)	(8,525)	(8,835)	(8,587)	(8,293)	(11,603)	(8,925)	(6,564)	(5,241)	(7,028)
Total net general obligation debt	295,331	261,396	248,511	242,411	233,866	208,743	199,965	189,526	179,454	176,179
Current year debt service requirements	37,126	30,385	28,576	26,773	30,148	25,774	26,676	24,913	24,091	26,945
Excess of statutory limit for debt service over current requirement	\$ 258,205	\$ 231,011	\$ 219,935	\$ 215,638	\$ 203,718	\$ 182,969	\$ 173,289	\$ 164,613	\$ 155,363	\$ 149,234
Net current requirements as a % of statutory limit	12.19%	11.26%	11.10%	10.67%	12.45%	11.70%	12.77%	12.70%	13.04%	14.71%

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

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
 PLEDGED REVENUE COVERAGE (UNAUDITED)
 LAST TEN FISCAL YEARS**

SS-11

Revenue Bonds		Pledged Revenues (\$000 omitted)							Debt Service Requirements (\$000 omitted)**		
Fiscal Year Ended August 31	Tuition	Continuing or Non-Credit Education Tuition/Fees	General Service	IPP Fees	Course Fees	Laboratory Fees	Total	Principal	Interest	Total	Coverage Ratio
2020	\$ 15,537	\$ 6,428	\$ -	\$ 978	\$ -	\$ -	\$ 22,943	\$ 1,290	\$ 1,981	\$ 3,271	7
2019	10,687	7,072	11,523	1,119	1,171	850	32,422	1,240	2,032	3,272	10
2018	10,715	6,538	11,340	1,101	1,190	806	31,690	1,190	2,080	3,270	10
2017	10,596	6,995	11,156	1,154	1,122	813	31,836	-	2,104	2,104	15
2016	9,683	7,040	10,183	1,158	-	790	28,854	-	2,157	2,157	13
2015	9,308	6,378	9,851	812	-	780	27,129	-	96	96	283
2014	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-

In fiscal year 2020 the College implemented a Simplified Tuition Model in which course and other registration related fees were rolled into semester credit hour tuition.

** Debt service requirements include revenue bonds only.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS – TAXING DISTRICT (UNAUDITED)
LAST TEN FISCAL YEARS

SS-12

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Harris County Unemployment Rate
2019	569,339	\$ 13,258,767	\$ 23,288	3.80%
2018	569,044	12,783,004	22,464	4.40%
2017	570,826	12,373,224	21,676	4.40%
2016	565,708	12,099,362	21,388	5.30%
2015	563,453	12,332,296	21,887	4.60%
2014	555,134	12,094,371	21,786	4.90%
2013	531,977	11,214,359	21,081	6.20%
2012	522,596	10,961,333	20,975	6.90%
2011	478,297	9,462,150	19,783	8.20%
2010	484,546	9,205,003	18,997	8.50%

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

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
PRINCIPAL EMPLOYERS FOR THE SERVICE AREA (UNAUDITED)
LAST TEN FISCAL YEARS**

SS-13

Employer	Number of Employees									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Pasadena ISD	8,294	8,135	7,974	7,555	7,404	7,186	7,177	7,177	7,069	7,056
HCA-CHCA/Clear Lake Med/Bayshore Med Ctr*	5,291	4,039	4,020	4,639						
Lockheed Martin Corp & Services	3,940	3,940	3,940	3,743	3,745	2,300	2,300	1,935	3,359	1,300
Lyondell Chemical Co	3,733	3,813	5,491	5,491	5,061	2,613	2,613	1,200	1,200	1,200
NASA Lyndon B Johnson Space Center	3,055	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Walmart/ Sam's Club	2,985	2,985	2,985	2,715	2,985	2,840	2,540	1,940	1,640	1,640
Boeing Co	2,830	2,830	2,830	2,000	2,000	2,000	2,000	2,000	2,000	2,530
Memorial Healthcare System	2,500	2,200	2,500	2,500	2,200	2,200	2,200	2,200	2,200	2,200
HEB	1,881	1,881	1,181	1,569	1,199	1,259				
Kroger	1,725	1,320	1,720	1,900	1,420	1,570				
Powell Electrical Systems Inc	1,675	1,725	1,725	1,975	1,675	2,070	1,720	1,800	2,020	2,020
Shell Chemical	1,500	1,500	1,500	1,500	1,500	1,600	1,700	1,700	1,700	1,000
University of Houston - Clear Lake	1,476	1,287	1,245	1,245	1,245	1,245	1,245	1,245	1,245	1,299
San Jacinto College	1,340	1,358	1,347	1,367	1,322	1,325	1,297	1,243	1,244	1,195
Pasadena City Hall	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
DOW (listed as Rohm & Haas Texas Inc. FY17)	1,000	1,000	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	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Tubular Services, Inc.		1,000								
ABC Professional Tree Services Inc.				1,500	1,500	1,500	1,500	1,500		
GE Energy/ Baker Hughes				1,295						
Lubrizol				1,015	1,020					
Wyle Life Science				1,000	1,000	1,000	1,000	1,000		
Bayshore Medical Center *					1,617	1,500	1,500	1,500	1,500	1,500
Clear Lake Regional Medical Center *					2,422	1,600	1,600	1,600	1,600	1,600
Equistar Chemicals LP						1,500	1,500	1,500	1,500	1,500
Anheuser-Busch Co						1,000	1,000	1,000	1,000	1,000
United Space Alliance										6,500
Totals	45,706	43,613	44,058	48,609	44,915	39,408	38,492	33,640	32,877	39,140

Employer	Percentage of Total Employment									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Pasadena ISD	2.77%	2.79%	2.98%	2.86%	2.77%	2.72%	2.97%	3.08%	2.93%	3.89%
HCA-CHCA/Clear Lake Med/Bayshore Med Ctr*	1.77%	1.38%	1.50%	1.76%						
Lockheed Martin Corp & Services	1.32%	1.35%	1.47%	1.42%	1.40%	0.87%	0.95%	0.83%	1.39%	0.72%
Lyondell Chemical Co	1.25%	1.31%	2.05%	2.08%	1.89%	0.99%	1.08%	0.52%	0.50%	0.66%
NASA Lyndon B Johnson Space Center	1.02%	0.86%	0.93%	0.95%	0.93%	0.95%	1.03%	1.07%	1.04%	1.38%
Walmart/ Sam's Club	1.00%	1.02%	1.11%	1.03%	1.11%	1.08%	1.05%	0.83%	0.68%	0.90%
Boeing Co	0.95%	0.97%	1.06%	0.76%	0.75%	0.76%	0.83%	0.86%	0.86%	1.39%
Memorial Healthcare System	0.84%	0.75%	0.93%	0.95%	0.82%	0.83%	0.91%	0.94%	0.91%	1.21%
HEB	0.63%	0.64%	0.44%	0.59%	0.45%	0.48%				
Kroger	0.58%	0.45%	0.64%	0.72%	0.53%	0.59%				
Powell Electrical Systems Inc	0.56%	0.59%	0.64%	0.75%	0.63%	0.78%	0.71%	0.77%	0.84%	1.11%
Shell Chemical	0.50%	0.51%	0.56%	0.57%	0.56%	0.61%	0.70%	0.73%	0.70%	0.55%
University of Houston - Clear Lake	0.49%	0.44%	0.46%	0.47%	0.46%	0.47%	0.52%	0.53%	0.52%	0.72%
San Jacinto College	0.45%	0.47%	0.50%	0.52%	0.49%	0.50%	0.54%	0.53%	0.52%	0.66%
Pasadena City Hall	0.37%	0.38%	0.41%	0.42%	0.41%	0.42%	0.46%	0.47%	0.46%	0.61%
DOW (listed as Rohm & Haas Texas Inc. FY17)	0.33%	0.34%	0.37%	0.38%	0.37%	0.38%	0.41%	0.43%	0.41%	0.55%
US Air Force	0.33%	0.34%	0.37%	0.38%	0.37%	0.38%	0.41%	0.43%	0.41%	0.55%
Tubular Services, Inc.		0.34%								
ABC Professional Tree Services Inc.				0.57%	0.56%	0.57%	0.62%	0.64%		
GE Energy/ Baker Hughes				0.49%						
Lubrizol				0.38%	0.38%					
Wyle Life Science				0.38%	0.37%	0.38%	0.41%	0.43%		
Bayshore Medical Center *					0.60%	0.57%	0.62%	0.64%	0.62%	0.83%
Clear Lake Regional Medical Center *					0.90%	0.61%	0.66%	0.69%	0.66%	0.88%
Equistar Chemicals LP							0.62%	0.62%	0.62%	0.83%
Anheuser-Busch Co							0.41%	0.41%	0.41%	0.55%
United Space Alliance										3.58%
Memorial 55 Plus				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals	15.29%	15.67%	16.42%	18.43%	16.75%	14.94%	15.91%	14.42%	13.62%	21.57%

Data Sources include InfoUSA (ReferenceUSA) and the Hoover's, TWC reporting data

<https://www.census.gov/data/datasets/2018/econ/cbp/2018-cbp.html>

https://www2.census.gov/programs-surveys/cbp/technical-documentation/records-layouts/2018_record_layouts/zip_code_totals_record_layout_2018.txt

Total employee count for College service area is from the 2016 US Census County Business Patterns (data compiled for College service area zip codes only). Listing includes employers with 1,000 or more employees in the College's service area zip codes.

Note: Companies with less than 1,000 employees in any displayed year have been left blank.

* Clear Lake Regional Medical Center and Bayshore Medical Center merged in 2017.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS (UNAUDITED)
LAST TEN FISCAL YEARS

SS-14

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Faculty:										
Full-time	522	536	525	537	524	541	525	518	523	492
Part-time	978	1,063	1,142	1,213	1,122	814	793	767	713	729
Total	<u>1,500</u>	<u>1,599</u>	<u>1,667</u>	<u>1,750</u>	<u>1,646</u>	<u>1,355</u>	<u>1,318</u>	<u>1,285</u>	<u>1,236</u>	<u>1,221</u>
Percent:										
Full-time	34.8%	33.5%	31.5%	30.7%	31.8%	39.9%	39.8%	40.3%	42.3%	40.3%
Part-time	65.2%	66.5%	68.5%	69.3%	68.2%	60.1%	60.2%	59.7%	57.7%	59.7%
Staff and Administrators:										
Full-time	818	822	822	830	798	784	772	725	721	703
Part-time	522	669	673	713	617	493	503	441	392	431
Total	<u>1,340</u>	<u>1,491</u>	<u>1,495</u>	<u>1,543</u>	<u>1,415</u>	<u>1,277</u>	<u>1,275</u>	<u>1,166</u>	<u>1,113</u>	<u>1,134</u>
Percent:										
Full-time	61.0%	55.1%	55.0%	53.8%	56.4%	61.4%	60.5%	62.2%	64.8%	62.0%
Part-time	39.0%	44.9%	45.0%	46.2%	43.6%	38.6%	39.5%	37.8%	35.2%	38.0%
FTSE per full-time faculty										
FTSE per full-time faculty	45	43	43	41	41	39	40	40	41	46
FTSE per full-time staff member										
FTSE per full-time staff member	29	28	27	27	27	27	27	29	30	32
Average 9-month faculty salary										
Average 9-month faculty salary	\$62,373	\$62,878	\$61,167	\$60,630	\$60,778	\$59,794	\$59,195	\$56,007	\$55,893	\$56,858

Source: Banner Human Resources module.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
ENROLLMENT DETAILS (UNAUDITED)
LAST TEN FISCAL YEARS**

SS-15

Student Classification	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00 - 29 hours	18,838	56.06%	18,526	57.65%	17,263	56.58%	16,535	56.33%	15,866	56.07%	15,611	56.65%	15,846	55.83%	16,340	55.83%	17,142	56.32%	17,023	56.63%
30 - 72 hours	8,762	27.00%	8,747	27.22%	8,532	27.97%	8,165	28.12%	8,065	28.47%	7,988	28.61%	8,118	28.60%	8,065	28.05%	8,100	27.56%	7,589	26.68%
> 72 hours	4,652	14.95%	4,664	15.14%	4,714	15.45%	4,520	15.55%	4,395	15.52%	4,114	14.74%	4,421	15.58%	4,326	15.06%	4,150	14.12%	3,937	13.79%
Total	32,452	100.00%	32,137	100.00%	30,509	100.00%	28,989	100.00%	28,326	100.00%	27,911	100.00%	28,385	100.00%	28,721	100.00%	29,392	100.00%	28,549	100.00%
Semester Hour Lead																				
Less than 3	136	0.42%	168	0.49%	282	0.86%	305	1.05%	349	1.23%	317	1.14%	204	0.72%	262	0.91%	235	0.80%	288	1.04%
3 - 5 semester hours	4,465	13.82%	5,279	16.43%	5,435	17.81%	5,894	19.15%	5,676	20.04%	5,325	19.08%	5,371	18.92%	4,722	16.44%	4,673	15.90%	4,465	15.71%
6 - 8 semester hours	9,385	28.95%	9,706	30.20%	9,448	30.97%	8,628	30.44%	8,329	29.40%	7,702	27.89%	7,688	27.06%	7,787	27.11%	7,595	25.84%	7,079	24.80%
9 - 11 semester hours	6,192	19.08%	6,889	21.44%	6,529	21.40%	6,150	21.21%	6,054	21.37%	6,020	21.57%	6,240	21.98%	6,134	21.36%	6,358	21.63%	5,661	19.83%
12 - 14 semester hours	8,851	27.27%	7,679	24.52%	6,674	21.86%	6,312	21.77%	5,995	21.16%	6,669	23.89%	7,023	24.74%	7,711	26.85%	8,327	28.33%	8,635	30.25%
15 - 17 semester hours	1,647	5.08%	1,210	3.77%	1,334	4.37%	1,115	3.85%	1,158	4.09%	1,218	4.36%	1,398	4.93%	1,679	5.85%	1,723	5.86%	1,837	6.43%
18 & over	1,746	5.38%	1,016	3.16%	827	2.71%	736	2.54%	765	2.70%	680	2.43%	461	1.62%	426	1.48%	481	1.64%	554	1.94%
Total	32,452	100.00%	32,137	100.00%	30,509	100.00%	28,989	100.00%	28,326	100.00%	27,911	100.00%	28,385	100.00%	28,721	100.00%	29,392	100.00%	28,549	100.00%
Average course load	9.6		8.9		8.7		8.6		8.6		8.7		8.8		9.0		9.1		9.3	
Tuition Status																				
Texas Resident (in-District)	15,024	46.30%	14,962	46.56%	14,591	47.83%	14,122	48.70%	13,957	49.27%	13,996	50.15%	14,274	50.29%	14,409	49.90%	14,666	49.90%	14,312	50.13%
Texas Resident (out-of-District)	10,209	31.74%	10,247	31.89%	9,872	32.36%	9,898	34.13%	9,837	34.73%	9,919	35.54%	10,477	36.91%	10,633	37.02%	10,775	36.66%	10,381	36.36%
Non-Resident Tuition	640	1.97%	733	2.28%	804	2.64%	778	2.68%	733	2.59%	651	2.33%	706	2.49%	766	2.67%	919	3.13%	863	2.99%
Tuition Exemption	6,489	20.00%	6,195	19.28%	5,242	17.18%	4,200	14.48%	3,799	13.41%	3,345	11.98%	2,928	10.32%	2,913	10.14%	3,032	10.32%	3,003	10.52%
Other	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total	32,452	100.00%	32,137	100.00%	30,509	100.00%	28,989	100.00%	28,326	100.00%	27,911	100.00%	28,385	100.00%	28,721	100.00%	29,392	100.00%	28,549	100.00%

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

Source: Data from the CBM001.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
STUDENT PROFILE (UNAUDITED)
LAST TEN FISCAL YEARS**

SS-16

Gender	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	19,051	58.71%	18,786	58.46%	17,498	57.35%	16,337	56.84%	15,833	55.90%	15,861	55.75%	16,017	56.63%	16,393	57.08%	16,781	57.09%	16,116	56.45%
Male	13,401	41.29%	13,351	41.54%	13,011	42.65%	12,861	43.68%	12,493	44.10%	12,350	44.25%	12,388	43.97%	12,326	42.92%	12,611	42.91%	12,433	43.55%
Total	32,452	100.00%	32,137	100.00%	30,509	100.00%	28,998	100.00%	28,326	100.00%	27,911	100.00%	28,385	100.00%	28,721	100.00%	29,392	100.00%	28,549	100.00%

Ethnic Origin	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	6,665	20.54%	6,986	21.74%	7,163	23.48%	7,398	25.51%	7,647	27.00%	7,960	28.52%	8,475	29.85%	8,720	30.36%	9,636	32.78%	10,711	37.52%
Hispanic	19,846	61.15%	19,136	59.55%	17,970	56.93%	15,839	54.62%	14,838	52.38%	13,794	49.42%	13,191	46.47%	12,711	44.27%	11,847	40.31%	11,614	40.68%
African American	3,130	9.65%	3,166	9.85%	3,081	10.10%	2,981	10.28%	2,862	10.10%	2,918	10.45%	2,966	10.45%	2,889	10.06%	3,011	10.24%	3,027	10.60%
Asian	1,976	6.09%	1,870	5.82%	1,767	5.79%	1,704	5.88%	1,670	5.90%	1,595	5.71%	1,616	5.69%	1,576	5.49%	1,538	5.23%	1,628	5.70%
Foreign	307	0.95%	434	1.35%	566	1.86%	567	1.96%	575	2.03%	488	1.76%	588	2.08%	384	1.34%	581	1.98%	682	2.39%
Native American	189	0.58%	193	0.60%	186	0.61%	173	0.60%	181	0.64%	221	0.79%	277	0.98%	332	1.16%	248	0.84%	258	0.90%
Other	339	1.04%	352	1.10%	378	1.23%	336	1.16%	553	1.95%	925	3.31%	1,352	4.76%	2,109	7.34%	2,531	8.61%	629	2.20%
Total	32,452	100.00%	32,137	100.00%	30,509	100.00%	28,998	100.00%	28,326	100.00%	27,911	100.00%	28,385	100.00%	28,721	100.00%	29,392	100.00%	28,549	100.00%

Age	Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		2011		Fall 2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	5,349	16.48%	4,855	15.11%	3,903	12.79%	3,071	10.59%	2,721	9.61%	2,269	8.13%	1,830	6.45%	1,903	6.63%	1,991	6.77%	2,057	7.21%
18 - 21	14,291	44.04%	14,064	43.76%	13,924	44.66%	13,054	45.02%	12,864	45.41%	12,859	46.07%	13,025	45.89%	12,917	44.97%	13,163	44.78%	12,805	44.85%
22 - 24	4,805	14.81%	4,850	15.09%	4,804	15.75%	4,755	16.40%	4,703	16.60%	4,648	16.65%	4,684	16.43%	4,679	16.29%	4,805	16.35%	4,575	16.03%
25 - 35	5,712	17.60%	5,927	18.44%	5,893	19.32%	5,849	20.17%	5,623	19.85%	5,659	20.28%	6,026	21.23%	6,264	21.81%	6,489	22.08%	6,234	21.84%
36 - 50	1,924	5.93%	2,010	6.25%	1,932	6.33%	1,900	6.55%	2,006	7.08%	2,031	7.28%	2,324	8.19%	2,422	8.43%	2,465	8.39%	2,380	8.34%
51 & over	371	1.14%	431	1.34%	353	1.16%	369	1.27%	409	1.44%	445	1.59%	516	1.82%	536	1.87%	479	1.63%	488	1.74%
Total	32,452	100.00%	32,137	100.00%	30,509	100.00%	28,998	100.00%	28,326	100.00%	27,911	100.00%	28,385	100.00%	28,721	100.00%	29,392	100.00%	28,549	100.00%

Average age	23	23	23	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24

This schedule does not include non-credit Continuing and Professional Development enrollment.
Source: Data from the CEM001.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS (UNAUDITED)
ACADEMIC YEAR 2018 – 2019 STUDENTS AS OF FALL 2019
(Includes Only Public Senior Colleges in Texas)**

SS-17

	Transfer Student Count	Transfer Student Count	Total of All Transfer Students	Percentage of All Transfer Students
	Academic	Technical		
1 Angelo State University	2	-	2	0.03%
2 Baylor College of Medicine	1	-	1	0.01%
3 Lamar University	144	12	156	2.20%
4 Midwestern State University	3	-	3	0.04%
5 Prairie View A&M University	28	3	31	0.44%
6 Sam Houston State University	273	40	313	4.42%
7 Stephen F. Austin State University	125	9	134	1.89%
8 Tarleton State University	16	-	16	0.23%
9 Texas A&M University	464	58	522	7.37%
10 Texas A&M University - Central Texas	1	-	1	0.01%
11 Texas A&M University - Commerce	6	-	6	0.08%
12 Texas A&M University - Corpus Christi	25	-	25	0.35%
13 Texas A&M University - Kingsville	13	1	14	0.20%
14 Texas A&M University - San Antonio	3	1	4	0.06%
15 Texas A&M University - Texarkana	2	-	2	0.03%
16 Texas A&M University at Galveston	48	14	62	0.88%
17 Texas A&M University System Health Science Center	7	-	7	0.10%
18 Texas Southern University	85	15	100	1.41%
19 Texas State University	259	30	289	4.08%
20 Texas Tech University	129	11	140	1.98%
21 Texas Tech University Health Science Center	4	1	5	0.07%
22 Texas Woman's University	19	9	28	0.40%
23 The University of Texas at Rio Grande Valley	3	1	4	0.06%
24 The University of Texas at Arlington	96	49	145	2.05%
25 The University of Texas at Austin	258	46	304	4.29%
26 The University of Texas at Dallas	57	2	59	0.83%
27 The University of Texas at El Paso	8	4	12	0.17%
28 The University of Texas at San Antonio	88	12	100	1.41%
29 The University of Texas at Tyler	57	1	58	0.82%
30 The University of Texas Health Science Center at Houston	42	4	46	0.65%
31 The University of Texas Health Science Center at San Antonio	7	2	9	0.13%
32 The University of Texas M.D. Anderson Cancer Center	40	1	41	0.58%
33 The University of Texas Medical Branch at Galveston	75	10	85	1.20%
34 The University of Texas of the Permian Basin	8	-	8	0.11%
35 University of Houston	1,393	158	1,551	21.91%
36 University of Houston - Clear Lake	2,078	145	2,223	31.41%
37 University of Houston - Downtown	423	60	483	6.82%
38 University of Houston - Victoria	20	16	36	0.51%
39 University of North Texas	38	5	43	0.61%
40 University of North Texas at Dallas	1	-	1	0.01%
41 University of North Texas Health Science Center	-	3	3	0.04%
42 The University of Texas Southwestern Medical Center	1	-	1	0.01%
43 West Texas A&M University	5	-	5	0.07%
Totals	6,355	723	7,078	100%

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

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
CAPITAL ASSET INFORMATION (UNAUDITED)
LAST TEN FISCAL YEARS**

SS-18

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Academic buildings	46	39	38	38	37	36	36	36	34	34
Square footage	2,482,905	2,233,906	2,089,366	2,089,366	1,975,311	1,930,653	1,930,653	1,930,653	1,645,385	1,559,949
Libraries	3	3	3	3	4	3	3	3	3	3
Square footage	153,985	153,985	153,985	153,985	192,670	149,673	149,673	149,673	149,673	149,673
Number of volumes	218,850	218,214	219,896	221,849	216,964	240,876	237,177	244,084	245,932	243,340
Administrative and support buildings	15	16	14	14	14	14	13	13	12	11
Square footage	399,372	406,923	401,660	401,660	401,660	401,660	395,610	395,610	371,610	333,610
Dormitories	-	-	-	-	-	-	1	1	1	1
Square footage	-	-	-	-	-	-	6,050	6,050	6,050	6,050
Athletic facilities	7	8	10	10	10	9	9	9	9	9
Square footage	16,078	15,526	11,434	11,434	11,434	3,170	3,170	3,170	3,170	3,170
Stadiums	2	2	3	3	3	3	3	3	3	3
Fitness centers/gymnasiums	4	5	4	4	4	3	3	3	3	3
Tennis courts	1	1	3	3	3	3	3	3	3	3
Plant facilities	11	7	6	6	5	5	5	5	7	7
Square footage	19,882	30,388	29,544	29,544	27,044	27,044	27,044	27,044	51,449	51,449
Transportation:										
Cars	3	3	1	1	1	1	1	1	4	6
Sport utility vehicles/light trucks/vans	74	81	96	96	97	91	86	83	74	71

Source: College Facilities Buildings and Land Inventory.
The decrease in vehicles is due to trade ins for lease vehicles.



Federal Awards



**REPORT OF INDEPENDENT AUDITORS ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
San Jacinto Community College District
Pasadena, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of San Jacinto Community College District (the "College"), as of and for the year ended August 31, 2020, 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 7, 2020. The financial statements of the San Jacinto Community College Foundation were not audited in accordance with *Government Auditing Standards*.

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 College'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.

To the Board of Trustees
San Jacinto Community College District

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 black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
December 7, 2020

REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS REQUIRED BY THE *UNIFORM GUIDANCE* AND THE STATE OF TEXAS *UNIFORM GRANT MANAGEMENT STANDARDS*

To the Board of Trustees
San Jacinto Community College District
Pasadena, Texas

Report on Compliance for Each Major Federal and State Program

We have audited San Jacinto Community College District's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and State of Texas *Uniform Grant Management Standards* that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2020. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas *Uniform Grant Management Standards*. Those standards, the Uniform Guidance and the State of Texas *Uniform Grant Management Standards* 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, 2020.

To the Board of Trustees
San Jacinto Community College District

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 the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*, 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 the Uniform Guidance and the State of Texas *Uniform Grant Management Standards*. Accordingly, this report is not suitable for any other purpose.



Houston, Texas
December 7, 2020

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2020

I. Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
a. Material weakness (es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported.
Noncompliance material to the financial statements noted?	No

Federal and State Awards

Internal controls over major programs:	
a. Material weakness (es) identified?	No
b. Significant deficiencies identified that are not considered to be material weaknesses?	None reported.
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, 2 CFR 200.516 (a) or the <i>State of Texas Single Audit Circular</i> ?	No
Identification of major programs:	

Name of Federal Program or Cluster: **CFDA Number:**

Student Financial Aid Cluster:	
<i>Federal Supplemental Educational Opportunity Grants</i>	84.007
<i>Federal Work-Study Program</i>	84.033
<i>Federal Pell Grant Program</i>	84.063
<i>Federal Direct Student Loans - subsidized</i>	84.268
Adult Education – Basic Grants to States	84.002A

CARES Act Higher Education Emergency Relief Fund (HEERF) Cluster:	
<i>Education Stabilization Fund – Student Portion - COVID-19</i>	84.425E
<i>Education Stabilization Fund – Institutional Portion- COVID-19</i>	84.425F
<i>Education Stabilization Fund – Minority Serving Institution (MSIs) - COVID-19</i>	84.425L

Name of State Program: **Contract Number**

Texas Higher Education Board - Student Financial Aid Cluster:	
<i>Texas Education Opportunity Grant Program – Initial (TEOG)</i>	13399
<i>Texas Education Opportunity Grant Program – Renewal (TEOG)</i>	13399
<i>Nursing Shortage Reduction Program Under 70 FY16-17 – Central & North</i>	NSRP U70 FY16-17 C&N
<i>Nursing Shortage Reduction Program Under 70 FY16-17 – South</i>	NSRP U70 FY16-17 S

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended August 31, 2020

I. Summary of Auditor’s Results (continued)

Dollar threshold used to distinguish Between Type A and Type B federal programs:

Federal	\$ 1,619,697
State	\$ 300,000

Auditee qualified as a low-risk auditee?

Federal	Yes
State	Yes

II. Financial Statement Findings

None reported

III. Federal and State Award Findings and Questioned Costs

None reported

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2020**

**SCHEDULE E
Page 1 of 2**

Federal Grantors/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Award #	Total Expenditures	Passed Through to Subrecipients
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
<u>Student Financial Aid Cluster:</u>				
Federal Supplemental Educational Opportunity Grants	84.007	P007A194114	\$ 855,729	\$ -
Federal Work - Study Program	84.033	P033A194114	516,469	-
Federal Pell Grant Program	84.063	P063P192303	34,105,014	-
Federal Direct Student Loans - Subsidized	84.268	P268K202303	5,839,648	-
Total Student Financial Aid Cluster (CFDA # 84.007, 84.033, 84.063, 84.268)			<u>41,316,860</u>	<u>-</u>
Developing Hispanic-Serving Institutions (DHSI) Program	84.031S	P031S190252	112,252	-
<u>TRIO Cluster:</u>				
TRIO Talent Search	84.044A	P044A160410	228,046	-
TRIO Upward Bound	84.047A	P047A170337	284,411	-
Total TRIO Cluster (CFDA # 84.044, 84.047)			<u>512,457</u>	<u>-</u>
<u>CARES Act Higher Education Emergency Relief Fund (HEERF) Cluster:</u>				
Education Stabilization Fund - Student Portion - COVID-19	84.425E	P425E200171	3,784,650	-
Education Stabilization Fund - Institutional Portion - COVID-19	84.425F	P425F201612	3,095,043	-
Education Stabilization Fund - Minority Serving Institutions (MSIs) - COVID-19	84.425L	P425L200560	365,865	-
Total CARES Act Higher Education Emergency Relief Fund (HEERF) Cluster (CFDA # 84.425)			<u>7,245,558</u>	<u>-</u>
Pass-Through from Texas Workforce Commission (TWC) - Houston-Galveston Area Council/Workforce Development Board:				
Adult Education - Basic Grants to States	84.002A	216-20	587,110	-
Adult Education - Basic Grants to States	84.002A	216-21	81,844	-
Total CFDA # 84.002			<u>668,954</u>	<u>-</u>
Passed through from Texas Higher Education Coordinating Board:				
Carl Perkins Vocational Education Basic 2018 - 2019	84.048	19052	(37)	-
Carl Perkins Vocational Education Basic 2019 - 2020	84.048	20058	824,981	-
Carl Perkins Vocational Education - Leadership Grants 2019 - 2021	84.048	21942	11,362	-
Total CFDA # 84.048			<u>836,306</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>50,692,387</u>	<u>-</u>
U.S. DEPARTMENT OF AGRICULTURE				
Passed through from The University of Texas at El Paso:				
Hispanic Serving Institutions Education Grants	10.223	226300285E	10,000	-
Passed through from Texas Department of Agriculture:				
Child and Adult Care Food Program 2018 - 2019	10.558	3202/2018 - 2019	3,014	-
Child and Adult Care Food Program 2019 - 2020	10.558	3202/2019 - 2020	18,063	-
Total CFDA # 10.558			<u>21,077</u>	<u>-</u>
Passed through from United States Endowment for Forestry and Communities:				
Cooperative Forestry Assistance	10.664	E19-54	68	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>31,145</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BVP2018-2020	3,402	-
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>3,402</u>	<u>-</u>
U.S. DEPARTMENT OF LABOR				
Direct Programs:				
H-1B Job Training Grants	17.268	HG-26672-15-60-A-48	629,520	473,945
Passed through from Texas Workforce Commission (TWC):				
WIA/WIOA Dislocated Worker Formula Grants	17.278	2820ATP003	18,440	-
Passed through from American Association of Community Colleges:				
Apprenticeship USA Grants	17.285	AP-33025-19-75-A-11	30,559	-
TOTAL U.S. DEPARTMENT OF LABOR			<u>678,519</u>	<u>473,945</u>

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2020**

**SCHEDULE E
Page 2 of 2**

Federal Grantors/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Award #	Total Expenditures	Passed Through to Subrecipients
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Direct Programs:				
Education	43.008	80NSSC19M0097	96,265	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			96,265	-
<u>NATIONAL SCIENCE FOUNDATION</u>				
Direct Programs:				
Education and Human Resources	47.076	1911317	286,256	114,349
Passed through from Tidewater Community College - Education and Human Resources - SMART Institute:				
Houston Alliance for Minority Participation Project (PH III)	47.076	TCC1501449	1,868	-
Total CFDA # 47.076			288,124	114,349
TOTAL NATIONAL SCIENCE FOUNDATION			288,124	114,349
<u>U.S. SMALL BUSINESS ADMINISTRATION</u>				
Passed through from The University of Houston:				
Small Business Development Centers 2018 - 2019	59.037	R-19-0062-53826	26,206	-
Small Business Development Centers 2019 - 2020	59.037	R-20-0060-53826	154,763	-
Total CFDA # 59.037			180,969	-
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			180,969	-
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS</u>				
Direct Programs:				
All-Volunteer Force Educational Assistance	64.124	362/242D	16,035	-
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			16,035	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Programs:				
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	90FX0035	1,980,539	-
Pass-Through from Texas Workforce Commission (TWC):				
Temporary Assistance for Needy Families - Governor's Summer Merit	93.558	2819SMP006	(27)	-
Temporary Assistance for Needy Families - Camp Code for Girls	93.558	2819TAN005	1,620	-
Total CFDA # 93.558			1,593	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,982,132	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Passed through from Federal Emergency Management Agency (FEMA):				
Disaster Grants - Public Assistance - COVID-19	97.036	2020COVID-19	20,918	-
TOTAL U.S. DEPARTMENT OF HOME LAND SECURITY			20,918	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 53,989,896	\$ 588,294

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2020

1. Federal Assistance Reconciliation

Direct Federal grants and contracts per Schedule A	\$ 5,087,529*
Add: Indirect/Administrative Cost Recoveries per Schedule A	319,031
Direct Federal revenue, non-operating Schedule C	48,449,905
Add: Indirect/Administrative Cost Recoveries per Schedule C	112,513
Add: FEMA per Schedule C	<u>20,918</u>
Total Federal Revenues per Schedule E - Schedule of Expenditures of Federal Awards	<u>\$ 53,989,896</u>

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules of expenditures of Federal awards (the Schedule) present the activity of Federal programs of the College for the year ended August 31, 2020. The Schedule has been prepared on the accrual basis of accounting. 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. Since the College has an agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimus rate as permitted in the Uniform Guidance, Section 200.414.

3. Amounts Passed Through by the College - Sub-Recipients

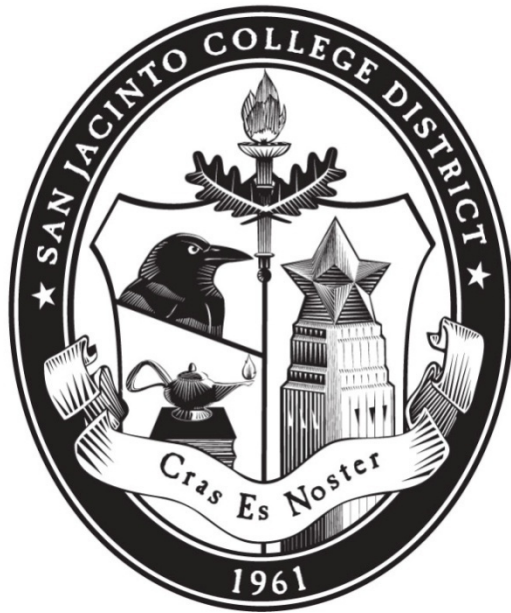
*The following amounts were passed through to the listed sub-recipients by the College. The total amount of \$588,294 is included in Note 1 - Direct Federal Grants and Contracts.

Sub-Recipient	CFDA	Primary Grant Funding Agency	Grant Program	Amount
Alamo Community College District	17.268	U.S. Department of Labor	H-1B Job Training Grants	\$ 24,050
Austin Community College	17.268	U.S. Department of Labor	H-1B Job Training Grants	68,639
Dallas County Community College District	17.268	U.S. Department of Labor	H-1B Job Training Grants	87,851
International Business Machines (IBM)	17.268	U.S. Department of Labor	H-1B Job Training Grants	293,405
Houston Community College System	47.076	National Science Foundation	Education and Human Resources	114,349
Total amount passed through by the College				<u>\$ 588,294</u>





State Awards



SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended August 31, 2020

SCHEDULE F

<u>State Grantor Agency/Pass-Through Grantor/Program Title</u>	<u>Grant Contract Number</u>	<u>Total State Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>TEXAS WORKFORCE COMMISSION (TWC)</u>			
Direct Program:			
<i>Skills Development Fund - SJC in Partnership with a Manufacturing Consortium FY18</i>	2818SDF007	\$ 20,902	\$ -
<i>Skills Development Fund - Skills for Small Business Program 5</i>	2819SSD004	18,165	-
<i>Skills Development Fund - COVID-19</i>	2820COS001	1,900	-
<i>Total Skills Development Fund</i>		<u>40,967</u>	<u>-</u>
<i>Apprenticeship Training Program FY19</i>	2819ATP001	5,000	-
<i>Apprenticeship Training Program FY20</i>	2820ATP003	39,480	-
<i>Total Apprenticeship Training Program Fund</i>		<u>44,480</u>	<u>-</u>
TOTAL TEXAS WORKFORCE COMMISSION		<u>85,447</u>	<u>-</u>
<u>TEXAS HIGHER EDUCATION COORDINATING BOARD</u>			
Student Financial Aid:			
<i>State Military Tuition Assistance</i>	26041	540	-
<i>Texas Education Opportunity Grant Program - Initial (TEOG)</i>	13399	1,174,569	-
<i>Texas Education Opportunity Grant Program - Renewal (TEOG)</i>	13399	527,610	-
<i>College Work Study Program</i>	22339	92,948	-
<i>College Work Study Mentorship Program</i>	N/A	70,458	-
<i>Total Student Financial Aid</i>		<u>1,866,125</u>	<u>-</u>
Direct Program:			
<i>Reginal Pathways Project Grant</i>	19100	19,999	-
<i>Nursing Shortage Reduction Program Under 70 FY16-17 - Central & North</i>	NSRP U70 FY16-17 C&N	734,775	-
<i>Nursing Shortage Reduction Program Under 70 FY16-17 - South</i>	NSRP U70 FY16-17 S	40,551	-
<i>Nursing Shortage Reduction Program Regular FY17 - Central & North</i>	NSRP REG FY17 C&N	244,786	-
<i>Nursing Shortage Reduction Program Regular FY17 - South</i>	NSRP REG FY17 S	239	-
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		<u>2,906,475</u>	<u>-</u>
<u>OFFICE OF GOVERNOR</u>			
<i>National Incident Based Reporting System</i>	37819-01	16,500	-
TOTAL OFFICE OF GOVERNOR		<u>16,500</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 3,008,422</u>	<u>\$ -</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF STATE AWARDS
Year Ended August 31, 2020

1. State Assistance Reconciliation

Direct State grants and contracts per Schedule A	\$ 3,007,557
Add: Indirect/Administrative Cost Recoveries (Returned Funds) per Schedule A	<u>865</u>
Total State Revenues per Schedule F - Schedule of Expenditures of State Awards	\$ <u><u>3,008,422</u></u>

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules of expenditures of State awards (the Schedule) present the activity of State programs of the College for the year ended August 31, 2020. The Schedule has been prepared on the accrual basis of accounting. 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. Since the College has an agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimus rate as permitted in the Uniform Guidance, Section 200.414.





Administration Building
4624 Fairmont Pkwy.
Pasadena, Texas 77504

Central Campus
8060 Spencer Hwy.
Pasadena, Texas 77505

North Campus
5800 Uvalde Rd.
Houston, Texas 77049

South Campus
13735 Beamer Rd.
Houston, Texas 77089

Maritime Technology & Training Center
3700 Old Hwy. 146
La Porte, Texas 77571

Generation Park Campus
13455 Lockwood Rd.
Houston, Texas 77044

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