

**Audit Report**  
**August 31, 2004**



**San Jacinto College**

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# Introduction

# San Jacinto College District

## Organization Data

For Fiscal Year 2003-2004

## Board of Regents

### Officers

Dr. Ruede Wheeler	Chair
Mrs. Marie Flickinger	Vice Chair
Mr. J. D. Bruce	Secretary
*Dr. Parker Williams	Assistant Secretary

\*Effective October 4, 2004, Dan Mims approved as Assistant Secretary.

### Members

### Term Expires

Mr. J. D. Bruce	Pasadena, Texas	2005
Mrs. Marie Flickinger	Houston, Texas	2007
Mr. Dan Mims	Channelview, Texas	2009
Mr. C. Wayne Slovacek	Deer Park, Texas	2009
Mr. W. L. "Levi" Smallwood	Pasadena, Texas	2007
Dr. Ruede Wheeler, D.D.S.	La Porte, Texas	2005
*Dr. Parker Williams	Houston, Texas	2009

\*Effective September 3, 2004, Ben Meador approved to fill the vacancy on the Board due to the death of Dr. Williams.

## District Administrators

### Key Officers

Dr. William Lindemann, Jr.	Chancellor
Dr. Ron Rucker	Vice Chancellor for Administration
Dr. Gwen Tilley	Vice Chancellor of Instructional Programs and Services
Mrs. Brenda Hellyer	Vice Chancellor of Fiscal Affairs
Mr. James Fowler	Vice Chancellor of Human Resources
Mrs. Tuesday Stanley	Associate Vice Chancellor of Marketing and Enrollment
Dr. Monte Blue	President, Central Campus
Dr. Charles Grant	President, North Campus
Dr. Linda Watkins	President, South Campus

**EUGENE HOVEY**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**P.O. BOX 1375**  
**LA PORTE, TEXAS 77572**

**PHONE 281-471-2700**  
**NOVEMBER 20, 2004**

TO THE BOARD OF REGENTS  
SAN JACINTO COLLEGE DISTRICT

Re: Independent Auditor's Report

I have audited the accompanying statement of net assets of the San Jacinto College District as of August 31, 2004 and 2003, the related statement of revenues, expenses, and changes in net assets, and the statement of cash flows for the years then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with U.S. generally accepted auditing standards 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Jacinto College District as of August 31, 2004 and 2003, and the revenues, expenses and changes in net assets and its cash flows for the fiscal years then ended in conformity with U.S. generally accepted accounting principles.

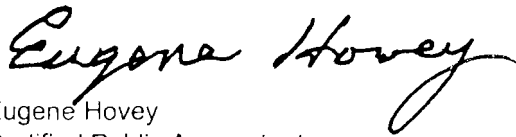
In accordance with Government Auditing Standards, I have also issued a report dated November 20, 2004 on my consideration of the District's internal control over financial reporting and my test of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

To The Board of Regents  
November 20, 2004  
Page Two

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Government Accounting Standards Board requires. I applied limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. I did not audit the information and express no opinion thereon.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of expenditures of state awards required by the State of Texas Uniform Grants Management Standards, and statistical data marked "unaudited" are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the statistical data marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in my opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink that reads "Eugene Hovey". The signature is written in a cursive, flowing style with a long, sweeping tail on the letter "y".

Eugene Hovey  
Certified Public Accountant

# Management Discussion and Analysis

# San Jacinto Community College District Management's Discussion and Analysis *Fiscal Year Ended August 31, 2004*

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## **Overview**

The annual financial report provides readers with detailed information concerning the financial condition, performance and activities of the San Jacinto Community College District (the District) for the fiscal year ended August 31, 2004. Additionally, this report includes an unqualified opinion letter from the District's independent auditors.

This report consists of three basic financial statements: the Statement of Net Assets; the Statement of Revenues, Expenses and Changes in Net Assets; and the Statement of Cash Flows. While each statement presents a unique set of information, they should be used together and in conjunction with the notes to the financial statements. The following summary and management discussion is intended to provide the readers of this report with an overview of the District's financial activities for the current year with a comparison to the prior year.

## **Accounting Standards**

The financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standard's Board (GASB). The District operates under GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB No. 35 "Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities", which established new reporting standards and formats for the annual financial statements. The statements are prepared on the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide service to the District, regardless of when cash is exchanged.

## **Highlights**

- Net assets increased by \$10.1 million to a total of \$126.1 million.
- Capital assets net of accumulated depreciation increased \$6.7 million to a total of \$158.6 million.
- During the year the District opened three Interactive Learning Centers and two Fine Arts Buildings with a total construction cost of \$55.2 million.
- General obligation bonds totaling \$20.8 million were issued in February 2004 with proceeds used to supplement construction projects, renovation projects, and technology initiatives.
- The College continues to be one of the largest community colleges in the State with fundable contact hours in excess of 10.4 million.
- Community partnerships continued such as the Aerospace Academy, Harris County Precinct 2 Economic Summit, Houston Port Region Economic Alliance, Galena Park Resource Center, and Pasadena Town Square Mall training branch.
- Participation in a community college consortium initiative to grow and retain underserved students.



## The Statement of Net Assets

The Statement of Net Assets is a snapshot in time (August 31, 2004) of all assets owned by the District, all liabilities owed by the District to others, and the resulting net assets – the difference between assets and liabilities. Assets and liabilities are presented in the order of their liquidity with non-current defined as greater than one year. Net assets are displayed in three components: invested in capital assets, net of related debt; restricted; and unrestricted with restricted net assets distinguished between major categories of restrictions. The following provides a summary of The Statement of Net Assets:

	August 31	
	2004	2003
<b>Assets</b>		
<b>Current Assets</b>	\$47,818,913	\$55,057,432
<b>Non-Current Assets</b>		
Other Non-Current	\$41,276,779	\$27,904,970
Capital Assets (Net)	158,642,289	151,911,028
<b>Total Non-Current Assets</b>	<u>199,919,068</u>	<u>179,815,998</u>
<b>Total Assets</b>	<u><b>\$247,737,981</b></u>	<u><b>\$234,873,430</b></u>
<b>Liabilities</b>		
<b>Current Liabilities</b>	<u>\$25,876,783</u>	<u>\$37,155,263</u>
<b>Non-Current Liabilities</b>		
<b>Total Non-Current Liabilities</b>	<u>\$95,724,246</u>	<u>\$81,708,893</u>
<b>Total Liabilities</b>	<u><b>\$121,601,029</b></u>	<u><b>\$118,864,156</b></u>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	\$59,344,496	\$64,248,407
Restricted	17,420,440	11,008,408
Unrestricted	<u>49,372,016</u>	<u>40,752,459</u>
<b>Total Net Assets</b>	<u><b>\$126,136,952</b></u>	<u><b>\$116,009,274</b></u>

Total assets closed the year at \$247.7 million compared to \$234.9 million at the beginning of the year. The overall change in assets was due to a \$20.1 million increase in non-current assets offset by a \$7.3 million decrease in current assets. The increase in non-current assets is attributable to the District's continued commitment to its construction and renovation program (net \$6.7 million increase) and an \$11.1 million increase in long-term investments consisting of federal agency securities. Offsetting the investment increase was a decrease in short-term investments, cash, and cash equivalents of \$8.3 million. Other significant changes in current assets include a \$3.9 million increase in accounts receivable and a \$2.5 million decrease in deferred charges. Both of these changes are related to student receivables and the processing of student financial aid payments; and both were largely paid off on September 8, 2004 (State of Texas enrollment reporting date).

Total liabilities closed the year at \$121.6 million compared to \$118.9 million at the beginning of the year. The overall change in liabilities was due to a \$14.0 million increase in non-current liabilities offset by an \$11.3 million decrease in current liabilities. Non-current liabilities consist largely of notes and bonds payable which increased by \$13.8 due to a new bond issue of \$20.8 million offset by \$7.5 million in principal reductions for the

year. Current liabilities decreased by \$11.3 million due to a reduction in payables related to construction projects and a decrease in deferred revenues (tuition and fees collected for the ensuing year).

Net assets increased by \$10.1 million to \$126.1 million at August 31, 2004. This increase is one indication that the District as a whole is better off as a result of its activities for 2004. Restricted net assets related to unexpended bond proceeds and debt service increased by \$6.2 million, which is largely offset by a \$5.0 million decrease in net assets invested in capital assets, net of related debt. Unrestricted net assets increased \$8.6 million due to the District's commitment to cost reduction activities, development of efficiency measures, and detailed program evaluations. Additional revenues were generated due to increases in each of the following: tuition and fees; enrollment head count, property tax rate, and assessed valuations.

## The Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenue, Expenses and Changes in Net Assets presents the flow of revenues earned and expenses incurred during the fiscal year. The statement presents both operating and non-operating revenue and expenses. Ad-valorem taxes, while budgeted for operations, are treated as non-operating revenues in accordance with generally accepted accounting principles. The following provides a summary of The Statement of Revenues, Expenses and Changes in Net Assets:

### Statement of Revenues

	<u>August 31</u>	
	<u>2004</u>	<u>2003</u>
<b>Operating Revenues</b>		
State Appropriations	\$41,457,251	\$42,976,148
Tuition and Fees (Net of Discounts)	28,867,649	19,669,647
Grants and Contracts	24,041,456	17,411,367
Auxiliary Enterprises (Net of Discounts)	11,299,155	6,931,346
Other Revenues	808,423	679,167
<b>Total Operating Revenues</b>	<b><u>\$106,473,934</u></b>	<b><u>\$87,667,675</u></b>
<b>Operating Expenses</b>		
Educational Activities	\$109,417,830	\$101,062,876
Auxiliary Enterprises	10,180,523	9,608,288
Depreciation	7,083,508	2,999,437
<b>Total Operating Expenses</b>	<b><u>\$126,681,861</u></b>	<b><u>\$113,670,601</u></b>
<b>Operating Income (Loss)</b>	<b>\$ (20,207,927)</b>	<b>\$ (26,002,926)</b>
<b>Non-Operating Revenues (Expenses)</b>		
Ad Valorem Taxes	37,983,703	\$33,848,113
Investment Income (Net of Investment Expenses)	1,635,764	1,470,675
Interest on Capital Related Debt	(3,281,571)	(3,061,917)
Other Non-Operating Revenues (Expenses)	(6,002,291)	(5,738,293)
<b>Net Non-Operating Revenues (Expenses)</b>	<b><u>\$30,335,605</u></b>	<b><u>\$26,518,578</u></b>
<b>Increase in Net Assets</b>	<b>\$10,127,678</b>	<b>\$515,652</b>
<b>Net Assets – Beginning of Year</b>	<b><u>\$116,009,274</u></b>	<b><u>\$115,493,622</u></b>
<b>Net Assets – End of Year</b>	<b><u>\$126,136,952</u></b>	<b><u>\$116,009,274</u></b>

State funding for education and general state support decreased by \$1.3 million as a result of actions during the 78<sup>th</sup> Session of the Texas Legislature (Session). The results of this Session continued the reduction of funding for

most State-assisted entities including higher education institutions which began in January 2003 with an unprecedented mid-session cut. Additionally, funding for group insurance and retirement was reduced by a net of \$201 thousand. The actual benefit reduction was anticipated to be greater due to the elimination of a group of employees previously eligible for State funding, but other control measures were implemented at both the State and District levels which offset the anticipated reduction.

Tuition and fee revenue was \$32.1 million before discounts compared to \$23.6 million for the prior year. The \$8.4 million increase in tuition and fees prior to discounts is due to an annual contact hour increase of 5%, and the impact of a full year of the tuition and fee rate increase which was effective for the 2003 summer semester.

Federal grants and contracts increased by \$7.6 million which is attributable to additional student loans (\$5.8 million) processed through the District through a new electronic funds transfer system and an increase in Federal Pell awards (\$3.8 million) to students due to centralization of the financial aid packaging process. This process change also had a direct impact on the increase of \$.2 million in State grants to students. Additionally, State grants and contracts related to workforce training initiatives and library services decreased by \$.9 million; and U.S. Department of Labor pass-through grants decreased by \$1.4 million as the Federal grant reached its completion.

Auxiliary enterprises consist of bookstore operations, child care facilities, student service fees, cafeterias, and the golf course. Auxiliary revenues prior to discounts were \$12.6 million of which \$10.8 million is due to the operations of the three bookstores. For the year, bookstore revenues increased \$3.4 million which is due to the timing of the start of the fall semesters (fiscal year 2004 included approximately eight additional days of operations compared to fiscal year 2003) and the computer integration of the bookstore point of sale software with the financial aid disbursement system.

Expenses for educational activities increased by \$8.3 million reaching a total of \$109.4 million or 86.4% of the total operating expenses for the District. Of the increase, \$11.7 million is related to scholarship and fellowships due to the prescribed Federal treatment of student loans, increased Pell awards, and discount methods (all discussed above). Offsetting the scholarship and fellowship increase was a \$3.4 million decrease in other educational activities. Salaries and wages decreased \$2 million due to efforts to achieve a net reduction in employee head count through attrition and the combining of job duties. Additionally, no salary increases or banding adjustments were approved for the fiscal year. Benefit costs decreased \$1 million due to changes at the State requiring a 90-day waiting period for new hires, increased contributions by employees, and increased claims' monitoring. Depreciation expense (a non-cash expense) increased \$4.1 million due to the addition of five new buildings, a full year of depreciation for a building placed in service during 2003, and a change from a half-year convention to monthly convention.

Net Non-Operating Revenues and Expenses increased by \$3.8 million largely due to increases in ad valorem tax revenue offset by increased in other non-operating expenses. The tax rate for fiscal year ended August 31, 2004 increased from 13.071 to 13.913 cents per \$100 of assessed valuation which generated \$2.2 million in revenue. Also, new property additions and increased in property valuations generated \$1.6 million in additional tax revenue. Of the total increase in ad valorem tax revenue, \$700 thousand was restricted for debt service. Other non-operating expenses increased by \$300 thousand to \$6.0 million. Non-capital furniture and equipment for the five new buildings totaled \$4.6 million and the remainder was related to repairs and rehabs on various facilities.

For the year, the District increased net assets by \$10.1 million versus an increase of \$516 thousand in the prior year. The difference is due to an increase in tuition and fees revenue related mainly to enrollment growth, concerted efforts to decrease expenses, and the development of a conservative budget.

## **The Statement of Cash Flows**

The Statement of Cash Flows presents the cash inflows and outflows categorized by operating, capital, financing and investing activities. At August 31, 2004, cash and cash equivalents exceeded \$48.0 million. The District

experienced a net outflow of cash and cash equivalents for the year of \$8.2 million due largely to continued construction and rehab projects and the purchase of long-term investments.

### **Capital Assets and Long-Term Debt Activity**

Capital Assets before depreciation increased from \$199.7 million to \$213.5 million during fiscal year ended 2004. The following projects and additions comprise the majority of the \$13.8 million increase:

- Completed Projects – Fine arts buildings on the South and North Campus and Interactive Learning Centers on each of the three campuses (for a total of five buildings) were completed and opened for instruction. Significant enhancements and rehab were completed on roof replacements, parking lots, and the infrastructure systems including wastewater and heating and air conditioning. Completed projects transferred from construction in process during fiscal year 2004 totaled \$56.9 million.
- Continued Projects – Infrastructure upgrades, site improvements, roof replacements, and major building renovations were in progress at all three campuses. The balance of construction in process at August 31, 2004 was \$6.7 million of which \$4.6 million was invested during the current fiscal year.
- Other – The District reclassified \$3.1 million between capital asset classifications (from furniture and equipment to telecommunications and peripheral equipment).

Financing for the above projects has been achieved through the issuance of long-term bonds. In February 2004, the District issued \$20.8 million in general obligation bonds. Together, these issues and proceeds from prior issues were used to purchase, construct, furnish and equip the projects listed above. The College is committed to progressing with its construction, facilities management and technology programs while still maintaining an aggressive debt payment schedule.

On January 29, 2004, Standard & Poor’s and Moody’s Investors Service assigned the 2004 General Obligation Bonds credit ratings of AA and Aa3, respectively. Additionally, in January 2003, both agencies affirmed the District’s credit ratings as follows:

	<u>Moody’s Investor’s Service</u>	<u>Standard &amp; Poor’s</u>
Revenue Bonds	A1	AA-
General Obligation Bonds	Aa3	AA
Maintenance and Tax Notes	Aa3	AA

Both agencies cited several positive factors including various management practices including cost benefit analyses designed to assist with the management of student demand, curriculum, faculty, and financial condition. Both were pleased that the District did not encroach on nest assets to pay for recurring expenditures and that the District continued to maintain a strong financial condition.

### **Economic Factors and Subsequent Events**

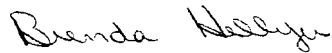
Several current economic factors and events subsequent to the close of the fiscal year ended 2004 are highlighted below:

- Enrollment for the Fall 2004 semester was 5% greater than the Fall 2003 semester.
- The District developed several new initiatives designed to evaluate revenue generation, cost controls and reductions, and process evaluation. Plans are being developed which will include in-depth analysis of several areas including the entire enrollment process for recruitment, admittance, registration and student success.

- The District anticipates issuing approximately \$4 million in general obligation and maintenance tax bonds during the calendar year 2005 in order to continue with the construction and facilities maintenance plans of the District.

The District is positioned to continue building on its community relationships and serving the changing demographic markets it serves. With an emphasis on streamlining processes, building enrollment in key areas, retooling and growing business training and further strengthening the teaching and learning process, San Jacinto Community College remains a dynamic institution that is an integral part of the success of East Harris County and the surrounding communities.

Respectfully submitted,



Brenda Hellyer

Vice Chancellor of Fiscal Affairs  
San Jacinto College District

# Financial Exhibits

San Jacinto College District  
Statement of Net Assets  
August 31, 2004 and August 31, 2003

Exhibit 1

ASSETS	<u>2004</u>	<u>2003</u>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 29,094,180	\$ 39,520,890
Short term investments	5,397,051	3,261,799
Accounts receivable (net)	10,157,567	6,313,316
Deferred charges	254,045	2,802,780
Inventories	2,916,070	3,158,647
<b>Total Current Assets</b>	<u>\$ 47,818,913</u>	<u>\$ 55,057,432</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	\$ 18,938,140	\$ 16,699,296
Endowment Investments	17,069	16,638
Other long-term investments	21,495,310	10,423,275
Bond Issuance Costs	826,260	765,761
Capital assets (net)(See Note 5)	158,642,289	151,911,028
<b>Total Noncurrent Assets</b>	<u>\$ 199,919,068</u>	<u>\$ 179,815,998</u>
<b>Total Assets</b>	<u>\$ 247,737,981</u>	<u>\$ 234,873,430</u>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 4,604,866	\$ 11,455,652
Accrued liabilities	2,380,056	1,399,043
Accrued compensable absences - current portion	301,802	271,921
Funds held for others	317,617	317,815
Deferred revenues	12,094,572	16,739,032
Notes payable - current portion	1,697,870	2,851,800
Bonds payable - current portion	4,480,000	4,120,000
<b>Total Current Liabilities</b>	<u>\$ 25,876,783</u>	<u>\$ 37,155,263</u>
<b>Noncurrent Liabilities:</b>		
Accrued compensable absences	\$ 2,604,323	\$ 2,746,100
Notes payable	11,814,923	13,512,793
Bonds payable	81,305,000	65,450,000
<b>Total Noncurrent liabilities</b>	<u>\$ 95,724,246</u>	<u>\$ 81,708,893</u>
<b>Total Liabilities</b>	<u>\$ 121,601,029</u>	<u>\$ 118,864,156</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 59,344,496	\$ 64,248,407
Restricted for:		
Non Expendable - Student Aid	12,000	12,000
Expendable		
Student Aid	1,339,903	1,201,010
Unexpended Bond Proceeds	3,932,991	8,930,258
Debt service	12,135,546	865,140
Unrestricted	49,372,016	40,752,459
<b>Total Net Assets (Schedule D)</b>	<u>\$ 126,136,952</u>	<u>\$ 116,009,274</u>

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

**San Jacinto College District**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Years Ended August 31, 2004 and August 31, 2003**

**Exhibit 2**

<b>Operating Revenues</b>	<u><b>2004</b></u>	<u><b>2003</b></u>
State Allocations	\$ 41,457,251	\$ 42,976,148
Tuition and Fees (net of discounts of \$3,259,930 and \$3,957,994, respectively)	28,867,649	19,669,647
Federal Grants and Contracts	22,855,584	15,205,840
State Grants and Contracts	761,186	1,244,015
Non-Governmental Grants and Contracts	424,686	961,512
Sales and Services of Educational Activities	795,824	397,786
Auxiliary Enterprises (net of discounts of \$1,350,483) and \$1,855,857, respectively)	11,299,155	6,931,346
General Operating Revenues	12,599	281,381
<b>Total Operating Revenues (Schedule A)</b>	<u><b>\$ 106,473,934</b></u>	<u><b>\$ 87,667,675</b></u>
<b>Operating Expenses</b>		
Instruction	\$ 40,121,615	\$ 44,550,108
Public Service	2,628,974	3,072,979
Academic Support	5,869,992	6,666,761
Student Services	7,199,167	7,659,892
Institutional Support	25,268,343	23,240,463
Operation and Maintenance of Plant	10,705,352	9,920,104
Scholarships and Fellowships	17,624,387	5,952,569
Auxiliary Enterprises	10,180,523	9,608,288
Depreciation	7,083,508	2,999,437
<b>Total Operating Expenses (Schedule B)</b>	<u><b>\$ 126,681,861</b></u>	<u><b>\$ 113,670,601</b></u>
<b>Operating Loss</b>	<u><b>\$ (20,207,927)</b></u>	<u><b>\$ (26,002,926)</b></u>
<b>Non-Operating Revenues (Expenses)</b>		
Maintenance Ad Valorem Taxes	\$ 29,827,208	\$ 26,355,326
Debt Service Ad Valorem Taxes	8,156,495	7,492,787
Investment Income (Net of Investment Expenses)	1,635,764	1,470,675
Interest on Capital Related Debt	(3,281,571)	(3,061,917)
Other Non-Operating Revenues (Expenses)	(6,002,291)	(5,738,293)
<b>Net Non-Operating Revenues (Schedule C)</b>	<u><b>\$ 30,335,605</b></u>	<u><b>\$ 26,518,578</b></u>
<b>Increase in Net Assets</b>	<b>\$ 10,127,678</b>	<b>\$ 515,652</b>
<b>Net Assets</b>		
Net Assets - Beginning of Year	<u><b>\$ 116,009,274</b></u>	<u><b>\$ 115,493,622</b></u>
Net Assets - End of Year	<u><b>\$ 126,136,952</b></u>	<u><b>\$ 116,009,274</b></u>

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



## Statement of Cash Flows

Years Ended August 31, 2004 and August 31, 2003

	<u>2004</u>	<u>2003</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from students and other customers	\$ 33,915,810	\$ 43,034,339
Receipts from state allocations	32,999,181	34,315,738
Receipts from grants and contracts	24,054,055	19,655,711
Payments to suppliers for goods and services	(34,874,499)	(33,500,834)
Payments to or on behalf of employees	(65,361,502)	(66,615,933)
Payments for scholarships and fellowships	(15,136,151)	(12,867,883)
Net cash provided (used) by operating activities	<u>\$ (24,403,106)</u>	<u>\$ (15,978,862)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipts from ad valorem taxes	\$ 28,589,087	\$ 26,142,367
Receipts from student organizations and other agency transactions	-	158,563
Payments to student organizations and other agency transactions	(198)	(149,116)
Payments on notes - principal	(2,926,800)	(1,786,363)
Payments on notes - interest	(289,208)	(422,082)
Net cash provided (used) by non-capital financing activities	<u>\$ 25,372,881</u>	<u>\$ 23,943,369</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>		
Proceeds on issuance of capital debt	\$ 20,779,272	\$ 23,161,865
Receipts from Ad Valorem Taxes - Debt Service	8,156,495	7,492,787
Receipts from capital grants and gifts	41,149	189,590
Purchases of capital assets	(13,731,167)	(40,182,165)
Purchases of non-capital items from bond proceeds	(5,351,589)	(5,411,389)
Payments on capital debt - principal	(4,545,000)	(4,865,000)
Payments on capital debt - interest	(2,807,446)	(2,461,670)
Net cash provided (used) by capital and related financing activities	<u>\$ 2,541,714</u>	<u>\$ (22,075,982)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sales and maturities of investments	\$ 11,166,022	\$ 40,044,763
Interest on investments	1,482,197	1,642,232
Purchase of investments	(24,347,143)	(35,080,940)
Net cash provided (used) by investing activities	<u>\$ (11,698,924)</u>	<u>\$ 6,606,055</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>\$ (8,187,435)</u>	<u>\$ (7,505,420)</u>
<b>CASH AND CASH EQUIVALENTS - September 1</b>	56,236,824	63,742,244
<b>CASH AND CASH EQUIVALENTS - August 31</b>	<u>\$ 48,049,389</u>	<u>\$ 56,236,824</u>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (20,207,927)	\$ (26,002,926)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities		
Depreciation expense	7,083,508	2,999,437
Tax collection fee	460,880	-
Bad debt expense	1,681,079	-
Changes in assets and liabilities:		
Receivables (net)	(5,525,330)	3,020,128
Deferred expenses	2,488,236	(2,806,780)
Inventories	242,577	(182,883)
Accounts payable	(6,850,786)	(2,665,919)
Accrued liabilities	981,013	841,014
Compensated absences	(111,896)	783,378
Deferred revenue	(4,644,460)	8,035,689
Net cash provided (used) by operating activities	<u>\$ (24,403,106)</u>	<u>\$ (15,978,862)</u>

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

SAN JACINTO COLLEGE DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2004 AND 2003

**1. Reporting Entity**

San Jacinto College District (the District) was established in 1960, in accordance with the laws of the State of Texas, to serve the educational needs of the Taxing Entity and the surrounding communities. The District is considered to be a special-purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, is not a component unit of any other governmental entity.

**2. Summary of Significant Accounting Policies**

**Reporting Guidelines**

The significant account policies followed by the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The District applies all applicable GASB pronouncements and all applicable Financial Accounting Standard Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The District is reported as a special-purpose government engaged in business-type activities.

**Tuition Discounting**

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

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

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

**Basis of Accounting**

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

**Budgetary Data**

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

**Cash and Cash Equivalents**

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

**Investments**

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

**Inventories**

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

**Capital Assets**

Capital assets are recorded at cost on the date of acquisition, or fair value on the date of donation. For equipment, the District's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovations of \$100,000 or more to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The 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.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 20 years for land improvements, 10 years for furniture, machinery, vehicles and other equipment and 5 years for telecommunications and peripheral equipment.

Library books are capitalized but not depreciated. Library books will be written off as the books are removed from service.

**Deferred Revenues**

Tuition and fees of \$12,094,572 and \$16,739,032 have been reported as deferred revenues at August 31, 2004 and 2003 respectively.

**Estimates**

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

**Operating and Non-Operating Revenue and Expense Policy**

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees. The District also recognizes as operating revenue allocations from the state. The major non-operating revenue is property tax collections. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets.

State allocations are classified as operating revenues because the college is a separate primary government and is not included as part of the Texas state-wide CAFR. In addition, Texas state allocations are program specific for instructional services provided on behalf of the state and are affected by performance through a formula funding process based on contact hours of instruction provided.

**3. Authorized Investments**

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations 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.

#### 4. Deposits and Investments

At August 31, 2004, and 2003, the carrying amount of the District deposits were \$41,396,864 and \$35,372,303 respectively, and total bank balances equaled \$44,927,138 and \$36,954,385. Bank balances of \$179,762 and \$174,909 are covered by federal depository insurance for the years ended August 31, 2004, and 2003. Additionally, bank balances totaling \$44,747,376 and \$35,197,394 for the years ended August 31, 2004, and 2003, respectively were collateralized with securities held by the pledging financial institution's trust department or agent in the District's name (Category 2).

Cash and Deposits as reported on Exhibit 1, Statement of Net Assets, consist of the items reported below:

#### Cash and Deposits

<b>Bank Deposits</b>	<b><u>August 31, 2004</u></b>	<b><u>August 31, 2003</u></b>
Demand Deposits	\$ 41,317,102	\$ 35,297,394
Overnight Investments (1)	<u>79,762</u>	<u>74,909</u>
Subtotal Bank Deposits	\$ 41,396,864	\$ 35,372,303
Cash and Cash Equivalents		
Petty Cash on Hand	<u>\$ 87,782</u>	<u>\$ 80,677</u>
<b>Total Cash and Deposits</b>	<b><u>\$ 41,484,646</u></b>	<b><u>\$ 35,452,980</u></b>

(1) The bank overnight investments (a mutual fund) are an uncategorized investment.

To comply with the reporting requirements of GASB 3, *Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the District's investments are categorized under "Investment Categories" to give an indication of credit risk assumed by the District at year end. Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is not depicted in this note.

The following categories of credit risk are included:

**Category 1:** Investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

**Category 2:** Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name.

**Category 3:** Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the District's name.

**Categorized Investments – August 31, 2004**

<b>Type of Security</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Carrying Amount</b>	<b>Market Value</b>
U. S. Government Securities	<u>\$26,892,361</u>			<u>\$26,892,361</u>	<u>\$26,892,361</u>

**Categorized Investments – August 31, 2003**

<b>Type of Security</b>	<b>Category 1</b>	<b>Category 2</b>	<b>Category 3</b>	<b>Carrying Amount</b>	<b>Market Value</b>
U. S. Government Securities	<u>\$13,685,074</u>			<u>\$13,685,074</u>	<u>\$13,685,074</u>

**Uncategorized Investments – August 31, 2004**

<b>Type of Investments</b>	<b>Carrying Amount</b>	<b>Market Value</b>
Loan Star Investment Pool – Liquidity Plus Fund	\$ 2,846,880	\$ 2,846,880
Loan Star Investment Pool – Liquidity Corporate Fund	2,533,848	2,533,848
Tex Pool	<u>1,184,015</u>	<u>1,184,015</u>
<b>TOTALS</b>	<u>\$ 6,564,743</u>	<u>\$ 6,564,743</u>

### Uncategorized Investments – August 31, 2003

Type of Investments	Carrying Amount	Market Value
Loan Star Investment Pool – Liquidity Plus Fund	\$ 11,850,095	\$ 11,850,095
Loan Star Investment Pool – Liquidity Corporate Fund	7,463,792	7,463,792
Loan Star Investment Pool – Government Fund	16,600	16,600
Tex Pool	<u>1,453,357</u>	<u>1,453,357</u>
<b>TOTALS</b>	<b><u>\$ 20,783,844</u></b>	<b><u>\$ 20,783,844</u></b>

### Reconciliation of Deposits and Investments to Exhibit 1

Type of Security	Market Value August 31, 2004	Market Value August 31, 2003
U. S. Government Securities	\$ 26,892,361	\$ 13,685,074
Investment Pools	<u>6,564,743</u>	<u>20,783,844</u>
Total Investments	\$ 33,457,104	\$ 34,468,918
Total Cash and Deposits	<u>41,484,646</u>	<u>35,452,980</u>
<b>TOTAL DEPOSITS AND INVESTMENTS</b>	<b><u>\$ 74,941,750</u></b>	<b><u>\$ 69,921,898</u></b>

#### EXHIBIT 1

Cash and Cash Equivalents	\$ 29,094,180	\$ 39,520,890
Short Term Investments	5,397,051	3,261,799
Restricted Cash and Cash Equivalents	18,938,140	16,699,296
Endowment Investments	17,069	16,638
Other Long-Term Investments	<u>21,495,310</u>	<u>10,423,275</u>
<b>TOTAL DEPOSITS AND INVESTMENTS</b>	<b><u>\$ 74,941,750</u></b>	<b><u>\$ 69,921,898</u></b>

## 5. Capital Assets

Capital assets activity for the year ended August 31, 2004, was as follows:

	<b>Balance September 1, 2003</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance August 31, 2004</b>
Not Depreciated				
Land	\$ 6,417,219	\$ -	\$ 1,565	\$6,415,654
Library Books	6,317,040	148,049	62,882	6,402,207
Construction in Process	51,114,328	13,246,777	57,697,877	6,663,228
<b>Subtotal-Not Depreciated</b>	<b>\$63,848,587</b>	<b>\$13,394,826</b>	<b>\$57,762,324</b>	<b>\$19,481,089</b>
Other Capital Assets:				
Buildings	\$96,034,577	\$55,193,799	\$ -	\$151,228,376
Land Improvements	19,248,900	2,091,504	-	21,340,404
Furniture, Machinery, Vehicles, and Other Equipment	13,893,686	712,623	3,082,899	11,523,410
Telecommunications and Peripheral Equipment	6,664,139	3,267,240	-	9,931,379
<b>Subtotal-Other Capital Assets</b>	<b>\$135,841,302</b>	<b>\$61,265,166</b>	<b>\$3,082,899</b>	<b>\$194,023,569</b>
Accumulated Depreciation:				
Buildings	(\$34,989,859)	(\$2,867,330)	\$ -	(\$37,857,189)
Land Improvements	(2,807,520)	(1,498,813)	-	(4,306,333)
Furniture, Machinery, Vehicles, and Other Equipment	(6,699,079)	(863,729)	-	(7,562,808)
Telecommunications and Peripheral Equipment	(3,282,403)	(1,853,636)	-	(5,136,039)
<b>Subtotal-Accumulated Depreciation</b>	<b>(\$47,778,861)</b>	<b>(\$7,083,508)</b>	<b>\$ 0</b>	<b>(\$54,862,369)</b>
Net Other Capital Assets	\$88,062,441	\$54,181,658	\$3,082,899	\$139,161,200
<b>Net Capital Assets</b>	<b>\$151,911,028</b>	<b>\$67,576,484</b>	<b>\$60,845,223</b>	<b>\$158,642,289</b>

Capital assets activity for the year ended August 31, 2003, is as follows:

	<b>Balance September 1, 2002</b>	<b>Increase</b>	<b>Decrease</b>	<b>Balance August 31, 2003</b>
Not Depreciated				
Land	\$5,226,567	\$1,190,652	\$ -	\$6,417,219
Library Books	6,194,300	122,740	-	6,317,040
Construction in Process	33,049,479	33,930,951	15,866,102	51,114,328
<b>Subtotal-Not Depreciated</b>	<b>\$44,470,346</b>	<b>\$35,244,343</b>	<b>\$15,866,102</b>	<b>\$63,848,587</b>
Other Capital Assets:				
Buildings	\$89,794,439	\$6,618,812	\$378,674	\$96,034,577
Land Improvements	5,565,984	13,682,916	-	19,248,900
Furniture, Machinery, Vehicles, and Other Equipment	13,652,883	240,803	-	13,893,686
Telecommunications and Peripheral Equipment	4,803,694	1,860,445	-	6,664,139
<b>Subtotal-Other Capital Assets</b>	<b>\$113,817,000</b>	<b>\$22,402,976</b>	<b>\$378,674</b>	<b>\$135,841,302</b>
Accumulated Depreciation:				
Buildings	(\$33,223,688)	(\$1,903,822)	\$137,651	(\$34,989,859)
Land Improvements	(2,592,162)	(215,358)	-	(2,807,520)
Furniture, Machinery, Vehicles, and Other Equipment	(6,040,778)	(658,301)	-	(6,699,079)
Telecommunications and Peripheral Equipment	(3,060,447)	(221,956)	-	(3,282,403)
<b>Subtotal-Accumulated Depreciation</b>	<b>(\$44,917,075)</b>	<b>(\$2,999,437)</b>	<b>\$137,651</b>	<b>(\$47,778,861)</b>
Net Other Capital Assets	\$68,899,925	\$19,403,539	\$241,023	\$88,062,441
<b>Net Capital Assets</b>	<b>\$113,370,271</b>	<b>\$54,647,882</b>	<b>\$16,107,125</b>	<b>\$151,911,028</b>



## 6. Long-Term Liabilities

Long-term liability activity for the year ended August 31, 2004, was as follows:

	<b>Balance September 1, 2003</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance August 31, 2004</b>	<b>Current Portion</b>
<u>Bonds</u>					
General Obligation Bonds	\$59,095,000	\$20,835,000	\$2,085,000	\$77,845,000	\$1,865,000
Revenue Bonds	10,475,000	-	2,535,000	7,940,000	2,615,000
<b>Subtotal</b>	<b>\$69,570,000</b>	<b>\$20,835,000</b>	<b>\$4,620,000</b>	<b>\$85,785,000</b>	<b>\$4,480,000</b>
<u>Notes</u>					
General Obligation Notes	\$14,585,000	\$ -	\$2,460,000	\$12,125,000	\$1,290,000
Revenue Notes	1,779,593	-	391,800	1,387,793	407,870
<b>Subtotal</b>	<b>\$16,364,593</b>	<b>\$ -</b>	<b>\$2,851,800</b>	<b>\$13,512,793</b>	<b>\$1,697,870</b>
<u>Accrued Compensable Absences</u>					
	\$3,018,021	\$219,783	\$331,679	\$2,906,125	\$301,802
<b>Total Long-Term Liabilities</b>	<b>\$88,952,614</b>	<b>\$21,054,783</b>	<b>\$7,803,479</b>	<b>\$102,203,918</b>	<b>\$6,479,672</b>

Non-current liabilities are deemed to be liabilities due beyond one year of these financial statements.

Long-term liability activity for the year ended August 31, 2003, was as follows:

	<b>Balance September 1, 2002</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance August 31, 2003</b>	<b>Current Portion</b>
<u>Bonds</u>					
General Obligation Bonds	\$56,900,000	\$6,560,000	\$4,365,000	\$59,095,000	\$1,585,000
Revenue Bonds	5,590,000	6,295,000	1,410,000	10,475,000	2,535,000
<b>Subtotal</b>	<b>\$62,490,000</b>	<b>\$12,855,000</b>	<b>\$5,775,000</b>	<b>\$69,570,000</b>	<b>\$4,120,000</b>
<u>Notes</u>					
General Obligation Notes	\$4,645,000	\$10,440,000	\$500,000	\$14,585,000	\$2,460,000
Revenue Notes	2,155,956	-	376,363	1,779,593	391,800
<b>Subtotal</b>	<b>\$6,800,956</b>	<b>\$10,440,000</b>	<b>\$876,363</b>	<b>\$16,364,593</b>	<b>\$2,851,800</b>
<u>Accrued Compensable Absences</u>					
	\$2,719,207	\$356,369	\$57,555	\$3,018,021	\$271,921
<b>Total Long-Term Liabilities</b>	<b>\$72,010,163</b>	<b>\$23,651,369</b>	<b>\$6,708,918</b>	<b>\$88,952,614</b>	<b>\$7,243,721</b>

Non-current liabilities are deemed to be liabilities due beyond one year of these financial statements.

## 7. Debt and Lease Obligations

Debt service requirements as of August 31, 2004, were as follows:

Year Ended August 31	General Obligation Bonds/Notes		Revenue Bonds/Notes		Total Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$3,155,000	\$4,470,606	\$3,022,870	\$254,297	\$6,177,870	\$4,724,903
2006	3,675,000	3,951,989	3,134,600	146,555	6,809,600	4,098,544
2007	3,540,000	3,821,939	1,732,015	66,405	5,272,015	3,888,344
2008	3,610,000	3,693,018	1,438,308	19,032	5,048,308	3,712,050
2009	3,740,000	3,560,241	-	-	3,740,000	3,560,241
2010-2014	17,305,000	15,779,744	-	-	17,305,000	15,779,744
2015-2019	17,230,000	12,196,298	-	-	17,230,000	12,196,298
2020-2024	21,945,000	7,378,516	-	-	21,945,000	7,378,516
2025-2029	12,525,000	2,185,255	-	-	12,525,000	2,185,255
2030-2032	3,245,000	278,694	-	-	3,245,000	278,694
<b>Total</b>	<b>\$89,970,000</b>	<b>\$57,316,300</b>	<b>\$9,327,793</b>	<b>\$486,289</b>	<b>\$99,297,793</b>	<b>\$57,802,589</b>

## 8. Bonds and Notes Payable

Bonds and Notes Payable at August 31, 2004, are as follows:

General Obligation Bonds, Series 2000, to provide for construction of new buildings and renovations of existing facilities. Issued September 20, 2000, in the amount of \$20,000,000. Tax supported bonds.	\$14,000,000
Limited Tax General Obligation Bonds, Series 2001, to construct, improve, renovate, and equip facilities. Issued November 5, 2001, in the amount of \$40,000,000. Tax supported bonds.	37,830,000
Revenue Financing System Bonds, Series 2001, to provide for construction of buildings and renovations of existing facilities. Issued November 5, 2001, in the amount of \$7,010,000. Supported by the District's general revenues.	2,840,000
Maintenance Tax Notes, Series 2001, to repair and renovate major building system components and to purchase and installation of equipment. Issued November 5, 2001, in the amount of \$4,645,000. Tax supported notes.	3,850,000
Lone Star Note Payable, to provide for an energy conservation program. Issued November 8, 1999, in the amount of \$3,166,239. Supported by the District's general revenues.	1,387,793
Limited Tax General Obligation Bonds, Series 2003, to construct, improve, renovate, and equip facilities. Issued January 31, 2003, in the amount of \$6,560,000. Tax supported bonds.	5,180,000
Maintenance Tax Notes, Series 2003, to repair and renovate major building system components and to purchase and install equipment. Issued January 31, 2003, in the amount of \$10,440,000. Tax supported notes.	8,275,000

Revenue Financing System Bonds, Series 2003, to provide for construction of new buildings and renovations of existing facilities. Issued January 31, 2003, in the amount of \$6,295,000. Supported by the District's general revenues.	5,100,000
Limited Tax General Obligation Bonds, Series 2004, to construct, improve, renovate, and equip facilities. Issued February 2, 2004, in the amount of \$20,835,000. Tax supported bonds.	20,835,000
<b>Total Bonds and Notes Payable</b>	<u>\$99,297,793</u>

## 9. Employees' Retirement Plan

The State of Texas (State) has joint contributory retirement plans for almost all its employees. One of the primary plans in which the District participates is administered by the Teacher Retirement System of Texas. The percentages of participant salaries currently contributed by the State and by each participant are 6.00% and 6.40% respectively of annual compensation.

The Teacher Retirement System does not separately account for each of its component government agencies because it bears sole responsibility for retirement commitments beyond contributions fixed by the Legislature.

The State has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the State and each participant are 6.00% and 6.65% respectively. The District contributes 2.5% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program.

The retirement expense to the State for the District was \$2,751,832 and \$2,812,662 for the fiscal years ended August 31, 2004 and 2003, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

For the fiscal year ending August 31, 2004, the total payroll for all District employees was \$60,307,847 of which \$135,047 was expensed in the cost of construction projects and is not reflected in Schedule B or Exhibit 2 payroll totals of \$60,172,800. Total payroll for all District employees was \$62,320,999 for fiscal year ending August 31, 2003. The total payroll of employees covered by the Teacher Retirement System was \$25,162,865 and \$24,729,541 and the total payroll of employees covered by the Optional Retirement System was \$20,700,995 and \$22,148,995 for fiscal years 2004 and 2003, respectively.

## 10. Deferred Compensation Program

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. The plan is essentially an unfunded promise to pay by the employer to each of the plan participants.

As of August 31, 2004, the District has ten employees participating in the program, and all were vested. A total of \$50,000 in contributions were invested in the plan during the fiscal year, bringing the total of deferred salaries and accumulated earnings of current employees to \$135,074 and creating a payable to all vested employees of \$135,074.

As of August 31, 2003, the District had ten employees participating in the program, and none were vested as of August 31, 2003. A total of \$50,000 in contributions were invested in the plan during the fiscal year. However, the District established an accrual of \$81,959 for deferred salaries and accumulated earnings at fiscal year end.

## 11. Compensable Absences

Full-time employees earn annual leave from 6.66 to 16.66 hour per month depending on the number of years employed with the District. The District's policy is that an employee may carry a maximum of 80 hours of his accrued leave forward from one fiscal year to another fiscal year. Employees who terminate their employment are entitled for payment of all annual leave earned in the current year. The District recognized the accrued liability for the unpaid annual leave in the amounts of \$509,432 and \$575,612 for August 31, 2004, and 2003, respectively.

The District 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 District recognized for those employees who qualify for retirement incentive pay an accrued liability of \$2,261,620 and \$2,360,450 for August 31, 2004 and 2003, respectively.

Effective August 1, 1988, the District 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 District's policy is to recognize this sick leave cost when paid. The liability is not shown in the financial statement since experience indicates the expenditure for sick leave to be minimal.

## 12. Pending Lawsuits and Claims

On August 31, 2004, certain lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, the liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

## 13. Disaggregation of Receivables and Payables Balances

### Receivables

Receivables at August 31, 2004, and 2003, were as follows:

	<u>2004</u>	<u>2003</u>
Student Receivables	\$7,684,461	\$2,885,162
Taxes Receivable	4,949,169	4,963,543
Federal Receivable	1,211,995	754,496
Accounts Receivable	386,562	1,255,071
Interest Receivable	186,679	33,112
Other Receivable	99,757	354,405
Subtotal	<u>\$14,518,623</u>	<u>\$10,245,789</u>
Allowance for Doubtful Accounts	(4,361,056)	(3,932,473)
<b>Total Receivables</b>	<u><u>\$10,157,567</u></u>	<u><u>\$6,313,316</u></u>

Taxes receivable are reserved based upon historical experience and evaluation of collectibility. The allowance for uncollectible taxes is \$2,679,977 and \$3,932,473 at August 31, 2004, and 2003, respectively. The District recorded an allowance for doubtful accounts for student receivables of \$1,681,079 at August 31, 2004. At August 31, 2003, no allowance for uncollected student receivables was recorded as the District deemed student receivables to be collectible with only insignificant amounts to be uncollectible. The District believes, based upon historical experience, that accounts receivable, federal receivable, interest and other receivables are collectible and only insignificant amounts may be uncollectible; accordingly, no addition to the allowance for doubtful accounts for these accounts is recorded at August 31, 2004, and 2003, respectively.

**Payables**

Payables at August 31, 2004, and 2003, were as follows:

	<u>2004</u>	<u>2003</u>
Vendor Payable	\$4,025,135	\$11,455,652
Salaries & Benefits Payable	1,853,088	1,056,992
Student Payable	408,359	-
Accrued Interest Payable	526,968	342,051
Other Payable	171,372	-
<b>Total Payables</b>	<u>\$6,984,922</u>	<u>\$12,854,695</u>

**14. Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audit of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. Federal and non-federal contract and grant awards for which funds are expended, but not collected, are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2004 and 2003 for which monies have not been received nor funds expended totaled \$13,309,958 and \$13,937,414. Of these amounts, \$12,806,278 and \$13,183,223 were from Federal Contract and Grant Awards; \$503,680 and \$754,191 were from State Contract and Grant Awards for the fiscal years ended August 31, 2004 and 2003, respectively.

**15. Self-Insured Plans**

The District provides workers' compensation insurance through a partially self-funded risk pool. An accrued liability in the amount of \$635,117 and \$509,111 as of August 31, 2004, and 2003, respectively has been established as an estimate for unpaid claims and incurred but not reported claims. Accrued liabilities are based on actuarial valuation and represent the present value of unpaid expected claims. Estimated future payments for incurred claims are charged to current operations. The District is not responsible for claims beyond its annual maximum loss fund.

**16. Post Retirement Health Care, and Life Insurance Benefits**

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through a state sponsored program with premiums based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State contribution per full-time employees was \$335 and \$349 per month for the year ended August 31, 2004, and 2003, respectively. The state's cost of providing those benefits for 1,110 active employees was \$4,458,806 and 297 retirees was \$1,247,432 for a total state funded amount of \$5,706,238 for the year ended August 31, 2004. The state's cost of providing those benefits for 1,119 active employees was \$4,692,042 and for 296 retirees was \$1,155,906 for a total state funded amount of \$5,847,948 for the year ended August 31, 2003.

**17. Ad Valorem Tax****PROPERTY TAX**

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within the taxing district.

At August 31:

	FY 2004	FY 2003
Assessed Valuation of the College:	\$30,129,023,760	\$28,882,123,450
Less: Exemptions	(3,548,817,570)	(3,240,693,300)
Less: Abatements	(28,162,150)	(40,939,990)
Net Assessed Valuation of the College	<u>\$26,552,044,040</u>	<u>\$25,600,490,160</u>

	FY 2004			FY 2003		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Authorized Tax Rate per \$100 Valuation	0.20000	0.50000	0.70000	0.20000	0.50000	0.70000
Assessed Tax Rate per \$100 Valuation	0.10970	0.02943	0.13913	0.10128	0.02943	0.13071

Taxes levied for the year ended August 31, 2004, and 2003, amounted to \$36,945,399 and \$33,462,401 respectively including any penalty and interest assessed. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

	FY 2004			FY 2003		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes Collected	\$27,560,035	\$7,926,635	\$35,486,670	\$25,354,237	\$7,263,713	\$32,617,950
Delinquent Taxes Collected	817,931	157,400	975,331	544,002	158,117	702,119
Penalties and Interest Collected	211,121	72,460	283,581	244,129	70,957	315,086
Total Collections	\$28,589,087	\$8,156,495	\$36,745,582	\$26,142,368	\$7,492,787	\$33,635,155

Tax collections for the years ended August 31, 2004, and 2003, were 96.05 percent and 97.48 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/or general obligation debt service.

**18. Income Taxes**

The District is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The District had no unrelated business income tax liability for the years ended August 31, 2004 and 2003, respectively.

**19. Related Parties**

The San Jacinto Community College Foundation (Foundation) incorporated in 1996, is a nonprofit organization with the purpose of supporting the educational and general activities of the District. The District does not appoint a voting majority nor does it fund or is it obligated to pay debt related to the Foundation. The

Foundation solicits donations and acts as a coordinator of gifts made by other parties. The Foundation provided grants of \$1,122,198 and \$712,445 to the District's students and programs during the years ended August 31, 2004 and 2003, respectively. The District furnished certain services, such as office space, utilities, and staff assistance to the Foundation. The cost of these un-reimbursed services was \$182,135 and \$279,605 for the fiscal years ended August 31, 2004 and 2003, respectively.

**20. Change in Estimates**

In 2004, the District adopted new depreciation software applications and changed from using straight line half year depreciation to the straight line monthly depreciation retroactive to September 1, 2003. The effect of this change was to increase 2004 depreciation expense by approximately \$1,000,000 and reduce the increase in net assets by \$1,000,000.

**21. Reclassification**

Certain reclassifications have been made to conform prior year data with the current presentation.

# Financial Schedules



San Jacinto College District  
 Schedule of Operating Revenues  
 For the Fiscal Year Ended August 31, 2004 (With Memorandum Totals for the Year Ended August 31, 2003)

Schedule A

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2004 Total	2003 Total
<b>State Allocations</b>						
Educational and general State support	\$ 32,999,181	\$ -	\$ 32,999,181	\$ -	\$ 32,999,181	\$ 34,187,615
State group insurance	-	5,706,238	5,706,238	-	5,706,238	5,847,748
State retirement matching	-	2,751,832	2,751,832	-	2,751,832	2,812,662
Developmental education	-	-	-	-	-	128,123
<b>Total State Allocations</b>	<b>\$ 32,999,181</b>	<b>\$ 8,458,070</b>	<b>\$ 41,457,251</b>	<b>\$ -</b>	<b>\$ 41,457,251</b>	<b>\$ 42,976,148</b>
<b>Tuition</b>						
<b>State funded credit courses</b>						
In-district resident tuition	\$ 6,647,336	\$ -	\$ 6,647,336	\$ -	\$ 6,647,336	\$ 5,265,766
Out-of-district resident tuition	8,944,211	-	8,944,211	-	8,944,211	5,716,713
Non-resident tuition	1,410,793	-	1,410,793	-	1,410,793	623,010
TPEG - credit (set aside)*	633,852	-	633,852	-	633,852	531,948
<b>State funded non credit continuing ed. courses</b>						
TPEG - non-credit (set aside)*	1,461,992	-	1,461,992	-	1,461,992	1,053,915
Non State funded educational programs	114,504	-	114,504	-	114,504	81,428
457,911	-	457,911	-	457,911	961,372	
<b>Total Tuition</b>	<b>\$ 19,670,599</b>	<b>\$ -</b>	<b>\$ 19,670,599</b>	<b>\$ -</b>	<b>\$ 19,670,599</b>	<b>\$ 14,234,152</b>
<b>Fees</b>						
General service	\$ 3,461,667	\$ -	\$ 3,461,667	\$ -	\$ 3,461,667	\$ 610,791
Incidental	1,311,781	-	1,311,781	-	1,311,781	1,399,575
Instructional	1,795,147	-	1,795,147	-	1,795,147	1,766,770
Laboratory	681,180	-	681,180	-	681,180	543,904
Student service	-	-	-	1,041,699	1,041,699	932,242
Technology	4,158,506	-	4,158,506	-	4,158,506	4,140,207
<b>Total fees</b>	<b>\$ 11,408,281</b>	<b>\$ -</b>	<b>\$ 11,408,281</b>	<b>\$ 1,041,699</b>	<b>\$ 12,449,980</b>	<b>\$ 9,393,489</b>
<b>Scholarship allowances and discounts</b>						
Remissions and exemptions - State	\$ (315,952)	\$ -	\$ (315,952)	\$ -	\$ (315,952)	\$ (442,585)
Remissions and exemptions - local	(170,731)	-	(170,731)	-	(170,731)	(96,001)
Scholarship allowances	(247,094)	-	(247,094)	-	(247,094)	(253,762)
TPEG awards	(236,383)	-	(236,383)	-	(236,383)	(56,881)
Federal grants to students	(2,251,321)	-	(2,251,321)	-	(2,251,321)	(2,920,213)
State grants to students	(31,449)	-	(31,449)	-	(31,449)	(188,552)
<b>Total Scholarship allowances</b>	<b>\$ (3,252,930)</b>	<b>\$ -</b>	<b>\$ (3,252,930)</b>	<b>\$ -</b>	<b>\$ (3,252,930)</b>	<b>\$ (3,957,994)</b>
<b>Total net tuition and fees</b>	<b>\$ 27,825,950</b>	<b>\$ -</b>	<b>\$ 27,825,950</b>	<b>\$ 1,041,699</b>	<b>\$ 28,867,649</b>	<b>\$ 19,669,647</b>
<b>Additional operating revenues</b>						
Federal grants and contracts	\$ 205,829	\$ 22,649,755	\$ 22,855,584	\$ -	\$ 22,855,584	\$ 15,205,840
State grants and contracts	-	761,186	761,186	-	761,186	1,244,015
Non-governmental grants and contracts	-	424,686	424,686	-	424,686	961,512
Sales and services of educational activities	393,558	-	393,558	-	393,558	397,786
Sales and services of non-educational activities	402,266	-	402,266	-	402,266	272,805
Investment income (program restricted)	-	12,599	12,599	-	12,599	8,576
<b>Total additional operating revenues</b>	<b>\$ 1,001,653</b>	<b>\$ 23,848,226</b>	<b>\$ 24,849,879</b>	<b>\$ -</b>	<b>\$ 24,849,879</b>	<b>\$ 18,090,534</b>
<b>Auxiliary Enterprises</b>						
Bookstores	\$ -	\$ -	\$ -	\$ 10,808,123	\$ 10,808,123	\$ 7,376,170
Child Care Centers	-	-	-	643,474	643,474	761,605
Food Services	-	-	-	312,806	312,806	188,026
Less Discounts	-	-	-	(1,350,484)	(1,350,484)	(1,855,857)
Student Services/Other Services	-	-	-	885,236	885,236	461,402
<b>Total net auxiliary enterprises</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,299,155</b>	<b>\$ 11,299,155</b>	<b>\$ 6,931,346</b>
<b>Total Operating Revenues (Exhibit 2)</b>	<b>\$ 61,826,784</b>	<b>\$ 32,306,296</b>	<b>\$ 94,133,080</b>	<b>\$ 12,340,854</b>	<b>\$ 106,473,934</b>	<b>\$ 87,667,675</b>

In accordance with Education Code 56.033, \$748,356 and \$613,376 of tuition was set aside for Texas Public Education Grants (TPEG) for the years ended August 31, 2003, respectively.

## Schedule of Operating Expenses by Object

For the Fiscal Year Ended August 31, 2004 (with Memorandum Totals for the Year Ended August 31, 2003)

	Operating Expenses					
	Salaries and Wages	Benefits		Other Expenses	2004	2003
		State	Local			
<b>Unrestricted-Educational Activities</b>						
Instruction	\$ 32,074,411	\$ -	\$ 1,652,658	\$ 2,419,787	\$ 36,146,856	\$ 38,662,837
Public Service	1,439,440	-	101,649	725,400	2,266,489	2,501,538
Academic Support	4,271,840	-	242,202	668,200	5,182,242	5,890,914
Student Services	5,211,929	-	333,194	772,533	6,317,656	6,691,223
Institutional Support	8,771,371	-	758,174	8,855,712	18,385,257	17,636,587
Operation and Maintenance of Plant	4,488,321	-	1,266,724	4,950,307	10,705,352	9,227,970
Scholarship and Fellowships	-	-	-	-	-	15,280
<b>Total Unrestricted Educational Activities</b>	<b>\$ 56,257,312</b>	<b>\$ -</b>	<b>\$ 4,354,601</b>	<b>\$ 18,391,939</b>	<b>\$ 79,003,852</b>	<b>\$ 80,626,349</b>
<b>Restricted-Educational Activities</b>						
Instruction	\$ 18,420	\$ 3,856,601	\$ -	\$ 99,738	\$ 3,974,759	\$ 5,887,271
Public Service	77,634	259,011	-	25,840	362,485	571,441
Academic Support	-	687,750	-	-	687,750	775,847
Student Services	1,052	878,784	-	1,675	881,511	968,669
Institutional Support	2,196,260	2,775,924	293,930	1,616,972	6,883,086	5,603,876
Operation and Maintenance of Plant	-	-	-	-	-	692,134
Scholarship and Fellowships	-	-	-	17,624,387	17,624,387	5,937,289
<b>Total Restricted-Educational Activities</b>	<b>\$ 2,293,366</b>	<b>\$ 8,458,070</b>	<b>\$ 293,930</b>	<b>\$ 19,368,612</b>	<b>\$ 30,413,978</b>	<b>\$ 20,436,527</b>
<b>Total Educational Activities</b>	<b>\$ 58,550,678</b>	<b>\$ 8,458,070</b>	<b>\$ 4,648,531</b>	<b>\$ 37,760,551</b>	<b>\$ 109,417,830</b>	<b>\$ 101,062,876</b>
<b>Auxiliary Enterprises</b>	<b>1,622,122</b>	<b>-</b>	<b>428,275</b>	<b>8,130,126</b>	<b>10,180,523</b>	<b>9,608,288</b>
<b>Depreciation Expense</b>						
Buildings & other real estate improvements	-	-	-	4,366,143	4,366,143	2,119,180
Equipment and furniture	-	-	-	2,717,365	2,717,365	880,257
<b>Total Operating Expenses</b>	<b>\$ 60,172,800</b>	<b>\$ 8,458,070</b>	<b>\$ 5,076,806</b>	<b>\$ 52,974,185</b>	<b>\$ 126,681,861</b>	<b>\$ 113,670,601</b>
					(Exhibit 2)	(Exhibit 2)

## Schedule of Non-Operating Revenues and Expenses

For the Fiscal Year Ended August 31, 2004 (With Memorandum Totals for the Year Ended August 31, 2003)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2004 Total</u>	<u>2003 Total</u>
NON-OPERATING REVENUES					
Ad valorem taxes					
Taxes for Maintenance & Operations	\$ 29,827,208	\$ -	\$ -	\$ 29,827,208	\$ 26,355,326
Taxes for General Obligation Bonds	8,156,495	-	-	8,156,495	7,492,787
Investment Income (Net of Investment Expense)	1,220,056	396,768	18,940	1,635,764	1,470,675
<b>Total non-operating revenues</b>	<b>\$ 39,203,759</b>	<b>\$ 396,768</b>	<b>\$ 18,940</b>	<b>\$ 39,619,467</b>	<b>\$ 35,318,788</b>
NON-OPERATING EXPENSES					
Interest on capital related debt	\$ -	\$ 3,281,571	\$ -	\$ 3,281,571	\$ 3,061,917
Other non-operating expenses	-	6,002,291	-	6,002,291	5,738,293
<b>Total non-operating expenses</b>	<b>\$ -</b>	<b>\$ 9,283,862</b>	<b>\$ -</b>	<b>\$ 9,283,862</b>	<b>\$ 8,800,210</b>
<b>Net non-operating revenues</b>	<b>\$ 39,203,759</b>	<b>\$ (8,887,094)</b>	<b>\$ 18,940</b>	<b>\$ 30,335,605</b>	<b>\$ 26,518,578</b>
				(Exhibit 2)	(Exhibit 2)

**San Jacinto College District**  
**Schedule Of Net Assets by Sources and Availability**  
**Year Ended August 31, 2004 (with Memorandum Totals for the Year Ended August 31, 2003)**

**Schedule D**

	DETAIL BY SOURCE					AVAILABLE FOR CURRENT OPERATIONS		
	Unrestricted	Restricted		Non-Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable						
Current:								
Unrestricted - Board Designated	\$ 35,142,784	\$ -	\$ -	\$ -	\$ 35,142,784	\$ 21,186,265	\$ 13,956,519	
Restricted	-	1,088,006	-	-	1,088,006	1,088,006	-	
Auxiliary Enterprises	14,229,232	-	-	-	14,229,232	14,229,232	-	
Quasi-Endowment	-	246,828	-	-	246,828	246,828	-	
Endowment	-	5,069	12,000	-	17,069	5,069	12,000	
Plant:								
Unexpended Bond Proceeds	-	3,932,991	-	-	3,932,991	-	3,932,991	
Debt Service	-	12,135,546	-	-	12,135,546	-	12,135,546	
Investment in Plant	-	-	-	59,344,496	59,344,496	-	59,344,496	
<b>TOTAL NET ASSETS, AUGUST 31, 2004</b>	<b>\$ 49,372,016</b>	<b>\$ 17,408,440</b>	<b>\$ 12,000</b>	<b>\$ 59,344,496</b>	<b>\$ 126,136,952</b>	<b>\$ 36,755,400</b>	<b>\$ 89,381,552</b>	
					(Exhibit 1)			
<b>TOTAL NET ASSETS, AUGUST 31, 2003</b>	<b>40,752,459</b>	<b>10,996,408</b>	<b>12,000</b>	<b>64,248,407</b>	<b>116,009,274</b>	<b>33,805,103</b>	<b>82,204,171</b>	
					(Exhibit 1)			
<b>Net Increase (Decrease) in Net Assets</b>	<b>\$ 8,619,557</b>	<b>\$ 6,412,032</b>	<b>\$ -</b>	<b>\$ (4,903,911)</b>	<b>\$ 10,127,678</b>	<b>\$ 2,950,297</b>	<b>\$ 7,177,381</b>	
					(Exhibit 2)			

SAN JACINTO COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2004

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	DISBURSEMENTS AND EXPENDITURES
U S DEPARTMENT OF AGRICULTURE			
Pass-Through From:			
Texas Department of Human Services			
Child Care Food Program	10.558	TX101-038	\$ 8,157
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Programs:			
HIS Assisting the Community	14.514	HSIAC01TX10	\$ 15,028
Adelante Pasadena Project	14.514	HSIAC03TX19	84,326
Pass-Through From:			
The City of Pasadena			
Community Development Block Grant	14.218	B-02-MC-48-0019	61,749
TOTAL U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			\$ 161,103
U S DEPARTMENT OF LABOR			
Pass-Through From:			
The University of Texas Medical Branch			
H-1B Agreement/Healthcare	17.261	DOL H-1B	\$ 9,673
TOTAL U S DEPARTMENT OF LABOR			\$ 9,673
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
Direct Programs:			
KC-135	43.001	NCC 9-137	\$ 114,565
NCC 9-172 TX Aerospace Scholars	43.001	NCC 9-172	112,509
Pass-Through From:			
The University of Texas at Austin			
NASA Means Business	43.001	NAG 9-1060	982
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			\$ 228,056
NATIONAL SCIENCE FOUNDATION			
Direct Programs:			
Computer Science, Engineering & Mathematics Scholarship Prog (CSEMS)	47.076	DUE-0324196	\$ 1,515
Pass-Through From:			
University of Houston			
Houston Alliance for Minority Participation Project (AMP)	47.076	HRD-9900893	28,159
Expanding Pathways to Success in Science (EPSS)	47.076	DUE-00336612	34,722
Brevard Community College, FL			
Space TEC	47.076	DUE-0202398	119,483
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 183,879
U S SMALL BUSINESS ADMINISTRATION			
Pass-Through From:			
The University of Houston-Central			
Small Business Development Center	59.037	9-7620-0047-15	\$ 105,295
U S DEPARTMENT OF VETERANS AFFAIRS			
Direct Programs:			
Veteran's Administration Admin Allowance	64.124	362/242D	\$ 6,463

SAN JACINTO COLLEGE DISTRICT  
SCHEDULE E  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2004

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	DISBURSEMENTS AND EXPENDITURES
U S DEPARTMENT OF EDUCATION			
Direct Programs:			
Federal Supplemental Educational Opportunity Grant	84.007	E-P007A024114	\$ 770,327
Title V - Strengthening the Institution	84.031S	P0031S990018	286,055
Federal College Work-study Program	84.033	E-P0033A024114	538,374
Upward Bound Grant - Student Support Services	84.042A	P042A010146	191,227
Talent Search	84.044A	P044A020538	156,843
Upward Bound Grant II	84.047A	P014A030121	283,001
Federal Pell Grant 03/04	84.063P	P063P032303	12,751,399
Subsidized Loans	84.268		2,756,764
Unsubsidized Loans	84.268		2,864,925
PLUS LOANS	84.268		119,960
Gear Up 02-07	84.334A	P334A020014	371,083
CCAMPIS - N.C	84.335A	P335A010032	11,364
CCAMPIS - S.C	84.335A	P335A020132	13,544
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc Ed	84.048	14239	843,473
Leveraging Educational Assistance Partnerships (LEAP)	84.048A		10,696
Ferris State University - Michigan			
F.I.P.S.E. 01-04	84.116B	P116B010128	15,526
Texas Higher Education Coordinating Board			
Eisenhower / Teacher Quality Grant Program	84.281	99022/2024/99023/2023/326/327/168/134/133/183	151,297
TOTAL U S DEPARTMENT OF EDUCATION			\$ 22,135,858
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass-Through From:			
The Texas Workforce Commission			
SSF - Network Cabling	93.558	2802SSF001	\$ 49
SSF - TANF 23A-Job Retention & Mentoring Prgm	93.558	2803TJR000	15,527
TWC - Pass Through From:			
GREATER HOUSTON COLLABORATIVE FOR CHILDREN			
FC-4 Family Centered	93.596	301-04	1,524
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 17,100
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 22,855,584

**SAN JACINTO COLLEGE DISTRICT  
 SCHEDULE E (CONTINUED)  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED AUGUST 31, 2004**

Note 1: Federal Assistance Reconciliation

Restricted Federal Grants and Contracts revenue	
Federal Grants and Contracts	\$ 22,649,755
Add: Indirect /Administrative Cost Recoveries	<u>205,829</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards (Schedule A)	<u>\$ 22,855,584</u>

Note 2: Significant accounting policies used in preparing the schedule

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

**SAN JACINTO COLLEGE DISTRICT  
SCHEDULE F  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED AUGUST 31, 2004**

<u>GRANTOR AGENCY/PROGRAM TITLE</u>	<u>GRANT CONTRACT NUMBER</u>	<u>EXPENDITURES</u>
TEXAS WORKFORCE COMMISSION		
Skills Development - Petrochemical Industries	2803SDF000	\$ 128,067
Skills Development - PolyOne Corporation	2803SDF000	12,513
Skills Development - Gateway Ace Hardware	2803SDF000	27,252
TOTAL SKILLS DEVELOPMENT		\$ <u>167,832</u>
APEX IV - Current Worker Skills Enhancement		3,495
TOTAL TEXAS WORKFORCE COMMISSION		\$ <u>171,327</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
BCS11 - Nursing Student Retention Program	BCS11	\$ 11,651
State Military Tuition Assistance		8,202
Texas Grant I - Initial		260,350
Texas Grant I - Renewal		138,430
Texas Grant II - Initial		74,930
Texas Grant II - Renewal		10,160
PSIG		16,742
Vocational Nursing Scholarship		1,500
Be on time loan program		30,798
Texas College Work Study		45,298
Early High School - HB1479		143,476
Certified Edu Aide Program		26,499
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		\$ <u>768,036</u>
TOTAL STATE FINANCIAL ASSISTANCE		\$ <u>939,363</u>
Note 1: State Assistance Reconciliation		
State Revenues - Per Schedule A		
State Financial Assistance		
Per Schedule of expenditures of State awards		\$ 939,363
State Financial Assistance		
Tuition and fees included in Schedule A captioned "Tuition and Fees"		<u>(178,177)</u>
Total State Revenues per Schedule A		\$ <u>761,186</u>

Note 2: Significant accounting policies used in preparing the schedule

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



# Single Audit

**EUGENE HOVEY**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**P.O. BOX 1375**  
**LA PORTE, TEXAS 77572**

**PHONE 281-471-2700**

November 20, 2004

To The Board of Regents  
San Jacinto College District

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

I have audited the financial statements of the San Jacinto College District for the year ended August 31, 2004, and have issued my report thereon dated November 20, 2004. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the San Jacinto College District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. In accordance with the Public Funds Investment Act, I performed a compliance audit of management controls over its investments and adherence to its established investment policies. The results of my tests indicated that the District is in compliance with all aspects of the Act.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the San Jacinto College District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

To The Board of Regents  
November 20, 2004  
Page Two

This report is intended for the information of the Board of Regents, the District's management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink that reads "Eugene Hovey". The signature is written in a cursive style with a long, sweeping tail on the letter "y".

Eugene Hovey  
Certified Public Accountant

**EUGENE HOVEY**  
**CERTIFIED PUBLIC ACCOUNTANT**  
**P.O. BOX 1375**  
**LA PORTE, TEXAS 77572**

**PHONE 281-471-2700**  
November 20, 2004

To The Board of Regents  
San Jacinto College District

Re: Report on Compliance and Internal Control Related to Federal and State  
Programs

Compliance  
-----

I have audited the compliance of the San Jacinto College District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal and state programs for the year ended August 31, 2004. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying federal and state schedules of findings and questioned cost. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. My responsibility is to express an opinion on the District's compliance based on our audit.

I conducted my audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and State of Texas Uniform Grant Management Standards (UGMS). These standards, OMB Circular A-133 and UGMS require that I 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 District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's compliance with those requirements.

In my opinion, the San Jacinto College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2004.

Internal Control Over Compliance  
-----

The management of the San Jacinto College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In plan-

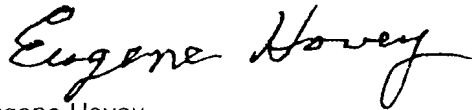
To The Board of Regents  
November 20, 2004  
Page 2

ning and performing my audit, I considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and UGMS.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I considered to be material weaknesses.

This report is intended for the information of the Board of Regents, the District's management, federal and state awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,



Eugene Hovey  
Certified Public Accountant

SAN JACINTO COLLEGE DISTRICT  
 FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED AUGUST 31, 2004

1. SUMMARY OF AUDIT RESULTS:

Financial Statements

The type of report issued on the financial statements of the District was an unqualified opinion.

Internal control over financial reporting:

Material weakness(es) identified?  yes  no  
 Reportable condition(s) identified that are  
 not considered to be material weaknesses?  yes  none reported  
 Noncompliance material to financial statements.  yes  no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  yes  no  
 Reportable condition(s) identified that are  
 not considered to be material weaknesses?  yes  none reported

Any audit findings disclosed that are required to  
 be reported in accordance with section 510 (a) of  
 Circular A-133?

yes  no

The type of report issued on compliance for major programs was unqualified.

Identification of major programs:

CFDA Number	Name of Federal Program
47.076	Space TEC/EPSS/AMP/CSEMS
Student Financial Aid-Cluster:	
84.007	Federal SEOG Program
84.033	Federal College Workstudy Program
84.063	Federal Pell Grant Program
84.268	Subsidized/ Unsubsidized/PLUS Loans
Trio Cluster:	
84.042A	Upward Bound Grant--Student Support Services
84.044A	Talent Search
84.047A	Upward Bound Grant II
84.334A	Gear Up 02-07

The dollar threshold used to distinguish between Type A and Type B programs was \$513,418.  
 The District was determined to be a low-risk auditee.

FINDINGS--FINANCIAL STATEMENTS AUDIT None

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

	Federal CFDA Number	Findings	Questioned Costs
Space TEC/EPSS/AMP/CSEMS	47.076	None	None
Student Financial Aid--Cluster:			
Federal SEOG Program	84.007	None	None
Federal College Workstudy	84.033	None	None
Federal Pell Grant Program	84.063	None	None
Subsidized/Unsubsidized/PLUS Loans	84.268	None	None
Trio Cluster:			
Upward Bound Grant-Student Support Services	84.042A	None	None
Talent Search	84.044A	None	None
Upward Bound Grant II	84.047A	None	None
Gear Up 02-07	84.334A	None	None

SAN JACINTO COLLEGE DISTRICT  
 STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED AUGUST 31, 2004

1. SUMMARY OF AUDIT RESULTS:

Financial Statements

The type of report issued on the financial statements of the District was an unqualified opinion.

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported

Noncompliance material to financial statements.  yes  no

State Awards

Internal control over major programs:

Material weakness(es) identified?  yes  no

Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of the State of Texas Single Audit Circular?  yes  no

The type of report issued on compliance for major programs was unqualified.

Identification of major state programs:

Grant Contract Number	Name of State Program
	Texas Grant I-Initial
	Texas Grant I-Renewal
	Texas Grant II-Initial
	Texas Grant II-Renewal
2803SDF000	Skills Development

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000. The District was determined to be a low-risk auditee.

FINDINGS--FINANCIAL STATEMENTS AUDIT None

STATE AWARD FINDINGS AND QUESTIONED COSTS

	Grant Contract Number	Findings	Questioned Costs
Texas Grant I-Initial		None	None
Texas Grant I-Renewal		None	None
Texas Grant II-Initial		None	None
Texas Grant II-Renewal		None	None
Skills Development	2803SDF000	None	None

# Supplementary Schedules



# **SAN JACINTO COLLEGE DISTRICT**

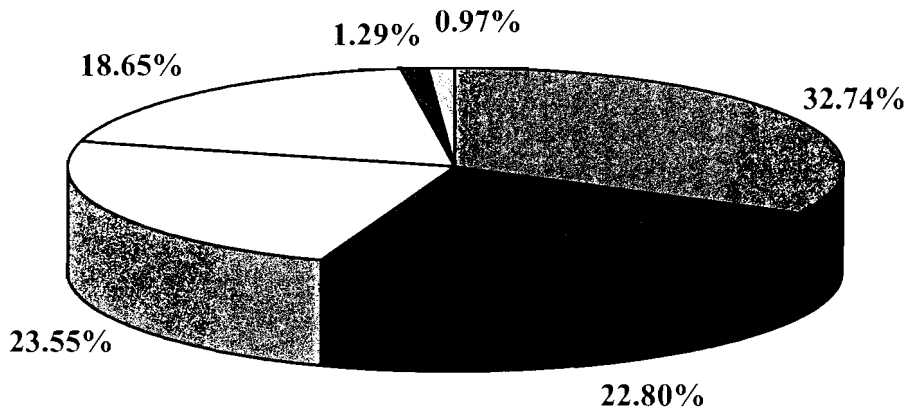
## **Supplementary Schedules**

**The Supplementary Schedules provide selected financial data and are for informational purposes only and are not audited.**

**San Jacinto College District  
Revenue by Source  
For the Year Ended August 31, 2004**

(Excluding Auxiliaries)  
(UNAUDITED)

	<u>Dollar Amount</u>	<u>Percentage of Total</u>
State appropriations	\$ 41,457,251	32.74%
Tuition and fees	28,867,649	22.80%
Taxes for current operations	29,827,208	23.55%
Federal & state grants	23,616,770	18.65%
Investment income	1,635,764	1.29%
Other income	1,233,109	0.97%
 Total current funds revenues	 <u><u>\$ 126,637,751</u></u>	 <u><u>100.00%</u></u>



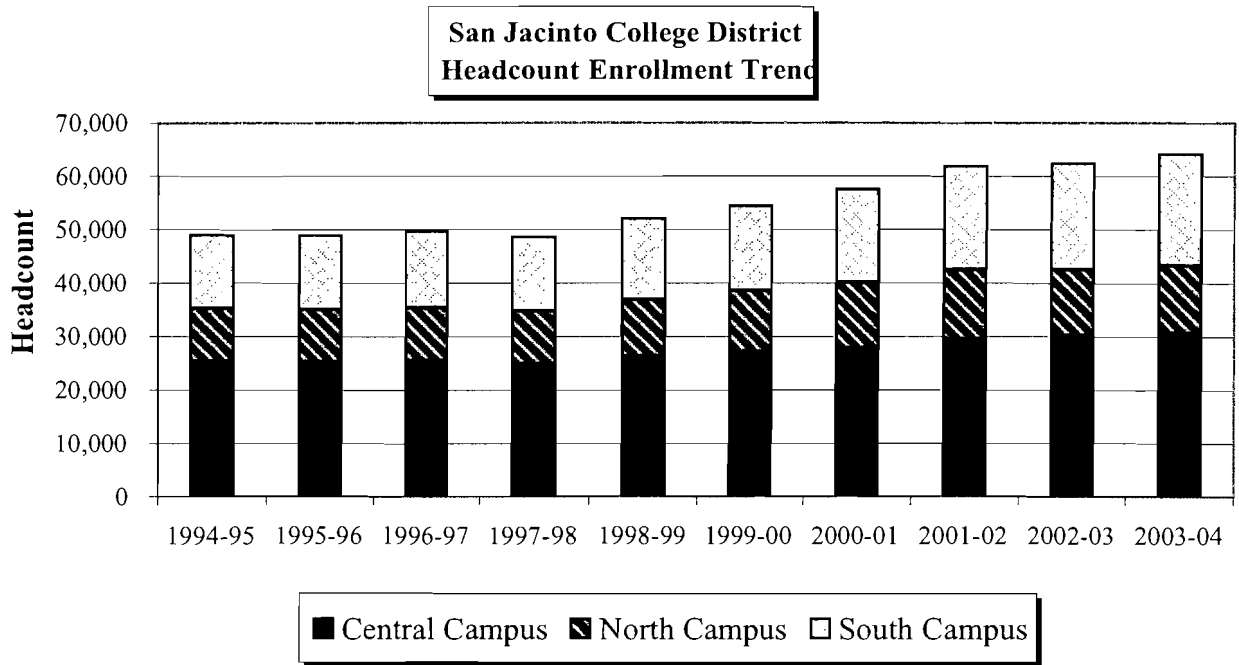
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|--------------------------------|--------------------------|
| ■ State appropriations         | ■ Tuition and fees       |
| □ Taxes for current operations | □ Federal & state grants |
| ■ Investment income            | □ Other income           |

**San Jacinto College District  
Headcount Enrollment\*  
Last 10 Fiscal Years  
(UNAUDITED)**

Fiscal Year	State Funded			Total**
	Central Campus	North Campus	South Campus	
1994-95	25,357	9,868	13,742	48,967
1995-96	25,290	9,865	13,742	48,897
1996-97	25,510	9,813	14,264	49,587
1997-98	24,845	9,861	13,893	48,599
1998-99	26,354	10,587	15,083	52,024
1999-00	27,148	11,390	15,838	54,376
2000-01	27,916	12,157	17,371	57,444
2001-02	29,478	13,045	19,345	61,868
2002-03	30,267	12,295	19,808	62,370
2003-04	30,656	12,696	20,820	64,172

\*Duplicated Headcount

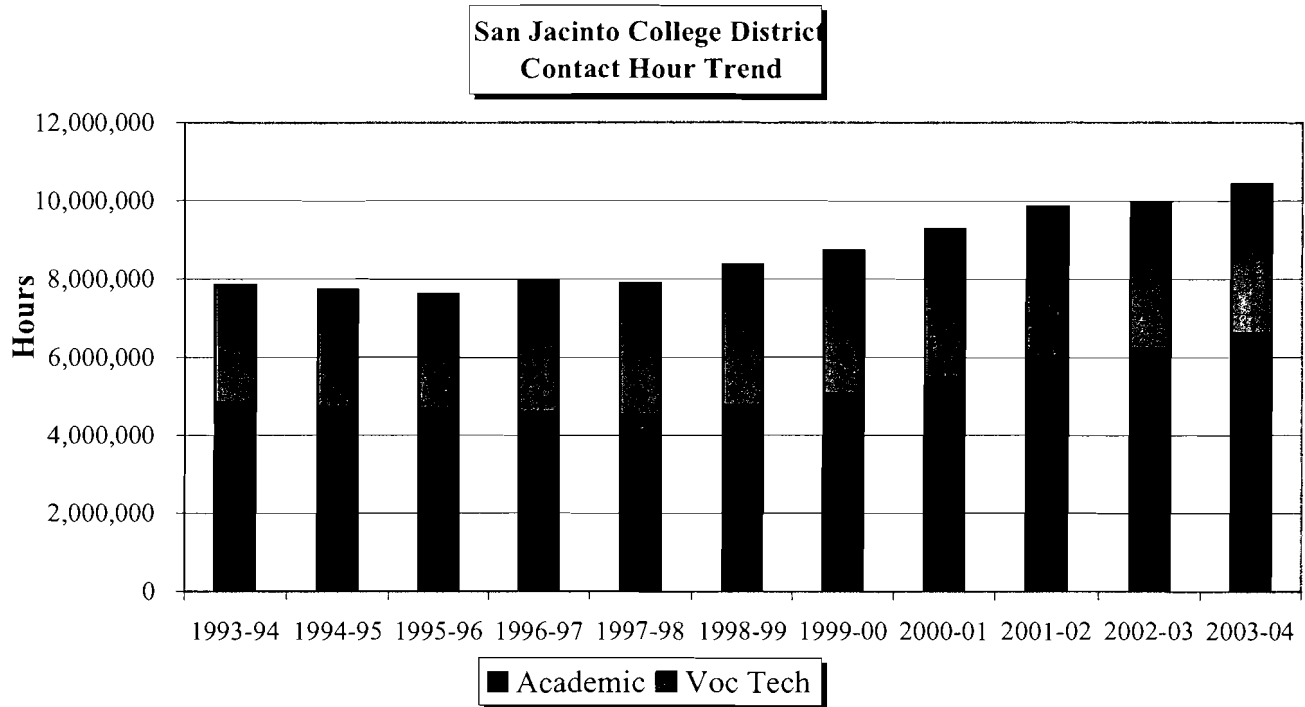
\*\*Includes Semester Length Courses - Does Not Include Continuing Education



**San Jacinto College District  
Contact Hour Information  
Last 10 Fiscal Years  
(UNAUDITED)**

**Contact Hours**

<b>Fiscal Year</b>	<b>Academic</b>	<b>Voc Tech</b>	<b>Total</b>
1993-94	4,822,288	3,009,031	7,831,319
1994-95	4,703,512	3,024,431	7,727,943
1995-96	4,663,832	2,968,188	7,632,020
1996-97	4,585,952	3,356,341	7,942,293
1997-98	4,507,640	3,385,799	7,893,439
1998-99	4,756,008	3,609,549	8,365,557
1999-00	5,039,080	3,677,619	8,716,699
2000-01	5,463,816	3,818,841	9,282,657
2001-02	5,995,176	3,863,939	9,859,115
2002-03	6,206,592	3,737,691	9,944,283
2003-04	6,597,512	3,833,604	10,431,116



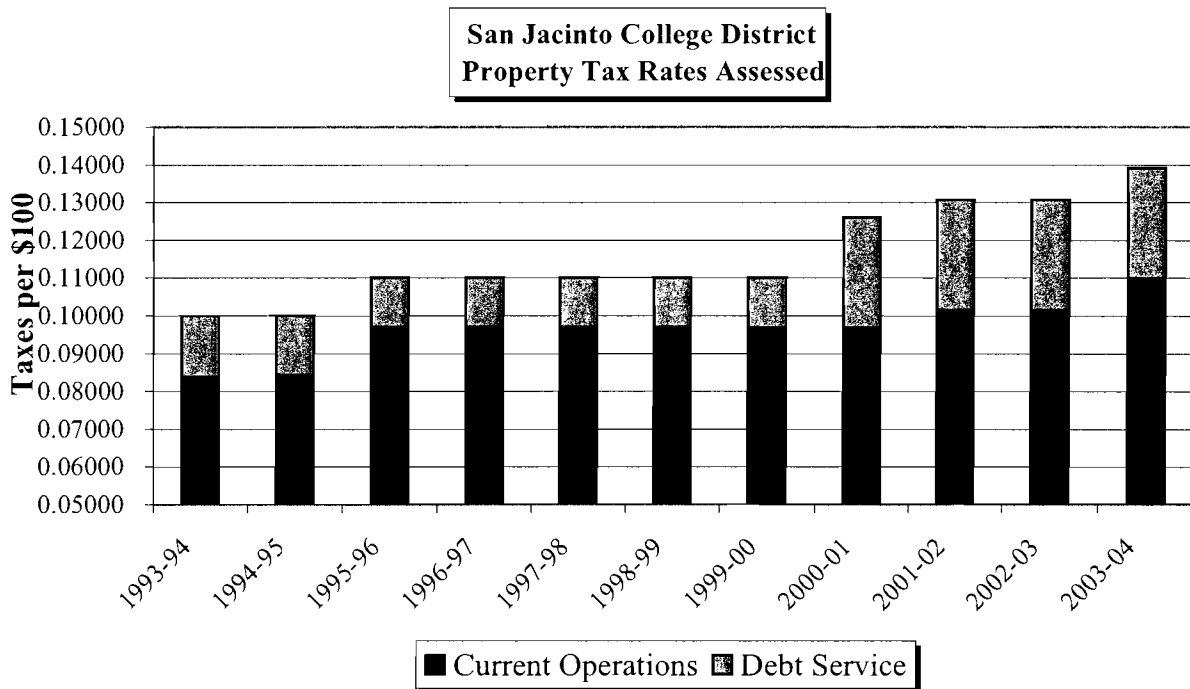
**San Jacinto College District  
State Appropriations Per FTSE  
Last 10 Fiscal Years  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>State Appropriations</b>	<b>Full - Time Students FTSE*</b>	<b>Appropriations Per FTSE</b>
1993-94	\$ 26,112,566.00	28,223	\$ 925.22
1994-95	\$ 25,972,868.00	28,665	\$ 906.08
1995-96	\$ 24,803,922.00	28,509	\$ 870.04
1996-97	\$ 24,803,922.00	29,258	\$ 847.77
1997-98	\$ 28,530,456.00	28,625	\$ 996.70
1998-99	\$ 29,633,092.00	30,352	\$ 976.31
1999-00	\$ 32,592,600.00	31,948	\$ 1,020.18
2000-01	\$ 33,352,476.00	33,557	\$ 993.91
2001-02	\$ 36,825,719.00	36,078	\$ 1,020.73
2002-03	\$ 34,315,738.00	36,307	\$ 945.15
2003-04	\$ 32,999,181.00	38,994	\$ 846.26

\*Credit Courses Only

**San Jacinto College District  
Property Tax Rates Assessed  
Last 10 Fiscal Years  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
1993-94	0.08360	0.01640	0.10000
1994-95	0.08406	0.01594	0.10000
1995-96	0.09680	0.01320	0.11000
1996-97	0.09678	0.01322	0.11000
1997-98	0.09678	0.01322	0.11000
1998-99	0.09673	0.01327	0.11000
1999-00	0.09657	0.01343	0.11000
2000-01	0.09657	0.02943	0.12600
2001-02	0.10128	0.02943	0.13071
2002-03	0.10128	0.02943	0.13071
2003-04	0.10970	0.02943	0.13913



**San Jacinto College District  
Property Tax Rates Authorized  
Last 10 Fiscal Years  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Current Operations</b>	<b>Debt Service</b>	<b>Total</b>
1993-94	0.20000	0.50000	0.70000
1994-95	0.20000	0.50000	0.70000
1995-96	0.20000	0.50000	0.70000
1996-97	0.20000	0.50000	0.70000
1997-98	0.20000	0.50000	0.70000
1998-99	0.20000	0.50000	0.70000
1999-00	0.20000	0.50000	0.70000
2000-01	0.20000	0.50000	0.70000
2001-02	0.20000	0.50000	0.70000
2002-03	0.20000	0.50000	0.70000
2003-04	0.20000	0.50000	0.70000

**San Jacinto College District  
Net Assessed Valuation  
Last 10 Fiscal Years  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>Less: Exemptions</b>	<b>Net Assessed Valuation</b>
1993-94	\$ 18,444,560,180	\$ -	\$ 18,444,560,180
1994-95	\$ 18,880,811,130	\$ -	\$ 18,880,811,130
1995-96	\$ 19,473,628,855	\$ -	\$ 19,473,628,855
1996-97	\$ 23,660,535,694	\$ (2,818,066,774)	\$ 20,842,468,920
1997-98	\$ 24,091,167,482	\$ (2,309,988,900)	\$ 21,781,178,582
1998-99	\$ 25,156,108,236	\$ (2,352,397,800)	\$ 22,803,710,436
1999-00	\$ 25,469,382,330	\$ (2,513,382,140)	\$ 22,956,000,190
2000-01	\$ 26,783,885,330	\$ (2,803,006,470)	\$ 23,980,878,860
2001-02	\$ 28,294,370,480	\$ (3,260,583,170)	\$ 25,033,787,310
2002-03	\$ 28,882,123,450	\$ (3,281,633,290)	\$ 25,600,490,160
2003-04	\$ 30,129,023,760	\$ (3,576,979,720)	\$ 26,552,044,040



**San Jacinto College District  
Property Tax Collected  
Last 10 Fiscal Years  
(UNAUDITED)**

<b>Fiscal Year</b>	<b>Current Tax Collections</b>	<b>Delinquent Collections</b>	<b>Total Tax Collections</b>
1993-94	\$ 18,011,432	\$ 363,662	\$ 18,375,094
1994-95	\$ 18,411,512	\$ 387,109	\$ 18,798,621
1995-96	\$ 21,048,944	\$ 455,348	\$ 21,504,292
1996-97	\$ 22,450,943	\$ 384,991	\$ 22,835,934
1997-98	\$ 23,547,044	\$ 369,402	\$ 23,916,446
1998-99	\$ 24,625,891	\$ 476,143	\$ 25,102,034
1999-00	\$ 24,701,689	\$ 258,433	\$ 24,960,122
2000-01	\$ 29,301,820	\$ 677,929	\$ 29,979,749
2001-02	\$ 31,699,548	\$ 860,436	\$ 32,559,984
2002-03	\$ 32,617,950	\$ 1,017,205	\$ 33,635,155
2003-04	\$ 35,486,670	\$ 1,258,912	\$ 36,745,582

