

San Jacinto College District

**Audit Report
August 31, 1999**

**EUGENE HOVEY
CERTIFIED PUBLIC ACCOUNTANT
902 WEST MAIN STREET
LA PORTE, TEXAS 77571**

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San Jacinto College District

Organization Data For Fiscal Year 1998-99

Board of Regents

Officers

Mr. C. Wayne Slovacek	Chair
Dr. Ruede Wheeler	Vice Chair
Dr. Parker Williams	Secretary
Mrs. Marie Flickinger	Assistant Secretary

Members

Term Expires

J. D. Bruce	Pasadena, Texas	2005
Marie Flickinger	Houston, Texas	2001
John W. Nichols, M.D.	Galena Park, Texas	2003
C. Wayne Slovacek	Deer Park, Texas	2003
W. L. "Levi" Smallwood	Pasadena, Texas	2001
Ruede Wheeler, D.D.S.	La Porte, Texas	2005
Dr. Parker Williams	Houston, Texas	2003

District Administrators

Key Officers

Dr. James F. Horton, Jr.	Chancellor
Dr. Ron Rucker	Vice Chancellor for Administration
Dr. William Lindemann, Jr.	Vice Chancellor of Instructional Programs and Services
Mr. Rudy V. Gonzales	Vice Chancellor of Fiscal Affairs
Mr. James Fowler	Vice Chancellor of Human Resources
Mr. Steve Lestarjette	Assoc. Vice Chancellor of Marketing and Enrollment
Dr. Monte Blue	President, Central Campus
Dr. Charles Grant	President, North Campus
Dr. Adena Williams Loston	President, South Campus

EUGENE HOVEY
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1375
LA PORTE, TEXAS 77571

PHONE 471-2700

NOVEMBER 24, 1999

TO THE BOARD OF REGENTS
SAN JACINTO COLLEGE DISTRICT

Re: Independent Auditor's Report

I have audited the accompanying balance sheet of the San Jacinto College District as of August 31, 1999 and the related statements of changes in fund balances and the current funds revenues, expenditures, and other changes for the year 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 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.

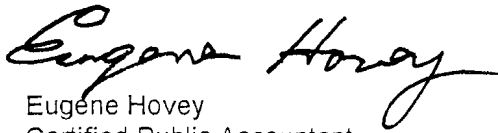
In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Jacinto College District as of August 31, 1999, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the fiscal year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated November 24, 1999 on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

To The Board of Regents
November 24, 1999
Page Two

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, and the schedule of expenditures of state awards required by the State of Texas Uniform Grants Management Standards, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated 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.

Eugene Hovey
Certified Public Accountant

SAN JACINTO COLLEGE DISTRICT
EXHIBIT A
BALANCE SHEET
August 31, 1999
With Comparison Totals at August 31, 1998

ASSETS	CURRENT FUNDS			
	Unrestricted	Auxiliary Enterprises	Restricted	Total
Cash and Cash Equivalents	\$ 1,349,130	\$ 643,170	\$ 1,887	\$ 1,994,187
Short-Term Investments	23,499,883	7,886,622	664,254	32,050,759
Accounts Receivable	845,170	974,099	571,202	2,390,471
Taxes Receivable (net of allowance for doubtful accounts of \$3,483,601)	130,936	-	-	130,936
Due from Other Funds	526,097	-	-	526,097
Accrued Interest Receivable	123,853	-	-	123,853
Federal Receivables	-	-	173,276	173,276
Deferred Expense	708,700	-	-	708,700
Inventories, at cost	194,752	1,830,556	-	2,025,308
Land	-	-	-	-
Buildings	-	-	-	-
Improvements Other Than Buildings	-	-	-	-
Equipment	-	-	-	-
Library Books	-	-	-	-
Construction in Progress	-	-	-	-
Total Assets	\$ 27,378,521	\$ 11,334,447	\$ 1,410,619	\$ 40,123,587
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,290,906	\$ 905,993	\$ 223,257	\$ 2,420,156
Accrued Liabilities	758,459	1,416	2,521	762,396
Due To Other Funds	8	5	519,260	519,273
Deferred Revenues	4,715,388	10,000	-	4,725,388
Accrued Compensable Absences Payable	1,688,940	-	-	1,688,940
Bonds Payable	-	-	-	-
Construction Advances Payable	-	-	-	-
Funds Held in Custody for Others	-	-	-	-
Total Liabilities	\$ 8,453,701	\$ 917,414	\$ 745,038	\$ 10,116,153
Fund Balance				
Unrestricted				
Reserved:				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Accounts & Taxes Receivable	976,106	974,099	-	1,950,205
Inventories	194,752	1,830,556	-	2,025,308
Unreserved-Undesignated	17,753,962	7,612,378	-	25,366,340
Restricted	-	-	665,581	665,581
Net Investment in Plant	-	-	-	-
Total Fund Balances	\$ 18,924,820	\$ 10,417,033	\$ 665,581	\$ 30,007,434
Total Liabilities And Fund Balances	\$ 27,378,521	\$ 11,334,447	\$ 1,410,619	\$ 40,123,587

See Accompanying Notes to the Financial Statements.

Endowment and Similar Funds	PLANT FUNDS			Agency Funds	TOTALS MEMORANDUM ONLY	
	Unexpended	Retirement of Indebtedness	Investment in Plant		Current Year	Prior Year
\$ 5,323	\$ 493,319	\$ 4,301	\$ -	\$ 246,233	\$ 2,743,363	\$ 739,337
220,653	1,022,122	771,483	-	374,812	34,439,829	32,486,045
-	118,500	-	-	-	2,508,971	2,834,482
-	-	-	-	-	130,936	74,935
8	-	-	-	5	526,110	1,286,772
-	-	-	-	-	123,853	101,210
-	-	-	-	-	173,276	258,661
-	-	-	-	-	708,700	677,862
-	-	-	-	-	2,025,308	2,985,624
-	-	-	4,914,142	-	4,914,142	4,914,142
-	-	-	89,322,762	-	89,322,762	84,577,069
-	-	-	6,823,544	-	6,823,544	6,808,035
-	-	-	24,661,305	-	24,661,305	20,502,245
-	-	-	292,032	-	292,032	280,933
-	-	-	-	-	-	3,243,639
<u>\$ 225,984</u>	<u>\$ 1,633,941</u>	<u>\$ 775,784</u>	<u>\$ 126,013,785</u>	<u>\$ 621,050</u>	<u>\$ 169,394,131</u>	<u>\$ 161,770,991</u>
\$ -	\$ 671,646	\$ -	\$ -	\$ -	\$ 3,091,802	\$ 1,398,357
-	-	-	96,181	-	858,577	972,217
-	-	-	-	6,837	526,110	1,286,772
-	-	-	-	-	4,725,388	4,349,530
-	-	-	-	-	1,688,940	1,511,666
-	340,342	-	9,364,658	-	9,705,000	10,565,000
-	-	-	2,989,192	-	2,989,192	890,073
-	-	-	-	614,213	614,213	388,184
<u>\$ -</u>	<u>\$ 1,011,988</u>	<u>\$ -</u>	<u>\$ 12,450,031</u>	<u>\$ 621,050</u>	<u>\$ 24,199,222</u>	<u>\$ 21,361,799</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,950,205	1,606,888
-	-	-	-	-	2,025,308	2,985,624
-	-	-	-	-	25,366,340	22,640,584
225,984	621,953	775,784	-	-	2,289,302	4,314,608
-	-	-	113,563,754	-	113,563,754	108,861,488
<u>\$ 225,984</u>	<u>\$ 621,953</u>	<u>\$ 775,784</u>	<u>\$ 113,563,754</u>	<u>\$ -</u>	<u>\$ 145,194,909</u>	<u>\$ 140,409,192</u>
<u>\$ 225,984</u>	<u>\$ 1,633,941</u>	<u>\$ 775,784</u>	<u>\$ 126,013,785</u>	<u>\$ 621,050</u>	<u>\$ 169,394,131</u>	<u>\$ 161,770,991</u>

AN JACINTO COLLEGE DISTRICT
EXHIBIT B
STATEMENT OF CHANGES IN FUND BALANCES
August 31, 1999
With Comparison Totals at August 31, 1998

	CURRENT FUNDS			
	Unrestricted	Auxiliary Enterprises	Restricted	Total
FUND BALANCES, September 1, 1998	\$ 17,523,534	\$ 9,709,562	\$ 454,586	\$ 27,687,682
REVENUES AND OTHER ADDITIONS				
Unrestricted Current Funds Revenue (Exh. C)	\$ 69,056,816	\$ 9,607,881	\$ -	\$ 78,664,697
State Appropriations - Restricted	-	-	5,703,219	5,703,219
Federal Grants and Contracts	-	-	6,344,615	6,344,615
State Grants and Contracts	-	-	301,926	301,926
Local Gifts and Grants	-	-	-	-
Investment Income	-	-	20,443	20,443
Retirement of Indebtedness	-	-	-	-
Expended for Plant Facilities (Includes \$2,913,670 Charged to Current Funds Expenditures)	-	-	-	-
Local Taxes	-	-	-	-
Construction Advances Payable Expended	-	-	-	-
Contractual Obligations Payable Expended	-	-	-	-
Contractual Obligations Sale Proceeds	-	-	-	-
Total Revenues and Other Additions	\$ 69,056,816	\$ 9,607,881	\$ 12,370,203	\$ 91,034,900
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures (Exh. C)	\$ 66,704,917	\$ 8,900,410	\$ 12,650,003	\$ 88,255,330
Expended for Plant Facilities	-	-	-	-
Indirect Costs Recovered	-	-	87,729	87,729
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Facilities	-	-	-	-
Increase in Contractual Obligations Payable	-	-	-	-
Increase in Construction Advances and Bonds Payable	-	-	-	-
Other Deductions	-	-	-	-
Total Expenditures and Other Deductions	\$ 66,704,917	\$ 8,900,410	\$ 12,737,732	\$ 88,343,059
TRANSFERS - ADDITIONS / (DEDUCTIONS)				
Mandatory Transfers				
TPEG Transfer	\$ (578,524)	\$ -	\$ 578,524	\$ -
Retirement of Indebtedness-Plant Funds	(108,785)	-	-	(108,785)
Transfer to Unexpended Plant Funds	(263,304)	-	-	(263,304)
Total Transfers - Additions / (Deductions)	\$ (950,613)	\$ -	\$ 578,524	\$ (372,089)
NET INCREASE(DECREASE) FOR FISCAL YR	\$ 1,401,286	\$ 707,471	\$ 210,995	\$ 2,319,752
FUND BALANCES, August 31, 1999	\$ 18,924,820	\$ 10,417,033	\$ 665,581	\$ 30,007,434
	=====	=====	=====	=====

See Accompanying Notes to the Financial Statements

PLANT FUNDS

TOTALS MEMORANDUM ONLY

Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Investment in Plant	Current Year	Prior Year
\$ 237,836	\$ 2,837,547	\$ 784,639	\$ 108,861,488	\$ 140,409,192	\$ 130,395,606
\$ -	\$ -	\$ -	\$ -	\$ 78,664,697	\$ 74,814,727
-	-	-	-	5,703,219	5,421,190
-	-	-	-	6,344,615	4,846,174
-	-	-	-	301,926	147,137
2,820	149,718	-	-	152,538	242,974
11,589	102,654	32,882	-	167,568	250,425
-	-	-	2,625,000	2,625,000	2,425,000
-	-	-	6,449,780	6,449,780	6,262,639
-	-	3,010,795	-	3,010,795	2,867,643
-	2,185,798	-	-	2,185,798	829,723
-	1,424,658	-	-	1,424,658	-
-	1,765,000	-	-	1,765,000	-
\$ 14,409	\$ 5,627,828	\$ 3,043,677	\$ 9,074,780	\$ 108,795,594	\$ 98,107,632
\$ -	\$ -	\$ -	\$ -	\$ 88,255,330	\$ 78,862,974
-	3,525,011	-	-	3,525,011	3,889,955
-	-	-	-	87,729	67,930
-	-	2,625,000	-	2,625,000	2,425,000
-	-	534,735	-	534,735	663,575
-	-	-	762,058	762,058	607,635
-	1,765,000	-	-	1,765,000	-
-	-	-	3,610,456	3,610,456	829,724
26,261	2,816,715	1,582	-	2,844,558	747,253
\$ 26,261	\$ 8,106,726	\$ 3,161,317	\$ 4,372,514	\$ 104,009,877	\$ 88,094,046
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	108,785	-	-	-
-	263,304	-	-	-	-
\$ -	\$ 263,304	\$ 108,785	\$ -	\$ -	\$ -
\$ (11,852)	\$ (2,215,594)	\$ (8,855)	\$ 4,702,266	\$ 4,785,717	\$ 10,013,586
\$ 225,984	\$ 621,953	\$ 775,784	\$ 113,563,754	\$ 145,194,909	\$ 140,409,192

SAN JACINTO COLLEGE DISTRICT
EXHIBIT C
STATEMENT OF CURRENT FUNDS REVENUES EXPENDITURES AND OTHER CHANGES
For the Year Ended August 31, 1999
With Memorandum Totals at August 31, 1998

REVENUES	TOTALS MEMORANDUM ONLY				
	Unrestricted	Auxiliary Enterprises	Restricted	Current Year	Prior Year
State Appropriations - General Revenue	\$ 29,633,092	\$ -	\$ 5,703,219	\$ 35,336,311	\$ 33,951,646
Tuition and Fees also remissions	15,347,178	537,688	-	15,884,866	16,319,166
Taxes for Current Operation	22,363,597	-	-	22,363,597	21,229,038
Federal Grants and Contracts	87,729	-	6,256,886	6,344,615	4,846,174
State Grants and Contracts	-	-	301,926	301,926	252,375
Sales & Services of Educational Activities	378,928	-	-	378,928	443,499
Auxiliary Enterprises Sales and Services	-	8,717,802	-	8,717,802	6,501,102
Investment Income	1,246,292	352,391	20,443	1,619,126	1,746,061
Total Current Funds Revenues	\$ 69,056,816	\$ 9,607,881	\$ 12,282,474	\$ 90,947,171	\$ 85,289,061
=====					
EXPENDITURES AND MANDATORY TRANSFERS:					
Educational and General					
Instruction	\$ 31,052,330	\$ -	\$ 3,812,471	\$ 34,864,801	\$ 33,688,786
Public Service	4,172,473	-	348,396	4,520,869	4,012,113
Academic Support	5,073,295	-	849,927	5,923,222	6,805,646
Student Services	5,046,981	-	805,351	5,852,332	5,654,375
Institutional Support	12,042,269	-	869,644	12,911,913	8,503,042
Operation and Maintenance of Plant	8,878,055	-	486,485	9,364,540	8,808,503
Scholarships and Fellowships	439,514	-	5,456,889	5,896,403	4,621,620
Total Educational and General Expenditures	\$ 66,704,917	\$ -	\$ 12,629,163	\$ 79,334,080	\$ 72,194,185

Auxiliary Enterprise Expenditures	\$ -	\$ 8,900,410	\$ 20,840	\$ 8,921,250	\$ 6,668,789
Mandatory Transfers for:					
Retirement of Indebtedness-Revenue Bonds	-	-	-	-	64,119
TPEG to Restricted Funds	578,524	-	(367,529)	210,995	779
Retirement of Indebtedness-Gen'l Obligation Bonds	108,785	-	-	108,785	-
Transfer to Plant Funds	263,304	-	-	263,304	2,433,816
Total expenditures and mandatory transfers	\$ 67,655,530	\$ 8,900,410	\$ 12,282,474	\$ 88,729,629	\$ 81,411,688

Other transfers and additions/(deductions):					
Excess of restricted receipts over transfers to revenues	\$ -	\$ -	\$ 210,995	\$ 210,995	\$ (104,459)
Net increase (decrease) in fund balances	\$ 1,401,286	\$ 707,471	\$ 210,995	\$ 2,319,752	\$ 3,772,914
=====					

See Accompanying Notes to the Financial Statements

SAN JACINTO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 1999

1. Reporting Entity

San Jacinto College was established in 1962, in accordance with the laws of the State of Texas, to serve the educational needs of the Public and the surrounding communities. The San Jacinto College District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement 14. While the District receives funding from local, state, and federal sources, and must comply with the spending, reporting, and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity.

2. Summary of Significant Accounting Policies

Report Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the Texas Higher Education Coordinating Board's Annual Reporting Requirements for Texas Public Community and Junior Colleges. These requirements are in substantial conformity with the the AICPA Industry Audit Guide, Audits of Colleges and Universities, as amended by AICPA Statement of Position (SOP) 74-8, Financial Accounting and Reporting by Colleges and Universities, and as modified by applicable FASB pronouncements issued through November 30, 1989, and as modified by all applicable GASB pronouncements cited in Codification Section Co5, "Colleges and Universities."

Basis of Accounting

The financial statements of the District have been prepared on the accrual basis, except depreciation expense related to plant fund assets is not recorded. The Statement of Current Funds Revenues, Expenditures and Other Changes is a statement of financial activities of current funds related to the reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

Encumbrance Accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Current Funds. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. Encumbrances outstanding at year end that were provided for in the subsequent year's budget are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Inventories, consisting of consumable office supplies, physical plant supplies, book store stock, and food service supplies, are valued at the lower of cost under the "first-in, first-out" method or market. The inventories also include computer parts and equipment.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of equipment and library holdings; (2) mandatory transfers in the case of required provisions for debt amortization and interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the District, accounts are maintained in accordance with the principles of "fund accounting". Resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the

accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, fund balances restricted by outside sources are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

Endowment and Similar Funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and only the income be utilized. Term endowment funds are similar to other endowment funds, except that all or part of the principal may be utilized after a stated period of time or upon the occurrence of a certain event. Funds functioning as endowments are funds that the governing board has approved to be used as endowments.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned the assets. Ordinary income derived from investments, receivables, and other sources is accounted for in the fund owning such assets, except for income derived from investment of Endowment and Similar Funds. That income is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in unrestricted current funds.

All other unrestricted revenue is accounted for in the appropriate unrestricted fund. Restricted gifts, grants, appropriation, endowment income, and other restricted resources are accounted for in the appropriate restricted funds. Restricted Current Funds are reported as revenues and expenditures when expended for current operating purposes. Contract and grant awards for the current reporting period are shown as additions to fund balances in Restricted Current Funds.

The different fund groups used at the District are as follows:

Current Funds

Funds available for current operating and maintenance purposes as well as those restricted by donors and other outside agencies for specific operating purposes. Current funds are segregated into separate balanced fund groups:

Unrestricted Current Funds

Funds received by an institution that have no limitations or stipulations placed on them by external agencies or donors. The funds are used for carrying out the primary purpose of an institution, i.e. educational, research, extension and administration.

Auxiliary Enterprises

Funds for activities that serve students, faculty, or staff for charges that are directly related to, although not necessarily equal to, the cost of the service. Examples are food services and book stores.

Restricted Current Funds

Funds available for current purposes, but with restrictions from outside agencies or persons. Revenues are reported only to the extent of expenditures for the current year.

Endowment and Similar Funds

Funds subject to restrictions of endowment and trust instruments requiring that principal be maintained and that only the income be spent.

Plant Funds

Plant funds are divided into these separate balanced fund groups:

Unexpended-Funds for the construction, rehabilitation, and acquisition of physical properties for institutional purposes.

Retirement of Indebtedness-Funds accumulated to meet debt service charges and the retirement of indebtedness.

Investment in Plant-Funds already expended for plant properties. Physical properties are stated at cost at date of acquisition or fair market value at date of donation for gifts. Library books and holdings are recorded at minimal value. Depreciation on physical plant and equipment is not recorded.

Agency Funds

Funds held by the District as custodial or fiscal agent for students, faculty members, and/or others.

Memorandum Totals

The Balance Sheet in columnar form, the Statement of Changes in Fund Balances, and the Statement of Current Funds Revenues and Expenditures and Other Changes are shown with memorandum totals for the current and prior years. Interfund borrowing has not been eliminated, but has offset in the assets and liability sections. The memorandum totals are presented only to facilitate financial analysis and do not purport to present financial position, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

3. Authorized Investments

The District is authorized to invest in obligations and instrumentations 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.

In accordance with Sec. 2256.005 (m) of the Public Funds Investment Act, the community college, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the entity's established investment policies. Additionally, the community college shall report the results of the audit performed under this subsection to the state auditor.

The State Auditor has determined that the District and its independent auditor would indicate compliance with the Act by completing the following:

- The categorization of investments by risk which is required by GASB Statement No. 3, in the footnote "Deposits and Investments"
 - Placing a statement in the scope paragraph of the Report on Compliance and Internal Control which indicates the audit work covered in the Act.
- and/or
- writing a separate letter to the State Auditor's Office stating that the District is in compliance with all aspects of the Act.

4. Deposits and Investments

At August 31, 1999, the District's bank balances of deposits are entirely insured or collateralized with securities held by the District or by its agent in its name. Cash and Deposits included on Exhibit A, Balance Sheet, consist of the items reported below:

Cash and Deposits

Deposits and Cash Equivalents

Bank Demand Deposits	\$ (924,898)	\$	
Bank Overnight Investment, Category 1	<u>3,577,108</u>	2,652,210	
Petty Cash on Hand		91,153	
		<u>-----</u>	
Total Cash and Deposits		\$ 2,743,363	<u>=====</u>

To comply with the reporting requirements of FASB Statement No. 3, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, the College's investments are categorized under "Investment Categories" to give an indication of credit risk assumed by the College 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 institution or its agent in the institution'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 institution'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 institution's name.

Investment Categories	Category			Carrying Amount	Market Value
	1	2	3		
Type of Security					
U.S. Government Securities	\$ 7,387,703	-	-	\$ 7,387,703	\$ 7,387,703
TOTALS	\$ 7,387,703			\$ 7,387,703	\$ 7,387,703
	<u>=====</u>			<u>-----</u>	<u>-----</u>
Uncategorized Investments:					
Tex Pool				12,876,200	12,876,200
Lone Star-U. S. Government Fund				1,972,458	1,972,458
Lone Star-Liquidity Plus Fund				12,203,468	12,203,468
TOTAL INVESTMENTS				\$ 34,439,829	\$ 34,439,829
				<u>=====</u>	<u>=====</u>
Total Cash and Deposits				\$ 2,743,363	
Total Investments				34,439,829	
				<u>-----</u>	
TOTAL DEPOSITS AND INVESTMENTS				\$ 37,183,192	<u>=====</u>

5. Bonds and Contractual Obligations Payable at August 31, 1999 are as follows:

Tax Supported Bonds and Contractual Obligations	
School Building Bonds, Series 1993, Issued \$12,000,000, January 1, 1993	
Bonds are due in annual installments of \$2,000,000 with interest from 5.125% to 7.125% with the final installment due in 2002	\$ 8,000,000
Public Property Finance Contractual Obligations, Series 1998, Issued \$1,765,000, November 1, 1998. To purchase equipment and other personal property Obligations are due in annual installments varying from \$60,000 to \$760,000 with interest rates from 3.45% to 4.5% with the final installment due in 2002	1,705,000
	<u>-----</u>
Total Bonds and Contractual Obligations Payable	\$ 9,705,000
	<u>=====</u>

The principal and interest expense requirements for the next four years is summarized below for bonds issued.

YEAR ENDED AUGUST 31	Principal	Interest	Total
2000	2,760,000	412,642	3,172,642
2001	2,755,000	279,269	3,034,269
2002	2,190,000	158,373	2,348,373
2003	2,000,000	51,250	2,051,250
Total	\$ 9,705,000	\$ 901,534	\$ 10,606,534

The District has signed a loan commitment with the General Services Commission under the Loan Star Revolving Loan Program to receive advances up to a maximum of \$2,989,192 for energy conservation expenditures. The projects have been completed and the District is waiting for the GSC to complete its review and activate the eight-year repayment schedule at 4.04% interest.

6. Employees' Retirement Plan

The State of Texas 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 percentage of participant salaries currently contributed by the State and by each participant are 6.00% and 6.4% respectively, of annual compensation. A participant is finally vested after 5 years. Normal retirement age is 65 with 5 years of service, age 60 with 20 years of service or age 50 with 30 years of service.

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. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

7. Retirement Incentive Pay and Compensated Absences

The District provides retirement incentive pay for employees hired before August 1, 1988 based on unused sick days accumulation prior to August 1, 1988. To receive the incentive pay, the employee must accumulate 10 years of service, 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.

Effective August 1, 1988, the District allows sick leave to accumulate at a rate of 8 hrs per month to a maximum of 160 days. However, there is no additional accumulation for retirement incentive pay purposes for any sick days that an employee earned after August 1, 1988. An employee who is on sick leave will be paid only to the extent of accumulated sick leave hours. The District's policy is to recognize this sick leave cost when paid. No liability is shown in the financial statements since experience indicates the expenditure for sick leave to be minimal. Full-time employees earn annual leave from 6.66 to 12.66 hours per month depending on the number of years employed with the District. Vacation time is cumulative up to 80 hours and is generally taken within the District's fiscal year. The District accrues no liability for annual leave under this policy.

8. Pending Lawsuits and Claims

On August 31, 1999, 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, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

9. Contract and Grant Awards.

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities.. Funds received, but not expended during the reporting period, are shown as additions to fund balance on Exhibit B. Revenues are recognized on Exhibit C as funds are actually expended. For Federal contract and grant awards, funds expended but not collected, are reported as Federal Receivables on Exhibit A. 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 or grant awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 1999 for which monies have not been received nor funds expended totalled \$297,167. All of this amount was from State Contract and Grant Awards.

10. 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's contribution per full-time employees was \$233 per month for the year ended August 31, 1999 and totaled \$2,895,663 for the year. The District's contribution was \$158,570. The cost of providing those benefits for 230 retirees was \$597,689 (of which \$556,840 was state funded) and for 1090 active employees was \$3,054,233.

11 Related Parties

The San Jacinto College Foundation, incorporated in 1996, is a nonprofit organization with the sole purpose of supporting the educational and other 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 coordinator of gifts made by other parties. During the fiscal year ended August 31, 1999, the Foundation provided grants of \$45,392 to District students. The District remitted to the Foundation \$19,000 in restricted gifts from the Endowment & Similar Funds in FY 99. During the fiscal year, the District provided certain services, such as office space, utilities and staff to the Foundation. The cost of these unreimbursed services for the year were \$144,836.

12 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 in the District.

At August 31, 1999:

Assessed Valuation of the District	25,156,108,236
Less: Exemptions	(2,285,422,640)
Less: Abatements	(66,975,160)

Net Assessed Valuation of the District	22,803,710,436
	=====

	Current Operations	Debt Service	Total
	-----	-----	-----
Tax Rate per \$100 valuation for authorized	0.15000	-	0.15000
Tax Rate per \$100 valuation for assessed	0.09673	0.01327	0.11000

Taxes levied for the year ended August 31, 1999 is \$25,084,081. 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.

Taxes Collected	Current Operations	Debt Service	Total
-----	-----	-----	-----
Current Taxes Collected	21,697,592	2,928,299	24,625,891
Delinquent Taxes Collected	419,540	56,603	476,143
Penalties & Interest Collected	190,464	25,893	216,357
	-----	-----	-----
Total Collections	22,307,596	3,010,795	25,318,391
	=====	=====	=====

Tax collections for the year ended August 31, 1999 were 98.2% 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 to either maintenance and operations or interest and sinking expenditures.

13 Deferred Revenues

Revenues represent tuition and fees related to academic terms in the next fiscal year are recorded on the balance sheet as deferred revenue in the current fiscal year.

14 Deferred Expense/Accrued Liabilities/Other Deductions

Deferred Expense includes salaries of \$706,585 related to academic terms in the next fiscal year. Accrued liabilities includes deferred payments to full-time faculty contract employees of \$706,585 and other accrued liabilities of \$51,874. Other deductions in unexpended plant funds (Exhibit B) includes major rehabilitation to facilities of \$2,778,809.

15 Budgetary Data

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

16 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 Income 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 year ended August 31, 1999.

17 Interfund Borrowing

Interfund borrowing has been made from unrestricted funds and is payable within one year without interest. Unrestricted current funds has \$519,260 due from restricted funds and \$6,837 due from agency funds. The restricted funds and the agency funds owe the unrestricted current fund respectively \$519,260 and \$6,837. Unrestricted current funds owes \$8 to the Endowment & Similar Funds. The Auxiliary Enterprises owes \$5 to the Agency Funds.

18 Operating Lease Commitments and Rental Agreement

The District paid rental payments from current funds of \$115,265 and \$47,868 under operating leases in 1999 and 1998 respectively. Future minimum lease payments under noncancellable operating leases having an initial term in excess of one year as of August 31, 1999 are as follows:

Year Ending August 31	Minimum Future Lease Payments
2000	173,875
2001	156,415
2002	63,316
Total	393,606

19 GASB Statement No. 31

The District adopted GASB Statement No. 31 in FY 98 reporting investments at fair value. Market quotations are used for U S Treasury and agency obligations. The only investments reported at amortized cost are U S securities that mature within one year or less of the date of acquisition. Investments in TexPool and Lone Star Investment Pool are reported at market value.

20 Y2K Issue

At August 31, 1999, the District had no contracts with vendors for assistance in addressing year 2000 issues relating to its computer systems and other electronic equipment. The District has committed internal staff to addressing Y2K issues and has acquired certain computer and electronic systems which are considered to be Y2K compliant. The four stages necessary to implement a Y2K-compliance plan include awareness, assessment, remediation and testing stages. The District has completed its validation/testing phase in its Y2K compliance program. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management believes the District will be year 2000-ready, that the District's remediation efforts will be successful and that parties with whom the District do business will be year 2000-ready.

21 Bond Election

On December 14, 1999, the District has scheduled a bond election to determine if it can issue \$91,395,000 in general obligation bonds for the purpose of constructing new buildings and renovating existing District facilities.

EUGENE HOVEY
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1375
LA PORTE, TEXAS 77571

PHONE 471-2700
November 24, 1999

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, 1999, and have issued my report thereon dated November 24, 1999. I conducted my audit in accordance with 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 (including the Public Funds Investment Act), 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 my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

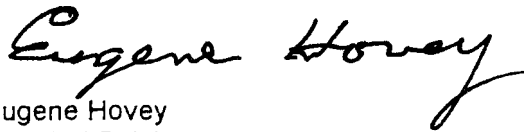
In planning and performing my audit, I considered the San Jacinto College District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial 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 24, 1999
Page Two

However, I noted certain matters involving the internal control and its operation that I have reported to the management of the District in a separate letter, dated November 24, 1999.

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 large, looping initial "E".

Eugene Hovey
Certified Public Accountant

EUGENE HOVEY
CERTIFIED PUBLIC ACCOUNTANT
P.O. BOX 1373
LA PORTE, TEXAS 77571

PHONE 471-2700

November 24, 1999

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, 1999. 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 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, 1999.

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-

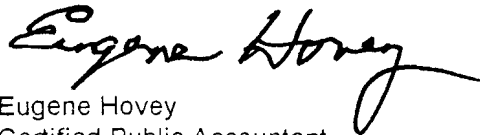
To The Board of Regents
November 24, 1999
Page 2

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 or state 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,

A handwritten signature in black ink that reads "Eugene Hovey". The signature is written in a cursive, flowing style.

Eugene Hovey
Certified Public Accountant

AN JACINTO COLLEGE DISTRICT
 SCHEDULE A-1
 SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
 AUGUST 31, 1999

	CURRENT FUNDS			
	Unrestricted	Auxiliary Enterprises	Restricted	Total
Cash on Hand				
Cashier Accounts	\$ -	\$ -	\$ -	\$ -
Petty Cash	23,138	68,015	-	91,153
Subtotal	\$ 23,138	\$ 68,015	\$ -	\$ 91,153
Cash in Bank (includes overnight sweep)	\$ 1,325,992	\$ 575,155	\$ 1,887	\$ 1,903,034
Total Cash and Cash Equivalents	\$ 1,349,130	\$ 643,170	\$ 1,887	\$ 1,994,187
Short-Term Investments				
Tex Pool	\$ 3,908,711	\$ 5,914,165	\$ 664,254	\$ 10,487,130
Monestar	12,203,469	1,972,457	-	14,175,926
J.S. Securities	7,387,703	-	-	7,387,703
Total Short-term Investments	\$ 23,499,883	\$ 7,886,622	\$ 664,254	\$ 32,050,759
Long-Term Investments				
U. S. Securities	\$ -	\$ -	\$ -	\$ -
Total Cash, Cash Equivalents and Investments	\$ 24,849,013	\$ 8,529,792	\$ 666,141	\$ 34,044,946

PLANT FUNDS

Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Agency Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	91,153
\$ -	\$ -	\$ -	\$ -	\$ 91,153
\$ 5,323	\$ 493,319	\$ 4,301	\$ 246,233	\$ 2,652,210
\$ 5,323	\$ 493,319	\$ 4,301	\$ 246,233	\$ 2,743,363
\$ 220,653	\$ 1,022,122	\$ 771,483	\$ 374,812	\$ 12,876,200
-	-	-	-	14,175,926
-	-	-	-	7,387,703
\$ 220,653	\$ 1,022,122	\$ 771,483	\$ 374,812	\$ 34,439,829
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 225,976	\$ 1,515,441	\$ 775,784	\$ 621,045	\$ 37,183,192

San Jacinto College District
Schedule B-3
Schedule of Changes in Fund Balances
Unrestricted Current Funds - Auxiliary Enterprises
For the Year Ended August 31, 1999

	Student Services	Food Service	Golf Course	Recreation Hall/UIL	Bookstore	Child Care Center	Total
Revenues							
Sales and Services	\$ -	\$ 177,405	\$ 233,699	\$ 58,389	\$ 7,736,657	\$ 511,652	\$ 8,717,802
Student Service Fees	537,688	-	-	-	-	-	537,688
Miscellaneous Income	-	24,571	34,168	-	293,652	-	352,391
Total Revenue (Exhibit C)	\$ 537,688	\$ 201,976	\$ 267,867	\$ 58,389	\$ 8,030,309	\$ 511,652	\$ 9,607,881
Expenditures							
Salaries and Wages	\$ 7,972	\$ 100,631	\$ 49,369	\$ 4,659	\$ 499,756	\$ 560,592	\$ 1,222,979
Other Operating Expenses	1,022,137	74,832	207,405	66,257	6,141,047	165,753	7,677,431
Capital Outlay	-	-	-	-	-	-	-
Total Expenditure (Exhibit C)	\$ 1,030,109	\$ 175,463	\$ 256,774	\$ 70,916	\$ 6,640,803	\$ 726,345	\$ 8,900,410
Excesss of Revenue over Expenditures	\$ (492,421)	\$ 26,513	\$ 11,093	\$ (12,527)	\$ 1,389,506	\$ (214,693)	\$ 707,471
Summary of Fund Balances as of September 1, 1998	0	493,640	681,918	96,695	8,439,439	(2,130)	9,709,562
Addition/Deduction Excesss of Revenue over Expenditures	\$ (492,421)	\$ 26,513	\$ 11,093	\$ (12,527)	\$ 1,389,506	\$ (214,693)	\$ 707,471
Intrafund Transfers							
Activity	\$ 492,421	\$ -	\$ -	\$ -	\$ (492,421)	\$ -	\$ -
Child Care	-	-	-	-	(216,823)	216,823	-
Total Intrafund Transfers	492,421				(709,244)	216,823	-
Interfund Transfers							
Unrestricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant Funds	-	-	-	-	-	-	-
Total Interfund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Additions/Deductions	\$ -	\$ 26,513	\$ 11,093	\$ (12,527)	\$ 680,262	\$ 2,130	\$ 707,471
Balance August 31, 1999 (Exhibit B)	\$ -	\$ 520,153	\$ 693,011	\$ 84,168	\$ 9,119,701	\$ -	\$ 10,417,033

San Jacinto College District
 Schedule B-13
 Schedule of Transfers
 For the Year Ended August 31, 1999

FUNDS TRANSFERRED FROM		FUNDS TRANSFERRED TO:					
FUND	Amount	Unrestricted	Auxiliary Enterprises	Restricted	Endowment	Unexpended Plant	Retirement of Indebtedness
MANDATORY							
Unrestricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to TPEG Restricted Fund	578,524	-	-	578,524	-	-	-
Transfer to Retirement of Indebtedness-Plant Funds	108,785	-	-	-	-	-	108,785
Total Unrestricted Funds	\$ 687,309	\$ -	\$ -	\$ 578,524	\$ -	\$ -	\$ 108,785
TOTAL MANDATORY TRANSFERS	\$ 687,309	\$ -	\$ -	\$ 578,524	\$ -	\$ -	\$ 108,785
NON-MANDATORY							
<i>Unrestricted Funds</i>							
Transfer to Unexpended Plant Funds	\$ 263,304	\$ -	\$ -	\$ -	\$ -	263,304	\$ -
Total Unrestricted Funds	\$ 263,304	\$ -	\$ -	\$ -	\$ -	263,304	\$ -
TOTAL NON-MANDATORY TRANSFERS	\$ 263,304	\$ -	\$ -	\$ -	\$ -	263,304	\$ -
TOTAL TRANSFERS AMONG FUNDS	\$ 950,613	\$ -	\$ -	\$ 578,524	\$ -	263,304	\$ 108,785

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE C-1
 DETAIL OF STATE APPROPRIATIONS AND TUITION AND FEES
 For the Year Ended August 31, 1999

	Unrestricted	Auxiliary Enterprises	Restricted	Total
State Appropriations:				
Education and General State Support	\$ 29,520,798	\$ -	\$ -	\$ 29,520,798
State Group Insurance	-	-	3,452,503	3,452,503
State Retirement Matching	-	-	2,250,716	2,250,716
Other	112,294	-	-	112,294
Total State Appropriations	\$ 29,633,092	\$ -	\$ 5,703,219	\$ 35,336,311
Tuition and Fees				
State Funded Courses				
In-District Resident Tuition	\$ 4,851,527	\$ -	\$ -	\$ 4,851,527
Out-of-District Resident Tuition	1,470,447	-	-	1,470,447
Non-resident Tuition	890,348	-	-	890,348
Continuing Education	3,748,757	-	-	3,748,757
Subtotal Tuition	\$ 10,961,079	\$ -	\$ -	\$ 10,961,079
General Fees				
General Fees	\$ 1,657,807	\$ 537,688	\$ -	\$ 2,195,495
Laboratory Fees	352,209	-	-	352,209
Out of District Fees	1,936,569	-	-	1,936,569
Subtotal Fees	\$ 3,946,585	\$ 537,688	\$ -	\$ 4,484,273
Remissions and Exemptions--State	\$ 439,514	\$ -	\$ -	\$ 439,514
Total Tuition and Fees	\$ 15,347,178	\$ 537,688	\$ -	\$ 15,884,866
	=====	=====	=====	=====

SAN JACINTO COLLEGE DISTRICT
SCHEDULE C-2
STATEMENT OF CURRENT FUNDS EXPENDITURES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 1999

	Salaries And Wages	Staff Benefits	Other Expenses	Capital Outlay	Total
Unrestricted-Educational and General					
Instruction	\$ 25,674,648	\$ 1,772,581	\$ 2,166,662	\$ 1,438,439	\$ 31,052,330
Public Service	2,396,195	165,310	1,450,905	160,063	4,172,473
Academic Support	3,918,212	270,565	662,622	221,896	5,073,295
Student Services	4,036,228	278,783	587,777	144,193	5,046,981
Institutional Support	5,854,371	403,951	5,110,752	673,195	12,042,269
Operation and Maintenance of Plant	3,904,822	269,617	4,427,732	275,884	8,878,055
Scholarships and Fellowships	-	-	439,514	-	439,514
Total Unrestricted	\$ 45,784,476	\$ 3,160,807	\$ 14,845,964	\$ 2,913,670	\$ 66,704,917
Restricted-Educational and General					
Instruction	\$ 167,001	\$ -	\$ 3,645,470	\$ -	\$ 3,812,471
Public Service	43,258	6,860	298,278	-	348,396
Academic Support	72,457	-	777,470	-	849,927
Student Services	276,488	32,089	496,774	-	805,351
Institutional Support	88,877	15,283	765,484	-	869,644
Operation and Maintenance of Plant	-	-	486,485	-	486,485
Scholarships and Fellowships	-	-	5,456,889	-	5,456,889
Total Restricted	\$ 648,081	\$ 54,232	\$ 11,926,850	\$ -	\$ 12,629,163
Restricted-Auxiliary Enterprises	\$ 14,509	\$ -	\$ 6,331	\$ -	\$ 20,840
Total Restricted	\$ 662,590	\$ 54,232	\$ 11,933,181	\$ -	\$ 12,650,003
Total Educational and General	\$ 46,447,066	\$ 3,215,039	\$ 26,779,145	\$ 2,913,670	\$ 79,354,920
Auxiliary Enterprises	\$ 1,222,979	\$ 174,708	\$ 7,502,723	\$ -	\$ 8,900,410
Total Current Fund Expenditures	\$ 47,670,045	\$ 3,389,747	\$ 34,281,868	\$ 2,913,670	\$ 88,255,330
	=====	=====	=====	=====	=====

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-1
 BONDS PAYABLE AND DEBT SERVICE REQUIREMENTS
 FOR THE YEAR ENDED AUGUST 31, 1999

Description	Bonds Issued to Date	Range of Interest Rates	Bonds Outstanding 09/01/98	Bonds Issued After 09/01/98	Bonds Matured or Retired	Bonds Outstanding 08/31/99	Maturities		
							First Year	Last Year	First Call Date
School Building Bonds, Series 93	\$ 12,000,000	5.125-7.125	\$ 10,500,000	\$ -	\$ 2,500,000	\$ 8,000,000	1993	2002	NONE
General Fee Bonds, Series 1974	850,000	6.00	65,000	-	65,000	-	1974	1999	NONE
General Obligation Bonds, Series 98	-	3.40-4.50	-	1,765,000	60,000	1,705,000	1998	2002	NONE
Total	\$ 12,850,000		\$ 10,565,000	\$ 1,765,000	\$ 2,625,000	\$ 9,705,000			

Summary of Debt Service Requirements to Maturity

Year Ending August 31,

Description	2000	2001	2002	2003	Total Requirements
School Building Bonds, Series 93	\$ 2,362,750	\$ 2,259,500	\$ 2,155,000	\$ 2,051,250	\$ 8,828,500
General Obligation Bonds, Series 98	809,892	774,769	193,373	-	1,778,034
	\$ 3,172,642	\$ 3,034,269	\$ 2,348,373	\$ 2,051,250	\$ 10,606,534

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-3
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 1999

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PASS-THROUGH DISBURSEMENTS AND EXPENDITURES
U S DEPARTMENT OF AGRICULTURE			
Pass-Through From:			
Texas Department of Human Services			
Child Care Food Program	10.558		<u>6,331</u>
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through From:			
The City of Pasadena			
Community Development Block Grant	14.218		<u>23,706</u>
U S DEPARTMENT OF LABOR			
Pass-Through From:			
Houston-Galveston Area Council	17.250		<u>45,000</u>
NATIONAL SCIENCE FOUNDATION			
Pass-Through From:			
Foothill-DeAnza Community College District			
CCITT-GIS Workshop	47.076		5,307
North Orange County Community College District			
GIS Access	47.076		<u>8,710</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>14,017</u>
U S SMALL BUSINESS ADMINISTRATION			
Pass-Through From:			
The University of Houston-Central			
Small Business Development Center	59.037		<u>117,757</u>
U S DEPARTMENT OF VETERANS AFFAIRS			
Direct Programs:			
Veteran's Administration Admin Allowance	64.124		<u>2,210</u>
U S DEPARTMENT OF EDUCATION			
Direct Programs:			
Federal Supplemental Educational Opportunity Grant	84.007		772,731
Federal College Workstudy Program	84.033		502,648
Federal Pell Grant	84.063		4,230,944
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc Ed -- Annual Application 99	84.048	99420239	498,000
Carl Perkins Voc Ed -- Professional Dev Project 99	84.048	99150060	23,475
Carl Perkins Voc Ed -- Site Visit 99	84.048	99100009	12,587
Subtotal Carl Perkins Voc Ed			<u>534,062</u>
North Harris Community College District			
Schools To Careers-Local Implementation Partnership Grant	84.278		40,088
Texas Higher Education Coordinating Board			
Eisenhower 98	84.281	95048	8,083
Eisenhower 99	84.281	96024	20,249
Eisenhower 00	84.281	97022	26,789
Subtotal Eisenhower			<u>55,121</u>
TOTAL U S DEPARTMENT OF EDUCATION			<u>6,135,594</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>6,344,615</u>

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-3
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 1999

Note 1: Federal Assistance Reconciliation

Federal Revenues per Exhibit C-Restricted Funds	\$ 6,256,886
Indirect/Administrative Cost Recoveries	87,729

Total Expenditures per Federal Schedule	\$ 6,344,615
	=====

Note 2: Student Loans Processed-Not Included in Schedule

Federal Grantor CFDA Number/Program Name	New Loans Processed
-----	-----
Department of Education	
84.032 Federal Family Education Loan Program	\$ 1,531,948
	=====

Note 3: 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 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 general purpose financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the fund agencies. The college has followed all applicable guidelines issued by various entities in the preparation of the schedule.

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-4
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED AUGUST 31, 1999

GRANTOR AGENCY/PROGRAM TITLE	GRANT CONTRACT NUMBER	EXPENDITURES
TEXAS WORKFORCE COMMISSION		
Skills Development	POT-70062	5,485
Skills Development	POT-70069	18
Skills Development	POT-70082	71
Skills Development	POT-70097	12,791
Skills Development	POT-70110	6,479
Skills Development	POT-70122	39
Skills Development	POT-70123	19,875
Skills Development	POT-70129	380
Skills Development	POT-70142	849
Skills Development	POT-70234	96,045
Skills Development	POT-70262	0
Skills Development	POT-70330	32,089
Skills Development	POT-70330	4,332
Skills Development	POT-70330	36,089
Skills Development	POT-70330	6,829
Skills Development	POT-70330	125,613
Skills Development	POT-70330	28,609
Skills Development	POT-70330	70,300
Skills Development	POT-70330	16,471
Skills Development	POT-70330	53,854
Skills Development	POT-70142	46,101
Skills Development	POT-70142	15,985
Skills Development	POT-70491	238,002
Skills Development	POT-70142	49,746
Skills Development	POT-70142	11,009
Skills Development	POT-70491	3,078
TOTAL SKILLS DEVELOPMENT		<u>880,140</u>
TELECOMMUNICATIONS INFRASTRUCTURE FUND BOARD		
TIFB Grant	QE-1998-HE-1312	<u>289,274</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Texas College Work Study		12,652
AFDC Program-HB 1479		130
Early High School - HB1479		15,186
Certified Edu Aide Program		3,227
Subtotal Texas Higher Education Coordinating Board		<u>31,195</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>1,200,609</u>

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-4
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED AUGUST 31, 1999

Note 1: State Assistance Reconciliation

State Revenues - per Exhibit C:	
State Financial Assistance	
Per Schedule of expenditures of state awards	\$ 1,200,609
State Financial Assistance	
Continuing Education tuition and fees included in Exhibit C captioned "Tuition and Fees"	898,683

Total State Revenues per Exhibit C	\$ 301,926
	=====

Note 2: Significant accounting policies used in preparing the schedule

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

SAN JACINTO COLLEGE DISTRICT
 FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 1999

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
84.007	Federal SEOG Program
84.032	Federal Family Education Loan Program
84.033	Federal College Workstudy Program
84.048	Carl Perkins Voc Ed Program
84.063	Federal Pell Grant Program

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

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

	Federal CFDA Number	Findings	Questioned Costs
Federal SEOG Program	84.007	None	None
Federal Family Education Loan	84.032	None	None
Federal College Workstudy	84.033	None	None
Carl Perkins Voc Ed Program	84.048	None	None
Federal Pell Grant Program	84.063	None	None

SAN JACINTO COLLEGE DISTRICT
 STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 1999

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
QE-1998-HE-1312	TIFB Grant

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
TIFB Grant	QE-1998-HE-1312	None	None