



San Jacinto Community College District

Pasadena, Texas

Annual Comprehensive Financial Report
For the Fiscal Years Ended August 31, 2024 and 2023



San Jacinto Community College District

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
AUGUST 31, 2024 AND 2023**

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

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INTRODUCTORY



SAN JACINTO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA

Board of Trustees and Key Officers Year Ended August 31, 2024

Officers

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

Members

| | | Term Expires |
|---------------------------|--------------------|----------------|
| | | <u>May 31,</u> |
| Mrs. Marie Flickinger | Houston, Texas | 2025 |
| Mr. Larry Wilson | Pasadena, Texas | 2025 |
| Mr. Dan Mims | Channelview, Texas | 2027 |
| Mr. John Moon, Jr. | Pasadena, Texas | 2027 |
| Mr. Keith Sinor | Deer Park, Texas | 2027 |
| Mrs. Erica Davis Rouse | Houston, Texas | 2029 |
| Dr. Michelle Cantú-Wilson | Houston, Texas | 2029 |

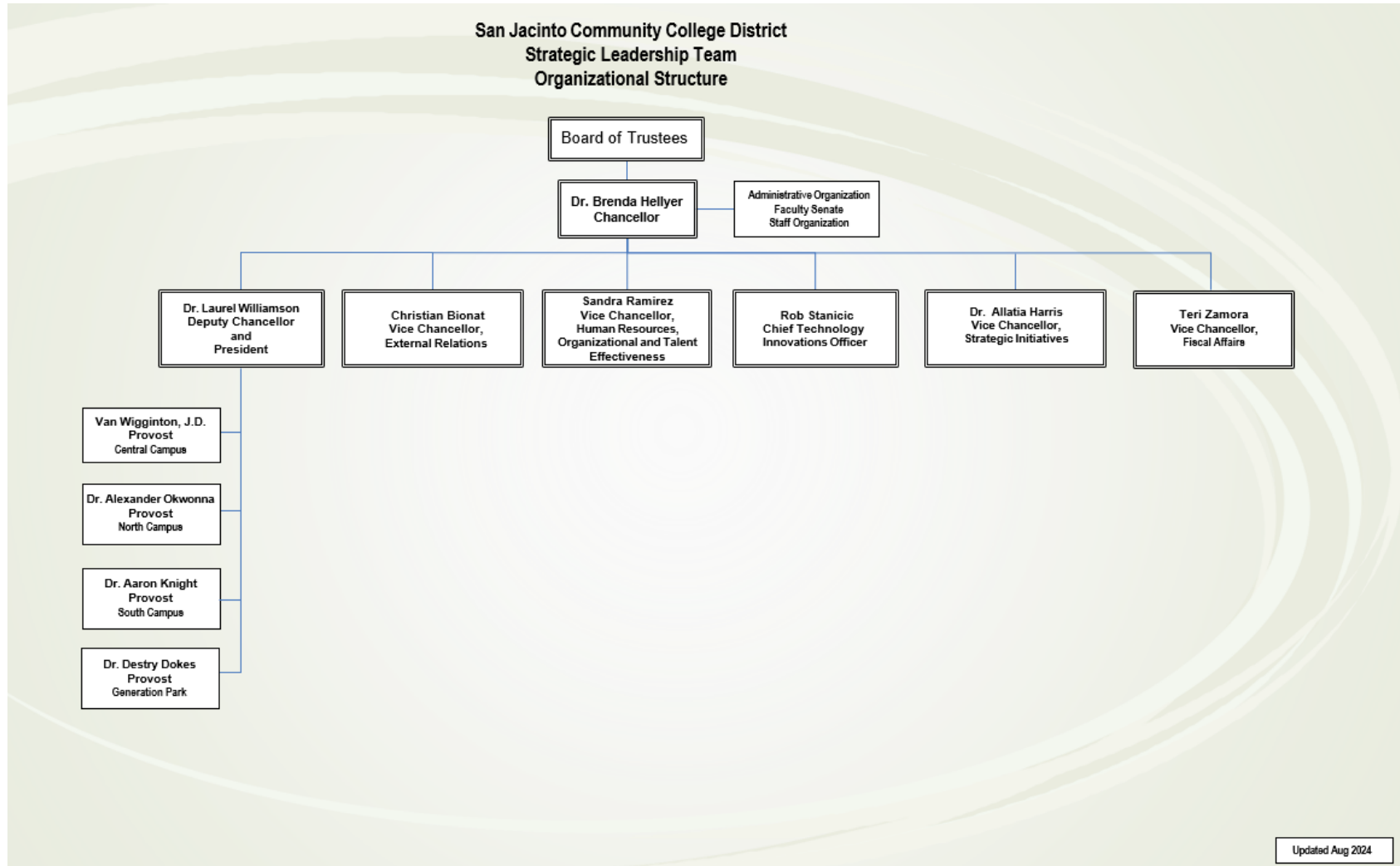
Trustee Emeritus

Dr. Ruede Wheeler, D.D.S.
Mr. Ben Meador

Key Officers

| | |
|-------------------------------------|--|
| Dr. Brenda L. Hellyer | Chancellor |
| Dr. Laurel V. Williamson | Deputy Chancellor and College President |
| Mrs. Teri Crawford, Retired 8/31/24 | Vice Chancellor, External Relations |
| Mr. Christian Bionat, Began 7/1/24 | Vice Chancellor, External Relations |
| Dr. Allatia Harris | Vice Chancellor, Strategic Initiatives |
| Mrs. Teri Zamora | Vice Chancellor, Fiscal Affairs |
| Mrs. Sandra Ramirez | Vice Chancellor, Human Resources, Organizational and Talent Effectiveness |
| Mr. Rob Stanicic | Chief Technology Innovations Officer |
| Mr. Van Wigginton, J.D. | Provost, Central Campus |
| Dr. Alexander Okwonna | Provost, North Campus |
| Dr. Aaron Knight | Provost, South Campus |
| Dr. Destry Dokes | Provost, Generation Park |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
ORGANIZATIONAL CHART
August 31, 2024





December 9, 2024

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

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of the San Jacinto Community College District (College) for the fiscal years ended August 31, 2024 and 2023. The purpose of this report is to provide detailed information about the financial condition and performance of the College to the Board of Trustees, taxpayers, Texas Higher Education Coordinating Board (THECB), grantor agencies, employees, and other interested parties. The report consists of management's representations concerning the finances of the College. Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control.

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

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

PROFILE OF THE DISTRICT

Getting Started

In May 1960, voters in the Channelview, Deer Park, Galena Park, La Porte, and Pasadena School Districts approved the creation of East Harris County Union Junior College. Sheldon School District was added in 1968. Voters elected seven members to serve on the Board of Regents, now Board of Trustees, and authorized them to levy a tax for the College's operations and maintenance.

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

On September 18, 1961, the College opened, and 876 students entered several renovated buildings in downtown Pasadena to attend the first classes offered by San Jacinto College. The voters of the College District voted favorably a \$.15 per \$100 valuation tax that was used to start operations, hire faculty, and begin building what is now the Central Campus. All operations were moved to the current Central Campus location in 1964.

Expansion

By fall 1974, the College was offering seven programs in leased store-front facilities on Federal Road until the North Campus opened in the spring of 1975.

San Jacinto College South Campus opened in September of 1979. Expansion of all three campuses began in December 1999, when voters approved the issuance of \$91 million in general obligation bonds, and continued in May 2008, when another successful bond election provided \$295 million in funding to update and expand facilities. Additionally, the College's Maritime Campus in La Porte was opened in 2016.

In November 2015, with a nearly 68 percent approval rate, voters continued their support of the College with approval of a \$425 million general obligation bond referendum to allow the College to continue to update and transform the campuses, with the focus on student success. A total of thirteen new buildings were constructed and fourteen existing buildings were fully renovated. In addition, buildings demonstrating the most need had systems upgrades that included new elevators, new building automation components, data facility power, and air conditioning. This general obligation bond also partially funded the initial building at the Generation Park Campus which opened in Fall 2020 in the northernmost portion of the College's taxing area. Major projects that remain to be completed using bond funds include ongoing Campus-Wide Deferred Maintenance and further build out of the Generation Park Campus.

After adding the City of Houston portions of Ellington Spaceport into the College taxing district in 2019, the College opened the EDGE Center at the Houston Spaceport located at Ellington Field in fiscal year 2020 to address the workforce needs of the aerospace and aviation companies in the Clear Lake area. The College continues to expand its offerings in the EDGE Center. While offering 12 to 18-month programs to train the future workforce, the EDGE Center also reskills aerospace employees through shorter customized training programs.

The College continues to expand partnerships with regional independent school districts and has expanded dual credit and early college high school offerings, including career and technical education options. The College has early college high schools, modified early college high schools, and academies with Channelview, Clear Creek, Deer Park, Galena Park, La Porte, Pasadena, Sheldon, and Crosby Independent School Districts. This work continues to be important with dual credit and early college high school students representing 23.5 percent of the fall 2024 student enrollment.

The College has grown to include five campuses and approximately 3.2 million square feet of buildings which support the growing demands of our student population. The College enrolled over 45,000 credit and non-credit students in fiscal year 2024 and served these students by employing just over 3,000 full-time and part-time personnel.

ACCOMPLISHMENTS AND AWARDS

In September 2024, the College celebrated its 63rd anniversary and continues a tradition of excellence based on the vision, passion, and cooperative spirit that has characterized this institution's leadership.

The College awarded 2,622 certificates, 5,170 associate degrees, and 32 bachelor degrees to 6,305 unique graduates during fiscal year 2024, based on preliminary data as of November 2024. In addition, 2,951 students transferred to four-year universities.

San Jacinto College was once again recognized by the Aspen Institute as an Aspen Prize Finalist for 2025. This places the College among the top 10 community colleges in the country and in the top 1 percent of all community colleges in the country. The Aspen Prize is awarded every two years, and San Jacinto College has been among the top 10 in each of the last five cycles. This recognition doesn't happen without the hard work and dedication of our faculty, staff, and administrators. Together, we are providing opportunities for our students to earn their credentials and degrees while receiving excellent student support. Everything we do at San Jacinto College is designed to ensure that our students are on a path to academic transfer or to enter the workforce with the skills and education they need to support the critical industries in our region.

In August, Texas Governor Greg Abbott announced that San Jacinto College received the Silver Veteran Education Excellence Recognition Award. This means that San Jacinto College ranks among 24 Texas public institutions of higher education honored by the Texas Veterans Commission. Established by the Texas Legislature, the award recognizes

universities and colleges that provide excellence in education and related services that significantly contribute to the academic success of student veterans and military-connected students. With three veteran centers located at the North, South, and Central Campuses, and intentional support extended to veterans attending the Maritime and Generation Park Campuses, the College's veteran services team is at the forefront of this mission. Each veteran center is staffed by a team of advisors who also serve as school certifying officials. A key aspect of the veteran services team's approach is fostering a sense of community among veterans.

The College's program director for biotechnology was recently named co-chair of the National Institute for Innovation in Manufacturing Biopharmaceuticals, the nation's leading trade organization for biopharma manufacturing. The director will serve as the community college co-chair on the workforce advisory committee which includes a large group of members from both industry and higher education.

San Jacinto College has received the North American Marine Environment Protection Association's (NAMEPA) 2024 Maritime Academies Award for equipping students with the skills necessary for responsible marine operations and environmental compliance. The only educational institution recognized, San Jac was one of 11 outstanding individuals and groups honored by NAMEPA's Marine Environment Protection Awards for contributing to marine environmental stewardship. The NAMEPA awards recognize individuals and organizations that preserve the marine environment by setting specific objectives for environmental performance/improvement and creating programs that are innovative, go beyond minimum compliance, and have a long-term, substantial impact.

The San Jacinto College Maritime Technology and Training Center is also a 2024 Center of Excellence for Domestic Maritime Workforce Training and Education. The U.S. Department of Transportation's Maritime Administration designated 32 Centers of Excellence on February 22, 2024. This prestigious recognition highlights institutions that equip students for maritime careers. San Jacinto College is the sole Texas institution among the 50 maritime training locations across 17 states and Guam, operating in 44 cities. San Jacinto College was also named an inaugural Center of Excellence designee in 2021.

San Jacinto College received the Ronald L. Rhames Exemplary Practice Award from the Community College Business Officers organization. This award benchmarks best practices in community colleges to encourage improvement across the sector and San Jacinto College was honored for its history of Mission Focused Capital Resource Allocation. While acknowledging individual initiatives such as the Maritime Training Program; the LyondellBasell Center for Petrochemical, Energy, and Technology; and the National Institute for Bioprocessing Research and Training (NIBRT) Biotechnology partnership; the College was specifically recognized for how its Board of Trustees and Strategic Leadership Team have collaboratively improved the College's position. Working together, a strategic vision was crafted, selecting impactful projects that are consistent with that vision, and providing consistent, inclusive leadership that has stretched available resources and ensured that the needs of all stakeholders are considered.

San Jacinto College's Contracts & Purchasing Services received the Achievement of Excellence in Procurement award from the National Procurement Institute. The College was one of 198 agencies in the United States and Canada, and one of 16 higher education organizations to receive this prestigious award. This is the twelfth consecutive year the team has won the award.

Last year, for the first time, the Government Treasurers' Organization of Texas (GTOT) awarded San Jacinto College the Certificate of Distinction for its Investment Policy. The review performed by GTOT helps to ensure that the College's Investment Policy meets all the requirements of the State of Texas Public Funds Investment Act. The certificate is effective for a period of two years ending November 30, 2025.

Student Success

San Jacinto College has a long history of being a strong resource for the communities it serves. That begins and is displayed in our commitment to affordability for students to attend and complete their educational goals. To demonstrate this commitment, the Promise @ San Jac Program was expanded beginning fall 2022 to all the independent school districts located within the College's taxing district, and all students who live within the taxing district can attend San Jacinto College as a Promise Scholar to complete their certificate or associate degree with no debt. Each year the College continues to enroll a larger proportion of first-generation students, and has expanded the level of supports provided to these students. This expansion of the Promise @ San Jac Program pays for all tuition costs after financial aid and other scholarships are applied, and also covers books and supplies. Over the last

three years, 8,502 students have been welcomed as Promise Scholars – 2,975 of those scholars were welcomed this fall from the graduating class of May 2024. Promise Scholars must take 12 semester credit hours or more, must maintain a 2.0 GPA, and have three years to complete their credential. This is truly a program built on San Jacinto College’s promise to support our students with resources and their promise to perform and complete. This program is being funded by the San Jacinto College Foundation through private donors.

The College continues to expand partnerships with regional independent school districts and has expanded dual credit and early college high school offerings, including career and technical education options. The Financial Aid for Swift Transfer (FAST) program, which was launched through House Bill 8 during the last legislative session, is a significant benefit to qualifying dual credit students and their parents. Approximately 75% of the College’s dual credit students are FAST eligible and are receiving their education at no charge. This program is anticipated to continue growing as high school students with the qualifications and the desire, but without the financial ability, are able to participate in dual credit courses on either an academic or technical pathway at no cost. Dual credit and early college high school students represent 23.5 percent of the fall 2024 student enrollment.

In the midst of the issues surrounding the updates of the Free Application for Federal Student Aid, also known as FAFSA, and the Apply Texas application, which is the admissions application that most Texas public institutions use for admission, student services and financial aid teams quickly adapted, collaborated on how to help our students, and adjusted internally to accommodate all of these changes. They increased communications with students, increased outreach efforts, created FAQs and video tutorials to guide students through the new processes, and set up virtual labs to help students in real time. These efforts resulted in many students enrolling and completing the processes.

The College has expanded the SJC Marketplace which provides food and other essential supplies for students. More than 3,700 visited the SJC Marketplace last year. In partnership with the Houston Food Bank and Shell, the College offers refrigerated food lockers for students who need food but can’t get to the Marketplace during operating hours. They can place an order, and their food will be placed in one of the lockers to be picked up at their convenience.

The College also provides significant personal support for students. This could be a mental health counselor, foster care resources, disability services, support for neurodiverse students, connections for pregnant and parenting students, and so much more. Our employees care deeply for our students, and we see that care and support throughout the College.

As we navigated through the pandemic several years ago, we implemented the San Jac Cares calling program. We realized that our first-year students needed and wanted an extra touch point, so we started making phone calls to students to check on them and see what support they needed. We have continued that calling program since COVID because we know it has a positive impact on our students. In the most recent academic year 86 employee volunteers contacted 10,849 first-year students.

Program Highlights

Effective with the spring 2024 term and with the support of a grant from the Houston Endowment, San Jacinto College launched a Bachelor of Applied Science in Education (BAS-EDU). The program was designed to stack seamlessly on top of the Associate of Applied Science in Early Childhood and provide students the ability to earn a bachelor’s degree. The BAS program offers evening and online courses to accommodate individuals working as paraprofessionals in an Independent School District or in Early Childhood Education settings. Beginning fall 2024, 123 students are enrolled in the Bachelor of Applied Science in Education pathway. The Associate of Applied Science in Child Development has seen an increase of 181 students from fall 2023 to fall 2024 with a total enrollment of 443. Students enrolled in the program complete a combination of 944 hours of observation or field-based learning at completion of the program. These hours take place in the community and students’ places of employment. The College was fortunate to receive a \$900,000 donation from the Chesmar Foundation specifically for this program. Half of these dollars are allocated for scholarships to cover tuition, books, and other course materials, and the remaining funds will help support alternative certification program testing.

San Jacinto College and the National Institute for Bioprocessing Research and Training (NIBRT) announced a partnership in August 2023, making the College the exclusive provider of NIBRT-licensed training in the southern part of the United States. The new training program offers regional biopharmaceutical training quickly, safely, and at lower cost for new hires entering the growing industry.

The Biotechnology program began at the South Campus in the Science and Allied Health Building in January 2024. The program equips new biomanufacturing professionals with the skills and knowledge they need to enter the field. Training integrates theoretical knowledge, practical hands-on experience, and exposure to industry practices customizable to meet industry partners' training needs. An associates degree in biomanufacturing technology opened with a full cohort in fall 2024. Future training offerings will encompass all aspects of biomanufacturing, specialized instrumentation and equipment training, and advanced techniques. The larger Center for Biotechnology will open in a new 10,000 sq. ft. facility on the Generation Park Campus in the second quarter of 2025 to expand the College's biotechnology offerings. In addition to current training offerings, the Center will offer credentials for postgraduates and for new skills areas as needed to meet workforce needs.

Effective with the fall 2024 term, the College was approved to offer a third bachelor's degree for the Bachelor of Applied Technology in information technology with an emphasis in cybersecurity. A security operations center at the South Campus Engineering and Technology Center is being created for hands-on real-life cybersecurity and analytics experience. Cybersecurity courses will include a hands-on component in the security operations center, including an optional semester-long internship.

The demand for highly skilled professionals is critical in industries with an online presence and will only continue to grow. While entry-level positions accept associate degree holders with industry credentials and relevant experience, employers often prefer candidates with bachelor's degrees. A Bachelor of Applied Technology (BAT) in IT with an emphasis in Cybersecurity will provide students with a more effective pathway to enter and advance in the cybersecurity workforce.

Today, the College continues to offer the first and only maritime transportation associate degree program in Texas. Through hands-on training and industry partnerships, the program fosters a new generation of maritime professionals ready to tackle the challenges of the field. To build a robust and sustainable pipeline of mariners, the College also offers incumbent workforce training designed to upskill current maritime professionals. With the issuance of over 18,000 U.S. Coast Guard (USCG) certificates, the College ensures that experienced mariners can enhance their skills and stay current with industry advancements. This focus on upskilling not only addresses the immediate crewing shortage but also fosters a more skilled workforce capable of meeting the evolving demands of the maritime industry. San Jacinto College Maritime Campus has been designated a 2021 and 2024 Maritime Administration (MARAD) Center of Excellence for Domestic Maritime Workforce Training and Education. The College is just one of 34 recipient institutions across the nation and U.S. territories to receive the 2024 designation which recognizes colleges and training centers that prepare students for careers in the maritime industry. To continue to meet regional workforce demand, the College added an Able Seaman (Tankerman) Registered Apprenticeship allowing students to "earn while they learn," partnering with industry in creating a unique pathway for students to gain professional experience while they learn the skills needed to be successful in their careers. Additionally, the Maritime campus continues to serve as the home of the College's Fire Academy to support emergency responders ashore as well as preparing future mariners in basic and advanced fire safety skills. We are proud of the industry and community partnerships that support the Maritime campus, housing the Maritime Technology and Training Center, San Jacinto College's Fire Academy, and services that provide qualified mariners to meet workforce needs of the maritime industry and the Port of Houston region.

During the pandemic, higher education institutions were thrust into an online world. Today, approximately 63% of our students take at least one course online. We recognize the need for online programs that students can complete from start to finish, and currently, we offer 60 fully online credentials. Our opportunity and challenge are in how we continue to respond and innovate in the growing online demand including creating a standard of quality for online instruction and utilizing innovative technologies to support student engagement, learning, and supports in all modalities of instruction. Earlier this year we announced that fall 2025 we will officially launch San Jac Online, our new virtual campus. We have hired dedicated staff for this campus, including a Chief Officer for Online Learning who is overseeing the implementation, launch, and all aspects of our approach to online learning moving forward.

REPORTING ENTITY

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

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

ECONOMIC CONDITION AND OUTLOOK FOR THE LOCAL ECONOMY

San Jacinto College is strategically located along the east side of Harris County, Texas, within the nine-county Houston-The Woodlands-Sugar Land metropolitan statistical area (MSA) and is home to 7.5 million people. The nine-county MSA covers 9,444 square miles – an area just larger than five states: New Hampshire, New Jersey, Connecticut, Delaware and Rhode Island. On the east side of Harris County, various opportunities in chemical manufacturing, refining and supporting distribution/terminals continue to grow along with the capabilities of the Port of Houston, the largest container port on the Gulf Coast. Coupled with the retiring workforce, industry leaders continue to project a need for a skilled workforce in the industrial and craft trades. San Jacinto College is working closely with many industry leaders and economic development groups to meet these workforce needs on both a near and long-term basis.

Over the last year, Houston’s economy has shown signs of recovery and resilience, particularly influenced by the energy sector, construction, private education, and health services. Houston has recovered a significant number of jobs since the peak of the pandemic, adding 70,000 jobs over the past year. Unemployment rates for Houston, Texas, and the U.S. were 4.4%, 4.1% and 3.9%, respectively, in September 2024 compared to 4.4%, 4.1% and 3.6% in September 2023. Houston has seen consistent population growth, which fuels demand for housing, goods, and services and this growth is often linked to job opportunities in various industries. Houston is a major hub for the oil and gas industry but beyond energy, Houston has a diverse economy that includes healthcare, aerospace, manufacturing, and technology.

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

The College maintains sound fiscal health and provides a strong return on investment to students, society, and taxpayers. The College’s Board of Trustees is committed to keeping taxes as low as possible, and the College continuously strives to find ways to improve services to students and support all necessary College operations at a lower cost. A combination of a solid tax base and a fiscally conservative College budget have enabled this long-term fiscal resiliency and sustainability and is intended to poise the College for future success.

The College Policy III.3001.B, Finance Standards, establishes a target level for the College’s days cash on hand of 4 to 6 months of the annual current unrestricted and auxiliary funds budgets. As of August 31, 2024, and 2023, the College had strong reserves with 5.51 months and 5.39 months, respectively, of cash on hand.

San Jacinto College continues to be affordable for students. Effective fall 2019, the College instituted a tuition only model and eliminated all enrollment fees. This change made all programs available to every student at the same low price and introduced a new level of transparency and simplicity to the process of registering and paying for college. At \$996 for tuition for 12 semester credit hours in fiscal year 2024, the College in-district tuition rate was one of the most affordable in the Gulf Coast region and in the state of Texas.

MISSION, VISION AND VALUES

San Jacinto College is working with Houston-area businesses and higher-education institutions to update curriculum, to implement initiatives that foster innovation, to upskill current workers, and to train an incoming workforce for the highly technical jobs currently in demand in the region and those anticipated with future growth and development. The College also partners closely with the local school districts, community groups including chambers and non-profits, and area economic organizations, as we strive to fulfill our goal of truly serving the community that supports us with their tax dollars. The College's partnerships with universities are critical for our significant transfer enrollment which is designed to be seamless and eliminate excess hours.

Mission

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

Vision

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

Our Values

We understand that every student is on a unique academic journey. San Jacinto College students are a diverse mosaic — blending many perspectives on success. Two-fifths of our student body are first-generation college students, and their academic success has the potential to change their lives, their families lives and their communities. Many of our students have other obligations and need a flexible schedule that allows them to balance education, work, and family.

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

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

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

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

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

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

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

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

STRATEGIC PLAN

San Jacinto College operates from a Strategic Plan approved by the Board of Trustees. This plan creates the focus of all employees on the five strategic goals of the College. Each employee focuses on those goals through the lens of the Underlying Assumptions. In addition to the Strategic Plan, each year the College leadership forwards Annual Priorities to the Board of Trustees on how each member of the College, faculty, staff, and administration will help meet those goals and help students succeed in their higher education journey. It takes each employee, faculty and administrator working together to help reach these goals. Below is a listing of our Strategic Goals, the Underlying

Assumptions, and the Annual Priorities approved by the Board of Trustees for fiscal year 2024. Each employee uses this information, combined with the annual priorities in their specific areas, to create their own individual performance plan of tactics to accomplish during the year to move the College closer to achieving its Annual Priorities.

Strategic Goals

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

Underlying Assumptions

- Access, Belonging, and Excellence
- Collaborative Communication
- Continuous Improvement
- Continued One-College Alignment

Annual Priorities

The Board of Trustees adopted the 2023-2024 Annual Priorities for the College on August 7, 2023.

- Maintain our Commitment to a Culture of Access
- Expansion of Transfer Opportunities and Awareness
- Career and Workforce Pathways
- Adaptive Student Support
- Expand our Outreach Efforts through College-Going Opportunities
- Positioning for the Future
- Advance a Culture of Resiliency and Sustainability

LEGAL

Texas statutes require the Comptroller of Public Accounts and the THECB to jointly prescribe a system for financial accounting and reporting for institutions of higher education. Pursuant to that requirement, we have prepared the Annual Comprehensive Financial Report of the College for the fiscal years ended August 31, 2024 and 2023. Additionally, the College is statutorily required to submit audited financial statements to the Texas Higher Education Coordinating Board by January 1st of each year.

THE AUDIT

A public accounting firm, Whitley Penn LLP, has audited the College's financial statements. The goal of the independent audit is to provide a reasonable assurance that the financial statements of the College for the years ended August 31, 2024 and 2023 are free from material misstatement. The independent audits involve examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor has concluded, based upon the audits, that there is a reasonable basis for rendering an unmodified opinion that the College's financial statements for the years ended August 31, 2024 and 2023 are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

THE REPORT

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

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

The supplemental schedules are presented to comply with the reporting requirements of the GASB and the THECB. The purpose of the supplemental schedules is to present more detailed information to the reader to allow a deeper understanding of the basic financial statements. Analysis of operating revenue, operating expenses by object, nonoperating revenue and expenses, and an analysis of net position by source and availability are presented.

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

The Federal and State awards section contains information regarding participation in various Federal and State programs. The independent auditor is required to conduct a separate audit of Federal programs and the College's system of internal control according to the standards applicable to financial audits contained in Government Auditing Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The independent auditor is also required to conduct a separate audit of State programs as required by the State of Texas Single Audit Circular. This section contains the auditor's report on the system of internal control, a listing of the Federal and State programs in which the College participates, and the dollar amount of expenditures for each program.

GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to San Jacinto Community College District for its annual comprehensive financial report for the fiscal year ended August 31, 2023. This was the seventeenth consecutive year that the College received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENT

The preparation of this report could not have been accomplished without the services of the entire Fiscal Affairs team. I would like to express my appreciation for their efforts toward advancing the quality and effectiveness of the College's financial reporting processes. I would also like to express my appreciation to the Board of Trustees and Chancellor for their support in maintaining the highest standards of professionalism and transparency with regard to the College's financial operations. Finally, I would like to thank the accounting firm, Whitley Penn LLP, for their experience and dedication in completion of the audit and review of this report.

Respectfully submitted,



Teri Zamora
Vice Chancellor, Fiscal Affairs



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**San Jacinto Community College District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

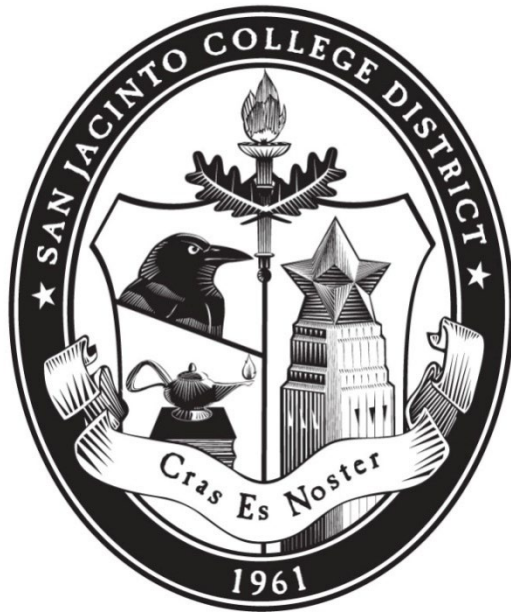
August 31, 2023

Christopher P. Morill

Executive Director/CEO



FINANCIAL



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
San Jacinto Community College District

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of San Jacinto Community College District (the "College"), as of and for the years ended August 31, 2024 and 2023 and, June 30, 2024 and 2023 and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of August 31, 2024 and 2023 and June 30, 2024 and 2023 and the respective changes in financial position, and cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the San Jacinto College Foundation, the discretely presented component unit, was not audited in accordance with *Government Auditing Standards*.

We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

To the Board of Trustees
San Jacinto Community College District

Supplementary Information

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

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2024, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Houston, Texas
December 9, 2024



SAN JACINTO COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

ABOUT SAN JACINTO COMMUNITY COLLEGE DISTRICT

In May 1960, voters in the Channelview, Deer Park, Galena Park, La Porte, and Pasadena School Districts approved the creation of East Harris County Union Junior College. Sheldon School District was added in 1968. Voters elected seven members to serve on the Board of Regents, now Board of Trustees, and authorized them to levy a tax for the College's operations and maintenance. The College's name was changed in February 1961 to San Jacinto Junior College District and then again in 1995 to San Jacinto Community College District. The College is most often referenced by the community as San Jacinto College or San Jac. Over 63 years of innovation, inclusion and extraordinary growth mark the history of San Jacinto College. The College district has now grown to include five campuses, a network of off-campus learning centers, over 45,000 credit and non-credit students annually, a robust dual credit and early college high school program, and multiple online offerings, serving the greater Houston community. To support its success, the College continues to invest in its first-class facilities and partnerships that inspire the next generation of leaders. In order to serve these students, the College currently employs over 3,000 full-time and part-time personnel. Most faculty have earned masters and doctoral degrees, and many have been nationally recognized for their teaching, innovation, research, or authorship.

The College benefits from a solid tax base and inclusion in the Houston metropolitan area, with the City of Houston ranked as the largest city in the State of Texas and the nation's fourth largest. The College's service district is also home to the nation's largest and world's second largest petrochemical complex, NASA-Johnson Space Center, and the Port of Houston (the Port), which is ranked first in the United States in foreign tonnage. In true community college fashion, the College maintains partnerships with many of the area's import and export companies, major oil and gas refineries, manufacturing firms, marine transportation companies, and a consortium of aerospace interests. To help meet the specialized workforce needs of the surrounding community, the College has created innovative instructional partnerships with companies supporting the Port, maritime and petrochemical companies, international and small businesses, healthcare providers, transportation entities, various foundations and nonprofit organizations, and other colleges and universities.

Working closely with area school districts, the College has built educational pipelines which help take students from kindergarten to college within a framework that includes technical workforce programs, academic articulation agreements, and dual credit and early college high school programs. Students are attracted to the College's specialized instructional programs and the seamless transferability of credits to four-year universities. Students can choose from various certificate and credential programs, and the following degrees: Associate of Arts, Associate of Science, Associate of Applied Science, Associate of Arts in Teaching, Bachelor of Science in Nursing, Bachelor of Applied Science in Education with an emphasis in early childhood education, and Bachelor of Applied Technology in Information Technology with an emphasis in Cybersecurity.

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

The College's service area encompasses approximately 541,000 citizens and 330 square miles. A seven-member Board of Trustees (the Board), elected for six-year terms by the taxpayers in its taxing district govern the College. The Board sets the mission, vision, and strategic direction for the College and is responsible for oversight of budgets, policies, and governance.

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

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) is the regional accreditation authority of the College. The accreditation process occurs every 10 years and is critical, as the College's accreditation assures our students and community of the quality and integrity of our institution and our programs. The College successfully completed the written report and an on-site visit by a peer review committee resulting in the reaffirmation of the College's accreditation in June 2019. The College completed the SACSCOC 5th Year Report due in September 2024.

The College has three primary sources of revenue: State appropriations, property taxes, and tuition which represent 23.8%, 37.4% and 12.7% of total revenue, respectively. The College's state appropriation for fiscal year 2024 increased by 33.1 percent over the fiscal year 2023 allocation with the implementation of the new State funding model based on performance outcomes approved during the 88th Legislative session.

COVID-19 RECOVERY

The College's response to COVID-19 throughout the pandemic was swift and decisive and focused on helping students complete their course work successfully. Ultimately, the College delivered courses offering several different options for students, in addition to face-to-face classes, as outlined below. These delivery methods, along with face-to-face, continue to be used to varying degrees today.

- Online Anytime - Students take classes online, at any time. This provides the students with the most flexible option to work on coursework as their schedule allows and no requirement to be on campus.
- Online on a Schedule - This allows students to have a structured routine. All coursework is completed on-line, but the lectures and virtual instruction occurs at specific times and days similar to a face-to-face course but from the comfort of their homes.
- Hands-On Hybrid - Technical and applied skill courses use this hybrid format. The majority of class instruction is delivered on-line. Students come to campus in small groups to complete hands-on learning and practical testing.

While the majority of students are back at the campuses taking face-to-face classes, there has been a shift in student demand for online classes. Today, 40.4% of contact hours for fall 2024 will be generated fully online versus 21% in fall 2019 prior to the pandemic. As a result of this shift, the College is enhancing its strategic plan for online offerings and will implement SJC Online in fall 2025. The College is also planning to offer two pilot competency-based education programs in Spring 2025.

To help support students and the institution during the pandemic, the College was awarded a total of \$78.4 million of Higher Education Emergency Relief Funds (HEERF). The chart below under Financial Highlights for 2023 summarizes the HEERF funds awarded to the College and amount spent through fiscal year 2023. Over \$30 million of this award was distributed in direct aid to students. The Institutional and Minority Serving Institution awards have been used to support students through tuition discount programs and other support services, upgrade technology and security infrastructure, provide instructional and institutional support services, and fund many other initiatives. There was an automatic no cost extension through June 30, 2023 approved by the Department of Education for these grants in April 2022.

Required reporting related to all Higher Education Emergency Relief Funds can be found on our website at the following link: <https://www.sanjac.edu/transparency/heerf>.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

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

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

service is provided by the College and expenses and liabilities are recognized when services are provided to the College, regardless of when cash is exchanged.

The annual financial report consists of three basic financial statements: the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows. While each statement presents a unique set of information, they should be used together and in conjunction with the notes to the basic financial statements. The financial statements for the College's component unit, San Jacinto Community College Foundation, Inc. (the Foundation), are discretely presented with the financial statements of the College since the Foundation raises and holds economic resources for the direct benefit of the College. Reference should be made to the separately issued financial statements of the Foundation for additional information.

This section of the annual financial report is entitled "Management's Discussion and Analysis." It provides an overview of the College's financial activities for the current year, along with a comparison to the prior year.

Financial Highlights for 2024

- The College experienced a 901 student enrollment increase for fall 2023 compared to fall 2022 with enrollment of 31,494 students compared to 30,593. Total unduplicated annual enrollment for credit courses was 42,706 for 2024 compared to 40,851 for 2023, an increase of 1,855 or 4.5%. Enrollment for fall 2024 has increased compared to fall 2023 by 434 students for a total of 31,928 students (uncertified as of 10/15/24).
- The College continues to invest in its people, a strong student success agenda, and continuous improvement resulting in the award of 7,824 certificates, associate and bachelor's degrees in 2024. This is an increase of 58 credentials from 7,766 awarded in 2023 and represents a 50% increase over 10 years ago. The College continues to enhance its focus on helping students achieve their completion goals.
- The net assessed valuation of the College District increased to \$84.5 billion for tax year 2023 (fiscal year 2024). Tax collections for fiscal year 2024, which were collected at an average of 97.75%, resulted in an increase of \$3.2 million in tax revenues for maintenance & operations and an increase of \$1.5 million for debt service. The collection rate is down over the prior year rate of 98.94% due to overall economic conditions. In addition, collections have been impacted by an increase in refunds paid to taxpayers as property value disputes are settled.
- As of August 31, 2024, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$79.8 million (net position). The College had an overall decrease of \$3.5 million in total net position from 2023 to 2024 due in part to the non-cash entries related to GASB 68 and 75.

Financial Highlights for 2023

- The College experienced a 984 student enrollment decrease for fall 2022 compared to fall 2021 with enrollment of 30,593 students compared to 31,577. Total unduplicated annual enrollment was 40,851 for 2023 compared to 40,877 for 2022, a decrease of 26 or .06%. The College developed new programs and scholarship opportunities to engage students and ensure their success. As a result, enrollment for fall 2023 increased compared to fall 2022 by 901 students for a total of 31,494 students.
- The College continues to invest in its people, a strong student success agenda, and continuous improvement resulting in the award of 7,766 certificates, associate and bachelor degrees in 2023. While this is a decrease of 348 credentials from 8,114 awarded in 2022, it is well above the 7,181 awarded in 2021, and the College continues to enhance its focus on helping students achieve their completion goals.
- The net assessed valuation of the College District increased to \$76.0 billion for tax year 2022 (fiscal year 2023). Tax collections for fiscal year 2023, which were collected at an average of 98.94%, resulted in an

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

increase of \$5.6 million in tax revenues for maintenance & operations and an increase of \$1.6 million for debt service.

- Higher Education Emergency Relief Funds – Education Stabilization Fund

| | Total Amount Awarded | Amount Expended 2023 | Amount Expended 2022 | Amount Expended 2021 | Amount Expended 2020 | Percent of Award Expended |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------------|
| Student Portion | \$ 30,048,762 | \$ - | \$ 15,568,048 | \$ 10,696,064 | \$ 3,784,650 | 100.0% |
| Institutional Portion | 44,202,002 | 14,231,107 | 21,295,697 | 5,580,155 | 3,095,043 | 100.0% |
| Minority Serving Institution | 4,149,574 | 2,852,836 | 686,950 | 243,923 | 365,865 | 100.0% |
| Total HEERF Funding | \$ <u>78,400,338</u> | \$ <u>17,083,943</u> | \$ <u>37,550,695</u> | \$ <u>16,520,142</u> | \$ <u>7,245,558</u> | 100.0% |

- As of August 31, 2023, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$83.3 million (net position). The College had an overall increase of \$3.8 million in total net position from 2022 to 2023.

THE STATEMENT OF NET POSITION

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

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

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

| | 2024 | 2023, Restated | 2022, Restated |
|-------------------------------------|------------------|------------------|------------------|
| <u>Assets</u> | | | |
| Current assets | \$ 186,785 | \$ 192,901 | \$ 220,489 |
| Noncurrent assets: | | | |
| Capital assets, net of depreciation | 719,735 | 727,226 | 726,448 |
| Other | <u>20,026</u> | <u>19,922</u> | <u>-</u> |
| Total assets | <u>926,546</u> | <u>940,049</u> | <u>946,937</u> |
| Deferred outflows of resources | <u>36,579</u> | <u>42,408</u> | <u>37,244</u> |
| Current liabilities | 82,560 | 77,867 | 70,904 |
| Noncurrent liabilities | <u>763,302</u> | <u>779,560</u> | <u>788,695</u> |
| Total liabilities | <u>845,862</u> | <u>857,427</u> | <u>859,599</u> |
| Deferred inflows of resources | <u>37,452</u> | <u>41,769</u> | <u>45,096</u> |
| Net Position | | | |
| Net investment in capital assets | 135,955 | 137,716 | 135,412 |
| Restricted - expendable | 2,064 | 3,360 | 7,040 |
| Unrestricted | <u>(58,208)</u> | <u>(57,815)</u> | <u>(62,967)</u> |
| Total net position (Schedule D) | \$ <u>79,811</u> | \$ <u>83,261</u> | \$ <u>79,485</u> |

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

Accounting related to GASB 68 (Pension) and GASB 75 (OPEB) has a significant impact on the Statement of Net Position, including changes in deferred outflows of resources, liabilities, and deferred inflows of resources. Note 14 – Defined Benefit Plan – Teacher Retirement System of Texas relates to GASB 68 and Note 17 – Post-Employment Benefits Other Than Pensions (OPEB) – Employee Retirement System of Texas relates to GASB 75 in the accompanying Notes to the Financial Statements. The College total net position for 2024, 2023, and 2022 would have been \$231,651,769, \$232,078,074, and \$227,931,239, respectively, without the cumulative impact of GASB 68 and GASB 75.

Fiscal Year 2024 Compared to 2023

Total assets decreased by \$13.5 million during 2024, a 1.4% percent decrease over 2023. The change in total assets is primarily related to annual depreciation which continues to exceed the addition of new capital assets.

The changes in deferred outflows and inflows are primarily related to the College's participation in the Teacher Retirement System of Texas (TRS) and the Employee Retirement System of Texas (ERS) for the State Retiree Health Plan. Both plans are as of the entities' measurement dates of August 31, 2023. Changes in plan assumptions result in changes in the deferred outflows and inflows balances which are more fully discussed in footnotes 14 and 17.

Total liabilities decreased by \$11.6 million in 2024. Bonds payable decreased by \$20.9 million due to principal payments during the year. Net pension liability increased by \$8.8 million and net OPEB liability decreased by \$7.4 million due to changes in assumptions by the Teachers Retirement System of Texas (TRS - Pensions) and the Employees Retirement System of Texas (ERS - OPEB). Accounts payable increased by \$2.6 million and notes payable, increased by \$6.7 million due to additional capital financing of IT equipment.

The College had an overall decrease of \$3.5 million in total net position from 2023 to 2024. The College's unrestricted net position is a negative \$58.2 million at year-end due to the effects related to pension and OPEB outflows, net liability, and inflows. After removal of the effect of these outflows, net liability and inflows, under the SACSCOC Unrestricted Net Assets Exclusive of Plant and Plant-Related Debt (UNAEP) model, the adjusted unrestricted net assets increased from \$93.4 million to \$96.5 million.

Fiscal Year 2023 Compared to 2022

Total assets decreased by \$6.9 million during 2023, a .7% percent decrease over 2022. The change in total assets is primarily related to the annual depreciation which exceeds the addition of new capital assets.

The changes in deferred outflows and inflows are primarily related to the College's participation in the Teacher Retirement System of Texas (TRS) and the Employee Retirement System of Texas (ERS) for the State Retiree Health Plan. Both plans are as of the entities' measurement dates of August 31, 2022. Changes in plan assumptions result in changes in the deferred outflows and inflows balances which are more fully discussed in footnotes 16 and 19.

Total liabilities decreased by \$2.2 million in 2023. Bonds payable decreased by \$17.9 million due to principal payments during the year. Net pension liability increased by \$29.3 million and net OPEB liability decreased by \$19.7 million due to changes in assumptions by the Teachers Retirement System of Texas (TRS - Pensions) and the Employees Retirement System of Texas (ERS - OPEB). Accounts payable decreased by \$1.4 million and notes payable increased by \$2.4 million due to completion of projects under the State Energy Commission office for energy savings loan program. Unearned revenue increased by \$2.1 million due to an increase in fall 2023 enrollment over the prior year and the Subscription-based IT arrangement liability increased \$2.9 million over the prior year.

The College had an overall increase of \$3.8 million in total net position from 2022 to 2023. The College's unrestricted net position is a negative \$57.8 million at year-end due to the effects related to pension and OPEB outflows, net liability, and inflows. After removal of the effect of these outflows, net liability and inflows, under the SACSCOC

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

Unrestricted Net Assets Exclusive of Plant and Plant-Related Debt (UNAEP) model, the adjusted unrestricted net assets increased from \$87.8 million to \$93.4 million.

THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position focuses on the “bottom line results” of the College’s operations. This approach summarizes and simplifies the user’s analysis of the revenues earned and the cost of services. It details how net position has decreased during the year ended August 31, 2024, with comparative information for fiscal year 2023. The statement is divided into operating revenues and expenses and non-operating revenues and expenses. Operating revenues are received for providing goods and services to students and various constituencies of the College. Operating expenses are personnel and other expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College.

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

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

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

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

| | <u>2024</u> | <u>2023, Restated</u> | <u>2022, Restated</u> |
|--|------------------|-----------------------|-----------------------|
| Revenues | | | |
| Operating Revenues: | | | |
| Student tuition, net of allowances and discounts | \$ 41,494 | \$ 39,019 | \$ 36,716 |
| Federal grants and contracts | 7,845 | 21,425 | 38,646 |
| State grants and contracts | 6,109 | 2,618 | 2,557 |
| Non-governmental grants and contracts | 3,864 | 4,177 | 3,399 |
| Sales and services of educational and non-educational activities | 2,605 | 1,352 | 2,211 |
| Auxiliary enterprises | 3,019 | 2,290 | 2,815 |
| Total operating revenues (Schedule A) | <u>64,936</u> | <u>70,881</u> | <u>86,344</u> |
| Expenses | | | |
| Operating Expenses: | | | |
| Instruction | 98,511 | 87,349 | 79,776 |
| Public service | 415 | 374 | 395 |
| Academic support | 25,240 | 24,736 | 21,362 |
| Student services | 23,454 | 19,389 | 18,317 |
| Institutional support | 54,647 | 47,508 | 46,975 |
| Operation and maintenance of plant | 25,266 | 24,061 | 20,878 |
| Scholarships and fellowships | 40,977 | 31,727 | 42,451 |
| Auxiliary enterprises | 3,264 | 2,908 | 2,659 |
| Depreciation and amortization | 34,803 | 33,732 | 31,875 |
| Total operating expenses (Schedule B) | <u>306,577</u> | <u>271,784</u> | <u>264,688</u> |
| Operating loss | <u>(241,641)</u> | <u>(200,903)</u> | <u>(178,344)</u> |
| Non-operating revenues (expenses) | | | |
| State appropriations | 77,607 | 53,996 | 51,769 |
| Maintenance ad valorem taxes | 82,718 | 79,472 | 73,881 |
| Debt service ad valorem taxes | 39,224 | 37,687 | 36,071 |
| Federal revenue, non-operating | 50,736 | 41,619 | 38,082 |
| HEERF Revenue Recovery | - | 7,735 | 7,660 |
| Gifts/donations | 641 | 168 | 16 |
| Investment income (net of investment expenses) | 10,530 | 8,332 | 1,176 |
| Interest on capital related debt | (23,108) | (24,333) | (24,743) |
| Other non-operating revenues (expenses) | (157) | 3 | (3) |
| Total non-operating revenues, net (Schedule C) | <u>238,191</u> | <u>204,679</u> | <u>183,909</u> |
| Net (decrease) increase in net position | (3,450) | 3,776 | 5,565 |
| <u>Net Position</u> | | | |
| Net position, beginning of year | <u>83,261</u> | <u>79,485</u> | <u>73,920</u> |
| Net position, end of year | <u>\$ 79,811</u> | <u>\$ 83,261</u> | <u>\$ 79,485</u> |

The following schedule shows the impact of GASB No. 68 (Pension) and GASB No. 75 (OPEB) on total salaries and benefits expenses for the three-year period, including both restricted and unrestricted funds. The significant changes from year-to-year are related to various changes in actuarial assumptions, which are discussed in footnotes 14 and 17 and the Required Supplemental Schedule Notes. It is important to note that these actuarial assumptions are for fiscal year ended August 31, 2023, which is one year behind the College's fiscal year being reported.

| | Pension and OPEB Expenses (Included in Salaries and Benefits) | | | | | | Change | |
|---------------------------------|--|------|-------------------|------|-----------------------|-------|---------------------|---------------------|
| | 2024 | | 2023 | | 2022 | | 2023 to 2024 | 2022 to 2023 |
| | Total | % of | Total | % of | Total | Total | Total | |
| GASB 68 - Pension | \$ 4,773,917 | 3% | \$ 1,128,427 | 1% | \$ (3,777,511) | -2% | \$ 3,645,490 | \$ 4,905,938 |
| GASB 75 - OPEB | (1,750,689) | -1% | (757,507) | 0% | 911,591 | 1% | (993,182) | (1,669,098) |
| Total Pension and OPEB Expenses | <u>\$ 3,023,228</u> | | <u>\$ 370,920</u> | | <u>\$ (2,865,920)</u> | | <u>\$ 2,652,308</u> | <u>\$ 3,236,840</u> |

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

Fiscal Year 2024 Compared to 2023

Operating revenues decreased by \$5.9 million to \$64.9 million for 2024 from \$70.9 million in 2023. Tuition revenue (net of allowances and discounts) increased by \$2.5 million in 2024 to \$41.5 million from \$39.0 million in 2023. Total tuition increased by \$6.2 million and total allowances and discounts increased by \$3.7 million. Enrollment increased to 31,494 from 30,593 from fall to fall, while total contact hours increased to 12.6 million from 11.9 million for 2024 and 2023, respectively. Sales and services activities and auxiliary enterprises increased by \$2.0 million primarily due to higher energy efficiency rewards, insurance proceeds, higher maritime simulator leases, as well as a modest increase in all auxiliary revenue categories. Federal Grant related revenues decreased by \$13.6 million due to the close out of the HEERF grants and state grants and contracts increased \$3.5 million due to additional funding for the Texas Educational Opportunity Grant.

Operating expenses increased by \$34.8 million to \$306.6 million for 2024 from \$271.8 million for 2023. Major components of the change were due to the following: (1) scholarships and fellowships increased \$9.3 million due to increases in federal and state grants, (2) depreciation and amortization expense increased by \$1.1 million due to completed capital projects and right-to-use subscription and leased assets, (3) salary expenses increased \$8.4 million as a result of a classification and job evaluation study and annual performance increases for all full time employees, (4) benefit expenses increased \$9.4 million due to a \$2.9 million increase in benefits related to the increased payroll expense noted above and \$6.5 million due to pension and health care expenses, attributed to changes in assumptions by TRS and ERS.

Net non-operating revenues and expenses increased by \$33.5 million to \$238.2 million for 2024 from \$204.7 million for 2023. State appropriations increased by \$23.6 million largely due to a recent change in the overall appropriations funding model for higher education, as well as an increase in restricted state benefits related to GASB 68 and GASB 75. Ad valorem tax revenue increased by \$4.8 million. The maintenance and operations tax rate decreased to 9.9152 cents from 10.5500 cents and the debt service tax rate decreased to 4.7043 cents from 5.0105 cents for fiscal years 2024 and 2023, respectively. The total tax rate decreased to 14.6195 cents for 2024 from 15.5605 for 2023. The overall tax rate was reduced due to increases in the College's certified tax values. Net investment income increased by \$2.2 million due to increases in earnings rates from a low of 4.87% at the start of the year to a high of 4.99% at the end of the year. Federal revenue increased by \$9.1 million primarily due to higher Pell Grants awarded under new federal legislation.

Fiscal Year 2023 Compared to 2022

Operating revenues decreased by \$15.5 million to \$70.9 million for 2023 from \$86.3 million in 2022. Tuition revenue (net of allowances and discounts) increased by \$2.3 million in 2023 to \$39.0 million from \$36.7 million in 2022. Total tuition increased by \$2.5 million and total allowances and discounts decreased by \$.2 million. Enrollment decreased to 30,593 from 31,577 from fall to fall, while total contact hours increased to 11.9 million from 11.6 million for 2023 and 2022, respectively. The average State appropriation per contact hour decreased to \$2.80 for 2023 from \$2.88 for 2022, while the average State appropriation per student success point remained steady at \$123.95. Sales and services activities and auxiliary enterprises decreased by \$1.4 million primarily due to a decrease in insurance proceeds and bookstore commissions. Bookstore commissions decreased due to the College's focus on reducing students' course material costs. The College has saved students \$36 million in course material costs over the last seven years. Federal Grant related revenues decreased by \$17.2 million due to the close out of the HEERF grants and non-governmental grants and contracts increased \$.8 million.

Operating expenses increased by \$7.1 million to \$271.8 million for 2023 from \$264.7 million for 2022. Major components of the change were due to the following: (1) scholarships and fellowships decreased \$10.7 million due to close out of the HEERF grants, (2) depreciation and amortization expense increased by \$1.9 million due to completed capital projects and right-to-use subscription assets, (3) salary expenses increased \$7.5 million for performance pay increases, higher hourly pay rates for part-time faculty and staff, adjustments in several market stipends, and higher employee headcount, (4) benefit expenses increased \$6.6 million due to pension and health care expenses, attributed to changes in assumptions by TRS and ERS.

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

Net non-operating revenues and expenses increased by \$20.8 million to \$204.7 million for 2023 from \$183.9 million for 2022. State appropriations increased by \$2.2 million due to an increase in restricted state benefits related to GASB 68 and GASB 75. Ad valorem tax revenue increased by \$7.2 million. The maintenance and operations tax rate decreased to 10.5500 cents from 11.2838 cents and the debt service tax rate decreased to 5.0105 cents from 5.5129 cents for 2023 and 2022, respectively. The total tax rate decreased to 15.5605 cents for 2023 from 16.7967 for 2022. The overall tax rate was reduced due to increases in the College's certified tax values. Net investment income increased by \$7.2 million due to increases in earnings rates from a low of 2.38% at the start of the year to a high of 5.56% at the end of the year. Federal revenue increased by \$3.5 million primarily due to higher Pell Grants awarded under new federal legislation.

THE STATEMENT OF CASH FLOWS

The Statement of Cash Flows combines information from the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position to illustrate the effect of various actions of the College on the availability and ultimate change in the amount of cash from one year to the next. The cash provided or used by operations, capital and non-capital financing, and investing activities combine to show the net change in cash and cash equivalents. The final portion of the statement of Cash Flows reconciles the net income or loss from operations to the cash provided or used by operations. The Statement of Cash Flows is presented in Exhibit 3.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

In 2024, the College had a \$7.5 million decrease in net capital assets. The decrease was due to a \$37.6 million net increase in depreciable assets for completed construction projects placed in service and right-to-use assets offset by a \$15.5 million net decrease in construction in progress, and a net increase in accumulated depreciation of \$29.6 million.

In 2023, the College had a \$.8 million increase in net capital assets. The increase was due to a \$54.2 million net increase in depreciable assets for completed construction projects placed in service and right-to-use assets offset by a \$20.1 million net decrease in construction in progress, and a net increase in accumulated depreciation of \$33.4 million.

Long-Term Debt

During fiscal year 2024, the College issued a \$4 million, zero interest Combined Fee Revenue Bond (Series 2023). The proceeds will be used to finance construction of the Center for Biotechnology at the Generation Park campus. To date \$1.05 million has been drawn on this zero-interest bond, net of a \$.2 million repayment in fiscal year 2024.

No new general obligation bonds were issued nor were any bonds defeased; however, normal principal payments were made decreasing the overall bonds payable balance.

During fiscal year 2023, the College issued no new general obligation bonds nor were any bonds defeased; however, normal principal payments were made decreasing the overall bonds payable balance.

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

Note 6- Capital Assets

Note 7- Construction Commitments

Note 8- Noncurrent Liabilities

Note 9- Bonds and Notes Payable

Note 10 - Debt and Lease Obligations

Note 11 - Pledged Revenue Coverage

Note 13 – Leases and Subscriptions

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

AD VALOREM TAXES

To fund fiscal year 2024, on October 2, 2023, the Board approved the adoption of the 2023 tax rate of 14.6195 cents per \$100 valuation which was 0.9410 cents below the prior year rate of 15.5605 cents. The adopted rate is higher than the calculated no-new revenue tax rate of 14.0269 cents and required the College to hold a public hearing. The maintenance and operations tax rate decreased to 9.9152 cents and the debt service tax rate decreased to 4.7043 cents. The total taxes imposed on a residence homestead at the average appraised value of \$170,800 (excluding special exemptions for persons 65 years of age or older or disabled) at the adopted rate were \$249.70. A taxpayer owning a homestead residence and claiming the over 65 or older or disabled exemption incurred \$50.95 in taxes to the College on a residence taxed at the average market value. Certified property tax values for the 2023 tax year were received from the Harris Central Appraisal District (HCAD) on August 29, 2023. The certified tax roll values for 2023 were \$86.3 billion, which was \$9.5 billion (12.4%) higher than the tax year 2022 valuations.

To fund fiscal year 2023, on October 3, 2022, the Board approved the adoption of the 2022 tax rate of 15.5605 cents per \$100 valuation which was 0.0124 cents below the prior year rate of 16.7967 cents. The adopted rate was higher than the calculated no-new revenue tax rate of 14.8513 cents and required the College to hold a public hearing. The maintenance and operations tax rate decreased to 10.5500 cents and the debt service tax rate decreased to 5.0105 cents. The total taxes imposed on a residence at the average appraised value of \$157,553 (excluding the homestead and special exemptions for persons 65 years of age or older or disabled) at the adopted rate were \$245.16. A taxpayer owning a homestead residence and claiming the over 65 or older or disabled exemption incurred \$38.98 in taxes to the College on a residence taxed at the average market value. Certified property tax values for the 2022 tax year were received from the Harris Central Appraisal District (HCAD) on August 31, 2022. The certified tax roll values for 2022 were \$76.8 billion, which was \$10.2 billion (15.3%) higher than the tax year 2021 valuations.

CREDIT RATINGS

At August 31, 2024, the College's credit ratings are as follows:

| | <u>Moody's Investors Service (1) Standard & Poor's (2)</u> | |
|------------------------------|--|-------------|
| General Obligation Bonds | Aa2/Stable | AA+/Stable |
| Combined Fee Revenue Bonds * | Aa3/Stable | Not Rated** |

(1) Moody's affirmed its rating on the General Obligation Bonds on January 12, 2022.

(2) Standard & Poor's upgraded its rating on the General Obligation Bonds on March 6, 2024.

* The rating on the Combined Fee Revenue Bonds was assigned on July 09, 2015.

** Standard & Poor's was not requested to assign and does not maintain a rating the on the Combined Fee Revenue Bonds.

In March 2024, Standard & Poor's Global Ratings upgraded its 'AA'/Positive long-term rating to AA+/Stable on San Jacinto Community College District, Texas' previously issued general obligation (GO) debt.

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

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

The Local Economy

The Greater Houston region's economy is one of the most diverse and robust in the United States, driven by key sectors such as energy, healthcare, manufacturing, maritime, and technology. The area has long been a global hub for the oil and gas industry, with numerous major energy companies headquartered locally. Houston's position as a

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

key energy center has fostered innovation in carbon capture and growth in renewable energy, as well as the expansion of related sectors such as petrochemicals and logistics. In addition to energy, healthcare is a significant economic driver, with the Texas Medical Center being the world's largest medical complex and a leader in research and clinical care.

Houston is also a rising tech and innovation hub, attracting startups and tech companies, particularly in the fields of space exploration, artificial intelligence, and biosciences. The region's diverse population and low cost of living have made it an attractive destination for businesses and talent from across the country and internationally. Moreover, the region benefits from strong international trade, thanks to its large port and proximity to Latin America. While historically known for its oil and gas dominance, Houston's economy has evolved to become more dynamic and resilient, with significant growth in multiple sectors.

Ad Valorem Taxes

To fund fiscal year 2025, on October 7, 2024, the Board approved the adoption of the 2024 tax rate of 15.4868 cents per \$100 valuation which is 0.8673 cents above the prior year rate of 14.6195 cents. The adopted rate is higher than the calculated no-new revenue tax rate of 14.9818 cents and required the College to hold a public hearing. The maintenance and operations tax rate increased to 10.6954 cents and the debt service tax rate decreased to 4.7914 cents. The total taxes imposed on a residence at the current year's average appraised value of \$181,988 (excluding the homestead and special exemptions for persons 65 years of age or older or disabled) at the proposed rate will be \$281.84. A taxpayer owning a homestead residence and claiming the over 65 or older or disabled exemption would incur \$70.29 in taxes to the College on a residence taxed at the current year's average market value. Certified property tax values for the 2024 tax year were received from the Harris Central Appraisal District on August 30, 2024. The certified tax roll values for tax year 2024 are \$85.8 billion, which is \$.5 billion, or 0.6%, lower than the tax year 2023 valuations.

Enrollment

Enrollment for fall 2024 is up by 1.4% compared to fall 2023. As of October 15, 2024, the uncertified student headcount enrollment was 31,928, which is higher by 434 from fall 2023 enrollment of 31,494 at the same point in the term. Fall 2024 contact hours are 5,541,568, which is an increase of 92,192 contact hours, or 1.7% compared to the fall 2023 contact hours of 5,449,376, generated at the same point in time the previous year. The overall increase in enrollment over fall 2023 relates to the continued recovery to pre-pandemic levels plus the strong response to the Promise @ San Jac program and continued demand for dual credit courses. The increase in contact hours is largely attributable to the Promise @ San Jac Program and the requirement for participating students to enroll in 12 semester credit hours or more.

Future Outlook

Looking ahead to fiscal year 2025 and beyond, the Board and administration will closely monitor the levels of State support, property tax values, and continue to keep tuition affordable for students. The FY25 budget was developed based on a positive, yet conservative, framework focused on the College's Strategic Plan and its 2024-2025 annual priorities. Budgeted revenues grew modestly based on an estimated 3.2% increase in State funding, a 3.0% increase in enrollment, which is offset by an increase in exemptions and waivers primarily related to the College's dual credit program, and a 5.7% increase in property tax revenue. As the College approaches the second year of the State's new funding model for community colleges, as adopted through House Bill 8 (HB8) during the 88th session of the Texas Legislature, this is the first time the College anticipates receiving additional state allocation funding mid-biennium due to the dynamic model based on performance outcomes. The property tax revenues continue to support the College in a robust manner, with a revenue increase based upon a conservative change in the tax rate resulting in a new rate between the College's no-new revenue and voter-approval rates. The approved budget reflects the College's commitments to student success and to serving the citizens and businesses in its taxing district and service area.

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

New Programs

San Jacinto College launched its second bachelor's degree, a Bachelor of Applied Science in Education with an emphasis in early childhood education, at the start of the spring 2024 semester. According to a February 2023 report by the Learning Policy Institute, Texas has the largest teacher workforce of any U.S. state with more than 370,000 teachers in 2021-2022. By 2030, the need for highly qualified early childhood and elementary teachers in Texas is projected to increase by 13%. To help launch this degree and meet this critical need in the San Jacinto College community and throughout the region, Houston Endowment awarded San Jacinto College a \$1.5 million grant for three years through 2026. These funds will cover the required employee and operating costs during the initial two to three years of the program.

San Jacinto College and the National Institute for Bioprocessing Research and Training (NIBRT) announced a partnership in August 2023, making the College the exclusive provider of NIBRT-licensed training in the southern part of the United States. The new training program offers regional biopharmaceutical training quickly, safely, and at lower cost for new hires entering the growing industry. The biotechnology program began at the South Campus in the Science and Allied Health Building in January 2024. The program will equip new biomanufacturing professionals with the skills and knowledge they need to enter the field. The larger Center for Biotechnology will open in a new 10,000 sq. ft. facility on the Generation Park Campus in the second quarter of 2025 to expand the College's biotechnology offerings. A new Associate of Applied Science in Biomanufacturing Technology opened with a full cohort in fall 2024.

The Board of Trustees approved the offering of a Bachelor of Applied Technology degree in Information Technology with an emphasis in Cybersecurity, launching the College's third bachelor's degree program in fall 2024. The program also features a Security Operations Center to allow hands-on and real-life cybersecurity and analytics experiences for students. Information security, also known as cybersecurity, is experiencing rapid growth and soaring demand for professionals on a global scale. As technology continues to advance and expand, the need for experts in cybersecurity has grown significantly. By offering this degree, the College will enhance its ability to train students to meet the needs of our local and global industries.

Student Success

San Jacinto College continues to be a strong resource for the communities it serves. That begins and is displayed in our commitment to affordability for students to attend and complete their educational goals. To demonstrate this commitment, the Promise @ San Jac program was expanded beginning fall 2022 to all the independent school districts located within the College's taxing district. Each year the College continues to enroll a larger proportion of first-generation students and continues to enhance the level of supports provided to these students. The entire College communities, both internal and external, are excited about the impact that the Promise program is having! The Promise @ San Jac program allows students who live within the taxing district and who graduated from high school to attend San Jacinto College as a Promise Scholar. This program, leveraging Federal and State financial aid, pays for all tuition costs and covers books and supplies, after financial aid and other scholarships are applied, for up to three years or until the student completes a certificate or associate degree.

The College continues to expand partnerships with regional independent school districts and has expanded dual credit and early college high school offerings, including career and technical education options. The Financial Aid for Swift Transfer (FAST) program, which was launched during the last legislative session, is a significant benefit to qualifying dual credit students and their parents. This area is anticipated to be one of growth in future years, as high school students with the qualifications and the desire, but without the financial ability, are now able to participate in dual credit courses on either an academic or technical pathway. The FAST program and dual credit partnerships continue to be important representing 23.5 percent of the fall 2024 student enrollment.

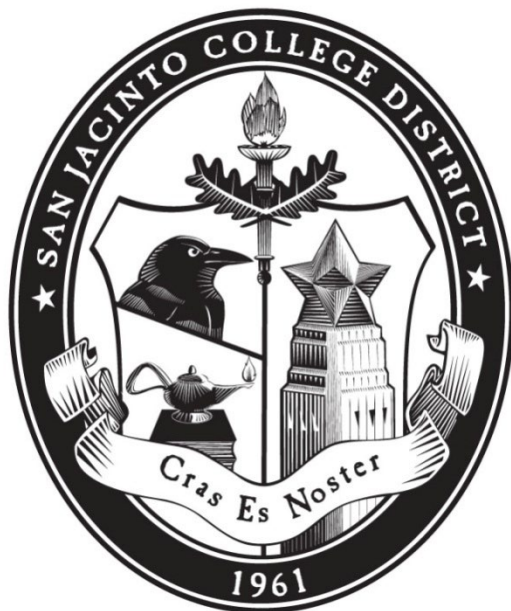
SAN JACINTO COMMUNITY COLLEGE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the College's citizens, taxpayers, students, investors, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the resources it receives. If you have questions about this report or need additional financial information, please contact the Office of the Vice Chancellor, Fiscal Affairs at 4624 Fairmont Parkway, Pasadena, Texas 77504.



BASIC FINANCIAL STATEMENTS



SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF NET POSITION
August 31, 2024 and 2023

Exhibit 1

| | <u>2024</u> | <u>2023, Restated</u> |
|--|----------------------|-----------------------|
| <u>Assets</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 74,542,551 | \$ 68,163,209 |
| Restricted cash and cash equivalents | 61,477,986 | 73,183,982 |
| Investments | 9,947,350 | 9,972,400 |
| Accounts receivable, net | 33,941,985 | 35,154,910 |
| Prepaid expenses | 6,431,202 | 5,991,425 |
| Inventories | 444,074 | 434,916 |
| | <u>186,785,148</u> | <u>192,900,842</u> |
| Noncurrent assets: | | |
| Other long-term investments | 20,025,800 | 19,922,200 |
| Capital assets, net of accumulated depreciation | 688,666,904 | 680,658,669 |
| Capital assets not being depreciated | 31,068,599 | 46,567,038 |
| | <u>739,761,303</u> | <u>747,147,907</u> |
| Total assets | <u>926,546,451</u> | <u>940,048,749</u> |
| Deferred outflows of resources: | | |
| Deferred outflows related to pensions | 23,369,169 | 21,400,078 |
| Deferred outflows related to OPEB | 9,505,667 | 16,454,021 |
| Deferred outflows related to refunded debt | 3,704,255 | 4,554,253 |
| | <u>36,579,091</u> | <u>42,408,352</u> |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | 17,953,065 | 15,335,549 |
| Accrued interest payable | 1,236,598 | 1,089,712 |
| Accrued compensable absences | 2,853,852 | 2,417,317 |
| Deferred compensation | 158,216 | 149,750 |
| Unearned revenue | 28,939,101 | 28,786,630 |
| Net OPEB liability - current portion | 2,482,706 | 2,500,600 |
| Notes payable - current portion | 2,616,318 | 2,142,561 |
| Lease liability - current portion | 235,198 | 226,697 |
| Subscription-based IT arrangements liability - current portion | 2,716,199 | 2,919,503 |
| Bonds payable - current portion | 23,368,493 | 22,298,944 |
| | <u>82,559,746</u> | <u>77,867,263</u> |
| Noncurrent liabilities: | | |
| Net pension liability | 58,696,523 | 49,944,685 |
| Net OPEB liability | 86,276,032 | 93,684,200 |
| Notes payable | 11,459,255 | 5,163,435 |
| Lease liability | 328,373 | 159,268 |
| Subscription-based IT arrangements liability | 2,807,604 | 4,935,439 |
| Bonds payable | 603,734,563 | 625,672,824 |
| | <u>763,302,350</u> | <u>779,559,851</u> |
| Total liabilities | <u>845,862,096</u> | <u>857,427,114</u> |
| Deferred inflows of resources: | | |
| Deferred inflows related to pensions | 3,781,273 | 5,790,103 |
| Deferred inflows related to OPEB | 33,479,070 | 34,752,051 |
| Deferred inflows related to lease receivable | 192,100 | 1,227,300 |
| | <u>37,452,443</u> | <u>41,769,454</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 135,954,731 | 137,715,509 |
| Restricted for: | | |
| Expendable: | | |
| Grants and Plant | 1,119,975 | 1,815,257 |
| Debt service | 943,848 | 1,544,659 |
| Unrestricted | <u>(58,207,553)</u> | <u>(57,814,891)</u> |
| Total net position (Schedule D) | <u>\$ 79,811,001</u> | <u>\$ 83,260,534</u> |

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
FOUNDATION, INC. (a Texas Nonprofit Corporation)**

Exhibit 1A

**STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023**

| | <u>2024</u> | <u>2023</u> |
|---|----------------------|----------------------|
| <u>Assets</u> | | |
| Cash and cash equivalents | \$ 3,431,170 | \$ 2,627,972 |
| Pledges receivable | 706,935 | 89,255 |
| Investments | 43,365,194 | 41,756,908 |
| Pledges receivable with perpetual donor restrictions | <u>1,791,128</u> | <u>2,375,901</u> |
| Total assets | <u>\$ 49,294,427</u> | <u>\$ 46,850,036</u> |
| <u>Liabilities and Net Assets</u> | | |
| Liabilities: | | |
| Scholarships and programs payable | \$ <u>1,742,762</u> | \$ <u>3,023,018</u> |
| Total liabilities | <u>1,742,762</u> | <u>3,023,018</u> |
| Net assets: | | |
| Without donor restrictions | 37,580,046 | 33,134,834 |
| With donor restrictions | <u>9,971,619</u> | <u>10,692,184</u> |
| Total net assets | <u>47,551,665</u> | <u>43,827,018</u> |
| Total liabilities and net assets | <u>\$ 49,294,427</u> | <u>\$ 46,850,036</u> |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended August 31, 2024 and 2023

Exhibit 2

| | <u>2024</u> | <u>2023, Restated</u> |
|---|----------------------|-----------------------|
| <u>Operating Revenues</u> | | |
| Student tuition (net of allowances and discounts of \$35,615,721 and \$31,899,766, respectively) | \$ 41,494,367 | \$ 39,019,178 |
| Federal grants and contracts | 7,845,071 | 21,425,207 |
| State grants and contracts | 6,108,574 | 2,617,727 |
| Non-governmental grants and contracts | 3,863,985 | 4,177,104 |
| Sales and services of educational and non-educational activities | 2,605,304 | 1,351,830 |
| Auxiliary enterprises | 3,019,397 | 2,290,700 |
| Total operating revenues (Schedule A) | <u>64,936,698</u> | <u>70,881,746</u> |
| <u>Operating Expenses</u> | | |
| Instruction | 98,511,105 | 87,349,469 |
| Public service | 414,574 | 374,378 |
| Academic support | 25,240,437 | 24,735,887 |
| Student services | 23,453,707 | 19,388,907 |
| Institutional support | 54,646,532 | 47,508,456 |
| Operation and maintenance of plant | 25,265,695 | 24,060,683 |
| Scholarships and fellowships | 40,977,450 | 31,726,897 |
| Auxiliary enterprises | 3,263,760 | 2,907,937 |
| Depreciation and amortization | 34,803,784 | 33,732,407 |
| Total operating expenses (Schedule B) | <u>306,577,044</u> | <u>271,785,021</u> |
| Operating loss | <u>(241,640,346)</u> | <u>(200,903,275)</u> |
| <u>Non-Operating Revenues (Expenses)</u> | | |
| State appropriations | 77,606,723 | 53,996,383 |
| Maintenance ad valorem taxes | 82,717,655 | 79,471,674 |
| Debt service ad valorem taxes | 39,224,214 | 37,687,251 |
| Federal revenue, non-operating | 50,736,323 | 41,618,548 |
| HEERF Revenue Recovery | - | 7,735,228 |
| Gifts/donations | 641,223 | 167,750 |
| Investment income (net of investment expenses) | 10,529,585 | 8,331,548 |
| Interest on capital related debt | (23,107,965) | (24,331,783) |
| Other non-operating revenues (expenses) | (156,945) | 2,589 |
| Total non-operating revenues, net (Schedule C) | <u>238,190,813</u> | <u>204,679,188</u> |
| Net (decrease) increase in net position | (3,449,533) | 3,775,913 |
| <u>Net Position</u> | | |
| Net position, beginning of year | <u>83,260,534</u> | <u>79,484,621</u> |
| Net position, end of year | <u>\$ 79,811,001</u> | <u>\$ 83,260,534</u> |

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
FOUNDATION, INC. (a Texas Nonprofit Corporation)**

Exhibit 2A

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
Years Ended June 30, 2024 and 2023**

| | 2024 | | | 2023 | | |
|---|-------------------------------|----------------------------|------------------|-------------------------------|----------------------------|------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Public support and revenues: | | | | | | |
| Contributions | \$ 781,974 | \$ 2,788,598 | \$ 3,570,572 | \$ 697,378 | \$ 1,640,726 | \$ 2,338,104 |
| Special events, net of costs of direct donor benefits | 753,385 | - | 753,385 | - | - | - |
| Interest and dividends, net of investment expenses | 1,044,824 | 273,734 | 1,318,558 | 1,226,856 | 260,810 | 1,487,666 |
| Net change in fair value of investments | 2,950,187 | 605,989 | 3,556,176 | 1,740,862 | 289,136 | 2,029,998 |
| Net assets released from restrictions | 4,388,886 | (4,388,886) | - | 4,207,406 | (4,207,406) | - |
| Total public support and revenues | 9,919,256 | (720,565) | 9,198,691 | 7,872,502 | (2,016,734) | 5,855,768 |
| Expenses: | | | | | | |
| Program services | 4,366,202 | - | 4,366,202 | 4,224,415 | - | 4,224,415 |
| Supporting services: | | | | | | |
| General and administrative | 1,107,842 | - | 1,107,842 | 798,986 | - | 798,986 |
| Fundraising | - | - | - | - | - | - |
| Total expenses | 5,474,044 | - | 5,474,044 | 5,023,401 | - | 5,023,401 |
| Change in net assets | 4,445,212 | (720,565) | 3,724,647 | 2,849,101 | (2,016,734) | 832,367 |
| Net assets, beginning of year | 33,134,834 | 10,692,184 | 43,827,018 | 30,437,533 | 12,708,918 | 43,146,451 |
| Prior Period Adjustment | - | - | - | (151,800) | - | (151,800) |
| Net assets, end of year | \$ 37,580,046 | \$ 9,971,619 | \$ 47,551,665 | \$ 33,134,834 | \$ 10,692,184 | \$ 43,827,018 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2024 and 2023

Exhibit 3

| | <u>2024</u> | <u>2023, Restated</u> |
|---|-------------------------|-------------------------|
| <u>Cash flows from operating activities</u> | | |
| Receipts from students and other customers | \$ 46,657,168 | \$ 42,521,016 |
| Receipts of grants and contracts | 19,306,609 | 30,249,364 |
| Payments to suppliers for goods or services | (49,620,229) | (52,903,876) |
| Payments to or on behalf of employees | (162,459,702) | (141,852,703) |
| Payments of scholarships and fellowships | (40,825,840) | (32,126,633) |
| Net cash used by operating activities | <u>(186,941,994)</u> | <u>(154,112,832)</u> |
| <u>Cash flows from non-capital financing activities</u> | | |
| Receipts from State appropriations | 64,733,312 | 42,304,141 |
| Receipts from ad valorem taxes - maintenance and operating | 82,269,459 | 78,870,591 |
| Receipts from non-operating Federal revenue | 50,736,323 | 49,353,776 |
| Receipts from gifts | 150,000 | 167,750 |
| Net cash provided by non-capital financing activities | <u>197,889,094</u> | <u>170,696,258</u> |
| <u>Cash flows from capital and related financing activities</u> | | |
| Receipts from ad valorem taxes - debt service | 39,140,369 | 37,459,096 |
| Proceeds from sale of capital assets | 12,817 | 20,675 |
| Purchases of capital assets | (26,622,408) | (27,102,354) |
| Proceeds from notes payable | 9,120,384 | 4,877,389 |
| Payment on notes payable | (2,625,593) | (2,428,894) |
| Payment on lease and subscription assets | (3,597,646) | (3,868,660) |
| Proceeds from revenue bonds | 1,250,000 | - |
| Payment on capital debt - principal | (18,709,936) | (15,155,000) |
| Payment on capital debt - interest | (25,008,889) | (25,894,867) |
| Net cash used by capital and related financing activities | <u>(27,040,902)</u> | <u>(32,092,615)</u> |
| <u>Cash flows from investing activities</u> | | |
| Investment income | 10,564,228 | 8,258,455 |
| Purchase of investments | (9,797,080) | (39,819,212) |
| Sale of investments | 10,000,000 | 30,741,000 |
| Net cash provided (used) by investing activities | <u>10,767,148</u> | <u>(819,757)</u> |
| Increase (Decrease) in cash and cash equivalents | (5,326,654) | (16,328,946) |
| Cash and cash equivalents, beginning of year | <u>141,347,191</u> | <u>157,676,137</u> |
| Cash and cash equivalents, end of year | <u>\$ 136,020,537</u> | <u>\$ 141,347,191</u> |
| <u>Reconciliation of operating loss to net cash used by operating activities</u> | | |
| Operating loss | \$ (241,640,346) | \$ (200,903,275) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| Depreciation and amortization expense | 34,752,616 | 33,732,408 |
| Bad debt expense | 1,134,013 | 1,417,649 |
| Tax collection fee | 261,508 | 247,506 |
| Payments made directly by state for benefits | 12,873,411 | 11,692,242 |
| Changes in assets and liabilities: | | |
| Receivables, net | 1,413,947 | (1,510,088) |
| Prepaid expenses | (439,777) | 255,296 |
| Inventories | (9,158) | 252 |
| Donated assets | (491,223) | (25,000) |
| Deferred outflows related to pensions and OPEB | 4,979,263 | (6,110,662) |
| Accounts payable | 1,681,979 | (2,017,276) |
| Accrued liabilities | 935,536 | 590,458 |
| Unearned revenue | 152,471 | 2,095,162 |
| Compensated absences and deferred compensation | 445,001 | 96,105 |
| Net pension liability | 8,751,838 | 29,307,260 |
| Net OPEB liability | (7,426,062) | (19,653,992) |
| Deferred inflows related to pensions and OPEB | (3,281,811) | (3,171,685) |
| Deferred inflow related to lease receivable | (1,035,200) | (155,192) |
| Net cash used by operating activities | <u>\$ (186,941,994)</u> | <u>\$ (154,112,832)</u> |
| <u>Non-cash investing, capital, and financing activities</u> | | |
| Amortization of discounts and premiums on bonds | 3,265,241 | 3,178,854 |
| Gifts of depreciable and non-depreciable assets | 491,223 | 25,000 |
| Accreted interest on capital appreciation bonds | (293,536) | 433,723 |
| Deferred outflow related to defeased/refunded debt | 849,988 | 945,936 |
| Net non-cash investing, capital, and financing activities | <u>\$ 4,312,916</u> | <u>\$ 4,583,513</u> |

See notes to basic financial statements.

**SAN JACINTO COMMUNITY COLLEGE DISTRICT
FOUNDATION, INC. (a Texas Nonprofit Corporation)**

Exhibit 3A

**STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023**

| | <u>2024</u> | <u>2023</u> |
|--|---------------------|---------------------|
| <u>Cash flows from operating activities</u> | | |
| Change in net assets | \$ 3,724,647 | \$ 832,367 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Net Change in fair value of investment | (3,556,176) | (2,029,998) |
| Contributions with perpetual donor restrictions | 260,551 | 85,318 |
| (Increase) decrease in pledges receivable | (617,680) | 36,945 |
| Increase (decrease) in scholarships and programs payable | <u>(1,280,256)</u> | <u>1,739,383</u> |
| Net cash provided (used) by operating activities | <u>(1,468,914)</u> | <u>664,015</u> |
| <u>Cash flows from investing activities</u> | | |
| Sale (purchase) of investments | <u>1,947,890</u> | <u>(796,576)</u> |
| Net cash provided (used) by investing activities | <u>1,947,890</u> | <u>(796,576)</u> |
| <u>Cash flows from financing activities</u> | | |
| Proceeds from contributions with perpetual donor restrictions | <u>324,222</u> | <u>394,481</u> |
| Net cash provided by financing activities | <u>324,222</u> | <u>394,481</u> |
| Net change in cash and cash equivalents | 803,198 | 261,920 |
| Cash and cash equivalents, beginning of year | <u>2,627,972</u> | <u>2,366,052</u> |
| Cash and cash equivalents, end of year | <u>\$ 3,431,170</u> | <u>\$ 2,627,972</u> |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

August 31, 2024 and 2023

1. Reporting Entity

San Jacinto Community College District (the College) was established in 1960, in accordance with the laws of the State of Texas (State), to serve the educational needs of its taxing district and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, State, and Federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

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

2. Summary of Significant Accounting Policies

Reporting Guidelines

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

New Accounting Pronouncements

All GASB Statements up to Statement No. 104 were reviewed for applicability to the College. Implementation status and applicability information is provided below.

GASB Statement No. 91 - *Conduit Debt Obligations*

[GASB Statement 91 Link](#)

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. This Statement was originally effective for the College's fiscal year ending August 31, 2022 but was postponed to August 31, 2023, as a result of GASB Statement No. 95. The College has determined this Statement is not applicable.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

GASB Statement 94 - *Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs)*

[GASB Statement 94 Link](#)

The objective of this Statement is to improve financial reporting related to PPPs and APAs by establishing the definitions of these arrangements and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. Requirements of this Statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. This Statement is effective for the College's fiscal year ending August 31, 2023. The College has determined this Statement is not applicable.

GASB Statement No. 95 - *Postponement of the Effective Dates of Certain Authoritative Guidance*

[GASB Statement 95 Link](#)

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

Requirements of this Statement are effective immediately. Changes in effective dates are noted in the pertinent GASB Statements above.

GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements (SBITA)*

[GASB Statement 96 Link](#)

The objective of this Statement is to (1) define a SBITA; (2) establish that SBITA results in a right-to-use subscription (intangible) asset and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments; and (4) require note disclosures regarding a SBITA. The statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources. This Statement is effective for the College's fiscal year ending August 31, 2023. The College has evaluated the effects of this Statement and has determined that it has an impact to the financial statements. The College has incorporated such arrangements into its capital assets and long-term liabilities on both the face of the financial statements and note disclosures.

GASB Statement No. 99 – *Omnibus 2022 (SBITA)*

[GASB Statement 99 Link](#)

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The statement addresses a variety of topics and includes the following: Statement Nos. 34, 53, 63, 87, 96, and other topics. The application of this statement is expected to provide more comparable reporting and improve the consistency of authoritative literature.

The requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective immediately.

The requirements related to leases, public-private and public-public partnerships (PPPs), and SBITAs are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged.

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged.

The College adopted the various requirements of the provisions during fiscal years 2022 through 2024.

GASB Statement No. 100 - *Accounting Changes and Error Corrections*

[GASB Statement 100 Link](#)

The primary objective of this Statement is to enhance accounting and financial reporting related to accounting changes and error corrections. This Statement: (1) defines accounting changes and describes the transactions or other events that constitute those changes, (2) addresses corrections of errors in previously issued financial statements, (3) prescribes the accounting and financial reporting for each type of accounting change and error corrections, (4) requires note disclosures, and (5) addresses how accounting changes and error corrections should be presented in required supplementary information (RSI) and supplementary information (SI). The application of this Statement is intended to result in greater consistency and understandable, reliable, and relevant information. This Statement was adopted during the College's fiscal year-end August 31, 2024.

GASB Statement No. 101 – *Compensated Absences*

[GASB Statement 101 Link](#)

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement amends the existing requirement to disclose the gross increases and decreases in liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. Requirements of this Statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged. The College is currently evaluating the impact of adopting this Statement.

GASB Statement No. 102 – *Certain Risk Disclosures*

[GASB Statement 102 Link](#)

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged. The College is currently evaluating the impact of adopting this Statement.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

GASB Statement No. 103 – *Financial Reporting Model Improvements*

[GASB Statement 103 Link](#)

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. This Statement also addresses certain application issues.

The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The definitions of operating revenues and expenses and of nonoperating revenues and expenses will replace accounting policies that vary from government to government, thereby improving comparability. The addition of a subtotal for operating income (loss) and noncapital subsidies will improve the relevance of information provided in the proprietary fund statement of revenues, expenses, and changes in fund net position. The requirement for the presentation of major component unit information will improve comparability.

The requirement that budgetary comparison information be presented as RSI will improve comparability, and the inclusion of the specified variances and the explanations of significant variances will provide more useful information for making decisions and assessing accountability.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The College is currently evaluating the impact of adopting this Statement.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

[GASB Statement 104 Link](#)

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The College is currently evaluating the impact of adopting this Statement.

[GASB Implementation Guide No. 2021-1](#)

This guidance provides clarification to prior GASB pronouncements and implementation guides. In particular, question 5.1 addresses a prior question regarding capitalization thresholds. Colleges should determine the capitalization threshold for a group of assets, the individual cost of which does not exceed the capitalization threshold above but could be significant in the aggregate. The requirements of this topic are effective for fiscal years beginning after June 15, 2023, but earlier application is encouraged. The College implemented a capitalization threshold of \$100,000 for a group of assets in fiscal year 2023.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

GASB Implementation Guide No. 2023-1

This Implementation Guide amends Implementation Guide No. 2019-3, Leases, Question 4.16, and Implementation Guide No. 2021-1, Implementation Guidance Update—2021, Question 4.13, as well as addressed new Category B questions for short-term leases and SBITA arrangements. The College reviewed leases and SBITA arrangements in fiscal years 2023 and 2024 as needed for any changes.

Tuition Discounting

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

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

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

Measurement Focus and Basis of Accounting

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

However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgements, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the College the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Budgetary Data

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less at time of purchase. The governing board has designated external public funds investment pools to be cash equivalents, as the investments are redeemable on demand.

Deferred Outflows of Resources

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

Investments

The College reports investments at fair value. Fair values are based on published market rates, except for external public funds investment pools, which are valued and reported at amortized cost, which approximates fair value. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase or current maturities of less than one-year long-term investments have an original maturity of greater than one year at the time of purchase and are considered as noncurrent assets.

Inventories

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

Capital Assets

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right-to-use leased equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the estimated useful lives shown below. As the College constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in Note 15). Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Capital assets are long-lived assets in the service of the College and include land, buildings, improvements, equipment, and library books. Capital assets that are purchased are recorded at cost. Donated capital assets are recorded at acquisition value. For equipment, the College's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life in excess of one year. Renovation in excess of \$100,000 to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. If the individual acquisition cost is less than \$5,000 but the total purchase of similar assets is \$100,000 or more, the group of assets is capitalized (e.g. annual furniture replenishment purchases). The threshold of \$100,000 is applied to a single purchase order for similar assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred. The College annually evaluates the impairment of capital assets. The College does not believe any impairment exists as of August 31, 2024 and

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

2023. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

| ASSET GROUPS SUBJECT TO DEPRECIATION | USEFUL LIFE |
|---|---|
| Buildings | 50 years |
| Land improvements | 20 years |
| Library books | 15 years |
| Furniture, equipment and vehicles | 10 years |
| Telecommunications and peripheral equipment | 5 years |
| Right-to-use leased equipment | Shorter of lease term or useful life of asset |
| Subscription assets | Shorter of lease term or useful life of asset |

Right-to-use assets resulting from public-private and/or public-public partnership (PPP) arrangements that qualify as leases are amortized over the shorter of the lease term or the useful life of the underlying asset.

Right-to-use subscription assets resulting from qualifying subscription-based information technology arrangements (SBITAs) are amortized over the subscription term.

Net Pension Liability - Teachers Retirement System of Texas

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

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

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

Unearned Revenue

Unearned revenue, primarily consisting of tuition and fees, relates to academic terms in the next fiscal year and, as such, has been recognized as a liability.

Deferred Inflows of Resources

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Leases

Lessee: The College is a lessee for a noncancellable lease of equipment, vehicles, building office spaces, and land. The College recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The College recognizes lease liabilities with an initial, individual value of \$30,000 or more. At the commencement of a lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes that occur are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The College is a lessor for a noncancellable lease of a building. The College recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the College initially measures the lease receivable at the present value of fixed or minimum payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes that occur are expected to significantly affect the amount of the lease receivable.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Subscriptions

The College has several subscription-based information technology arrangements for software and cloud-server services. The College recognizes a subscription liability and an intangible right-to-use subscription asset in the statement of net position. The College recognizes subscription liability with an initial, individual value of \$100,000 or more.

At the commencement of an arrangement, the College initially measures the subscription liability at the present value of payments expected to be made during the arrangement term. Subsequently, the subscription liability is reduced by the principal portion of arrangement payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for arrangement payments made at or before the commencement date, plus certain applicable initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over term of the arrangement.

Key estimates and judgments related to subscriptions include how the College determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) arrangement term, and (3) arrangement payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The arrangement term includes the noncancellable period of the subscription. Arrangement payments included in the measurement of the subscription liability are composed of fixed payments.

The College monitors changes in circumstances that would require a remeasurement of its subscription arrangements and will remeasure the subscription asset and liability if certain changes that occur are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long term debt on the statement of net position.

Net Position

The College's net position is classified as follows:

Net investment in capital assets: This represents the College's total investment in capital assets, net of outstanding debt obligations, and payables related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted - nonexpendable: This represents amounts subject to externally imposed stipulations that they be maintained in perpetuity by the College.

Restricted - expendable: This represents amounts whose use is subject to externally imposed legal or contractual obligations that require the amounts to be spent in accordance with the external restrictions.

Unrestricted: This represents resources derived from student tuition and fees, State appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises which are substantially self-supporting activities that provide services for students, faculty, and staff.

Classification of Revenues and Expenses

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

Management Estimates

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

Prior Year Restatement

The College made a prior year restatement to reclassify tuition discounts that are considered immaterial. The effect is a net zero impact to the College's net position.

3. Income Taxes

San Jacinto Community College District is exempt from Federal income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to Federal income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2024, and 2023.

4. Authorized Investments

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

Deposits and Investments

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

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|------------------------------|------------------------------|
| Cash and cash equivalents: | | |
| Petty cash on hand | \$ 19,042 | \$ 19,067 |
| External investment pools | <u>130,461,654</u> | <u>136,880,493</u> |
| Subtotal cash and cash equivalents | 130,480,696 | 136,899,560 |
| Bank deposits - demand deposits | <u>5,539,841</u> | <u>4,447,631</u> |
| Total cash and deposits, August 31 | \$ <u><u>136,020,537</u></u> | \$ <u><u>141,347,191</u></u> |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

4. Authorized Investments (continued)

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

| | <u>2024</u> | <u>2023, Restated</u> |
|---|-----------------------|-----------------------|
| Exhibit 1 - cash, cash equivalents and investments: | | |
| Cash and cash equivalents: | | |
| Unrestricted | \$ 74,542,551 | \$ 68,163,209 |
| Restricted | 61,477,986 | 73,183,982 |
| Investments Unrestricted: | | |
| Current | 9,947,350 | 9,972,400 |
| Noncurrent | <u>20,025,800</u> | <u>19,922,200</u> |
| Total cash, cash equivalents and investments | \$ <u>165,993,687</u> | \$ <u>171,241,791</u> |

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

| <u>Investment Type</u> | <u>Investment Maturities (in Years)</u> | | | | <u>Weighted Average (Days)</u> | <u>Rating</u> |
|---------------------------|---|-----------------------------|----------------------|---------------|--------------------------------|---------------|
| | <u>Fair Value</u> | <u>Maturity Less than 1</u> | <u>1 to 2</u> | <u>2 to 3</u> | | |
| <u>2024</u> | | | | | | |
| External investment pools | \$ 130,461,654 | \$ 130,461,654 | \$ - | \$ - | 1.00 | AAA-AAAm |
| U.S. Agencies | <u>29,973,150</u> | <u>9,947,350</u> | <u>20,025,800</u> | - | 1.00 | AAA-AAAm |
| Totals | \$ <u>160,434,804</u> | \$ <u>140,409,004</u> | \$ <u>20,025,800</u> | \$ - | <u>1.00</u> | |
| <u>2023</u> | | | | | | |
| External investment pools | \$ 136,880,493 | \$ 136,880,493 | \$ - | \$ - | 1.00 | AAA-AAAm |
| U.S. Agencies | <u>29,894,600</u> | <u>9,972,400</u> | <u>19,922,200</u> | - | 1.00 | AAA-AAAm |
| Totals | \$ <u>166,775,093</u> | \$ <u>146,852,893</u> | \$ <u>19,922,200</u> | \$ - | <u>1.00</u> | |

Interest Rate Risk

In order to limit interest and market rate risk from changes in interest rates, the Policy sets a maximum maturity of three years. The operating funds have a dollar weighted average maturity (WAM) limit of 365 days and debt service funds have a maximum WAM of six months. The bond fund must maintain a 10% liquidity buffer. During 2024 and 2023, the portfolio contained no investment maturing beyond three years and the dollar weighted average maturity of the total portfolio was 1 day as of August 31, 2024 and 2023.

Credit Risk

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

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

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

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

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

4. Authorized Investments (continued)

Concentration of Credit Risk

The Policy of the College is to invest its public funds in a manner which will provide the highest reasonable investment return with the maximum security while meeting the daily cash flow requirements of the College and conforming to all state and federal statutes governing the investment of public funds. The Policy requires diversification on all authorized investment types which are monitored on at least a monthly basis. The College will diversify maturity dates and to the extent possible, match investments with anticipated cash flow requirements. No investment stated maturities will exceed three years at the time of purchase. The Policy requires the following diversifications:

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

As of August 31, 2024, the investment portfolio consisted of 78.6% in investment pools, 18.1% in U.S. Agency Obligations, and 3.3% in petty cash and demand deposits. As of August 31, 2023, the investment portfolio consisted of 79.9% in investment pools, 17.5% in U.S. Agency Obligations, and 2.6% in petty cash and demand deposits.

Custodial Credit Risk

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

As of August 31, 2024, and 2023, the Portfolio did not contain any repurchase agreements. All bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits was held by an independent institution outside the bank’s holding company. At August 31, 2024, and 2023, the carrying amount of the College deposits was \$5,539,841 and \$4,447,631 and the total bank balances equaled \$6,008,406 and \$5,732,027, respectively. Bank balances are covered by Federal depository insurance of up to \$250,000 per financial institution. The remaining \$5,758,406 and \$5,482,027 were covered by an FHLB letter of credit in the College’s name at August 31, 2024, and 2023, respectively.

Fair Value of Financial Instruments

GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value for certain investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

4. Authorized Investments (continued)

prices in active markets for identical assets of liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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

The College had the following investments measured at fair value at August 31, 2024:

| | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|---|-----------------------|----------------------|----------------|----------------|
| Investments measured at fair value level | \$ <u>29,973,150</u> | \$ <u>29,973,150</u> | \$ _____ - | \$ _____ - |
| Investments measured at NAV/amortized cost: | | | | |
| TexPool | 34,687,476 | | | |
| Lone Star | <u>95,774,178</u> | | | |
| Total Investments | \$ <u>130,461,654</u> | | | |

The College had the following investments measured at fair value at August 31, 2023:

| | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|---|-----------------------|----------------------|----------------|----------------|
| Investments measured at fair value level | \$ <u>29,894,600</u> | \$ <u>29,894,600</u> | \$ _____ - | \$ _____ - |
| Investments measured at NAV/amortized cost: | | | | |
| TexPool | 29,646,149 | | | |
| Lone Star | <u>107,234,344</u> | | | |
| Total Investments | \$ <u>136,880,493</u> | | | |

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

The Lone Star Investment Pool (Lone Star) is a public funds investment pool established in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 225, Texas Government Code. Lone Star is governed by trustees comprised of active participants in Lone Star.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

4. Authorized Investments (continued)

The Board of Trustees for Lone Star has the responsibility for adopting and monitoring compliance with the investment policy, appointing investment officers, and overseeing the selection of an investment advisor, custodian, investment consultant, administrator and other service providers. Lone Star is rated AAA by Standard & Poor's. Lone Star uses amortized cost to report net position to compute share prices. The fair value of the position in Lone Star is the same as the value in Lone Star shares.

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

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

5. Disaggregation of Receivables and Payables Balances

Accounts receivable consist of the following at August 31:

| | 2024 | 2023 |
|---------------------------------------|----------------------|----------------------|
| Student receivables | \$ 26,247,509 | \$ 25,621,441 |
| Federal receivables | 1,852,484 | 2,857,658 |
| State and local receivables | 3,259,760 | 3,743,565 |
| Other receivables | 2,669,996 | 2,995,075 |
| Less allowances for doubtful accounts | (5,615,272) | (5,319,804) |
| Total | <u>28,414,477</u> | <u>29,897,935</u> |
| Property tax receivable | 5,959,319 | 5,671,344 |
| Less allowances for doubtful accounts | (431,811) | (414,369) |
| Total | <u>5,527,508</u> | <u>5,256,975</u> |
| Total accounts receivables, net | <u>\$ 33,941,985</u> | <u>\$ 35,154,910</u> |

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

| | 2024 | 2023, Restated |
|---|----------------------|----------------------|
| Vendors payable | \$ 6,886,091 | \$ 5,359,123 |
| Construction costs payable | 2,025,658 | 2,159,780 |
| Students payable | 744,121 | 592,511 |
| Other payable | 1,475,139 | 1,337,616 |
| Salaries and benefits payable | <u>6,822,056</u> | <u>5,886,519</u> |
| Total accounts payables and accrued liabilities, net | <u>\$ 17,953,065</u> | <u>\$ 15,335,549</u> |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2024 and 2023

6. Capital Assets

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

| | 2024 | | | Balance August 31, 2024 |
|--|---------------------------------|---------------|---------------|-------------------------------|
| | Balance September 1, 2023 | Increase | Decrease | |
| Not depreciated: | | | | |
| Land | \$ 17,152,838 | \$ - | \$ - | \$ 17,152,838 |
| Construction in progress | 29,414,200 | 15,829,342 | 31,327,781 | 13,915,761 |
| Total not depreciated | 46,567,038 | 15,829,342 | 31,327,781 | 31,068,599 |
| Other capital assets: | | | | |
| Buildings | 754,609,916 | 19,296,799 | 3,546,208 | 770,360,507 |
| Land improvements | 85,112,559 | 5,229,899 | - | 90,342,458 |
| Furniture, equipment, and vehicles | 76,005,225 | 7,796,060 | 425,639 | 83,375,646 |
| Telecommunications and computer peripheral equipment | 58,265,646 | 9,140,064 | 870,868 | 66,534,842 |
| Library books | 7,523,781 | 307,946 | 489,530 | 7,342,197 |
| Right-to-use leased equipment | 1,453,505 | 378,103 | - | 1,831,608 |
| Right-to-use subscription assets | 14,249,133 | 821,250 | - | 15,070,383 |
| Total depreciated | 997,219,765 | 42,970,121 | 5,332,245 | 1,034,857,641 |
| Less accumulated depreciation: | | | | |
| Buildings | 170,083,255 | 15,919,307 | 3,406,661 | 182,595,901 |
| Land improvements | 53,688,991 | 3,307,276 | 96,730 | 56,899,537 |
| Furniture, equipment, and vehicles | 41,208,528 | 6,466,176 | 259,752 | 47,414,952 |
| Telecommunication and computer peripheral equipment | 39,535,415 | 5,546,496 | 870,302 | 44,211,609 |
| Library books | 5,226,277 | 323,155 | 489,530 | 5,059,902 |
| Right-to-use leased equipment | 1,099,923 | 190,175 | - | 1,290,098 |
| Right-to-use subscription assets | 5,718,707 | 3,000,031 | - | 8,718,738 |
| Total accumulated depreciation | 316,561,096 | 34,752,616 | 5,122,975 | 346,190,737 |
| Net capital assets | \$ 727,225,707 | \$ 24,046,847 | \$ 31,537,051 | \$ 719,735,503 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2024 and 2023

6. Capital Assets (continued)

The College implemented GASB 96 accounting principle related to recognizing subscription-based information technology arrangements as a right-to-use asset in fiscal year 2023. Capital assets activity for the years ended August 31 is as follows:

| | 2023 | | | Balance August 31, 2023 |
|--|---------------------------------|----------------------|----------------------|-------------------------------|
| | Balance September 1, 2022 | Increase | Decrease | |
| Not depreciated: | | | | |
| Land | \$ 17,152,838 | \$ - | \$ - | \$ 17,152,838 |
| Construction in progress | 49,479,100 | 20,272,848 | 40,337,748 | 29,414,200 |
| Total not depreciated | 66,631,938 | 20,272,848 | 40,337,748 | 46,567,038 |
| Other capital assets: | | | | |
| Buildings | 721,844,501 | 32,765,415 | - | 754,609,916 |
| Land improvements | 79,827,822 | 5,284,737 | - | 85,112,559 |
| Furniture, equipment, and vehicles | 70,348,010 | 5,832,426 | 175,211 | 76,005,225 |
| Telecommunications and computer peripheral equipment | 54,453,786 | 3,811,860 | - | 58,265,646 |
| Library books | 7,445,926 | 305,192 | 227,337 | 7,523,781 |
| Right-to-use leased equipment | 1,242,577 | 210,928 | - | 1,453,505 |
| Right-to-use subscription assets | 7,844,495 | 6,404,638 | - | 14,249,133 |
| Total depreciated | 943,007,117 | 54,615,196 | 402,548 | 997,219,765 |
| Less accumulated depreciation: | | | | |
| Buildings | 155,152,887 | 14,930,368 | - | 170,083,255 |
| Land improvements | 50,079,088 | 3,609,903 | - | 53,688,991 |
| Furniture, equipment, and vehicles | 35,508,676 | 5,829,489 | 129,637 | 41,208,528 |
| Telecommunication and computer peripheral equipment | 33,902,120 | 5,633,295 | - | 39,535,415 |
| Library books | 5,115,904 | 337,711 | 227,338 | 5,226,277 |
| Right-to-use leased equipment | 868,163 | 231,760 | - | 1,099,923 |
| Right-to-use subscription assets | 2,564,578 | 3,154,129 | - | 5,718,707 |
| Total accumulated depreciation | 283,191,416 | 33,726,655 | 356,975 | 316,561,096 |
| Net other capital assets | \$ 726,447,639 | \$ 41,161,389 | \$ 40,383,321 | \$ 727,225,707 |

7. Construction Commitments

The College has entered into construction commitments for various projects including the renovation of facilities and the construction of buildings. At August 31, 2024 and 2023, the outstanding commitment under construction contracts for facilities and other projects is approximately \$10.8 million and \$9.9 million, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

8. Noncurrent Liabilities

The following is a summary of noncurrent liability activity for the years ended August 31:

| | 2024 | | | | |
|----------------------------|---------------------------------|----------------------|----------------------|-------------------------------|----------------------|
| | Balance September 1, 2023 | Increase | Decrease | Balance August 31, 2024 | Current Portion |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 602,241,967 | \$ - | \$ 19,938,315 | \$ 582,303,652 | \$ 18,436,560 |
| Revenue bonds | 41,609,100 | 1,250,000 | 1,886,864 | 40,972,236 | 2,166,864 |
| Accreted interest | 4,120,702 | 380,234 | 673,768 | 3,827,168 | 2,765,069 |
| Notes payable: | | | | | |
| Notes payable-SECO | 3,472,991 | 595,415 | 150,785 | 3,917,621 | 306,121 |
| Notes payable IT equipment | 3,833,005 | 8,703,633 | 2,378,686 | 10,157,952 | 2,310,197 |
| Leases: | | | | | |
| Right-to-use leases | 385,965 | 413,816 | 236,210 | 563,571 | 235,198 |
| Subscriptions: | | | | | |
| Right-to-use subscriptions | 7,854,942 | 821,251 | 3,152,390 | 5,523,803 | 2,716,199 |
| Net pension liability | 49,944,685 | 13,144,218 | 4,392,380 | 58,696,523 | - |
| Net OPEB liability | 96,184,800 | 8,677,035 | 16,103,097 | 88,758,738 | 2,482,706 |
| Total | \$ 809,648,157 | \$ 33,985,602 | \$ 48,912,495 | \$ 794,721,264 | \$ 31,418,914 |
| | 2023, Restated | | | | |
| | Balance September 1, 2022 | Increase | Decrease | Balance August 31, 2023 | Current Portion |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 618,963,957 | \$ - | \$ 16,721,990 | \$ 602,241,967 | \$ 19,938,312 |
| Revenue bonds | 43,220,963 | - | 1,611,863 | 41,609,100 | 1,686,864 |
| Accreted interest | 3,686,979 | 433,723 | - | 4,120,702 | 673,768 |
| Notes payable: | | | | | |
| Notes payable-SECO | 921,354 | 2,551,637 | - | 3,472,991 | - |
| Notes payable IT equipment | 3,956,725 | 2,325,772 | 2,449,492 | 3,833,005 | 2,142,561 |
| Leases: | | | | | |
| Right-to-use leases | 378,150 | 235,723 | 227,908 | 385,965 | 226,697 |
| Subscriptions: | | | | | |
| Right-to-use subscriptions | 4,942,773 | 6,404,639 | 3,492,470 | 7,854,942 | 2,919,503 |
| Net pension liability | 20,637,425 | 33,232,926 | 3,925,666 | 49,944,685 | - |
| Net OPEB liability | 115,838,792 | 17,041,794 | 36,695,786 | 96,184,800 | 2,500,600 |
| Total | \$ 812,547,118 | \$ 62,226,214 | \$ 65,125,175 | \$ 809,648,157 | \$ 30,088,305 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

9. Bonds and Notes Payable

Bonds and notes payable at August 31 are as follows:

| | 2024 | 2023 |
|---|--------------|--------------|
| <u>General Obligation Bonds</u> | | |
| Limited Tax General Obligation Building and Refunding Bonds, Series 2011, to refund a portion of 2009 General Obligation Bonds, to construct and equip facilities, and to purchase sites for school buildings. Issued July 21, 2011 in the amount of \$68,055,568 plus a premium of \$2,863,979. Partially defeased during fiscal years 2017, 2019, 2021, and 2022. Tax supported bonds. Interest rates range from 1.30% to 4.66%. Due February 2038. | \$ 4,955,263 | \$ 6,036,586 |
| Limited Tax General Obligation Refunding Bonds, Series 2015, to partially refund Series 2008, 2008A, and 2009 General Obligation Bonds. Issued September 10, 2015 in the amount of \$46,505,000 plus a premium of \$5,995,835. Partially defeased during fiscal year 2022. Tax supported bonds. Interest rates range from 3.625% to 5.00%. Due February 2033. | 35,756,960 | 40,726,347 |
| Limited Tax General Obligation Bonds, Series 2016A, to construct, renovate, acquire and equip school buildings, purchase necessary sites for school buildings, and pay the costs of issuance. Issued April 20, 2016 in the amount of \$138,220,000 plus a premium of \$14,856,886. Tax supported bonds. Interest rates range from 3.00% to 5.00%. Due February 2046. | 130,517,495 | 134,043,633 |
| Limited Tax General Obligation Refunding Bonds, Series 2016B, to partially refund Series 2008A and 2009 General Obligation Bonds and pay the costs of issuance. Issued April 20, 2016 in the amount of \$50,235,000 plus a premium of \$5,989,839. Tax supported bonds. Interest rates range from 4.00% to 5.00%. Due February 2038. | 42,077,102 | 45,837,321 |
| Limited Tax General Obligation Refunding Bonds, Series 2016C, to partially refund Series 2009 Limited Tax General Obligation Bonds and Series 2011 Limited Tax Refunding Bonds and pay the costs of issuance. Issued September 22, 2016 in the amount of \$73,770,000 plus a premium of \$9,659,340. Tax supported bonds. Interest rates range from 2.50% to 5.00%. Due February 2039. | 75,666,081 | 76,870,667 |
| Limited Tax General Obligation Bonds, Series 2019A, to construct, renovate, acquire and equip school buildings, purchase necessary sites for school buildings, and pay the costs of issuance. Issued February 6, 2019 in the amount of \$131,205,000 plus a premium of \$19,828,053. Tax supported bonds. Interest rate of 5.00%. Due February 2049. | 138,475,336 | 141,520,437 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

9. Bonds and Notes Payable (continued)

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

2,047,663 3,592,793

Limited Tax General Obligation Refunding Bonds, Series 2021, to construct, renovate, acquire and equip school buildings, purchase necessary sites for school buildings, partially refund Series 2011 Limited Tax Refunding Bonds, and pay the costs of issuance. Issued February 18, 2021 in the amount of \$88,870,000 plus a premium of \$18,126,111. Tax supported bonds. Interest rates range from 3.00% to 5.00%. Due February 2051.

104,906,229 105,502,155

Limited Tax General Obligation Refunding Bonds, Series 2022, to construct, renovate, acquire and equip school buildings, purchase necessary sites for school buildings, partially refund Series 2011, 2012, and 2015 Limited Tax Refunding Bonds, and pay the costs of issuance. Issued January 25, 2022 in the amount of 43,095,000 plus a premium of \$5,332,785. Tax supported bonds. Interest rates range from 2.625% to 5.00%. Due February 2047.

47,901,523 48,112,028

Revenue Bonds

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

39,922,236 41,609,099

Combined Fee Revenue Bonds, Series 2023, to purchase, construct, equip buildings, purchase sites for school buildings, and pay cost of issuance. Issued November 22, 2023, in the amount of \$4,000,000. Pledged revenue supported bonds. Zero interest. Due February 2034.

1,050,000 -

Notes Payable

College financing loan amount of \$10,157,952 with Dell Financial and First American Services related to purchase of IT equipment with terms ranging from three to five years. Interest rates range from 1.98% to 8.18%. Maturity dates from 2024 to 2028.

10,157,952 3,833,005

College has an approved loan amount of \$4,218,000 with Texas State Energy Conservation Office (SECO) loan program related to energy conservation measures associated with Energy Policy and Conservation Act (42 U.S.C. 6321, et seq). A 2% interest rate is established for the loan until repaid in full. Due February 2036.

3,917,621 3,472,991

Total bonds and notes payable

\$ 637,351,461 \$ 651,157,062

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2024 and 2023

10. Debt and Lease Obligations

Debt service requirements for bonds and notes payable as of August 31, 2024 were as follows:

| Years Ending August 31. | General Obligation Bonds | | | Revenue Bonds | | | Notes Payable | | | Total Bonds and Notes Payable | | |
|----------------------------|--------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|-------------------------------|-----------------------|-----------------------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | \$ 18,436,560 | \$ 27,577,285 | \$ 46,013,845 | \$ 2,166,864 | \$ 1,623,175 | \$ 3,790,039 | \$ 2,616,318 | \$ 297,830 | \$ 2,914,148 | \$ 23,219,742 | \$ 29,498,290 | \$ 52,718,032 |
| 2026 | 20,512,684 | 23,501,191 | 44,013,875 | 2,251,864 | 1,538,800 | 3,790,664 | 2,123,770 | 242,583 | 2,366,353 | 24,888,318 | 25,282,574 | 50,170,892 |
| 2027 | 24,596,990 | 20,404,863 | 45,001,853 | 2,191,864 | 1,450,050 | 3,641,914 | 1,862,845 | 217,635 | 2,080,480 | 28,651,699 | 22,072,548 | 50,724,247 |
| 2028 | 23,051,990 | 19,592,975 | 42,644,965 | 2,036,864 | 1,356,675 | 3,393,539 | 1,643,532 | 189,265 | 1,832,797 | 26,732,386 | 21,138,915 | 47,871,301 |
| 2029 | 23,916,990 | 18,691,213 | 42,608,203 | 2,131,864 | 1,258,550 | 3,390,414 | 1,389,376 | 152,845 | 1,542,221 | 27,438,230 | 20,102,608 | 47,540,838 |
| 2030-2034 | 130,364,403 | 77,521,213 | 207,885,616 | 12,054,320 | 4,905,000 | 16,959,320 | 3,876,351 | 354,653 | 4,231,004 | 146,295,074 | 82,780,866 | 229,075,940 |
| 2035-2039 | 144,003,477 | 49,823,084 | 193,826,561 | 14,834,321 | 2,123,350 | 16,957,671 | 563,381 | 9,900 | 573,281 | 159,401,179 | 51,956,334 | 211,357,513 |
| 2040-2044 | 100,413,342 | 27,847,584 | 128,260,926 | 3,304,275 | 64,100 | 3,368,375 | - | - | - | 103,717,617 | 27,911,684 | 131,629,301 |
| 2045-2049 | 87,504,162 | 8,633,113 | 96,137,275 | - | - | - | - | - | - | 87,504,162 | 8,633,113 | 96,137,275 |
| 2050-2051 | 9,503,054 | 252,825 | 9,755,879 | - | - | - | - | - | - | 9,503,054 | 252,825 | 9,755,879 |
| | <u>\$ 582,303,652</u> | <u>\$ 273,845,346</u> | <u>\$ 856,148,998</u> | <u>\$ 40,972,236</u> | <u>\$ 14,319,700</u> | <u>\$ 55,291,936</u> | <u>\$ 14,075,573</u> | <u>\$ 1,464,712</u> | <u>\$ 15,540,284</u> | <u>\$ 637,351,461</u> | <u>\$ 289,629,757</u> | <u>\$ 926,981,218</u> |

Obligations under leases and subscriptions as of August 31, 2024 were as follows:

| Years Ending August 31. | Right-to-Use Leases | | | Right-to-Use Subscriptions | | |
|----------------------------|---------------------|------------------|-------------------|----------------------------|-------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2025 | \$ 235,198 | \$ 12,719 | \$ 247,917 | 2,716,199 | \$ 295,582 | \$ 3,011,781 |
| 2026 | 156,182 | 6,673 | 162,855 | 1,596,357 | 210,562 | 1,806,919 |
| 2027 | 119,873 | 3,579 | 123,452 | 1,211,247 | 173,324 | 1,384,571 |
| 2028 | 36,955 | 1,178 | 38,133 | - | - | - |
| 2029 | 15,363 | 259 | 15,622 | - | - | - |
| Thereafter | - | - | - | - | - | - |
| | <u>\$ 563,571</u> | <u>\$ 24,408</u> | <u>\$ 587,979</u> | <u>5,523,803</u> | <u>\$ 679,468</u> | <u>\$ 6,203,271</u> |

The accreted interest represents the portion of the Series 2011 bond issues which are Capital Appreciation Bonds. These bonds were issued at a discount, and there are no scheduled interest payments due until maturity of the bonds. A portion of the difference between the principal received at issuance and the total amount due at maturity is accreted each year until the total liability equals the cash due at maturity.

| 2024 | | | | |
|-------------|----------------|----------------|----------------------|-------------------------|
| Issue | Principal CABS | Maturity Value | Total Accreted Value | Total Accreted Interest |
| Series 2011 | \$ 4,782,492 | \$ 8,920,000 | \$ 8,609,660 | \$ 3,827,168 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

11. Pledged Revenue Coverage

Revenues pledged as security for the life of the revenue bond debt service include the statutory portion of tuition and fees related to continuing education and installment payment plans. Revenue bonds are payable in annual installments averaging \$3.6 million with interest rates from 3.75% to 5.00% and the final installment due in 2040.

Under the provisions of GASB Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, the College’s pledged revenue for the secured debt outstanding as of and for the years ended August 31, 2024 and 2023 is as follows:

| | <u>2024</u> | <u>2023</u> |
|--|---------------|---------------|
| Pledged revenue required for future principal and interest | \$ 55,291,936 | \$ 57,632,223 |
| Principal and interest paid during the year | \$ 3,468,425 | \$ 3,269,800 |
| Revenue stream for the year | \$ 25,161,331 | \$ 24,672,975 |
| Percentage of revenue stream pledged for the year | 13.78% | 13.25% |
| Term of commitment | 2040 | 2040 |

12. Unrestricted Net Position

The College may designate a portion of unrestricted net position to indicate management’s tentative plans for future use of financial resources. As of August 31, 2024 and 2023, the College designated \$11.6 and \$5.1 million, respectively, plus accumulated interest for future capital renewal projects including deferred maintenance.

13. Leases and Subscriptions

Lease Receivable

The College leases various building space to several third parties. The lease terms range from three to five years and the College recognized \$1,179,462 in lease revenue and \$52,634 in interest revenue during the current fiscal year related to these leases. As of August 31, 2024, the College’s receivable for lease payments was \$192,100. Also, the College has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of August 31, 2024, the balance of the deferred inflow of resources was \$192,100.

Lease Payable

The College leases instructional equipment, office space, storage space, vehicles, and copiers.

Office space leases have term expiration dates ranging from calendar years 2024 to 2025. Each agreement contains an escalation clause allowing the landlord to allocate additional direct costs related to the operation of the leased sites. Leases currently in effect contain options to renew and allow for subleasing property with landlord’s written consent.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2024 and 2023

13. Leases and subscriptions (continued)

The following is a schedule of the value of the right-to-use lease and subscription liability, respectively, as of August 31:

| | | 2024 | | | | |
|-----------------------------|------------------|---------------------------------|--------------|------------|-------------------------------|--------------|
| | | Balance September 1, 2023 | Increase | Decrease | Balance August 31, 2024 | |
| | Payment Terms | Interest Rates | | | | |
| Right-to-use leases: | | | | | | |
| Vehicle | Monthly | 3.92% - 5.00% | \$ 43,843 | \$ 262,599 | \$ 83,984 | \$ 222,458 |
| Equipment | Monthly | 3.71% - 4.60% | 281,026 | 168,250 | 154,210 | 295,066 |
| Tenant leases | Monthly | 4.04% - 4.74% | 61,096 | 20,487 | 35,536 | 46,047 |
| Total | | | \$ 385,965 | \$ 451,336 | \$ 273,730 | \$ 563,571 |
| | | | | | | |
| | | 2024 | | | | |
| | | Balance September 1, 2023 | Increase | Decrease | Balance August 31, 2024 | |
| | Payment Terms | Interest Rates | | | | |
| Right-to-use subscriptions: | | | | | | |
| IT Related | Annual | 3.42% - 5.24% | \$ 7,854,942 | \$ 821,251 | \$ 3,152,390 | \$ 5,523,803 |

The following is a schedule of the lease and arrangement payments made during fiscal year 2024 related to right-to-use leases and subscriptions, respectively:

| | | 2024 | | | |
|-----------------------------|----|------------|------------|-----------------------------|--------------|
| | | Payments | Interest | Maintenance & Other Fees | Total |
| Right-to-use leases: | | | | | |
| Vehicle | \$ | 83,984 | \$ 8,272 | \$ 15,377 | \$ 107,633 |
| Equipment | | 154,210 | 13,149 | 47,158 | 214,517 |
| Tenant leases | | 35,536 | 2,162 | 17,591 | 55,289 |
| Total | | \$ 273,730 | \$ 23,583 | \$ 80,126 | \$ 377,439 |
| | | | | | |
| | | 2024 | | | |
| | | Payments | Interest | Maintenance & Other Fees | Total |
| Right-to-use subscriptions: | | | | | |
| IT Related | \$ | 3,152,390 | \$ 221,175 | \$ 291,462 | \$ 3,665,027 |

14. Defined Benefit Plan – Teacher Retirement System of Texas

Plan Description

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

Pension Plan Fiduciary Net Position

TRS issues a publicly available, audited Annual Comprehensive Financial Report that includes financial statements, notes, and required supplementary information. This report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/2023%20ACFR%20Final%2011-20-2023.pdf> (select *About TRS*, then *Publications*, then *Financial Reports*) or by writing to TRS at 1000 Red River Street, Austin, Texas 78701-2698; or by calling (512) 542-6592.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

14. Defined Benefit Plan – Teacher Retirement System of Texas (continued)

Benefits Provided

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by TRS. TRS provides retirement, disability, and death benefits. State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to the retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the State, participating employers and active employees for the fiscal years 2019 through 2024.

Contributions

Contribution requirements are not actuarially determined but established or amended pursuant to Article 16, Section 67 of the Texas Constitution, which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member’s annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of TRS during the fiscal year.

Texas Government Code Section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize the TRS’ unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Employee contribution rates are set in State Statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

Contribution Rates

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| Member (Employee) | 8.250% | 8.000% |
| Non-Employer Contributing Entity (State) | 8.250% | 8.000% |
| College (Employer) | 8.250% | 8.000% |
| Member (Employee) | \$ 9,083,477 | \$ 7,650,500 |
| Non-Employer Contributing Entity (State) | 4,258,295 | 3,550,271 |
| College (Employer) | <u>5,579,007</u> | <u>4,739,731</u> |
| Total contributions | <u>\$ 18,920,779</u> | <u>\$ 15,940,502</u> |

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

The College’s contributions to the TRS pension plan in FY 2024 were \$5,579,007, as reported in the Schedule of Contributions for pensions in the Required Supplementary Information section of these financial statements.

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS during that fiscal year reduced by the amounts described below which are paid by the employers. The combined percentage contribution for both the State and the College equals 8.25%. The College pays the State contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the State contribution rate for certain instructional or administrative employees and 100% of the State contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of TRS, there is a surcharge, an employer is subject to pay both the member contribution and the State contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---|---|
| Valuation Date | August 31, 2022 rolled forward to August 31, 2023 |
| Actuarial Cost Method | Individual Entry Age Normal |
| Asset Valuation Method | Market Value |
| Single Discount Rate | 7.00% |
| Long-term Expected Investment Rate of Return | 7.00% |
| Municipal Bond Rate as of August 2020 | 4.13%* |
| Last year ending August 31 in the projection period (100 years) | 2122 |
| Inflation | 2.30% |
| Salary increases including inflation | 2.95% to 8.95% |
| Ad hoc post-employment benefit changes | None |

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

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. A full description is available in the actuarial valuation report dated November 22, 2022.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan. The actuarial methods and assumptions were primarily based on a study of actual experience for the four-year period ending August 31, 2021 and were adopted in July 2022.

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.50 percent of payroll in fiscal year 2024 gradually increasing to 9.56 percent in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2023 are summarized below:

| Asset Class | Target Allocation Percentage | Fair Value | % of Total Fund |
|--|------------------------------|-------------------|-----------------|
| Global Equity: | | | |
| U.S.A. | 18.0% | \$30,028,573,587 | 16.09% |
| Non-U.S. Developed | 13.0% | 21,925,862,567 | 11.75% |
| Emerging Markets | 9.0% | 15,439,686,877 | 8.27% |
| Private Equity* | 14.0% | 33,003,968,189 | 17.69% |
| Stable Value: | | | |
| Government Bonds | 16.0% | 24,922,156,351 | 13.36% |
| Stable Value Hedge Funds | 5.0% | 9,629,316,715 | 5.16% |
| Absolute Return (Including Credit Sensitive Investments) | - | 5,847,433,167 | 3.14% |
| Real Return: | | | |
| Real Estate | 15.0% | 30,137,643,958 | 16.15% |
| Energy and Natural Resources And infrastructure | 6.0% | 12,772,800,383 | 6.20% |
| Commodities | | 764,439,520 | .41% |
| Risk Parity: | | | |
| Risk Parity | 8.0% | 12,804,834,295 | 6.86% |
| Asset Allocation Leverage: | | | |
| Cash | 2.0% | 3,495,079,776 | 1.87% |
| Asset Allocation Leverage | (6.0)% | (14,164,238,267) | (7.59)% |
| Total Fund Fair Value | <u>100%</u> | \$186,607,557,118 | <u>100%</u> |

*In the July 2022 Board Meeting, the Maximum Range for the Private Equity Asset Class was increased to 24% until July 31, 2023.

Discount Rate Sensitivity Analysis

The following table represents the net pension liability of the plan using the discount rate of 7.00%, as well as what the net pension liability would be if the discount rate used was 1 percent less than and 1 percent greater than the 7.00% discount rate for 2023 and 2022, respectively, in measuring the net pension liability.

| | <u>2023</u> | | |
|--|------------------------|------------------------------|------------------------|
| | 1% Decrease (6.00%) | <u>Discount Rate (7.00%)</u> | 1% Increase (8.00%) |
| College's proportionate share of the net pension liability | \$ 87,754,553 | \$ 58,696,523 | \$ 34,534,756 |
| | <u>2022</u> | | |
| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
| College's proportionate share of the net pension liability | \$ 77,694,993 | \$ 49,944,685 | \$ 27,451,758 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

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

At August 31, 2024, and 2023, the College reported a liability of \$58,696,523 and \$49,944,685, respectively, for its proportionate share of the TRS’s net pension liability. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

| | <u>2024</u> | <u>2023</u> |
|---|-----------------------|----------------------|
| The College’s proportionate share of the collective net pension liability | \$ 58,696,523 | \$ 49,944,685 |
| State’s proportionate share that is associated with the College | <u>46,057,384</u> | <u>36,233,489</u> |
| Total | <u>\$ 104,753,907</u> | <u>\$ 86,178,174</u> |

The net pension liability for fiscal year 2024 was measured as of August 31, 2022 and rolled forward to August 31, 2023. The total pension liability was determined by an actuarial valuation as of that date.

The net pension liability for fiscal year 2023 was measured as of August 31, 2021 and rolled forward to August 31, 2022. The total pension liability was determined by an actuarial valuation as of August 31, 2022.

The College’s proportion of the net pension liability for the fiscal year 2024 and 2023 was based on the College’s contributions to the pension plan relative to the contribution of all employers to the plan for the period September 1, 2022 through August 31, 2023 and the period September 1, 2021 through August 31, 2022, respectively.

At the measurement date of August 31, 2023, the College’s proportional share of the collective net pension liability was 0.0854509005% which was an increase of 0.0013228074% from its proportion measured as of August 31, 2022 of 0.0841280931%.

There were no changes in assumptions since the prior measurement date.

For the fiscal year ended August 31, 2024, the College recognized pension expense of \$16,959,840 which includes revenues of \$6,954,267 representing pension expense incurred by the State on behalf of the College.

At August 31, 2024, and 2023, the College reported its proportionate share of the TRS’s deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>2024</u> | | <u>2023</u> | |
|--|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual economic experience | \$ 2,091,377 | \$ 710,751 | \$ 724,194 | \$ 1,088,889 |
| Changes in actuarial assumptions | 5,551,541 | 1,358,589 | 9,306,320 | 2,319,395 |
| Net difference between projected and actual economic experience | 8,541,769 | - | 4,934,375 | - |
| Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions | <u>1,605,475</u> | <u>1,711,933</u> | <u>1,695,458</u> | <u>2,381,819</u> |
| Total as of August 31 measurement date | 17,790,162 | 3,781,273 | 16,660,347 | 5,790,103 |
| Contributions paid to TRS subsequent to the measurement date | <u>5,579,007</u> | <u>-</u> | <u>4,739,731</u> | <u>-</u> |
| Total | <u>\$ 23,369,169</u> | <u>\$ 3,781,273</u> | <u>\$ 21,400,078</u> | <u>\$ 5,790,103</u> |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

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

As of the August 31 measurement date, the College had the following net deferred outflows/(inflows) related to pensions as of August 31, 2024, and 2023:

| | | |
|--------------------------------|----------------------|----------------------|
| | <u>2024</u> | <u>2023</u> |
| Deferred outflows of resources | \$ 23,369,169 | \$ 21,400,078 |
| Deferred inflows of resources | <u>(3,781,273)</u> | <u>(5,790,103)</u> |
| Total | <u>\$ 19,587,896</u> | <u>\$ 15,609,975</u> |

Deferred outflows of resources resulting from College contributions subsequent to the measurement date in the amount of \$5,579,007 will be recognized as a reduction to net pension liability in the fiscal year-ending August 31, 2025.

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

| | |
|--|----------------------|
| Years Ending | Pension |
| <u>August 31,</u> | Expense |
| 2025 | \$ 2,896,335 |
| 2026 | 1,550,846 |
| 2027 | 7,018,461 |
| 2028 | 2,254,696 |
| 2029 | 288,551 |
| Thereafter | - |
| Total | <u>14,008,889</u> |
| Contributions paid to TRS subsequent to the measurement date | <u>5,579,007</u> |
| Total deferred outflows of resources, net | <u>\$ 19,587,896</u> |

15. Defined Contribution Plan - Optional Retirement Plan

Plan Description

The State has established an Optional Retirement Program (ORP) for institutions of higher education. Faculty, administrators, counselors, and librarians may enroll in either TRS or ORP. Secretarial, clerical, and professional employees are limited to participation in TRS. Employees who are eligible to participate in ORP have ninety days from the date of employment to select the ORP program in lieu of participation in TRS. Employees who previously had the opportunity to participate in ORP but declined must remain with TRS for the duration of their employment in the Texas education system. ORP provides for the purchase of individual annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Texas State legislature. The State contribution percentages for fiscal years 2024 and 2023 was 4.125% and 4.000%, respectively of ORP related salaries. The College contribution percentages for fiscal years 2024 and 2023 was

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

4.125% and 4.000%, respectively. The combined rate was 8.125% per year. The Employee contribution percentages were 6.650% for fiscal years 2024 and 2023. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, neither the State nor the College has any additional or unfunded liability for this program. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state’s contribution to 50% for eligible employees in the reporting district.

On-Behalf Payments by the State

These amounts represent the portion of expended appropriations made by the State legislature on behalf of the College. The retirement expense related to ORP contributions paid by the State for the College was \$406,523 and \$398,221 for the fiscal years 2024 and 2023, respectively. On-behalf payments of these benefits were recognized as restricted revenues and restricted expenses during the period. The total payroll of employees covered by ORP was \$12,517,994 and \$12,208,319 for the fiscal years 2024 and 2023, respectively.

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

| Fiscal Year Ended | State Contribution Paid | Contribution % | College Contribution Paid | Contribution % | Employee Contribution Paid | Contribution % | Total |
|-------------------|-------------------------|----------------|---------------------------|----------------|----------------------------|----------------|--------------|
| August 31, 2024 | \$ 406,523 | 3.300% | \$ 522,937 | 4.125% | \$ 832,446 | 6.650% | \$ 1,761,907 |
| 2023 | \$ 398,221 | 3.300% | \$ 490,891 | 4.000% | \$ 811,853 | 6.650% | \$ 1,700,966 |

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

16. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expanding the annual insurance premiums. The State contribution per full-time employee was \$341 and \$402 per month for the years ended August 31, 2024, and 2023, respectively. The State’s cost of providing those benefits for 1,476 active employees was \$6,201,703 and for 590 retirees was \$2,416,913 for a total State funded amount of \$8,618,616 for the year ended August 31, 2024. The State’s cost of providing those benefits for 1,168 active employees was \$5,636,077 and for 572 retirees was \$2,505,899 for a total State funded amount of \$8,147,976 for the year ended August 31, 2023. The amounts represent the portion of expended appropriations made by the State Legislature on behalf of the College. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the State’s contribution to 50 percent for eligible employees in the reporting district community colleges.

The Board of Trustees of the Employee Retirement System of Texas sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

16. Health Care and Life Insurance Benefits (continued)

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

| Fiscal Year Ended August 31, | State Paid | % | College Paid | % | Employee Paid | % | Total Annual Premiums |
|------------------------------|--------------|--------|---------------|--------|---------------|--------|-----------------------|
| 2024 | \$ 8,618,616 | 34.64% | \$ 10,217,789 | 41.06% | \$ 6,046,378 | 24.30% | \$ 24,882,782 |
| 2023 | \$ 8,141,976 | 34.18% | \$ 9,876,986 | 41.47% | \$ 5,799,935 | 24.35% | \$ 23,818,897 |

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

HealthSelect of Texas Plan

| | 2024 | 2023 |
|-----------------------|-----------|-----------|
| Member only | \$ 622.60 | \$ 622.60 |
| Member and spouse | 1,338.60 | 1,338.60 |
| Member and child(ren) | 1,102.00 | 1,102.00 |
| Member and family | 1,818.00 | 1,818.00 |

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

Plan Description

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

OPEB Plan Fiduciary Net Position

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

Benefits Provided

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

Contributions

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

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

| Maximum Monthly Employer Contribution Retiree Health and Basic Life Premium Fiscal Year 2023 (Measurement Year) | |
|---|-----------|
| Retiree only | \$ 624.82 |
| Retiree and spouse | 1,340.82 |
| Retiree and children | 1,104.22 |
| Retiree and family | 1,820.22 |

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

| Premium Contributions by Source Group Benefits Program in the SRHP For Years Ended August 31, 2024 and 2023 | |
|---|--------------|
| Fiscal Year 2024 Member Contributions | \$ 6,046,378 |
| Fiscal Year 2024 College Contributions (active employees) | 7,374,787 |
| Fiscal Year 2024 College Contributions (retirees) | 2,843,136 |
| Fiscal Year 2023 Measurement Year NECE On-Behalf Contributions (all employees) | 8,618,616 |

| Premium Contributions by Source Group Benefits Program in the SRHP For Years Ended August 31, 2023 and 2022 | |
|---|--------------|
| Fiscal Year 2023 Member Contributions | \$ 5,799,935 |
| Fiscal Year 2023 College Contributions (active employees) | 7,033,985 |
| Fiscal Year 2023 College Contributions (retirees) | 2,843,001 |
| Fiscal Year 2022 Measurement Year NECE On-Behalf Contributions (all employees) | 8,141,976 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|--|
| Valuation date | August 31, 2023 |
| Actuarial cost method | Entry Age |
| Amortization method | Level percent of payroll - open |
| Asset valuation method | Not applicable |
| Actuarial assumptions: | |
| Discount rate | 3.81% |
| Projected annual salary increase | 2.30% to 8.95%, including inflation |
| Annual healthcare trend rate per year HealthSelect | 5.60% for FY2025, 5.30% for FY2026, 5.00% for FY2027, 4.75% for FY2028, 4.60% for FY2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2032 and later years |
| HealthSelect Medicare Advantage * | 16.40% for FY2025, 8.40% for FY2026, 5.00% for FY2027, 4.75% for FY2028, 4.60% for FY2029, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2032 and later years |
| Inflation assumption rate | 2.30% |
| Ad hoc post-employment benefit changes | None |

The mortality assumptions used in the valuation were as follows:

1. State Agency Members:
 - a. Service Retirees, Survivors, and other Inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020.
 - b. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table set forward three years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively.
 - c. Active Members: Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members. Pub-2010 Public Safety Active Member Mortality table for CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2019 Projection Scale are projected from the year 2010.
2. Higher Education Members:
 - a. Service Retirees, Survivors, and other Inactive Members -
Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021.
 - b. Disability Retirees -
Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

c. Active Members -

Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.

Several assumptions or other inputs have been updated since the prior valuation as shown in Section VI of the report.

Investment Policy

The SRHP is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The ERS’s Board of Trustees amended the investment policy statement in August 2022 to require that all funds in the SRHP be invested in cash and equivalent securities.

Discount Rate

Because the SRHP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bond rates. The discount rate used to determine the total OPEB liability as of the end of the measurement year was 3.81% to reflect the requirements of GASB 75. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds’ average credit quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard & Poor’s Corp.’s AA rating. Projected cash flows into the SRHP are equal to projected benefit payments out of the plan. Because SRHP operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College’s proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used 3.81% and 3.59% for 2023 and 2022, respectively, in measuring the net OPEB Liability.

| | <u>2023</u> | | |
|--|---|---------------------------------|---|
| | 1% Decrease in Discount Rate <u>(2.81%)</u> | Discount Rate <u>(3.81%)</u> | 1% Increase in Discount Rate <u>(2.81%)</u> |
| Proportionate share of net OPEB liability | \$ 102,991,765 | \$ 88,758,738 | \$ 77,310,750 |
| | <u>2022</u> | | |
| | 1% Decrease in Discount Rate <u>(2.59%)</u> | Discount Rate <u>(3.59%)</u> | 1% Increase in Discount Rate <u>(4.59%)</u> |
| Proportionate share of net OPEB liability | \$ 112,180,541 | \$ 96,184,800 | \$ 83,392,052 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2024 and 2023

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

Healthcare Cost Trend Rate Sensitivity Analysis

| | <u>2023</u> | | <u>2022</u> | | |
|--|--|---|--|---|--|
| | 1% Decrease in Healthcare Cost <u>Trend Rate</u> | Current Healthcare Cost <u>Trend Rate</u> | 1% Increase in Healthcare Cost <u>Trend Rate</u> | Current Healthcare Cost <u>Trend Rate</u> | 1% Increase in Healthcare Cost <u>Trend Rate</u> |
| Proportionate share of net OPEB liability | \$ 76,344,851 | \$ 88,758,738 | \$ 104,524,437 | \$ 96,184,800 | \$ 113,823,767 |

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

At August 31, 2024, and 2023, the College reported a liability of \$88,758,738 and \$96,184,800, respectively, for its proportionate share of the SRHP net OPEB liability. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows at August 31:

| | <u>2023</u> | <u>2022</u> |
|--|-----------------------|-----------------------|
| The College’s proportionate share of the collective net OPEB liability | \$ 88,758,738 | \$ 96,184,800 |
| State’s proportionate share that is associated with the College | <u>72,944,633</u> | <u>78,661,732</u> |
| Total | <u>\$ 161,703,371</u> | <u>\$ 174,846,532</u> |

The net OPEB liability was measured as of August 31, 2023, and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. For the August 31, 2024 and 2023 OPEB liability, the College’s proportionate share was based on the College’s contributions for employees and retirees to the OPEB plan relative to the contributions of all employers to the plan. The College’s proportion of the collective net OPEB liability from its proportion measured at August 31, 2023, was 0.33221162% which was a decrease of 0.00543333% from its proportion measured as of August 31, 2022 of 0.33764495%. Changes, if any, to the current methodology or actuarial assumptions being utilized by ERS, could result in significant changes in accounting and financial reporting in future periods.

For the fiscal year ended August 31, 2024, the College recognized an OPEB expense of \$6,453,846, which includes a credit to the expense of \$2,164,770 representing OPEB expense reduction incurred by the State on behalf of the College. Contributions made by the College subsequent to the measurement dates for active employees and retirees have been recorded as deferred outflows of resources as of August 31, 2023, and 2022.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

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

At August 31, 2024 and 2023, the College reported its proportionate share of the ERS plan’s collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2024 | | 2023 | |
|--|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual economic experience | \$ - | \$ 2,347,716 | \$ - | \$ 3,034,746 |
| Changes in actuarial assumptions | 2,960,895 | 27,720,536 | 5,651,240 | 29,731,632 |
| Net difference between projected and actual economic experience | 7,171 | - | 16,590 | - |
| Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions | <u>4,635,915</u> | <u>3,410,818</u> | <u>8,884,505</u> | <u>1,985,673</u> |
| Total as of measurement date | 7,603,981 | 33,479,070 | 14,552,335 | 34,752,051 |
| Contributions paid to SHRP subsequent to the measurement date | <u>1,901,686</u> | - | <u>1,901,686</u> | - |
| Total | <u>\$ 9,505,667</u> | <u>\$ 33,479,070</u> | <u>\$ 16,454,021</u> | <u>\$ 34,752,051</u> |

As of the August 31 measurement date, the College had the following net deferred outflows/(inflows) related to OPEB as of August 31, 2024 and 2023:

| | 2024 | 2023 |
|--------------------------------|------------------------|------------------------|
| Deferred outflows of resources | \$ 9,505,667 | \$ 16,454,021 |
| Deferred inflows of resources | <u>(33,479,070)</u> | <u>(34,752,051)</u> |
| Total | <u>\$ (23,973,403)</u> | <u>\$ (18,298,030)</u> |

Deferred outflows of resources resulting from College contributions subsequent to the measurement date in the amount of \$1,901,686 will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2025.

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

| Year ending August 31, | OPEB Expense Amount |
|--|---------------------------|
| 2025 | \$ (6,834,277) |
| 2026 | (6,813,155) |
| 2027 | (6,510,781) |
| 2028 | (4,688,533) |
| 2029 | (1,028,343) |
| Thereafter | - |
| Total | (25,875,089) |
| Contributions paid to ERS subsequent to the measurement date | <u>1,901,686</u> |
| Total deferred inflows of resources, net | <u>\$ (23,973,403)</u> |

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

18. Compensable Absences

Full-time employees earn annual leave from 6.66 to 16.66 hours per month depending on the number of years employed with the College. The College's policy is that an employee may carry a maximum of 200 hours of accrued leave forward from one fiscal year to another fiscal year. Employees who terminate their employment are entitled for payment of all earned and unused accrued leave. The College recognized the accrued liability for the unpaid annual leave in the amounts of \$2,580,152 and \$2,149,877 as of August 31, 2024 and 2023, respectively.

The College provides retirement incentive pay for unused sick days accumulated prior to August 1, 1988. To receive the incentive pay, the employees must not terminate for reasons other than leave authorized by Board policy, must retire under the terms of the Teacher Retirement System of Texas, or be paid by reason of death. There is no additional accumulation for retirement incentive pay purposes for any sick days that an employee earned after August 1, 1988. The College recognized for those employees who qualify for retirement incentive pay an accrued liability of \$273,700 and \$267,440 as of August 31, 2024 and 2023, respectively.

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

19. Deferred Compensation

The College has established a deferred compensation plan under which selected executives may elect to defer a portion of their earnings for tax and investment purposes pursuant to authority granted in Government Code 609.001. As of August 31, 2024 and 2023, the College had one employee participant deferring \$158,216 and \$149,750, respectively.

20. Self-Insured Plans

The College provides workers' compensation insurance through a partially self-funded risk pool. An accrued liability in the amount of \$485,475 and \$580,791 as of August 31, 2024 and 2023, respectively, has been established as an estimate for unpaid claims and incurred but not reported claims. Accrued liabilities are based on an actuarial valuation and represent the present value of unpaid expected claims. Estimated future payments for incurred claims are charged to current operations. The College is not responsible for claims beyond its annual maximum loss limitation.

| <u>Liability for Estimated Claims</u> | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Beginning Balance, September 1 | \$ 580,791 | \$ 386,706 |
| Claims incurred and changes in estimates | 146,136 | 357,493 |
| Payments on claims | <u>(241,452)</u> | <u>(163,408)</u> |
| Ending Balance, August 31 | \$ <u>485,475</u> | \$ <u>580,791</u> |

21. Ad Valorem Tax

The San Jacinto Community College Foundation, Inc. (the Foundation) was organized in the State of Texas on November 4, 1996, to function as a legally separate, not-for-profit corporation and is controlled by a separate Board of Directors. The duration of the Foundation is perpetual. The Foundation was established to raise private funds for the San Jacinto Community College District (the College) for charitable, scientific, literary, and educational purposes, which are to be administered by the Foundation solely for the benefit of the College, and to account for and enhance the value of funds submitted to it in support of the educational mission of the College.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2024 and 2023

21. Ad Valorem Tax (continued)

At August 31:

| | <u>2024</u> | <u>2023</u> |
|---------------------------------------|--------------------------|--------------------------|
| Assessed valuation of the College | \$ 99,965,968,864 | \$ 89,564,320,986 |
| Less: Exemptions | (15,418,357,095) | (13,607,598,812) |
| Less: Abatements | - | - |
| Net assessed valuation of the College | <u>\$ 84,547,611,769</u> | <u>\$ 75,956,722,174</u> |

Taxes levied for the years ended August 31, 2024, and 2023, amounted to \$123,604,381 and \$118,192,458, respectively. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Harris County and Chamber County Tax collectors are the collecting agencies for the levy and remit the collections to the College, net of collection fees.

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

| | <u>2024</u> | | | <u>2023</u> | | |
|---|-------------------------------|-------------------------|--------------|-------------------------------|-------------------------|--------------|
| | <u>Current Operations</u> | <u>Debt Service</u> | <u>Total</u> | <u>Current Operations</u> | <u>Debt Service</u> | <u>Total</u> |
| Authorized tax rate per \$100 valuation (maximum per enabling legislation) | \$ 0.2000000 | \$ 0.5000000 | \$ 0.7000000 | \$ 0.2000000 | \$ 0.5000000 | \$ 0.7000000 |
| Assessed tax rate per \$100 valuation | 0.0991520 | 0.0470430 | 0.1461950 | 0.1055000 | 0.0501050 | 0.1556050 |

Under GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, ad valorem taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the assets or when the entity receives resources, whichever comes first. The enforceable legal claim date for ad valorem taxes is the assessment date. The College has recognized all assessed taxes in the current year and the statement of net position includes a \$5,527,508 net receivable for uncollected taxes.

| | <u>2024</u> | | | <u>2023</u> | | |
|---------------------------------|-------------------------------|----------------------|-----------------------|-------------------------------|----------------------|-----------------------|
| | <u>Current Operations</u> | <u>Debt Service</u> | <u>Total</u> | <u>Current Operations</u> | <u>Debt Service</u> | <u>Total</u> |
| Current taxes | \$ 82,446,860 | \$ 39,104,915 | \$ 121,551,775 | \$ 78,905,593 | \$ 37,455,986 | \$ 116,361,579 |
| Delinquent taxes | (495,226) | (234,888) | (730,114) | 391,756 | 185,964 | 577,719 |
| Penalties and Interest | <u>562,803</u> | <u>266,940</u> | <u>829,743</u> | <u>479,586</u> | <u>227,656</u> | <u>707,243</u> |
| Total gross collections | <u>\$ 82,514,437</u> | <u>\$ 39,136,967</u> | <u>\$ 121,651,404</u> | <u>\$ 79,776,935</u> | <u>\$ 37,869,606</u> | <u>\$ 117,646,541</u> |
| Tax Appraisal & Collection Fees | <u>(898,574)</u> | <u>(426,198)</u> | <u>(1,324,772)</u> | <u>(747,329)</u> | <u>(354,753)</u> | <u>(1,102,082)</u> |
| Total net collections | <u>\$ 81,615,863</u> | <u>\$ 38,710,769</u> | <u>\$ 120,326,632</u> | <u>\$ 79,029,606</u> | <u>\$ 37,514,853</u> | <u>\$ 116,544,459</u> |

Tax collections for the years ended August 31, 2024, and 2023, were 98.34 percent and 98.45 percent, respectively, of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

22. Federal and State Contract and Grant Awards

Federal and State contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audit of Colleges and Universities. Revenues are recognized on Exhibit 2 and Schedules A and C. For Federal and State contract and grant awards, funds expended, but not collected, are included in Accounts Receivables on Exhibit 1. Federal and State contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Federal and State contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2025 and 2024 for which monies have not been received nor funds expended, totaled \$24,705,001 and \$21,251,374, respectively. Of these amounts, \$16,024,620 and \$14,225,257 were from Federal contract and grant awards; \$8,680,381 and \$7,026,117 were from State contract and grant awards for the fiscal years ended August 31, 2025 and 2024, respectively.

23. Contingent Liabilities

Pending Lawsuits and Claims

As of August 31, 2024, the College is a defendant in various legal actions. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, College management believes that the potential liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

State and Federally Assisted Programs

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

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

The San Jacinto Community College Foundation, Inc. (the Foundation) was organized in the State of Texas on November 4, 1996 to function as a legally separate, not-for-profit corporation and is controlled by a separate Board of Directors. The duration of the Foundation is perpetual. The Foundation was established to raise private funds for the San Jacinto Community College District (the College) for charitable, scientific, literary, and educational purposes, which are to be administered by the Foundation solely for the benefit of the College, and to account for and enhance the value of funds submitted to it in support of the educational mission of the College.

Using the criteria established by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-An Amendment of GASB Statement No. 14 and No. 34 and GASB No. 39, Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14*, the College's management has determined that the Foundation should be reported as a discrete component unit of the College because of the nature and significance of its relationship with the College. The Foundation raises and holds economic resources for the direct benefit of the College. Accordingly, the Foundation's financial statements are included in the College annual comprehensive financial report as a discretely presented component as Exhibit 1A – Statements of Financial Position – Foundation, Exhibit 2A – Statements of Activities and Changes in Net Assets – Foundation, and Exhibit 3A – Statements of Cash Flows - Foundation for the fiscal years ended June 30, 2024 and 2023.

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2024 and 2023

25. Subsequent Events

Management has evaluated subsequent events through December 9, 2024, the date which the financial statements were available to be issued. The College Board of Trustees approved a resolution at the regular board meeting held on September 9, 2024, to contract with the Texas Comptroller of Public Accounts, State Energy Conservation Office (SECO) for a low-interest \$2.5 million loan facilitating energy efficiency improvements to the College's built environment. Additionally, in early December 2024, the College's fifth-year report was approved by the SACSCOC board with no exceptions and no follow-up actions. Management of the College has determined that no other subsequent events require recognition or disclosure in these financial statements.

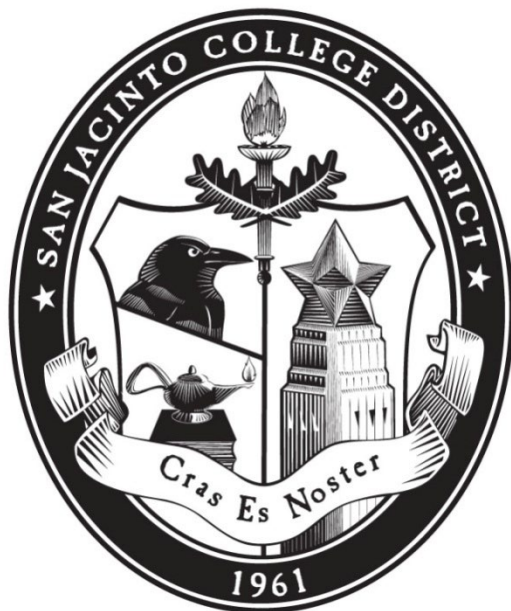
26. Related Party Disclosure Required by the U.S. Department of Education (Unaudited)

To comply with the Financial Responsibility, Administrative Capability, Certification Procedures, Ability To Benefit regulation promulgated by the U.S. Department of Education, the College Board of Trustees reports there were no related party transactions during the fiscal year ended August 31, 2024 and August 31, 2023.

REQUIRED SUPPLEMENTAL SCHEDULES



**REQUIRED BY THE GOVERNMENTAL
ACCOUNTING STANDARDS BOARD**



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

| Fiscal Year | College's proportionate share of collective net pension liability based on a measurement period of August 31 of the prior year | College's proportionate share of collective net pension liability | State's proportionate share of net pension liability associated with the College | Total | College's covered payroll amount related to TRS | College's proportionate share of collective net pension liability / College's covered payroll amount related to TRS | TRS net pension as percentage of total pension liability |
|-------------|--|---|--|----------------|---|---|--|
| 2023 | 0.08545090% | \$ 58,696,523 | \$ 46,057,384 | \$ 104,753,907 | \$ 95,631,253 | 61.38% | 73.15% |
| 2022 | 0.08412809% | 49,944,685 | 36,233,489 | 86,178,174 | 88,921,954 | 56.17% | 75.62% |
| 2021 * | 0.08103766% | 20,637,425 | 17,391,432 | 38,028,857 | 83,335,261 | 24.76% | 88.79% |
| 2020 | 0.08616031% | 46,145,705 | 38,404,504 | 84,550,209 | 84,669,151 | 54.50% | 75.54% |
| 2019 | 0.08813102% | 45,813,261 | 36,764,281 | 82,577,542 | 80,232,953 | 57.10% | 75.24% |
| 2018 | 0.08991999% | 49,494,145 | 39,368,786 | 88,862,931 | 79,662,920 | 62.13% | 73.74% |
| 2017 | 0.08318775% | 26,598,961 | 21,638,412 | 48,237,373 | 71,679,236 | 37.11% | 82.17% |
| 2016 | 0.08439110% | 31,890,143 | 25,038,783 | 56,928,926 | 68,966,250 | 46.24% | 78.00% |
| 2015 | 0.08470510% | 29,942,125 | 24,104,919 | 54,047,044 | 65,550,615 | 45.68% | 78.43% |
| 2014 | 0.09300210% | 24,842,147 | 19,954,950 | 44,797,097 | 61,563,262 | 40.35% | 83.25% |

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

* The significant decrease in the College's proportionate share of the collective net pension liability in FY 2021 was due to favorable market conditions during the measurement period which yielded higher investment returns and a higher percentage of the pension plan being funded. The College's proportionate share of the liability fluctuates annually based on actuarial assumptions and the pension plan's investment performance. See note 14, Defined Benefit Plan - Teacher Retirement System of Texas, for additional information.

GASB Statement No. 68 and No. 71 were implemented during fiscal year 2015

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

| <u>Fiscal Year</u> | <u>Legally required contribution</u> | <u>Actual contribution</u> | <u>Contribution deficiency (excess)</u> | <u>College's covered payroll amount related to TRS</u> | <u>Contributions as a percentage of covered payroll related to TRS</u> |
|--------------------|--|--------------------------------|---|--|--|
| 2024 | \$ 5,579,007 | \$ 5,579,007 | \$ - | \$ 110,102,731 | 5.07% |
| 2023 | 4,739,731 | 4,739,731 | - | 95,631,253 | 4.96% |
| 2022 | 3,910,920 | 3,910,920 | - | 88,921,954 | 4.40% |
| 2021 | 3,467,860 | 3,467,860 | - | 83,335,261 | 4.16% |
| 2020 | 3,569,331 | 3,569,331 | - | 84,669,151 | 4.22% |
| 2019 | 3,088,864 | 3,088,864 | - | 80,232,953 | 3.85% |
| 2018 | 3,030,938 | 3,030,938 | - | 79,662,920 | 3.80% |
| 2017 | 2,752,571 | 2,752,571 | - | 71,679,236 | 3.84% |
| 2016 | 2,704,506 | 2,704,506 | - | 68,966,250 | 3.92% |
| 2015 | 2,543,574 | 2,543,574 | - | 65,550,615 | 3.88% |

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

*GASB Statement No. 68 and No. 71 were implemented during fiscal year 2015.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

RSI – 3

**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY*
 EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
 STATE RETIREE HEALTH PLAN
 LAST SEVEN MEASUREMENT YEARS*
 (UNAUDITED)**

| <u>Fiscal Year</u> | <u>College's proportionate share of collective net OPEB liability percentage based on the ERS measurement date of August 31,</u> | <u>College's proportionate share of the net OPEB liability</u> | <u>State's proportionate share of net OPEB liability associated with the College</u> | <u>Total</u> | <u>College's covered payroll amount related to ERS</u> | <u>College's proportionate share of collective net OPEB liability as a percentage of covered payroll related to ERS</u> | <u>ERS plan fiduciary net position as a percentage of the total OPEB liability</u> |
|--------------------|--|--|--|----------------|--|---|--|
| 2023 | 0.332212% | \$ 88,758,738 | \$ 72,944,633 | \$ 161,703,371 | \$ 88,236,275 | 100.59% | 0.63% |
| 2022 | 0.337645% | 96,184,800 | 78,661,732 | 174,846,532 | 79,886,832 | 120.40% | 0.57% |
| 2021 | 0.322891% | 115,838,792 | 100,970,439 | 216,809,231 | 77,129,452 | 150.19% | 0.38% |
| 2020 | 0.324843% | 107,343,288 | 92,982,270 | 200,325,558 | 76,421,581 | 140.46% | 0.32% |
| 2019 | 0.310110% | 107,182,217 | 102,094,647 | 209,276,864 | 76,931,961 | 139.32% | 0.17% |
| 2018 | 0.320818% | 95,083,178 | 85,821,662 | 180,904,840 | 76,226,019 | 124.74% | 1.27% |
| 2017 | 0.267441% | 91,125,036 | 80,389,330 | 171,514,366 | 74,307,687 | 122.63% | 2.04% |

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

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

RSI – 4

| <u>Fiscal Year</u> | <u>Legally required contribution</u> | <u>Contribution in relation to the contractually required contribution</u> | <u>Contribution deficiency (excess)</u> | <u>College's covered payroll amount related to ERS</u> | <u>Contributions as a percentage of covered payroll amount related to ERS</u> |
|--------------------|--------------------------------------|--|---|--|---|
| 2024 | \$ 2,873,136 | \$ 2,873,136 | \$ - | \$ 100,514,898 | 2.86% |
| 2023 | 2,843,001 | 2,843,001 | - | 88,236,275 | 3.22% |
| 2022 | 2,798,061 | 2,798,061 | - | 79,886,832 | 3.50% |
| 2021 | 2,723,860 | 2,723,860 | - | 77,129,452 | 3.53% |
| 2020 | 2,650,603 | 2,650,603 | - | 76,421,581 | 3.47% |
| 2019 | 2,620,982 | 2,620,982 | - | 76,931,961 | 3.41% |
| 2018 | 2,554,275 | 2,554,275 | - | 76,226,019 | 3.35% |
| 2017 | 2,511,161 | 2,511,161 | - | 74,307,687 | 3.38% |

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

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTAL SCHEDULES

Years Ended August 31, 2024 and 2023

(Unaudited)

1. Schedules for Pensions - Net Pension Liability

Changes Since Prior Actuarial Valuation

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

Actuarial assumption changes are described in TRS's Annual Comprehensive Financial Report and the TRS Actuarial Valuation Report for the year ended August 31, 2023, which can be accessed at https://www.trs.texas.gov/Pages/about_publications.aspx.

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

Changes Since Prior Actuarial Valuation

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- Assumed Per Capita Health Benefit Costs and Health Benefit Costs and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- The discount rate was changed from 3.59% as of August 31, 2022 to 3.81% as of August 31, 2023 as a result of requirements by GASB No. 74 to reflect the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Actuarial assumption changes are described in ERS's Annual Comprehensive Financial Report and the ERS Actuarial Valuation Report for the year ended August 31, 2023, which can be accessed at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>



REQUIRED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD



SAN JACINTO COMMUNITY COLLEGE DISTRICT

SCHEDULE A

SCHEDULE OF OPERATING REVENUES

Year Ended August 31, 2024

(With Memorandum Totals for the Year Ended August 31, 2023)

| | 2024 | | | | 2023, Restated | |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| | Educational Activity | | Total | Auxiliary | Total | Total |
| | Unrestricted | Restricted | Educational Activity | Enterprises | | |
| <u>Tuition</u> | | | | | | |
| Credit courses: | | | | | | |
| In-district resident tuition | \$ 28,489,318 | \$ - | \$ 28,489,318 | \$ - | \$ 28,489,318 | \$ 25,482,134 |
| Out-of-district resident tuition | 32,630,743 | - | 32,630,743 | - | 32,630,743 | 28,837,750 |
| Non-resident tuition | 5,177,367 | - | 5,177,367 | - | 5,177,367 | 4,418,424 |
| TPEG-credit (set aside) * | - | 3,103,498 | 3,103,498 | - | 3,103,498 | 2,768,411 |
| Continuing education non-credit courses | 6,397,507 | - | 6,397,507 | - | 6,397,507 | 7,853,182 |
| TPEG-non-credit (set aside) * | - | 163,163 | 163,163 | - | 163,163 | 210,902 |
| Other educational programs | 1,148,492 | - | 1,148,492 | - | 1,148,492 | 1,348,141 |
| Total tuition | 73,843,427 | 3,266,661 | 77,110,088 | - | 77,110,088 | 70,918,944 |
| <u>Allowances and discounts</u> | | | | | | |
| Allowance for bad debt | (1,134,013) | - | (1,134,013) | - | (1,134,013) | (1,417,649) |
| Remissions and exemptions - state | (954,404) | - | (954,404) | - | (954,404) | (810,659) |
| Remissions and exemptions - local | (9,056,999) | - | (9,056,999) | - | (9,056,999) | (7,562,833) |
| Scholarship allowances | (3,314,606) | - | (3,314,606) | - | (3,314,606) | (3,910,837) |
| TPEG awards | (1,226,442) | - | (1,226,442) | - | (1,226,442) | (1,089,142) |
| Federal grants to students | (17,181,535) | - | (17,181,535) | - | (17,181,535) | (16,318,447) |
| State grants to students | (2,747,722) | - | (2,747,722) | - | (2,747,722) | (790,199) |
| Total allowances and discounts | (35,615,721) | - | (35,615,721) | - | (35,615,721) | (31,899,766) |
| Total net tuition | 38,227,706 | 3,266,661 | 41,494,367 | - | 41,494,367 | 39,019,178 |
| <u>Other operating revenues</u> | | | | | | |
| Federal grants and contracts | 460,020 | 7,385,051 | 7,845,071 | - | 7,845,071 | 21,425,207 |
| State grants and contracts | - | 6,108,574 | 6,108,574 | - | 6,108,574 | 2,617,727 |
| Non-governmental grants and contracts | 3,036,342 | 827,643 | 3,863,985 | - | 3,863,985 | 4,177,104 |
| Sales and services of educational activities | 145,905 | 75,740 | 221,645 | - | 221,645 | 132,078 |
| Sales and services of non-educational activities | 2,383,659 | - | 2,383,659 | - | 2,383,659 | 1,219,752 |
| Total other operating revenues | 6,025,926 | 14,397,008 | 20,422,934 | - | 20,422,934 | 29,571,868 |
| <u>Auxiliary enterprises</u> | | | | | | |
| Bookstores | - | - | - | 1,113,156 | 1,113,156 | 788,471 |
| Food services | - | - | - | 960,869 | 960,869 | 777,459 |
| Student services/other services | - | - | - | 945,372 | 945,372 | 724,770 |
| Total auxiliary enterprises | - | - | - | 3,019,397 | 3,019,397 | 2,290,700 |
| Total operating revenues | \$ 44,253,632 | \$ 17,663,669 | \$ 61,917,301 | \$ 3,019,397 | \$ 64,936,698 | \$ 70,881,746 |

(Exhibit 2)

(Exhibit 2)

* In accordance with Education Code 56.033, \$3,266,661 and \$2,979,313 for years ended August 31, 2024 and 2023, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF OPERATING EXPENSES BY OBJECT
Year Ended August 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)

SCHEDULE B

| | 2024 | | | | | 2023, Restated |
|---|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| | Salaries and Wages | Benefits | | Other Expenses | Total | Total |
| | | State | Local | | | |
| <u>Unrestricted - educational activities</u> | | | | | | |
| Instruction | \$ 70,911,472 | \$ - | \$ 11,623,187 | \$ 5,723,914 | \$ 88,258,573 | \$ 79,663,726 |
| Public service | - | - | - | - | - | - |
| Academic support | 12,877,266 | - | 2,513,866 | 2,264,126 | 17,655,258 | 14,887,122 |
| Student services | 15,512,947 | - | 3,229,978 | 1,635,329 | 20,378,254 | 16,041,150 |
| Institutional support | 27,514,157 | - | 5,780,819 | 16,820,792 | 50,115,768 | 39,992,159 |
| Operation and maintenance of plant | 4,654,261 | - | 1,655,409 | 18,956,025 | 25,265,695 | 24,060,683 |
| Total unrestricted educational activities | <u>131,470,103</u> | <u>-</u> | <u>24,803,259</u> | <u>45,400,186</u> | <u>201,673,548</u> | <u>174,644,840</u> |
| <u>Restricted - educational activities</u> | | | | | | |
| Instruction | 494,243 | 9,218,733 | 18,199 | 521,357 | 10,252,532 | 7,685,743 |
| Public service | 262,956 | 28,251 | 55,093 | 68,274 | 414,574 | 374,378 |
| Academic support | 2,750,267 | 2,020,658 | 539,724 | 2,274,530 | 7,585,179 | 9,848,765 |
| Student services | 350,918 | 2,669,183 | 2,618 | 52,734 | 3,075,453 | 3,347,757 |
| Institutional support | 115,628 | 3,927,365 | 23,700 | 464,071 | 4,530,764 | 7,516,297 |
| Scholarships and fellowships | - | - | - | 40,977,450 | 40,977,450 | 31,726,897 |
| Total restricted educational activities | <u>3,974,012</u> | <u>17,864,190</u> | <u>639,334</u> | <u>44,358,416</u> | <u>66,835,952</u> | <u>60,499,837</u> |
| Total educational activities | <u>135,444,115</u> | <u>17,864,190</u> | <u>25,442,593</u> | <u>89,758,602</u> | <u>268,509,500</u> | <u>235,144,677</u> |
| Auxiliary enterprises | 818,895 | - | 167,085 | 2,277,780 | 3,263,760 | 2,907,937 |
| Depreciation expense - buildings and improvements | - | - | - | 19,207,951 | 19,207,951 | 18,540,713 |
| Depreciation and amortization expense - equipment, furniture, library books, and subscriptions | - | - | - | 15,595,833 | 15,595,833 | 15,191,694 |
| Total operating expenses | <u>\$ 136,263,010</u> | <u>\$ 17,864,190</u> | <u>\$ 25,609,678</u> | <u>\$ 126,840,166</u> | <u>\$ 306,577,044</u> | <u>\$ 271,785,021</u> |
| | | | | (Exhibit 2) | (Exhibit 2) | |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES

SCHEDULE C

Year Ended August 31, 2024

(With Memorandum Totals for the Year Ended August 31, 2023)

| | 2024 | | | 2023, Restated |
|---|----------------|---------------|----------------|----------------|
| | Unrestricted | Restricted | Total | Total |
| <u>Non-operating revenues</u> | | | | |
| State appropriations: | | | | |
| Education and general State support | \$ 55,194,987 | \$ 6,954,267 | \$ 62,149,254 | \$ 41,307,653 |
| FAST funding | 2,135,766 | 2,206,539 | 4,342,305 | - |
| State group insurance | - | 6,453,841 | 6,453,841 | 8,740,238 |
| State retirement matching | - | 4,661,323 | 4,661,323 | 3,948,492 |
| Total State appropriations | 57,330,753 | 20,275,970 | 77,606,723 | 53,996,383 |
| Ad valorem taxes: | | | | |
| Maintenance ad valorem taxes | 82,717,655 | - | 82,717,655 | 79,471,674 |
| Debt service ad valorem taxes | - | 39,224,214 | 39,224,214 | 37,687,251 |
| Federal revenue, non-operating | 137,609 | 50,598,714 | 50,736,323 | 41,618,548 |
| HEERF Revenue Recovery | - | - | - | 7,735,228 |
| Gifts/donations | 641,223 | - | 641,223 | 167,750 |
| Investment income | 6,159,932 | 4,369,653 | 10,529,585 | 8,331,548 |
| Total non-operating revenues | 146,987,172 | 114,468,551 | 261,455,723 | 229,008,382 |
| <u>Non-operating expenses</u> | | | | |
| Interest on capital related debt | 529,127 | 22,578,838 | 23,107,965 | 24,331,783 |
| (Gain) Loss on disposal of capital assets | 156,945 | - | 156,945 | (2,589) |
| Total non-operating expenses | 686,072 | 22,578,838 | 23,264,910 | 24,329,194 |
| Net non-operating revenues, net | \$ 146,301,100 | \$ 91,889,713 | \$ 238,190,813 | \$ 204,679,188 |
| | | | (Exhibit 2) | (Exhibit 2) |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
Year Ended August 31, 2024
(With Memorandum Totals for the Year Ended August 31, 2023)

SCHEDULE D

| | Detail by Source | | | | Current Operations | |
|---|------------------|-----------------------|--------------------------------------|-----------------|--------------------|--------------|
| | Unrestricted | Restricted Expendable | Capital Assets | Total | Yes | No |
| | | | Net of Depreciation and Related Debt | | | |
| Current | | | | | | |
| Unrestricted | \$ (83,259,792) | \$ - | \$ - | \$ (83,259,792) | \$ (83,259,792) | \$ - |
| Board Designated for Capital Renewal | 11,613,789 | - | - | 11,613,789 | - | 11,613,789 |
| Restricted | - | 1,119,975 | - | 1,119,975 | - | 1,119,975 |
| Auxiliary | 13,438,449 | - | - | 13,438,449 | 13,438,449 | - |
| Plant | | | | | | |
| Debt service | - | 943,848 | - | 943,848 | - | 943,848 |
| Investment in plant | - | - | 135,954,731 | 135,954,731 | - | 135,954,731 |
| Total net position, August 31, 2024 | (58,207,553) | 2,063,823 | 135,954,731 | 79,811,001 | (69,821,343) | 149,632,344 |
| Total net position, August 31, 2023 | (57,814,891) | 3,359,916 | 137,715,509 | 83,260,534 | (62,928,197) | 146,188,730 |
| Net increase (decrease) in net position | \$ (392,662) | \$ (1,296,093) | \$ (1,760,778) | \$ (3,449,533) | \$ (6,893,146) | \$ 3,443,614 |

(Exhibit 2)



STATISTICAL



SAN JACINTO COMMUNITY COLLEGE DISTRICT

STATISTICAL SECTION

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



SAN JACINTO COMMUNITY COLLEGE DISTRICT
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS

SS-1

| | For the Year Ended August 31, (amounts expressed in thousands) | | | | | | | | | |
|---------------------------------------|---|------------|------------|------------|------------|------------|--------------|------------|------------|-------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Net investment in capital assets | \$ 135,955 | \$ 137,716 | \$ 135,412 | \$ 140,078 | \$ 144,113 | \$ 135,321 | \$ 116,862 | \$ 121,647 | \$ 132,443 | \$ 134,450 |
| Restricted - expendable | 2,064 | 3,360 | 7,040 | 7,117 | 11,369 | 10,191 | 10,419 | 10,745 | 12,040 | 15,375 |
| Restricted - nonexpendable | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | (58,208) | (57,815) | (62,967) | (73,275) | (82,070) | (71,867) | (67,109) | 31,937 | 22,362 | 26,379 |
| Total primary government net position | \$ 79,811 | \$ 83,261 | \$ 79,485 | \$ 73,920 | \$ 73,412 | \$ 73,645 | \$ 60,172 | \$ 164,329 | \$ 166,845 | \$ 176,204 |
| Prior year change | \$ (3,450) | \$ 3,776 | \$ 5,565 | \$ 508 | \$ (233) | \$ 13,473 | \$ (104,157) | \$ (2,516) | \$ (9,359) | \$ (32,332) |

Fiscal year 2022 was restated for implementation of GASB Statement No. 96. Years prior to fiscal year 2022 were not restated.

For fiscal year 2021, the amounts for Net Investment in Capital Assets were reduced by \$3.8 million due to additional depreciation expense. Additionally, the amounts for Net Investment in Capital Assets for fiscal years 2020-2018 were reduced for depreciation expense by \$3.6 million, \$2.6 million, and \$712,000, respectively.

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

For fiscal years 2018-2017, the amounts for Net Investment in Capital Assets were decreased by \$7.1 million for 2018 and \$2.7 million for 2017 to reflect reclassification of construction payables to Unrestricted.

For fiscal years 2018-2015, the amounts for Restricted-Nonexpendable have been restated to reflect the cash balances of the Debt Service Fund not previously included due to an error in the mapping of the balance.

For fiscal year 2015, the prior year change of \$32,332 is comprised of \$28,146 due to implementation of GASB Statement No. 68 and \$4,186 related to operations.

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

SS-2

| | For the Year Ended August 31, (amounts expressed in thousands) | | | | | | | | | |
|---|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Tuition and fees (net of allowances and discounts) | \$ 41,494 | \$ 39,019 | \$ 36,716 | \$ 39,995 | \$ 45,542 | \$ 46,498 | \$ 44,908 | \$ 44,727 | \$ 42,945 | \$ 39,933 |
| Governmental grants and contracts: | | | | | | | | | | |
| Federal grants and contracts | 7,845 | 21,425 | 38,646 | 12,943 | 5,406 | 5,792 | 6,959 | 6,965 | 5,463 | 4,070 |
| State and local grants and contracts | 6,109 | 2,618 | 2,557 | 2,153 | 2,683 | 2,503 | 2,993 | 2,755 | 2,409 | 3,192 |
| Non-governmental grants and contracts | 3,864 | 4,177 | 3,399 | 995 | 2,077 | 1,457 | 1,712 | 2,082 | 1,699 | 2,128 |
| Sales and services of educational activities and non-educational activities | 2,605 | 1,352 | 2,211 | 6,412 | 3,626 | 4,266 | 2,598 | 2,284 | 1,670 | 1,441 |
| Auxiliary enterprises (net of discounts) | 3,019 | 2,291 | 2,815 | 1,789 | 2,319 | 3,868 | 3,184 | 2,843 | 3,303 | 3,162 |
| Other operating revenues | - | - | - | - | - | - | - | 0 | 8 | 1 |
| Total operating revenues | 64,936 | 70,882 | 86,344 | 64,287 | 61,653 | 64,384 | 62,354 | 61,656 | 57,497 | 53,927 |
| State appropriations | 77,607 | 53,996 | 51,769 | 59,024 | 56,924 | 51,419 | 51,368 | 46,751 | 43,989 | 44,428 |
| Ad valorem taxes | 121,942 | 117,159 | 109,952 | 110,654 | 108,608 | 97,800 | 95,017 | 91,563 | 85,300 | 82,720 |
| Federal revenue, non-operating | 50,736 | 49,354 | 45,742 | 42,988 | 42,743 | 32,014 | 32,948 | 30,924 | 30,415 | 31,674 |
| Gifts/donations | 641 | - | 16 | - | - | - | - | - | - | - |
| Investment income | 10,530 | 8,332 | 1,176 | 222 | 3,128 | 6,570 | 3,397 | 1,519 | 545 | 247 |
| Gain on disposal of capital assets | - | - | - | - | - | - | - | - | - | - |
| Other non-operating | - | 3 | - | - | - | 6,941 | 854 | - | - | - |
| Total non-operating revenues | 261,456 | 228,844 | 208,655 | 212,888 | 211,403 | 194,744 | 183,584 | 170,757 | 160,249 | 159,069 |
| Total revenues | \$ 326,392 | \$ 299,726 | \$ 294,999 | \$ 277,175 | \$ 273,056 | \$ 259,128 | \$ 245,938 | \$ 232,413 | \$ 217,746 | \$ 212,996 |
| Prior year change | \$ 26,666 | \$ 4,727 | \$ 17,824 | \$ 4,119 | \$ 13,928 | \$ 13,190 | \$ 13,525 | \$ 14,667 | \$ 4,750 | \$ 3,193 |
| Tuition and fees (net of discounts) | 12.71% | 13.02% | 12.45% | 14.43% | 16.68% | 17.94% | 18.26% | 19.24% | 19.72% | 17.38% |
| Governmental grants and contracts: | | | | | | | | | | |
| Federal grants and contracts | 2.40% | 7.15% | 13.10% | 4.67% | 1.98% | 2.24% | 2.83% | 3.00% | 2.51% | 1.91% |
| State and local grants and contracts | 1.87% | 0.87% | 0.87% | 0.78% | 0.98% | 0.97% | 1.22% | 1.19% | 1.11% | 1.50% |
| Non-governmental grants and contracts | 1.18% | 1.39% | 1.15% | 0.36% | 0.76% | 0.56% | 0.70% | 0.90% | 0.78% | 1.00% |
| Sales and services of educational activities and non-educational activities | 0.80% | 0.45% | 0.75% | 2.31% | 1.33% | 1.65% | 1.06% | 0.98% | 0.77% | 0.63% |
| Auxiliary enterprises | 0.92% | 0.76% | 0.95% | 0.65% | 0.85% | 1.49% | 1.29% | 1.22% | 1.52% | 1.48% |
| Other operating revenues | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total operating revenues | 19.90% | 23.65% | 29.27% | 23.19% | 22.58% | 24.85% | 25.35% | 26.53% | 26.41% | 23.70% |
| State appropriations | 23.78% | 18.02% | 17.55% | 21.29% | 20.85% | 19.84% | 20.89% | 20.12% | 20.20% | 20.86% |
| Ad valorem taxes | 37.36% | 39.09% | 37.27% | 39.92% | 39.77% | 37.74% | 38.63% | 39.40% | 39.17% | 38.84% |
| Federal revenue, non-operating | 15.54% | 16.47% | 15.51% | 15.51% | 15.65% | 12.35% | 13.40% | 13.31% | 13.97% | 14.87% |
| Gifts/donations | 0.20% | 0.00% | 0.01% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Investment income | 3.23% | 2.78% | 0.40% | 0.08% | 1.15% | 2.54% | 1.38% | 0.65% | 0.25% | 0.12% |
| Gain on disposal of capital assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Other non-operating | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 2.68% | 0.35% | 0.00% | 0.00% | 0.00% |
| Total non-operating revenues | 80.10% | 76.35% | 70.73% | 76.81% | 77.42% | 75.15% | 74.65% | 73.47% | 73.59% | 74.69% |
| Total revenues | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 98.39% |

Fiscal years 2023 and 2022 were restated for reclassification of discounts, as well as gifts and donations. Years prior to fiscal year 2022 were not restated.

Fiscal year 2022 was restated for implementation of GASB Statement No. 96. Years prior to fiscal year 2022 were not restated.

For fiscal years 2022-2015, the College made a prior year restatement to eliminate direct student loan fees from tuition, discounts, and scholarships and fellowships. There was no impact to net position for this restatement.

Fiscal year 2021 was restated for implementation of GASB Statement No. 87. Years prior to fiscal year 2021 were not restated.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
PROGRAM EXPENSES BY FUNCTION (UNAUDITED)
LAST TEN FISCAL YEARS

SS-3

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Instruction | \$ 98,511 | \$ 87,349 | \$ 79,776 | \$ 81,110 | \$ 87,642 | \$ 84,244 | \$ 80,661 | \$ 77,615 | \$ 73,069 | \$ 71,139 |
| Public service | 415 | 374 | 395 | 668 | 396 | 331 | 601 | 437 | 414 | 572 |
| Academic support | 25,240 | 24,736 | 21,362 | 22,005 | 22,067 | 18,689 | 18,394 | 18,102 | 16,189 | 13,907 |
| Student services | 23,454 | 19,389 | 18,317 | 17,935 | 19,433 | 18,666 | 17,982 | 16,852 | 15,533 | 15,524 |
| Institutional support | 54,647 | 47,508 | 46,975 | 48,342 | 49,337 | 42,786 | 42,260 | 40,531 | 43,150 | 40,839 |
| Operation and maintenance of plant | 25,266 | 24,061 | 20,878 | 22,766 | 19,564 | 19,083 | 21,944 | 16,882 | 16,700 | 17,556 |
| Scholarships and fellowships | 40,977 | 31,727 | 42,451 | 31,546 | 27,574 | 22,714 | 23,112 | 22,014 | 22,091 | 23,036 |
| Auxiliary enterprises | 3,264 | 2,908 | 2,659 | 1,315 | 1,814 | 2,079 | 3,456 | 3,723 | 4,091 | 4,527 |
| Depreciation | 34,804 | 33,733 | 31,875 | 25,843 | 21,880 | 19,181 | 17,577 | 18,439 | 18,808 | 17,401 |
| Total operating expenses | 306,578 | 271,785 | 264,688 | 251,530 | 249,707 | 227,773 | 225,987 | 214,595 | 210,045 | 204,501 |
| Interest on capital related debt | 23,108 | 24,332 | 24,743 | 25,123 | 23,399 | 17,882 | 17,297 | 18,248 | 17,034 | 12,645 |
| Loss on disposal of capital assets | - | - | - | - | - | - | 16 | 2,087 | 27 | 37 |
| Other non-operating | 157 | (3) | 3 | 14 | 184 | 9 | 430 | - | - | - |
| Total non-operating expenses | 23,265 | 24,329 | 24,746 | 25,137 | 23,583 | 17,891 | 17,743 | 20,335 | 17,061 | 12,682 |
| Total expenses | \$ 329,843 | \$ 296,114 | \$ 289,434 | \$ 276,667 | \$ 273,290 | \$ 245,664 | \$ 243,730 | \$ 234,930 | \$ 227,106 | \$ 217,183 |
| Prior year change | \$ 33,729 | \$ 6,680 | \$ 12,767 | \$ 3,377 | \$ 27,626 | \$ 1,934 | \$ 8,800 | \$ 7,824 | \$ 9,923 | \$ 1,528 |
| Instruction | 29.87% | 29.50% | 27.56% | 29.32% | 32.07% | 34.29% | 33.09% | 33.04% | 32.17% | 32.76% |
| Public service | 0.13% | 0.13% | 0.14% | 0.24% | 0.14% | 0.13% | 0.25% | 0.19% | 0.18% | 0.26% |
| Academic support | 7.65% | 8.35% | 7.38% | 7.95% | 8.07% | 7.61% | 7.55% | 7.71% | 7.13% | 6.40% |
| Student services | 7.11% | 6.55% | 6.33% | 6.48% | 7.11% | 7.60% | 7.38% | 7.17% | 6.84% | 7.15% |
| Institutional support | 16.57% | 16.04% | 16.23% | 17.47% | 18.05% | 17.42% | 17.34% | 17.25% | 19.00% | 18.80% |
| Operation and maintenance of plant | 7.66% | 8.13% | 7.21% | 8.23% | 7.16% | 7.77% | 9.00% | 7.19% | 7.35% | 8.08% |
| Scholarships and fellowships | 12.42% | 10.71% | 14.67% | 11.40% | 10.09% | 9.25% | 9.48% | 9.37% | 9.73% | 10.61% |
| Auxiliary enterprises | 0.99% | 0.98% | 0.92% | 0.48% | 0.66% | 0.85% | 1.42% | 1.58% | 1.80% | 2.08% |
| Depreciation | 10.55% | 11.39% | 11.01% | 9.34% | 8.01% | 7.81% | 7.21% | 7.85% | 8.28% | 8.01% |
| Total operating expenses | 92.95% | 91.78% | 91.45% | 90.91% | 91.37% | 92.72% | 92.72% | 91.34% | 92.49% | 94.16% |
| Interest on capital related debt | 7.01% | 8.22% | 8.55% | 9.08% | 8.56% | 7.28% | 7.10% | 7.77% | 7.50% | 5.82% |
| Loss on disposal of capital assets | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.01% | 0.89% | 0.01% | 0.02% |
| Other non-operating | 0.05% | 0.00% | 0.00% | 0.01% | 0.07% | 0.00% | 0.18% | 0.00% | 0.00% | 0.00% |
| Total non-operating expenses | 7.05% | 8.22% | 8.55% | 9.09% | 8.63% | 7.28% | 7.28% | 8.66% | 7.51% | 5.84% |
| Total expenses | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Fiscal year 2023 was restated for reclassification of discounts. Years prior to fiscal year 2023 were not restated.

Fiscal year 2022 was restated for implementation of GASB Statement No. 96. Years prior to fiscal year 2022 were not restated for this new accounting pronouncement.

For fiscal years 2022-2015, the College made a prior year restatement to eliminate direct student loan fees from tuition, discounts, and scholarships and fellowships. There was no impact to net position for this restatement.

Fiscal year 2021 was restated for implementation of GASB Statement No. 87. Years prior to fiscal year 2021 were not restated for this new accounting pronouncement.

For fiscal year 2021, the amounts for Depreciation were increased by \$3.8 million due to additional depreciation expense. The amounts for Depreciation for fiscal years 2020-2018 were also increased for additional depreciation expense by \$3.6 million, \$2.6 million, and \$712,000, respectively.

Instruction, Public Support, Academic Support, and Student Services amounts were restated for the 10 year period due to reclassification of the Continuing Education and Dual Credit program expenses to align with NACUBO classifications.

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

| Fiscal Year | Resident Fees per Semester Credit Hour (SCH) | | | | | | Cost for 12 SCH In-District | Cost for 12 SCH Out-of-District | Increase from Prior Year In-District | Increase from Prior Year Out-of-District |
|-------------|---|---------------------|-------------------------|-----------------|--------|----------|--------------------------------|------------------------------------|--|--|
| | General Service Fee | In-District Tuition | Out-of-District Tuition | Technology Fees | | | | | | |
| | | | | | | | | | | |
| 2024 | \$ - | \$ 83 | \$ 144 | \$ - | \$ 996 | \$ 1,728 | 6.41% | 6.67% | | |
| 2023 | - | 78 | 135 | - | 936 | 1,620 | - | - | | |
| 2022 | - | 78 | 135 | - | 936 | 1,620 | - | - | | |
| 2021 | - | 78 | 135 | - | 936 | 1,620 | - | - | | |
| 2020 | - | 78 | 135 | - | 936 | 1,620 | 56.00% | 42.11% | | |
| 2019 | 150 | 50 | 95 | 2 | 774 | 1,314 | - | - | | |
| 2018 | 150 | 50 | 95 | - | 750 | 1,290 | - | - | | |
| 2017 | 140 | 50 | 95 | - | 750 | 1,290 | 6.38% | 6.74% | | |
| 2016 | 140 | 47 | 89 | - | 704 | 1,208 | - | - | | |
| 2015 | 140 | 47 | 89 | - | 704 | 1,208 | 7.32% | 5.23% | | |

| Fiscal Year | Non-Resident Fees per Semester Credit Hour (SCH) | | | | | | Cost for 12 SCH Out-of-State | Cost for 12 SCH International | Increase from Prior Year Out-of-State | Increase from Prior Year International |
|-------------|---|--------------------------------------|---------------------------------------|-----------------|----------|----------|---------------------------------|----------------------------------|---|--|
| | General Service Fee | Non-Resident Tuition Out-of-State | Non-Resident Tuition International | Technology Fees | | | | | | |
| | | | | | | | | | | |
| 2024 | \$ - | \$ 223 | \$ 223 | \$ - | \$ 2,676 | \$ 2,676 | 6.19% | 6.19% | | |
| 2023 | - | 210 | 210 | - | 2,520 | 2,520 | - | - | | |
| 2022 | - | 210 | 210 | - | 2,520 | 2,520 | - | - | | |
| 2021 | - | 210 | 210 | - | 2,520 | 2,520 | - | - | | |
| 2020 | - | 210 | 210 | - | 2,520 | 2,520 | 31.25% | 31.25% | | |
| 2019 | 150 | 160 | 160 | 2 | 2,094 | 2,094 | - | - | | |
| 2018 | 150 | 160 | 160 | - | 2,070 | 2,070 | - | - | | |
| 2017 | 150 | 160 | 160 | - | 2,070 | 2,070 | 7.38% | 7.38% | | |
| 2016 | 140 | 149 | 149 | - | 1,851 | 1,851 | 4.93% | 4.93% | | |
| 2015 | 140 | 142 | 142 | - | 1,844 | 1,844 | 5.49% | 5.49% | | |

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

Prior fiscal years include basic enrollment tuition and fees but exclude course based fees such as laboratory fees, testing fees, and certification fees.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY (UNAUDITED)
LAST TEN FISCAL YEARS

SS-5

| Fiscal Year | (Amounts expressed in thousands) | | | Ratio of TAV to Assessed Value | Direct Rate | | |
|-------------|----------------------------------|------------------|------------------------------|--------------------------------|------------------------------|------------------|-----------|
| | Assessed Valuation of Property | Less: Exemptions | Taxable Assessed Value (TAV) | | Maintenance & Operations (a) | Debt Service (a) | Total (a) |
| 2023-24 | \$ 99,965,969 | \$ 15,418,357 | \$ 84,547,612 | 84.58% | 0.099152 | 0.047043 | 0.146195 |
| 2022-23 | 89,564,321 | 13,607,599 | 75,956,722 | 84.81% | 0.105500 | 0.050105 | 0.155605 |
| 2021-22 | 77,489,684 | 11,760,032 | 65,729,652 | 84.82% | 0.112838 | 0.055129 | 0.167967 |
| 2020-21 | 76,749,920 | 11,869,475 | 64,880,445 | 84.53% | 0.111738 | 0.057620 | 0.169358 |
| 2019-20 | 72,337,367 | 11,423,615 | 60,913,752 | 84.21% | 0.117251 | 0.060918 | 0.178169 |
| 2018-19 | 64,534,799 | 10,550,630 | 53,984,169 | 83.65% | 0.127210 | 0.052119 | 0.179329 |
| 2017-18 | 61,361,537 | 9,892,379 | 51,469,158 | 83.88% | 0.128828 | 0.054507 | 0.183335 |
| 2016-17 | 59,423,942 | 9,224,246 | 50,199,696 | 84.48% | 0.129194 | 0.053185 | 0.182379 |
| 2015-16 | 57,896,864 | 9,465,130 | 48,431,734 | 83.65% | 0.129194 | 0.046589 | 0.175783 |
| 2014-15 | 53,936,177 | 9,867,005 | 44,069,172 | 81.71% | 0.127045 | 0.058557 | 0.185602 |

Source: Harris Central Appraisal District and Chambers County Appraisal District

(a) Per \$100 Taxable Assessed Valuation

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

SS-6a

| Appropriation Funding Elements | <u>2024*</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| State Appropriation Performance Tier Funding* | \$ 54,996 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| State Appropriation Contact Hour Funding (CH) | - | 33,366 | 33,366 | 36,224 | 36,226 | 34,252 | 34,252 | 32,442 | 32,442 | 33,030 |
| State Appropriation Student Success Points (SSP) | - | 7,261 | 7,261 | 5,186 | 5,186 | 3,865 | 3,865 | 3,478 | 3,478 | 3,613 |
| State Appropriation Core Operations (CO) | - | <u>681</u> | <u>681</u> | <u>680</u> | <u>680</u> | <u>680</u> | <u>680</u> | <u>500</u> | <u>500</u> | <u>500</u> |
| Total | \$ <u>54,996</u> | \$ <u>41,308</u> | \$ <u>41,308</u> | \$ <u>42,090</u> | \$ <u>42,092</u> | \$ <u>38,797</u> | \$ <u>38,797</u> | \$ <u>36,420</u> | \$ <u>36,420</u> | \$ <u>37,143</u> |

Sources:

*THECB Three Pay Schedule for 2024. In 2024, a new performance based funding model was approved by the Texas legislature under House Bill 8.
 THECB Ten Pay Schedule for 2023 and prior years.

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

SS-6b

| Amounts Expressed in Thousands | | | | |
|--------------------------------|--|-------------|---|--|
| Fiscal Year | State Appropriation (Unrestricted) From Schedule C | FTSE (a) | State Appropriation per FTSE - Dollars | |
| 2023-24* | \$ 54,996 | 21 | \$ 2,619 | |
| 2022-23 | 41,308 | 19 | 2,174 | |
| 2021-22 | 41,308 | 19 | 2,174 | |
| 2020-21 | 42,090 | 19 | 2,215 | |
| 2019-20 | 42,092 | 20 | 2,105 | |
| 2018-19 | 38,797 | 20 | 1,940 | |
| 2017-18 | 38,797 | 20 | 1,940 | |
| 2016-17 | 36,420 | 20 | 1,821 | |
| 2015-16 | 36,420 | 20 | 1,821 | |
| 2014-15 | 37,143 | 20 | 1,857 | |

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

*In fiscal year 2023-24, the formula funding methodology changed to a performance based funding model.

Source: CBM004 and CBM00C

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

SS-6c

| Fiscal Year | Amounts Expressed in Thousands | | | | | Total Contact Hours | State Appropriation per Contact Hour |
|-------------|---|----------------------------|--|--|--------|---------------------|--------------------------------------|
| | CH - State Appropriation (Unrestricted) (a) | Academic Contact Hours (b) | Vocational - Technical Contact Hours (b) | Continuing Education Contact Hours (b) | | | |
| 2023-24* | \$ 54,996 | 8,610 | 3,771 | 175 | 12,556 | \$ 4.38 | |
| 2022-23 | 33,366 | 8,140 | 3,545 | 244 | 11,929 | 2.80 | |
| 2021-22 | 33,366 | 7,905 | 3,492 | 203 | 11,600 | 2.88 | |
| 2020-21 | 36,224 | 8,276 | 3,272 | 126 | 11,674 | 3.10 | |
| 2019-20 | 36,226 | 8,590 | 3,585 | 156 | 12,331 | 2.94 | |
| 2018-19 | 34,252 | 8,392 | 3,789 | 253 | 12,434 | 2.75 | |
| 2017-18 | 34,252 | 8,307 | 3,858 | 283 | 12,448 | 2.75 | |
| 2016-17 | 32,442 | 8,357 | 3,829 | 365 | 12,551 | 2.58 | |
| 2015-16 | 32,442 | 8,172 | 3,752 | 373 | 12,297 | 2.64 | |
| 2014-15 | 33,030 | 7,903 | 3,772 | 393 | 12,068 | 2.74 | |

Contact Hour = State funded Academic, Vocational-Technical, and Continuing Education contact hours for Fall, Spring, and Summer of the current fiscal year.

- (a) For 2023-2024, State Appropriation Performance Tier Funding as it appears on schedule 6a.
- (b) For 2022-2023 and prior years, State Appropriation Contact Hour Funding as it appears on schedule 6a.

Source: CBM004 and CBM00C

* In fiscal year 2023-24 the formula funding methodology changed to a performance based model.

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

SS-6d

| Fiscal Year | (Amounts Expressed in Thousands) | | |
|-------------|--|---|---------------------------------|
| | SSP - State Appropriation (Unrestricted) (a) | Three Year Average Student Success Points (b) | Appropriation per Success Point |
| 2023-24* | \$ - | - | \$ - |
| 2022-23 | 7,261 | 58,579 | 123.95 |
| 2021-22 | 7,261 | 58,579 | 123.95 |
| 2020-21 | 5,186 | 51,208 | 101.27 |
| 2019-20 | 5,186 | 51,208 | 85.78 |
| 2018-19 | 3,865 | 45,061 | 85.77 |
| 2017-18 | 3,865 | 45,061 | 85.77 |
| 2016-17 | 3,478 | 40,304 | 86.29 |
| 2015-16 | 3,478 | 40,304 | 86.29 |
| 2014-15 | 3,613 | 39,028 | 92.57 |

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

(b) Source: THECB - Ten Pay Schedule

*Beginning in 2023-24, the formula funding methodology changed to a model based on performance outcomes, so there are no student success points for this year. Please see Statistical Schedule 6f for a detail of the performance tier outcomes. The College will continue to include this schedule for historical purposes for the next few years.

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

SS-6e

| Success Points Elements (Weighted) | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Math Readiness | 2,796 | 2,796 | 2,625 | 2,644 | 2,676 | 2,819 | 2,143 | 1,232 |
| Read Readiness | 933 | 933 | 946 | 839 | 846 | 925 | 874 | 501 |
| Write Readiness | 601 | 601 | 391 | 280 | 449 | 848 | 829 | 502 |
| Students Who Pass FCL Math Course | 6,176 | 6,176 | 7,322 | 6,035 | 5,406 | 5,936 | 5,729 | 5,013 |
| Students Who Pass FCL Read Course | 3,868 | 3,868 | 4,910 | 4,752 | 4,549 | 4,424 | 4,090 | 3,929 |
| Students Who Pass FCL Write Course | 3,224 | 3,224 | 4,013 | 3,798 | 2,947 | 2,435 | 2,295 | 2,104 |
| Students Who Complete 15 SCH | 8,589 | 8,589 | 9,702 | 9,220 | 9,313 | 9,062 | 8,466 | 8,303 |
| Students Who Complete 30 SCH | 9,600 | 9,600 | 10,655 | 9,936 | 6,611 | 6,094 | 5,993 | 5,897 |
| Student Transfers to a 4-Yr Inst | 7,605 | 7,605 | 8,292 | 8,349 | 5,210 | 5,226 | 5,020 | 5,144 |
| Degrees, CCCs, or Certs | 5,552 | 5,552 | 5,408 | 5,206 | 8,908 | 10,306 | 10,496 | 8,416 |
| Degrees or Certs in Critical Fields | 7,046 | 7,046 | 7,215 | 7,134 | 4,712 | 4,421 | 3,517 | 3,170 |
| Annual Success Points - Total | <u>55,990</u> | <u>55,990</u> | <u>61,479</u> | <u>58,193</u> | <u>51,627</u> | <u>52,496</u> | <u>49,452</u> | <u>44,211</u> |

SCH = Semester Contact Hour

Source: THECB - FY 2023 data is not available.

Note: Beginning in 2023-24, the formula funding methodology changed to a model based on performance outcomes. Please see Statistical Schedule 6f for a detail of the outcomes. The College will continue to include this schedule for historical purposes for the next few years.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
PERFORMANCE TIER OUTCOMES (UNAUDITED)
MOST RECENT FISCAL YEARS

SS-6f

| Performance Tier Outcomes | 2022 | 2021 | 2020 |
|--------------------------------------|---------------|---------------|---------------|
| 15 SCH Dual Credit | 1,897 | 1,909 | 1,991 |
| GAI Transfer with 15 SCH | 2,606 | 2,625 | 2,701 |
| GAI Co-Enrollment with 15 SCH | 0 | 0 | 0 |
| ICLC Leading to Licensure | 57 | 62 | 60 |
| ICLC Leading to Lic - High Demand | 148 | 148 | 142 |
| Occup Skills Award | 83 | 28 | 14 |
| Occup Skills Award - High Demand | 0 | 0 | 0 |
| Certificate | 1,299 | 1,063 | 1,077 |
| Certificate - High Demand | 1,119 | 1,212 | 1,273 |
| ATC | 0 | 0 | 0 |
| ATC - High Demand | 0 | 0 | 45 |
| Assoc Degree | 3,574 | 2,573 | 2,477 |
| Assoc Degree - High Demand | 2,099 | 2,313 | 2,263 |
| Bachelor's Degree | 0 | 0 | 0 |
| Bachelor's Degree - High Demand | 23 | 20 | 0 |
| Annual Outcomes - Total ¹ | <u>12,905</u> | <u>11,953</u> | <u>12,043</u> |

(a) These are actual (not forecasted) outcomes reported for each year.

(1) This represents the total of funded outcomes; "credential of value premium" categories are not mutually exclusive from the general credential category.

For example, Certificate Credential of Value Premium is a subset of Certificate Level One or Two, so summing them double-counts the certificates that qualified as credentials of value premium.

Note: This table reports outcomes no earlier than fiscal year 2020, as that was the earliest year used as a direct funding input in FY 2024, which was the first year in which the performance tier funding model was implemented.

Source: THECB - Accountability System; Community College Formula Funding Model.

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

SS-7

| Taxpayer | Type of Business | Taxable Assessed Value (TAV) by Tax Year (\$000 omitted) | | | | | | | | | |
|------------------------------------|-----------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Lyondell Chemical Co. | Chemical | \$ 2,474,852 | \$ 2,489,961 | \$ 2,171,538 | \$ 1,052,233 | \$ 946,278 | \$ 651,344 | \$ 571,680 | \$ 601,457 | \$ 604,913 | \$ 704,095 |
| Equistar Chemicals LP | Chemical | 1,811,489 | 1,925,863 | 2,037,655 | 1,973,303 | 1,757,873 | 1,677,218 | 1,372,684 | 1,356,982 | 1,531,712 | 1,566,440 |
| Centerpoint Energy, Inc. | Energy | 959,330 | 839,513 | 717,171 | 604,779 | | | | 435,659 | 435,139 | 350,466 |
| Phillips 66 Company | Petrochemical | 808,123 | 732,878 | | | | | | | | |
| Oil tanking Houston | Petrochemical | 782,747 | 915,320 | 823,950 | 745,843 | 638,207 | 576,921 | | | | |
| Deer Park Refining LP | Petrochemical | 676,385 | 714,903 | | | | | | | | |
| Pasadena Performance Products LP | Petrochemical | 655,333 | | | | | | | | | |
| Shell Oil Co. | Refinery | 637,664 | 815,693 | 776,640 | 1,039,498 | 1,419,165 | 1,427,630 | 1,130,823 | 1,184,784 | 1,360,056 | 1,500,515 |
| Enterprise Products | Petrochemical | 635,643 | 641,409 | 646,784 | 1,214,877 | 1,174,347 | 1,076,865 | 407,948 | 455,662 | | |
| Kinder Morgan | Petrochemical | 601,466 | | 586,368 | 571,127 | 561,671 | 509,475 | | | | |
| Intercontinental Terminal | Chemical | | 808,476 | 717,579 | 680,121 | 693,253 | 650,739 | | | | |
| Chevron Chemical Co. | Refinery | | 658,520 | | | | | | | | 394,849 |
| Braskem America Inc. | Petrochemical | | | 619,955 | 618,837 | | | | | | |
| Lubrizol Corp | Chemical | | | 547,061 | 533,393 | 686,897 | 529,604 | | | | |
| Fairway Methanol, LLC | Petrochemical | | | | | 573,835 | 578,146 | 576,639 | | | |
| Kuraray America Inc | Chemical | | | | | 518,194 | 502,495 | 484,717 | 440,321 | 500,418 | 453,555 |
| Air Liquide | Chemical | | | | | | | 404,162 | 430,613 | 418,645 | 359,970 |
| Kirby Inland Marine, LLP | Marine Transportation | | | | | | | 443,548 | | 453,507 | |
| Houston Refining | Refinery | | | | | | | 417,286 | | | 393,460 |
| Oxy Vinyls LP | Petrochemical | | | | | | | 416,051 | 410,461 | 424,978 | 418,532 |
| Celanese, LTD | Petrochemical | | | | | | | | 715,716 | 739,533 | |
| Rohm & Haas Co. (Parent DOW) | Petrochemical | | | | | | | | 406,834 | 424,828 | 518,150 |
| Chevron Chemical Co. | Refinery | | | | | | | | | | - |
| Exxon Mobil Corp | Petrochemical | | | | | | | | | | - |
| Conoco Phillips | Refinery | | | | | | | | | | - |
| Totals - Top Ten Only | | \$ 10,043,032 | \$ 10,542,537 | \$ 9,644,700 | \$ 9,034,011 | \$ 8,969,720 | \$ 8,180,437 | \$ 6,225,538 | \$ 6,438,489 | \$ 6,893,727 | \$ 6,660,032 |
| Total Taxable Assessed Value (TAV) | | \$ 84,547,612 | \$ 75,956,722 | \$ 65,729,652 | \$ 64,880,445 | \$ 60,913,752 | \$ 53,984,169 | \$ 51,469,158 | \$ 50,199,696 | \$ 48,431,734 | \$ 44,069,172 |

| Taxpayer | Type of Business | % of Total Taxable Assessed Value (TAV) by Tax Year | | | | | | | | | |
|---|-----------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Lyondell Chemical Co. | Chemical | 2.93% | 3.28% | 3.30% | 1.62% | 1.55% | 1.21% | 1.11% | 1.20% | 1.25% | 1.60% |
| Equistar Chemicals LP | Chemical | 2.14% | 2.54% | 3.10% | 3.04% | 2.89% | 3.11% | 2.67% | 2.70% | 3.16% | 3.55% |
| Centerpoint Energy, Inc. | Energy | 1.13% | 1.11% | 1.09% | 0.93% | | | | 0.87% | 0.90% | 0.80% |
| Phillips 66 Company | Petrochemical | 0.96% | 0.96% | | | | | | | | |
| Oil tanking Houston | Petrochemical | 0.93% | 1.21% | 1.25% | 1.15% | 1.05% | 1.07% | | | | |
| Deer Park Refining LP | Petrochemical | 0.80% | 0.94% | | | | | | | | |
| Pasadena Performance Products LP | Petrochemical | 0.78% | | | | | | | | | |
| Shell Oil Co. | Refinery | 0.75% | 1.07% | 1.18% | 1.60% | 2.33% | 2.64% | 2.20% | 2.36% | 2.81% | 3.40% |
| Enterprise Products | Petrochemical | 0.75% | 0.84% | 0.98% | 1.87% | 1.93% | 1.99% | 0.79% | 0.91% | | |
| Kinder Morgan | Petrochemical | 0.71% | | | 0.88% | 0.92% | 0.94% | | | | |
| Intercontinental Terminal | Chemical | | 1.06% | 1.09% | 1.05% | 1.14% | 1.21% | | | | |
| Chevron Chemical Co. | Refinery | | 0.87% | | | | | | | | 0.90% |
| Braskem America Inc. | Petrochemical | | | | 0.95% | | | | | | |
| Lubrizol Corp | Chemical | | | | 0.82% | 1.13% | 0.98% | | | | |
| Fairway Methanol, LLC | Petrochemical | | | | | 0.94% | 1.07% | 1.12% | | | |
| Kuraray America Inc | Chemical | | | | | 0.85% | 0.93% | 0.94% | 0.88% | 1.03% | 1.03% |
| Air Liquide | Chemical | | | | | | | 0.79% | 0.86% | 0.86% | 0.82% |
| Kirby Inland Marine, LLP | Marine Transportation | | | | | | | 0.86% | | 0.94% | |
| Houston Refining | Refinery | | | | | | | 0.81% | | | 0.89% |
| Oxy Vinyls LP | Petrochemical | | | | | | | 0.81% | 0.82% | 0.88% | 0.95% |
| Celanese, LTD | Petrochemical | | | | | | | | 1.43% | 1.53% | |
| Rohm & Haas Co. (Parent DOW) | Petrochemical | | | | | | | | 0.81% | 0.88% | 1.18% |
| Exxon Mobil Corp | Petrochemical | | | | | | | | | | |
| Conoco Phillips | Refinery | | | | | | | | | | |
| Percentage of Top Ten Taxpayer to Grand Total TAV | | 11.88% | 13.88% | 11.99% | 13.91% | 14.73% | 15.15% | 12.10% | 12.84% | 14.24% | 15.12% |

This list is the Top Ten Principal Taxpayers based on Taxable Assessed Value by Tax Year. Values provided by Harris County Appraisal District 09-06-24. Prepared by Harris County Tax Assessor-Collector's Office 10-04-2024.

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

| Fiscal Year Ended August 31 | Levy (a) | Cumulative Levy Adjustments | Adjusted Tax Levy (b) | Collections - Year of Levy (c) | Percentage (c/b) | Current Collections of Prior Levies (d) | Tax Refunds Issued (e) | Penalty and Interest Collections (f) | Total Collections (c+d+e+f) | Percentage Cumulative Collections of Adjusted Levy [(c+d)/b] |
|-----------------------------|------------|-----------------------------|-----------------------|--------------------------------|------------------|---|------------------------|--------------------------------------|-----------------------------|--|
| 2024 | \$ 123,604 | \$ - | \$ 123,604 | \$ 121,552 | 98.34% | \$ 635 | \$ (1,365) | \$ 830 | \$ 121,652 | 97.75% |
| 2023 | 118,192 | - | 118,192 | 116,362 | 98.45% | 1,821 | (1,243) | 707 | 117,647 | 98.94% |
| 2022 | 110,404 | - | 110,404 | 108,402 | 98.19% | 863 | (966) | 796 | 109,095 | 98.09% |
| 2021 | 109,880 | - | 109,880 | 107,692 | 98.01% | 1,681 | (281) | 969 | 110,061 | 99.28% |
| 2020 | 108,529 | - | 108,529 | 105,652 | 97.35% | 1,205 | (584) | 801 | 107,074 | 97.92% |
| 2019 | 96,808 | - | 96,808 | 96,157 | 99.33% | 1,567 | (468) | 863 | 98,119 | 100.46% |
| 2018 | 94,361 | - | 94,361 | 93,079 | 98.64% | 1,426 | (268) | 1,011 | 95,248 | 99.87% |
| 2017 | 91,554 | - | 91,554 | 89,785 | 98.07% | 1,061 | (433) | 881 | 91,294 | 98.75% |
| 2016 | 85,135 | - | 85,135 | 83,919 | 98.57% | 1,261 | (253) | 637 | 85,564 | 99.76% |
| 2015 | 81,793 | - | 81,793 | 80,443 | 98.35% | 1,103 | (58) | 619 | 82,107 | 99.63% |

Prior years were restated to reflect Harris County Tax Assessor Collector collection of prior year levies and tax refunds issued at gross.

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

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

SS-9

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General obligation bonds | \$ 586,131 | \$ 606,363 | \$ 622,651 | \$ 599,531 | \$ 530,440 | \$ 544,008 | \$ 414,189 | \$ 428,268 | \$ 433,908 | \$ 284,351 |
| Revenue bonds | 40,972 | 41,609 | 43,221 | 44,758 | 45,980 | 47,381 | 48,732 | 50,033 | 50,144 | 50,255 |
| Total outstanding debt | \$ 627,103 | \$ 647,972 | \$ 665,872 | \$ 644,289 | \$ 576,420 | \$ 591,389 | \$ 462,921 | \$ 478,301 | \$ 484,052 | \$ 334,606 |

Figures for Debt Ratios (in thousands):

| | | | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| District Population | 541.4 | 545.6 | 542.5 | 531.9 | 526.8 | 526.6 | 528.2 | 523.5 | 521.4 | 513.7 |
| Full Time Student Equivalent (FTSE) | 21 | 19 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 |
| Taxable Assessed Value (TAV) | \$ 84,547,612 | \$ 75,956,722 | \$ 65,729,652 | \$ 64,880,445 | \$ 60,913,752 | \$ 53,984,169 | \$ 51,469,158 | \$ 50,199,696 | \$ 48,431,734 | \$ 44,069,172 |

General Bonded Debt Ratios:

| | | | | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|--------|--------|--------|--------|
| Per Capita | \$ 1,083 | \$ 1,111 | \$ 1,148 | \$ 1,127 | \$ 1,007 | \$ 1,033 | \$ 784 | \$ 818 | \$ 832 | \$ 554 |
| Per FTSE | 27,911 | 31,914 | 32,771 | 31,554 | 26,522 | 27,200 | 20,709 | 21,413 | 21,695 | 14,218 |
| As a percentage of TAV | 0.69% | 0.80% | 0.95% | 0.92% | 0.87% | 1.01% | 0.80% | 0.85% | 0.90% | 0.65% |

Total Outstanding Debt Ratios:

| | | | | | | | | | | |
|------------------------|----------|----------|----------|----------|----------|----------|--------|--------|--------|--------|
| Per Capita | \$ 1,158 | \$ 1,188 | \$ 1,227 | \$ 1,211 | \$ 1,094 | \$ 1,123 | \$ 876 | \$ 914 | \$ 928 | \$ 651 |
| Per FTSE | 29,862 | 34,104 | 35,046 | 33,910 | 28,821 | 29,569 | 23,146 | 23,915 | 24,203 | 16,730 |
| As a percentage of TAV | 0.74% | 0.85% | 1.01% | 0.99% | 0.95% | 1.10% | 0.90% | 0.95% | 1.00% | 0.76% |

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

SS-9a

| Fiscal Year Ended August 31 | General Obligation Bonds | Revenue Bonds | Capital Finances | Leases | Subscriptions | Notes Payable | Total Outstanding Debt | Calendar Year District Personal Income* | Percentage of Debt per Personal Income | Population* | Debt per Capita |
|-----------------------------------|--------------------------------|------------------|---------------------|--------|---------------|------------------|------------------------------|--|---|-------------|--------------------|
| 2024 | \$ 586,131 | \$ 40,972 | \$ 10,158 | \$ 564 | \$ 5,524 | \$ 3,918 | \$ 647,267 | 13,437,146 | 4.82% | 541 | \$ 1,196 |
| 2023 | 606,363 | 41,609 | 3,833 | 386 | 7,855 | 3,473 | 663,519 | 12,623,736 | 5.26% | 546 | 1,215 |
| 2022 | 622,651 | 43,221 | 3,957 | 378 | 4,943 | 921 | 676,071 | 12,713,297 | 5.32% | 543 | 1,245 |
| 2021 | 599,531 | 44,758 | - | 619 | 6,392 | - | 651,300 | 13,765,003 | 4.73% | 532 | 1,224 |
| 2020 | 530,440 | 45,980 | - | 712 | - | - | 577,132 | 13,129,476 | 4.40% | 527 | 1,095 |
| 2019 | 544,008 | 47,381 | - | - | - | - | 591,389 | 12,658,352 | 4.67% | 527 | 1,122 |
| 2018 | 414,189 | 48,732 | - | - | - | - | 462,921 | 12,252,568 | 3.78% | 528 | 877 |
| 2017 | 428,268 | 50,033 | - | - | - | - | 478,301 | 11,981,377 | 3.99% | 523 | 915 |
| 2016 | 433,908 | 50,144 | - | - | - | - | 484,052 | 12,212,039 | 3.96% | 521 | 929 |
| 2015 | 284,351 | 50,255 | - | - | - | - | 334,606 | 11,976,434 | 2.79% | 514 | 651 |

*One year in arrears to College's fiscal year-end. See Demographic and Economic Statistics - Taxing District SS-12.

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

SS-10

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxable Assessed Value | \$ <u>84,547,612</u> | \$ <u>75,956,722</u> | \$ <u>65,729,652</u> | \$ <u>64,880,445</u> | \$ <u>60,913,752</u> | \$ <u>53,984,169</u> | \$ <u>51,469,158</u> | \$ <u>50,199,696</u> | \$ <u>48,431,734</u> | \$ <u>44,069,172</u> |
| General Obligation Bonds | | | | | | | | | | |
| Statutory Tax Levy Limit for Debt Service | 422,738 | 379,784 | 328,648 | 324,402 | 304,569 | 269,921 | 257,346 | 250,998 | 242,159 | 220,346 |
| Less: funds restricted for repayment of general obligation bonds | <u>(944)</u> | <u>(1,545)</u> | <u>(1,276)</u> | <u>(930)</u> | <u>(9,238)</u> | <u>(8,525)</u> | <u>(8,835)</u> | <u>(8,587)</u> | <u>(8,293)</u> | <u>(11,603)</u> |
| Total net general obligation debt | 421,794 | 378,239 | 327,372 | 323,472 | 295,331 | 261,396 | 248,511 | 242,411 | 233,866 | 208,743 |
| Current year debt service requirements | <u>49,804</u> | <u>47,308</u> | <u>44,229</u> | <u>40,192</u> | <u>37,126</u> | <u>30,385</u> | <u>28,576</u> | <u>26,773</u> | <u>30,148</u> | <u>25,774</u> |
| Excess of statutory limit for debt service over current requirement | \$ <u>371,990</u> | \$ <u>330,931</u> | \$ <u>283,143</u> | \$ <u>283,280</u> | \$ <u>258,205</u> | \$ <u>231,011</u> | \$ <u>219,935</u> | \$ <u>215,638</u> | \$ <u>203,718</u> | \$ <u>182,969</u> |
| Net current requirements as a % of statutory limit | 11.78% | 12.46% | 13.46% | 12.39% | 12.19% | 11.26% | 11.10% | 10.67% | 12.45% | 11.70% |

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

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

SS-11

| Revenue Bonds | Pledged Revenues (\$000 omitted) | | | | | | | Debt Service Requirements (\$000 omitted)* | | | Coverage Ratio | |
|------------------|-----------------------------------|-----------|--|--------------------|----------|----------------|--------------------|---|-----------|----------|-------------------|-------|
| | Fiscal Year Ended August 31 | Tuition | Continuing or Non-Credit Education Tuition/Fees | General Service | IPP Fees | Course Fees | Laboratory Fees | Total | Principal | Interest | | Total |
| | 2024 | \$ 16,574 | \$ 7,546 | \$ - | \$ 1,041 | \$ - | \$ - | \$ 25,161 | \$ 1,765 | \$ 1,703 | \$ 3,468 | 7 |
| | 2023 | 14,685 | 9,203 | - | 785 | - | - | 24,673 | 1,490 | 1,780 | 3,270 | 8 |
| | 2022 | 14,446 | 7,778 | - | 823 | - | - | 23,047 | 1,415 | 1,852 | 3,267 | 7 |
| | 2021 | 14,831 | 7,285 | - | 891 | - | - | 23,007 | 1,350 | 1,922 | 3,272 | 7 |
| | 2020 | 15,537 | 6,428 | - | 978 | - | - | 22,943 | 1,290 | 1,981 | 3,271 | 7 |
| | 2019 | 10,687 | 7,072 | 11,523 | 1,119 | 1,171 | 850 | 32,422 | 1,240 | 2,032 | 3,272 | 10 |
| | 2018 | 10,715 | 6,538 | 11,340 | 1,101 | 1,190 | 806 | 31,690 | 1,190 | 2,080 | 3,270 | 10 |
| | 2017 | 10,596 | 6,995 | 11,156 | 1,154 | 1,122 | 813 | 31,836 | - | 2,104 | 2,104 | 15 |
| | 2016 | 9,683 | 7,040 | 10,183 | 1,158 | - | 790 | 28,854 | - | 2,157 | 2,157 | 13 |
| | 2015 | 9,308 | 6,378 | 9,851 | 812 | - | 780 | 27,129 | - | 96 | 96 | 283 |

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

* Debt service requirements include revenue bonds only.

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

SS-12

| Calendar Year | District Population | District Personal Income (thousands of dollars) | District Personal Income Per Capita | Harris County Unemployment Rate |
|---------------|---------------------|---|-------------------------------------|---------------------------------|
| 2023 | 541,362 | \$ 13,437,146 | \$ 24,821 | 4.30% |
| 2022 | 545,561 | 12,623,736 | 23,139 | 4.20% |
| 2021 | 542,515 | 12,713,297 | 23,434 | 6.50% |
| 2020 | 531,878 | 13,765,003 | 25,880 | 8.90% |
| 2019 | 526,840 | 13,129,476 | 24,921 | 3.80% |
| 2018 | 526,567 | 12,658,352 | 24,039 | 4.40% |
| 2017 | 528,216 | 12,252,568 | 23,196 | 4.40% |
| 2016 | 523,480 | 11,981,377 | 22,888 | 5.30% |
| 2015 | 521,394 | 12,212,039 | 23,422 | 4.60% |
| 2014 | 513,696 | 11,976,434 | 23,314 | 4.90% |

Sources: Personal Income and Population from:

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District population, personal income, and personal income per capita were restated for 2014-2022 to reflect a revised, more accurate methodology. Unemployment rate from Texas Workforce Commission.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
PRINCIPAL EMPLOYERS FOR THE SERVICE AREA (UNAUDITED)
CURRENT AND NINE YEARS AGO

SS-13

| <u>Current Fiscal Year</u> | | | <u>Nine Years Prior</u> | | |
|------------------------------------|----------------------------|---------------------------------------|------------------------------------|----------------------------|---------------------------------------|
| <u>Employer</u> | <u>Number of Employees</u> | <u>Percentage of Total Employment</u> | <u>Employer</u> | <u>Number of Employees</u> | <u>Percentage of Total Employment</u> |
| NASA Lyndon B Johnson Space Center | 12,540 | 4.32% | NASA Lyndon B Johnson Space Center | 9,088 | 3.44% |
| Pasadena ISD | 8,110 | 2.80% | Pasadena ISD | 7,186 | 2.72% |
| HCA | 7,162 | 2.47% | Lockhead Martin | 6,000 | 2.27% |
| Lyondell Chemical Co | 3,799 | 1.31% | Walmart/ Sam's Club | 3,770 | 1.43% |
| Walmart/ Sam's Club | 3,098 | 1.07% | San Jacinto College District | 2,632 | 1.00% |
| San Jacinto College District | 3,027 | 1.04% | Lyondell Chemical Co | 2,613 | 0.99% |
| Powell Electrical Systems Inc | 2,533 | 0.87% | Memorial Healthcare System | 2,600 | 0.98% |
| National Oilwell Varco | 2,281 | 0.79% | Clear Lake Reg Medical | 2,200 | 0.83% |
| Houston Methodist | 1,908 | 0.66% | Powell Electrical Systems Inc | 2,070 | 0.78% |
| Memorial Healthcare System | 1,819 | 0.63% | Boeing | 2,000 | 0.76% |
| Total | <u>46,277</u> | <u>15.96%</u> | Total | <u>40,159</u> | <u>15.21%</u> |

Data Sources include DataAxle (InfoUSA), Hoover's, Texas Workforce Commission, company websites
 Note: San Jacinto College District - refer to SS-14
<https://www.census.gov/data/datasets/2022/econ/cbp/2022-cbp.html>

Total employee count for college service area is from the 2022 US Census County Business Patterns (data compiled for college service area zip codes only).

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

SS-14

| | Fiscal Year | | | | | | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Faculty: | | | | | | | | | | |
| Full-time | 557 | 544 | 520 | 516 | 522 | 536 | 525 | 537 | 524 | 541 |
| Part-time | 993 | 976 | 947 | 950 | 978 | 1,063 | 1,142 | 1,213 | 1,122 | 814 |
| Total | 1,550 | 1,520 | 1,467 | 1,466 | 1,500 | 1,599 | 1,667 | 1,750 | 1,646 | 1,355 |
| Percent: | | | | | | | | | | |
| Full-time | 35.9% | 35.8% | 35.4% | 35.2% | 34.8% | 33.5% | 31.5% | 30.7% | 31.8% | 39.9% |
| Part-time | 64.1% | 64.2% | 64.6% | 64.8% | 65.2% | 66.5% | 68.5% | 69.3% | 68.2% | 60.1% |
| Staff and Administrators: | | | | | | | | | | |
| Full-time | 942 | 880 | 827 | 846 | 818 | 822 | 822 | 830 | 798 | 784 |
| Part-time | 535 | 513 | 504 | 353 | 522 | 669 | 673 | 713 | 617 | 493 |
| Total | 1,477 | 1,393 | 1,331 | 1,199 | 1,340 | 1,491 | 1,495 | 1,543 | 1,415 | 1,277 |
| Percent: | | | | | | | | | | |
| Full-time | 63.8% | 63.2% | 62.1% | 70.6% | 61.0% | 55.1% | 55.0% | 53.8% | 56.4% | 61.4% |
| Part-time | 36.2% | 36.8% | 37.9% | 29.4% | 39.0% | 44.9% | 45.0% | 46.2% | 43.6% | 38.6% |
| FTSE per full-time faculty | 37 | 36 | 37 | 37 | 39 | 38 | 38 | 38 | 38 | 36 |
| FTSE per full-time staff member | 22 | 22 | 23 | 23 | 25 | 24 | 24 | 25 | 25 | 25 |
| Average 9-month faculty salary | \$ 71,220 | \$ 66,342 | \$ 66,178 | \$ 63,453 | \$ 62,373 | \$ 62,878 | \$ 61,167 | \$ 60,630 | \$ 60,778 | \$ 59,794 |

In 2024, the College performed a Job Evaluation Study which resulted in salary adjustments.
Source: Banner Human Resources module.

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

SS-15

| Student Classification | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 00 - 29 hours | 19,007 | 60.35% | 18,438 | 60.27% | 18,370 | 58.18% | 17,251 | 55.45% | 18,838 | 58.05% | 18,526 | 57.65% | 17,263 | 56.58% | 16,335 | 56.33% | 15,866 | 56.01% | 15,811 | 56.65% |
| 30 - 72 hours | 8,217 | 26.09% | 7,879 | 25.75% | 8,584 | 27.18% | 8,980 | 28.87% | 8,762 | 27.00% | 8,747 | 27.22% | 8,532 | 27.97% | 8,155 | 28.12% | 8,065 | 28.47% | 7,986 | 28.61% |
| > 72 hours | 4,270 | 13.56% | 4,276 | 13.98% | 4,623 | 14.64% | 4,879 | 15.68% | 4,852 | 14.95% | 4,864 | 15.14% | 4,714 | 15.45% | 4,508 | 15.55% | 4,395 | 15.52% | 4,114 | 14.74% |
| Total | 31,494 | 100.00% | 30,593 | 100.00% | 31,577 | 100.00% | 31,110 | 100.00% | 32,452 | 100.00% | 32,137 | 100.00% | 30,509 | 100.00% | 28,998 | 100.00% | 28,326 | 100.00% | 27,911 | 100.00% |

| Semester Hour Load | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Less than 3 | 368 | 1.17% | 217 | 0.71% | 268 | 0.85% | 173 | 0.56% | 136 | 0.42% | 158 | 0.49% | 262 | 0.86% | 305 | 1.05% | 349 | 1.23% | 317 | 1.14% |
| 3 - 5 semester hours | 6,139 | 19.49% | 6,387 | 20.88% | 6,870 | 21.76% | 6,746 | 21.68% | 4,485 | 13.82% | 5,279 | 16.43% | 5,435 | 17.81% | 5,554 | 19.15% | 5,676 | 20.04% | 5,325 | 19.08% |
| 6 - 8 semester hours | 8,180 | 25.97% | 8,360 | 27.33% | 9,481 | 30.03% | 8,715 | 28.01% | 9,395 | 28.95% | 9,706 | 30.20% | 9,448 | 30.97% | 8,826 | 30.44% | 8,329 | 29.40% | 7,702 | 27.59% |
| 9 - 11 semester hours | 6,166 | 19.58% | 6,320 | 20.66% | 6,690 | 21.19% | 6,452 | 20.74% | 6,192 | 19.08% | 6,889 | 21.44% | 6,529 | 21.40% | 6,150 | 21.21% | 6,054 | 21.37% | 6,020 | 21.57% |
| 12 - 14 semester hours | 9,018 | 28.63% | 7,880 | 25.76% | 6,896 | 21.84% | 7,368 | 23.68% | 8,851 | 27.27% | 7,879 | 24.52% | 6,674 | 21.88% | 6,312 | 21.77% | 5,995 | 21.16% | 6,669 | 23.89% |
| 15 - 17 semester hours | 1,482 | 4.71% | 1,311 | 4.29% | 1,226 | 3.88% | 1,516 | 4.87% | 1,647 | 5.08% | 1,210 | 3.77% | 1,334 | 4.37% | 1,115 | 3.85% | 1,158 | 4.09% | 1,218 | 4.36% |
| 18 & over | 141 | 0.45% | 118 | 0.39% | 146 | 0.46% | 140 | 0.45% | 1,746 | 5.38% | 1,016 | 3.16% | 827 | 2.71% | 736 | 2.54% | 765 | 2.70% | 660 | 2.36% |
| Total | 31,494 | 100.00% | 30,593 | 100.00% | 31,577 | 100.00% | 31,110 | 100.00% | 32,452 | 100.00% | 32,137 | 100.00% | 30,509 | 100.00% | 28,998 | 100.00% | 28,326 | 100.00% | 27,911 | 100.00% |

| | | | | | | | | | | |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Average course load | 8.8 | 8.6 | 8.3 | 8.4 | 9.6 | 8.9 | 8.7 | 8.6 | 8.6 | 8.7 |
|---------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|

| Tuition Status | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|----------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Texas Resident (In-District) | 19,171 | 60.87% | 18,683 | 61.07% | 19,208 | 60.83% | 18,567 | 59.68% | 19,366 | 59.68% | 19,070 | 59.34% | 17,875 | 58.59% | 16,515 | 56.95% | 15,956 | 56.33% | 15,615 | 55.95% |
| Texas Resident (Out-of-District) | 11,087 | 35.20% | 10,701 | 34.98% | 10,934 | 34.63% | 11,105 | 35.70% | 11,634 | 35.85% | 11,637 | 36.21% | 11,312 | 37.08% | 11,320 | 39.04% | 11,253 | 39.73% | 11,374 | 40.75% |
| Non-Resident Tuition | 1,236 | 3.92% | 1,209 | 3.95% | 1,435 | 4.54% | 1,438 | 4.62% | 1,452 | 4.47% | 1,430 | 4.45% | 1,322 | 4.33% | 1,163 | 4.01% | 1,117 | 3.94% | 922 | 0.03 |
| Total | 31,494 | 100.00% | 30,593 | 100.00% | 31,577 | 100.00% | 31,110 | 100.00% | 32,452 | 100.00% | 32,137 | 100.00% | 30,509 | 100.00% | 28,998 | 100.00% | 28,326 | 100.00% | 27,911 | 100.00% |

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

Previously reported tuition exemption figures for fiscal years 2014-2022 have been allocated according to residency.

Source: Data from the CBM0C1 & CBM0CS.

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

SS-16

| Gender | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|--------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Female | 18,534 | 58.85% | 18,068 | 59.06% | 18,911 | 59.89% | 19,107 | 61.42% | 19,051 | 58.71% | 18,786 | 58.46% | 17,498 | 57.35% | 16,337 | 56.34% | 15,833 | 55.90% | 15,561 | 55.75% |
| Male | 12,960 | 41.15% | 12,525 | 40.94% | 12,666 | 40.11% | 12,003 | 38.58% | 13,401 | 41.29% | 13,351 | 41.54% | 13,011 | 42.65% | 12,661 | 43.66% | 12,493 | 44.10% | 12,350 | 44.25% |
| Total | 31,494 | 100.00% | 30,593 | 100.00% | 31,577 | 100.00% | 31,110 | 100.00% | 32,452 | 100.00% | 32,137 | 100.00% | 30,509 | 100.00% | 28,998 | 100.00% | 28,326 | 100.00% | 27,911 | 100.00% |

| Ethnic Origin | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|------------------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| White | 5,008 | 15.90% | 5,149 | 16.83% | 5,668 | 17.95% | 6,235 | 20.04% | 6,665 | 20.54% | 6,986 | 21.74% | 7,163 | 23.48% | 7,398 | 25.51% | 7,647 | 27.00% | 7,960 | 28.52% |
| Hispanic | 20,345 | 64.60% | 19,680 | 64.33% | 20,275 | 64.21% | 19,175 | 61.64% | 19,846 | 61.15% | 19,136 | 59.55% | 17,370 | 56.93% | 15,839 | 54.62% | 14,838 | 52.38% | 13,794 | 49.42% |
| African American | 3,012 | 9.56% | 2,978 | 9.73% | 3,172 | 10.05% | 3,042 | 9.78% | 3,130 | 9.65% | 3,166 | 9.85% | 3,081 | 10.10% | 2,981 | 10.28% | 2,862 | 10.10% | 2,918 | 10.45% |
| Asian | 1,869 | 5.93% | 1,774 | 5.80% | 1,844 | 5.84% | 1,870 | 6.01% | 1,976 | 6.09% | 1,870 | 5.82% | 1,767 | 5.79% | 1,704 | 5.88% | 1,670 | 5.90% | 1,595 | 5.71% |
| Foreign | 158 | 0.50% | 153 | 0.50% | 168 | 0.53% | 226 | 0.73% | 307 | 0.95% | 434 | 1.35% | 566 | 1.86% | 567 | 1.96% | 575 | 2.03% | 498 | 1.78% |
| Native American | 148 | 0.47% | 156 | 0.51% | 177 | 0.56% | 202 | 0.65% | 189 | 0.58% | 193 | 0.60% | 186 | 0.61% | 173 | 0.60% | 181 | 0.64% | 221 | 0.79% |
| Other | 954 | 3.03% | 703 | 2.30% | 273 | 0.86% | 360 | 1.16% | 339 | 1.04% | 352 | 1.10% | 376 | 1.23% | 336 | 1.16% | 553 | 1.95% | 925 | 3.31% |
| Total | 31,494 | 100.00% | 30,593 | 100.00% | 31,577 | 100.00% | 31,110 | 100.00% | 32,452 | 100.00% | 32,137 | 100.00% | 30,509 | 100.00% | 28,998 | 100.00% | 28,326 | 100.00% | 27,911 | 100.00% |

| Age | Fall 2023 | | Fall 2022 | | Fall 2021 | | Fall 2020 | | Fall 2019 | | Fall 2018 | | Fall 2017 | | Fall 2016 | | Fall 2015 | | Fall 2014 | |
|-----------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 18 | 6,169 | 19.59% | 5,797 | 18.95% | 5,600 | 17.73% | 6,059 | 19.48% | 5,349 | 16.48% | 4,855 | 15.11% | 3,903 | 12.79% | 3,071 | 10.59% | 2,721 | 9.61% | 2,269 | 8.13% |
| 18 - 21 | 14,840 | 47.12% | 14,245 | 46.56% | 14,018 | 44.39% | 12,924 | 41.54% | 14,291 | 44.04% | 14,064 | 43.76% | 13,624 | 44.66% | 13,054 | 45.02% | 12,864 | 45.41% | 12,859 | 46.07% |
| 22 - 24 | 4,023 | 12.77% | 3,972 | 12.98% | 4,359 | 13.80% | 4,281 | 13.76% | 4,805 | 14.81% | 4,850 | 15.09% | 4,804 | 15.75% | 4,755 | 16.40% | 4,703 | 16.60% | 4,648 | 16.65% |
| 25 - 35 | 4,639 | 14.73% | 4,649 | 15.20% | 5,382 | 17.04% | 5,603 | 18.01% | 5,712 | 17.60% | 5,927 | 18.44% | 5,893 | 19.32% | 5,849 | 20.17% | 5,623 | 19.85% | 5,659 | 20.28% |
| 36 - 50 | 1,526 | 4.85% | 1,621 | 5.30% | 1,866 | 5.91% | 1,893 | 6.08% | 1,924 | 5.93% | 2,010 | 6.25% | 1,932 | 6.33% | 1,900 | 6.55% | 2,006 | 7.08% | 2,031 | 7.28% |
| 51 & over | 297 | 0.94% | 309 | 1.01% | 352 | 1.11% | 350 | 1.13% | 371 | 1.14% | 431 | 1.34% | 353 | 1.16% | 369 | 1.27% | 409 | 1.44% | 445 | 1.59% |
| Total | 31,494 | 100.00% | 30,593 | 100.00% | 31,577 | 100.00% | 31,110 | 100.00% | 32,452 | 100.00% | 32,137 | 100.00% | 30,509 | 100.00% | 28,998 | 100.00% | 28,326 | 100.00% | 27,911 | 100.00% |

| | | | | | | | | | | | | | | | | | | | | |
|-------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Average age | 22 | 22 | 23 | 23 | 23 | 23 | 23 | 23 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
|-------------|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|

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

Source: Data from the CBMOC1.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS (UNAUDITED)
ACADEMIC YEAR 2023 – 2024 STUDENTS AS OF FALL 2023
(Includes Only Public Senior Colleges in Texas)

SS-17

| | Transfer Student Count | Transfer Student Count | Total of All Transfer Students | Percentage of All Transfer Students |
|---|------------------------------|------------------------------|--------------------------------------|--|
| | Academic | Technical | | |
| 1 Lamar University | 77 | 11 | 88 | 2.05% |
| 2 Midwestern State University | 3 | 2 | 5 | 0.12% |
| 3 Prairie View A&M University | 37 | 4 | 41 | 0.95% |
| 4 Sam Houston State University | 172 | 17 | 189 | 4.39% |
| 5 Stephen F. Austin State University | 65 | 7 | 72 | 1.67% |
| 6 Sul Ross State University | 1 | - | 1 | 0.02% |
| 7 Tarleton State University | 12 | 1 | 13 | 0.30% |
| 8 Texas A&M University | 443 | 41 | 484 | 11.25% |
| 9 Texas A&M University - Central Texas | 1 | 1 | 2 | 0.05% |
| 10 Texas A&M University - Commerce | 3 | - | 3 | 0.07% |
| 11 Texas A&M University - Corpus Christi | 19 | 1 | 20 | 0.46% |
| 12 Texas A&M University - Kingsville | 4 | 1 | 5 | 0.12% |
| 13 Texas A&M University - San Antonio | 4 | 1 | 5 | 0.12% |
| 14 Texas A&M University - Texarkana | 1 | - | 1 | 0.02% |
| 15 Texas A&M University at Galveston | 54 | 7 | 61 | 1.42% |
| 16 Texas A&M University System Health Science Center | 12 | - | 12 | 0.28% |
| 17 Texas Southern University | 44 | 7 | 51 | 1.19% |
| 18 Texas State University | 167 | 17 | 184 | 4.28% |
| 19 Texas Tech University | 65 | 7 | 72 | 1.67% |
| 20 Texas Tech University Health Science Center | 1 | 1 | 2 | 0.05% |
| 21 Texas Woman's University | 15 | 3 | 18 | 0.42% |
| 22 The University of Texas Permian Basin | 6 | 2 | 8 | 0.19% |
| 23 The University of Texas at Rio Grande Valley | 6 | 3 | 9 | 0.21% |
| 24 The University of Texas at Arlington | 50 | 11 | 61 | 1.42% |
| 25 The University of Texas at Austin | 286 | 15 | 301 | 7.00% |
| 26 The University of Texas at Dallas | 33 | 2 | 35 | 0.81% |
| 27 The University of Texas at El Paso | 1 | - | 1 | 0.02% |
| 28 The University of Texas at San Antonio | 64 | 6 | 70 | 1.63% |
| 29 The University of Texas at Tyler | 15 | 1 | 16 | 0.37% |
| 30 The University of Texas Health Science Center at Houston | 21 | 2 | 23 | 0.53% |
| 31 The University of Texas Health Science Center at San Antonio | 1 | - | 1 | 0.02% |
| 32 The University of Texas M.D. Anderson Cancer Center | 23 | - | 23 | 0.53% |
| 33 The University of Texas Medical Branch at Galveston | 46 | 4 | 50 | 1.16% |
| 34 University of Houston | 969 | 75 | 1,044 | 24.27% |
| 35 University of Houston - Clear Lake | 966 | 60 | 1,026 | 23.85% |
| 36 University of Houston - Downtown | 218 | 36 | 254 | 5.90% |
| 37 University of Houston - Victoria | 9 | 5 | 14 | 0.33% |
| 38 University of Houston Medical School | 1 | - | 1 | 0.02% |
| 39 University of North Texas | 29 | 2 | 31 | 0.72% |
| 40 University of North Texas Health Science Center | 2 | - | 2 | 0.05% |
| 41 West Texas A&M University | 3 | - | 3 | 0.07% |
| Totals | <u>3,949</u> | <u>353</u> | <u>4,302</u> | <u>100%</u> |

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

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

SS-18

| | Fiscal Year | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Academic buildings | 44 | 44 | 47 | 45 | 46 | 39 | 38 | 38 | 37 | 36 |
| Square footage | 2,475,866 | 2,475,866 | 2,523,951 | 2,476,529 | 2,482,905 | 2,233,906 | 2,089,366 | 2,089,366 | 1,975,311 | 1,930,653 |
| Libraries | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Square footage | 153,985 | 153,985 | 153,985 | 153,985 | 153,985 | 153,985 | 153,985 | 153,985 | 153,985 | 149,673 |
| Number of volumes | 205,346 | 214,434 | 215,414 | 216,879 | 218,850 | 218,214 | 219,896 | 221,849 | 216,964 | 240,876 |
| Administrative and support buildings | 12 | 12 | 11 | 15 | 15 | 16 | 14 | 14 | 14 | 14 |
| Square footage | 434,104 | 434,104 | 427,504 | 455,058 | 455,058 | 406,923 | 401,660 | 401,660 | 401,660 | 401,660 |
| Dormitories | - | - | - | - | - | - | - | - | - | - |
| Square footage | - | - | - | - | - | - | - | - | - | - |
| Athletic facilities | 7 | 7 | 8 | 8 | 8 | 8 | 10 | 9 | 9 | 10 |
| Square footage | 80,507 | 80,507 | 143,895 | 156,251 | 156,251 | 156,251 | 157,744 | 153,652 | 153,652 | 145,388 |
| Stadiums | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Fitness centers/gymnasiums | 4 | 4 | 5 | 5 | 5 | 5 | 4 | 3 | 3 | 4 |
| Tennis courts | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 3 |
| Plant facilities | 8 | 8 | 6 | 6 | 5 | 5 | 5 | 6 | 5 | 5 |
| Square footage | 66,678 | 66,678 | 25,193 | 25,193 | 24,359 | 24,359 | 24,359 | 29,544 | 27,044 | 27,044 |
| Transportation: | | | | | | | | | | |
| Cars | 5 | 4 | 4 | 4 | 3 | 3 | 1 | 1 | 1 | 1 |
| Sport utility vehicles/light trucks/vans | 66 | 65 | 60 | 63 | 74 | 81 | 96 | 96 | 97 | 91 |

Source: College Facilities Buildings and Land Inventory.

Note: The decrease in vehicles over the 10 year period is due to trade ins for lease vehicles. In fiscal year 2023 and 2024 the College added several police vehicles.



FEDERAL & STATE AWARDS



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

To the Board of Trustees
San Jacinto Community College District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely component unit, of San Jacinto Community College (the “College”) as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 9, 2024. The San Jacinto Community College Foundation, the component unit, was not audited in accordance with *Government Auditing Standards*.

Report On Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, we do not express an opinion on the effectiveness of the College’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Trustees
San Jacinto Community College District

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Houston, Texas
December 9, 2024

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
AND THE STATE OF TEXAS GRANT MANAGEMENT STANDARDS**

To the Board of Trustees
San Jacinto Community College District

Report on Compliance for Each Major Federal and State Programs

Opinion On Each Major Program

We have audited San Jacinto Community College District’s (the “College”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College’s major federal and state programs for the year ended August 31, 2024. The College’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Texas Grant Management Standards (TxGMS). Our responsibilities under those standards, the Uniform Guidance, and the TxGMS are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the College’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College’s federal and state programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College’s compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the TxGMS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the College’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Government Auditing Standards requires the auditor to perform limited procedures on College’s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. College’s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

To the Board of Trustees
San Jacinto Community College District

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Houston, Texas
December 9, 2024

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended August 31, 2024

I. Summary of Auditors' Results

Financial Statements

| | |
|---|---------------|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness (es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| Noncompliance material to financial statements noted? | No |

Federal Award and State Awards

Internal control over major programs:

| | |
|--|---------------|
| Material weakness(es) identified? | No |
| Significant deficiency(ies) identified that are not considered to be material weaknesses? | None reported |
| Type of auditors' report issued on compliance with major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance and the Texas Grant Management Standards | No |

Identification of major programs:

| Name of Federal Program | Assistance Listing Number |
|---|----------------------------------|
| Governor's Education Emergency Relief – Program Implementation Grant (COVID-19) | 84.425C |
| Governor's Education Emergency Relief – Nursing Shortage Reeducation Program (COVID-19) | 84.425C |
| Hispanic Serving Institutions STEM and Articulation Programs | 84.031C |
| Developing Hispanic-Serving Institutions (DHSI) | 84.031S |
| H-1B Job Training Grant | 17.268 |
| Student Financial Aid Cluster | |
| Federal Supplemental Educations Opportunity Grants | 84.007 |
| Federal Work-Study Program | 84.033 |
| Federal Pell Grant Program | 84.063 |
| Federal Direct Student Loans - Subsidized | 84.268 |
| Federal Iraq Afghanistan Service Grant | 84.408 |
| TRIO Cluster | |
| TRIO Talent Search 2021-2026 | 84.044A |
| TRIO Upward Bound 2023-2027 | 84.047A |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Year Ended August 31, 2024

Dollar Threshold Considered Between Type A and Type B Federal Programs \$1,901,148

Auditee qualified as low-risk auditee Yes

Name of State Program

Texas Educational Opportunity Grant (TEOG)

Dollar Threshold Considered Between Type A and Type B State Programs \$750,000

Auditee qualified as low-risk auditee Yes

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Year Ended August 31, 2024

II. Financial Statement Findings

None reported

III. Federal Awards Findings and Questioned Costs

None

IV. State Award Findings and Questioned Costs

None reported

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2024

| Federal Grantors/Pass-Through Grantor/Program or Cluster Title | Grant Award # | *Federal Assistance Listing | Direct Awards | Pass-Through Awards | Total Expenditures | Subrecipients Expenditures |
|--|-------------------|-----------------------------|-------------------|---------------------|--------------------|----------------------------|
| | | Number | | | | |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| Direct Programs: | | | | | | |
| <u>Student Financial Aid Cluster:</u> | | | | | | |
| Federal Supplemental Educational Opportunity Grants | P007A134114 | 84.007 | \$ 998,512 | \$ - | \$ 998,512 | \$ - |
| Federal Work - Study Program | P033A134114 | 84.033 | 746,153 | - | 747,232 | - |
| Federal Pell Grant Program | P063P132303 | 84.063 | 48,966,341 | - | 48,965,645 | - |
| Federal Direct Student Loans - Subsidized | P268K142303 | 84.268 | 4,790,199 | - | 4,790,199 | - |
| Federal Iraq Afghanistan Service Grant | P408A222303 | 84.408 | 12,902 | - | 12,902 | - |
| Total Student Financial Aid Cluster - Schedule C (ALN 84.007, 84.033, 84.063, 84.268, 84.408) | | | 55,514,107 | - | 55,514,490 | - |
| <u>Hispanic-Serving Institution (HSI):</u> | | | | | | |
| Hispanic-Serving Institutions STEM and Articulation Programs | P031C210085 | 84.031C | 4,654,279 | - | 948,155 | - |
| Developing Hispanic-Serving Institutions (DHSI) Program 2019 - 2024 | P031S190252 | 84.031S | 2,399,890 | - | 915,471 | - |
| Developing Hispanic-Serving Institutions (DHSI) Program 2022 - 2027 | P031S220172 | 84.031S | 2,999,815 | - | 779,676 | - |
| Total HSI (ALN 84.031) | | | 10,053,984 | - | 2,643,302 | - |
| <u>TRIO Cluster:</u> | | | | | | |
| TRIO Talent Search 2021 - 2026 | P044A210783 | 84.044A | 1,399,466 | - | 290,135 | - |
| TRIO Upward Bound 2023 - 2027 | P047A220742 | 84.047A | 1,888,902 | - | 362,120 | - |
| Total TRIO Cluster (ALN 84.044, 84.047) | | | 3,288,368 | - | 652,255 | - |
| Fund for the Improvement of Postsecondary Education (EARMARK) | P116Z220151 | 84.116Z | 585,000 | - | 68,857 | - |
| Affordable Accredited Child Care Equals Student-Parent Success (AACCESS) | P335A210071 | 84.335A | 1,450,502 | - | 474,566 | - |
| Pass-Through From: | | | | | | |
| Texas Higher Education Coordinating Board - | | | | | | |
| <u>Governor's Emergency Education Relief (GEER) Cluster:</u> | | | | | | |
| GEER - Program Implementation Grant (COVID-19) | S425C210050-28581 | 84.425C | - | 65,000 | 37,494 | - |
| GEER - Nursing Shortage Reduction Program (COVID-19) | S425C210050-28365 | 84.425C | - | 177,950 | 24,245 | - |
| Total GEER Cluster (ALN 84.425) | | | - | 242,950 | 61,739 | - |
| Career and Technical Education - Basic Grants to States: | | | | | | |
| Carl Perkins Vocational Education Basic 2023 - 2024 | 29728 | 84.048 | - | 1,839,189 | 1,692,681 | - |
| Carl Perkins Equity Access and Opportunity Grants | 29629 | 84.048 | - | 417,865 | 11,933 | - |
| Total Career and Technical Education (ALN 84.048) | | | - | 2,257,054 | 1,704,614 | - |
| Texas Workforce Commission (TWC) - | | | | | | |
| Houston-Galveston Area Council/Workforce Development Board: | | | | | | |
| Adult Education - Basic Grants to States 2022 -2023 | 216-23 | 84.002 | - | 820,000 | (9,863) | - |
| Adult Education - Basic Grants to States 2023 - 2024 | 10674 | 84.002 | - | 785,396 | 619,087 | - |
| Adult Education - Basic Grants to States 2024 - 2025 | 13130 | 84.002 | - | 1,296,000 | 95,796 | - |
| Total Adult Education - Basic Grants to States (ALN 84.002) | | | - | 2,901,396 | 705,020 | - |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 70,891,961 | 5,401,400 | 61,824,843 | - |
| U.S. DEPARTMENT OF COMMERCE | | | | | | |
| Direct Program: | | | | | | |
| Economic Adjustment Assistance | 08-79-05512 | 11.307 | 1,000,000 | - | 179,334 | - |
| TOTAL U.S. DEPARTMENT OF COMMERCE | | | 1,000,000 | - | 179,334 | - |

* Formerly known as CFDA

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2024

| Federal Grantors/Pass-Through Grantor/Program or Cluster Title | Grant Award # | *Federal Assistance Living Number | Pass-Through | | Total Expenditures | Subrecipients Expenditures |
|--|---------------------|-----------------------------------|----------------------|---------------------|----------------------|----------------------------|
| | | | Direct Awards | Awards | | |
| U.S. DEPARTMENT OF LABOR | | | | | | |
| Direct Programs: | | | | | | |
| H-1B Job Training Grant | HG-33039-19-60-A-48 | 17.268 | 12,000,000 | - | 521 | - |
| Pass-Through From: | | | | | | |
| Texas Workforce Commission (TWC): | | | | | | |
| <u>Workforce Innovation and Opportunity Act (WIOA) Cluster:</u> | | | | | | |
| WIOA Dislocated Worker Formula Grants - Apprenticeship Training Program | 2824ATP005 | 17.278 | - | 87,826 | 87,826 | - |
| Total WIOA Cluster (ALN 17.278) | | | - | 87,826 | 87,826 | - |
| TOTAL U.S. DEPARTMENT OF LABOR | | | 12,000,000 | 87,826 | 88,347 | - |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | | | |
| Pass-Through From: | | | | | | |
| Texas Department of Transportation: | | | | | | |
| <u>Highway Planning and Construction Cluster:</u> | | | | | | |
| Highway Planning and Construction | SSP 2022 (939) | 20.205 | - | 54,289 | 868 | - |
| Highway Planning and Construction | 34307 | 20.205 | - | 36,962 | 16,451 | - |
| Total Highway Planning and Construction Cluster (ALN 20.205) | | | - | 91,251 | 17,319 | - |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | - | 91,251 | 17,319 | - |
| U.S. DEPARTMENT OF TREASURY | | | | | | |
| Pass-Through From: | | | | | | |
| Texas Higher Education Coordinating Board - | | | | | | |
| Houston Community College: | | | | | | |
| Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) (COVID-19) | 6791 | 21.027 | - | 299,090 | 52,036 | - |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | - | 299,090 | 52,036 | - |
| NATIONAL SCIENCE FOUNDATION | | | | | | |
| Direct Programs: | | | | | | |
| Computer and Information Science and Engineering | 2346668 | 47.070 | 199,344 | - | 13,785 | - |
| STEM Education - Improving Undergraduate STEM Education (IUSE) H.S.I. | 2122214 | 47.076 | 995,417 | - | 417,593 | 109,726 |
| STEM Education - Louis Stokes Alliances for Minority Participation (LSAMP) | 2207241 | 47.076 | 1,478,965 | - | 442,882 | 212,083 |
| STEM Education (formerly Education and Human Resources) | 2350310 | 47.076 | 331,551 | - | 10,818 | - |
| TOTAL NATIONAL SCIENCE FOUNDATION | | | 3,005,277 | - | 885,078 | 321,809 |
| U.S. SMALL BUSINESS ADMINISTRATION | | | | | | |
| Pass-Through From: | | | | | | |
| The University of Houston: | | | | | | |
| Small Business Development Centers 2023 | R-22-0113 | 59.037 | - | 200,866 | 47,330 | - |
| Small Business Development Centers 2024 | NA | 59.037 | - | 211,000 | 119,810 | - |
| TOTAL U.S. SMALL BUSINESS ADMINISTRATION | | | - | 411,866 | 167,140 | - |
| U.S. DEPARTMENT OF VETERANS AFFAIRS | | | | | | |
| Direct Program: | | | | | | |
| All-Volunteer Force Educational Assistance | 362/242D | 64.124 | 12,032 | - | 12,032 | - |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | | |
| Pass-Through From: | | | | | | |
| Texas Workforce Commission (TWC): | | | | | | |
| Governor's Summer Merit Program 2024 | 2824SMP003 | 93.558 | - | 82,246 | 46,046 | - |
| Apprenticeship Training Program 2024 | 2824ATP005 | 93.558 | - | 4,082 | 4,082 | - |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | - | 86,328 | 50,128 | - |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | | | |
| Pass-Through From: | | | | | | |
| Federal Emergency Management Agency | | | | | | |
| Disaster Grants - Public Assistance | FEMA-4798-DR-TX | 97.036 | - | 95,336 | 95,336 | - |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 86,909,270 | \$ 6,473,097 | \$ 63,371,593 | \$ 321,809 |

* Formerly known as CFDA

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2024

1. Federal Assistance Reconciliation

| | |
|---|-----------------------------|
| Direct Federal grants and contracts per Schedule A | \$ 7,385,051* |
| Add: Indirect/Administrative Cost Recoveries per Schedule A | 460,020 |
| Direct Federal revenue, non-operating per Schedule C | 50,598,714 |
| Add: Indirect/Administrative Cost Recoveries per Schedule C | <u>137,609</u> |
| Total Federal Revenues per Schedule A and C | \$ 58,581,394 |
| Reconciling Items | |
| Add: Direct Student Loans | <u>4,790,199</u> |
| Total Federal Revenues per Schedule E - Schedule of Expenditures of Federal Awards | \$ <u><u>63,371,593</u></u> |

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules of expenditures of Federal awards (the Schedule) present the activity of Federal programs of the College for the year ended August 31, 2024. The Schedule has been prepared on the accrual basis of accounting. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the Schedules. Since the College has an agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimus rate as permitted in the Uniform Guidance, Section 200.414.

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

*The following amounts were passed through to the listed sub-recipients by the College. These amounts are included in Note 1 above.

| Sub-Recipient | FALN | Primary Grant Funding Agency | Grant Program | Amount |
|----------------------------------|--------|------------------------------|--|------------|
| Houston Community College System | 47.076 | National Science Foundation | Education and Human Resources | \$212,083 |
| William Marsh Rice University | 47.076 | National Science Foundation | Education and Human Resources | 87,314 |
| Northeastern University | 47.076 | National Science Foundation | Education and Human Resources | 22,412 |
| | | | Total Amount Passed Through by the College | \$ 321,809 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended August 31, 2024

SCHEDULE F

| State Grantor Agency/Pass-Through Grantor/Program Title | Grant Contract Number | Passed Through to Subrecipients | Total State Expenditures |
|--|-----------------------|---------------------------------|--------------------------|
| TEXAS WORKFORCE COMMISSION (TWC) | | | |
| Direct Program: | | | |
| <i>Skills Development Fund - Maritime Consortium</i> | 2823SDF003 | \$ - | \$ 63,275 |
| <i>Pre-Apprenticeship Pilot</i> | 2822DON002 | - | 3,840 |
| <i>Apprenticeship Training Program FY24</i> | 2824ATP005 | - | 21,367 |
| TOTAL TEXAS WORKFORCE COMMISSION | | - | 88,482 |
| TEXAS HIGHER EDUCATION COORDINATING BOARD | | | |
| Student Financial Aid Cluster: | | | |
| <i>State Military Tuition Assistance</i> | 26041 | - | 9,824 |
| <i>Texas Education Opportunity Grant Program - Initial (TEOG)</i> | 13399 | - | 4,888,144 |
| <i>Texas Education Opportunity Grant Program - Renewal (TEOG)</i> | 13399 | - | 592,952 |
| <i>College Work Study Program</i> | 22339 | - | 76,805 |
| <i>College Work Study Mentorship Program</i> | N/A | - | 50,126 |
| <i>Total Student Financial Aid Cluster</i> | | - | 5,617,851 |
| Direct Program: | | | |
| <i>Nursing Shortage Reduction Program Over 70 - C.C.</i> | NSRP FY20-21 O70 | - | 4,365 |
| <i>Nursing Shortage Reduction Program Regular FY21-22 - C.C.</i> | NSRP FY21-22 C.C. | - | 39,522 |
| <i>Nursing Shortage Reduction Program Regular FY21-22</i> | NSRP FY21-22 | - | 12,552 |
| <i>Open Educational Resources Grant Program</i> | 29293 | - | 6,949 |
| <i>Nursing & Allied Health-Nursing Innovation Grant Program</i> | 29989 | - | 164,381 |
| <i>Texas Reskilling and Upskilling through Education (TRUE) 2023 Grant Program</i> | 00346 | - | 89,777 |
| Pass-Through From: | | | |
| Houston Community College System - | | | |
| <i>Texas Reskilling and Upskilling through Education (TRUE) 2023 Grant Program</i> | 7649 | - | 84,695 |
| TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD | | - | 6,020,092 |
| TOTAL STATE FINANCIAL ASSISTANCE | | \$ - | \$ 6,108,574 |

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2024

1. State Assistance Reconciliation

Direct State grants and contracts per Schedule A \$ 6,108,574

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules of expenditures of State awards (the Schedule) present the activity of State programs of the College for the year ended August 31, 2024. The Schedule has been prepared on the accrual basis of accounting. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award and may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the Schedules. Since the College has an agency approved Indirect Recovery Rate, it has elected not to use the 10% de minimus rate as permitted in the Uniform Guidance, Section 200.41.





San Jacinto College Campuses

Administration Building
4624 Fairmont Pkwy.
Pasadena, Texas 77504

Generation Park Campus
13455 Lockwood Rd.
Houston, Texas 77044

South Campus
13735 Beamer Rd.
Houston, Texas 77089

Central Campus
8060 Spencer Hwy.
Pasadena, Texas 77505

North Campus
5800 Uvalde Rd.
Houston, Texas 77049

Maritime Campus
3700 Old Hwy. 146
La Porte, Texas 77571

San Jac Online
sanjac.edu/online

 **SAN JACINTOSM**
COLLEGE

sanjac.edu | 281-998-6150

The San Jacinto College District is committed to equal opportunity for all students, employees, and applicants without regard to race, creed, color, national origin, citizenship status, age, disability, pregnancy, religion, gender, sexual orientation, gender expression or identity, genetic information, marital status, or veteran status in accordance with applicable federal and state laws. The following College official has been designated to handle inquiries regarding the College's non-discrimination policies: Vice Chancellor of Human Resources, 4624 Fairmont Pkwy., Pasadena, TX 77504; 281-991-2659; Sandra.Ramirez@sjcd.edu.