

San Jacinto College District

**Audit Report
August 31, 2000**

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

San Jacinto College District

Organization Data

For Fiscal Year 1999-2000

Board of Regents

Officers

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

Members

Term Expires

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

District Administrators

Key Officers

Dr. James F. Horton, Jr.	Chancellor
Dr. Ron Rucker	Vice Chancellor for Administration
Dr. William Lindemann, Jr.	Vice Chancellor of Instructional Programs and Services
Mr. Rudy V. Gonzales	Vice Chancellor of Fiscal Affairs
Mr. James Fowler	Vice Chancellor of Human Resources
Mrs. Tuesday Stanley	Associate Vice Chancellor of Marketing and Enrollment
Mrs. Brenda Hellyer	Executive Vice President for Institutional Advancement
Dr. Monte Blue	President, Central Campus
Dr. Charles Grant	President, North Campus
Dr. Adena Williams Loston	President, South Campus

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

PHONE 281-471-2700

NOVEMBER 24, 2000

TO THE BOARD OF REGENTS
SAN JACINTO COLLEGE DISTRICT

Re: Independent Auditor's Report

I have audited the accompanying balance sheet of the San Jacinto College District as of August 31, 2000 and the related statements of changes in fund balances and the current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Jacinto College District as of August 31, 2000, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the fiscal year then ended in conformity with generally accepted accounting principles, applied on a consistent basis except for the change in the method of capitalizing and reporting equipment as described in Note 15 to the financial statements.

In accordance with Government Auditing Standards, I have also issued a report dated November 24, 2000 on my consideration of the District's internal control over financial reporting and my tests of its compliance with certain laws, regulations, contracts and grants.

To The Board of Regents
November 24, 2000
Page Two

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedules, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and statistical data marked "unaudited", are presented for purposes of additional analysis. Such information, except for the statistical data marked "unaudited" on which I express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink that reads "Eugene Hovey". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Eugene Hovey
Certified Public Accountant

SAN JACINTO COLLEGE DISTRICT
EXHIBIT A
BALANCE SHEET
August 31, 2000
With Comparison Totals at August 31, 1999

CURRENT FUNDS

ASSETS	CURRENT FUNDS			
	Unrestricted	Auxiliary Enterprises	Restricted	Total
Cash and Cash Equivalents	\$ 32,839	\$ 251,834	\$ 28,124	\$ 312,797
Short-Term Investments	25,331,731	8,929,837	574,104	34,835,672
Accounts Receivable	678,963	969,372	773,776	2,422,111
Taxes Receivable (net of allowance for doubtful accounts of \$3,424,584)	306,188	-	-	306,188
Due from Other Funds	2,554,412	3,581	-	2,557,993
Accrued Interest Receivable	157,230	169,567	-	326,797
Federal Receivables	-	-	307,685	307,685
Bond Proceeds Receivable	-	-	-	-
Deferred Expense	-	-	-	-
Inventories for Resale	-	2,214,867	-	2,214,867
Consumable Inventories	140,269	-	-	140,269
Land	-	-	-	-
Buildings	-	-	-	-
Improvements Other Than Buildings	-	-	-	-
Equipment	-	-	-	-
Library Books	-	-	-	-
Construction in Progress	-	-	-	-
Total Assets	\$ 29,201,632	\$ 12,539,058	\$ 1,683,689	\$ 43,424,379
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,041,820	\$ 623,345	\$ 51,018	\$ 1,716,183
Accrued Liabilities	40,390	19,001	-	59,391
Due To Other Funds	3,384	-	1,027,655	1,031,039
Deferred Revenues	5,092,738	-	-	5,092,738
Accrued Compensable Absences Payable	2,475,953	10,136	-	2,486,089
Bonds Payable	-	-	-	-
Notes Payable	-	-	-	-
Funds Held in Custody for Others	-	-	-	-
Total Liabilities	\$ 8,654,285	\$ 652,482	\$ 1,078,673	\$ 10,385,440
Fund Balance				
Unrestricted				
Reserved:				
Encumbrances	\$ -	\$ -	\$ -	\$ -
Accounts & Taxes Receivable	985,151	969,372	-	1,954,523
Inventories	140,269	2,214,867	-	2,355,136
Unreserved-Undesignated	19,421,927	8,702,337	-	28,124,264
Restricted	-	-	605,016	605,016
Net Investment in Plant	-	-	-	-
Total Fund Balances	\$ 20,547,347	\$ 11,886,576	\$ 605,016	\$ 33,038,939
Total Liabilities And Fund Balances	\$ 29,201,632	\$ 12,539,058	\$ 1,683,689	\$ 43,424,379

See Accompanying Notes to the Financial Statements.

Endowment and Similar Funds	PLANT FUNDS			Agency Funds	TOTALS MEMORANDUM ONLY	
	Unexpended	Retirement of Indebtedness	Investment in Plant		Current Year	Prior Year
\$ 1,540	\$ 27,557	\$ 7,482	\$ -	\$ 272,890	\$ 622,266	\$ 2,743,363
234,006	400,000	1,450,000	-	345,061	37,264,739	34,439,829
-	-	-	-	-	2,422,111	2,508,971
-	-	-	-	-	306,188	130,936
-	-	-	-	3,384	2,561,377	526,110
-	-	-	-	-	326,797	123,853
-	-	-	-	-	307,685	173,276
-	20,000,000	-	-	-	20,000,000	-
-	-	-	-	-	-	708,700
-	-	-	-	-	2,214,867	1,830,556
-	-	-	-	-	140,269	194,752
-	-	-	4,914,142	-	4,914,142	4,914,142
-	-	-	89,490,517	-	89,490,517	89,322,762
-	-	-	6,823,544	-	6,823,544	6,823,544
-	-	-	15,494,152	-	15,494,152	24,661,305
-	-	-	301,605	-	301,605	292,032
-	-	-	566,447	-	566,447	-
<u>\$ 235,546</u>	<u>\$ 20,427,557</u>	<u>\$ 1,457,482</u>	<u>\$ 117,590,407</u>	<u>\$ 621,335</u>	<u>\$ 183,756,706</u>	<u>\$ 169,394,131</u>
\$ -	\$ 218,802	\$ -	\$ -	\$ -	\$ 1,934,985	\$ 3,091,802
-	-	-	-	-	59,391	858,577
-	1,526,757	-	-	3,581	2,561,377	526,110
-	-	-	-	-	5,092,738	4,725,388
-	-	-	-	-	2,486,089	1,688,940
-	20,000,000	-	6,945,000	-	26,945,000	9,705,000
-	-	-	2,864,780	-	2,864,780	2,989,192
-	-	-	-	617,754	617,754	614,213
<u>\$ -</u>	<u>\$ 21,745,559</u>	<u>\$ -</u>	<u>\$ 9,809,780</u>	<u>\$ 621,335</u>	<u>\$ 42,562,114</u>	<u>\$ 24,199,222</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,954,523	1,950,205
-	-	-	-	-	2,355,136	2,025,308
-	-	-	-	-	28,124,264	25,366,340
235,546	(1,318,002)	1,457,482	-	-	980,042	2,289,302
-	-	-	107,780,627	-	107,780,627	113,563,754
<u>\$ 235,546</u>	<u>\$ (1,318,002)</u>	<u>\$ 1,457,482</u>	<u>\$ 107,780,627</u>	<u>\$ -</u>	<u>\$ 141,194,592</u>	<u>\$ 145,194,909</u>
<u>\$ 235,546</u>	<u>\$ 20,427,557</u>	<u>\$ 1,457,482</u>	<u>\$ 117,590,407</u>	<u>\$ 621,335</u>	<u>\$ 183,756,706</u>	<u>\$ 169,394,131</u>

SAN JACINTO COLLEGE DISTRICT
EXHIBIT B
STATEMENT OF CHANGES IN FUND BALANCES
August 31, 2000
With Comparison Totals at August 31, 1999

CURRENT FUNDS

	Unrestricted	Auxiliary Enterprises	Restricted	Total
FUND BALANCES, September 1, 1999	\$ 18,924,820	\$ 10,417,033	\$ 665,581	\$ 30,007,434
REVENUES AND OTHER ADDITIONS				
Unrestricted Current Funds Revenue (Exh. C)	\$ 73,536,387	\$ 10,556,534	\$ -	\$ 84,092,921
State Appropriations - Restricted	-	-	6,340,652	6,340,652
Federal Grants and Contracts	-	-	7,316,538	7,316,538
State Grants and Contracts	-	-	64,401	64,401
Local Gifts and Grants	-	-	-	-
Investment Income	-	-	9,851	9,851
Expended for Plant Facilities (Includes \$1,341,914 Charged to Current Funds Expenditures)	-	-	-	-
Local Taxes	-	-	-	-
Net Decrease in Notes Payable	-	-	-	-
Net Decrease in Bonds Payable	-	-	-	-
Bond Proceeds on Sale of Bonds	-	-	-	-
Total Revenues and Other Additions	\$ 73,536,387	\$ 10,556,534	\$ 13,731,442	\$ 97,824,363
EXPENDITURES AND OTHER DEDUCTIONS				
Expenditures (Exh. C)	\$ 69,906,263	\$ 9,086,991	\$ 14,082,414	\$ 93,075,668
Expended for Plant Facilities	-	-	-	-
Indirect Costs Recovered	-	-	123,431	123,431
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Facilities	-	-	-	-
Net Increase in Notes Payable	-	-	-	-
Net Increase in Bonds Payable	-	-	-	-
Other Deductions	-	-	-	-
Total Expenditures and Other Deductions	\$ 69,906,263	\$ 9,086,991	\$ 14,205,845	\$ 93,199,099
TRANSFERS - ADDITIONS / (DEDUCTIONS)				
Mandatory Transfers				
TPEG Transfer	\$ (413,838)	\$ -	\$ 413,838	\$ -
Retirement of Indebtedness	(1,153,700)	-	-	(1,153,700)
Non-Mandatory Transfers	(440,059)	-	-	(440,059)
Total Transfers - Additions / (Deductions)	\$ (2,007,597)	\$ -	\$ 413,838	\$ (1,593,759)
NET INCREASE(DECREASE) FOR FISCAL YR	\$ 1,622,527	\$ 1,469,543	\$ (60,565)	\$ 3,031,505
FUND BALANCES, August 31, 2000	\$ 20,547,347	\$ 11,886,576	\$ 605,016	\$ 33,038,939

See Accompanying Notes to the Financial Statements

PLANT FUNDS			TOTALS MEMORANDUM ONLY		
Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Investment in Plant	Current Year	Prior Year
\$ 225,984	\$ 621,953	\$ 775,784	\$ 113,563,754	\$ 145,194,909	\$ 140,409,192
\$ -	\$ -	\$ -	\$ -	\$ 84,092,921	\$ 78,664,697
-	-	-	-	6,340,652	5,703,219
-	-	-	-	7,316,538	6,344,615
-	-	-	-	64,401	301,926
1,638	-	-	-	1,638	152,538
13,358	6,825	6,370	-	36,404	167,568
-	-	-	2,514,155	2,514,155	6,449,780
-	-	3,039,209	-	3,039,209	3,010,795
-	-	-	251,458	251,458	2,185,798
-	340,342	-	2,760,000	3,100,342	4,049,658
-	20,000,000	-	-	20,000,000	1,765,000
\$ 14,996	\$ 20,347,167	\$ 3,045,579	\$ 5,525,613	\$ 126,757,718	\$ 108,795,594
\$ -	\$ -	\$ -	\$ -	\$ 93,075,668	\$ 88,255,330
-	1,162,667	-	-	1,162,667	3,525,011
-	-	-	-	123,431	87,729
-	-	3,011,458	-	3,011,458	2,625,000
-	-	504,542	-	504,542	534,735
-	-	-	10,937,532	10,937,532	762,058
-	-	-	30,866	30,866	2,185,798
-	20,000,000	-	340,342	20,340,342	3,189,658
5,434	1,564,514	1,581	-	1,571,529	2,844,558
\$ 5,434	\$ 22,727,181	\$ 3,517,581	\$ 11,308,740	\$ 130,758,035	\$ 104,009,877
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,153,700	-	-	-
-	440,059	-	-	-	-
\$ -	\$ 440,059	\$ 1,153,700	\$ -	\$ -	\$ -
\$ 9,562	\$ (1,939,955)	\$ 681,698	\$ (5,783,127)	\$ (4,000,317)	\$ 4,785,717
\$ 235,546	\$ (1,318,002)	\$ 1,457,482	\$ 107,780,627	\$ 141,194,592	\$ 145,194,909

SAN JACINTO COLLEGE DISTRICT
EXHIBIT C
STATEMENT OF CURRENT FUNDS REVENUES EXPENDITURES AND OTHER CHANGES
For the Year Ended August 31, 2000
With Memorandum Totals at August 31, 1999

REVENUES	Unrestricted	Auxiliary Enterprises	Restricted	TOTALS MEMORANDUM ONLY	
				Current Year	Prior Year
State Appropriations - General Revenue	\$ 32,592,600	\$ -	\$ 6,340,652	\$ 38,933,252	\$ 35,336,311
Tuition and Fees also remissions	16,534,042	562,258	-	17,096,300	15,884,866
Taxes for Current Operation	22,226,636	-	-	22,226,636	22,363,597
Federal Grants and Contracts	123,431	-	7,193,107	7,316,538	6,344,615
State Grants and Contracts	-	-	64,401	64,401	301,926
Sales & Services of Educational Activities	290,447	-	-	290,447	378,928
Auxiliary Enterprises Sales and Services	-	9,637,574	-	9,637,574	8,717,802
Investment Income	1,769,231	356,702	9,851	2,135,784	1,619,126
Total Current Funds Revenues	\$ 73,536,387	\$ 10,556,534	\$ 13,608,011	\$ 97,700,932	\$ 90,947,171
EXPENDITURES AND MANDATORY TRANSFERS:					
Educational and General					
Instruction	\$ 32,497,120	\$ -	\$ 3,726,056	\$ 36,223,176	\$ 34,864,801
Public Service	4,294,987	-	340,192	4,635,179	4,520,869
Academic Support	5,432,007	-	647,039	6,079,046	5,923,222
Student Services	6,015,759	-	2,075,584	8,091,343	5,852,332
Institutional Support	11,751,142	-	847,541	12,598,683	12,911,913
Operation and Maintenance of Plant	9,159,626	-	524,653	9,684,279	9,364,540
Scholarships and Fellowships	755,622	-	5,869,420	6,625,042	5,896,403
Total Educational and General Expenditures	\$ 69,906,263	\$ -	\$ 14,030,485	\$ 83,936,748	\$ 79,334,080
Auxiliary Enterprise Expenditures	\$ -	\$ 9,086,991	\$ 51,929	\$ 9,138,920	\$ 8,921,250
Mandatory Transfers for:					
TPEG to Restricted Funds	(413,838)	-	474,403	60,565	(210,995)
Retirement of Indebtedness-Note Payable	(343,357)	-	-	(343,357)	-
Retirement of Indebtedness-Bonds Payable	(810,343)	-	-	(810,343)	(108,785)
Total expenditures and mandatory transfers	\$ 71,473,801	\$ 9,086,991	\$ 13,608,011	\$ 94,168,803	\$ 88,575,110
Other transfers and additions/(deductions):					
Non-mandatory transfers					
Transfer to Building Fund	\$ (440,059)	\$ -	\$ -	\$ (440,059)	\$ (263,304)
Excess(Deficit) of TPEG Transfer over Grant Award	-	-	(60,565)	(60,565)	210,995
Net increase (decrease) in fund balances	\$ 1,622,527	\$ 1,469,543	\$ (60,565)	\$ 3,031,505	\$ 2,319,752

See Accompanying Notes to the Financial Statements

SAN JACINTO COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2000

Reporting Entity

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

Summary of Significant Accounting Policies

Report Guidelines

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

Basis of Accounting

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

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

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

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

Fund Accounting

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

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

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

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

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

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

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

Current Funds

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

Unrestricted Current Funds

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

Auxiliary Enterprises

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

Restricted Current Funds

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

Endowment and Similar Funds

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

Plant Funds

Plant funds are divided into these separate balanced fund groups:

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

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

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

Agency Funds

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

Memorandum Totals

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

3. Authorized Investments

The District is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (Sec. 2256.001 Texas Government Code). Such investments include (1) obligations of the United States or its agencies, (2) direct obligations of the State of Texas or its agencies (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

In accordance with Sec. 2256.005 (n) of the Public Funds Investment Act, the community college shall arrange for a compliance audit of management controls on investments and adherence to the college's established investment policies. The compliance audit shall be performed by the college's internal auditor or by a private auditor. Not later than January 1 of each even-numbered year, the community college shall report the results of the most recent audit performed to the state auditor.

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

- The categorization of investments by risk which is required by GASB Statement No. 3, in the footnote "Deposits and Investments" and
- Placing a statement in the scope paragraph of the Report on Compliance and Internal Controls over Financial Reporting which indicates the audit work covered in the Act.

or

writing a separate letter to the State Auditor's Office stating that the District is in compliance with all aspects of the Act.

4. Deposits and Investments

At August 31, 2000, the District's bank balances of deposits are entirely insured or collateralized with securities held by the District or by its agent in its name. Cash and Deposits included on Exhibit A, Balance Sheet, consist of the items reported below:

Cash and Deposits

Deposits and Cash Equivalents

Bank Demand Deposits	\$ (1,569,415)	\$
Bank Overnight Investment (1)	<u>2,111,504</u>	542,089
Petty Cash on Hand		80,177

Total Cash and Deposits		\$ 622,266
		=====

(1) The bank overnight investment (a mutual fund) of \$2,111,504 is an uncategorized investment.

To comply with the reporting requirements of FASB Statement No. 3, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, the College's investments are categorized under Investment Categories" to give an indication of credit risk assumed by the College at year end. Credit risk is the risk that another party to a deposit or investment will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is not depicted in this note.

The following categories of credit risk are included:

- Category 1: Investments that are insured or registered or for which the securities are held by the institution or its agent in the institution's name.
- Category 2: Uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the institution's name.
- Category 3: Uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the institution's name.

Investment Categories

Type of Security	Category			Carrying Amount	Market Value
	1	2	3		
U.S. Government Securities	\$ 14,152,031	\$ -	\$ -	\$ 14,152,031	\$ 14,152,031
Certificates of Deposit	-	1,079,922	-	1,079,922	1,079,922
	-----	-----	-----	-----	-----
TOTALS	\$ 14,152,031	\$ 1,079,922	\$ -	\$ 15,231,953	\$ 15,231,953
	=====	=====	=====	-----	-----

Uncategorized Investments:

Tex Pool	6,008,490	6,008,490
Lone Star-U. S. Government Fund	2,079,054	2,079,054
Lone Star-Liquidity Plus Fund	13,945,242	13,945,242
	-----	-----
TOTAL INVESTMENTS	\$ 37,264,739	\$ 37,264,739
	=====	=====
Total Cash and Deposits	\$ 622,266	
Total Investments	37,264,739	

TOTAL DEPOSITS AND INVESTMENTS	\$ 37,887,005	
	=====	

5. Bonds Payable at August 31, 2000 are as follows:

School Building Bonds, Series 1993, Issued \$12,000,000, January 1, 1993	
Tax Supported Bonds	\$ 6,000,000
Public Property Finance Contractual Obligation Bonds, Series 1998, Issued \$1,765,000, November 1, 1998. To purchase equipment and other personal property. Obligations are supported by District's general revenues	945,000
General Obligation Bonds, Series 2000, \$20,000,000 Sold, August 15, 2000 and Issued September 20, 2000; To provide for construction of new buildings and renovating existing District facilities; Tax Supported Bonds	20,000,000

Total Bonds Payable	\$ 26,945,000
	=====

Bonds payable are due in annual installments varying from \$990,000 to \$6,917,501 with interest rates from 3.40% to 6.00% with the final installment due 2025. The principal and interest expense requirements for the next five years and beyond is summarized below for bonds issued.

Fiscal Year	Principal	Interest	Total
2001	\$5,555,000	\$1,362,501	\$6,917,501
2002	\$2,890,000	\$1,190,373	\$4,080,373
2003	\$2,000,000	\$1,041,250	\$3,041,250
2004	-	\$990,000	\$990,000
2005	-	\$990,000	\$990,000
BEYOND FIVE YRS	\$16,500,000	\$18,306,000	\$34,806,000
Total	\$26,945,000	\$23,880,124	\$50,825,124

6. Notes and Loans Payable

Lone Star Note Payable, Issued on November 8, 1999 for \$3,166, 239 for energy conservation program completed; debt service to be paid from District general revenue in equal quarterly installments of \$114,452 over an eight year period at 4.04% interest.

Description	Balance, 9-1-99	Increase	Decrease	Balance, 8-31-00
Lone Star Note	\$3,085,372	\$30,866	\$251,458	\$2,864,780

Balance at 9-1-99 includes accrued interest payable of \$96,181.

Summary of Debt Service Requirements to Maturity Year Ending August 31,

2001	2002	2003	2004	2005	All Other Yrs	Total Required
\$457,810	\$457,810	\$457,810	\$457,810	\$457,810	\$1,030,072	\$3,319,122

7. Employees' Retirement Plan

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the District participates is administered by the Teacher Retirement System of Texas. The percentage of participant salaries currently contributed by the State and by each participant are 6.00% and 6.4% respectively, of annual compensation. A participant is vested after 5 years. Normal retirement age is 65 with 5 years of service, age 60 with 20 years of service or age 50 with 30 years of service.

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

The State has also established an optional retirement program for institutions of higher education. Participation in the optional retirement program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the State and each participant are 6.00% and 6.65% respectively. Since these are individual annuity contracts, the State has no additional or unfunded liability for this program.

8. Retirement Incentive Pay and Compensated Absences

The District provides retirement incentive pay for employees hired before August 1, 1988 based on unused sick days accumulation prior to August 1, 1988. To receive the incentive pay, the employee must accumulate 10 years of service, must not terminate for reasons other than leave authorized by Board policy, must retire under the terms of the Teacher Retirement System of Texas, or be paid by reason of death. The District recognized, for those hired before

August 1, 1988 and who qualify, the accrued liability for sick pay of \$432,156 for the unrestricted current fund. Effective August 1, 1988, the District allows sick leave to accumulate at a rate of 8 hrs per month to a maximum of 1,280 hours. However, there is no additional accumulation for retirement incentive pay purposes for any sick days that an employee earned after August 1, 1988. An employee who is on sick leave will be paid only to the extent of accumulated sick leave hours. The District's policy is to recognize this sick leave cost when paid. No liability is shown in the financial statements since experience indicates the expenditure for sick leave to be minimal. Full-time employees earn annual leave from 6.66 to 12.66 hours per month depending on the number of years employed with the District. The District's policy is that an employee may carry his accrued leave forward to a maximum of 80 hours. Employees who terminate their employment are entitled to payment for accumulate annual leave up to the maximum allowed. The District recognized the accrued liability for the unpaid annual leave for \$393,877 for the unrestricted current fund and \$10,136 for the Auxiliary Enterprises funds. Total compensated absences at August 31, 2000 are \$2,486,089 with the unrestricted current fund liability of \$2,475,953 and Auxiliary Enterprises liability of \$10,136.

9. Pending Lawsuits and Claims

On August 31, 2000, certain lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

10. Contract and Grant Awards.

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audits of Colleges and Universities. Funds received, but not expended during the reporting period, are shown as additions to fund balance on Exhibit B. Revenues are recognized on Exhibit C as funds are actually expended. For Federal contract and grant awards, funds expended but not collected, are reported as Federal Receivables on Exhibit A. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the financial statements. Contract or grant awards funds already committed, e.g. multi-year awards, or funds awarded during fiscal year 2000 for which monies have not been received nor funds expended totalled \$1,374,829. Of this amount \$426,241 was from Federal Contract and Grant Awards and \$948,588 was from State Contract and Grant Awards.

11. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through a state sponsored program with premiums based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employees was \$259 per month for the year ended August 31, 2000. The State's cost of providing those benefits for 1,062 active employees was \$3,303,898 and 223 retirees was \$662,660, or a total state funded amount of \$3,966,558.

12 Related Parties

The San Jacinto College Foundation, incorporated in 1996, is a nonprofit organization with the sole purpose of supporting the educational and other activities of the District. The District does not appoint a voting majority nor does it fund or is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. During the fiscal year ended August 31, 2000, the Foundation provided grants of \$131,076 to District students and programs. During the fiscal year, the District provided certain services, such as office space, utilities and staff to the Foundation. The cost of these unreimbursed services for the year were \$231, 075.

13 Property Tax

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

At August 31, 2000:

Assessed Valuation of the District	25,469,382,330
Less: Exemptions	(2,446,406,980)
Less: Abatements	(66,975,160)

Net Assessed Valuation of the District	22,956,000,190
	=====

	Current Operations	Debt Service	Total
	-----	-----	-----
Tax Rate per \$100 valuation for authorized	0.15000	0.50000	0.65000
Tax Rate per \$100 valuation for assessed	0.09657	0.01343	0.11000

Taxes levied for the year ended August 31, 2000 is \$25,251,600. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Taxes Collected	Current Operations	Debt Service	Total
	-----	-----	-----
Current Taxes Collected	21,709,588	2,992,101	24,701,689
Delinquent Taxes Collected	227,129	31,304	258,433
Penalties & Interest Collected	114,667	15,804	130,471
	-----	-----	-----
Total Collections	22,051,384	3,039,209	25,090,593
	=====	=====	=====

Tax collections for the year ended August 31, 2000 were 97.8% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking expenditures.

14 Deferred Revenues

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

15 Changes in Accounting for Equipment/Other Deductions

The District has adopted a policy of capitalizing individual units of equipment with an acquisition cost of \$2,500 or more per unit. In adopting this policy, the District has elected to deduct from equipment any unit costing less than \$2,500. Previous policy capitalized individual units at \$1,000 or more. Deductions to the equipment account for the change total \$10,431,800. Deductions for equipment sold was \$505,732. Other deductions in unexpended in plant funds (Exhibit B) includes major rehabilitation to facilities of \$1,564,514.

16 Budgetary Data

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

17 Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, Income of States, Municipalities, etc., although unrelated business income may be subject to income taxes under Income Revenue Code Section 511 (a)(2)(B). Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations. The District had no unrelated business income tax liability for the year ended August 31, 2000.

18 Deferred Compensation Program

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001

19 Interfund Borrowing

Interfund borrowing has been made from unrestricted current funds and other funds and is payable within one year without interest. Unrestricted current funds has \$1,027,655 due from restricted funds and \$1,526,757 due from the expended plant funds. The auxiliary enterprises fund has \$3,581 due from agency funds. The agency funds has \$3,384 due from unrestricted current funds. The unrestricted current funds owe the agency funds \$3,384. The restricted funds and the unexpended funds owe the unrestricted current funds respectively \$1,027,655 and \$1,526,757. The agency funds owe the auxiliary enterprises fund \$3,581.

20 Operating Lease Commitments and Rental Agreement

The District paid rental payments from current funds of \$173,875 and \$115,265 under operating leases in 2000 and 1999 respectively. Future minimum lease payments under noncancellable operating leases having an initial term in excess of one year as of August 31, 2000 are as follows:

Year Ending August 31	Minimum Future Lease Payments
2001	\$156,415
2002	\$63,316
Total	\$219,731

21 GASB Statement No. 31

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

22 Bond Election

On December 14, 1999, the District passed a bond election in the amount of \$91,395,000 of general obligation bonds for the purpose of constructing new buildings and renovating existing District facilities. The District sold \$20,000,000 of the bonds on August 15, 2000 and issued them on September 20, 2000.

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

PHONE 281-471-2700

November 24, 2000

To The Board of Regents
San Jacinto College District

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

I have audited the financial statements of the San Jacinto College District for the year ended August 31, 2000, and have issued my report thereon dated November 24, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

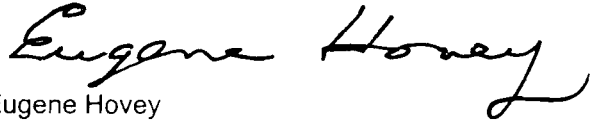
Internal Control Over Financial Reporting

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

To The Board of Regents
November 24, 2000
Page Two

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Eugene Hovey". The signature is written in black ink and is positioned to the right of the typed name.

Eugene Hovey
Certified Public Accountant

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

PHONE 281-471-2700
November 24, 2000

To The Board of Regents
San Jacinto College District

Re: Report on Compliance with Requirements Applicable to Each Major Program
and Internal Control over Compliance in Accordance with OMB Circular A-133

Compliance

I have audited the compliance of the San Jacinto College District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended August 31, 2000. The District's major federal programs are identified in the summary of the auditor's results section of the accompanying federal schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. My responsibility is to express an opinion on the District's compliance based on our audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the District's compliance with those requirements.

In my opinion, the San Jacinto College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 2000.

Internal Control Over Compliance

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

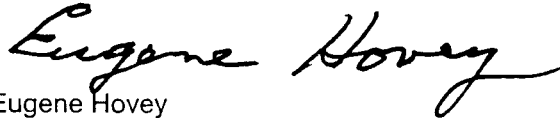
To The Board of Regents
November 24, 2000
Page 2

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

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

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

Respectfully submitted,

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

Eugene Hovey
Certified Public Accountant

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE A-1
 SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS
 AUGUST 31, 2000

	CURRENT FUNDS			
	Unrestricted	Auxiliary Enterprises	Restricted	Total
Cash on Hand				
Cashier Accounts	\$ -	\$ -	\$ -	\$ -
Petty Cash	23,138	57,039	-	80,177
Subtotal	\$ 23,138	\$ 57,039	\$ -	\$ 80,177
Cash in Bank (includes overnight sweep)	\$ 9,701	\$ 194,795	\$ 28,124	\$ 232,620
Total Cash and Cash Equivalents	\$ 32,839	\$ 251,834	\$ 28,124	\$ 312,797
Short-Term Investments				
Tex Pool	\$ 1,234,458	\$ 1,770,861	\$ 574,104	\$ 3,579,423
Lonestar	13,945,242	2,079,054	-	16,024,296
U.S. Securities	10,152,031	4,000,000	-	14,152,031
Certificates of Deposit	-	1,079,922	-	1,079,922
Total Short-term Investments	\$ 25,331,731	\$ 8,929,837	\$ 574,104	\$ 34,835,672
Long-Term Investments				
U. S. Securities	\$ -	\$ -	\$ -	\$ -
Total Cash, Cash Equivalents and Investments	\$ 25,364,570	\$ 9,181,671	\$ 602,228	\$ 35,148,469

PLANT FUNDS

Endowment and Similar Funds	Unexpended	Retirement of Indebtedness	Agency Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	80,177
\$ -	\$ -	\$ -	\$ -	\$ 80,177
\$ 1,540	\$ 27,557	\$ 7,482	\$ 272,890	\$ 542,089
\$ 1,540	\$ 27,557	\$ 7,482	\$ 272,890	\$ 622,266
\$ 234,006	\$ 400,000	\$ 1,450,000	\$ 345,061	\$ 6,008,490
-	-	-	-	16,024,296
-	-	-	-	14,152,031
-	-	-	-	1,079,922
\$ 234,006	\$ 400,000	\$ 1,450,000	\$ 345,061	\$ 37,264,739
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 235,546	\$ 427,557	\$ 1,457,482	\$ 617,951	\$ 37,887,005

San Jacinto College District
Schedule B-3
Schedule of Changes in Fund Balances
Unrestricted Current Funds - Auxiliary Enterprises
For the Year Ended August 31, 2000

	Student Services	Food Service	Golf Course	Recreation Hall/UJL	Bookstore	Child Care Center	Total
Revenues							
Sales and Services	\$ -	\$ 295,646	\$ 283,504	\$ 68,599	\$ 8,413,763	\$ 576,062	\$ 9,637,574
Student Service Fees	562,258	-	-	-	-	-	562,258
Miscellaneous Income	-	29,930	40,539	878	285,355	-	356,702
Total Revenue (Exhibit C)	\$ 562,258	\$ 325,576	\$ 324,043	\$ 69,477	\$ 8,699,118	\$ 576,062	\$ 10,556,534
Expenditures							
Salaries and Wages	\$ 20,613	\$ 135,906	\$ 52,624	\$ 6,874	\$ 535,128	\$ 587,767	\$ 1,338,912
Other Operating Expenses	1,048,411	97,922	216,092	137,344	5,917,808	184,156	7,601,733
Capital Outlay	-	-	12,518	-	133,828	-	146,346
Total Expenditure (Exhibit C)	\$ 1,069,024	\$ 233,828	\$ 281,234	\$ 144,218	\$ 6,586,764	\$ 771,923	\$ 9,086,991
Excesss of Revenue over Expenditures	\$ (506,766)	\$ 91,748	\$ 42,809	\$ (74,741)	\$ 2,112,354	\$ (195,861)	\$ 1,469,543
Summary of Fund Balances							
as of September 1, 1999	-	520,153	693,011	84,168	9,119,701	-	10,417,033
Addition/Deduction							
Excesss of Revenue over Expenditures	\$ (506,766)	\$ 91,748	\$ 42,809	\$ (74,741)	\$ 2,112,354	\$ (195,861)	\$ 1,469,543
Intrafund Transfers							
Activity	\$ 506,766	\$ -	\$ -	\$ -	\$ (506,766)	\$ -	\$ -
Child Care	-	-	-	-	(195,861)	195,861	-
Total Intrafund Transfers	506,766				(702,627)	195,861	-
Interfund Transfers							
Unrestricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plant Funds	-	-	-	-	-	-	-
Total Interfund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Adjustments							
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Additions/Deductions	\$ -	\$ 91,748	\$ 42,809	\$ (74,741)	\$ 1,409,727	\$ -	\$ 1,469,543
Balance August 31, 2000 (Exhibit B)	\$ -	\$ 611,901	\$ 735,820	\$ 9,427	\$ 10,529,428	\$ -	\$ 11,886,576

San Jacinto College District
 Schedule B-13
 Schedule of Transfers
 For the Year Ended August 31, 2000

FUNDS TRANSFERRED FROM:

FUNDS TRANSFERRED TO:

FUND	Amount	Unrestricted	Auxilliary Enterprises	Restricted	Endowment	Unexpended Plant	Retirement of Indebtedness
MANDATORY							
Unrestricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to TPEG Restricted Fund	413,838	-	-	413,838	-	-	-
Transfer to Retirement of Indebtedness- Notes Payable	343,357	-	-	-	-	-	343,357
Bonds Payable	810,343	-	-	-	-	-	810,343
Total Unrestricted Funds	\$ 1,567,538	\$ -	\$ -	\$ 413,838	\$ -	\$ -	\$ 1,153,700
TOTAL MANDATORY TRANSFERS	\$ 1,567,538	\$ -	\$ -	\$ 413,838	\$ -	\$ -	\$ 1,153,700
NON-MANDATORY							
Unrestricted Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Unexpended Plant Funds	440,059	-	-	-	-	440,059	-
Total Unrestricted Funds	\$ 440,059	\$ -	\$ -	\$ -	\$ -	\$ 440,059	\$ -
TOTAL NON-MANDATORY TRANSFERS	\$ 440,059	\$ -	\$ -	\$ -	\$ -	\$ 440,059	\$ -
TOTAL TRANSFERS AMONG FUNDS	\$ 2,007,597	\$ -	\$ -	\$ 413,838	\$ -	\$ 440,059	\$ 1,153,700

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE C-1
 DETAIL OF STATE APPROPRIATIONS AND TUITION AND FEES
 For the Year Ended August 31, 2000

	Unrestricted	Auxiliary Enterprises	Restricted	Total
State Appropriations:				
Education and General State Support	\$ 31,728,434	\$ -	\$ -	\$ 31,728,434
State Group Insurance	-	-	3,966,558	3,966,558
State Retirement Matching	-	-	2,374,094	2,374,094
Other	864,166	-	-	864,166
Total State Appropriations	\$ 32,592,600	\$ -	\$ 6,340,652	\$ 38,933,252
Tuition and Fees				
State Funded Courses				
In-District Resident Tuition	\$ 6,991,791	\$ -	\$ -	\$ 6,991,791
Out-of-District Resident Tuition	1,416,817	-	-	1,416,817
Non-resident Tuition	945,118	-	-	945,118
Continuing Education	850,345	-	-	850,345
Subtotal Tuition	\$ 10,204,071	\$ -	\$ -	\$ 10,204,071
Building Use Fees	\$ 352,034	\$ -	\$ -	\$ 352,034
Student Service Fees	-	562,258	-	562,258
Laboratory Fees	383,153	-	-	383,153
Out of District Fees	2,030,794	-	-	2,030,794
Other Fees	2,808,368	-	-	2,808,368
Subtotal Fees	\$ 5,574,349	\$ 562,258	\$ -	\$ 6,136,607
Remissions and Exemptions--State	\$ 755,622	\$ -	\$ -	\$ 755,622
Total Tuition and Fees	\$ 16,534,042	\$ 562,258	\$ -	\$ 17,096,300

a) Amounts reported for tuition categories should agree with those reported on the Fiscal Activities Report.
 b) In accordance with Education Code 56.033, \$413,838 was set aside for Texas Public Education Grants (TPEG).

SAN JACINTO COLLEGE DISTRICT
SCHEDULE C-2
SCHEDULE OF CURRENT FUNDS EXPENDITURES BY OBJECT
FOR THE YEAR ENDED AUGUST 31, 2000

	Salaries And Wages	Staff Benefits	Other Expenses	Capital Outlay	Total
Unrestricted-Educational and General					
Instruction	\$ 26,878,003	\$ 2,192,386	\$ 2,993,049	\$ 433,682	\$ 32,497,120
Public Service	2,573,915	209,494	1,323,749	187,829	4,294,987
Academic Support	4,250,774	346,000	722,665	112,568	5,432,007
Student Services	4,513,136	367,305	1,021,633	113,685	6,015,759
Institutional Support	6,150,930	500,655	4,834,726	264,831	11,751,142
Operation and Maintenance of Plant	4,049,281	329,430	4,715,610	65,305	9,159,626
Scholarships and Fellowships	-	-	755,622	-	755,622
Total Unrestricted	\$ 48,416,039	\$ 3,945,270	\$ 16,367,054	\$ 1,177,900	\$ 69,906,263
Restricted-Educational and General					
Instruction	\$ 201,701	\$ 16,646	\$ 3,507,709	\$ -	\$ 3,726,056
Public Service	5,521	460	334,211	-	340,192
Academic Support	82,824	2,711	561,504	-	647,039
Student Services	657,197	54,246	1,346,473	17,668	2,075,584
Institutional Support	32,276	2,663	812,602	-	847,541
Operation and Maintenance of Plant	-	-	524,653	-	524,653
Scholarships and Fellowships	-	-	5,869,420	-	5,869,420
Total Restricted-Educational and General	\$ 979,519	\$ 76,726	\$ 12,956,572	\$ 17,668	\$ 14,030,485
Restricted-Auxiliary Enterprises	\$ 47,967	\$ 3,962	\$ -	\$ -	\$ 51,929
Total Restricted	\$ 1,027,486	\$ 80,688	\$ 12,956,572	\$ -	\$ 14,082,414
Total Educational and General	\$ 49,443,525	\$ 4,025,958	\$ 29,323,626	\$ 1,195,568	\$ 83,988,677
Auxiliary Enterprises	\$ 1,338,911	\$ 252,485	\$ 7,349,249	\$ 146,346	\$ 9,086,991
Total Current Fund Expenditures	\$ 50,782,436	\$ 4,278,443	\$ 36,672,875	\$ 1,341,914	\$ 93,075,668

SAN JACINTO COLLEGE DISTRICT
SCHEDULE D-1
SCHEDULE OF BONDS PAYABLE AND DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED AUGUST 31, 2000

Description	Bonds Issued to Date	Range of Interest Rates	Bonds Outstanding 09/01/99	Bonds Issued After 09/01/99	Bonds Matured or Retired	Bonds Outstanding 08/31/00	Maturities	
							First/Last Year	First Call Date
School Building Bonds, Series 1993	\$ 12,000,000	5.125-7.125	\$ 8,000,000	\$ -	\$ 2,000,000	\$ 6,000,000	1993/2002	NONE
General Obligation Bonds, Series 1998	1,705,000	3.40-4.50	1,705,000	-	760,000	945,000	1998/2002	NONE
General Obligation Bonds, Series 2000	20,000,000	6.00	-	20,000,000	-	20,000,000	2001/2025	NONE
Total	\$ 33,705,000		\$ 9,705,000	\$ 20,000,000	\$ 2,760,000	\$ 26,945,000		

Note: General Obligation Bonds, Series 2000 sale occurred August 15, 2000; bonds issued September 20, 2000

Summary of Debt Service Requirements to Maturity

Year Ending August 31,

Description	2001	2002	2003	2004	2005	All Other Years	Total Requirements
School Building Bonds, Series 1993	\$ 2,259,500	\$ 2,155,000	\$ 2,051,250	\$ -	\$ -	\$ -	\$ 6,465,750
General Obligation Bonds, Series 1998	774,769	193,373	-	-	-	-	968,142
General Obligation Bonds, Series 2000	3,883,232	1,732,000	990,000	990,000	990,000	34,806,000	43,391,232
	\$ 6,917,501	\$ 4,080,373	\$ 3,041,250	\$ 990,000	\$ 990,000	\$ 34,806,000	\$ 50,825,124

SAN JACINTO COLLEGE DISTRICT
SCHEDULE D-3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2000

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PASS-THROUGH DISBURSEMENTS AND EXPENDITURES
U S DEPARTMENT OF AGRICULTURE			
Pass-Through From:			
Texas Department of Human Services			
Child Care Food Program	10.558		<u>3,931</u>
U S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through From:			
The City of Pasadena			
Community Development Block Grant	14.218		<u>92,989</u>
U S DEPARTMENT OF LABOR			
Pass-Through From:			
Houston-Galveston Area Council			
Harris County Community Development	17.000		<u>35,881</u>
NATIONAL SCIENCE FOUNDATION			
Pass-Through From:			
North Orange County Community College District			
GIS Access	47.076		2,650
University of Houston			
Houston Alliance for Minority Participation Project (AMP)	47.076		<u>3,800</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>6,450</u>
U S SMALL BUSINESS ADMINISTRATION			
Pass-Through From:			
The University of Houston-Central			
Small Business Development Center	59.037		<u>104,302</u>
U S DEPARTMENT OF VETERANS AFFAIRS			
Direct Programs:			
Veteran's Administration Admin Allowance	64.124		<u>5,379</u>
U S DEPARTMENT OF EDUCATION			
Direct Programs:			
Federal Supplemental Educational Opportunity Grant	84.007		771,150
Title V - Strengthening the Institution	84.031S		211,882
Federal College Workstudy Program	84.033		510,752
Upward Bound Grant	84.047A		162,146
Federal Pell Grant	84.063		4,637,933
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Voc Ed -- 00	84.048		630,131
Eisenhower	84.281		104,625
North Harris Community College District			
Carl Perkins Voc Ed -- Tech Prep 00	84.048		1,559
Schools To Careers-Local Implementation Partnership Grant	84.278E		37,428
TOTAL U S DEPARTMENT OF EDUCATION			<u>7,067,606</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>7,316,538</u>

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-3
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2000

Note 1: Federal Assistance Reconciliation

Federal Revenues per Exhibit C-Restricted Funds	\$ 7,193,107
Indirect/Administrative Cost Recoveries	123,431

Total Expenditures per Federal Schedule	\$ 7,316,538
	=====

Note 2: Student Loans Processed-Not Included in Schedule

Federal Grantor CFDA Number/Program Name	New Loans Processed
-----	-----
Department of Education	
84.032 Federal Family Education Loan Program	\$ 2,520,857
	=====

Note 3: Significant accounting policies used in preparing the schedule

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

SAN JACINTO COLLEGE DISTRICT
SCHEDULE D-4
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED AUGUST 31, 2000

GRANTOR AGENCY/PROGRAM TITLE	GRANT CONTRACT NUMBER	EXPENDITURES
TEXAS WORKFORCE COMMISSION		
Skills Development	POT-00-021	16,030
Skills Development	POT-00-013	109,548
Skills Development	POT-70330	40,736
Skills Development	POT-70330	32,261
Skills Development	POT-70330	4,339
Skills Development	POT-70330	13,220
Skills Development	POT-70330	2,602
Skills Development	POT-70330	86,738
Skills Development	POT-70262	(116)
Skills Development	POT-70330	15,917
Skills Development	POT-70330	11,699
Skills Development	POT-70330	69,327
Skills Development	POT-70330	21,083
Skills Development	POT-70330	42,543
Skills Development	POT-70330	1,369
Skills Development	POT-70330	8,178
Skills Development	POT-70491	52,799
Skills Development	POT-70330	23,358
Skills Development	POT-70330	16,784
Self Sufficiency Fund	SSF 00-502	182,368
TOTAL TEXAS WORKFORCE COMMISSION		<u>750,783</u>
TEXAS HIGHER EDUCATION COORDINATING BOARD		
Incentive Grant for Vocational Nursing Retention		2,765
New Horizons		7,420
Texas Grant		22,756
Texas College Work Study		31,460
Early High School - HB1479		44,041
Certified Edu Aide Program		1,541
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		<u>109,983</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>860,766</u>

SAN JACINTO COLLEGE DISTRICT
 SCHEDULE D-4
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 FOR THE YEAR ENDED AUGUST 31, 2000

Note 1: State Assistance Reconciliation

State Revenues - per Exhibit C:		
State Financial Assistance		
Per Schedule of expenditures of state awards	\$	860,766
State Financial Assistance		
Continuing Education tuition and fees included in Exhibit C captioned "Tuition and Fees"		(796,365)

Total State Revenues per Exhibit C	\$	64,401
		=====

Note 2: Significant accounting policies used in preparing the schedule

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

SAN JACINTO COLLEGE DISTRICT
 FEDERAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED AUGUST 31, 2000

1. SUMMARY OF AUDIT RESULTS:

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? yes no

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

Noncompliance material to financial statements. yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes no

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

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? yes no

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

Identification of major programs:

CFDA Number	Name of Federal Program
Student Financial Aid-Cluster:	
84.007	Federal SEOG Program
84.032	Federal Family Education Loan Program
84.033	Federal College Workstudy Program
84.063	Federal Pell Grant Program
84.048	Carl Perkins Voc Ed Program

The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.

The District was determined to be a low-risk auditee.

FINDINGS--FINANCIAL STATEMENTS AUDIT None

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

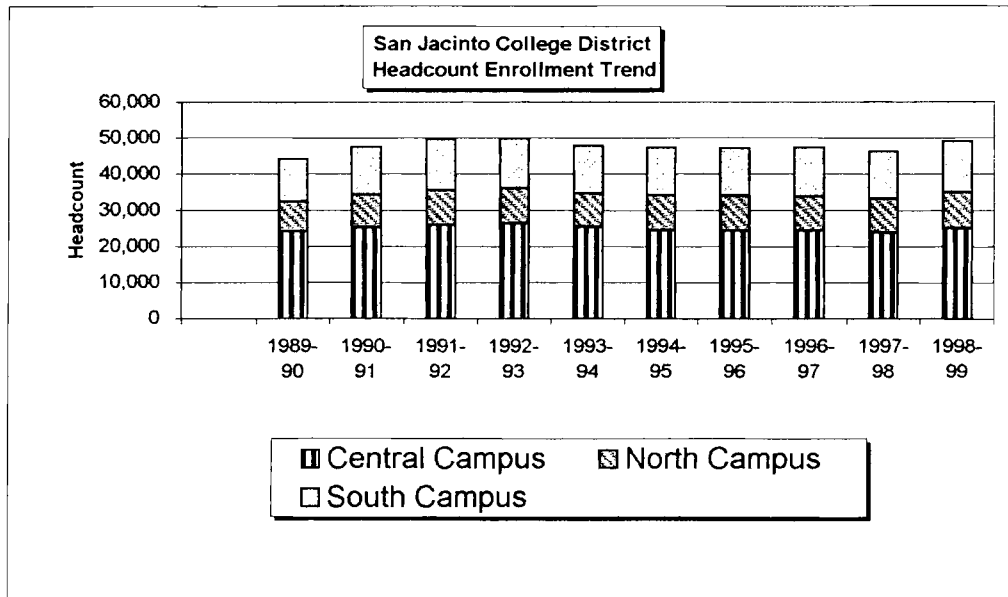
	Federal CFDA Number	Findings	Questioned Costs
Student Financial Aid--Cluster:			
Federal SEOG Program	84.007	None	None
Federal Family Education Loan	84.032	None	None
Federal College Workstudy	84.033	None	None
Federal Pell Grant Program	84.063	None	None
Carl Perkins Voc Ed Program	84.048	None	None

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

Fiscal Year	State Funded			Total**	Non State Funded Other
	Central Campus	North Campus	South Campus		
1989-90	24,227	8,115	11,936	44,278	
1990-91	25,185	9,073	13,392	47,650	
1991-92	25,952	9,598	14,167	49,717	
1992-93	26,259	9,805	13,782	49,846	
1993-94	25,330	9,299	13,217	47,846	
1994-95	24,483	9,572	13,265	47,320	
1995-96	24,347	9,588	13,249	47,184	
1996-97	24,271	9,559	13,523	47,353	
1997-98	23,872	9,443	13,054	46,369	
1998-99	25,009	10,016	14,050	49,075	

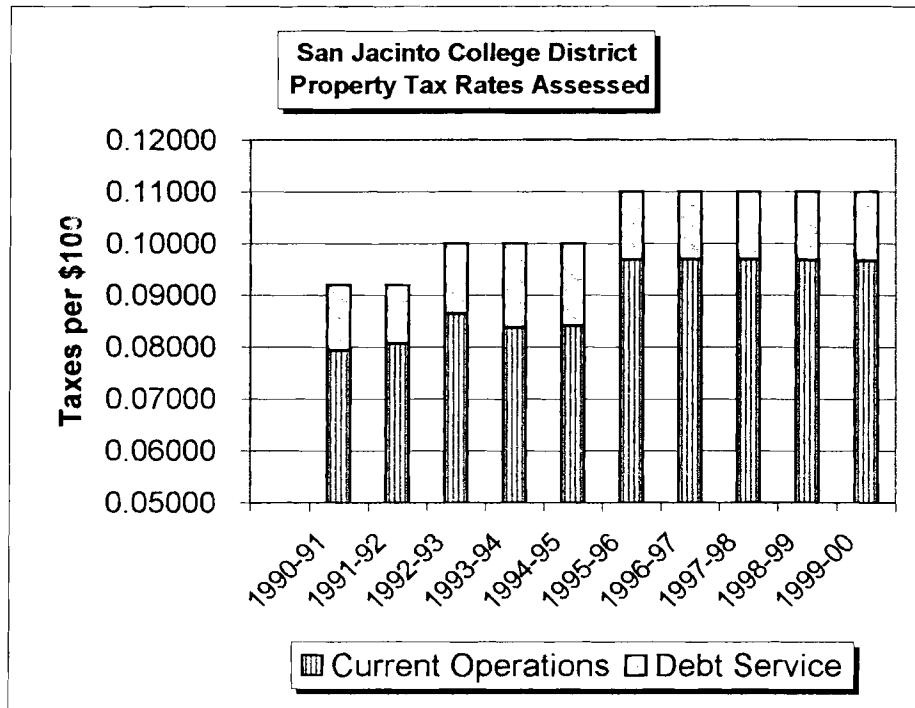
*Duplicated Headcount

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



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

Fiscal Year	Current Operations	Debt Service	Total
1990-91	0.07921	0.01279	0.09200
1991-92	0.08067	0.01133	0.09200
1992-93	0.08633	0.01367	0.10000
1993-94	0.08360	0.01640	0.10000
1994-95	0.08406	0.01594	0.10000
1995-96	0.09680	0.01320	0.11000
1996-97	0.09678	0.01322	0.11000
1997-98	0.09678	0.01322	0.11000
1998-99	0.09673	0.01327	0.11000
1999-00	0.09657	0.01343	0.11000

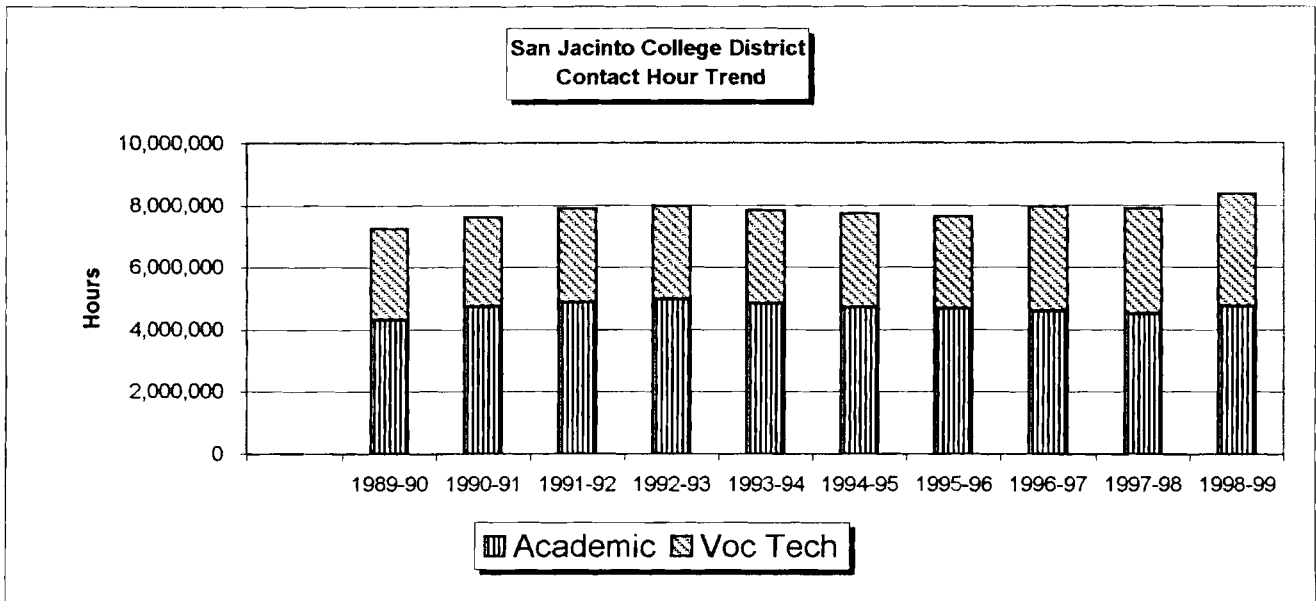


San Jacinto College District
Property Tax Rates Authorized
Last 10 Fiscal Years
(UNAUDITED)

Fiscal Year	Current Operations	Debt Service	Total
1990-91	0.15000	0.50000	0.65000
1991-92	0.15000	0.50000	0.65000
1992-93	0.15000	0.50000	0.65000
1993-94	0.15000	0.50000	0.65000
1994-95	0.15000	0.50000	0.65000
1995-96	0.15000	0.50000	0.65000
1996-97	0.15000	0.50000	0.65000
1997-98	0.15000	0.50000	0.65000
1998-99	0.15000	0.50000	0.65000
1999-00	0.15000	0.50000	0.65000

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

<u>Contact Hours</u>			
Fiscal Year	Academic	Voc Tech	Total
1989-90	4,305,524	2,926,633	7,232,157
1990-91	4,736,114	2,879,150	7,615,264
1991-92	4,874,826	3,011,585	7,886,411
1992-93	4,978,910	2,996,541	7,975,451
1993-94	4,822,288	3,009,031	7,831,319
1994-95	4,703,512	3,024,431	7,727,943
1995-96	4,663,832	2,968,188	7,632,020
1996-97	4,585,952	3,356,341	7,942,293
1997-98	4,507,640	3,385,799	7,893,439
1998-99	4,756,008	3,609,549	8,365,557

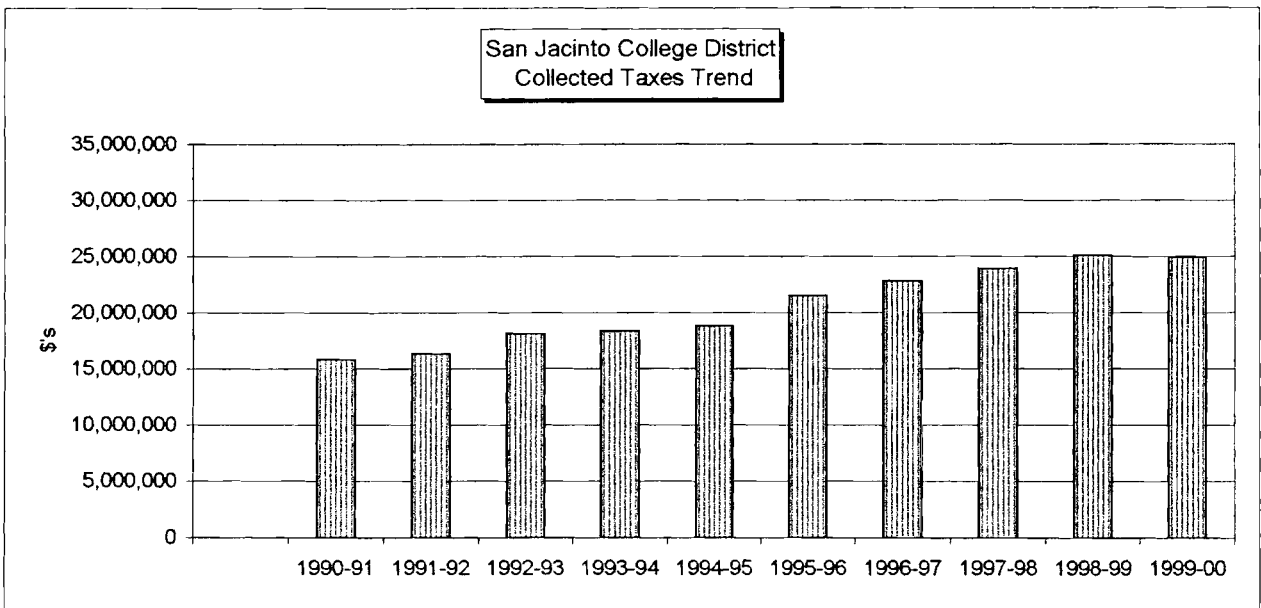


San Jacinto College District
 Net Assessed Valuation
 Last 10 Fiscal Years
 (UNAUDITED)

Fiscal Year	Assessed Valuation	Less: Exemptions	Net Assessed Valuation
1990-91	16,958,112,190	xx	16,958,112,190
1991-92	17,931,165,100	xx	17,931,165,100
1992-93	18,226,162,164	xx	18,226,162,164
1993-94	18,444,560,180	xx	18,444,560,180
1994-95	18,880,811,130	xx	18,880,811,130
1995-96	19,473,628,855	xx	19,473,628,855
1996-97	23,660,535,694	(2,818,066,774)	20,842,468,920
1997-98	24,091,167,482	(2,309,988,900)	21,781,178,582
1998-99	25,156,108,236	(2,352,397,800)	22,803,710,436
1999-00	25,469,382,330	(2,513,382,140)	22,956,000,190

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

Fiscal Year	Current Tax Collections	Delinquent Collections	Total Tax Collections
1990-91	15,194,030	642,861	15,836,891
1991-92	16,017,470	307,728	16,325,198
1992-93	17,763,795	388,210	18,152,005
1993-94	18,011,432	363,662	18,375,094
1994-95	18,411,512	387,109	18,798,621
1995-96	21,048,944	455,348	21,504,292
1996-97	22,450,943	384,991	22,835,934
1997-98	23,547,044	369,402	23,916,446
1998-99	24,625,891	476,143	25,102,034
1999-00	24,701,689	258,433	24,960,122



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

Fiscal Year	Appropriations Per FTSE
1989-90	\$ 1,091.74
1990-91	\$ 995.37
1991-92	\$ 1,036.65
1992-93	\$ 1,056.94
1993-94	\$ 1,110.61
1994-95	\$ 1,102.74
1995-96	\$ 1,054.23
1996-97	\$ 1,031.22
1997-98	\$ 1,209.50
1998-99	\$ 1,182.20

*Credit Courses Only