

San Jacinto Community College District

Pasadena, Texas

Annual Comprehensive Financial Report

For the Fiscal Years Ended August 31, 2025 and 2024



San Jacinto Community College District

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEARS ENDED
AUGUST 31, 2025 AND 2024**

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

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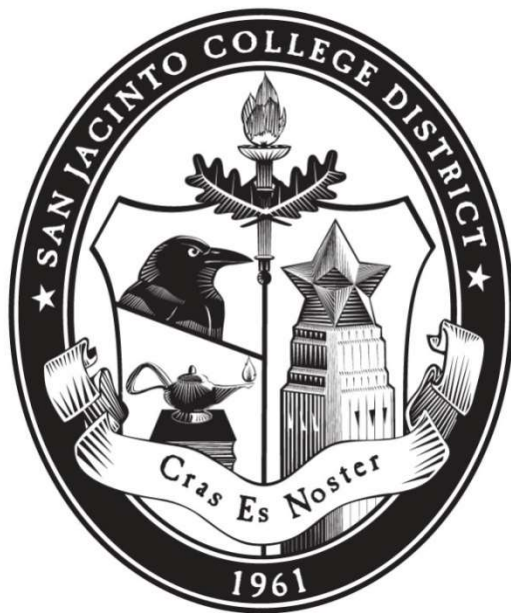
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INTRODUCTORY



SAN JACINTO COMMUNITY COLLEGE DISTRICT

ORGANIZATIONAL DATA

Board of Trustees and Key Officers Year Ended August 31, 2025

Officers

Mr. Dan Mims	Chair
Dr. Michelle Cantú-Wilson	Vice Chair
Mr. Keith Sinor	Secretary
Mrs. Erica Davis Rouse	Assistant Secretary

Members

	<u>Term Expires May 31,</u>
Mr. Dan Mims	2027
Mr. Keith Sinor	2027
Mrs. Erica Davis Rouse	2029
Dr. Michelle Cantú-Wilson	2029
Ms. Judy Harrison	2031
Mr. Larry Wilson	2031
Position 5 - Vacant	2027

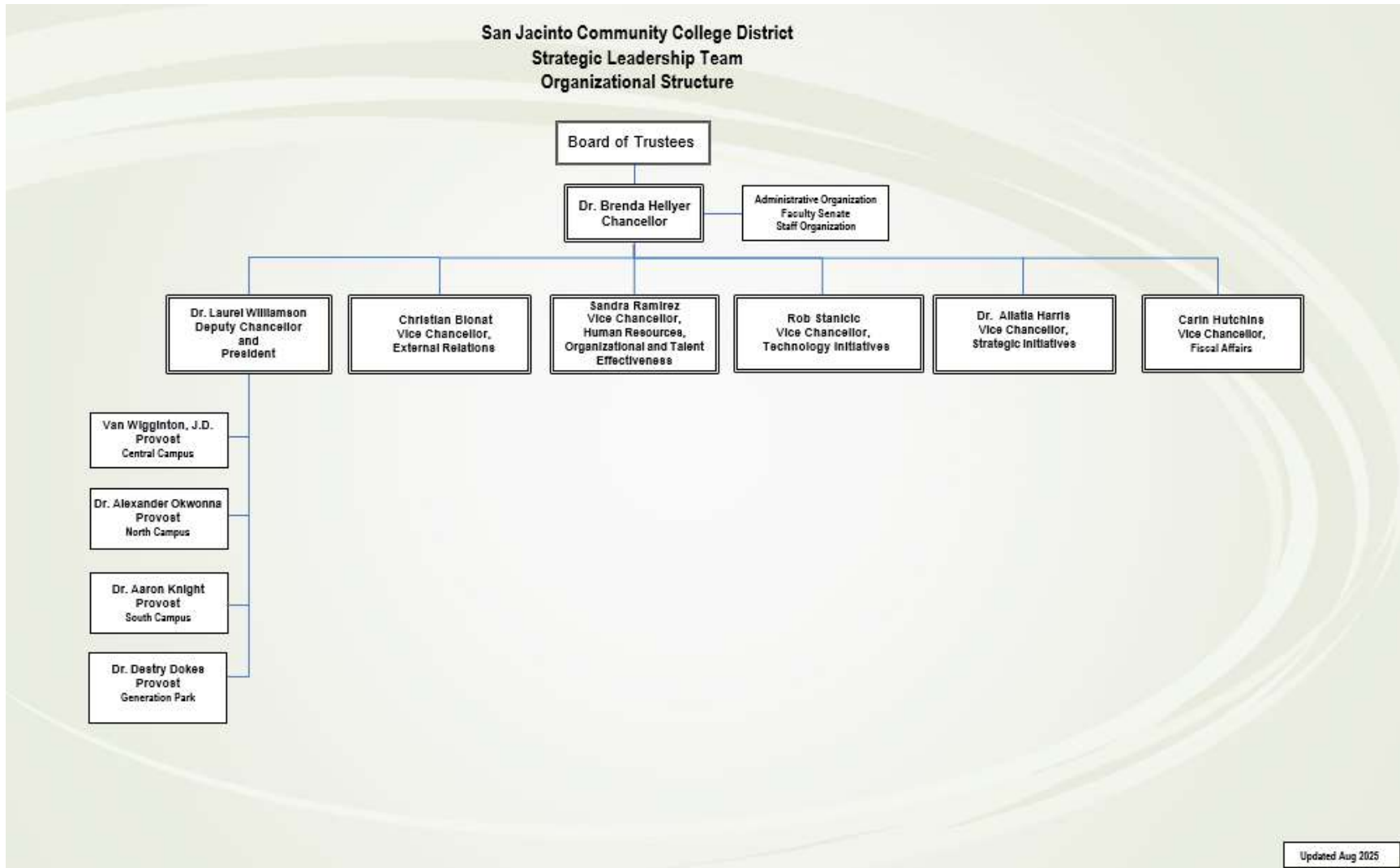
Trustee Emeritus

Mr. Ben Meador

Key Officers

Dr. Brenda L. Hellyer	Chancellor
Dr. Laurel V. Williamson	Deputy Chancellor and College President
Mr. Christian Bionat	Vice Chancellor, External Relations
Dr. Allatia Harris	Vice Chancellor, Strategic Initiatives
Mrs. Carin Hutchins	Vice Chancellor, Fiscal Affairs
Mrs. Sandra Ramirez	Vice Chancellor, Human Resources, Organizational and Talent Effectiveness
Mr. Rob Stanicic	Vice Chancellor, Technology Initiatives
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
ORGANIZATION CHART
August 31, 2025





December 1, 2025

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, 2025 and 2024. 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 taxing 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, and the 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, including the addition of the College's Maritime Campus in La Porte which opened in 2016.

In November 2015, with a nearly 68% 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 district and service 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 increase 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 build and strengthen partnerships with regional independent school districts and has broadened 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 22% of the fall 2025 student enrollment.

The College has grown to include six campuses and over 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 2025 and served these students by employing just over 3,000 full-time and part-time personnel.

ACCOMPLISHMENTS AND AWARDS

In September 2025, the College celebrated its 64th 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 3,752 certificates, 5,489 associate degrees, and 66 bachelor degrees to 7,442 unique graduates during fiscal year 2025, based on preliminary data as of November 2025. In addition, 4,660 students transferred in fall 2024 to four-year universities within Texas.

The Aspen Institute named San Jacinto College as a Finalist with Distinction for the 2025 Aspen Prize for Community College Excellence, ranking the institution as the number two community college in the nation and the number one community college in Texas. In recognizing San Jacinto College as a Finalist with Distinction, Aspen noted the College's commitment to prioritizing the onboarding and advising process to ensure students create academic, career, and financial plans, and that they are connected to the resources they need to be successful. 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.

San Jacinto College has been recognized as one of the top 10 emergency medical services (EMS) education programs in Texas, according to the Texas Department of State Health Services (DSHS) Office of EMS/Trauma Systems. The College's EMS program earned this distinction based on its three-year average National Registry of Emergency Medical Technicians pass rate. With a combined total of 181 paramedic and EMT students and a 91% pass rate on the national certification exam, San Jacinto College stands among the top institutions across the State.

This recognition reflects the program's commitment to comprehensive education, student success, and training highly competent EMS professionals ready to serve their communities. With state-of-the-art simulation labs, experienced faculty, and strong clinical partnerships, San Jacinto College continues to be a trusted training ground for future first responders in the Greater Houston region and beyond.

San Jacinto College has six student-athletes that have been recognized by the National Junior College Athletic Association (NJCAA) for their outstanding academic performance during the 2024-2025 season. Four student-athletes earned NJCAA All-Academic First Team honors with perfect 4.0 GPAs. Additionally, two student-athletes received NJCAA All-Academic Second Team honors for maintaining GPAs between 3.80 and 3.99. The San Jacinto College softball team also earned Softball Academic Team of the Year honors for maintaining a collective 3.22 GPA. The NJCAA All-Academic program honors student-athletes who excel in the classroom while competing in collegiate athletics. These six honorees represent the College's commitment to academic and athletic excellence and reflects San Jac's strong support system and focus on developing well-rounded, high-achieving students.

San Jacinto College has been designated as a National Center of Academic Excellence in Cyber Defense through the academic year 2030. This prestigious designation, awarded by the National Security Agency (NSA), recognizes the College's commitment to providing high-quality cybersecurity education and its role in strengthening the national cybersecurity workforce. San Jacinto College offers a comprehensive Bachelor of Applied Technology in Information Technology with an emphasis in Cybersecurity. Launched in fall 2024, this program equips students with hands-on experience in threat hunting, security operations, and risk management to defend against cyber threats. The curriculum also covers ethical hacking and cryptography, ensuring graduates are well-prepared to address evolving cyber challenges. The College's Center for Cybersecurity serves as a hub for information security resources, providing students and the community with tools and knowledge to reduce cyber threats. Additionally, the Security Operations Center offers students practical experience by allowing them to analyze live data and practice monitoring, detecting, and responding to cyber threats.

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 216 agencies in the United States and Canada, and one of 15 higher education organizations to receive this prestigious award. This is the 12th time overall and 11th consecutive year the team has won the award.

In September 2025, the Government Treasurers' Organization of Texas (GTOT) awarded the Certificate of Distinction to San Jacinto College for maintaining an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the GTOT. The College was recognized for its commitment to maintaining a comprehensive written investment policy that meets the criteria set forth in the GTOT Investment Policy Review Checklist. The certificate is good for a two-year period ending September 30, 2027.

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. The College demonstrates this commitment by continuing to offer the Promise @ San Jac program to all the independent school districts located within the College's taxing district. The Promise @ San Jac program allows students who live within the taxing district and who graduate from high school to attend San Jacinto College as a Promise Scholar. This program pays for all tuition costs and covers books and supplies, after financial aid and other scholarships are applied, for up to three years following graduation or until the student completes a certificate or associate degree. Over the last three years, 8,043 students have been welcomed as Promise Scholars, including a preliminary count of 2,513 scholars who were welcomed this fall from the graduating class of May 2025. Promise Scholars must take 12 semester credit hours or more, must maintain a 2.0 GPA, and have three years to complete their credential. Promise students from the 2022 cohort, the most recent to complete the Promise Scholarship, have an 8% higher credential completion rate than non-Promise students. 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 88th legislative session, is a significant benefit to qualifying dual credit students and their parents. Over 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 22% of the fall 2025 student enrollment.

San Jacinto College was awarded the Recognition of Scaling Excellence (ROSE) Award. The award recognizes exemplary Texas community colleges that have implemented pathways reforms and demonstrated improvements in scaling essential practices that enhance the student experience. The College began its Pathways work in 2016 with the American Association of Community Colleges. The Texas Pathways initiative, now known as the Talent Strong Texas Pathways, was created with the founding of the Texas Success Center. Through philanthropic funding received by the Texas Association of Community Colleges, the Texas Success Center provides statewide coordination of student success strategies in order to tighten the linkages between practice, research, and policy.

The College continues to find innovative ways to support student success. Earlier this year the College entered into a groundbreaking partnership with the Texas Department of Licensing and Regulation to eliminate the long wait between graduation, certification, and employment. In May 2025, cosmetology, barbering, and massage therapy students became the first in Texas to complete both their final and state exams on campus. At the commencement ceremony 132 students received their diplomas and their state licenses on the same day.

Program Highlights

In Spring 2026, San Jacinto College is launching a new Bachelor of Applied Technology in Logistics and Supply Chain Management, designed to provide students with an affordable, high-quality pathway into one of the fastest-growing industries in the nation. The Greater Houston area, a key hub for global trade and transportation, faces an increasing need for degreed professionals who can navigate the complexities of modern supply chains. The new San Jacinto College logistics degree offers a cost-effective alternative to traditional four-year institutions while providing industry-relevant curriculum, hands-on learning experiences, and direct connections to local employers. The Chancellor's Advisory Council on Transportation, Logistics, and Supply Chain Management, in conjunction with the College's Logistics and Supply Chain Management Advisory Committee, developed this new program under the guidance of industry representatives from key employers such as Amazon, LyondellBasell, Academy, the Port of Houston, and Union Pacific Railroad. The program is structured to support working professionals and recent graduates, offering flexible course options and industry-driven training that equips students with the critical skills needed to optimize supply chain operations, manage transportation networks, and implement cutting-edge logistics technologies.

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 new 10,000 sq. ft. Center for Biotechnology opened on the Generation Park Campus in September 2025 and expands the College's biotechnology offerings. The Center will offer stackable certificates and an Associate of Applied Science degree in biomanufacturing technology, along with shorter training options for postgraduates and industry professionals. These pathways are designed to meet workforce demand quickly, safely, and cost-effectively while helping students launch meaningful careers in biomanufacturing and biotechnology. In late September 2025, Eli Lilly announced plans for a \$6.5 billion biomanufacturing facility at Generation Park. The project will bring more than 600 permanent jobs and thousands of construction jobs to our region and a whole ecosystem of life sciences and advance pharmaceuticals.

During the pandemic, higher education institutions were thrust into an online world. Today, more than 60% 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 support in all modalities of instruction. In fall 2025 we officially launched San Jac Online, our new virtual campus. San Jacinto College was recognized as #6 on Newsweek’s list of America’s top Online Colleges for 2026. This recognition reflects more than two decades of work across the San Jacinto College campuses to build online education that serves students well.

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 ten-county Houston-Pasadena-The Woodlands metropolitan statistical area (MSA) and is home to 7.8 million people. The ten-county MSA covers 8,838 square miles. If the MSA were a state, it would rank as the 46th largest, behind Vermont, New Hampshire, but ahead of 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. According to the Greater Houston Partnership, Houston’s economy remains one of the largest and most diverse in the nation. While the Houston region is known for energy and chemical manufacturing, it is also a growing hub for biotechnology and life sciences. 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.

As reported by the Greater Houston Partnership, the region has added more than 635,400 jobs since April 2020. In addition to the recovery from the pandemic, continued job growth has been supported by national economic growth, strong global trade ties, corporate investment, and sustained population growth. Unemployment rates for Houston, Texas, and the U.S. were 5.0%, 4.7% and 4.5%, respectively, in August 2025 compared to 4.7%, 4.4% and 4.4% in August 2024. With recent forecasts indicating a slowdown in job growth, the economy is expected to continue growing, but possibly at a more moderate pace.

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, 2025, and 2024, the College had strong reserves with 5.20 months and 5.51 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 2025, 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 considerable 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 journey. San Jacinto College students are a diverse mosaic – blending many perspectives on success. One-fifth 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 with 60% working while attending college, they 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 values 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 all employees 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 2025.

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 2024-2025 Annual Priorities for the College on May 6, 2024.

- Maintain our Commitment to a Culture of Access, Belonging, and Excellence
- Expand Transfer and Career/Workforce Pathways
- Expand Outreach Efforts through College-Going Opportunities
- Establish a San Jac Online Campus
- Advance a Culture of Resiliency and Sustainability
- Evaluate and Optimize Performance Outcomes

2025-2030 STRATEGIC PLAN – BOLD 2030

The San Jacinto College Board of Trustees approved the 2025-2030 Strategic Plan on June 2, 2025. The components of the new strategic plan align with the changing educational and legislative landscape impacting the work of the College and the continued focus on serving a broad population of students, business and industry partners, and community members. San Jacinto College's five-year strategic plan sets a path to elevate student success, workforce impact, and community prosperity. The strategic goals build on the letters: **BOLD**.

- B** – Break barriers to life-changing opportunities
- O** – Optimize services, systems, and instructional programs
- L** – Leverage partnerships to create innovative programs and promote success
- D** – Demonstrate a culture of belonging and excellence

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, 2025 and 2024. 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, 2025 and 2024 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, 2025 and 2024 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, other supplemental schedules, statistical, 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.

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 Grant Management Standards (TxGMS). 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, 2024. This was the eighteenth 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,



Carin Hutchins
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, 2024

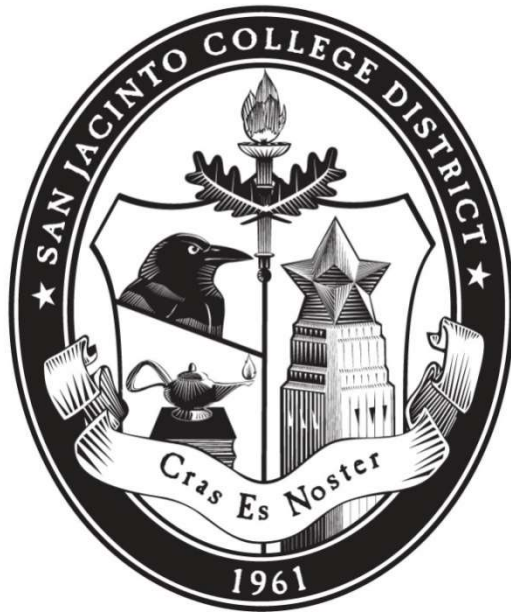
Christopher P. Morill

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 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, 2025 and 2024, and June 30, 2025 and 2024, 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, 2025 and 2024, and June 30, 2025 and June 30, 2024, and the respective changes in financial position and cash flows thereof for the years then 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. Supplemental Schedules A through F, 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 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 1, 2025, 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 1, 2025



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 64 years of innovation, community support, and extraordinary growth mark the history of San Jacinto College. The College district has now grown to include six 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 area 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, nationally acclaimed hospitals and medical center, 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 538,000 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.

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's SACSCOC 5th Year Report was approved by the SACSCOC board in December 2024 with a follow-up request for four minor items that required further information. The review by SACSCOC of the additional information provided is in progress.

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

INSTRUCTIONAL DELIVERY

The College offers course delivery options for students, in addition to face-to-face classes, as outlined below. These delivery methods, along with face-to-face, are used to varying degrees today.

- Online Anytime – All instruction and class activities are fully online without required class meetings. Weekly assignments and activities are required. Proctored exams may be required.
- Online on a Schedule – All instruction and class activities are fully online with required weekly online meetings. Proctored exams may be required.
- Hands-On Hybrid – The majority of instruction will occur online and the remainder will require students and faculty at the same San Jacinto College approved instructional location.

Students taking only face-to-face classes in fall 2025 account for 34.4% of students while the majority of students take at least one online or hybrid class. Today, 38.3% of contact hours for fall 2025 will be generated fully online versus 21.3% in fall 2019 prior to the pandemic. As a result of this shift, the College enhanced its strategic plan for online offerings and implemented a sixth campus, San Jac Online, in fall 2025 to provide focused support for quality online course delivery and student support.

HIGHER EDUCATION EMERGENCY RELIEF FUNDS

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) over four years, and these funds were fully expended by August 31, 2023. Over \$30 million of this award was distributed in direct aid to students. The Institutional and Minority Serving Institution awards were 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.

Required reporting related to all HEERF can be found on our website at the following link:

[https://sjcdedu.sharepoint.com/sites/InternalGrants/SitePages/Higher-Education-Emergency-Relief-Funds-\(HEERF\).aspx](https://sjcdedu.sharepoint.com/sites/InternalGrants/SitePages/Higher-Education-Emergency-Relief-Funds-(HEERF).aspx)

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The College presents its annual financial report in a “business type activity” format, in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The statements are prepared on the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided by the College and expenses and liabilities are recognized when services are provided to the College, regardless of when cash is exchanged.

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

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

Financial Highlights for 2025

- The College experienced a 318-student enrollment increase in certified headcount for fall 2024 compared to fall 2023 with enrollment of 31,812 students compared to 31,494. Total unduplicated annual enrollment for credit courses was 43,004 for 2025 compared to 42,706 for 2024, an increase of 298 or 0.7%. Enrollment for fall 2025 has increased compared to fall 2024 by 1,473 students for a total of 33,285 students (uncertified as of 10/15/25).
- The College continues to invest in its people, a strong student success agenda, and continuous improvement resulting in the award of 9,307 certificates, associate and bachelor's degrees in 2025 to 7,442 unique graduates. This is an increase of 1,447 credentials above the 7,860 awarded in 2024 and represents a 32.6% increase in awards over ten years ago. The College will continue its focus on helping students achieve their completion goals.
- The net assessed valuation of the College District increased slightly to \$84.9 billion for tax year 2024 (fiscal year 2025). Tax collections for fiscal year 2025, which were collected at an average of 98.4%, resulted in an increase of \$7.6 million in tax revenues for maintenance and operations and an increase of \$1.0 million for debt service. While tax values increased slightly and there was also an increase in the collection rate, the primary reason for the increase in tax revenues was due to a tax rate increase for the first time in six years. The total rate increased from .146195 cents to .154868 cents per \$100 valuation to support enrollment increases and increases in overall costs including instruction, salaries, and benefits.
- As of August 31, 2025, the assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources by \$78.9 million (net position). The College had an overall decrease of \$0.5 million in total net position from 2024 to 2025, due in part to the non-cash entries related to GASB 68, 75, and 101.

Financial Highlights for 2024

- The College experienced a 901-student enrollment increase in certified headcount 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 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 7,860 certificates, associate and bachelor's degrees in 2024. This is an increase of 207 credentials from 7,653 awarded in 2023.
- 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 and operations and an increase of \$1.5 million for debt service. The collection rate is down over the prior year rate of 98.94% (fiscal year 2023) 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 \$79.4 million (net position). The College had an overall decrease of \$3.9 million in total net position from 2023 to 2024 due in part to the non-cash entries related to GASB 68 and 75.

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

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

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

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Assets			
Current assets	\$ 178,363	\$ 186,785	\$ 192,901
Noncurrent assets:			
Capital assets, net of depreciation	720,487	719,736	727,226
Other	<u>20,124</u>	<u>20,025</u>	<u>19,922</u>
Total assets	<u>918,974</u>	<u>926,546</u>	<u>940,049</u>
Deferred outflows of resources	<u>29,359</u>	<u>36,579</u>	<u>42,408</u>
Current liabilities	87,771	82,654	77,867
Noncurrent liabilities	<u>755,583</u>	<u>763,654</u>	<u>779,560</u>
Total liabilities	<u>843,354</u>	<u>846,308</u>	<u>857,427</u>
Deferred inflows of resources	<u>26,080</u>	<u>37,452</u>	<u>41,769</u>
Net Position			
Net investment in capital assets	134,419	134,673	137,716
Restricted - expendable	2,967	2,064	3,360
Unrestricted	<u>(58,487)</u>	<u>(57,372)</u>	<u>(57,815)</u>
Total net position (Schedule D)	<u>\$ 78,899</u>	<u>\$ 79,365</u>	<u>\$ 83,261</u>

Accounting related to GASB 68 (Pension) and GASB 75 (OPEB) has a significant impact on the Statement of Net Position, including changes in deferred outflows of resources, liabilities, and deferred inflows of resources. Note 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 2025, 2024, and 2023 would have been \$232,081,269, \$231,206,588, and \$232,078,074, respectively, without the cumulative impact of GASB 68 and GASB 75.

Fiscal Year 2025 Compared to 2024

Total assets decreased by \$7.6 million during 2025, a 0.8% decrease over 2024. The change in total assets is primarily related to annual depreciation which continues to exceed the addition of new capital assets.

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

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, 2024. 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 \$3.0 million in 2025. Bonds payable decreased by \$20.6 million due to principal payments during the year. Net pension liability decreased by \$2.6 million and net OPEB liability increased by \$9.2 million due to changes in assumptions by the Teachers Retirement System of Texas (TRS - Pensions) and the Employees Retirement System of Texas (ERS - OPEB). Other notable changes included the following: (1) addition of arbitrage liability of \$4.0 million related to the 2021 and 2022 series limited general obligation refunding bonds, (2) increase in notes payable of \$3.1 million for additional capital financing of information technology equipment, and initiating a second loan with the Texas State Energy Commission for additional energy savings projects, (3) increase in unearned tuition revenue of \$2.4 million related to the increase in fall 2025 enrollment, (4) increases in accounts payable and accrued liabilities, in the amount of \$0.7 million, and subscription-based information technology arrangements, in the amount of \$1.0 million.

The College had an overall decrease of \$0.5 million in total net position from 2024 to 2025. The College's unrestricted net position is a negative \$58.5 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 Assets Net of Plant and Plant Related Debt (UNAEP) model, the adjusted unrestricted net assets increased from \$97.9 million to \$98.5 million.

Fiscal Year 2024 Compared to 2023

Total assets decreased by \$13.5 million during 2024, a 1.4% decrease over 2023. The change in total assets is primarily related to 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, 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 \$11.1 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 \$3.9 million in total net position from 2023 to 2024. The College's unrestricted net position is a negative \$57.4 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 UNAEP model, the adjusted unrestricted net assets increased from \$93.4 million to \$97.9 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, 2025, with comparative information for fiscal year 2024. The statement is divided into operating revenues and expenses and non-operating revenues and expenses. Operating revenues are received for providing goods and services to various customers and constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College.

Tuition 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

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

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, 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:

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Revenues			
Operating Revenues:			
Student tuition, net of			
allowances and discounts	\$ 42,183	\$ 41,494	\$ 39,019
Federal grants and contracts	7,601	7,845	21,425
State grants and contracts	7,361	6,109	2,618
Non-governmental grants and contracts	3,946	3,864	4,177
Sales and services of educational and non-educational activities	1,949	2,605	1,352
Auxiliary enterprises	2,959	3,019	2,290
Total operating revenues (Schedule A)	<u>65,999</u>	<u>64,936</u>	<u>70,881</u>
Expenses			
Operating Expenses:			
Instruction	102,974	98,687	87,369
Public service	382	415	374
Academic support	27,476	25,281	24,740
Student services	26,234	23,499	19,392
Institutional support	56,774	55,169	47,516
Operation and maintenance of plant	23,376	24,959	24,031
Scholarships and fellowships	52,507	40,977	31,727
Auxiliary enterprises	3,611	3,232	2,903
Depreciation and amortization	32,388	34,804	33,732
Total operating expenses (Schedule B)	<u>325,722</u>	<u>307,023</u>	<u>271,784</u>
Operating loss	<u>(259,723)</u>	<u>(242,087)</u>	<u>(200,903)</u>
Non-operating revenues (expenses)			
State appropriations	79,987	77,607	53,996
Maintenance ad valorem taxes	90,275	82,718	79,472
Debt service ad valorem taxes	40,230	39,224	37,687
Federal revenue, non-operating	65,640	50,736	41,619
HEERF Revenue Recovery	-	-	7,735
Gifts/donations	579	641	168
Investment income (net of investment expenses)	8,168	10,530	8,332
Interest on capital related debt	(25,643)	(23,108)	(24,333)
Other non-operating revenues (expenses)	21	(157)	3
Total non-operating revenues, net (Schedule C)	<u>259,257</u>	<u>238,191</u>	<u>204,679</u>
Net (decrease) increase in net position	<u>(466)</u>	<u>(3,896)</u>	<u>3,776</u>
Net Position			
Net position, beginning of year (2025 and 2024 restated)	<u>79,365</u>	<u>83,261</u>	<u>79,485</u>
Net position, end of year	<u>\$ 78,899</u>	<u>\$ 79,365</u>	<u>\$ 83,261</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 measurement year ended August 31, 2024, which is one year behind the College's fiscal year being reported.

	Pension and OPEB Expenses (Included in Salaries and Benefits)						Change	
	2025		2024		2023		2024 to 2025	2023 to 2024
	Total	% of	Total	% of	Total	% of		
GASB 68 - Pension	\$ 2,787,311	1%	\$ 4,773,917	3%	\$ 1,128,427	1%	\$ (1,986,606)	\$ 3,645,490
GASB 75 - OPEB	<u>(1,467,336)</u>	-1%	<u>(1,750,689)</u>	-1%	<u>(757,507)</u>	0%	283,353	<u>(993,182)</u>
Total Pension and OPEB Expenses	<u>\$ 1,319,975</u>		<u>\$ 3,023,228</u>		<u>\$ 370,920</u>		<u>\$ (1,703,253)</u>	<u>\$ 2,652,308</u>

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

Fiscal Year 2025 Compared to 2024

Operating revenues increased by \$1.1 million to \$66.0 million for 2025 from \$64.9 million in 2024. Tuition revenue (net of allowances and discounts) increased by \$0.7 million in 2025 to \$42.2 million from \$41.5 million in 2024. Total tuition increased by \$5.4 million and total allowances and discounts increased by \$4.7 million. Enrollment based on certified headcount increased to 31,812 from 31,494 from fall 2023 to fall 2024, while total contact hours increased to 12.9 million from 12.7 million for 2025 and 2024, respectively. State grants and contracts increased \$1.3 million due to additional funding for the Texas Educational Opportunity Grant, while federal grants and contracts decreased by \$0.2 million. Sales and services activities decreased by \$0.7 million primarily due to lower energy efficiency rewards and insurance claims proceeds.

Operating expenses increased by \$18.7 million to \$325.7 million for 2025 from \$307.0 million for 2024. Major components of the change were due to the following: (1) scholarships and fellowships increased \$11.5 million due to increases in federal Pell and State grants, (2) salary expenses increased by \$10.2 million as a result of annual performance-based pay increases for full time employees, year two costs related to the implementation of the job evaluation study raises that were effective in November 2023, increases in hourly rates for part-time faculty and staff, new faculty and staff positions which were partially offset by reductions in operating costs, and an increase in the costs of part-time faculty required to accommodate the increase in enrollment and additional classes taught during the year, (3) auxiliary increased \$0.3 million, and (4) depreciation expense decreased \$2.4 million due to an increase in fully depreciated assets.

Net non-operating revenues and expenses increased by \$21.1 million to \$259.3 million for 2025 from \$238.2 million for 2024. State appropriations increased by \$2.4 million due to a \$1.0 million increase in both unrestricted and restricted State support as follows: (1) performance tier funding increased by \$0.9 million, (2) FAST funding increased by \$0.5 million, (3) restricted State benefits increased by \$0.5 million related to GASB 68 and GASB 75. Ad valorem tax revenue increased by \$8.6 million. The maintenance and operations tax rate increased to 10.6954 cents for 2025 from 9.9152 cents in 2024 and the debt service tax rate increased to 4.7914 cents for 2025 from 4.7043 cents in 2024. The total tax rate increased to 15.4868 cents for 2025 from 14.6195 in 2024. The overall tax rate was increased due to the limited increase in the College's certified tax values, and the increases in operating costs described above. Net investment income decreased by \$2.4 million due to decreases in earnings rates from a high of 4.99% at the start of the year to a low of 4.14% at the end of the year. Federal revenue increased by \$14.9 million primarily due to higher Pell Grants awarded under new federal legislation.

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 based on certified headcount 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 claims 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 \$35.2 million to \$307.0 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 formal classification and job evaluation study 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 salary expenses noted above and \$6.5 million in 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 \$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 for 2024 from 10.5500 cents in 2023 and the debt service tax rate decreased to 4.7043 cents for 2024 from 5.0105 cents in 2023. The total tax rate decreased to 14.6195 cents for 2024 from 15.5605 in 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.

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.

In fiscal year 2025 the College experienced a decrease in cash due to investment of bond funds in U.S. Treasuries, specifically State and Local Government Securities, in addition to regular expenses for capital projects.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

Capital Assets

In 2025, the College had a \$0.8 million increase in net capital assets. The increase was comprised of a \$14.9 million increase in depreciable assets for completed construction projects placed in service, right-to-use assets, and acquisition of capital assets, plus a \$18.4 million net increase in construction in progress. These increases were offset by a decrease of \$7.1 million for write off of fully depreciated assets and disposal of assets, as well as an increase in accumulated depreciation of \$32.5 million.

In 2024, the College had a \$7.5 million decrease in net capital assets. The decrease was comprised of a \$42.9 million net increase in depreciable assets for completed construction projects placed in service, right-to-use assets, and acquisition of capital assets less a \$15.5 million net decrease in construction in progress. These increases were offset by a decrease of \$5.3 million for write off of disposal of assets, as well as an increase in accumulated depreciation of \$34.7 million.

Long-Term Debt

During fiscal year 2025, no new general obligation bonds were issued nor were any bonds defeased; however, normal principal payments were made for general obligation bonds, revenue bonds, and notes payable for capital equipment and energy saving projects.

During fiscal year 2024, the College issued a \$4 million, zero interest Combined Fee Revenue Bonds (Series 2023). The proceeds were used to finance construction of the Center for Biotechnology at the Generation Park campus. To date all funds have been drawn down on these zero-interest bonds. Additionally, normal principal payments were made for general obligation bonds, revenue bonds, and notes payable for capital equipment and energy saving projects.

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

Note 6	–	Capital Assets	Note 10	–	Debt and Lease Obligations
Note 7	–	Construction Commitments	Note 11	–	Pledged Revenue Coverage
Note 8	–	Noncurrent Liabilities	Note 13	–	Leases and Subscription
Note 9	–	Bonds and Notes Payable			

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

AD VALOREM TAXES

To support the fiscal year 2025 approved budget, on October 7, 2024, the Board approved the adoption of the 2024 tax rate of 15.4868 cents per \$100 valuation which was 0.8673 cents above the prior year rate of 14.6195 cents. The adopted rate was 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 increased to 4.7914 cents. The total taxes imposed on a residence homestead at the average appraised value of \$181,988 (net of the homestead exemption) at the adopted rate were \$281.84. If the over 65 or older or disabled exemption was also claimed, the taxes would be reduced to \$84.38. Certified property tax values for the 2024 tax year were received from the Harris Central Appraisal District (HCAD) on August 30, 2024. The certified tax roll values for 2024 were \$85.8 billion, which was \$0.5 billion (.6%) lower than the tax year 2023 certified valuations.

To support the fiscal year 2024 approved budget, 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 was 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 (net of the homestead exemption) at the adopted rate were \$249.70. If the over 65 or older or disabled exemption was also claimed, the taxes would be reduced to \$63.30. Certified property tax values for the 2023 tax year were received from 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 prior year certified valuations.

CREDIT RATINGS

At August 31, 2025, the College's credit ratings are as follows:

Moody's Investor's Service (1) Standard & Poor's (2)

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.

* Moody's rating on the Combined Fee Revenue Bonds was assigned on July 09, 2015.

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

CURRENTLY KNOWN FACTS, DECISIONS AND CONDITIONS

San Jacinto Community College District is a dynamic institution that is an integral part of the success of East Harris County and the surrounding communities. The College's leadership continues to build a culture focused on the student and their success. 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

Houston's local economy remains one of the most diverse and largest in the United States, driven by key sectors such as energy, healthcare, aerospace, manufacturing, and technology. Home to the 5th busiest container port in the U.S., the region has long been a global hub for the oil and gas industry, with numerous major energy companies headquartered in the region. Houston's position as a key energy center has fostered innovation and growth in renewable energy, as well as continued growth and development in related sectors such as petrochemicals and logistics. Looking ahead, Houston is a growing hub for biotechnology and life sciences driven by major investments and workforce development in the area. Eli Lilly recently announced plans for a \$6.5 billion biomanufacturing facility at Generation Park in the College's northern most service area.

Ad Valorem Taxes

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

To support the fiscal year 2026 approved budget, on October 6, 2025, the Board approved the adoption of the 2025 tax rate of 15.4615 cents per \$100 valuation which is 0.0253 cents below the prior year rate of 15.4868 cents. The adopted rate is lower than the calculated no-new revenue tax rate of 15.5158 cents and did not require the College to hold a public hearing. The maintenance and operations tax rate increased to 10.8529 cents and the debt service tax rate decreased to 4.6086 cents. The total taxes imposed on a residence homestead at the current year's average appraised value of \$188,322 (net of the homestead exemption) at the adopted rate is \$291.17. If the over 65 or older or disabled exemption was also claimed, the taxes would be reduced to \$94.04. Certified property tax values for the 2025 tax year were received from the HCAD on September 4, 2025. The certified tax roll values for tax year 2025 are \$87.4 billion, which is \$1.6 billion (1.9%) higher than the tax year 2024 certified valuations.

Enrollment

Enrollment for fall 2025 is up by approximately 4.6% compared to fall 2024. As of October 15, 2025, the uncertified student headcount enrollment was at 33,285, which is higher by 1,473 from fall 2024 enrollment of 31,812 at the same point in the term. Fall 2025 contact hours are 6.0 million, which is an increase of .5 million contact hours, or approximately 8.6% compared to the fall 2024 contact hours of 5.5 million, generated at the same point in time the previous year. The overall increase in enrollment over fall 2024 relates to a 4.8% increase in both continuing and first time in college students, and a 15.1% increase in first time transfer students. Dual credit student enrollment remained stable with a slight increase of 0.6%. The increase in contact hours is largely attributable to the Promise @ San Jac Program and the requirement for students receiving that scholarship to take 12 semester credit hours or more.

Future Outlook

Looking ahead to fiscal year 2026 and beyond, the Board of Trustees and administration will closely monitor the levels of State support, property tax values, and continue to keep tuition affordable for students. The fiscal year 2026 budget was developed based on a positive, yet conservative, framework focused on the College's BOLD 2030 Strategic Plan. Budgeted revenues grew modestly based on a 5.0% increase in enrollment, which is offset by an increase in exemptions and waivers primarily related to the College's dual credit program, and a 4.2% increase in property tax revenue. The 5% enrollment increase is based upon past positive enrollment trends that have been sustained with dedicated outreach and valuable programs that continue to attract more students.

There are no tuition rate increases for fiscal year 2026 or planned for fiscal year 2027 to align with the Texas Governor's directive included in his letter dated November 13, 2024. The directive is in response to the State's historic investments in higher education, including increased funding for public institutions and financial aid programs, ensuring that higher education remains accessible and affordable for all Texans.

Property tax revenues continue to support the College in a robust manner, with taxable values increasing 1.9% from tax year 2024 to 2025. This increase allowed the College to propose a tax rate lower than last year's tax rate and lower than both the College's no-new-revenue and voter-approval tax rate.

New Programs

In fall 2025, San Jacinto College launched its newest campus, San Jac Online. The virtual campus represents a major shift in how the College supports online students, offering a streamlined, consistent learning experience across all virtual courses and student support resources. San Jac Online offers 60 credentials 100% online, so that the only time students have to step foot on campus is when they walk across the stage at commencement. With more than 60% of San Jacinto College students taking at least one course online, the College realized the need for online programs that students can complete from start to finish. San Jac Online offers consistency in online course offerings, aligned textbooks across the institution, and a consistent basic course design. San Jacinto College was recognized as #6 on Newsweek's list of America's top Online Colleges 2026.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 United States. The new training program offers regional biopharmaceutical training efficiently, safely, and at a lower cost for new hires entering the growing industry. In fall 2025, the College received \$10 million in non-formula support from the State of Texas for the San Jacinto College Biotechnology program to cover operating and equipment costs.

This non-formula support is included in the restricted fund budget and will support the purchase of advanced equipment and covers the cost of the NIBRT license. This funding will enable San Jacinto College to deliver a globally recognized, industry leading curriculum to meet the increasing workforce demands of the biotechnology sector and attract leading pharmaceutical companies to invest in Texas. The San Jacinto College Center for Biotechnology at Generation Park held its grand opening and ribbon cutting in September 2025 with community members and industry partners. This state-of-the-art facility marks an exciting milestone in advancing the College's teaching, research, and training opportunities in biotechnology. In late September 2025, Eli Lilly announced plans for a \$6.5 billion biomanufacturing facility at Generation Park. The project will bring more than 600 permanent jobs and thousands of construction jobs to our region and a whole ecosystem of life sciences and advance pharmaceuticals.

The College will be launching its fourth bachelor's degree in spring 2026. The Bachelor of Applied Technology in Logistics and Supply Chain Management provides an affordable high-quality pathway into one of the nation's fastest-growing industries. With the U.S. Bureau of Labor Statistics projecting a 19% growth in logistics jobs by 2033, the demand for skilled professionals continues to rise. The greater Houston area, a hub for global trade and transportation, needs more degreed professionals who can navigate complex modern supply chains. San Jacinto College provides innovative pathways for students seeking advanced education. Community colleges have long served as pillars in the community, contributing to workforce development, skills training, flexible learning, and the local economy.

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. The College demonstrates this commitment by continuing to offer the Promise @ San Jac scholarship program to all of the independent school districts located within the College's taxing district. 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 scholarship pays for all tuition costs and covers books and supplies, after financial aid and other scholarships are applied, for up to three years following graduation or until the student completes a certificate or associate degree. The program is funded by the San Jacinto College Foundation.

The College continues to build and strengthen 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 in fiscal year 2024, is a significant benefit to qualifying dual credit students and their parents. This program has experienced growth since its inception, 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. Over 75% of the College's dual credit students are FAST eligible and are receiving their education at no charge.

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, 2025 and 2024

Exhibit 1

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 70,735,231	\$ 74,542,551
Restricted cash and cash equivalents	6,341,905	61,477,986
Investments	10,005,750	9,947,350
Restricted investments	46,169,084	-
Accounts receivable, net	39,025,474	33,941,985
Prepaid expenses	5,595,728	6,431,202
Inventories	489,603	444,074
	<u>178,362,775</u>	<u>186,785,148</u>
Total current assets		
Noncurrent assets:		
Other long-term investments	20,123,600	20,025,800
Capital assets, net of accumulated depreciation	671,057,541	688,666,904
Capital assets not being depreciated	49,430,194	31,068,599
	<u>740,611,335</u>	<u>739,761,303</u>
Total noncurrent assets		
Total assets		
	<u>918,974,110</u>	<u>926,546,451</u>
Deferred outflows of resources:		
Deferred outflows related to pensions	16,138,596	23,369,169
Deferred outflows related to OPEB	10,244,217	9,505,667
Deferred outflows related to refunded debt	2,976,453	3,704,255
	<u>29,359,266</u>	<u>36,579,091</u>
Total deferred outflows of resources		
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	18,627,833	17,953,065
Accrued interest payable	1,068,911	1,236,598
Accrued compensable absences - current portion	3,158,338	2,948,454
Deferred compensation	163,654	158,216
Unearned revenue	31,316,237	28,939,102
Net OPEB liability - current portion	2,123,519	2,482,706
Notes payable - current portion	3,793,183	2,616,318
Lease liability - current portion	143,699	235,198
Subscription-based IT arrangements liability - current portion	2,820,864	2,716,199
Arbitrage liability - current portion	677,640	-
Bonds payable - current portion	23,877,400	23,368,493
	<u>87,771,278</u>	<u>82,654,349</u>
Total current liabilities		
Noncurrent liabilities:		
Accrued compensable absences	484,619	350,580
Net pension liability	56,117,690	58,696,523
Net OPEB liability	95,812,422	86,276,032
Notes payable	13,339,404	11,459,255
Lease liability	192,446	328,373
Subscription-based IT arrangements liability	3,696,186	2,807,604
Arbitrage liability	3,281,767	-
Bonds payable	582,657,915	603,734,563
	<u>755,582,449</u>	<u>763,652,930</u>
Total noncurrent liabilities		
Total liabilities		
	<u>843,353,727</u>	<u>846,307,279</u>
Deferred inflows of resources:		
Deferred inflows related to pensions	1,916,844	3,781,273
Deferred inflows related to OPEB	23,593,689	33,479,070
Deferred inflows related to lease receivable	569,198	192,100
	<u>26,079,731</u>	<u>37,452,443</u>
Total deferred inflows of resources		
<u>Net Position</u>		
Net investment in capital assets	134,419,444	134,673,514
Restricted for:		
Expendable:		
Grants and Plant	1,373,334	1,119,975
Debt service	1,594,511	943,848
Unrestricted	<u>(58,487,371)</u>	<u>(57,371,517)</u>
Total net position (Schedule D)		
	<u>\$ 78,899,918</u>	<u>\$ 79,365,820</u>

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT
FOUNDATION, INC. (a Texas Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

Exhibit 1A

	<u>2025</u>	<u>2024</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 2,684,108	\$ 3,431,170
Pledges receivable	445,597	706,935
Investments	46,473,350	43,365,194
Pledges receivable with perpetual donor restrictions	<u>1,454,889</u>	<u>1,791,128</u>
Total assets	<u>\$ 51,057,944</u>	<u>\$ 49,294,427</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Scholarships and programs payable	<u>\$ 1,478,978</u>	<u>\$ 1,742,762</u>
Total liabilities	<u>1,478,978</u>	<u>1,742,762</u>
Net assets:		
Without donor restrictions	41,141,940	37,580,046
With donor restrictions	<u>8,437,026</u>	<u>9,971,619</u>
Total net assets	<u>49,578,966</u>	<u>47,551,665</u>
Total liabilities and net assets	<u>\$ 51,057,944</u>	<u>\$ 49,294,427</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended August 31, 2025 and 2024

Exhibit 2

	<u>2025</u>	<u>2024</u>
<u>Operating Revenues</u>		
Student tuition (net of allowances and discounts of \$40,315,908 and \$35,615,721, respectively)	\$ 42,182,856	\$ 41,494,367
Federal grants and contracts	7,601,238	7,845,071
State grants and contracts	7,360,856	6,108,574
Non-governmental grants and contracts	3,946,084	3,863,985
Sales and services of educational and non-educational activities	1,948,680	2,605,304
Auxiliary enterprises	2,958,587	3,019,397
Total operating revenues (Schedule A)	<u>65,998,301</u>	<u>64,936,698</u>
<u>Operating Expenses</u>		
Instruction	102,973,820	98,687,220
Public service	382,113	415,059
Academic support	27,476,264	25,281,065
Student services	26,234,357	23,498,993
Institutional support	56,773,969	55,168,405
Operation and maintenance of plant	23,376,087	24,958,522
Scholarships and fellowships	52,507,484	40,977,450
Auxiliary enterprises	3,610,527	3,231,728
Depreciation and amortization	32,387,987	34,803,784
Total operating expenses (Schedule B)	<u>325,722,608</u>	<u>307,022,226</u>
Operating loss	<u>(259,724,307)</u>	<u>(242,085,528)</u>
<u>Non-Operating Revenues (Expenses)</u>		
State appropriations	79,986,992	77,606,723
Maintenance ad valorem taxes	90,275,017	82,717,655
Debt service ad valorem taxes	40,230,234	39,224,214
Federal revenue, non-operating	65,640,459	50,736,323
Gifts/donations	578,887	641,224
Investment income (net of investment expenses)	8,168,241	10,529,585
Interest on capital related debt	(25,642,750)	(23,107,965)
Other non-operating revenues (expenses)	21,325	(156,945)
Total non-operating revenues, net (Schedule C)	<u>259,258,405</u>	<u>238,190,814</u>
Net (decrease) increase in net position	(465,902)	(3,894,714)
<u>Net Position</u>		
Net position, beginning of year	<u>79,811,001</u>	<u>83,260,534</u>
Restatement (See Note 22)	(445,181)	-
Net position, beginning of the year, restated	\$ <u>79,365,820</u>	\$ <u>83,260,534</u>
Net position, end of year	<u>\$ 78,899,918</u>	<u>\$ 79,365,820</u>

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

**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, 2025 and 2024**

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenues:						
Contributions	\$ 992,909	\$ 2,053,779	\$ 3,046,688	\$ 781,974	\$ 2,788,598	\$ 3,570,572
Special events, net of costs of direct donor benefits	17,500	-	17,500	753,385	-	753,385
Interest and dividends, net of investment expenses	1,194,213	243,857	1,438,070	1,044,824	273,734	1,318,558
Net change in fair value of investments	2,507,325	384,321	2,891,646	2,950,187	605,989	3,556,176
Net assets released from restrictions	<u>4,216,550</u>	<u>(4,216,550)</u>	<u>-</u>	<u>4,388,886</u>	<u>(4,388,886)</u>	<u>-</u>
Total public support and revenues	<u>8,928,497</u>	<u>(1,534,593)</u>	<u>7,393,904</u>	<u>9,919,256</u>	<u>(720,565)</u>	<u>9,198,691</u>
Expenses:						
Program services	4,271,012	-	4,271,012	4,366,202	-	4,366,202
Supporting services:						
General and administrative	1,095,591	-	1,095,591	1,107,842	-	1,107,842
Fundraising	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>5,366,603</u>	<u>-</u>	<u>5,366,603</u>	<u>5,474,044</u>	<u>-</u>	<u>5,474,044</u>
Change in net assets	3,561,894	(1,534,593)	2,027,301	4,445,212	(720,565)	3,724,647
Net assets, beginning of year	<u>37,580,046</u>	<u>9,971,619</u>	<u>47,551,665</u>	<u>33,134,834</u>	<u>10,692,184</u>	<u>43,827,018</u>
Net assets, end of year	<u>\$ 41,141,940</u>	<u>\$ 8,437,026</u>	<u>\$ 49,578,966</u>	<u>\$ 37,580,046</u>	<u>\$ 9,971,619</u>	<u>\$ 47,551,665</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2025 and 2024

Exhibit 3

	<u>2025</u>	<u>2024</u>
<u>Cash flows from operating activities</u>		
Receipts from students and other customers	\$ 48,200,426	\$ 47,148,391
Receipts of grants and contracts	16,440,971	19,306,609
Payments to suppliers for goods or services	(49,337,233)	(49,569,062)
Payments to or on behalf of employees	(174,796,368)	(162,459,702)
Payments of scholarships and fellowships	(52,449,336)	(40,825,840)
Net cash used by operating activities	<u>(211,941,540)</u>	<u>(186,399,604)</u>
<u>Cash flows from non-capital financing activities</u>		
Receipts from State appropriations	66,710,877	64,733,312
Receipts from ad valorem taxes - maintenance and operating	89,947,840	82,269,459
Receipts from non-operating Federal revenue	65,640,459	50,736,323
Receipts from gifts	-	150,000
Net cash provided by non-capital financing activities	<u>222,299,176</u>	<u>197,889,094</u>
<u>Cash flows from capital and related financing activities</u>		
Receipts from ad valorem taxes - debt service	40,341,893	39,140,369
Proceeds from sale of capital assets	21,325	12,817
Purchases of capital assets	(29,118,525)	(27,164,798)
Proceeds from notes payable	7,560,515	9,120,384
Payment on notes payable	(4,584,374)	(2,625,593)
Payment on lease and subscription assets	(4,389,810)	(3,597,646)
Proceeds from revenue bonds	2,750,000	1,250,000
Payment on capital debt - principal	(17,338,184)	(18,709,936)
Payment on capital debt - interest	(26,435,391)	(25,008,889)
Net cash used by capital and related financing activities	<u>(31,192,551)</u>	<u>(27,583,292)</u>
<u>Cash flows from investing activities</u>		
Investment income	8,261,240	10,564,228
Purchase of investments	(76,369,726)	(9,797,080)
Sale of investments	30,000,000	10,000,000
Net cash provided (used) by investing activities	<u>(38,108,486)</u>	<u>10,767,148</u>
Increase (Decrease) in cash and cash equivalents	(58,943,401)	(5,326,654)
Cash and cash equivalents, beginning of year	<u>136,020,537</u>	<u>141,347,191</u>
Cash and cash equivalents, end of year	<u>\$ 77,077,136</u>	<u>\$ 136,020,537</u>
<u>Reconciliation of operating loss to net cash used by operating activities</u>		
Operating loss	\$ (259,724,307)	\$ (242,085,528)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization expense	32,387,987	34,803,784
Bad debt expense	1,415,690	1,134,013
Tax collection fee	252,151	261,508
Payments made directly by state for benefits	13,276,115	12,873,411
Changes in assets and liabilities:		
Receivables, net	(4,703,805)	1,413,947
Prepaid expenses	835,474	(439,777)
Inventories	(45,529)	(9,158)
Deferred outflows related to pensions and OPEB	6,492,023	4,979,263
Accounts payable	645,091	1,681,979
Accrued liabilities	29,678	935,536
Unearned revenue	2,377,134	152,471
Compensated absences and deferred compensation	349,361	890,182
Net pension liability	(2,578,833)	8,751,838
Net OPEB liability	9,177,203	(7,426,062)
Deferred inflows related to pensions and OPEB	(11,749,810)	(3,281,811)
Deferred inflows related to lease receivable	(377,163)	(1,035,200)
Net cash used by operating activities	<u>\$ (211,941,540)</u>	<u>\$ (186,399,604)</u>
<u>Non-cash investing, capital, and financing activities</u>		
Amortization of discounts and premiums on bonds	3,325,580	3,265,241
Gifts of depreciable and non-depreciable assets	578,887	491,224
Accreted interest on capital appreciation bonds	2,653,977	(293,536)
Deferred outflows related to defeased/refunded debt	(727,802)	(849,988)
Lease assets and subscription-based information technology arrangements	(4,754,771)	(1,235,067)
Arbitrage rebate liability	(3,959,407)	-
Net non-cash investing, capital, and financing activities	<u>\$ (2,883,536)</u>	<u>\$ 1,377,874</u>



SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

August 31, 2025 and 2024

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, and Statements of Activities and Changes in Net Assets, 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. 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 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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. This Statement was adopted during the College's fiscal year-end August 31, 2025.

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. This statement was adopted during the College's fiscal year end August 31, 2025.

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 Management Discussion and Analysis (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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

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.

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. 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, 2025 and 2024

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 Other Post Employment Benefits (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 \$10,000 or more and an estimated useful life in excess of one year. The capitalization threshold increased from \$5,000 to \$10,000 during fiscal year 2025 to more accurately reflect the cost of capital assets and to also align with the new federal and state thresholds. 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 \$10,000 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, 2025 and 2024.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

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, 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, 2025 and 2024

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, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

Subscriptions

The College has several subscription-based information technology arrangements (SBITA) 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, 2025 and 2024

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

In accordance with GASB 101, the College made a prior year restatement of \$445,181 for fiscal year 2024 to recognize applicable sick leave liability more likely than not to be paid by the College to its full-time employees. See Footnote 22.

Reclassification of Prior Year Amounts

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on previously reported change in net position, total assets, or total 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, 2025, and 2024.

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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

4. Authorized Investments (continued)

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>2025</u>	<u>2024</u>
Cash and cash equivalents:		
Petty cash on hand	\$ 19,067	\$ 19,042
External investment pools	<u>71,379,334</u>	<u>130,461,654</u>
Subtotal cash and cash equivalents	71,398,401	130,480,696
Bank deposits - demand deposits	<u>5,678,735</u>	<u>5,539,841</u>
Total cash and deposits, August 31	\$ <u><u>77,077,136</u></u>	\$ <u><u>136,020,537</u></u>

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

	<u>2025</u>	<u>2024</u>
Exhibit 1 - cash, cash equivalents and investments:		
Cash and cash equivalents:		
Unrestricted	\$ 70,735,231	\$ 74,542,551
Restricted	6,341,905	61,477,986
Investments:		
Current	56,174,834	9,947,350
Noncurrent	<u>20,123,600</u>	<u>20,025,800</u>
Total cash, cash equivalents and investments	\$ <u><u>153,375,570</u></u>	\$ <u><u>165,993,687</u></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>2025</u>						
External investment pools	\$ 71,379,334	\$ 71,379,334	\$ -	\$ -	0.48	AAA-AAAm
U.S. Treasuries	15,067,150	5,006,650	10,060,500	-	32.03	AAA-AAAm
U.S. Agencies	15,062,200	4,999,100	5,038,150	5,024,950	57.12	AAA-AAAm
U.S. SLGS	<u>46,169,084</u>	<u>46,169,084</u>	-	-	<u>0.31</u>	AAA-AAAm
Totals	\$ <u><u>147,677,768</u></u>	\$ <u><u>127,554,168</u></u>	\$ <u><u>15,098,650</u></u>	\$ <u><u>5,024,950</u></u>	<u>89.94</u>	
<u>2024</u>						
External investment pools	\$ 130,461,654	\$ 130,461,654	\$ -	\$ -	0.81	AAA-AAAm
U.S. Agencies	<u>29,973,150</u>	<u>9,947,350</u>	<u>20,025,800</u>	-	<u>34.11</u>	AAA-AAAm
Totals	\$ <u><u>160,434,804</u></u>	\$ <u><u>140,409,004</u></u>	\$ <u><u>20,025,800</u></u>	\$ <u><u>-</u></u>	<u>34.92</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 2025 and 2024, the portfolio contained no investment maturing beyond three years and the dollar weighted average maturity of the total portfolio was 89.94 and 34.92 days as of August 31, 2025 and 2024, respectively.

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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

4. Authorized Investments (continued)

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.

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, 2025, the investment portfolio consisted of 46.5% in investment pools, 49.8% in U.S. Government obligations, and 3.7% in petty cash and demand deposits. 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.

Custodial Credit Risk

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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

4. Authorized Investments (continued)

As of August 31, 2025 and 2024, 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, 2025, and 2024, the carrying amount of the College deposits was \$5,678,735 and \$5,539,841 and the total bank balances equaled \$5,697,802 and \$6,008,406, respectively. Bank balances are covered by Federal depository insurance of up to \$250,000 per financial institution. The remaining \$5,447,802 and \$5,758,406 were covered by a Federal Home Loan Bank (FHLB) letter of credit in the College’s name at August 31, 2025 and 2024, respectively.

Fair Value of Financial Instruments

GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value for certain investments. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or 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, 2025:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments measured at fair value level	\$ <u>76,298,434</u>	\$ <u>76,298,434</u>	\$ _____	\$ _____
Investments measured at NAV/amortized cost:				
TexPool	25,572,270			
Lone Star	<u>45,807,064</u>			
Total Investments	\$ <u>71,379,334</u>			

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>			

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

4. Authorized Investments (continued)

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

The Lone Star Investment Pool (Lone Star) is a public funds investment pool established in accordance with the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 225, Texas Government Code. Lone Star is governed by trustees comprised of active participants in Lone Star. The Board of Trustees for Lone Star has the responsibility for adopting and monitoring compliance with the investment policy, 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:

	<u>2025</u>	<u>2024</u>
Student receivables	\$ 28,959,616	\$ 26,247,509
Federal receivables	1,908,831	1,852,484
State and local receivables	5,670,621	3,259,760
Other receivables	3,404,283	2,669,996
Less allowances for doubtful accounts	<u>(6,408,752)</u>	<u>(5,615,272)</u>
Total	<u>33,534,599</u>	<u>28,414,477</u>
Property tax receivable	5,890,938	5,959,319
Less allowances for doubtful accounts	<u>(400,063)</u>	<u>(431,811)</u>
Total	<u>5,490,875</u>	<u>5,527,508</u>
Total accounts receivables, net	<u>\$ 39,025,474</u>	<u>\$ 33,941,985</u>

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

	<u>2025</u>	<u>2024</u>
Vendors payable	\$ 6,416,094	\$ 6,886,091
Construction costs payable	2,080,204	2,025,658
Students payable	802,269	744,121
Other payable	2,477,532	1,475,139
Salaries and benefits payable	<u>6,851,734</u>	<u>6,822,056</u>
Total accounts payables and accrued liabilities, net	<u>\$ 18,627,833</u>	<u>\$ 17,953,065</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

6. Capital Assets

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

	2025			Balance August 31, 2025
	Balance September 1, 2024	Increase	Decrease	
Not depreciated:				
Land	\$ 17,152,838	\$ -	\$ -	\$ 17,152,838
Construction in progress	13,915,761	20,099,974	1,738,379	32,277,356
Total not depreciated	31,068,599	20,099,974	1,738,379	49,430,194
Other capital assets:				
Buildings	770,360,507	1,453,162	-	771,813,669
Land improvements	90,342,458	87,444	-	90,429,902
Furniture, equipment, and vehicles	83,375,646	1,551,566	3,987,273	80,939,939
Telecommunications and computer peripheral equipment	66,534,842	6,712,190	53,688	73,193,344
Library books	7,342,197	304,506	403,605	7,243,098
Right-to-use lease equipment	1,831,608	32,405	461,820	1,402,193
Right-to-use subscription assets	15,070,383	4,754,771	2,220,622	17,604,532
Total depreciated	1,034,857,641	14,896,044	7,127,008	1,042,626,677
Less accumulated depreciation:				
Buildings	182,595,901	15,074,198	-	197,670,099
Land improvements	49,726,767	3,287,351	-	53,014,118
Furniture, equipment, and vehicles	54,587,722	5,061,902	3,882,083	55,767,541
Telecommunication and computer peripheral equipment	44,211,609	4,840,095	148,173	48,903,531
Library books	5,059,902	317,441	403,605	4,973,738
Right-to-use lease equipment	1,290,098	268,063	461,820	1,096,341
Right-to-use subscription assets	8,718,738	3,645,652	2,220,622	10,143,768
Total accumulated depreciation	346,190,737	32,494,702	7,116,303	371,569,136
Net capital assets	\$ 719,735,503	\$ 2,501,316	\$ 1,749,084	\$ 720,487,735

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

6. Capital Assets (continued)

	2024			
	Balance September 1, 2023	Increase	Decrease	Balance August 31, 2024
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 lease 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	46,419,491	3,307,276	-	49,726,767
Furniture, equipment, and vehicles	48,478,028	6,466,176	356,482	54,587,722
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 lease 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 other capital assets	\$ 727,225,707	\$ 24,046,847	\$ 31,537,051	\$ 719,735,503

The calculation for the College’s net Investment in Capital Assets for the years ending August 31 is below:

Net Investment in Capital Assets	2025	2024
All capital assets of the reporting unit	\$ 720,487,735	\$ 719,735,503
Less:		
Outstanding principal of capital debt and other capital borrowings, excluding unspent bond proceeds	530,086,463	526,797,175
Outstanding principal balance of accounts payable and retainage payable for capital and retainage payable for capital	2,080,204	2,025,658
Unamortized balance of original issue premiums on outstanding capital-related debt	56,878,077	59,943,412
Plus:		
Unamortized balance of capital-related deferred outflows of resources	2,976,453	3,704,256
Net investment in capital assets of the reporting unit	\$ 134,419,444	\$ 134,673,514

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, 2025 and 2024, the outstanding commitment under construction contracts for facilities and other projects is approximately \$4.3 million and \$10.8 million, respectively.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

8. Noncurrent Liabilities

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

	2025				
	Balance September 1, 2024	Increase	Decrease	Balance August 31, 2025	Current Portion
Bonds payable:					
General obligation bonds	\$ 582,303,652	\$ -	\$ 18,496,898	\$ 563,806,754	\$ 20,452,345
Revenue bonds	40,972,236	2,750,000	2,166,866	41,555,370	2,251,864
Accreted interest	3,827,168	111,091	2,765,068	1,173,191	1,173,191
Arbitrage liability	-	3,959,407	-	3,959,407	677,640
Notes payable:					
Notes payable-SECO	3,917,621	959,901	306,120	4,571,402	312,289
Notes payable IT equipment	10,157,952	6,600,614	4,197,381	12,561,185	3,480,894
Leases:					
Right-to-use leases	563,571	-	227,426	336,145	143,699
Subscriptions:					
Right-to-use subscriptions	5,523,803	4,754,771	3,761,524	6,517,050	2,820,864
Accrued compensable absences ¹	3,299,034	343,923	-	3,642,957	3,158,338
Net pension liability	58,696,523	2,598,335	5,177,168	56,117,690	-
Net OPEB liability	88,758,738	14,050,816	4,873,613	97,935,941	2,123,519
Total	\$ 798,020,298	\$ 36,128,858	\$ 41,972,064	\$ 792,177,092	\$ 36,594,643

1 - Compensable absences include vacation, sick, and grand-fathered leave to reconcile to Exhibit 1

	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
Accrued compensable absences ¹	2,741,222	557,812	-	3,299,034	2,948,454
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	\$ 812,389,379	\$ 34,543,414	\$ 48,912,495	\$ 798,020,298	\$ 34,367,368

1 - Compensable absences include vacation, sick, and grand-fathered leave to reconcile to Exhibit 1

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

9. Bonds and Notes Payable

Bonds and notes payable at August 31 are as follows:

	2025	2024
<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.	\$ 1,315,353	\$ 4,955,263
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.	30,127,574	35,756,960
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.	126,836,359	130,517,495
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.	41,806,884	42,077,102
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.	74,441,494	75,666,081
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.	135,305,237	138,475,336

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

9. Bonds and Notes Payable (continued)

	<u>2025</u>	<u>2024</u>
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.	1,972,533	2,047,663
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.	104,310,301	104,906,229
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.	47,691,019	47,901,523
<u>Revenue Bonds</u>		
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.	38,155,370	39,922,236
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.	3,400,000	1,050,000
<u>Notes Payable</u>		
College financing loan amount of \$12,561,185 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 3.041% to 8.18%. Maturity dates from 2024 to 2030.	12,561,185	10,157,952
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.	3,611,500	3,917,621
College has a second approved loan amount of \$2,572,000 with Texas State Energy Conservation Office (SECO) loan program. The liability is increased as reimbursements are received from the State. The loan repayment schedule will be prepared by SECO once the project is completed, which is estimated to be April 2026.	<u>959,902</u>	<u>-</u>
Total bonds and notes payable	\$ <u>622,494,711</u>	\$ <u>637,351,461</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS (continued)
August 31, 2025 and 2024

10. Debt and Lease Obligations

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
2026	\$ 20,452,345	\$ 23,612,283	\$ 44,064,628	\$ 2,251,864	\$ 1,538,800	\$ 3,790,664	\$ 3,793,183	\$ 291,662	\$ 4,084,845	\$ 26,497,392	\$ 25,442,745	\$ 51,940,137
2027	24,596,990	20,404,863	45,001,853	2,341,864	1,450,050	3,791,914	3,531,750	236,290	3,768,040	30,470,604	22,091,203	52,561,807
2028	23,051,990	19,592,975	42,644,965	2,436,864	1,356,675	3,793,539	2,319,905	211,215	2,531,120	27,808,759	21,160,865	48,969,624
2029	23,916,990	18,691,213	42,608,203	2,531,864	1,258,550	3,790,414	2,064,935	182,716	2,247,651	28,513,789	20,132,479	48,646,268
2030	24,946,990	17,675,500	42,622,490	2,621,864	1,170,238	3,792,102	1,416,448	146,164	1,562,612	28,985,302	18,991,902	47,977,204
2031-2035	133,924,886	72,067,963	205,992,849	13,964,320	4,392,813	18,357,133	2,856,794	319,174	3,175,968	150,746,000	76,779,950	227,525,950
2036-2040	134,108,672	44,638,416	178,747,088	15,406,730	1,529,400	16,936,130	189,670	1,424	191,094	149,705,072	46,169,240	195,874,312
2041-2045	104,268,342	23,991,794	128,260,136	-	-	-	-	-	-	104,268,342	23,991,794	128,260,136
2046-2050	69,752,420	5,640,472	75,392,892	-	-	-	-	-	-	69,752,420	5,640,472	75,392,892
2051	4,787,129	63,675	4,850,804	-	-	-	-	-	-	4,787,129	63,675	4,850,804
Subtotal	563,806,754	246,379,154	810,185,908	41,555,370	12,696,526	54,251,896	16,172,685	1,388,645	17,561,330	621,534,809	260,464,325	881,999,134
SECO Principal ¹	-	-	-	-	-	-	959,902	-	959,902	959,902	-	959,902
	\$ 563,806,754	\$ 246,379,154	\$ 810,185,908	\$ 41,555,370	\$ 12,696,526	\$ 54,251,896	\$ 17,132,587	\$ 1,388,645	\$ 18,521,232	\$ 622,494,711	\$ 260,464,325	\$ 882,959,036

1- in FY25, the College executed a second SECO loan in accordance with Energy Policy and Conservation Act. The outstanding principal is \$959,902 as of August 31, 2025. SECO Promissory Loan Payment schedule to be provided and finalized once project is complete. The first SECO is included in the debt service represented above.

Debt service requirements for bonds and notes payable as of August 31, 2025 were as follows:
Obligations under leases and subscriptions as of August 31, 2025 were as follows:

Years Ending August 31,	Right-to-Use Leases			Right-to-Use Subscriptions		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 143,699	\$ 6,750	\$ 150,449	2,820,864	\$ 254,378	\$ 3,075,242
2027	121,209	3,344	124,553	2,057,010	234,543	2,291,553
2028	55,237	1,368	56,605	620,798	67,594	688,392
2029	15,681	259	7,970	564,337	82,929	647,266
2030	319	-	319	228,547	41,338	269,885
Thereafter	-	-	-	225,494	49,789	275,283
	\$ 336,145	\$ 11,721	\$ 339,896	6,517,050	\$ 730,571	\$ 7,247,621

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.

2025				
Issue	Principal CABS	Maturity Value	Total Accreted Value	Total Accreted Interest
Series 2011	\$ 1,289,308	\$ 2,520,000	\$ 2,462,499	\$ 1,173,191

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, 2025 and 2024 is as follows:

	2025	2024
Pledged revenue required for future principal and interest	\$ 54,251,897	\$ 55,291,936
Principal and interest paid during the year	\$ 3,668,175	\$ 3,468,425
Revenue stream for the year	\$ 27,965,707	\$ 25,161,331
Percentage of revenue stream pledged for the year	13.12%	13.78%
Term of commitment	2040	2040

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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, 2025 and 2024, the College designated \$1.0 and \$6.0 million, respectively, plus accumulated interest for future capital renewal projects including deferred maintenance. The College has designated a total of \$13.2 million since August 31, 2023, and expenses of \$0.8 million have been incurred as of August 31, 2025.

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 \$192,100 in lease revenue and \$5,449 in interest revenue during the current fiscal year related to these leases. As of August 31, 2025, the College’s receivable for lease payments was \$569,198. 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, 2025, the balance of the deferred inflow of resources was \$569,198.

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 2025 to 2027. Each agreement contains an escalation clause allowing the landlord to allocate additional direct costs related to the operation of the leased sites. Leases currently in effect contain options to renew and allow for subleasing property with landlord’s written consent.

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

			2025			
			Balance September 1, 2024	Increase	Decrease	Balance August 31, 2025
Right-to-use subscriptions:	Payment Terms	Interest Rates				
IT Related	Annual	3.04% - 8.18%	\$ 5,523,803	\$ 4,754,771	\$ 3,761,524	\$ 6,517,050
			2025			
Right-to-use leases:	Payment Terms	Interest Rates	Balance September 1, 2024	Increase	Decrease	Balance August 31, 2025
Vehicle	Monthly	3.92% - 5.00%	\$ 222,458	\$ -	\$ 100,746	\$ 121,712
Equipment	Monthly	3.71% - 4.60%	295,066	-	95,596	199,470
Tenant leases	Monthly	4.04% - 4.74%	46,047	-	31,084	14,963
Total			\$ 563,571	\$ -	\$ 227,426	\$ 336,145

The following is a schedule of the lease and arrangement payments made during fiscal year 2025 related to right-to-use leases and subscriptions, respectively:

2025				
	Payments	Interest	Maintenance & Other Fees	Total
Right-to-use leases:				
Vehicle	\$ 100,746	\$ 2,210	\$ 14,142	\$ 117,098
Equipment	95,596	9,462	48,902	153,960
Tenant leases	31,084	1,344	-	32,428
Total	\$ 227,426	\$ 13,016	\$ 63,044	\$ 303,486
2025				
Right-to-use subscriptions:	Payments	Interest	Maintenance & Other Fees	Total
Subscriptions	\$ 3,761,524	\$ 259,082	\$ 291,462	\$ 4,312,068

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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 [TRS Annual Comprehensive Financial Report 2024](#) (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.

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. In addition, the 2023 Texas Legislature passed Senate Bill (SB)10 and House Joint Resolution (HJR)2 to provide eligible retirees with a one-time stipend and cost-of-living-adjustment (COLA).

One-time stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

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>2025</u>	<u>2024</u>
Member (Employee)	8.250%	8.250%
Non-Employer Contributing Entity (State)	4.125%	4.125%
College (Employer)	4.125%	4.125%
Member (Employee)	\$ 9,954,776	\$ 9,083,477
Non-Employer Contributing Entity (State)	4,657,504	4,258,295
College (Employer)	<u>6,019,057</u>	<u>5,579,007</u>
Total contributions	\$ <u>20,631,337</u>	\$ <u>18,920,779</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 2025 were \$6,019,057, 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.
- 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2024	3.87%*
Last year-ending August 31 in the projection period (100 years)	2123
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

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, 2023. A full description is available in the actuarial valuation report dated November 21, 2023.

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 7.0% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.0%. 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 9.5% of payroll 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 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 7.0%. 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, 2024 are summarized below:

Asset Class	Target Allocation Percentage	Fair Value	% of Total Fund
Global Equity:			
U.S.A.	18.0%	\$36,295,147,823	17.32%
Non-U.S. Developed	13.0%	26,285,871,941	12.54%
Emerging Markets	9.0%	18,312,083,991	8.74%
Private Equity	14.0%	33,538,828,207	16.01%
Stable Value:			
Government Bonds	16.0%	29,504,084,271	14.08%
Stable Value Hedge Funds	5.0%	9,940,253,558	4.75%
Absolute Return (Including Credit Sensitive Investments)	-	7,341,875,405	3.50%
Real Return:			
Real Estate	15.0%	29,601,642,713	14.13%
Energy and Natural Resources And infrastructure	6.0%	14,480,640,020	6.91%
Commodities		273,415,088	.13%
Risk Parity:			
Risk Parity	8.0%	15,247,515,381	7.28%
Asset Allocation Leverage:			
Cash	2.0%	2,224,897,272	1.06%
Asset Allocation Leverage	(6.0)%	(13,505,185,208)	(6.45)%
Total Fund Fair Value	<u>100%</u>	<u>\$209,541,070,462</u>	<u>100%</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

Discount Rate Sensitivity Analysis

The following table represents the net pension liability of the plan using the discount rate of 7.00%, 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 2024 and 2023, respectively, in measuring the net pension liability.

	<u>2024</u>		
	1% Decrease <u>(6.00%)</u>	<u>Discount Rate (7.00%)</u>	1% Increase <u>(8.00%)</u>
College's proportionate share of the net pension liability	\$ 89,634,171	\$ 56,117,690	\$ 28,346,903

	<u>2023</u>		
	1% Decrease <u>(6.00%)</u>	Discount Rate (7.00%)	1% Increase <u>(8.00%)</u>
College's proportionate share of the net pension liability	\$ 87,754,553	\$ 58,696,523	\$ 34,534,756

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

At August 31, 2025 and 2024, the College reported a liability of \$56,117,690 and \$58,696,523, 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>2025</u>	<u>2024</u>
The College's proportionate share of the collective net pension liability	\$ 56,117,690	\$ 58,696,523
State's proportionate share that is associated with the College	<u>44,703,721</u>	<u>46,057,384</u>
Total	<u>\$ 100,821,411</u>	<u>\$ 104,753,907</u>

The net pension liability for fiscal year 2025 was measured as of August 31, 2023 and rolled forward to August 31, 2024. The total pension liability was determined by an actuarial valuation as of that date.

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 August 31, 2023.

The College's proportion of the net pension liability for the fiscal year 2025 and 2024 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, 2023 through August 31, 2024 and the period September 1, 2022 through August 31, 2023, respectively.

At the measurement date of August 31, 2024, the College's proportional share of the collective net pension liability was 0.0918694398% which was an increase of 0.0064185393% from its proportion measured as of August 31, 2023 of 0.0854509005%.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

For the fiscal year ended August 31, 2025, the College recognized pension expense of \$13,747,371 which includes revenues of \$5,342,842 representing pension expense incurred by the State on behalf of the College.

At August 31, 2025, and 2024, 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:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,093,131	\$ 438,140	\$ 2,091,377	\$ 710,751
Changes in actuarial assumptions	2,897,476	388,453	5,551,541	1,358,589
Net difference between projected and actual economic experience	341,120	-	8,541,769	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	<u>3,787,812</u>	<u>1,090,251</u>	<u>1,605,475</u>	<u>1,711,933</u>
Total as of August 31 measurement date	10,119,539	1,916,844	17,790,162	3,781,273
Contributions paid to TRS subsequent to the measurement date	<u>6,019,057</u>	<u>-</u>	<u>5,579,007</u>	<u>-</u>
Total	<u>\$ 16,138,596</u>	<u>\$ 1,916,844</u>	<u>\$ 23,369,169</u>	<u>\$ 3,781,273</u>

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, 2025, and 2024:

	2025	2024
Deferred outflows of resources	\$ 16,138,596	\$ 23,369,169
Deferred inflows of resources	<u>(1,916,844)</u>	<u>(3,781,273)</u>
Total	<u>\$ 14,221,752</u>	<u>\$ 19,587,896</u>

Deferred outflows of resources resulting from College contributions subsequent to the measurement date in the amount of \$6,019,057 will be recognized as a reduction to net pension liability in the fiscal year-ending August 31, 2026.

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 <u>August 31,</u>	Pension Expense Amount
2026	\$ 602,974
2027	6,471,202
2028	1,332,116
2029	(775,305)
2030	<u>571,708</u>
Total	8,202,695
Contributions paid to TRS subsequent to the measurement date	<u>6,019,057</u>
Total deferred outflows of resources, net	<u>\$ 14,221,752</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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 2025 and 2024 were 4.125% and 4.125%, respectively of ORP related salaries. The College contribution percentages for fiscal years 2025 and 2024 were 4.125% and 4.125%, respectively. The combined rate was 8.250% per year. The Employee contribution percentages were 6.650% for fiscal years 2025 and 2024. 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 \$394,975 and \$406,523 for the fiscal years 2025 and 2024, 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 \$12,258,977 and \$12,517,994 for the fiscal years 2025 and 2024, respectively.

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

Fiscal Year Ended	State Paid	Contribution %	College Paid	Contribution %	Employee Paid	Contribution %	Total
August 31, 2025	\$ 394,975	4.125%	\$ 515,254	4.125%	\$ 815,222	6.650%	\$ 1,725,451
2024	\$ 406,523	4.125%	\$ 522,937	4.125%	\$ 832,446	6.650%	\$ 1,761,906

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 \$385 and \$341 per month for the years ended August 31, 2025, and 2024, respectively. The State’s cost of providing those benefits for 1,314 active employees was \$6,069,180 and for 552 retirees was \$2,549,431 for a total State funded amount of \$8,618,611 for the year ended August 31, 2025. 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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

16. Health Care and Life Insurance Benefits (continued)

amount of \$8,618,611 for the year ended August 31, 2024. 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.

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
2025	\$ 8,618,611	33.43%	\$ 10,698,803	41.50%	\$ 6,459,853	25.06%	\$ 25,777,267
2024	\$ 8,618,611	34.64%	\$ 10,217,789	41.06%	\$ 6,046,378	24.30%	\$ 24,882,778

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

HealthSelect of Texas Plan

	2025	2024
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/gasb-requirements> 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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

Benefits Provided

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

Contributions

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

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 2024 (Measurement Year)	
Retiree only	\$ 622.60
Retiree and spouse	1,338.60
Retiree and children	1,102.00
Retiree and family	1,818.00

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, 2025 and 2024	
Fiscal Year 2025 Member Contributions	\$ 6,459,853
Fiscal Year 2025 College Contributions (active employees)	7,867,611
Fiscal Year 2025 College Contributions (retirees)	2,831,192
Fiscal Year 2024 Measurement Year NECE On-Behalf Contributions (all employees)	8,618,611
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)	8,618,611

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2024
Actuarial cost method	Entry Age
Amortization method	Level percent of payroll - open
Asset valuation method	Not applicable
Actuarial assumptions:	
Discount rate	3.87%
Projected annual salary increase	2.30% to 8.95%, including inflation
Annual healthcare trend rate per year	
HealthSelect	5.60% for FY2026, 5.60% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.5% for FY2031, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years
HealthSelect Medicare Advantage *	36.00% for FY2026, 8.00% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 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-2021 Projection Scale are projected from the year 2020.
 - b. Service Retirees, Survivors and other Inactive Members (JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 2 year setback. Generational mortality improvements in accordance with the Ultimate MP-2020 Projection Scale are projected from the year 2020.
 - c. 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.
 - d. 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.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

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.
- 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.

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 3.87% 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.

The State Retiree Health Plan is a pay-as-you-go plan and is not expected to accumulate funds. Although there are some accumulated funds as of August 31, 2024, these are not sufficient to cover a full year's benefit payments and are expected to be depleted shortly.

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 3.87% and 3.81% for 2024 and 2023, respectively, in measuring the net OPEB Liability.

	<u>2024</u>		
	1% Decrease in Discount Rate <u>(2.87%)</u>	Discount Rate <u>(3.87%)</u>	1% Increase in Discount Rate <u>(4.87%)</u>
Proportionate share of net OPEB liability	\$ 113,949,031	\$ 97,935,941	\$ 85,085,257
	 <u>2023</u>		
	1% Decrease in Discount Rate <u>(2.81%)</u>	Discount Rate <u>(3.81%)</u>	1% Increase in Discount Rate <u>(4.81%)</u>
Proportionate share of net OPEB liability	\$ 102,991,765	\$ 88,758,738	\$ 77,310,750

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

Healthcare Cost Trend Rate Sensitivity Analysis

		<u>2024</u>		<u>2024</u>		<u>2024</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>
Proportionate share of net OPEB liability	\$	84,033,962	\$	97,935,941	\$	115,657,216
		<u>2023</u>		<u>2023</u>		<u>2023</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>
Proportionate share of net OPEB liability	\$	76,344,851	\$	88,758,738	\$	104,524,437

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

At August 31, 2025 and 2024, the College reported a liability of \$97,935,941 and \$88,758,738, 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>2024</u>	<u>2023</u>
The College’s proportionate share of the collective net OPEB liability	\$ 97,935,941	\$ 88,758,738
State’s proportionate share that is associated with the College	<u>82,821,718</u>	<u>72,944,633</u>
Total	<u>\$ 180,757,659</u>	<u>\$ 161,703,371</u>

The net OPEB liability was measured as of August 31, 2024, and 2023, 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, 2025 and 2024 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, 2024 was 0.3341886010% which was an increase of 0.00001976981% from its proportion measured as of August 31, 2023 of 0.33221162%. 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, 2025, the College recognized an OPEB expense of \$8,635,677, which includes OPEB expense of \$17,066 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, 2024, and 2023.

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

At August 31, 2025 and 2024, 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:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,615,828	\$ -	\$ 2,347,716
Changes in actuarial assumptions	5,361,947	19,509,581	2,960,895	27,720,536
Net difference between projected and actual economic experience	-	3,744	7,171	-
Changes in proportion and difference between the employer’s contributions and the proportionate share of contributions	2,758,751	2,464,536	4,635,915	3,410,818
Total as of measurement date	8,120,698	23,593,689	7,603,981	33,479,070
Contributions paid to SHRP subsequent to the measurement date	2,123,519	-	1,901,686	-
Total	\$ 10,244,217	\$ 23,593,689	\$ 9,505,667	\$ 33,479,070

As of the August 31 measurement date, the College had the following net deferred outflows/(inflows) related to OPEB as of August 31, 2025 and 2024:

	2025	2024
Deferred outflows of resources	\$ 10,244,217	\$ 9,505,667
Deferred inflows of resources	(23,593,689)	(33,479,070)
Total	\$ (13,349,472)	\$ (23,973,403)

Deferred outflows of resources resulting from College contributions subsequent to the measurement date in the amount of \$2,123,519 will be recognized as a reduction of the net OPEB liability in the year ended August 31, 2026.

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
2026	\$ (6,045,738)
2027	(5,739,563)
2028	(3,904,940)
2029	(221,818)
2030	439,068
Total	(15,472,991)
Contributions paid to ERS subsequent to the measurement date	2,123,519
Total deferred inflows of resources, net	\$ (13,349,472)

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

18. Compensable Absences

The College recognizes liabilities for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the financial statements and includes salary-related benefits, where applicable.

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 \$2,754,762 and \$2,580,152 as of August 31, 2025 and 2024, 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 \$274,070 and \$273,700 as of August 31, 2025 and 2024, 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. According to recent GASB implementation, the College recognized the accrued liability for the unpaid sick leave more likely than not to be paid in the amounts of \$614,125 and \$445,181 as of August 31, 2025 and 2024, respectively using last in, first out methodology. See Footnote 22 for further restatement details.

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, 2025 and 2024, the College had one employee participant deferring \$163,654 and \$158,216, 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 \$420,125 and \$485,475 as of August 31, 2025 and 2024, 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>2025</u>	<u>2024</u>
Beginning Balance, September 1	\$ 485,475	\$ 580,791
Claims incurred and changes in estimates	(35,909)	146,136
Payments on claims	<u>(29,441)</u>	<u>(241,452)</u>
Ending Balance, August 31	\$ <u>420,125</u>	\$ <u>485,475</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

21. Ad Valorem Tax

The College's ad valorem tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within the taxing district. The assessed property values are based upon most up-to-date report available at the time of the current fiscal year-end for the College as provided by Harris Central Appraisal District and Chambers County Appraisal District for tax years 2024 and 2023, respectively.

At August 31:

	<u>2025</u>	<u>2024</u>
Assessed valuation of the College	\$ 101,184,990,169	\$ 99,965,968,864
Less: Exemptions	(16,238,984,592)	(15,418,357,095)
Less: Abatements	-	-
Net assessed valuation of the College	<u>\$ 84,946,005,577</u>	<u>\$ 84,547,611,769</u>

Taxes levied for the years ended August 31, 2025, and 2024, amounted to \$131,554,180 and \$123,604,381, 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 Tax Office and Chamber County Tax Office are the collecting agencies for the levy and remit the collections to the College, net of collections 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>2025</u>			<u>2024</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	0.1069540	0.0479140	0.1548680	0.0991520	0.0470430	0.1461950

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 \$5,490,875 net receivable for uncollected taxes.

	<u>2025</u>			<u>2024</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	\$ 89,288,979	\$ 39,966,047	\$ 129,255,026	\$ 82,446,860	\$ 39,104,915	\$ 121,551,775
Delinquent taxes	697,416	312,162	1,009,578	430,703	204,271	634,974
Tax refunds issued	(563,387)	(252,170)	(815,557)	(925,940)	(439,149)	(1,365,089)
Penalties and Interest	714,355	319,748	1,034,103	562,803	266,940	829,743
Total gross collections	<u>\$ 90,137,363</u>	<u>\$ 40,345,787</u>	<u>\$ 130,483,150</u>	<u>\$ 82,514,426</u>	<u>\$ 39,136,977</u>	<u>\$ 121,651,403</u>
Tax Appraisal & Collection Fees	<u>(853,285)</u>	<u>(381,933)</u>	<u>(1,235,218)</u>	<u>(845,022)</u>	<u>(400,797)</u>	<u>(1,245,819)</u>
Total net collections	<u>\$ 89,284,078</u>	<u>\$ 39,963,854</u>	<u>\$ 129,247,932</u>	<u>\$ 81,669,404</u>	<u>\$ 38,736,180</u>	<u>\$ 120,405,584</u>

Tax collections for the years ended August 31, 2025, and 2024, were 98.25 percent and 98.34 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, 2025 and 2024

22. Implementation of GASB 101, Compensated Absences

The College implemented GASB 101 accounting principle related to recognizing all forms of eligible compensated absences. Vacation accrual has historically been recognized in the College financials. This change applied more specifically to sick leave more likely than not to be paid by the College to its full-time employees in fiscal year 2025. For comparative purposes, the prior fiscal year 2024 has been restated. The effect of the fiscal year 2024 restatement is summarized below:

	<u>August 31, 2024</u>
Net Position, beginning	\$ 83,260
Net decrease in net position	(3,450)
Increase in benefits, operating expense for GASB 101 implementation	<u>(445)</u>
Decrease in net position, restated	<u>\$ 79,365</u>
Accrued compensable absences	\$ 2,854
Implementation of GASB 101 compensated absences	<u>445</u>
Accrued compensable absences, as restated	<u>\$ 3,299</u>

23. Federal and State Contract and Grant Awards

Federal and State contracts and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, Audit of Colleges and Universities. Revenues are reported on Exhibit 2 and Schedules A and C. For federal and State contracts and grant awards, funds expended, but not collected, are included in Accounts Receivables on Exhibit 1. Federal and State contracts 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 contracts and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2026 and 2025 for which monies have not been received nor funds expended, totaled \$23,821,126 and \$24,705,001, respectively. Of these amounts, \$13,108,415 and \$16,024,620 were from federal contracts and grant awards; \$10,712,711 and \$8,680,381 were from State contracts and grant awards for the fiscal year ending August 31, 2026 and 2025, respectively.

24. Contingent Liabilities

Pending Lawsuits and Claims

As of August 31, 2025, 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.

25. 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

SAN JACINTO COMMUNITY COLLEGE DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS (continued)

August 31, 2025 and 2024

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

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 and Exhibit 2A – Statements of Activities and Changes in Net Assets – Foundation for the fiscal years ended June 30, 2025 and 2024.

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>.

26. Subsequent Events

Management has evaluated subsequent events through December 1, 2025, the date which the financial statements were available to be issued. In September 2025, the College received \$10.0 million that was appropriated by the Texas legislature for the College’s biotechnology program. Management of the College has determined that no other subsequent events require recognition or disclosure in these financial statements.

27. 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 were no related party transactions during the fiscal year ended August 31, 2025 and August 31, 2024.



REQUIRED SUPPLEMENTAL SCHEDULES



**REQUIRED BY THE GOVERNMENTAL
ACCOUNTING STANDARDS BOARD**



SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF THE COLLEGE'S PROPORTIONATE 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
2024	0.09186944%	\$ 56,117,690	\$ 44,703,721	\$ 100,821,411	\$ 110,102,731	50.97%	77.51%
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%

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.

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>
2025	\$ 6,019,057	\$ 6,019,057	\$ -	\$ 120,528,688	4.99%
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%

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

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 EIGHT 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>
2024	0.334189%	\$ 97,935,941	\$ 82,821,718	\$ 180,757,659	\$ 100,514,898	97.43%	0.47%
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 CONTRIBUTION FOR OPEB
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
STATE RETIREE HEALTH PLAN
LAST NINE 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>
2025	\$ 2,874,192	\$ 2,874,192	\$ -	\$ 107,472,936	2.67%
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 (continued)
Years Ended August 31, 2025 and 2024
(Unaudited)

1. Schedules for Pensions - Net Pension Liability

Changes of Assumptions Since Prior Measurement Date

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Changes in Benefit Provisions Since Prior Measurement Date

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

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

Changes Since Prior Actuarial Valuation

Since the last valuation was prepared for this plan, demographic assumptions (including the mortality projection scale for all State Agency members; base mortality for Judges; assumed rates of retirement for certain members who are Regular Class, Elected Class or Certified Peace Officers/Custodial Officers (CPO/CO); assumed rates of termination for certain members who are Regular Class, Judges or Certified Peace Officers/Custodial Officers (CPO/CO); and assumed rates of disability for all State Agency members) have been updated to reflect assumptions recently adopted by the ERS Trustees.

These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary.

In addition, assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on short-term expectations. In addition,

- the percentage of future retirees assumed to be married and electing coverage for their spouse,
- proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the Opt-Out Credit at retirement, and
- the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect recent plan experience and expected trends.

Lastly, the discount rate was changed from 3.81% as of August 31, 2023 to 3.87% as of August 31, 2024 as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Actuarial assumption changes are described in ERS's Annual Comprehensive Financial Report and the ERS Actuarial Valuation Report for the year ended August 31, 2024, which can be accessed at <https://ers.texas.gov/about-ers/reports-and-studies/gasb-requirements>.



REQUIRED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD



SAN JACINTO COMMUNITY COLLEGE DISTRICT

SCHEDULE A

SCHEDULE OF OPERATING REVENUES

Year Ended August 31, 2025

(With Memorandum Totals for the Year Ended August 31, 2024)

	2025				2024	
	Educational Activity		Total Educational Activity	Auxiliary Enterprises	Total	Total
	Unrestricted	Restricted				
Tuition						
Credit courses:						
In-district resident tuition	\$ 29,216,701	\$ -	\$ 29,216,701	\$ -	\$ 29,216,701	\$ 28,489,318
Out-of-district resident tuition	34,350,296	-	34,350,296	-	34,350,296	32,630,743
Non-resident tuition	5,683,678	-	5,683,678	-	5,683,678	5,177,367
TPEG-credit (set aside) *	-	3,219,122	3,219,122	-	3,219,122	3,103,498
Continuing education non-credit courses	8,619,816	-	8,619,816	-	8,619,816	6,397,507
TPEG-non-credit (set aside) *	-	183,979	183,979	-	183,979	163,163
Other educational programs	1,225,172	-	1,225,172	-	1,225,172	1,148,492
Total tuition	79,095,663	3,403,101	82,498,764	-	82,498,764	77,110,088
Allowances and discounts						
Allowance for bad debt	(1,415,691)	-	(1,415,691)	-	(1,415,691)	(1,134,013)
Remissions and exemptions - State	(982,966)	-	(982,966)	-	(982,966)	(954,404)
Remissions and exemptions - local	(9,291,904)	-	(9,291,904)	-	(9,291,904)	(9,056,999)
Scholarship allowances	(3,464,260)	-	(3,464,260)	-	(3,464,260)	(3,314,606)
TPEG awards	(1,293,802)	-	(1,293,802)	-	(1,293,802)	(1,226,442)
Federal grants to students	(21,605,546)	-	(21,605,546)	-	(21,605,546)	(17,181,535)
State grants to students	(2,261,739)	-	(2,261,739)	-	(2,261,739)	(2,747,722)
Total allowances and discounts	(40,315,908)	-	(40,315,908)	-	(40,315,908)	(35,615,721)
Total net tuition	38,779,755	3,403,101	42,182,856	-	42,182,856	41,494,367
Other operating revenues						
Federal grants and contracts	513,162	7,088,076	7,601,238	-	7,601,238	7,845,071
State grants and contracts	-	7,360,856	7,360,856	-	7,360,856	6,108,574
Non-governmental grants and contracts	3,119,113	826,971	3,946,084	-	3,946,084	3,863,985
Sales and services of educational activities	141,507	420,933	562,440	-	562,440	221,645
Sales and services of non-educational activities	1,386,240	-	1,386,240	-	1,386,240	2,383,659
Total other operating revenues	5,160,022	15,696,836	20,856,858	-	20,856,858	20,422,934
Auxiliary enterprises						
Bookstores	-	-	-	1,005,202	1,005,202	1,113,156
Food services	-	-	-	1,029,329	1,029,329	960,869
Student services/other services	-	-	-	924,056	924,056	945,372
Total auxiliary enterprises	-	-	-	2,958,587	2,958,587	3,019,397
Total operating revenues	\$ 43,939,777	\$ 19,099,937	\$ 63,039,714	\$ 2,958,587	\$ 65,998,301	\$ 64,936,698
				(Exhibit 2)	(Exhibit 2)	

* In accordance with Education Code 56.033, \$3,403,101 and \$3,266,661 for years ended August 31, 2025 and 2024, 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, 2025
(With Memorandum Totals for the Year Ended August 31, 2024)

SCHEDULE B

	2025					2024
	Salaries and Wages	Benefits		Other Expenses	Total	Total
		State	Local			
Unrestricted - educational activities						
Instruction	\$ 74,153,575	\$ -	\$ 10,750,904	\$ 7,379,919	\$ 92,284,398	\$ 88,327,235
Public service	-	-	-	-	-	-
Academic support	14,177,218	-	2,434,231	2,607,437	19,218,886	17,671,054
Student services	17,403,610	-	3,223,423	2,079,678	22,706,711	20,395,861
Institutional support	30,042,367	-	5,549,719	16,854,040	52,446,126	50,590,767
Operation and maintenance of plant	4,816,333	-	1,361,343	17,198,411	23,376,087	24,958,522
Total unrestricted educational activities	<u>140,593,103</u>	<u>-</u>	<u>23,319,620</u>	<u>46,119,485</u>	<u>210,032,208</u>	<u>201,943,439</u>
Restricted - educational activities						
Instruction	468,994	9,661,635	5,183	553,610	10,689,422	10,359,985
Public service	271,005	30,884	57,306	22,918	382,113	415,059
Academic support	3,256,894	2,196,744	615,292	2,188,448	8,257,378	7,610,011
Student services	524,567	2,962,498	681	39,900	3,527,646	3,103,132
Institutional support	87,019	4,179,472	18,020	43,332	4,327,843	4,577,638
Scholarships and fellowships	-	-	-	52,507,484	52,507,484	40,977,450
Total restricted educational activities	<u>4,608,479</u>	<u>19,031,233</u>	<u>696,482</u>	<u>55,355,692</u>	<u>79,691,886</u>	<u>67,043,275</u>
Total educational activities	<u>145,201,582</u>	<u>19,031,233</u>	<u>24,016,102</u>	<u>101,475,177</u>	<u>289,724,094</u>	<u>268,986,714</u>
Auxiliary enterprises	1,214,660	-	328,528	2,067,339	3,610,527	3,231,728
Depreciation expense - buildings and improvements	-	-	-	18,361,556	18,361,556	19,207,951
Depreciation and amortization expense - equipment, furniture, library books, and subscriptions	-	-	-	14,026,431	14,026,431	15,595,833
Total operating expenses	<u>\$ 146,416,242</u>	<u>\$ 19,031,233</u>	<u>\$ 24,344,630</u>	<u>\$ 135,930,503</u>	<u>\$ 325,722,608</u>	<u>\$ 307,022,226</u>
				(Exhibit 2)	(Exhibit 2)	

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

SCHEDULE C

Year Ended August 31, 2025

(With Memorandum Totals for the Year Ended August 31, 2024)

	2025			2024
	Unrestricted	Restricted	Total	Total
<u>Non-operating revenues</u>				
State appropriations:				
Education and general State support	\$ 56,136,375	\$ 5,342,842	\$ 61,479,217	\$ 62,149,254
FAST funding	2,630,869	2,188,750	4,819,619	4,342,305
State group insurance	-	8,635,677	8,635,677	6,453,841
State retirement matching	-	5,052,479	5,052,479	4,661,323
Total State appropriations	58,767,244	21,219,748	79,986,992	77,606,723
Ad valorem taxes:				
Maintenance ad valorem taxes	90,275,017	-	90,275,017	82,717,655
Debt service ad valorem taxes	-	40,230,234	40,230,234	39,224,214
Federal revenue, non-operating	199,646	65,440,813	65,640,459	50,736,323
Gifts/donations	578,887	-	578,887	641,224
Investment income	4,799,161	3,369,080	8,168,241	10,529,585
Total non-operating revenues	154,619,955	130,259,875	284,879,830	261,455,724
<u>Non-operating expenses</u>				
Interest on capital related debt	585,503	25,057,247	25,642,750	23,107,965
(Gain) Loss on disposal of capital assets	(21,325)	-	(21,325)	156,945
Total non-operating expenses	564,178	25,057,247	25,621,425	23,264,910
Net non-operating revenues, net	\$ 154,055,777	\$ 105,202,628	\$ 259,258,405	\$ 238,190,814
			(Exhibit 2)	(Exhibit 2)

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
Year Ended August 31, 2025
(With Memorandum Totals for the Year Ended August 31, 2024)

SCHEDULE D

	Detail by Source				Current Operations	
	Unrestricted	Restricted Expendable	Net Investment in Capital Assets	Total	Yes	No
Current						
Unrestricted	\$ (83,711,814)	\$ -	\$ -	\$ (83,711,814)	\$ (83,711,814)	\$ -
Board Designated for Capital Renewal	12,437,934	-	-	12,437,934	-	12,437,934
Restricted	-	1,373,334	-	1,373,334	-	1,373,334
Auxiliary	12,786,509	-	-	12,786,509	12,786,509	-
Plant						
Debt service	-	1,594,511	-	1,594,511	-	1,594,511
Investment in plant	-	-	134,419,444	134,419,444	-	134,419,444
Total net position, August 31, 2025	(58,487,371)	2,967,845	134,419,444	78,899,918	(70,925,305)	149,825,223
Total net position, August 31, 2024, restated	(57,371,517)	2,063,823	134,673,514	79,365,820	(68,985,307)	148,351,127
Net increase (decrease) in net position	\$ (1,115,854)	\$ 904,022	\$ (254,070)	\$ (465,902)	\$ (1,939,998)	\$ 1,474,096

(Exhibit 2)



STATISTICAL



SAN JACINTO COMMUNITY COLLEGE DISTRICT

STATISTICAL SECTION

TABLE OF CONTENTS

	<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)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	\$ 134,419	\$ 134,673	\$ 137,716	\$ 135,412	\$ 140,078	\$ 144,113	\$ 135,321	\$ 116,862	\$ 121,647	\$ 132,443
Restricted - expendable	2,967	2,064	3,360	7,040	7,117	11,369	10,191	10,419	10,745	12,040
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>(58,487)</u>	<u>(57,372)</u>	<u>(57,815)</u>	<u>(62,967)</u>	<u>(73,275)</u>	<u>(82,070)</u>	<u>(71,867)</u>	<u>(67,109)</u>	<u>31,937</u>	<u>22,362</u>
Total primary government net position	\$ <u>78,899</u>	\$ <u>79,365</u>	\$ <u>83,261</u>	\$ <u>79,485</u>	\$ <u>73,920</u>	\$ <u>73,412</u>	\$ <u>73,645</u>	\$ <u>60,172</u>	\$ <u>164,329</u>	\$ <u>166,845</u>
Prior year change	\$ (466)	\$ (3,895)	\$ 3,776	\$ 5,565	\$ 508	\$ (233)	\$ 13,473	\$ (104,157)	\$ (2,516)	\$ (9,359)

Fiscal year 2024 was restated for implementation of GASB Statement No. 101. Years prior to fiscal year 2024 were not restated.

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)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tuition and fees (net of allowances and discounts)	\$ 42,183	\$ 41,494	\$ 39,019	\$ 36,716	\$ 39,995	\$ 45,542	\$ 46,498	\$ 44,908	\$ 44,727	\$ 42,945
Governmental grants and contracts:										
Federal grants and contracts	7,601	7,845	21,425	38,646	12,943	5,406	5,792	6,959	6,965	5,463
State and local grants and contracts	7,361	6,109	2,618	2,557	2,153	2,683	2,503	2,993	2,755	2,409
Non-governmental grants and contracts	3,946	3,864	4,177	3,399	995	2,077	1,457	1,712	2,082	1,699
Sales and services of educational activities and non-educational activities	1,949	2,605	1,352	2,211	6,412	3,626	4,266	2,598	2,284	1,670
Auxiliary enterprises (net of discounts)	2,959	3,019	2,290	2,815	1,789	2,319	3,868	3,184	2,843	3,303
Other operating revenues	-	-	-	-	-	-	-	0	0	8
Total operating revenues	65,999	64,936	70,881	86,344	64,287	61,653	64,384	62,354	61,656	57,497
State appropriations	79,987	77,607	53,996	51,769	59,024	56,924	51,419	51,368	46,751	43,989
Ad valorem taxes	130,505	121,942	117,159	109,952	110,654	108,608	97,800	95,017	91,563	85,300
Federal revenue, non-operating	65,640	50,736	49,354	45,742	42,988	42,743	32,014	32,948	30,924	30,415
Gifts/donations	579	641	168	16	-	-	-	-	-	-
Investment income	8,168	10,530	8,332	1,176	222	3,128	6,570	3,397	1,519	545
Gain on disposal of capital assets	-	-	-	-	-	-	-	-	-	-
Other non-operating	21	-	3	-	-	-	6,941	854	-	-
Total non-operating revenues	284,900	261,456	229,012	208,655	212,888	211,403	194,744	183,584	170,757	160,249
Total revenues	\$ 350,899	\$ 326,392	\$ 299,893	\$ 294,999	\$ 277,175	\$ 273,056	\$ 259,128	\$ 245,938	\$ 232,413	\$ 217,746
Prior year change	\$ 24,507	\$ 26,499	\$ 4,894	\$ 17,824	\$ 4,119	\$ 13,928	\$ 13,190	\$ 13,525	\$ 14,667	\$ 3,193
Tuition and fees (net of discounts)	12.02%	12.71%	13.01%	12.45%	14.43%	16.68%	17.94%	18.26%	19.24%	19.72%
Governmental grants and contracts:										
Federal grants and contracts	2.17%	2.40%	7.14%	13.10%	4.67%	1.98%	2.24%	2.83%	3.00%	2.51%
State and local grants and contracts	2.10%	1.87%	0.87%	0.87%	0.78%	0.98%	0.97%	1.22%	1.19%	1.11%
Non-governmental grants and contracts	1.12%	1.18%	1.39%	1.15%	0.36%	0.76%	0.56%	0.70%	0.90%	0.78%
Sales and services of educational activities and non-educational activities	0.56%	0.80%	0.45%	0.75%	2.31%	1.33%	1.65%	1.06%	0.98%	0.77%
Auxiliary enterprises	0.84%	0.92%	0.76%	0.95%	0.65%	0.85%	1.49%	1.29%	1.22%	1.52%
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	18.81%	19.89%	23.63%	29.27%	23.19%	22.58%	24.84%	25.35%	26.52%	26.40%
State appropriations	22.79%	23.78%	18.01%	17.55%	21.29%	20.85%	19.84%	20.89%	20.12%	20.20%
Ad valorem taxes	37.19%	37.36%	39.07%	37.27%	39.92%	39.77%	37.74%	38.63%	39.40%	39.17%
Federal revenue, non-operating	18.71%	15.54%	16.46%	15.51%	15.51%	15.65%	12.35%	13.40%	13.31%	13.97%
Gifts/donations	0.17%	0.20%	0.06%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Investment income	2.33%	3.23%	2.77%	0.39%	0.09%	1.15%	2.55%	1.38%	0.65%	0.26%
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%	0.00%	2.68%	0.35%	0.00%	0.00%
Total non-operating revenues	81.19%	80.11%	76.37%	70.73%	76.81%	77.42%	75.16%	74.65%	73.48%	73.60%
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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.

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction	\$ 102,974	\$ 98,511	\$ 87,369	\$ 79,685	\$ 81,289	\$ 87,642	\$ 84,244	\$ 80,661	\$ 77,615	\$ 73,069
Public service	382	415	374	395	679	396	331	601	437	414
Academic support	27,476	25,240	24,740	21,342	22,043	22,067	18,689	18,394	18,102	16,189
Student services	26,234	23,454	19,392	18,294	17,967	19,433	18,666	17,982	16,852	15,533
Institutional support	56,774	55,092	47,516	46,936	48,418	49,337	42,786	42,260	40,531	43,150
Operation and maintenance of plant	23,376	25,266	24,031	21,037	22,444	19,564	19,083	21,944	16,882	16,700
Scholarships and fellowships	52,507	40,977	31,727	42,451	31,546	27,574	22,714	23,112	22,014	22,091
Auxiliary enterprises	3,611	3,264	2,903	2,673	1,302	1,814	2,079	3,456	3,723	4,091
Depreciation	32,388	34,804	33,732	31,875	25,843	21,880	19,181	17,577	18,439	18,808
Total operating expenses	325,722	307,023	271,784	264,688	251,531	249,707	227,773	225,987	214,595	210,045
Interest on capital related debt	25,643	23,108	24,333	24,743	25,123	23,399	17,882	17,297	18,248	17,034
Loss on disposal of capital assets	-	-	-	-	-	-	-	16	2,087	27
Other non-operating	-	157	-	3	14	184	9	430	-	-
Total non-operating expenses	25,643	23,265	24,333	24,746	25,137	23,583	17,891	17,743	20,335	17,061
Total expenses	\$ 351,365	\$ 330,288	\$ 296,117	\$ 289,434	\$ 276,668	\$ 273,290	\$ 245,664	\$ 243,730	\$ 234,930	\$ 227,106
Prior year change	\$ 21,077	\$ 34,171	\$ 6,683	\$ 12,766	\$ 3,378	\$ 27,626	\$ 1,934	\$ 8,800	\$ 7,824	\$ 1,528
Instruction	29.31%	29.83%	29.50%	27.53%	29.38%	32.07%	34.29%	33.09%	33.04%	32.17%
Public service	0.11%	0.13%	0.13%	0.14%	0.25%	0.14%	0.13%	0.25%	0.19%	0.18%
Academic support	7.82%	7.64%	8.35%	7.37%	7.97%	8.07%	7.61%	7.55%	7.71%	7.13%
Student services	7.47%	7.10%	6.55%	6.32%	6.49%	7.11%	7.60%	7.38%	7.17%	6.84%
Institutional support	16.16%	16.68%	16.05%	16.22%	17.50%	18.05%	17.42%	17.34%	17.25%	19.00%
Operation and maintenance of plant	6.65%	7.65%	8.12%	7.27%	8.11%	7.16%	7.77%	9.00%	7.19%	7.35%
Scholarships and fellowships	14.94%	12.41%	10.71%	14.67%	11.40%	10.09%	9.25%	9.48%	9.37%	9.73%
Auxiliary enterprises	1.03%	0.99%	0.98%	0.92%	0.47%	0.66%	0.85%	1.42%	1.58%	1.80%
Depreciation	9.21%	10.54%	11.39%	11.01%	9.34%	8.02%	7.80%	7.20%	7.84%	8.29%
Total operating expenses	92.70%	92.97%	91.78%	91.45%	90.91%	91.37%	92.72%	92.71%	91.34%	92.49%
Interest on capital related debt	7.30%	7.00%	8.22%	8.55%	9.08%	8.56%	7.28%	7.10%	7.77%	7.50%
Loss on disposal of capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.89%	0.01%
Other non-operating	0.00%	0.05%	0.00%	0.00%	0.01%	0.07%	0.00%	0.18%	0.00%	0.00%
Total non-operating expenses	7.30%	7.05%	8.22%	8.55%	9.09%	8.63%	7.28%	7.29%	8.66%	7.51%
Total expenses	100.00%	100.02%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Fiscal year 2024 and 2023 were restated for implementation of GASB Statement No. 101. Years prior to fiscal year 2023 were not restated for this new accounting pronouncement.

Allocation of benefits for fiscal years 2024-2021 were reclassified between programs.

Tuition discounts were reclassified for fiscal year 2023. Years prior to fiscal year 2023 were not reclassified.

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

Fiscal Year	Resident Fees per Semester Credit Hour (SCH)							
	General Service Fee	In-District Tuition	Out-of-District Tuition	Technology Fees	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
	2025	\$ -	\$ 83	\$ 144	\$ -	\$ 996	\$ 1,728	0.00%
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	-	-
2019	-	78	135	-	936	1,620	56.00%	42.11%
2018	150	50	95	2	750	1,290	-	-
2017	140	50	95	-	750	1,290	6.38%	6.74%
2016	140	47	89	-	704	1,208	-	-

Fiscal Year	Non-Resident Fees per Semester Credit Hour (SCH)							
	General Service Fee	Non-Resident Tuition Out-of-State	Non-Resident Tuition International	Technology Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
	2025	\$ -	\$ 223	\$ 223	\$ -	\$ 2,676	\$ 2,676	-
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	-	-
2019	-	210	210	-	2,520	2,094	31.25%	31.25%
2018	150	160	160	2	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%

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)	
2024-25	\$ 101,184,990	\$ 16,238,985	\$ 84,946,005	83.95%	0.106954	0.047914	0.154868	
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	

Source: Harris Central Appraisal District and Chambers County Appraisal District

(a) Per \$100 Taxable Assessed Valuation

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

SS-6a

Appropriation Funding Elements	<u>2025</u>	<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>
State Appropriation Performance Tier Funding*	\$ 55,508	\$ 54,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Appropriation Contact Hour Funding (CH)	-	-	33,366	33,366	36,224	36,226	34,252	34,252	32,442	32,442
State Appropriation Student Success Points (SSP)	-	-	7,261	7,261	5,186	5,186	3,865	3,865	3,478	3,478
State Appropriation Core Operations (CO)	-	-	681	681	680	680	680	680	500	500
Total	<u>\$ 55,508</u>	<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>

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		
2024-25	\$ 55,508	21	\$ 2,643		
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		

(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
	State Appropriation (Unrestricted) (a)	Academic Contact Hours (b)	Vocational - Technical Contact Hours (b)	Continuing Education Contact Hours (b)			
2024-25	\$ 55,508	8,747	4,139	194	13,080	\$ 4.24	
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	

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
2024-25*	\$ -	-	\$ -
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	101.27
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

(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 these years. 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 EIGHT REPORTED FISCAL YEARS

SS-6e

Success Points Elements (Weighted)	2021	2020	2019	2018	2017	2016	2015
Math Readiness	2,796	2,625	2,644	2,676	2,819	2,143	1,232
Read Readiness	933	946	839	846	925	874	501
Write Readiness	601	391	280	449	848	829	502
Students Who Pass FCL Math Course	6,176	7,322	6,035	5,406	5,936	5,729	5,013
Students Who Pass FCL Read Course	3,868	4,910	4,752	4,549	4,424	4,090	3,929
Students Who Pass FCL Write Course	3,224	4,013	3,798	2,947	2,435	2,295	2,104
Students Who Complete 15 SCH	8,589	9,702	9,220	9,313	9,062	8,466	8,303
Students Who Complete 30 SCH	9,600	10,655	9,936	6,611	6,094	5,993	5,897
Student Transfers to a 4-Yr Inst	7,605	8,292	8,349	5,210	5,226	5,020	5,144
Degrees, CCCs, or Certs	5,552	5,408	5,206	8,908	10,306	10,496	8,416
Degrees or Certs in Critical Fields	7,046	7,215	7,134	4,712	4,421	3,517	3,170
Annual Success Points - Total	<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 - 2021 is the last year of data 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	2024	2023	2022	2021	2020
15 SCH Dual Credit	2,163	2,001	1,897	1,909	1,991
GAI Transfer with 15 SCH	2,296	2,199	2,437	2,443	2,520
GAI Co-Enrollment with 15 SCH	0	0	0	0	0
ICLC Leading to Licensure	0	0	57	62	60
ICLC Leading to Lic - High Demand	272	215	148	148	142
Occup Skills Award	0	0	83	28	14
Occup Skills Award - High Demand	67	129	0	0	0
Certificate	730	1,121	1,091	1,059	1,034
Certificate - High Demand	1,919	1,598	1,327	1,216	1,316
ATC	0	0	0	0	0
ATC - High Demand	63	0	0	0	45
Assoc Degree	3,837	3,752	4,695	3,840	3,655
Assoc Degree - High Demand	1,342	1,165	978	1,046	1,085
Bachelor's Degree	0	0	0	0	0
Bachelor's Degree - High Demand	32	17	23	20	0
Annual Outcomes - Total ¹	<u>12,721</u>	<u>12,197</u>	<u>12,736</u>	<u>11,771</u>	<u>11,862</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. Reflects College's historical data as used by THECB using applicable funding rules as of College's fiscal year end.

Source: THECB - Accountability System; Community College Formula Funding Model dated 10-14-2025

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)									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Lyondell Chemical Co.	Chemical	\$ 2,539,514	\$ 2,474,852	\$ 2,489,961	\$ 2,171,538	\$ 1,052,233	\$ 946,278	\$ 651,344	\$ 571,680	\$ 601,457	\$ 604,913
Equistar Chemicals LP	Chemical	1,746,890	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
Centerpoint Energy, Inc.	Energy	1,090,327	959,330	839,513	717,171	604,779	-	-	-	435,659	435,139
Oil tanking Houston	Petrochemical	776,099	782,747	915,320	823,950	745,843	638,207	576,921	-	-	-
Enterprise Products	Petrochemical	745,332	635,643	641,409	646,784	1,214,877	1,174,347	1,076,865	407,948	455,662	-
Deer Park Refining LP	Petrochemical	631,112	676,385	714,903	-	-	-	-	-	-	-
Kinder Morgan	Petrochemical	604,973	601,466	-	586,368	571,127	561,671	509,475	-	-	-
Pasadena Performance Products LP	Petrochemical	604,462	655,333	-	-	-	-	-	-	-	-
Exxon Mobil Corp	Petrochemical	599,401	-	-	-	-	-	-	-	-	-
Shell Oil Co.	Refinery	597,663	637,664	815,693	776,640	1,039,498	1,419,165	1,427,630	1,130,823	1,184,784	1,360,056
Phillips 66 Company	Petrochemical	-	808,123	732,878	-	-	-	-	-	-	-
Intercontinental Terminal	Chemical	-	-	808,476	717,579	680,121	693,253	650,739	-	-	-
Chevron Chemical Co.	Refinery	-	-	658,520	-	-	-	-	-	-	-
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
Air Liquide	Chemical	-	-	-	-	-	-	-	404,162	430,613	418,645
Kirby Inland Marine, LLP	Marine Transportation	-	-	-	-	-	-	-	443,548	-	453,507
Houston Refining	Refinery	-	-	-	-	-	-	-	417,286	-	-
Oxy Vinyls LP	Petrochemical	-	-	-	-	-	-	-	416,051	410,461	424,978
Celanese, LTD	Petrochemical	-	-	-	-	-	-	-	-	715,716	739,533
Rohm & Haas Co. (Parent DOW)	Petrochemical	-	-	-	-	-	-	-	-	406,834	424,828
Totals - Top Ten Only		<u>\$ 9,935,773</u>	<u>\$ 10,043,032</u>	<u>\$ 10,542,536</u>	<u>\$ 9,644,700</u>	<u>\$ 9,034,011</u>	<u>\$ 8,969,720</u>	<u>\$ 8,180,437</u>	<u>\$ 6,225,538</u>	<u>\$ 6,438,489</u>	<u>\$ 6,893,727</u>
Total Taxable Assessed Value (TAV)		<u>\$ 84,946,005</u>	<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>

This list is the Top Ten Principal Taxpayers based on Taxable Assessed Value by Tax Year. Values provided by Harris County Appraisal District 09-25-25.
 Prepared by Harris County Tax Assessor-Collector's Office 10-02-25.

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

SS-7

Taxpayer	Type of Business	% of Total Taxable Assessed Value (TAV) by Tax Year									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Lyondell Chemical Co.	Chemical	2.99%	2.93%	3.28%	3.30%	1.62%	1.55%	1.21%	1.11%	1.20%	1.25%
Equistar Chemicals LP	Chemical	2.06%	2.14%	2.54%	3.10%	3.04%	2.89%	3.11%	2.67%	2.70%	3.16%
Centerpoint Energy, Inc.	Energy	1.28%	1.13%	1.11%	1.09%	0.93%	0.00%	0.00%	0.00%	0.87%	0.90%
Oiltanking Houston	Petrochemical	0.91%	0.93%	1.21%	1.25%	1.15%	1.05%	1.07%	0.00%	0.00%	0.00%
Enterprise Products	Petrochemical	0.88%	0.75%	0.84%	0.98%	1.87%	1.93%	1.99%	0.79%	0.91%	0.00%
Deer Park Refining LP	Petrochemical	0.74%	0.80%	0.94%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Kinder Morgan	Petrochemical	0.71%	0.71%	0.00%	0.89%	0.88%	0.92%	0.94%	0.00%	0.00%	0.00%
Pasadena Performance Products LP	Petrochemical	0.71%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Exxon Mobil Corp	Petrochemical	0.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Shell Oil Co.	Refinery	0.70%	0.75%	1.07%	1.18%	1.60%	2.33%	2.64%	2.20%	2.36%	2.81%
Phillips 66 Company	Petrochemical	0.00%	0.96%	0.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Intercontinental Terminal	Chemical	0.00%	0.00%	1.06%	1.09%	1.05%	1.14%	1.21%	0.00%	0.00%	0.00%
Chevron Chemical Co.	Refinery	0.00%	0.00%	0.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Braskem America Inc.	Petrochemical	0.00%	0.00%	0.00%	0.94%	0.95%	0.00%	0.00%	0.00%	0.00%	0.00%
Lubrizol Corp	Chemical	0.00%	0.00%	0.00%	0.83%	0.82%	1.13%	0.98%	0.00%	0.00%	0.00%
Fairway Methanol, LLC	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.94%	1.07%	1.12%	0.00%	0.00%
Kuraray America Inc	Chemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.85%	0.93%	0.94%	0.88%	1.03%
Air Liquide	Chemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.79%	0.86%	0.86%
Kirby Inland Marine, LLP	Marine Transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.86%	0.00%	0.94%
Houston Refining	Refinery	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	0.00%	0.00%
Oxy Vinyls LP	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	0.82%	0.88%
Celanese, LTD	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.43%	1.53%
Rohm & Haas Co. (Parent DOW)	Petrochemical	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	0.88%
Percentage of Top Ten Taxpayer to Grand Total TAV		<u>11.69%</u>	<u>11.88%</u>	<u>13.88%</u>	<u>14.65%</u>	<u>13.91%</u>	<u>14.73%</u>	<u>15.15%</u>	<u>12.10%</u>	<u>12.84%</u>	<u>14.24%</u>

Percentages calculated using the Taxable Assessed Value by Tax Year. Values provided by Harris County Appraisal District 09-25-25.

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

SS-8

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage (c/b)	Current Collections of Prior Levies (d)	Tax Refunds Issued (e)	Penalty and Interest Collections (f)	Total Collections (c+d+e+f)	Percentage Cumulative Collections of Adjusted Levy [(c+d)/b]
2025	\$ 131,554	\$ -	\$ 131,554	\$ 129,255	98.25%	\$ 1,010	\$ (816)	\$ 1,034	\$ 130,483	98.40%
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%

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General obligation bonds	\$ 564,980	\$ 586,131	\$ 606,363	\$ 622,651	\$ 599,531	\$ 530,440	\$ 544,008	\$ 414,189	\$ 428,268	\$ 433,908
Revenue bonds	41,555	40,972	41,609	43,221	44,758	45,980	47,381	48,732	50,033	50,144
Total outstanding debt	\$ 606,535	\$ 627,103	\$ 647,972	\$ 665,872	\$ 644,289	\$ 576,420	\$ 591,389	\$ 462,921	\$ 478,301	\$ 484,052

Figures for Debt Ratios (in thousands):

District Population	537.6	541.4	545.6	542.5	531.9	526.8	526.6	528.2	523.5	521.4
Full Time Student Equivalent (FTSE)	21	21	19	19	19	20	20	20	20	20
Taxable Assessed Value (TAV)	\$ 84,946,005	\$ 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

General Bonded Debt Ratios:

Per Capita	\$ 1,051	\$ 1,083	\$ 1,111	\$ 1,148	\$ 1,127	\$ 1,007	\$ 1,033	\$ 784	\$ 818	\$ 832
Per FTSE	26,904	27,911	31,914	32,771	31,554	26,522	27,200	20,709	21,413	21,695
As a percentage of TAV	0.67%	0.69%	0.80%	0.95%	0.92%	0.87%	1.01%	0.80%	0.85%	0.90%

Total Outstanding Debt Ratios:

Per Capita	\$ 1,128	\$ 1,158	\$ 1,188	\$ 1,227	\$ 1,211	\$ 1,094	\$ 1,123	\$ 876	\$ 914	\$ 928
Per FTSE	28,883	29,862	34,104	35,046	33,910	28,821	29,569	23,146	23,915	24,203
As a percentage of TAV	0.71%	0.74%	0.85%	1.01%	0.99%	0.95%	1.10%	0.90%	0.95%	1.00%

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

SS-9a

<u>Fiscal Year Ended August 31</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Capital Finances</u>	<u>Leases</u>	<u>Subscriptions</u>	<u>Notes Payable</u>	<u>Total Outstanding Debt</u>	<u>Calendar Year District Personal Income*</u>	<u>Percentage of Debt per Personal Income</u>	<u>Population*</u>	<u>Debt per Capita</u>
2025	\$ 564,980	\$ 41,555	\$ 12,561	\$ 336	\$ 6,517	\$ 4,571	\$ 630,520	15,479,299	4.07%	538	\$ 1,172
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

*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>2025</u>	<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>
Taxable Assessed Value	\$ <u>84,946,005</u>	\$ <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>
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	424,730	422,738	379,784	328,648	324,402	304,569	269,921	257,346	250,998	242,159
Less: funds restricted for repayment of general obligation bonds	<u>(1,595)</u>	<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>
Total net general obligation debt	423,135	421,794	378,239	327,372	323,472	295,331	261,396	248,511	242,411	233,866
Current year debt service requirements	<u>47,856</u>	<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>
Excess of statutory limit for debt service over current requirement	\$ <u>375,279</u>	\$ <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>
Net current requirements as a % of statutory limit	11.27%	11.78%	12.46%	13.46%	12.39%	12.19%	11.26%	11.10%	10.67%	12.45%

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	Individual Payment Plan (IPP) Fees	Course Fees	Laboratory Fees	Total	Principal	Interest	Total		
2025	\$ 17,313	\$ 9,845	\$ -	\$ 808	\$ -	\$ -	\$ 27,966	\$ 2,167	\$ 1,623	\$ 3,790	7	
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	

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Harris County Unemployment Rate
2024	537,625	\$ 15,479,299	\$ 28,792	4.40%
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%

Sources: Personal Income and Population from:

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2024 Esri Updated Demographics dataset on ArcGIS for population data

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.

The 12,912 out-of-district students account for 41% of SJC's fall 2024 enrollment (see SS-15). This enrollment equates to an additional population served of 350,000 related to our out-of-district-students.

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>		
Employer	Number of Employees	Percentage of Total Employment	Employer	Number of Employees	Percentage of Total Employment
NASA Lyndon B Johnson Space Ctr	9,057	2.79%	NASA Lyndon B Johnson Space Ctr	2,500	0.93%
Pasadena ISD	7,962	2.46%	Pasadena ISD	7,404	2.77%
HCA-CHCA	7,092	2.19%	HCA-CHCA*		0.00%
Lyondellbasell Industries Inc /Equistar	3,792	1.17%	Lyondellbasell Industries Inc /Equistar	5,061	1.89%
Walmart / Sams Club	2,754	0.85%	Walmart / Sams Club	2,985	1.11%
Powell Industries Inc/Powell Electrical Systems Inc	2,722	0.84%	Powell Industries Inc/Powell Electrical Systems Inc	1,675	0.63%
US Air Force	2,715	0.84%	US Air Force	1,000	0.37%
San Jacinto College	2,255	0.70%	San Jacinto College	1,500	0.56%
National Oilwell Varco	2,210	0.68%	National Oilwell Varco*		0.00%
Memorial Hermann Southeast Hsp	2,146	0.66%	Memorial Hermann Southeast Hsp	2,200	0.82%
Total	42,705	13.17%	Total	24,325	9.08%

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>

*2016 employer data unavailable in census dataset reports

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

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty:										
Full-time	560	557	544	520	516	522	536	525	537	524
Part-time	1,027	993	976	947	950	978	1,063	1,142	1213	1122
Total	1,587	1,550	1,520	1,467	1,466	1,500	1,599	1,667	1,750	1,646
Percent:										
Full-time	35.3%	35.9%	35.8%	35.4%	35.2%	34.8%	33.5%	31.5%	30.7%	31.8%
Part-time	64.7%	64.1%	64.2%	64.6%	64.8%	65.2%	66.5%	68.5%	69.3%	68.2%
Staff and Administrators:										
Full-time	965	942	880	827	846	818	822	822	830	798
Part-time	532	535	513	504	353	522	669	673	713	617
Total	1,497	1,477	1,393	1,331	1,199	1,340	1,491	1,495	1,543	1,415
Percent:										
Full-time	64.5%	63.8%	63.2%	62.1%	70.6%	61.0%	55.1%	55.0%	53.8%	56.4%
Part-time	35.5%	36.2%	36.8%	37.9%	29.4%	39.0%	44.9%	45.0%	46.2%	43.6%
FTSE per full-time faculty	37	37	36	37	37	39	38	38	38	38
FTSE per full-time staff member	21	22	22	23	23	25	24	24	25	25
Average 9-month faculty salary	\$ 73,867	\$ 71,220	\$ 66,342	\$ 66,178	\$ 63,453	\$ 62,373	\$ 62,878	\$ 61,167	\$ 60,630	\$ 60,778

In 2024, the College performed a Job Evaluation Study which resulted in salary adjustments,

Source: Banner Human Resources module.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
TRANSFERS TO SENIOR INSTITUTIONS (UNAUDITED)
ACADEMIC YEAR 2024 – 2025 STUDENTS AS OF FALL 2024
(Includes Only Public Senior Colleges in Texas)

SS-17

	Transfer Student Count <u>Academic</u>	Transfer Student Count <u>Technical</u>	Total of All Transfer Students	Percentage of All Transfer Students
1 Angelo State University	1	-	1	0.02%
2 Baylor College of Medicine	2	-	2	0.04%
3 Lamar University	77	15	92	1.97%
4 Midwestern State University	8	2	10	0.21%
5 Prairie View A&M University	37	3	40	0.86%
6 Sam Houston State University	144	13	157	3.37%
7 Sam Houston Sate University Medical School	1	-	1	0.02%
8 Stephen F. Austin State University	73	8	81	1.74%
9 Sul Ross State University	1	-	1	0.02%
10 Tarleton State University	6	3	9	0.19%
11 Texas A&M University	447	56	503	10.79%
12 Texas A&M University - Central Texas	2	-	2	0.04%
13 Texas A&M University - Commerce	8	4	12	0.26%
14 Texas A&M University - Corpus Christi	18	-	18	0.39%
15 Texas A&M University - Kingsville	9	1	10	0.21%
16 Texas A&M University - San Antonio	6	-	6	0.13%
17 Texas A&M University - Texarkana	2	-	2	0.04%
18 Texas A&M University at Galveston	52	9	61	1.31%
19 Texas A&M University System Health Science Center	11	1	12	0.26%
20 Texas Southern University	43	5	48	1.03%
21 Texas State University	162	19	181	3.88%
22 Texas Tech University	67	14	81	1.74%
23 Texas Tech University Health Science Center	4	-	4	0.09%
24 Texas Woman's University	27	3	30	0.64%
25 The University of Texas Permian Basin	1	1	2	0.04%
26 The University of Texas at Rio Grande Valley	7	-	7	0.15%
27 The University of Texas at Arlington	41	19	60	1.29%
28 The University of Texas at Austin	314	38	352	7.55%
29 The University of Texas at Dallas	32	5	37	0.79%
30 The University of Texas at El Paso	2	2	4	0.09%
31 The University of Texas at San Antonio	75	7	82	1.76%
32 The University of Texas at Tyler	16	2	18	0.39%
33 The University of Texas Health Science Center at Houston	19	-	19	0.41%
34 The University of Texas Health Science Center at San Antonio	6	-	6	0.13%
35 The University of Texas M.D. Anderson Cancer Center	18	1	19	0.41%
36 The University of Texas Medical Branch at Galveston	56	4	60	1.29%
37 University of Houston	1,177	74	1,251	26.85%
38 University of Houston - Clear Lake	938	69	1,007	21.61%
39 University of Houston - Downtown	274	35	309	6.63%
40 University of Houston - Victoria	11	5	16	0.34%
41 University of North Texas	30	8	38	0.82%
42 University of North Texas at Dallas	1	-	1	0.02%
43 University of North Texas Health Science Center	3	-	3	0.06%
41 West Texas A&M University	4	1	5	0.11%
Totals	<u>4,233</u>	<u>427</u>	<u>4,660</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									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Academic buildings	45	44	44	47	45	46	39	38	38	37
Square footage	2,482,935	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
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	153,985
Number of volumes	199,433	205,346	214,434	215,414	216,879	218,850	218,214	219,896	221,849	216,964
Administrative and support buildings	12	12	12	11	15	15	16	14	14	14
Square footage	434,104	434,104	434,104	427,504	455,058	455,058	406,923	401,660	401,660	401,660
Dormitories	-	-	-	-	-	-	-	-	-	-
Square footage	-	-	-	-	-	-	-	-	-	-
Athletic facilities	7	7	7	8	8	8	8	10	9	9
Square footage	80,507	80,507	80,507	143,895	156,251	156,251	156,251	157,744	153,652	153,652
Stadiums	2	2	2	2	2	2	2	3	3	3
Fitness centers/gymnasiums	4	4	4	5	5	5	5	4	3	3
Tennis courts	1	1	1	1	1	1	1	3	3	3
Other										2
Plant facilities	8	8	8	6	6	5	5	5	6	5
Square footage	66,678	66,678	66,678	25,193	25,193	24,359	24,359	24,359	29,544	27,044
Transportation:										
Cars	5	5	4	4	4	3	3	1	1	1
Sport utility vehicles/light trucks/vans	69	66	65	60	63	74	81	96	96	97

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 2023-2025 the College added several police and emergency management 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 (*Government Auditing Standards*), the financial statements of the business-type activities and the discretely presented component unit, of San Jacinto Community College (the “College”), as of and for the year ended August 31, 2025, 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 1, 2025. The San Jacinto Community College Foundation, the discretely presented 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 or significant deficiencies may exist that have not been identified.

Report on 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 College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whitley Penn LLP

Houston, Texas
December 1, 2025

**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 TEXAS GRANT MANAGEMENT STANDARDS**

To the Board of Trustees
San Jacinto Community College District

Report on Compliance for Each Major Federal and State Program

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, 2025. 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, 2025.

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 the 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 the 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.

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 or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 the TxGMS. Accordingly, this report is not suitable for any other purpose.



Houston, Texas
December 1, 2025

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2025

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 Programs	Assistance Listing Number
Student Financial Aid Cluster	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans - Subsidized	84.268
Dollar Threshold Considered Between Type A and Type B Federal Programs	\$2,347,163
Auditee qualified as low-risk auditee	Yes

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For the Year Ended August 31, 2025

I. Summary of Auditors' Results (continued)

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

II. Financial Statement Findings

None reported.

III. Federal Awards Findings and Questioned Costs

None reported.

IV. State Award Findings and Questioned Costs

None reported.

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2025

Federal Grantors/Pass-Through Grantor/Program or Cluster Title	Grant Award #	Federal Assistance		Total Expenditures	Subrecipients Expenditures	
		Listing Number	Direct Awards			Pass-Through Awards
U.S. DEPARTMENT OF EDUCATION						
Direct Programs:						
Student Financial Aid Cluster:						
Federal Supplemental Educational Opportunity Grants	P007A134114	84.007	\$ 2,361,998	\$ -	\$ 2,271,414	\$ -
Federal Work - Study Program	P033A134114	84.033	952,750	-	952,750	-
Federal Pell Grant Program	P063P132303	84.063	62,161,086	-	62,411,424	-
Federal Direct Student Loans - Subsidized	P268K142303	84.268	5,011,024	-	4,997,071	-
Total Student Financial Aid Cluster - Schedule C (ALN 84.007, 84.033, 84.063, 84.268)			70,486,858	-	70,632,659	-
Hispanic-Serving Institution (HSI):						
Hispanic-Serving Institutions STEM and Articulation Programs	P031C210085	84.031C	4,970,598	-	1,067,270	-
Developing Hispanic-Serving Institutions (DHSI) Program 2019 - 2024	P031S190252	84.031S	2,999,815	-	143,543	-
Developing Hispanic-Serving Institutions (DHSI) Program 2022 - 2027	P031S220172	84.031S	1,771,248	-	719,390	-
Total HSI (ALN 84.031)			9,741,661	-	1,930,203	-
TRIO Cluster:						
TRIO Talent Search 2021 - 2026	P044A210783	84.044A	1,419,648	-	294,918	-
TRIO Upward Bound 2022 - 2027	P047A220742	84.047A	1,508,193	-	393,627	-
Total TRIO Cluster (ALN 84.044A, 84.047A)			2,927,841	-	688,545	-
Fund for the Improvement of Postsecondary Education (EARMARK)	P116Z220151	84.116Z	585,000	-	1,739	-
Affordable Accredited Child Care Equals Student-Parent Success (AACCESS)	P335A210071	84.335A	1,550,224	-	524,391	-
Pass-Through From:						
Texas Higher Education Coordinating Board - Career and Technical Education - Basic Grants to States:						
Carl Perkins Vocational Education Basic 2023 - 2024	29728	84.048	-	1,839,189	(1,178)	-
Carl Perkins Vocational Education Basic 2024 - 2025	01835	84.048	-	1,715,488	1,550,834	-
Carl Perkins Equity Access and Opportunity Grants	29629	84.048	-	417,865	324,730	-
Total Career and Technical Education (ALN 84.048)			-	3,972,542	1,874,386	-
Texas Workforce Commission (TWC) - Houston-Galveston Area Council/Workforce Development Board:						
Adult Education - Basic Grants to States 2023 - 2024	10674	84.002	-	785,396	(6,106)	-
Adult Education - Basic Grants to States 2024 - 2025	13130	84.002	-	1,296,000	1,188,221	-
Adult Education - Basic Grants to States 2025 - 2026	14781	84.002	-	816,000	152,166	-
Total Adult Education - Basic Grants to States (ALN 84.002)			-	2,897,396	1,334,281	-
Job for the Future - Increasing Dual Enrollment Access and Success (IDEAS)						
Increasing Dual Enrollment Access and Success (IDEAS)	1014	84.441	-	100,000	7,866	-
TOTAL U.S. DEPARTMENT OF EDUCATION			85,291,584	6,969,938	76,994,070	-
U.S. DEPARTMENT OF COMMERCE						
Direct Program:						
Economic Development Cluster:						
Economic Adjustment Assistance	08-79-05512	11.307	1,000,000	-	201,495	-
TOTAL U.S. DEPARTMENT OF COMMERCE			1,000,000	-	201,495	-

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2025

Federal Grantors/Pass-Through Grantor/Program or Cluster Title	Grant Award #	Federal Assistance Listing Number	Direct Awards	Pass-Through Awards	Total Expenditures	Subrecipients Expenditures
U.S. DEPARTMENT OF LABOR						
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	-	76,260	71,074	-
Total WIOA Cluster (ALN 17.278)						
			-	76,260	71,074	-
TOTAL U.S. DEPARTMENT OF LABOR						
			-	76,260	71,074	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Pass-Through From:						
University of Houston:						
Office of STEM Engagement (OSTEM)	R-25-0026	43.008	-	91,399	7,030	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
			-	91,399	7,030	-
NATIONAL SCIENCE FOUNDATION						
Direct Programs:						
Computer and Information Science and Engineering	2346668	47.070	199,344	-	71,342	-
STEM Education - Improving Undergraduate STEM Education (IUSE) H.S.I.	2122214	47.076	995,417	-	127,318	123,818
STEM Education - Louis Stokes Alliances for Minority Participation (LSAMP)	2207241	47.076	1,478,965	-	364,677	214,464
STEM Education (formerly Education and Human Resources)	2350310	47.076	331,551	-	129,184	-
TOTAL NATIONAL SCIENCE FOUNDATION						
			3,005,277	-	692,521	338,282
U.S. SMALL BUSINESS ADMINISTRATION						
Pass-Through From:						
The University of Houston:						
Small Business Development Centers 2024	R-24-0207	59.037	-	211,000	88,111	-
Small Business Development Centers 2025	R-25-0098	59.037	-	211,000	119,064	-
TOTAL U.S. SMALL BUSINESS ADMINISTRATION						
			-	422,000	207,175	-
U.S. DEPARTMENT OF VETERANS AFFAIRS						
Direct Program:						
All-Volunteer Force Educational Assistance	362/242D	64.124	13,600	-	4,870	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Pass-Through From:						
Texas Workforce Commission (TWC):						
Temporary Assistance for Needy Families - 2024	2825TAN003	93.558	-	82,246	(4,051)	-
Temporary Assistance for Needy Families - 2025	2825TAN004	93.558	-	40,389	31,626	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
			-	122,635	27,575	-
U.S. DEPARTMENT OF HOMELAND SECURITY						
Pass-Through From:						
Federal Emergency Management Agency						
Disaster Grants - Public Assistance	FEMA-4798-DR-TX	97.036	-	128,294	32,958	-
TOTAL EXPENDITURES OF FEDERAL AWARDS						
			\$89,310,461	\$ 7,810,526	\$ 78,238,768	\$ 338,282

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended August 31, 2025

1. Federal Assistance Reconciliation

Restricted Federal grants and contracts per Schedule A	\$ 7,088,076*
Add: Unrestricted Federal grants and contracts per Schedule A	513,162
Restricted Federal revenue, non-operating per Schedule C	65,440,813
Add: Unrestricted Federal revenue, non-operating per Schedule C	<u>199,646</u>
Total Federal Revenues per Schedule A and C	\$ 73,241,697
Reconciling Items	
Add: Direct Student Loans	<u>4,997,071</u>
Total Federal Revenues per Schedule E - Schedule of Expenditures of Federal Awards	\$ <u>78,238,768</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, 2025. 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	\$214,464
William Marsh Rice University	47.076	National Science Foundation	Education and Human Resources	100,332
Northeastern University	47.076	National Science Foundation	Education and Human Resources	23,486
			Total Amount Passed Through by the College	\$ 338,282

SAN JACINTO COMMUNITY COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended August 31, 2025

SCHEDULE F

<u>State Grantor Agency/Pass-Through Grantor/Program Title</u>	<u>Grant Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Expenditures</u>
TEXAS WORKFORCE COMMISSION (TWC)			
Direct Program:			
<i>Skills Development Fund - Maritime Consortium 2023-2024</i>	2823SDF003	\$ -	\$ 9,700
<i>Skills Development Fund - Maritime Consortium 2024-2025</i>	2824SDF005	-	176,175
<i>Skills for Small Business Program 2024-2025</i>	2824SSD003	-	13,576
<i>Jobs and Education for Texans 2024-2025</i>	2824JET001	-	109,018
<i>Apprenticeship Training Program</i>	2825ATP005	-	14,628
		<u>-</u>	<u>323,097</u>
TOTAL TEXAS WORKFORCE COMMISSION			
TEXAS HIGHER EDUCATION COORDINATING BOARD			
Student Financial Aid Cluster:			
<i>State Military Tuition Assistance</i>	26041	-	13,079
<i>Texas Education Opportunity Grant Program - Initial (TEOG)</i>	13399	-	4,608,942
<i>Texas Education Opportunity Grant Program - Renewal (TEOG)</i>	13399	-	1,744,038
<i>College Work Study Program</i>	22339	-	131,726
<i>College Work Study Mentorship Program</i>	N/A	-	43,767
<i>Nursing Students</i>	N/A	-	86,860
<i>Student Aid - THECB Texas First</i>	N/A	-	5,429
<i>Total Student Financial Aid Cluster</i>		<u>-</u>	<u>6,633,841</u>
Direct Program:			
<i>Nursing Shortage Reduction Program Regular FY2021 (Central Campus)</i>	NSRPFY21-22-24558	-	165,815
<i>Nursing Shortage Reduction Program Regular FY2021 (South Campus)</i>	NSRPFY21-22-24459	-	25,852
<i>Nursing Shortage Reduction Program Regular FY2022</i>	NSRPFY22-27018	-	219
<i>Open Educational Resources Grant Program</i>	29293	-	6,634
<i>Nursing & Allied Health-Nursing Innovation Grant Program</i>	29989	-	8,350
<i>Texas Reskilling and Upskilling through Education (TRUE) 2023 Grant Program</i>	00346	-	98,825
<i>Opportunity High School Diploma (OHSD) Program</i>	01771	-	32,925
Pass-Through From:			
Houston Community College System -			
<i>Texas Reskilling and Upskilling through Education (TRUE) 2023 Grant Program</i>	7649	<u>-</u>	<u>65,298</u>
		<u>-</u>	<u>7,037,759</u>
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD			
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ -</u>	<u>\$ 7,360,856</u>

SAN JACINTO COMMUNITY COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2025

1. State Assistance Reconciliation

Direct State grants and contracts per Schedule A \$ 7,360,856

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, 2025. 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. | sanjac.edu/accreditation