

ANNUAL FINANCIAL REPORT

of

ALVIN COMMUNITY COLLEGE

**For the Fiscal Years Ended
August 31, 2020 and 2019**

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

TABLE OF CONTENTS

August 31, 2020 and 2019

	<u>Page</u>	<u>Exhibit</u>
Organizational Data	1	
Independent Auditors' Report	3	
Management's Discussion and Analysis (Required Supplementary Information)	9	
Basic Financial Statements		
Statements of Net Position	21	1
Alvin Community College Foundation – Statements of Financial Position	23	1A
Statements of Revenues, Expenses, and Changes in Net Position Alvin Community College Foundation – Statements of Revenues, Expenses, and Changes in Net Assets	25	2
Statements of Cash Flows Alvin Community College Foundation – Statements of Cash Flows	27	2A
Notes to Financial Statements	28	3
	31	3A
	33	
Required Supplementary Information		
Schedule of the College's Proportionate Share of the Net Pension Liability – Teacher Retirement System of Texas (TRS)	62	
Schedule of the College's Proportionate Share of the Net OPEB Liability– Employee Retirement System (ERS)	65	
Schedule of College Contributions – Teacher Retirement System of Texas (TRS)	66	
Schedule of College Contributions – Employees Retirement System (ERS)	69	
Supplemental Schedules		
Schedule of Operating Revenues	72	Schedule A
Schedule of Operating Expenses by Object	76	Schedule B
Schedule of Nonoperating Revenues and Expenses	78	Schedule C
Schedule of Net Position by Source and Availability	80	Schedule D
Single Audit Report and Schedules of Expenditures of Federal and State Awards		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	83	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance and State of Texas Single Audit Circular	85	
Summary Schedule of Prior Audit Findings	87	
Schedule of Findings and Questioned Costs	88	
Schedule of Expenditures of Federal Awards	90	Schedule E
Schedule of Expenditures of State Awards	91	Schedule F
Notes to Schedules of Expenditures of Federal and State Awards	93	

ALVIN COMMUNITY COLLEGE

TABLE OF CONTENTS (Continued)

August 31, 2020 and 2019

	<u>Page</u>	<u>Exhibit</u>
Statistical Information (Unaudited)		
Net Position by Component	96	SS-1
Revenues by Source	98	SS-2
Program Expenses by Function	100	SS-3
Tuition and Fees	102	SS-4
Assessed Value and Taxable Assessed Value of Property	104	SS-5
State Appropriation per Full-Time Student Equivalents and Contact Hour	106	SS-6
Principal Taxpayers	108	SS-7
Property Tax Levies and Collections	113	SS-8
Ratios of Outstanding Debt	114	SS-9
Legal Debt Margin Information	116	SS-10
Demographic and Economic Statistics – Taxing District	119	SS-11
Principal Employers	121	SS-12
Faculty, Staff, and Administrators Statistics	122	SS-13
Enrollment Details	124	SS-14
Student Profile	126	SS-15
Transfers to Senior Institutions	129	SS-16
Capital Asset Information	130	SS-17

ALVIN COMMUNITY COLLEGE

ORGANIZATIONAL DATA

For the Year Ended August 31, 2020

Board of Regents

<u>Officers</u>	<u>Location</u>	<u>Term Expires</u>
Bel Sanchez, Chairman	Alvin, Texas	2024
Jody Droege, Vice-Chair	Alvin, Texas	2026
Patty Hertenberger, Secretary	Alvin, Texas	2022

Members

		<u>Term Expires</u>
Jim Crumm	Alvin, Texas	2024
Kam Marvel	Alvin, Texas	2024
Darren Shelton	Alvin, Texas	2026
Jake Starkey	Alvin, Texas	2026
Roger Stuksa	Alvin, Texas	2022
Andy Tacquard	Alvin, Texas	2022

Principal Administrative Officers

Dr. Christal M. Albrecht	President
Mr. Jeffrey Parks	Dean of Professional, Technical, and Human Performance
Dr. Stacy Ebert	Dean of Legal and Health Sciences
Ms. Wendy Del Bello	Vice President of Development and Outreach
Dr. Jade Borne	Vice President of Student Services
Ms. Karen Edwards	Vice President of Human Resources
Dr. Cynthia Griffith	Vice President of Instruction
Dr. Nadia Nazarenko	Dean of General Education and Academic Support
Mr. John Matula	Dean of Arts and Sciences
Mr. Karl Stager	Vice President of Administrative Services
Dr. Karen White-Goyzueta	Dean of Continuing Education and Workforce Development

(This page intentionally left blank)



INDEPENDENT AUDITORS' REPORT

To the Board of Regents of
Alvin Community College:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the years ended August 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to in the first paragraph 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, 2020 and 2019, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of the College's proportionate share of the net pension and other postemployment benefit liability, and the schedules of contributions, identified as Required Supplementary Information on 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The organizational data, supplemental schedules (Schedules A through D), and the statistical information are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Schedule of Expenditures of Federal Awards (Schedule E) and Schedule of Expenditures of State Awards (Schedule F) are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Texas Higher Education Coordinating Board's (THECB) *Annual Financial Reporting Requirements for the Texas Public Community and Junior Colleges* and are also not required parts of the basic financial statements.

Schedules A through F 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, Schedules A through F are fairly stated in all material respects in relation to the basic financial statements as a whole.

The organizational data and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
December 21, 2020

(This page intentionally left blank)

***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

This section of the Annual Financial Report (AFR) of Alvin Community College (the "College") presents Management's Discussion and Analysis (MD&A) of the College's financial activity during the fiscal years ended August 31, 2020 and 2019, with particular focus on current events, legislation, and other various conditions. Please read this MD&A in conjunction with the College's basic financial statements and the notes to the basic financial statements. Responsibility for the completeness and fairness of the information included in this section of the AFR rests with the College.

Financial Highlights for Fiscal Year 2020

The following factors had a significant effect on the College's financial status for fiscal year 2020:

- There was an increase in headcount of 2.7 percent in fiscal year 2020 compared to the previous year's headcount and a decrease in contact hours of 0.5 percent. This led to an increase in tuition of \$318,220.
- The College Board of Regents passed a combined tax rate of \$0.185862 which was the rollback rate. The Maintenance and Operations tax rate decreased from \$0.171802 to \$0.171438 or 0.21 percent. The Debt Service tax rate decreased from \$0.015973 to \$0.014424 or 9.70 percent. Overall tax collections increased by \$2,187,561 from \$18,905,680 in fiscal year 2018-2019 to \$21,093,241 in fiscal year 2019-2020.
- There was a salary schedule adjustment in fiscal year 2019-2020 of 2 percent. Compared to the prior fiscal year, salary and wage expenses increased by approximately \$399,232 in fiscal year 2019-2020.
- The 2019-2020 Maintenance and Operations budget was \$34,533,568 which was an increase of \$1,611,362 over the 2018-2019 budget.

Financial Highlights for Fiscal Year 2019

The following factors had a significant effect on the College's financial status for fiscal year 2019:

- There was a decrease in headcount of 1.5 percent in fiscal year 2019 compared to the previous year's headcount. There was also a decrease in contact hours of 1.9 percent which led to a decrease in tuition of \$519,075.
- The College Board of Regents passed a combined tax rate of \$0.187775 which was the rollback rate. The Maintenance and Operations tax rate increased from \$0.163608 to \$0.171802 or 5.01 percent. The Debt Service tax rate decreased from \$0.017142 to \$0.015973 or 6.82 percent. Overall tax collections increased by \$2,013,209 from \$16,892,471 in fiscal year 2017-2018 to \$18,905,680 in fiscal year 2018-2019.
- There was a salary schedule adjustment in fiscal year 2018-2019 of 1 percent. Compared to the prior fiscal year, salary and wage expenses increased by approximately \$345,182 in fiscal year 2018-2019.
- The 2018-2019 Maintenance and Operations budget was \$32,922,206 which was an increase of \$1,786,251 over the 2017-2018 budget.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

Overview of Financial Statements

The College qualifies as a special purpose government engaged in business-type activities and the basic financial statements are prepared on that basis. The basic financial statements include the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. These basic financial statements should be read with the notes to the basic financial statements and with various supplemental schedules required by the Texas Higher Education Coordinating Board. The Governmental Accounting Standards Board (GASB) reporting model focuses on the College as a whole. The College's basic financial statements are designed to emulate corporate presentation models whereby all College activities are reported in one column.

Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, the Alvin Community College Foundation (the "Foundation") is considered a component unit of the College for fiscal years 2020 and 2019 and, as such, is discretely presented in the College's basic financial statements. Complete financial statements of the Foundation can be obtained from their offices.

Statements of Net Position

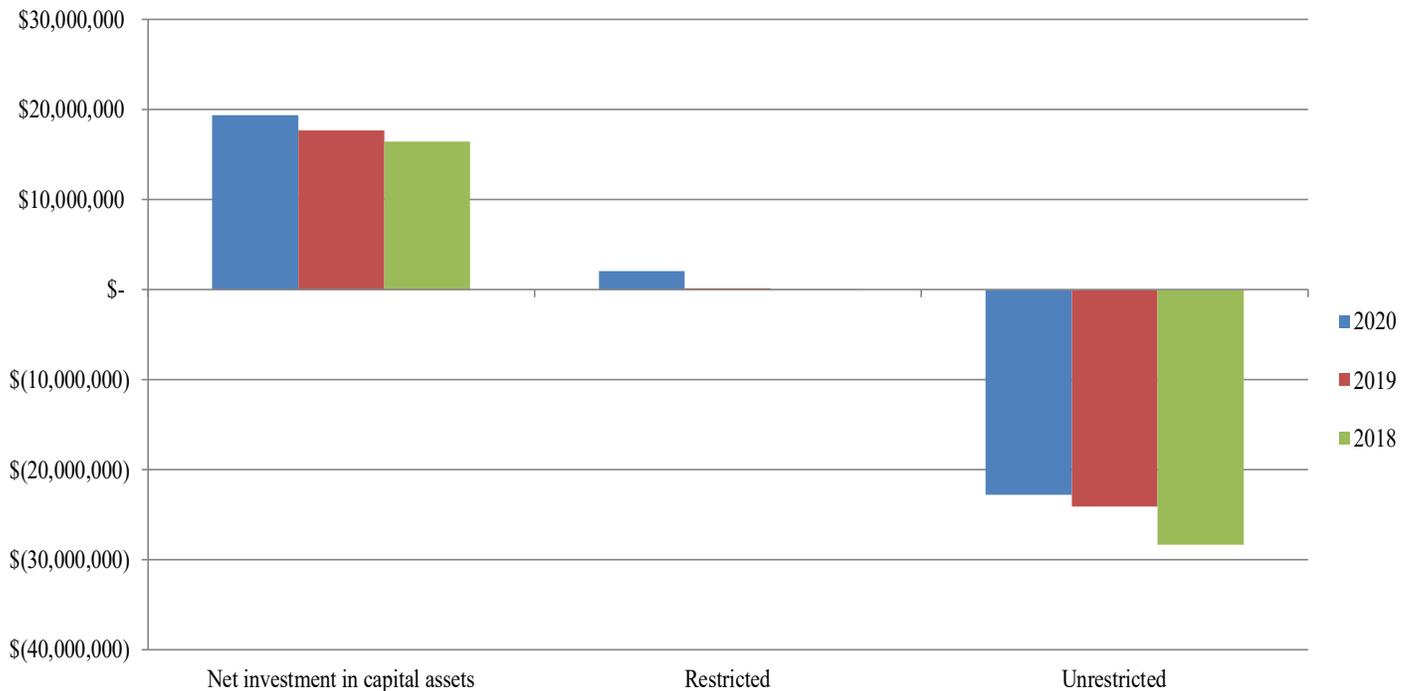
The Statements of Net Position present the assets, liabilities, deferred outflows/inflows of resources, and net position of the College as of August 31, 2020 and 2019. It is a point-in-time financial statement. The purpose of the Statements of Net Position is to provide the readers with a snapshot of the financial condition of the College on August 31, 2020 and 2019. It presents end-of-year data for current and noncurrent assets, deferred outflows, current and noncurrent liabilities, deferred inflows, and net position. From the information shown, readers are able to determine the assets that are available to continue operations, how much the College owes, net position, and its availability to carry out the College's mission.

CONDENSED STATEMENTS OF NET POSITION
As of August 31, 2020-2018

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>	<u>2018</u>	<u>Increase (Decrease) 2019-2018</u>
Current assets	\$ 26,473,091	\$ 30,237,612	\$ (3,764,521)	\$ 31,938,678	\$ (1,701,066)
Noncurrent assets:					
Investments	13,650,000	12,450,000	1,200,000	8,750,000	3,700,000
Capital assets, net of accumulated depreciation	30,953,322	26,464,717	4,488,605	27,157,972	(693,255)
Total Assets	<u>71,076,413</u>	<u>69,152,329</u>	<u>1,924,084</u>	<u>67,846,650</u>	<u>1,305,679</u>
Deferred Outflows of Resources	<u>10,291,044</u>	<u>7,667,549</u>	<u>2,623,495</u>	<u>3,729,686</u>	<u>3,937,863</u>
Current liabilities	7,916,579	7,822,446	94,133	7,930,560	(108,114)
Noncurrent liabilities	66,163,656	65,188,341	975,315	68,056,475	(2,868,134)
Total Liabilities	<u>74,080,235</u>	<u>73,010,787</u>	<u>1,069,448</u>	<u>75,987,035</u>	<u>(2,976,248)</u>
Deferred Inflows of Resources	<u>8,620,989</u>	<u>10,166,776</u>	<u>(1,545,787)</u>	<u>7,433,860</u>	<u>2,732,916</u>
Net position:					
Net investment in capital assets	19,387,122	17,657,132	1,729,990	16,433,182	1,223,950
Restricted					
Expendable student aid	2,068,934	109,879	1,959,055	73,378	36,501
Unrestricted	(22,789,823)	(24,124,696)	1,334,873	(28,351,119)	4,226,423
Total Net Position	<u>\$ (1,333,767)</u>	<u>\$ (6,357,685)</u>	<u>\$ 5,023,918</u>	<u>\$ (11,844,559)</u>	<u>\$ 5,486,874</u>

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

Net Position
Fiscal Years 2020-2018



Fiscal Year 2020 Compared to 2019

Current assets decreased \$3,764,521 primarily due to a decrease in restricted cash and cash equivalents as a result of the use of proceeds from the Series 2018 Tax Notes (the “Tax Notes”). This was partially offset by an increase in accounts receivable and prepaids compared to the prior year. Noncurrent assets increased \$5,688,605 due primarily to an increase in construction in progress, as well as the College investing in long-term certificates of deposit.

Current liabilities increased \$94,133 primarily due to an increase in accounts payable as a result of an increase in goods and services received but not paid for at year end. Noncurrent liabilities increased \$975,315 due mainly to an increase in the net other postemployment benefits (OPEB) liability.

Fiscal Year 2019 Compared to 2018

Current assets decreased \$1,701,066 primarily due to decreases in current cash and cash equivalents as a result of the use of proceeds from the Tax Notes, as well as inventory holdings at year end. This was partially offset by an increase in accounts receivable primarily related to an increase in student tuition receivables compared to the prior year. Noncurrent assets increased \$3,006,745 due primarily to the College investing in long-term certificates of deposit.

Current liabilities decreased \$108,114 primarily due to a decrease in accounts payable as a result of a decrease in goods and services received but not paid for at year end. Noncurrent liabilities decreased \$2,868,134 due mainly to reductions in the net OPEB liability, as well as outstanding bonds payable.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

Statements of Revenues, Expenses, and Changes in Net Position

The purpose of the Statements of Revenues, Expenses, and Changes in Net Position is to present the revenues earned by the College, both operating and nonoperating, and the expenses incurred, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the College. Generally, operating revenues are received for providing goods and services to the students of the College. Operating expenses are those paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the College's mission. Nonoperating revenues and expenses are funds received or used for which goods and services are not provided.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended August 31, 2020-2018

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Operating Revenues:					
Tuition and fees, net of discounts	\$ 9,176,163	\$ 8,857,943	\$ 318,220	\$ 9,377,018	\$ (519,075)
Auxiliary enterprises, net of discounts	1,438,144	1,581,929	(143,785)	1,737,364	(155,435)
Nongovernmental grants and contracts	256,900	18,064	238,836	15,351	2,713
State grants and contracts	769,188	617,808	151,380	296,448	321,360
Federal grants and contracts	1,617,662	1,722,095	(104,433)	1,414,292	307,803
Total Operating Revenues	<u>13,258,057</u>	<u>12,797,839</u>	<u>460,218</u>	<u>12,840,473</u>	<u>(42,634)</u>
Less Operating Expenses	<u>48,200,635</u>	<u>43,404,802</u>	<u>4,795,833</u>	<u>44,971,847</u>	<u>(1,567,045)</u>
Operating (Loss)	<u>(34,942,578)</u>	<u>(30,606,963)</u>	<u>(4,335,615)</u>	<u>(32,131,374)</u>	<u>1,524,411</u>
Nonoperating Revenues (Expenses):					
State appropriations	12,290,722	11,637,388	653,334	11,121,032	516,356
Property tax revenue	21,093,241	18,905,680	2,187,561	16,892,471	2,013,209
Federal revenue, nonoperating	6,758,351	5,248,502	1,509,849	4,942,344	306,158
Investment income	549,582	918,389	(368,807)	222,288	696,101
Interest and fiscal agent fees	(1,207,617)	(1,274,737)	67,120	(729,324)	(545,413)
Gain (loss) on sale of capital assets	-	(10,095)	10,095	39,974	(50,069)
Other nonoperating revenues	482,217	668,710	(186,493)	676,092	(7,382)
Total Nonoperating Revenues, Net	<u>39,966,496</u>	<u>36,093,837</u>	<u>3,872,659</u>	<u>33,164,877</u>	<u>2,928,960</u>
Change in Net Position	<u>5,023,918</u>	<u>5,486,874</u>	<u>(462,956)</u>	<u>1,033,503</u>	<u>4,453,371</u>
Beginning net position	<u>(6,357,685)</u>	<u>(11,844,559)</u>	<u>5,486,874</u>	<u>(12,878,062)</u>	<u>1,033,503</u>
Ending Net Position	<u>\$ (1,333,767)</u>	<u>\$ (6,357,685)</u>	<u>\$ 5,023,918</u>	<u>\$ (11,844,559)</u>	<u>\$ 5,486,874</u>

Fiscal Year 2020 Compared to 2019

Total revenues (operating and nonoperating) for the fiscal year 2020 were \$54,432,170. Operating revenues increased by \$460,218 largely due to an increase in tuition and fees and nongovernmental grants and contracts. The increase in tuition and fees was mostly due to increases in in-district tuition payments and both state funded and nonstate funded continuing education. The increase in nongovernmental grants and contracts was mainly due to grant funding from the Texas Pioneer Foundation. Nonoperating revenues increased \$3,805,539 primarily due to an increase in property tax revenues and federal revenue. Property tax revenue increased as the result of an increase in the assessed values of properties and increases in returns on the College's investments. Federal revenue increased significantly due to a new federal grant received for the COVID-19 pandemic.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

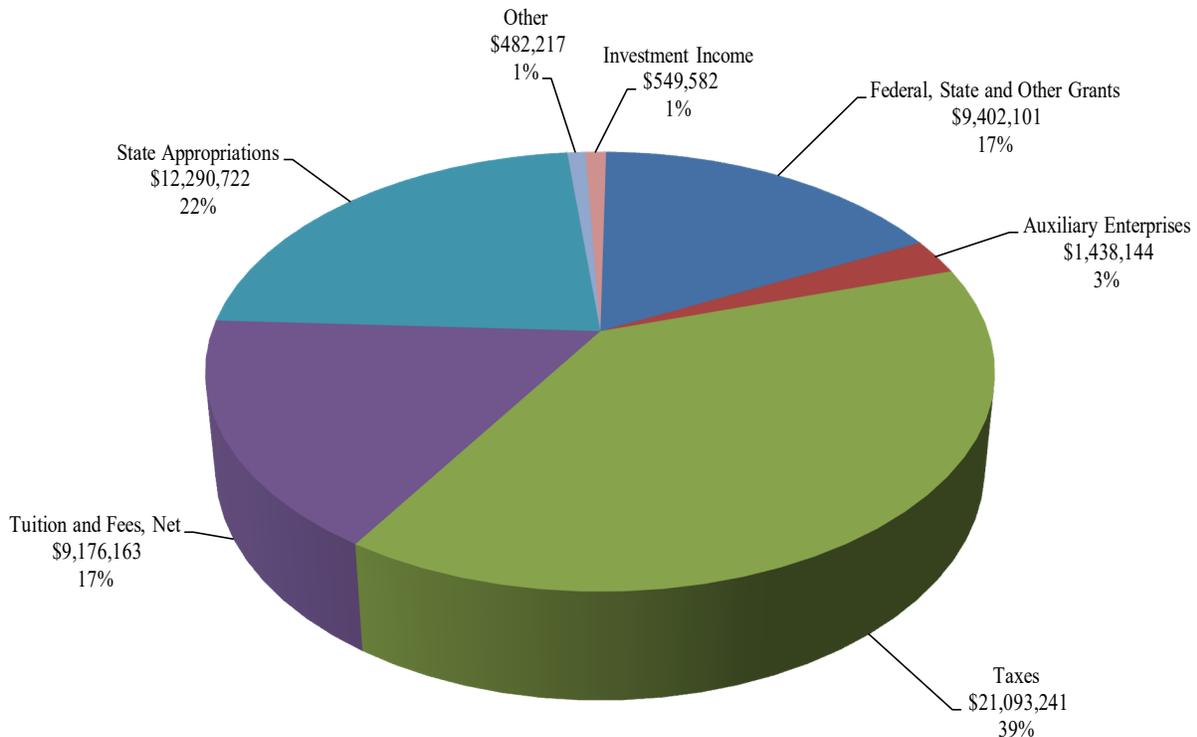
Total expenses (operating and nonoperating) increased \$4,718,618, or 9.6 percent, compared to the prior year. This increase was primarily related to grant expenses related to the COVID-19 pandemic, as well as increases in the College's on-behalf contributions from the State for its retirement plan.

Fiscal Year 2019 Compared to 2018

Total revenues (operating and nonoperating) for the fiscal year 2019 were \$50,166,413. Operating revenues decreased by \$42,634 largely due to a decrease in tuition and fees primarily related to decreases in out-of-district tuition payments. Nonoperating revenues increased \$3,474,373 primarily due to an increase in property tax revenues as the result of an increase in the assessed values of properties and increases in returns on the College's investments.

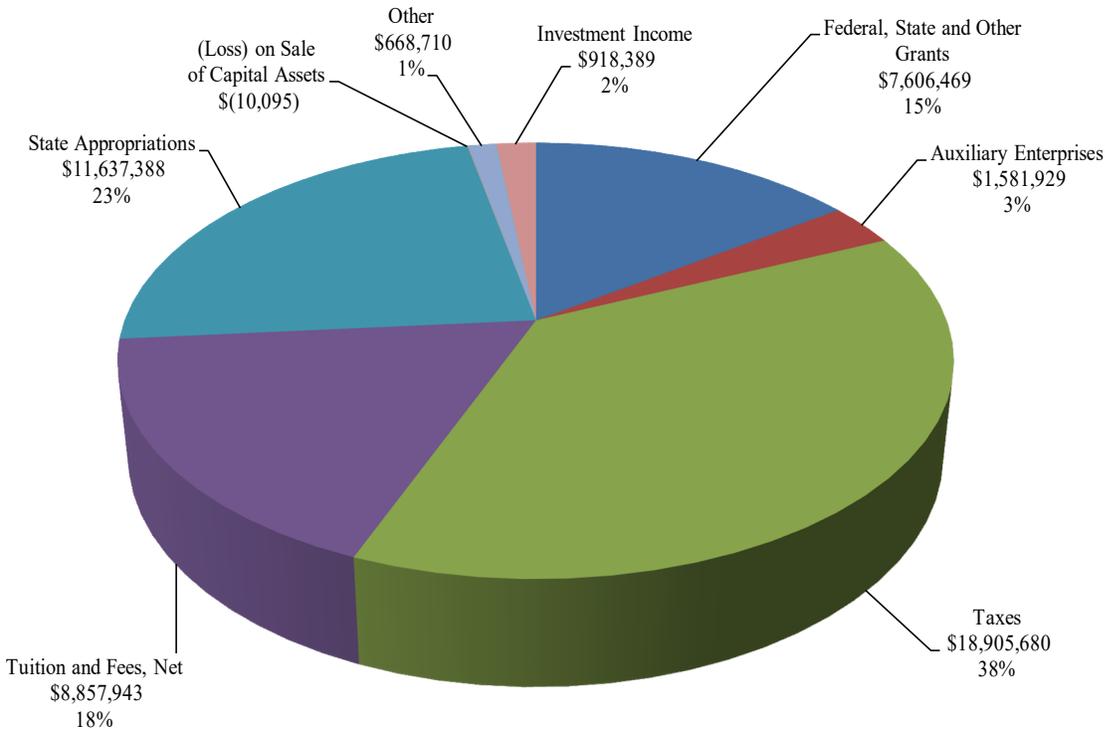
Total expenses (operating and nonoperating) decreased \$2,112,458, or 2.24 percent, compared to the prior year. This decrease was primarily related to decreases in the College's on-behalf contributions from the State for its retirement plan.

**Revenues by Source and Percentage
For the Year Ended August 31, 2020**



ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

**Revenues by Source and Percentage
For the Year Ended August 31, 2019**



OPERATING EXPENSES
Years Ended August 31, 2020-2018

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Operating Expenses:					
Instruction	\$ 18,021,555	\$ 16,850,990	\$ 1,170,565	\$ 17,668,639	\$ (817,649)
Institutional support	5,940,291	5,516,568	423,723	5,674,592	(158,024)
Academic support	6,852,610	6,286,310	566,300	6,523,402	(237,092)
Operation and maintenance of plant	3,775,153	3,500,201	274,952	2,972,355	527,846
Auxiliary enterprises	1,861,358	1,996,449	(135,091)	2,297,158	(300,709)
Student services	4,124,900	3,839,196	285,704	3,916,217	(77,021)
Scholarships and fellowships	6,204,189	3,969,815	2,234,374	4,540,643	(570,828)
Depreciation	1,290,724	1,274,510	16,214	1,205,908	68,602
Public service	129,855	170,763	(40,908)	172,933	(2,170)
Total	\$ 48,200,635	\$ 43,404,802	\$ 4,795,833	\$ 44,971,847	\$ (1,567,045)

Operating expenses are primarily presented by functional categories, which represent the types of programs and services provided. Nonoperating expenses consist of interest and fiscal agent fees from capital-related debt service of \$1,207,617 and \$1,274,737 for the years ended August 31, 2020 and 2019, respectively.

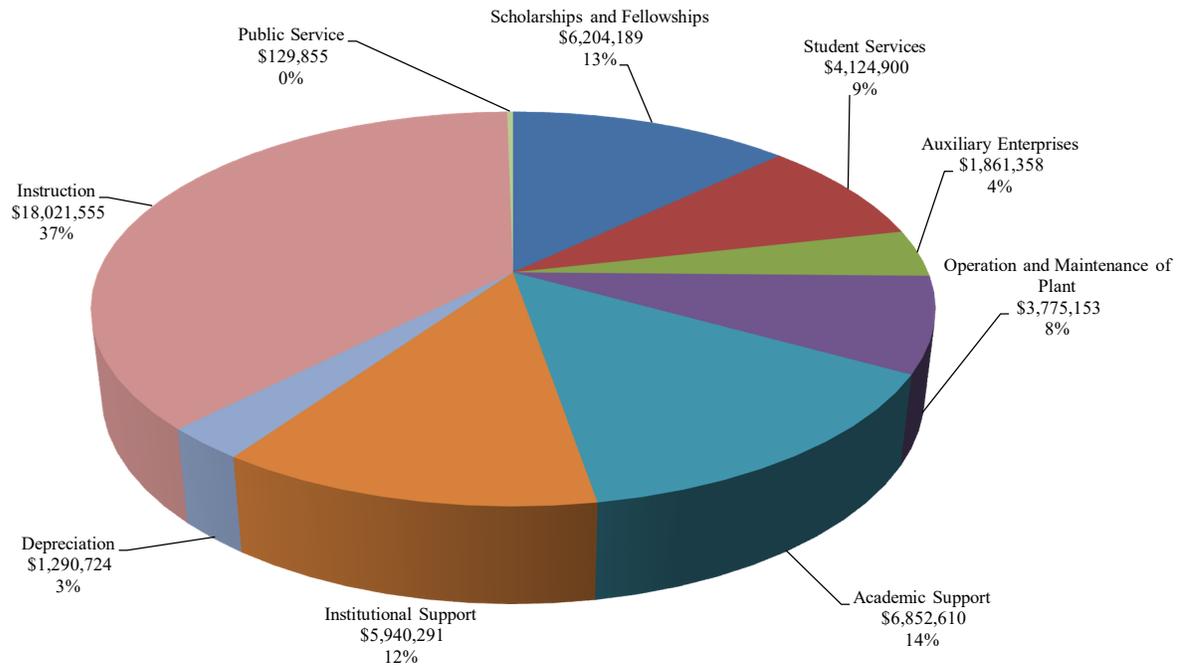
ALVIN COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

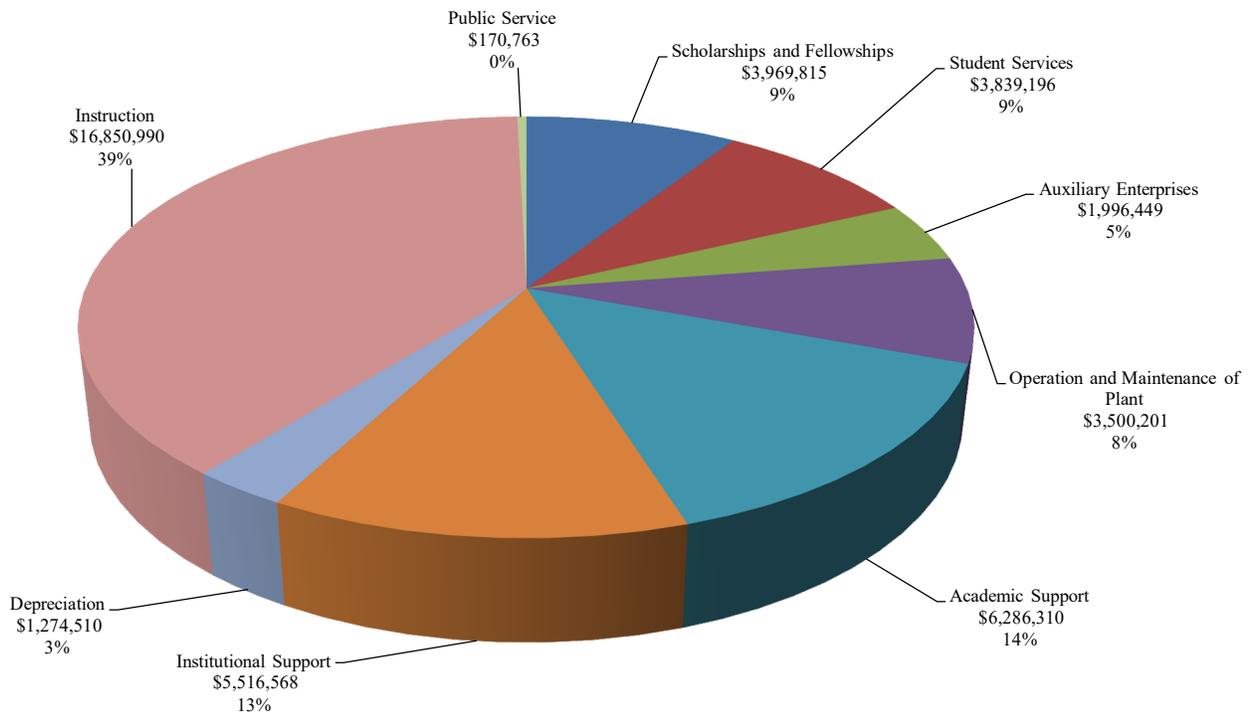
For the Years Ended August 31, 2020 and 2019

The following are graphic illustrations of operating expenses by functional category and percentage of total operating expenses for the years ended August 31, 2020 and 2019.

**Operating Expenses by Function and Percentage
For the Year Ended August 31, 2020**

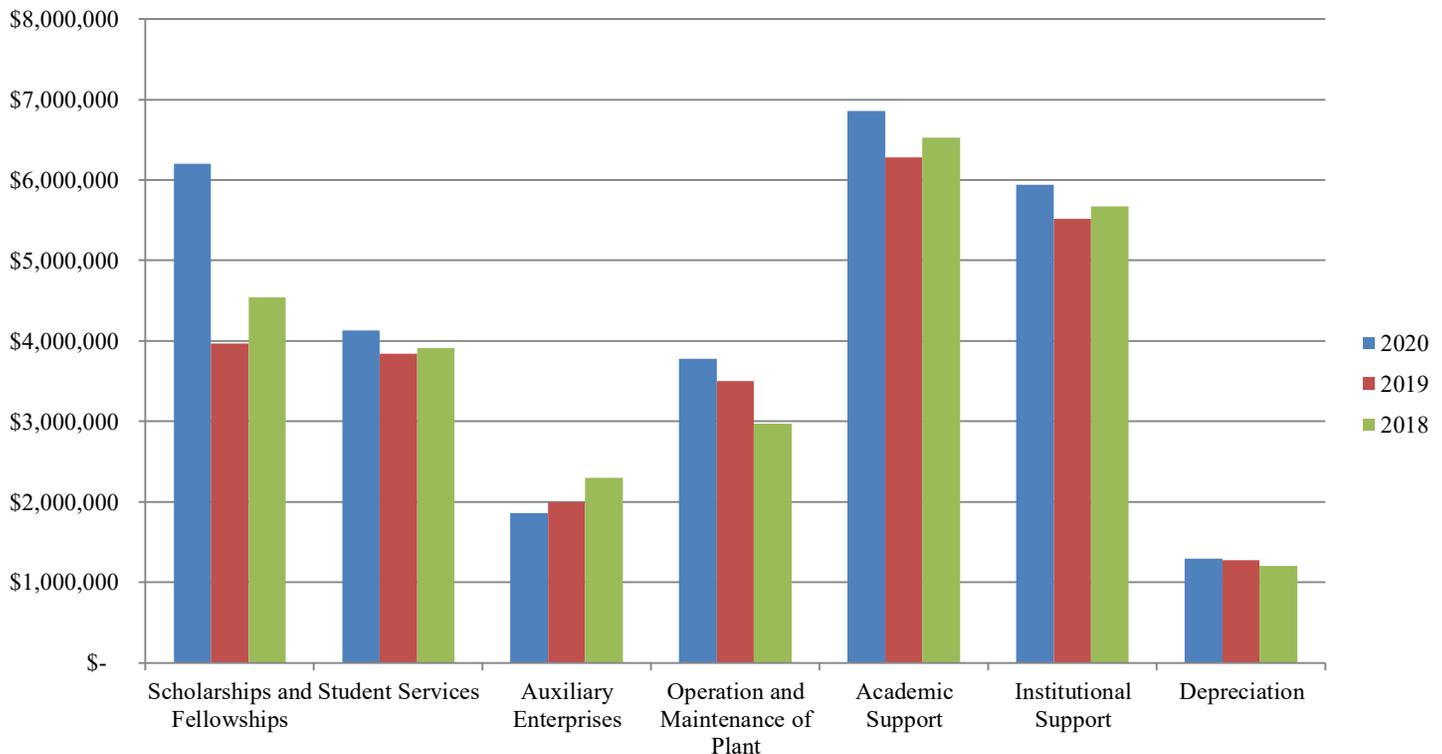


**Operating Expenses by Function and Percentage
For the Year Ended August 31, 2019**



ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

Comparison of Operating Expenses
Fiscal Years 2020-2018



Capital Assets

CAPITAL ASSETS ACTIVITY
Years Ended August 31, 2020-2018

	2020	2019	Increase (Decrease) 2020-2019	2018	Increase (Decrease) 2019-2018
Capital assets not depreciated:					
Land	\$ 494,128	\$ 494,128	\$ -	\$ 494,128	\$ -
Construction in process	5,043,762	17,263	5,026,499	-	17,263
Total	<u>5,537,890</u>	<u>511,391</u>	<u>5,026,499</u>	<u>494,128</u>	<u>17,263</u>
Other capital assets:					
Buildings and improvements	35,794,384	35,794,384	-	35,786,314	8,070
Facilities and improvements	4,749,412	4,674,820	74,592	4,627,585	47,235
Telecommunications equipment	2,021,828	1,947,483	74,345	1,823,415	124,068
Furniture and equipment	7,087,078	6,489,410	597,668	6,248,659	240,751
Library books	351,523	345,298	6,225	331,130	14,168
Total	<u>50,004,225</u>	<u>49,251,395</u>	<u>752,830</u>	<u>48,817,103</u>	<u>434,292</u>
Less accumulated depreciation	<u>(24,588,793)</u>	<u>(23,298,069)</u>	<u>(1,290,724)</u>	<u>(22,153,259)</u>	<u>(1,144,810)</u>
Net Capital Assets	<u>\$ 30,953,322</u>	<u>\$ 26,464,717</u>	<u>\$ 4,488,605</u>	<u>\$ 27,157,972</u>	<u>\$ (693,255)</u>

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2020 and 2019

Fiscal Year 2020 Compared to 2019

As of August 31, 2020, the College had \$55,542,115 invested in capital assets, \$24,588,793 in accumulated depreciation, and \$30,953,322 in net capital assets. Significant additions during the fiscal year included new learning system equipment, as well as ultrasound machines and other equipment for the nursing school.

Fiscal Year 2019 Compared to 2018

As of August 31, 2019, the College had \$49,762,786 invested in capital assets, \$23,298,069 in accumulated depreciation, and \$26,464,717 in net capital assets. Significant additions during the fiscal year included new telecommunication equipment for several buildings, as well as additional equipment for the nursing school.

As required, detailed capital asset disclosures are presented in note 7 to the basic financial statements.

Long-Term Debt

The principal balance of the bonds was \$28,625,000 and \$30,615,000 as of August 31, 2020 and 2019, respectively.

As required, detailed debt disclosures are presented in note 8 to the basic financial statements.

COVID-19

In March 2020, COVID-19 was recognized as a pandemic both worldwide and in the United States with local stay-at-home orders going into effect. The College suspended face-to-face classes for the remainder of the school year. While changes to operations caused a significant hardship, the overall impact to the financial operations for the 2019-2020 school year as a percentage of the overall budget was nominal.

Contacting the College's Financial Management

This financial report is designed to provide the College's taxpayers, students, investors, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Business Office at 3110 Mustang Road, Alvin, Texas 77511.

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

Exhibit 1

STATEMENTS OF NET POSITION

August 31, 2020 and 2019

<u>Assets</u>	2020	2019
Current Assets:		
Cash and cash equivalents	\$ 1,608,810	\$ 1,903,212
Restricted cash and cash equivalents	19,987,530	24,875,507
Accounts receivable, net	3,405,823	2,477,963
Inventories	240,303	294,116
Prepays	1,230,625	686,814
Total Current Assets	26,473,091	30,237,612
Noncurrent Assets:		
Investments	13,650,000	12,450,000
Capital assets, net:		
Nondepreciable	5,537,890	511,391
Depreciable	25,415,432	25,953,326
Total Noncurrent Assets	44,603,322	38,914,717
Total Assets	71,076,413	69,152,329
<u>Deferred Outflows of Resources</u>		
Deferred outflows - pensions	4,339,605	4,274,255
Deferred outflows - OPEB	5,951,439	3,241,397
Deferred charge on refunding	-	151,897
Total Deferred Outflows of Resources	10,291,044	7,667,549
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable and accrued liabilities	1,345,456	1,025,903
Funds held for others	46,535	37,164
Unearned revenues	4,113,549	4,431,519
Compensated absences	301,039	337,860
Bonds payable, net of premiums - current portion	2,110,000	1,990,000
Total Current Liabilities	7,916,579	7,822,446
Noncurrent Liabilities:		
Compensated absences	227,667	76,859
Net pension liability	9,596,705	9,552,204
Net OPEB liability	26,895,554	23,714,289
Bonds payable, net of premiums	29,443,730	31,844,989
Total Noncurrent Liabilities	66,163,656	65,188,341
Total Liabilities	74,080,235	73,010,787
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	1,911,006	987,826
Deferred inflows - OPEB	6,709,983	9,178,950
Total Deferred Inflows of Resources	8,620,989	10,166,776
<u>Net Position</u>		
Net investment in capital assets	19,387,122	17,657,132
Restricted for expendable student aid	2,068,934	109,879
Unrestricted	(22,789,823)	(24,124,696)
Total Net Position (Schedule D)	\$ (1,333,767)	\$ (6,357,685)

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 1A

STATEMENTS OF FINANCIAL POSITION

August 31, 2020 and 2019

<u>Assets:</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 197,476	\$ 174,081
Investments	3,521,793	3,203,348
Accounts receivable	-	450
Inventory	5,251	5,251
Prepays	2,200	-
Total Assets	<u>\$ 3,726,720</u>	<u>\$ 3,383,130</u>

Liabilities:

Accounts payable	\$ 21,162	\$ 45,736
Total Liabilities	<u>\$ 21,162</u>	<u>\$ 45,736</u>

Net Assets:

Without donor restrictions	\$ 165,462	\$ 184,583
With donor restrictions		
Purpose restrictions	2,228,622	1,841,337
Perpetual in nature	1,311,474	1,311,474
Total Net Assets	<u>\$ 3,705,558</u>	<u>\$ 3,337,394</u>

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

Exhibit 2

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended August 31, 2020 and 2019

	2020	2019
<u>Operating Revenues:</u>		
Tuition and fees, net of discounts of \$2,938,660 for 2020 and \$3,432,128 for 2019	\$ 9,176,163	\$ 8,857,943
Federal grants and contracts	1,617,662	1,722,095
State grants and contracts	769,188	617,808
Nongovernmental grants and contracts	256,900	18,064
Auxiliary enterprises, net of discounts of \$246,332 for 2020 and \$284,720 for 2019	1,438,144	1,581,929
Total Operating Revenues (Schedule A)	13,258,057	12,797,839
<u>Operating Expenses:</u>		
Instruction	18,021,555	16,850,990
Public service	129,855	170,763
Academic support	6,852,610	6,286,310
Student services	4,124,900	3,839,196
Institutional support	5,940,291	5,516,568
Operation and maintenance of plant	3,775,153	3,500,201
Scholarships and fellowships	6,204,189	3,969,815
Auxiliary enterprises	1,861,358	1,996,449
Depreciation	1,290,724	1,274,510
Total Operating Expenses (Schedule B)	48,200,635	43,404,802
Operating (Loss)	(34,942,578)	(30,606,963)
<u>Nonoperating Revenues (Expenses):</u>		
State appropriations	12,290,722	11,637,388
Property tax revenue	19,453,051	17,296,711
Debt service ad valorem taxes	1,640,190	1,608,969
Federal revenue, nonoperating	6,758,351	5,248,502
Investment income	549,582	918,389
Interest on capital-related debt	(1,207,617)	(1,274,737)
(Loss) on disposal of capital assets	-	(10,095)
Other nonoperating revenues	482,217	668,710
Total Nonoperating Revenues, Net (Schedule C)	39,966,496	36,093,837
Change in Net Position	5,023,918	5,486,874
Beginning net position	(6,357,685)	(11,844,559)
Ending Net Position	\$ (1,333,767)	\$ (6,357,685)

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Exhibit 2A

For the Years Ended August 31, 2020 and 2019

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Revenues				
Support and Revenue:				
Contributions and grants	\$ -	\$ 176,937	\$ 176,937	\$ 97,658
Gala income, net	82,811	-	82,811	86,891
Alvin Live, net	-	-	-	2,307
Interest and dividend income	-	73,065	73,065	71,114
Travel/fundraisers	-	-	-	18,785
Dolphin athletics, net	-	1,950	1,950	3,350
ACC Feed the Hungry, net	-	599	599	498
Investment gains	-	253,309	253,309	93,628
Unrestricted Income	5,053	-	5,053	4,195
Total Local Support	87,864	505,860	593,724	378,426
Net assets released from restrictions:				
Restrictions satisfied by payments	118,575	(118,575)	-	-
Total Support and Revenues	206,439	387,285	593,724	378,426
Expenses				
Program services:				
Scholarships	76,751	-	76,751	74,757
Awards	41,824	-	41,824	124,095
Total Program Services	118,575	-	118,575	198,852
Support services:				
Fundraising:				
Gala expenses	35,073	-	35,073	33,050
Alvin Live expenses	-	-	-	637
Dolphin Athletics expenses	-	-	-	1,615
ACC Feed the Hungry expenses	2,500	-	2,500	2,139
Total Fundraising	37,573	-	37,573	37,441
Management and general:				
Professional services	22,970	-	22,970	26,965
Operating expenses and supplies	8,890	-	8,890	9,274
Other	37,552	-	37,552	1,901
Total Management and General	69,412	-	69,412	38,140
Total Expenses	225,560	-	225,560	274,433
Change in Net Assets	(19,121)	387,285	368,164	103,993
Beginning net assets	184,583	3,152,811	3,337,394	3,233,401
Ending Net Assets	\$ 165,462	\$ 3,540,096	\$ 3,705,558	\$ 3,337,394

See accompanying notes to basic financial statements.

ALVIN COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Receipts from students and other customers	\$ 10,692,130	\$ 9,588,206
Receipts of grants and contracts	1,638,067	2,156,724
Payments to or on behalf of employees	(32,406,199)	(30,960,859)
Payments to suppliers for goods or services	(9,608,096)	(9,078,570)
Payments of scholarships	(6,204,189)	(3,969,815)
Net Cash (Used) by Operating Activities	(35,888,287)	(32,264,314)
Cash Flows from Noncapital Financing Activities:		
Receipts of State appropriations	12,290,722	11,637,388
Receipts of maintenance and operations ad valorem taxes	19,453,051	17,296,711
Receipts from nonoperating Federal revenue	6,758,351	5,248,502
Other	482,217	668,710
Net Cash Provided by Noncapital Financing Activities	38,984,341	34,851,311
Cash Flows from Capital and Related Financing Activities:		
Receipts from debt service ad valorem taxes	1,640,190	1,608,969
Purchases of capital assets	(5,779,329)	(607,589)
Proceeds from sale of capital assets	-	16,239
Payments on principal debt	(1,990,000)	(1,905,000)
Interest payments on principal debt	(1,498,876)	(1,565,996)
Net Cash (Used) by Capital and Related Financing Activities	(7,628,015)	(2,453,377)
Cash Flows from Investing Activities:		
Purchases of investments	(26,600,000)	(21,382,000)
Receipts from sale of investments	25,400,000	17,682,000
Receipts from investment income	549,582	918,389
Net Cash (Used) by Investing Activities	(650,418)	(2,781,611)
(Decrease) in Cash and Cash Equivalents	(5,182,379)	(2,647,991)
Beginning cash and cash equivalents	26,778,719	29,426,710
Ending Cash and Cash Equivalents	\$ 21,596,340	\$ 26,778,719
Ending Cash and Cash Equivalents:		
Cash and cash equivalents	\$ 1,608,810	\$ 1,903,212
Restricted cash and cash equivalents	19,987,530	24,875,507
Total Cash and Cash Equivalents	\$ 21,596,340	\$ 26,778,719

ALVIN COMMUNITY COLLEGE

Exhibit 3

STATEMENTS OF CASH FLOWS, Continued

For the Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income (Loss)		
to Net Cash Provided (Used) by Operating Activities:		
Operating (loss)	\$ (34,942,578)	\$ (30,606,963)
Adjustments to reconcile operating (loss) to net cash (used)		
by operating activities:		
Depreciation expense	1,290,724	1,274,510
Changes in assets and liabilities:		
Receivables, net	(927,860)	(1,052,909)
Inventories	53,813	214,843
Prepays	(543,811)	(108,859)
Deferred outflows	(2,623,495)	(3,937,863)
Deferred inflows	(1,545,787)	2,732,916
Accounts payable and accrued liabilities	319,553	54,365
Funds held for others	9,371	783
Deferred revenues	(317,970)	73,471
Exit incentive	-	(327,043)
Net pension liability	44,501	3,790,412
Net OPEB liability	3,181,265	(4,358,180)
Compensated absences	113,987	(13,797)
Net Cash (Used) by Operating Activities	<u>\$ (35,888,287)</u>	<u>\$ (32,264,314)</u>

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 3A

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 368,164	\$ 103,993
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Investment (gains)	(253,309)	(93,628)
Interest (earnings)	(73,065)	(71,114)
(Increase) decrease in current assets:		
Accounts receivable	450	2,600
Prepays	(2,200)	-
Increase (decreas) in current liabilities		
Accounts payable	(24,574)	23,529
Net Cash Provided (Used) by Operating Activities	<u>15,466</u>	<u>(34,620)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(85,050)	(200,940)
Proceeds from sale of investments	92,979	22,488
Net Cash Provided (Used) by Investing Activities	<u>7,929</u>	<u>(178,452)</u>
Increase (Decrease) in Cash and Cash Equivalents	23,395	(213,072)
Beginning cash and cash equivalents	174,081	387,153
Ending Cash and Cash Equivalents	<u>\$ 197,476</u>	<u>\$ 174,081</u>

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

For the Years Ended August 31, 2020 and 2019

NOTE 1—Reporting Entity

Alvin Community College (the “College”) was established in 1948, in accordance with the laws of the State of Texas, (the “State”) to serve the educational needs of the City of Alvin 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.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statement No. 14 and No. 34*, modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. GASB Statement No. 61 has been applied as required in the preparation of these basic financial statements and, accordingly, the Alvin Community College Foundation (the “Foundation”) is considered a component unit of the College as of August 31, 2020 and 2019. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further discussed below.

The Foundation is a separate nonprofit organization, with the sole purpose of supporting the educational and other activities of the College. The Foundation reports its financial results under the standards of the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2020 and 2019. The costs of these services were not significant to the College.

NOTE 2—Summary of Significant Accounting Policies

Reporting Guidelines

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

Basis of Accounting

The basic financial statements of the College have been prepared on the accrual basis of accounting 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.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Net Position

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 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 net position – expendable: Restricted expendable net position includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Restricted net position – nonexpendable: Restricted nonexpendable net position is subject to externally imposed provisions that it be maintained permanently by the College.

Unrestricted net position: Unrestricted net position represents resources derived from student tuition and fees, State allocations, 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 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.

Operating and Nonoperating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations and are the result of exchange transactions with those who purchase, use, or directly benefit from the goods or services of the College. Operating revenues are reported gross of related expenses and net of any discount or sales allowance. The principal operating revenues are tuition and related fees (net of discounts); sales and services of auxiliary enterprises (net of discounts); and Federal, State, and local grants and contracts.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue including State appropriations, Title IV financial aid, property taxes, and investment income.

Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. Nonoperating expenses consist of interest and fiscal agent fees from capital-related debt.

Budgetary Data

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

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 maturities of three months or less from the date of acquisition.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the College's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

At the fund level, the College has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest-earning contracts, such as certificates of deposit, are reported at cost.

Inventories

Inventories consist of bookstore stock and food service items. Inventories are valued at cost and charged to expenses as sold.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Capital Assets

Capital assets are recorded at cost at the date of acquisition. Donated capital assets are recorded at acquisition value at the date of donation. The College capitalizes all furniture and equipment with a unit cost equal to or greater than \$5,000 and an estimated useful life in excess of one year. Renovations of \$100,000 or greater to buildings and facilities and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets and is not allocated to the functional expense categories. The following lives are used:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings and improvement	50 years
Facilities and improvements	20 years
Library books	15 years
Furniture and equipment	10 years
Telecommunications equipment	5 years

Collections

The College has not capitalized its collection of art as it is considered immaterial to the College's financial position.

Unearned Revenues

Unearned revenues, primarily consisting of tuition and fees, relate to academic terms in the next fiscal year and, as such, have been deferred.

Tuition Discounting

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

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Bond Premiums and Issuance Costs

Premiums received are amortized over the term of the related bond. Costs incurred in connection with bond issuances are expensed as incurred.

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (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 the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits

The fiduciary net position of the Texas Employees Group Benefits Program (GBP) 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 OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from the GBP fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Estimates

The preparation of the basic financial statements in conformity 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. Actual results could differ from those estimates.

Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a) (2) (8), *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, 2020 and 2019 and, therefore, has not recorded a liability for income taxes.

Reclassifications

Certain prior year amounts have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Net Position Flow Assumption

Sometimes the College will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the College's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 3—Authorized Investments

The Board of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (the “Act”) (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board investment policy and the Act. The College is authorized to invest in obligations and instruments as follows: (1) obligations of the United States and 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.

NOTE 4—Deposits and Investments

Deposits

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the College’s deposits may not be returned to it. The College’s investment policy requires pledging of collateral for all bank balances in excess of Federal Deposit Insurance Corporation (FDIC) limits at a minimum of 102 percent of market value. As of August 31, 2020 and 2019, the College’s cash and cash equivalents balances were either insured or collateralized, and thus not exposed to custodial credit risk.

Cash and cash equivalents reported on the Statements of Net Position consist of the items reported below at August 31:

	2020	2019
Cash and cash equivalents:		
Bank deposits - demand deposits	\$ 1,592,361	\$ 1,886,257
Petty cash	16,449	16,955
Total Cash and Cash Equivalents	\$ 1,608,810	\$ 1,903,212

Investments

As of August 31, 2020, the College had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 13,650,000	0.43
TexSTAR	19,987,530	0.06
Total Fair Value	\$ 33,637,530	
Portfolio weighted average maturity		0.21

As of August 31, 2020 and 2019, the College held certificates of deposit of \$13,650,000 and \$12,450,000 respectively. For the current fiscal year, all \$13,650,000 was classified as noncurrent investments.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the College limits its exposure to interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools. Unless matched to a specific cash flow, the College may not directly invest in securities maturing more than three years from the date of purchase, with repurchase agreements limited to a maturity no longer than 120 days from the date of purchase.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Credit risk - The College limits its exposure to credit risk, the risk that the insurer of the debt security will not pay its par value upon maturity, by limiting investments to the safest types of securities; prequalifying the financial institutions, brokers dealers, intermediaries, and advisers with whom the College does business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized. In addition, the College's investment policy requires pledging of collateral for all securities at a minimum of 102 percent of market value.

Concentration risk – The College limits its exposure to concentration risk, the risk of loss attributable to the magnitude of investment in a single issuer, through portfolio diversification. The College's investment policy has the following maximum limits, by authorized instrument, for the College's total portfolio: U.S. Treasury securities – 100 percent, certificates of deposit – 100 percent, money market mutual funds – 75 percent, mutual funds – 50 percent, agencies and instrumentalities – 75 percent, repurchase agreements (with the exception of flexible repurchase agreements) – 50 percent, authorized investment pools – 100 percent, commercial paper – 25 percent, and flexible repurchase agreements - 100 percent.

TexSTAR

The Texas Short-Term Asset Reserve Fund (TexSTAR) is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Act. TexSTAR was created in April 2002 by contract among its participating governmental units and is governed by a board of directors. JPMorgan Fleming Asset Management (USA), Inc. and First Southwest Asset Management, Inc. act as co-administrators, providing investment management services, participant services, and marketing. JPMorgan Chase Bank and/or its subsidiary, J.P. Morgan Investor Services, Inc., provide custodial, transfer agency, fund accounting, and depository services.

TexSTAR is measured at amortized cost. TexSTAR's strategy is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The College has no unfunded commitments related to TexSTAR. TexSTAR has a redemption notice period of one day and may redeem daily. TexSTAR's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national or state emergency that affects TexSTAR's liquidity.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 5–Disaggregation of Accounts Receivable

Accounts receivable were as follows at August 31:

	<u>2020</u>	<u>2019</u>
Student receivable	\$ 1,735,867	\$ 1,664,509
Taxes receivable	502,356	473,737
Interest receivable	27,613	53,084
Federal receivable	1,123,589	208,168
State receivable	209,483	168,329
Sponsor receivable	143,285	257,571
ACC Foundation	21,162	45,736
Total accounts receivable	<u>3,763,355</u>	<u>2,871,134</u>
Less allowance for doubtful accounts	<u>(357,532)</u>	<u>(393,171)</u>
Total Accounts Receivable, Net	\$ 3,405,823	\$ 2,477,963

NOTE 6–Disaggregation of Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities were as follows at August 31:

	<u>2020</u>	<u>2019</u>
Accrued payroll	\$ 8,395	\$ 15,077
Vendors payable	1,308,695	978,785
Sales tax payable	28,366	32,041
Total Accounts Payable and Accrued Liabilities	\$ 1,345,456	\$ 1,025,903

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 7—Capital Assets

Capital asset activity for the year ended August 31, 2020 was as follows:

	Balance September 1, 2019	Additions	Deletions/ Adjustments	Balance August 31, 2020
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	17,263	5,026,499	-	5,043,762
Subtotal	<u>511,391</u>	<u>5,026,499</u>	<u>-</u>	<u>5,537,890</u>
Other capital assets:				
Buildings and improvements	35,794,384	-	-	35,794,384
Facilities and improvements	4,674,820	74,592	-	4,749,412
Furniture and equipment	6,489,410	597,668	-	7,087,078
Telecommunications equipment	1,947,483	74,345	-	2,021,828
Library books	345,298	6,225	-	351,523
Subtotal	<u>49,251,395</u>	<u>752,830</u>	<u>-</u>	<u>50,004,225</u>
Less accumulated depreciation:				
Buildings and improvements	14,388,218	640,024	-	15,028,242
Facilities and improvements	2,512,626	127,080	-	2,639,706
Furniture and equipment	4,350,476	443,060	-	4,793,536
Telecommunications equipment	1,774,882	69,524	-	1,844,406
Library books	271,867	11,036	-	282,903
Total accumulated depreciation	<u>23,298,069</u>	<u>1,290,724</u>	<u>-</u>	<u>24,588,793</u>
Net Capital Assets	<u>\$ 26,464,717</u>	<u>\$ 4,488,605</u>	<u>\$ -</u>	<u>\$ 30,953,322</u>

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Capital asset activity for the year ended August 31, 2019 was as follows:

	Balance September 1, 2018	Additions	Deletions/ Adjustments	Balance August 31, 2019
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	-	17,263	-	17,263
Subtotal	<u>494,128</u>	<u>17,263</u>	<u>-</u>	<u>511,391</u>
Other capital assets:				
Buildings and improvements	35,786,314	8,070	-	35,794,384
Facilities and improvements	4,627,585	47,235	-	4,674,820
Furniture and equipment	6,248,659	396,785	(156,034)	6,489,410
Telecommunications equipment	1,823,415	124,068	-	1,947,483
Library books	331,130	14,168	-	345,298
Subtotal	<u>48,817,103</u>	<u>590,326</u>	<u>(156,034)</u>	<u>49,251,395</u>
Less accumulated depreciation:				
Buildings and improvements	13,748,339	639,879	-	14,388,218
Facilities and improvements	2,374,748	137,878	-	2,512,626
Furniture and equipment	4,062,836	417,340	(129,700)	4,350,476
Telecommunications equipment	1,699,946	74,936	-	1,774,882
Library books	267,390	4,477	-	271,867
Total accumulated depreciation	<u>22,153,259</u>	<u>1,274,510</u>	<u>(129,700)</u>	<u>23,298,069</u>
Net Capital Assets	<u>\$ 27,157,972</u>	<u>\$ (666,921)</u>	<u>\$ (26,334)</u>	<u>\$ 26,464,717</u>

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 8—Long-Term Liabilities

Long-term liabilities activity for the year ended August 31, 2020 was as follows:

	<u>Balance September 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance August 31, 2020</u>	<u>Current Portion</u>
Bonds and Notes:					
General obligation refunding bonds - 2012	\$ 8,690,000	\$ -	\$ (1,230,000)	\$ 7,460,000	\$ 1,365,000
General obligation refunding bonds - 2013	55,000	-	(55,000)	-	-
Tax notes - 2018	21,870,000	-	(705,000)	21,165,000	745,000
Deferred amounts:					
For premiums	3,219,989	-	(291,259)	2,928,730	-
	<u>33,834,989</u>	<u>-</u>	<u>(2,281,259)</u>	<u>31,553,730</u>	<u>2,110,000</u>
Other liabilities:					
Net pension liability	9,552,204	44,501	-	9,596,705	-
Net OPEB liability	23,714,289	3,181,265	-	26,895,554	-
Compensated absences	414,719	350,123	(236,136)	528,706	301,039
Total Long-Term Liabilities	<u>\$ 67,516,201</u>	<u>\$ 3,575,889</u>	<u>\$ (2,517,395)</u>	<u>\$ 68,574,695</u>	<u>\$ 2,411,039</u>

Long-term liabilities activity for the year ended August 31, 2019 was as follows:

	<u>Balance September 1, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance August 31, 2019</u>	<u>Current Portion</u>
Bonds:					
General obligation refunding bonds - 2012	\$ 8,690,000	\$ -	\$ -	\$ 8,690,000	\$ 1,230,000
General obligation refunding bonds - 2013	1,265,000	-	(1,210,000)	55,000	55,000
Tax notes - 2018	22,565,000	-	(695,000)	21,870,000	705,000
Deferred amounts:					
For premiums	3,511,248	-	(291,259)	3,219,989	-
	<u>36,031,248</u>	<u>-</u>	<u>(2,196,259)</u>	<u>33,834,989</u>	<u>1,990,000</u>
Other liabilities:					
Net pension liability	5,761,792	3,790,412	-	9,552,204	-
Net OPEB Liability	28,072,469	-	(4,358,180)	23,714,289	-
Compensated absences	428,516	335,303	(349,100)	414,719	337,860
Exit incentive liability	327,043	-	(327,043)	-	-
Total Long-Term Liabilities	<u>\$ 70,621,068</u>	<u>\$ 4,125,715</u>	<u>\$ (7,230,582)</u>	<u>\$ 67,516,201</u>	<u>\$ 2,327,860</u>

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 9—Bonds and Notes Payable

General information related to bonds payable is summarized as follows:

Limited Tax Refunding Bonds, Series 2012

- To advance refund \$8,750,000 of the limited tax, series 2005 bonds and to pay the costs of issuing the bonds.
- Issued April 1, 2012.
- Original amount of issue – \$8,690,000, with all authorized bonds issued.
- Interest rates range from 3.5 percent to 5.0 percent.
- Due in semiannual installments each February 15 and August 15, with interest payments beginning August 15, 2012 and principal payments beginning February 15, 2020, and the final installment due February 15, 2025.
- Source of revenue for debt service – annual ad valorem taxes.
- Outstanding bonds payable of \$7,460,000 at August 31, 2020.

Tax Notes, Series 2018

- To provide capital for additional construction and improvements around the campus.
- Issued August 15, 2018.
- Interest rates range from three percent to five percent.
- Due in semiannual installments each February 15 and August 15, with the first principal and interest payment being due February 15, 2019.
- Source of revenue for debt service – annual ad valorem taxes.
- Outstanding bonds payable of \$21,165,000 at August 31, 2020.

Bond and Note Debt Service Requirements

The bond and note debt service requirements for the next five years and five-year increments thereafter are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,110,000	\$ 1,314,656	\$ 3,424,656
2022	2,210,000	1,211,775	3,421,775
2023	2,320,000	1,104,150	3,424,150
2024	2,420,000	1,002,937	3,422,937
2025	2,515,000	903,300	3,418,300
2026-2030	5,290,000	3,627,500	8,917,500
2031-2035	6,790,000	2,125,000	8,915,000
2036-2038	4,970,000	381,000	5,351,000
Total	\$ 28,625,000	\$ 11,670,318	\$ 40,295,318

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Arbitrage Liability

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is a risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the College could result. The College periodically engages an arbitrage consultant to perform the calculations in accordance with IRS rules and regulations and the arbitrage liability is adjusted accordingly.

NOTE 10—Employee Retirement Plans

The College's employees may participate in one of three retirement plans. Faculty, administrators, counselors, and librarians may enroll in either TRS or the Optional Retirement Plan (ORP). Secretarial and clerical employees participate in TRS and part-time employees not enrolled in either TRS or ORP participate in the Alvin Community College Money Purchase Plan (the "Money Purchase Plan"). The total payroll for all College employees was \$23,752,596 and \$23,118,852 for the fiscal years ended August 31, 2020 and 2019, respectively.

Teacher Retirement System

Plan Description

The College participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by TRS. It is a defined benefit pension plan 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.

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.

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.trs.texas.gov/TRS%20Documents/cafr2019.pdf, selecting *About TRS*, then *Publications*, then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in the State. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost-of-living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS's 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.

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (SB12) that provides for gradual contribution increase from the State, participating employers, and active employees to make TRS actuarially sound. This action causing TRS to be actuarially sound allowed the Legislature to approve funding for a thirteenth check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

Contributions

Contribution requirements are 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 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			
Fiscal Year	State	Public Education Employer*	Active Employee
2019	6.80%	1.50%	7.70%
2020	7.50%	1.50%	7.70%
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

*SB 12 requires an increase in employer contributions by public school districts, charter schools, and regional education service centers. Prior to SB12, only those employers not participating in Social Security were required to pay a 1.5% contribution. Beginning September 1, 2019, all employers are required to pay the Public Education Employer Contribution irrespective of participation in Social Security.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

	Contribution Rates	
	2019	2020
Member	7.7%	7.7%
NECE (State)	6.8%	7.5%
Employers	6.8%	7.5%

	Measurement Year (2019)	Fiscal Year (2020)
	Employer contributions	\$ 646,164
Member contributions	\$ 1,222,702	\$ 1,341,039
NECE on-behalf contributions	\$ 437,221	\$ 1,231,980

Contributors to TRS include members, employers, and the State as the only nonemployer contributing entity (NECE). 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 GAA.

As the NECE for public education and junior colleges, the State 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. Employers (public school, junior college, other entities, or the State as the employer for senior universities and medical schools) are required to pay the employer 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 any part or all of an employee’s salary is paid by federal funding sources, a privately sponsored source, from noneducational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS 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.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to TRS beginning in fiscal year 2020. This contribution rate, called the Public Education Employer Contribution (PEEC), will replace the Non-Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program surcharge that was in effect in fiscal year 2019.

In addition to the employer contributions listed above, there are two additional surcharges to which an employer is subject:

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the OASDI Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced by the PEEC explained above.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected rate	7.25%
Municipal bond rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Last year ending August 31 in projection period (100 years)	2116
Inflation	2.30%
Salary increases	3.05% to 9.05%, including inflation
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2018. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 9, 2018.

Discount Rate

The single discount rate of 7.25% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in the fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, TRS' fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS investments was determined using a building-block method in which best-estimates 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.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Best estimates of arithmetic real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2019 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2019

Asset Class	Fiscal Year 2019 Target Allocation (1)	New Target Allocation (2)	Long-Term Expected Geometric Real Rate of Return (3)
Global Equity			
U.S.	18.0%	18.0%	6.4%
Non-U.S. Developed	13.0%	13.0%	6.3%
Emerging Markets	9.0%	9.0%	7.3%
Directional Hedge Funds	4.0%	-	-
Private Equity	13.0%	14.0%	8.4%
Stable Value			
U.S. Treasuries (4)	11.0%	16.0%	3.1%
Stable Value Hedge Funds	4.0%	5.0%	4.5%
Absolute Return	-	-	-
Real Return			
Global Inflation-Linked Bonds (4)	3.0%	-	-
Real Assets	14.0%	15.0%	8.5%
Energy, Natural Resources, and Infrastructure	5.0%	6.0%	7.3%
Commodities	-	-	-
Risk Parity			
Risk Parity	5.0%	8.0%	5.8%/6.5% (5)
Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage	-	-6.0%	2.7%
Total	<u>100.0%</u>	<u>100.0%</u>	<u>7.2%</u>

- (1) Target allocations are based on the Strategic Asset Allocation as of fiscal year 2019.
- (2) New allocations are based on the Strategic Asset Allocation to be implemented fiscal year 2020.
- (3) Ten-year annualized geometric nominal returns include the real rate of return and inflation of 2.1%.
- (4) New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds.
- (5) 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability (NPL) if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the NPL:

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability	\$ 14,751,530	\$ 9,596,705	\$ 5,420,302

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At August 31, 2020, the College reported a liability of \$9,596,705 for its proportionate share of the TRS's NPL. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$ 9,596,705
State's proportionate share that is associated with the College	6,493,802
Total	\$ 16,090,507

The NPL was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the TPL used to calculate the NPL was determined by an actuarial valuation as of August 31, 2018 rolled forward to August 31, 2019. The College's proportion of the NPL was based on the College's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2018 through August 31, 2019.

At August 31, 2020, the College's proportion of the collective NPL was 0.0184612%, which was an increase of 0.0011069% from its proportion measured as of August 31, 2019.

Changes Since the Prior Actuarial Valuation

- The single discount rate as of August 31, 2018 was a blended rate of 6.907% and that has changed to the long-term rate of return of 7.25% as of August 31, 2019.
- With the enactment of Senate Bill 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.
- The Texas Legislature approved funding for a thirteenth check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

For the year ended August 31, 2020, the District recognized pension expense of \$1,020,085 and revenue of \$1,020,085 for support provided by the State.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

At August 31, 2019, 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:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual economic experience	\$ 40,315	\$ 333,213
Changes in actuarial assumptions	2,977,369	1,230,390
Net difference between projected and actual investment earnings	96,362	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	461,739	347,403
Contributions paid to TRS subsequent to the measurement date	763,820	-
Total	\$ 4,339,605	\$ 1,911,006

The net amounts of the College's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense
2021	\$ 264,156
2022	179,639
2023	544,115
2024	540,766
2025	200,617
Thereafter	(64,514)
Total	\$ 1,664,779

Optional Retirement Plan

Plan Description-The State has also established an ORP for institutions of higher education. Participation in an ORP is in lieu of participation in TRS. The ORP provides for the purchase of annuity contracts and operates under the provisions of 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. For fiscal years 2020 and 2019, the percentage of participant salaries contributed by the State and each participant was 6.60 percent of annual compensation. For employees who were employed as of September 1, 1995, the College contributed 1.9 percent for fiscal years 2020 and 2019 of annual compensation. Benefits are fully vested after one year plus one day of employment. Because these are individual annuity contracts, neither the State nor the College has an additional or unfunded liability for this program. SB 1812, effective September 1, 2013, limits the amount of the State's contribution to 50 percent of eligible employees in the reporting district.

The ORP retirement expense to the State for the College was \$127,649, \$142,362, and \$165,008 for fiscal years 2020, 2019, and 2018, respectively. These amounts represent the portion of expended appropriations made by the State Legislature on behalf of the College.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

The total payroll for all College employees was \$23,752,596, \$23,118,852, and \$22,650,134 for fiscal years 2020, 2019, and 2018, respectively. The total payroll of employees covered by the ORP was \$3,884,209, \$4,328,967, and \$5,016,362 for fiscal years 2020, 2019, and 2018, respectively.

Alvin Community College Money Purchase Plan

The Money Purchase Plan is a defined contribution plan created in accordance with the Internal Revenue Code Section 401(a) and is available to eligible, part-time employees of the College. Under the Money Purchase Plan, employees may contribute 6.2 percent of their total gross earnings and the College contributes 1.3 percent of the participant's total gross earnings. Benefits are immediately vested. The total payroll of employees covered by the Money Purchase Plan was \$1,743,682, and \$4,003,256 for the years ended August 31, 2020 and 2019, respectively. Contributions made by the College during the years ended August 31, 2020 and 2019 were approximately \$22,668 and \$52,042, respectively.

NOTE 11—Postemployment Health Care and Life Insurance Benefits

Plan Description

The College participates in a cost-sharing, multiple-employer, OPEB plan with a special funding situation. The GBP is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment 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 those benefits if they reach normal retirement age while working for the State and retire with at least 10 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 GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report that includes financial statements, notes to the financial statements, and Required Supplementary Information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; by writing to ERS at 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of GBP has been determined using the same basis used by the OPEB plan.

Benefits Provided

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of GBP members and the participating employers are established and may be amended by the ERS Board of Trustees (the “Board”). The employer and member contribution rates are determined annually by the ERS Board 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 Board revises benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

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 College does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the NECE, the State pays part of the premiums for the junior and community colleges.

		Maximum Monthly Employer Contribution
		Fiscal Year 2020
Retiree Only	\$	625
Retiree and Spouse	\$	1,341
Retiree and Children	\$	1,104
Retiree and Family	\$	1,820

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

Premium Contributions by Source		
Group Benefits Program Plan		
For the Years Ended August 31, 2019 and 2018		
	2019	2018
Employer contributions	\$ 401,284,833	\$ 307,028,461
Member contributions	209,836,664	203,123,120
NECE on-behalf contributions	20,182,872	16,585,270
Total	\$ 631,304,369	\$ 526,736,851

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2019 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2019
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Marked to Market. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by subsequent gains or losses.
Discount rate	2.97%
Salary increases	2.50% to 9.5%, including inflation
Aggregate payroll growth	3.00%
Inflation	2.5%
Ad hoc post-employment benefit changes	None
Healthcare cost trend rates:	
HealthSelect	7.30% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 50 basis points per year to an ultimate rate of 4.50% for FY28 and later years.
HealthSelect Medicare Advantage	10.80% for FY21, 7.40% for FY22, 7.00% for FY23, decreasing 50 basis points per year to an ultimate rate of 4.50% for FY28 and later years.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2017, through August 31, 2018 for higher education members.

Investment Policy

The GBP is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The Board adopted the amendment to the investment policy in August 2017 to require that all funds in the GBP be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4 percent.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.51 percent. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.96 percent, which amounted to an increase of 0.45 percent. 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 bond's average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's AA rating. Projected cash flows into the GBP are equal to projected benefit payments out of the GBP. Because the GBP operates on a pay-as-you-go basis and is not intended to

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

accumulate assets, there is no long-term expected rate of return on GBP assets and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.97%)	Discount Rate (2.97%)	1% Increase in Discount Rate (3.97%)
College's proportionate share of the net OPEB liability	\$ 32,094,764	\$ 26,895,554	\$ 7,331,601

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 7.3 percent and the ultimate rate is 4.5 percent. The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
College's proportionate share of the net OPEB liability	\$ 22,583,961	\$ 26,895,554	\$ 32,529,824

OPEB Liability

OPEB Expense and Deferred Outflows/Deferred Inflows of Resources Related to OPEB- At August 31, 2020, the College reported a liability of \$26,895,554 for its proportionate share of the GBP's net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. 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:

College's proportionate share of the collective net pension liability	\$ 26,895,554
State's proportionate share that is associated with the College	20,783,555
Total	\$ 47,679,109

The net OPEB liability was measured as of August 31, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on the College's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At the measurement date of August 31, 2019, the College's proportion of the collective net OPEB liability was 0.0778168 percent, which was a decrease of 0.0021971 percent compared to the proportion measured as of August 31, 2018.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

For the fiscal year ended August 31, 2020, the College recognized OPEB expense of \$1,640,429 and revenue of \$1,640,429 for support provided by the State.

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

- 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 our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future male retirees assumed to be married and electing coverage for their spouse and the percentage of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was changed from 3.96% as of August 31, 2018 to 2.97% as of August 31, 2019 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 rate AA/Aa (or equivalent) or higher in effect on the measurement date.

There were no changes in benefit terms since the prior measurement date.

At August 31, 2020, the College reported its proportionate share of the GBP's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Of Resources
Net difference between projected and actual investment earnings	\$ 11,058	\$ -
Changes in assumptions	1,914,014	6,010,137
Difference between expected and actual experience	-	699,846
Effect of change in proportion and contributions difference	1,572,166	-
Contributions paid to GBP subsequent to the measurement date	2,454,201	-
Total	\$ 5,951,439	\$ 6,709,983

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

The net amounts of the College’s balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended August 31	OPEB Expense
2021	\$ (1,468,947)
2022	(1,468,947)
2023	(731,497)
2024	152,545
2025	304,101
Thereafter	-
Total	\$ (3,212,745)

NOTE 12–Compensated Absences

Compensated absences represent the liability associated with vacation benefits and compensatory time earned but not yet taken by employees of the College. The expense associated with vacation benefits and compensatory time benefits earned is recognized in the periods in which the associated employee services are rendered. Full-time employees earn annual leave at the rate of eight hours per month (September through May). No employee may accrue more than 192 hours of vacation benefits and, upon termination, an employee is paid for vacation benefits and accrued compensatory time (if compensatory time is applicable). As of August 31, 2020 and 2019, the College had an accrued vacation and compensated time liability of \$528,706 and \$414,719, respectively.

Sick leave is earned at the rate of ten hours per month with a limit of 720 hours. It is paid to an employee who misses work because of illness. Unused accrued sick leave is forfeited upon termination of employment with the College. Therefore, no accrued liability has been recorded for sick leave.

NOTE 13–Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of accounting principles generally accepted in the United States of America. Revenues are recognized on Exhibit 2 and Schedule A. Contract and grant awards for which funds are expended, but not collected, are reported as receivables on Exhibit 1. Contract and grant awards that are not yet funded and for which the College has not yet performed services are not included in the basic financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2020 and 2019 for which monies have not been received nor funds expended totaled \$6,864,001 and \$8,865,928, respectively. Of these amounts, \$6,809,560 and \$7,532,878 were from Federal contract and grant awards and \$54,441 and \$1,332,050 were from State contract and grant awards for fiscal years 2020 and 2019, respectively.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 14—Property Taxes

The College’s ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the tax area of the College. Property taxes are recorded on the accrual basis of accounting.

At August 31:

	2020	2019	
Assessed valuation of the tax district	\$ 12,699,707,978	\$ 11,170,889,617	
Less exemptions	(1,467,122,613)	(1,170,941,962)	
Net Assessed Valuation of the Tax District	\$ 11,232,585,365	\$ 9,999,947,655	
	Maintenance & Operations	Debt Service	Total
For fiscal year 2020:			
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$ 0.171438	\$ 0.014424	\$ 0.185862
For fiscal year 2019:			
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$ 0.171802	\$ 0.015973	\$ 0.187775

Taxes levied for the years ended August 31, 2020 and 2019 were \$20,848,634 and \$18,777,402, respectively. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, ad valorem taxes are imposed nonexchange revenue. Assets from imposed nonexchange 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. Accordingly, the College has recognized all assessed taxes and recorded a receivable for uncollected taxes.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

For the year ended August 31, 2020:

	Maintenance & Operations	Debt Service	Total
Taxes collected:			
Current taxes collected	\$ 19,045,031	\$ 1,602,356	\$ 20,647,387
Delinquent taxes collected	227,145	21,890	249,035
Penalties and interest collected	180,875	15,944	196,819
Total Taxes Collected	\$ 19,453,051	\$ 1,640,190	\$ 21,093,241

For the year ended August 31, 2019:

	Maintenance & Operations	Debt Service	Total
Current taxes collected	\$ 16,926,366	\$ 1,573,770	\$ 18,500,136
Delinquent taxes collected	265,124	24,934	290,058
Penalties and interest collected	105,221	10,265	115,486
Total Taxes Collected	\$ 17,296,711	\$ 1,608,969	\$ 18,905,680

Tax collections for both years ended August 31, 2020 and 2019 were 99 percent of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to maintenance and operations and debt service.

NOTE 15—Contingent Liabilities

Legal Matters

The College is involved in various legal proceedings arising from its operations. While the ultimate liability with respect to litigation against the College cannot be reasonably estimated at this time, management of the College believes that the outcome of these proceedings, individually and in the aggregate, will have no material effect on the College's financial position.

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 of expenditures, if any, which may be disallowed by the grantor agencies cannot be determined at this time, although management of the College expects such amounts, if any, to be immaterial.

NOTE 16—Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the College maintains general liability insurance through a commercial insurance company. Workers' compensation coverage is obtained through the Deep East Texas Self-Insurance Fund program. This interlocal agreement permits public entities to enter into agreements with other public entities in the interest of cooperatively sharing resources for their mutual benefit. The College has no additional risk beyond the amount of the monthly premiums. The College has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2020 and 2019

NOTE 17—Alvin Community College Foundation

The Foundation is a separate nonprofit organization, with the sole purpose of supporting the educational and other activities of the College. The Foundation remitted restricted and unrestricted funds of \$155,457 and \$182,396 to the College for the years ended August 31, 2020 and 2019, respectively. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2020 and 2019. The costs of these services were not significant to the College.

NOTE 18—Contingency

The continued spread of the COVID-19 pandemic has given a rise in uncertainties that may have a significant negative impact on the operating activities and results of the College. The occurrence and extent of such impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

ALVIN COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
For the Year Ended August 31, 2020

	Measurement Year*			
	2019	2018	2017	2016
College's proportion of the net pension liability	0.0184612%	0.0173543%	0.0180199%	0.0174550%
College's proportionate share of the net pension liability	\$ 9,596,705	\$ 9,552,204	\$ 5,761,792	\$ 6,596,001
State's proportionate share of the net pension liability associated with the College	6,493,802	6,638,482	3,445,635	4,058,819
Total	\$ 16,090,507	\$ 16,190,686	\$ 9,207,427	\$ 10,654,820
College's covered payroll	\$ 15,879,248	\$ 14,693,013	\$ 13,845,409	\$ 13,103,730
College's proportionate share of the net pension liability as a percentage of its covered payroll	60.44%	65.01%	41.62%	50.34%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%

* Only six years' worth of information is currently available.

Notes to Required Supplementary Information:

Changes in Assumptions: There were changes in assumptions that affected measurement of the total pension liability (TPL) during the measurement period.

The TPL as of August 31, 2019 was developed using a roll-forward method from the August 31, 2018 valuation.

With the enactment of SB3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

The discount rate changed from 6.907% as of August 31, 2018 to 7.25% as of August 31, 2019.

Changes in Benefits: There were no changes of benefit terms that affected measurement of the TPL during the measurement period.

Measurement Year*

<u>2015</u>	<u>2014</u>
0.0179298%	0.0192277%
\$ 6,337,945	\$ 5,135,984
4,361,258	3,574,251
<u>\$ 10,699,203</u>	<u>\$ 8,710,235</u>
\$ 13,147,582	\$ 12,097,591
48.21%	42.45%
78.43%	83.25%

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
For the Year Ended August 31, 2020

	Measurement Year*		
	2019	2018	2017
College's proportion of the net OPEB liability (asset)	0.0778168%	0.0800138%	0.0823892%
College's proportionate share of the net OPEB liability (asset)	\$ 26,895,554	\$ 23,714,289	\$ 28,072,469
State's proportionate share of the net OPEB liability (asset) associated with the College	20,783,555	17,463,813	19,717,014
Total	<u>\$ 47,679,109</u>	<u>\$ 41,178,102</u>	<u>\$ 47,789,483</u>
College's covered payroll	\$ 17,769,223	\$ 17,378,476	\$ 15,866,657
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	151%	136%	177%
Plan fiduciary net position as a percentage of the total OPEB liability	0.17%	1.27%	2.04%

* Only three years' worth of information is currently available.

Notes to Required Supplementary Information

Changes in assumptions for measurement year ended August 31, 2019 include (a) discount rate decreased from 3.96% to 2.97%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) percentage of male members assumed to be married and electing coverage for their spouse, (d) percentage of future retirees and future retiree spouses assumed to use tobacco and (e) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.

Changes in benefits terms since prior measurement year ended August 31, 2019 include (a) an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

Benefit payments include expenses directly related to the payment of benefits and are net of member contributions and federal revenues.

ALVIN COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)

Last 10 Fiscal Years
For the Year Ended August 31, 2020

	Fiscal Year			
	2020	2019	2018	2017
Contractually required contribution	\$ 763,820	\$ 633,412	\$ 580,282	\$ 589,585
Contributions in relations to the contractually required contribution	763,820	633,412	580,282	589,585
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 17,416,095	\$ 15,879,248	\$ 14,693,013	\$ 13,845,409
Contributions as a percentage of covered payroll	4.39%	3.99%	3.95%	4.26%

Fiscal Year

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 554,591	\$ 530,909	\$ 487,477	\$ 594,269	\$ 549,771	\$ 151,068
<u>554,591</u>	<u>530,909</u>	<u>487,477</u>	<u>594,269</u>	<u>549,771</u>	<u>151,068</u>
<u>\$ -</u>					
\$ 13,103,730	\$ 13,147,582	\$ 12,097,591	\$ 9,120,208	\$ 8,718,199	\$ 9,119,391
4.23%	4.04%	4.03%	6.52%	6.31%	1.66%

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
For the Year Ended August 31, 2020

	Fiscal Year*			
	2020	2019	2018	2017
Statutorily or contractually required College contributions	\$ 2,454,201	\$ 2,345,186	\$ 2,324,369	\$ 771,844
Contributions recognized by OPEB in relation to statutorily or contractually required contributions	2,454,201	2,345,186	2,324,369	771,844
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 18,403,129	\$ 17,769,223	\$ 17,378,476	\$ 15,866,657
Contributions as a percentage of covered payroll	13.34%	13.20%	13.37%	4.86%

* Only four years' worth of information is currently available.

(This page intentionally left blank.)

SUPPLEMENTAL SCHEDULES

ALVIN COMMUNITY COLLEGE

Schedule A

SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2020

(With Memorandum Totals For the Year Ended August 31, 2019)

	2020			Auxiliary Enterprises
	Educational Activities			
	Unrestricted	Restricted	Total	
Tuition				
State funded courses:				
In-district resident tuition	\$ 2,438,847	\$ -	\$ 2,438,847	\$ -
Out-of-district resident tuition	4,519,426	-	4,519,426	-
TPEG - credit (set aside) *	224,320	-	224,320	-
Nonresident tuition	378,090	-	378,090	-
State funded continuing education	964,041	-	964,041	-
TPEG - noncredit (set aside) *	56,411	-	56,411	-
Nonstate funded continuing education	221,847	-	221,847	-
Total Tuition	8,802,982	-	8,802,982	-
Fees				
General fees	1,226,229	-	1,226,229	-
Student service fees	-	-	-	254,610
Laboratory fees	237,418	-	237,418	-
Building use fees	495,476	-	495,476	-
Technology fees	839,047	-	839,047	-
Security fees	-	-	-	258,116
Other fees	945	-	945	-
Total Fees	2,799,115	-	2,799,115	512,726
Scholarship Allowances and Discounts				
Remissions and exemptions - State	(1,390,678)	-	(1,390,678)	-
Remissions and exemptions - local	-	-	-	(7,611)
TPEG allowances	(280,731)	-	(280,731)	-
Federal grants to students	(1,123,125)	-	(1,123,125)	-
Other	(136,515)	-	(136,515)	-
Total Scholarship Allowances and Discounts	(2,931,049)	-	(2,931,049)	(7,611)
Total Net Tuition and Fees	8,671,048	-	8,671,048	505,115

<u>2020</u>			
<u>Total</u>		<u>2019</u>	
\$ 2,438,847		\$ 2,290,526	
4,519,426		4,699,558	
224,320		229,602	
378,090		408,627	
964,041		828,356	
56,411		49,062	
221,847		98,189	
<u>8,802,982</u>		<u>8,603,920</u>	
1,226,229		1,461,364	
254,610		271,905	
237,418		262,063	
495,476		521,088	
839,047		890,120	
258,116		277,829	
945		1,782	
<u>3,311,841</u>		<u>3,686,151</u>	
(1,390,678)		(1,260,871)	
(7,611)		(7,422)	
(280,731)		(278,664)	
(1,123,125)		(1,746,996)	
(136,515)		(138,175)	
<u>(2,938,660)</u>		<u>(3,432,128)</u>	
<u>9,176,163</u>		<u>8,857,943</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING REVENUES, Continued
For the Year Ended August 31, 2020
(With Memorandum Totals For the Year Ended August 31, 2019)

Schedule A

	2020			
	Educational Activities			Auxiliary
	Unrestricted	Restricted	Total	Enterprises
Other Operating Revenues				
Federal grants and contracts	\$ -	\$ 1,617,662	\$ 1,617,662	\$ -
State grants and contracts	-	769,188	769,188	-
Nongovernmental grants and contracts	-	256,900	256,900	-
Total Other Operating Revenues	-	2,643,750	2,643,750	-
Auxiliary Enterprises				
Bookstore	-	-	-	1,427,671
Scholarships allowances and discounts	-	-	-	(246,332)
Net Bookstore	-	-	-	1,181,339
Child care center	-	-	-	236,282
Food services	-	-	-	5,131
Fitness center	-	-	-	15,392
Total Net Auxiliary Enterprises	-	-	-	1,438,144
Total Operating Revenues (Exhibit 2)	\$ 8,671,048	\$ 2,643,750	\$ 11,314,798	\$ 1,943,259

* In accordance with Texas Education Code 56.033, \$280,731 and \$278,664 of tuition was set aside for Texas Public Education Grants (TPEG) during fiscal years 2020 and 2019, respectively.

<u>2020</u>			
<u>Total</u>		<u>2019</u>	
\$ 1,617,662		\$ 1,722,095	
769,188		617,808	
256,900		18,064	
<u>2,643,750</u>		<u>2,357,967</u>	
1,427,671		1,517,588	
<u>(246,332)</u>		<u>(284,720)</u>	
1,181,339		1,232,868	
236,282		311,323	
5,131		8,059	
15,392		29,679	
<u>1,438,144</u>		<u>1,581,929</u>	
<u>\$ 13,258,057</u>		<u>\$ 12,797,839</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2020
(With Memorandum Totals For the Year Ended August 31, 2019)

Schedule B

	2020			
	Educational Activities			Other Expenses
	Salaries and Wages	Benefits		
		State	Local	
Unrestricted - Educational Activities				
Instruction	\$ 11,828,897	\$ -	\$ 2,027,922	\$ 846,221
Public service	64,264	-	11,627	43,450
Academic support	3,262,159	-	559,197	1,965,254
Student services	2,651,636	-	454,833	470,748
Institutional support	3,099,636	-	550,105	1,783,442
Operation and maintenance of plant	1,206,718	-	374,017	2,194,418
Total Unrestricted - Educational Activities	22,113,310	-	3,977,701	7,303,533
Restricted - Educational Activities				
Instruction	450,757	1,935,237	106,689	825,832
Public service	-	10,514	-	-
Academic support	343,223	533,697	74,565	114,515
Student services	88,218	433,814	-	25,651
Institutional support	-	507,108	-	-
Scholarships and fellowships	-	-	-	6,204,189
Total Restricted Educational Activities	882,198	3,420,370	181,254	7,170,187
Total Educational Activities	22,995,508	3,420,370	4,158,955	14,473,720
Auxiliary enterprises	522,576	-	161,291	1,177,491
Depreciation expense - buildings and other real estate improvements	-	-	-	767,104
Depreciation expense - equipment and furniture	-	-	-	523,620
Total Operating Expenses	<u>\$ 23,518,084</u>	<u>\$ 3,420,370</u>	<u>\$ 4,320,246</u>	<u>\$ 16,941,935</u>

<u>2020</u>			
<u>Total</u>		<u>2019</u>	
\$ 14,703,040		\$ 14,466,433	
119,341		162,096	
5,786,610		5,488,396	
3,577,217		3,549,168	
5,433,183		5,253,692	
3,775,153		3,500,201	
<u>33,394,544</u>		<u>32,419,986</u>	
3,318,515		2,384,557	
10,514		8,667	
1,066,000		797,914	
547,683		290,028	
507,108		262,876	
6,204,189		3,969,815	
<u>11,654,009</u>		<u>7,713,857</u>	
45,048,553		40,133,843	
1,861,358		1,996,449	
767,104		777,757	
523,620		496,753	
<u>\$ 48,200,635</u>		<u>\$ 43,404,802</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES

Schedule C

For the Year Ended August 31, 2020

(With Memorandum Totals For the Year Ended August 31, 2019)

	2020			Total
	Unrestricted	Restricted	Auxiliary Enterprises	
Nonoperating Revenues				
State appropriations:				
Education and general State support	\$ 7,774,939	\$ -	\$ -	\$ 7,774,939
State group insurance	-	1,726,468	-	1,726,468
State retirement matching	-	2,789,315	-	2,789,315
Total State Appropriations	7,774,939	4,515,783	-	12,290,722
Taxes for maintenance and operations	19,453,051	-	-	19,453,051
Taxes for debt service	-	1,640,190	-	1,640,190
Federal revenue, nonoperating	-	6,758,351	-	6,758,351
Investment income	101,677	407,723	40,182	549,582
Other nonoperating revenues	482,217	-	-	482,217
Total Nonoperating Revenues	27,811,884	13,322,047	40,182	41,174,113
Nonoperating Expenses				
Interest and fiscal agent fees	1,207,617	-	-	1,207,617
Loss on disposal of capital assets	-	-	-	-
Total Nonoperating Expenses	1,207,617	-	-	1,207,617
Nonoperating Revenues, Net	\$ 26,604,267	\$ 13,322,047	\$ 40,182	\$ 39,966,496

2019

\$ 7,933,237
1,781,880

1,922,271

11,637,388

17,296,711
1,608,969
5,248,502
918,389

668,710

37,378,669

1,274,737

10,095

1,284,832

\$ 36,093,837

ALVIN COMMUNITY COLLEGE

Schedule D

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

For the Year Ended August 31, 2020

	Detail by Source			Capital Assets Net of Depreciation and Related Debt
	Unrestricted	Restricted		
		Expendable	Nonexpendable	
Current				
Unrestricted	\$ (22,789,823)	\$ -	\$ -	\$ -
Auxiliary	-	2,068,934	-	-
Plant				
Investment in plant	-	-	-	19,387,122
Total Net Position, August 31, 2020	(22,789,823)	2,068,934	-	19,387,122
Total net position, August 31, 2019	(24,124,696)	109,879	-	17,657,132
Net Increase in Net Position	<u>\$ 1,334,873</u>	<u>\$ 1,959,055</u>	<u>\$ -</u>	<u>\$ 1,729,990</u>

<u>Detail by Source</u>	<u>Available for Current Operations</u>	
<u>Total</u>	<u>Yes</u>	<u>No</u>
\$ (22,789,823)	\$ (22,789,823)	\$ -
2,068,934	2,068,934	-
19,387,122	-	19,387,122
(1,333,767)	(20,720,889)	19,387,122
(6,357,685)	-	14,495,991
\$ 5,023,918	\$ (20,720,889)	\$ 4,891,131

(This page intentionally left blank.)



**INDEPENDENT AUDITORS' 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**

December 21, 2020

To the Board of Regents of
Alvin Community College:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the year ended August 31, 2020, 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 21, 2020.

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 the 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Texas Public Funds Investment Act

We have performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). During the year ended August 31, 2020, the results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and, accordingly, we do not express an opinion.

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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

December 21, 2020

To the Board of Regents of
Alvin Community College:

Report on Compliance for Each Major Federal and State Program

We have audited Alvin Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* 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, 2020. The College's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the College's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 *State of Texas Single Audit Circular*. Those standards, the Uniform Guidance, and the *State of Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the College complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

ALVIN COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2020

Federal Awards

2019.001 – RETURN OF TITLE IV FUNDS

Criteria

When a recipient of Title IV grant or loan assistance withdraws from the College during a payment period/period of enrollment, the College must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of the Title IV assistance earned by the student is less than the amount that was disbursed to the student as of the date of the College's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined by the U.S. Department of Education. The College is responsible for accurately calculating returns of the Title IV funds and the timely return of the applicable amounts determined in the calculations.

Condition

It was noted during the testing of Return of Title IV funds that 7 out of the 40 samples tested appeared to have incorrect calculations or questionable amounts.

Effect

The College was not in compliance with the calculation requirements for 7 of the 40 samples tested which resulted in an underpayment of \$1,748.36 of Return to Title IV funds. This is considered immaterial to the Student Financial Assistance Cluster and the basic financial statements of the College.

Cause

The calculation variances were either due to the incorrect withdraw date being used, lack of support for the withdraw date that was used, or the inconsistent application of institutional charges.

Question Costs

\$1,748.36 of costs are questioned as a result of the finding.

Context

A test of 40 calculations from a population of 261 was performed. 7 out of the 40 calculations, or 17.50 percent, had incorrect calculations or questionable amounts. The total disbursements related to the Return to Title IV population was \$458,153 for the reporting period. Our sample was a statistically valid sample.

Recommendation

The College should implement procedures that require the second review of both the withdraw date and the related calculations of Return to Title IV funds. In addition, the College should create documented procedures that outline the specific charges, for each situation (i.e. on-line courses, traditional courses, etc.), that will be included in the amount of institutional charges used in the calculations.

Status

Resolved

ALVIN COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2020

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the College.
2. No significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements were disclosed during the audit.

Federal Awards

4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. Major programs included:

<u>Name of Federal Program</u>	<u>Federal CFDA Number</u>
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
CARES ACT Cluster	
CARES ACT Higher Education Emergency Relief Fund – Institution	84.425F
CARES ACT Higher Education Emergency Relief Fund - IHEs	84.425E

7. The threshold for distinguishing Type A and B programs was \$750,000.
8. The College was classified as a low-risk auditee in the context of the Uniform Guidance.

State Awards

9. No significant deficiencies in internal control over major state award programs were disclosed by the audit.
10. The auditors' report on compliance for the major state award programs expresses an unmodified opinion.
11. Major programs included:

<u>Name of State Program</u>	<u>State Contract Number</u>
Skills Development Fund Cluster	
Industrial Consortium	2819SDF006
JET Grant Nursing	2820JET002

ALVIN COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended August 31, 2020

- 12. The threshold for distinguishing Type A and B programs was \$300,000.
- 13. The College was not classified as a low-risk auditee in the *State of Texas Single Audit Circular*.

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS– FEDERAL AWARDS

None

D. FINDINGS AND QUESTIONED COSTS – STATE AWARDS

None

ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2020

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>National Science Foundation</u>			
Pass-Through From:			
University of Houston:			
IUSE: HER: From Discovery to Market	47.076	R-18-0008	\$ 7,060
	Total National Science Foundation		<u>7,060</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A183951	189,960
Federal Work-Study Program	84.033	P033A183951	76,412
Federal Pell Grant Program	84.063	P063P182256	4,308,481
Federal Direct Student Loans	84.268	P268K192256	970,603
Higher Education Institutional Aid (STEM Grant)	84.031C	P031C160219	856,231
TRIO Cluster:			
TRIO Upward Bound	84.047	P047A170605	268,698
CARES ACT Cluster:			
CARES ACT Higher Education Emergency Relief Fund - Institution	84.425F	P425F203672	779,186
CARES ACT Higher Education Emergency Relief Fund - IHEs	84.425E	P425E202972	423,100
Pass-Through From:			
Texas Higher Education Coordinating Board:			
Career & Technical Education - Basic Grants to States	84.048	204202067120001	118,199
	Total U.S. Department of Education		<u>7,990,870</u>
<u>U.S. Department of Homeland Security</u>			
Pass-Through From:			
Texas Department of Public Safety			
Public Assistance Grant - Hurricane Harvey	97.036	FEMA-5332-DR-TX	7,969
	Total U.S. Department of Homeland Security		<u>7,969</u>
<u>U.S. Department of Labor</u>			
Pass-Through From:			
Texas Workforce Commission:			
Wagner Peyser	17.207	2818WPB002	25,541
Wagner Peyser	17.207	2820WPB001	221,545
Building Construction Trades Training Demonstration Project	17.258	2819WOS001	120,385
	Total U.S. Department of Labor		<u>367,471</u>
	Total Expenditures of Federal Awards		8,373,370
	Veterans Administration Chapter Benefits		2,643
	Total Federal Revenues		<u>\$ 8,376,013</u>

See accompanying notes to schedule of expenditures of Federal and State awards.

ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2020

Schedule F

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
CBMOE1 Reporting		\$ 2,000
Educational Aide	9146540M	3,285
Nursing Shortage Reduction Grant FY2019	9142111M	15,454
Nursing Shortage Reduction Grant under 70 FY2019	9141538M	46,717
Texas College Work Study	9145159M	9,449
TEOG formerly Texas Grant II	9050007G	181,180
Total Texas Higher Education Coordinating Board		<u>258,085</u>
Texas Workforce Commission:		
Skills Development Fund Cluster:		
Industrial Consortium	2819SDF006	330,411
JET Grant Nursing	2820JET002	180,692
Total Texas Workforce Commission		<u>511,103</u>
Total Expenditures of State Awards		<u><u>\$ 769,188</u></u>

See accompanying notes to schedule of expenditures of Federal and State awards.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2020

1. FEDERAL ASSISTANCE RECONCILIATION

Federal revenues:

Federal grants and contracts - per Schedule A	\$ 1,617,662
Federal revenue, nonoperating - per Schedule C	<u>6,758,351</u>
Total Federal Revenues	<u>\$ 8,376,013</u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULES

The schedules of expenditures of Federal and State awards (the "Schedules") present the activity of Federal and State financial assistance programs of the College for the year ended August 31, 2020. Federal financial assistance received directly from Federal agencies is included in these Schedules.

Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported previously represent funds which have been expended by the College for the purposes of the award during fiscal year 2020. The expenditures reported previously may not have been reimbursed by the funding agencies as of the end of fiscal year 2020. 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.

The College has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO FEDERAL AND STATE REPORTS

Differences between amounts reflected in the financial reports filed with grantor agencies for the programs and in the Schedules are due to different program year ends and accruals that will be reflected in the next report filed with the grantor agencies.

4. DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During the emergency period of COVID-19, federal agencies and recipients of federal assistance funds donated personal protective equipment (PPE) to non-federal entities. In connection with that donation, the recipient must disclose the estimated value of the donated PPE, but such amounts are not included in the SEFA. The College did not receive PPE donations during the reporting year.

(This page intentionally left blank.)

STATISTICAL INFORMATION
(Unaudited)

These statistical tables provide selected financial and demographic information.
The statistical tables are for informational purposes only and are not audited.

ALVIN COMMUNITY COLLEGE

SS-1

NET POSITION BY COMPONENT

Last 10 Years

(Amounts expressed in thousands)

	For the Fiscal Years Ended August 31,			
	2020	2019	2018	2017
Primary government				
Net investment in capital assets	\$ 19,387	\$ 17,657	\$ 16,433	\$ 15,105
Restricted - expendable	2,069	110	73	191
Unrestricted	(22,790)	(24,125)	(28,351)	(29,713)
Total Primary Government				
Net Position	\$ (1,334)	\$ (6,358)	\$ (11,845)	\$ (14,417)

For the Fiscal Years Ended August 31,

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 14,177	\$ 14,102	\$ 14,382	\$ 14,160	\$ 14,325	\$ 13,714
243	244	325	320	320	349
1,890	58	(413)	5,122	5,934	5,339
<u>\$ 16,310</u>	<u>\$ 14,404</u>	<u>\$ 14,294</u>	<u>\$ 19,602</u>	<u>\$ 20,579</u>	<u>\$ 19,402</u>

ALVIN COMMUNITY COLLEGE

SS-2

REVENUES BY SOURCE

Last Ten Fiscal Years

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

	2020	2019	2018	2017
Operating Revenues:				
Tuition and fees (net of discounts)	\$ 9,176	\$ 8,858	\$ 9,377	\$ 10,952
Governmental grants and contracts				
Federal grants and contract	1,618	1,722	1,414	827
State grants and contracts	769	618	296	1,833
Nongovernmental grants and contracts	257	18	15	34
Sales and services of educational revenues				
Auxiliary enterprises	1,438	1,582	1,737	1,611
Other operating revenues	-	-	-	-
Total Operating Revenues	13,258	12,798	12,839	15,257
Nonoperating Revenues:				
State appropriations	12,291	11,637	11,121	9,319
Ad valorem taxes	21,093	18,906	16,892	16,280
Federal revenue, nonoperating	6,758	5,249	4,942	5,247
Investment income	550	918	222	102
Other nonoperating revenues	482	668	676	607
Total Nonoperating Revenues	41,174	37,378	33,853	31,555
Total Primary Government Program Revenues	\$ 54,432	\$ 50,176	\$ 46,692	\$ 46,812

For the Fiscal Years Ended August 31,
(amounts expressed in percentages)

	2020	2019	2018	2017
Operating Revenues:				
Tuition and fees (net of discounts)	16.86%	17.65%	20.08%	23.40%
Governmental grants and contracts				
Federal grants and contract	2.97%	3.43%	3.03%	1.77%
State grants and contracts	1.41%	1.23%	0.63%	3.92%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%
Nongovernmental grants and contracts	0.47%	0.04%	0.03%	0.07%
Sales and services of educational revenues				
Auxiliary enterprises	2.64%	3.15%	3.72%	3.44%
Other operating revenues	0.00%	0.00%	0.00%	0.00%
Total Operating Revenues	24.36%	25.51%	27.50%	32.59%
Nonoperating Revenues:				
State appropriations	22.58%	23.19%	23.82%	19.91%
Ad valorem taxes	38.75%	37.68%	36.18%	34.78%
Federal revenue, nonoperating	12.42%	10.46%	10.58%	11.21%
Gifts	0.00%	0.00%	0.00%	0.00%
Investment income	1.01%	1.83%	0.48%	0.22%
Other nonoperating revenues	0.89%	1.33%	1.45%	1.30%
Total Nonoperating Revenues	75.64%	74.49%	72.50%	67.41%
Total Primary Government Program Revenues	100.00%	100.00%	100.00%	100.00%

**For the Fiscal Years Ended August 31,
(amounts expressed in thousands)**

2016	2015	2014	2013	2012	2011
9,966	\$ \$ 10,107	\$ 10,253	\$ 9,096	\$ 9,482	\$ 8,541
302	297	423	420	399	596
1,045	1,678	1,861	266	1,690	1,190
62	34	12	5	1	4
1,942	1,901	1,919	1,986	1,756	1,971
-	-	-	-	-	24
<u>13,317</u>	<u>14,017</u>	<u>14,468</u>	<u>11,773</u>	<u>13,328</u>	<u>12,326</u>
9,403	9,299	9,208	8,360	9,128	10,323
15,735	14,644	13,109	12,274	11,887	11,575
4,841	4,230	4,424	4,942	5,423	5,612
47	23	18	16	17	19
720	699	612	677	692	577
<u>30,746</u>	<u>28,895</u>	<u>27,371</u>	<u>26,269</u>	<u>27,147</u>	<u>28,106</u>
<u>\$ 44,063</u>	<u>\$ 42,912</u>	<u>\$ 41,839</u>	<u>\$ 38,042</u>	<u>\$ 40,475</u>	<u>\$ 40,432</u>

**For the Fiscal Years Ended August 31,
(amounts expressed in percentages)**

2016	2015	2014	2013	2012	2011
22.62%	23.55%	24.51%	23.91%	23.43%	21.12%
0.69%	0.69%	1.01%	1.10%	0.99%	1.47%
2.37%	3.91%	4.45%	0.70%	4.18%	2.94%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.14%	0.08%	0.03%	0.01%	0.00%	0.01%
4.41%	4.43%	4.59%	5.22%	4.34%	4.87%
0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
<u>30.22%</u>	<u>32.66%</u>	<u>34.58%</u>	<u>30.95%</u>	<u>32.93%</u>	<u>30.49%</u>
21.34%	21.67%	22.01%	21.98%	22.55%	25.53%
35.71%	34.13%	31.33%	32.26%	29.37%	28.63%
10.99%	9.86%	10.57%	12.99%	13.40%	13.88%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.11%	0.05%	0.04%	0.04%	0.04%	0.05%
1.63%	1.63%	1.46%	1.78%	1.71%	1.43%
<u>69.78%</u>	<u>67.34%</u>	<u>65.42%</u>	<u>69.05%</u>	<u>67.07%</u>	<u>69.51%</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

ALVIN COMMUNITY COLLEGE

SS-3

PROGRAM EXPENSES BY FUNCTION

Last Ten Fiscal Years

For the Fiscal Years Ended August 31,

(amounts expressed in thousands)

	2020	2019	2018	2017
Operating Expenses:				
Instruction	\$ 18,022	\$ 16,851	\$ 17,669	\$ 18,241
Public service	130	171	173	188
Academic support	6,853	6,286	6,523	5,531
Student services	4,125	3,839	3,916	3,390
Institutional support	5,940	5,516	5,675	5,348
Operation and maintenance of plant	3,775	3,500	2,972	3,154
Scholarships and fellowships	6,204	3,970	4,541	5,156
Auxiliary enterprises	1,861	1,996	2,297	2,040
Depreciation	1,291	1,275	1,206	1,209
Total Operating Expenses	48,201	43,404	44,972	44,257
Nonoperating Expenses:				
Amortization of issuance costs	-	-	-	-
Interest on capital-related debt	1,208	1,275	729	463
Gain (loss) on disposal of capital assets	-	10	(40)	49
Total Nonoperating Expenses	1,208	1,275	689	512
Total Expenses	\$ 49,409	\$ 44,679	\$ 45,661	\$ 44,769

For the Fiscal Years Ended August 31,

(amounts expressed in percentages)

	2020	2019	2018	2017
Operating Expenses:				
Instruction	36.48%	37.72%	38.70%	40.74%
Public service	0.26%	0.38%	0.38%	0.42%
Academic support	13.87%	14.07%	14.29%	12.35%
Student services	8.35%	8.59%	8.58%	7.57%
Institutional support	12.02%	12.35%	12.43%	11.95%
Operation and maintenance of plant	7.64%	7.83%	6.51%	7.05%
Scholarships and fellowships	12.56%	8.89%	9.95%	11.52%
Auxiliary enterprises	3.77%	4.47%	5.03%	4.56%
Depreciation	2.61%	2.85%	2.64%	2.70%
Total Operating Expenses	97.56%	97.15%	98.49%	98.86%
Nonoperating Expenses:				
Amortization of issuance costs	0.00%	0.00%	0.00%	0.00%
Interest on capital-related debt	2.44%	2.85%	1.60%	1.03%
Gain (loss) on disposal of capital assets	0.00%	0.00%	-0.09%	0.11%
Total Nonoperating Expenses	2.44%	2.85%	1.51%	1.14%
Total Expenses	100.00%	100.00%	100.00%	100.00%

**For the Fiscal Years Ended August 31,
(amounts expressed in thousands)**

	2016	2015	2014	2013	2012	2011
\$	17,067	\$ 17,959	\$ 17,506	\$ 15,217	\$ 15,687	\$ 16,549
	173	167	162	165	155	144
	5,991	4,793	4,696	4,545	3,818	3,555
	2,704	2,596	2,527	2,459	2,518	2,489
	4,967	6,291	4,823	3,849	3,763	4,171
	2,756	3,204	3,110	3,939	4,306	4,526
	4,707	4,008	4,437	4,962	5,264	5,308
	2,083	2,135	2,118	2,117	1,977	2,240
	1,170	1,145	1,138	1,147	1,138	1,102
	<u>41,618</u>	<u>42,298</u>	<u>40,517</u>	<u>38,400</u>	<u>38,626</u>	<u>40,084</u>
	-	-	-	-	-	11
	497	496	539	619	670	801
	43	-	-	-	-	-
	<u>540</u>	<u>496</u>	<u>539</u>	<u>619</u>	<u>670</u>	<u>812</u>
\$	<u>42,158</u>	<u>42,794</u>	<u>41,056</u>	<u>39,019</u>	<u>39,296</u>	<u>40,896</u>

**For the Fiscal Years Ended August 31,
(amounts expressed in percentages)**

	2016	2015	2014	2013	2012	2011
	40.48%	41.97%	42.64%	39.00%	39.92%	40.47%
	0.41%	0.39%	0.39%	0.42%	0.39%	0.35%
	14.21%	11.20%	11.44%	11.65%	9.72%	8.69%
	6.41%	6.07%	6.16%	6.30%	6.41%	6.09%
	11.78%	14.70%	11.75%	9.86%	9.58%	10.20%
	6.54%	7.49%	7.58%	10.10%	10.96%	11.07%
	11.17%	9.37%	10.81%	12.72%	13.40%	12.98%
	4.94%	4.99%	5.16%	5.43%	5.03%	5.48%
	2.78%	2.68%	2.77%	2.94%	2.90%	2.69%
	<u>98.72%</u>	<u>98.84%</u>	<u>98.69%</u>	<u>98.41%</u>	<u>98.29%</u>	<u>98.01%</u>
	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
	1.18%	1.16%	1.31%	1.59%	1.71%	1.96%
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>1.18%</u>	<u>1.16%</u>	<u>1.31%</u>	<u>1.59%</u>	<u>1.71%</u>	<u>1.99%</u>
	<u>99.90%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

ALVIN COMMUNITY COLLEGE

SS-4

TUITION AND FEES

Last Ten Academic Years

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)			Resident Fees per Semester			
	In-District Tuition	Out-of- District Tuition	General Service Fee	Registration Fee (per Student)	Technology Fee	Student Activity Fee	
2019	\$ 46	\$ 92	\$ 7	\$ 30	\$ 90	\$ 30	
2018	\$ 46	\$ 92	\$ 7	\$ 30	\$ 89	\$ 30	
2017	\$ 46	\$ 92	\$ 7	\$ 30	\$ 60	\$ 30	
2016	\$ 45	\$ 90	\$ 7	\$ 30	\$ 60	\$ 22	
2015	\$ 45	\$ 90	\$ 5	\$ 30	\$ 60	\$ 22	
2014	\$ 44	\$ 88	\$ 5	\$ 30	\$ 60	\$ 22	
2013	\$ 44	\$ 88	\$ 5	\$ 30	\$ 60	\$ 22	
2012	\$ 42	\$ 84	\$ 5	\$ 30	\$ 45	\$ 22	
2011	\$ 42	\$ 84	\$ 5	\$ 30	\$ 45	\$ 22	
2010	\$ 36	\$ 72	\$ 5	\$ 21	\$ 45	\$ 22	

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)			Resident Fees per Semester			
	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Service Fee	Registration Fee (per Student)	Technology Fee	Student Activity Fee	
2019	\$ 140	\$ 140	\$ 7	\$ 30	\$ 90	\$ 30	
2018	\$ 140	\$ 140	\$ 7	\$ 30	\$ 89	\$ 30	
2017	\$ 140	\$ 140	\$ 7	\$ 30	\$ 60	\$ 30	
2016	\$ 140	\$ 140	\$ 7	\$ 30	\$ 60	\$ 22	
2015	\$ 140	\$ 140	\$ 5	\$ 30	\$ 60	\$ 22	
2014	\$ 134	\$ 134	\$ 5	\$ 30	\$ 60	\$ 22	
2013	\$ 134	\$ 134	\$ 5	\$ 30	\$ 60	\$ 22	
2012	\$ 130	\$ 130	\$ 5	\$ 30	\$ 45	\$ 22	
2011	\$ 130	\$ 130	\$ 5	\$ 30	\$ 45	\$ 22	
2010	\$ 130	\$ 130	\$ 5	\$ 21	\$ 45	\$ 22	

Note: Includes basic enrollment tuition and fees but excludes course based fees such as laboratory fees.

Resident Fees per Semester

<u>Security Fee</u>	<u>LRC Fee</u>	<u>Bursar Fee</u>	<u>Cost for 12 SCH In-District</u>	<u>Cost for 12 SCH Out-of- District</u>	<u>Increase from Prior Year In-District</u>	<u>Increase from Prior Year Out-of-District</u>
\$ 30	\$ 15	\$ 10	\$ 841	\$ 1,393	0.12%	0.07%
\$ 30	\$ 15	\$ 10	\$ 840	\$ 1,392	3.58%	2.13%
\$ 30	\$ 15	\$ 10	\$ 811	\$ 1,363	3.84%	3.18%
\$ 20	\$ 15	\$ 10	\$ 781	\$ 1,321	1.83%	1.07%
\$ 20	\$ 15	\$ 10	\$ 767	\$ 1,307	1.59%	1.87%
\$ 20	\$ 15	\$ 10	\$ 755	\$ 1,283	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 755	\$ 1,283	5.45%	5.16%
\$ 20	\$ 15	\$ 10	\$ 716	\$ 1,220	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 716	\$ 1,220	17.38%	17.08%
\$ 20	\$ -	\$ -	\$ 610	\$ 1,042	111.52%	109.34%

Resident Fees per Semester

<u>Security Fee</u>	<u>LRC Fee</u>	<u>Bursar Fee</u>	<u>Cost for 12 SCH Non-Resident</u>	<u>Cost for 12 SCH International</u>	<u>Increase from Prior Year Non-Resident</u>	<u>Increase from Prior Year International</u>
\$ 30	\$ 15	\$ 10	\$ 1,969	\$ 1,969	0.05%	0.05%
\$ 30	\$ 15	\$ 10	\$ 1,968	\$ 1,968	1.50%	1.50%
\$ 30	\$ 15	\$ 10	\$ 1,939	\$ 1,939	0.94%	0.94%
\$ 20	\$ 15	\$ 10	\$ 1,921	\$ 1,921	0.73%	0.73%
\$ 20	\$ 15	\$ 10	\$ 1,907	\$ 1,907	3.92%	3.92%
\$ 20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	3.56%	3.56%
\$ 20	\$ 15	\$ 10	\$ 1,772	\$ 1,772	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 1,772	\$ 1,772	1.96%	1.96%
\$ 20	\$ -	\$ -	\$ 1,738	\$ 1,738	117.19%	117.19%

ALVIN COMMUNITY COLLEGE
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value
2019-20	\$ 12,699,708	\$ 1,467,123	\$ 11,232,585	88.45%
2018-19	\$ 11,170,890	\$ 1,170,942	\$ 9,999,948	89.52%
2017-18	\$ 10,011,248	\$ 736,327	\$ 9,274,921	92.65%
2016-17	\$ 8,979,798	\$ 545,730	\$ 8,434,068	93.92%
2015-16	\$ 8,146,011	\$ 532,166	\$ 7,613,845	93.47%
2014-15	\$ 7,776,726	\$ 645,321	\$ 7,131,405	91.70%
2013-14	\$ 7,072,385	\$ 566,309	\$ 6,506,076	91.99%
2012-13	\$ 6,657,772	\$ 598,418	\$ 6,059,354	91.01%
2011-12	\$ 6,526,053	\$ 1,187,556	\$ 5,338,497	81.80%
2010-11	\$ 6,898,889	\$ 1,044,338	\$ 5,854,551	84.86%

Source: Local Appraisal District
 Notes: Property is assessed at full market value.
 (a) per \$100 Taxable Assessed Valuation

Direct Rate

Maintenance & Operations (a)	Debt Service (a)	Total (a)
\$ 0.171438	\$ 0.014424	\$ 0.185862
\$ 0.171802	\$ 0.015973	\$ 0.187775
\$ 0.163608	\$ 0.017142	\$ 0.180750
\$ 0.172848	\$ 0.018896	\$ 0.191744
\$ 0.182979	\$ 0.021030	\$ 0.204009
\$ 0.173798	\$ 0.025687	\$ 0.199485
\$ 0.176540	\$ 0.023216	\$ 0.199756
\$ 0.175119	\$ 0.024637	\$ 0.199756
\$ 0.173798	\$ 0.025687	\$ 0.199485
\$ 0.174867	\$ 0.024963	\$ 0.199830

ALVIN COMMUNITY COLLEGE
STATE APPROPRIATION PER FULL-TIME STUDENT
EQUIVALENTS AND CONTACT HOUR
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Appropriation per FTSE</u>		<u>Appropriation per Contact Hour</u>	
	<u>State Appropriation</u>	<u>FTSE (a)</u>	<u>State Appropriation per FTSE</u>	<u>Academic Contact Hours (a)</u>
2019-20	\$ 12,291	\$ 7,072	\$ 1,738	1,470
2018-19	\$ 11,637	\$ 7,209	\$ 1,614	1,446
2017-18	\$ 11,121	\$ 7,859	\$ 1,415	1,431
2016-17	\$ 9,319	\$ 8,144	\$ 1,144	1,477
2015-16	\$ 9,403	\$ 7,767	\$ 1,211	1,364
2014-15	\$ 9,299	\$ 7,211	\$ 1,290	1,290
2013-14	\$ 9,208	\$ 7,568	\$ 1,217	1,368
2012-13	\$ 8,360	\$ 7,400	\$ 1,130	1,354
2011-12	\$ 9,128	\$ 7,562	\$ 1,207	1,396
2010-11	\$ 10,323	\$ 7,621	\$ 1,355	1,503

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM 004

Appropriation per Contact Hour

Voc/Tech Contact Hours (a)	Total Contact Hours	State Appropriation per Contact Hour
663	2,133	\$ 5.76
699	2,145	\$ 5.43
734	2,165	\$ 5.14
799	2,276	\$ 4.09
780	2,144	\$ 4.39
775	2,065	\$ 4.50
777	2,253	\$ 4.09
818	2,408	\$ 3.47
857	2,472	\$ 3.69
905	1,978	\$ 5.22

ALVIN COMMUNITY COLLEGE

SS-7

PRINCIPAL TAXPAYERS

Last Ten Tax Years

Taxpayer	Type of Business	Fiscal Year (amounts expressed in thousands)		
		2020	2019	2018
		2020	2019	2018
Ineos USA LLC	petrochemical	\$ 477,624	\$ 374,362	\$ 46,257
Ineos Olefins & Polymers	petrochemical	824,208	520,187	479,619
Denbury Onshore LLC	oil & gas exploration	184,942	235,113	179,570
Ascend Performance Materials	manufacturing	91,688	97,119	91,141
Equistar Chemicals LP	petrochemical	-	-	-
Novus International Inc	agriculture	-	-	40,002
Schlumberger Well Svcs	oilfield services	35,498	41,730	46,117
Center Point Energy	utility	63,628	57,560	51,952
Huntsman Petrochemical Corp	petrochemical	-	-	-
Cyanco International	manufacturing	50,213	50,977	52,284
Amreit SPF Shadow Creek LP	investment	73,132	86,133	66,511
UVN-TIC LLC ETAL	real estate	-	-	-
Pearland Investments LTD PRT	real estate	-	-	-
Pearland Town Center LP	investment	81,692	95,033	92,489
Team Services Inc.	manufacturing	-	-	37,162
Pearland Multifamily DST	real estate	-	-	30,000
Shadow Creek Apartments LLC	real estate	40,800	35,989	32,500
Dune Operating Company	oil & gas	-	-	-
12400 Shadow Creek Parkway LLC	real estate	-	-	-
Discovery Shadow Creek Owner	real estate	-	-	35,126
Shadow Kirby LTD	real estate	-	-	-
Weatherford US LP	oil & gas	-	-	-
Energyquest Inc.	utility	-	-	-
BNSF Railway Co.	transportation	-	-	-
Texas New Mexico Power Co.	utility	-	-	-
Argent Energy	utility	-	-	-
Rice-Tec Inc.	agriculture	-	-	-
Shadow Creek Phase II	real estate	-	-	-
MAR Shadow Creek LP	real estate	70,000	58,900	57,306
MRP Radius Shadow Creek LLC	real estate	-	-	-
Schlumberger Technology Corp.	production	-	-	-
DD SCR V LLC	investment	37,506	33,419	37,000
DD SCR VI LLC	investment	43,741	47,557	-
W-F&B 11900 Shadow Creek Owner VIII	real estate	47,416	36,247	35,250
Goodgarden Owner GP	investment	45,400	39,850	38,500
Brazoria-SCR Assoc LLC & SC Assoc	real estate	42,500	36,070	35,843
Southfork Lake LLC	real estate	39,558	35,900	34,245
Pearland IL Group LP	real estate	-	-	-
Seaway Crude Pipeline Company LLC	production	55,236	51,111	-
SPUS8 Shadow Creek	real estate	41,633	35,903	-
Team Industrial Services Inc	manufacturing	-	35,579	-
2500 Business Center Owner LP	real estate	51,179	-	-
Totals		<u>\$ 2,397,594</u>	<u>\$ 2,004,739</u>	<u>\$ 1,518,874</u>
Total Taxable Assessed Value		<u>\$ 11,232,585</u>	<u>\$ 9,999,948</u>	<u>\$ 9,274,921</u>

Fiscal Year
(amounts expressed in thousands)

2017	2016	2015	2014	2013	2012	2011
\$ 415,081	\$ 426,518	\$ 469,884	\$ 401,327	\$ 401,327	\$ 371,419	\$ 419,543
-	-	-	-	-	-	-
168,085	139,588	250,781	381,509	381,509	302,544	116,260
95,638	76,124	75,566	77,754	77,754	77,403	94,886
-	-	-	-	-	16,484	-
41,308	46,146	49,544	46,013	46,013	49,610	54,451
47,116	48,297	51,229	51,529	51,529	33,614	32,614
47,427	45,146	41,579	42,514	42,514	41,357	37,008
-	22,131	29,086	41,872	41,872	47,690	47,405
53,625	53,625	53,625	61,875	61,875	40,500	-
83,833	68,227	48,319	48,188	48,188	47,959	43,672
35,450	32,195	-	-	-	-	-
-	-	-	-	-	-	21,155
89,000	80,701	70,769	69,086	69,086	66,757	68,763
30,878	29,351	29,334	22,377	22,377	50,523	20,724
33,624	30,574	39,771	24,206	24,206	-	-
35,971	35,219	29,900	23,746	23,746	-	-
-	-	-	-	-	-	29,759
-	35,701	29,000	27,100	27,100	27,100	28,229
37,578	34,401	27,934	26,780	26,780	25,330	26,392
-	33,000	28,500	25,000	25,000	25,000	25,000
-	23,680	23,805	23,971	23,971	30,530	22,985
-	-	-	-	-	-	19,883
-	-	-	-	-	19,015	18,140
-	23,092	-	20,910	20,910	19,196	16,493
-	-	-	-	-	18,209	-
-	-	-	-	-	17,033	16,434
-	-	-	20,605	20,605	-	-
57,481	53,085	44,000	-	-	-	-
-	-	24,155	-	-	-	-
-	-	27,041	21,926	21,926	-	-
46,406	-	-	-	-	-	-
38,420	-	-	-	-	-	-
38,141	-	-	-	-	-	-
36,453	-	-	-	-	-	-
-	-	-	-	-	-	-
25,500	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,457,015</u>	<u>\$ 1,336,801</u>	<u>\$ 1,443,822</u>	<u>\$ 1,458,288</u>	<u>\$ 1,458,288</u>	<u>\$ 1,327,273</u>	<u>\$ 1,159,796</u>
<u>\$ 8,434,068</u>	<u>\$ 7,613,845</u>	<u>\$ 7,131,405</u>	<u>\$ 6,506,076</u>	<u>\$ 6,059,354</u>	<u>\$ 5,338,497</u>	<u>\$ 5,854,551</u>

ALVIN COMMUNITY COLLEGE

SS-7

PRINCIPAL TAXPAYERS (CONTINUED)

Last Ten Tax Years

Taxpayer	Type of Business	Fiscal Year		
		2020	2019	2018
Ineos USA LLC	petrochemical	4.25%	3.74%	0.50%
Ineos Olefins & Polymers	petrochemical	7.34%	5.20%	5.17%
Denbury Onshore LLC	oil & gas exploration	1.65%	2.35%	1.94%
Ascend Performance Materials	manufacturing	0.82%	0.97%	0.98%
Equistar Chemicals LP	petrochemical	0.00%	0.00%	0.00%
Novus International Inc	agriculture	0.00%	0.00%	0.43%
Schlumberger Well Svcs	oilfield services	0.32%	0.42%	0.50%
Center Point Energy	utility	0.57%	0.58%	0.56%
Huntsman Petrochemical Corp	petrochemical	0.00%	0.00%	0.00%
Cyanco International	manufacturing	0.45%	0.51%	0.56%
Amreit SPF Shadow Creek LP	investment	0.65%	0.86%	0.72%
UVN-TIC LLC ETAL	real estate	0.00%	0.00%	0.00%
Pearland Investments LTD PRT	real estate	0.00%	0.00%	0.00%
Pearland Town Center LP	investment	0.73%	0.95%	1.00%
Team Services Inc.	manufacturing	0.00%	0.00%	0.40%
Pearland Multifamily DST	real estate	0.00%	0.00%	0.32%
Shadow Creek Apartments LLC	real estate	0.36%	0.36%	0.35%
Dune Operating Company	oil & gas	0.00%	0.00%	0.00%
12400 Shadow Creek Parkway LLC	real estate	0.00%	0.00%	0.00%
Discovery Shadow Creek Owner	real estate	0.00%	0.00%	0.38%
Shadow Kirby LTD	real estate	0.00%	0.00%	0.00%
Weatherford US LP	oil & gas	0.00%	0.00%	0.00%
Energyquest Inc.	utility	0.00%	0.00%	0.00%
BNSF Railway Co.	transportation	0.00%	0.00%	0.00%
Texas New Mexico Power Co.	utility	0.00%	0.00%	0.00%
Argent Energy	utility	0.00%	0.00%	0.00%
Rice-Tec Inc.	agriculture	0.00%	0.00%	0.00%
Shadow Creek Phase II	real estate	0.00%	0.00%	0.00%
MAR Shadow Creek LP	real estate	0.62%	0.59%	0.62%
MRP Radius Shadow Creek LLC	real estate	0.00%	0.00%	0.00%
Schlumberger Technology Corp.	exploration/production	0.00%	0.00%	0.00%
DD SCR V LLC	investment	0.33%	0.33%	0.40%
DD SCR VI LLC	investment	0.39%	0.48%	0.00%
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	0.42%	0.36%	0.38%
Goodgarden Owner GP	investment	0.40%	0.40%	0.42%
Brazoria-SCR Assoc LLC & SC Assoc	real estate	0.38%	0.36%	0.39%
Southfork Lake LLC	real estate	0.35%	0.36%	0.37%
Pearland IL Group LP	real estate	0.00%	0.00%	0.00%
Seaway Crude Pipeline Company LLC	exploration/production	0.49%	0.51%	0.00%
SPUS8 Shadow Creek	real estate	0.37%	0.36%	0.00%
Team Industrial Services Inc	manufacturing	0.00%	0.36%	0.00%
2500 Business Center Owner LP	real estate	0.46%	0.00%	0.00%
		21.34%	20.05%	16.38%

Fiscal Year

2017	2016	2015	2014	2013	2012	2011
4.92%	5.60%	6.59%	6.17%	6.62%	6.96%	7.17%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.99%	1.83%	3.52%	5.86%	6.30%	5.67%	1.99%
1.13%	1.00%	1.06%	1.20%	1.28%	1.45%	1.62%
0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.00%
0.49%	0.61%	0.69%	0.71%	0.76%	0.93%	0.93%
0.56%	0.63%	0.72%	0.79%	0.85%	0.63%	0.56%
0.56%	0.59%	0.58%	0.65%	0.70%	0.77%	0.63%
0.00%	0.29%	0.41%	0.64%	0.69%	0.89%	0.81%
0.64%	0.70%	0.75%	0.95%	1.02%	0.76%	0.00%
0.99%	0.90%	0.68%	0.74%	0.80%	0.90%	0.75%
0.42%	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
1.06%	1.06%	0.99%	1.06%	1.14%	1.25%	1.17%
0.37%	0.39%	0.41%	0.34%	0.37%	0.95%	0.00%
0.40%	0.40%	0.56%	0.37%	0.40%	0.00%	0.00%
0.43%	0.46%	0.42%	0.36%	0.39%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.47%	0.41%	0.42%	0.45%	0.51%	0.00%
0.45%	0.45%	0.39%	0.41%	0.44%	0.47%	0.00%
0.00%	0.43%	0.40%	0.38%	0.41%	0.47%	0.00%
0.00%	0.31%	0.33%	0.37%	0.40%	0.57%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.00%
0.00%	0.30%	0.00%	0.32%	0.35%	0.36%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.32%	0.00%
0.00%	0.00%	0.00%	0.32%	0.34%	0.00%	0.00%
0.68%	0.70%	0.62%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.34%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.38%	0.34%	0.36%	0.00%	0.00%
0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17.28%	17.56%	20.25%	22.41%	24.07%	24.86%	15.98%

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

SS-8

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended August 31	Total Tax Levy (a)	Collections Current Levy (b)	Percentage	Current Collections of Prior Levies (b)	Total Collections (c)	Percentage of Current Levy
2020	\$ 20,849	\$ 20,647	99.03%	\$ -	\$ 20,647	99.03%
2019	\$ 18,777	\$ 18,579	98.95%	\$ -	\$ 18,579	98.95%
2018	\$ 16,768	\$ 16,586	98.91%	\$ 107	\$ 16,693	99.55%
2017	\$ 16,173	\$ 15,994	98.89%	\$ 42	\$ 16,036	99.15%
2016	\$ 15,537	\$ 15,377	98.97%	\$ 17	\$ 15,394	99.08%
2015	\$ 14,516	\$ 14,341	98.79%	\$ 15	\$ 14,356	98.90%
2014	\$ 12,986	\$ 12,832	98.81%	\$ 4	\$ 12,836	98.84%
2013	\$ 12,119	\$ 12,040	99.35%	\$ (2)	\$ 12,038	99.33%
2012	\$ 11,764	\$ 11,710	99.54%	\$ 1	\$ 11,711	99.55%
2011	\$ 11,435	\$ 11,392	99.62%	\$ 1	\$ 11,393	99.63%

Source: Local Tax Assessor/Collector and District records

(a) As of August 31

(b) Property tax only - does not include penalties and interest

(c) Ties to sum of M&O and Debt Service taxes on Exhibit 2

ALVIN COMMUNITY COLLEGE

SS-9

RATIOS OF OUTSTANDING DEBT

Last Ten Fiscal Years

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

	2020	2019	2018	2017
General Bonded Debt:				
General obligation bonds	\$ 7,460	\$ 8,745	\$ 9,955	\$ 11,125
Less: Funds restricted for debt service	(1,640)	(1,609)	(1,603)	(1,603)
Net general bonded debt	<u>5,820</u>	<u>7,136</u>	<u>8,352</u>	<u>9,522</u>
Notes	21,165	21,870	22,565	-
Capital leases	-	-	-	12
Total Outstanding Debt	<u><u>\$ 26,985</u></u>	<u><u>\$ 29,006</u></u>	<u><u>\$ 30,917</u></u>	<u><u>\$ 9,534</u></u>

General Bonded Debt Ratios:

As a percentage of Taxable Assessed Value	0.05%	0.07%	0.09%	0.11%
---	-------	-------	-------	-------

Total Outstanding Debt Ratios:

Per capita	\$ 900	\$ 967	\$ 27	\$ 31
Per student	\$ 3,855	\$ 4,144	\$ 4,417	\$ 1,362
As a percentage of Taxable Assessed Value (TAV)	240.24%	290.06%	0.33%	0.11%

Note: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-equivalent enrollment.

**For the Fiscal Years Ended August 31,
(amounts expressed in thousands)**

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 12,255	\$ 13,350	\$ 14,380	\$ 15,305	\$ 16,160	\$ 16,960
(1,624)	(1,585)	(1,523)	(1,513)	(1,528)	(1,444)
<u>10,631</u>	<u>11,765</u>	<u>12,857</u>	<u>13,792</u>	<u>14,632</u>	<u>15,516</u>
-	-	-	-	-	-
23	34	44	-	-	-
<u>\$ 10,654</u>	<u>\$ 11,799</u>	<u>\$ 12,901</u>	<u>\$ 13,792</u>	<u>\$ 14,632</u>	<u>\$ 15,516</u>

0.14%	0.16%	0.20%	0.23%	0.25%	0.27%
-------	-------	-------	-------	-------	-------

\$ 35	\$ 39	\$ 42	\$ 46	\$ 50	\$ 52
\$ 1,372	\$ 1,636	\$ 1,705	\$ 1,864	\$ 1,935	\$ 2,036
0.14%	0.17%	0.20%	0.23%	0.25%	0.27%

ALVIN COMMUNITY COLLEGE

SS-10

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Taxable Assessed Value	\$ 11,232,585	\$ 9,999,948	\$ 9,274,921	\$ 8,434,068
General Obligation Bonds:				
Statutory tax levy limit for debt service	56,163	50,000	46,375	42,170
Less: Funds restricted for repayment of general obligation bonds	(1,640)	(1,609)	(1,603)	(1,603)
Total Net General Obligation Debt	<u>54,523</u>	<u>48,391</u>	<u>44,772</u>	<u>40,567</u>
Current Year Debt Service Requirements	<u>1,990</u>	<u>1,905</u>	<u>1,596</u>	<u>1,595</u>
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 52,533</u>	<u>\$ 46,486</u>	<u>\$ 43,176</u>	<u>\$ 38,972</u>
Net Current Requirements as a % of Statutory Limit	0.04%	0.04%	0.03%	0.04%

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

**For the Fiscal Years Ended August 31,
(amounts expressed in thousands)**

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 7,615,957	\$ 7,131,405	\$ 6,506,076	\$ 6,059,354	\$ 5,888,930	\$ 5,711,333
38,080	35,657	32,530	30,297	29,445	28,557
(1,624)	(1,585)	(1,523)	(1,513)	(1,528)	(1,444)
<u>36,456</u>	<u>34,072</u>	<u>31,007</u>	<u>28,784</u>	<u>27,917</u>	<u>27,113</u>
<u>1,595</u>	<u>1,567</u>	<u>1,501</u>	<u>1,443</u>	<u>1,405</u>	<u>1,456</u>
<u>\$ 34,861</u>	<u>\$ 32,505</u>	<u>\$ 29,506</u>	<u>\$ 27,341</u>	<u>\$ 26,512</u>	<u>\$ 25,657</u>
0.04%	0.04%	0.05%	0.05%	0.05%	0.05%

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT
 Last Ten Calendar Years

<u>Fiscal Year</u>	<u>District Population</u>	<u>District Personal Income (a) (in Thousands)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2019	374,264	\$ (a)	\$ (a)	3.5%
2018	370,200	\$ 17,487,902	\$ 47,239	4.5% *
2017	362,457	\$ 16,645,867	\$ 45,925	5.3%
2016	354,195	\$ 15,528,652	\$ 43,842	5.2%
2015	346,312	\$ 15,537,867	\$ 44,867	5.0%
2014	338,124	\$ 13,504,267	\$ 42,519	6.1%
2013	330,242	\$ 13,788,051	\$ 41,751	7.1%
2012	324,769	\$ 13,104,592	\$ 40,351	7.1%
2011	319,973	\$ 12,550,313	\$ 39,315	8.7%
2010	313,166	\$ 11,610,075	\$ 37,344	9.0%

Sources:

Population from U.S. Bureau of the Census

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission (Annual when possible)

Notes:

(a) Not yet available

* Updated from last year

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

SS-12

PRINCIPAL EMPLOYERS

Current Fiscal Year

<u>Employer</u>	<u>Employees (1)</u>	<u>Employment (2)</u>
Alvin Independent School District	2,520	2.67%
Empereon Constar	700	0.74%
Alvin Community College	545	0.58%
Wal-Mart Associates	520	0.55%
Ascend Performance Materials	470	0.50%
INEOS Olefins & Polymers USA	440	0.47%
Ron Carter Automotive	320	0.34%
Rice-Tec	300	0.32%
Team	257	0.27%
City of Alvin	247	0.26%
BeAed	200	0.21%
Diversified Ceramics	91	0.10%
	<u>6,610</u>	<u>6.99%</u>

Source:

(1) Alvin Economic Development

(2) US Census - Brazoria County Total Employment

Note:

Percentages are calculated using the midpoints of the ranges.

ALVIN COMMUNITY COLLEGE
FACULTY, STAFF, AND ADMINISTRATORS STATISTICS
 Last Ten Fiscal Years

SS-13

	Fiscal Year			
	2020	2019	2018	2017
Faculty				
Full-Time	113	114	111	113
Part-Time	362	401	345	203
Total	<u>475</u>	<u>515</u>	<u>456</u>	<u>316</u>
Faculty				
Full-Time	23.8%	22.1%	24.3%	35.8%
Part-Time	76.2%	77.9%	75.7%	64.2%
Staff and Administrators				
Full-Time	196	185	180	177
Part-Time	69	85	102	58
Total	<u>265</u>	<u>270</u>	<u>282</u>	<u>235</u>
Staff and Administrators				
Full-Time	74.0%	68.5%	63.8%	75.3%
Part-Time	26.0%	31.5%	36.2%	24.7%
FTSE per Full-time Faculty	62.6	63.2	70.8	72.0
FTSE per Full-Time Staff Member	36.1	39.0	43.7	46.0
Average Annual Faculty Salary	\$ 61,849	61,421	\$ 60,770	\$ 68,100

Fiscal Year

2016	2015	2014	2013	2012	2011
107	103	111	110	108	109
183	194	170	170	180	180
<u>290</u>	<u>297</u>	<u>281</u>	<u>280</u>	<u>288</u>	<u>289</u>
36.9%	34.7%	39.5%	39.3%	37.5%	37.7%
63.1%	65.3%	60.5%	60.7%	62.5%	62.3%
178	168	166	170	168	163
60	56	55	50	50	54
<u>238</u>	<u>224</u>	<u>221</u>	<u>220</u>	<u>218</u>	<u>217</u>
74.8%	75.0%	75.1%	77.3%	77.1%	75.1%
25.2%	25.0%	24.9%	22.7%	22.9%	24.9%
72.6	70.0	68.2	67.2	70.0	69.9
43.6	37.2	45.6	43.5	45.0	46.8
\$ 63,608	\$ 56,291	\$ 55,309	\$ 54,308	\$ 59,598	\$ 57,416

ALVIN COMMUNITY COLLEGE

SS-14

ENROLLMENT DETAILS

Last Five Fall Semesters

Student Classification	Fall 2019		Fall 2018	
	Number	Percentage	Number	Percentage
0-30 hours	4,078	68.14%	3,814	67.56%
31-60 hours	1,196	19.98%	1,065	18.87%
> 60 hours	711	11.88%	766	13.57%
Total	5,985	100.00%	5,645	100.00%

Semester Hour Load	Fall 2019		Fall 2018	
	Number	Percentage	Number	Percentage
Less than 3	330	5.51%	238	4.22%
3-5 semester hours	1,822	30.44%	1,640	29.05%
6-8 Semester hours	1,619	27.05%	1,582	28.02%
9-11 semester hours	1,168	19.52%	1,087	19.26%
12-14 semester hours	813	13.58%	883	15.64%
15-17 semester hours	194	3.24%	188	3.33%
18 & over	39	0.65%	27	0.48%
Total	5,985	100.00%	5,645	100.00%

Tuition Status	Fall 2019		Fall 2018	
	Number	Percentage	Number	Percentage
Texas Resident (in-District)	2,792	46.65%	2,542	45.03%
Texas Resident (out-of-District)	3,009	50.28%	2,912	51.59%
Non-Resident Tuition	130	2.17%	130	2.30%
Tuition Exemption - TX Resident	54	0.90%	61	1.08%
Total	5,985	100.00%	5,645	100.00%

Fall 2017		Fall 2016	
Number	Percentage	Number	Percentage
3,859	67.60%	3,731	65.94%
1,030	18.04%	1,108	19.58%
820	14.36%	819	14.48%
5,709	100.00%	5,658	100.00%

Fall 2017		Fall 2016	
Number	Percentage	Number	Percentage
283	4.96%	231	4.08%
1,722	30.16%	1,546	27.32%
1,596	27.96%	1,579	27.91%
1,200	21.02%	1,262	22.30%
708	12.40%	844	14.92%
180	3.15%	159	2.81%
20	0.35%	37	0.65%
5,709	100.00%	5,658	100.00%

Fall 2017		Fall 2016	
Number	Percentage	Number	Percentage
2,606	45.65%	2,445	43.21%
2,908	50.94%	3,001	53.04%
122	2.14%	141	2.49%
73	1.28%	71	1.25%
5,709	100.00%	5,658	100.00%

Fall 2017		Fall 2016	
Number	Percentage	Number	Percentage
3,224	56.47%	3,205	56.65%
2,485	43.53%	2,453	43.35%
5,709	100.00%	5,658	100.00%

Fall 2017		Fall 2016	
Number	Percentage	Number	Percentage
4,018	54.22%	3,996	56.07%
1,943	26.22%	1,753	24.60%
737	9.94%	750	10.52%
408	5.51%	356	5.00%
71	0.96%	-	0.00%
137	1.85%	164	2.30%
26	0.35%	22	0.31%
71	0.96%	86	1.21%
7,411	100.00%	7,127	100.00%

Fall 2017		Fall 2016	
Number	Percentage	Number	Percentage
2,019	35.37%	1,741	30.77%
1,737	30.43%	1,864	32.94%
539	9.44%	537	9.49%
852	14.92%	890	15.73%
461	8.07%	503	8.89%
101	1.77%	123	2.17%
5,709	100.00%	5,658	100.00%

22.3

23.2

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

SS-16

TRANSFERS TO SENIOR INSTITUTIONS

876 Fall Students as of Fall 2020

(Included only Public Senior Colleges in Texas)

	<u>Total of All Sample Transfer Students</u>	<u>% of All Sample Transfer Students</u>
1 Angelo State University	2	0.23%
2 Lamar University	12	1.37%
3 Midwestern State University	2	0.23%
4 Prairie View A&M University	12	1.37%
5 Sam Houston State University	62	7.08%
6 Stephen F. Austin State University	37	4.22%
7 Sul Ross State University	2	0.23%
8 Tarleton State University	3	0.34%
9 Texas A&M University	84	9.59%
10 Texas A&M University - Corpus Christi	9	1.03%
11 Texas A&M University - Kingsville	5	0.57%
12 Texas A&M University - Texarkana	1	0.11%
13 Texas A&M University at Galveston	9	1.03%
14 Texas Southern University	13	1.48%
15 Texas State University	54	6.16%
16 Texas Tech University	30	3.42%
17 Texas Woman's University	9	1.03%
18 The University of Texas - Rio Grande Valley	1	0.11%
19 The University of Texas at Arlington	17	1.94%
20 The University of Texas at Austin	40	4.57%
21 The University of Texas at Dallas	11	1.26%
22 The University of Texas at El Paso	1	0.11%
23 The University of Texas at San Antonio	36	4.11%
24 The University of Texas at Tyler	2	0.23%
25 The University of Texas Health Science Center at Houston	4	0.46%
26 The University of Texas M.D. Anderson Cancer Center	6	0.68%
27 The University of Texas Medical Branch at Galveston	13	1.48%
28 The University of Texas of the Permian Basin	3	0.34%
29 University of Houston	197	22.49%
30 University of Houston - Clear Lake	158	18.04%
31 University of Houston - Downtown	19	2.17%
32 University of Houston - Victoria	5	0.57%
33 University of North Texas	17	1.94%
Total	<u>876</u>	<u>100.00%</u>

ALVIN COMMUNITY COLLEGE

SS-17

CAPITAL ASSET INFORMATION

Fiscal Years 2016 to 2020

	Fiscal Year			
	2020	2019	2018	2017
Academic buildings	12	12	12	12
Square footage (in thousands)	365	365	365	365
Libraries	1	1	1	1
Square footage (in thousands)	12	12	12	12
Number of volumes (in thousands)	12	12	12	12
Administrative and support buildings	3	3	3	3
Square footage (in thousands)	25	25	25	25
Dormitories	-	-	-	-
Square footage (in thousands)	-	-	-	-
Number of beds	-	-	-	-
Apartments	-	-	-	-
Square footage (in thousands)	-	-	-	-
Number of beds	-	-	-	-
Dining facilities	1	1	1	1
Square footage (in thousands)	5	5	5	5
Average daily customers	150	150	150	150
Athletic facilities	8	8	8	8
Square footage (in thousands)	28	28	28	28
Stadiums	-	-	-	-
Gymnasiums	1	1	1	1
Fitness centers	1	1	1	1
Tennis courts	6	6	6	6
Plant facilities	1	1	1	1
Square footage (in thousands)	20	20	20	20
Transportation				
Cars	6	5	5	5
Light trucks/vans/ambulance	8	7	11	11
Buses	2	2	2	2
Heavy trucks	2	2	3	3

Fiscal Year
2016

12
365

1
12
12

3
25

-
-
-

-
-
-

1
5
150

8
28

-
1
1
6

1
20

6
11
2
3

(This page intentionally left blank.)