

*ANNUAL FINANCIAL REPORT*

of

**ALVIN COMMUNITY COLLEGE**

For the Fiscal Years Ended  
August 31, 2016 and 2015

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# ALVIN COMMUNITY COLLEGE

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# ALVIN COMMUNITY COLLEGE

## ORGANIZATIONAL DATA

For the Year Ended August 31, 2016

### Board of Regents

<u>Officers</u>		<u>Term Expires</u>
Mike Pyburn, Chairman	Alvin, Texas	2020
James "Bart" DeWitt, Vice-Chairman	Alvin, Texas	2018
Jody Droege, Secretary	Alvin, Texas	2020

<u>Members</u>		<u>Term Expires</u>
Bel Sanchez	Alvin, Texas	2018
Doyle Swindell	Alvin, Texas	2018
Cheryl Knape	Alvin, Texas	2020
Patty Hertenberger	Alvin, Texas	2022
Andy Tacquard	Alvin, Texas	2022
Roger Stuksa	Alvin, Texas	2022

### Principal Administrative Officers

Dr. Christal M. Albrecht	President
Dr. Linda Austin	Dean of Professional, Technical and Human Performance
Dr. John Bethscheider	Dean of Legal and Health Sciences
Ms. Wendy Del Bello	Assistant to President/Executive Director of Development
Ms. Marilyn Dement	Vice President of Student Services
Ms. Karen Edwards	Executive Director of Human Resources
Dr. Cynthia Griffith	Vice President of Instruction
Dr. Nadia Nazarenko	Dean of General Education and Academic Support
Mr. John Matula	Interim Dean of Arts and Sciences
Mr. James Simpson	Executive Director/Dean of Continuing Education and Workforce Development
Mr. Karl Stager	Vice President of Administrative Services

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## 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 of Alvin Community College (the "College"), as of and for the years ended August 31, 2016 and 2015, 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.

Except for the matter described in the "Basis for Disclaimer of Opinion" paragraph, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Basis for Disclaimer of Opinion**

The financial statements of the Alvin Community College Foundation (the “Foundation”) have not been audited, and we were not engaged to audit the Foundation financial statements as part of our audit of the College’s basic financial statements. The Foundation’s financial activities are included in the College’s basic financial statements as a discretely presented component unit.

## **Disclaimer of Opinion**

Because of the significance of the matter described in the “Basis for Disclaimer of Opinion” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the discretely presented component unit of the College. Accordingly, we do not express an opinion on the Foundation’s financial statements (Exhibit 1A, Exhibit 2A, and Exhibit 3A).

## **Unmodified 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 of the College as of August 31, 2016 and 2015, and the respective changes in financial position, and its cash flows 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, schedule of the College’s proportionate share of the net pension liability, and the schedule of the College’s 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), schedule of expenditures of federal awards (Schedule E), schedule of expenditures of state awards (schedule F), and 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 and state awards (Schedules E and 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 *State of Texas Single Audit Circular* 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 2, 2016, 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 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 2, 2016

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

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# **ALVIN COMMUNITY COLLEGE**

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

For the Years Ended August 31, 2016 and 2015

This section of the Annual Financial Report 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, 2016 and 2015, 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 annual report rests with the College.

### **Financial Highlights for Fiscal Years 2016 and 2015**

The following factors had a significant effect on the College's financial status for fiscal years 2016 and 2015:

- There was an increase in headcount of 5.86 percent in fiscal year 2015-2016 from the previous fiscal year. This increase in headcount translated into an increase of 3.77 percent in contact hours. There was an increase in the tuition rates for in-district, out-of-district and out-of-state from fiscal year 2014-2015 to fiscal year 2015-2016. As a result of the increase in headcount and contact hours, state funded credit courses increased \$479,078 or 6.92 percent and fees increased \$160,542 or 5.25 percent.
- The College Board of Regents passed a combined tax rate of \$0.204009, which was \$0.013795 more than the effective tax rate. The Maintenance and Operations tax rate increased from \$0.181907 to \$0.182979 or 0.59 percent. However, the Debt Service tax rate decreased from \$0.022102 to \$0.021030 or 4.85 percent. Overall tax collections increased by \$1,091,404 from \$14,643,746 in fiscal year 2014-2015 to \$15,735,150 in fiscal year 2015-2016.
- The College received \$104,589 more in State Appropriations in fiscal year 2015-2016 than it received in 2014-2015.
- There was a salary schedule adjustment in fiscal year 2015-2016. Compared to the prior fiscal year, salary and wage expenses increased by approximately \$93,321 in fiscal year 2015-2016.
- The 2015-2016 Maintenance and Operations budget was \$28,156,575, which was an increase of approximately \$780,000 over the 2014-2015 budget.
- On July 27, 2016, the College sold the Pearland Center property for \$1,250,000.

### **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 is considered a component unit of the College for fiscal years 2016 and 2015 and, as such, is discretely presented in the College's basic financial statements. Complete financial statements of the Alvin Community College Foundation can be obtained from their offices.

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**Statements of Net Position**

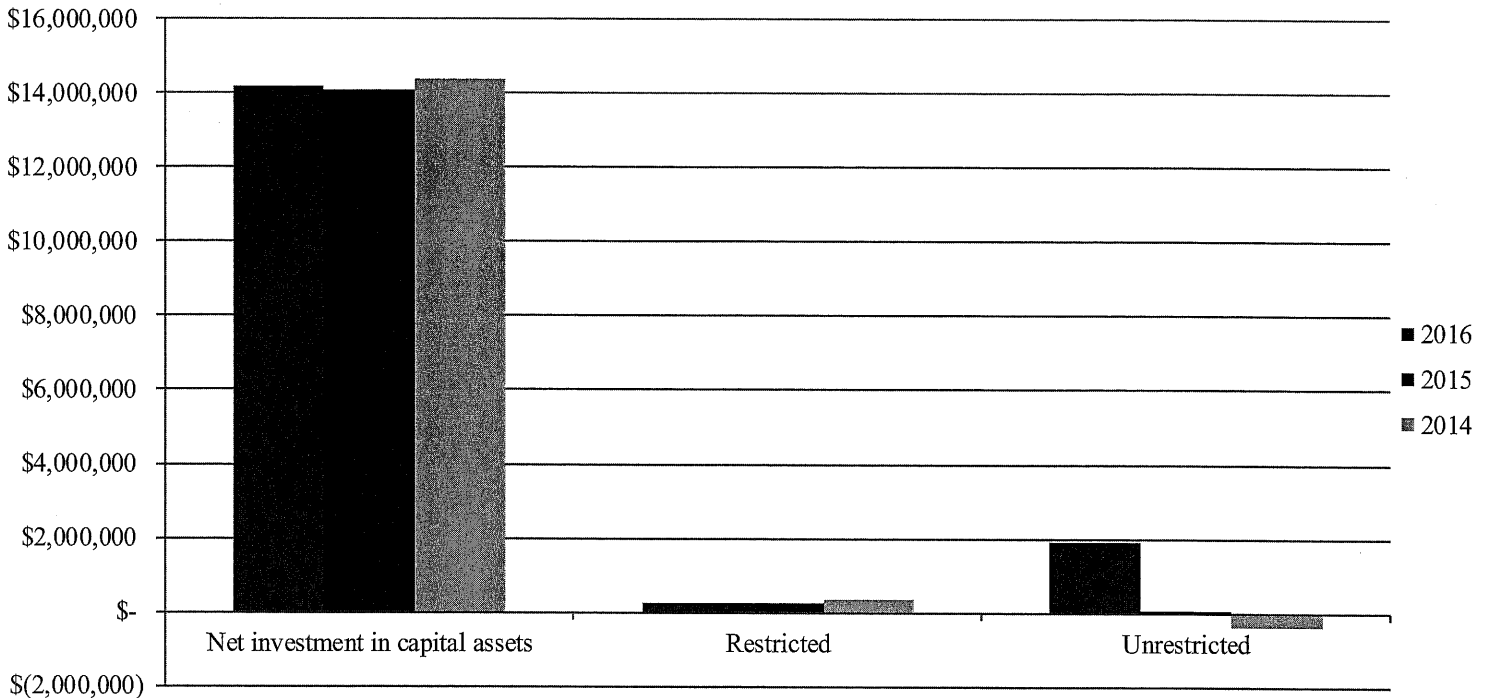
The Statements of Net Position presents the assets, liabilities, deferred inflows/outflows of resources, and net position of the College as of August 31, 2016 and 2015. It is a point-in-time financial statement. The purpose of the Statements of Net Position is to provide the readers with a snapshot of the financial condition of the College on August 31, 2016 and 2015. It presents end-of-year data for current and noncurrent assets, current and noncurrent liabilities, 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, 2016-2014

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease) 2016-2015</u>	<u>2014</u>	<u>Increase (Decrease) 2015-2014</u>
Current assets	\$ 13,496,014	\$ 10,791,604	\$ 2,704,410	\$ 11,012,348	\$ (220,744)
Noncurrent assets:					
Investments	1,000,000	1,000,000	-	1,000,000	-
Capital assets, net of accumulated depreciation	<u>26,933,198</u>	<u>28,776,808</u>	<u>(1,843,610)</u>	<u>29,327,761</u>	<u>(550,953)</u>
<b>Total Assets</b>	<u>41,429,212</u>	<u>40,568,412</u>	<u>860,800</u>	<u>41,340,109</u>	<u>(771,697)</u>
<b>Deferred outflows of resources</b>	<u>3,066,780</u>	<u>1,703,668</u>	<u>1,363,112</u>	<u>1,398,858</u>	<u>304,810</u>
Current liabilities	6,937,707	6,639,260	298,447	7,194,657	(555,397)
Noncurrent liabilities	<u>19,303,822</u>	<u>19,657,472</u>	<u>(353,650)</u>	<u>21,249,662</u>	<u>(1,592,190)</u>
<b>Total Liabilities</b>	<u>26,241,529</u>	<u>26,296,732</u>	<u>(55,203)</u>	<u>28,444,319</u>	<u>(2,147,587)</u>
<b>Deferred inflows of resources</b>	<u>1,945,044</u>	<u>1,571,113</u>	<u>373,931</u>	<u>-</u>	<u>1,571,113</u>
Net position:					
Net investment in capital assets	14,176,988	14,102,131	74,857	14,382,023	(279,892)
Restricted					
Expendable student aid	242,903	244,124	(1,221)	325,310	(81,186)
Unrestricted	<u>1,889,528</u>	<u>57,980</u>	<u>1,831,548</u>	<u>(412,685)</u>	<u>470,665</u>
<b>Total Net Position</b>	<u>\$ 16,309,419</u>	<u>\$ 14,404,235</u>	<u>\$ 1,905,184</u>	<u>\$ 14,294,648</u>	<u>\$ 109,587</u>

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**Net Position**  
**Fiscal Years 2016- 2014**



**Fiscal Year 2016 Compared to 2015**

Current assets increased \$2,704,410 primarily due to the sale of the Pearland campus, an increase in accounts receivable related to the increase in head count/contact hours, and additional prepaid items compared to the prior year. Noncurrent assets decreased \$1,843,610 due primarily to the sale of the Pearland campus, disposal of an underground storage tank, and current year depreciation.

Current liabilities increased \$298,447 primarily due to an increase in unearned revenues related to the increase in fall 2016 enrollment compared to the prior year. Noncurrent liabilities decreased \$353,650 due mainly to an annual exit incentive payment (payment two of five) and principal payments on bonds. These were partially offset by the increase in the net pension liability.

**Fiscal Year 2015 Compared to 2014**

Current assets decreased \$220,744 primarily due to a decrease in accounts receivable related to Texas Department of Criminal Justice, bookstore, and State grants. Noncurrent assets decreased \$550,953 due primarily to current year depreciation and the net disposal of capital assets.

Current liabilities decreased \$555,397 primarily due to a policy change which removed the necessity to recognize accrued payroll. This was offset slightly by an increase in the current portion of an exit incentive liability as the result of a new plan which 29 employees accepted. Noncurrent liabilities decreased \$1,592,190 due mainly to a decrease in the net pension liability and scheduled debt payments. This was partially offset by an increase in the new exit incentive liability.

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

For the Years Ended August 31, 2016 and 2015

**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, 2016-2014

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease) 2016-2015</u>	<u>2014</u>	<u>Increase (Decrease) 2015-2014</u>
<b>Operating Revenues:</b>					
Tuition and fees, net of discounts	\$ 9,966,110	\$ 10,107,379	\$ (141,269)	\$ 10,252,689	\$ (145,310)
Auxiliary enterprises, net of discounts	1,942,304	1,900,621	41,683	1,918,530	(17,909)
Non-governmental grants and contracts	61,734	34,154	27,580	11,527	22,627
State grants and contracts	1,045,304	1,678,224	(632,920)	1,834,681	(156,457)
Federal grants and contracts	302,411	296,682	5,729	299,825	(3,143)
<b>Total Operating Revenues</b>	<u>13,317,863</u>	<u>14,017,060</u>	<u>(699,197)</u>	<u>14,317,252</u>	<u>(300,192)</u>
<b>Less Operating Expenses (Table 1)</b>	<u>41,619,326</u>	<u>42,298,738</u>	<u>(679,412)</u>	<u>40,518,876</u>	<u>1,779,862</u>
<b>Operating Loss</b>	<u>(28,301,463)</u>	<u>(28,281,678)</u>	<u>(19,785)</u>	<u>(26,201,624)</u>	<u>(2,080,054)</u>
<b>Nonoperating Revenues (Expenses):</b>					
State appropriations	9,403,349	9,298,760	104,589	9,207,896	90,864
Property tax revenue	15,735,150	14,643,746	1,091,404	13,109,560	1,534,186
Federal revenue, nonoperating	4,841,440	4,230,382	611,058	4,574,385	(344,003)
Investment income	47,214	23,347	23,867	18,303	5,044
Interest and fiscal agent fees	(497,289)	(496,153)	(1,136)	(539,144)	42,991
Loss on sale of capital assets	(43,304)	(8,206)	(35,098)	-	(8,206)
Other nonoperating revenues	720,087	699,389	20,698	612,216	87,173
<b>Total Nonoperating Revenues, Net</b>	<u>30,206,647</u>	<u>28,391,265</u>	<u>1,815,382</u>	<u>26,983,216</u>	<u>1,408,049</u>
<b>Change in Net Position</b>	<u>1,905,184</u>	<u>109,587</u>	<u>1,795,597</u>	<u>781,592</u>	<u>(672,005)</u>
Beginning net position	14,404,235	14,294,648	109,587	13,513,056	781,592
<b>Ending Net Position</b>	<u>\$ 16,309,419</u>	<u>\$ 14,404,235</u>	<u>\$ 1,905,184</u>	<u>\$ 14,294,648</u>	<u>\$ 109,587</u>

**Fiscal Year 2016 Compared to 2015**

Total revenues (operating and nonoperating) for the year 2016 were \$44,065,103. Operating revenues decreased by \$699,197 largely due to a decrease State grants and contracts related to awards from Texas Workforce Commission grants, Jobs and Education for Texans program, Texas Education Opportunity Grant program, and Nursing Shortage grants compared to the prior year. Total tuition and fees decreased compared to the prior year due to an increase in remissions/exemptions for eligible students and a decrease in continuing education courses. These were partially offset by an increase in State funded credit courses and fees from an increase in head count/contact hours. Nonoperating revenues increased \$1,851,616 primarily due to an increase in property tax revenues as the result of an increase in the assessed values of properties, an increase in federal nonoperating grant revenues, and an increase in State appropriations.



**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

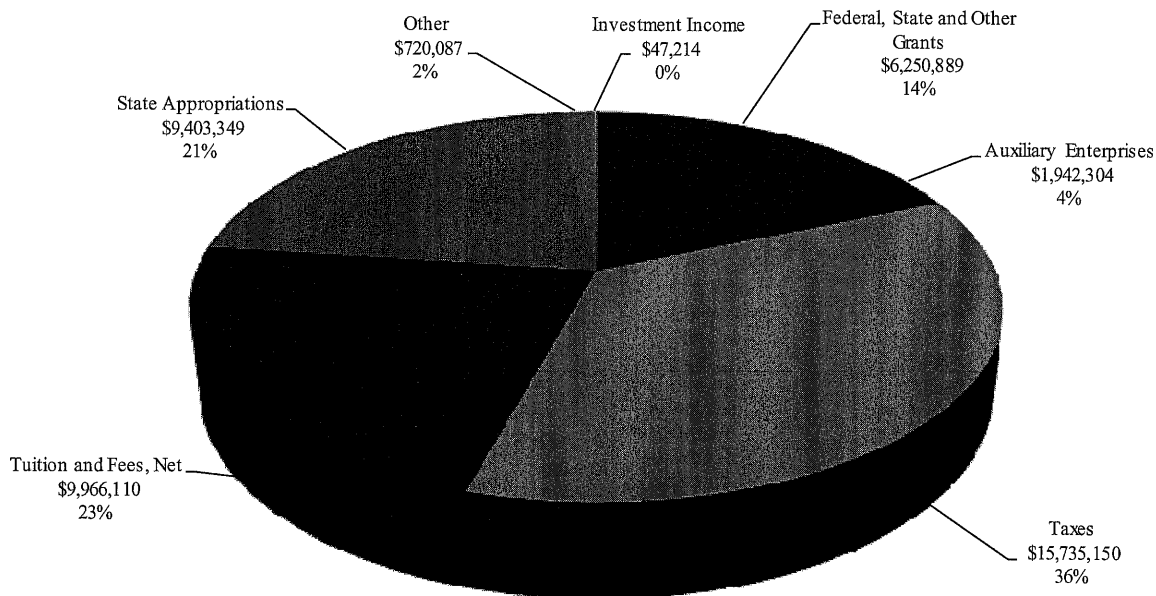
Total expenses (operating and nonoperating) decreased \$643,178, or less than two percent, compared to the prior year. This decrease was due to a decrease in State operating grant expenditures, the recognition of prior year expenses from the implementation of the exit incentive plan, new insurance and utility contracts which reduced costs in the current year, and fewer non-capital project expenses. These were partially offset by increases in personnel costs, software related costs, an increase in federal operating grant expenditures, scholarship expenses, and an increase in TPEG fees.

**Fiscal Year 2015 Compared to 2014**

Total revenues (operating and nonoperating) for the year 2015 were \$42,912,684. Operating revenues decreased \$300,192 largely due to a decrease in head count, contact hours, and State grants and contracts compared to the prior year. Nonoperating revenues increased \$1,373,264 primarily due to an increase in property tax revenues as the result of an increase in the assessed values of properties and an increase in the tax rate. This was partially offset by a decrease in federal grant revenues.

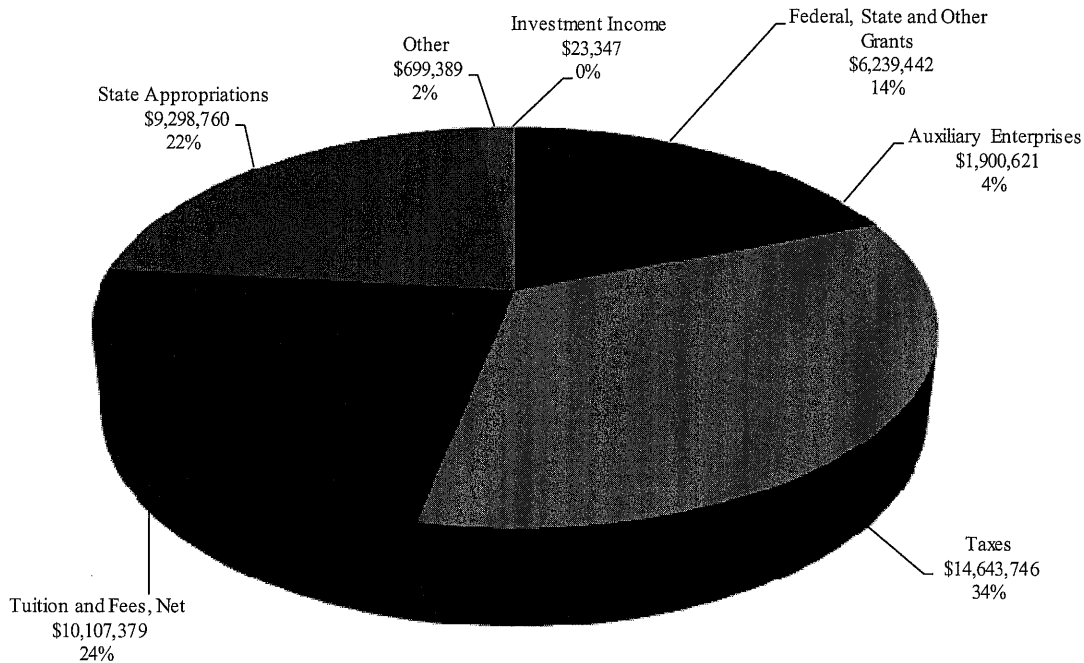
Operating expenses increased \$1,779,862 mainly due to the new exit incentive plan, pension expense related to GASB Statement No. 68, and an increase in personnel related costs.

**Revenues by Source and Percentage  
For the Year Ended August 31, 2016**



**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**Revenues by Source and Percentage**  
**For the Year Ended August 31, 2015**



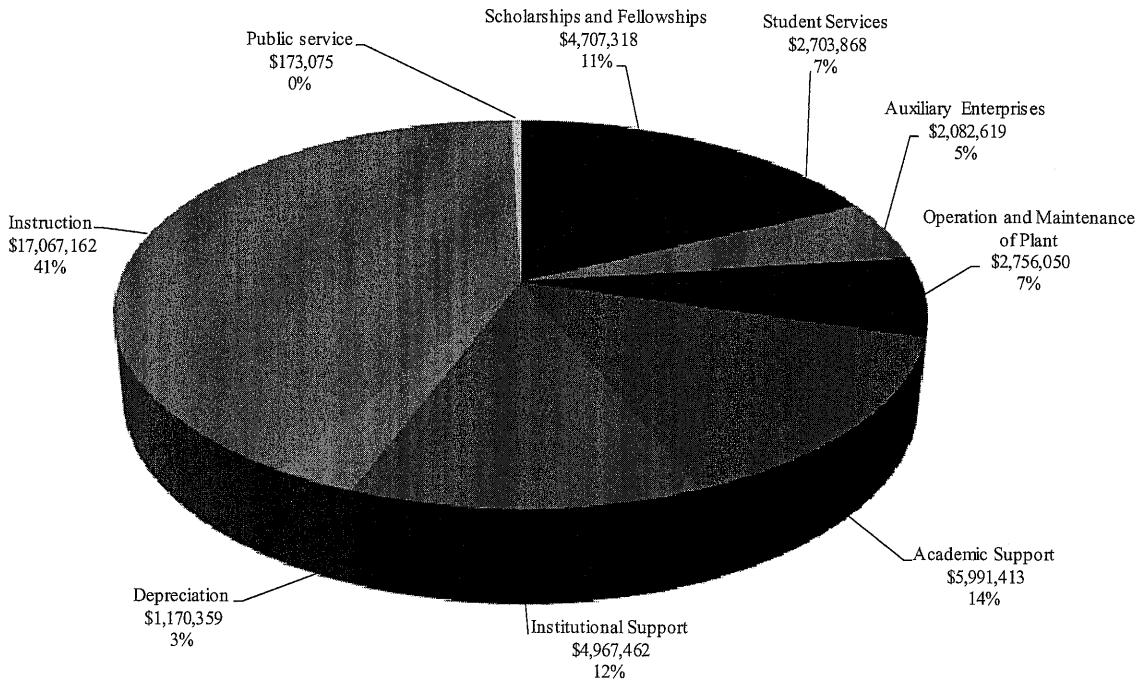
Operating expenses are primarily presented by functional categories, which represent the types of programs and services provided. Nonoperating expenses consist of interest and fiscal agent fees from capital related debt service of \$497,289 and \$496,153 for the years ended August 31, 2016 and 2015, respectively. The College also recognized a loss on sale of capital assets of \$43,304. The following are graphic illustrations of operating expenses by functional category and percentage of total operating expenses for the years ended August 31, 2016 and 2015.

**OPERATING EXPENSES**  
**Years Ended August 31, 2016-2014**

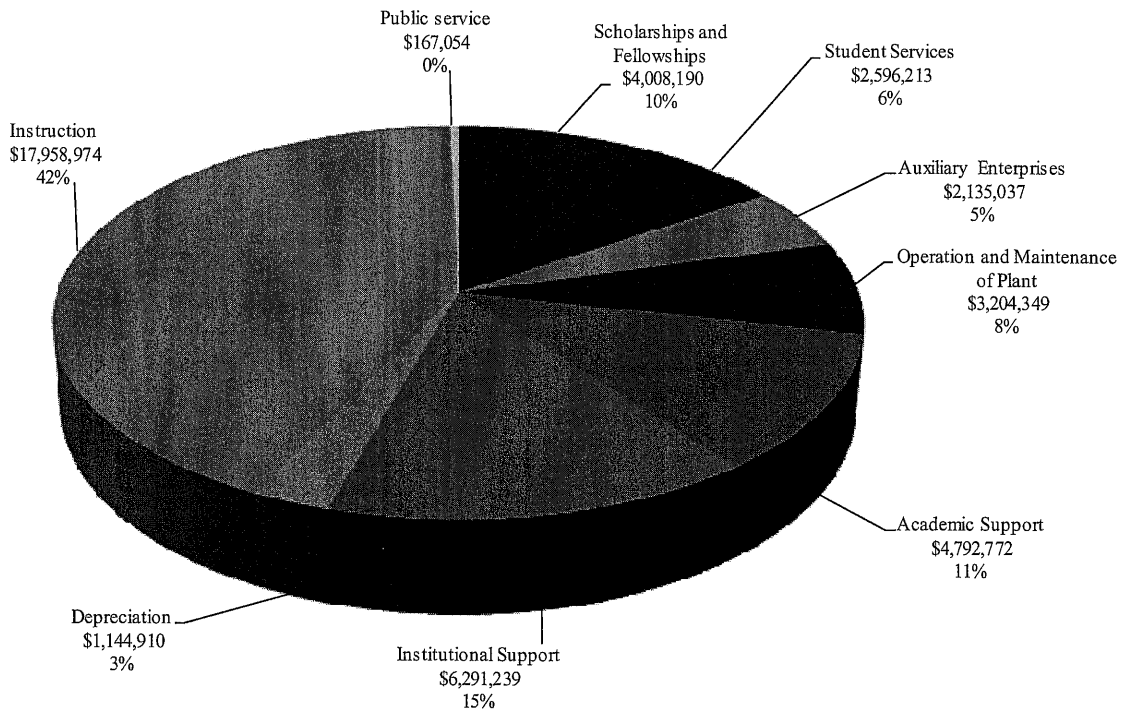
	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease) 2016-2015</u>	<u>2014</u>	<u>Increase (Decrease) 2015-2014</u>
<b>Operating Expenses:</b>					
Instruction	\$ 17,067,162	\$ 17,958,974	\$ (891,812)	\$ 17,506,419	\$ 452,555
Institutional support	4,967,462	6,291,239	(1,323,777)	4,822,542	1,468,697
Academic support	5,991,413	4,792,772	1,198,641	4,696,196	96,576
Operation and maintenance of plant	2,756,050	3,204,349	(448,299)	3,110,390	93,959
Auxiliary enterprises	2,082,619	2,135,037	(52,418)	2,118,277	16,760
Student services	2,703,868	2,596,213	107,655	2,527,385	68,828
Scholarships and fellowships	4,707,318	4,008,190	699,128	4,437,212	(429,022)
Depreciation	1,170,359	1,144,910	25,449	1,138,275	6,635
Public service	173,075	167,054	6,021	162,180	4,874
<b>Total</b>	<u>\$ 41,619,326</u>	<u>\$ 42,298,738</u>	<u>\$ (679,412)</u>	<u>\$ 40,518,876</u>	<u>\$ 1,779,862</u>

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**Operating Expenses by Function and Percentage  
For the Year Ended August 31, 2016**

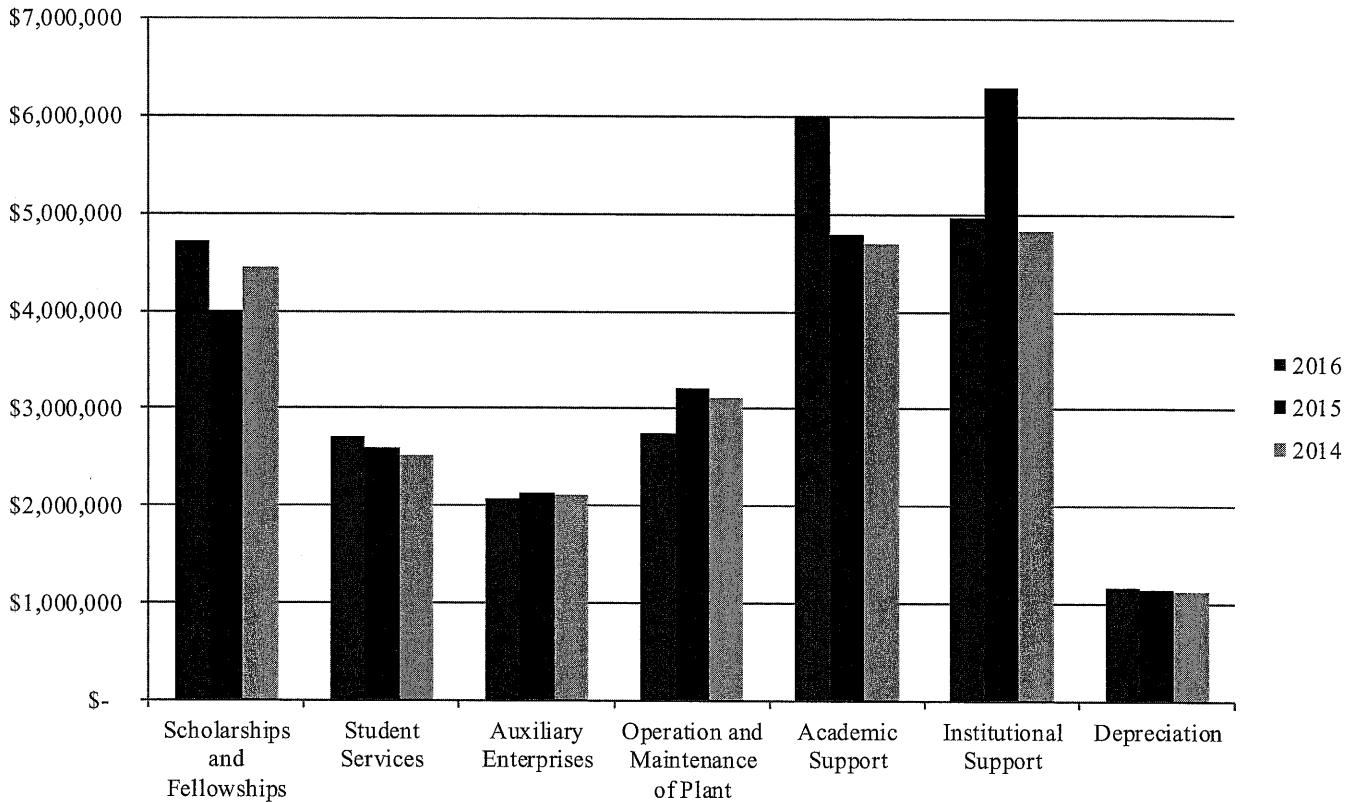


**Operating Expenses by Function and Percentage  
For the Year Ended August 31, 2015**



**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

Comparison of Operating Expenses  
Fiscal Years 2016-2014



**Capital Assets**

	2016	2015	Increase (Decrease) 2016-2015	2014	Increase (Decrease) 2015-2014
Capital assets not depreciated:					
Land	\$ 494,128	\$ 774,128	\$ (280,000)	\$ 774,128	\$ -
Construction in process	-	7,280	(7,280)	-	7,280
Total	494,128	781,408	(287,280)	774,128	7,280
Other capital assets:					
Buildings and improvements	35,108,334	36,215,703	(1,107,369)	36,215,703	-
Facilities and improvements	3,444,045	3,400,347	43,698	3,355,079	45,268
Telecommunications equipment	1,654,555	1,654,555	-	2,747,984	(1,093,429)
Furniture and equipment	5,821,898	5,441,661	380,237	5,454,459	(12,798)
Library books	395,694	394,068	1,626	382,852	11,216
Total	46,424,526	47,106,334	(681,808)	48,156,077	(1,049,743)
Less accumulated depreciation	(19,985,456)	(19,110,934)	(874,522)	(19,602,444)	491,510
<b>Net Capital Assets</b>	<b>\$ 26,933,198</b>	<b>\$ 28,776,808</b>	<b>\$ (1,843,610)</b>	<b>\$ 29,327,761</b>	<b>\$ (550,953)</b>

**Fiscal Year 2016 Compared to 2015**

As of August 31, 2016, the College had \$46,918,654 invested in capital assets, \$19,985,456 in accumulated depreciation, and \$26,933,198 in net capital assets. Significant additions during the fiscal year included building

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2016 and 2015

improvements, ultrasound system equipment, respiratory system equipment, and a new police vehicle. The College recognized the disposal of \$1,239,528 in partially depreciated assets related to an underground storage tank and the sale of the Pearland campus.

**Fiscal Year 2015 Compared to 2014**

As of August 31, 2015, the College had \$47,887,742 invested in capital assets, \$19,110,934 in accumulated depreciation, and \$28,776,808 in net capital assets. Significant additions during the fiscal year included purchases of servers, equipment through the nursing grant, bleachers, an amplifier, and radio/telecommunication equipment. The College recognized the disposal of \$1,117,312 in fully depreciated telecommunication equipment during the fiscal year.

**Long-Term Debt**

The Board of Regents voted a debt service tax rate for 2014-15 of \$0.022102. The debt service rate was lowered in 2015 (for the 2015-16 fiscal year) to \$0.021030. The principal balance of the bonds was \$12,255,000 and \$13,350,000 as of August 31, 2016 and 2015, respectively.

On September 8, 2014, Moody's Investors Service downgraded the College's general obligation limited tax rating to "Aa3" from "Aa2." On March 5, 2014, Fitch Ratings downgraded the College's limited tax bonds rating to "A+" from "AA-." According to these rating agencies, the downgrades reflect the College's weakened financial position demonstrated through multiple years of operating deficits. The rating agencies also noted concerns about weakened State support and the College's exposure to the counter-cyclic enrollment declines from a strengthened economy.

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

**Contacting the College's Financial Management**

This financial report is designed to provide the College's citizens, taxpayers, students, investors, and creditors with a general overview of the College's finances and to demonstrate the College's accountability for the 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.

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***BASIC FINANCIAL STATEMENTS***

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# ALVIN COMMUNITY COLLEGE

Exhibit 1

## STATEMENTS OF NET POSITION

August 31, 2016 and 2015

<u>Assets</u>	2016	2015
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 9,662,719	\$ 7,484,620
Accounts receivable, net	2,228,084	1,964,099
Inventories	696,421	798,120
Prepays	908,790	544,765
<b>Total Current Assets</b>	13,496,014	10,791,604
<b>Noncurrent Assets:</b>		
Investments	1,000,000	1,000,000
Capital assets, net:		
Non-depreciable	494,128	781,408
Depreciable	26,439,070	27,995,400
<b>Total Noncurrent Assets</b>	27,933,198	29,776,808
<b>Total Assets</b>	41,429,212	40,568,412
<b>Deferred Outflows of Resources</b>		
Deferred charge on refunding	607,587	759,484
Deferred outflows - pensions	2,459,193	944,184
<b>Total Deferred Outflows of Resources</b>	3,066,780	1,703,668
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	775,516	829,526
Funds held for others	37,018	38,789
Unearned revenues	4,376,084	4,018,719
Compensated absences	280,693	319,367
Exit incentive - current portion	327,043	327,043
Bonds payable - current portion	1,130,000	1,095,000
Capital lease payable - current portion	11,353	10,816
<b>Total Current Liabilities</b>	6,937,707	6,639,260
<b>Noncurrent Liabilities:</b>		
Compensated absences	89,347	22,041
Exit incentive	654,086	981,129
Net pension liability	6,337,945	5,135,984
Bonds payable	12,210,528	13,495,049
Capital lease payable	11,916	23,269
<b>Total Noncurrent Liabilities</b>	19,303,822	19,657,472
<b>Total Liabilities</b>	26,241,529	26,296,732
<b>Deferred Inflows of Resources</b>		
Deferred inflows - pensions	1,945,044	1,571,113
<b>Total Deferred Inflows of Resources</b>	1,945,044	1,571,113
<b>Net Position</b>		
Net investment in capital assets	14,176,988	14,102,131
Restricted for expendable student aid	242,903	244,124
Unrestricted	1,889,528	57,980
<b>Total Net Position (Schedule D)</b>	\$ 16,309,419	\$ 14,404,235

See accompanying notes to basic financial statements.

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# ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 1A

## STATEMENTS OF FINANCIAL POSITION (unaudited)

December 31, 2015 and 2014

<u>Assets:</u>	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 54,157	\$ 40,157
Investments	2,628,296	2,601,519
Other assets	20,223	20,223
<b>Total Assets</b>	<u>\$ 2,702,676</u>	<u>\$ 2,661,899</u>
<u>Net Assets:</u>		
Unrestricted	\$ 45,159	\$ 45,159
Temporarily restricted	1,676,167	1,635,390
Permanently restricted	981,350	981,350
<b>Total Net Assets</b>	<u>\$ 2,702,676</u>	<u>\$ 2,661,899</u>

See accompanying notes to basic financial statements.

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# ALVIN COMMUNITY COLLEGE

Exhibit 2

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended August 31, 2016 and 2015

	2016	2015
<b>Revenues:</b>		
<b>Operating Revenues:</b>		
Tuition and fees, net of discounts of \$2,312,329 for 2016 and \$2,149,751 for 2015	\$ 9,966,110	\$ 10,107,379
Federal grants and contracts	302,411	296,682
State grants and contracts	1,045,304	1,678,224
Non-governmental grants and contracts	61,734	34,154
Auxiliary enterprises, net of discounts of \$330,113 for 2016 and \$288,506 for 2015	1,942,304	1,900,621
<b>Total Operating Revenues (Schedule A)</b>	<b>13,317,863</b>	<b>14,017,060</b>
<b>Expenses:</b>		
<b>Operating Expenses:</b>		
Instruction	17,067,162	17,958,974
Public service	173,075	167,054
Academic support	5,991,413	4,792,772
Student services	2,703,868	2,596,213
Institutional support	4,967,462	6,291,239
Operation and maintenance of plant	2,756,050	3,204,349
Scholarships and fellowships	4,707,318	4,008,190
Auxiliary enterprises	2,082,619	2,135,037
Depreciation	1,170,359	1,144,910
<b>Total Operating Expenses (Schedule B)</b>	<b>41,619,326</b>	<b>42,298,738</b>
<b>Operating Loss</b>	<b>(28,301,463)</b>	<b>(28,281,678)</b>
<b>Nonoperating Revenues (Expenses):</b>		
State appropriations	9,403,349	9,298,760
Property tax revenue	14,110,746	13,059,004
Debt service ad valorem taxes	1,624,404	1,584,742
Federal revenue, nonoperating	4,841,440	4,230,382
Investment income	47,214	23,347
Interest on capital related debt	(497,289)	(496,153)
Loss on disposal of capital assets	(43,304)	(8,206)
Other nonoperating revenues	720,087	699,389
<b>Total Nonoperating Revenues, Net (Schedule C)</b>	<b>30,206,647</b>	<b>28,391,265</b>
<b>Change in Net Position</b>	1,905,184	109,587
Beginning net position	14,404,235	14,294,648
<b>Ending Net Position</b>	<b>\$ 16,309,419</b>	<b>\$ 14,404,235</b>

See accompanying notes to basic financial statements.

**ALVIN COMMUNITY COLLEGE FOUNDATION**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (unaudited)**  
For the Years Ended December 31, 2015 and 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Support and Revenue:</b>				
Contributions and grants	\$ -	\$ 143,964	\$ -	\$ 143,964
Author luncheon income, net	-	-	-	-
Randy Weber Roast income, net	-	-	-	-
Gala income, net	20,006	20,007	-	40,013
Alvin Live, net	6,250	6,251	-	12,501
Interest and dividend income	-	55,619	-	55,619
Travel/fundraisers	127	128	-	255
Dolphin athletics, net	8,761	8,761	-	17,522
ACC Feed the Hungry, net	131	132	-	263
Realized gain on investments, net	-	171,136	-	171,136
Unrealized appreciation on investments, net	-	(145,275)	-	(145,275)
Net assets released from restrictions	219,946	(219,946)	-	-
<b>Total Support and Revenue</b>	255,221	40,777	-	295,998
<b>Program and Support Services:</b>				
Scholarships	103,669	-	-	103,669
Awards	124,915	-	-	124,915
Investment management fee	22,915	-	-	22,915
Management and general	3,722	-	-	3,722
<b>Total Expenses</b>	255,221	-	-	255,221
<b>Change in Net Assets</b>	-	40,777	-	40,777
Beginning net assets	45,159	1,635,390	981,350	2,661,899
<b>Ending Net Assets</b>	\$ 45,159	\$ 1,676,167	\$ 981,350	\$ 2,702,676

See accompanying notes to basic financial statements.

2014			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ 13,216	\$ -	\$ 13,216
12,177	12,176	-	24,353
2,500	2,500	-	5,000
14,869	14,870	-	29,739
1,504	1,504	-	3,008
-	51,358	-	51,358
326	326	-	652
10,687	10,686	-	21,373
367	367	-	734
-	224,123	-	224,123
-	166,484	-	166,484
127,218	(127,218)	-	-
<u>169,648</u>	<u>370,392</u>	<u>-</u>	<u>540,040</u>
81,098	-	-	81,098
62,779	-	-	62,779
22,253	-	-	22,253
3,518	-	-	3,518
<u>169,648</u>	<u>-</u>	<u>-</u>	<u>169,648</u>
-	370,392	-	370,392
45,159	1,264,998	981,350	2,291,507
<u>\$ 45,159</u>	<u>\$ 1,635,390</u>	<u>\$ 981,350</u>	<u>\$ 2,661,899</u>

# ALVIN COMMUNITY COLLEGE

## STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2016 and 2015

	2016	2015
<b>Cash Flows from Operating Activities:</b>		
Receipts from students and other customers	\$ 11,752,916	\$ 12,126,510
Receipts of grants and contracts	1,300,962	2,139,485
Payments to or on behalf of employees	(27,550,501)	(26,216,289)
Payments to suppliers for goods or services	(8,389,418)	(10,846,410)
Payments of scholarships	(4,707,318)	(4,008,190)
<b>Net Cash (Used) by Operating Activities</b>	(27,593,359)	(26,804,894)
<b>Cash Flows from Noncapital Financing Activities:</b>		
Receipts of State appropriations	9,403,349	9,298,760
Receipts of maintenance and operations ad valorem taxes	14,110,746	13,059,004
Receipts from nonoperating Federal revenue	4,841,440	4,230,382
Other	720,087	699,389
<b>Net Cash Provided by Noncapital Financing Activities</b>	29,075,622	27,287,535
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Receipts from debt service ad valorem taxes	1,624,404	1,584,742
Purchases of capital assets	(561,597)	(632,735)
Proceeds from sale of capital assets	1,191,544	30,572
Payments on principal debt	(1,105,816)	(1,040,304)
Interest payments on principal debt	(499,913)	(536,937)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	648,622	(594,662)
<b>Cash Flows from Investing Activities:</b>		
Purchases of investments	(3,350,000)	(6,650,000)
Receipts from sale of investments	3,350,000	6,650,000
Receipts from investment income	47,214	23,347
<b>Net Cash Provided by Investing Activities</b>	47,214	23,347
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	2,178,099	(88,674)
Beginning cash and cash equivalents	7,484,620	7,573,294
<b>Ending Cash and Cash Equivalents</b>	\$ 9,662,719	\$ 7,484,620



**ALVIN COMMUNITY COLLEGE**

Exhibit 3

**STATEMENTS OF CASH FLOWS, Continued**

For the Years Ended August 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Reconciliation of Operating (Loss)</b>		
<b>to Net Cash (Used) by Operating Activities:</b>		
Operating (loss)	\$ (28,301,463)	\$ (28,281,678)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation expense	1,170,359	1,144,910
Changes in assets and liabilities:		
Receivables, net	(263,985)	248,935
Inventories	101,699	(171,247)
Prepays	(364,025)	54,382
Deferred outflows	(1,515,009)	(456,707)
Deferred inflows	373,931	1,571,113
Accounts payable and accrued liabilities	(54,010)	(821,668)
Deferred compensation	-	(52,279)
Funds held for others	(1,771)	11,500
Deferred revenues	357,365	(86,173)
Exit incentive	(327,043)	1,288,574
Net pension liability	1,201,961	(1,170,586)
Compensated absences	28,632	(83,970)
<b>Net Cash (Used) by Operating Activities</b>	<u>\$ (27,593,359)</u>	<u>\$ (26,804,894)</u>

See accompanying notes to basic financial statements.

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**ALVIN COMMUNITY COLLEGE FOUNDATION**

Exhibit 3A

**STATEMENTS OF CASH FLOWS (unaudited)**

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 40,777	\$ 370,392
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized appreciation (depreciation) on investments	145,275	(166,484)
<b>Net Cash Provided by Operating Activities</b>	<u>186,052</u>	<u>203,908</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of investment securities	(172,052)	(202,543)
<b>Net Cash (Used) by Investing Activities</b>	<u>(172,052)</u>	<u>(202,543)</u>
<b>Increase in Cash and Cash Equivalents</b>	14,000	1,365
Beginning cash and cash equivalents	40,157	38,792
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 54,157</u>	<u>\$ 40,157</u>

See accompanying notes to basic financial statements.

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# ALVIN COMMUNITY COLLEGE

## NOTES TO FINANCIAL STATEMENTS

For the Years Ended August 31, 2016 and 2015

### NOTE 1—Reporting Entity

Alvin Community College (the “College”) was established in 1948, in accordance with the laws of the State of Texas, 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 of Texas (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, 2016 and 2015. 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 (FASB). 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, 2016 and 2015. 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, 2016 and 2015

**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 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, 2016 and 2015

**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. The College has five items that qualify for reporting in this category on the Statements of Net Position. 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. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience and for the changes in actuarial assumptions related to the College's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has been recognized for the difference between the projected and actual investment earnings. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the College's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

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. The College has four items that qualify for reporting in this category on the Statements of Net Position. Deferred inflows of resources are recognized for the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. Additional deferrals are recognized for the changes in proportion and difference between the employer's contributions and the proportionate share of contributions, for the differences between the actuarial expectations and the actual economic experience, and for the changes in actuarial assumptions related to the College's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members.

**Investments**

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

**Inventories**

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

**Capital Assets**

Capital assets are recorded at cost at the date of acquisition, or fair 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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

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 (TPEG), 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.

**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.



**ALVIN COMMUNITY COLLEGE**  
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For the Years Ended August 31, 2016 and 2015

**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.

**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, 2016 and 2015 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.

**NOTE 3—Authorized Investments**

The Board of Regents of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board of Regents' investment policy and the Public Funds Investment 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 deposits, and (5) other instruments and obligations authorized by statute.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**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, 2016 and 2015, 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:

	2016	2015
Cash and cash equivalents:		
Bank deposits - demand deposits	\$ 1,648,418	\$ 2,478,075
Certificates of deposit	8,000,000	5,000,000
Petty cash	14,301	6,545
<b>Total Cash and Cash Equivalents</b>	<b>\$ 9,662,719</b>	<b>\$ 7,484,620</b>

**Investments**

As of August 31, 2016, the College had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 9,000,000	0.20
<b>Total Fair Value</b>	<b>\$ 9,000,000</b>	
Portfolio weighted average maturity		0.20

As of August 31, 2016 and 2015, the College held certificates of deposit of \$9,000,000 and \$6,000,000, respectively. For the current fiscal year, \$8,000,000 was classified as cash equivalents due to the certificates of deposit having maturities of less than three months from the date of acquisition and \$1,000,000 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.

*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.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
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*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.

**NOTE 5—Disaggregation of Accounts Receivable**

Accounts receivable were as follows at August 31:

	<u>2016</u>	<u>2015</u>
Student receivables	\$ 1,582,083	\$ 1,214,904
Taxes receivable	420,635	438,299
Interest receivable	4,060	3,656
Federal receivables	68,615	139,998
State receivables	256,513	293,617
Sponsor receivables	264,602	226,363
Total accounts receivable	<u>2,596,508</u>	<u>2,316,837</u>
Less allowance for doubtful accounts	<u>(368,424)</u>	<u>(352,738)</u>
<b>Total Accounts Receivable, Net</b>	<u><u>\$ 2,228,084</u></u>	<u><u>\$ 1,964,099</u></u>

**NOTE 6—Disaggregation of Accounts Payable and Accrued Liabilities**

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

	<u>2016</u>	<u>2015</u>
Accrued payroll	\$ 3,240	\$ 8,892
Vendor payables	713,857	770,117
Sales tax payable	58,419	50,517
<b>Total Accounts Payable and Accrued Liabilities</b>	<u><u>\$ 775,516</u></u>	<u><u>\$ 829,526</u></u>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**NOTE 7—Capital Assets**

Capital assets activity for the year ended August 31, 2016 was as follows:

	<u>Balance September 1, 2015</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance August 31, 2016</u>
Not depreciated:				
Land	\$ 774,128	\$ -	\$ (280,000)	\$ 494,128
Construction in process	7,280	-	(7,280)	-
<b>Subtotal</b>	<u>781,408</u>	<u>-</u>	<u>(287,280)</u>	<u>494,128</u>
Other capital assets:				
Buildings and improvements	36,215,703	132,159	(1,239,528)	35,108,334
Facilities and improvements	3,400,347	43,698	-	3,444,045
Furniture and equipment	5,441,661	380,237	-	5,821,898
Telecommunications equipment	1,654,555	-	-	1,654,555
Library books	394,068	5,503	(3,877)	395,694
<b>Subtotal</b>	<u>47,106,334</u>	<u>561,597</u>	<u>(1,243,405)</u>	<u>46,424,526</u>
Less accumulated depreciation:				
Buildings and improvements	12,153,632	637,573	(295,837)	12,495,368
Facilities and improvements	2,107,573	81,413	-	2,188,986
Furniture and equipment	3,033,327	393,334	-	3,426,661
Telecommunications equipment	1,537,456	40,373	-	1,577,829
Library books	278,946	17,666	-	296,612
<b>Total accumulated depreciation</b>	<u>19,110,934</u>	<u>1,170,359</u>	<u>(295,837)</u>	<u>19,985,456</u>
<b>Net Capital Assets</b>	<u>\$ 28,776,808</u>	<u>\$ (608,762)</u>	<u>\$ (1,234,848)</u>	<u>\$ 26,933,198</u>

Capital asset activity for the year ended August 31, 2015 was as follows:

	<u>Balance September 1, 2014</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance August 31, 2015</u>
Not depreciated:				
Land	\$ 774,128	\$ -	\$ -	\$ 774,128
Construction in process	-	7,280	-	7,280
<b>Subtotal</b>	<u>774,128</u>	<u>7,280</u>	<u>-</u>	<u>781,408</u>
Other capital assets:				
Buildings and improvements	36,215,703	-	-	36,215,703
Facilities and improvements	3,355,080	45,267	-	3,400,347
Furniture and equipment	5,454,458	545,089	(557,886)	5,441,661
Telecommunications equipment	2,747,984	23,883	(1,117,312)	1,654,555
Library books	382,852	11,216	-	394,068
<b>Subtotal</b>	<u>48,156,077</u>	<u>625,455</u>	<u>(1,675,198)</u>	<u>47,106,334</u>
Less accumulated depreciation:				
Buildings and improvements	11,506,024	647,608	-	12,153,632
Facilities and improvements	2,037,618	69,955	-	2,107,573
Furniture and equipment	3,193,711	358,724	(519,108)	3,033,327
Telecommunications equipment	2,604,383	50,385	(1,117,312)	1,537,456
Library books	260,708	18,238	-	278,946
<b>Total accumulated depreciation</b>	<u>19,602,444</u>	<u>1,144,910</u>	<u>(1,636,420)</u>	<u>19,110,934</u>
<b>Net Capital Assets</b>	<u>\$ 29,327,761</u>	<u>\$ (512,175)</u>	<u>\$ (38,778)</u>	<u>\$ 28,776,808</u>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**NOTE 8—Long-Term Liabilities**

Long-term liabilities activity for the year ended August 31, 2016 was as follows:

	Balance September 1, 2015	Additions	Payments	Balance August 31, 2016	Current Portion
<b>Bonds:</b>					
General obligation refunding bonds - 2012	\$ 8,690,000	\$ -	\$ -	\$ 8,690,000	\$ -
General obligation refunding bonds - 2013	4,660,000	-	(1,095,000)	3,565,000	1,130,000
Capital lease	34,085	-	(10,816)	23,269	11,353
<b>Deferred amounts:</b>					
For premiums	1,240,049	-	(154,521)	1,085,528	-
	<u>14,624,134</u>	<u>-</u>	<u>(1,260,337)</u>	<u>13,363,797</u>	<u>1,141,353</u>
<b>Other liabilities:</b>					
Net pension liability	5,135,984	1,201,961	-	6,337,945	-
Compensated absences	341,408	287,607	(258,975)	370,040	280,693
Exit incentive liability	1,308,172	-	(327,043)	981,129	327,043
<b>Total Long-Term Liabilities</b>	<u>\$ 21,409,698</u>	<u>\$ 1,489,568</u>	<u>\$ (1,846,355)</u>	<u>\$ 21,052,911</u>	<u>\$ 1,749,089</u>

Long-term liabilities activity for the year ended August 31, 2015 was as follows:

	Balance September 1, 2014	Additions	Payments	Balance August 31, 2015	Current Portion
<b>Bonds:</b>					
General obligation bonds - 2005	\$ 1,030,000	\$ -	\$ (1,030,000)	\$ -	\$ -
General obligation refunding bonds - 2012	8,690,000	-	-	8,690,000	-
General obligation refunding bonds - 2013	4,660,000	-	-	4,660,000	1,095,000
Capital lease	44,389	-	(10,304)	34,085	10,816
<b>Deferred amounts:</b>					
For premiums	1,432,730	-	(192,681)	1,240,049	-
	<u>15,857,119</u>	<u>-</u>	<u>(1,232,985)</u>	<u>14,624,134</u>	<u>1,105,816</u>
<b>Other liabilities:</b>					
Net pension liability	6,306,570	-	(1,170,586)	5,135,984	-
Compensated absences	425,378	313,946	(397,916)	341,408	319,367
Exit incentive liability	-	1,635,215	(327,043)	1,308,172	327,043
Deferred compensation payable	52,279	-	(52,279)	-	-
<b>Total Long-Term Liabilities</b>	<u>\$ 22,641,346</u>	<u>\$ 1,949,161</u>	<u>\$ (3,180,809)</u>	<u>\$ 21,409,698</u>	<u>\$ 1,752,226</u>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**NOTE 9—Bonds Payable**

General information related to bonds payable is summarized as follows:

**Limited Tax Bonds, Series 2005**

- To construct and equip a new Health Science Building and to pay the costs of issuing the bonds.
- Issued August 15, 2005.
- Original amount of issue - \$19,610,000, with all authorized bonds issued.
- Interest rate of four percent.
- Due in semiannual installments each February 15 and August 15, with the final installment due February 2015 (as the result of the two refundings noted below).
- Source of revenue for debt service - annual ad valorem taxes.
- Requires the College to maintain an insurance policy guaranteeing payment of bond principal and interest. All related premiums have been paid.
- The College advance refunded \$8,750,000 and \$4,685,000 during the fiscal years 2012 and 2013, respectively.
- The bonds were fully defeased at August 31, 2015.

**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 3.50 percent to five 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 \$8,690,000 at August 31, 2016.

**Limited Tax Refunding Bonds, Series 2013**

- To advance refund \$4,685,000 of the limited tax, series 2005 bonds and to pay the costs of issuing the bonds.
- Issued March 15, 2013.
- Original amount of issue - \$4,660,000, with all authorized bonds issued.
- Interest rates range from two percent to four percent.
- Due in semiannual installments each February 15 and August 15, with interest payments beginning August 15, 2013 and principal payments beginning February 15, 2016, and the final installment due February 15, 2020.
- Source of revenue for debt service - annual ad valorem taxes.
- Outstanding bonds payable of \$3,565,000 at August 31, 2016.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**Bond and Lease Debt Service Requirements**

The bond 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>
2017	\$ 1,130,000	\$ 465,126	\$ 1,595,126
2018	1,170,000	426,288	1,596,288
2019	1,210,000	381,613	1,591,613
2020	1,285,000	330,725	1,615,725
2021	1,365,000	275,031	1,640,031
2022-2025	<u>6,095,000</u>	<u>464,662</u>	<u>6,559,662</u>
<b>Total</b>	<b><u>\$ 12,255,000</u></b>	<b><u>\$ 2,343,445</u></b>	<b><u>\$ 14,598,445</u></b>

Obligations under the capital lease as of August 31, 2016 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 11,353	\$ 1,155	\$ 12,508
2018	<u>11,916</u>	<u>591</u>	<u>12,507</u>
<b>Total</b>	<b><u>\$ 23,269</u></b>	<b><u>\$ 1,746</u></b>	<b><u>\$ 25,015</u></b>

The College entered into a lease agreement as a lessee for financing the acquisition of equipment at an interest rate of 4.854 percent. The lease qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of inception. Equipment acquired under current capital lease obligations totaled \$30,355, net of accumulated depreciation of \$25,858.

**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—Termination Benefits**

During the 2014-2015 fiscal year, the College approved a one-time exit incentive through Public Agency Retirement Systems (PARS). The plan includes 75 percent salary payout over five years for employees with 15 or more years of service. 29 employees accepted the agreement. As of August 31, 2016, the College's liability was \$981,129.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**NOTE 11–Unrestricted Net Position**

Through the budget process, the College designates a portion of unrestricted net position to indicate management’s tentative plans for future use of financial resources. The College had the following designations as of August 31:

	2016	2015
Building renovations	\$ 76,100	\$ -
Other capital items	-	57,980
<b>Total</b>	\$ 76,100	\$ 57,980

**NOTE 12–EMPLOYEE RETIREMENT PLANS**

The College’s employees may participate in one of three retirement plans. Faculty, administrators, counselors, and librarians may enroll in either the Teacher Retirement System of Texas (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 (“Money Purchase Plan”). The total payroll for all College employees was \$21,642,560 and \$21,549,239 for the fiscal years ended August 31, 2016 and 2015, 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 the Teacher Retirement System of Texas (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 work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

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 <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

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 Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries



**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

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 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 post-employment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description above.

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 the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 through 2017. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2014 and 2015. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2016 and 2017.

<u>Contribution Rates</u>	<u>2015</u>	<u>2016</u>
Member	6.7%	7.2%
Non-Employer Contributing Entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2015 Employer Contributions	\$530,909	
2015 Member Contributions	\$461,876	
2015 State of Texas (NECE) On-behalf Contributions	\$365,437	

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund 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 of Texas 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 non-educational, and general or local funds.
- When the employing entity is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

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

- 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 Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

The total pension liability in the August 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2015
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.0%
Long-term expected investment rate of return	8.0%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

**ALVIN COMMUNITY COLLEGE**  
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The actuarial methods and assumptions are based primarily on a study of actual experience for the four-year period ending August 31, 2014 and adopted on September 24, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan 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.

Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2015 are summarized below:

	<b>Target Allocation</b>	<b>Long-Term Expected Geometric Real Rate of Return</b>	<b>Expected Contribution to Long-Term Portfolio Returns *</b>
<b>Global Equity</b>			
U.S.	18.0%	4.6%	1.0%
Non-U.S. Developed	13.0%	5.1%	0.8%
Emerging Markets	9.0%	5.9%	0.7%
Directional Hedge Funds	4.0%	3.2%	0.1%
Private Equity	13.0%	7.0%	1.1%
<b>Stable Value</b>			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute Returns	0.0%	1.8%	0.0%
Hedge Funds (Stable Value)	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
<b>Real Return</b>			
Global Inflation-Linked Bonds	3.0%	0.9%	0.0%
Real Assets	16.0%	5.1%	1.1%
Energy & Natural Resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
<b>Risk Parity</b>			
Risk Parity	5.0%	6.7%	0.3%
Inflation Expectation	0.0%		2.2%
Alpha	0.0%		1.0%
<b>Total</b>	100.0%		8.7%

\* The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2015 net pension liability.

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
College's proportionate share of the net pension liability	\$ 9,930,366	\$ 6,337,945	\$ 3,345,683

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

At August 31, 2016, the College reported a liability of \$6,337,945 for its proportionate share of the TRS's net pension liability. 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 net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$ 6,337,945
State's proportionate share that is associated with the College	4,361,258
<b>Total</b>	<b>\$ 10,699,203</b>

The net pension liability was measured as of August 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2014 through August 31, 2015.

At August 31, 2015, the College's proportion of the collective net pension liability was 0.0179298%, which was a decrease of 0.0012979% from its proportion measured as of August 31, 2014.

**Changes Since the Prior Actuarial Valuation** – The following are changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period:

*Economic Assumptions*

1. The inflation assumption was decreased from 3.00% to 2.50%.
2. The ultimate merit assumption for long-service employees was decreased from 1.25% to 1.00%.
3. In accordance with the observed experience, there were small adjustments in the service based promotional/longevity component of the salary scale.
4. The payroll growth assumption was lowered from 3.50% to 2.50%.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

*Mortality Assumptions*

5. The post-retirement mortality tables for non-disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
6. The post-retirement mortality tables for disabled retirees were updated to reflect recent TRS member experience. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.
7. The pre-retirement mortality tables for active employees were updated to use 90% of the recently published RP-2014 mortality table for active employees. Mortality rates will be assumed to continue to improve in the future using a fully generational approach and Scale BB.

*Other Demographic Assumptions*

8. Previously, it was assumed 10% of all members who had contributed in the past 5 years to be an active member. This was an implicit rehire assumption because teachers have historically had a high incidence of terminating employment for a time and then returning to the workforce at a later date. This methodology was modified to add a more explicit valuation of the rehire incidence in the termination liabilities and, therefore, these 10% are no longer being counted as active members.
9. There were adjustments to the termination patterns for members consistent with experience and future expectations. The termination patterns were adjusted to reflect the rehire assumption. The timing of the termination decrement was also changed from the middle of the year to the beginning to match the actual pattern in the data.
10. Small adjustments were made to the retirement patterns for members consistent with experience and future expectations.
11. Small adjustments to the disability patterns were made for members consistent with experience and future expectations. Two separate patterns were created based on whether the member has 10 years of service or more.
12. For members that become disabled in the future, it is assumed 20% of them will choose a 100% joint and survivor annuity option.

*Actuarial Methods and Policies*

13. The method of using celled data in the valuation process was changed to now using individual data records to allow for better reporting of some items, such as actuarial gains and losses by source.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2016, the College recognized pension expense of \$938,576 and revenue of \$621,409 for support provided by the State.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

At August 31, 2016, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 66,059	\$ 243,571
Changes in actuarial assumptions	277,648	226,111
Difference between projected and actual investment earnings	1,560,895	1,177,326
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	-	298,036
Contributions paid to TRS subsequent to the measurement date	554,591	-
<b>Total</b>	<b>\$ 2,459,193</b>	<b>\$ 1,945,044</b>

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:

<b>Year Ended August 31</b>	<b>Pension Expense</b>
2017	\$ 62,745
2018	62,745
2019	62,745
2020	(329,697)
2021	64,646
Thereafter	117,258
<b>Total</b>	<b>\$ 40,442</b>

**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 2016 and 2015, the percentage of participant salaries contributed by the State and each participant was 6.60 percent and 6.65 percent, respectively, of annual compensation. For employees who were employed as of September 1, 1995, the College contributed 1.9 percent for fiscal years 2016 and 2015, respectively, 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. S.B. 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 \$155,837, \$196,743, and \$197,413 for fiscal years 2016, 2015, and 2014, respectively. This amount represents 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, 2016 and 2015**

The total payroll for all College employees was \$21,642,560, \$21,549,239, and \$21,008,596 for fiscal years 2016, 2015, and 2014, respectively. The total payroll of employees covered by the ORP was \$4,843,231, \$6,449,503, and \$6,027,018 for fiscal years 2016, 2015, and 2014, 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 \$2,570,362, \$2,552,646, and \$2,312,690 for the years ended August 31, 2016, 2015, and 2014, respectively. Contributions made by the College during the years ended August 31, 2016, 2015, and 2014 were approximately \$33,415, \$33,184, \$30,065, respectively.

**NOTE 13—Post Retirement Health Care and Life Insurance Benefits**

*Plan Description*—In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all employees may become eligible for those benefits if they reach the normal retirement age while working for the State. The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing multiple-employer, defined benefit post-employment healthcare plan administered by the Employees Retirement System of Texas (ERS). The SRHP provides medical benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by State law and may be amended by the Texas Legislature. The ERS issues a publicly available financial report that includes financial statements and Required Supplementary Information for the SRHP. That report may be obtained from the ERS via their website at <http://www.ers.state.tx.us>.

*Funding Policy*—Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution. The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. Beginning September 1, 2013, SB 1812 limited the State's contribution to 50 percent of eligible employees for community colleges.

The State's contribution per full-time employee was \$574 to \$1,126 per month for fiscal year 2016, \$535 to \$1,049 per month for fiscal year 2015, and \$503 to \$1,077 per month for fiscal year 2014, depending on the coverage elected. The State's contribution totaled \$1,424,145, \$1,390,672, and \$1,295,698 for the years ended August 31, 2016, 2015, and 2014, respectively.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

The cost of retirees and active employees' health care is as follows:

	<u>2016</u>	<u>2015</u>
Number of retirees	153	131
State portion of health coverage	\$ 490,663	\$ 382,425
College's portion of health coverage	197,635	133,835
<b>Total health coverage for retirees</b>	<u>\$ 688,298</u>	<u>\$ 516,260</u>
Number of active full-time employees	289	303
State portion of health coverage	\$ 933,482	\$ 1,008,247
College's portion of health coverage	420,903	444,946
Employee's portion of health coverage	519,663	520,388
<b>Total health coverage for full-time employees</b>	<u>\$ 1,874,048</u>	<u>\$ 1,973,581</u>

The College also provides dental benefits for retired employees. The College recognizes the cost of providing these benefits annually on a pay as you go basis. The College's contributions per retiree were approximately \$24 per month for fiscal years 2016, 2015, and 2014, respectively. The College's total contributions for the dental benefits were approximately \$41,215, \$31,770, and \$31,627 for the years ended August 31, 2016, 2015, and 2014, respectively.

**NOTE 14—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, 2016 and 2015, the College had an accrued vacation and compensated time liability of \$370,040 and \$341,408, 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 15—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 institution 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 2016 and 2015 for which monies have not been received nor funds expended totaled \$4,614,947 and \$3,867,911, respectively. Of these amounts, \$3,852,245 and \$2,561,422 were from federal contract and grant awards and \$762,702 and \$1,306,489 were from state contract and grant awards for fiscal years 2016 and 2015, respectively.



**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2016 and 2015

**NOTE 16—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:

	<u>2016</u>	<u>2015</u>	
Assessed valuation of the tax district	\$ 8,146,011,428	\$ 7,776,725,835	
Less exemptions	(532,165,823)	(645,321,142)	
<b>Net Assessed Valuation of the Tax District</b>	<u><u>\$ 7,613,845,605</u></u>	<u><u>\$ 7,131,404,693</u></u>	
	<u>Maintenance &amp; Operations</u>	<u>Debt Service</u>	<u>Total</u>
For fiscal year 2016:			
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$ 0.182979	\$ 0.021030	\$ 0.204009
For fiscal year 2015:			
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$ 0.181907	\$ 0.022102	\$ 0.204009

Taxes levied for the years ended August 31, 2016 and 2015 were \$14,673,584 and \$14,045,007, 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 Non-Exchange Transactions*, ad valorem taxes are imposed non-exchange revenue. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the assets or when the entity receives resources, whichever comes first. The enforceable legal claim date for ad valorem taxes is the assessment date. Accordingly, the College has recognized all assessed taxes and recorded a receivable for uncollected taxes.

For the year ended August 31, 2016:

	<u>Maintenance &amp; Operations</u>	<u>Debt Service</u>	<u>Total</u>
Taxes collected:			
Current taxes collected	\$ 13,648,425	\$ 1,567,812	\$ 15,216,237
Delinquent taxes collected	346,956	43,708	390,664
Penalties and interest collected	115,365	12,884	128,249
<b>Total Taxes Collected</b>	<u><u>\$ 14,110,746</u></u>	<u><u>\$ 1,624,404</u></u>	<u><u>\$ 15,735,150</u></u>

For the year ended August 31, 2015:

	<u>Maintenance &amp; Operations</u>	<u>Debt Service</u>	<u>Total</u>
Current taxes collected	\$ 12,792,992	\$ 1,553,711	\$ 14,346,703
Delinquent taxes collected	151,107	17,037	168,144
Penalties and interest collected	114,905	13,994	128,899
<b>Total Taxes Collected</b>	<u><u>\$ 13,059,004</u></u>	<u><u>\$ 1,584,742</u></u>	<u><u>\$ 14,643,746</u></u>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Years Ended August 31, 2016 and 2015**

Tax collections for both years ended August 31, 2016 and 2015 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 17—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 18—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.

**NOTE 19—Alvin Community College Foundation**

The 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 \$120,103 and \$100,693 to the College for the years ended August 31, 2016 and 2015, respectively. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2016 and 2015. The costs of these services were not significant to the College.

***REQUIRED SUPPLEMENTARY INFORMATION***

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**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, 2016**

	Measurement Year*	
	2016	2015
College's proportion of the net pension liability (asset)	0.0179298%	0.0192277%
College's proportionate share of the net pension liability (asset)	\$ 6,337,945	\$ 5,135,984
State's proportionate share of the net pension liability (asset) associated with the College	4,361,258	3,574,251
Total	<u>\$ 10,699,203</u>	<u>\$ 8,710,235</u>
College's covered employee payroll	\$ 13,147,582	\$ 12,097,591
College's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	48.21%	42.45%
Plan fiduciary net position as a percentage of the total pension liability	78.43%	83.25%

\* Only two years' worth of information is currently available.

Notes to Required Supplementary Information:

*Changes in Assumptions:* See notes to the financial statements (Defined Benefit Pension Plan, Teacher Retirement System disclosure) for changes.

*Changes in Benefits:* There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

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

Last 10 Fiscal Years  
For the Year Ended August 31, 2016

	Fiscal Year			
	2016	2015	2014	2013
Contractually required contribution	\$ 554,591	\$ 530,909	\$ 487,477	\$ 594,269
Contributions in relations to the contractually required contribution	<u>554,591</u>	<u>530,909</u>	<u>487,477</u>	<u>594,269</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered employee payroll	\$ 13,103,730	\$ 13,147,582	\$ 12,097,591	\$ 9,120,208
Contributions as a percentage of covered employee payroll	4.23%	4.04%	4.03%	6.52%

**Fiscal Year**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 549,771	\$ 151,068	\$ 146,550	\$ 147,160	\$ 144,124	\$ 121,615
<u>549,771</u>	<u>151,068</u>	<u>146,550</u>	<u>147,160</u>	<u>144,124</u>	<u>121,615</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,718,199	\$ 9,119,391	\$ 8,409,367	\$ 9,811,627	\$ 9,057,361	\$ 7,690,216
6.31%	1.66%	1.74%	1.50%	1.59%	1.58%

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***SUPPLEMENTAL SCHEDULES***

# ALVIN COMMUNITY COLLEGE

Schedule A

## SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2016

(With Memorandum Totals For the Year Ended August 31, 2015)

2016

	Educational Activities			Auxiliary Enterprises
	Unrestricted	Restricted	Total	
<b>Tuition</b>				
State funded courses:				
In-district resident tuition	\$ 2,107,326	\$ -	\$ 2,107,326	\$ -
Out-of-district resident tuition	4,662,881	-	4,662,881	-
TPEG - credit (set aside) *	233,525	-	233,525	-
Non-resident tuition	397,739	-	397,739	-
State funded continuing education	1,052,931	-	1,052,931	-
TPEG - non-credit (set aside) *	74,863	-	74,863	-
Non-state funded continuing education	530,288	-	530,288	-
<b>Total Tuition</b>	<b>9,059,553</b>	<b>-</b>	<b>9,059,553</b>	<b>-</b>
<b>Fees</b>				
General fees	1,395,005	-	1,395,005	-
Student service fees	-	-	-	206,441
Laboratory fees	303,823	-	303,823	-
Building use fees	495,262	-	495,262	-
Technology fees	600,015	-	600,015	-
Security fees	-	-	-	187,925
Other fees	30,415	-	30,415	-
<b>Total Fees</b>	<b>2,824,520</b>	<b>-</b>	<b>2,824,520</b>	<b>394,366</b>
<b>Scholarship Allowances and Discounts</b>				
Remissions and exemptions - State	(993,161)	-	(993,161)	-
Remissions and exemptions - local	-	-	-	(5,780)
TPEG allowances	(308,388)	-	(308,388)	-
Federal grants to students	(839,390)	-	(839,390)	-
Other	(165,610)	-	(165,610)	-
<b>Total Scholarship Allowances and Discounts</b>	<b>(2,306,549)</b>	<b>-</b>	<b>(2,306,549)</b>	<b>(5,780)</b>
<b>Total Net Tuition and Fees</b>	<b>9,577,524</b>	<b>-</b>	<b>9,577,524</b>	<b>388,586</b>

<u>2016</u>			
<u>Total</u>		<u>2015</u>	
\$ 2,107,326		\$ 1,985,595	
4,662,881		4,341,732	
233,525		225,125	
397,739		369,941	
1,052,931		1,467,778	
74,863		101,698	
530,288		706,917	
<u>9,059,553</u>		<u>9,198,786</u>	
1,395,005		1,284,637	
206,441		201,905	
303,823		290,883	
495,262		488,916	
600,015		587,829	
187,925		176,744	
30,415		27,430	
<u>3,218,886</u>		<u>3,058,344</u>	
(993,161)		(822,490)	
(5,780)		(5,701)	
(308,388)		(326,823)	
(839,390)		(804,186)	
<u>(165,610)</u>		<u>(190,551)</u>	
<u>(2,312,329)</u>		<u>(2,149,751)</u>	
<u>9,966,110</u>		<u>10,107,379</u>	

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF OPERATING REVENUES, Continued**  
For the Year Ended August 31, 2016  
(With Memorandum Totals For the Year Ended August 31, 2015)

Schedule A

	2016			Auxiliary Enterprises
	Educational Activities			
	Unrestricted	Restricted	Total	
<b>Other Operating Revenues</b>				
Federal grants and contracts	\$ -	\$ 302,411	\$ 302,411	\$ -
State grants and contracts	-	1,045,304	1,045,304	-
Non-governmental grants and contracts	-	61,734	61,734	-
<b>Total Other Operating Revenues</b>	-	1,409,449	1,409,449	-
<b>Auxiliary Enterprises</b>				
Bookstore	-	-	-	1,949,089
Scholarships allowances and discounts	-	-	-	(330,113)
<b>Net Bookstore</b>	-	-	-	1,618,976
Child care center	-	-	-	276,440
Food services	-	-	-	11,335
Fitness center	-	-	-	35,553
<b>Total Net Auxiliary Enterprises</b>	-	-	-	1,942,304
<b>Total Operating Revenues (Exhibit 2)</b>	<b>\$ 9,577,524</b>	<b>\$ 1,409,449</b>	<b>\$ 10,986,973</b>	<b>\$ 2,330,890</b>

\* In accordance with Texas Education Code 56.033, \$308,388 and \$326,823 of tuition was set aside for Texas Public Education Grants (TPEG) during fiscal years 2016 and 2015, respectively.

<u>2016</u>			
<u>Total</u>		<u>2015</u>	
\$ 302,411		\$ 296,682	
1,045,304		1,678,224	
<u>61,734</u>		<u>34,154</u>	
1,409,449		2,009,060	
1,949,089		1,860,425	
<u>(330,113)</u>		<u>(288,506)</u>	
1,618,976		1,571,919	
276,440		262,356	
11,335		27,953	
<u>35,553</u>		<u>38,393</u>	
<u>1,942,304</u>		<u>1,900,621</u>	
<u>\$ 13,317,863</u>		<u>\$ 14,017,060</u>	

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF OPERATING EXPENSES BY OBJECT**  
For the Year Ended August 31, 2016  
(With Memorandum Totals For the Year Ended August 31, 2015)

Schedule B

	2016			
	Educational Activities			Other Expenses
	Salaries and Wages	Benefits		
	State	Local		
<b>Unrestricted - Educational Activities</b>				
Instruction	\$ 12,080,955	\$ -	\$ 1,888,014	\$ 872,316
Public service	88,085	-	13,766	59,821
Academic support	3,167,290	-	494,985	1,543,026
Student services	1,754,486	-	274,191	383,047
Institutional support	2,393,176	-	393,925	1,901,674
Operation and maintenance of plant	1,156,516	-	363,761	1,235,773
<b>Total Unrestricted - Educational Activities</b>	<b>20,640,508</b>	<b>-</b>	<b>3,428,642</b>	<b>5,995,657</b>
<b>Restricted - Educational Activities</b>				
Instruction	191,233	1,402,713	49,428	582,503
Public service	-	10,227	-	1,176
Academic support	235,849	367,752	78,201	104,310
Student services	82,328	203,712	-	6,104
Institutional support	-	277,870	-	817
Scholarships and fellowships	-	-	-	4,707,318
<b>Total Restricted Educational Activities</b>	<b>509,410</b>	<b>2,262,274</b>	<b>127,629</b>	<b>5,402,228</b>
<b>Total Educational Activities</b>	<b>21,149,918</b>	<b>2,262,274</b>	<b>3,556,271</b>	<b>11,397,885</b>
Auxiliary enterprises	492,642	-	209,233	1,380,744
Depreciation expense - buildings and other real estate improvements	-	-	-	718,986
Depreciation expense - equipment and furniture	-	-	-	451,373
<b>Total Operating Expenses</b>	<b>\$ 21,642,560</b>	<b>\$ 2,262,274</b>	<b>\$ 3,765,504</b>	<b>\$ 13,948,988</b>

<u>2016</u>			
<u>Total</u>		<u>2015</u>	
\$ 14,841,285		\$ 15,416,589	
161,672		156,429	
5,205,301		4,150,569	
2,411,724		2,345,010	
4,688,775		6,061,184	
<u>2,756,050</u>		<u>3,204,349</u>	
30,064,807		31,334,130	
2,225,877		2,542,385	
11,403		10,625	
786,112		642,203	
292,144		251,203	
278,687		230,055	
<u>4,707,318</u>		<u>4,008,190</u>	
<u>8,301,541</u>		<u>7,684,661</u>	
38,366,348		39,018,791	
2,082,619		2,135,037	
718,986		717,563	
<u>451,373</u>		<u>427,347</u>	
<u>\$ 41,619,326</u>		<u>\$ 42,298,738</u>	

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**

Schedule C

For the Year Ended August 31, 2016  
 (With Memorandum Totals For the Year Ended August 31, 2015)

	2016			
	Unrestricted	Restricted	Auxiliary Enterprises	Total
<b>Nonoperating Revenues</b>				
State appropriations:				
Education and general State support	\$ 7,201,958	\$ -	\$ -	\$ 7,201,958
State group insurance	-	1,424,145	-	1,424,145
State retirement matching	-	777,246	-	777,246
<b>Total State Appropriations</b>	7,201,958	2,201,391	-	9,403,349
Taxes for maintenance and operations	14,110,746	-	-	14,110,746
Taxes for debt service	-	1,624,404	-	1,624,404
Federal revenue, nonoperating	-	4,841,440	-	4,841,440
Investment income	17,894	17,987	11,333	47,214
Other nonoperating revenues	720,087	-	-	720,087
<b>Total Nonoperating Revenues</b>	22,050,685	8,685,222	11,333	30,747,240
<b>Nonoperating Expenses</b>				
Interest and fiscal agent fees	497,289	-	-	497,289
Loss on disposal of capital assets	43,304	-	-	43,304
<b>Total Nonoperating Expenses</b>	540,593	-	-	540,593
<b>Nonoperating Revenues, Net</b>	<b>\$ 21,510,092</b>	<b>\$ 8,685,222</b>	<b>\$ 11,333</b>	<b>\$ 30,206,647</b>



**2015**

---

\$ 7,380,912  
1,390,672  

---

527,176  
  
9,298,760  
  
13,059,004  
1,584,742  
4,230,382  
23,347  

---

699,389  
  
28,895,624  
  
496,153  

---

8,206  
  

---

504,359  
  
\$ 28,391,265

# ALVIN COMMUNITY COLLEGE

Schedule D

## SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY

For the Year Ended August 31, 2016

(With Memorandum Totals For the Year Ended August 31, 2015)

	Detail by Source			Capital Assets Net of Depreciation and Related Debt
	Unrestricted	Restricted		
		Expendable	Non-Expendable	
<b>Current</b>				
Unrestricted	\$ -	\$ -	\$ -	\$ -
Board designated	76,100	-	-	-
Auxiliary	1,813,428	-	-	-
Scholarships	-	242,903	-	-
<b>Plant</b>				
Investment in plant	-	-	-	14,176,988
<b>Total Net Position, August 31, 2016</b>	1,889,528	242,903	-	14,176,988
Total net position, August 31, 2015	57,980	244,124	-	14,102,131
<b>Net Increase (Decrease) in Net Position</b>	\$ 1,831,548	\$ (1,221)	\$ -	\$ 74,857

<u>Detail by Source</u>	<u>Available for Current Operations</u>	
	<u>Yes</u>	<u>No</u>
\$ -	\$ -	\$ -
76,100	-	76,100
1,813,428	1,813,428	-
242,903	-	242,903
<u>14,176,988</u>	<u>-</u>	<u>14,176,988</u>
16,309,419	1,813,428	14,495,991
<u>14,404,235</u>	<u>-</u>	<u>14,404,235</u>
<u>\$ 1,905,184</u>	<u>\$ 1,813,428</u>	<u>\$ 91,756</u>

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**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 2, 2016

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 of Alvin Community College (the "College"), as of and for the year ended August 31, 2016, 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 2, 2016.

**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) to determine 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.

**Partners**

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## **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 determination of financial statement amounts. 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, 2016, 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 2, 2016

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 of Texas ("State") programs for the year ended August 31, 2016. 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.

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## **Unmodified Opinion on Each of the 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 identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2016.

## **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State of Texas Single Audit Circular* and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major State program is not modified with respect to this matter.

The College's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2016-001 to be a significant deficiency.



The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, LLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas

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**ALVIN COMMUNITY COLLEGE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended August 31, 2016

**Federal Awards**

None

**State Awards**

**2015.001 – CASH MANAGEMENT**

**Criteria**

For the Petrochemical Veteran's Initiative grant, the Texas Workforce Commission (TWC) allows the College to charge the full tuition when a participant completes a minimum of 50 percent of the course training hours identified in the contract for their program (the "minimum threshold").

**Condition**

It was noted during the audit that the College had requested reimbursement and recognized revenues for tuition that had not been earned based upon the minimum threshold.

**Effect**

The costs may be disallowed.

**Context**

A sample of six courses totaling \$48,358 was selected for testing from a population of 30 courses totaling \$217,189. The test found that all six courses have employees who did not meet the minimum threshold in which reimbursements were requested. The known questioned costs for the 30 courses total \$44,997.

**Cause**

The College was requesting reimbursement (and subsequently recognizing related revenues) as individual classes were completed. The grant started on September 1, 2014 and the related contract did not specify the reimbursement criteria. However, on December 10, 2014, the College learned that current TWC policy allows for full reimbursement of a participant who completed 50 percent or more of the course training hours identified in the contract. Based upon TWC's current policy, requests for reimbursements should not be sent until a participant reaches the minimum threshold.

**Recommendation**

The College should no longer request reimbursement as individual classes are completed. The College should track the course training hours of each participant. Once a participant reaches the minimum threshold, the College should request reimbursement.

**Status**

Resolved.

**ALVIN COMMUNITY COLLEGE**  
***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)***  
**For the Year Ended August 31, 2016**

**2015.002 – TIME AND EFFORT**

**Criteria**

The TWC’s Financial Manual for Grants and Contracts Chapter 11, Allocation (Distribution) Base states that “...the base should be a measure of actual cost or actual effort expended.” Employees working on grants are required to allocate their time based on actual effort dedicated to each grant.

**Condition**

It was noted during payroll testing that multiple time and effort reports either used a set percentage, allocations of grant expenses did not reconcile to time and effort reports, reports were incomplete with respect to approval/documented information, or hours reported on time and effort reports did not reconcile to actual hours reported in the payroll system.

**Effect**

The College is not in compliance with the time and effort reporting/allocation requirements of this grant.

**Context**

A sample of 25 payroll transactions was selected for testing from a population of 85 payroll transactions. Four payroll transactions had grant allocations that did not reconcile to the time and effort reports.

**Cause**

On certain time and effort reports, the College either used a predetermined percentage to allocate payroll among different grants, did not update time and effort forms for changes in hours, did not document the names of the grants that were worked on, and/or did not obtain required signatures. In some cases, original time and effort reports could not be located.

**Recommendation**

The College should ensure that all time and effort reports are sufficiently completed in order to properly allocate time among various grants based upon actual hours spent working on each. Hours documented on these reports should tie to the hours reported in the payroll system for the given pay period. Original time and effort reports should be retained and include appropriate signatures.

**Status**

Not resolved. See 2016.001.

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended August 31, 2016

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses a modified opinion on the basic financial statements of Alvin Community College as a result of a scope limitation in which no opinion was expressed on the Alvin Community College Foundation's (a discretely presented component unit) financial statements. An unmodified opinion was expressed on Alvin Community College's respective financial position of the business-type activities, the respective changes in financial position, and its cash flows.
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.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit. A significant deficiency in internal control over major State award programs was disclosed by the audit.
5. The auditors' report on compliance for the major federal and State award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the College are reported in Part C of this schedule. An audit finding relative to the major State award programs is reported in Part C of this schedule.
7. 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
<u>Name of State Program</u>	<u>State Contract Number</u>
Skills Development Fund Cluster	Various

8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The College was classified as a low-risk auditee in the context of the Uniform Guidance. The College did not qualify as a low-risk auditee in the context of the *State of Texas Single Audit Circular*.

**B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT**

None

**ALVIN COMMUNITY COLLEGE**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)***  
**For the Year Ended August 31, 2016**

**C. FINDINGS – FEDERAL AND STATE AWARDS**

**Federal Awards**

None

**State Awards**

***Significant Deficiency:***

**2016.001 – TIME AND EFFORT**

**Criteria**

The Texas Workforce Commission's (TWC) Financial Manual for Grants and Contracts Chapter 11, Allocation (Distribution) Base states that "...the base should be a measure of actual cost or actual effort expended." Employees working on grants are required to allocate their time based on actual effort dedicated to each grant.

**Condition**

It was noted during payroll testing that multiple time and effort reports showed an employee worked on one grant but another grant was charged or an employee worked on multiple grants but a single grant was charged for the time worked on all the other grants, inconsistent methods of allocation were used between pay periods, or hours reported on time and effort reports did not reconcile to actual hours reported in the payroll system. This finding is a repeat of prior year finding 2015.002.

**Effect**

The College is not in compliance with the time and effort reporting/allocation requirements of the TWC Skills Development Fund grants.

**Context**

A sample of 17 payroll transactions was selected for testing which encompassed 100 percent of the TWC Skills Development Fund payroll population. Five payroll transactions had grant allocations that did not reconcile to the time and effort reports.

**Cause**

The allocations of grant expenses did not reconcile to the time and effort reports.

**Recommendation**

The College should ensure that the allocation of applicable grant expenses reconcile to what is reported on the time and effort reports.

**Corrective Action Plan**

New procedures for time and effort grant reports will be implemented with the December, 2016 payroll. Time and effort reports will be submitted to the Director of Fiscal Affairs by the morning of the day that payroll records

**ALVIN COMMUNITY COLLEGE**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)***  
**For the Year Ended August 31, 2016**

are sent to the bank and payroll checks are printed. They will be reviewed and account numbers will be entered on the sheets. The grant percentages or grant hours will be given to the Payroll Specialist to enter into Colleague.

After payroll is posted, the Accountant will verify that the grant percentages or grant hours are correct, verify that the employee and employee's supervisor have signed all time and effort reports and will print payroll voucher detail reports to support the grant time. If the grant percentages or grant hours do not match, a journal entry will be prepared and entered.

The supporting documentation and time and effort reports will be filed in the Payroll Office.

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended August 31, 2016

Schedule E

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A153951	\$ 117,137
Federal Work-Study Program	84.033	P033A143951	13,690
Federal Work-Study Program	84.033	P033A153951	82,184
Federal Work-Study Program	84.033	P033A163951	3,533
Federal Pell Grant Program	84.063	P063P152256	3,074,227
Federal Direct Student Loans	84.268	P268K162256	1,399,434
TRIO Cluster:			
TRIO Upward Bound	84.047	P047A120527	276,151
Pass-Through From:			
Texas Higher Education Coordinating Board:			
Career & Technical Education - Basic Grants to States	84.048	15420206	113,525
Pass-Through From:			
Texas Workforce Commission:			
Site Based Workplace Literacy	84.002	2816AEL001	21,747
<b>Total U.S. Department of Education</b>			<b>5,101,628</b>
<u>U.S. Department of Housing and Urban Development</u>			
Pass-Through From:			
Brazoria County:			
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-48-0005	7,200
<b>Total U.S. Department of Housing and Urban Development</b>			<b>7,200</b>
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Texas Commission on Alcohol and Drug Abuse:			
University of Texas at Austin:			
Substance Abuse and Mental Health Services - 15	93.243	UTA12-001070	1,481
Substance Abuse and Mental Health Services - 16	93.243	UTA12-001070	17,176
Substance Abuse and Mental Health Services - Pilot Project TI	93.243	UTA12-001070	13,804
<b>Total U.S. Department of Health and Human Services</b>			<b>32,461</b>
<u>National Endowment for the Arts</u>			
Direct Programs:			
National Endowment for the Arts	45.024	15-5900-7045	250
<b>Total National Endowments for the Arts</b>			<b>250</b>
<b>Total Expenditures of Federal Awards</b>			5,141,539
Veterans Administration Chapter Benefits			2,312
<b>Total Federal Revenues</b>			<b>\$ 5,143,851</b>

See accompanying notes to schedule of expenditures of federal awards.



**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**

Schedule F

For the Year Ended August 31, 2016

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
Nursing Shortage Reduction Grant FY2014	9122060M	\$ 38,247
Nursing Shortage Reduction Grant Under 70 FY2013	9116664M	84,326
Texas College Work Study	9129627M	12,010
TEOG formerly Texas Grant II	9129679M	196,920
College Student Loan	9600120H	6,175
<b>Total Texas Higher Education Coordinating Board</b>		<u>337,678</u>
Texas Workforce Commission:		
Skills Development Fund Cluster:		
Partnership with Packaging Service Co., Inc.	2815SDF003	29,482
Partnership with INEOS and TEAM Consortium	2816SDF002	370,481
Petrochemical Veterans Initiative	2814SDF003	112,361
Partnership with Ascend Performance Materials, Inc.	2816SDF005	44,143
Texas Fast Start Program II	2814GRF002	138,023
Texas Fast Start Program III	2816GRF000	10,164
<b>Total Texas Workforce Commission</b>		<u>704,654</u>
Department of State Health Services:		
Emergency Medical Services/Local Project Grant Program	2016-049305-001	2,972
<b>Total Department of State Health Services</b>		<u>2,972</u>
<b>Total Expenditures of State Awards</b>		<u><u>\$ 1,045,304</u></u>

See accompanying notes to schedule of expenditures of State awards.

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**ALVIN COMMUNITY COLLEGE**  
**NOTES TO SCHEDULES OF EXPENDITURES**  
**OF FEDERAL AND STATE AWARDS**  
For the Year Ended August 31, 2016

**1. 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 of Texas financial assistance programs of the College for the year ended August 31, 2016. 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 2016. The expenditures reported previously may not have been reimbursed by the funding agencies as of the end of fiscal year 2016. 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.

**2. FEDERAL ASSISTANCE RECONCILIATION**

Federal revenues:	
Federal grants and contracts - per Schedule A	\$ 302,411
Federal revenue, nonoperating - per Schedule C	4,841,440
<b>Total Federal Revenues</b>	<u>\$ 5,143,851</u>
Direct costs	\$ 5,107,540
Indirect costs	36,311
<b>Total Federal Revenues</b>	<u>\$ 5,143,851</u>

**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 agencies.

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***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

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## NET POSITION BY COMPONENT

Last 10 Years

(Amounts expressed in thousands)

	For the Years Ended August 31,			
	2016	2015	2014	2013
Primary government				
Net investment in capital assets	\$ 14,177	\$ 14,102	\$ 14,382	\$ 14,160
Restricted - expendable	243	244	325	320
Unrestricted	1,890	58	(413)	5,122
<b>Total Primary Government</b>				
<b>Net Position</b>	<b>\$ 16,310</b>	<b>\$ 14,404</b>	<b>\$ 14,294</b>	<b>\$ 19,602</b>

**For the Years Ended August 31,**

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 14,325	\$ 13,714	\$ 14,012	\$ 13,553	\$ 13,713	\$ 14,391
320	349	237	356	651	658
5,934	5,339	6,550	7,491	7,120	6,084
\$ 20,579	\$ 19,402	\$ 20,799	\$ 21,400	\$ 21,484	\$ 21,133

# ALVIN COMMUNITY COLLEGE

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## REVENUES BY SOURCE

Last Ten Fiscal Years

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

	2016	2015	2014	2013
<b>Operating Revenues:</b>				
Tuition and fees (net of discounts)	\$ 9,966	\$ 10,107	\$ 10,253	\$ 9,096
Governmental grants and contracts				
Federal grants and contract	302	297	300	420
State grants and contracts	1,045	1,678	1,835	266
Non-governmental grants and contracts	62	34	12	5
Sales and services of educational revenues				
Auxiliary enterprises	1,942	1,901	1,919	1,986
Other operating revenues	-	-	-	-
<b>Total Operating Revenues</b>	<u>13,317</u>	<u>14,017</u>	<u>14,319</u>	<u>11,773</u>
<b>Nonoperating Revenues:</b>				
State appropriations	9,403	9,299	9,208	8,360
Ad valorem taxes	15,735	14,644	13,110	12,274
Federal revenue, nonoperating	4,841	4,230	4,574	4,942
Gifts	-	-	-	-
Investment income	47	23	18	16
Other nonoperating revenues	720	699	612	677
<b>Total Nonoperating Revenues</b>	<u>30,746</u>	<u>28,895</u>	<u>27,522</u>	<u>26,269</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 44,063</u>	<u>\$ 42,912</u>	<u>\$ 41,841</u>	<u>\$ 38,042</u>

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

	2016	2015	2014	2013
<b>Operating Revenues:</b>				
Tuition and fees (net of discounts)	22.62%	23.55%	24.50%	23.91%
Governmental grants and contracts				
Federal grants and contract	0.69%	0.69%	0.72%	1.10%
State grants and contracts	2.37%	3.91%	4.39%	0.70%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%
Non-governmental grants and contracts	0.14%	0.08%	0.03%	0.01%
Sales and services of educational revenues				
Auxiliary enterprises	4.41%	4.43%	4.59%	5.22%
Other operating revenues	0.00%	0.00%	0.00%	0.00%
<b>Total Operating Revenues</b>	<u>30.22%</u>	<u>32.66%</u>	<u>34.22%</u>	<u>30.95%</u>
<b>Nonoperating Revenues:</b>				
State appropriations	21.34%	21.67%	22.01%	21.98%
Ad valorem taxes	35.71%	34.13%	31.33%	32.26%
Federal revenue, nonoperating	10.99%	9.86%	10.93%	12.99%
Gifts	0.00%	0.00%	0.00%	0.00%
Investment income	0.11%	0.05%	0.04%	0.04%
Other nonoperating revenues	1.63%	1.63%	1.46%	1.78%
<b>Total Nonoperating Revenues</b>	<u>69.78%</u>	<u>67.34%</u>	<u>65.78%</u>	<u>69.05%</u>
<b>Total Primary Government Program Revenues</b>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>



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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 9,482	\$ 8,541	\$ 7,872	\$ 6,893	\$ 5,826	\$ 5,062
399	596	1,485	594	473	1,179
1,690	1,190	1,007	1,569	534	113
1	4	105	96	141	131
1,756	1,971	1,944	2,146	2,026	1,895
-	24	25	24	5	7
<u>13,328</u>	<u>12,326</u>	<u>12,438</u>	<u>11,322</u>	<u>9,005</u>	<u>8,387</u>
9,128	10,323	10,323	10,996	10,904	10,353
11,887	11,575	11,881	11,830	11,102	9,969
5,423	5,612	3,416	2,419	2,431	2,436
-	-	156	-	-	-
17	19	28	65	351	1,003
692	577	785	427	505	553
<u>27,147</u>	<u>28,106</u>	<u>26,589</u>	<u>25,737</u>	<u>25,293</u>	<u>24,314</u>
<u>\$ 40,475</u>	<u>\$ 40,432</u>	<u>\$ 39,027</u>	<u>\$ 37,059</u>	<u>\$ 34,298</u>	<u>\$ 32,701</u>

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
23.43%	21.12%	20.17%	18.60%	16.99%	15.48%
0.99%	1.47%	3.81%	1.60%	1.38%	3.61%
4.18%	2.94%	2.58%	4.23%	1.56%	0.35%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.01%	0.27%	0.26%	0.41%	0.40%
4.34%	4.87%	4.98%	5.79%	5.91%	5.79%
0.00%	0.06%	0.06%	0.06%	0.01%	0.02%
<u>32.93%</u>	<u>30.49%</u>	<u>31.87%</u>	<u>30.55%</u>	<u>26.26%</u>	<u>25.65%</u>
22.55%	25.53%	26.45%	29.67%	31.79%	31.66%
29.37%	28.63%	30.44%	31.92%	32.37%	30.49%
13.40%	13.88%	8.75%	6.53%	7.09%	7.45%
0.00%	0.00%	0.40%	0.00%	0.00%	0.00%
0.04%	0.05%	0.07%	0.18%	1.02%	3.07%
1.71%	1.43%	2.01%	1.15%	1.47%	1.69%
<u>67.07%</u>	<u>69.51%</u>	<u>68.13%</u>	<u>69.45%</u>	<u>73.74%</u>	<u>74.35%</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

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## PROGRAM EXPENSES BY FUNCTION

Last Ten Fiscal Years

	For the Years Ended August 31, (amounts expressed in thousands)			
	2016	2015	2014	2013
<b>Operating Expenses:</b>				
Instruction	\$ 17,067	\$ 17,959	\$ 17,506	\$ 15,217
Public service	173	167	162	165
Academic support	5,991	4,793	4,696	4,545
Student services	2,704	2,596	2,527	2,459
Institutional support	4,967	6,291	4,822	3,849
Operation and maintenance of plant	2,756	3,204	3,110	3,939
Scholarships and fellowships	4,707	4,008	4,437	4,962
Auxiliary enterprises	2,083	2,135	2,118	2,117
Depreciation	1,170	1,145	1,138	1,147
<b>Total Operating Expenses</b>	41,618	42,298	40,516	38,400
<b>Nonoperating Expenses:</b>				
Amortization of issuance costs	-	-	-	-
Interest on capital related debt	497	496	539	619
Loss on disposal of capital assets	43	8	-	-
<b>Total Nonoperating Expenses</b>	540	504	539	619
<b>Total Expenses</b>	\$ 42,158	\$ 42,802	\$ 41,055	\$ 39,019

	For the Years Ended August 31, (amounts expressed in percentages)			
	2016	2015	2014	2013
<b>Operating Expenses:</b>				
Instruction	40.48%	41.96%	42.64%	39.00%
Public service	0.41%	0.39%	0.39%	0.42%
Academic support	14.21%	11.20%	11.44%	11.65%
Student services	6.41%	6.07%	6.16%	6.30%
Institutional support	11.78%	14.70%	11.75%	9.86%
Operation and maintenance of plant	6.54%	7.49%	7.58%	10.10%
Scholarships and fellowships	11.17%	9.36%	10.81%	12.72%
Auxiliary enterprises	4.94%	4.99%	5.16%	5.43%
Depreciation	2.78%	2.68%	2.77%	2.94%
<b>Total Operating Expenses</b>	98.72%	98.82%	98.69%	98.41%
<b>Nonoperating Expenses:</b>				
Amortization of issuance costs	0.00%	0.00%	0.00%	0.00%
Interest on capital related debt	1.18%	1.16%	1.31%	1.59%
Loss on disposal of capital assets	0.10%	0.02%	0.00%	0.00%
<b>Total Nonoperating Expenses</b>	1.28%	1.18%	1.31%	1.59%
<b>Total Expenses</b>	100.00%	100.00%	100.00%	100.00%

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

2012	2011	2010	2009	2008	2007
\$ 15,687	\$ 16,549	\$ 17,031	\$ 17,157	\$ 14,680	\$ 15,564
155	144	139	134	147	236
3,818	3,555	3,973	3,348	3,195	3,146
2,518	2,489	2,444	2,250	2,067	1,934
3,763	4,171	3,764	3,610	3,639	3,021
4,306	4,526	4,770	4,016	4,358	2,950
5,264	5,308	3,120	2,213	1,819	1,645
1,977	2,240	2,569	2,510	2,172	2,052
1,138	1,102	1,110	1,054	985	589
<u>38,626</u>	<u>40,084</u>	<u>38,920</u>	<u>36,292</u>	<u>33,062</u>	<u>31,137</u>
-	11	-	-	-	-
670	801	823	851	885	914
-	-	-	-	-	-
<u>670</u>	<u>812</u>	<u>823</u>	<u>851</u>	<u>885</u>	<u>914</u>
<u>\$ 39,296</u>	<u>\$ 40,896</u>	<u>\$ 39,743</u>	<u>\$ 37,143</u>	<u>\$ 33,947</u>	<u>\$ 32,051</u>

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

2012	2011	2010	2009	2008	2007
39.92%	40.47%	42.85%	46.19%	43.24%	48.56%
0.39%	0.35%	0.35%	0.36%	0.43%	0.74%
9.72%	8.69%	10.00%	9.01%	9.41%	9.82%
6.41%	6.09%	6.15%	6.06%	6.09%	6.03%
9.58%	10.20%	9.47%	9.72%	10.72%	9.43%
10.96%	11.07%	12.00%	10.81%	12.84%	9.20%
13.40%	12.98%	7.85%	5.96%	5.36%	5.13%
5.03%	5.48%	6.46%	6.76%	6.40%	6.40%
2.90%	2.69%	2.79%	2.84%	2.90%	1.84%
<u>98.29%</u>	<u>98.01%</u>	<u>97.93%</u>	<u>97.71%</u>	<u>97.39%</u>	<u>97.15%</u>
0.00%	0.03%	0.00%	0.00%	0.00%	0.00%
1.71%	1.96%	2.07%	2.29%	2.61%	2.85%
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<u>1.71%</u>	<u>1.99%</u>	<u>2.07%</u>	<u>2.29%</u>	<u>2.61%</u>	<u>2.85%</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

## 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
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
2009	\$ 32	\$ 65	\$ 5	\$ 21	\$ 40	\$ 22
2008	\$ 30	\$ 58	\$ 5	\$ 21	\$ 30	\$ 22
2007	\$ 30	\$ 58	\$ 5	\$ 21	\$ 30	\$ 17
2006	\$ 28	\$ 54	\$ 5	\$ 21	\$ 30	\$ 17

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
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
2009	\$ 110	\$ 110	\$ 5	\$ 21	\$ 40	\$ 22
2008	\$ 110	\$ 110	\$ 5	\$ 21	\$ 30	\$ 22
2007	\$ 110	\$ 110	\$ 5	\$ 21	\$ 30	\$ 17
2006	\$ 110	\$ 110	\$ 5	\$ 21	\$ 30	\$ 17

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

<b>Resident Fees per Semester</b>
---------------------------------------

<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>
\$ 20	\$ 15	\$ 10	\$ 757	\$ 1,297	0.26%	1.09%
\$ 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	11.52%	9.34%
\$ 20	\$ -	\$ -	\$ 547	\$ 953	8.75%	13.59%
\$ 10	\$ -	\$ -	\$ 503	\$ 839	1.00%	0.60%
\$ 10	\$ -	\$ -	\$ 498	\$ 834	5.06%	6.11%
\$ 10	\$ -	\$ -	\$ 474	\$ 786	0.00%	0.00%

<b>Resident Fees per Semester</b>
---------------------------------------

<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>
\$ 20	\$ 15	\$ 10	\$ 1,897	\$ 1,897	3.38%	3.38%
\$ 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	17.19%	17.19%
\$ 20	\$ -	\$ -	\$ 1,483	\$ 1,483	1.37%	1.37%
\$ 10	\$ -	\$ -	\$ 1,463	\$ 1,463	0.34%	0.34%
\$ 10	\$ -	\$ -	\$ 1,458	\$ 1,458	0.00%	0.00%
\$ 10	\$ -	\$ -	\$ 1,458	\$ 1,458	0.00%	0.00%

**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
2015-16	\$ 8,146,011	\$ 530,054	\$ 7,615,957	93.49%
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	\$ 5,888,930	82.79%
2010-11	\$ 6,898,889	\$ 1,044,338	\$ 5,711,333	84.88%
2009-10	\$ 6,905,533	\$ 916,132	\$ 5,861,195	86.38%
2008-09	\$ 6,728,205	\$ 843,423	\$ 5,812,073	85.99%
2007-08	\$ 6,020,738	\$ 718,678	\$ 5,177,315	86.08%
2006-07	\$ 5,164,489	\$ 654,631	\$ 4,445,811	85.23%

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**Direct Rate**

---

<b>Maintenance &amp; Operations (a)</b>	<b>Debt Service (a)</b>	<b>Total (a)</b>
\$ 0.182979	\$ 0.021030	\$ 0.204009
\$ 0.181907	\$ 0.022102	\$ 0.204009
\$ 0.176540	\$ 0.023216	\$ 0.199756
\$ 0.175119	\$ 0.024637	\$ 0.199756
\$ 0.173798	\$ 0.025687	\$ 0.199485
\$ 0.174867	\$ 0.024963	\$ 0.199830
\$ 0.176312	\$ 0.023518	\$ 0.199830
\$ 0.177329	\$ 0.022503	\$ 0.199832
\$ 0.186741	\$ 0.023539	\$ 0.210280
\$ 0.193221	\$ 0.026300	\$ 0.219521

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

<u>Fiscal Year</u>	<u>State Appropriation</u>	<u>Appropriation per FTSE</u>		<u>Appropriation per Contact Hour</u>
		<u>FTSE (a)</u>	<u>State Appropriation per FTSE</u>	<u>Academic Contact Hours (b)</u>
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
2009-10	\$ 10,438	\$ 7,790	\$ 1,340	1,461
2008-09	\$ 10,996	\$ 6,778	\$ 1,622	1,032
2007-08	\$ 10,904	\$ 6,425	\$ 1,697	1,140
2006-07	\$ 10,353	\$ 6,500	\$ 1,593	1,158

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
- (b) Source CBM 00A



Appropriation per Contact Hour

<u>Voc/Tech Contact Hours (b)</u>	<u>Total Contact Hours</u>	<u>State Appropriation per Contact Hour</u>
780	2,144	\$ 4.10
775	2,065	\$ 4.50
777	2,145	\$ 4.29
818	2,253	\$ 3.71
857	2,408	\$ 3.79
905	2,472	\$ 4.18
1,011	1,978	\$ 5.28
978	2,118	\$ 5.19
978	2,061	\$ 5.29
903	2,013	\$ 5.14

# ALVIN COMMUNITY COLLEGE

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## PRINCIPAL TAXPAYERS

Last Ten Tax Years

Taxpayer	Type of Business	Year (amounts expressed in thousands)		
		2016	2015	2014
Ineos USA LLC	petrochemical	\$ 426,518	\$ 469,884	\$ 401,327
Denbury Onshore LLC	oil & gas exploration	139,588	250,781	381,509
Ascend Performance Materials	manufacturing	76,124	75,566	77,754
Innovene USA LLC	petrochemical	-	-	-
Solutia, Inc.	petrochemical	-	-	-
Equistar Chemicals LP	petrochemical	-	-	-
Novus International Inc	agriculture	46,146	49,544	46,013
Schlumberger Well Svcs	oilfield services	48,297	51,229	51,529
Center Point Energy	utility	45,146	41,579	42,514
Huntsman Petrochemical Corp	petrochemical	22,131	29,086	41,872
Cyanco International	manufacturing	53,625	53,625	61,875
Tex Cal Energy LLC	utility	-	-	-
Amreit SPF Shadow Creek LP	investment	68,227	48,319	48,188
UVN-TIC LLC ETAL	real estate	32,195	32,195	-
Pearland Investments LTD PRT	real estate	-	-	-
Southwestern Bell Telephone	utility	-	-	-
Inland American Waterford LTD	real estate	-	-	-
Pearland Town Center LP	investment	80,701	70,769	69,086
Team Services Inc.	manufacturing	29,351	29,334	22,377
Pearland Multifamily DST	real estate	30,574	39,771	24,206
Shadow Creek Apartments LLC	real estate	35,219	29,900	23,746
Dune Operating Company	oil & gas	-	-	-
12400 Shadow Creek Parkway LLC	real estate	35,701	29,000	27,100
Discovery Shadow Creek Owner	real estate	34,401	27,934	26,780
Shadow Kirby LTD	real estate	33,000	28,500	25,000
Weatherford US LP	oil & gas	23,680	23,805	23,971
Energyquest Inc.	utility	-	-	-
BNSF Railway Co.	transportation	-	-	-
Texas New Mexico Power Co.	utility	23,092	-	20,910
Argent Energy	utility	-	-	-
Rice-Tec Inc.	agriculture	-	-	-
Zenergy Inc	oil & gas exploration	-	-	-
Oxy Petrochemical Incorporated	petrochemical	-	-	-
Shadow Creek Phase II	real estate	-	-	20,605
MAR Shadow Creek LP	real estate	53,085	44,000	-
MRP Radius Shadow Creek LLC	real estate	-	24,155	-
Schlumberger Technology Corp.	exploration/production	-	27,041	21,926
<b>Totals</b>		<u>\$ 1,336,801</u>	<u>\$ 1,476,017</u>	<u>\$ 1,458,288</u>
<b>Total Taxable Assessed Value</b>		<u>\$ 7,615,957</u>	<u>\$ 7,131,405</u>	<u>\$ 6,506,076</u>

**Year**  
(amounts expressed in thousands)

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$	401,327	\$ 371,419	\$ 419,543	\$ 442,249	\$ 418,260	\$ 428,791	\$ -
	381,509	302,544	116,260	103,859	-	112,253	-
	77,754	77,403	94,886	82,367	-	-	-
	-	-	-	-	-	-	507,006
	-	-	-	-	-	198,216	202,162
	-	16,484	-	-	-	72,131	171,509
	46,013	49,610	54,451	55,390	53,501	53,767	54,174
	51,529	33,614	32,614	37,026	35,471	63,885	70,395
	42,514	41,357	37,008	36,014	-	-	32,024
	41,872	47,690	47,405	58,560	40,949	-	22,082
	61,875	40,500	-	-	-	-	-
	-	-	-	-	-	-	69,738
	48,188	47,959	43,672	41,007	50,744	49,614	-
	-	-	-	-	-	-	-
	-	-	21,155	31,697	35,554	41,742	26,876
	-	-	-	-	16,757	-	-
	-	-	-	-	17,125	-	-
	69,086	66,757	68,763	66,933	67,661	75,533	-
	22,377	50,523	20,724	-	22,348	-	-
	24,206	-	-	-	-	-	-
	23,746	-	-	-	-	-	-
	-	-	29,759	-	-	-	-
	27,100	27,100	28,229	-	-	-	-
	26,780	25,330	26,392	-	-	-	-
	25,000	25,000	25,000	-	-	-	-
	23,971	30,530	22,985	-	-	-	-
	-	-	19,883	-	-	-	-
	-	19,015	18,140	-	-	-	-
	20,910	19,196	16,493	-	-	-	-
	-	18,209	-	-	-	-	-
	-	17,033	16,434	-	-	-	-
	-	-	-	-	-	36,196	-
	-	-	-	-	-	-	68,176
	20,605	-	-	-	-	-	-
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	21,926	-	-	-	-	-	-
<b>\$</b>	<b>1,458,288</b>	<b>\$ 1,327,273</b>	<b>\$ 1,159,796</b>	<b>\$ 955,102</b>	<b>\$ 758,370</b>	<b>\$ 1,132,128</b>	<b>\$ 1,224,142</b>
<b>\$</b>	<b>6,059,354</b>	<b>\$ 5,888,930</b>	<b>\$ 5,711,333</b>	<b>\$ 5,861,195</b>	<b>\$ 5,812,073</b>	<b>\$ 5,177,315</b>	<b>\$ 4,445,811</b>

# ALVIN COMMUNITY COLLEGE

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## PRINCIPAL TAXPAYERS (Continued)

Last Ten Tax Years

Taxpayer	Type of Business	Year		
		2016	2015	2014
Ineos USA LLC	petrochemical	5.60%	6.59%	6.17%
Denbury Onshore LLC	oil & gas exploration	1.83%	3.52%	5.86%
Ascend Performance Materials	manufacturing	1.00%	1.06%	1.20%
Innovene USA LLC	petrochemical	0.00%	0.00%	0.00%
Solutia, Inc.	petrochemical	0.00%	0.00%	0.00%
Equistar Chemicals LP	petrochemical	0.00%	0.00%	0.00%
Novus International Inc	agriculture	0.61%	0.69%	0.71%
Schlumberger Well Svcs	oilfield services	0.63%	0.72%	0.79%
Center Point Energy	utility	0.59%	0.58%	0.65%
Huntsman Petrochemical Corp	petrochemical	0.29%	0.41%	0.64%
Cyanco International	manufacturing	0.70%	0.75%	0.95%
Tex Cal Energy LLC	utility	0.00%	0.00%	0.00%
Amreit SPF Shadow Creek LP	investment	0.90%	0.68%	0.74%
UVN-TIC LLC ETAL	real estate	0.42%	0.45%	0.00%
Pearland Investments LTD PRT	real estate	0.00%	0.00%	0.00%
Southwestern Bell Telephone	utility	0.00%	0.00%	0.00%
Inland American Waterford LTD	real estate	0.00%	0.00%	0.00%
Pearland Town Center LP	investment	1.06%	0.99%	1.06%
Team Services Inc.	manufacturing	0.39%	0.41%	0.34%
Pearland Multifamily DST	real estate	0.40%	0.56%	0.37%
Shadow Creek Apartments LLC	real estate	0.46%	0.42%	0.36%
Dune Operating Company	oil & gas	0.00%	0.00%	0.00%
12400 Shadow Creek Parkway LLC	real estate	0.47%	0.41%	0.42%
Discovery Shadow Creek Owner	real estate	0.45%	0.39%	0.41%
Shadow Kirby LTD	real estate	0.43%	0.40%	0.38%
Weatherford US LP	oil & gas	0.31%	0.33%	0.37%
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	0.30%	0.00%	0.32%
Argent Energy	utility	0.00%	0.00%	0.00%
Rice-Tec Inc.	agriculture	0.00%	0.00%	0.00%
Zenergy Inc	oil & gas exploration	0.00%	0.00%	0.00%
Oxy Petrochemical Incorporated	petrochemical	0.00%	0.00%	0.00%
Shadow Creek Phase II	real estate	0.00%	0.00%	0.32%
MAR Shadow Creek LP	real estate	0.70%	0.62%	0.00%
MRP Radius Shadow Creek LLC	real estate	0.00%	0.34%	0.00%
Schlumberger Technology Corp.	exploration/production	0.00%	0.38%	0.34%
		17.55%	20.70%	22.41%

Year						
2013	2012	2011	2010	2009	2008	2007
6.62%	6.31%	7.35%	7.55%	7.20%	8.28%	0.00%
6.30%	5.14%	2.04%	1.77%	0.00%	2.17%	0.00%
1.28%	1.31%	1.66%	1.41%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.40%
0.00%	0.00%	0.00%	0.00%	0.00%	3.83%	4.55%
0.00%	0.28%	0.00%	0.00%	0.00%	1.39%	3.86%
0.76%	0.84%	0.95%	0.95%	0.92%	1.04%	1.22%
0.85%	0.57%	0.57%	0.63%	0.61%	1.23%	1.58%
0.70%	0.70%	0.65%	0.61%	0.00%	0.00%	0.72%
0.69%	0.81%	0.83%	1.00%	0.70%	0.00%	0.50%
1.02%	0.69%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.57%
0.80%	0.81%	0.76%	0.70%	0.87%	0.96%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.37%	0.54%	0.61%	0.81%	0.60%
0.00%	0.00%	0.00%	0.00%	0.29%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.29%	0.00%	0.00%
1.14%	1.13%	1.20%	1.14%	1.16%	1.46%	0.00%
0.37%	0.86%	0.36%	0.00%	0.38%	0.00%	0.00%
0.40%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.52%	0.00%	0.00%	0.00%	0.00%
0.45%	0.46%	0.49%	0.00%	0.00%	0.00%	0.00%
0.44%	0.43%	0.46%	0.00%	0.00%	0.00%	0.00%
0.41%	0.42%	0.44%	0.00%	0.00%	0.00%	0.00%
0.40%	0.52%	0.40%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.35%	0.00%	0.00%	0.00%	0.00%
0.00%	0.32%	0.32%	0.00%	0.00%	0.00%	0.00%
0.35%	0.33%	0.29%	0.00%	0.00%	0.00%	0.00%
0.00%	0.31%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.29%	0.29%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.70%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.53%
0.34%	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%
0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>24.07%</u>	<u>22.54%</u>	<u>20.31%</u>	<u>16.30%</u>	<u>13.05%</u>	<u>21.87%</u>	<u>27.53%</u>

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**ALVIN COMMUNITY COLLEGE**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

SS-8

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
2016	\$ 15,537	\$ 15,377	98.97%	\$ -	\$ 15,377	98.97%
2015	\$ 14,516	\$ 14,341	98.79%	\$ 116	\$ 14,457	99.59%
2014	\$ 12,986	\$ 12,832	98.81%	\$ 117	\$ 12,949	99.71%
2013	\$ 12,119	\$ 12,040	99.35%	\$ 50	\$ 12,090	99.76%
2012	\$ 11,764	\$ 11,710	99.54%	\$ 38	\$ 11,748	99.86%
2011	\$ 11,435	\$ 11,392	98.27%	\$ 29	\$ 11,421	99.88%
2010	\$ 11,722	\$ 11,697	98.08%	\$ 9	\$ 11,706	99.86%
2009	\$ 11,650	\$ 11,632	97.79%	\$ 3	\$ 11,635	99.87%
2008	\$ 10,892	\$ 10,875	97.56%	\$ 3	\$ 10,878	99.87%
2007	\$ 9,757	\$ 9,742	97.23%	\$ 1	\$ 9,743	99.86%

Source: Local Tax Assessor/Collector and College records

(a) As of August 31

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

(c) M&O and Debt Service taxes on Exhibit 2 include penalties and interest

# ALVIN COMMUNITY COLLEGE

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## RATIOS OF OUTSTANDING DEBT

Last Ten Fiscal Years

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

	2016	2015	2014	2013
General Bonded Debt:				
General obligation bonds	\$ 12,255	\$ 13,350	\$ 14,380	\$ 15,305
Less: Funds restricted for debt service	(1,624)	(1,585)	(1,523)	(1,513)
Net general bonded debt	<u>10,631</u>	<u>11,765</u>	<u>12,857</u>	<u>13,792</u>
Revenue bonds	-	-	-	-
Capital leases	23	34	44	-
<b>Total Outstanding Debt</b>	<u><u>\$ 10,654</u></u>	<u><u>\$ 11,799</u></u>	<u><u>\$ 12,901</u></u>	<u><u>\$ 13,792</u></u>

General Bonded Debt Ratios:

As a percentage of Taxable Assessed Value	0.14%	0.16%	0.20%	0.23%
---	-------	-------	-------	-------

Total Outstanding Debt Ratios:

Per capita	\$ 31	\$ 35	\$ 39	\$ 42
Per student	\$ 1,372	\$ 1,636	\$ 1,705	\$ 1,864
As a percentage of Taxable Assessed Value	0.14%	0.17%	0.20%	0.23%

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



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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 16,160	\$ 16,960	\$ 17,615	\$ 18,194	\$ 18,675	\$ 19,065
(1,528)	(1,444)	(1,399)	(1,325)	(1,236)	(1,174)
<u>14,632</u>	<u>15,516</u>	<u>16,216</u>	<u>16,869</u>	<u>17,439</u>	<u>17,891</u>
-	-	-	-	302	584
-	-	-	-	-	-
<u>\$ 14,632</u>	<u>\$ 15,516</u>	<u>\$ 16,216</u>	<u>\$ 16,869</u>	<u>\$ 17,741</u>	<u>\$ 18,475</u>

0.25%	0.27%	0.28%	0.29%	0.34%	0.40%
-------	-------	-------	-------	-------	-------

\$ 46	\$ 50	\$ 52	\$ 56	\$ 60	\$ 64
\$ 1,935	\$ 2,036	\$ 2,082	\$ 2,489	\$ 2,761	\$ 2,842
0.25%	0.27%	0.28%	0.29%	0.34%	0.42%

# ALVIN COMMUNITY COLLEGE

SS-10

## LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	For the Years Ended August 31, (amounts expressed in thousands)			
	2016	2015	2014	2013
Taxable Assessed Value	\$ 7,615,957	\$ 7,131,405	\$ 6,506,076	\$ 6,059,354
General Obligation Bonds:				
Statutory tax levy limit for debt service	38,080	35,657	32,530	30,297
Less: Funds restricted for repayment of general obligation bonds	(1,624)	(1,585)	(1,523)	(1,513)
<b>Total Net General Obligation Debt</b>	<u>36,456</u>	<u>34,072</u>	<u>31,007</u>	<u>28,784</u>
Current Year Debt Service Requirements	<u>1,595</u>	<u>1,567</u>	<u>1,501</u>	<u>1,443</u>
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 34,861</u>	<u>\$ 32,505</u>	<u>\$ 29,506</u>	<u>\$ 27,341</u>
Net Current Requirements as a % of Statutory Limit	0.04%	0.04%	0.05%	0.05%

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

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

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 5,888,930	\$ 5,711,333	\$ 5,861,195	\$ 5,812,073	\$ 5,177,315	\$ 4,445,811
29,445	28,557	29,306	29,060	25,887	22,229
(1,528)	(1,444)	(1,399)	(1,325)	(1,236)	(1,174)
<u>27,917</u>	<u>27,113</u>	<u>27,907</u>	<u>27,735</u>	<u>24,651</u>	<u>21,055</u>
<u>1,405</u>	<u>1,456</u>	<u>1,403</u>	<u>1,321</u>	<u>1,247</u>	<u>1,178</u>
<u>\$ 26,512</u>	<u>\$ 25,657</u>	<u>\$ 26,504</u>	<u>\$ 26,414</u>	<u>\$ 23,404</u>	<u>\$ 19,877</u>
0.05%	0.05%	0.05%	0.05%	0.05%	0.05%

# ALVIN COMMUNITY COLLEGE

SS-11

## PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Revenue Bonds				Debt Service Requirement (in thousands)
Year	Technology Fee	General Services Fee	Total	Principal
2016	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2012	\$ -	\$ -	\$ -	\$ -
2011	\$ -	\$ -	\$ -	\$ -
2010	\$ -	\$ -	\$ -	\$ -
2009	\$ 238,467	\$ 387,715	\$ 626,182	\$ 302,000
2008	\$ 230,855	\$ 380,244	\$ 611,099	\$ 282,000
2007	\$ 228,978	\$ 378,389	\$ 607,367	\$ 265,000

**Debt Service Requirements (in thousands)**

<b>Interest</b>	<b>Total</b>	<b>Coverage Ratio</b>
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ 9,815	\$ 311,815	2.01
\$ 28,654	\$ 310,654	1.97
\$ 46,026	\$ 311,026	1.95

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# ALVIN COMMUNITY COLLEGE

SS-12

## DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT

Last Ten Calendar Years

Year	District Population	District Personal Income (a) (in Thousands)	District Personal Income Per Capita	District Unemployment Rate
2015	346,312	\$ (a)	\$ (a)	4.6%
2014	338,124	\$ 13,504,267	\$ 42,519	5.0% *
2013	330,242	\$ 13,788,051	\$ 41,751	6.1%
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%
2009	309,208	\$ 11,275,252	\$ 36,462	8.1%
2008	301,044	\$ 11,455,625	\$ 38,030	5.2%
2007	294,233	\$ 10,120,236	\$ 34,529	4.4%
2006	287,898	\$ 9,241,458	\$ 32,513	5.0%

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

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# ALVIN COMMUNITY COLLEGE

SS-13

## PRINCIPAL EMPLOYERS

Current Fiscal Year

<u>Employer</u>	<u>Employees (1)</u>	<u>Employment (2)</u>
Ascend Performance Materials	500-999	0.90%
Dish Network Customer Call Center	500-999	0.90%
Wal-Mart Supercenter	500-999	0.90%
Brazoria Tax Assessor	500-999	0.90%
Alvin Community College	100-499	0.36%
Alvin High School	100-499	0.36%
Alvin Independent School District	100-499	0.36%
Alvin Police Department	100-499	0.36%
City of Alvin	100-499	0.36%
Diversified Ceramics	100-499	0.36%
Food Service Department	100-499	0.36%
Home Depot	100-499	0.36%
House Calls Home Health	100-499	0.36%
Kroger	100-499	0.36%
Olive Garden Restaurant	100-499	0.36%
Ron Carter Autoland	100-499	0.36%
Solutia Inc.	100-499	0.36%
T & L Lease Svc	100-499	0.36%
Team.Engineering	100-499	0.36%
	<u>3,500 - 11,481</u>	<u>9.00%</u>

Source:

(1) Texas Workforce Commission - SOCRATES, Employer Search

(2) US Census - Brazoria County Private nonfarm employment

Note:

Percentages are calculated using the midpoints of the ranges.

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

SS-14

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Faculty				
Full-Time	107	103	111	110
Part-Time	183	194	170	170
<b>Total</b>	<u><u>290</u></u>	<u><u>297</u></u>	<u><u>281</u></u>	<u><u>280</u></u>
Faculty				
Full-Time	36.9%	34.7%	39.5%	39.3%
Part-Time	63.1%	65.3%	60.5%	60.7%
Staff and Administrators				
Full-Time	178	168	166	170
Part-Time	60	56	55	50
<b>Total</b>	<u><u>238</u></u>	<u><u>224</u></u>	<u><u>221</u></u>	<u><u>220</u></u>
Faculty				
Full-Time	74.8%	75.0%	75.1%	77.3%
Part-Time	25.2%	25.0%	24.9%	22.7%
FTSE per Full-time Faculty	72.6	70.0	68.2	67.2
FTSE per Full-Time Staff Member	43.6	37.2	45.6	43.5
Average Annual Faculty Salary	<u><u>\$ 63,608</u></u>	<u><u>\$ 56,291</u></u>	<u><u>\$ 55,309</u></u>	<u><u>\$ 54,308</u></u>

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
108	109	108	108	103	100
180	180	199	171	153	168
<u>288</u>	<u>289</u>	<u>307</u>	<u>279</u>	<u>256</u>	<u>268</u>
37.5%	37.7%	35.2%	38.7%	40.2%	37.3%
62.5%	62.3%	64.8%	61.3%	59.8%	62.7%
168	163	169	162	169	154
50	54	47	46	45	54
<u>218</u>	<u>217</u>	<u>216</u>	<u>208</u>	<u>214</u>	<u>208</u>
77.1%	75.1%	78.2%	77.9%	79.0%	74.0%
22.9%	24.9%	21.8%	22.1%	21.0%	26.0%
70.0	69.9	72.1	62.8	62.4	65.0
45.0	46.8	46.1	41.8	38.0	42.2
<u>\$ 59,598</u>	<u>\$ 57,416</u>	<u>\$ 54,458</u>	<u>\$ 54,064</u>	<u>\$ 52,518</u>	<u>\$ 50,978</u>

# ALVIN COMMUNITY COLLEGE

SS-15

## ENROLLMENT DETAILS

Last Five Fall Semesters

Student Classification	Fall 2015		Fall 2014	
	Number	Percent	Number	Percent
0-30 hours	3,256	63.64%	3,166	64.43%
31-60 hours	1,079	21.09%	937	19.07%
> 60 hours	781	15.27%	811	16.50%
<b>Total</b>	<b>5,116</b>	<b>100.00%</b>	<b>4,914</b>	<b>100.00%</b>

Semester Hour Load	Fall 2015		Fall 2014	
	Number	Percent	Number	Percent
Less than 3	207	4.05%	254	5.17%
3-5 semester hours	1,348	26.35%	1,292	26.29%
6-8 Semester hours	1,463	28.60%	1,333	27.13%
9-11 semester hours	1,134	22.17%	1,031	20.98%
12-14 semester hours	758	14.82%	762	15.51%
15-17 semester hours	155	3.03%	191	3.89%
18 & over	51	1.00%	51	1.04%
<b>Total</b>	<b>5,116</b>	<b>100.00%</b>	<b>4,914</b>	<b>100.00%</b>

Tuition Status	Fall 2015		Fall 2014	
	Number	Percent	Number	Percent
Texas Resident (in-District)	2,257	44.12%	2,216	45.10%
Texas Resident (out-of-District)	2,681	52.40%	2,525	51.38%
Non-Resident Tuition	106	2.07%	105	2.14%
Tuition Exemption - TX Resident	72	1.41%	68	1.38%
<b>Total</b>	<b>5,116</b>	<b>100.00%</b>	<b>4,914</b>	<b>100.00%</b>

Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent
3,400	65.50%	3,364	64.82%	3,630	69.90%
947	18.24%	991	19.09%	897	17.27%
844	16.26%	835	16.09%	666	12.82%
5,191	100.00%	5,190	100.00%	5,193	100.00%

Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent
266	5.12%	119	2.29%	44	0.85%
1,330	25.62%	1,645	31.70%	1,438	27.69%
1,502	28.93%	1,306	25.16%	1,391	26.79%
1,055	20.32%	993	19.13%	1,010	19.45%
780	15.03%	871	16.78%	942	18.14%
202	3.89%	193	3.72%	273	5.26%
56	1.08%	63	1.21%	95	1.83%
5,191	100.00%	5,190	100.00%	5,193	100.00%

Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent
2,305	44.40%	2,385	45.95%	2,495	48.05%
2,695	51.92%	2,640	50.87%	2,543	48.97%
104	2.00%	75	1.45%	77	1.48%
87	1.68%	90	1.73%	78	1.50%
5,191	100.00%	5,190	100.00%	5,193	100.00%



Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent
3,007	57.93%	3,009	57.98%	3,002	57.81%
2,184	42.07%	2,181	42.02%	2,191	42.19%
5,191	100.00%	5,190	100.00%	5,193	100.00%

Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent
3,847	59.46%	3,978	62.19%	4,123	64.05%
1,533	23.69%	1,435	22.43%	1,396	21.69%
561	8.67%	532	8.32%	481	7.47%
259	4.00%	234	3.66%	225	3.50%
45	0.70%	30	0.47%	36	0.56%
121	1.87%	108	1.69%	94	1.46%
22	0.34%	17	0.27%	11	0.17%
82	1.27%	63	0.98%	71	1.10%
6,470	100.00%	6,397	100.00%	6,437	100.00%

Fall 2013		Fall 2012		Fall 2011	
Number	Percent	Number	Percent	Number	Percent
1,351	26.03%	1,215	23.41%	1,207	23.24%
1,811	34.89%	1,790	34.49%	1,832	35.28%
566	10.90%	565	10.89%	535	10.30%
878	16.91%	966	18.61%	978	18.83%
459	8.84%	530	10.21%	522	10.05%
126	2.43%	124	2.39%	119	2.29%
5,191	100.00%	5,190	100.00%	5,193	100.00%

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# ALVIN COMMUNITY COLLEGE

SS-17

## TRANSFERS TO SENIOR INSTITUTIONS

967 Fall Students as of Fall 2015

(Included only Public Senior Colleges in Texas)

	<u>Transfer Student Count Academic</u>	<u>Transfer Student Count Technical</u>	<u>Transfer Student Count Tech-Prep</u>	<u>Total of All Sample Transfer Students</u>	<u>% of All Sample Transfer Students</u>
1 Angelo State University	3			3	0.31%
2 Lamar University	17		1	18	1.86%
3 Midwestern State University		1		1	0.10%
4 Prairie View A&M University	9			9	0.93%
5 Sam Houston State University	83		2	85	8.79%
6 Stephen F. Austin State University	26			26	2.69%
7 Tarleton State University	4			4	0.41%
8 Texas A&M University	118			118	12.20%
9 Texas A&M University - Commerce	1	1		2	0.21%
10 Texas A&M University - Corpus Christi	7			7	0.72%
11 Texas A&M University - Kingsville	5			5	0.52%
12 Texas A&M University - San Antonio		1		1	0.10%
13 Texas A&M University at Galveston	15			15	1.55%
14 Texas Southern University	9			9	0.93%
15 Texas State University	48	4		52	5.38%
16 Texas Tech University	43		1	44	4.55%
17 Texas Tech University Health Science Center	3			3	0.31%
18 Texas Woman's University	10		1	11	1.14%
19 The University of Texas - Rio Grande Valley	3			3	0.31%
20 The University of Texas at Arlington	11	3		14	1.45%
21 The University of Texas at Austin	50			50	5.17%
22 The University of Texas at Dallas	9			9	0.93%
23 The University of Texas at El Paso	1			1	0.10%
24 The University of Texas at San Antonio	27			27	2.79%
25 The University of Texas at Tyler	3	1		4	0.41%
26 The University of Texas Health Science Center at Houston	8	1		9	0.93%
27 The University of Texas M.D. Anderson Cancer Center	2			2	0.21%
28 The University of Texas Health Medical Branch at Galveston	14	3		17	1.76%
29 University of Houston	162	3	3	168	17.37%
30 University of Houston at Clear Lake	201	7	2	210	21.72%
31 University of Houston - Downtown	18		2	20	2.07%
32 University of Houston at Victoria	3			3	0.31%
33 University of North Texas	15			15	1.55%
34 University of North Texas at Dallas	1			1	0.10%
35 West Texas A&M University	1			1	0.10%
<b>Total</b>	<u>930</u>	<u>25</u>	<u>12</u>	<u>967</u>	<u>100.00%</u>

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# ALVIN COMMUNITY COLLEGE

SS-18

## CAPITAL ASSET INFORMATION

Fiscal Years 2012 to 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Academic buildings	12	12	12	12	12
Square footage (in thousands)	365	311	311	311	311
Libraries	1	1	1	1	1
Square footage (in thousands)	12	12	12	12	12
Number of volumes (in thousands)	12	12	12	12	12
Administrative and support buildings	3	3	3	3	3
Square footage (in thousands)	25	13	13	13	13
Dormitories	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-
Number of beds	-	-	-	-	-
Apartments	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-
Number of beds	-	-	-	-	-
Dining Facilities	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5
Average daily customers	150	150	150	150	150
Athletic Facilities	8	8	8	8	8
Square footage (in thousands)	28	22	22	22	22
Stadiums	-	-	-	-	-
Gymnasiums	1	1	1	1	1
Fitness centers	1	1	1	1	1
Tennis courts	6	6	6	6	6
Plant facilities	1	1	1	1	1
Square footage (in thousands)	20	18	18	18	18
Transportation					
Cars	6	6	6	7	7
Light trucks/vans/ambulance	11	11	11	9	9
Buses	2	2	2	2	2
Heavy trucks	3	3	3	1	1

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