

ANNUAL FINANCIAL REPORT

of

ALVIN COMMUNITY COLLEGE

**For the Fiscal Years Ended
August 31, 2023 and 2022**

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ALVIN COMMUNITY COLLEGE

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August 31, 2023 and 2022

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ALVIN COMMUNITY COLLEGE

ORGANIZATIONAL DATA

For the Year Ended August 31, 2023

Board of Regents

<u>Officers</u>	<u>Location</u>	<u>Term Expires</u>
Bel Sanchez, Chairman	Alvin, Texas	2024
Jody Droege, Vice-Chair	Alvin, Texas	2026
Patty Hertenberger, Secretary	Alvin, Texas	2028

<u>Members</u>	<u>Location</u>	<u>Term Expires</u>
Jim Crumm	Alvin, Texas	2024
Kam Marvel	Alvin, Texas	2024
Darren Shelton	Alvin, Texas	2026
Jake Starkey	Alvin, Texas	2026
Yvette Reyes-Hall	Alvin, Texas	2028
Michael Hoover	Alvin, Texas	2028

Principal Administrative Officers

Dr. Robert Exley	President
Dr. John Matula	Interim Vice President of Student Services
Ms. Wendy Del Bello	Vice President of Development and Outreach
Ms. Nichole Eslinger	Vice President of Human Resources
Dr. Michael Beck	Vice President of Instruction
Mr. Karl Stager	Vice President of Administrative Services
Mr. Kelly Klimpt	Vice President of Information Technology
Dr. Stacy Ebert	Vice President of Strategic Initiatives
Dr. Debra Fontenot	Interim Dean of Legal and Health Sciences
Dr. Alexander Marriott	Interim Dean of Arts and Sciences
Dr. Nadia Nazarenko	Dean of General Education and Academic Support
Mr. Jeffrey Parks	Dean of Professional, Technical, and Human Performance/ Executive Director of Continuing Education and Workforce Development
Mr. Patrick Sanger	Dean/Executive Director of Institutional Effectiveness and Research

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INDEPENDENT AUDITORS' REPORT

To the Board of Regents of
Alvin Community College:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of August 31, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management for the Financial Statements

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

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of the College's proportionate share of the net pension and other postemployment benefits liability, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The supplemental schedules (Schedules A through F) which include the schedule of expenditures of federal awards (Schedule E) and the schedule of expenditures of state awards (Schedule F) as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform*

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for the Texas Public Community and Junior Colleges*, are presented for purposes of additional analysis and are 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. The 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.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
December 15, 2023

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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, 2023 and 2022

This section of the Annual Financial Report (AFR) of Alvin Community College (the "College") presents Management's Discussion and Analysis (MD&A) of the College's financial activity during the fiscal years ended August 31, 2023 and 2022, with particular focus on current events, legislation, and other various conditions. Please read this MD&A in conjunction with the College's basic financial statements and the notes to the basic financial statements. Responsibility for the completeness and fairness of the information included in this section of the AFR rests with the College.

Financial Highlights for Fiscal Year 2023

The following factors had a significant effect on the College's financial status for fiscal year 2023:

- The College Board of Regents passed a combined tax rate of \$0.164145 which was the No New Revenue rate (rollback rate). The Maintenance and Operations tax rate decreased from \$0.171457 to \$0.154314 or 1.0 percent. The Debt Service tax rate decreased from \$0.011754 to \$0.009831 or 16.4 percent. Overall tax collections increased by \$1,651,014 from \$25,497,504 in fiscal year 2021-2022 to \$27,148,518 in fiscal year 2022-2023.
- There was a pay increase of 3.0 percent for all full-time faculty and staff in an effort to retain and attract qualified personnel.
- The 2022-2023 Maintenance and Operations budget was \$40,071,049 which was an increase of \$1,642,210 over the 2021-2022 budget.

Financial Highlights for Fiscal Year 2022

The following factors had a significant effect on the College's financial status for fiscal year 2022:

- The College Board of Regents passed a combined tax rate of \$0.183211 which was the No New Revenue rate (rollback rate). The Maintenance and Operations tax rate increased from \$0.170579 to \$0.171457 or 0.5 percent. The Debt Service tax rate decreased from \$0.012864 to \$0.011754 or 8.6 percent. Overall tax collections increased by \$2,298,970 from \$23,198,534 in fiscal year 2020-2021 to \$25,497,504 in fiscal year 2021-2022.
- There was a pay increase of 6.0 percent for all full-time faculty and staff in an effort to retain and attract qualified personnel.
- The 2021-2022 Maintenance and Operations budget was \$38,428,839 which was an increase of \$1,743,418 over the 2020-2021 budget.

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.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, the Alvin Community College Foundation (the “Foundation”) is considered a component unit of the College for fiscal years 2023 and 2022 and, as such, is discretely presented in the College’s basic financial statements. Complete financial statements of the Foundation can be obtained from their offices.

Statements of Net Position

The Statements of Net Position present the assets, liabilities, deferred outflows/inflows of resources, and net position of the College as of August 31, 2023 and 2022. 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, 2023 and 2022. It presents end-of-year data for current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred inflows of resources, 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.

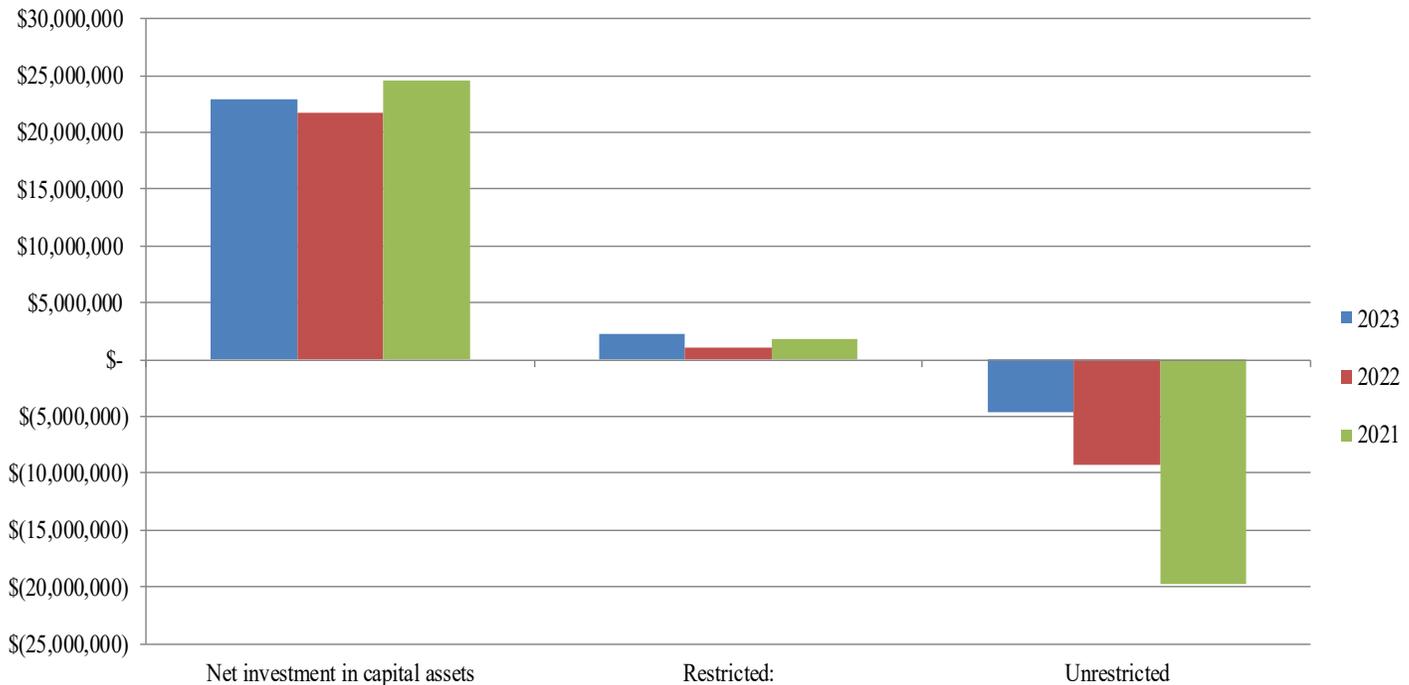
CONDENSED STATEMENTS OF NET POSITION

As of August 31, 2023-2021

	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Current assets	\$ 11,435,743	\$ 9,285,842	\$ 2,149,901	\$ 17,214,614	\$ (7,928,772)
Noncurrent assets:					
Investments	22,749,141	21,550,000	1,199,141	13,250,000	8,300,000
Capital assets, net	46,979,237	47,276,239	(297,002)	45,576,905	1,699,334
Right-to-use assets, net	50,198	84,069	(33,871)	165,936	(199,807)
Total Assets	<u>81,214,319</u>	<u>78,196,150</u>	<u>3,018,169</u>	<u>76,207,455</u>	<u>1,870,755</u>
Deferred Outflows of Resources	<u>11,586,754</u>	<u>12,250,981</u>	<u>(664,227)</u>	<u>13,406,937</u>	<u>(1,155,956)</u>
Current liabilities	8,155,436	7,832,490	322,946	8,598,043	(765,553)
Noncurrent liabilities	54,890,516	59,539,273	(4,648,757)	65,703,606	(6,164,333)
Total Liabilities	<u>63,045,952</u>	<u>67,371,763</u>	<u>(4,325,811)</u>	<u>74,301,649</u>	<u>(6,929,886)</u>
Deferred Inflows of Resources	<u>9,160,668</u>	<u>9,426,711</u>	<u>(266,043)</u>	<u>8,780,440</u>	<u>646,271</u>
Net position:					
Net investment in capital assets	22,892,511	21,786,189	1,106,322	24,525,305	(2,739,116)
Restricted:					
Expendable student aid	2,251,583	1,120,823	1,130,760	1,805,309	(684,486)
Unrestricted	(4,549,641)	(9,258,355)	4,708,714	(19,798,311)	10,539,956
Total Net Position	<u>\$ 20,594,453</u>	<u>\$ 13,648,657</u>	<u>\$ 6,945,796</u>	<u>\$ 6,532,303</u>	<u>\$ 7,116,354</u>

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

Net Position
Fiscal Years 2023 - 2021



Fiscal Year 2023 Compared to 2022

Current assets increased \$2,149,901 primarily due to increases in restricted cash and cash equivalents as a result of proceeds from investment activities and increases in accounts receivable primarily related to more in student tuition receivables compared to the prior year. Noncurrent assets increased \$868,268 due primarily to an increase in the purchase of investments.

Current liabilities increased \$322,946 primarily due to an increase in unearned revenues related to student registrations compared to the prior year. Noncurrent liabilities decreased \$4,648,757 due mainly to a decrease in net other postemployment benefits liability.

Fiscal Year 2022 Compared to 2021

Current assets decreased \$7,928,772 primarily due to decreases in restricted cash and cash equivalents as a result of the use of proceeds from the Series 2018 Tax Notes (the "Tax Notes") for capital projects and accounts receivable related to COVID-19 pandemic grant amounts awarded to the College compared to the prior year. This was partially offset by an increase in cash and cash equivalents related to an increase in property tax revenue. Noncurrent assets increased \$9,999,334 due primarily to an increase in the purchase of investments.

Current liabilities decreased \$765,553 primarily due to a decrease in accounts payable as a result of a decrease in retainage payables compared to the prior year. Noncurrent liabilities decreased \$6,164,333 due mainly to a decrease in net pension liability.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

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; 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, 2023-2021

	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Operating Revenues:					
Tuition and fees, net of discounts	\$ 6,945,546	\$ 8,138,598	\$ (1,193,052)	\$ 8,147,486	\$ (8,888)
Auxiliary enterprises, net of discounts	1,792,881	1,509,080	283,801	1,496,980	12,100
Nongovernmental grants and contracts	-	-	-	29,156	(29,156)
State grants and contracts	839,950	683,555	156,395	688,804	(5,249)
Federal grants and contracts	830,502	936,983	(106,481)	1,377,325	(440,342)
Total Operating Revenues	10,408,879	11,268,216	(859,337)	11,739,751	(471,535)
Less Operating Expenses					
Operating (Loss)	(39,384,076)	(40,377,482)	993,406	(40,250,592)	(126,890)
Nonoperating Revenues (Expenses):					
State appropriations	12,349,683	11,566,604	783,079	12,397,886	(831,282)
Property tax revenue	27,148,518	25,497,504	1,651,014	23,198,534	2,298,970
Federal revenue, nonoperating	5,776,456	10,602,173	(4,825,717)	13,139,443	(2,537,270)
Investment income	1,294,937	190,336	1,104,601	89,447	100,889
Interest and fiscal agent fees	(776,618)	(944,431)	167,813	(1,147,041)	202,610
Other nonoperating revenues	536,896	581,650	(44,754)	438,393	143,257
Total Nonoperating Revenues, Net	46,329,872	47,493,836	(1,163,964)	48,116,662	(622,826)
Change in Net Position	6,945,796	7,116,354	(170,558)	7,866,070	(749,716)
Beginning net position	13,648,657	6,532,303	7,116,354	(1,333,767)	7,866,070
Ending Net Position	\$ 20,594,453	\$ 13,648,657	\$ 6,945,796	\$ 6,532,303	\$ 7,116,354

Fiscal Year 2023 Compared to 2022

Total revenues (operating and nonoperating) for the fiscal year 2023 were \$57,515,369. Operating revenues in the fiscal year 2023 decreased by \$859,337 largely due to a decrease in tuition and fees primarily related to increases in scholarship allowances and discounts. Nonoperating revenues in the fiscal year 2023 decreased \$1,331,777 primarily due to a significant decrease in federal revenue. Federal revenue decreased due to a decrease in federal grant awards received related to the COVID-19 pandemic.

Total expenses (operating and nonoperating) in the fiscal year 2023 decreased \$1,684,930, or 3.2 percent. This decrease was primarily related to a decrease in grant expenses related to scholarships and fellowships.

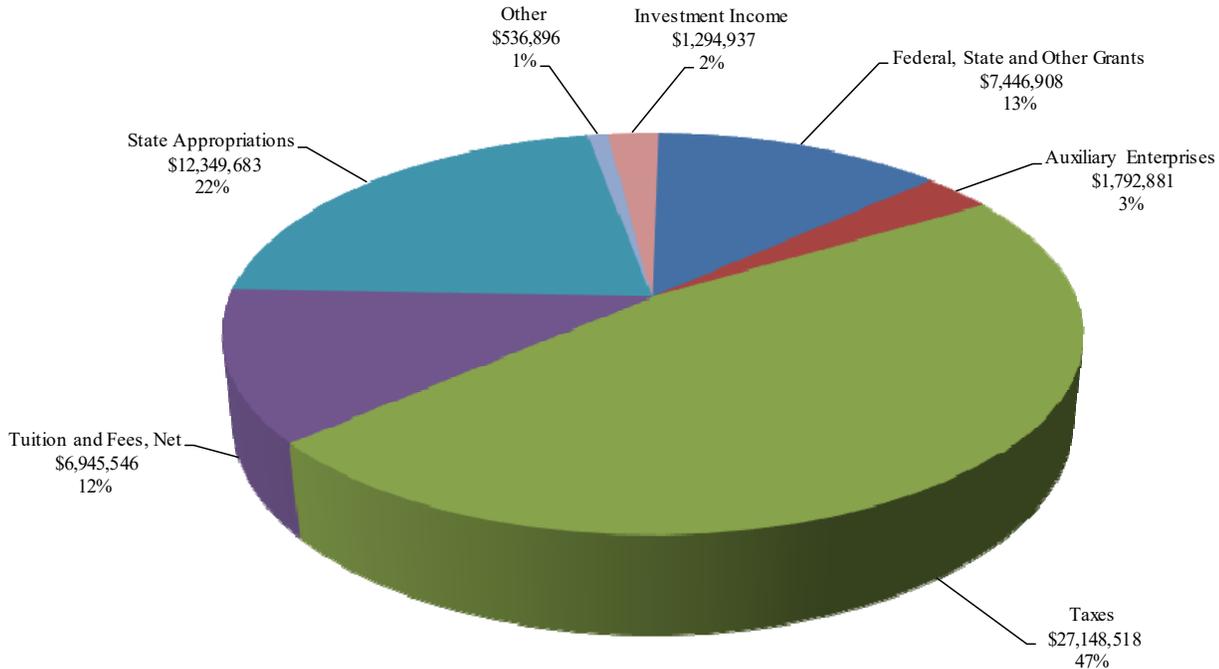
ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

Fiscal Year 2022 Compared to 2021

Total revenues (operating and nonoperating) for the fiscal year 2022 were \$59,706,483. Operating revenues in the fiscal year 2022 decreased by \$471,535 largely due to a decrease in federal grants and contracts primarily related to a decrease in federal grant awards received for the Science, Technology, Engineering, and Mathematics Grant. Nonoperating revenues in the fiscal year 2022 decreased \$825,436. Nonoperating revenues included significant decreases in federal revenue due to a decrease in federal grant awards received related to the COVID-19 pandemic and significant decreases in state appropriations primarily due to a decrease in state contributions to the College's pension and other postemployment benefits plans. Nonoperating revenues also included an increase in property tax revenues related to increases in property tax appraisal values.

Total expenses (operating and nonoperating) in the fiscal year 2022 decreased \$142,035, or 0.3 percent. This decrease was primarily related to a decrease in grant expenses related to professor salaries.

**Revenues by Source and Percentage
 For the Year Ended August 31, 2023**



ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

Revenues by Source and Percentage
For the Year Ended August 31, 2022

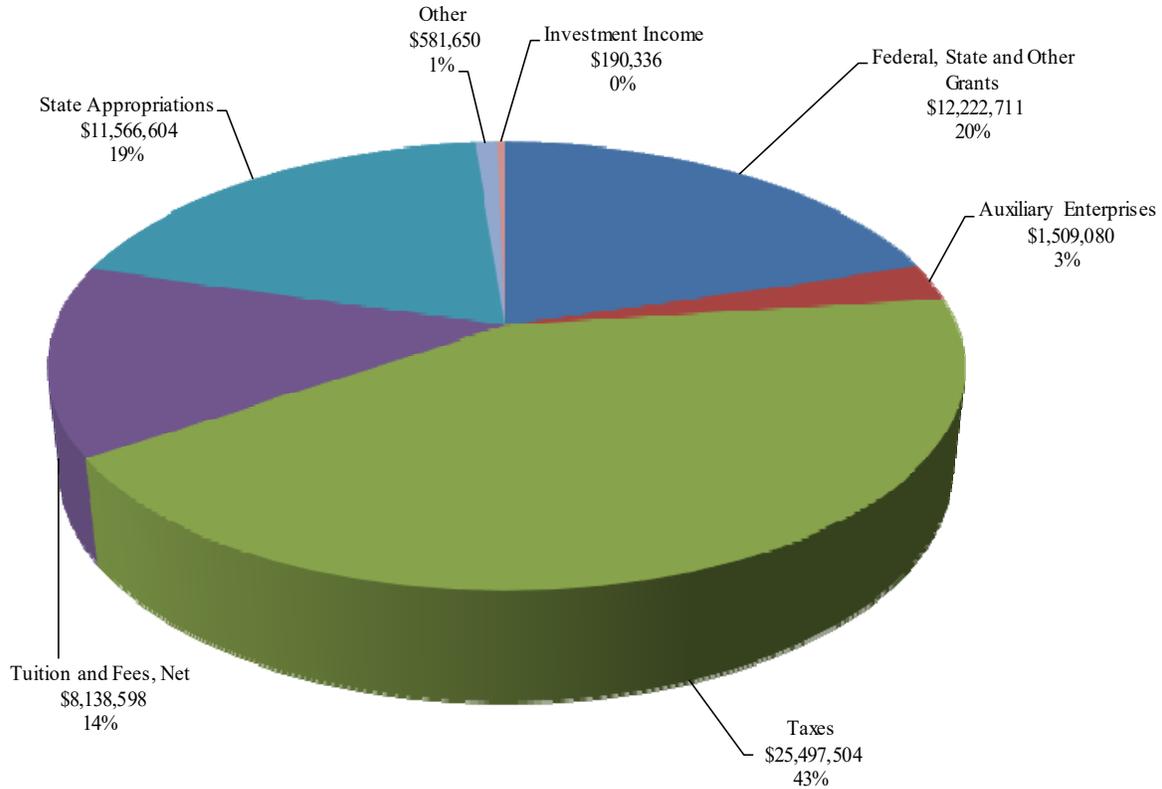


Table 1
OPERATING EXPENSES
Years Ended August 31, 2023-2021

	2023	2022	Increase (Decrease) 2023-2022	2021	Increase (Decrease) 2022-2021
Operating Expenses:					
Instruction	\$ 17,769,932	\$ 16,716,912	\$ 1,053,020	\$ 17,443,296	\$ (726,384)
Institutional support	8,161,984	6,718,987	1,442,997	6,697,854	21,133
Academic support	8,879,027	7,462,655	1,416,372	7,070,549	392,106
Operation and maintenance of plant	2,492,339	3,074,908	(582,569)	3,931,836	(856,928)
Auxiliary enterprises	2,490,236	2,426,112	64,124	1,680,420	745,692
Student services	4,101,727	4,243,824	(142,097)	4,233,402	10,422
Scholarships and fellowships	4,359,867	9,610,709	(5,250,842)	9,384,976	225,733
Depreciation and amortization	1,469,113	1,329,233	139,880	1,417,839	(88,606)
Public service	68,730	62,358	6,372	130,171	(67,813)
Total	\$ 49,792,955	\$ 51,645,698	\$ (1,852,743)	\$ 51,990,343	\$ (344,645)

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 \$776,618 and \$944,431 for the years ended August 31, 2023 and 2022, respectively.

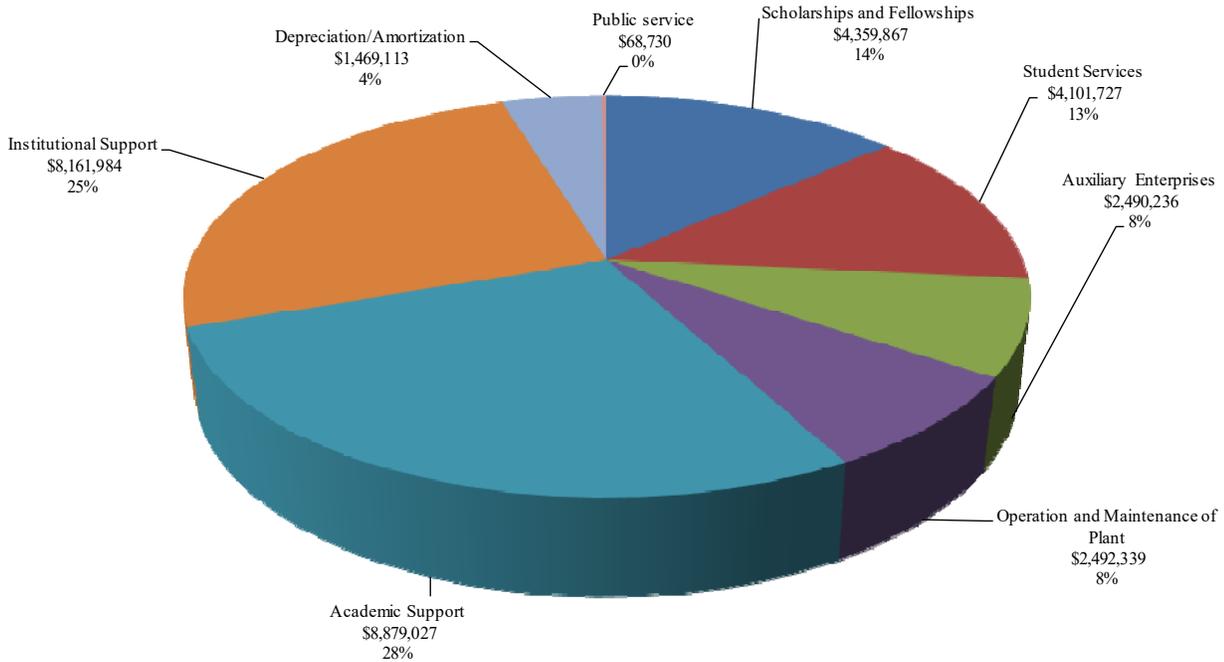
ALVIN COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

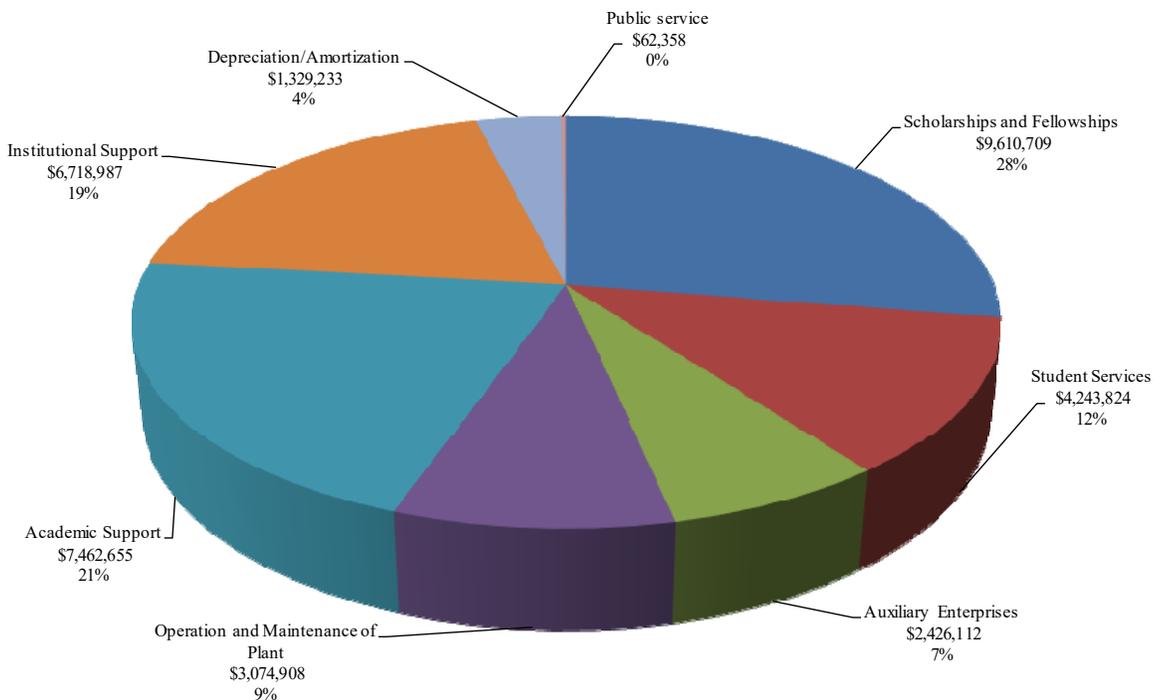
For the Years Ended August 31, 2023 and 2022

The following are graphic illustrations of operating expenses by functional category and percentage of total operating expenses for the years ended August 31, 2023 and 2022.

**Operating Expenses by Function and Percentage
For the Year Ended August 31, 2023**

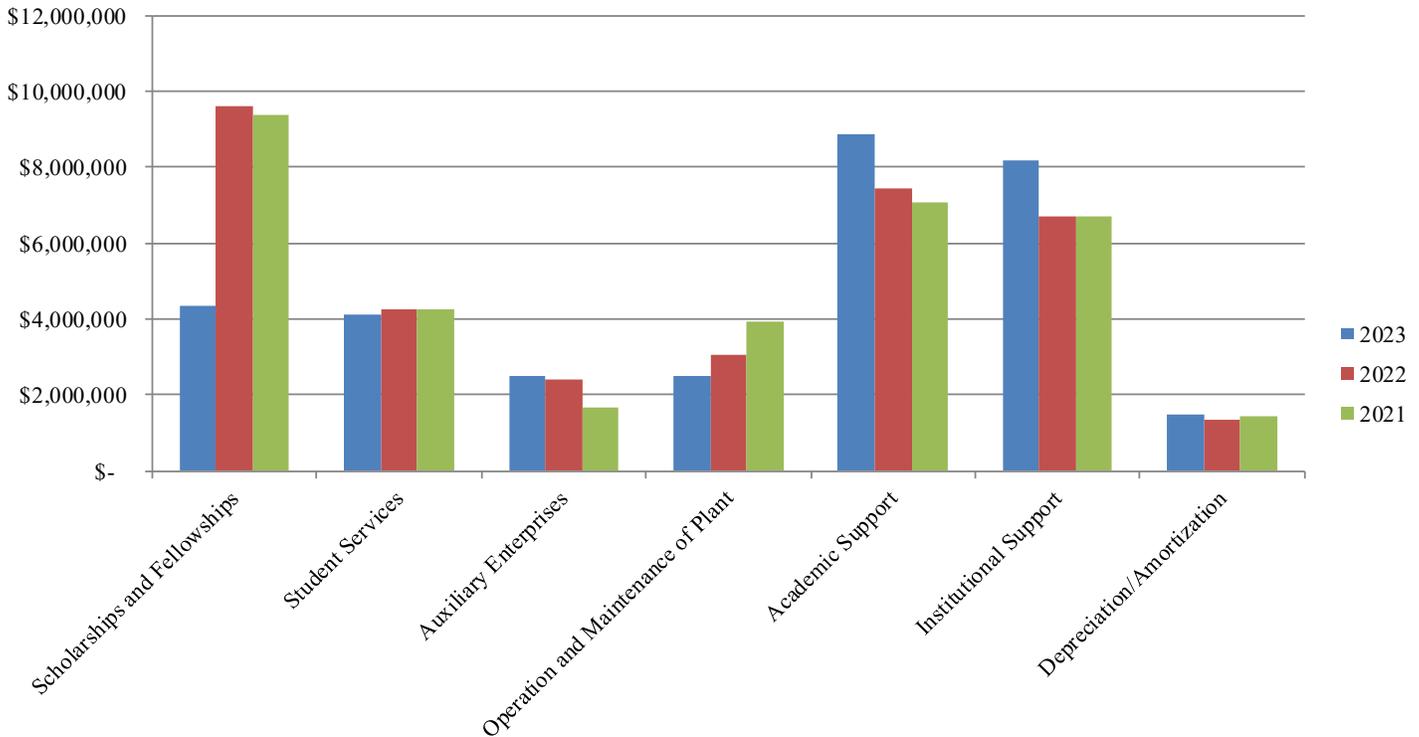


**Operating Expenses by Function and Percentage
For the Year Ended August 31, 2022**



ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

Comparison of Operating Expenses
Fiscal Years 2023-2021



Capital Assets

CAPITAL ASSETS ACTIVITY
Years Ended August 31, 2023-2021

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease) 2023-2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>
Capital assets not depreciated/amortized:					
Land	\$ 494,128	\$ 494,128	\$ -	\$ 494,128	\$ -
Construction in process	17,687,663	22,550,059	(4,862,396)	20,479,202	2,070,857
Total	<u>18,181,791</u>	<u>23,044,187</u>	<u>(4,862,396)</u>	<u>20,973,330</u>	<u>2,070,857</u>
Other capital assets:					
Buildings and improvements	35,911,651	35,911,651	-	35,812,051	99,600
Facilities and improvements	10,145,249	4,897,647	5,247,602	4,846,884	50,763
Telecommunications equipment	2,553,487	2,311,996	241,491	2,115,660	196,336
Furniture and equipment	8,419,096	7,912,121	506,975	7,392,620	519,501
Library books	331,887	360,476	(28,589)	353,164	7,312
Right-to-use assets	177,651	177,651	-	255,764	(78,113)
Total	<u>57,539,021</u>	<u>51,571,542</u>	<u>5,967,479</u>	<u>50,776,143</u>	<u>795,399</u>
Less accumulated depreciation and amortization	<u>(28,691,377)</u>	<u>(27,255,421)</u>	<u>(1,435,956)</u>	<u>(26,006,632)</u>	<u>(1,248,789)</u>
Net Capital Assets	<u>\$ 47,029,435</u>	<u>\$ 47,360,308</u>	<u>\$ (330,873)</u>	<u>\$ 45,742,841</u>	<u>\$ 1,617,467</u>

The capital assets activity includes the right-to-use assets and the accumulated amortization of the right-to-use assets related to leases payable.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2023 and 2022

Fiscal Year 2023 Compared to 2022

As of August 31, 2023, the College had \$75,720,812 invested in capital assets, \$28,691,377 in accumulated depreciation and amortization, and \$47,029,435 in net capital assets. Significant additions during the fiscal year included computer hardware, campus signage, and new furniture.

Fiscal Year 2022 Compared to 2021

As of August 31, 2022, the College had \$74,615,729 invested in capital assets, \$27,255,421 in accumulated depreciation and amortization, and \$47,360,308 in net capital assets. Significant additions during the fiscal year included a new discontinuous distillation system, cyber security lab, and computer equipment and servers.

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

Long-Term Debt and Lease Payables

The principal balance of the bonds was \$21,940,000 and \$24,305,000 as of August 31, 2023 and 2022, respectively.

The principal balance of the leases payable related to Governmental Accounting Standards Board Statement No. 87, *Leases*, was \$49,251 and \$83,141 as of August 31, 2023 and 2022, respectively.

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 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 College's 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, 2023 and 2022

<u>Assets</u>	2023	2022
Current Assets:		
Cash and cash equivalents	\$ 5,700,553	\$ 3,995,494
Restricted cash and cash equivalents	1,156,447	1,233,857
Accounts receivable, net	3,322,563	2,897,840
Inventories	162,496	159,708
Prepays	1,093,684	998,943
Total Current Assets	11,435,743	9,285,842
Noncurrent Assets:		
Investments	22,749,141	21,550,000
Capital and right-to-use assets, net:		
Nondepreciable capital assets	18,181,791	23,044,187
Depreciable capital assets	28,797,446	24,232,052
Amortizable right-to-use assets	50,198	84,069
Total Noncurrent Assets	69,778,576	68,910,308
Total Assets	81,214,319	78,196,150
<u>Deferred Outflows of Resources</u>		
Deferred outflows - pensions	4,209,410	2,742,175
Deferred outflows - OPEB	7,377,344	9,508,806
Total Deferred Outflows of Resources	11,586,754	12,250,981
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable and accrued liabilities	682,768	1,200,796
Funds held for others	53,029	48,733
Unearned revenues	4,618,204	3,884,514
Compensated absences	357,850	299,557
Bonds payable, net of premiums - current portion	2,420,000	2,365,000
Leases payable - current portion	23,585	33,890
Total Current Liabilities	8,155,436	7,832,490
Noncurrent Liabilities:		
Compensated absences	178,586	207,250
Net pension liability	10,460,057	4,646,479
Net OPEB liability	22,655,135	30,508,483
Bonds payable, net of premiums	21,571,072	24,127,810
Leases payable	25,666	49,251
Total Noncurrent Liabilities	54,890,516	59,539,273
Total Liabilities	63,045,952	67,371,763
<u>Deferred Inflows of Resources</u>		
Deferred gain on refunding bonds	96,601	144,902
Deferred inflows - pensions	1,058,524	5,135,508
Deferred inflows - OPEB	8,005,543	4,146,301
Total Deferred Inflows of Resources	9,160,668	9,426,711
<u>Net Position</u>		
Net investment in capital assets	22,892,511	21,786,189
Restricted for expendable student aid	2,251,583	1,120,823
Unrestricted	(4,549,641)	(9,258,355)
Total Net Position (Schedule D)	\$ 20,594,453	\$ 13,648,657

See accompanying notes to basic financial statements.

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ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 1A

STATEMENTS OF FINANCIAL POSITION

August 31, 2023 and 2022

<u>Assets:</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 431,825	\$ 217,293
Investments	4,220,128	3,821,170
Accounts receivable	875	1,000
Inventory for fundraising activities	564	-
Prepays	5,050	3,900
Art Inventory	5,251	5,251
Total Assets	<u>4,663,693</u>	<u>4,048,614</u>
<u>Liabilities:</u>		
Accounts payable	36,887	16,089
Total Liabilities	<u>36,887</u>	<u>16,089</u>
<u>Net Assets:</u>		
Without donor restrictions	424,461	214,628
With donor restrictions		
Purpose restrictions	2,889,971	2,505,523
Perpetual in nature	1,312,374	1,312,374
Total Net Assets	<u>\$ 4,626,806</u>	<u>\$ 4,032,525</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, 2023 and 2022

	2023	2022
<u>Operating Revenues:</u>		
Tuition and fees, net of discounts of \$3,706,666 for 2023 and \$2,492,289 for 2022	\$ 6,945,546	\$ 8,138,598
Federal grants and contracts	830,502	936,983
State grants and contracts	839,950	683,555
Auxiliary enterprises, net of discounts of \$137,423 for 2023 and \$155,951 for 2022	1,792,881	1,509,080
Total Operating Revenues (Schedule A)	10,408,879	11,268,216
<u>Operating Expenses:</u>		
Instruction	17,769,932	16,716,912
Public service	68,730	62,358
Academic support	8,879,027	7,462,655
Student services	4,101,727	4,243,824
Institutional support	8,161,984	6,718,987
Operation and maintenance of plant	2,492,339	3,074,908
Scholarships and fellowships	4,359,867	9,610,709
Auxiliary enterprises	2,490,236	2,426,112
Depreciation and amortization of right-to-use assets	1,469,113	1,329,233
Total Operating Expenses (Schedule B)	49,792,955	51,645,698
Operating (Loss)	(39,384,076)	(40,377,482)
<u>Nonoperating Revenues (Expenses):</u>		
State appropriations	12,349,683	11,566,604
Property tax revenue	25,523,019	23,852,397
Debt service ad valorem taxes	1,625,499	1,645,107
Federal revenue, nonoperating	5,776,456	10,602,173
Investment income	1,294,937	190,336
Interest on capital-related debt and fiscal agent fees	(776,618)	(944,431)
Other nonoperating revenues	536,896	581,650
Total Nonoperating Revenues, Net (Schedule C)	46,329,872	47,493,836
Change in Net Position	6,945,796	7,116,354
Beginning net position	13,648,657	6,532,303
Ending Net Position	\$ 20,594,453	\$ 13,648,657

See accompanying notes to basic financial statements.

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ALVIN COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Exhibit 2A

For the Years Ended August 31, 2023 and 2022

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Revenues				
Support and revenues:				
Local support:				
Contributions and grants	\$ -	\$ 153,727	\$ 153,727	\$ 138,701
Gala income, net	143,221	-	143,221	130,203
Interest and dividend income	-	92,768	92,768	64,150
Dolphin athletics, net	-	1,300	1,300	-
Net investment returns	-	307,849	307,849	(619,485)
Unrestricted income	170,758	-	170,758	17,409
Other income	61,657	-	61,657	4,325
Total Local Support	375,636	555,644	931,280	(264,697)
Net assets released from restrictions:				
Restrictions satisfied by payments	171,196	(171,196)	-	-
Total Support and Revenues	546,832	384,448	931,280	(264,697)
Expenses				
Program services:				
Scholarships	113,459	-	113,459	101,388
Awards	57,737	-	57,737	33,435
Total Program Services	171,196	-	171,196	134,823
Support services:				
Fundraising:				
Gala expenses	39,514	-	39,514	35,449
Dolphin athletics expenses	-	-	-	6,400
Total Fundraising	39,514	-	39,514	41,849
Management and general:				
Professional services	14,647	-	14,647	40,978
Operating expenses and supplies	41,799	-	41,799	37,858
Other	69,843	-	69,843	2,668
Total Management and General	126,289	-	126,289	81,504
Total Expenses	336,999	-	336,999	258,176
Change in Net Assets	209,833	384,448	594,281	(522,873)
Beginning net assets	214,628	3,817,897	4,032,525	4,555,398
Ending Net Assets	\$ 424,461	\$ 4,202,345	\$ 4,626,806	\$ 4,032,525

See accompanying notes to basic financial statements.

ALVIN COMMUNITY COLLEGE

Exhibit 3

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Receipts from students and other customers	\$ 8,153,828	\$ 8,744,029
Receipts of grants and contracts	1,830,328	6,960,956
Payments to or on behalf of employees	(33,744,752)	(32,184,649)
Payments to suppliers for goods or services	(11,660,450)	(11,022,065)
Payments of scholarships	(4,359,867)	(9,610,709)
Net Cash (Used) by Operating Activities	<u>(39,780,913)</u>	<u>(37,112,438)</u>
Cash Flows from Noncapital Financing Activities:		
Receipts of State appropriations	12,349,683	11,566,604
Receipts of maintenance and operations ad valorem taxes	25,523,019	23,852,397
Receipts from nonoperating Federal revenue	5,776,456	10,602,173
Other	536,896	581,650
Net Cash Provided by Noncapital Financing Activities	<u>44,186,054</u>	<u>46,602,824</u>
Cash Flows from Capital and Related Financing Activities:		
Receipts from debt service ad valorem taxes	1,625,499	1,645,107
Purchases of capital assets	(1,138,240)	(2,946,700)
Proceeds from refunding debt issuance	-	4,665,000
Bond escrow fund payment	-	(4,752,264)
Principal payments on debt and lease payables	(2,398,890)	(2,293,510)
Payments on debt interest and fiscal agent fees	(961,656)	(1,222,958)
Net Cash (Used) by Capital and Related Financing Activities	<u>(2,873,287)</u>	<u>(4,905,325)</u>
Cash Flows from Investing Activities:		
Purchases of investments	(43,749,142)	(34,350,000)
Receipts from sale of investments	42,550,000	26,050,000
Receipts from investment income	1,294,937	190,336
Net Cash Provided (Used) by Investing Activities	<u>95,795</u>	<u>(8,109,664)</u>
Increase (Decrease) in Cash and Cash Equivalents	1,627,649	(3,524,603)
Beginning cash and cash equivalents	5,229,351	8,753,954
Ending Cash and Cash Equivalents	<u>\$ 6,857,000</u>	<u>\$ 5,229,351</u>
Ending Cash and Cash Equivalents:		
Cash and cash equivalents	\$ 5,700,553	\$ 3,995,494
Restricted cash and cash equivalents	1,156,447	1,233,857
Total Cash and Cash Equivalents	<u>\$ 6,857,000</u>	<u>\$ 5,229,351</u>

ALVIN COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS, *Continued*

For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Reconciliation of Operating Income (Loss)		
to Net Cash Provided (Used) by Operating Activities:		
Operating (loss)	\$ (39,384,076)	\$ (40,377,482)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation/amortization expense	1,469,113	1,329,233
Changes in assets and liabilities:		
Receivables, net	(424,723)	4,436,769
Inventories	(2,788)	57,652
Prepays	(94,741)	(90,252)
Deferred outflows - pension and OPEB	664,227	1,155,956
Deferred inflows - pension and OPEB	(217,742)	501,369
Accounts payable and accrued liabilities	(518,028)	(850,056)
Funds held for others	4,296	1,079
Deferred revenues	733,690	(19,054)
Net pension liability	5,813,578	(5,207,770)
Net OPEB liability	(7,853,348)	1,909,225
Compensated absences	29,629	40,893
Net Cash (Used) by Operating Activities	<u><u>\$ (39,780,913)</u></u>	<u><u>\$ (37,112,438)</u></u>

See accompanying notes to basic financial statements.

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ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 3A

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 594,281	\$ (522,873)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Investment (gains) losses	(307,849)	619,485
Interest (earnings)	(92,768)	(64,150)
(Increase) decrease in current assets:		
Accounts receivable	125	(1,000)
Inventory for fundraising activities	(564)	-
Prepays	(1,150)	-
Increase (decrease) in current liabilities		
Accounts payable	20,798	12,083
Net Cash Provided by Operating Activities	<u>212,873</u>	<u>43,545</u>
Cash Flows from Investing Activities:		
Purchase of investments	(284,958)	(692,911)
Proceeds from sale of investments	286,617	691,678
Net Cash Provided (Used) by Investing Activities	<u>1,659</u>	<u>(1,233)</u>
Increase in Cash and Cash Equivalents	214,532	42,312
Beginning cash and cash equivalents	217,293	174,981
Ending Cash and Cash Equivalents	<u>\$ 431,825</u>	<u>\$ 217,293</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, 2023 and 2022

NOTE 1—Reporting Entity

Alvin Community College (the “College”) was established in 1948, in accordance with the laws of the State of Texas, (the “State”) to serve the educational needs of the City of Alvin and the surrounding communities. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, State, and Federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34* (GASB 61), 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 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, 2023 and 2022. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further discussed below.

The Foundation is a separate nonprofit organization, with the sole purpose of supporting the educational and other activities of the College. The Foundation reports its financial results under the standards of the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2023 and 2022. 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, 2023 and 2022

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 student financial aid, property taxes, and investment income.

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

Budgetary Data

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

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.

Investments

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

Deferred Outflows/Inflows of Resources

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

Deferred outflows/inflows of resources are amortized as follows:

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

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. Donated capital assets are recorded at acquisition value at the date of donation. The College capitalizes all furniture and equipment with a unit cost equal to or greater than \$5,000 and an estimated useful life in excess of one year. Renovations of \$100,000 or greater to buildings and facilities and land improvements that significantly increase the value or extend the useful life of the

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred.

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

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

Collections

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

Unearned Revenues

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

Tuition Discounting

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

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

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

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
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Leases

The College is a lessee for noncancellable leases of equipment. The College recognizes a lease liability and intangible right-to-use lease assets (the “lease asset”) in the financial statements.

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

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

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

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statements of Net Position.

Subscription-Based Information Technology Arrangements

The College has noncancellable subscription-based information technology arrangements (SBITAs) to finance the use of information technology software. The College would recognize a liability (the “subscription liability”) and an intangible, right-to-use subscription asset (the “subscription asset”) in the financial statements. The College’s SBITAs to report are immaterial to the financial statements as a whole and are not recognized as a subscription liability or a subscription asset.

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.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Other Postemployment Benefits

The fiduciary net position of the Texas Employees Group Benefits Program (GBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to/deductions from the GBP fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Estimates

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

Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(8), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2023 and 2022 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 the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (the "Act") (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board investment policy and the Act. The College is authorized to invest in obligations and instruments as follows: (1) obligations of the United States and its agencies, (2) direct obligations of the State or its agencies, (3) obligations of political subdivisions rated not less than "A" by a national investment rating firm, (4) certificates of deposit, and (5) other instruments and obligations authorized by statute.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

NOTE 4—Deposits and Investments

Deposits

Custodial credit risk – 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, 2023 and 2022, 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:

	2023	2022
Cash and cash equivalents:		
Bank deposits - demand deposits	\$ 5,695,066	\$ 3,989,719
Petty cash	5,487	5,775
Total Cash and Cash Equivalents	\$ 5,700,553	\$ 3,995,494

Investments

As of August 31, 2023, the College had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 22,749,141	0.41
TexSTAR	1,156,447	0.07
Total	\$ 23,905,588	
Portfolio weighted average maturity		0.40

As of August 31, 2023 and 2022, the College held certificates of deposit of \$22,749,141 and \$21,550,000 respectively. For the current fiscal year, the full amount of \$22,749,141 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.

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

the following maximum limits, by authorized instrument, for the College's total portfolio: U.S. Treasury securities – 100 percent, certificates of deposit – 100 percent, money market mutual funds – 75 percent, mutual funds – 50 percent, agencies and instrumentalities – 75 percent, repurchase agreements (with the exception of flexible repurchase agreements) – 50 percent, authorized investment pools – 100 percent, commercial paper – 25 percent, and flexible repurchase agreements – 100 percent.

TexSTAR

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

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

NOTE 5–Disaggregation of Accounts Receivable

Accounts receivable were as follows at August 31:

	2023	2022
Student receivable	\$ 2,550,353	\$ 1,812,813
Taxes receivable	591,696	517,028
Interest receivable	215,771	62,711
Federal receivable	242,499	195,325
State receivable	92,650	349,648
Sponsor receivable	242,905	419,236
ACC Foundation	36,887	16,089
Total accounts receivable	3,972,761	3,372,850
Less allowance for doubtful accounts	(650,198)	(475,010)
Total Accounts Receivable, Net	\$ 3,322,563	\$ 2,897,840

NOTE 6–Disaggregation of Accounts Payable and Accrued Liabilities

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

	2023	2022
Vendors payable	\$ 657,387	\$ 1,178,150
Sales tax payable	25,381	22,646
Total Accounts Payable and Accrued Liabilities	\$ 682,768	\$ 1,200,796

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

NOTE 7—Capital Assets

Capital asset activity for the years ended August 31, 2023 and 2022 was as follows:

	Balance September 1, 2022	Additions	Deletions/ Adjustments	Balance August 31, 2023
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	22,550,059	181,366	(5,043,762)	17,687,663
Subtotal	<u>23,044,187</u>	<u>181,366</u>	<u>(5,043,762)</u>	<u>18,181,791</u>
Other capital assets:				
Buildings and improvements	35,911,651	-	-	35,911,651
Facilities and improvements	4,897,647	5,247,602	-	10,145,249
Furniture and equipment	7,912,121	506,975	-	8,419,096
Telecommunications equipment	2,311,996	241,491	-	2,553,487
Library books	360,476	4,568	(33,157)	331,887
Right-to-use assets - equipment	177,651	-	-	177,651
Subtotal	<u>51,571,542</u>	<u>6,000,636</u>	<u>(33,157)</u>	<u>57,539,021</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	16,265,668	566,443	-	16,832,111
Facilities and improvements	2,894,041	343,708	-	3,237,749
Furniture and equipment	5,701,534	417,826	-	6,119,360
Telecommunications equipment	2,000,880	97,716	-	2,098,596
Library books	299,716	9,549	(33,157)	276,108
Right-to-use assets - equipment	93,582	33,871	-	127,453
Total accumulated depreciation/amortization	<u>27,255,421</u>	<u>1,469,113</u>	<u>(33,157)</u>	<u>28,691,377</u>
Net Capital Assets	<u>\$ 47,360,308</u>	<u>\$ 4,712,889</u>	<u>\$ (5,043,762)</u>	<u>\$ 47,029,435</u>
	Balance September 1, 2021	Additions	Deletions/ Adjustments	Balance August 31, 2022
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	20,479,202	2,070,857	-	22,550,059
Subtotal	<u>20,973,330</u>	<u>2,070,857</u>	<u>-</u>	<u>23,044,187</u>
Other capital assets:				
Buildings and improvements	35,812,051	99,600	-	35,911,651
Facilities and improvements	4,846,884	50,763	-	4,897,647
Furniture and equipment	7,392,620	519,501	-	7,912,121
Telecommunications equipment	2,115,660	196,336	-	2,311,996
Library books	353,164	9,643	(2,331)	360,476
Right-to-use assets - equipment	255,764	-	(78,113)	177,651
Subtotal	<u>50,776,143</u>	<u>875,843</u>	<u>(80,444)</u>	<u>51,571,542</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	15,646,832	618,836	-	16,265,668
Facilities and improvements	2,775,699	118,342	-	2,894,041
Furniture and equipment	5,264,849	436,685	-	5,701,534
Telecommunications equipment	1,936,628	64,252	-	2,000,880
Library books	292,796	9,251	(2,331)	299,716
Right-to-use assets - equipment	89,828	81,867	(78,113)	93,582
Total accumulated depreciation/amortization	<u>26,006,632</u>	<u>1,329,233</u>	<u>(80,444)</u>	<u>27,255,421</u>
Net Capital Assets	<u>\$ 45,742,841</u>	<u>\$ 1,617,467</u>	<u>\$ -</u>	<u>\$ 47,360,308</u>

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

NOTE 8—Long-Term Liabilities

Long-term liabilities activity for the years ended August 31, 2023 and 2022 was as follows:

	Balance September 1, 2022	Additions	Reductions	Balance August 31, 2023	Current Portion
Bonds, notes, and leases payable:					
General obligation refunding					
bonds - 2021	\$ 4,665,000	\$ -	\$ (1,545,000)	\$ 3,120,000	\$ 1,555,000
Tax notes - 2018	19,640,000	-	(820,000)	18,820,000	865,000
Leases payable	83,141	-	(33,890)	49,251	23,585
Deferred amounts:					
For premiums	2,187,810	-	(136,738)	2,051,072	-
	<u>26,575,951</u>	<u>-</u>	<u>(2,535,628)</u>	<u>24,040,323</u>	<u>2,443,585</u>
Other liabilities:					
Net pension liability	4,646,479	5,813,578	-	10,460,057	-
Net OPEB liability	30,508,483	-	(7,853,348)	22,655,135	-
Compensated absences	506,807	367,714	(338,085)	536,436	357,850
Total Long-Term Liabilities	<u>\$ 62,237,720</u>	<u>\$ 6,181,292</u>	<u>\$ (10,727,061)</u>	<u>\$ 57,691,951</u>	<u>\$ 2,801,435</u>
	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
Bonds, notes, and leases payable:					
General obligation refunding					
bonds - 2012	\$ 6,095,000	\$ -	\$ (6,095,000)	\$ -	\$ -
bonds - 2021	-	4,665,000	-	4,665,000	1,545,000
Tax notes - 2018	20,420,000	-	(780,000)	19,640,000	820,000
Leases payable	166,651	-	(83,510)	83,141	33,890
Deferred amounts:					
For premiums	2,698,503	-	(510,693)	2,187,810	-
	<u>29,380,154</u>	<u>4,665,000</u>	<u>(7,469,203)</u>	<u>26,575,951</u>	<u>2,398,890</u>
Other liabilities:					
Net pension liability	9,854,249	-	(5,207,770)	4,646,479	-
Net OPEB Liability	28,599,258	1,909,225	-	30,508,483	-
Compensated absences	465,914	316,280	(275,387)	506,807	299,557
Total Long-Term Liabilities	<u>\$ 68,299,575</u>	<u>\$ 6,890,505</u>	<u>\$ (12,952,360)</u>	<u>\$ 62,237,720</u>	<u>\$ 2,698,447</u>

NOTE 9—Bonds, Notes, and Leases Payable

General information related to bonds payable is summarized as follows:

Tax Notes, Series 2018

- To provide capital for additional construction and improvements around the campus.
- Issued August 15, 2018.
- Interest rates range from 3 percent to 5 percent.
- Due in semiannual installments each February 15 and August 15, with the first principal and interest payment being due February 15, 2019.
- Source of revenue for debt service – annual ad valorem taxes.
- Outstanding tax note payable of \$18,820,000 at August 31, 2023.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Limited Tax Refunding Bonds, Series 2021

- To advance refund \$4,665,000 of the Limited Tax Refunding, Series 2012 bonds and to pay the costs of issuing the bonds.
- Issued November 17, 2021.
- Original amount of issue – \$4,665,000, with all authorized bonds issued.
- Interest rate of 0.81 percent.
- Due in semiannual installments each February 15 and August 15, with interest payments beginning August 15, 2022 and principal payments beginning February 15, 2023, with the final installment due February 15, 2025.
- Source of revenue for debt service – annual ad valorem taxes.
- Outstanding bonds payable of \$3,120,000 at August 31, 2023.

Bond and Note Debt Service Requirements

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

Fiscal Year Ended August 31	Principal	Interest	Total
2024	\$ 2,420,000	\$ 938,349	\$ 3,358,349
2025	2,470,000	881,463	3,351,463
2026	955,000	828,625	1,783,625
2027	1,005,000	779,625	1,784,625
2028	1,055,000	728,125	1,783,125
2029-2033	6,145,000	2,771,375	8,916,375
2034-2038	7,890,000	1,025,750	8,915,750
Total	\$ 21,940,000	\$ 7,953,313	\$ 29,893,313

Leases Payable

The College was a lessee for the acquisition and use of equipment which is recorded with capital assets. As of August 31, 2022 and 2023, the value of the equipment lease liabilities was \$83,141 and \$49,251, respectively. The College made principal and interest payments on the leases in fiscal years 2022 and 2023 for \$84,011 and \$34,166, respectively. The College will continue to make principal and interest payments on leases through the fiscal year 2026. The interest rates on the equipment that is leased ranges from 0.34 to 0.43 percent. The equipment is amortized based on the term of the lease agreement which is from 21 months to 60 months from the beginning of the fiscal year 2021. The value of the right-to-use assets for equipment for the fiscal year 2022 was \$177,651 and had accumulated amortization of \$93,582. The value of the right-to-use assets for equipment for the fiscal year 2023 was \$177,651 and had accumulated amortization of \$127,453.

The future principal and interest lease payments as of August 31, 2023 were as follows:

Fiscal Year Ended August 31	Principal	Interest	Total Requirements
2024	\$ 23,585	\$ 166	\$ 23,751
2025	23,687	64	23,751
2026	1,979	1	1,980
Total	\$ 49,251	\$ 231	\$ 49,482

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Arbitrage Liability

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

NOTE 10—Employee Retirement Plans

The College’s employees may participate in one of three retirement plans. Faculty, administrators, counselors, and librarians may enroll in either TRS or the Optional Retirement Plan (ORP). Secretarial and clerical employees participate in TRS and part-time employees not enrolled in either TRS or ORP participate in the Alvin Community College Money Purchase Plan (the “Money Purchase Plan”). The total payroll for all College employees was \$25,203,357 and \$24,093,508 for the fiscal years ended August 31, 2023 and 2022, respectively.

Teacher Retirement System

Plan Description

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

All employees of public, state-supported educational institutions in the State who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by TRS.

Pension Plan Fiduciary Net Position

Detailed information about TRS’s fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and Required Supplementary Information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; 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 the State. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

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

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS 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. Actuarial implications of the funding provided in the manner are determined by TRS’s actuary.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 12 of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

Contribution Rates			
Fiscal Year	State	Public Education Employer	Active Employee
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

	Contribution Rates	
	2022	2023
Member	8.00%	8.00%
NECE (State)	7.75%	8.00%
Employers	7.50%	7.50%

	Measurement Year (2022)	Fiscal Year (2023)
Employer contributions	\$ 822,163	\$ 897,935
Member contributions	\$ 1,466,514	\$ 1,567,666
NECE on-behalf contributions	\$ 609,067	\$ 1,415,458

Contributors to TRS include members, employers, and the State as the only nonemployer contributing entity (NECE). The State is the employer for senior colleges, medical schools, and state agencies, including TRS. In each respective role, the State contributes to TRS in accordance with state statutes and the General Appropriations Act (GAA).

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

As the NECE for public education and junior colleges, the State contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of TRS during that fiscal year reduced by the amounts described below, which are paid by the employers. Employers (public schools, junior colleges, other entities, or the State as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member’s salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member’s first 90 days of employment.
- When any part or all of an employee’s salary is paid by federal funding sources, a privately sponsored source, from noneducational, and general or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to TRS an amount equal to 50% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.7% of the member’s salary beginning in fiscal year 2022, gradually increasing to 2.0 % in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability (TPL) in the August 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2021 rolled forward to August 31, 2022
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair Value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate as of August 2022	3.91% - The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"
Inflation	2.30%
Salary increases, including inflation	2.95% to 8.95%, including inflation
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 12, 2021.

Discount Rate

A single discount rate of 7.00% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the TRS'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 TRS investments was applied to all periods of projected benefit payments to determine the TPL.

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on TRS investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2022 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2022

Asset Class	Target Allocation (1)	Long-Term Expected Arithmetic Real Rate of Return (2)	Expected Contributions to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity*	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	-	3.70%	-
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources, and Infrastructure	6.00%	5.10%	0.37%
Commodities	-	3.60%	-
Risk Parity			
Risk Parity	8.00%	4.60%	0.43%
Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag(3)			-0.91%
Total	100.00%	54.70%	8.21%

*Absolute Return includes Credit Sensitive Investments

(1) Target allocations are based on the FY2022 policy model.

(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022).

(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

The following table presents the net pension liability (NPL) of TRS using the discount rate of 7%, and what the NPL would be if it was calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate:

	1% Decrease in Discount Rate (6%)	Discount Rate (7%)	1% Increase in Discount Rate (8%)
College's proportionate share of the net pension liability	\$ 16,271,882	\$ 10,460,057	\$ 5,749,299

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

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

At August 31, 2023, the College reported a liability of \$10,460,057 for its proportionate share of the TRS's NPL. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$	10,460,057
State's proportionate share that is associated with the College		7,748,918
Total	\$	18,208,975

The NPL was measured as of August 31, 2021 and rolled forward to August 31, 2022, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date. The College's proportion of the NPL was based on the College's contributions to TRS relative to the contributions of all employers to TRS for the period September 1, 2021 through August 31, 2022.

At August 31, 2023, the College's proportion of the collective NPL was 0.0176192%, which was a decrease of 0.0006263% from its proportion measured as of August 31, 2022.

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's NPL. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

For the year ended August 31, 2023, the District recognized pension expense of \$740,709 and revenue of \$740,709 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ 151,670	\$ 228,049
Changes in actuarial assumptions	1,949,049	485,757
Net difference between projected and actual investment earnings	1,033,420	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	177,336	344,718
Contributions paid to TRS subsequent to the measurement date	897,935	-
Total	\$ 4,209,410	\$ 1,058,524

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

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:

Fiscal Year Ended		Pension Expense
August 31	August 31	
2024	\$	638,247
2025		313,181
2026		50,372
2027		1,129,176
2028		121,975
Thereafter		-
Total	\$	2,252,951

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 Legislature. The percentage of participant salaries contributed by the State and each participant was 6.6% of annual compensation in fiscal years 2022 and 2023. The College also made additional contributions of 0.9% of annual compensation in fiscal years 2022 and 2023 for employees who were employed after September 1, 1995. For employees who were employed as of September 1, 1995, the College contributed 1.9% for fiscal years 2023 and 2022 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. Senate Bill 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 \$100,200, \$110,000, and \$111,659 for fiscal years 2023, 2022, and 2021, respectively. These amounts represent the portion of expended appropriations made by the Legislature on behalf of the College.

The total payroll for all College employees was \$25,203,357, \$24,093,508, and \$23,445,858 for fiscal years 2023, 2022, and 2021, respectively. The total payroll of employees covered by the ORP was \$3,036,379, \$3,333,331, and \$3,385,604 for fiscal years 2023, 2022, and 2021, 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% of their total gross earnings and the College contributes 1.3% of the participant’s total gross earnings. Benefits are immediately vested. The total payroll of employees covered by the Money Purchase Plan was \$1,575,492, and \$1,580,685 for the years ended August 31, 2023 and 2022, respectively.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Contributions made by the College during the years ended August 31, 2023 and 2022 were approximately \$20,481 and \$20,549, respectively.

NOTE 11–Postemployment Health Care and Life Insurance Benefits

Employees Retirement System of Texas

Plan Description

The College participates in a cost-sharing, multiple-employer, OPEB plan with a special funding situation. The GBP is administered by the Employees Retirement System of Texas (ERS). The GBP provides certain postemployment health care, life, and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the State and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Legislature.

OPEB Plan Fiduciary Net Position

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

Benefits Provided

Retiree health benefits offered through the GBP are available to most State retirees and their eligible dependents. Participants need at least 10 years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the GBP members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of GBP members and the participating employers are established and may be amended by the ERS Board of Trustees (the “ERS Board”). The employer and member contribution rates are determined annually by the ERS Board based on the recommendations of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated, and (iii) the funding policy established by the Legislature in connection with benefits provided through the GBP. The Board revises benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

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

Maximum Monthly Employer Contribution
Fiscal Year 2023

Retiree Only	\$ 625
Retiree and Spouse	\$ 1,340
Retiree and Children	\$ 1,104
Retiree and Family	\$ 1,819

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

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31,

	2022	2021
Employer contributions	\$ 699,999,453	\$ 766,689,167
Member contributions	190,659,955	192,426,941
NECE on-behalf contributions	36,750,724	39,188,518
Total	\$ 927,410,132	\$ 998,304,626

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2022 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2022
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Not applicable
Inflation	2.30%
Healthcare cost trend rates:	
Medical (HealthSelect)	5.60% for FY2024, 5.30% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years.
Medicare (HealthSelect Medicare Advantage)	66.67% for FY2024, 24.00% for FY2025, 5.00% for FY2026, 4.75% for FY2027, 4.60% for FY2028, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2031 and later years.
Pharmacy	10.00% for FY2024, 10.00% for FY2025, decreasing 100 basis points per year to 5.00% for FY2030 and 4.30% for FY2031 and later years.
Salary increases	2.30% to 8.95%, including inflation
Discount rate	3.59%
Aggregate payroll growth	2.70%
Retirement age	Experience-based tables of rates that are specific to the class of employee.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2021, through August 31, 2022 for higher education members.

Investment Policy

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.14 percent. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.59 percent, which amounted to an increase of 1.45 percent. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bond's average credit quality is roughly equivalent to Moody's Investors Service's 'Aa2' rating and Standard & Poor's 'AA' rating. Projected cash flows into the GBP are equal to projected benefit payments out of the GBP. Because the GBP operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on GBP assets and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (2.59%)	Discount Rate (3.59%)	1% Increase in Discount Rate (4.59%)
College's proportionate share of the net OPEB liability	\$ 26,422,735	\$ 22,655,137	\$ 19,641,964

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 5.60 percent and the ultimate rate is 4.30 percent. The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
College's proportionate share of the net OPEB liability	\$ 19,401,011	\$ 22,655,137	\$ 26,809,777

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

OPEB Liability

At August 31, 2023, the College reported a liability of \$22,655,137 for its proportionate share of the GBP's net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

College's proportionate share of the collective net OPEB liability	\$	22,655,137
State's proportionate share that is associated with the College		18,171,438
Total	\$	40,826,575

The net OPEB liability was measured as of August 31, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on the College's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2021 through August 31, 2022.

At the measurement date of August 31, 2022, the College's proportion of the collective net OPEB liability was 0.0795281%, which was a decrease of 0.0055118% compared to the proportion measured as of August 31, 2021.

For the fiscal year ended August 31, 2023, the College recognized OPEB expense of \$1,367,741 and revenue of \$1,367,741 for support provided by the State.

Changes Since the Prior Actuarial Valuation

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

- Demographic assumptions (including rate of retirement, disability, termination, mortality, and assumed salary increases), for Higher Education members have been updated to reflect assumptions recently adopted by the TRS Trustees.
- The percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future retirees assumed to cover dependent children.
- The proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the opt-out credit at retirement.
- Assumed per capita health benefit costs and assumed health benefit cost and retiree contribution trends have been updated to reflect recent health plan experience and its effects on short-term expectations.
- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect the most recent available information.
- The discount rate was changed from 2.14% to 3.59% as a result of requirements by GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, to reflect the yield or index rate for 20-year, tax exempt general obligation municipal bonds rate 'AA/Aa' (or equivalent) or higher in effect on the measurement date.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ 3,908	\$ -
Changes in assumptions	1,331,080	7,002,917
Difference between expected and actual experience	-	714,797
Effect of change in proportion and contributions difference	3,630,237	287,829
Contributions paid to GBP subsequent to the measurement date	2,412,119	-
Total	\$ 7,377,344	\$ 8,005,543

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

Fiscal Year Ended August 31	OPEB Expense
2024	\$ (316,359)
2025	(156,784)
2026	(729,956)
2027	(1,112,149)
2028	(725,070)
Thereafter	-
Total	\$ (3,040,318)

NOTE 12—Compensated Absences

Compensated absences represent the liability associated with vacation benefits and compensatory time earned but not yet taken by employees of the College. The expense associated with vacation benefits and compensatory time benefits earned is recognized in the periods in which the associated employee services are rendered. Full-time employees earn annual leave at the rate of eight hours per month (September through May). No employee may accrue more than 192 hours of vacation benefits and, upon termination, an employee is paid for vacation benefits and accrued compensatory time (if compensatory time is applicable). As of August 31, 2023 and 2022, the College had an accrued vacation and compensated time liability of \$536,436 and \$506,807, 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.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

NOTE 13—Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of accounting principles generally accepted in the United States of America. Revenues are recognized on Exhibit 2 and Schedule A. Contract and grant awards for which funds are expended, but not collected, are reported as receivables on Exhibit 1. Contract and grant awards that are not yet funded and for which the College has not yet performed services are not included in the basic financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2023 and 2022 for which monies have not been received nor funds expended totaled \$4,835,734 and \$4,507,786, respectively, all of which were from Federal contract and grant awards for fiscal years 2023 and 2022.

NOTE 14—Property Taxes

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

At August 31:

	<u>2023</u>	<u>2022</u>		
Assessed valuation of the tax district	\$ 18,599,509,306	\$ 15,678,499,663		
Less exemptions	(2,128,876,260)	(1,842,749,864)		
Net Assessed Valuation of the Tax District	<u>\$ 16,470,633,046</u>	<u>\$ 13,835,749,799</u>		
	<u>Maintenance & Operations</u>	<u>Debt Service</u>	<u>Total</u>	
For fiscal year 2023:				
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000	
Tax rate per \$100 valuation assessed	\$ 0.154314	\$ 0.009831	\$ 0.164145	
For fiscal year 2022:				
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000	
Tax rate per \$100 valuation assessed	\$ 0.171457	\$ 0.011754	\$ 0.183211	

Taxes levied for the years ended August 31, 2023 and 2022 were \$27,037,546 and \$25,361,267, respectively. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

Under GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, ad valorem taxes are imposed nonexchange revenue. Assets from imposed nonexchange transactions are recorded when the entity has an enforceable legal claim to the assets or when the entity receives resources, whichever comes first. The enforceable legal claim date for ad valorem taxes is the assessment date. Accordingly, the College has recognized all assessed taxes and recorded a receivable for uncollected taxes.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

For the year ended August 31, 2023:

	Maintenance & Operations	Debt Service	Total
Taxes collected:			
Current taxes collected	\$ 25,181,906	\$ 1,601,400	\$ 26,783,306
Delinquent taxes collected	193,702	10,473	204,175
Penalties and interest collected	147,411	13,626	161,037
Total Taxes Collected	\$ 25,523,019	\$ 1,625,499	\$ 27,148,518

For the year ended August 31, 2022:

	Maintenance & Operations	Debt Service	Total
Current taxes collected	\$ 23,461,612	\$ 1,614,232	\$ 25,075,844
Delinquent taxes collected	262,859	21,050	283,909
Penalties and interest collected	127,926	9,825	137,751
Total Taxes Collected	\$ 23,852,397	\$ 1,645,107	\$ 25,497,504

Tax collections for both years ended August 31, 2023 and 2022 were 99 percent of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to maintenance and operations and debt service.

NOTE 15—Contingent Liabilities

Legal Matters

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

State and Federally Assisted Programs

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

NOTE 16—Risk Management

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2023 and 2022

NOTE 17—Alvin Community College Foundation

The Foundation is a separate nonprofit organization, with the sole purpose of supporting the educational and other activities of the College. The Foundation remitted restricted and unrestricted funds of \$171,196 and \$134,823 to the College for the years ended August 31, 2023 and 2022, respectively. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2023 and 2022. The costs of these services were not significant to the College.

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REQUIRED SUPPLEMENTARY INFORMATION

ALVIN COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
For the Year Ended August 31, 2023

	Measurement Year*			
	2022	2021	2020	2019
College's proportion of the net pension liability (asset)	0.0176192%	0.0182455%	0.0183992%	0.0184612%
College's proportionate share of the net pension liability (asset)	\$ 10,460,057	\$ 4,646,479	\$ 9,854,249	\$ 9,596,705
State's proportionate share of the net pension liability (asset) associated with the College	7,748,918	3,337,189	7,082,185	6,493,802
Total	<u>\$ 18,208,975</u>	<u>\$ 7,983,668</u>	<u>\$ 16,936,434</u>	<u>\$ 16,090,507</u>
College's covered payroll	\$ 18,331,424	\$ 17,674,157	\$ 17,416,095	\$ 15,879,248
College's proportionate share of the net pension liability as a percentage of its covered payroll	57.06%	26.29%	56.58%	60.44%
Plan fiduciary net position as a percentage of the total pension liability (asset)	75.62%	88.79%	75.54%	75.24%

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

Notes to Required Supplementary Information:

1. Changes in Assumptions: The discount rate changed from 7.25% as of August 31, 2021 to 7.00% as of August 31, 2022.
2. Changes in Benefits: There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Measurement Year*				
2018	2017	2016	2015	2014
0.0173543%	0.0180199%	0.0174550%	0.0179298%	0.0192277%
\$ 9,552,204	\$ 5,761,792	\$ 6,596,001	\$ 6,337,945	\$ 5,135,984
6,638,482	3,445,635	4,058,819	4,361,258	3,574,251
<u>\$ 16,190,686</u>	<u>\$ 9,207,427</u>	<u>\$ 10,654,820</u>	<u>\$ 10,699,203</u>	<u>\$ 8,710,235</u>
\$ 14,693,013	\$ 13,845,409	\$ 13,103,730	\$ 13,147,582	\$ 12,097,591
65.01%	41.62%	50.34%	48.21%	42.45%
73.74%	82.17%	78.00%	78.43%	83.25%

ALVIN COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
For the Year Ended August 31, 2023

	Fiscal Year			
	2023	2022	2021	2020
Contractually required contribution	\$ 897,935	\$ 819,820	\$ 780,823	\$ 763,820
Contributions in relation to the contractually required contribution	897,935	819,820	780,823	763,820
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 19,595,824	\$ 18,331,424	\$ 17,674,157	\$ 17,416,095
Contributions as a percentage of covered payroll	4.58%	4.47%	4.42%	4.39%

Fiscal Year

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 763,820	\$ 633,412	\$ 580,282	\$ 589,585	\$ 554,591	\$ 530,909
<u>763,820</u>	<u>633,412</u>	<u>580,282</u>	<u>589,585</u>	<u>554,591</u>	<u>530,909</u>
<u>\$ -</u>					
\$ 17,416,095	\$ 15,879,248	\$ 14,693,013	\$ 13,845,409	\$ 13,103,730	\$ 13,147,582
4.39%	3.99%	3.95%	4.26%	4.23%	4.04%

ALVIN COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
For the Year Ended August 31, 2023

	Measurement Year*			
	2022	2021	2020	2019
College's proportion of the net OPEB liability (asset)	0.0795281%	0.0850399%	0.0865474%	0.0778168%
College's proportionate share of the net OPEB liability (asset)	\$ 22,655,137	\$ 30,508,485	\$ 28,599,260	\$ 26,895,554
State's proportionate share of the net OPEB liability (asset) associated with the College	18,171,438	20,608,217	18,977,820	20,783,555
Total	<u>\$ 40,826,575</u>	<u>\$ 51,116,702</u>	<u>\$ 47,577,080</u>	<u>\$ 47,679,109</u>
College's covered payroll	\$ 24,093,508	\$ 18,385,556	\$ 18,403,129	\$ 17,769,223
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	94.03%	165.94%	155.40%	151.36%
Plan fiduciary net position as a percentage of the total OPEB liability	57.00%	0.38%	0.32%	0.17%

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

Notes to Required Supplementary Information

- Changes in assumptions for the measurement year ended August 31, 2022 include (a) discount rate increased from 2.14% to 3.59%, (b) percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) demographic assumptions (including rates of retirement, disability, termination, and mortality, and assumed salary increases) for Higher Education members, (e) proportion of future retirees assumed to cover dependent children, (f) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and (g) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.
- Changes in benefits: There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.
- Benefit payments include expenses directly related to the payment of benefits and are net of member contributions and federal revenues.

Measurement Year*	
2018	2017
0.0800138%	0.0823892%
\$ 23,714,289	\$ 28,072,469
17,463,813	19,717,014
<u>\$ 41,178,102</u>	<u>\$ 47,789,483</u>
\$ 17,378,476	\$ 15,866,657
136.46%	176.93%
1.27%	2.04%

ALVIN COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
For the Year Ended August 31, 2023

	Fiscal Year*			
	2023	2022	2021	2020
Statutorily or contractually required College contributions	\$ 2,412,119	\$ 2,193,930	\$ 2,554,252	\$ 2,454,201
Contributions recognized by OPEB in relation to statutorily or contractually required contributions	2,412,119	2,193,930	2,554,252	2,454,201
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 25,203,357	\$ 24,093,508	\$ 18,385,556	\$ 18,403,129
Contributions as a percentage of covered payroll	9.57%	9.11%	13.89%	13.34%

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

Fiscal Year*		
2019	2018	2017
\$ 2,345,186	\$ 2,324,369	\$ 771,844
2,345,186	2,324,369	771,844
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,769,223	\$ 17,378,476	\$ 15,866,657
13.20%	13.37%	4.86%

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SUPPLEMENTAL SCHEDULES

ALVIN COMMUNITY COLLEGE

Schedule A

SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2023

(With Memorandum Totals For the Year Ended August 31, 2022)

	2023			Auxiliary Enterprises
	Educational Activities		Total	
	Unrestricted	Restricted		
Tuition				
State funded courses:				
In-district resident tuition	\$ 2,104,195	\$ -	\$ 2,104,195	\$ -
Out-of-district resident tuition	4,294,738	-	4,294,738	-
TPEG - credit (set aside) *	197,367	-	197,367	-
Nonresident tuition	298,312	-	298,312	-
State funded continuing education	463,858	-	463,858	-
TPEG - noncredit (set aside) *	27,500	-	27,500	-
Nonstate funded continuing education	36,124	-	36,124	-
Total Tuition	7,422,094	-	7,422,094	-
Fees				
General fees	1,419,523	-	1,419,523	-
Student service fees	-	-	-	215,668
Laboratory fees	215,593	-	215,593	-
Building use fees	415,874	-	415,874	-
Technology fees	741,253	-	741,253	-
Security fees	-	-	-	221,622
Other fees	585	-	585	-
Total Fees	2,792,828	-	2,792,828	437,290
Scholarship Allowances and Discounts				
Remissions and exemptions - State	(1,300,471)	-	(1,300,471)	-
Remissions and exemptions - local	-	-	-	(4,664)
TPEG allowances	(224,867)	-	(224,867)	-
Federal grants to students	(1,911,954)	-	(1,911,954)	-
Other	(264,710)	-	(264,710)	-
Total Scholarship Allowances and Discounts	(3,702,002)	-	(3,702,002)	(4,664)
Total Net Tuition and Fees	6,512,920	-	6,512,920	432,626

<u>2023</u>			
<u>Total</u>		<u>2022</u>	
\$ 2,104,195		\$ 2,073,530	
4,294,738		4,132,078	
197,367		207,991	
298,312		332,464	
463,858		559,934	
27,500		32,721	
36,124		107,954	
<u>7,422,094</u>		<u>7,446,672</u>	
1,419,523		1,358,589	
215,668		226,364	
215,593		200,175	
415,874		427,101	
741,253		738,690	
221,622		232,126	
585		1,170	
<u>3,230,118</u>		<u>3,184,215</u>	
(1,300,471)		(1,188,692)	
(4,664)		(5,136)	
(224,867)		(240,712)	
(1,911,954)		(933,491)	
(264,710)		(124,258)	
<u>(3,706,666)</u>		<u>(2,492,289)</u>	
<u>6,945,546</u>		<u>8,138,598</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING REVENUES, (Continued)
For the Year Ended August 31, 2023
(With Memorandum Totals For the Year Ended August 31, 2022)

Schedule A

	2023			Auxiliary Enterprises
	Educational Activities			
	Unrestricted	Restricted	Total	
Other Operating Revenues				
Federal grants and contracts	\$ -	\$ 830,502	\$ 830,502	\$ -
State grants and contracts	-	839,950	839,950	-
Total Other Operating Revenues	-	1,670,452	1,670,452	-
Auxiliary Enterprises				
Bookstore	-	-	-	1,559,427
Scholarships allowances and discounts	-	-	-	(137,423)
Net bookstore	-	-	-	1,422,004
Child care center	-	-	-	351,587
Food services	-	-	-	5,068
Fitness center	-	-	-	14,222
Total Net Auxiliary Enterprises	-	-	-	1,792,881
Total Operating Revenues (Exhibit 2)	\$ 6,512,920	\$ 1,670,452	\$ 8,183,372	\$ 2,225,507

* In accordance with Texas Education Code 56.033, \$224,867 and \$240,712 of tuition was set aside for Texas Public Education Grants (TPEG) during fiscal years 2023 and 2022, respectively.

<u>2023</u>			
<u>Total</u>		<u>2022</u>	
\$ 830,502		\$ 936,983	
839,950		683,555	
<u>1,670,452</u>		<u>1,620,538</u>	
1,559,427		1,334,255	
<u>(137,423)</u>		<u>(155,951)</u>	
1,422,004		1,178,304	
351,587		318,961	
5,068		4,399	
<u>14,222</u>		<u>7,416</u>	
<u>1,792,881</u>		<u>1,509,080</u>	
<u>\$ 10,408,879</u>		<u>\$ 11,268,216</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2023
(With Memorandum Totals For the Year Ended August 31, 2022)

Schedule B

	2023			
	Educational Activities			Other Expenses
	Salaries and Wages	Benefits		
		State	Local	
Unrestricted - Educational Activities				
Instruction	\$ 12,483,277	\$ -	\$ 2,096,171	\$ 865,985
Public service	17,661	-	3,285	45,322
Academic support	3,983,978	-	668,932	3,158,981
Student services	2,492,910	-	418,573	722,087
Institutional support	3,762,100	-	644,347	3,010,479
Operation and maintenance of plant	1,222,292	-	358,751	911,296
Total Unrestricted - Educational Activities	23,962,218	-	4,190,059	8,714,150
Restricted - Educational Activities				
Instruction	187,938	1,739,972	38,965	357,624
Public service	-	2,462	-	-
Academic support	276,568	555,304	53,376	181,888
Student services	115,685	347,472	-	5,000
Institutional support	-	524,378	-	220,680
Scholarships and fellowships	-	-	-	4,359,867
Total Restricted Educational Activities	580,191	3,169,588	92,341	5,125,059
Total Educational Activities	24,542,409	3,169,588	4,282,400	13,839,209
Auxiliary enterprises	732,799	-	187,590	1,569,847
Depreciation expense - buildings and other real estate improvements	-	-	-	910,150
Depreciation expense - equipment and furniture	-	-	-	525,092
Amortization expense of right-to-use assets	-	-	-	33,871
Total Operating Expenses	\$ 25,275,208	\$ 3,169,588	\$ 4,469,990	\$ 16,878,169

<u>2023</u>			
<u>Total</u>		<u>2022</u>	
\$ 15,445,433		\$ 14,638,212	
66,268		61,187	
7,811,891		6,512,463	
3,633,570		3,885,273	
7,416,926		6,342,228	
2,492,339		3,074,908	
<u>36,866,427</u>		<u>34,514,271</u>	
2,324,499		2,078,700	
2,462		1,171	
1,067,136		950,192	
468,157		358,551	
745,058		376,759	
4,359,867		9,610,709	
<u>8,967,179</u>		<u>13,376,082</u>	
<u>45,833,606</u>		<u>47,890,353</u>	
2,490,236		2,426,112	
910,150		737,178	
525,092		510,188	
33,871		81,867	
<u>\$ 49,792,955</u>		<u>\$ 51,645,698</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES
For the Year Ended August 31, 2023
(With Memorandum Totals For the Year Ended August 31, 2022)

Schedule C

	2023			
	Unrestricted	Restricted	Auxiliary Enterprises	Total
Nonoperating Revenues				
State appropriations:				
Education and general State support	\$ 7,587,621	\$ -	\$ -	\$ 7,587,621
State group insurance	-	1,880,856	-	1,880,856
State retirement matching	-	2,881,206	-	2,881,206
Total state appropriations	7,587,621	4,762,062	-	12,349,683
Taxes for maintenance and operations	25,523,019	-	-	25,523,019
Taxes for debt service	-	1,625,499	-	1,625,499
Federal revenue, nonoperating	-	5,776,456	-	5,776,456
Investment income	686,832	519,751	88,354	1,294,937
Other nonoperating revenues	536,896	-	-	536,896
Total Nonoperating Revenues	34,334,368	12,683,768	88,354	47,106,490
Nonoperating Expenses				
Interest and fiscal agent fees	776,618	-	-	776,618
Total Nonoperating Expenses	776,618	-	-	776,618
Nonoperating Revenues, Net	\$ 33,557,750	\$ 12,683,768	\$ 88,354	\$ 46,329,872

2022

\$	7,587,622
	1,567,380
	<u>2,411,602</u>
	<u>11,566,604</u>
	23,852,397
	1,645,107
	10,602,173
	190,336
	<u>581,650</u>
	<u>48,438,267</u>
	<u>944,431</u>
	<u>944,431</u>
\$	<u><u>47,493,836</u></u>

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2023

Schedule D

	Detail by Source			
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt
		Expendable	Nonexpendable	
Current				
Unrestricted	\$ (4,549,641)	\$ -	\$ -	\$ -
Student aid	-	2,251,583	-	-
Plant				
Investment in capital assets	-	-	-	22,892,511
Total Net Position, August 31, 2023	(4,549,641)	2,251,583	-	22,892,511
Total net position, August 31, 2022	(9,258,355)	1,120,823	-	21,786,189
Net Increase (Decrease) in Net Position	<u>\$ 4,708,714</u>	<u>\$ 1,130,760</u>	<u>\$ -</u>	<u>\$ 1,106,322</u>

Detail by Source

Total	Available for Current Operations	
	Yes	No
\$ (4,549,641)	\$ (4,549,641)	\$ -
2,251,583	2,251,583	-
22,892,511	-	22,892,511
20,594,453	(2,298,058)	22,892,511
13,648,657	-	4,891,131
<u>\$ 6,945,796</u>	<u>\$ (2,298,058)</u>	<u>\$ 18,001,380</u>

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***SINGLE AUDIT REPORT AND SCHEDULES OF
FEDERAL AND STATE AWARDS***

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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**

To the Board of Regents of
Alvin Community College:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the year ended August 31, 2023, 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 15, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing 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 a 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

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, 2023, 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
December 15, 2023



**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**

To the Board of Regents of
Alvin Community College:

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Alvin Community College's (the "College") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2023. 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.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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*. Our responsibilities under those standards, the Uniform Guidance, and the *State of Texas Single Audit Circular* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Texas Single Audit Circular*, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
December 15, 2023

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ALVIN COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2023

None noted.

ALVIN COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2023

I. SUMMARY OF AUDITOR RESULTS

Financial Statements

What were the results of the auditors' determination of whether the financial statements were prepared in accordance with generally accepted accounting principles?	Unmodified
Is a 'going concern' emphasis-of-matter paragraph included in the auditors' report?	No
Is a significant deficiency in internal control disclosed?	No
Is a material weakness in internal control disclosed?	No
Is a material noncompliance disclosed?	No

Federal Programs

Is a significant deficiency in internal control over major programs disclosed?	No
Is a material weakness in internal control over major programs disclosed?	No
Does the auditors' report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending federal awards which are not included in this audit?	No
What is the dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Did the auditee qualified as low-risk auditee?	Yes
Did the audit disclose any audit findings that the auditor is required to report under Uniform Guidance 2 CFR §200.516 Audit Findings paragraph (a)?	No

Major Program Information and Audit Findings

Identification of major programs:

<u>Assistance Listing (AL) Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Number of Audit Findings</u>
84.007, 84.033, 84.063, and 84.268	Student Financial Assistance Cluster	0

Type of audit report issued on compliance for major program?	Unmodified
--	------------

ALVIN COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended August 31, 2023

State Programs

Is a significant deficiency in internal control over major programs disclosed?	No
Is a material weakness in internal control over major programs disclosed?	No
Does the auditors' report include a statement that the auditee's financial statements include departments, agencies, or other organizational units expending state awards which are not included in this audit?	No
What is the dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
Did the auditee qualified as low-risk auditee?	No

Major Program Information and Audit Findings

Identification of major programs:

State Contract Number	Name of State Program or Cluster	Number of Audit Findings
9050007G	TEOG formerly Texas Grant II	0
2821JET001	JET Grant Process Technology - PTEC	0
2822JET001	JET Grant Process Technology - Cyber Security	0

Type of audit report issued on compliance for major programs?	Unmodified
---	------------

II. FINANCIAL STATEMENT FINDINGS

None identified.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.

IV. FINDINGS AND QUESTIONED COSTS FOR STATE AWARDS

None identified.

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ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>National Science Foundation</u>			
Pass-Through From:			
University of Houston:			
IUSE: HER: From Discovery to Market	47.076	R-18-0008	\$ 1,431
Total National Science Foundation			1,431
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants*	84.007	P007A223951	\$ 112,084
Federal Work-Study Program - 22-23*	84.033	P033A223951	78,672
Federal Work-Study Program - 23-24*	84.033	P033A233951	26,018
Federal Pell Grant Program - 22-23*	84.063	P063P222256	4,626,478
Federal Pell Grant Program - 23-24*	84.063	P063P232256	2,773
Federal Direct Student Loans - 22-23*	84.268	P268K232256	914,677
Federal Direct Student Loans - 23-24*	84.268	P268K242256	3,464
TRIO Upward Bound	84.047	P047A220229	254,421
Pass-Through From:			
Texas Higher Education Coordinating Board:			
Governor's Emergency Education Relief Fund			
Accelerating Credentials of Purpose and Value Grant - Bridge	84.425C	2020-GE-84225C	12,744
Logistics	84.425C	2020-GE-84425C	22,204
Reporting Modernization	84.425C	2020-GE-84425C	29,725
Career and Technical Education - Basic Grants to States	84.048	2242020271 20001	178,995
Total U.S. Department of Education			6,262,255
<u>U.S. Department of Labor</u>			
Pass-Through From:			
Texas Workforce Commission:			
Wagner Peyser - New Beginnings	17.207	2822WPB005	156,922
Wagner Peyser - New Beginnings - Yr 2	17.207	2823WPB005	145,893
Reskilling Grant	84.425C	2020-GE-84425C	40,457
Total U.S. Department of Labor			343,272
Total Expenditures of Federal Awards			6,606,958
Total Federal Revenues			\$ 6,606,958

* Indicates clustered program under OMB Compliance Supplement
See accompanying notes to schedule of expenditures of Federal and State awards.

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ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2023

Schedule F

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
GEER II - Nursing Innovation Grant Program	S425C210050	\$ 171,812
Texas College Work Study	9145159M	12,627
TEOG formerly Texas Grant II	9050007G	327,961
Total Texas Higher Education Coordinating Board		<u>512,400</u>
Texas Workforce Commission:		
Childcare Grant	2921CCR007	204,795
JET Grant Process Technology - PTEC	2821JET001	54,421
JET Grant Process Technology - Cyber Security	2822JET001	52,904
Total Texas Workforce Commission		<u>312,120</u>
Office of the Governor:		
ACC PD Bullet-Resistant Shields	4596301	15,430
Total Office of the Governor		<u>15,430</u>
Total Expenditures of State Awards		<u><u>\$ 839,950</u></u>

See accompanying notes to schedule of expenditures of Federal and 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, 2023

1. FEDERAL ASSISTANCE RECONCILIATION

Federal revenues:

Federal grants and contracts - per Schedule A	\$	830,502
Federal revenue, nonoperating - per Schedule C		5,776,456
Total Federal Revenues	\$	<u>6,606,958</u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULES

The schedules of expenditures of Federal and State awards (the “Schedules”) present the activity of Federal and State financial assistance programs of the College for the year ended August 31, 2023. 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 2023. The expenditures reported previously may not have been reimbursed by the funding agencies as of the end of fiscal year 2023. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the Schedules.

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

3. RELATIONSHIP TO FEDERAL AND STATE REPORTS

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

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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

SS-1

NET POSITION BY COMPONENT

Last 10 Years

(Amounts expressed in thousands)

	For the Fiscal Years Ended August 31,			
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Primary government				
Net investment in capital assets	\$ 22,893	\$ 21,786	\$ 24,526	\$ 19,387
Restricted - expendable	2,252	1,121	1,805	2,069
Unrestricted	<u>(4,550)</u>	<u>(9,258)</u>	<u>(19,798)</u>	<u>(22,790)</u>
Total Primary Government				
Net Position	<u>\$ 20,595</u>	<u>\$ 13,649</u>	<u>\$ 6,533</u>	<u>\$ (1,334)</u>

For the Fiscal Years Ended August 31,

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 17,657	\$ 16,433	\$ 15,105	\$ 14,177	\$ 14,102	\$ 14,382
110	73	191	243	244	325
<u>(24,125)</u>	<u>(28,351)</u>	<u>(29,713)</u>	<u>1,890</u>	<u>58</u>	<u>(413)</u>
<u><u>\$ (6,358)</u></u>	<u><u>\$ (11,845)</u></u>	<u><u>\$ (14,417)</u></u>	<u><u>\$ 16,310</u></u>	<u><u>\$ 14,404</u></u>	<u><u>\$ 14,294</u></u>

ALVIN COMMUNITY COLLEGE

SS-2

REVENUES BY SOURCE

Last Ten Fiscal Years

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

	2023	2022	2021	2020
Operating Revenues:				
Tuition and fees (net of discounts)	\$ 6,946	\$ 8,139	\$ 8,147	\$ 9,176
Governmental grants and contracts				
Federal grants and contract	830	937	1,377	1,618
State grants and contracts	840	684	689	769
Nongovernmental grants and contracts	-	-	29	257
Sales and services of educational revenues				
Auxiliary enterprises	1,793	1,509	1,497	1,438
Total Operating Revenues	10,409	11,269	11,739	13,258
Nonoperating Revenues:				
State appropriations	12,350	11,567	12,398	12,291
Ad valorem taxes	27,148	25,498	23,199	21,093
Federal revenue, nonoperating	5,776	10,602	13,139	6,758
Investment income	1,295	190	89	550
Other nonoperating revenues	537	582	438	482
Total Nonoperating Revenues	47,106	48,439	49,263	41,174
Total Primary Government Program Revenues	\$ 57,515	\$ 59,708	\$ 61,002	\$ 54,432

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

	2023	2022	2021	2020
Operating Revenues:				
Tuition and fees (net of discounts)	12.08%	13.63%	13.36%	16.86%
Governmental grants and contracts				
Federal grants and contract	1.44%	1.57%	2.26%	2.97%
State grants and contracts	1.46%	1.15%	1.13%	1.41%
Nongovernmental grants and contracts	0.00%	0.00%	0.05%	0.47%
Sales and services of educational revenues				
Auxiliary enterprises	3.12%	2.53%	2.45%	2.64%
Total Operating Revenues	18.10%	18.87%	19.24%	24.36%
Nonoperating Revenues:				
State appropriations	21.47%	19.37%	20.32%	22.58%
Ad valorem taxes	47.20%	42.70%	38.03%	38.75%
Federal revenue, nonoperating	10.04%	17.76%	21.54%	12.42%
Investment income	2.25%	0.32%	0.15%	1.01%
Other nonoperating revenues	0.93%	0.97%	0.72%	0.89%
Total Nonoperating Revenues	81.90%	81.13%	80.76%	75.64%
Total Primary Government Program Revenues	100.00%	100.00%	100.00%	100.00%

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

	2019	2018	2017	2016	2015	2014
\$	8,858	\$ 9,377	\$ 10,952	\$ 9,966	\$ 10,107	\$ 10,253
	1,722	1,414	827	302	297	423
	618	296	1,833	1,045	1,678	1,861
	18	15	34	62	34	12
	<u>1,582</u>	<u>1,737</u>	<u>1,611</u>	<u>1,942</u>	<u>1,901</u>	<u>1,919</u>
	<u>12,798</u>	<u>12,839</u>	<u>15,257</u>	<u>13,317</u>	<u>14,017</u>	<u>14,468</u>
	11,637	11,121	9,319	9,403	9,299	9,208
	18,906	16,892	16,280	15,735	14,644	13,109
	5,249	4,942	5,247	4,841	4,230	4,424
	918	222	102	47	23	18
	<u>668</u>	<u>676</u>	<u>607</u>	<u>720</u>	<u>699</u>	<u>612</u>
	<u>37,378</u>	<u>33,853</u>	<u>31,555</u>	<u>30,746</u>	<u>28,895</u>	<u>27,371</u>
\$	<u>50,176</u>	<u>\$ 46,692</u>	<u>\$ 46,812</u>	<u>\$ 44,063</u>	<u>\$ 42,912</u>	<u>\$ 41,839</u>

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

	2019	2018	2017	2016	2015	2014
	17.65%	20.08%	23.40%	22.62%	23.55%	24.51%
	3.43%	3.03%	1.77%	0.69%	0.69%	1.01%
	1.23%	0.63%	3.92%	2.37%	3.91%	4.45%
	0.04%	0.03%	0.07%	0.14%	0.08%	0.03%
	3.15%	3.72%	3.44%	4.41%	4.43%	4.59%
	<u>25.51%</u>	<u>27.50%</u>	<u>32.59%</u>	<u>30.22%</u>	<u>32.66%</u>	<u>34.58%</u>
	23.19%	23.82%	19.91%	21.34%	21.67%	22.01%
	37.68%	36.18%	34.78%	35.71%	34.13%	31.33%
	10.46%	10.58%	11.21%	10.99%	9.86%	10.57%
	1.83%	0.48%	0.22%	0.11%	0.05%	0.04%
	1.33%	1.45%	1.30%	1.63%	1.63%	1.46%
	<u>74.49%</u>	<u>72.50%</u>	<u>67.41%</u>	<u>69.78%</u>	<u>67.34%</u>	<u>65.42%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

ALVIN COMMUNITY COLLEGE

SS-3

PROGRAM EXPENSES BY FUNCTION

Last Ten Fiscal Years

For the Fiscal Years Ended August 31,

(amounts expressed in thousands)

	2023	2022	2021	2020
Operating Expenses:				
Instruction	\$ 17,770	\$ 16,717	\$ 17,443	\$ 18,022
Public service	69	62	130	130
Academic support	8,879	7,463	7,071	6,853
Student services	4,101	4,244	4,233	4,125
Institutional support	8,162	6,719	6,699	5,940
Operation and maintenance of plant	2,492	3,075	3,932	3,775
Scholarships and fellowships	4,360	9,611	9,385	6,204
Auxiliary enterprises	2,490	2,426	1,680	1,861
Depreciation/Amortization	1,469	1,329	1,418	1,291
Total Operating Expenses	49,792	51,646	51,991	48,201
Nonoperating Expenses:				
Interest on capital-related debt	777	944	1,147	1,208
Gain (loss) on disposal of capital assets	-	-	-	-
Total Nonoperating Expenses	777	944	1,147	1,208
Total Expenses	\$ 50,569	\$ 52,590	\$ 53,138	\$ 49,409

For the Fiscal Years Ended August 31,

(amounts expressed in percentages)

	2023	2022	2021	2020
Operating Expenses:				
Instruction	35.14%	31.79%	32.83%	36.48%
Public service	0.14%	0.12%	0.24%	0.26%
Academic support	17.56%	14.19%	13.31%	13.87%
Student services	8.11%	8.07%	7.97%	8.35%
Institutional support	16.14%	12.78%	12.61%	12.02%
Operation and maintenance of plant	4.93%	5.85%	7.40%	7.64%
Scholarships and fellowships	8.62%	18.28%	17.66%	12.56%
Auxiliary enterprises	4.92%	4.61%	3.16%	3.77%
Depreciation/Amortization	2.90%	2.53%	2.67%	2.61%
Total Operating Expenses	98.46%	98.20%	97.84%	97.56%
Nonoperating Expenses:				
Interest on capital-related debt	1.54%	1.80%	2.16%	2.44%
Gain (loss) on disposal of capital assets	0.00%	0.00%	0.00%	0.00%
Total Nonoperating Expenses	1.54%	1.80%	2.16%	2.44%
Total Expenses	100.00%	100.00%	100.00%	100.00%

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

	2019	2018	2017	2016	2015	2014
\$	16,851	\$ 17,669	\$ 18,241	\$ 17,067	\$ 17,959	\$ 17,506
	171	173	188	173	167	162
	6,286	6,523	5,531	5,991	4,793	4,696
	3,839	3,916	3,390	2,704	2,596	2,527
	5,516	5,675	5,348	4,967	6,291	4,823
	3,500	2,972	3,154	2,756	3,204	3,110
	3,970	4,541	5,156	4,707	4,008	4,437
	1,996	2,297	2,040	2,083	2,135	2,118
	1,275	1,206	1,209	1,170	1,145	1,138
	43,404	44,972	44,257	41,618	42,298	40,517
	1,275	729	463	497	496	539
	10	(40)	49	43	-	-
	1,285	689	512	540	496	539
\$	44,689	\$ 45,661	\$ 44,769	\$ 42,158	\$ 42,794	\$ 41,056

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

	2019	2018	2017	2016	2015	2014
	37.71%	38.70%	40.74%	40.48%	41.97%	42.64%
	0.38%	0.38%	0.42%	0.41%	0.39%	0.39%
	14.07%	14.29%	12.35%	14.21%	11.20%	11.44%
	8.59%	8.58%	7.57%	6.41%	6.07%	6.16%
	12.34%	12.43%	11.95%	11.78%	14.70%	11.75%
	7.83%	6.51%	7.05%	6.54%	7.49%	7.58%
	8.88%	9.95%	11.52%	11.17%	9.37%	10.81%
	4.47%	5.03%	4.56%	4.94%	4.99%	5.16%
	2.85%	2.64%	2.70%	2.78%	2.68%	2.77%
	97.12%	98.49%	98.86%	98.72%	98.84%	98.69%
	2.85%	1.60%	1.03%	1.18%	1.16%	1.31%
	0.02%	-0.09%	0.11%	0.10%	0.00%	0.00%
	2.88%	1.51%	1.14%	1.28%	1.16%	1.31%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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	
2022	\$ 47	\$ 94	\$ 7	\$ 30	\$ 90	\$ 30	
2021	\$ 47	\$ 94	\$ 7	\$ 30	\$ 90	\$ 30	
2020	\$ 47	\$ 94	\$ 7	\$ 30	\$ 90	\$ 30	
2019	\$ 46	\$ 92	\$ 7	\$ 30	\$ 90	\$ 30	
2018	\$ 46	\$ 92	\$ 7	\$ 30	\$ 89	\$ 30	
2017	\$ 46	\$ 92	\$ 7	\$ 30	\$ 60	\$ 30	
2016	\$ 45	\$ 90	\$ 7	\$ 30	\$ 60	\$ 22	
2015	\$ 45	\$ 90	\$ 5	\$ 30	\$ 60	\$ 22	
2014	\$ 44	\$ 88	\$ 5	\$ 30	\$ 60	\$ 22	
2013	\$ 44	\$ 88	\$ 5	\$ 30	\$ 60	\$ 22	

Academic Year (Fall)	Non-Resident Fees per Semester Credit Hour (SCH)			Non-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	
2022	\$ 143	\$ 143	\$ 7	\$ 30	\$ 90	\$ 30	
2021	\$ 143	\$ 143	\$ 7	\$ 30	\$ 90	\$ 30	
2020	\$ 143	\$ 143	\$ 7	\$ 30	\$ 90	\$ 30	
2019	\$ 140	\$ 140	\$ 7	\$ 30	\$ 90	\$ 30	
2018	\$ 140	\$ 140	\$ 7	\$ 30	\$ 89	\$ 30	
2017	\$ 140	\$ 140	\$ 7	\$ 30	\$ 60	\$ 30	
2016	\$ 140	\$ 140	\$ 7	\$ 30	\$ 60	\$ 22	
2015	\$ 140	\$ 140	\$ 5	\$ 30	\$ 60	\$ 22	
2014	\$ 134	\$ 134	\$ 5	\$ 30	\$ 60	\$ 22	
2013	\$ 134	\$ 134	\$ 5	\$ 30	\$ 60	\$ 22	

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

Resident Fees per Semester

<u>Security Fee</u>	<u>LRC Fee</u>	<u>Bursar Fee</u>	<u>Cost for 12 SCH In-District</u>	<u>Cost for 12 SCH Out-of-District</u>	<u>Increase from Prior Year In-District</u>	<u>Increase from Prior Year Out-of-District</u>
\$ 30	\$ 15	\$ 10	\$ 853	\$ 1,417	0.00%	0.00%
\$ 30	\$ 15	\$ 10	\$ 853	\$ 1,417	0.00%	0.00%
\$ 30	\$ 15	\$ 10	\$ 853	\$ 1,417	1.43%	1.72%
\$ 30	\$ 15	\$ 10	\$ 841	\$ 1,393	0.12%	0.07%
\$ 30	\$ 15	\$ 10	\$ 840	\$ 1,392	3.58%	2.13%
\$ 30	\$ 15	\$ 10	\$ 811	\$ 1,363	3.84%	3.18%
\$ 20	\$ 15	\$ 10	\$ 781	\$ 1,321	1.83%	1.07%
\$ 20	\$ 15	\$ 10	\$ 767	\$ 1,307	1.59%	1.87%
\$ 20	\$ 15	\$ 10	\$ 755	\$ 1,283	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 755	\$ 1,283	0.00%	0.00%

Non-Resident Fees per Semester

<u>Security Fee</u>	<u>LRC Fee</u>	<u>Bursar Fee</u>	<u>Cost for 12 SCH Non-Resident</u>	<u>Cost for 12 SCH International</u>	<u>Increase from Prior Year Non-Resident</u>	<u>Increase from Prior Year International</u>
\$ 30	\$ 15	\$ 10	\$ 2,005	\$ 2,005	0.00%	0.00%
\$ 30	\$ 15	\$ 10	\$ 2,005	\$ 2,005	0.00%	0.00%
\$ 30	\$ 15	\$ 10	\$ 2,005	\$ 2,005	1.83%	1.83%
\$ 30	\$ 15	\$ 10	\$ 1,969	\$ 1,969	0.05%	0.05%
\$ 30	\$ 15	\$ 10	\$ 1,968	\$ 1,968	1.50%	1.50%
\$ 30	\$ 15	\$ 10	\$ 1,939	\$ 1,939	0.94%	0.94%
\$ 20	\$ 15	\$ 10	\$ 1,921	\$ 1,921	0.73%	0.73%
\$ 20	\$ 15	\$ 10	\$ 1,907	\$ 1,907	3.92%	3.92%
\$ 20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	0.00%	0.00%

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

<u>Fiscal Year</u>	<u>Assessed Valuation of Property</u>	<u>Less Exemptions</u>	<u>Taxable Assessed Value</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>
2022-23	\$ 18,599,509	\$ 2,128,876	\$ 16,470,633	88.55%
2021-22	\$ 15,678,500	\$ 1,842,750	\$ 13,835,750	88.25%
2020-21	\$ 14,216,441	\$ 1,654,944	\$ 12,561,497	88.36%
2019-20	\$ 12,699,708	\$ 1,467,123	\$ 11,232,585	88.45%
2018-19	\$ 11,170,890	\$ 1,170,942	\$ 9,999,948	89.52%
2017-18	\$ 10,011,248	\$ 736,327	\$ 9,274,921	92.65%
2016-17	\$ 8,979,798	\$ 545,730	\$ 8,434,068	93.92%
2015-16	\$ 8,146,011	\$ 532,166	\$ 7,613,845	93.47%
2014-15	\$ 7,776,726	\$ 645,321	\$ 7,131,405	91.70%
2013-14	\$ 7,072,385	\$ 566,309	\$ 6,506,076	91.99%

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Direct Rate

Maintenance & Operations (a)	Debt Service (a)	Total (a)
\$ 0.154314	\$ 0.009831	\$ 0.164145
\$ 0.171457	\$ 0.011754	\$ 0.183211
\$ 0.170579	\$ 0.012864	\$ 0.183443
\$ 0.171438	\$ 0.014424	\$ 0.185862
\$ 0.171802	\$ 0.015973	\$ 0.187775
\$ 0.163608	\$ 0.017142	\$ 0.180750
\$ 0.172848	\$ 0.018896	\$ 0.191744
\$ 0.182979	\$ 0.021030	\$ 0.204009
\$ 0.173798	\$ 0.025687	\$ 0.199485
\$ 0.176540	\$ 0.023216	\$ 0.199756

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

<u>Fiscal Year</u>	<u>Appropriation per FTSE</u>			<u>Appropriation per Contact Hour</u>
	<u>State Appropriation</u>	<u>FTSE (a)</u>	<u>State Appropriation per FTSE</u>	<u>Academic Contact Hours (a)</u>
2022-23	\$ 12,350	\$ 6,928	\$ 1,783	1,294
2021-22	\$ 11,567	\$ 5,278	\$ 2,192	1,283
2020-21	\$ 12,398	\$ 7,048	\$ 1,759	1,374
2019-20	\$ 12,291	\$ 7,072	\$ 1,738	1,470
2018-19	\$ 11,637	\$ 7,209	\$ 1,614	1,446
2017-18	\$ 11,121	\$ 7,859	\$ 1,415	1,431
2016-17	\$ 9,319	\$ 8,144	\$ 1,144	1,477
2015-16	\$ 9,403	\$ 7,767	\$ 1,211	1,364
2014-15	\$ 9,299	\$ 7,211	\$ 1,290	1,290
2013-14	\$ 9,208	\$ 7,568	\$ 1,217	1,368

Notes:

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

(a) Source: CBM 004

Appropriation per Contact Hour

Voc/Tech Contact Hours (a)	Total Contact Hours	State Appropriation per Contact Hour
581	1,875	\$ 6.59
490	1,773	\$ 6.52
510	1,884	\$ 6.58
663	2,133	\$ 5.76
699	2,145	\$ 5.43
734	2,165	\$ 5.14
799	2,276	\$ 4.09
780	2,144	\$ 4.39
775	2,065	\$ 4.50
777	2,253	\$ 4.09

ALVIN COMMUNITY COLLEGE

SS-7

PRINCIPAL TAXPAYERS

Last Ten Tax Years

Taxpayer	Type of Business	Fiscal Year (amounts expressed in thousands)		
		2023	2022	2021
Ineos Olefins & Polymers	petrochemical	\$ 1,431,909	\$ 1,453,249	\$ 539,853
Ineos USA LLC	petrochemical	569,031	527,039	1,193,405
Denbury Onshore LLC	oil & gas exploration	261,971	204,776	138,981
Pearland Town Center LP	investment	108,927	97,354	81,505
Longbow Solar LLC	solar energy	104,067	-	-
Ascend Performance Materials	manufacturing	102,424	95,589	101,627
Shadow Creek Retail Associates LLC	real estate	91,243	73,617	-
Center Point Energy	utility	90,076	78,628	70,333
MAR Shadow Creek LP	real estate	84,000	69,000	58,300
Texas New Mexico Power Co.	utility	64,683	39,751	-
WRPV XIV SC Pearland LLC	real estate	60,142	52,204	-
Seaway Crude Pipeline Company LLC	exploration/production	55,616	62,313	61,948
Azure Townes LP	real estate	53,000	49,000	-
Brazoria-SCR Assoc LLC & SC Assoc	real estate	53,000	41,281	37,300
SPUS8 Shadow Creek	real estate	51,900	40,345	36,700
Pearland IL Group LP	real estate	50,092	39,971	-
Southfork Lake LLC	real estate	48,736	-	37,097
2500 Business Center Owner LP	real estate	48,000	46,720	40,000
DD SCR V LLC	investment	47,513	39,900	-
Shadow Creek Apartments LLC	real estate	47,500	40,000	36,600
12400 Shadow Creek Parkway LLC	real estate	-	-	-
Amreit SPF Shadow Creek LP	investment	-	-	65,673
Cyanco International	manufacturing	-	45,191	45,191
DD SCR VI LLC	investment	-	-	39,820
Discovery Shadow Creek Owner	real estate	-	-	-
Goodgarden Owner GP	investment	-	-	41,000
Huntsman Petrochemical Corp	petrochemical	-	-	-
MRP Radius Shadow Creek LLC	real estate	-	-	-
Novus International Inc	agriculture	-	-	-
Pearland Multifamily DST	real estate	-	-	-
Schlumberger Technology Corp.	exploration/production	-	-	-
Schlumberger Well Svcs	oilfield services	-	47,315	46,516
Shadow Creek Phase II	real estate	-	-	-
Shadow Kirby LTD	real estate	-	-	-
Team Industrial Services Inc	manufacturing	-	-	-
Team Services Inc.	manufacturing	-	-	-
UVN-TIC LLC ETAL	real estate	-	-	37,000
Weatherford US LP	oil & gas	-	-	-
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	-	-	39,300
Totals		<u>\$ 3,423,830</u>	<u>\$ 3,143,243</u>	<u>\$ 2,748,149</u>
Total Taxable Assessed Value		<u>\$ 16,470,633</u>	<u>\$ 13,835,750</u>	<u>\$ 12,561,497</u>

Fiscal Year
(amounts expressed in thousands)

2020	2019	2018	2017	2016	2015	2014
\$ 477,624	\$ 374,362	\$ 46,257	\$ 415,081	\$ 426,518	\$ 469,884	\$ 401,327
824,208	520,187	479,619	-	-	-	-
184,942	235,113	179,570	168,085	139,588	250,781	381,509
81,692	95,033	92,489	89,000	80,701	70,769	69,086
-	-	-	-	-	-	-
91,688	97,119	91,141	95,638	76,124	75,566	77,754
-	-	-	-	-	-	-
63,628	57,560	51,952	47,427	45,146	41,579	42,514
70,000	58,900	57,306	57,481	53,085	44,000	-
-	-	-	-	23,092	-	20,910
-	-	-	-	-	-	-
55,236	51,111	-	-	-	-	-
-	-	-	-	-	-	-
42,500	36,070	35,843	36,453	-	-	-
41,633	35,903	-	-	-	-	-
-	-	-	25,500	-	-	-
39,558	35,900	34,245	-	-	-	-
51,179	-	-	-	-	-	-
37,506	33,419	37,000	46,406	-	-	-
40,800	35,989	32,500	35,971	35,219	29,900	23,746
-	-	-	-	35,701	29,000	27,100
73,132	86,133	66,511	83,833	68,227	48,319	48,188
50,213	50,977	52,284	53,625	53,625	53,625	61,875
43,741	47,557	-	-	-	-	-
-	-	35,126	37,578	34,401	27,934	26,780
45,400	39,850	38,500	38,141	-	-	-
-	-	-	-	22,131	29,086	41,872
-	-	-	-	-	24,155	-
-	-	40,002	41,308	46,146	49,544	46,013
-	-	30,000	33,624	30,574	39,771	24,206
-	-	-	-	-	27,041	21,926
35,498	41,730	46,117	47,116	48,297	51,229	51,529
-	-	-	-	-	-	20,605
-	-	-	-	33,000	28,500	25,000
-	35,579	-	-	-	-	-
-	-	37,162	30,878	29,351	29,334	22,377
-	-	-	35,450	32,195	-	-
-	-	-	-	23,680	23,805	23,971
47,416	36,247	35,250	38,420	-	-	-
<u>\$ 2,397,594</u>	<u>\$ 2,004,739</u>	<u>\$ 1,518,874</u>	<u>\$ 1,457,015</u>	<u>\$ 1,336,801</u>	<u>\$ 1,443,822</u>	<u>\$ 1,458,288</u>
<u>\$ 11,232,585</u>	<u>\$ 9,999,948</u>	<u>\$ 9,274,921</u>	<u>\$ 8,434,068</u>	<u>\$ 7,613,845</u>	<u>\$ 7,131,405</u>	<u>\$ 6,506,076</u>

ALVIN COMMUNITY COLLEGE

SS-7

PRINCIPAL TAXPAYERS, (Continued)

Last Ten Tax Years

Taxpayer	Type of Business	Fiscal Year		
		2023	2022	2021
Ineos Olefins & Polymers	petrochemical	8.69%	10.50%	4.30%
Ineos USA LLC	petrochemical	3.45%	3.81%	9.50%
Denbury Onshore LLC	oil & gas exploration	1.59%	1.48%	1.11%
Pearland Town Center LP	investment	0.66%	0.70%	0.65%
Longbow Solar LLC	solar energy	0.63%	0.00%	0.00%
Ascend Performance Materials	manufacturing	0.62%	0.69%	0.81%
Shadow Creek Retail Associates LLC	real estate	0.55%	0.53%	0.00%
Center Point Energy	utility	0.55%	0.57%	0.56%
MAR Shadow Creek LP	real estate	0.51%	0.50%	0.46%
Texas New Mexico Power Co.	utility	0.39%	0.29%	0.00%
WRPV XIV SC Pearland LLC	real estate	0.37%	0.38%	0.00%
Seaway Crude Pipeline Company LLC	exploration/production	0.34%	0.45%	0.49%
Azure Townes LP	real estate	0.32%	0.35%	0.00%
Brazoria-SCR Assoc LLC & SC Assoc	real estate	0.32%	0.30%	0.30%
SPUS8 Shadow Creek	real estate	0.32%	0.29%	0.29%
Pearland IL Group LP	real estate	0.30%	0.29%	0.00%
Southfork Lake LLC	real estate	0.30%	0.00%	0.30%
2500 Business Center Owner LP	real estate	0.29%	0.34%	0.32%
DD SCR V LLC	investment	0.29%	0.29%	0.00%
Shadow Creek Apartments LLC	real estate	0.29%	0.29%	0.29%
12400 Shadow Creek Parkway LLC	real estate	0.00%	0.00%	0.00%
Amreit SPF Shadow Creek LP	investment	0.00%	0.00%	0.52%
Cyanco International	manufacturing	0.00%	0.33%	0.36%
DD SCR VI LLC	investment	0.00%	0.00%	0.32%
Discovery Shadow Creek Owner	real estate	0.00%	0.00%	0.00%
Goodgarden Owner GP	investment	0.00%	0.00%	0.33%
Huntsman Petrochemical Corp	petrochemical	0.00%	0.00%	0.00%
MRP Radius Shadow Creek LLC	real estate	0.00%	0.00%	0.00%
Novus International Inc	agriculture	0.00%	0.00%	0.00%
Pearland Multifamily DST	real estate	0.00%	0.00%	0.00%
Schlumberger Technology Corp.	exploration/production	0.00%	0.00%	0.00%
Schlumberger Well Svcs	oilfield services	0.00%	0.34%	0.37%
Shadow Creek Phase II	real estate	0.00%	0.00%	0.00%
Shadow Kirby LTD	real estate	0.00%	0.00%	0.00%
Team Industrial Services Inc	manufacturing	0.00%	0.00%	0.00%
Team Services Inc.	manufacturing	0.00%	0.00%	0.00%
UVN-TIC LLC ETAL	real estate	0.00%	0.00%	0.29%
Weatherford US LP	oil & gas	0.00%	0.00%	0.00%
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	0.00%	0.00%	0.31%
		<u>20.79%</u>	<u>22.72%</u>	<u>21.88%</u>

Fiscal Year

2020	2019	2018	2017	2016	2015	2014
4.25%	3.74%	0.50%	4.92%	5.60%	6.59%	6.17%
7.34%	5.20%	5.17%	0.00%	0.00%	0.00%	0.00%
1.65%	2.35%	1.94%	1.99%	1.83%	3.52%	5.86%
0.73%	0.95%	1.00%	1.06%	1.06%	0.99%	1.06%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.82%	0.97%	0.98%	1.13%	1.00%	1.06%	1.20%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.57%	0.58%	0.56%	0.56%	0.59%	0.58%	0.65%
0.62%	0.59%	0.62%	0.68%	0.70%	0.62%	0.00%
0.00%	0.00%	0.00%	0.00%	0.30%	0.00%	0.32%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.49%	0.51%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.38%	0.36%	0.39%	0.43%	0.00%	0.00%	0.00%
0.37%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%
0.35%	0.36%	0.37%	0.00%	0.00%	0.00%	0.00%
0.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.33%	0.33%	0.40%	0.55%	0.00%	0.00%	0.00%
0.36%	0.36%	0.35%	0.43%	0.46%	0.42%	0.36%
0.00%	0.00%	0.00%	0.00%	0.47%	0.41%	0.42%
0.65%	0.86%	0.72%	0.99%	0.90%	0.68%	0.74%
0.45%	0.51%	0.56%	0.64%	0.70%	0.75%	0.95%
0.39%	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.38%	0.45%	0.45%	0.39%	0.41%
0.40%	0.40%	0.42%	0.45%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.29%	0.41%	0.64%
0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.00%
0.00%	0.00%	0.43%	0.49%	0.61%	0.69%	0.71%
0.00%	0.00%	0.32%	0.40%	0.40%	0.56%	0.37%
0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.34%
0.32%	0.42%	0.50%	0.56%	0.63%	0.72%	0.79%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
0.00%	0.00%	0.00%	0.00%	0.43%	0.40%	0.38%
0.00%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.40%	0.37%	0.39%	0.41%	0.34%
0.00%	0.00%	0.00%	0.42%	0.42%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.31%	0.33%	0.37%
0.42%	0.36%	0.38%	0.46%	0.00%	0.00%	0.00%
21.34%	20.05%	16.38%	17.28%	17.56%	20.25%	22.41%

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ALVIN COMMUNITY COLLEGE

SS-8

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended August 31	Total Tax Levy (a)	Collections Current Levy (b)	Percentage	Current Collections of Prior Levies (b)	Total Collections (c)	Percentage of Current Levy
2023	\$ 27,038	\$ 26,787	99.07%	\$ -	\$ 26,787	99.07%
2022	\$ 25,361	\$ 25,161	99.21%	\$ -	\$ 25,161	99.21%
2021	\$ 23,022	\$ 22,848	99.24%	\$ -	\$ 22,848	99.24%
2020	\$ 20,849	\$ 20,647	99.03%	\$ -	\$ 20,647	99.03%
2019	\$ 18,777	\$ 18,579	98.95%	\$ -	\$ 18,579	98.95%
2018	\$ 16,768	\$ 16,586	98.91%	\$ 107	\$ 16,693	99.55%
2017	\$ 16,173	\$ 15,994	98.89%	\$ 42	\$ 16,036	99.15%
2016	\$ 15,537	\$ 15,377	98.97%	\$ 17	\$ 15,394	99.08%
2015	\$ 14,516	\$ 14,341	98.79%	\$ 15	\$ 14,356	98.90%
2014	\$ 12,986	\$ 12,832	98.81%	\$ 4	\$ 12,836	98.84%

Source: Local Tax Assessor/Collector and District records

(a) As of August 31

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

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

ALVIN COMMUNITY COLLEGE

SS-9

RATIOS OF OUTSTANDING DEBT

Last Ten Fiscal Years

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Bonded Debt:				
General obligation bonds	\$ 3,120	\$ 4,665	\$ 6,095	\$ 7,460
Less: Funds restricted for debt service	<u>(1,625)</u>	<u>(1,645)</u>	<u>(1,632)</u>	<u>(1,640)</u>
Net general bonded debt	<u>1,495</u>	<u>3,020</u>	<u>4,463</u>	<u>5,820</u>
Notes	18,820	19,640	20,420	21,165
Capital leases	49	83	-	-
Total Outstanding Debt	<u><u>\$ 20,364</u></u>	<u><u>\$ 22,743</u></u>	<u><u>\$ 24,883</u></u>	<u><u>\$ 26,985</u></u>

General Bonded Debt Ratios:

As a percentage of Taxable Assessed Value
(TAV)

0.01% 0.02% 0.04% 0.07%

Total Outstanding Debt Ratios:

Per capita

\$ 679 \$ 758 \$ 829 \$ 900

Per student

\$ 2,909 \$ 3,249 \$ 3,555 \$ 3,855

As a percentage of Taxable Assessed Value
(TAV)

123.64% 164.38% 198.09% 240.24%

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

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 8,745	\$ 9,955	\$ 11,125	\$ 12,255	\$ 13,350	\$ 14,380
(1,609)	(1,603)	(1,603)	(1,624)	(1,585)	(1,523)
<u>7,136</u>	<u>8,352</u>	<u>9,522</u>	<u>10,631</u>	<u>11,765</u>	<u>12,857</u>
21,870	22,565	-	-	-	-
-	-	12	23	34	44
<u>\$ 29,006</u>	<u>\$ 30,917</u>	<u>\$ 9,534</u>	<u>\$ 10,654</u>	<u>\$ 11,799</u>	<u>\$ 12,901</u>

0.09%	0.11%	0.14%	0.16%	0.20%	0.23%
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\$ 27	\$ 31	\$ 35	\$ 39	\$ 42	\$ 46
\$ 4,144	\$ 4,417	\$ 1,372	\$ 1,636	\$ 1,705	\$ 1,864
290.06%	333.34%	113.04%	139.93%	165.45%	198.29%

ALVIN COMMUNITY COLLEGE

SS-10

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Taxable Assessed Value	\$ 16,470,633	\$ 13,835,750	\$ 12,561,497	\$ 11,232,585
General Obligation Bonds:				
Statutory tax levy limit for debt service	82,353	69,179	62,807	56,163
Less: Funds restricted for repayment of general obligation bonds	(1,625)	(1,645)	(1,632)	(1,640)
Total Net General Obligation Debt	<u>80,728</u>	<u>67,534</u>	<u>61,175</u>	<u>54,523</u>
Current Year Debt Service Requirements	<u>2,399</u>	<u>6,959</u>	<u>2,110</u>	<u>1,990</u>
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 78,329</u>	<u>\$ 60,575</u>	<u>\$ 59,065</u>	<u>\$ 52,533</u>
Net Current Requirements as a % of Statutory Limit	0.03%	0.10%	0.03%	0.04%

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

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 9,999,948	\$ 9,274,921	\$ 8,434,068	\$ 7,615,957	\$ 7,131,405	\$ 6,506,076
50,000	46,375	42,170	38,080	35,657	32,530
(1,609)	(1,603)	(1,603)	(1,624)	(1,585)	(1,523)
<u>48,391</u>	<u>44,772</u>	<u>40,567</u>	<u>36,456</u>	<u>34,072</u>	<u>31,007</u>
<u>1,905</u>	<u>1,596</u>	<u>1,595</u>	<u>1,595</u>	<u>1,567</u>	<u>1,501</u>
<u>\$ 46,486</u>	<u>\$ 43,176</u>	<u>\$ 38,972</u>	<u>\$ 34,861</u>	<u>\$ 32,505</u>	<u>\$ 29,506</u>
0.04%	0.03%	0.04%	0.04%	0.04%	0.05%

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ALVIN COMMUNITY COLLEGE

SS-11

DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT

Last Ten Calendar Years

<u>Calendar Year</u>	<u>District Population*</u>	<u>District Personal Income (in Thousands)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2023	388,181	\$ (a)	\$ (a)	4.1%
2022	379,689	\$ 21,399,140	\$ 56,360	4.2%
2021	372,031	\$ 19,715,560	\$ 51,812	6.9%
2020	374,264	\$ 18,104,830	\$ 48,374	3.5%
2019	370,200	\$ 17,487,902	\$ 47,239	4.5%
2018	362,457	\$ 16,645,867	\$ 45,925	5.3%
2017	354,195	\$ 15,528,652	\$ 43,842	5.2%
2016	346,312	\$ 15,537,867	\$ 44,867	5.0%
2015	338,124	\$ 13,504,267	\$ 42,519	6.1%
2014	330,242	\$ 13,788,051	\$ 41,751	7.1%

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

* 2022 District population was corrected in 2023

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ALVIN COMMUNITY COLLEGE

SS-12

PRINCIPAL EMPLOYERS

Current Fiscal Year

<u>Employer</u>	<u>Employees (1)</u>	<u>Employment (2)</u>
Alvin Independent School District	2,520	2.75%
Alvin Community College	545	0.60%
Wal-Mart Associates	520	0.57%
Ascend Performance Materials	470	0.51%
INEOS Olefins and Polymers USA	440	0.48%
Ron Carter Automotive	320	0.35%
Rice-Tec	300	0.33%
Team	257	0.28%
City of Alvin	247	0.27%
BeAed	200	0.22%
Diversified Ceramics	91	0.10%
	<u>5,910</u>	<u>6.46%</u>

Source:

(1) Alvin Economic Development

(2) US Census - Brazoria County Total Employment

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

SS-13

	Fiscal Year			
	2023	2022	2021	2020
Faculty				
Full-Time	121	107	104	113
Part-Time	355	333	326	362
Total	<u>476</u>	<u>440</u>	<u>430</u>	<u>475</u>
Faculty				
Full-Time	25.4%	24.3%	24.2%	23.8%
Part-Time	74.6%	75.7%	75.8%	76.2%
Staff and Administrators				
Full-Time	190	198	187	196
Part-Time	150	145	145	69
Total	<u>340</u>	<u>343</u>	<u>332</u>	<u>265</u>
Staff and Administrators				
Full-Time	55.9%	57.7%	56.3%	74.0%
Part-Time	44.1%	42.3%	43.7%	26.0%
FTSE per Full-Time Faculty	57.3	49.3	67.8	62.6
FTSE per Full-Time Staff Member	36.5	26.7	37.7	36.1
Average Annual Faculty Salary	\$ 74,630	\$ 70,416	\$ 67,825	\$ 61,849

Fiscal Year

2019	2018	2017	2016	2015	2014
114	111	113	107	103	111
401	345	203	183	194	170
<u>515</u>	<u>456</u>	<u>316</u>	<u>290</u>	<u>297</u>	<u>281</u>
22.1%	24.3%	35.8%	36.9%	34.7%	39.5%
77.9%	75.7%	64.2%	63.1%	65.3%	60.5%
185	180	177	178	168	166
85	102	58	60	56	55
<u>270</u>	<u>282</u>	<u>235</u>	<u>238</u>	<u>224</u>	<u>221</u>
68.5%	63.8%	75.3%	74.8%	75.0%	75.1%
31.5%	36.2%	24.7%	25.2%	25.0%	24.9%
63.2	70.8	72.0	72.6	70.0	68.2
39.0	43.7	46.0	43.6	37.2	45.6
\$ 61,421	\$ 60,770	\$ 68,100	\$ 63,608	\$ 56,291	\$ 55,309

ALVIN COMMUNITY COLLEGE

SS-14

ENROLLMENT DETAILS

Last Five Fall Semesters

Student Classification	Fall 2022		Fall 2021	
	Number	Percentage	Number	Percentage
0-30 hours	3,370	60.97%	3,128	58.87%
31-60 hours	1,396	25.26%	1,415	26.63%
> 60 hours	761	13.77%	770	14.49%
Total	5,527	100.00%	5,313	100.00%

Semester Hour Load	Fall 2022		Fall 2021	
	Number	Percentage	Number	Percentage
Less than 3	15	0.27%	17	0.32%
3-5 semester hours	1,680	30.40%	1,478	27.82%
6-8 semester hours	1,465	26.51%	1,447	27.24%
9-11 semester hours	1,223	22.13%	1,207	22.72%
12-14 semester hours	797	14.42%	839	15.79%
15-17 semester hours	272	4.92%	268	5.04%
18 and over	75	1.36%	57	1.07%
Total	5,527	100.00%	5,313	100.00%

Tuition Status	Fall 2022		Fall 2021	
	Number	Percentage	Number	Percentage
Texas Resident (in-District)	2,472	44.73%	2,446	46.04%
Texas Resident (out-of-District)	2,937	53.14%	2,713	51.06%
Non-Resident Tuition	78	1.41%	111	2.09%
Tuition Exemption - TX Resident	40	0.72%	43	0.81%
Total	5,527	100.00%	5,313	100.00%

Fall 2020		Fall 2019		Fall 2018	
Number	Percentage	Number	Percentage	Number	Percentage
3,739	66.88%	4,078	68.14%	3,814	67.56%
1,138	20.35%	1,196	19.98%	1,065	18.87%
714	12.77%	711	11.88%	766	13.57%
5,591	100.00%	5,985	100.00%	5,645	100.00%

Fall 2020		Fall 2019		Fall 2018	
Number	Percentage	Number	Percentage	Number	Percentage
428	7.66%	330	5.51%	238	4.22%
1,831	32.75%	1,822	30.44%	1,640	29.05%
1,437	25.70%	1,619	27.05%	1,582	28.02%
1,112	19.89%	1,168	19.52%	1,087	19.26%
623	11.14%	813	13.58%	883	15.64%
136	2.43%	194	3.24%	188	3.33%
24	0.43%	39	0.65%	27	0.48%
5,591	100.00%	5,985	100.00%	5,645	100.00%

Fall 2020		Fall 2019		Fall 2018	
Number	Percentage	Number	Percentage	Number	Percentage
2,612	46.72%	2,792	46.65%	2,542	45.03%
2,814	50.33%	3,009	50.28%	2,912	51.59%
115	2.06%	130	2.17%	130	2.30%
50	0.89%	54	0.90%	61	1.08%
5,591	100.00%	5,985	100.00%	5,645	100.00%

Fall 2020		Fall 2019		Fall 2018	
Number	Percentage	Number	Percentage	Number	Percentage
2,278	40.74%	3,261	54.49%	3,191	56.53%
3,313	59.26%	2,724	45.51%	2,454	43.47%
5,591	100.00%	5,985	100.00%	5,645	100.00%

Fall 2020		Fall 2019		Fall 2018	
Number	Percentage	Number	Percentage	Number	Percentage
3,290	47.39%	3,732	49.69%	3,751	52.88%
2,064	29.73%	2,225	29.63%	2,013	28.38%
866	12.47%	808	10.76%	709	10.00%
428	6.16%	374	4.98%	350	4.93%
82	1.18%	119	1.58%	94	1.33%
163	2.35%	186	2.48%	156	2.20%
9	0.13%	9	0.12%	20	0.28%
41	0.59%	57	0.76%	-	0.00%
6,943	100.00%	7,510	100.00%	7,093	100.00%

Fall 2020		Fall 2019		Fall 2018	
Number	Percentage	Number	Percentage	Number	Percentage
2,397	42.87%	2,431	40.62%	2,020	35.78%
1,578	28.22%	1,757	29.36%	1,729	30.63%
379	6.78%	400	6.68%	443	7.85%
749	13.40%	811	13.55%	847	15.00%
413	7.39%	478	7.99%	508	9.00%
75	1.34%	108	1.80%	98	1.74%
5,591	100.00%	5,985	100.00%	5,645	100.00%

22.0

21.9

22.5

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ALVIN COMMUNITY COLLEGE

SS-16

TRANSFERS TO SENIOR INSTITUTIONS

788 Fall Students as of Fall 2023

(Included only Public Senior Colleges in Texas)

	<u>Total of All Sample Transfer Students</u>	<u>% of All Sample Transfer Students</u>
1 Lamar University	7	0.89%
2 Midwestern State University	2	0.25%
3 Prairie View A&M University	11	1.40%
4 Sam Houston State University	66	8.38%
5 Stephen F. Austin State University	13	1.65%
6 Sul Ross State University	1	0.13%
7 Tarleton State University	6	0.76%
8 Texas A&M University	96	12.18%
9 Texas A&M University - Commerce	3	0.38%
10 Texas A&M University - Corpus Christi	9	1.14%
11 Texas A&M University - Kingsville	3	0.38%
12 Texas A&M University at Galveston	16	2.03%
13 Texas Southern University	12	1.52%
14 Texas State University	52	6.60%
15 Texas Tech University	23	2.92%
16 Texas Tech University Health Sciences Center	1	0.13%
17 Texas Woman's University	5	0.63%
18 The University of Texas - Rio Grande Valley	2	0.25%
19 The University of Texas at Arlington	18	2.28%
20 The University of Texas at Austin	33	4.19%
21 The University of Texas at Dallas	11	1.40%
22 The University of Texas at San Antonio	38	4.82%
23 The University of Texas at Tyler	3	0.38%
24 The University of Texas Health Science Center at Houston	2	0.25%
25 The University of Texas Health Science Center at San Antonio	3	0.38%
26 The University of Texas M.D. Anderson Cancer Center	2	0.25%
27 The University of Texas Medical Branch at Galveston	4	0.51%
28 University of Houston	164	20.81%
29 University of Houston - Clear Lake	142	18.02%
30 University of Houston - Downtown	20	2.54%
31 University of Houston - Victoria	5	0.63%
32 University of North Texas	10	1.27%
33 West Texas A&M University	5	0.63%
Total	<u><u>788</u></u>	<u><u>100.00%</u></u>

ALVIN COMMUNITY COLLEGE

CAPITAL ASSET INFORMATION

Fiscal Years 2016 to 2023

	Fiscal Year			
	2023	2022	2021	2020
Academic buildings	12	12	12	12
Square footage (in thousands)	365	365	365	365
Libraries	1	1	1	1
Square footage (in thousands)	12	12	12	12
Number of volumes (in thousands)	12	12	12	12
Administrative and support buildings	3	3	3	3
Square footage (in thousands)	25	25	25	25
Dining facilities	1	1	1	1
Square footage (in thousands)	5	5	5	5
Average daily customers	150	150	150	150
Athletic facilities	8	8	8	8
Square footage (in thousands)	28	28	28	28
Gymnasiums	1	1	1	1
Fitness centers	1	1	1	1
Tennis courts	6	6	6	6
Plant facilities	1	1	1	1
Square footage (in thousands)	20	20	20	20
Transportation				
Cars	7	7	6	6
Light trucks/vans/ambulance	8	8	8	8
Buses	2	2	2	2
Heavy trucks	2	2	2	2

Fiscal Year			
2019	2018	2017	2016
12	12	12	12
365	365	365	365
1	1	1	1
12	12	12	12
12	12	12	12
3	3	3	3
25	25	25	25
1	1	1	1
5	5	5	5
150	150	150	150
8	8	8	8
28	28	28	28
1	1	1	1
1	1	1	1
6	6	6	6
1	1	1	1
20	20	20	20
5	5	5	6
7	11	11	11
2	2	2	2
2	3	3	3

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