

*ANNUAL FINANCIAL REPORT*

of

**ALVIN COMMUNITY COLLEGE**

**For the Fiscal Years Ended  
August 31, 2021 and 2020**

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# ALVIN COMMUNITY COLLEGE

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August 31, 2021 and 2020

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# ALVIN COMMUNITY COLLEGE

## ORGANIZATIONAL DATA

For the Year Ended August 31, 2021

### Board of Regents

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

<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
Roger Stuksa	Alvin, Texas	2022
Andy Tacquard	Alvin, Texas	2022

### Principal Administrative Officers

Dr. Robert Exley	President
Dr. Jade Borne	Vice President of Student Services
Ms. Wendy Del Bello	Vice President of Development and Outreach
Ms. Nichole Eslinger	Vice President of Human Resources
Dr. Cynthia Griffith	Vice President of Instruction
Mr. Karl Stager	Vice President of Administrative Services
Dr. Stacy Ebert	Dean of Legal and Health Sciences
Dr. Akilah Martin	Dean of Student Support Services
Mr. John Matula	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
Dr. Pamelyn Shefman	Dean/Executive Director of Institutional Effectiveness and Research
Dr. Karen White-Goyzueta	Dean of Continuing Education and Workforce Development

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## ***INDEPENDENT AUDITORS' REPORT***

To the Board of Regents of  
Alvin Community College:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of August 31, 2021 and 2020, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the schedules of the College's proportionate share of the net pension and other postemployment benefit liability, and the schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

Schedules A through F are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules A through F are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
December 8, 2021

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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, 2021 and 2020

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, 2021 and 2020, 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 2021**

The following factors had a significant effect on the College's financial status for fiscal year 2021:

- There was a decrease in headcount of 8.2 percent in fiscal year 2021 compared to the previous year's headcount and a decrease in contact hours of 11.7 percent. This led to a decrease in tuition of \$1,028,677.
- The College Board of Regents passed a combined tax rate of \$0.183433 which was the rollback rate. The Maintenance and Operations tax rate decreased from \$0.171438 to \$0.170579 or 0.50 percent. The Debt Service tax rate decreased from \$0.014424 to \$0.012864 or 12.13 percent. Overall tax collections increased by \$2,105,293 from \$21,093,241 in fiscal year 2019-2020 to \$23,198,534 in fiscal year 2020-2021.
- There was a salary schedule adjustment in fiscal year 2020-2021 of 2 percent. Compared to the prior fiscal year, salary and wage expenses decreased by approximately \$261,479 in fiscal year 2020-2021.
- The 2020-2021 Maintenance and Operations budget was \$36,685,421 which was an increase of \$2,151,853 over the 2019-2020 budget.

**Financial Highlights for Fiscal Year 2020**

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

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

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**Overview of Financial Statements**

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

Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, the Alvin Community College Foundation (the "Foundation") is considered a component unit of the College for fiscal years 2021 and 2020 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**

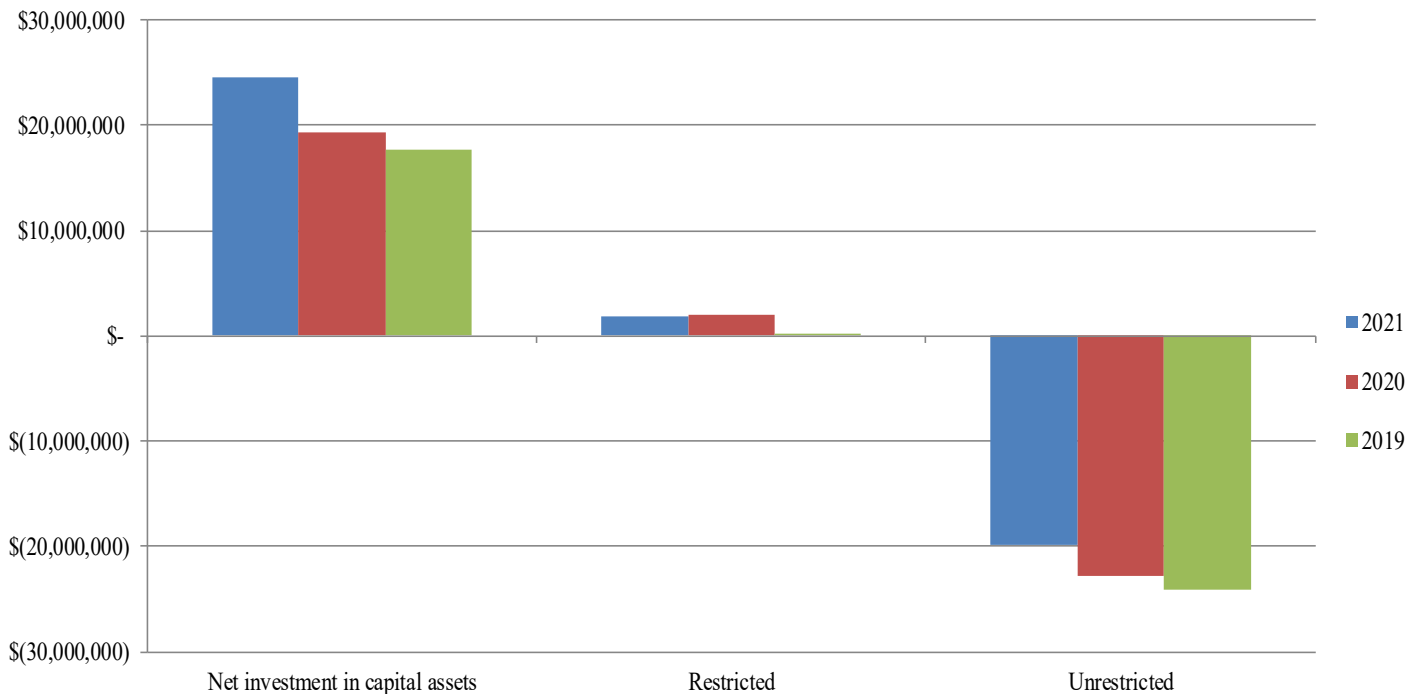
The Statements of Net Position present the assets, liabilities, deferred outflows/inflows of resources, and net position of the College as of August 31, 2021 and 2020. It is a point-in-time financial statement. The purpose of the Statements of Net Position is to provide the readers with a snapshot of the financial condition of the College on August 31, 2021 and 2020. It presents end-of-year data for current and noncurrent assets, deferred outflows, current and noncurrent liabilities, deferred inflows, and net position. From the information shown, readers are able to determine the assets that are available to continue operations, how much the College owes, net position, and its availability to carry out the College's mission.

**CONDENSED STATEMENTS OF NET POSITION**  
As of August 31, 2021-2019

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Current assets	\$ 17,214,614	\$ 26,473,091	\$ (9,258,477)	\$ 30,237,612	\$ (3,764,521)
Noncurrent assets:					
Investments	13,250,000	13,650,000	(400,000)	12,450,000	1,200,000
Capital assets, net of accumulated depreciation	45,576,905	30,953,322	14,623,583	26,464,717	4,488,605
<b>Total Assets</b>	<u>76,041,519</u>	<u>71,076,413</u>	<u>4,965,106</u>	<u>69,152,329</u>	<u>1,924,084</u>
<b>Deferred Outflows of Resources</b>	<u>13,406,937</u>	<u>10,291,044</u>	<u>3,115,893</u>	<u>7,667,549</u>	<u>2,623,495</u>
Current liabilities	8,514,533	7,916,579	597,954	7,822,446	94,133
Noncurrent liabilities	65,620,465	66,163,656	(543,191)	65,188,341	975,315
<b>Total Liabilities</b>	<u>74,134,998</u>	<u>74,080,235</u>	<u>54,763</u>	<u>73,010,787</u>	<u>1,069,448</u>
<b>Deferred Inflows of Resources</b>	<u>8,780,440</u>	<u>8,620,989</u>	<u>159,451</u>	<u>10,166,776</u>	<u>(1,545,787)</u>
Net position:					
Net investment in capital assets	24,526,020	19,387,122	5,138,898	17,657,132	1,729,990
Restricted					
Expendable student aid	1,805,309	2,068,934	(263,625)	109,879	1,959,055
Unrestricted	(19,798,311)	(22,789,823)	2,991,512	(24,124,696)	1,334,873
<b>Total Net Position</b>	<u>\$ 6,533,018</u>	<u>\$ (1,333,767)</u>	<u>\$ 7,866,785</u>	<u>\$ (6,357,685)</u>	<u>\$ 5,023,918</u>

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

Net Position  
Fiscal Years 2021-2019



**Fiscal Year 2021 Compared to 2020**

Current assets decreased \$9,258,477 primarily due to a decrease in restricted cash and cash equivalents as a result of the use of proceeds from the Series 2018 Tax Notes (the “Tax Notes”) for capital projects. This was partially offset by an increase in accounts receivable related to grant amounts awarded to the College compared to the prior year. Noncurrent assets increased \$14,223,583 due primarily to an increase in construction in progress.

Current liabilities increased \$597,954 primarily due to an increase in accounts payable as a result of an increase in retainage payables for construction. Noncurrent liabilities decreased \$543,191 due mainly to a decrease in outstanding bonds payable.

**Fiscal Year 2020 Compared to 2019**

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

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

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**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, 2021-2019

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
<b>Operating Revenues:</b>					
Tuition and fees, net of discounts	\$ 8,147,486	\$ 9,176,163	\$ (1,028,677)	\$ 8,857,943	\$ 318,220
Auxiliary enterprises, net of discounts	1,496,980	1,438,144	58,836	1,581,929	(143,785)
Nongovernmental grants and contracts	29,156	256,900	(227,744)	18,064	238,836
State grants and contracts	688,804	769,188	(80,384)	617,808	151,380
Federal grants and contracts	1,377,325	1,617,662	(240,337)	1,722,095	(104,433)
<b>Total Operating Revenues</b>	<u>11,739,751</u>	<u>13,258,057</u>	<u>(1,518,306)</u>	<u>12,797,839</u>	<u>460,218</u>
<b>Less Operating Expenses</b>	<u>51,990,383</u>	<u>48,200,635</u>	<u>3,789,748</u>	<u>43,404,802</u>	<u>4,795,833</u>
<b>Operating (Loss)</b>	<u>(40,250,632)</u>	<u>(34,942,578)</u>	<u>(5,308,054)</u>	<u>(30,606,963)</u>	<u>(4,335,615)</u>
<b>Nonoperating Revenues (Expenses):</b>					
State appropriations	12,397,886	12,290,722	107,164	11,637,388	653,334
Property tax revenue	23,198,534	21,093,241	2,105,293	18,905,680	2,187,561
Federal revenue, nonoperating	13,139,443	6,758,351	6,381,092	5,248,502	1,509,849
Investment income	89,447	549,582	(460,135)	918,389	(368,807)
Interest and fiscal agent fees	(1,146,286)	(1,207,617)	61,331	(1,274,737)	67,120
Gain (loss) on sale of capital assets	-	-	-	(10,095)	10,095
Other nonoperating revenues	438,393	482,217	(43,824)	668,710	(186,493)
<b>Total Nonoperating Revenues, Net</b>	<u>48,117,417</u>	<u>39,966,496</u>	<u>8,150,921</u>	<u>36,093,837</u>	<u>3,872,659</u>
<b>Change in Net Position</b>	<u>7,866,785</u>	<u>5,023,918</u>	<u>2,842,867</u>	<u>5,486,874</u>	<u>(462,956)</u>
Beginning net position	<u>(1,333,767)</u>	<u>(6,357,685)</u>	<u>5,023,918</u>	<u>(11,844,559)</u>	<u>5,486,874</u>
<b>Ending Net Position</b>	<u>\$ 6,533,018</u>	<u>\$ (1,333,767)</u>	<u>\$ 7,866,785</u>	<u>\$ (6,357,685)</u>	<u>\$ 5,023,918</u>

**Fiscal Year 2021 Compared to 2020**

Total revenues (operating and nonoperating) for the fiscal year 2021 were \$61,003,454. Operating revenues decreased by \$1,518,306 largely due to a decrease in tuition and fees primarily related to decreases in in-district and out-of-district tuition payments. Nonoperating revenues increased \$8,089,590 primarily due to an increase in property tax revenues and federal revenue. Property tax revenue increased as the result of an increase in the assessed values of properties and increases in returns on the College's investments. Federal revenue increased due to an increase in federal grant awards received related to the COVID-19 pandemic.

Total expenses (operating and nonoperating) increased \$3,728,417, or 7.5 percent, compared to the prior year. This increase was primarily related to grant expenses related to the COVID-19 pandemic.



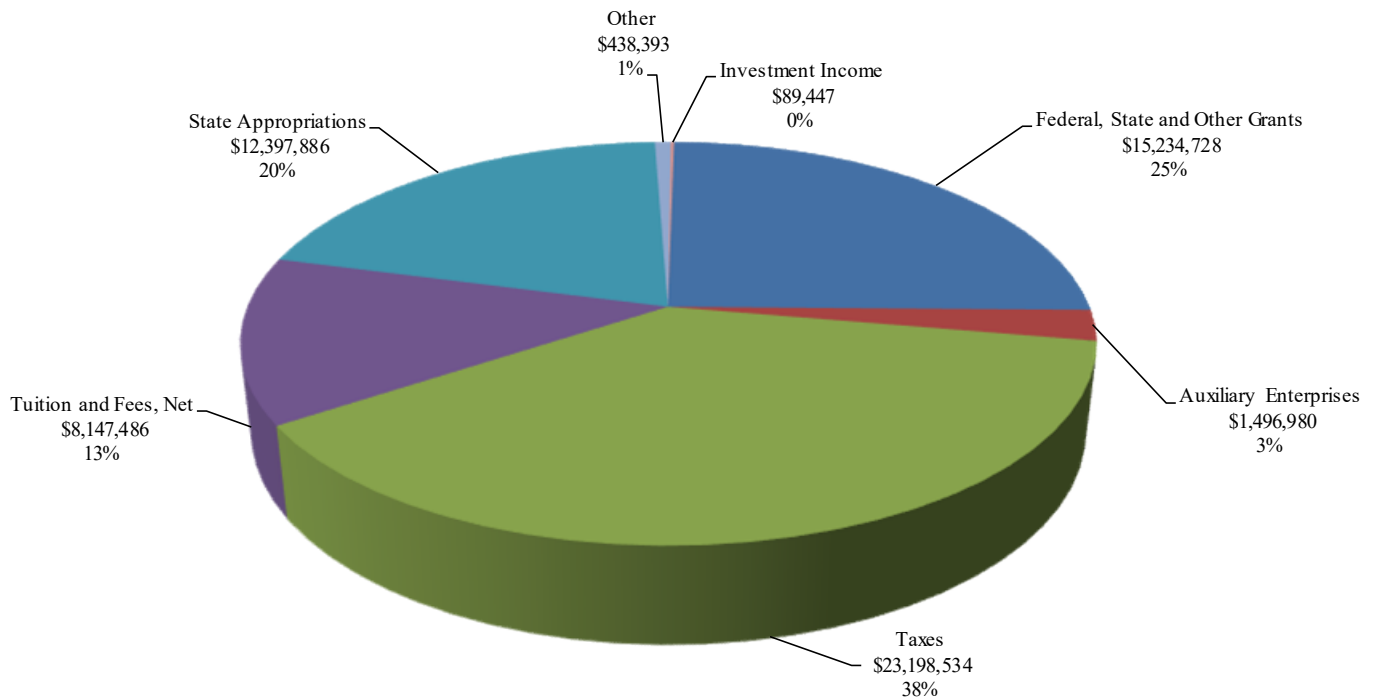
**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

**Fiscal Year 2020 Compared to 2019**

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

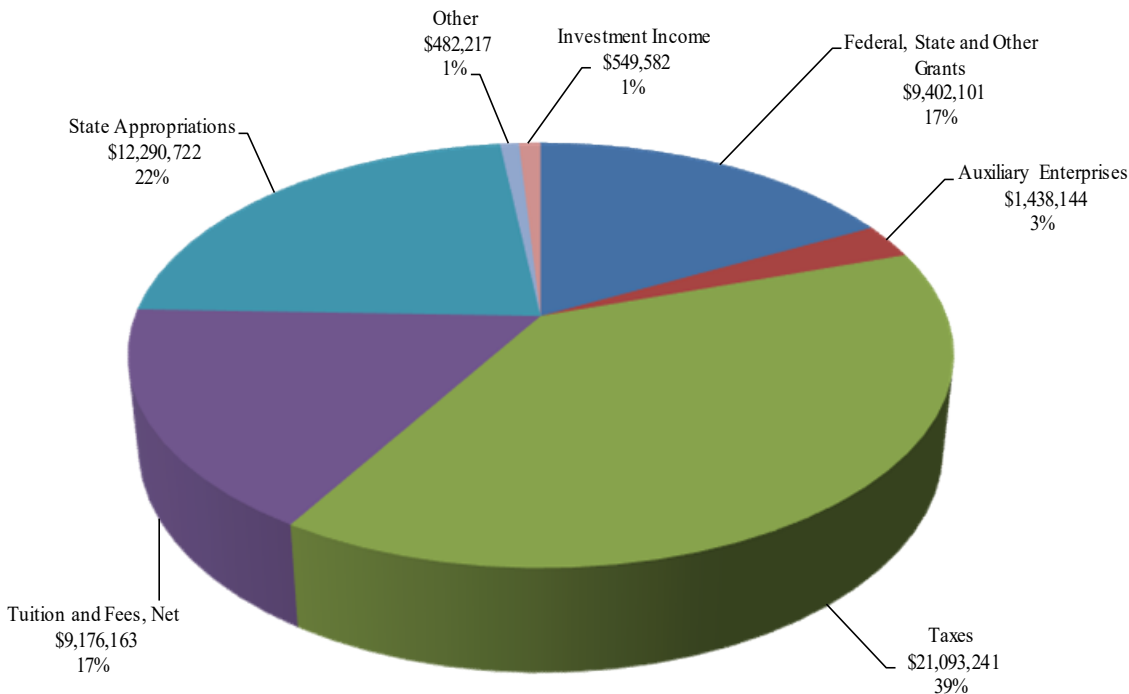
Total expenses (operating and nonoperating) increased \$4,718,618, or 9.6 percent, compared to the prior year. This increase was primarily related to grant expenses related to the COVID-19 pandemic.

**Revenues by Source and Percentage  
 For the Year Ended August 31, 2021**



**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2021 and 2020

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



**OPERATING EXPENSES**  
Years Ended August 31, 2021-2019

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
<b>Operating Expenses:</b>					
Instruction	\$ 17,443,296	\$ 18,021,555	\$ (578,259)	\$ 16,850,990	\$ 1,170,565
Institutional support	6,787,722	5,940,291	847,431	5,516,568	423,723
Academic support	7,070,549	6,852,610	217,939	6,286,310	566,300
Operation and maintenance of plant	3,931,836	3,775,153	156,683	3,500,201	274,952
Auxiliary enterprises	1,680,420	1,861,358	(180,938)	1,996,449	(135,091)
Student services	4,233,402	4,124,900	108,502	3,839,196	285,704
Scholarships and fellowships	9,384,976	6,204,189	3,180,787	3,969,815	2,234,374
Depreciation	1,328,011	1,290,724	37,287	1,274,510	16,214
Public service	130,171	129,855	316	170,763	(40,908)
<b>Total</b>	<u>\$ 51,990,383</u>	<u>\$ 48,200,635</u>	<u>\$ 3,789,748</u>	<u>\$ 43,404,802</u>	<u>\$ 4,795,833</u>

Operating expenses are primarily presented by functional categories, which represent the types of programs and services provided. Nonoperating expenses consist of interest and fiscal agent fees from capital-related debt service of \$1,146,286 and \$1,207,617 for the years ended August 31, 2021 and 2020, respectively.

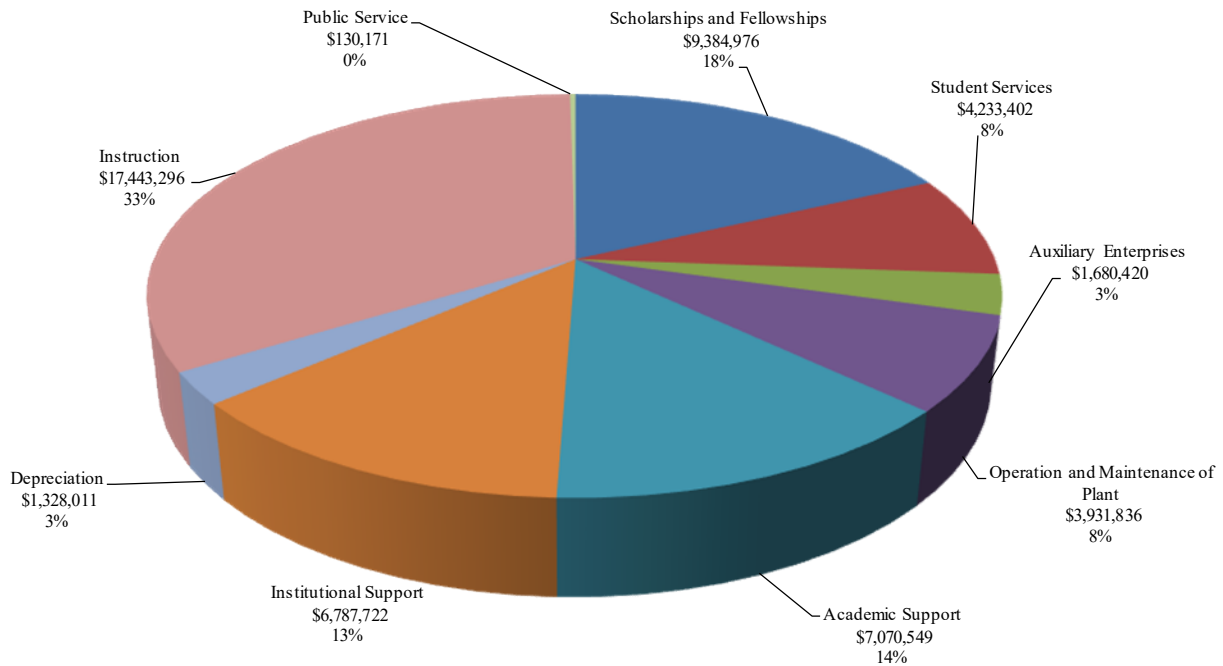
# ALVIN COMMUNITY COLLEGE

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

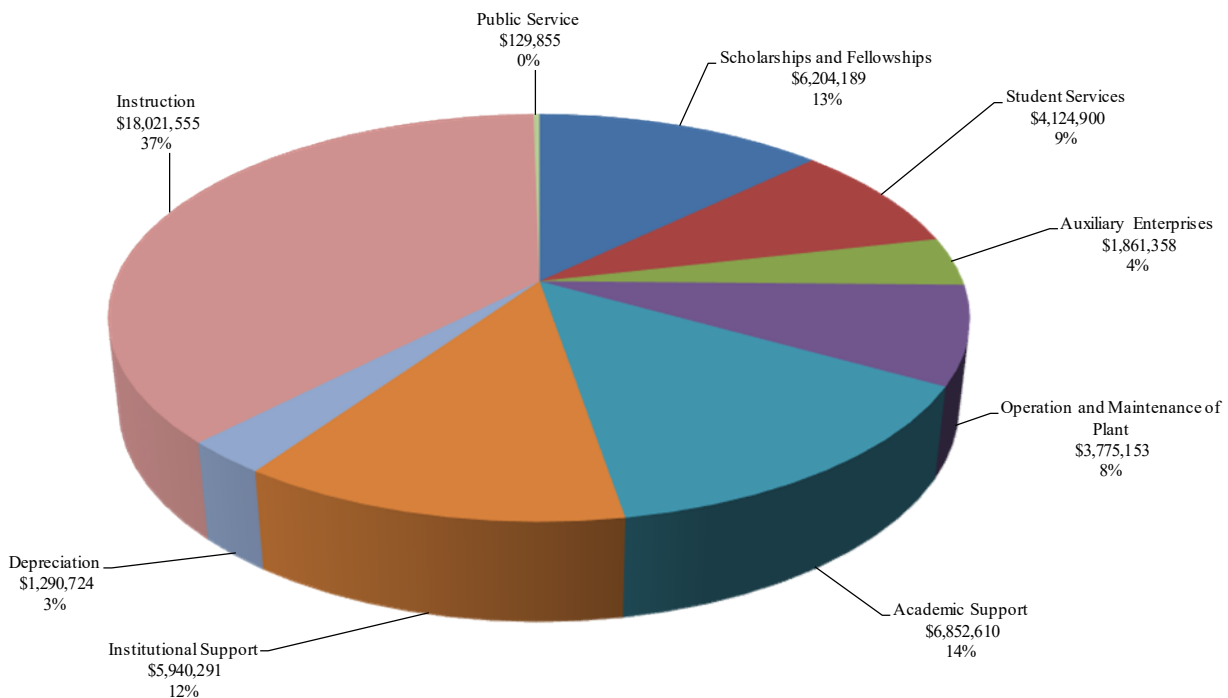
### For the Years Ended August 31, 2021 and 2020

The following are graphic illustrations of operating expenses by functional category and percentage of total operating expenses for the years ended August 31, 2021 and 2020.

**Operating Expenses by Function and Percentage  
For the Year Ended August 31, 2021**

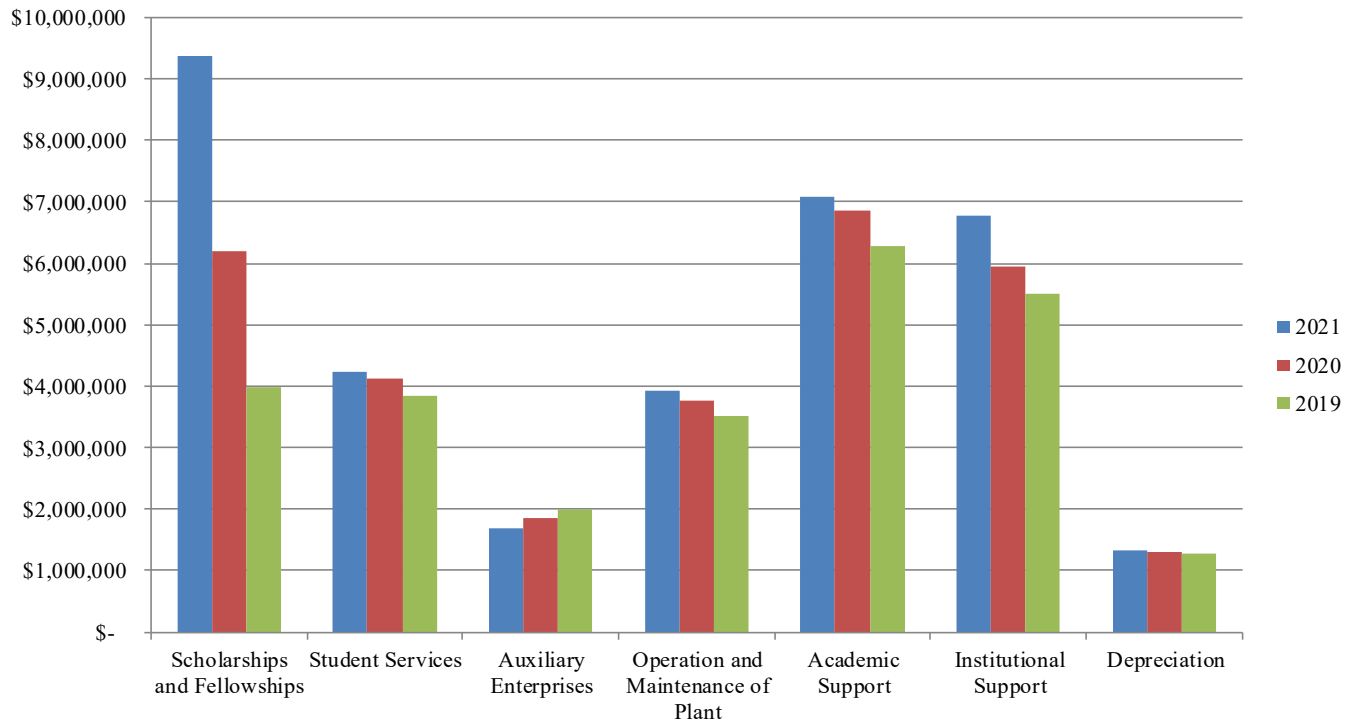


**Operating Expenses by Function and Percentage  
For the Year Ended August 31, 2020**



**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
For the Years Ended August 31, 2021 and 2020

Comparison of Operating Expenses  
Fiscal Years 2021-2019



**Capital Assets**

**CAPITAL ASSETS ACTIVITY**  
Years Ended August 31, 2021-2019

	2021	2020	Increase (Decrease) 2021-2020	2019	Increase (Decrease) 2020-2019
Capital assets not depreciated:					
Land	\$ 494,128	\$ 494,128	\$ -	\$ 494,128	\$ -
Construction in process	20,479,202	5,043,762	15,435,440	17,263	5,026,499
Total	<u>20,973,330</u>	<u>5,537,890</u>	<u>15,435,440</u>	<u>511,391</u>	<u>5,026,499</u>
Other capital assets:					
Buildings and improvements	35,812,051	35,794,384	17,667	35,794,384	-
Facilities and improvements	4,846,884	4,749,412	97,472	4,674,820	74,592
Telecommunications equipment	2,115,660	2,021,828	93,832	1,947,483	74,345
Furniture and equipment	7,392,620	7,087,078	305,542	6,489,410	597,668
Library books	353,164	351,523	1,641	345,298	6,225
Total	<u>50,520,379</u>	<u>50,004,225</u>	<u>516,154</u>	<u>49,251,395</u>	<u>752,830</u>
Less accumulated depreciation	<u>(25,916,804)</u>	<u>(24,588,793)</u>	<u>(1,328,011)</u>	<u>(23,298,069)</u>	<u>(1,290,724)</u>
<b>Net Capital Assets</b>	<u>\$ 45,576,905</u>	<u>\$ 30,953,322</u>	<u>\$ 14,623,583</u>	<u>\$ 26,464,717</u>	<u>\$ 4,488,605</u>

**ALVIN COMMUNITY COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

**Fiscal Year 2021 Compared to 2020**

As of August 31, 2021, the College had \$71,493,709 invested in capital assets, \$25,916,804 in accumulated depreciation, and \$45,576,905 in net capital assets. Significant additions during the fiscal year included a new automotive lift system, as well as band hall storage improvements.

**Fiscal Year 2020 Compared to 2019**

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

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

**Long-Term Debt**

The principal balance of the bonds was \$26,515,000 and \$28,625,000 as of August 31, 2021 and 2020, 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 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, 2021 and 2020

<u>Assets</u>	2021	2020
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 591,336	\$ 1,608,810
Restricted cash and cash equivalents	8,162,618	19,987,530
Accounts receivable, net	7,334,609	3,405,823
Inventories	217,360	240,303
Prepays	908,691	1,230,625
<b>Total Current Assets</b>	17,214,614	26,473,091
<b>Noncurrent Assets:</b>		
Investments	13,250,000	13,650,000
Capital assets, net:		
Nondepreciable	20,973,330	5,537,890
Depreciable	24,603,575	25,415,432
<b>Total Noncurrent Assets</b>	58,826,905	44,603,322
<b>Total Assets</b>	76,041,519	71,076,413
<b><u>Deferred Outflows of Resources</u></b>		
Deferred outflows - pensions	3,651,781	4,339,605
Deferred outflows - OPEB	9,755,156	5,951,439
<b>Total Deferred Outflows of Resources</b>	13,406,937	10,291,044
<b><u>Liabilities</u></b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	2,050,852	1,345,456
Funds held for others	47,654	46,535
Unearned revenues	3,903,568	4,113,549
Compensated absences	302,459	301,039
Bonds payable, net of premiums - current portion	2,210,000	2,110,000
<b>Total Current Liabilities</b>	8,514,533	7,916,579
<b>Noncurrent Liabilities:</b>		
Compensated absences	163,455	227,667
Net pension liability	9,854,249	9,596,705
Net OPEB liability	28,599,258	26,895,554
Bonds payable, net of premiums	27,003,503	29,443,730
<b>Total Noncurrent Liabilities</b>	65,620,465	66,163,656
<b>Total Liabilities</b>	74,134,998	74,080,235
<b><u>Deferred Inflows of Resources</u></b>		
Deferred inflows - pensions	1,499,947	1,911,006
Deferred inflows - OPEB	7,280,493	6,709,983
<b>Total Deferred Inflows of Resources</b>	8,780,440	8,620,989
<b><u>Net Position</u></b>		
Net investment in capital assets	24,526,020	19,387,122
Restricted for expendable student aid	1,805,309	2,068,934
Unrestricted	(19,798,311)	(22,789,823)
<b>Total Net Position (Schedule D)</b>	\$ 6,533,018	\$ (1,333,767)

See accompanying notes to basic financial statements.

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# ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 1A

## STATEMENTS OF FINANCIAL POSITION

August 31, 2021 and 2020

<b><u>Assets:</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
Cash and cash equivalents	\$ 174,981	\$ 197,476
Investments	4,375,272	3,521,793
Inventory	5,251	5,251
Prepays	3,900	2,200
<b>Total Assets</b>	<b><u>4,559,404</u></b>	<b><u>3,726,720</u></b>
<b><u>Liabilities:</u></b>		
Accounts payable	4,006	21,162
<b>Total Liabilities</b>	<b><u>4,006</u></b>	<b><u>21,162</u></b>
<b><u>Net Assets:</u></b>		
Without donor restrictions	179,644	165,462
With donor restrictions		
Purpose restrictions	3,064,280	2,228,622
Perpetual in nature	1,311,474	1,311,474
<b>Total Net Assets</b>	<b><u>\$ 4,555,398</u></b>	<b><u>\$ 3,705,558</u></b>

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, 2021 and 2020

	2021	2020
<b><u>Operating Revenues:</u></b>		
Tuition and fees, net of discounts of \$3,410,273 for 2021 and \$2,938,660 for 2020	\$ 8,147,486	\$ 9,176,163
Federal grants and contracts	1,377,325	1,617,662
State grants and contracts	688,804	769,188
Nongovernmental grants and contracts	29,156	256,900
Auxiliary enterprises, net of discounts of \$142,500 for 2021 and \$246,332 for 2020	1,496,980	1,438,144
<b>Total Operating Revenues (Schedule A)</b>	<b>11,739,751</b>	<b>13,258,057</b>
<b><u>Operating Expenses:</u></b>		
Instruction	17,443,296	18,021,555
Public service	130,171	129,855
Academic support	7,070,549	6,852,610
Student services	4,233,402	4,124,900
Institutional support	6,787,722	5,940,291
Operation and maintenance of plant	3,931,836	3,775,153
Scholarships and fellowships	9,384,976	6,204,189
Auxiliary enterprises	1,680,420	1,861,358
Depreciation	1,328,011	1,290,724
<b>Total Operating Expenses (Schedule B)</b>	<b>51,990,383</b>	<b>48,200,635</b>
<b>Operating (Loss)</b>	<b>(40,250,632)</b>	<b>(34,942,578)</b>
<b><u>Nonoperating Revenues (Expenses):</u></b>		
State appropriations	12,397,886	12,290,722
Property tax revenue	21,566,730	19,453,051
Debt service ad valorem taxes	1,631,804	1,640,190
Federal revenue, nonoperating	13,139,443	6,758,351
Investment income	89,447	549,582
Interest on capital-related debt	(1,146,286)	(1,207,617)
Other nonoperating revenues	438,393	482,217
<b>Total Nonoperating Revenues, Net (Schedule C)</b>	<b>48,117,417</b>	<b>39,966,496</b>
<b>Change in Net Position</b>	7,866,785	5,023,918
Beginning net position	(1,333,767)	(6,357,685)
<b>Ending Net Position</b>	<b>\$ 6,533,018</b>	<b>\$ (1,333,767)</b>

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, 2021 and 2020

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2021	2020
<b>Revenues</b>				
<b>Support and revenues:</b>				
<b>Local Support:</b>				
Contributions and grants	\$ -	\$ 129,009	\$ 129,009	\$ 176,937
Gala income, net	62,299	-	62,299	82,811
Interest and dividend income	-	70,197	70,197	73,065
Dolphin athletics, net	-	2,600	2,600	1,950
ACC Feed the Hungry, net	-	-	-	599
Investment gains	-	783,138	783,138	253,309
Unrestricted income	8,927	-	8,927	4,023
Other income	6,455	-	6,455	1,030
<b>Total Local Support</b>	77,681	984,944	1,062,625	593,724
Net assets released from restrictions:				
Restrictions satisfied by payments	149,286	(149,286)	-	-
<b>Total Support and Revenues</b>	226,967	835,658	1,062,625	593,724
<b>Expenses</b>				
<b>Program services:</b>				
Scholarships	117,116	-	117,116	76,751
Awards	31,258	-	31,258	41,824
<b>Total Program Services</b>	148,374	-	148,374	118,575
<b>Support services:</b>				
<b>Fundraising:</b>				
Gala expenses	848	-	848	35,073
Dolphin Athletics expenses	912	-	912	-
ACC Feed the Hungry expenses	-	-	-	2,500
<b>Total Fundraising</b>	1,760	-	1,760	37,573
<b>Management and general:</b>				
Professional services	36,427	-	36,427	22,970
Operating expenses and supplies	23,054	-	23,054	8,890
Other	3,170	-	3,170	37,552
<b>Total Management and General</b>	62,651	-	62,651	69,412
<b>Total Expenses</b>	212,785	-	212,785	225,560
<b>Change in Net Assets</b>	14,182	835,658	849,840	368,164
Beginning net assets	165,462	3,540,096	3,705,558	3,337,394
<b>Ending Net Assets</b>	\$ 179,644	\$ 4,375,754	\$ 4,555,398	\$ 3,705,558

See accompanying notes to basic financial statements.

# ALVIN COMMUNITY COLLEGE

Exhibit 3

## STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
Receipts from students and other customers	\$ 10,252,008	\$ 10,692,130
Receipts of grants and contracts	(2,441,043)	1,638,067
Payments to or on behalf of employees	(32,356,934)	(32,406,199)
Payments to suppliers for goods or services	(9,137,037)	(9,608,096)
Payments of scholarships	(9,384,976)	(6,204,189)
<b>Net Cash (Used) by Operating Activities</b>	<u>(43,067,982)</u>	<u>(35,888,287)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>		
Receipts of State appropriations	12,397,886	12,290,722
Receipts of maintenance and operations ad valorem taxes	21,566,730	19,453,051
Receipts from nonoperating Federal revenue	13,139,443	6,758,351
Other	438,393	482,217
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>47,542,452</u>	<u>38,984,341</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Receipts from debt service ad valorem taxes	1,631,804	1,640,190
Purchases of capital assets	(15,951,594)	(5,779,329)
Payments on principal debt	(2,110,000)	(1,990,000)
Interest payments on principal debt	(1,376,513)	(1,498,876)
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<u>(17,806,303)</u>	<u>(7,628,015)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of investments	(23,635,000)	(26,600,000)
Receipts from sale of investments	24,035,000	25,400,000
Receipts from investment income	89,447	549,582
<b>Net Cash (Used) by Investing Activities</b>	<u>489,447</u>	<u>(650,418)</u>
<b>(Decrease) in Cash and Cash Equivalents</b>	(12,842,386)	(5,182,379)
Beginning cash and cash equivalents	21,596,340	26,778,719
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 8,753,954</u>	<u>\$ 21,596,340</u>
<b>Ending Cash and Cash Equivalents:</b>		
Cash and cash equivalents	\$ 591,336	\$ 1,608,810
Restricted cash and cash equivalents	8,162,618	19,987,530
<b>Total Cash and Cash Equivalents</b>	<u>\$ 8,753,954</u>	<u>\$ 21,596,340</u>



# ALVIN COMMUNITY COLLEGE

## STATEMENTS OF CASH FLOWS, Continued

For the Years Ended August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of Operating Income (Loss)</b>		
<b>to Net Cash Provided (Used) by Operating Activities:</b>		
Operating (loss)	\$ (40,250,632)	\$ (34,942,578)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation expense	1,328,011	1,290,724
Changes in assets and liabilities:		
Receivables, net	(3,928,786)	(927,860)
Inventories	22,943	53,813
Prepays	321,934	(543,811)
Deferred outflows	(3,115,893)	(2,623,495)
Deferred inflows	159,451	(1,545,787)
Accounts payable and accrued liabilities	705,396	319,553
Funds held for others	1,119	9,371
Deferred revenues	(209,981)	(317,970)
Net pension liability	257,544	44,501
Net OPEB liability	1,703,704	3,181,265
Compensated absences	(62,792)	113,987
<b>Net Cash (Used) by Operating Activities</b>	<u>\$ (43,067,982)</u>	<u>\$ (35,888,287)</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 849,840	\$ 368,164
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Investment (gains)	(783,138)	(253,309)
Interest (earnings)	(70,197)	(73,065)
(Increase) decrease in current assets:		
Accounts receivable	-	450
Prepays	(1,700)	(2,200)
Increase (decreas) in current liabilities		
Accounts payable	(17,156)	(24,574)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(22,351)</u>	<u>15,466</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	(167,378)	(85,050)
Proceeds from sale of investments	167,234	92,979
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(144)</u>	<u>7,929</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	(22,495)	23,395
Beginning cash and cash equivalents	197,476	174,081
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 174,981</u>	<u>\$ 197,476</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, 2021 and 2020

### NOTE 1—Reporting Entity

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

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statement No. 14 and No. 34*, modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. GASB Statement No. 61 has been applied as required in the preparation of these basic financial statements and, accordingly, the Alvin Community College Foundation (the “Foundation”) is considered a component unit of the College as of August 31, 2021 and 2020. 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, 2021 and 2020. 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, 2021 and 2020**

**Net Position**

Net position is classified as follows:

*Net investment in capital assets:* This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

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

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

*Unrestricted net position:* Unrestricted net position represents resources derived from student tuition and fees, State allocations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

**Operating and Nonoperating Revenue and Expense Policy**

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

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

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

**Budgetary Data**

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

**Cash and Cash Equivalents**

The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition.

**Deferred Outflows/Inflows of Resources**

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

Deferred outflows/inflows of resources are amortized as follows:

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

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

**Investments**

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

**Inventories**

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**Capital Assets**

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

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

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

**Collections**

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

**Unearned Revenues**

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

**Tuition Discounting**

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

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

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



**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**Bond Premiums and Issuance Costs**

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

**Pensions**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits**

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

**Estimates**

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

**Income Taxes**

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a) (2) (8), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2021 and 2020 and, therefore, has not recorded a liability for income taxes.

**Reclassifications**

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

**Net Position Flow Assumption**

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**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.

**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, 2021 and 2020, 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:

	2021	2020
Cash and cash equivalents:		
Bank deposits - demand deposits	\$ 584,292	\$ 1,592,361
Petty cash	7,044	16,449
<b>Total Cash and Cash Equivalents</b>	<b>\$ 591,336</b>	<b>\$ 1,608,810</b>

**Investments**

As of August 31, 2021, the College had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 13,250,000	0.35
TexSTAR	8,162,618	0.14
<b>Total Fair Value</b>	<b>\$ 21,412,618</b>	
Portfolio weighted average maturity		0.27

As of August 31, 2021 and 2020, the College held certificates of deposit of \$13,250,000 and \$13,650,000 respectively. For the current fiscal year, the full amount of \$13,250,000 was classified as noncurrent investments.

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

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

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

**TexSTAR**

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

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**NOTE 5–Disaggregation of Accounts Receivable**

Accounts receivable were as follows at August 31:

	<u>2021</u>	<u>2020</u>
Student receivable	\$ 1,061,778	\$ 1,735,867
Taxes receivable	501,469	502,356
Interest receivable	11,991	27,613
Federal receivable	5,802,925	1,123,589
State receivable	66,549	209,483
Sponsor receivable	331,689	143,285
ACC Foundation	4,006	21,162
Total accounts receivable	<u>7,780,407</u>	<u>3,763,355</u>
Less allowance for doubtful accounts	<u>(445,798)</u>	<u>(357,532)</u>
<b>Total Accounts Receivable, Net</b>	<u><u>\$ 7,334,609</u></u>	<u><u>\$ 3,405,823</u></u>

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

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

	<u>2021</u>	<u>2020</u>
Accrued payroll	\$ 6,367	\$ 8,395
Vendors payable	2,044,485	1,308,695
Sales tax payable	-	28,366
<b>Total Accounts Payable and Accrued Liabilities</b>	<u><u>\$ 2,050,852</u></u>	<u><u>\$ 1,345,456</u></u>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**NOTE 7—Capital Assets**

Capital asset activity for the year ended August 31, 2021 was as follows:

	Balance September 1, 2020	Additions	Deletions/ Adjustments	Balance August 31, 2021
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	5,043,762	15,435,440	-	20,479,202
<b>Subtotal</b>	<u>5,537,890</u>	<u>15,435,440</u>	<u>-</u>	<u>20,973,330</u>
Other capital assets:				
Buildings and improvements	35,794,384	17,667	-	35,812,051
Facilities and improvements	4,749,412	97,472	-	4,846,884
Furniture and equipment	7,087,078	305,542	-	7,392,620
Telecommunications equipment	2,021,828	93,832	-	2,115,660
Library books	351,523	1,641	-	353,164
<b>Subtotal</b>	<u>50,004,225</u>	<u>516,154</u>	<u>-</u>	<u>50,520,379</u>
Less accumulated depreciation:				
Buildings and improvements	15,028,242	618,590	-	15,646,832
Facilities and improvements	2,639,706	135,993	-	2,775,699
Furniture and equipment	4,793,536	471,313	-	5,264,849
Telecommunications equipment	1,844,406	92,222	-	1,936,628
Library books	282,903	9,893	-	292,796
<b>Total accumulated depreciation</b>	<u>24,588,793</u>	<u>1,328,011</u>	<u>-</u>	<u>25,916,804</u>
<b>Net Capital Assets</b>	<u>\$ 30,953,322</u>	<u>\$ 14,623,583</u>	<u>\$ -</u>	<u>\$ 45,576,905</u>

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

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

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**NOTE 8—Long-Term Liabilities**

Long-term liabilities activity for the year ended August 31, 2021 was as follows:

	<u>Balance September 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance August 31, 2021</u>	<u>Current Portion</u>
Bonds and Notes:					
General obligation refunding					
bonds - 2012	\$ 7,460,000	\$ -	\$ (1,365,000)	\$ 6,095,000	\$ 1,430,000
Tax notes - 2018	21,165,000	-	(745,000)	20,420,000	780,000.00
Deferred amounts:					
For premiums	2,928,730	-	(230,227)	2,698,503	-
	<u>31,553,730</u>	<u>-</u>	<u>(2,340,227)</u>	<u>29,213,503</u>	<u>2,210,000</u>
Other liabilities:					
Net pension liability	9,596,705	257,544	-	9,854,249	-
Net OPEB liability	26,895,554	1,703,704	-	28,599,258	-
Compensated absences	528,706	280,430	(343,222)	465,914	302,459
<b>Total Long-Term Liabilities</b>	<u>\$ 68,574,695</u>	<u>\$ 2,241,678</u>	<u>\$ (2,683,449)</u>	<u>\$ 68,132,924</u>	<u>\$ 2,512,459</u>

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

	<u>Balance September 1, 2019</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance August 31, 2020</u>	<u>Current Portion</u>
Bonds:					
General obligation refunding					
bonds - 2012	\$ 8,690,000	\$ -	\$ (1,230,000)	\$ 7,460,000	\$ 1,365,000
General obligation refunding					
bonds - 2013	55,000	-	(55,000)	-	-
Tax notes - 2018	21,870,000	-	(705,000)	21,165,000	745,000
Deferred amounts:					
For premiums	3,219,989	-	(291,259)	2,928,730	-
	<u>33,834,989</u>	<u>-</u>	<u>(2,196,259)</u>	<u>31,553,730</u>	<u>2,110,000</u>
Other liabilities:					
Net pension liability	9,552,204	44,501	-	9,596,705	-
Net OPEB Liability	23,714,289	3,181,265	-	26,895,554	-
Compensated absences	414,719	350,123	(236,136)	528,706	301,039
<b>Total Long-Term Liabilities</b>	<u>\$ 67,516,201</u>	<u>\$ 3,575,889</u>	<u>\$ (2,432,395)</u>	<u>\$ 68,574,695</u>	<u>\$ 2,411,039</u>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

**NOTE 9—Bonds and Notes Payable**

General information related to bonds payable is summarized as follows:

**Limited Tax Refunding Bonds, Series 2012**

- To advance refund \$8,750,000 of the limited tax, series 2005 bonds and to pay the costs of issuing the bonds.
- Issued April 1, 2012.
- Original amount of issue – \$8,690,000, with all authorized bonds issued.
- Interest rates range from 3.5 percent to 5.0 percent.
- Due in semiannual installments each February 15 and August 15, with interest payments beginning August 15, 2012 and principal payments beginning February 15, 2020, and the final installment due February 15, 2025.
- Source of revenue for debt service – annual ad valorem taxes.
- Outstanding bonds payable of \$6,095,000 at August 31, 2021.

**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 bonds payable of \$20,420,000 at August 31, 2021.

**Bond and Note Debt Service Requirements**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,210,000	\$ 1,211,775	\$ 3,421,775
2023	2,320,000	1,104,150	3,424,150
2024	2,420,000	1,002,937	3,422,937
2025	2,515,000	903,300	3,418,300
2026	955,000	828,625	1,783,625
2027-2031	5,560,000	3,356,250	8,916,250
2032-2036	7,140,000	1,776,750	8,916,750
2037-2038	3,395,000	171,875	3,566,875
<b>Total</b>	<b>\$ 26,515,000</b>	<b>\$ 10,355,662</b>	<b>\$ 36,870,662</b>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

**Arbitrage Liability**

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

**NOTE 10—Employee Retirement Plans**

The College's employees may participate in one of three retirement plans. Faculty, administrators, counselors, and librarians may enroll in either TRS or the Optional Retirement Plan (ORP). Secretarial and clerical employees participate in TRS and part-time employees not enrolled in either TRS or ORP participate in the Alvin Community College Money Purchase Plan (the "Money Purchase Plan"). The total payroll for all College employees was \$23,445,858 and \$23,752,596 for the fiscal years ended August 31, 2021 and 2020, 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 (the "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 Texas. The pension formula is calculated using 2.3 percent (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, 2021 and 2020

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

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS’s unfunded actuarial liabilities would be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by TRS’s actuary.

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

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. SB12 of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2020 through 2025.

<b>Contribution Rates</b>			
<b>Fiscal Year</b>	<b>State</b>	<b>Public Education Employer*</b>	<b>Active Employee</b>
2020	7.50%	1.50%	7.70%
2021	7.50%	1.60%	7.70%
2022	7.75%	1.70%	8.00%
2023	8.00%	1.80%	8.00%
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

	Contribution Rates	
	2020	2021
Member	7.7%	7.7%
NECE (State)	7.5%	7.5%
Employers	7.5%	7.5%

	Measurement Year (2020)	Fiscal Year (2021)
	Employer contributions	\$ 759,157
Member contributions	\$ 1,341,039	\$ 1,360,910
NECE on-behalf contributions	\$ 545,600	\$ 1,250,705

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.

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 1.5 percent of the member’s salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

Actuarial Assumptions

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

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal bond rate as of August 2020	2.33%. 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	3.05% to 9.05%, including inflation
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of ending August 31, 2019. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 14, 2019.

Discount Rate

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

Based on those assumptions, TRS'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 expected rate of return on TRS investments is 7.25%. The long-term expected rate of return on TRS investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of TRS 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, 2021 and 2020

Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2020 are summarized below:

**Teacher Retirement System of Texas**  
**Asset Allocation and Long-Term Expected Real Rate of Return**  
As of August 31, 2020

Asset Class	Target Allocation (1)	Long-Term Expected Arithmetic Real Rate of Return (2)	Expected Contributions to Long-Term Portfolio Returns
<b>Global Equity</b>			
U.S.	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources, and Infrastructure	6.00%	6.00%	0.42%
<b>Risk Parity</b>			
Risk Parity	8.0%	3.0%	0.3%
<b>Leverage</b>			
Cash	2.0%	-1.5%	0.0%
Asset Allocation Leverage	-6.0%	-1.3%	0.1%
<b>Inflation Expectation</b>			2.0%
<b>Volatility Drag(3)</b>			-0.7%
<b>Total</b>	<u>100.00%</u>	<u>33.30%</u>	<u>7.32%</u>

- (1) Target allocations are based on the FY2020 policy model.  
(2) Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).  
(3) The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability	\$ 15,195,075	\$ 9,854,249	\$ 5,514,944

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

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

At August 31, 2021, the College reported a liability of \$9,854,249 for its proportionate share of the TRS's NPL. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the NPL, the related State support, and the total portion of the NPL that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$	9,854,249
State's proportionate share that is associated with the College		7,082,185
<b>Total</b>	<b>\$</b>	<b>16,936,434</b>

The NPL was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 through August 31, 2020.

At August 31, 2021, the College's proportion of the collective NPL was 0.0183992%, which was a decrease of 0.000062% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2021, the District recognized pension expense of \$851,830 and revenue of \$851,830 for support provided by the State.

At August 31, 2021, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual economic experience	\$ 17,993	\$ 275,006
Changes in actuarial assumptions	2,286,536	972,219
Net difference between projected and actual investment earnings	199,491	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	366,938	252,722
Contributions paid to TRS subsequent to the measurement date	780,823	-
<b>Total</b>	<b>\$ 3,651,781</b>	<b>\$ 1,499,947</b>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

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

<b>Fiscal Year Ended</b>		<b>Pension Expense</b>
<b>August 31</b>		
2022	\$	176,468
2023		539,897
2024		536,616
2025		197,577
2026		(76,034)
Thereafter		(3,513)
<b>Total</b>	<b>\$</b>	<b>1,371,011</b>

**Optional Retirement Plan**

Plan Description

The State has also established an ORP for institutions of higher education. Participation in an ORP is in lieu of participation in TRS. The ORP provides for the purchase of annuity contracts and operates under the provisions of Texas Constitution, Article XVI, Sec. 67 and Texas Government Code, Title 8, Subtitle C.

Funding Policy

Contribution requirements are not actuarially determined but are established and amended by the Legislature. The percentage of participant salaries contributed by the State and each participant was 6.6% of annual compensation in fiscal year 2020 and 2021. The College also makes additional contributions of 0.9% of annual compensation in fiscal year 2020 and 2021 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 2021 and 2020 of annual compensation. Benefits are fully vested after one year plus one day of employment. Because these are individual annuity contracts, neither the State nor the College has an additional or unfunded liability for this program. SB 1812, effective September 1, 2013, limits the amount of the State’s contribution to 50 percent of eligible employees in the reporting district.

The ORP retirement expense to the State for the College was \$111,659, \$127,649, and \$142,362 for fiscal years 2021, 2020, and 2019, 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 \$23,445,858, \$23,752,596, and \$23,118,852 for fiscal years 2021, 2020, and 2019, respectively. The total payroll of employees covered by the ORP was \$3,385,604, \$3,884,209, and \$4,328,967 for fiscal years 2021, 2020, and 2019, 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 \$1,594,072, and \$1,743,682 for the years ended August 31, 2021 and 2020, respectively.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

Contributions made by the College during the years ended August 31, 2021 and 2020 were approximately \$20,723 and \$22,668, 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, 2021 and 2020**

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

	<b>Maximum Monthly Employer Contribution</b>	
	<b>Fiscal Year 2021</b>	
Retiree Only	\$	625
Retiree and Spouse	\$	1,341
Retiree and Children	\$	1,104
Retiree and Family	\$	1,820

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

<b>Premium Contributions by Source</b>		
<b>Group Benefits Program Plan</b>		
<b>For the Years Ended August 31, 2020 and 2019</b>		
	<b>2020</b>	<b>2019</b>
Employer contributions	\$ 748,369,212	\$ 401,284,833
Member contributions	230,151,101	209,836,664
NECE on-behalf contributions	37,736,903	20,182,872
<b>Total</b>	<b>\$ 1,016,257,216</b>	<b>\$ 631,304,369</b>



**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2020
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Marked to Market. Future gains and losses each recognized over closed five-year period, with allowance of direct offsetting of deferrals by
Discount rate	2.20%
Salary increases	2.30% to 9.05%, including inflation
Aggregate payroll growth	2.70%
Inflation	2.30%
Ad hoc postemployment benefit changes	None
Healthcare cost trend rates:	
Medical (HealthSelect)	8.80% for FY2022, 5.25% for FY2023, 5.00% for FY2024, 4.75% for FY2025, 4.60% for FY2026 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years.
Medicare (HealthSelect Medicare Advantage)	10.00% for FY2022 and FY2023, decreasing 10 basis points per year to 5.00% for FY2028 and 4.30% for FY2029 and later years.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2019, through August 31, 2020 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.

Discount Rate

Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.96 percent. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 2.20 percent, which amounted to a decrease of 1.76 percent. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

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.

	<b>1% Decrease in Discount Rate (1.20%)</b>	<b>Discount Rate (2.20%)</b>	<b>1% Increase in Discount Rate (3.20%)</b>
College's proportionate share of the net OPEB liability	\$ 33,992,237	\$ 28,599,260	\$ 24,374,345

Hea

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 7.3 percent and the ultimate rate is 4.3 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.

	<b>1% Decrease in Healthcare Cost Trend Rate</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1% Increase in Healthcare Cost Trend Rate</b>
College's proportionate share of the net OPEB liability	\$ 23,935,699	\$ 28,599,260	\$ 34,712,700

OP

EB Liability

At August 31, 2021, the College reported a liability of \$28,599,260 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	\$ 28,599,260
State's proportionate share that is associated with the College	18,977,820
<b>Total</b>	<b>\$ 47,577,080</b>

The net OPEB liability was measured as of August 31, 2020 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, 2019 through August 31, 2020.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

At the measurement date of August 31, 2020, the College's proportion of the collective net OPEB liability was 0.0816389%, which was an increase of 0.0038221% compared to the proportion measured as of August 31, 2019. For the fiscal year ended August 31, 2021, the College recognized OPEB expense of \$1,368,816 and revenue of \$1,368,816 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, termination, mortality, and assumed salary increases for select classes of State Agency employees), assumed aggregate payroll increases, and the assumed rate of general inflation have been updated to reflect assumptions recently adopted by the ERS Board.
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the GPB plan at the earliest date at which coverage can commence.
- The percentage of future female retirees assumed to be married and electing coverage for their spouse.
- The proportion of future retirees assumed to cover dependent children has been updated to reflect recent plan experience and expected trends.
- The discount rate was changed from 2.97% to 2.20% as a result of requirements by GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pensions*, to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rate 'AA/Aa' (or equivalent) or higher in effect on the measurement date.

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

At August 31, 2021, 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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings	\$ 8,535	\$ -
Changes in assumptions	1,655,698	6,161,962
Difference between expected and actual experience	-	1,118,531
Effect of change in proportion and contributions difference	5,536,670	-
Contributions paid to GBP subsequent to the measurement date	2,554,253	-
<b>Total</b>	<b>\$ 9,755,156</b>	<b>\$ 7,280,493</b>

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

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:

<b>Fiscal Year Ended August 31</b>	<b>OPEB Expense</b>
2022	\$ (1,230,449)
2023	(410,261)
2024	581,599
2025	774,073
2026	205,448
Thereafter	-
<b>Total</b>	<b>\$ (79,590)</b>

**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, 2021 and 2020, the College had an accrued vacation and compensated time liability of \$465,914 and \$528,706, respectively.

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

**NOTE 13–Contract and Grant Awards**

Contract and grant awards are accounted for in accordance with the requirements of accounting principles generally accepted in the United States of America. Revenues are recognized on Exhibit 2 and Schedule A. Contract and grant awards for which funds are expended, but not collected, are reported as receivables on Exhibit 1. Contract and grant awards that are not yet funded and for which the College has not yet performed services are not included in the basic financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2021 and 2020 for which monies have not been received nor funds expended totaled \$4,291,904 and \$6,864,001, respectively. Of these amounts, \$4,291,904 and \$6,809,560 were from Federal contract and grant awards and \$0 and \$54,441 were from State contract and grant awards for fiscal years 2021 and 2020, respectively.

**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.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
For the Years Ended August 31, 2021 and 2020

At August 31:

	<b>2021</b>	<b>2020</b>
Assessed valuation of the tax district	\$ 14,216,441,229	\$ 12,699,707,978
Less exemptions	(1,654,944,085)	(1,467,122,613)
<b>Net Assessed Valuation of the Tax District</b>	<b>\$ 12,561,497,144</b>	<b>\$ 11,232,585,365</b>

	<b>Maintenance &amp; Operations</b>	<b>Debt Service</b>	<b>Total</b>
For fiscal year 2021:			
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$ 0.170579	\$ 0.012864	\$ 0.183443
For fiscal year 2020:			
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$ 0.171438	\$ 0.014424	\$ 0.185862

Taxes levied for the years ended August 31, 2021 and 2020 were \$23,022,344 and \$20,848,634, 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.

For the year ended August 31, 2021:

	<b>Maintenance &amp; Operations</b>	<b>Debt Service</b>	<b>Total</b>
Taxes collected:			
Current taxes collected	\$ 21,245,745	\$ 1,602,218	\$ 22,847,963
Delinquent taxes collected	185,757	18,236	203,993
Penalties and interest collected	135,228	11,350	146,578
<b>Total Taxes Collected</b>	<b>\$ 21,566,730</b>	<b>\$ 1,631,804</b>	<b>\$ 23,198,534</b>

For the year ended August 31, 2020:

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

Tax collections for both years ended August 31, 2021 and 2020 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.

**ALVIN COMMUNITY COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**For the Years Ended August 31, 2021 and 2020**

**NOTE 15–Contingent Liabilities**

**Legal Matters**

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

**State and Federally Assisted Programs**

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

**NOTE 16–Risk Management**

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

**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 \$148,374 and \$118,575 to the College for the years ended August 31, 2021 and 2020, respectively. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2021 and 2020. The costs of these services were not significant to the College.

**NOTE 18–Contingency**

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

***REQUIRED SUPPLEMENTARY INFORMATION***

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)**  
**For the Year Ended August 31, 2021**

	Measurement Year*			
	2020	2019	2018	2017
College's proportion of the net pension liability	0.0183992%	0.0184612%	0.0173543%	0.0180199%
College's proportionate share of the net pension liability	\$ 9,854,249	\$ 9,596,705	\$ 9,552,204	\$ 5,761,792
State's proportionate share of the net pension liability associated with the College	7,082,185	6,493,802	6,638,482	3,445,635
Total	\$ 16,936,434	\$ 16,090,507	\$ 16,190,686	\$ 9,207,427
College's covered payroll	\$ 17,416,095	\$ 15,879,248	\$ 14,693,013	\$ 13,845,409
College's proportionate share of the net pension liability as a percentage of its covered payroll	56.58%	60.44%	65.01%	41.62%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%

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

**Notes to Required Supplementary Information:**

1. *Changes in Assumptions:* There were no changes in assumptions or other inputs that affected measurement of the total pension liability (TPL) during the measurement period.
2. *Changes in Benefits:* There were no changes of benefit terms that affected measurement of the TPL during the measurement period.



<b>Measurement Year*</b>		
<b>2016</b>	<b>2015</b>	<b>2014</b>
0.0174550%	0.0179298%	0.0192277%
\$ 6,596,001	\$ 6,337,945	\$ 5,135,984
4,058,819	4,361,258	3,574,251
<u>\$ 10,654,820</u>	<u>\$ 10,699,203</u>	<u>\$ 8,710,235</u>
\$ 13,103,730	\$ 13,147,582	\$ 12,097,591
50.34%	48.21%	42.45%
78.00%	78.43%	83.25%

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**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, 2021**

	Measurement Year*			
	2020	2019	2018	2017
College's proportion of the net OPEB liability (asset)	0.0865474%	0.0778168%	0.0800138%	0.0823892%
College's proportionate share of the net OPEB liability (asset)	\$ 28,599,260	\$ 26,895,554	\$ 23,714,289	\$ 28,072,469
State's proportionate share of the net OPEB liability (asset) associated with the College	18,977,820	20,783,555	17,463,813	19,717,014
Total	<u>\$ 47,577,080</u>	<u>\$ 47,679,109</u>	<u>\$ 41,178,102</u>	<u>\$ 47,789,483</u>
College's covered payroll	\$ 18,403,129	\$ 17,769,223	\$ 17,378,476	\$ 15,866,657
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	155%	151%	136%	177%
Plan fiduciary net position as a percentage of the total OPEB liability	0.32%	0.17%	1.27%	2.04%

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

**Notes to Required Supplementary Information**

- Changes in assumptions for the measurement year ended August 31, 2020 include (a) discount rate decreased from 2.97% to 2.20%, (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 GRP at the earliest date at which coverage can commence, (c) percentage of future female retirees assumed to be married and electing coverage for their spouse, (d) proportion of future retirees assumed to cover dependent children have been updated to reflect recent plan experience and expected trends and (e) 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.

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

Last 10 Fiscal Years  
For the Year Ended August 31, 2021

	Fiscal Year			
	2021	2020	2019	2018
Contractually required contribution	\$ 780,823	\$ 763,820	\$ 763,820	\$ 633,412
Contributions in relations to the contractually required contribution	780,823	763,820	763,820	633,412
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 17,674,157	\$ 17,416,095	\$ 17,416,095	\$ 15,879,248
Contributions as a percentage of covered payroll	4.42%	4.39%	4.39%	3.99%

<b>Fiscal Year</b>					
<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 580,282	\$ 589,585	\$ 554,591	\$ 530,909	\$ 487,477	\$ 594,269
<u>580,282</u>	<u>589,585</u>	<u>554,591</u>	<u>530,909</u>	<u>487,477</u>	<u>594,269</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,693,013	\$ 13,845,409	\$ 13,103,730	\$ 13,147,582	\$ 12,097,591	\$ 9,120,208
3.95%	4.26%	4.23%	4.04%	4.03%	6.52%

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF COLLEGE CONTRIBUTIONS**  
**EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)**  
**For the Year Ended August 31, 2021**

	Fiscal Year*			
	2021	2020	2019	2018
Statutorily or contractually required College contributions	\$ 2,554,252	\$ 2,454,201	\$ 2,345,186	\$ 2,324,369
Contributions recognized by OPEB in relation to statutorily or contractually required contributions	2,554,252	2,454,201	2,345,186	2,324,369
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 18,385,556	\$ 18,403,129	\$ 17,769,223	\$ 17,378,476
Contributions as a percentage of covered payroll	13.89%	13.34%	13.20%	13.37%

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

**Fiscal Year\***  
**2017**

\$ 771,844

771,844  
\$ -

\$ 15,866,657

4.86%

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***SUPPLEMENTAL SCHEDULES***

# ALVIN COMMUNITY COLLEGE

Schedule A

## SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2021

(With Memorandum Totals For the Year Ended August 31, 2020)

	2021			Auxiliary Enterprises
	Educational Activities		Total	
	Unrestricted	Restricted		
<b>Tuition</b>				
State funded courses:				
In-district resident tuition	\$ 2,214,108	\$ -	\$ 2,214,108	\$ -
Out-of-district resident tuition	4,329,351	-	4,329,351	-
TPEG - credit (set aside) *	206,166	-	206,166	-
Nonresident tuition	356,841	-	356,841	-
State funded continuing education	973,620	-	973,620	-
TPEG - noncredit (set aside) *	57,652	-	57,652	-
Nonstate funded continuing education	128,180	-	128,180	-
<b>Total Tuition</b>	<b>8,265,918</b>	<b>-</b>	<b>8,265,918</b>	<b>-</b>
<b>Fees</b>				
General fees	1,432,304	-	1,432,304	-
Student service fees	-	-	-	230,962
Laboratory fees	204,243	-	204,243	-
Building use fees	445,156	-	445,156	-
Technology fees	746,113	-	746,113	-
Security fees	-	-	-	232,263
Other fees	800	-	800	-
<b>Total Fees</b>	<b>2,828,616</b>	<b>-</b>	<b>2,828,616</b>	<b>463,225</b>
<b>Scholarship Allowances and Discounts</b>				
Remissions and exemptions - State	(1,337,287)	-	(1,337,287)	-
Remissions and exemptions - local	-	-	-	(5,849)
TPEG allowances	(263,818)	-	(263,818)	-
Federal grants to students	(1,635,735)	-	(1,635,735)	-
Other	(167,584)	-	(167,584)	-
<b>Total Scholarship Allowances and Discounts</b>	<b>(3,404,424)</b>	<b>-</b>	<b>(3,404,424)</b>	<b>(5,849)</b>
<b>Total Net Tuition and Fees</b>	<b>7,690,110</b>	<b>-</b>	<b>7,690,110</b>	<b>457,376</b>

<u>2021</u>			
<u>Total</u>		<u>2020</u>	
\$ 2,214,108		\$ 2,438,847	
4,329,351		4,519,426	
206,166		224,320	
356,841		378,090	
973,620		964,041	
57,652		56,411	
128,180		221,847	
<u>8,265,918</u>		<u>8,802,982</u>	
1,432,304		1,226,229	
230,962		254,610	
204,243		237,418	
445,156		495,476	
746,113		839,047	
232,263		258,116	
800		945	
<u>3,291,841</u>		<u>3,311,841</u>	
(1,337,287)		(1,390,678)	
(5,849)		(7,611)	
(263,818)		(280,731)	
(1,635,735)		(1,123,125)	
(167,584)		(136,515)	
<u>(3,410,273)</u>		<u>(2,938,660)</u>	
<u>8,147,486</u>		<u>9,176,163</u>	

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF OPERATING REVENUES, Continued**  
For the Year Ended August 31, 2021  
(With Memorandum Totals For the Year Ended August 31, 2020)

Schedule A

	2021			
	Educational Activities			Auxiliary
	Unrestricted	Restricted	Total	Enterprises
<b>Other Operating Revenues</b>				
Federal grants and contracts	\$ -	\$ 1,377,325	\$ 1,377,325	\$ -
State grants and contracts	-	688,804	688,804	-
Nongovernmental grants and contracts	-	29,156	29,156	-
<b>Total Other Operating Revenues</b>	-	2,095,285	2,095,285	-
<b>Auxiliary Enterprises</b>				
Bookstore	-	-	-	1,378,289
Scholarships allowances and discounts	-	-	-	(142,500)
Net bookstore	-	-	-	1,235,789
Child care center	-	-	-	257,143
Food services	-	-	-	1,510
Fitness center	-	-	-	2,538
<b>Total Net Auxiliary Enterprises</b>	-	-	-	1,496,980
<b>Total Operating Revenues (Exhibit 2)</b>	<b>\$ 7,690,110</b>	<b>\$ 2,095,285</b>	<b>\$ 9,785,395</b>	<b>\$ 1,954,356</b>

\* In accordance with Texas Education Code 56.033, \$263,818 and \$280,731 of tuition was set aside for Texas Public Education Grants (TPEG) during fiscal years 2021 and 2020, respectively.

<u>2021</u>			
<u>Total</u>		<u>2020</u>	
\$ 1,377,325		\$ 1,617,662	
688,804		769,188	
29,156		256,900	
<u>2,095,285</u>		<u>2,643,750</u>	
1,378,289		1,427,671	
<u>(142,500)</u>		<u>(246,332)</u>	
1,235,789		1,181,339	
257,143		236,282	
1,510		5,131	
2,538		15,392	
<u>1,496,980</u>		<u>1,438,144</u>	
<u>\$ 11,739,751</u>		<u>\$ 13,258,057</u>	

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF OPERATING EXPENSES BY OBJECT**  
For the Year Ended August 31, 2021  
(With Memorandum Totals For the Year Ended August 31, 2020)

Schedule B

	2021			
	Educational Activities			Other Expenses
	Salaries and Wages	Benefits		
		State	Local	
<b>Unrestricted - Educational Activities</b>				
Instruction	\$ 11,357,330	\$ -	\$ 1,905,625	\$ 863,774
Public service	12,334	-	2,295	113,380
Academic support	3,217,769	-	539,900	2,238,883
Student services	2,772,358	-	465,165	468,973
Institutional support	3,335,071	-	573,620	2,294,328
Operation and maintenance of plant	1,165,820	-	367,921	2,398,095
<b>Total Unrestricted - Educational Activities</b>	<b>21,860,682</b>	<b>-</b>	<b>3,854,526</b>	<b>8,377,433</b>
<b>Restricted - Educational Activities</b>				
Instruction	445,840	1,991,160	92,136	787,431
Public service	-	2,162	-	-
Academic support	296,584	564,137	69,403	143,873
Student services	44,142	486,048	-	(3,284)
Institutional support	-	584,703	-	-
Scholarships and fellowships	-	-	-	9,384,976
<b>Total Restricted Educational Activities</b>	<b>786,566</b>	<b>3,628,210</b>	<b>161,539</b>	<b>10,312,996</b>
<b>Total Educational Activities</b>	<b>22,647,248</b>	<b>3,628,210</b>	<b>4,016,065</b>	<b>18,690,429</b>
Auxiliary enterprises	609,357	-	188,087	882,976
Depreciation expense - buildings and other real estate improvements	-	-	-	754,584
Depreciation expense - equipment and furniture	-	-	-	573,427
<b>Total Operating Expenses</b>	<b>\$ 23,256,605</b>	<b>\$ 3,628,210</b>	<b>\$ 4,204,152</b>	<b>\$ 20,901,416</b>

<u>2021</u>			
<u>Total</u>		<u>2020</u>	
\$ 14,126,729		\$ 14,703,040	
128,009		119,341	
5,996,552		5,786,610	
3,706,496		3,577,217	
6,203,019		5,433,183	
3,931,836		3,775,153	
<u>34,092,641</u>		<u>33,394,544</u>	
3,316,567		3,318,515	
2,162		10,514	
1,073,997		1,066,000	
526,906		547,683	
584,703		507,108	
9,384,976		6,204,189	
<u>14,889,311</u>		<u>11,654,009</u>	
48,981,952		45,048,553	
1,680,420		1,861,358	
754,584		767,104	
573,427		523,620	
<u>\$ 51,990,383</u>		<u>\$ 48,200,635</u>	

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF NONOPERATING REVENUES AND EXPENSES**

Schedule C

For the Year Ended August 31, 2021  
 (With Memorandum Totals For the Year Ended August 31, 2020)

	2021			
	Unrestricted	Restricted	Auxiliary Enterprises	Total
<b>Nonoperating Revenues</b>				
State appropriations:				
Education and general State support	\$ 7,774,481	\$ -	\$ -	\$ 7,774,481
State group insurance	-	1,726,468	-	1,726,468
State retirement matching	-	2,896,937	-	2,896,937
	7,774,481	4,623,405	-	12,397,886
Taxes for maintenance and operations	21,566,730	-	-	21,566,730
Taxes for debt service	-	1,631,804	-	1,631,804
Federal revenue, nonoperating	-	13,139,443	-	13,139,443
Investment income	28,918	52,108	8,421	89,447
Other nonoperating revenues	438,393	-	-	438,393
	438,393	-	-	438,393
<b>Total Nonoperating Revenues</b>	29,808,522	19,446,760	8,421	49,263,703
<b>Nonoperating Expenses</b>				
Interest and fiscal agent fees	1,146,286	-	-	1,146,286
	1,146,286	-	-	1,146,286
<b>Total Nonoperating Expenses</b>	1,146,286	-	-	1,146,286
<b>Nonoperating Revenues, Net</b>	\$ 28,662,236	\$ 19,446,760	\$ 8,421	\$ 48,117,417



**2020**

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\$ 7,774,939  
1,726,468  

---

2,789,315

---

12,290,722

19,453,051  
1,640,190  
6,758,351  
549,582  

---

482,217

---

41,174,113

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1,207,617

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1,207,617

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\$ 39,966,496

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY**  
For the Year Ended August 31, 2021

Schedule D

Detail by Source

	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt
		Expendable	Nonexpendable	
<b>Current</b>				
Unrestricted	\$ (19,798,311)	\$ -	\$ -	\$ -
Student aid	-	1,805,309	-	-
<b>Plant</b>				
Investment in plant	-	-	-	24,526,020
<b>Total Net Position, August 31, 2021</b>	(19,798,311)	1,805,309	-	24,526,020
Total net position, August 31, 2020	(22,789,823)	2,068,934	-	19,387,122
<b>Net Increase (Decrease) in Net Position</b>	\$ 2,991,512	\$ (263,625)	\$ -	\$ 5,138,898

**Detail by Source**

<b>Total</b>	<b>Available for Current Operations</b>	
	<b>Yes</b>	<b>No</b>
\$ (19,798,311)	\$ (19,798,311)	\$ -
1,805,309	1,805,309	-
<u>24,526,020</u>	<u>-</u>	<u>24,526,020</u>
6,533,018	(17,993,002)	24,526,020
<u>(1,333,767)</u>	<u>-</u>	<u>4,891,131</u>
<u>\$ 7,866,785</u>	<u>\$ (17,993,002)</u>	<u>\$ 19,634,889</u>

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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, 2021, 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 8, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

## **Compliance and Other Matters**

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

## **Texas Public Funds Investment Act**

We have performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). During the year ended August 31, 2021, 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 8, 2021



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Regents of  
Alvin Community College:

### **Report on Compliance for Each Major Federal Program**

We have audited Alvin Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2021. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards, the Uniform Guidance that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

## **Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*BELT HARRIS PECHACEK, LLLP*

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
December 8, 2021



**ALVIN COMMUNITY COLLEGE**  
***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***  
**For the Year Ended August 31, 2021**

None Noted.

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**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended August 31, 2021

**A. SUMMARY OF AUDIT RESULTS**

**Financial Statements**

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the College.
2. No significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.

6. Major programs included:

<u>Name of Federal Program</u>	<u>Federal AL Number</u>
Student Financial Assistance Cluster:	
Higher Education Emergency Relief Fund Grant	
COVID-19 Coronavirus Aid, Relief, and Economic Security Act – Student Aid	84.425E
COVID-19 Coronavirus Aid, Relief, and Economic Security Act – Institutional	84.425F
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act – Student Aid	84.425E
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act – Institutional	84.425F
COVID-19 America Rescue Plan – Student Aid	84.425E
COVID-19 America Rescue Plan – Institutional	84.425F
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268

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

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

None

**C. FINDINGS AND QUESTIONED COSTS– FEDERAL AWARDS**

None

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended August 31, 2021

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	\$ 4,064
<b>Total National Science Foundation</b>			<b>4,064</b>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Higher Education Emergency Relief Fund Grant			
COVID-19 Coronavirus Aid, Relief, and Economic Security Act - Student Aid	84.425E	P425E202972	715,649
COVID-19 Coronavirus Aid, Relief, and Economic Security Act - Institutional	84.425F	P425F203672	359,563
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act - Student Aid	84.425E	P425E410203	1,138,749
COVID-19 Coronavirus Response and Relief Supplemental Appropriations Act - Institutional	84.425F	P425F410204	3,598,040
COVID-19 America Rescue Plan - Student Aid	84.425E	P425E513211	691,617
COVID-19 America Rescue Plan - Institutional	84.425F	P425F513212	1,868,026
Federal Supplemental Educational Opportunity Grants	84.007	P007A203951	174,758
Federal Work-Study Program	84.033	P033A203951	34,976
Federal Pell Grant Program - 20-21	84.063	P063P202256	3,791,698
Federal Direct Student Loans - 20-21	84.268	P268K212256	759,707
Higher Education Institutional Aid (STEM Grant)	84.031C	P031C160219	741,470
TRIO Cluster:			
TRIO Upward Bound	84.047	P047A170605	309,692
Pass-Through From:			
Texas Higher Education Coordinating Board:			
Career and Technical Education - Basic Grants to States	84.048	2142020271 20001	167,736
<b>Total U.S. Department of Education</b>			<b>14,351,681</b>
<u>U.S. Department of Homeland Security</u>			
Pass-Through From:			
Texas Department of Public Safety			
Public Assistance Grant - Hurricane Harvey	97.036	FEMA-5332-DR-TX	6,661
<b>Total U.S. Department of Homeland Security</b>			<b>6,661</b>

**ALVIN COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
For the Year Ended August 31, 2021

U.S. Department of Labor

Pass-Through From:

Texas Workforce Commission:

Wagner Peyser	17.207	2818WPB002	11,421
Wagner Peyser	17.207	2820WPB001	141,146
Building Construction Trades Training Demonstration Project	17.258	2819WOS001	1,795

<b>Total U.S. Department of Labor</b>	<u>154,362</u>
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<b>Total Expenditures of Federal Awards</b>	<u>14,516,768</u>
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<b>Total Federal Revenues</b>	<u>\$ 14,516,768</u>
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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, 2021

Schedule F

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
Educational Aide	9146540M	\$ 5,731
Nursing Shortage Reduction Grant FY2019	9142111M	38,716
Nursing Shortage Reduction Grant under 70 FY2019	9141538M	53,347
Texas College Work Study	9145159M	9,167
TEOG formerly Texas Grant II	9050007G	237,200
<b>Total Texas Higher Education Coordinating Board</b>		<u>344,161</u>
Texas Workforce Commission:		
Skills Development Fund Cluster:		
Industrial Consortium	2819SDF006	223,594
Childcare Grant	2921CCR007	53,659
JET Grant Nursing	2820JET002	67,390
<b>Total Texas Workforce Commission</b>		<u>344,643</u>
<b>Total Expenditures of State Awards</b>		<u>\$ 688,804</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, 2020

**1. FEDERAL ASSISTANCE RECONCILIATION**

Federal revenues:

Federal grants and contracts - per Schedule A	\$	1,377,325
Federal revenue, nonoperating - per Schedule C		13,139,443
<b>Total Federal Revenues</b>	<b>\$</b>	<b><u>14,516,768</u></b>

**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, 2021. 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 2021. The expenditures reported previously may not have been reimbursed by the funding agencies as of the end of fiscal year 2021. 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,			
	2021	2020	2019	2018
Primary government				
Net investment in capital assets	\$ 24,526	\$ 19,387	\$ 17,657	\$ 16,433
Restricted - expendable	1,805	2,069	110	73
Unrestricted	(19,798)	(22,790)	(24,125)	(28,351)
<b>Total Primary Government</b>				
<b>Net Position</b>	<b>\$ 6,533</b>	<b>\$ (1,334)</b>	<b>\$ (6,358)</b>	<b>\$ (11,845)</b>

**For the Fiscal Years Ended August 31,**

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 15,105	\$ 14,177	\$ 14,102	\$ 14,382	\$ 14,160	\$ 14,325
191	243	244	325	320	320
<u>(29,713)</u>	<u>1,890</u>	<u>58</u>	<u>(413)</u>	<u>5,122</u>	<u>5,934</u>
<u>\$ (14,417)</u>	<u>\$ 16,310</u>	<u>\$ 14,404</u>	<u>\$ 14,294</u>	<u>\$ 19,602</u>	<u>\$ 20,579</u>

# ALVIN COMMUNITY COLLEGE

SS-2

## REVENUES BY SOURCE

Last Ten Fiscal Years

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

	2021	2020	2019	2018
<b>Operating Revenues:</b>				
Tuition and fees (net of discounts)	\$ 8,147	\$ 9,176	\$ 8,858	\$ 9,377
Governmental grants and contracts				
Federal grants and contract	1,377	1,618	1,722	1,414
State grants and contracts	689	769	618	296
Nongovernmental grants and contracts	29	257	18	15
Sales and services of educational revenues				
Auxiliary enterprises	1,497	1,438	1,582	1,737
<b>Total Operating Revenues</b>	11,739	13,258	12,798	12,839
<b>Nonoperating Revenues:</b>				
State appropriations	12,398	12,291	11,637	11,121
Ad valorem taxes	23,199	21,093	18,906	16,892
Federal revenue, nonoperating	13,139	6,758	5,249	4,942
Investment income	89	550	918	222
Other nonoperating revenues	438	482	668	676
<b>Total Nonoperating Revenues</b>	49,263	41,174	37,378	33,853
<b>Total Primary Government Program Revenues</b>	\$ 61,002	\$ 54,432	\$ 50,176	\$ 46,692

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

	2021	2020	2019	2018
<b>Operating Revenues:</b>				
Tuition and fees (net of discounts)	13.36%	16.86%	17.65%	20.08%
Governmental grants and contracts				
Federal grants and contract	2.26%	2.97%	3.43%	3.03%
State grants and contracts	1.13%	1.41%	1.23%	0.63%
Local grants and contracts	0.00%	0.00%	0.00%	0.00%
Nongovernmental grants and contracts	0.05%	0.47%	0.04%	0.03%
Sales and services of educational revenues				
Auxiliary enterprises	2.45%	2.64%	3.15%	3.72%
<b>Total Operating Revenues</b>	19.24%	24.36%	25.51%	27.50%
<b>Nonoperating Revenues:</b>				
State appropriations	20.32%	22.58%	23.19%	23.82%
Ad valorem taxes	38.03%	38.75%	37.68%	36.18%
Federal revenue, nonoperating	21.54%	12.42%	10.46%	10.58%
Gifts	0.00%	0.00%	0.00%	0.00%
Investment income	0.15%	1.01%	1.83%	0.48%
Other nonoperating revenues	0.72%	0.89%	1.33%	1.45%
<b>Total Nonoperating Revenues</b>	80.76%	75.64%	74.49%	72.50%
<b>Total Primary Government Program Revenues</b>	100.00%	100.00%	100.00%	100.00%

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
10,952	9,966	\$ \$ 10,107	\$ 10,253	\$ 9,096	\$ 9,482
827	302	297	423	420	399
1,833	1,045	1,678	1,861	266	1,690
34	62	34	12	5	1
<u>1,611</u>	<u>1,942</u>	<u>1,901</u>	<u>1,919</u>	<u>1,986</u>	<u>1,756</u>
<u>15,257</u>	<u>13,317</u>	<u>14,017</u>	<u>14,468</u>	<u>11,773</u>	<u>13,328</u>
9,319	9,403	9,299	9,208	8,360	9,128
16,280	15,735	14,644	13,109	12,274	11,887
5,247	4,841	4,230	4,424	4,942	5,423
102	47	23	18	16	17
607	720	699	612	677	692
<u>31,555</u>	<u>30,746</u>	<u>28,895</u>	<u>27,371</u>	<u>26,269</u>	<u>27,147</u>
<u>\$ 46,812</u>	<u>\$ 44,063</u>	<u>\$ 42,912</u>	<u>\$ 41,839</u>	<u>\$ 38,042</u>	<u>\$ 40,475</u>

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

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
23.40%	22.62%	23.55%	24.51%	23.91%	23.43%
1.77%	0.69%	0.69%	1.01%	1.10%	0.99%
3.92%	2.37%	3.91%	4.45%	0.70%	4.18%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.07%	0.14%	0.08%	0.03%	0.01%	0.00%
<u>3.44%</u>	<u>4.41%</u>	<u>4.43%</u>	<u>4.59%</u>	<u>5.22%</u>	<u>4.34%</u>
<u>32.59%</u>	<u>30.22%</u>	<u>32.66%</u>	<u>34.58%</u>	<u>30.95%</u>	<u>32.93%</u>
19.91%	21.34%	21.67%	22.01%	21.98%	22.55%
34.78%	35.71%	34.13%	31.33%	32.26%	29.37%
11.21%	10.99%	9.86%	10.57%	12.99%	13.40%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.22%	0.11%	0.05%	0.04%	0.04%	0.04%
1.30%	1.63%	1.63%	1.46%	1.78%	1.71%
<u>67.41%</u>	<u>69.78%</u>	<u>67.34%</u>	<u>65.42%</u>	<u>69.05%</u>	<u>67.07%</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)

	2021	2020	2019	2018
<b>Operating Expenses:</b>				
Instruction	\$ 17,443	\$ 18,022	\$ 16,851	\$ 17,669
Public service	130	130	171	173
Academic support	7,071	6,853	6,286	6,523
Student services	4,233	4,125	3,839	3,916
Institutional support	6,788	5,940	5,516	5,675
Operation and maintenance of plant	3,932	3,775	3,500	2,972
Scholarships and fellowships	9,385	6,204	3,970	4,541
Auxiliary enterprises	1,680	1,861	1,996	2,297
Depreciation	1,328	1,291	1,275	1,206
<b>Total Operating Expenses</b>	<b>51,990</b>	<b>48,201</b>	<b>43,404</b>	<b>44,972</b>
<b>Nonoperating Expenses:</b>				
Interest on capital-related debt	1,146	1,208	1,275	729
Gain (loss) on disposal of capital assets	-	-	10	(40)
<b>Total Nonoperating Expenses</b>	<b>1,146</b>	<b>1,208</b>	<b>1,285</b>	<b>689</b>
<b>Total Expenses</b>	<b>\$ 53,136</b>	<b>\$ 49,409</b>	<b>\$ 44,689</b>	<b>\$ 45,661</b>

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

	2021	2020	2019	2018
<b>Operating Expenses:</b>				
Instruction	32.83%	36.48%	37.71%	38.70%
Public service	0.24%	0.26%	0.38%	0.38%
Academic support	13.31%	13.87%	14.07%	14.29%
Student services	7.97%	8.35%	8.59%	8.58%
Institutional support	12.77%	12.02%	12.34%	12.43%
Operation and maintenance of plant	7.40%	7.64%	7.83%	6.51%
Scholarships and fellowships	17.66%	12.56%	8.88%	9.95%
Auxiliary enterprises	3.16%	3.77%	4.47%	5.03%
Depreciation	2.50%	2.61%	2.85%	2.64%
<b>Total Operating Expenses</b>	<b>97.84%</b>	<b>97.56%</b>	<b>97.12%</b>	<b>98.49%</b>
<b>Nonoperating Expenses:</b>				
Interest on capital-related debt	2.16%	2.44%	2.85%	1.60%
Gain (loss) on disposal of capital assets	0.00%	0.00%	0.02%	-0.09%
<b>Total Nonoperating Expenses</b>	<b>2.16%</b>	<b>2.44%</b>	<b>2.88%</b>	<b>1.51%</b>
<b>Total Expenses</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>



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

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$	18,241	\$ 17,067	\$ 17,959	\$ 17,506	\$ 15,217	\$ 15,687
	188	173	167	162	165	155
	5,531	5,991	4,793	4,696	4,545	3,818
	3,390	2,704	2,596	2,527	2,459	2,518
	5,348	4,967	6,291	4,823	3,849	3,763
	3,154	2,756	3,204	3,110	3,939	4,306
	5,156	4,707	4,008	4,437	4,962	5,264
	2,040	2,083	2,135	2,118	2,117	1,977
	1,209	1,170	1,145	1,138	1,147	1,138
	44,257	41,618	42,298	40,517	38,400	38,626
	463	497	496	539	619	670
	49	43	-	-	-	-
	512	540	496	539	619	670
\$	44,769	\$ 42,158	\$ 42,794	\$ 41,056	\$ 39,019	\$ 39,296

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
	40.74%	40.48%	41.97%	42.64%	39.00%	39.92%
	0.42%	0.41%	0.39%	0.39%	0.42%	0.39%
	12.35%	14.21%	11.20%	11.44%	11.65%	9.72%
	7.57%	6.41%	6.07%	6.16%	6.30%	6.41%
	11.95%	11.78%	14.70%	11.75%	9.86%	9.58%
	7.05%	6.54%	7.49%	7.58%	10.10%	10.96%
	11.52%	11.17%	9.37%	10.81%	12.72%	13.40%
	4.56%	4.94%	4.99%	5.16%	5.43%	5.03%
	2.70%	2.78%	2.68%	2.77%	2.94%	2.90%
	98.86%	98.72%	98.84%	98.69%	98.41%	98.29%
	1.03%	1.18%	1.16%	1.31%	1.59%	1.71%
	0.11%	0.10%	0.00%	0.00%	0.00%	0.00%
	1.14%	1.28%	1.16%	1.31%	1.59%	1.71%
	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			Student Activity Fee	
	In-District Tuition	Out-of- District Tuition	General Service Fee	Registration Fee (per Student)	Technology Fee			
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	\$	
2012	\$ 42	\$ 84	\$ 5	\$ 30	\$ 45	\$ 22	\$	
2011	\$ 42	\$ 84	\$ 5	\$ 30	\$ 45	\$ 22	\$	

Academic Year (Fall)	Non-Resident Fees per Semester Credit Hour (SCH)		General Service Fee	Non-Resident Fees per Semester		Student Activity Fee	
	Non-Resident Tuition Out of State	Non-Resident Tuition International		Registration Fee (per Student)	Technology Fee		
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	\$
2012	\$ 130	\$ 130	\$ 5	\$ 30	\$ 45	\$ 22	\$
2011	\$ 130	\$ 130	\$ 5	\$ 30	\$ 45	\$ 22	\$

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

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

<b>Security Fee</b>	<b>LRC Fee</b>	<b>Bursar Fee</b>	<b>Cost for 12 SCH In-District</b>	<b>Cost for 12 SCH Out-of-District</b>	<b>Increase from Prior Year In-District</b>	<b>Increase from Prior Year Out-of-District</b>
30	\$ 15	\$ 10	\$ 853	\$ 1,417	1.48%	1.76%
30	\$ 15	\$ 10	\$ 841	\$ 1,393	0.12%	0.07%
30	\$ 15	\$ 10	\$ 840	\$ 1,392	3.58%	2.13%
30	\$ 15	\$ 10	\$ 811	\$ 1,363	3.84%	3.18%
20	\$ 15	\$ 10	\$ 781	\$ 1,321	1.83%	1.07%
20	\$ 15	\$ 10	\$ 767	\$ 1,307	1.59%	1.87%
20	\$ 15	\$ 10	\$ 755	\$ 1,283	0.00%	0.00%
20	\$ 15	\$ 10	\$ 755	\$ 1,283	5.45%	5.16%
20	\$ 15	\$ 10	\$ 716	\$ 1,220	0.00%	0.00%
20	\$ 15	\$ 10	\$ 716	\$ 1,220	117.38%	117.08%

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

<b>Security Fee</b>	<b>LRC Fee</b>	<b>Bursar Fee</b>	<b>Cost for 12 SCH Non-Resident</b>	<b>Cost for 12 SCH International</b>	<b>Increase from Prior Year Non-Resident</b>	<b>Increase from Prior Year International</b>
30	\$ 15	\$ 10	\$ 2,005	\$ 2,005	1.86%	1.86%
30	\$ 15	\$ 10	\$ 1,969	\$ 1,969	0.05%	0.05%
30	\$ 15	\$ 10	\$ 1,968	\$ 1,968	1.50%	1.50%
30	\$ 15	\$ 10	\$ 1,939	\$ 1,939	0.94%	0.94%
20	\$ 15	\$ 10	\$ 1,921	\$ 1,921	0.73%	0.73%
20	\$ 15	\$ 10	\$ 1,907	\$ 1,907	3.92%	3.92%
20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	0.00%	0.00%
20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	3.56%	3.56%
20	\$ 15	\$ 10	\$ 1,772	\$ 1,772	0.00%	0.00%
20	\$ 15	\$ 10	\$ 1,772	\$ 1,772	101.96%	101.96%

**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 (TAV)</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>
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%
2012-13	\$ 6,657,772	\$ 598,418	\$ 6,059,354	91.01%
2011-12	\$ 6,526,053	\$ 1,187,556	\$ 5,338,497	81.80%

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**Direct Rate**

---

<b>Maintenance &amp; Operations (a)</b>	<b>Debt Service (a)</b>	<b>Total (a)</b>
\$ 0.170579	\$ 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
\$ 0.175119	\$ 0.024637	\$ 0.199756
\$ 0.173798	\$ 0.025687	\$ 0.199485

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

<u>Fiscal Year</u>	<u>State Appropriation</u>	<u>Appropriation per FTSE</u>		<u>Appropriation per Contact Hour</u>
		<u>FTSE (a)</u>	<u>State Appropriation per FTSE</u>	<u>Academic Contact Hours (a)</u>
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
2012-13	\$ 8,360	\$ 7,400	\$ 1,130	1,354
2011-12	\$ 9,128	\$ 7,562	\$ 1,207	1,396

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**

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<b>Voc/Tech Contact Hours (a)</b>	<b>Total Contact Hours</b>	<b>State Appropriation per Contact Hour</b>
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
818	2,408	\$ 3.47
857	2,472	\$ 3.69

# ALVIN COMMUNITY COLLEGE

SS-7

## PRINCIPAL TAXPAYERS

Last Ten Tax Years

Taxpayer	Type of Business	Fiscal Year		
		(amounts expressed in thousands)		
		2021	2020	2019
Ineos USA LLC	petrochemical	\$ 1,193,405	\$ 477,624	\$ 374,362
Ineos Olefins & Polymers	petrochemical	539,853	824,208	520,187
Denbury Onshore LLC	oil and gas exploration	138,981	184,942	235,113
Ascend Performance Materials	manufacturing	101,627	91,688	97,119
Equistar Chemicals LP	petrochemical	-	-	-
Novus International Inc	agriculture	-	-	-
Schlumberger Well Svcs	oilfield services	-	35,498	41,730
Center Point Energy	utility	70,333	63,628	57,560
Huntsman Petrochemical Corp	petrochemical	-	-	-
Cyanco International	manufacturing	45,191	50,213	50,977
Amreit SPF Shadow Creek LP	investment	65,673	73,132	86,133
UVN-TIC LLC ETAL	real estate	37,000	-	-
Pearland Investments LTD PRT	real estate	-	-	-
Pearland Town Center LP	investment	81,505	81,692	95,033
Team Services Inc.	manufacturing	-	-	-
Pearland Multifamily DST	real estate	-	-	-
Shadow Creek Apartments LLC	real estate	36,600	40,800	35,989
Dune Operating Company	oil & gas	-	-	-
12400 Shadow Creek Parkway LLC	real estate	-	-	-
Discovery Shadow Creek Owner	real estate	-	-	-
Shadow Kirby LTD	real estate	-	-	-
Weatherford US LP	oil and gas	-	-	-
Energyquest Inc.	utility	-	-	-
BNSF Railway Co.	transportation	-	-	-
Texas New Mexico Power Co.	utility	-	-	-
Argent Energy	utility	-	-	-
Rice-Tec Inc.	agriculture	-	-	-
Shadow Creek Phase II	real estate	-	-	-
MAR Shadow Creek LP	real estate	58,300	70,000	58,900
MRP Radius Shadow Creek LLC	real estate	-	-	-
Schlumberger Technology Corp.	production	46,516	-	-
DD SCR V LLC	investment	-	37,506	33,419
DD SCR VI LLC	investment	39,820	43,741	47,557
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	39,300	47,416	36,247
Goodgarden Owner GP	investment	41,000	45,400	39,850
Brazoria-SCR Assoc LLC & SC Assoc	real estate	37,300	42,500	36,070
Southfork Lake LLC	real estate	37,097	39,558	35,900
Pearland IL Group LP	real estate	-	-	-
Seaway Crude Pipeline Company LLC	production	61,948	55,236	51,111
SPUS8 Shadow Creek	real estate	36,700	41,633	35,903
Team Industrial Services Inc	manufacturing	-	-	35,579
2500 Business Center Owner LP	real estate	40,000	51,179	-
	<b>Totals</b>	<b>\$ 2,748,149</b>	<b>\$ 2,397,594</b>	<b>\$ 2,004,739</b>
	<b>Total Taxable Assessed Value</b>	<b>\$ 12,561,497</b>	<b>\$ 11,232,585</b>	<b>\$ 9,999,948</b>



**Fiscal Year**  
(amounts expressed in thousands)

<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 46,257	\$ 415,081	\$ 426,518	\$ 469,884	\$ 401,327	\$ 401,327	\$ 371,419
479,619	-	-	-	-	-	-
179,570	168,085	139,588	250,781	381,509	381,509	302,544
91,141	95,638	76,124	75,566	77,754	77,754	77,403
-	-	-	-	-	-	16,484
40,002	41,308	46,146	49,544	46,013	46,013	49,610
46,117	47,116	48,297	51,229	51,529	51,529	33,614
51,952	47,427	45,146	41,579	42,514	42,514	41,357
-	-	22,131	29,086	41,872	41,872	47,690
52,284	53,625	53,625	53,625	61,875	61,875	40,500
66,511	83,833	68,227	48,319	48,188	48,188	47,959
-	35,450	32,195	-	-	-	-
-	-	-	-	-	-	-
92,489	89,000	80,701	70,769	69,086	69,086	66,757
37,162	30,878	29,351	29,334	22,377	22,377	50,523
30,000	33,624	30,574	39,771	24,206	24,206	-
32,500	35,971	35,219	29,900	23,746	23,746	-
-	-	-	-	-	-	-
-	-	35,701	29,000	27,100	27,100	27,100
35,126	37,578	34,401	27,934	26,780	26,780	25,330
-	-	33,000	28,500	25,000	25,000	25,000
-	-	23,680	23,805	23,971	23,971	30,530
-	-	-	-	-	-	-
-	-	-	-	-	-	19,015
-	-	23,092	-	20,910	20,910	19,196
-	-	-	-	-	-	18,209
-	-	-	-	-	-	17,033
-	-	-	-	20,605	20,605	-
57,306	57,481	53,085	44,000	-	-	-
-	-	-	24,155	-	-	-
-	-	-	27,041	21,926	21,926	-
37,000	46,406	-	-	-	-	-
35,250	38,420	-	-	-	-	-
38,500	38,141	-	-	-	-	-
35,843	36,453	-	-	-	-	-
34,245	-	-	-	-	-	-
-	25,500	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<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>\$ 1,458,288</u>	<u>\$ 1,327,273</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>	<u>\$ 6,059,354</u>	<u>\$ 5,338,497</u>

# ALVIN COMMUNITY COLLEGE

SS-7

## PRINCIPAL TAXPAYERS (CONTINUED)

Last Ten Tax Years

Taxpayer	Type of Business	Fiscal Year		
		2021	2020	2019
Ineos USA LLC	petrochemical	9.50%	4.25%	3.74%
Ineos Olefins & Polymers	petrochemical	4.30%	7.34%	5.20%
Denbury Onshore LLC	oil and gas exploration	1.11%	1.65%	2.35%
Ascend Performance Materials	manufacturing	0.81%	0.82%	0.97%
Equistar Chemicals LP	petrochemical	0.00%	0.00%	0.00%
Novus International Inc	agriculture	0.00%	0.00%	0.00%
Schlumberger Well Svcs	oilfield services	0.00%	0.32%	0.42%
Center Point Energy	utility	0.56%	0.57%	0.58%
Huntsman Petrochemical Corp	petrochemical	0.00%	0.00%	0.00%
Cyanco International	manufacturing	0.36%	0.45%	0.51%
Amreit SPF Shadow Creek LP	investment	0.52%	0.65%	0.86%
UVN-TIC LLC ETAL	real estate	0.29%	0.00%	0.00%
Pearland Investments LTD PRT	real estate	0.00%	0.00%	0.00%
Pearland Town Center LP	investment	0.65%	0.73%	0.95%
Team Services Inc.	manufacturing	0.00%	0.00%	0.00%
Pearland Multifamily DST	real estate	0.00%	0.00%	0.00%
Shadow Creek Apartments LLC	real estate	0.29%	0.36%	0.36%
Dune Operating Company	oil and gas	0.00%	0.00%	0.00%
12400 Shadow Creek Parkway LLC	real estate	0.00%	0.00%	0.00%
Discovery Shadow Creek Owner	real estate	0.00%	0.00%	0.00%
Shadow Kirby LTD	real estate	0.00%	0.00%	0.00%
Weatherford US LP	oil & gas	0.00%	0.00%	0.00%
Energyquest Inc.	utility	0.00%	0.00%	0.00%
BNSF Railway Co.	transportation	0.00%	0.00%	0.00%
Texas New Mexico Power Co.	utility	0.00%	0.00%	0.00%
Argent Energy	utility	0.00%	0.00%	0.00%
Rice-Tec Inc.	agriculture	0.00%	0.00%	0.00%
Shadow Creek Phase II	real estate	0.00%	0.00%	0.00%
MAR Shadow Creek LP	real estate	0.46%	0.62%	0.59%
MRP Radius Shadow Creek LLC	real estate	0.00%	0.00%	0.00%
Schlumberger Technology Corp.	exploration/production	0.37%	0.00%	0.00%
DD SCR V LLC	investment	0.00%	0.33%	0.33%
DD SCR VI LLC	investment	0.32%	0.39%	0.48%
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	0.31%	0.42%	0.36%
Goodgarden Owner GP	investment	0.33%	0.40%	0.40%
Brazoria-SCR Assoc LLC & SC Assoc	real estate	0.30%	0.38%	0.36%
Southfork Lake LLC	real estate	0.30%	0.35%	0.36%
Pearland IL Group LP	real estate	0.00%	0.00%	0.00%
Seaway Crude Pipeline Company LLC	exploration/production	0.49%	0.49%	0.51%
SPUS8 Shadow Creek	real estate	0.29%	0.37%	0.36%
Team Industrial Services Inc	manufacturing	0.00%	0.00%	0.36%
2500 Business Center Owner LP	real estate	0.32%	0.46%	0.00%
		21.88%	21.34%	20.05%

**Fiscal Year**

2018	2017	2016	2015	2014	2013	2012
0.50%	4.92%	5.60%	6.59%	6.17%	6.62%	6.96%
5.17%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.94%	1.99%	1.83%	3.52%	5.86%	6.30%	5.67%
0.98%	1.13%	1.00%	1.06%	1.20%	1.28%	1.45%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%
0.43%	0.49%	0.61%	0.69%	0.71%	0.76%	0.93%
0.50%	0.56%	0.63%	0.72%	0.79%	0.85%	0.63%
0.56%	0.56%	0.59%	0.58%	0.65%	0.70%	0.77%
0.00%	0.00%	0.29%	0.41%	0.64%	0.69%	0.89%
0.56%	0.64%	0.70%	0.75%	0.95%	1.02%	0.76%
0.72%	0.99%	0.90%	0.68%	0.74%	0.80%	0.90%
0.00%	0.42%	0.42%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.00%	1.06%	1.06%	0.99%	1.06%	1.14%	1.25%
0.40%	0.37%	0.39%	0.41%	0.34%	0.37%	0.95%
0.32%	0.40%	0.40%	0.56%	0.37%	0.40%	0.00%
0.35%	0.43%	0.46%	0.42%	0.36%	0.39%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.47%	0.41%	0.42%	0.45%	0.51%
0.38%	0.45%	0.45%	0.39%	0.41%	0.44%	0.47%
0.00%	0.00%	0.43%	0.40%	0.38%	0.41%	0.47%
0.00%	0.00%	0.31%	0.33%	0.37%	0.40%	0.57%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
0.00%	0.00%	0.30%	0.00%	0.32%	0.35%	0.36%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
0.00%	0.00%	0.00%	0.00%	0.32%	0.34%	0.00%
0.62%	0.68%	0.70%	0.62%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.34%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.38%	0.34%	0.36%	0.00%
0.40%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.38%	0.46%	0.00%	0.00%	0.00%	0.00%	0.00%
0.42%	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%
0.39%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%
0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16.38%	17.28%	17.56%	20.25%	22.41%	24.07%	24.86%

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# ALVIN COMMUNITY COLLEGE

SS-8

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years  
(amounts expressed in thousands)

<b>Fiscal Year Ended August 31</b>	<b>Total Tax Levy (a)</b>	<b>Collections Current Levy (b)</b>	<b>Percentage</b>	<b>Current Collections of Prior Levies (b)</b>	<b>Total Collections (c)</b>	<b>Percentage of Current Levy</b>
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%
2013	\$ 12,119	\$ 12,040	99.35%	\$ (2)	\$ 12,038	99.33%
2012	\$ 11,764	\$ 11,710	99.54%	\$ 1	\$ 11,711	99.55%

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)

	2021	2020	2019	2018
General Bonded Debt:				
General obligation bonds	\$ 6,095	\$ 7,460	\$ 8,745	\$ 9,955
Less: Funds restricted for debt service	(1,632)	(1,640)	(1,609)	(1,603)
Net general bonded debt	4,463	5,820	7,136	8,352
Notes	20,420	21,165	21,870	22,565
Capital leases	-	-	-	-
<b>Total Outstanding Debt</b>	<b>\$ 24,883</b>	<b>\$ 26,985</b>	<b>\$ 29,006</b>	<b>\$ 30,917</b>
General Bonded Debt Ratios:				
As a percentage of Taxable Assessed Value (TAN)	0.04%	0.07%	0.09%	0.11%
Total Outstanding Debt Ratios:				
Per capita	\$ 829	\$ 900	\$ 27	\$ 31
Per student	\$ 3,555	\$ 3,855	\$ 4,144	\$ 4,417
As a percentage of Taxable Assessed Value (TAV)	198.09%	240.24%	290.06%	0.33%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 11,125	\$ 12,255	\$ 13,350	\$ 14,380	\$ 15,305	\$ 16,160
(1,603)	(1,624)	(1,585)	(1,523)	(1,513)	(1,528)
<u>9,522</u>	<u>10,631</u>	<u>11,765</u>	<u>12,857</u>	<u>13,792</u>	<u>14,632</u>
-	-	-	-	-	-
12	23	34	44	-	-
<u>\$ 9,534</u>	<u>\$ 10,654</u>	<u>\$ 11,799</u>	<u>\$ 12,901</u>	<u>\$ 13,792</u>	<u>\$ 14,632</u>

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

\$ 35	\$ 39	\$ 42	\$ 46	\$ 50	\$ 52
\$ 1,372	\$ 1,636	\$ 1,705	\$ 1,864	\$ 1,935	\$ 2,036
0.11%	0.14%	0.17%	0.20%	0.23%	0.25%

# 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Taxable Assessed Value	\$ 12,561,497	\$ 11,232,585	\$ 9,999,948	\$ 9,274,921
General Obligation Bonds:				
Statutory tax levy limit for debt service	62,807	56,163	50,000	46,375
Less: Funds restricted for repayment of general obligation bonds	(1,632)	(1,640)	(1,609)	(1,603)
<b>Total Net General Obligation Debt</b>	<u>61,175</u>	<u>54,523</u>	<u>48,391</u>	<u>44,772</u>
Current Year Debt Service Requirements	<u>2,110</u>	<u>1,990</u>	<u>1,905</u>	<u>1,596</u>
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 59,065</u>	<u>\$ 52,533</u>	<u>\$ 46,486</u>	<u>\$ 43,176</u>
Net Current Requirements as a % of Statutory Limit	0.03%	0.04%	0.04%	0.03%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 8,434,068	\$ 7,615,957	\$ 7,131,405	\$ 6,506,076	\$ 6,059,354	\$ 5,888,930
42,170	38,080	35,657	32,530	30,297	29,445
(1,603)	(1,624)	(1,585)	(1,523)	(1,513)	(1,528)
<u>40,567</u>	<u>36,456</u>	<u>34,072</u>	<u>31,007</u>	<u>28,784</u>	<u>27,917</u>
<u>1,595</u>	<u>1,595</u>	<u>1,567</u>	<u>1,501</u>	<u>1,443</u>	<u>1,405</u>
<u>\$ 38,972</u>	<u>\$ 34,861</u>	<u>\$ 32,505</u>	<u>\$ 29,506</u>	<u>\$ 27,341</u>	<u>\$ 26,512</u>
0.04%	0.04%	0.04%	0.05%	0.05%	0.05%

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

<b>Fiscal Year</b>	<b>District Population</b>	<b>District Personal Income (a) (in Thousands)</b>	<b>District Personal Income Per Capita</b>	<b>District Unemployment Rate</b>
2021	372,031	\$ (a)	\$ (a)	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%
2013	324,769	\$ 13,104,592	\$ 40,351	7.1%
2012	319,973	\$ 12,550,313	\$ 39,315	8.7%

## Sources:

Population from U.S. Bureau of the Census

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission (Annual when possible)

## Notes:

(a) Not yet available

\* Updated from last year

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# ALVIN COMMUNITY COLLEGE

SS-12

## PRINCIPAL EMPLOYERS

Current Fiscal Year

<u>Employer</u>	<u>Employees (1)</u>	<u>Employment (2)</u>
Alvin Independent School District	2,520	2.60%
Empereon Constar	700	0.72%
Alvin Community College	545	0.56%
Wal-Mart Associates	520	0.54%
Ascend Performance Materials	470	0.48%
INEOS Olefins & Polymers USA	440	0.45%
Ron Carter Automotive	320	0.33%
Rice-Tec	300	0.31%
Team	257	0.26%
City of Alvin	247	0.25%
BeAed	200	0.21%
Diversified Ceramics	91	0.09%
	<u>6,610</u>	<u>6.81%</u>

Source:

(1) Alvin Economic Development

(2) US Census - Brazoria County Total Employment

Note:

Percentages are calculated using the midpoints of the ranges.

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

SS-13

	Fiscal Year			
	2021	2020	2019	2018
Faculty				
Full-Time	104	113	114	111
Part-Time	326	362	401	345
<b>Total</b>	<b>430</b>	<b>475</b>	<b>515</b>	<b>456</b>
Faculty				
Full-Time	24.2%	23.8%	22.1%	24.3%
Part-Time	75.8%	76.2%	77.9%	75.7%
Staff and Administrators				
Full-Time	187	196	185	180
Part-Time	145	69	85	102
<b>Total</b>	<b>332</b>	<b>265</b>	<b>270</b>	<b>282</b>
Staff and Administrators				
Full-Time	56.3%	74.0%	68.5%	63.8%
Part-Time	43.7%	26.0%	31.5%	36.2%
FTSE per Full-time Faculty	67.8	62.6	63.2	70.8
FTSE per Full-Time Staff Member	37.7	36.1	39.0	43.7
Average Annual Faculty Salary	\$ 67,825	\$ 61,849	\$ 61,421	\$ 60,770

**Fiscal Year**

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
113	107	103	111	110	108
<u>203</u>	<u>183</u>	<u>194</u>	<u>170</u>	<u>170</u>	<u>180</u>
<u><u>316</u></u>	<u><u>290</u></u>	<u><u>297</u></u>	<u><u>281</u></u>	<u><u>280</u></u>	<u><u>288</u></u>
35.8%	36.9%	34.7%	39.5%	39.3%	37.5%
64.2%	63.1%	65.3%	60.5%	60.7%	62.5%
177	178	168	166	170	168
<u>58</u>	<u>60</u>	<u>56</u>	<u>55</u>	<u>50</u>	<u>50</u>
<u><u>235</u></u>	<u><u>238</u></u>	<u><u>224</u></u>	<u><u>221</u></u>	<u><u>220</u></u>	<u><u>218</u></u>
75.3%	74.8%	75.0%	75.1%	77.3%	77.1%
24.7%	25.2%	25.0%	24.9%	22.7%	22.9%
72.0	72.6	70.0	68.2	67.2	70.0
46.0	43.6	37.2	45.6	43.5	45.0
\$ 68,100	\$ 63,608	\$ 56,291	\$ 55,309	\$ 54,308	\$ 59,598

# ALVIN COMMUNITY COLLEGE

SS-14

## ENROLLMENT DETAILS

Last Five Fall Semesters

Student Classification	Fall 2020		Fall 2019	
	Number	Percentage	Number	Percentage
0-30 hours	3,739	66.88%	4,078	68.14%
31-60 hours	1,138	20.35%	1,196	19.98%
> 60 hours	714	12.77%	711	11.88%
<b>Total</b>	<b>5,591</b>	<b>100.00%</b>	<b>5,985</b>	<b>100.00%</b>

Semester Hour Load	Fall 2020		Fall 2019	
	Number	Percentage	Number	Percentage
Less than 3	428	7.66%	330	5.51%
3-5 semester hours	1,831	32.75%	1,822	30.44%
6-8 semester hours	1,437	25.70%	1,619	27.05%
9-11 semester hours	1,112	19.89%	1,168	19.52%
12-14 semester hours	623	11.14%	813	13.58%
15-17 semester hours	136	2.43%	194	3.24%
18 and over	24	0.43%	39	0.65%
<b>Total</b>	<b>5,591</b>	<b>100.00%</b>	<b>5,985</b>	<b>100.00%</b>

Tuition Status	Fall 2020		Fall 2019	
	Number	Percentage	Number	Percentage
Texas Resident (in-District)	2,612	46.72%	2,792	46.65%
Texas Resident (out-of-District)	2,814	50.33%	3,009	50.28%
Non-Resident Tuition	115	2.06%	130	2.17%
Tuition Exemption - TX Resident	50	0.89%	54	0.90%
<b>Total</b>	<b>5,591</b>	<b>100.00%</b>	<b>5,985</b>	<b>100.00%</b>



Fall 2018		Fall 2017	
Number	Percentage	Number	Percentage
3,814	67.56%	3,859	67.60%
1,065	18.87%	1,030	18.04%
766	13.57%	820	14.36%
5,645	100.00%	5,709	100.00%

Fall 2018		Fall 2017	
Number	Percentage	Number	Percentage
238	4.22%	283	4.96%
1,640	29.05%	1,722	30.16%
1,582	28.02%	1,596	27.96%
1,087	19.26%	1,200	21.02%
883	15.64%	708	12.40%
188	3.33%	180	3.15%
27	0.48%	20	0.35%
5,645	100.00%	5,709	100.00%

Fall 2018		Fall 2017	
Number	Percentage	Number	Percentage
2,542	45.03%	2,606	45.65%
2,912	51.59%	2,908	50.94%
130	2.30%	122	2.14%
61	1.08%	73	1.28%
5,645	100.00%	5,709	100.00%

# ALVIN COMMUNITY COLLEGE

SS-15

## *STUDENT PROFILE*

Last Five Fall Semesters

	Fall 2020		Fall 2019	
Student Classification	Number	Percentage	Number	Percentage
Female	2,278	40.74%	3,261	54.49%
Male	3,313	59.26%	2,724	45.51%
<b>Total</b>	<b>5,591</b>	<b>100.00%</b>	<b>5,985</b>	<b>100.00%</b>

	Fall 2020		Fall 2019	
Semester Hour Load	Number	Percentage	Number	Percentage
White	3,290	47.39%	3,732	49.69%
Hispanic**	2,064	29.73%	2,225	29.63%
African American	866	12.47%	808	10.76%
Asian	428	6.16%	374	4.98%
Foreign	82	1.18%	119	1.58%
Native American	163	2.35%	186	2.48%
Native Hawaiian/ Pacific Islander	9	0.13%	9	0.12%
Unknown	41	0.59%	57	0.76%
<b>Total</b>	<b>6,943</b>	<b>100.00%</b>	<b>7,510</b>	<b>100.00%</b>

	Fall 2020		Fall 2019	
Tuition Status	Number	Percentage	Number	Percentage
Under 18	2,397	42.87%	2,431	40.62%
18 - 21	1,578	28.22%	1,757	29.36%
22 - 24	379	6.78%	400	6.68%
25 - 35	749	13.40%	811	13.55%
36 - 50	413	7.39%	478	7.99%
51 & over	75	1.34%	108	1.80%
<b>Total</b>	<b>5,591</b>	<b>100.00%</b>	<b>5,985</b>	<b>100.00%</b>

Average Age	22	21.9
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\*\*Numbers are skewed because Hispanic is no longer considered a race by the Federal Government. It is an origin, and Hispanic students can declare their origin without declaring a race.

Fall 2018	
Number	Percentage
3,191	56.53%
2,454	43.47%
5,645	100.00%

Fall 2017	
Number	Percentage
3,224	56.47%
2,485	43.53%
5,709	100.00%

Fall 2018	
Number	Percentage
3,751	52.88%
2,013	28.38%
709	10.00%
350	4.93%
94	1.33%
156	2.20%
20	0.28%
-	0.00%
7,093	100.00%

Fall 2017	
Number	Percentage
4,018	54.22%
1,943	26.22%
737	9.94%
408	5.51%
71	0.96%
137	1.85%
26	0.35%
71	0.96%
7,411	100.00%

Fall 2018	
Number	Percentage
2,020	35.78%
1,729	30.63%
443	7.85%
847	15.00%
508	9.00%
98	1.74%
5,645	100.00%

Fall 2017	
Number	Percentage
2,019	35.37%
1,737	30.43%
539	9.44%
852	14.92%
461	8.07%
101	1.77%
5,709	100.00%

22.5

22.3

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# ALVIN COMMUNITY COLLEGE

SS-16

## TRANSFERS TO SENIOR INSTITUTIONS

864 Fall Students as of Fall 2021

(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	8	0.93%
2 Prairie View A&M University	10	1.16%
3 Sam Houston State University	64	7.41%
4 Stephen F. Austin State University	31	3.59%
5 Tarleton State University	3	0.35%
6 Texas A&M International University	1	0.12%
7 Texas A&M University	83	9.61%
8 Texas A&M University - Commerce	2	0.23%
9 Texas A&M University - Corpus Christi	7	0.81%
10 Texas A&M University - Kingsville	3	0.35%
11 Texas A&M University - Texarkana	1	0.12%
12 Texas A&M University at Galveston	16	1.85%
13 Texas Southern University	7	0.81%
14 Texas State University	58	6.71%
15 Texas Tech University	29	3.36%
16 Texas Tech University Health Sciences Center	1	0.12%
17 Texas Woman's University	3	0.35%
18 The University of Texas - Rio Grande Valley	5	0.58%
19 The University of Texas at Arlington	18	2.08%
20 The University of Texas at Austin	36	4.17%
21 The University of Texas at Dallas	10	1.16%
22 The University of Texas at San Antonio	41	4.75%
23 The University of Texas at Tyler	4	0.46%
24 The University of Texas Health Science Center at Houston	3	0.35%
25 The University of Texas Health Science Center at San Antonio	1	0.12%
26 The University of Texas Medical Branch at Galveston	16	1.85%
27 The University of Texas Permian Basin	3	0.35%
28 University of Houston	165	19.10%
29 University of Houston - Clear Lake	181	20.95%
30 University of Houston - Downtown	35	4.05%
31 University of Houston - Victoria	3	0.35%
32 University of North Texas	15	1.74%
33 West Texas A&M University	1	0.12%
<b>Total</b>	<u>864</u>	<u>100.00%</u>

# ALVIN COMMUNITY COLLEGE

SS-17

## CAPITAL ASSET INFORMATION

Fiscal Years 2016 to 2021

	Fiscal Year			
	2021	2020	2019	2018
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
Stadiums	-	-	-	-
Gymnasiums	1	1	1	1
Fitness centers	1	1	1	1
Tennis courts	6	6	6	6
Plant facilities	1	1	1	1
Square footage (in thousands)	20	20	20	20
Transportation				
Cars	6	6	5	5
Light trucks/vans/ambulance	8	8	7	11
Buses	2	2	2	2
Heavy trucks	2	2	2	3

<b>Fiscal Year</b>	
<b>2017</b>	<b>2016</b>
12	12
365	365
1	1
12	12
12	12
3	3
25	25
1	1
5	5
150	150
8	8
28	28
-	-
1	1
1	1
6	6
1	1
20	20
5	6
11	11
2	2
3	3

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