

ALVIN COMMUNITY COLLEGE

ANNUAL FINANCIAL REPORT

For the fiscal years ended August 31, 2025 and 2024

ALVIN COMMUNITY COLLEGE

ANNUAL FINANCIAL REPORT
August 31, 2025 and 2024

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ALVIN COMMUNITY COLLEGE
ORGANIZATIONAL DATA
For the year ended August 31, 2025

Board of Regents

<u>Officers</u>	<u>Location</u>	<u>Term Expires</u>
Bel Sanchez, Chairman	Alvin, Texas	2030
Jody Droege, Vice-Chair	Alvin, Texas	2026
Patty Hertenberger, Secretary	Alvin, Texas	2028

<u>Members</u>	<u>Location</u>	<u>Term Expires</u>
Jim Crumm	Alvin, Texas	2030
Breah Knape	Alvin, Texas	2030
Darren Shelton	Alvin, Texas	2026
Mike Pyburn	Alvin, Texas	2026
Yvette Reyes-Hall	Alvin, Texas	2028
Michael Hoover	Alvin, Texas	2028

Principal Administrative Officers

Dr. Robert Exley	President
Mr. John Matula	Vice President of Student Services
Ms. Wendy Del Bello	Vice President of Development and Outreach
Dr. Kelley Peatross	Vice President of Human Resources
Ms. Beth Nelson	Vice President of Administrative Services and Chief Financial Officer
Mr. Kelly Klimpt	Vice President of Information Technology
Dr. Stacy Ebert	Provost and Vice President of Workforce and Strategy

INDEPENDENT AUDITOR'S REPORT

To the Board of Regents of
Alvin Community College

Report on the Audit of the Financial Statements***Opinions***

We have audited 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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of August 31, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Alvin Community College Foundation (a nonprofit organization), which is a discrete component unit of the College, were not audited in accordance with Government Auditing Standards.

Emphasis of Matter

As discussed in Note 2 and 12 to the financial statements, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. As a result of this implementation, beginning net position was restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of the College's proportionate share of the net pension and other postemployment benefits liability, and schedules of contributions on pages 5-14 and 54-57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying supplementary information, such as the schedule of operating revenues, the schedule of operating expenses by object, the schedule of nonoperating revenues and expenses, the schedule of net position by source and availability, and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the *Texas Uniform Grant Management Standards*, and the Texas Higher Education Coordinating Board's *Annual Financial Reporting Requirements for the Texas Public Community and Junior Colleges*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of operating revenues, the schedule of operating expenses by object, the schedule of nonoperating revenues and expenses, the schedule of net position by source and availability, and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2026 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Houston, Texas
February 12, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

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, 2025 and 2024, 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 2025

The following factors had a significant effect on the College's financial status for fiscal year 2025:

- The College Board of Regents passed a combined tax rate of \$0.155988 which was the No New Revenue rate (rollback rate). The Maintenance and Operations tax rate was \$0.154314 for fiscal year 2022-2023, \$0.143398 for fiscal year 2023-2024, and \$0.148698 for fiscal year 2024-2025 which was a decrease of \$0.005300. The Debt Service tax rate decreased from \$0.007866 to \$0.007290 or 7.3 percent. Overall tax collections increased by \$3,290,316 from \$29,994,432 in fiscal year 2023-2024 to \$33,284,748 in fiscal year 2024-2025.
- There was a pay increase of approximately 3.0 percent for all full-time faculty and staff in an effort to retain and attract qualified personnel.
- The 2024-2025 Maintenance and Operations budget was \$50,722,499 which was an increase of \$4,750,344 over the 2023-2024 budget.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2024

The following factors had a significant effect on the College's financial status for fiscal year 2024:

- The College Board of Regents passed a combined tax rate of \$0.151264 which was the No New Revenue rate (rollback rate). The Maintenance and Operations tax rate was \$0.171457 for fiscal year 2021-2022, \$0.154314 for fiscal year 2022-2023, and \$0.143398 for fiscal year 2023-2024 which was a decrease of \$0.010916. The Debt Service tax rate decreased from \$0.009831 to \$0.007866 or 20.0 percent. Overall tax collections increased by \$2,845,914 from \$27,148,518 in fiscal year 2022-2023 to \$29,994,432 in fiscal year 2023-2024.
- There was a pay increase of approximately 4.0 percent for all full-time faculty and staff in an effort to retain and attract qualified personnel.
- The 2023-2024 Maintenance and Operations budget was \$45,972,155 which was an increase of \$5,901,106 over the 2022-2023 budget.

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ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

OVERVIEW OF THE 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 2025 and 2024, 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, 2025 and 2024. 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, 2025 and 2024. It presents end-of-year data for current and noncurrent assets, deferred outflows of resources, current and noncurrent liabilities, deferred inflows of resources, and net position. From the information shown, readers are able to determine the assets that are available to continue operations, how much the College owes, net position, and its availability to carry out the College's mission.

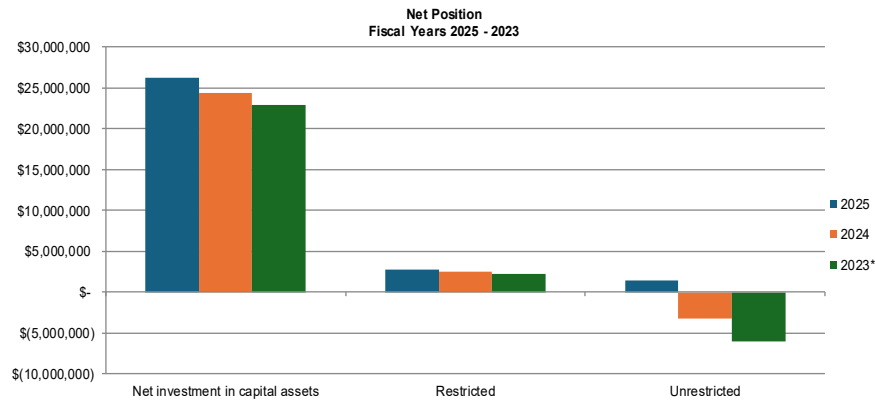
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ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

CONDENSED STATEMENTS OF NET POSITION
As of August 31, 2025-2023

	<u>2025</u>	<u>2024</u>	Increase (Decrease) <u>2025-2024</u>	<u>2023*</u>	Increase (Decrease) <u>2024-2023*</u>
Current assets	\$ 26,335,481	\$ 8,300,305	\$ 18,035,176	\$ 11,435,743	\$ (3,135,438)
Noncurrent assets:					
Investments	17,449,141	29,749,141	(12,300,000)	22,749,141	7,000,000
Capital assets, net	45,004,846	45,817,173	(812,327)	46,979,237	(1,162,064)
Right-to-use assets, net	1,415,035	26,698	1,388,337	50,198	(23,500)
Total assets	<u>90,204,503</u>	<u>83,893,317</u>	<u>6,311,186</u>	<u>81,214,319</u>	<u>2,678,998</u>
Deferred outflows of resources	<u>9,688,912</u>	<u>11,556,263</u>	<u>(1,867,351)</u>	<u>11,586,754</u>	<u>(30,491)</u>
Current liabilities	9,224,210	9,726,205	(501,995)	8,847,390	878,815
Noncurrent liabilities	<u>54,732,686</u>	<u>53,749,617</u>	<u>983,069</u>	<u>55,707,325</u>	<u>(1,957,708)</u>
Total liabilities	<u>63,956,896</u>	<u>63,475,822</u>	<u>481,074</u>	<u>64,554,715</u>	<u>(1,078,893)</u>
Deferred inflows of resources	<u>5,491,609</u>	<u>8,273,515</u>	<u>(2,781,906)</u>	<u>9,160,668</u>	<u>(887,153)</u>
Net position:					
Net investment in capital assets	26,176,580	24,335,571	1,841,009	22,892,511	1,443,060
Restricted					
Expendable student aid	2,754,284	2,580,624	173,660	2,251,583	329,041
Unrestricted	<u>1,514,046</u>	<u>(3,215,952)</u>	<u>4,729,998</u>	<u>(6,058,404)</u>	<u>2,842,452</u>
Total Net Position	<u>\$ 30,444,910</u>	<u>\$ 23,700,243</u>	<u>\$ 6,744,667</u>	<u>\$ 19,085,690</u>	<u>\$ 4,614,553</u>

* The August 31, 2023 condensed statement of net position balances was adjusted for the restatement of fiscal year 2024 beginning balance from implementation of GASB 101, *Compensated Absences*.



(Continued)

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

FISCAL YEAR 2025 COMPARED TO 2024

Current assets increased \$18,035,176 primarily due to the sale of noncurrent investments and a positive change in net position. Noncurrent assets decreased \$11,723,990 which is the net result of a decrease in the sale of noncurrent investments, decrease in capital assets from depreciation, and an increase in right-to-use assets as a result of entering into a lease agreement for use of a building.

Current liabilities decreased \$501,995 primarily due to a decrease in accounts payable. Noncurrent liabilities increased \$983,069 due mainly to an increase in lease liabilities.

FISCAL YEAR 2024 COMPARED TO 2023

Current assets decreased \$3,135,438 primarily due to the purchase of noncurrent investments for certificates of deposits. Noncurrent assets increased \$5,814,436 which is the net result of an increase in investments and decrease in assets being depreciated or amortized.

Current liabilities increased \$878,815 primarily due to an increase in accounts payable for repairs from storm damages. Noncurrent liabilities decreased \$1,957,708 due mainly to a decrease in bonds payable and amortization of premiums.

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.

(Continued)

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended August 31, 2025-2023

	<u>2025</u>	<u>2024</u>	Increase (Decrease) <u>2025-2024</u>	<u>2023*</u>	Increase (Decrease) <u>2024-2023*</u>
Operating revenues:					
Tuition and fees, net of discounts	\$ 7,992,971	\$ 7,461,607	\$ 531,364	\$ 6,945,546	\$ 516,061
Auxiliary enterprises, net of discounts	1,790,829	2,128,097	(337,268)	1,792,881	335,216
State grants and contracts	2,390,291	1,132,534	1,257,757	839,950	292,584
Federal grants and contracts	598,090	938,629	(340,539)	830,502	108,127
Total operating revenues	<u>12,772,181</u>	<u>11,660,867</u>	<u>1,111,314</u>	<u>10,408,879</u>	<u>1,251,988</u>
Less operating expenses	65,423,398	61,011,097	4,412,301	49,792,955	11,218,142
Operating (loss)	<u>(52,651,217)</u>	<u>(49,350,230)</u>	<u>(3,300,987)</u>	<u>(39,384,076)</u>	<u>(9,966,154)</u>
Nonoperating revenues (expenses):					
State appropriations	16,609,274	16,075,135	534,139	12,349,683	3,725,452
Property tax revenue	33,284,748	29,994,432	3,290,316	27,148,518	2,845,914
Federal revenue, nonoperating	8,404,300	6,960,234	1,444,066	5,776,456	1,183,778
Investment income	1,298,966	1,253,291	45,675	1,294,937	(41,646)
Interest and fiscal agent fees	(685,045)	(770,501)	85,456	(776,618)	6,117
Other nonoperating revenues	483,641	452,192	31,449	536,896	(84,704)
Total nonoperating revenues, net	<u>59,395,884</u>	<u>53,964,783</u>	<u>5,431,101</u>	<u>46,329,872</u>	<u>7,634,911</u>
Change in net position	6,744,667	4,614,553	2,130,114	6,945,796	(2,331,243)
Net position, beginning of year	23,700,243	20,594,453	3,105,790	13,648,657	6,945,796
Restatement from GASB 101	-	(1,508,763)	1,508,763	-	(1,508,763)
Net position, beginning of year, as restated	<u>23,700,243</u>	<u>19,085,690</u>	<u>4,614,553</u>	<u>13,648,657</u>	<u>5,437,033</u>
Net position, end of year	<u>\$ 30,444,910</u>	<u>\$ 23,700,243</u>	<u>\$ 5,235,904</u>	<u>\$ 20,594,453</u>	<u>\$ 4,614,553</u>

* The fiscal year 2023 condensed statements of revenues, expenses, and changes in net position were not adjusted for the implementation of GASB 101, *Compensated Absences*.

FISCAL YEAR 2025 COMPARED TO 2024

Total revenues (operating and nonoperating) for the fiscal year 2025 were \$72,853,110. Operating revenues in the fiscal year 2025 increased by \$1,111,314 which is largely due to an increase in state grants and contracts from the Texas Higher Education Coordinating Board and Texas Workforce Commission. Nonoperating revenues in the fiscal year 2025 increased \$5,345,645 primarily due to an increase in federal revenue for student financial aid and property tax revenue from an increase in appraised property tax values.

Total expenses (operating and nonoperating) in the fiscal year 2025 increased \$4,326,845, or 7.0 percent. This increase was primarily related to an increase in payroll related costs for wages and benefits along with an increase in expenses related to scholarships and fellowship.

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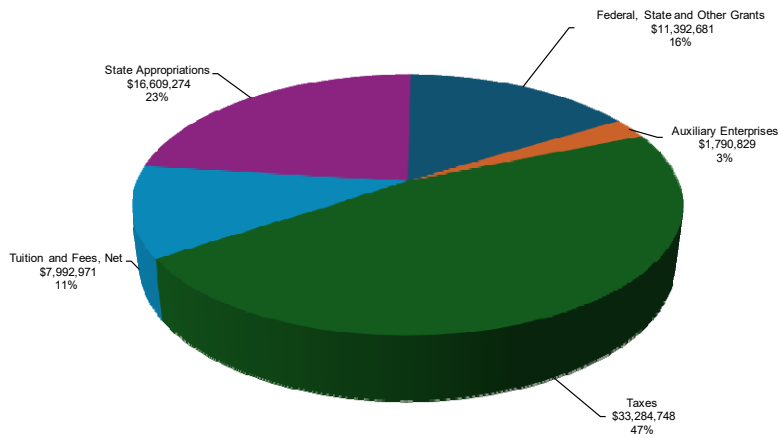
ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

FISCAL YEAR 2024 COMPARED TO 2023

Total revenues (operating and nonoperating) for the fiscal year 2024 were \$66,396,151. Operating revenues in the fiscal year 2024 increased by \$1,251,988 largely due to an increase in tuition and fees and auxiliary enterprise revenue from an increase in students enrolled.. Nonoperating revenues in the fiscal year 2024 increased \$7,628,794 primarily due to an increase in state appropriations for student attendance and property tax revenue from an increase in appraised property tax values.

Total expenses (operating and nonoperating) in the fiscal year 2024 increased \$11,212,025, or 22.5 percent. This increase was primarily related to an increase in payroll related costs for wages and benefits.

REVENUES BY SOURCE AND PERCENTAGES
For the Year Ended August 31, 2025



(Continued)

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

REVENUES BY SOURCE AND PERCENTAGES
For the Year Ended August 31, 2024

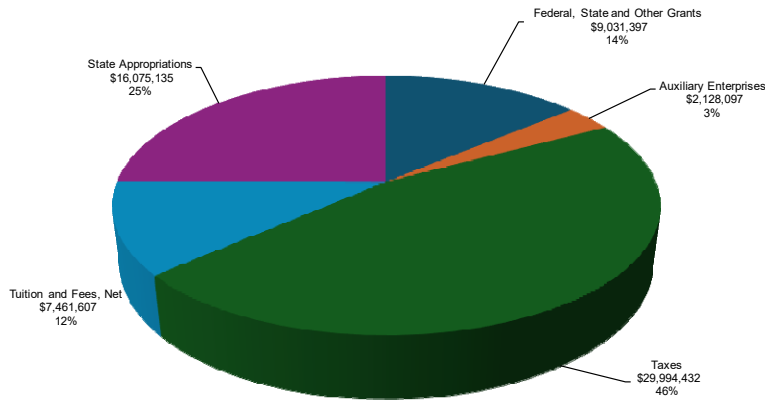


Table 1
OPERATING EXPENSES
Years Ended August 31, 2025-2023

	<u>2025</u>	<u>2024</u>	Increase (Decrease) <u>2025-2024</u>	<u>2023</u>	Increase (Decrease) <u>2024-2023</u>
Operating Expenses:					
Instruction	\$ 22,084,302	\$ 20,615,141	\$ 1,469,161	\$ 17,769,932	\$ 2,845,209
Institutional support	11,890,451	10,899,372	991,079	8,161,984	2,737,388
Academic support	11,284,366	10,660,595	623,771	8,879,027	1,781,568
Operation and maintenance of plant	3,416,044	4,431,459	(1,015,415)	2,492,339	1,939,120
Auxiliary enterprises	3,058,493	2,748,135	310,358	2,490,236	257,899
Student services	4,876,270	4,418,743	457,527	4,101,727	317,016
Scholarships and fellowships	6,170,251	5,374,468	795,783	4,359,867	1,014,601
Depreciation and amortization	2,567,721	1,782,805	784,916	1,469,113	313,692
Public service	75,500	80,379	(4,879)	68,730	11,649
Total	<u>\$ 65,423,398</u>	<u>\$ 61,011,097</u>	<u>\$ 4,412,301</u>	<u>\$ 49,792,955</u>	<u>\$ 11,218,142</u>

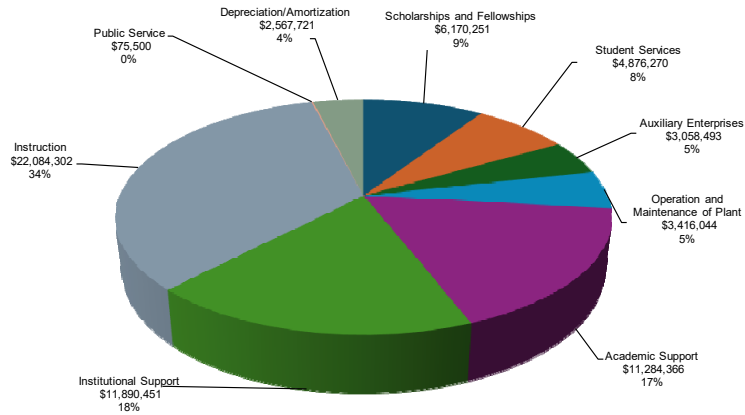
Operating expenses are primarily presented by functional categories, which represent the types of programs and services provided. Nonoperating expenses consist of interest and fiscal agent fees from capital-related debt service of \$685,045 and \$770,501 for the years ended August 31, 2025 and 2024, respectively.

(Continued)

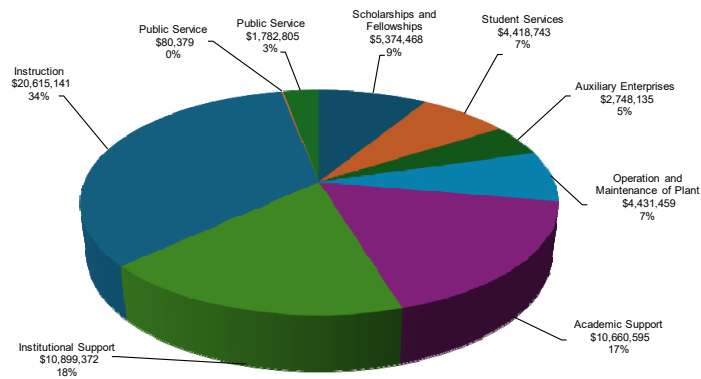
ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

The following are graphic illustrations of operating expenses by functional category and percentage of total operating expenses for the years ended August 31, 2025 and 2024.

OPERATING EXPENSES BY FUNCTION AND PERCENTAGES
For the Year Ended August 31, 2025

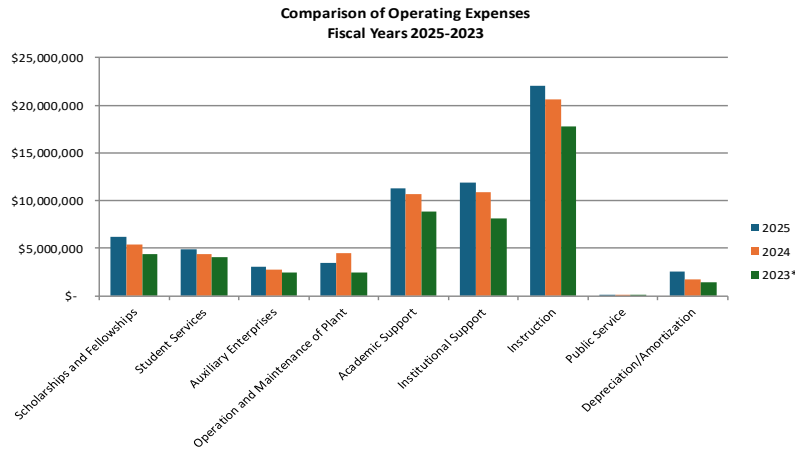


OPERATING EXPENSES BY FUNCTION AND PERCENTAGES
For the Year Ended August 31, 2024



(Continued)

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024



CAPITAL ASSETS

**CAPITAL ASSETS ACTIVITY
Years Ended August 31, 2025-2023**

	<u>2025</u>	<u>2024</u>	Increase (Decrease) <u>2025-2024</u>	<u>2023</u>	Increase (Decrease) <u>2024-2023</u>
Capital assets not depreciated/amortized:					
Land	\$ 494,128	\$ 494,128	\$ -	\$ 494,128	\$ -
Construction in process	-	-	-	17,687,663	(17,687,663)
Total	<u>494,128</u>	<u>494,128</u>	<u>-</u>	<u>18,181,791</u>	<u>(17,687,663)</u>
Other capital assets:					
Buildings and improvements	35,911,651	35,911,651	-	35,911,651	-
Facilities and improvements	27,873,655	27,832,912	40,743	10,145,249	17,687,663
Telecommunications equipment	2,863,007	2,520,330	342,677	2,520,330	-
Furniture and equipment	10,207,940	9,016,337	1,191,603	8,419,096	597,241
Library books	365,044	365,044	-	365,044	-
Right-to-use assets	1,686,208	117,500	1,568,708	177,651	(60,151)
Total	<u>78,907,505</u>	<u>75,763,774</u>	<u>3,143,731</u>	<u>57,539,021</u>	<u>18,224,753</u>
Less accumulated depreciation and amortization	<u>(32,981,752)</u>	<u>(30,414,031)</u>	<u>(2,567,721)</u>	<u>(28,691,377)</u>	<u>(1,722,654)</u>
Net capital assets	<u>\$ 46,419,881</u>	<u>\$ 45,843,871</u>	<u>\$ 576,010</u>	<u>\$ 47,029,435</u>	<u>\$ (1,185,564)</u>

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

(Continued)

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024

FISCAL YEAR 2025 COMPARED TO 2024

As of August 31, 2025, the College had \$79,401,633 invested in capital assets, \$32,981,752 in accumulated depreciation and amortization, and \$46,419,881 in net capital assets. Significant additions during the fiscal year included classroom technology hardware upgrades, an ambulance, and right-to-use assets from lease of a building used for instructional purposes.

FISCAL YEAR 2024 COMPARED TO 2023

As of August 31, 2024, the College had \$76,257,902 invested in capital assets, \$30,414,031 in accumulated depreciation and amortization, and \$47,029,435 in net capital assets. Significant additions during the fiscal year included classroom technology hardware upgrades, a tractor and accessories, and emergency management technician equipment.

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

LONG-TERM DEBT AND LEASE PAYABLES

The principal balance of the bonds was \$17,050,000 and \$19,520,000 as of August 31, 2025 and 2024, respectively.

The principal balance of the leases payable related to Governmental Accounting Standards Board Statement No. 87, Leases, was \$1,415,705 and \$25,666 as of August 31, 2025 and 2024, respectively.

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

CONTACTING THE COLLEGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

ALVIN COMMUNITY COLLEGE
STATEMENTS OF NET POSITION - EXHIBIT 1
August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,669,519	\$ 3,506,353
Accounts receivable, net	5,204,671	3,847,930
Inventories	214,817	166,739
Prepays	1,246,474	779,283
Total current assets	26,335,481	8,300,305
Noncurrent assets:		
Investments	17,449,141	29,749,141
Capital and right-to-use assets, net:		
Nondepreciable capital assets	494,128	494,128
Depreciable capital assets	44,510,718	45,323,045
Amortizable right-to-use assets	1,415,035	26,698
Total noncurrent assets	63,869,022	75,593,012
Total assets	90,204,503	83,893,317
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pensions	2,809,276	4,464,295
Deferred outflows - OPEB	6,879,636	7,091,968
Total deferred outflows of resources	9,688,912	11,556,263
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	871,826	1,392,177
Funds held for others	57,168	49,904
Unearned revenues	6,016,675	4,794,917
Compensated absences	1,011,837	995,520
Bonds payable, net of premiums - current portion	955,000	2,470,000
Leases payable - current portion	311,704	23,687
Total current liabilities	9,224,210	9,726,205
Noncurrent liabilities:		
Compensated absences	1,271,061	1,049,678
Net pension liability	11,288,701	12,102,291
Net OPEB liability	23,196,327	21,631,335
Bonds payable, net of premiums	17,872,596	18,964,334
Leases payable	1,104,001	1,979
Total noncurrent liabilities	54,732,686	53,749,617
Total liabilities	63,956,896	63,475,822
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding bonds	-	48,300
Deferred inflows - pensions	326,374	673,010
Deferred inflows - OPEB	5,165,235	7,552,205
Total deferred inflows of resources	5,491,609	8,273,515
NET POSITION		
Net investment in capital assets	26,176,580	24,335,571
Restricted for expendable student aid	2,754,284	2,580,624
Unrestricted	1,514,046	(3,215,952)
Total net position (Schedule D)	\$ 30,444,910	\$ 23,700,243

See accompanying Notes to Basic Financial Statements.

ALVIN COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION - EXHIBIT 1A
August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Assets:		
Cash and cash equivalents	\$ 443,433	\$ 298,235
Investments	5,519,892	5,050,949
Accounts receivable	1,887	2,500
Inventory for fundraising activities	-	615
Prepays	2,150	9,850
Art Inventory	5,251	5,251
Total assets	5,972,613	5,367,400
Liabilities:		
Accounts payable	2,565	8,787
Total liabilities	2,565	8,787
Net assets:		
Without donor restrictions	511,092	449,965
With donor restrictions		
Purpose restrictions	4,146,582	3,596,274
Perpetual in nature	1,312,374	1,312,374
Total net assets	5,970,048	5,358,613
Total liabilities and net assets	\$ 5,972,613	\$ 5,367,400

See accompanying Notes to Basic Financial Statements.

ALVIN COMMUNITY COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - EXHIBIT 2
For the years ended August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenues:		
Tuition and fees, net of discounts of \$6,141,925 for 2025 and \$4,940,090 for 2024	\$ 7,992,971	\$ 7,461,607
Federal grants and contracts	598,090	938,629
State grants and contracts	2,390,291	1,132,534
Auxiliary enterprises, net of discounts of \$164,263 for 2025 and \$136,863 for 2024	1,790,829	2,128,097
Total operating revenues (Schedule A)	12,772,181	11,660,867
Operating expenses:		
Instruction	22,084,302	20,615,141
Public service	75,500	80,379
Academic support	11,284,366	10,660,595
Student services	4,876,270	4,418,743
Institutional support	11,890,451	10,899,372
Operation and maintenance of plant	3,416,044	4,431,459
Scholarships and fellowships	6,170,251	5,374,468
Auxiliary enterprises	3,058,493	2,748,135
Depreciation and amortization	2,567,721	1,782,805
Total operating expenses (Schedule B)	65,423,398	61,011,097
Operating (loss)	(52,651,217)	(49,350,230)
Nonoperating revenues (expenses):		
State appropriations	16,609,274	16,075,135
Property tax revenue	31,726,844	28,431,874
Debt service ad valorem taxes	1,557,904	1,562,558
Federal revenue, nonoperating	8,404,300	6,960,234
Investment income	1,298,966	1,253,291
Interest on capital-related debt and fiscal agent fees	(685,045)	(770,501)
Other nonoperating revenues	483,641	452,192
Total nonoperating revenues, net (Schedule C)	59,395,884	53,964,783
Change in net position	6,744,667	4,614,553
Net position, beginning of year, as previously reported	23,700,243	20,594,453
Adjustment to beginning net position (See notes 2 and 12)	-	(1,508,763)
Net position, beginning of year, as restated	23,700,243	19,085,690
Net position, end of year	\$ 30,444,910	\$ 23,700,243

See accompanying Notes to Basic Financial Statements.

ALVIN COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES - EXHIBIT 2A
For the years ended August 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues						
Support and revenues:						
Local support:						
Contributions and grants	\$ -	\$ 349,228	\$ 349,228	\$ -	\$ 156,669	\$ 156,669
Gala income, net	140,115	-	140,115	139,004	-	139,004
Interest and dividend income	-	118,436	118,436	-	103,925	103,925
Dolphin athletics, net	-	3,678	3,678	-	2,305	2,305
Net investment returns	-	350,942	350,942	-	717,346	717,346
Unrestricted income	74,196	-	74,196	22,068	-	22,068
Other income	115,378	-	115,378	99,623	-	99,623
Total local support	<u>329,689</u>	<u>822,284</u>	<u>1,151,973</u>	<u>260,695</u>	<u>980,245</u>	<u>1,240,940</u>
Net assets released from restrictions:						
Restrictions satisfied by payments	271,976	(271,976)	-	273,942	(273,942)	-
Total support and revenues	<u>601,665</u>	<u>550,308</u>	<u>1,151,973</u>	<u>534,637</u>	<u>706,303</u>	<u>1,240,940</u>
Expenses						
Program services:						
Scholarships	210,273	-	210,273	176,336	-	176,336
Awards	61,703	-	61,703	97,606	-	97,606
Total program services	<u>271,976</u>	<u>-</u>	<u>271,976</u>	<u>273,942</u>	<u>-</u>	<u>273,942</u>
Support services:						
Gala fundraising expenses	48,639	-	48,639	46,939	-	46,939
Total fundraising	<u>48,639</u>	<u>-</u>	<u>48,639</u>	<u>46,939</u>	<u>-</u>	<u>46,939</u>
Management and general:						
Professional services	51,679	-	51,679	46,495	-	46,495
Operating expenses and supplies	63,595	-	63,595	107,738	-	107,738
Other	104,649	-	104,649	34,019	-	34,019
Total management and general	<u>219,923</u>	<u>-</u>	<u>219,923</u>	<u>188,252</u>	<u>-</u>	<u>188,252</u>
Total expenses	<u>540,538</u>	<u>-</u>	<u>540,538</u>	<u>509,133</u>	<u>-</u>	<u>509,133</u>
Change in net assets	61,127	550,308	611,435	25,504	706,303	731,807
Beginning net assets	449,965	4,908,648	5,358,613	424,461	4,202,345	4,626,806
Ending net assets	<u>\$ 511,092</u>	<u>\$ 5,458,956</u>	<u>\$ 5,970,048</u>	<u>\$ 449,965</u>	<u>\$ 4,908,648</u>	<u>\$ 5,358,613</u>

See accompanying Notes to Basic Financial Statements.

ALVIN COMMUNITY COLLEGE
STATEMENTS OF CASH FLOWS - EXHIBIT 3
For the years ended August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Receipts from students and other customers	\$ 8,347,519	\$ 8,984,797
Receipts of grants and contracts	3,067,921	2,150,703
Payments to or on behalf of employees	(38,798,127)	(37,864,255)
Payments to suppliers for goods or services	(17,571,050)	(14,986,342)
Payments of scholarships	(6,170,251)	(5,374,468)
Net cash (used) by operating activities	<u>(51,123,988)</u>	<u>(47,089,565)</u>
Cash flows from noncapital financing activities:		
Receipts of State appropriations	16,609,274	16,075,135
Receipts of maintenance and operations ad valorem taxes	31,726,844	28,431,874
Receipts from nonoperating Federal revenue	8,404,300	6,960,234
Other	483,641	452,192
Net cash provided by noncapital financing activities	<u>57,224,059</u>	<u>51,919,435</u>
Cash flows from capital and related financing activities:		
Receipts from debt service ad valorem taxes	1,557,904	1,562,558
Purchases of capital assets	(1,575,023)	(597,241)
Principal payments on debt and lease payables	(2,648,669)	(2,443,585)
Payments on debt interest and fiscal agent fees	(870,083)	(955,540)
Net cash (used) by capital and related financing activities	<u>(3,535,871)</u>	<u>(2,433,808)</u>
Cash flows from investing activities:		
Purchases of investments	(13,700,000)	(54,600,000)
Receipts from sale of investments	26,000,000	47,600,000
Receipts from investment income	1,298,966	1,253,291
Net cash provided (used) by investing activities	<u>13,598,966</u>	<u>(5,746,709)</u>
(Decrease) Increase in cash and cash equivalents	16,163,166	(3,350,647)
Beginning cash and cash equivalents	<u>3,506,353</u>	<u>6,857,000</u>
Ending cash and cash equivalents	<u>\$ 19,669,519</u>	<u>\$ 3,506,353</u>

(Continued)

ALVIN COMMUNITY COLLEGE
 STATEMENTS OF CASH FLOWS - EXHIBIT 3
 For the years ended August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (52,651,217)	\$ (49,350,230)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:		
Depreciation/amortization expense	2,567,721	1,782,805
Changes in assets and liabilities:		
Receivables, net	(1,356,741)	(525,367)
Inventories	(48,078)	(4,243)
Prepays	(467,191)	314,401
Deferred outflows - pension and OPEB	1,867,351	30,491
Deferred inflows - pension and OPEB	(2,733,606)	(838,852)
Accounts payable and accrued liabilities	(520,351)	709,409
Funds held for others	7,264	(3,125)
Deferred revenues	1,221,758	176,713
Net pension liability	(813,590)	1,642,234
Net OPEB liability	1,564,992	(1,023,800)
Compensated absences	237,700	(1)
Net cash (used) by operating activities	<u>\$ (51,123,988)</u>	<u>\$ (47,089,565)</u>
Noncash capital and financing activities		
Issuance of lease for right-to-use assets	<u>\$ 1,568,708</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

ALVIN COMMUNITY COLLEGE FOUNDATION
 STATEMENTS OF CASH FLOWS - EXHIBIT 3A
 For the years ended August 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 611,435	\$ 731,807
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Investment (gains) losses	(350,942)	(717,346)
(Increase) decrease in current assets:		
Accounts receivable	613	(1,625)
Inventory for fundraising activities	615	(51)
Prepays	7,700	(4,800)
Increase (decrease) in current liabilities		
Accounts payable	(6,222)	(28,100)
Net cash provided (used) by operating activities	<u>263,199</u>	<u>(20,115)</u>
 Cash flows from investing activities:		
Purchase of investments	(479,628)	(418,270)
Proceeds from sale of investments	<u>361,627</u>	<u>304,795</u>
Net cash provided (used) by investing activities	<u>(118,001)</u>	<u>(113,475)</u>
 Increase (decrease) in cash and cash equivalents	145,198	(133,590)
 Beginning cash and cash equivalents	<u>298,235</u>	<u>431,825</u>
 Ending cash and cash equivalents	<u>\$ 443,433</u>	<u>\$ 298,235</u>

See accompanying Notes to Basic Financial Statements.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 1 - REPORTING ENTITY

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

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34* (GASB 61), modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. GASB 61 has been applied as required in the preparation of these basic financial statements and, accordingly, the Alvin Community College Foundation (the “Foundation”) is considered a component unit of the College as of August 31, 2025 and 2024. 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 and supplies, to the Foundation during the years ended August 31, 2025 and 2024. 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.

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles, whereby net assets and revenues, expenses, gains, and losses are classified based on the existence and nature or absence of donor-imposed restrictions.

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.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Net Assets: Net assets of the Foundation are classified and reported as follows:

Net assets without donor restrictions: This classification represents net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions: This classification represents net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities. The Statement of Activities reports all changes in net assets and includes the presentation of functional expenses.

The Foundation accounts for its endowments in accordance with the *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to and Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, and *Enhanced Disclosure for All Endowment Funds* (Codification Topic 958-205). The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

The Foundation follows adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets include those net assets with donor restrictions funds that the Foundation must hold in perpetuity or for a donor-specific period(s).

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Nonoperating Revenue and Expense Policy: The College distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the College's principal ongoing operations and are the result of exchange transactions with those who purchase, use, or directly benefit from the goods or services of the College. Operating revenues are reported gross of related expenses and net of any discount or sales allowance.

The principal operating revenues are tuition and related fees (net of discounts); sales and services of auxiliary enterprises (net of discounts); and Federal, State, and local grants and contracts.

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

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

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

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

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

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

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows/inflows of resources are amortized as follows:

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

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

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

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tuition Discounting:

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

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

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

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

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

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

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

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

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

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

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: The College implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, which provides new guidance on the recognition and measurement of liabilities for leave benefits, including vacation, sick leave, and other paid time off. The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide financial statements for benefits related to vacation leave and sick leave.

The liability for compensated absences includes salary-related benefits for vacation, where applicable. Full-time employees earn vacation leave at the rate of eight hours per month for the period September through May. Employees may accumulate up to 192 hours of vacation leave. Vacation leave is recognized as a liability to the extent that it is earned and expected to be paid upon termination of employment in accordance with College policy.

Sick leave is earned at the rate of ten hours per month, with a maximum accumulation of 720 hours. Sick leave is paid only when an employee is absent due to illness and is not paid upon termination. A liability for sick leave is recognized to the extent that the leave is earned and expected to be used, as determined based on historical usage patterns.

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, 2025 and 2024 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.

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

New Accounting Pronouncement: In June 2022, the GASB issued GASB Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. GASB Statement No. 101 requires recognition of a liability for leave when earned if it is attributable to services already rendered and is expected to be paid. The liability includes vacation, sick leave, and other forms of paid time off that accumulate and vest or are expected to be used in future periods. The College has implemented this statement during the fiscal years reported. See Note 12 for further disclosure.

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 and Foundations 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, 2025 and 2024, 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 for the College consist of the items reported below at August 31:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents:		
Bank deposits - demand deposits	\$ 19,397,974	\$ 3,246,608
Pooled investments - demand deposits	264,836	253,235
Petty cash	6,709	6,510
Total Cash and Cash Equivalents	\$ 19,669,519	\$ 3,506,353

The cash and cash equivalents held by the foundations is in both interest bearing and noninterest-bearing demand accounts at financial institutions. Accounts at these institutions are insured by the FDIC up to a limited amount of \$250,000. As of August 31, 2025 and 2024, the Foundation did not have cash balances at a financial institution that exceeded the FDIC limits.

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments: As of August 31, 2025 and 2024, the College had the following investments:

<u>Investment Type</u>	<u>2025 Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 17,449,141	0.41
TexSTAR	<u>264,836</u>	0.13
Total	<u>\$ 17,713,977</u>	
Portfolio weighted average maturity		0.41

<u>Investment Type</u>	<u>2024 Value</u>	<u>Weighted Average Maturity (Years)</u>
Certificates of deposit	\$ 29,749,141	0.51
TexSTAR	<u>253,235</u>	0.08
Total	<u>\$ 30,002,376</u>	
Portfolio weighted average maturity		0.40

As of August 31, 2025 and 2024, the College held certificates of deposit of \$17,449,141 and \$29,749,141, respectively. The certificates of deposits was classified as noncurrent assets due to the investments' liquidity and the College's intent to reinvest on a long-term basis and not convert to cash and cash equivalents over the next 12 months.

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.

As of August 31, 2025, the College's certificates of deposit had the following maturities:

<u>Maturity</u>	<u>Amounts</u>
Less than 1 year	\$ 15,449,141
1 to 3 years	<u>2,000,000</u>
Total certificates of deposits	<u>\$ 17,449,141</u>

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.

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

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.

Investments held by the Foundation as of August 31, 2025 and 2024 are summarized as follows:

	2025		2024	
	Cost Basis	Market Value	Cost Basis	Market Value
U.S. equities	\$ 2,690,011	\$ 3,825,458	\$ 2,526,904	\$ 3,482,791
Taxable fixed income	1,580,408	1,463,728	1,501,531	1,366,992
Mixed assets	158,806	230,706	145,139	201,166
Total	\$ 4,429,225	\$ 5,519,892	\$ 4,173,574	\$ 5,050,949

The investments held by the Foundation are reported at Fair Value Measurements based on a framework that provides a fair value hierarchy that prioritizes the quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy for the investments held by the Foundation are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets.

Quoted prices for identical or similar assets or liabilities in inactive markets.

Inputs other than quoted prices that are observable for the asset or liability.

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Inputs that are derived principally or corroborated by observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

There have been no changes in the valuation methodologies used for assets measured at fair value as of August 31, 2025 and 2024.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The Foundation value of assets measured at fair value was based on quoted market prices in active markets (Level 1).

NOTE 5 - DISAGGREGATION OF ACCOUNTS RECEIVABLE

Accounts receivable were as follows at August 31:

	<u>2025</u>	<u>2024</u>
Student receivable	\$ 3,620,108	\$ 2,886,456
Taxes receivable	801,359	801,359
Interest receivable	190,806	190,806
Federal receivable	216,171	229,585
State receivable	814,817	234,807
Sponsor receivable	233,096	178,745
ACC Foundation	2,565	8,787
Total accounts receivable	5,878,922	4,530,545
Less allowance for doubtful accounts	(674,251)	(682,615)
Total accounts receivable, net	\$ 5,204,671	\$ 3,847,930

NOTE 6 - DISAGGREGATION OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	<u>2025</u>	<u>2024</u>
Vendors payable	\$ 848,731	\$ 1,376,567
Sales tax payable	23,095	15,610
Total accounts payable and accrued liabilities	\$ 871,826	\$ 1,392,177

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the years ended August 31, 2025 and 2024 was as follows:

	Balance September 1, <u>2024</u>	<u>Additions</u>	Deletions/ <u>Adjustments</u>	Balance August 31, <u>2025</u>
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Subtotal	<u>494,128</u>	<u>-</u>	<u>-</u>	<u>494,128</u>
Other capital assets:				
Buildings and improvements	35,911,651	-	-	35,911,651
Facilities and improvements	27,832,912	40,743	-	27,873,655
Furniture and equipment	9,016,337	1,191,603	-	10,207,940
Telecommunications equipment	2,520,330	342,677	-	2,863,007
Library books	365,044	-	-	365,044
Right-to-use assets - equipment	117,500	1,568,708	-	1,686,208
Subtotal	<u>75,763,774</u>	<u>3,143,731</u>	<u>-</u>	<u>78,907,505</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	17,452,259	620,148	-	18,072,407
Facilities and improvements	3,808,422	1,151,370	-	4,959,792
Furniture and equipment	6,558,033	428,424	-	6,986,457
Telecommunications equipment	2,219,795	178,798	-	2,398,593
Library books	284,720	8,610	-	293,330
Right-to-use assets - equipment	90,802	180,371	-	271,173
Total accumulated depreciation/amortization	<u>30,414,031</u>	<u>2,567,721</u>	<u>-</u>	<u>32,981,752</u>
Net capital assets	<u>\$ 45,843,871</u>	<u>\$ 576,010</u>	<u>\$ -</u>	<u>\$ 46,419,881</u>
	Balance September 1, <u>2023</u>	<u>Additions</u>	Deletions/ <u>Adjustments</u>	Balance August 31, <u>2024</u>
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	17,687,663	-	(17,687,663)	-
Subtotal	<u>18,181,791</u>	<u>-</u>	<u>(17,687,663)</u>	<u>494,128</u>
Other capital assets:				
Buildings and improvements	35,911,651	-	-	35,911,651
Facilities and improvements	10,145,249	17,687,663	-	27,832,912
Furniture and equipment	8,419,096	597,241	-	9,016,337
Telecommunications equipment	2,520,330	-	-	2,520,330
Library books	365,044	-	-	365,044
Right-to-use assets - equipment	177,651	-	(60,151)	117,500
Subtotal	<u>57,539,021</u>	<u>18,284,904</u>	<u>(60,151)</u>	<u>75,763,774</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	16,832,111	620,148	-	17,452,259
Facilities and improvements	3,237,749	570,673	-	3,808,422
Furniture and equipment	6,119,360	438,673	-	6,558,033
Telecommunications equipment	2,098,596	121,199	-	2,219,795
Library books	276,108	8,612	-	284,720
Right-to-use assets - equipment	127,453	23,500	(60,151)	90,802
Total accumulated depreciation/amortization	<u>28,691,377</u>	<u>1,782,805</u>	<u>(60,151)</u>	<u>30,414,031</u>
Net capital assets	<u>\$ 47,029,435</u>	<u>\$ 16,502,099</u>	<u>\$ (17,687,663)</u>	<u>\$ 45,843,871</u>

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 8 - LONG-TERM LIABILITIES

Long-term liabilities activity for the years ended August 31, 2025 and 2024 was as follows:

	Balance September 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance August 31, <u>2025</u>	Current <u>Portion</u>
Bonds, notes, and leases payable:					
General obligation refunding					
bonds - 2021	\$ 1,565,000	\$ -	\$ (1,565,000)	\$ -	\$ -
Tax notes - 2018	17,955,000	-	(905,000)	17,050,000	955,000
Leases payable	25,666	1,568,708	(178,669)	1,415,705	311,704
Deferred amounts:					
For premiums	1,914,334	-	(136,738)	1,777,596	-
	<u>21,460,000</u>	<u>1,568,708</u>	<u>(2,785,407)</u>	<u>20,243,301</u>	<u>1,266,704</u>
Other liabilities:					
Net pension liability	12,102,291	-	(813,590)	11,288,701	-
Net OPEB liability	21,631,335	1,564,992	-	23,196,327	-
Compensated absences	2,045,198	237,700	-	2,282,898	1,011,837
	<u>2,045,198</u>	<u>237,700</u>	<u>-</u>	<u>2,282,898</u>	<u>1,011,837</u>
Total long-term liabilities	<u>\$ 57,238,824</u>	<u>\$ 3,371,400</u>	<u>\$ (3,598,997)</u>	<u>\$ 57,011,227</u>	<u>\$ 2,278,541</u>
	Balance September 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance August 31, <u>2024</u>	Current <u>Portion</u>
Bonds, notes, and leases payable:					
General obligation refunding					
bonds - 2021	\$ 3,120,000	\$ -	\$ (1,555,000)	\$ 1,565,000	\$ 1,565,000
Tax notes - 2018	18,820,000	-	(865,000)	17,955,000	905,000
Leases payable	49,251	-	(23,585)	25,666	23,687
Deferred amounts:					
For premiums	2,051,072	-	(136,738)	1,914,334	-
	<u>24,040,323</u>	<u>-</u>	<u>(2,580,323)</u>	<u>21,460,000</u>	<u>2,493,687</u>
Other liabilities:					
Net pension liability	10,460,057	1,642,234	-	12,102,291	-
Net OPEB Liability	22,655,135	-	(1,023,800)	21,631,335	-
Compensated absences	2,045,199	-	(1)	2,045,198	995,520
	<u>2,045,199</u>	<u>-</u>	<u>(1)</u>	<u>2,045,198</u>	<u>995,520</u>
Total long-term liabilities	<u>\$ 59,200,714</u>	<u>\$ 1,642,234</u>	<u>\$ (3,604,124)</u>	<u>\$ 57,238,824</u>	<u>\$ 3,489,207</u>

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 9 - BONDS, NOTES, AND LEASES PAYABLE

General information related to bonds payable is summarized as follows:

Tax Notes, Series 2018

- To provide capital for additional construction and improvements around the campus.
- Issued August 15, 2018.
- Interest rates range from 3 percent to 5 percent.
- Due in semiannual installments each February 15 and August 15, with the first principal and interest payment being due February 15, 2019.
- Source of revenue for debt service - annual ad valorem taxes.
- Outstanding tax note payable of \$17,050,000 at August 31, 2025.

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

<u>Fiscal Year Ended August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 955,000	\$ 828,625	\$ 1,783,625
2027	1,005,000	779,625	1,784,625
2028	1,055,000	728,125	1,783,125
2029	1,110,000	674,000	1,784,000
2030	1,165,000	617,125	1,782,125
2031-2035	6,790,000	2,125,000	8,915,000
2036-2038	4,970,000	381,000	5,351,000
Total	<u>\$ 17,050,000</u>	<u>\$ 6,133,500</u>	<u>\$ 23,183,500</u>

Leases Payable: The College was a lessee for the acquisition and use of equipment and a building, which are recorded with capital assets. As of August 31, 2025 and 2024, the value of the equipment and building lease liabilities was \$1,415,705 and \$25,666, respectively. The College made principal and interest payments on the leases in fiscal years 2025 and 2024 for \$183,764 and \$23,751, respectively. The College will continue to make principal and interest payments on leases through the fiscal year 2030. The interest rates on the equipment and building that are leased ranges from 0.34 to 0.81 percent. The equipment and building are amortized based on the terms of the lease agreements, which are from 21 months to 60 months from the beginning of the fiscal year 2021 for the equipment and 60 months from the beginning of the fiscal year 2025 for the building. The value of the right-to-use assets for equipment and the building for the fiscal year 2025 were \$1,686,208 and had accumulated amortization of \$271,173. The value of the right-to-use assets for equipment for the fiscal year 2024 was \$117,500 and had accumulated amortization of \$90,802.

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 9 - BONDS, NOTES, AND LEASES PAYABLE (Continued)

The future principal and interest lease payments as of August 31, 2025 were as follows:

<u>Fiscal Year Ended August 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2026	\$ 311,704	\$ 10,304	\$ 322,008
2027	312,243	7,785	320,028
2028	314,781	5,246	320,027
2029	317,340	2,687	320,027
2030	159,637	377	160,014
	<u>\$ 1,415,705</u>	<u>\$ 26,399</u>	<u>\$ 1,442,104</u>

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 \$29,802,278 and \$27,125,654 for the fiscal years ended August 31, 2025 and 2024, respectively.

Teacher Retirement System:

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

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

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Teacher Retirement System:

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/aboutpublications.aspx>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided: TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in the State. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit.

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

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

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

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

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

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

Contribution Rates			
Fiscal Year	State	Public Education Employer	Active Employee
2024	8.25%	1.90%	8.25%
2025	8.25%	2.00%	8.25%

Contribution Rates			
		2024	2025
Member		8.25%	8.25%
NECE (State)		8.25%	8.25%
Employers		8.25%	8.25%

		Measurement Year (2024)	Fiscal Year (2025)
Employer contributions	\$	1,041,445	\$ 1,141,603
Member contributions	\$	1,556,236	\$ 1,727,945
NECE on-behalf contributions	\$	747,294	\$ 1,672,212

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

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 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.

(Continued)

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

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 1.9% of the member's salary beginning in fiscal year 2024, gradually increasing to 2.0% in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions: The total pension liability (TPL) in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2023 rolled forward to August 31, 2024
Actuarial cost method	Individual entry age normal
Asset valuation method	Fair Value
Single discount rate	7.00%
Long-term expected investment rate of return	7.00%
Municipal bond rate	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Inflation	2.30%
Salary increases, including inflation	2.95% to 8.95%, including inflation
Benefit changes during the year	None

The actuarial methods and assumptions used in the determination of the TPL are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions, please see the TRS actuarial valuation report dated November 21, 2023.

Discount Rate: A single discount rate of 7.00% was used to measure the TPL. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers, and the NECE will be made at the rates set by the Legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

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

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2024 are summarized below:

Teacher Retirement System of Texas
Asset Allocation and Long-Term Expected Real Rate of Return
As of August 31, 2024

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Long-Term Expected Arithmetic Real Rate of Return (2)</u>	<u>Expected Contributions to Long-Term Portfolio Returns</u>
Global Equity			
U.S.	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Absolute Return*	-	4.00%	-
Stable Value Hedge Funds	5.00%	3.00%	0.20%
Real Return			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources, and Infrastructure	6.00%	5.60%	0.40%
Commodities	-	2.50%	-
Risk Parity			
Risk Parity	8.00%	4.00%	0.40%
Leverage			
Cash	2.00%	1.00%	-
Asset Allocation Leverage	<u>-6.00%</u>	<u>1.30%</u>	-0.10%
Inflation Expectation			2.40%
Volatility Drag(3)			<u>-0.70%</u>
Total	<u>100.00%</u>	<u>50.40%</u>	<u>7.90%</u>

*Absolute Return includes Credit Sensitive Investments

1. Target allocations are based on the FY2024 policy model.
2. Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).
3. The volatility drag results from the conversion between arithmetic and geometric mean returns.

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Discount Rate Sensitivity Analysis: The following table presents the net pension liability (NPL) of TRS using the discount rate of 7%, and what the NPL would be if it was calculated using a discount rate that is 1% point lower (6%) or 1% point higher (8%) than the current rate:

	1% Decrease in Discount Rate <u>(6%)</u>	Discount Rate <u>(7%)</u>	1% Increase in Discount Rate <u>(8%)</u>
College's proportionate share of the net pension liability	<u>\$ 18,030,916</u>	<u>\$ 11,288,701</u>	<u>\$ 5,702,297</u>

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At August 31, 2025, the College reported a liability of \$11,288,701 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	\$ 11,288,701
State's proportionate share that is associated with the College	<u>8,100,258</u>
Total	<u>\$ 19,388,959</u>

The NPL was measured as of August 31, 2023 and rolled forward to August 31, 2024, 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, 2023 through August 31, 2024.

At August 31, 2025, the College's proportion of the collective NPL was 0.0184806%, which was an increase of 0.000862% from its proportion measured as of August 31, 2024.

Changes Since the Prior Actuarial Valuation: The actuarial assumptions and methods are the same as used in the determination of the prior year's NPL.

For the year ended August 31, 2025, the District recognized pension expense of \$968,116 and revenue of \$968,116 for support provided by the State.

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

At August 31, 2025, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 622,218	\$ 88,137
Changes in actuarial assumptions	582,860	78,142
Net difference between projected and actual investment earnings	68,620	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	393,975	160,095
Contributions paid to TRS subsequent to the measurement date	<u>1,141,603</u>	<u>-</u>
Total	<u>\$ 2,809,276</u>	<u>\$ 326,374</u>

\$1,141,603 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for fiscal year August 31, 2026.

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:

<u>Fiscal Year Ended August 31</u>	<u>Pension Expense</u>
2026	\$ 84,778
2027	1,217,345
2028	159,775
2029	(210,016)
2030	89,417
Thereafter	<u>-</u>
Total	<u>\$ 1,341,299</u>

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 10 - EMPLOYEE RETIREMENT PLANS (Continued)

Optional Retirement Plan:

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

Funding Policy: Contribution requirements are not actuarially determined but are established and amended by the Legislature. The percentage of participant salaries contributed by the State and each participant was 6.6% of annual compensation in fiscal years 2025 and 2024. The College also made additional contributions of 0.9% of annual compensation in fiscal years 2025 and 2024 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 2025 and 2024 of annual compensation. Benefits are fully vested after one year plus one day of employment. Because these are individual annuity contracts, neither the State nor the College has an additional or unfunded liability for this program. Senate Bill 1812, effective September 1, 2013, limits the amount of the State's contribution to 50 percent of eligible employees in the reporting district.

The ORP retirement expense to the State for the College was \$92,511, \$93,253 and \$100,200 for fiscal years 2025, 2024, and 2023, 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 \$29,802,278, \$27,132,654 and \$25,203,357 for fiscal years 2025, 2024, and 2023, respectively. The total payroll of employees covered by the ORP was \$2,803,360, \$2,825,839, \$3,036,379 for fiscal years 2025, 2024, and 2023, 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 \$1,984,822, and \$1,706,245 for the years ended August 31, 2025 and 2024, respectively.

Contributions made by the College during the years ended August 31, 2025 and 2024 were approximately \$25,803 and \$22,181, respectively.

(Continued)

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.

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 11 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

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

Maximum Monthly Employer Contribution	
Fiscal Year 2025	
Retiree Only	\$ 625
Retiree and Spouse	\$ 1,341
Retiree and Children	\$ 1,104
Retiree and Family	\$ 1,820

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

	Premium Contributions by Source	
	Group Benefits Program Plan	
	For the Years Ended August 31,	
	<u>2025</u>	<u>2024</u>
Employer contributions	\$ 800,581,831	\$ 801,018,586
Member contributions	187,288,403	181,951,869
NECE on-behalf contributions	<u>43,071,186</u>	<u>42,250,455</u>
 Total	 <u>\$1,030,941,420</u>	 <u>\$1,025,220,910</u>

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 11 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of August 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31, 2024
Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	30 years
Asset valuation method	Not applicable
Inflation	2.30%
Healthcare cost trend rates:	
Medical (HealthSelect)	5.60% for FY2026, 5.60% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY3031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years.
Medicare (HealthSelect Medicare Advantage)	36.00% for FY2026, 8.00% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years.
Pharmacy	11.50% for FY2026, 11.00% for FY2027, 10.00% for FY2028, 8.50% for FY2029, 7.00% for FY2030 decreasing 100 basis points per year to 5.00% for FY2032 and 4.30% for FY2033 and later years.
Salary increases	2.30% to 8.95%, including inflation
Discount rate	3.87%
Aggregate payroll growth	2.70%
Retirement age	Experience-based tables of rates that are specific to the class of employee.

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2023, through August 31, 2024 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 2022 to require that all funds in the GBP be invested in cash and equivalent securities.

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 11 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

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 3.81 percent. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.87 percent, which amounted to an increase of 0.06 percent. The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bond's average credit quality is roughly equivalent to Moody's Investors Service's 'Aa2' rating and Standard & Poor's 'AA' rating. Projected cash flows into the GBP are equal to projected benefit payments out of the GBP. Because the GBP operates on a pay-as-you-go basis and is not intended to accumulate assets, there is no long-term expected rate of return on GBP assets and, therefore, the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

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

	1% Decrease in Discount Rate <u>(2.87%)</u>	Discount Rate <u>(3.87%)</u>	1% Increase in Discount Rate <u>(4.87%)</u>
College's proportionate share of the net OPEB liability	<u>\$ 26,989,060</u>	<u>\$ 23,196,327</u>	<u>\$ 20,152,606</u>

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

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
College's proportionate share of the net OPEB liability	<u>\$ 19,903,615</u>	<u>\$ 23,196,327</u>	<u>\$ 27,393,673</u>

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 11 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

OPEB Liability: At August 31, 2025, the College reported a liability of \$23,196,327 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	\$ 23,196,327
State's proportionate share that is associated with the College	<u>18,607,052</u>
 Total	 <u>\$ 41,803,379</u>

The net OPEB liability was measured as of August 31, 2024 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, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the College's proportion of the collective net OPEB liability was 0.07915325%, which was a decrease of 0.00180983% compared to the proportion measured as of August 31, 2023.

For the fiscal year ended August 31, 2025, the College recognized OPEB expense of \$1,420,950 and revenue of \$1,420,950 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:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to cover dependent children.
- Proportion of future retirees assumed to elect health coverage at retirement and the proportion of future retirees expected to receive the opt-out credit at retirement.
- Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act.
- Assumed per capita health benefit costs and health benefit cost and retiree contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on short-term expectations.
- The discount rate was changed from 3.81% to 3.87% as a result of requirements by GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions, to reflect the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated 'AA/Aa' (or equivalent) or higher in effect on the measurement date.

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

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

NOTE 11 - POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (Continued)

At August 31, 2025, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 887
Changes in assumptions	1,269,988	4,620,884
Difference between expected and actual experience	-	382,712
Effect of change in proportion and contributions difference	3,157,864	160,752
Contributions paid to GBP subsequent to the measurement date	<u>2,451,784</u>	<u>-</u>
 Total	 <u>\$ 6,879,636</u>	 <u>\$ 5,165,235</u>

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:

<u>Fiscal Year Ended August 31</u>	<u>OPEB Expense</u>
2026	\$ (325,110)
2027	(708,024)
2028	(323,293)
2029	401,108
2030	217,936
Thereafter	<u>-</u>
 Total	 <u>\$ (737,383)</u>

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 12 – CHANGES IN ACCOUNTING PRINCIPLE

Compensated absences represent the liability associated with vacation benefits and for sick leave earned but not yet taken by employees of the College. The expense associated with earned vacation benefits 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. 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 and only the earned accrued sick leave that is probable to be used by employees as time off is included in the liability for compensated absences. As of August 31, 2025 and 2024, the College had compensated absences liability of \$2,282,898 and \$2,045,199, respectively.

The College implemented GASB Statement 101, *Compensated Absences*. Because comparative financial statements are presented, the cumulative effect of adopting the new accounting standard was reported as a restatement of beginning net position of the earliest period presented. The prior year beginning net position and the compensated absences liability have been restated accordingly:

	Fiscal Year Ended August 31, 2024 Balance as of September 1, <u>2023</u>
Net Position Impact:	
Net position, September 1, as previously stated	\$ 20,594,453
Cumulative effect of implementation of GASB 101	<u>(1,508,763)</u>
Net position, September 1, as restated	<u>\$ 19,085,690</u>
 Compensated Absences Payable Impact	
Accrued compensated absences, September 1, as previously stated	\$ 536,436
Cumulative effect of implementation of GASB 101	<u>1,508,763</u>
Accrued compensated absences, September 1, as as restated	<u>\$ 2,045,199</u>

(Continued)

ALVIN COMMUNITY COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 For the years ended August 31, 2025 and 2024

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 2025 and 2024 for which monies have not been received nor funds expended totaled \$7,047,158 and \$4,480,819, respectively. Of these amounts, \$6,804,586 and \$4,480,819 were from Federal contract and grant awards and \$242,572 and \$0 were from State contract and grant awards for fiscal years 2025 and 2024, 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.

At August 31:

	<u>2025</u>	<u>2024</u>
Assessed valuation of the tax district	\$23,091,031,935	\$21,995,376,963
Less exemptions	<u>(2,728,762,509)</u>	<u>(2,541,526,464)</u>
 Net Assessed Valuation of the Tax District	 <u>\$20,362,269,426</u>	 <u>\$19,453,850,499</u>

		<u>Maintenance & Operations</u>		<u>Debt Service</u>	<u>Total</u>
For fiscal year 2025:					
Tax rate per \$100 valuation authorized	\$	0.500000	\$	0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$	0.148698	\$	0.007290	\$ 0.155988
For fiscal year 2024:					
Tax rate per \$100 valuation authorized	\$	0.500000	\$	0.500000	\$ 1.000000
Tax rate per \$100 valuation assessed	\$	0.143398	\$	0.007866	\$ 0.151264

Taxes levied for the years ended August 31, 2025 and 2024 were \$ 33,411,120 and \$30,031,837, 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.

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 15 - PROPERTY TAXES (Continued)

For the year ended August 31, 2025:

	<u>Maintenance & Operations</u>	<u>Debt Service</u>	<u>Total</u>
Taxes collected:			
Current taxes collected	\$ 31,531,435	\$ 1,538,138	\$ 33,069,573
Delinquent taxes collected	-	8,785	8,785
Penalties and interest collected	<u>195,409</u>	<u>10,981</u>	<u>206,390</u>
 Total Taxes Collected	 <u>\$ 31,726,844</u>	 <u>\$ 1,557,904</u>	 <u>\$ 33,284,748</u>

For the year ended August 31, 2024:

	<u>Maintenance & Operations</u>	<u>Debt Service</u>	<u>Total</u>
Taxes collected:			
Current taxes collected	\$ 28,431,874	\$ 1,517,900	\$ 29,949,774
Delinquent taxes collected	-	34,807	34,807
Penalties and interest collected	<u>-</u>	<u>9,851</u>	<u>9,851</u>
 Total Taxes Collected	 <u>\$ 28,431,874</u>	 <u>\$ 1,562,558</u>	 <u>\$ 29,994,432</u>

Tax collections for both years ended August 31, 2025 and 2024 were 99 percent of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to maintenance and operations and debt service.

NOTE 16 - CONTINGENT LIABILITIES

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

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

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 17 - 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 18 - 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 \$271,976 and \$273,942 to the College for the years ended August 31, 2025 and 2024, respectively. The College furnished certain services, such as office space and supplies, to the Foundation during the years ended August 31, 2025 and 2024. The costs of these services were not significant to the College.

NOTE 19 - ALVIN COMMUNITY COLLEGE FOUNDATION NET ASSETS WITH DONOR RESTRICTIONS

At August 31, 2025 and 2024, the Foundation's net assets with donor restrictions consisted of the following:

	<u>2025</u>	<u>2024</u>
Fundraisers	\$ 8,689	\$ 8,090
Adopt-a-grant	23,707	29,760
Athletics	5,045	150
Scholarships and awards	2,624,141	2,252,658
Endowments:		
Perpetual in nature	1,312,374	1,312,374
Accumulated unspent earnings for		
scholarships and awards	<u>1,485,000</u>	<u>1,305,616</u>
Total endowment funds	<u>2,797,374</u>	<u>2,617,990</u>
 Total	 <u>\$ 5,458,956</u>	 <u>\$ 4,908,648</u>

The endowment funds are invested and managed with interest and dividends used to perpetually fund the scholarship or program requested by the donor. An endowment can be established with a gift of \$20,000 or more. Each endowed scholarship bears the name designated by the donor. The Foundation adopted investment and spending policies based on the requirements of UPMIFA. As a result of the Foundation's interpretation of UPMIFA, and in accordance with donor restrictions, contributions to the endowment funds are classified as net assets with donor restrictions.

(Continued)

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
For the years ended August 31, 2025 and 2024

NOTE 19 - ALVIN COMMUNITY COLLEGE FOUNDATION NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Changes in endowment net assets for the fiscal year ended August 31, 2025 and 2024, consisted of the following:

	<u>2025</u>	<u>2024</u>
Endowment net assets, beginning of the year	\$ 2,617,990	\$ 2,260,790
Change in fair value of investments and investment income	221,835	392,687
Appropriation of endowment assets for expenditures	<u>(42,451)</u>	<u>(35,487)</u>
	<u>\$ 2,797,374</u>	<u>\$ 2,617,990</u>

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual donation. There were no deficiencies of this nature in endowments for the fiscal year ended August 31, 2025 and 2024.

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, 2025

	Measurement Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
College's proportion of the net pension liability (asset)	0.0184806%	0.0176186%	0.0176192%	0.0182455%	0.0183992%	0.0184612%	0.0173543%	0.0180199%	0.0174550%	0.0179298%
College's proportionate share of the net pension liability (asset)	\$ 11,288,701	\$ 12,102,291	\$ 10,460,057	\$ 4,646,479	\$ 9,854,249	\$ 9,596,705	\$ 9,552,204	\$ 5,761,792	\$ 6,596,001	\$ 6,337,945
State's proportionate share of the net pension liability (asset) associated with the College	<u>8,100,258</u>	<u>9,006,331</u>	<u>7,748,918</u>	<u>3,337,189</u>	<u>7,082,185</u>	<u>6,493,802</u>	<u>6,638,482</u>	<u>3,445,635</u>	<u>4,058,819</u>	<u>4,361,258</u>
Total	<u>\$ 19,388,959</u>	<u>\$ 21,108,622</u>	<u>\$ 18,208,975</u>	<u>\$ 7,983,668</u>	<u>\$ 16,936,434</u>	<u>\$ 16,090,507</u>	<u>\$ 16,190,686</u>	<u>\$ 9,207,427</u>	<u>\$ 10,654,820</u>	<u>\$ 10,699,203</u>
College's covered payroll	\$ 18,863,466	\$ 19,595,824	\$ 18,331,424	\$ 17,674,157	\$ 17,416,095	\$ 15,879,248	\$ 14,693,013	\$ 13,845,409	\$ 13,103,730	\$ 13,147,582
College's proportionate share of the net pension liability as a percentage of its covered payroll	59.84%	61.76%	57.06%	26.29%	56.58%	60.44%	65.01%	41.62%	50.34%	48.21%
Plan fiduciary net position as a percentage of the total pension liability (asset)	77.51%	73.15%	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

Notes to Required Supplementary Information:

1. Changes in Assumptions: The discount rate remains the same at 7.00% as of August 31, 2023 and as of August 31, 2024.
2. Changes in Benefits: There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

ALVIN COMMUNITY COLLEGE
 SCHEDULE OF COLLEGE CONTRIBUTIONS
 TEACHER RETIREMENT SYSTEM OF TEXAS (TRS)
 For the Year Ended August 31, 2025

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,141,603	\$ 1,037,495	\$ 897,935	\$ 819,820	\$ 780,823	\$ 763,820	\$ 763,820	\$ 633,412	\$ 580,282	\$ 589,585
Contributions in relation to the contractually required contribution	<u>1,141,603</u>	<u>1,037,495</u>	<u>897,935</u>	<u>819,820</u>	<u>780,823</u>	<u>763,820</u>	<u>763,820</u>	<u>633,412</u>	<u>580,282</u>	<u>589,585</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 20,944,782	\$ 18,863,466	\$ 19,595,824	\$ 18,331,424	\$ 17,674,157	\$ 17,416,095	\$ 17,416,095	\$ 15,879,248	\$ 14,693,013	\$ 13,845,409
Contributions as a percentage of covered payroll	5.45%	5.50%	4.58%	4.47%	4.42%	4.39%	4.39%	3.99%	3.95%	4.26%

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, 2025

	Measurement Year*							
	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net OPEB liability (asset)	0.0791533%	0.0809631%	0.0795281%	0.0850399%	0.0865474%	0.0778168%	0.0800138%	0.0823892%
College's proportionate share of the net OPEB liability (asset)	\$ 23,196,327	\$ 21,631,335	\$ 22,655,135	\$ 30,508,485	\$ 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	18,607,052	17,097,798	18,171,438	20,608,217	18,977,820	20,783,555	17,463,813	19,717,014
Total	<u>\$ 41,803,379</u>	<u>\$ 38,729,133</u>	<u>\$ 40,826,573</u>	<u>\$ 51,116,702</u>	<u>\$ 47,577,080</u>	<u>\$ 47,679,109</u>	<u>\$ 41,178,102</u>	<u>\$ 47,789,483</u>
College's covered payroll	\$ 27,125,654	\$ 25,203,357	\$ 24,093,508	\$ 18,385,556	\$ 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	85.51%	85.83%	94.03%	165.94%	155.40%	151.36%	136.46%	176.93%
Plan fiduciary net position as a percentage of the total OPEB liability	0.47%	0.63%	0.57%	0.38%	0.32%	0.17%	1.27%	2.04%

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

Notes to Required Supplementary Information:

1. Changes in assumptions for the measurement year ended August 31, 2024 include (a) demographic assumptions (including rates of retirement, termination, disability and mortality for select classes of State Agency members), (b) discount rate increased from 3.81% to 3.87%, (c) proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement, (d) proportion of future retirees assumed to be married and electing coverage for their spouse, (e) the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee and (f) assumptions for Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends.
2. Changes in benefits: There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.
3. 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
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS)
For the Year Ended August 31, 2025

	Fiscal Year*								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily or contractually required College contributions	\$ 2,451,784	\$ 2,410,145	\$ 2,412,119	\$ 2,193,930	\$ 2,554,252	\$ 2,454,201	\$ 2,345,186	\$ 2,324,369	\$ 771,844
Contributions recognized by OPEB in relation to statutorily or contractually required contributions	<u>2,451,784</u>	<u>2,410,145</u>	<u>2,412,119</u>	<u>2,193,930</u>	<u>2,554,252</u>	<u>2,454,201</u>	<u>2,345,186</u>	<u>2,324,369</u>	<u>771,844</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 20,944,782	\$ 27,125,654	\$ 25,203,357	\$ 24,093,508	\$ 18,385,556	\$ 18,403,129	\$ 17,769,223	\$ 17,378,476	\$ 15,866,657
Contributions as a percentage of covered payroll	11.71%	8.89%	9.57%	9.11%	13.89%	13.34%	13.20%	13.37%	4.86%

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

SUPPLEMENTAL SCHEDULES

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING REVENUES - SCHEDULE A
For the Year Ended August 31, 2025 and 2024

	2025					2024				
	Educational Activities			Auxiliary		Educational Activities			Auxiliary	
	Unrestricted	Restricted	Total	Enterprises	Total	Unrestricted	Restricted	Total	Enterprises	Total
Tuition										
State funded courses:										
In-district resident tuition	\$ 2,882,382	\$ -	\$ 2,882,382	\$ -	\$ 2,882,382	\$ 2,500,709	\$ -	\$ 2,500,709	\$ -	\$ 2,500,709
Out-of-district resident tuition	5,662,169	-	5,662,169	-	5,662,169	5,160,834	-	5,160,834	-	5,160,834
TPEG - credit (set aside) *	218,637	-	218,637	-	218,637	207,311	-	207,311	-	207,311
Nonresident tuition	186,000	-	186,000	-	186,000	319,754	-	319,754	-	319,754
State funded continuing education	892,237	-	892,237	-	892,237	571,298	-	571,298	-	571,298
TPEG - noncredit (set aside) *	52,594	-	52,594	-	52,594	33,186	-	33,186	-	33,186
Nonstate funded continuing education	70,845	-	70,845	-	70,845	45,487	-	45,487	-	45,487
Total tuition	<u>9,964,864</u>	<u>-</u>	<u>9,964,864</u>	<u>-</u>	<u>9,964,864</u>	<u>8,838,579</u>	<u>-</u>	<u>8,838,579</u>	<u>-</u>	<u>8,838,579</u>
Fees										
General fees	1,708,969	-	1,708,969	-	1,708,969	1,735,376	-	1,735,376	-	1,735,376
Student service fees	-	-	-	258,607	258,607	-	-	-	217,079	217,079
Laboratory fees	252,040	-	252,040	-	252,040	747	-	747	-	747
Building use fees	709,338	-	709,338	-	709,338	457,647	-	457,647	-	457,647
Technology fees	923,744	-	923,744	-	923,744	867,390	-	867,390	-	867,390
Security fees	-	-	-	317,154	317,154	-	-	-	284,699	284,699
Other fees	180	-	180	-	180	180	-	180	-	180
Total fees	<u>3,594,271</u>	<u>-</u>	<u>3,594,271</u>	<u>575,761</u>	<u>4,170,032</u>	<u>3,061,340</u>	<u>-</u>	<u>3,061,340</u>	<u>501,778</u>	<u>3,563,118</u>
Scholarship allowances and discounts										
Remissions and exemptions - State	(2,301,786)	-	(2,301,786)	-	(2,301,786)	(1,983,882)	-	(1,983,882)	-	(1,983,882)
Remissions and exemptions - local	-	-	-	(7,544)	(7,544)	-	-	-	(6,584)	(6,584)
TPEG allowances	(271,231)	-	(271,231)	-	(271,231)	(240,498)	-	(240,498)	-	(240,498)
Federal grants to students	(3,106,973)	-	(3,106,973)	-	(3,106,973)	(2,226,261)	-	(2,226,261)	-	(2,226,261)
Other	(454,391)	-	(454,391)	-	(454,391)	(482,865)	-	(482,865)	-	(482,865)
Total scholarship allowances and discounts	<u>(6,134,381)</u>	<u>-</u>	<u>(6,134,381)</u>	<u>(7,544)</u>	<u>(6,141,925)</u>	<u>(4,933,506)</u>	<u>-</u>	<u>(4,933,506)</u>	<u>(6,584)</u>	<u>(4,940,090)</u>
Total net tuition and fees	<u>7,424,754</u>	<u>-</u>	<u>7,424,754</u>	<u>568,217</u>	<u>7,992,971</u>	<u>6,966,413</u>	<u>-</u>	<u>6,966,413</u>	<u>495,194</u>	<u>7,461,607</u>

(Continued)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING REVENUES - SCHEDULE A
For the Year Ended August 31, 2025 and 2024

	2025					2024				
	Educational Activities			Auxiliary		Educational Activities			Auxiliary	
	Unrestricted	Restricted	Total	Enterprises	Total	Unrestricted	Restricted	Total	Enterprises	Total
Other operating revenues										
Federal grants and contracts	\$ -	\$ 598,090	\$ 598,090	\$ -	\$ 598,090	\$ -	\$ 938,629	\$ 938,629	\$ -	\$ 938,629
State grants and contracts	-	2,390,291	2,390,291	-	2,390,291	-	1,132,534	1,132,534	-	1,132,534
Total other operating revenues	-	2,988,381	2,988,381	-	2,988,381	-	2,071,163	2,071,163	-	2,071,163
Auxiliary enterprises										
Bookstore	-	-	-	1,488,434	1,488,434	-	-	-	1,850,275	1,850,275
Scholarships allowances and discounts	-	-	-	(164,263)	(164,263)	-	-	-	(136,863)	(136,863)
Net bookstore	-	-	-	1,324,171	1,324,171	-	-	-	1,713,412	1,713,412
Child care center	-	-	-	434,261	434,261	-	-	-	385,464	385,464
Food services	-	-	-	12,944	12,944	-	-	-	9,410	9,410
Fitness center	-	-	-	19,453	19,453	-	-	-	19,811	19,811
Total net auxiliary enterprises	-	-	-	1,790,829	1,790,829	-	-	-	2,128,097	2,128,097
Total operating revenues (Exhibit 2)	\$ 7,424,754	\$ 2,988,381	\$ 10,413,135	\$ 2,359,046	\$ 12,772,181	\$ 6,966,413	\$ 2,071,163	\$ 9,037,576	\$ 2,623,291	\$ 11,660,867

* In accordance with Texas Education Code 56.033, \$271,231 and \$240,498 of tuition was set aside for Texas Public Education Grants (TPEG) during fiscal years 2025 and 2024, respectively.

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING EXPENSES BY OBJECT - SCHEDULE B
For the Year Ended August 31, 2025 and 2024

	2025					2024				
	Educational Activities			Other Expenses	Total	Educational Activities			Other Expenses	Total
	Salaries and Wages	Benefits State Local				Salaries and Wages	Benefits State Local			
Unrestricted - educational activities										
Instruction	\$ 14,782,307	\$ -	\$ 2,293,472	\$ 974,981	\$ 18,050,760	\$ 13,264,379	\$ -	\$ 2,046,922	\$ 1,141,588	\$ 16,452,889
Public service	18,582	-	3,282	50,128	71,992	14,963	-	2,309	59,512	76,784
Academic support	5,015,191	-	778,068	3,623,592	9,416,851	4,431,775	-	683,899	4,005,221	9,120,895
Student services	2,860,570	-	443,795	831,109	4,135,474	2,605,030	-	402,001	702,802	3,709,833
Institutional support	4,398,325	-	703,750	5,932,481	11,034,556	4,169,243	-	643,386	5,057,521	9,870,150
Operation and maintenance of plant	1,560,140	-	445,716	1,410,188	3,416,044	1,339,752	-	389,375	2,702,332	4,431,459
Total unrestricted - educational activities	<u>28,635,115</u>	<u>-</u>	<u>4,668,083</u>	<u>12,822,479</u>	<u>46,125,677</u>	<u>25,825,142</u>	<u>-</u>	<u>4,167,892</u>	<u>13,668,976</u>	<u>43,662,010</u>
Restricted - educational activities										
Instruction	125,744	2,791,400	6,432	1,109,966	4,033,542	323,115	3,186,393	31,847	620,897	4,162,252
Public service	-	3,508	-	-	3,508	-	3,595	-	-	3,595
Academic support	216,338	947,038	47,363	656,776	1,867,515	224,579	1,064,609	71,013	179,499	1,539,700
Student services	200,624	540,172	-	-	740,796	79,266	625,785	-	3,859	708,910
Institutional support	17,507	830,553	-	7,835	855,895	-	1,001,543	-	27,679	1,029,222
Scholarships and fellowships	-	-	-	6,170,251	6,170,251	-	-	-	5,374,468	5,374,468
Total restricted educational activities	<u>560,213</u>	<u>5,112,671</u>	<u>53,795</u>	<u>7,944,828</u>	<u>13,671,507</u>	<u>626,960</u>	<u>5,881,925</u>	<u>102,860</u>	<u>6,206,402</u>	<u>12,818,147</u>
Total educational activities	<u>29,195,328</u>	<u>5,112,671</u>	<u>4,721,878</u>	<u>20,767,307</u>	<u>59,797,184</u>	<u>26,452,102</u>	<u>5,881,925</u>	<u>4,270,752</u>	<u>19,875,378</u>	<u>56,480,157</u>
Auxiliary enterprises	894,638	-	218,217	1,945,638	3,058,493	764,056	-	482,205	1,501,874	2,748,135
Depreciation expense - buildings and other real estate improvements	-	-	-	1,928,389	1,928,389	-	-	-	1,190,821	1,190,821
Depreciation expense - equipment and furniture	-	-	-	615,832	615,832	-	-	-	568,484	568,484
Amortization expense of right-to-use assets	-	-	-	23,500	23,500	-	-	-	23,500	23,500
Total Operating Expenses	<u>\$ 30,089,966</u>	<u>\$ 5,112,671</u>	<u>\$ 4,940,095</u>	<u>\$ 25,280,666</u>	<u>\$ 65,423,398</u>	<u>\$ 27,216,158</u>	<u>\$ 5,881,925</u>	<u>\$ 4,752,957</u>	<u>\$ 23,160,057</u>	<u>\$ 61,011,097</u>

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES - SCHEDULE C
For the Year Ended August 31, 2025 and 2024

	2025				2024			
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>Total</u>
Nonoperating revenues								
State appropriations:								
Education and general State support	\$ 11,384,990	\$ -	\$ -	\$ 11,384,990	\$ 10,005,709	\$ -	\$ -	\$ 10,005,709
State group insurance	-	1,877,601	-	1,877,601	-	1,877,604	-	1,877,604
State retirement matching	-	3,346,683	-	3,346,683	-	4,191,822	-	4,191,822
Total state appropriations	<u>11,384,990</u>	<u>5,224,284</u>	<u>-</u>	<u>16,609,274</u>	<u>10,005,709</u>	<u>6,069,426</u>	<u>-</u>	<u>16,075,135</u>
Taxes for maintenance and operations	31,726,844	-	-	31,726,844	28,431,874	-	-	28,431,874
Taxes for debt service	-	1,557,904	-	1,557,904	-	1,562,558	-	1,562,558
Federal revenue, nonoperating	-	8,404,300	-	8,404,300	-	6,960,234	-	6,960,234
Investment income	636,485	560,031	102,450	1,298,966	1,132,759	39,797	80,735	1,253,291
Other nonoperating revenues	<u>483,641</u>	<u>-</u>	<u>-</u>	<u>483,641</u>	<u>452,192</u>	<u>-</u>	<u>-</u>	<u>452,192</u>
Total nonoperating revenues	<u>44,231,960</u>	<u>15,746,519</u>	<u>102,450</u>	<u>60,080,929</u>	<u>40,022,534</u>	<u>14,632,015</u>	<u>80,735</u>	<u>54,735,284</u>
Nonoperating expenses								
Interest and fiscal agent fees	<u>685,045</u>	<u>-</u>	<u>-</u>	<u>685,045</u>	<u>770,501</u>	<u>-</u>	<u>-</u>	<u>770,501</u>
Total nonoperating expenses	<u>685,045</u>	<u>-</u>	<u>-</u>	<u>685,045</u>	<u>770,501</u>	<u>-</u>	<u>-</u>	<u>770,501</u>
Nonoperating revenues, net	<u>\$ 43,546,915</u>	<u>\$ 15,746,519</u>	<u>\$ 102,450</u>	<u>\$ 59,395,884</u>	<u>\$ 39,252,033</u>	<u>\$ 14,632,015</u>	<u>\$ 80,735</u>	<u>\$ 53,964,783</u>

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY - SCHEDULE D
For the Year Ended August 31, 2025 and 2024

	2025						
	Detail by Source				Detail by Source		
	Unrestricted	Restricted		Net Investment in Capital Assets	Total	Available for Current Operations	
		Expendable	Nonexpendable			Yes	No
Current							
Unrestricted	\$ 1,514,046	\$ -	\$ -	\$ -	\$ 1,514,046	\$ 1,514,046	\$ -
Student aid	-	2,754,284	-	-	2,754,284	2,754,284	-
Plant							
Investment in capital assets	-	-	-	26,176,580	26,176,580	-	26,176,580
Total net position	1,514,046	2,754,284	-	26,176,580	30,444,910	4,268,330	26,176,580
Total prior year net position	(3,215,952)	2,580,624	-	24,335,571	23,700,243	(635,328)	24,335,571
Net increase (decrease) in net position	<u>\$ 4,729,998</u>	<u>\$ 173,660</u>	<u>\$ -</u>	<u>\$ 1,841,009</u>	<u>\$ 6,744,667</u>	<u>\$ 4,903,658</u>	<u>\$ 1,841,009</u>
	2024						
	Detail by Source				Detail by Source		
	Unrestricted	Restricted		Net Investment in Capital Assets	Total	Available for Current Operations	
		Expendable	Nonexpendable			Yes	No
Current							
Unrestricted	\$ (3,215,952)	\$ -	\$ -	\$ -	\$ (3,215,952)	\$ (3,215,952)	\$ -
Student aid	-	2,580,624	-	-	2,580,624	2,580,624	-
Plant							
Investment in capital assets	-	-	-	24,335,571	24,335,571	-	24,335,571
Total net position	(3,215,952)	2,580,624	-	24,335,571	23,700,243	(635,328)	24,335,571
Total prior year net position	(6,058,404)	2,251,583	-	22,892,511	19,085,690	(2,298,058)	22,892,511
Net increase (decrease) in net position	<u>\$ 2,842,452</u>	<u>\$ 329,041</u>	<u>\$ -</u>	<u>\$ 1,443,060</u>	<u>\$ 4,614,553</u>	<u>\$ 1,662,730</u>	<u>\$ 1,443,060</u>

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

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

To the Board of 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 and the discretely presented component unit of Alvin Community College (the "College"), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated February 12, 2026. The financial statements of the Alvin Community College Foundation (a nonprofit organization) which is a discrete component unit of the College were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Alvin Community College Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Report on Texas Public Funds Investments Act

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatements, we performed certain tests of the College's compliance with the requirements of the Texas Public Investment Act (the "Act"). 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 such 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Houston, Texas
February 12, 2026

Crowe LLP

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR
FEDERAL AND STATE PROGRAMS AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND TEXAS
GRANT MANAGEMENT STANDARDS

To the Board of Regents of
Alvin Community College

Report on Compliance for Major Federal and State Programs

Opinion on Major Federal and State Programs

We have audited Alvin Community College's (the "College") compliance with the types of compliance requirements identified as subject in the OMB Compliance Supplement and the Texas Grant Management Standards (TxGMS) that could have a direct and material effect on the College's major federal and state programs for the year ended August 31, 2025. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal and state program for the year ended August 31, 2025.

Basis for Opinion on Major Federal and State Programs

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the TxGMS, issued by the Texas Comptroller of Public Accounts. Our responsibilities under those standards and the Uniform Guidance and the TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

(Continued)

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the TxGMS we:

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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.

(Continued)

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

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

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

Crowe LLP

Houston, Texas
February 12, 2026

Crowe LLP

ALVIN COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the year ended August 31, 2025

2024-001 Review of Return of Title IV Funds (Significant Deficiency)

Federal Program: Title IV - Student Financial Assistance Program Cluster (AL No. 84.063 and 84.268)

Compliance Requirement: Return of Title IV Funds (R2T4) as per 34 CFR 668.22

Criteria: The College is required to ensure that R2T4 calculations are reviewed by someone other than the person performing the original calculations to ensure accuracy and compliance.

Condition: During our review of the College's adherence to R2T4 requirements, we identified a significant deficiency in internal controls over compliance. Specifically, there was a lack of documented evidence showing that the R2T4 calculations were reviewed by an individual other than the one who performed the original calculations.

Cause: The College did not have adequate procedures in place to ensure segregation of duties in the R2T4 review process, leading to insufficient documentation of independent reviews.

Effect: The lack of segregation of duties and proper documentation could result in incorrect R2T4 calculations, non-compliance with federal regulations, and potential financial impact on the College and its students.

Questioned Costs: None identified.

Recommendation: The college should implement procedures that ensure segregation of duties in R2T4 calculations, designate a separate individual to review and verify the accuracy of the calculations, and maintain comprehensive documentation to provide evidence of the review process, including the reviewer's signature, date of review, and any findings or corrections made.

Status: This finding has been rectified for the year ended August 31, 2025. Corrective actions were implemented, and the College Financial Aid Director has implemented a standardized email response to confirm that the R2T4 calculations for each month were reviewed.

ALVIN COMMUNITY COLLEGE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the year ended August 31, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None noted
Noncompliance material to financial statements noted?	No

FEDERAL AND STATE AWARDS

Internal control over major federal and state programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Type of auditor's report issued on compliance for federal and state major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

Identification of federal major programs:

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

Identification of state major programs:

<u>State Contract Number(s)</u>	<u>Name of State Program or Cluster</u>
29898/01750	Nursing Innovation Grant Program (NIGP)
9050007G	Texas Educational Opportunity Grant (TEOG)

(Continued)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended August 31, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

None identified.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None identified.

SECTION IV - FINDINGS AND QUESTIONED COSTS FOR STATE AWARDS

None identified.

ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE E
For the year ended August 31, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass- Through Disbursements</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational			
Opportunity Grants*	84.007	P007A223951	\$ 200,000
Federal Work-Study Program - 24-25*	84.033	P033A253951	175,528
Federal Pell Grant Program - 23-24*	84.063	P063P232256	1,228,975
Federal Pell Grant Program - 24-25*	84.063	P063P242256	6,799,797
Federal Direct Student Loans - 23-24*	84.268	P268K242256	14,846
Federal Direct Student Loans - 24-25*	84.268	P268K252256	1,085,351
Total Student Financial Assistance Cluster			9,504,497
TRIO Upward Bound	84.047	P047A220229	282,649
Pass-Through From:			
Texas Higher Education Coordinating Board:			
Career and Technical Education - Basic			
Grants to States	84.048	2242020271 20001	198,515
Total U.S. Department of Education			9,985,661
<u>U.S. Department of Labor</u>			
Direct Programs:			
Strengthening Community Colleges			
Training Grant	17.261	CC000038YN1	24,342
Pass-Through From:			
Texas Workforce Commission:			
Wagner Peyser - New Beginnings - Yr 3	17.207	2824WPB008	92,584
Total U.S. Department of Labor			116,926
Total Expenditures of Federal Awards			\$ 10,102,587

* Indicates clustered program under OMB Compliance Supplement

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS - SCHEDULE F
For the year ended August 31, 2025

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
Nursing Innovation Grant Program (NIGP)	29898	\$ 115,705
Nursing Innovation Grant Program (NIGP) Rider 64	01750	246,972
Nursing Shortage Reduction Programs (NSRP)	28849	99,669
Nursing, Allied Health and Other Health Related Education Grant Program (NAHP)	02081	1,227
Nursing Students Scholarship Program		24,518
Texas First Scholarship Grant		5,122
TRUE - Texas Reskilling & Upskilling Through Education - CEWD	00271	75,327
TRUE - Texas Reskilling & Upskilling Through Education - EMT	01476	260,354
Texas Educational Opportunity Grant (TEOG)	9050007G	744,606
Total Texas Higher Education Coordinating Board		<u>1,573,500</u>
Texas Workforce Commission:		
Childcare Grant	2824TX3C	1,000
Skills Development Funds - TJL	2824SDF004	107,992
JET - Jobs and Education for Texas - Grant Process Technology	2824JET003	349,980
Sub-recipient with Pearland Economic Development Corp:		
High Demand Jobs Training Grant - Houston-Galveston Area Council	2824HDJT	70,211
Total Texas Workforce Commission		<u>529,183</u>
Office of the Governor:		
ACC PD Rifle-Resistant Body Armor	4829901	26,175
Texas State and Local Cybersecurity Grant Program - SLCGP	5062001	261,433
Total Office of the Governor		<u>287,608</u>
Total Expenditures of State Awards		<u>\$ 2,390,291</u>

See accompanying Notes to Schedule of Expenditures of Federal and State Awards.

ALVIN COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the year ended August 31, 2025

NOTE 1 - FEDERAL AND STATE ASSISTANCE RECONCILIATION

Expenditures of Federal Awards:	
Federal grants and contracts revenues - per Schedule A	\$ 598,090
Federal revenue, nonoperating revenues - per Schedule C	8,404,300
Direct loans	<u>1,100,197</u>
Total Expenditures of Federal Awards	<u>\$ 10,102,587</u>
Expenditures of State Awards:	
State grants and contracts revenues - per Schedule A	<u>\$ 2,390,291</u>
Total Expenditures of State Awards	<u>\$ 2,390,291</u>

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULES

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 2025. The expenditures reported previously may not have been reimbursed by the funding agencies as of the end of fiscal year 2025. 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.

NOTE 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.

STATISTICAL SECTION
(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
NET POSITION BY COMPONENT – SS-1
Last Ten Years
(amounts expressed in thousands)

	For the Fiscal Years Ended August 31,									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Primary government										
Net investment in capital assets	\$ 26,177	\$ 24,335	\$ 22,892	\$ 21,786	\$ 24,526	\$ 19,387	\$ 17,657	\$ 16,433	\$ 15,105	\$ 14,177
Restricted - expendable	2,754	2,581	2,252	1,121	1,805	2,069	110	73	191	243
Unrestricted	<u>1,514</u>	<u>(3,216)</u>	<u>(4,550)</u>	<u>(9,258)</u>	<u>(19,798)</u>	<u>(22,790)</u>	<u>(24,125)</u>	<u>(28,351)</u>	<u>(29,713)</u>	<u>1,890</u>
Total primary government net position	<u>\$ 30,445</u>	<u>\$ 23,700</u>	<u>\$ 20,594</u>	<u>\$ 13,649</u>	<u>\$ 6,533</u>	<u>\$ (1,334)</u>	<u>\$ (6,358)</u>	<u>\$ (11,845)</u>	<u>\$ (14,417)</u>	<u>\$ 16,310</u>

ALVIN COMMUNITY COLLEGE
REVENUES BY SOURCE – SS-2
Last Ten Fiscal Years
(amounts expressed in thousands)

	For the Fiscal Years Ended August 31, (amounts expressed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues										
Tuition and fees (net of discounts)	\$ 7,993	\$ 7,462	\$ 6,946	\$ 8,139	\$ 8,147	\$ 9,176	\$ 8,858	\$ 9,377	\$ 10,952	\$ 9,966
Governmental grants and contracts										
Federal grants and contract	598	939	830	937	1,377	1,618	1,722	1,414	827	302
State grants and contracts	2,390	1,132	840	684	689	769	618	296	1,833	1,045
Nongovernmental grants and contracts	-	-	-	-	29	257	18	15	34	62
Sales and services of educational revenues										
Auxiliary enterprises	1,791	2,128	1,793	1,509	1,497	1,438	1,582	1,737	1,611	1,942
Total operating revenues	<u>12,772</u>	<u>11,661</u>	<u>10,409</u>	<u>11,269</u>	<u>11,739</u>	<u>13,258</u>	<u>12,798</u>	<u>12,839</u>	<u>15,257</u>	<u>13,317</u>
Nonoperating revenues:										
State appropriations	16,609	16,075	12,350	11,567	12,398	12,291	11,637	11,121	9,319	9,403
Ad valorem taxes	33,285	29,995	27,148	25,498	23,199	21,093	18,906	16,892	16,280	15,735
Federal revenue, nonoperating	8,404	6,960	5,776	10,602	13,139	6,758	5,249	4,942	5,247	4,841
Investment income	1,299	1,253	1,295	190	89	550	918	222	102	47
Other nonoperating revenues	484	452	537	582	438	482	668	676	607	720
Total nonoperating revenues	<u>60,081</u>	<u>54,735</u>	<u>47,106</u>	<u>48,439</u>	<u>49,263</u>	<u>41,174</u>	<u>37,378</u>	<u>33,853</u>	<u>31,555</u>	<u>30,746</u>
Total primary government program revenues	<u>\$ 72,853</u>	<u>\$ 66,396</u>	<u>\$ 57,515</u>	<u>\$ 59,708</u>	<u>\$ 61,002</u>	<u>\$ 54,432</u>	<u>\$ 50,176</u>	<u>\$ 46,692</u>	<u>\$ 46,812</u>	<u>\$ 44,063</u>

(Continued)

ALVIN COMMUNITY COLLEGE
REVENUES BY SOURCE – SS-2
Last Ten Fiscal Years
(amounts expressed in thousands)

	For the Fiscal Years Ended August 31, (amounts expressed in percentages)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating revenues										
Tuition and fees (net of discounts)	10.97 %	11.24 %	12.08 %	13.63 %	13.36 %	16.86 %	17.65 %	20.08 %	23.40 %	22.62 %
Governmental grants and contracts										
Federal grants and contract	0.82 %	1.41 %	1.44 %	1.57 %	2.26 %	2.97 %	3.43 %	3.03 %	1.77 %	0.69 %
State grants and contracts	3.28 %	1.70 %	1.46 %	1.15 %	1.13 %	1.41 %	1.23 %	0.63 %	3.92 %	2.37 %
Nongovernmental grants and contracts	- %	- %	- %	- %	0.05 %	0.47 %	0.04 %	0.03 %	0.07 %	0.14 %
Sales and services of educational revenues										
Auxiliary enterprises	2.46 %	3.21 %	3.12 %	2.53 %	2.45 %	2.64 %	3.15 %	3.72 %	3.44 %	4.41 %
Total operating revenues	<u>17.53 %</u>	<u>17.56 %</u>	<u>18.10 %</u>	<u>18.87 %</u>	<u>19.24 %</u>	<u>24.36 %</u>	<u>25.51 %</u>	<u>27.50 %</u>	<u>32.59 %</u>	<u>30.22 %</u>
Nonoperating revenues:										
State appropriations	22.80 %	24.21 %	21.47 %	19.37 %	20.32 %	22.58 %	23.19 %	23.82 %	19.91 %	21.34 %
Ad valorem taxes	45.69 %	45.18 %	47.20 %	42.70 %	38.03 %	38.75 %	37.68 %	36.18 %	34.78 %	35.71 %
Federal revenue, nonoperating	11.54 %	10.48 %	10.04 %	17.76 %	21.54 %	12.42 %	10.46 %	10.58 %	11.21 %	10.99 %
Investment income	1.78 %	1.89 %	2.25 %	0.32 %	0.15 %	1.01 %	1.83 %	0.48 %	0.22 %	0.11 %
Other nonoperating revenues	0.66 %	0.68 %	0.93 %	0.97 %	0.72 %	0.89 %	1.33 %	1.45 %	1.30 %	1.63 %
Total nonoperating revenues	<u>82.47 %</u>	<u>82.44 %</u>	<u>81.90 %</u>	<u>81.13 %</u>	<u>80.76 %</u>	<u>75.64 %</u>	<u>74.49 %</u>	<u>72.50 %</u>	<u>67.41 %</u>	<u>69.78 %</u>
Total primary government program revenues	<u>100.00 %</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>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

ALVIN COMMUNITY COLLEGE
PROGRAM EXPENSES BY FUNCTION – SS-3
Last Ten Fiscal Years

	For the Fiscal Years Ended August 31, (amounts expressed in thousands)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating expenses										
Instruction	\$ 22,084	\$ 20,615	\$ 17,770	\$ 16,717	\$ 17,443	\$ 18,022	\$ 16,851	\$ 17,669	\$ 18,241	\$ 17,067
Public service	76	80	69	62	130	130	171	173	188	173
Academic support	11,284	10,661	8,879	7,463	7,071	6,853	6,286	6,523	5,531	5,991
Student services	4,876	4,419	4,101	4,244	4,233	4,125	3,839	3,916	3,390	2,704
Institutional support	11,890	10,899	8,162	6,719	6,699	5,940	5,516	5,675	5,348	4,967
Operation and maintenance of plant	3,416	4,431	2,492	3,075	3,932	3,775	3,500	2,972	3,154	2,756
Scholarships and fellowships	6,170	5,375	4,360	9,611	9,385	6,204	3,970	4,541	5,156	4,707
Auxiliary enterprises	3,059	2,748	2,490	2,426	1,680	1,861	1,996	2,297	2,040	2,083
Depreciation/Amortization	2,568	1,783	1,469	1,329	1,418	1,291	1,275	1,206	1,209	1,170
Total operating expenses	<u>65,423</u>	<u>61,011</u>	<u>49,792</u>	<u>51,646</u>	<u>51,991</u>	<u>48,201</u>	<u>43,404</u>	<u>44,972</u>	<u>44,257</u>	<u>41,618</u>
Nonoperating expensed										
Interest on capital-related debt	685	771	777	944	1,147	1,208	1,275	729	463	497
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	10	(40)	49	43
Total nonoperating expenses	<u>685</u>	<u>771</u>	<u>777</u>	<u>944</u>	<u>1,147</u>	<u>1,208</u>	<u>1,285</u>	<u>689</u>	<u>512</u>	<u>540</u>
Total expenses	<u>\$ 66,108</u>	<u>\$ 61,782</u>	<u>\$ 50,569</u>	<u>\$ 52,590</u>	<u>\$ 53,138</u>	<u>\$ 49,409</u>	<u>\$ 44,689</u>	<u>\$ 45,661</u>	<u>\$ 44,769</u>	<u>\$ 42,158</u>

(Continued)

ALVIN COMMUNITY COLLEGE
PROGRAM EXPENSES BY FUNCTION – SS-3
Last Ten Fiscal Years

	For the Fiscal Years Ended August 31, (amounts expressed in percentages)									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Operating expenses										
Instruction	33.41 %	33.37 %	35.14 %	31.79 %	32.83 %	36.48 %	37.71 %	38.70 %	40.74 %	40.48 %
Public service	0.11 %	0.13 %	0.14 %	0.12 %	0.24 %	0.26 %	0.38 %	0.38 %	0.42 %	0.41 %
Academic support	17.07 %	17.26 %	17.56 %	14.19 %	13.31 %	13.87 %	14.07 %	14.29 %	12.35 %	14.21 %
Student services	7.38 %	7.15 %	8.11 %	8.07 %	7.97 %	8.35 %	8.59 %	8.58 %	7.57 %	6.41 %
Institutional support	17.99 %	17.64 %	16.14 %	12.78 %	12.61 %	12.02 %	12.34 %	12.43 %	11.95 %	11.78 %
Operation and maintenance of plant	5.17 %	7.17 %	4.93 %	5.85 %	7.40 %	7.64 %	7.83 %	6.51 %	7.05 %	6.54 %
Scholarships and fellowships	9.33 %	8.70 %	8.62 %	18.28 %	17.66 %	12.56 %	8.88 %	9.95 %	11.52 %	11.17 %
Auxiliary enterprises	4.63 %	4.45 %	4.92 %	4.61 %	3.16 %	3.77 %	4.47 %	5.03 %	4.56 %	4.94 %
Depreciation/Amortization	3.88 %	2.89 %	2.90 %	2.53 %	2.67 %	2.61 %	2.85 %	2.64 %	2.70 %	2.78 %
Total operating expenses	<u>98.96 %</u>	<u>98.75 %</u>	<u>98.46 %</u>	<u>98.20 %</u>	<u>97.84 %</u>	<u>97.56 %</u>	<u>97.12 %</u>	<u>98.49 %</u>	<u>98.86 %</u>	<u>98.72 %</u>
Nonoperating expensed										
Interest on capital-related debt	1.04 %	1.25 %	1.54 %	1.80 %	2.16 %	2.44 %	2.85 %	1.60 %	1.03 %	1.18 %
Gain (loss) on disposal of capital assets	- %	- %	- %	- %	- %	- %	0.02 %	(0.09) %	0.11 %	0.10 %
Total nonoperating expenses	<u>1.04 %</u>	<u>1.25 %</u>	<u>1.54 %</u>	<u>1.80 %</u>	<u>2.16 %</u>	<u>2.44 %</u>	<u>2.88 %</u>	<u>1.51 %</u>	<u>1.14 %</u>	<u>1.28 %</u>
Total expenses	<u>100.00 %</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>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

ALVIN COMMUNITY COLLEGE
TUITION AND FEES - SS-4
Last Ten Academic Years

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)				Resident Fees per Semester						Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
	In-District Tuition	Out-of-District Tuition	General Service Fee	Registration Fee (per Student)	Technology Fee	Student Activity Fee	Security Fee	LRC Fee	Bursar Fee					
2024	\$ 51	\$ 102	\$ 7	\$ 30	\$ 98	\$ 30	\$ 38	\$ 15	\$ 10	\$ 917	\$ 1,529	0.00%	0.00%	
2023	51	102	7	30	98	30	38	15	10	917	1,529	7.50%	7.90%	
2022	47	94	7	30	90	30	30	15	10	853	1,417	0.00%	0.00%	
2021	47	94	7	30	90	30	30	15	10	853	1,417	0.00%	1.72%	
2020	47	94	7	30	90	30	30	15	10	853	1,417	1.43%	0.07%	
2019	46	92	7	30	90	30	30	15	10	841	1,393	0.12%	2.13%	
2018	46	92	7	30	89	30	30	15	10	840	1,392	3.58%	3.18%	
2017	46	92	7	30	60	30	30	15	10	811	1,363	3.84%	1.07%	
2016	45	90	7	30	60	22	20	15	10	781	1,321	1.83%	1.87%	
2015	45	90	5	30	60	22	20	15	10	767	1,307	1.59%	0.00%	

Academic Year (Fall)	Non-Resident Fees per Semester Credit Hour (SCH)				Non-Resident Fees per Semester						Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
	In-District Tuition	Out-of-District Tuition	General Service Fee	Registration Fee (per Student)	Technology Fee	Student Activity Fee	Security Fee	LRC Fee	Bursar Fee					
2024	\$ 155	\$ 155	\$ 7	\$ 30	\$ 98	\$ 30	\$ 38	\$ 15	\$ 10	\$ 2,165	\$ 2,165	0.00%	0.00%	
2023	155	155	7	30	98	30	38	15	10	2,165	2,165	7.98%	7.98%	
2022	143	143	7	30	90	30	30	15	10	2,005	2,005	0.00%	0.00%	
2021	143	143	7	30	90	30	30	15	10	2,005	2,005	0.00%	0.00%	
2020	143	143	7	30	90	30	30	15	10	2,005	2,005	1.83%	1.83%	
2019	140	140	7	30	90	30	30	15	10	1,969	1,969	0.05%	0.05%	
2018	140	140	7	30	89	30	30	15	10	1,968	1,968	1.50%	1.50%	
2017	140	140	7	30	60	30	30	15	10	1,939	1,939	0.94%	0.94%	
2016	140	140	7	30	60	22	20	15	10	1,921	1,921	0.73%	0.73%	
2015	140	140	5	30	60	22	20	15	10	1,907	1,907	3.92%	3.92%	

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

ALVIN COMMUNITY COLLEGE
 ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY - SS-5
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	Assessed Valuation of Property	Less Exemptions	Taxable Assessed Value	Ratio of Taxable Assessed Value to Assessed Value	District Rate		
					Maintenance & Operations (a)	Debt Service (a)	Total (a)
2024-25	\$ 23,091,032	\$ 2,728,763	\$ 20,362,269	88.18%	\$ 0.148698	\$ 0.007290	\$ 0.155988
2023-24	21,995,377	2,541,526	19,453,851	88.45%	0.143398	0.007866	0.151264
2022-23	18,599,509	2,128,876	16,470,633	88.55%	0.154314	0.009831	0.164145
2021-22	15,678,500	1,842,750	13,835,750	88.25%	0.171457	0.011754	0.183211
2020-21	14,216,441	1,654,944	12,561,497	88.36%	0.170579	0.012864	0.183443
2019-20	12,699,708	1,467,123	11,232,585	88.45%	0.171438	0.014424	0.185862
2018-19	11,170,890	1,170,942	9,999,948	89.52%	0.171802	0.015973	0.187775
2017-18	10,011,248	736,327	9,274,921	92.65%	0.163608	0.017142	0.180750
2016-17	8,979,798	545,730	8,434,068	93.92%	0.172848	0.018896	0.191744
2015-16	8,146,011	532,166	7,613,845	93.47%	0.182979	0.021030	0.204009

Source: Local Appraisal District

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

ALVIN COMMUNITY COLLEGE
STATE APPROPRIATION PER FULL-TIME STUDENT
EQUIVALENTS AND CONTACT HOUR - SS-6
Last Ten Fiscal Years

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a)	Total Contact Hours	State Apropiation per Contact Hour
2024-25	\$ 16,609	\$ 6,650	\$ 2,498	1,529	662	2,191	\$ 7.58
2023-24	16,075	6,754	2,380	1,393	585	1,978	8.13
2022-23	12,350	6,928	1,783	1,294	581	1,875	6.59
2021-22	11,567	5,278	2,192	1,283	490	1,773	6.52
2020-21	12,398	7,048	1,759	1,374	510	1,884	6.58
2019-20	12,291	7,072	1,738	1,470	663	2,133	5.76
2018-19	11,637	7,209	1,614	1,446	699	2,145	5.43
2017-18	11,121	7,859	1,415	1,431	734	2,165	5.14
2016-17	9,319	8,144	1,144	1,477	799	2,276	4.09
2015-16	9,403	7,767	1,211	1,364	780	2,144	4.39

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

**ALVIN COMMUNITY COLLEGE
PRINCIPAL TAXPAYERS - SS-7
Last Ten Tax Years**

Taxpayer	Type of Business	Fiscal Year (amounts expressed in thousands)									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Ineos Olefins & Polymers	petrochemical	\$ 1,381,512	\$ 1,344,953	\$ 1,431,909	\$ 1,453,249	\$ 539,853	\$ 477,624	\$ 374,362	\$ 46,257	\$ 415,081	\$ 426,518
Ineos USA LLC	petrochemical	546,135	568,891	569,031	527,039	1,193,405	824,208	520,187	479,619	-	-
Cottonwood Bayou Solar LLC	solar energy	318,120	104,157	-	-	-	-	-	-	-	-
Brotman Generating LLC	energy infrastructure	97,803	-	-	-	-	-	-	-	-	-
Longbow Solar LLC	solar energy	92,736	99,680	104,067	-	-	-	-	-	-	-
Longbow Bess	energy infrastructure	86,460	-	-	-	-	-	-	-	-	-
Pearland Town Center LP	investment	85,000	124,441	108,927	97,354	81,505	81,692	95,033	92,489	89,000	80,701
Denbury Onshore LLC	oil & gas exploration	65,228	256,235	261,971	204,776	138,981	184,942	235,113	179,570	168,085	139,588
WRPV XIV SC Pearland LLC	real estate	58,227	61,150	60,142	52,204	-	-	-	-	-	-
Center Point Energy	utility	54,785	103,576	90,076	78,628	70,333	63,628	57,560	51,952	47,427	45,146
Shadow Creek Retail Associates LLC	real estate	50,182	103,185	91,243	73,617	-	-	-	-	-	-
Shadow Creek Apartments LLC	real estate	48,904	48,000	47,500	40,000	36,600	40,800	35,989	32,500	35,971	35,219
Ascend Performance Materials	manufacturing	-	107,684	102,424	95,589	101,627	91,688	97,119	91,141	95,638	76,124
MAR Shadow Creek LP	real estate	-	84,996	84,000	69,000	58,300	70,000	58,900	57,306	57,481	53,085
Texas New Mexico Power Co.	utility	-	77,786	64,683	39,751	-	-	-	-	-	23,092
Seaway Crude Pipeline Company LLC	exploration/production	-	52,579	55,616	62,313	61,948	55,236	51,111	-	-	-
KV Shadow Creek Apartments LLC	real estate	-	51,880	-	-	-	-	-	-	-	-
Azure Townes LP	real estate	-	51,264	53,000	49,000	-	-	-	-	-	-
Brazoria-SCR Assoc LLC & SC Assoc	real estate	-	50,520	53,000	41,281	37,300	42,500	36,070	35,843	36,453	-
Manvel Town Center LTD	real estate	-	49,997	-	-	-	-	-	-	-	-
DD SCR V LLC	investment	-	48,939	47,513	39,900	-	37,506	33,419	37,000	46,406	-
Pearland IL Group LP	real estate	-	48,332	50,092	39,971	-	-	-	-	25,500	-
SPUS8 Shadow Creek	real estate	-	-	51,900	40,345	36,700	41,633	35,903	-	-	-
Southfork Lake LLC	real estate	-	-	48,736	-	37,097	39,558	35,900	34,245	-	-
2500 Business Center Owner LP	real estate	-	-	48,000	46,720	40,000	51,179	-	-	-	-
12400 Shadow Creek Parkway LLC	real estate	-	-	-	-	-	-	-	-	-	35,701
Amreit SPF Shadow Creek LP	investment	-	-	-	-	65,673	73,132	86,133	66,511	83,833	68,227
Cyanco International	manufacturing	-	-	-	45,191	45,191	50,213	50,977	52,284	53,625	53,625
DD SCR VI LLC	investment	-	-	-	-	39,820	43,741	47,557	-	-	-
Discovery Shadow Creek Owner	real estate	-	-	-	-	-	-	-	35,126	37,578	34,401
Goodgarden Owner GP	investment	-	-	-	-	41,000	45,400	39,850	38,500	38,141	-
Huntsman Petrochemical Corp	petrochemical	-	-	-	-	-	-	-	-	-	22,131
MRP Radius Shadow Creek LLC	real estate	-	-	-	-	-	-	-	-	-	-
Novus International Inc	agriculture	-	-	-	-	-	-	-	40,002	41,308	46,146
Pearland Multifamily DST	real estate	-	-	-	-	-	-	-	30,000	33,624	30,574
Schlumberger Technology Corp.	exploration/production	-	-	-	-	-	-	-	-	-	-
Schlumberger Well Svcs	oilfield services	-	-	-	47,315	46,516	35,498	41,730	46,117	47,116	48,297
Shadow Kirby LTD	real estate	-	-	-	-	-	-	-	-	-	33,000
Team Industrial Services Inc	manufacturing	-	-	-	-	-	-	35,579	-	-	-
Team Services Inc.	manufacturing	-	-	-	-	-	-	-	37,162	30,878	29,351
UVN-TIC LLC ETAL	real estate	-	-	-	-	37,000	-	-	-	35,450	32,195
Weatherford US LP	oil & gas	-	-	-	-	-	-	-	-	-	23,680
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	-	-	-	-	39,300	47,416	36,247	35,250	38,420	-
Total		\$ 2,885,092	\$ 3,438,245	\$ 3,423,830	\$ 3,143,243	\$ 2,748,149	\$ 2,397,594	\$ 2,004,739	\$ 1,518,874	\$ 1,457,015	\$ 1,336,801
Total taxable assessed value		\$ 20,362,269	\$ 19,453,851	\$ 16,470,633	\$ 13,835,750	\$ 12,561,497	\$ 11,232,585	\$ 9,999,948	\$ 9,274,921	\$ 8,434,068	\$ 7,613,845

(Continued)

**ALVIN COMMUNITY COLLEGE
PRINCIPAL TAXPAYERS - SS-7
Last Ten Tax Years**

Taxpayer	Type of Business	Fiscal Year (amounts expressed in thousands)									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Ineos Olefins & Polymers	petrochemical	6.78 %	6.91 %	8.69 %	10.50 %	4.30 %	4.25 %	3.74 %	0.50 %	4.92 %	5.60 %
Ineos USA LLC	petrochemical	2.68 %	2.92 %	3.45 %	3.81 %	9.50 %	7.34 %	5.20 %	5.17 %	- %	- %
Cottonwood Bayou Solar LLC	solar energy	1.56 %	0.54 %	- %	- %	- %	- %	- %	- %	- %	- %
Brotman Generating LLC	energy infrastructure	0.48 %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Longbow Solar LLC	solar energy	0.46 %	0.51 %	0.63 %	- %	- %	- %	- %	- %	- %	- %
Longbow Bess	energy infrastructure	0.42 %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Pearland Town Center LP	investment	0.42 %	0.64 %	0.66 %	0.70 %	0.65 %	0.73 %	0.95 %	1.00 %	1.06 %	1.06 %
Denbury Onshore LLC	oil & gas exploration	0.32 %	1.32 %	1.59 %	1.48 %	1.11 %	1.65 %	2.35 %	1.94 %	1.99 %	1.83 %
WRPV XIV SC Pearland LLC	real estate	0.29 %	0.31 %	0.37 %	0.38 %	- %	- %	- %	- %	- %	- %
Center Point Energy	utility	0.27 %	0.53 %	0.55 %	0.57 %	0.56 %	0.57 %	0.58 %	0.56 %	0.56 %	0.59 %
Shadow Creek Retail Associates LLC	real estate	0.25 %	0.53 %	0.55 %	0.53 %	- %	- %	- %	- %	- %	- %
Shadow Creek Apartments LLC	real estate	0.24 %	0.25 %	0.29 %	0.29 %	0.29 %	0.36 %	0.36 %	0.35 %	0.43 %	0.46 %
Ascend Performance Materials	manufacturing	- %	0.55 %	0.62 %	0.69 %	0.81 %	0.82 %	0.97 %	0.98 %	1.13 %	1.00 %
MAR Shadow Creek LP	real estate	- %	0.44 %	0.51 %	0.50 %	0.46 %	0.62 %	0.59 %	0.62 %	0.68 %	0.70 %
Texas New Mexico Power Co.	utility	- %	0.40 %	0.39 %	0.29 %	- %	- %	- %	- %	- %	0.30 %
Seaway Crude Pipeline Company LLC	exploration/production	- %	0.27 %	0.34 %	0.45 %	0.49 %	0.49 %	0.51 %	- %	- %	- %
KV Shadow Creek Apartments LLC	real estate	- %	0.27 %	- %	- %	- %	- %	- %	- %	- %	- %
Azure Townes LP	real estate	- %	0.26 %	0.32 %	0.35 %	- %	- %	- %	- %	- %	- %
Brazoria-SCR Assoc LLC & SC Assoc	real estate	- %	0.26 %	0.32 %	0.30 %	0.30 %	0.38 %	0.36 %	0.39 %	0.43 %	- %
Manvel Town Center LTD	real estate	- %	0.26 %	- %	- %	- %	- %	- %	- %	- %	- %
DD SCR V LLC	investment	- %	0.25 %	0.29 %	0.29 %	- %	0.33 %	0.33 %	0.40 %	0.55 %	- %
Pearland IL Group LP	real estate	- %	0.25 %	0.30 %	0.29 %	- %	- %	- %	- %	0.30 %	- %
SPUS8 Shadow Creek	real estate	- %	- %	0.32 %	0.29 %	0.29 %	0.37 %	0.36 %	- %	- %	- %
Southfork Lake LLC	real estate	- %	- %	0.30 %	- %	0.30 %	0.35 %	0.36 %	0.37 %	- %	- %
2500 Business Center Owner LP	real estate	- %	- %	0.29 %	0.34 %	0.32 %	0.46 %	- %	- %	- %	- %
12400 Shadow Creek Parkway LLC	real estate	- %	- %	- %	- %	- %	- %	- %	- %	- %	0.47 %
Amreit SPF Shadow Creek LP	investment	- %	- %	- %	- %	0.52 %	0.65 %	0.86 %	0.72 %	0.99 %	0.90 %
Cyanco International	manufacturing	- %	- %	- %	0.33 %	0.36 %	0.45 %	0.51 %	0.56 %	0.64 %	0.70 %
DD SCR VI LLC	investment	- %	- %	- %	- %	0.32 %	0.39 %	0.48 %	- %	- %	- %
Discovery Shadow Creek Owner	real estate	- %	- %	- %	- %	- %	- %	- %	0.38 %	0.45 %	0.45 %
Goodgarden Owner GP	investment	- %	- %	- %	- %	0.33 %	0.40 %	0.40 %	0.42 %	0.45 %	- %
Huntsman Petrochemical Corp	petrochemical	- %	- %	- %	- %	- %	- %	- %	- %	- %	0.29 %
MRP Radius Shadow Creek LLC	real estate	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Novus International Inc	agriculture	- %	- %	- %	- %	- %	- %	- %	0.43 %	0.49 %	0.61 %
Pearland Multifamily DST	real estate	- %	- %	- %	- %	- %	- %	- %	0.32 %	0.40 %	0.40 %
Schlumberger Technology Corp.	exploration/production	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Schlumberger Well Svcs	oilfield services	- %	- %	- %	0.34 %	0.37 %	0.32 %	0.42 %	0.50 %	0.56 %	0.63 %
Shadow Kirby LTD	real estate	- %	- %	- %	- %	- %	- %	- %	- %	- %	0.43 %
Team Industrial Services Inc	manufacturing	- %	- %	- %	- %	- %	- %	0.36 %	- %	- %	- %
Team Services Inc.	manufacturing	- %	- %	- %	- %	- %	- %	- %	0.40 %	0.37 %	0.39 %
UVN-TIC LLC ETAL	real estate	- %	- %	- %	- %	0.29 %	- %	- %	- %	0.42 %	0.42 %
Weatherford US LP	oil & gas	- %	- %	- %	- %	- %	- %	- %	- %	- %	0.31 %
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	- %	- %	- %	- %	0.31 %	0.42 %	0.36 %	0.38 %	0.46 %	- %
		<u>14.17 %</u>	<u>17.67 %</u>	<u>20.79 %</u>	<u>22.72 %</u>	<u>21.88 %</u>	<u>21.34 %</u>	<u>20.05 %</u>	<u>16.38 %</u>	<u>17.28 %</u>	<u>17.56 %</u>

ALVIN COMMUNITY COLLEGE
PROPERTY TAX LEVIES AND COLLECTIONS - SS-8
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended August 31	Total Tax Levy (a)	Collections Current Levy (b)	Percentage	Current Collections of Prior Levies (b)	Total Collections	Percentage of Current Levy
2025	\$ 33,411	\$ 33,041	98.89%	\$ -	\$ 33,041	98.89%
2024	30,032	29,647	98.72%	-	29,647	98.72%
2023	27,038	26,787	99.07%	-	26,787	99.07%
2022	25,361	25,161	99.21%	-	25,161	99.21%
2021	23,022	22,848	99.24%	-	22,848	99.24%
2020	20,849	20,647	99.03%	-	20,647	99.03%
2019	18,777	18,579	98.95%	-	18,579	98.95%
2018	16,768	16,586	98.91%	107	16,693	99.55%
2017	16,173	15,994	98.89%	42	16,036	99.15%
2016	15,537	15,377	98.97%	17	15,394	99.08%

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
RATIOS OF OUTSTANDING DEBT - SS-9
Last Ten Fiscal Years

	For the Fiscal Years Ended August 31, (amounts expressed in thousands)									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General bonded debt										
General obligation bonds	\$ -	\$ 1,565	\$ 3,120	\$ 4,665	\$ 6,095	\$ 7,460	\$ 8,745	\$ 9,955	\$ 11,125	\$ 12,255
Less: Funds restricted for debt service	(1,558)	(1,563)	(1,625)	(1,645)	(1,632)	(1,640)	(1,609)	(1,603)	(1,603)	(1,624)
Net general bonded debt	<u>(1,558)</u>	<u>2</u>	<u>1,495</u>	<u>3,020</u>	<u>4,463</u>	<u>5,820</u>	<u>7,136</u>	<u>8,352</u>	<u>9,522</u>	<u>10,631</u>
Notes	17,050	17,955	18,820	19,640	20,420	21,165	21,870	22,565	-	-
Leases	1,416	26	49	83	-	-	-	-	12	23
Total outstanding debt	<u>\$ 16,908</u>	<u>\$ 17,983</u>	<u>\$ 20,364</u>	<u>\$ 22,743</u>	<u>\$ 24,883</u>	<u>\$ 26,985</u>	<u>\$ 29,006</u>	<u>\$ 30,917</u>	<u>\$ 9,534</u>	<u>\$ 10,654</u>
General Bonded Debt Ratios										
As a percentage of Taxable Assessed Value (TAV)	-0.01%	0.00%	0.01%	0.02%	0.04%	0.07%	0.09%	0.11%	0.14%	0.16%
Total Outstanding Debt Ratios										
Per capita	\$ 564	\$ 599	\$ 679	\$ 758	\$ 829	\$ 900	\$ 27	\$ 31	\$ 35	\$ 39
Per student	\$ 2,415	\$ 2,569	\$ 2,909	\$ 3,249	\$ 3,555	\$ 3,855	\$ 4,144	\$ 4,417	\$ 1,372	\$ 1,636
As a percentage of Taxable Assessed Value (TAV)	83.04%	92.44%	123.64%	164.38%	198.09%	240.24%	290.06%	333.34%	113.04%	139.93%

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

ALVIN COMMUNITY COLLEGE
LEGAL DEBT MARGIN INFORMATION - SS-10
Last Ten Fiscal Years

	For the Fiscal Years Ended August 31, (amounts expressed in thousands)									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Taxable assessed value	\$ 20,362,269	\$ 19,453,851	\$ 16,470,633	\$ 13,835,750	\$ 12,561,497	\$ 11,232,585	\$ 9,999,948	\$ 9,274,921	\$ 8,434,068	\$ 7,613,845
General obligation bonds										
Statutory tax levy limit for debt service	101,811	97,269	82,353	69,179	62,807	56,163	50,000	46,375	42,170	38,069
Less: funds restricted for repayment of general obligation bonds	<u>(1,558)</u>	<u>(1,563)</u>	<u>(1,625)</u>	<u>(1,645)</u>	<u>(1,632)</u>	<u>(1,640)</u>	<u>(1,609)</u>	<u>(1,603)</u>	<u>(1,603)</u>	<u>(1,624)</u>
Total net general obligation debt	<u>100,253</u>	<u>95,706</u>	<u>80,728</u>	<u>67,534</u>	<u>61,175</u>	<u>54,523</u>	<u>48,391</u>	<u>44,772</u>	<u>40,567</u>	<u>36,445</u>
Current year debt service requirements	<u>-</u>	<u>2,444</u>	<u>2,399</u>	<u>6,959</u>	<u>2,110</u>	<u>1,990</u>	<u>1,905</u>	<u>1,596</u>	<u>1,595</u>	<u>1,595</u>
Excess of statutory limit for debt service over current requirements	<u>\$ 100,253</u>	<u>\$ 93,262</u>	<u>\$ 78,329</u>	<u>\$ 60,575</u>	<u>\$ 59,065</u>	<u>\$ 52,533</u>	<u>\$ 46,486</u>	<u>\$ 43,176</u>	<u>\$ 38,972</u>	<u>\$ 34,850</u>
Net current requirements as a % statutory limit	0.00%	0.03%	0.03%	0.10%	0.03%	0.04%	0.04%	0.03%	0.04%	0.04%

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

ALVIN COMMUNITY COLLEGE
 DEMOGRAPHIC AND ECONOMIC STATISTICS - TAXING DISTRICT - SS-11
 Last Ten Calendar Years

<u>Calendar Year</u>	<u>District Population*</u>	<u>District Personal Income (in thousands)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2025	413,224	(a)	(a)	4.5%
2024	398,938	(a)	(a)	4.4%
2023	388,181	\$ 23,971,326	\$ 60,088	4.1%
2022	379,689	21,399,140	56,360	4.2%
2021	372,031	19,715,560	51,812	6.9%
2020	374,264	18,104,830	48,374	3.5%
2019	370,200	17,487,902	47,239	4.5%
2018	362,457	16,645,867	45,925	5.3%
2017	354,195	15,528,652	43,842	5.2%
2016	346,312	15,537,867	44,867	5.0%

Sources:

1. Population from U.S. Bureau of the Census
2. Personal income from U.S. Bureau of Economic Analysis
3. Unemployment rate from Texas Workforce Commission (Annual when possible)

Notes: (a) Not yet available

2022 District population was corrected in 2023

ALVIN COMMUNITY COLLEGE
 PRINCIPAL EMPLOYERS - SS-12
 Current Fiscal Year

<u>Employer</u>	<u>Employees (1)</u>	<u>Employment (2)</u>
Alvin Independent School District	4,074	4.15 %
Rice-Tec	1,166	1.19 %
Wal-Mart Associates	520	0.53 %
Ascend Performance Materials	462	0.47 %
INEOS Olefins and Polymers USA	643	0.65 %
Ron Carter Automotive	320	0.33 %
Alvin Community College	315	0.32 %
City of Alvin	277	0.28 %
Team	220	0.22 %
BeAed	<u>200</u>	<u>0.20 %</u>
	<u>8,197</u>	<u>8.34 %</u>

Source:

1. Alvin Economic Development
2. US Census - Brazoria County Total Employment

ALVIN COMMUNITY COLLEGE
 FACULTY, STAFF, AND ADMINISTRATORS STATISTICS - SS-13
 Last Ten Fiscal Years

	Fiscal Year									
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Faculty										
Full-Time	122	124	121	107	104	113	114	111	113	107
Part-Time	267	239	355	333	326	362	401	345	203	183
Total	<u>389</u>	<u>363</u>	<u>476</u>	<u>440</u>	<u>430</u>	<u>475</u>	<u>515</u>	<u>456</u>	<u>316</u>	<u>290</u>
Faculty										
Full-Time	31.4%	34.2%	25.4%	24.3%	24.2%	23.8%	22.1%	24.3%	35.8%	36.9%
Part-Time	68.6%	65.8%	74.6%	75.7%	75.8%	76.2%	77.9%	75.7%	64.2%	63.1%
Staff and Administrators										
Full-Time	223	212	190	198	187	196	185	180	177	178
Part-Time	161	157	150	145	145	69	85	102	58	60
Total	<u>384</u>	<u>369</u>	<u>340</u>	<u>343</u>	<u>332</u>	<u>265</u>	<u>270</u>	<u>282</u>	<u>235</u>	<u>238</u>
Staff and Administrators										
Full-Time	58.1%	57.5%	55.9%	57.7%	56.3%	74.0%	68.5%	63.8%	75.3%	74.8%
Part-Time	41.9%	42.5%	44.1%	42.3%	43.7%	26.0%	31.5%	36.2%	24.7%	25.2%
FTSE per Full-Time Faculty	54.5	54.5	57.3	49.3	67.8	62.6	63.2	70.8	72.0	72.6
FTSE per Full-Time Staff Member	29.8	31.9	36.5	26.7	37.7	36.1	39.0	43.7	46.0	43.6
Average Annual Faculty Salary	\$ 75,814	\$ 76,431	\$ 74,630	\$ 70,416	\$ 67,825	\$ 61,849	\$ 61,421	\$ 60,770	\$ 68,100	\$ 63,608

ALVIN COMMUNITY COLLEGE
ENROLLMENT DETAILS - SS-14
Last Five Fall Semesters

	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Student Classification										
0-30 hours	3,440	58.06 %	3,966	70.96 %	3,370	60.97 %	3,128	58.87 %	3,739	66.88 %
31-60 hours	1,716	28.96 %	1,206	21.58 %	1,396	25.26 %	1,415	26.63 %	1,138	20.35 %
> 60 hours	769	12.98 %	417	7.46 %	761	13.77 %	770	14.49 %	714	12.77 %
Total	5,925	100.00 %	5,589	100.00 %	5,527	100.00 %	5,313	100.00 %	5,591	100.00 %
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Semester Hour Load										
Less than 3	17	0.29 %	19	0.34 %	15	0.27 %	17	0.32 %	428	7.66 %
3-5 semester hours	1,692	28.56 %	1,556	27.84 %	1,680	30.40 %	1,478	27.82 %	1,831	32.75 %
6-8 semester hours	1,386	23.39 %	1,474	26.37 %	1,465	26.51 %	1,447	27.24 %	1,437	25.70 %
9-11 semester hours	1,208	20.39 %	1,214	21.72 %	1,223	22.13 %	1,207	22.72 %	1,112	19.89 %
12-14 semester hours	1,094	18.46 %	852	15.24 %	797	14.42 %	839	15.79 %	623	11.14 %
15-17 semester hours	406	6.85 %	383	6.85 %	272	4.92 %	268	5.04 %	136	2.43 %
18 and over	122	2.06 %	91	1.63 %	75	1.36 %	57	1.07 %	24	0.43 %
Total	5,925	100.00 %	5,589	100.00 %	5,527	100.00 %	5,313	100.00 %	5,591	100.00 %
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Tuition Status										
Texas Resident (in-District)	2,866	48.37 %	2,676	47.88 %	2,472	44.73 %	2,446	46.04 %	2,612	46.72 %
Texas Resident (out-of-District)	2,924	49.35 %	2,801	50.12 %	2,937	53.14 %	2,713	51.06 %	2,814	50.33 %
Non-Resident Tuition	100	1.69 %	84	1.50 %	78	1.41 %	111	2.09 %	115	2.06 %
Tuition Exemption - TX Resident	35	0.59 %	28	0.50 %	40	0.72 %	43	0.81 %	50	0.89 %
Total	5,925	100.00 %	5,589	100.00 %	5,527	100.00 %	5,313	100.00 %	5,591	100.00 %

ALVIN COMMUNITY COLLEGE
STUDENT PROFILE - SS-15
Last Five Fall Semesters

	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Student Classification										
Female	3,479	58.72 %	3,250	58.15 %	3,244	58.69 %	3,154	59.36 %	2,278	40.74 %
Male	2,446	41.28 %	2,339	41.85 %	2,283	41.31 %	2,159	40.64 %	3,313	59.26 %
Total	5,925	100.00 %	5,589	100.00 %	5,527	100.00 %	5,313	100.00 %	5,591	100.00 %
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Semester Hour Load										
White	1,724	29.10 %	1,728	30.92 %	1,833	33.16 %	1,858	34.97 %	3,290	47.39 %
Hispanic**	2,343	39.54 %	2,173	38.88 %	2,129	38.52 %	2,038	38.36 %	2,064	29.73 %
African American	1,062	17.92 %	967	17.30 %	825	14.93 %	783	14.74 %	866	12.47 %
Asian	574	9.69 %	504	9.02 %	536	9.70 %	468	8.81 %	428	6.16 %
Foreign	56	0.95 %	42	0.75 %	45	0.81 %	60	1.13 %	82	1.18 %
Native American	38	0.64 %	39	0.70 %	43	0.78 %	47	0.88 %	163	2.35 %
Native Hawaiian/ Pacific Islander	4	0.07 %	10	0.18 %	7	0.13 %	9	0.17 %	9	0.13 %
Unknown	124	2.09 %	126	2.25 %	109	1.97 %	50	0.94 %	41	0.59 %
Total	5,925	100.00 %	5,589	100.00 %	5,527	100.00 %	5,313	100.00 %	6,943	100.00 %
	Fall 2024		Fall 2023		Fall 2022		Fall 2021		Fall 2020	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Tuition Status										
Under 18	1,288	21.74 %	1,280	22.90 %	1,348	24.39 %	1,168	21.98 %	2,397	42.87 %
18 - 21	2,657	44.84 %	2,358	42.19 %	2,250	40.71 %	2,172	40.88 %	1,578	28.22 %
22 - 24	605	10.21 %	587	10.50 %	573	10.37 %	581	10.94 %	379	6.78 %
25 - 35	773	13.05 %	767	13.72 %	783	14.17 %	833	15.68 %	749	13.40 %
36 - 50	473	7.98 %	485	8.68 %	465	8.41 %	450	8.47 %	413	7.39 %
51 & over	129	2.18 %	112	2.00 %	108	1.95 %	109	2.05 %	75	1.34 %
Total	5,925	100.00 %	5,589	100.00 %	5,527	100.00 %	5,313	100.00 %	5,591	100.00 %
Average Age	22.8		23.0		22.9		23.1		22.0	

**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.

ALVIN COMMUNITY COLLEGE
 TRANSFERS TO SENIOR INSTITUTIONS - SS-16
 910 Fall Students as of Fall 2025
 (Included only Public Senior Colleges in Texas)

	Total of All Sample Transfer <u>Students</u>	% of All Sample Transfer <u>Students</u>
1 Angelo State University	1	0.12%
2 Lamar University	14	1.67%
3 Prairie View A&M University	27	3.23%
4 Sam Houston State University	57	6.82%
5 Stephen F. Austin State University	35	4.19%
6 Sul Ross State University	1	0.12%
7 Tarleton State University	4	0.48%
8 Texas A&M University	91	10.89%
9 Texas A&M University - Central Texas	1	0.12%
10 Texas A&M University - Commerce	3	0.36%
11 Texas A&M University - Corpus Christi	6	0.72%
12 Texas A&M University - Kingsville	3	0.36%
13 Texas A&M University - San Antonio	1	0.12%
14 Texas A&M University - Texarkana	2	0.24%
15 Texas A&M University at Galveston	8	0.96%
16 Texas A&M University System Health Science Center	5	0.60%
17 Texas Southern University	12	1.44%
18 Texas State University	73	8.73%
19 Texas Tech University	24	2.87%
20 Texas Woman's University	10	1.20%
21 The University of Texas - Permian Basin	2	0.24%
22 The University of Texas - Rio Grande Valley	2	0.24%
23 The University of Texas at Arlington	15	1.79%
24 The University of Texas at Austin	31	3.71%
25 The University of Texas at Dallas	9	1.08%
26 The University of Texas at San Antonio	29	3.47%
27 The University of Texas at Tyler	5	0.60%
28 The University of Texas Health Science Center at Houston	6	0.72%
29 The University of Texas Health Science Center at San Antonio	1	0.12%
30 The University of Texas Health M.D. Anderson Cancer Center	1	0.12%
31 The University of Texas Medical Branch at Galveston	3	0.36%
32 University of Houston	189	22.61%
33 University of Houston - Clear Lake	133	15.91%
34 University of Houston - Downtown	15	1.79%
35 University of Houston - Victoria	4	0.48%
36 University of North Texas	<u>13</u>	<u>1.56%</u>
 Total	 <u>836</u>	 <u>100.00%</u>

ALVIN COMMUNITY COLLEGE
CAPITAL ASSET INFORMATION - SS-17
Fiscal Years 2017 to 2025

	Fiscal Year								
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Academic buildings	12	12	12	12	12	12	12	12	12
Square footage (in thousands)	365	365	365	365	365	365	365	365	365
Libraries	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	12	12	12	12	12	12	12	12	12
Number of volumes (in thousands)	12	12	12	12	12	12	12	12	12
Administrative and support buildings	3	3	3	3	3	3	3	3	3
Square footage (in thousands)	25	25	25	25	25	25	25	25	25
Dining facilities	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5	5	5	5	5
Average daily customers	150	150	150	150	150	150	150	150	150
Athletic facilities	8	8	8	8	8	8	8	8	8
Square footage (in thousands)	28	28	28	28	28	28	28	28	28
Gymnasiums	1	1	1	1	1	1	1	1	1
Fitness centers	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6
Plant facilities	1	1	1	1	1	1	1	1	1
Square footage (in thousands)	20	20	20	20	20	20	20	20	20
Transportation									
Cars	6	6	7	7	6	6	5	5	5
Light trucks/vans/ambulance	8	8	8	8	8	8	7	11	11
Buses	2	2	2	2	2	2	2	2	2
Heavy trucks	2	2	2	2	2	2	2	3	3