

ANNUAL FINANCIAL REPORT

of

ALVIN COMMUNITY COLLEGE

For the Fiscal Years Ended
August 31, 2018 and 2017

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

TABLE OF CONTENTS

August 31, 2018 and 2017

	<u>Page</u>	<u>Exhibit</u>
Organizational Data	1	
Independent Auditors' Report	3	
Management's Discussion and Analysis (Required Supplementary Information)	9	
Basic Financial Statements		
Statements of Net Position	21	1
Alvin Community College Foundation - Statements of Financial Position	23	1A
Statements of Revenues, Expenses, and Changes in Net Position Alvin Community College Foundation - Statements of Revenues, Expenses, and Changes in Net Assets	25	2
Statements of Cash Flows Alvin Community College Foundation - Statements of Cash Flows	26	2A
Statements of Cash Flows Alvin Community College Foundation - Statements of Cash Flows	28	3
Notes to Financial Statements	31	3A
	33	
Required Supplementary Information		
Schedule of the College's Proportionate Share of the Net Pension Liability - Teacher Retirement System of Texas (TRS)	61	
Schedule of the College's Proportionate Share of the Net OPEB Liability- Employee Retirement System (ERS)	63	
Schedule of College Contributions – Teacher Retirement System of Texas (TRS)	64	
Schedule of College Contributions – Employee Retirement System (ERS)	67	
Supplemental Schedules		
Schedule of Operating Revenues	70	Schedule A
Schedule of Operating Expenses by Object	74	Schedule B
Schedule of Nonoperating Revenues and Expenses	76	Schedule C
Schedule of Net Position by Source and Availability	78	Schedule D
Single Audit Report and Schedules of Expenditures of Federal and State Awards		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	81	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	83	
Summary Schedule of Prior Audit Findings	85	
Schedule of Findings and Questioned Costs	87	
Schedule of Expenditures of Federal Awards	89	Schedule E
Schedule of Expenditures of State Awards	90	Schedule F
Notes to Schedules of Expenditures of Federal and State Awards	91	

ALVIN COMMUNITY COLLEGE

TABLE OF CONTENTS (Continued)

August 31, 2018 and 2017

	<u>Page</u>	<u>Exhibit</u>
Statistical Information (Unaudited)		
Net Position by Component	94	SS-1
Revenues by Source	96	SS-2
Program Expenses by Function	98	SS-3
Tuition and Fees	100	SS-4
Assessed Value and Taxable Assessed Value of Property	102	SS-5
State Appropriation per Full-Time Student Equivalents and Contact Hour	104	SS-6
Principal Taxpayers	106	SS-7
Property Tax Levies and Collections	111	SS-8
Ratios of Outstanding Debt	112	SS-9
Legal Debt Margin Information	114	SS-10
Pledged Revenue Coverage	116	SS-11
Demographic and Economic Statistics - Taxing District	119	SS-12
Principal Employers	121	SS-13
Faculty, Staff, and Administrators Statistics	122	SS-14
Enrollment Details	124	SS-15
Student Profile	126	SS-16
Transfers to Senior Institutions	129	SS-17
Capital Asset Information	131	SS-18

ALVIN COMMUNITY COLLEGE

ORGANIZATIONAL DATA

For the Year Ended August 31, 2018

Board of Regents

<u>Officers</u>		<u>Term Expires</u>
Mike Pyburn, Chairman	Alvin, Texas	2020
Bel Sanchez, Vice-Chair	Alvin, Texas	2022
Jody Droege, Secretary	Alvin, Texas	2020

<u>Members</u>		<u>Term Expires</u>
Jim Crumm	Alvin, Texas	2022
Kam Marvel	Alvin, Texas	2022
Cheryl Knape	Alvin, Texas	2020
Patty Hertenberger	Alvin, Texas	2022
Andy Tacquard	Alvin, Texas	2022
Roger Stuksa	Alvin, Texas	2022

Principal Administrative Officers

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

(This page intentionally left blank)



INDEPENDENT AUDITORS' REPORT

To the Board of Regents of
Alvin Community College:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the years ended August 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of August 31, 2018 and 2017, and the respective changes in financial position and, where applicable, its cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

In 2018, the College adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
December 10, 2018

(This page intentionally left blank)

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

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended August 31, 2018 and 2017

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, 2018 and 2017, 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 Years 2018 and 2017

The following factors had a significant effect on the College's financial status for fiscal years 2018 and 2017:

- There was an increase in headcount of .1 percent in fiscal year 2017-2018 from the previous fiscal year. This increase in headcount was accompanied by a decrease of 5.1 percent in contact hours. There was an increase in the tuition rates for in-district and out-of-district from fiscal year 2016-2017 to fiscal year 2017-2018. As a result of the increase in headcount and decrease in contact hours, tuition for state funded credit courses decreased \$151,402.
- The College Board of Regents passed a combined tax rate of \$0.180750 which was the effective tax rate. The Maintenance and Operations tax rate decreased from \$0.172848 to \$0.163608 or 5.35 percent. The Debt Service tax rate decreased from \$0.018896 to \$0.017142 or 9.28 percent. Overall tax collections increased by \$611,991 from \$16,280,480 in fiscal year 2016-2017 to \$16,892,471 in fiscal year 2017-2018.
- The College received \$1,801,807 more in State Appropriations in fiscal year 2017-2018 than it received in 2016-2017.
- There was a salary schedule adjustment in fiscal year 2017-2018. Compared to the prior fiscal year, salary and wage expenses increased by approximately \$261,394 in fiscal year 2017-2018.
- The 2017-2018 Maintenance and Operations budget was \$31,135,955, which was an increase of \$1,987,740 over the 2016-2017 budget.
- On August 16, 2018, the Board of Regents approved a tax maintenance note of \$22,565,000 to be used for repairs and updates to existing campus infrastructure.

Overview of Financial Statements

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

Under GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, the Alvin Community College Foundation (the "Foundation") is considered a component unit of the College for fiscal years 2018 and 2017 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.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

Statements of Net Position

The Statements of Net Position presents the assets, liabilities, deferred outflows/inflows of resources, and net position of the College as of August 31, 2018 and 2017. 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, 2018 and 2017. It presents end-of-year data for current and noncurrent assets, deferred outflows, current and noncurrent liabilities, deferred inflows, and net position. From the information shown, readers are able to determine the assets that are available to continue operations, how much the College owes, net position, and its availability to carry out the College's mission.

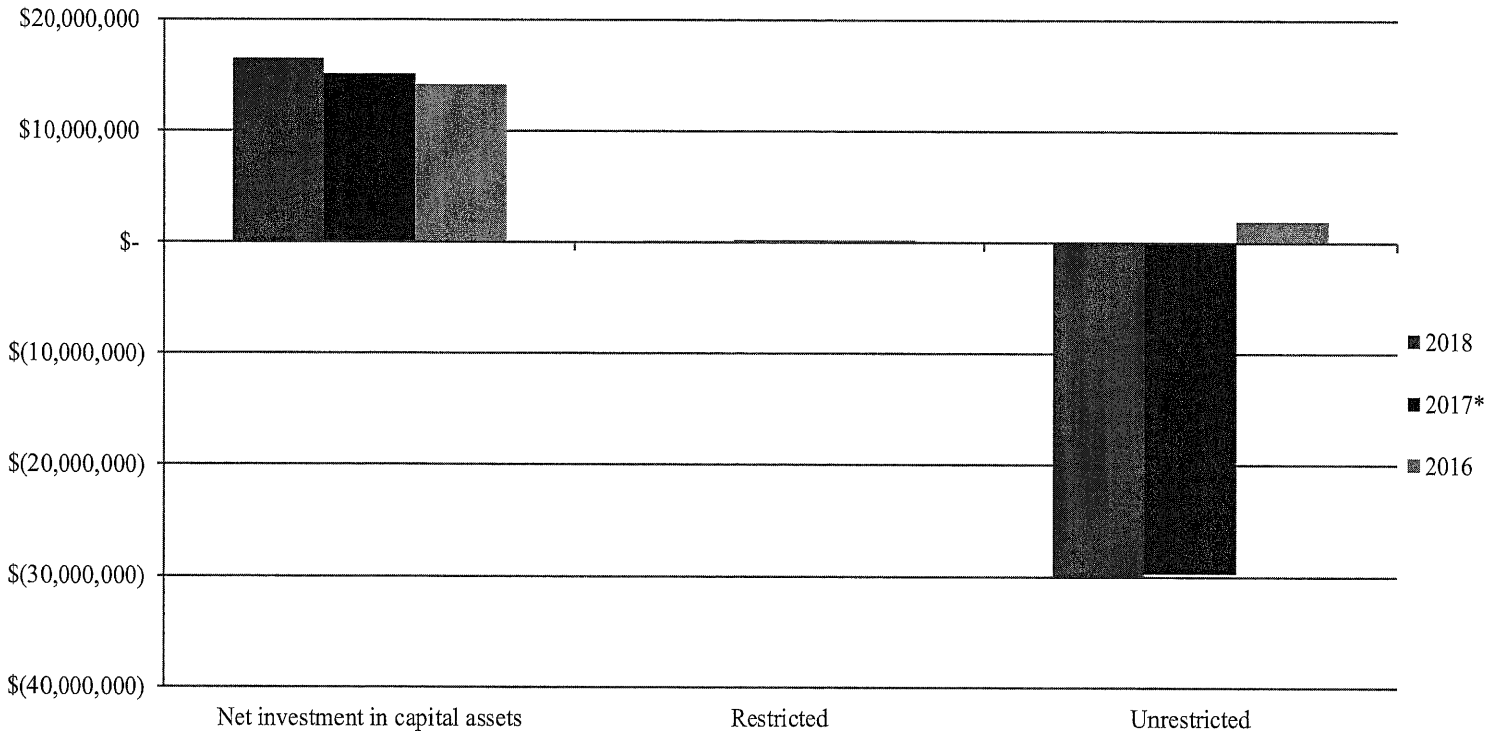
CONDENSED STATEMENTS OF NET POSITION
As of August 31, 2018-2016

	<u>2018</u>	<u>2017*</u>	<u>Increase (Decrease) 2018-2017</u>	<u>2016</u>	<u>Increase (Decrease) 2017-2016</u>
Current assets	\$ 31,938,678	\$ 15,237,043	\$ 16,701,635	\$ 13,496,014	\$ 1,741,029
Noncurrent assets:					
Investments	8,750,000	1,000,000	7,750,000	1,000,000	-
Capital assets, net of accumulated depreciation	27,157,972	26,716,827	441,145	26,933,198	(216,371)
Total Assets	<u>67,846,650</u>	<u>42,953,870</u>	<u>24,892,780</u>	<u>41,429,212</u>	<u>1,524,658</u>
Deferred outflows of resources	<u>2,190,745</u>	<u>2,680,114</u>	<u>(489,369)</u>	<u>3,066,780</u>	<u>(386,666)</u>
Current liabilities	7,930,560	7,786,642	143,918	6,937,707	848,935
Noncurrent liabilities	68,056,475	51,456,786	16,599,689	19,303,822	32,152,964
Total Liabilities	<u>75,987,035</u>	<u>59,243,428</u>	<u>16,743,607</u>	<u>26,241,529</u>	<u>33,001,899</u>
Deferred inflows of resources	<u>7,433,860</u>	<u>807,559</u>	<u>6,626,301</u>	<u>1,945,044</u>	<u>(1,137,485)</u>
Net position:					
Net investment in capital assets	16,433,182	15,104,595	1,328,587	14,176,988	927,607
Restricted					
Expendable student aid	73,378	191,345	(117,967)	242,903	(51,558)
Unrestricted	(29,890,060)	(29,712,943)	(177,117)	1,889,528	(31,602,471)
Total Net Position	<u>\$ (13,383,500)</u>	<u>\$ (14,417,003)</u>	<u>\$ 1,033,503</u>	<u>\$ 16,309,419</u>	<u>\$ (30,726,422)</u>

*Restated per GASB 75

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

Net Position
Fiscal Years 2018- 2016



*Restated per GASB 75

Fiscal Year 2018 Compared to 2017

Current assets increased \$16,701,635 primarily due to the issuance of the Series 2018 Tax Notes. This increase was partially offset by a decrease in inventory compared to the prior year. Noncurrent assets increased \$8,191,145 due primarily to the College investing in long-term certificates of deposit and the purchase and completion of various assets and projects.

Current liabilities increased \$143,918 primarily due to an increase in the current portion of bonds payable related to the issuance of the Series 2018 Tax Notes. This increase was partially offset due to a decrease in accounts payable related to a decrease in goods and services received but not paid for at year end. Noncurrent liabilities increased \$16,599,689 due mainly to the issuance of the Series 2018 Tax Notes. This increase was offset partially by a decrease to the net other post employment benefits (OPEB) liability.

Fiscal Year 2017 Compared to 2016

Current assets increased \$1,741,029 primarily due to the current year operating surplus and an increase in accounts receivable related to the increase in head count/contact hours. These increases were partially offset by a decrease in prepaid items compared to the prior year. Noncurrent assets decreased \$216,371 due primarily to the disposal of various assets and current year depreciation.

Current liabilities increased \$848,935 primarily due to an increase in accounts payable because of the delay in year-end payments resulting from Hurricane Harvey. Noncurrent liabilities increased \$32,152,964 due mainly to the inclusion of the net (OPEB) liability.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

Statements of Revenues, Expenses, and Changes in Net Position

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

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended August 31, 2018-2016

	<u>2018</u>	<u>2017*</u>	<u>Increase (Decrease) 2018-2017</u>	<u>2016</u>	<u>Increase (Decrease) 2017-2016</u>
Operating Revenues:					
Tuition and fees, net of discounts	\$ 9,377,018	\$ 10,952,376	\$ (1,575,358)	\$ 9,966,110	\$ 986,266
Auxiliary enterprises, net of discounts	1,737,364	1,610,846	126,518	1,942,304	(331,458)
Nongovernmental grants and contracts	15,351	33,951	(18,600)	61,734	(27,783)
State grants and contracts	296,448	1,832,795	(1,536,347)	1,045,304	787,491
Federal grants and contracts	1,414,292	826,880	587,412	302,411	524,469
Total Operating Revenues	<u>12,840,473</u>	<u>15,256,848</u>	<u>(2,416,375)</u>	<u>13,317,863</u>	<u>1,938,985</u>
Less Operating Expenses (Table 1)	<u>44,971,847</u>	<u>44,258,016</u>	<u>713,831</u>	<u>41,619,326</u>	<u>2,638,690</u>
Operating (Loss)	<u>(32,131,374)</u>	<u>(29,001,168)</u>	<u>(3,130,206)</u>	<u>(28,301,463)</u>	<u>(699,705)</u>
Nonoperating Revenues (Expenses):					
State appropriations	11,121,032	9,319,225	1,801,807	9,403,349	(84,124)
Property tax revenue	16,892,471	16,280,480	611,991	15,735,150	545,330
Federal revenue, nonoperating	4,942,344	5,247,032	(304,688)	4,841,440	405,592
Investment income	222,288	101,537	120,751	47,214	54,323
Interest and fiscal agent fees	(729,324)	(462,501)	(266,823)	(497,289)	34,788
Gain (Loss) on sale of capital assets	39,974	(49,332)	89,306	(43,304)	(6,028)
Other nonoperating revenues	676,092	607,093	68,999	720,087	(112,994)
Total Nonoperating Revenues, Net	<u>33,164,877</u>	<u>31,043,534</u>	<u>2,121,343</u>	<u>30,206,647</u>	<u>836,887</u>
Change in Net Position	<u>1,033,503</u>	<u>2,042,366</u>	<u>(1,008,863)</u>	<u>1,905,184</u>	<u>137,182</u>
Beginning net position	<u>(14,417,003)</u>	<u>(16,459,369)</u>	<u>2,042,366</u>	<u>14,404,235</u>	<u>(30,863,604)</u>
Ending Net Position	<u>\$ (13,383,500)</u>	<u>\$ (14,417,003)</u>	<u>\$ 1,033,503</u>	<u>\$ 16,309,419</u>	<u>\$ (30,726,422)</u>

*Restated per GASB 75

Fiscal Year 2018 Compared to 2017

Total revenues (operating and nonoperating) for the fiscal year 2018 were \$46,734,674. Operating revenues decreased by \$2,416,375 largely due to a decrease in state grants and contracts, as well as in tuition and fees based on a decrease to enrollment immediately after Hurricane Harvey. Nonoperating revenues increased \$2,388,166 primarily due to an increase in property tax revenues as the result of an increase in the assessed values of properties and an increase in appropriated funding from the state.

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

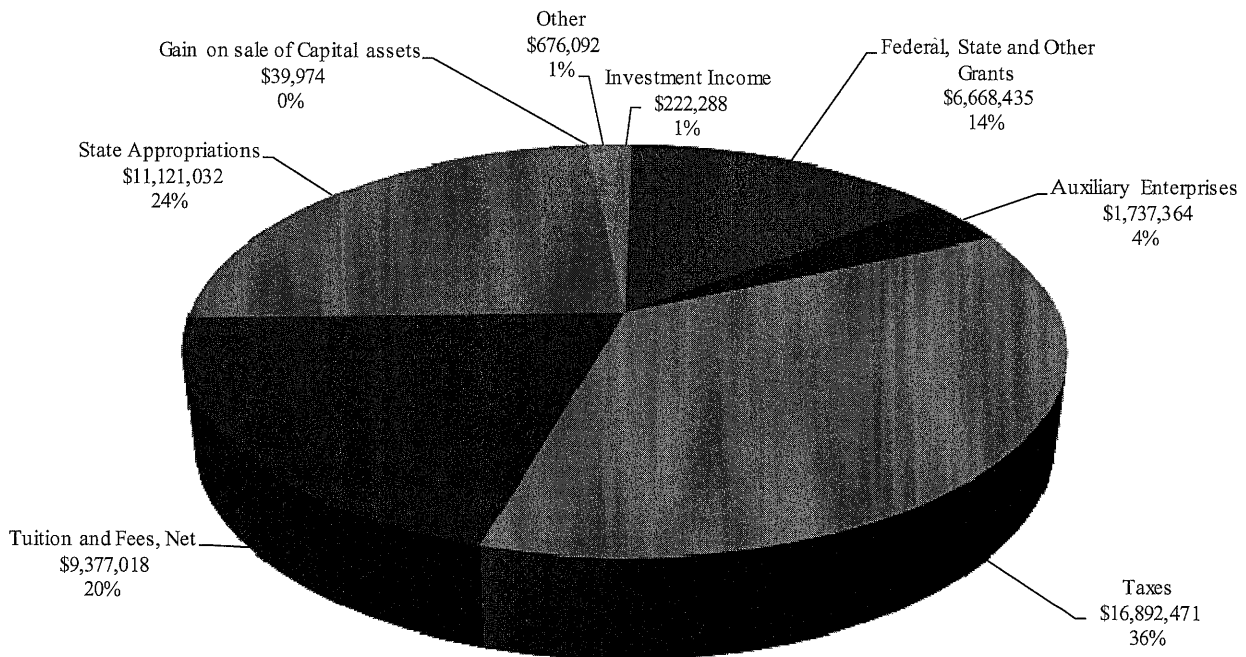
Total expenses (operating and nonoperating) increased \$980,654, or 2.19 percent, compared to the prior year. This increase was due to increases in academic support costs along with institutional support and auxiliary enterprise expenses.

Fiscal Year 2017 Compared to 2016

Total revenues (operating and nonoperating) for the year 2017 were \$46,812,215. Operating revenues increased \$1,938,985 largely due to an increase in tuition and fees resulting from an increase in head count/contact hours and both federal and state grants and contracts related to awards from the Science, Technology, Engineering and Mathematics grant, Wagner Peyser, Jobs and Education for Texans program, and various Texas Workforce Commission grants compared to the prior year. Nonoperating revenues increased \$808,127 primarily due to an increase in property tax revenues as the result of an increase in the assessed values of properties, and an increase in federal nonoperating grant revenues.

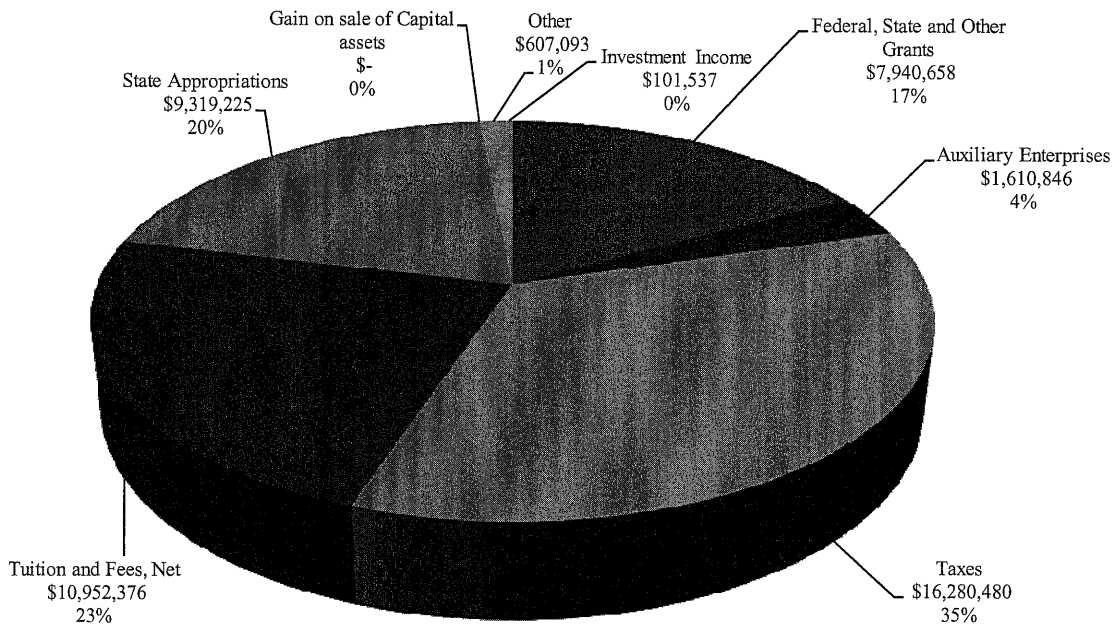
Total expenses (operating and nonoperating) increased \$2,609,930, or 6.19 percent, compared to the prior year. This increase was due to increases in both federal and state operating grant expenditures, personnel costs, and scholarship expense.

**Revenues by Source and Percentage
For the Year Ended August 31, 2018**



ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

**Revenues by Source and Percentage
For the Year Ended August 31, 2017**



**OPERATING EXPENSES
Years Ended August 31, 2018-2016**

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease) 2018-2017</u>	<u>2016</u>	<u>Increase (Decrease) 2017-2016</u>
Operating Expenses:					
Instruction	\$ 17,668,639	\$ 18,241,117	\$ (572,478)	\$ 17,067,162	\$ 1,173,955
Institutional support	5,674,592	5,347,906	326,686	4,967,462	380,444
Academic support	6,523,402	5,531,139	992,263	5,991,413	(460,274)
Operation and maintenance of plant	2,972,355	3,154,254	(181,899)	2,756,050	398,204
Auxiliary enterprises	2,297,158	2,040,122	257,036	2,082,619	(42,497)
Student services	3,916,217	3,389,924	526,293	2,703,868	686,056
Scholarships and fellowships	4,540,643	5,156,420	(615,777)	4,707,318	449,102
Depreciation	1,205,908	1,208,860	(2,952)	1,170,359	38,501
Public service	172,933	188,274	(15,341)	173,075	15,199
Total	<u>\$ 44,971,847</u>	<u>\$ 44,258,016</u>	<u>\$ 713,831</u>	<u>\$ 41,619,326</u>	<u>\$ 2,638,690</u>

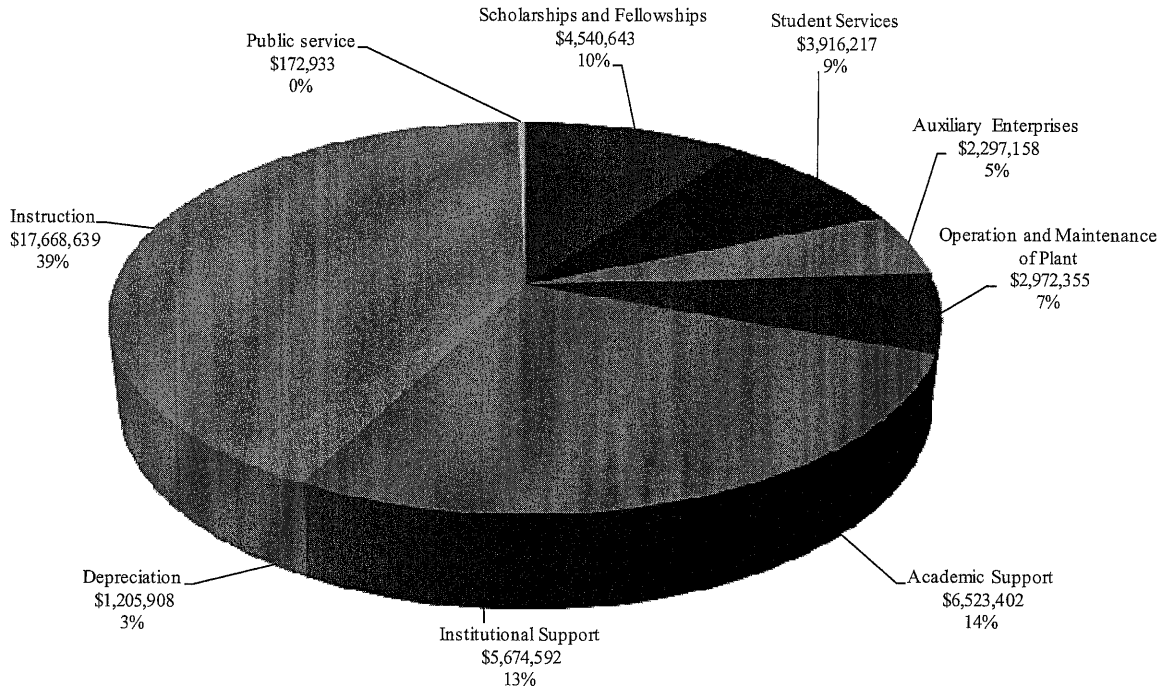
Operating expenses are primarily presented by functional categories, which represent the types of programs and services provided. Nonoperating expenses consist of interest and fiscal agent fees from capital-related debt service of \$729,324 and \$462,501 for the years ended August 31, 2018 and 2017, respectively. The following are graphic illustrations of operating expenses by functional category and percentage of total operating expenses for the years ended August 31, 2018 and 2017.

ALVIN COMMUNITY COLLEGE

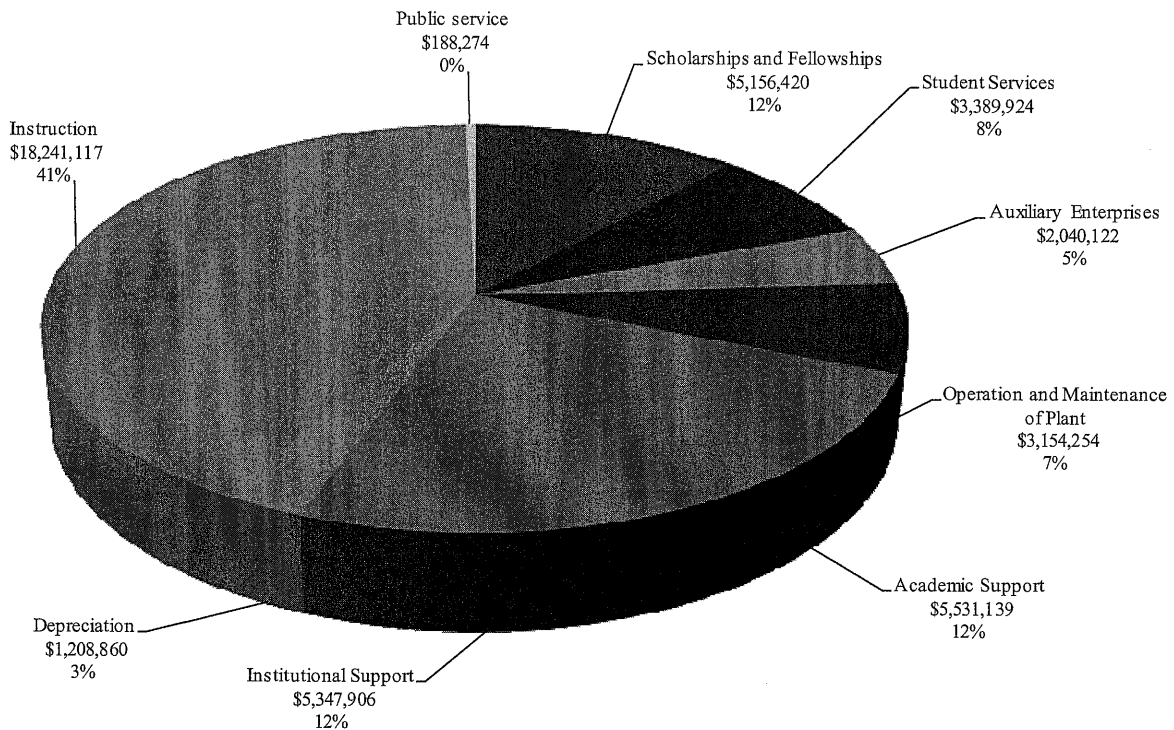
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Years Ended August 31, 2018 and 2017

**Operating Expenses by Function and Percentage
For the Year Ended August 31, 2018**

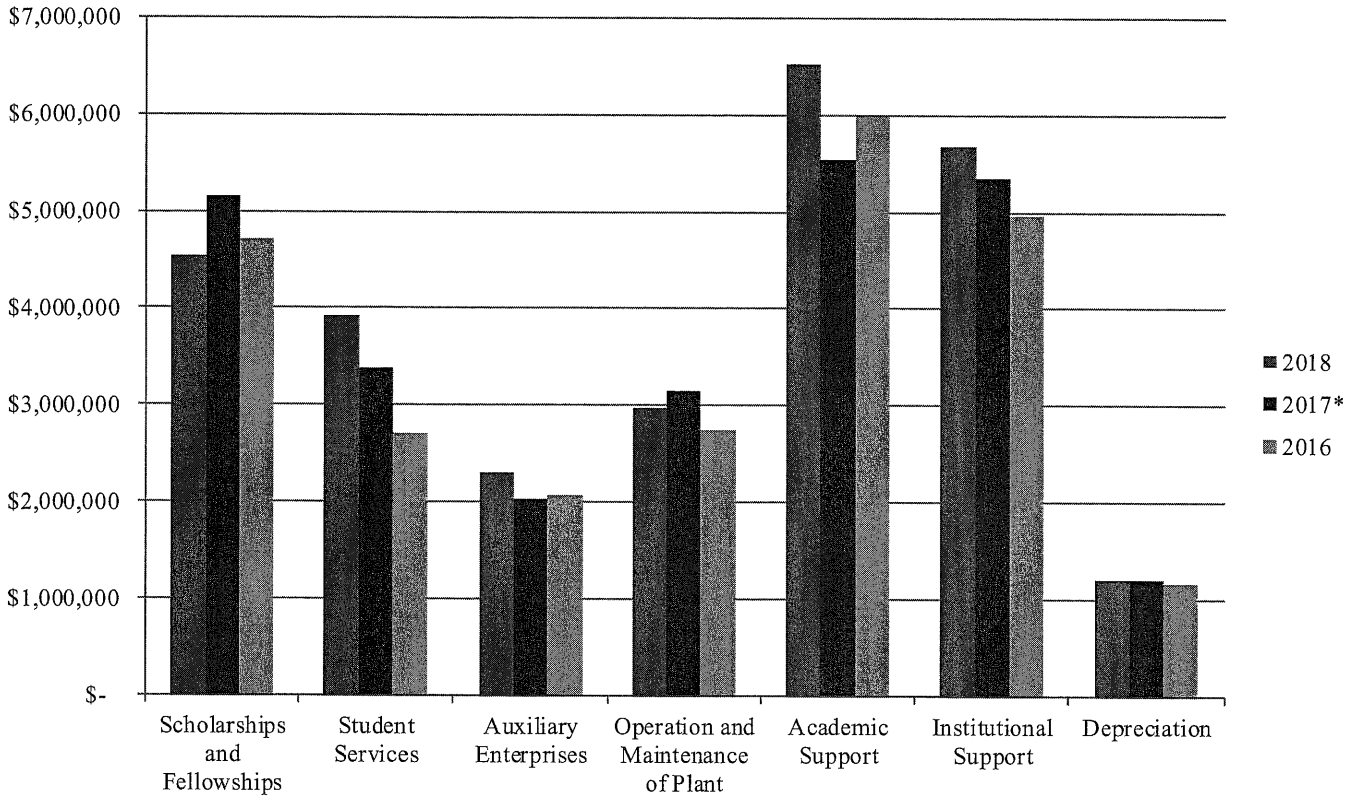


**Operating Expenses by Function and Percentage
For the Year Ended August 31, 2017**



ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

Comparison of Operating Expenses
Fiscal Years 2018-2016



*Restatement per GASB 75

Capital Assets

CAPITAL ASSETS ACTIVITY
Years Ended August 31, 2018-2016

	2018	2017	Increase (Decrease) 2018-2017	2016	Increase (Decrease) 2017-2016
Capital assets not depreciated:					
Land	\$ 494,128	\$ 494,128	\$ -	\$ 494,128	\$ -
Construction in process	-	93,964	(93,964)	-	93,964
Total	<u>494,128</u>	<u>588,092</u>	<u>(93,964)</u>	<u>494,128</u>	<u>93,964</u>
Other capital assets:					
Buildings and improvements	35,786,314	35,108,334	677,980	35,108,334	-
Facilities and improvements	4,627,585	3,811,252	816,333	3,444,045	367,207
Telecommunications equipment	1,823,415	1,794,402	29,013	1,654,555	139,847
Furniture and equipment	6,248,659	6,144,779	103,880	5,821,898	322,881
Library books	331,130	336,748	(5,618)	395,694	(58,946)
Total	<u>48,817,103</u>	<u>47,195,515</u>	<u>1,621,588</u>	<u>46,424,526</u>	<u>770,989</u>
Less accumulated depreciation	<u>(22,153,259)</u>	<u>(21,066,780)</u>	<u>(1,086,479)</u>	<u>(19,985,456)</u>	<u>(1,081,324)</u>
Net Capital Assets	<u>\$ 27,157,972</u>	<u>\$ 26,716,827</u>	<u>\$ 441,145</u>	<u>\$ 26,933,198</u>	<u>\$ (216,371)</u>

ALVIN COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Years Ended August 31, 2018 and 2017

Fiscal Year 2018 Compared to 2017

As of August 31, 2018, the College had \$49,311,231 invested in capital assets, \$22,153,259 in accumulated depreciation, and \$27,157,972 in net capital assets. Significant additions during the fiscal year included finishing the project of building the women's softball field house and purchasing two new boilers, as well as six custom indoor air handlers.

Fiscal Year 2017 Compared to 2016

As of August 31, 2017, the College had \$47,783,607 invested in capital assets, \$21,066,780 in accumulated depreciation, and \$26,716,827 in net capital assets. Significant additions during the fiscal year included a project to upgrade the women's softball fieldhouse, the purchase of a sound system for the theater, and the purchase of a new chiller.

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

Long-Term Debt

The principal balance of the bonds was \$32,520,000 and \$11,125,000 as of August 31, 2018 and 2017, respectively.

In fiscal year 2018, the College issued new Tax Notes Series 2018, with principal balance of \$22,565,000 and a maturity date of August 31, 2038.

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

Contacting the College's Financial Management

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

(This page intentionally left blank.)

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

Exhibit 1

STATEMENTS OF NET POSITION

August 31, 2018 and 2017

<u>Assets</u>	2018	2017
Current Assets:		
Cash and cash equivalents	\$ 4,424,046	\$ 11,301,765
Restricted cash and cash equivalents	25,002,664	-
Accounts receivable, net	1,417,240	2,643,039
Due from component unit	7,814	-
Inventories	508,959	802,427
Prepays	577,955	489,812
Total Current Assets	31,938,678	15,237,043
Noncurrent Assets:		
Investments	8,750,000	1,000,000
Capital assets, net:		
Nondepreciable	494,128	588,092
Depreciable	26,663,844	26,128,735
Total Noncurrent Assets	35,907,972	27,716,827
Total Assets	67,846,650	42,953,870
<u>Deferred Outflows of Resources</u>		
Deferred charge on refunding	303,794	455,691
Deferred outflows - pensions	1,093,212	1,452,579
Deferred outflows - OPEB	793,739	771,844
Total Deferred Outflows of Resources	2,190,745	2,680,114
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable and accrued liabilities	971,538	1,522,545
Funds held for others	36,381	33,116
Unearned revenues	4,358,048	4,414,326
Compensated absences	332,550	307,696
Exit incentive - current portion	327,043	327,043
Bonds payable, net of premiums - current portion	1,905,000	1,170,000
Capital lease payable - current portion	-	11,916
Total Current Liabilities	7,930,560	7,786,642
Noncurrent Liabilities:		
Compensated absences	95,966	107,103
Exit incentive	-	327,043
Net pension liability	5,761,792	6,596,001
Net OPEB liability	28,072,469	33,540,632
Bonds payable, net of premiums	34,126,248	10,886,007
Total Noncurrent Liabilities	68,056,475	51,456,786
Total Liabilities	75,987,035	59,243,428
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	1,226,902	807,559
Deferred inflows - OPEB	6,206,958	-
Total Deferred Inflows of Resources	7,433,860	807,559
<u>Net Position</u>		
Net investment in capital assets	16,433,182	15,104,595
Restricted for expendable student aid	73,378	191,345
Unrestricted	(29,890,060)	(29,712,943)
Total Net Position (Schedule D)	\$ (13,383,500)	\$ (14,417,003)

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 1A

STATEMENTS OF FINANCIAL POSITION

August 31, 2018 and 2017

<u>Assets:</u>	2018	2017*
Cash and cash equivalents	\$ 387,153	\$ 208,000
Investments	2,860,154	2,766,764
Accounts Receivable	3,050	1,360
Inventory	5,251	5,251
Total Assets	\$ 3,255,608	\$ 2,981,375
<u>Liabilities:</u>		
Accounts payable	\$ 14,393	\$ 40,742
Due to primary government	7,814	-
Total Liabilities	\$ 22,207	\$ 40,742
<u>Net Assets:</u>		
Unrestricted	\$ 166,826	\$ 65,671
Temporarily restricted	1,755,101	1,563,488
Permanently restricted	1,311,474	1,311,474
Total Net Assets	\$ 3,233,401	\$ 2,940,633

See accompanying notes to basic financial statements.

*2017 numbers reflect eight months of activity due to a change in fiscal year end.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

Exhibit 2

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended August 31, 2018 and 2017

	2018	2017
Revenues:		
Operating Revenues:		
Tuition and fees, net of discounts of \$2,696,706 for 2018 and \$2,459,642 for 2017	\$ 9,377,018	\$ 10,952,376
Federal grants and contracts	1,414,292	826,880
State grants and contracts	296,448	1,832,795
Nongovernmental grants and contracts	15,351	33,951
Auxiliary enterprises, net of discounts of \$307,730 for 2018 and \$349,431 for 2017	1,737,364	1,610,846
Total Operating Revenues (Schedule A)	12,840,473	15,256,848
Expenses:		
Operating Expenses:		
Instruction	17,668,639	18,241,117
Public service	172,933	188,274
Academic support	6,523,402	5,531,139
Student services	3,916,217	3,389,924
Institutional support	5,674,592	5,347,906
Operation and maintenance of plant	2,972,355	3,154,254
Scholarships and fellowships	4,540,643	5,156,420
Auxiliary enterprises	2,297,158	2,040,122
Depreciation	1,205,908	1,208,860
Total Operating Expenses (Schedule B)	44,971,847	44,258,016
Operating Loss	(32,131,374)	(29,001,168)
Nonoperating Revenues (Expenses):		
State appropriations	11,121,032	9,319,225
Property tax revenue	15,289,318	14,677,148
Debt service ad valorem taxes	1,603,153	1,603,332
Federal revenue, nonoperating	4,942,344	5,247,032
Investment income	222,288	101,537
Interest on capital-related debt	(729,324)	(462,501)
Gain/(Loss) on disposal of capital assets	39,974	(49,332)
Other nonoperating revenues	676,092	607,093
Total Nonoperating Revenues, Net (Schedule C)	33,164,877	31,043,534
Change in Net Position	1,033,503	2,042,366
Beginning net position	(14,417,003)	(16,459,369)
Ending Net Position	\$ (13,383,500)	\$ (14,417,003)

See accompanying notes to basic financial statements.

ALVIN COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Years Ended August 31, 2018 and 2017

	2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Support and Revenue:				
Contributions and grants	\$ -	\$ 161,204	\$ -	\$ 161,204
Gala income, net	70,500	-	-	70,500
Alvin Live, net	-	12,559	-	12,559
Interest and dividend income	-	70,661	-	70,661
Travel/fundraisers	-	29,408	-	29,408
Dolphin athletics, net	-	4,200	-	4,200
ACC Feed the Hungry, net	-	3,814	-	3,814
Investment gains	-	141,978	-	141,978
Unrestricted Income	150,984	-	-	150,984
Net assets released from restrictions	232,211	(232,211)	-	-
Total Support and Revenue	453,695	191,613	-	645,308
Program and Support Services:				
Scholarships	112,358	-	-	112,358
Awards	111,325	-	-	111,325
Fundraisers	32,057	-	-	32,057
Investment management fee	-	-	-	-
Management and general	96,800	-	-	96,800
Total Expenses	352,540	-	-	352,540
Change in Net Assets	101,155	191,613	-	292,768
Beginning net assets	65,671	1,563,488	1,311,474	2,940,633
Ending Net Assets	\$ 166,826	\$ 1,755,101	\$ 1,311,474	\$ 3,233,401

See accompanying notes to basic financial statements.

*2017 numbers reflect eight months of activity due to a change in fiscal year end.

2017*

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ -	\$ 62,413	\$ -	\$ 62,413
13,915	-	-	13,915
-	22,946	-	22,946
-	35,839	-	35,839
-	13,074	-	13,074
-	3,400	-	3,400
-	-	-	-
-	207,052	-	207,052
3,986	-	-	3,986
156,610	(156,610)	-	-
<u>174,511</u>	<u>188,114</u>	<u>-</u>	<u>362,625</u>
76,951	-	-	76,951
60,432	-	-	60,432
21,708	-	-	21,708
-	-	-	-
29,495	-	-	29,495
<u>188,586</u>	<u>-</u>	<u>-</u>	<u>188,586</u>
(14,075)	188,114	-	174,039
79,746	1,375,374	1,311,474	2,766,594
<u>\$ 65,671</u>	<u>\$ 1,563,488</u>	<u>\$ 1,311,474</u>	<u>\$ 2,940,633</u>

ALVIN COMMUNITY COLLEGE

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Receipts from students and other customers	\$ 11,867,747	\$ 12,384,100
Receipts of grants and contracts	2,190,711	2,457,793
Payments to or on behalf of employees	(30,297,539)	(28,853,176)
Payments to suppliers for goods or services	(8,978,377)	(8,100,318)
Payments of scholarships	(4,540,643)	(5,156,420)
Net Cash (Used) by Operating Activities	<u>(29,758,101)</u>	<u>(27,268,021)</u>
Cash Flows from Noncapital Financing Activities:		
Receipts of State appropriations	11,121,032	9,319,225
Receipts of maintenance and operations ad valorem taxes	15,289,318	14,677,148
Receipts from nonoperating Federal revenue	4,942,344	5,247,032
Other	676,092	607,093
Net Cash Provided by Noncapital Financing Activities	<u>32,028,786</u>	<u>29,850,498</u>
Cash Flows from Capital and Related Financing Activities:		
Receipts from debt service ad valorem taxes	1,603,153	1,603,332
Purchases of capital assets	(1,636,828)	(1,094,930)
Proceeds from sale of capital assets	29,749	53,108
Proceeds from debt	25,000,000	-
Payments on principal debt	(1,181,916)	(1,141,353)
Interest payments on principal debt	(432,186)	(465,125)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>23,381,972</u>	<u>(1,044,968)</u>
Cash Flows from Investing Activities:		
Purchases of investments	(24,350,000)	(14,250,000)
Receipts from sale of investments	16,600,000	14,250,000
Receipts from investment income	222,288	101,537
Net Cash Provided (Used) by Investing Activities	<u>(7,527,712)</u>	<u>101,537</u>
Increase in Cash and Cash Equivalents	18,124,945	1,639,046
Beginning cash and cash equivalents	11,301,765	9,662,719
Ending Cash and Cash Equivalents	<u>\$ 29,426,710</u>	<u>\$ 11,301,765</u>
Ending Cash and Cash Equivalents:		
Cash and cash Equivalents	\$ 4,424,046	\$ 11,301,765
Restricted cash and cash equivalents	25,002,664	-
Total Cash and Cash equivalents	<u>\$ 29,426,710</u>	<u>\$ 11,301,765</u>

ALVIN COMMUNITY COLLEGE

Exhibit 3

STATEMENTS OF CASH FLOWS, Continued

For the Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Reconciliation of Operating (Loss)		
to Net Cash (Used) by Operating Activities:		
Operating (loss)	\$ (32,131,374)	\$ (29,001,168)
Adjustments to reconcile operating (loss) to net cash (used)		
by operating activities:		
Depreciation expense	1,205,908	1,208,860
Changes in assets and liabilities:		
Receivables, net	1,217,985	(414,955)
Inventories	293,468	(106,006)
Prepays	(88,143)	418,978
Deferred outflows	337,472	1,006,614
Deferred inflows	6,626,301	(1,137,485)
Accounts payable and accrued liabilities	(551,007)	747,029
Funds held for others	3,265	(3,902)
Deferred revenues	(56,278)	38,242
Exit incentive	(327,043)	(327,043)
Net pension liability	(834,209)	258,056
Net OPEB liability	(5,468,163)	-
Compensated absences	13,717	44,759
Net Cash (Used) by Operating Activities	<u>\$ (29,758,101)</u>	<u>\$ (27,268,021)</u>

See accompanying notes to basic financial statements.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE FOUNDATION

Exhibit 3A

STATEMENTS OF CASH FLOWS

For the Years Ended August 31, 2018 and 2017

	<u>2018</u>	<u>2017*</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 292,768	\$ 174,039
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Investment (gains)/losses	(141,978)	(207,052)
Interest earnings	(70,661)	(35,839)
(Increase) decrease in current assets:		
Accounts Receivable	6,124	(656)
Increase (decreas) in current liabilities		
Accounts Payable	(26,349)	40,742
Net Cash Provided (Used) by Operating Activities	<u>59,904</u>	<u>(28,766)</u>
Cash Flows from Investing Activities:		
Sale of investment securities	119,249	1,159
Net Cash Provided by Investing Activities	<u>119,249</u>	<u>1,159</u>
Increase (Decrease) in Cash and Cash Equivalents	179,153	(27,607)
Beginning cash and cash equivalents	208,000	235,607
Ending Cash and Cash Equivalents	<u>\$ 387,153</u>	<u>\$ 208,000</u>

See accompanying notes to basic financial statements.

*2017 numbers reflect eight months of activity due to a change in fiscal year end.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS

For the Years Ended August 31, 2018 and 2017

NOTE 1—Reporting Entity

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

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statement No. 14 and No. 34*, modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. GASB Statement No. 61 has been applied as required in the preparation of these basic financial statements and, accordingly, the Alvin Community College Foundation (the “Foundation”) is considered a component unit of the College as of August 31, 2018 and 2017. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further discussed below.

The Foundation is a separate nonprofit organization, with the sole purpose of supporting the educational and other activities of the College. The Foundation reports its financial results under the standards of the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s financial information in the College’s financial reporting entity for these differences. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2018 and 2017. The costs of these services were not significant to the College.

NOTE 2—Summary of Significant Accounting Policies

Reporting Guidelines

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

Basis of Accounting

The basic financial statements of the College have been prepared on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Net Position

Net position is classified as follows:

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

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

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

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

Operating and Nonoperating Revenue and Expense Policy

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

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

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

Budgetary Data

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Cash and Cash Equivalents

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College has five items that qualify for reporting in this category on the Statements of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience and for the changes in actuarial assumptions related to the College's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. A deferred charge has been recognized for the difference between the projected and actual investment earnings. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension and OPEB plan contributions that were made subsequent to the measurement date through the end of the College's fiscal year. This amount is deferred and recognized as a reduction to the net pension and OPEB liabilities during the measurement period in which the contributions were made.

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has four items that qualify for reporting in this category on the Statements of Net Position. Deferred inflows of resources are recognized for the changes in proportion and difference between the employer's contributions and the proportionate share of contributions, for the differences between the actuarial expectations and the actual economic experience, and for the changes in actuarial assumptions related to the College's defined benefit pension and OPEB plan. This amount is deferred and amortized over the average of the expected service lives of pension and OPEB plan members. A deferred charge has been recognized for the difference between the projected and actual investment earnings. This amount is deferred and amortized over a period of five years.

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 deposits, are reported at cost.

Inventories

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Capital Assets

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

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

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

Collections

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

Unearned Revenues

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

Tuition Discounting

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

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

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Bond Premiums and Issuance Costs

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

Pensions

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

Other Post-Employment Benefits

The fiduciary net position of the Employee Retirement System of Texas (ERS) plan ("the Plan") 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 other post-employment benefits (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 plan 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, 2018 and 2017 and, therefore, has not recorded a liability for income taxes.

Reclassifications

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

Net Position Flow Assumption

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 3—Authorized Investments

The Board of the College has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (the “Act”) (Chapter 2256.001 Texas Government Code). The investments of the College are in compliance with the Board investment policy and the Act. The College is authorized to invest in obligations and instruments as follows: (1) obligations of the United States and its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than “A” by a national investment rating firm, (4) certificates of deposits, and (5) other instruments and obligations authorized by statute.

NOTE 4—Deposits and Investments

Deposits

Custodial credit risk for deposits with financial institutions is the risk that, in the event of a bank failure, the College’s deposits may not be returned to it. The College’s investment policy requires pledging of collateral for all bank balances in excess of Federal Deposit Insurance Corporation (FDIC) limits at a minimum of 102 percent of market value. As of August 31, 2018 and 2017, the College’s cash and cash equivalents balances were either insured or collateralized, and thus not exposed to custodial credit risk.

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

	2018	2017
Cash and cash equivalents:		
Bank deposits - demand deposits	\$ 1,158,159	\$ 3,586,122
Certificates of deposit	3,250,000	7,700,000
Petty cash	15,887	15,643
Total Cash and Cash Equivalents	\$ 4,424,046	\$ 11,301,765

Investments

As of August 31, 2018, the College had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Certificates of deposit	\$ 12,000,000	0.32
TexSTAR	25,002,664	0.00
Total Fair Value	\$ 37,002,664	
Portfolio weighted average maturity		0.11

As of August 31, 2018 and 2017, the College held certificates of deposit of \$12,000,000 and \$8,700,000 respectively. For the current fiscal year, \$3,250,000 was classified as cash equivalents due to the certificates of deposit having maturities of less than three months from the date of acquisition and \$8,750,000 was classified as noncurrent investments.

Interest rate risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the College limits its exposure to interest rate risk by structuring its investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity; and investing operating funds

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

primarily in shorter-term securities, money market mutual funds, or similar investment pools. Unless matched to a specific cash flow, the College may not directly invest in securities maturing more than three years from the date of purchase, with repurchase agreements limited to a maturity no longer than 120 days from the date of purchase.

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

Concentration risk - The College limits its exposure to concentration risk, the risk of loss attributable to the magnitude of investment in a single issuer, through portfolio diversification. The College's investment policy has 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 Public Funds Investment Act, Chapter 2256, Texas Government Code. 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 District has no unfunded commitments related to TexSTAR. TexSTAR has a redemption notice period of one day and may redeem daily. TexSTAR's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national or state emergency that affects TexSTAR's liquidity.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 5–Disaggregation of Accounts Receivable

Accounts receivable were as follows at August 31:

	2018	2017
Student receivable	\$ 1,037,337	\$ 1,853,284
Taxes receivable	498,282	433,649
Interest receivable	35,801	15,505
Federal receivable	56,260	177,835
State receivable	41,124	383,312
Sponsor receivable	232,369	196,001
Total accounts receivable	1,901,173	3,059,586
Less allowance for doubtful accounts	(483,933)	(416,547)
Total Accounts Receivable, Net	\$ 1,417,240	\$ 2,643,039

NOTE 6–Disaggregation of Accounts Payable and Accrued Liabilities

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

	2018	2017
Accrued payroll	\$ 3,904	\$ 2,751
Vendors payable	923,105	1,474,777
Sales tax payable	44,529	45,017
Total Accounts Payable and Accrued Liabilities	\$ 971,538	\$ 1,522,545

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 7—Capital Assets

Capital asset activity for the year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Additions	Deletions/ Adjustments	Balance August 31, 2018
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	93,964	537,862	(631,826)	-
Subtotal	588,092	537,862	(631,826)	494,128
Other capital assets:				
Buildings and improvements	35,108,334	677,980	-	35,786,314
Facilities and improvements	3,811,252	816,333	-	4,627,585
Furniture and equipment	6,144,779	207,466	(103,586)	6,248,659
Telecommunications equipment	1,794,402	29,013	-	1,823,415
Library books	336,748	-	(5,618)	331,130
Subtotal	47,195,515	1,730,792	(109,204)	48,817,103
Less accumulated depreciation:				
Buildings and improvements	13,127,318	621,021	-	13,748,339
Facilities and improvements	2,266,951	107,797	-	2,374,748
Furniture and equipment	3,716,544	406,775	(60,483)	4,062,836
Telecommunications equipment	1,644,256	55,690	-	1,699,946
Library books	311,711	14,625	(58,946)	267,390
Total accumulated depreciation	21,066,780	1,205,908	(119,429)	22,153,259
Net Capital Assets	\$ 26,716,827	\$ 1,062,746	\$ (621,601)	\$ 27,157,972

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Capital asset activity for the year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Additions	Deletions/ Adjustments	Balance August 31, 2017
Nondepreciable:				
Land	\$ 494,128	\$ -	\$ -	\$ 494,128
Construction in process	-	93,964	-	93,964
Subtotal	<u>494,128</u>	<u>93,964</u>	<u>-</u>	<u>588,092</u>
Other capital assets:				
Buildings and improvements	35,108,334	-	-	35,108,334
Facilities and improvements	3,444,045	367,207	-	3,811,252
Furniture and equipment	5,821,898	458,270	(135,389)	6,144,779
Telecommunications equipment	1,654,555	139,847	-	1,794,402
Library books	395,694	35,642	(94,588)	336,748
Subtotal	<u>46,424,526</u>	<u>1,000,966</u>	<u>(229,977)</u>	<u>47,195,515</u>
Less accumulated depreciation:				
Buildings and improvements	12,495,368	631,950	-	13,127,318
Facilities and improvements	2,188,986	77,965	-	2,266,951
Furniture and equipment	3,426,661	417,419	(127,536)	3,716,544
Telecommunications equipment	1,577,829	66,427	-	1,644,256
Library books	296,612	15,099	-	311,711
Total accumulated depreciation	<u>19,985,456</u>	<u>1,208,860</u>	<u>(127,536)</u>	<u>21,066,780</u>
Net Capital Assets	<u>\$ 26,933,198</u>	<u>\$ (113,930)</u>	<u>\$ (102,441)</u>	<u>\$ 26,716,827</u>

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 8—Long-Term Liabilities

Long-term liabilities activity for the year ended August 31, 2018 was as follows:

	Balance September 1, 2017	Additions	Payments	Balance August 31, 2018	Current Portion
Bonds and Notes:					
General obligation refunding bonds - 2012	\$ 8,690,000	\$ -	\$ -	\$ 8,690,000	\$ -
General obligation refunding bonds - 2013	2,435,000	-	(1,170,000)	1,265,000	1,210,000
Tax notes - 2018	-	22,565,000	-	22,565,000	695,000
Capital lease	11,916	-	(11,916)	-	-
Deferred amounts:					
For premiums	931,007	2,734,762	(154,521)	3,511,248	-
	<u>12,067,923</u>	<u>25,299,762</u>	<u>(1,336,437)</u>	<u>36,031,248</u>	<u>1,905,000</u>
Other liabilities:					
Net pension liability	6,596,001	-	(834,209)	5,761,792	-
Net OPEB liability	33,540,632	-	(5,468,163)	28,072,469	-
Compensated absences	414,799	335,622	(321,905)	428,516	332,550
Exit incentive liability	654,086	-	(327,043)	327,043	327,043
Total Long-Term Liabilities	<u>\$ 53,273,441</u>	<u>\$ 25,635,384</u>	<u>\$ (8,287,757)</u>	<u>\$ 70,621,068</u>	<u>\$ 2,564,593</u>

Long-term liabilities activity for the year ended August 31, 2017 was as follows:

	Balance September 1, 2016	Additions	Payments	Balance August 31, 2017	Current Portion
Bonds:					
General obligation refunding bonds - 2012	\$ 8,690,000	\$ -	\$ -	\$ 8,690,000	\$ -
General obligation refunding bonds - 2013	3,565,000	-	(1,130,000)	2,435,000	1,170,000
Capital lease	23,269	-	(11,353)	11,916	11,916
Deferred amounts:					
For premiums	1,085,528	-	(154,521)	931,007	-
	<u>13,363,797</u>	<u>-</u>	<u>(1,295,874)</u>	<u>12,067,923</u>	<u>1,181,916</u>
Other liabilities:					
Net pension liability	6,337,945	258,056	-	6,596,001	-
Net OPEB Liability	-	33,540,632	-	33,540,632	-
Compensated absences	370,040	319,253	(274,494)	414,799	307,696
Exit incentive liability	981,129	-	(327,043)	654,086	327,043
Total Long-Term Liabilities	<u>\$ 21,052,911</u>	<u>\$ 34,117,941</u>	<u>\$ (1,897,411)</u>	<u>\$ 53,273,441</u>	<u>\$ 1,816,655</u>

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 9—Bonds and Notes Payable

General information related to bonds payable is summarized as follows:

Limited Tax Refunding Bonds, Series 2012

- To advance refund \$8,750,000 of the limited tax, series 2005 bonds and to pay the costs of issuing the bonds.
- Issued April 1, 2012.
- Original amount of issue - \$8,690,000, with all authorized bonds issued.
- Interest rates range from 3.50 percent to five percent.
- Due in semiannual installments each February 15 and August 15, with interest payments beginning August 15, 2012 and principal payments beginning February 15, 2020, and the final installment due February 15, 2025.
- Source of revenue for debt service - annual ad valorem taxes.
- Outstanding bonds payable of \$8,690,000 at August 31, 2018.

Limited Tax Refunding Bonds, Series 2013

- To advance refund \$4,685,000 of the limited tax, series 2005 bonds and to pay the costs of issuing the bonds.
- Issued March 15, 2013.
- Original amount of issue - \$4,660,000, with all authorized bonds issued.
- Interest rates range from two percent to four percent.
- Due in semiannual installments each February 15 and August 15, with interest payments beginning August 15, 2013 and principal payments beginning February 15, 2016, and the final installment due February 15, 2020.
- Source of revenue for debt service - annual ad valorem taxes.
- Outstanding bonds payable of \$1,265,000 at August 31, 2018.

Tax Notes, Series 2018

- To provide capital for additional construction and improvements around the campus.
- Issued August 15, 2018.
- Interest rates range from three percent to five percent.
- Due in semiannual installments each February 15 and August 15, with the first principal and interest payment being due February 15, 2019.
- Source of revenue for debt service annual ad valorem taxes.
- Outstanding bonds payable of \$22,565,000 at August 31, 2018.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Bond and Note Debt Service Requirements

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,905,000	\$ 1,439,107	\$ 3,344,107
2020	1,990,000	1,406,600	3,396,600
2021	2,110,000	1,314,656	3,424,656
2022	2,210,000	1,211,775	3,421,775
2023	2,320,000	1,104,150	3,424,150
2024-2028	7,950,000	4,242,612	12,192,612
2029-2033	6,145,000	2,771,375	8,916,375
2034-2038	7,890,000	1,025,750	8,915,750
Total	\$ 32,520,000	\$ 14,516,025	\$ 47,036,025

Arbitrage Liability

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

NOTE 10—Termination Benefits

During the 2014-2015 fiscal year, the College approved a one-time exit incentive (the “Agreement”) through Public Agency Retirement Systems. The agreement includes 75 percent salary payout over five years for employees with 15 or more years of service. 29 employees accepted the agreement. As of August 31, 2018, the College’s liability was \$327,043.

NOTE 11—Employee Retirement Plans

The College’s employees may participate in one of three retirement plans. Faculty, administrators, counselors, and librarians may enroll in either the Teacher Retirement System of Texas (TRS) or the Optional Retirement Plan (ORP). Secretarial and clerical employees participate in TRS and part-time employees not enrolled in either TRS or ORP participate in the Alvin Community College Money Purchase Plan (“Money Purchase Plan”). The total payroll for all College employees was \$22,650,134 and \$22,467,736 for the fiscal years ended August 31, 2018 and 2017, respectively.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Teacher Retirement System

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries 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.

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. 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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

<u>Contribution Rates</u>	<u>2017</u>	<u>2018</u>
Member	7.7%	7.7%
Non-Employer Contributing Entity (NECE)	6.8%	6.8%
Employers	6.8%	6.8%
2017 Employer Contributions	\$590,587	
2017 Member Contributions	\$584,305	
2017 NECE On-behalf Contributions	\$352,439	

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

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

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

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

- When employing a retiree of TRS, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

- When a school district or charter school does not contribute to the Federal Old-Age, Survivors, and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.0%
Long-term expected investment rate of return	8.0%
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad hoc postemployment benefit changes	None

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

Discount Rate

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the nonemployer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

Best estimates of geometric real rates of return for each major asset class included in the system's target asset allocation as of August 31, 2017 are summarized below:

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

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

Discount Rate Sensitivity Analysis

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

	<u>1% Decrease in Discount Rate (7%)</u>	<u>Discount Rate (8%)</u>	<u>1% Increase in Discount Rate (9%)</u>
College's proportionate share of the net pension liability	\$ 9,713,424	\$ 5,761,792	\$ 2,471,568

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

At August 31, 2018, the College reported a liability of \$5,761,792 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$	5,761,792
State's proportionate share that is associated with the College		3,445,635
Total	\$	9,207,427

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2017, the College's proportion of the collective net pension liability was 0.0180199%, which was an increase of 0.0005649% from its proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation – There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

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

For the year ended August 31, 2018, the College recognized pension expense of \$262,819 and revenue of \$262,819 for support provided by the State.

At August 31, 2018, the College reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Difference between expected and actual economic experience	\$ 84,298	\$ 310,726
Changes in actuarial assumptions	262,459	150,252
Net difference between projected and actual investment earnings	-	419,906
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	166,173	346,018
Contributions paid to TRS subsequent to the measurement date	580,282	-
Total	\$ 1,093,212	\$ 1,226,902

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

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

Year Ended	Pension Expense
<u>August 31</u>	
2019	\$ (241,112)
2020	126,678
2021	(269,363)
2022	(351,738)
2023	5,281
Thereafter	<u>16,282</u>
Total	\$ (713,972)

Optional Retirement Plan

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

Funding Policy-Contribution requirements are not actuarially determined but are established and amended by the Texas State legislature. For fiscal years 2018 and 2017, the percentage of participant salaries contributed by the State and each participant was 6.60 percent of annual compensation. For employees who were employed as of September 1, 1995, the College contributed 1.9 percent for fiscal years 2018 and 2017 of annual compensation. Benefits are fully vested after one year plus one day of employment. Because these are individual annuity contracts, neither the State nor the College has an additional or unfunded liability for this program. SB 1812, effective September 1, 2013, limits the amount of the State's contribution to 50 percent of eligible employees in the reporting district.

The ORP retirement expense to the State for the College was \$165,008, \$159,475, and \$155,837 for fiscal years 2018, 2017, and 2016, respectively. These amounts represent the portion of expended appropriations made by the State legislature on behalf of the College.

The total payroll for all College employees was \$22,650,134, \$22,467,736, and \$21,642,560 for fiscal years 2018, 2017, and 2016, respectively. The total payroll of employees covered by the ORP was \$5,016,362, \$4,948,065, and \$4,843,231 for fiscal years 2018, 2017, and 2016, respectively.

Alvin Community College Money Purchase Plan

The Money Purchase Plan is a defined contribution plan created in accordance with the Internal Revenue Code Section 401(a) and is available to eligible, part-time employees of the College. Under the Money Purchase Plan, employees may contribute 6.2 percent of their total gross earnings and the College contributes 1.3 percent of the participant's total gross earnings. Benefits are immediately vested. The total payroll of employees covered by the Money Purchase Plan was \$2,373,347, \$2,404,803, and \$2,570,362 for the years ended August 31, 2018, 2017, and 2016, respectively. Contributions made by the College during the years ended August 31, 2018, 2017, and 2016 were approximately \$30,854, \$31,263, \$33,415, respectively.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 12—Post Retirement Health Care and Life Insurance Benefits

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

OPEB Plan Fiduciary Net Position- Detailed information about the GBP’s fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) 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); or by writing to ERS at 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377. The fiduciary net position of the plan has been determined using the same basis used by the OPEB plan.

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

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

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

	Maximum Monthly Employer Contribution Fiscal Year 2017	
Retiree Only	\$	617
Retiree and Spouse	\$	971
Retiree and Children	\$	854
Retiree and Family	\$	1,208

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

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

	Premium Contributions by Source	
	Group Benefits Program Plan	
	For the Years Ended August 31, 2017 and 2016	
	<u>2017</u>	<u>2016</u>
Employers	\$ 890,735,173	\$ 663,986,538
Members (Employees)	195,806,162	183,284,339
Nonemployer Contributing Entity (State of Texas)	44,433,743	N/A
Total	<u>\$ 1,130,975,078</u>	<u>\$ 847,270,877</u>

Actuarial Assumptions- The total OPEB liability was determined by an actuarial valuation as of August 31, 2017 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	August 31 ,2017
Actuarial cost method	Entry age
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	N/A
Actuarial discount rate assumption	3.5%
Salary increases including inflation	2.5% to 9.5%
Healthcare trend rate	8.5% for FY 2019, decreasing .5% per year to 4.5% for FY 2027 and after
Inflation assumption rate	2.50%
Ad hoc post-employment benefit changes	None

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

Discount Rate- Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.84 percent. The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51 percent, which amounted to an increase of 0.67 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 bonds 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 (PAYGO) 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.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

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

	1% Decrease in Discount Rate (2.51%)	Discount Rate (3.51%)	1% Increase in Discount Rate (4.51%)
College's proportionate share of the net OPEB liability	\$ 33,510,325	\$ 28,072,469	\$ 23,860,365

Healthcare Trend Rate Sensitivity Analysis- The initial healthcare trend rate is 8.5 percent and the ultimate rate is 4.5 percent. The following schedule shows the impact on the College's proportionate share of the collective net OPEB liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used in measuring the net OPEB Liability.

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate	1% Increase in Healthcare Cost Trend Rate
College's proportionate share of the net OPEB liability	\$ 23,616,159	\$ 28,072,469	\$ 33,876,168

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Deferred Inflows of Resources Related to OPEB- At August 31, 2018, the College reported a liability of \$28,072,469 for its proportionate share of the GBP's net OPEB liability. This liability reflects a reduction for State support provided to the College for OPEB. The amount recognized by the College as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the College were as follows:

College's proportionate share of the collective net pension liability	\$ 28,072,469
State's proportionate share that is associated with the College	19,717,014
Total	\$ 47,789,483

The net OPEB liability was measured as of August 31, 2017 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, 2016, through August 31, 2017.

At the measurement date of August 31, 2017, the College's proportion of the collective net OPEB liability was 0.08238916 percent, which was the same proportion measured as of August 31, 2016.

For the year ended August 31, 2018, the College recognized OPEB expense of \$1,055,177 and revenue of \$1,055,177 for support provided by the State.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

At August 31, 2018, the College reported its proportionate share of the GBP's collective deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows Of Resources
Net difference between projected and actual investment earnings	\$ 8,311	\$ -
Changes in assumptions	-	5,869,617
Difference between expected and actual experience	-	337,341
Contributions paid to GBP subsequent to the measurement date	785,428	-
Total	\$ 793,739	\$ 6,206,958

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

Year Ended August 31	OPEB Expense
2019	\$ (1,395,886)
2020	(1,395,886)
2021	(1,395,886)
2022	(1,395,886)
2023	(615,103)
Thereafter	-
Total	\$ (6,198,647)

NOTE 13—Compensated Absences

Compensated absences represent the liability associated with vacation benefits and compensatory time earned but not yet taken by employees of the College. The expense associated with vacation benefits and compensatory time benefits earned is recognized in the periods in which the associated employee services are rendered. Full-time employees earn annual leave at the rate of eight hours per month (September through May). No employee may accrue more than 192 hours of vacation benefits and, upon termination, an employee is paid for vacation benefits and accrued compensatory time (if compensatory time is applicable). As of August 31, 2018 and 2017, the College had an accrued vacation and compensated time liability of \$428,516 and \$414,799, respectively.

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

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

NOTE 14—Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of accounting principles generally accepted in the United States of America. Revenues are recognized on Exhibit 2 and Schedule A. Contract and grant awards for which funds are expended, but not collected, are reported as receivables on Exhibit 1. Contract and grant awards that are not yet funded and for which the institution has not yet performed services are not included in the basic financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years 2018 and 2017 for which monies have not been received nor funds expended totaled \$4,314,776 and \$4,765,396, respectively. Of these amounts, \$4,071,220 and \$4,615,396 were from Federal contract and grant awards and \$243,556 and \$150,000 were from State contract and grant awards for fiscal years 2018 and 2017, respectively.

NOTE 15—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>2018</u>	<u>2017</u>		
Assessed valuation of the tax district	\$ 10,011,248,191	\$ 8,979,798,211		
Less exemptions	(736,327,209)	(545,730,016)		
Net Assessed Valuation of the Tax District	<u>\$ 9,274,920,982</u>	<u>\$ 8,434,068,195</u>		
	<u>Maintenance</u>	<u>Debt</u>		
	<u>& Operations</u>	<u>Service</u>	<u>Total</u>	
For fiscal year 2018:				
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000	
Tax rate per \$100 valuation assessed	\$ 0.163608	\$ 0.017142	\$ 0.180750	
For fiscal year 2017:				
Tax rate per \$100 valuation authorized	\$ 0.500000	\$ 0.500000	\$ 1.000000	
Tax rate per \$100 valuation assessed	\$ 0.172848	\$ 0.018896	\$ 0.191744	

Taxes levied for the years ended August 31, 2018 and 2017 were \$16,767,843 and \$16,173,391, 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.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

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

For the year ended August 31, 2018:

Taxes collected:	Maintenance & Operations	Debt Service	Total
Current taxes collected	\$ 14,934,403	\$ 1,564,277	\$ 16,498,680
Delinquent taxes collected	256,827	28,482	285,309
Penalties and interest collected	98,088	10,394	108,482
Total Taxes Collected	\$ 15,289,318	\$ 1,603,153	\$ 16,892,471

For the year ended August 31, 2017:

Taxes collected:	Maintenance & Operations	Debt Service	Total
Current taxes collected	\$ 14,421,448	\$ 1,576,170	\$ 15,997,618
Delinquent taxes collected	142,418	14,475	156,893
Penalties and interest collected	113,282	12,687	125,969
Total Taxes Collected	\$ 14,677,148	\$ 1,603,332	\$ 16,280,480

Tax collections for both years ended August 31, 2018 and 2017 were 98 percent and 99 percent, respectively, 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 expenditures, if any, which may be disallowed by the grantor agencies cannot be determined at this time, although management of the College expects such amounts, if any, to be immaterial.

ALVIN COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Years Ended August 31, 2018 and 2017

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 \$271,932 and \$146,422 to the College for the years ended August 31, 2018 and 2017, respectively. The College furnished certain services, such as office space, supplies, and staff assistance, to the Foundation during the years ended August 31, 2018 and 2017. The costs of these services were not significant to the College.

NOTE 19–Restatement of Net Position

Beginning net position for the College was restated to implement GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

Beginning net position as reported	\$ 18,351,785
Net OPEB liability	(33,540,632)
Deferred Outflows - Contributions After Measurement Date	<u>771,844</u>
Restated beginning net position as reported	<u>\$ (14,417,003)</u>

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank.)

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, 2018

	Measurement Year*			
	2017	2016	2015	2014
College's proportion of the net pension liability	0.0180199%	0.0174550%	0.0179298%	0.0192277%
College's proportionate share of the net pension liability	\$ 5,761,792	\$ 6,596,001	\$ 6,337,945	\$ 5,135,984
State's proportionate share of the net pension liability associated with the College	3,445,635	4,058,819	4,361,258	3,574,251
Total	<u>\$ 9,207,427</u>	<u>\$ 10,654,820</u>	<u>\$ 10,699,203</u>	<u>\$ 8,710,235</u>
College's covered employee payroll	\$ 13,845,409	\$ 13,103,730	\$ 13,147,582	\$ 12,097,591
College's proportionate share of the net pension liability as a percentage of its covered employee payroll	41.62%	50.34%	48.21%	42.45%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

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

Notes to Required Supplementary Information:

Changes in Assumptions: There were no changes in assumptions or other inputs that affected measurement of the total net pension liability since the prior measurement period.

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

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
EMPLOYEE'S RETIREMENT SYSTEM OF TEXAS, (ERS)
For the Year Ended August 31, 2018

	Measurement Year
	2017
College's proportion of the net OPEB liability (asset)	0.0823892%
College's proportionate share of the net OPEB liability (asset)	\$ 28,072,469
State's proportionate share of the net OPEB liability (asset) associated with the College	19,717,014
Total	\$ 47,789,483
College's covered employee payroll	\$ 15,866,657
College's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	177%
Plan fiduciary net position as a percentage of the total OPEB liability	2.04%

* Only one year's worth of information is currently available.

Notes to Required Supplementary Information

Changes in assumptions . There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

Changes in benefits . There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

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

Last 10 Fiscal Years
For the Year Ended August 31, 2018

	Fiscal Year			
	2018	2017	2016	2015
Contractually required contribution	\$ 580,282	\$ 589,585	\$ 554,591	\$ 530,909
Contributions in relations to the contractually required contribution	<u>580,282</u>	<u>589,585</u>	<u>554,591</u>	<u>530,909</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered employee payroll	\$ 14,693,013	\$ 13,845,409	\$ 13,103,730	\$ 13,147,582
Contributions as a percentage of covered employee payroll	3.95%	4.26%	4.23%	4.04%

Fiscal Year

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 487,477	\$ 594,269	\$ 549,771	\$ 151,068	\$ 146,550	\$ 147,160
<u>487,477</u>	<u>594,269</u>	<u>549,771</u>	<u>151,068</u>	<u>146,550</u>	<u>147,160</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,097,591	\$ 9,120,208	\$ 8,718,199	\$ 9,119,391	\$ 8,409,367	\$ 9,811,627
4.03%	6.52%	6.31%	1.66%	1.74%	1.50%

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS
EMPLOYEE'S RETIREMENT SYSTEM OF TEXAS, (ERS)
For the Year Ended August 31, 2018

	Fiscal Year*	
	2018	2017
Statutorily or contractually required College contributions	\$ 785,428	\$ 771,844
Contributions recognized by OPEB in relation to statutorily or contractually required contributions	785,428	771,844
Contribution deficiency (excess)	\$ -	\$ -
College's covered employee payroll	\$ 17,378,476	\$ 15,866,657
Contributions as a percentage of covered employee payroll	4.52%	4.86%

* Only two year's worth of information is currently available.

(This page intentionally left blank.)

SUPPLEMENTAL SCHEDULES

ALVIN COMMUNITY COLLEGE

SCHEDULE OF OPERATING REVENUES

For the Year Ended August 31, 2018

(With Memorandum Totals For the Year Ended August 31, 2017)

	2018			
	Educational Activities			Auxiliary
	Unrestricted	Restricted	Total	Enterprises
Tuition				
State funded courses:				
In-district resident tuition	\$ 2,248,758	\$ -	\$ 2,248,758	\$ -
Out-of-district resident tuition	4,846,431	-	4,846,431	-
TPEG - credit (set aside) *	231,026	-	231,026	-
Nonresident tuition	386,632	-	386,632	-
State funded continuing education	763,037	-	763,037	-
TPEG - noncredit (set aside) *	44,702	-	44,702	-
Nonstate funded continuing education	111,698	-	111,698	-
Total Tuition	8,632,284	-	8,632,284	-
Fees				
General fees	1,510,495	-	1,510,495	-
Student service fees	-	-	-	253,606
Laboratory fees	264,473	-	264,473	-
Building use fees	534,376	-	534,376	-
Technology fees	617,170	-	617,170	-
Security fees	-	-	-	260,555
Other fees	765	-	765	-
Total Fees	2,927,279	-	2,927,279	514,161
Scholarship Allowances and Discounts				
Remissions and exemptions - State	(1,253,545)	-	(1,253,545)	-
Remissions and exemptions - local	-	-	-	(7,884)
TPEG allowances	(275,728)	-	(275,728)	-
Federal grants to students	(1,045,584)	-	(1,045,584)	-
Other	(113,965)	-	(113,965)	-
Total Scholarship Allowances and Discounts	(2,688,822)	-	(2,688,822)	(7,884)
Total Net Tuition and Fees	8,870,741	-	8,870,741	506,277

<u>2018</u>			
<u>Total</u>		<u>2017</u>	
\$ 2,248,758		\$ 2,210,108	
4,846,431		4,914,246	
231,026		244,045	
386,632		495,850	
763,037		1,666,677	
44,702		103,890	
111,698		407,738	
<u>8,632,284</u>		<u>10,042,554</u>	
1,510,495		1,484,553	
253,606		213,078	
264,473		302,492	
534,376		562,784	
617,170		610,923	
260,555		194,174	
765		1,460	
<u>3,441,440</u>		<u>3,369,464</u>	
(1,253,545)		(1,142,122)	
(7,884)		(5,370)	
(275,728)		(347,935)	
(1,045,584)		(817,128)	
<u>(113,965)</u>		<u>(147,087)</u>	
<u>(2,696,706)</u>		<u>(2,459,642)</u>	
<u>9,377,018</u>		<u>10,952,376</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING REVENUES, Continued
For the Year Ended August 31, 2018
(With Memorandum Totals For the Year Ended August 31, 2017)

	2018			
	Educational Activities			Auxiliary Enterprises
	Unrestricted	Restricted	Total	
Other Operating Revenues				
Federal grants and contracts	\$ -	\$ 1,414,292	\$ 1,414,292	\$ -
State grants and contracts	-	296,448	296,448	-
Nongovernmental grants and contracts	-	15,351	15,351	-
Total Other Operating Revenues	-	1,726,091	1,726,091	-
Auxiliary Enterprises				
Bookstore	-	-	-	1,729,180
Scholarships allowances and discounts	-	-	-	(307,730)
Net Bookstore	-	-	-	1,421,450
Child care center	-	-	-	266,493
Food services	-	-	-	8,986
Fitness center	-	-	-	40,435
Total Net Auxiliary Enterprises	-	-	-	1,737,364
Total Operating Revenues (Exhibit 2)	\$ 8,870,741	\$ 1,726,091	\$ 10,596,832	\$ 2,243,641

* In accordance with Texas Education Code 56.033, \$275,728 and \$347,935 of tuition was set aside for Texas Public Education Grants (TPEG) during fiscal years 2018 and 2017, respectively.

<u>2018</u>			
<u>Total</u>		<u>2017</u>	
\$ 1,414,292		\$ 826,880	
296,448		1,832,795	
15,351		33,951	
<u>1,726,091</u>		<u>2,693,626</u>	
1,729,180		1,650,867	
<u>(307,730)</u>		<u>(349,431)</u>	
1,421,450		1,301,436	
266,493		259,053	
8,986		11,969	
40,435		38,388	
<u>1,737,364</u>		<u>1,610,846</u>	
<u>\$ 12,840,473</u>		<u>\$ 15,256,848</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Year Ended August 31, 2018
(With Memorandum Totals For the Year Ended August 31, 2017)

	2018			
	Educational Activities			Other Expenses
	Salaries and Wages	Benefits		
	State	Local		
Unrestricted - Educational Activities				
Instruction	\$ 11,965,374	\$ -	\$ 1,898,437	\$ 689,530
Public service	98,013	-	15,551	40,772
Academic support	3,104,046	-	492,491	1,848,106
Student services	2,388,463	-	378,956	487,082
Institutional support	2,729,419	-	458,572	1,968,707
Operation and maintenance of plant	1,096,925	-	338,744	1,536,686
Total Unrestricted - Educational Activities	21,382,240	-	3,582,751	6,570,883
Restricted - Educational Activities				
Instruction	290,571	2,270,371	127,784	426,572
Public service	-	18,597	-	-
Academic support	324,649	588,977	69,585	95,548
Student services	164,971	453,199	-	43,546
Institutional support	-	517,894	-	-
Scholarships and fellowships	-	-	-	4,540,643
Total Restricted Educational Activities	780,191	3,849,038	197,369	5,106,309
Total Educational Activities	22,162,431	3,849,038	3,780,120	11,677,192
Auxiliary enterprises	611,239	-	186,508	1,499,411
Depreciation expense - buildings and other real estate improvements	-	-	-	728,818
Depreciation expense - equipment and furniture	-	-	-	477,090
Total Operating Expenses	\$ 22,773,670	\$ 3,849,038	\$ 3,966,628	\$ 14,382,511

<u>2018</u>			
<u>Total</u>		<u>2017</u>	
\$ 14,553,341		\$ 15,194,792	
154,336		164,883	
5,444,643		4,669,686	
3,254,501		2,979,855	
5,156,698		5,051,986	
<u>2,972,355</u>		<u>3,154,254</u>	
31,535,874		31,215,456	
3,115,298		3,046,325	
18,597		23,391	
1,078,759		861,453	
661,716		410,069	
517,894		295,920	
<u>4,540,643</u>		<u>5,156,420</u>	
<u>9,932,907</u>		<u>9,793,578</u>	
41,468,781		41,009,034	
2,297,158		2,040,122	
728,818		709,915	
<u>477,090</u>		<u>498,945</u>	
<u>\$ 44,971,847</u>		<u>\$ 44,258,016</u>	

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NONOPERATING REVENUES AND EXPENSES

For the Year Ended August 31, 2018

(With Memorandum Totals For the Year Ended August 31, 2017)

	2018			
	Unrestricted	Restricted	Auxiliary Enterprises	Total
Nonoperating Revenues				
State appropriations:				
Education and general State support	\$ 7,933,393	\$ -	\$ -	\$ 7,933,393
State group insurance	-	1,704,633	-	1,704,633
State retirement matching	-	1,483,006	-	1,483,006
Total State Appropriations	7,933,393	3,187,639	-	11,121,032
Taxes for maintenance and operations	15,289,318	-	-	15,289,318
Taxes for debt service	-	1,603,153	-	1,603,153
Federal revenue, nonoperating	-	4,942,344	-	4,942,344
Investment income	86,683	96,165	39,440	222,288
Gain on disposal of capital assets	39,974	-	-	39,974
Other nonoperating revenues	676,092	-	-	676,092
Total Nonoperating Revenues	24,025,460	9,829,301	39,440	33,894,201
Nonoperating Expenses				
Interest and fiscal agent fees	729,324	-	-	729,324
Loss on disposal of capital assets	-	-	-	-
Total Nonoperating Expenses	729,324	-	-	729,324
Nonoperating Revenues, Net	\$ 23,296,136	\$ 9,829,301	\$ 39,440	\$ 33,164,877

2017

\$ 7,212,917
1,525,624
580,684

9,319,225

14,677,148

1,603,332

5,247,032

101,537

-

607,093

31,555,367

462,501

49,332

511,833

\$ 31,043,534

ALVIN COMMUNITY COLLEGE
SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
For the Year Ended August 31, 2018

	Detail by Source			Capital Assets Net of Depreciation and Related Debt
	Unrestricted	Restricted		
	Unrestricted	Expendable	Nonexpendable	
Current				
Unrestricted	\$ (31,541,316)	\$ -	\$ -	\$ -
Auxiliary	1,651,256	73,378	-	-
Plant				
Investment in plant	-	-	-	16,433,182
Total Net Position, August 31, 2018	(29,890,060)	73,378	-	16,433,182
Total net position, August 31, 2017	(29,712,943)	191,345	-	15,104,595
Net Increase (Decrease) in Net Position	<u>\$ (177,117)</u>	<u>\$ (117,967)</u>	<u>\$ -</u>	<u>\$ 1,328,587</u>

<u>Detail by Source</u>	<u>Available for Current Operations</u>	
<u>Total</u>	<u>Yes</u>	<u>No</u>
\$ (31,541,316)	\$ (31,541,316)	\$ -
1,724,634	1,724,634	-
16,433,182	-	16,433,182
(13,383,500)	(29,816,682)	16,433,182
(14,417,003)	-	14,495,991
\$ 1,033,503	\$ (29,816,682)	\$ 1,937,191

(This page intentionally left blank.)



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

December 10, 2018

To the Board of Regents of
Alvin Community College:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Alvin Community College (the "College"), as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated December 10, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Texas Public Funds Investment Act

We have performed tests designed to verify the College's compliance with the requirements of the Texas Public Funds Investment Act (the "Act"). During the year ended August 31, 2018, the results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and, accordingly, we do not express an opinion.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas



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

December 10, 2018

To the Board of Regents of
Alvin Community College:

Report on Compliance for Each Major Federal Program

We have audited Alvin Community College's (the "College") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended August 31, 2018. The College's major federal are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Unmodified Opinion on Each of the Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended August 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas

ALVIN COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended August 31, 2018

None Noted.

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended August 31, 2018

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the College.
2. No significant deficiencies in internal control were disclosed by the audit of the basic financial statements.
3. No instances of noncompliance material to the basic financial statements were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed by the audit.
5. The auditors' report on compliance for the major federal award programs expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs for the College are reported in Part C of this schedule.
7. Major programs included:

<u>Name of Federal Program</u>	Federal CFDA <u>Number</u>
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Higher Education Intuitional Aid (STEM Grant)	84.031C

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

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT

None

C. FINDINGS – FEDERAL AWARDS

Federal Awards

None

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2018

Schedule E

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>National Science Foundation</u>			
Pass-Through From:			
University of Houston:			
IUSE: HER: From Discovery to Market	47.076	R-18-0008	\$ 10,481
Total National Science Foundation			10,481
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A173951	158,796
Federal Work-Study Program	84.033	P033A173951	68,737
Federal Pell Grant Program	84.063	P063P172256	3,646,587
Federal Direct Student Loans	84.268	P268K182256	992,567
Higher Education Institutional Aid (STEM Grant)	84.031C	P031C160219	877,457
TRIO Cluster:			
TRIO Upward Bound	84.047	P047A170605	269,058
Pass-Through From:			
Texas Higher Education Coordinating Board:			
Career & Technical Education - Basic Grants to States	84.048	15420206	69,788
Total U.S. Department of Education			6,082,990
<u>U.S. Department of Housing and Urban Development</u>			
Pass-Through From:			
Brazoria County:			
Community Development Block Grants/Entitlement Grants	14.218	B-15-UC-48-0005	6,000
Total U.S. Department of Housing and Urban Development			6,000
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Texas Commission on Alcohol and Drug Abuse:			
University of Texas at Austin:			
Substance Abuse and Mental Health Services - 17	93.243	UTA12-001070	9,047
Substance Abuse and Mental Health Services - 18	93.243	UTA17-000814	13,000
Total U.S. Department of Health and Human Services			22,047
<u>U.S. Department of Labor</u>			
Pass-Through From:			
Texas Workforce Commission:			
Wagner Peysner	17.207	2817WPB001	135,971
Building Construction Trades Training Demonstration Project	17.258	2817WOS004	95,252
National Dislocated Worker Disaster Grant Project	17.277	2818NDW002	2,220
Total U.S. Department of Labor			233,443
Total Expenditures of Federal Awards			6,354,961
Veterans Administration Chapter Benefits			1,675
Total Federal Revenues			\$ 6,356,636

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

ALVIN COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2018

Schedule F

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board:		
Educational Aide	9138045M	\$ 5,208
Mentorship Program	9138272M	5,150
Nursing Shortage Reduction Grant FY2017	9116664M	64,930
Texas College Work Study	9137932M	10,045
TEOG formerly Texas Grant II	9138215M	144,810
College Student Loan	9800831H	120
Total Texas Higher Education Coordinating Board		<u>230,263</u>
Texas Workforce Commission:		
Texas Fast Start Program IV	2817GRF000	28,872
Skills Development Fund Cluster:		
Partnership with Ascend Performance Materials, Inc.	2814SDF003	17,067
Welding/Pipefitting	2816SDF005	14,084
JET Grant Nursing	2818JET000	1,744
JET Grant Nursing	2817JET002	4,418
Total Texas Workforce Commission		<u>66,185</u>
Total Expenditures of State Awards		<u>\$ 296,448</u>

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

ALVIN COMMUNITY COLLEGE
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
For the Year Ended August 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULES

The schedules of expenditures of Federal and State awards (the "Schedules") present the activity of Federal and State of Texas financial assistance programs of the College for the year ended August 31, 2018. 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 2018. The expenditures reported previously may not have been reimbursed by the funding agencies as of the end of fiscal year 2018. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the Schedules.

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

2. FEDERAL ASSISTANCE RECONCILIATION

Federal revenues:

Federal grants and contracts - per Schedule A	\$	1,414,292
Federal revenue, nonoperating - per Schedule C		4,942,344
Total Federal Revenues	\$	6,356,636

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.

(This page intentionally left blank.)

STATISTICAL INFORMATION
(Unaudited)

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

ALVIN COMMUNITY COLLEGE

SS-1

NET POSITION BY COMPONENT

Last 10 Years

(Amounts expressed in thousands)

	For the Years Ended August 31,			
	2018	*2017	2016	2015
Primary government				
Net investment in capital assets	\$ 16,433	\$ 15,105	\$ 14,177	\$ 14,102
Restricted - expendable	73	191	243	244
Unrestricted	(29,890)	(29,713)	1,890	58
Total Primary Government				
Net Position	<u>\$ (13,384)</u>	<u>\$ (14,417)</u>	<u>\$ 16,310</u>	<u>\$ 14,404</u>

*Restated per GASB 75

For the Years Ended August 31,

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 14,382	\$ 14,160	\$ 14,325	\$ 13,714	\$ 14,012	\$ 13,553
325	320	320	349	237	356
<u>(413)</u>	<u>5,122</u>	<u>5,934</u>	<u>5,339</u>	<u>6,550</u>	<u>7,491</u>
<u>\$ 14,294</u>	<u>\$ 19,602</u>	<u>\$ 20,579</u>	<u>\$ 19,402</u>	<u>\$ 20,799</u>	<u>\$ 21,400</u>

ALVIN COMMUNITY COLLEGE

SS-2

REVENUES BY SOURCE

Last Ten Fiscal Years

	For the Years Ended August 31, (amounts expressed in thousands)			
	2018	2017	2016	2015
Operating Revenues:				
Tuition and fees (net of discounts)	\$ 9,377	\$ 10,952	\$ 9,966	\$ 10,107
Federal grants and contract	1,414	827	302	297
State grants and contracts	296	1,833	1,045	1,678
Nongovernmental grants and contracts	15	34	62	21
Sales and services of educational revenues	-	-	-	-
Auxiliary enterprises	1,737	1,611	1,942	1,901
Other operating revenues	-	-	-	-
Total Operating Revenues	<u>12,839</u>	<u>15,257</u>	<u>13,317</u>	<u>14,004</u>
Nonoperating Revenues:				
State appropriations	11,121	9,319	9,403	9,299
Ad valorem taxes	16,892	16,280	15,735	14,649
Federal revenue, nonoperating	4,942	5,247	4,841	4,230
Gifts	-	-	-	-
Investment income	222	102	47	23
Other nonoperating revenues	676	607	720	706
Total Nonoperating Revenues	<u>33,853</u>	<u>31,555</u>	<u>30,746</u>	<u>28,907</u>
Total Primary Government Program Revenues	<u>\$ 46,692</u>	<u>\$ 46,812</u>	<u>\$ 44,063</u>	<u>\$ 42,911</u>

	For the Years Ended August 31, (amounts expressed in percentages)			
	2018	2017	2016	2015
Operating Revenues:				
Tuition and fees (net of discounts)	20.08%	23.40%	22.62%	23.55%
Governmental grants and contracts				
Federal grants and contract	3.03%	1.77%	0.69%	0.69%
State grants and contracts	0.63%	3.92%	2.37%	3.91%
Nongovernmental grants and contracts	0.03%	0.07%	0.14%	0.05%
Sales and services of educational revenues				
Auxiliary enterprises	3.72%	3.44%	4.41%	4.43%
Other operating revenues	0.00%	0.00%	0.00%	0.00%
Total Operating Revenues	<u>27.50%</u>	<u>32.59%</u>	<u>30.22%</u>	<u>32.63%</u>
Nonoperating Revenues:				
State appropriations	23.82%	19.91%	21.34%	21.67%
Ad valorem taxes	36.18%	34.78%	35.71%	34.14%
Federal revenue, nonoperating	10.58%	11.21%	10.99%	9.86%
Gifts	0.00%	0.00%	0.00%	0.00%
Investment income	0.48%	0.22%	0.11%	0.05%
Other nonoperating revenues	1.45%	1.30%	1.63%	1.65%
Total Nonoperating Revenues	<u>72.50%</u>	<u>67.41%</u>	<u>69.78%</u>	<u>67.37%</u>
Total Primary Government Program Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

2014	2013	2012	2011	2010	2009
\$ 10,253	\$ 9,096	\$ 9,482	\$ 8,541	\$ 7,872	\$ 6,893
300	420	399	596	1,485	594
1,835	266	1,690	1,190	1,007	1,569
12	5	1	4	105	96
-	-	-	-	-	-
1,919	1,986	1,756	1,971	1,944	2,146
-	-	-	24	25	24
<u>14,319</u>	<u>11,773</u>	<u>13,328</u>	<u>12,326</u>	<u>12,438</u>	<u>11,322</u>
9,208	8,360	9,128	10,323	10,323	10,996
13,109	12,274	11,887	11,575	11,881	11,830
4,574	4,942	5,423	5,612	3,416	2,419
-	-	-	-	156	-
18	16	17	19	28	65
612	677	692	577	785	427
<u>27,521</u>	<u>26,269</u>	<u>27,147</u>	<u>28,106</u>	<u>26,589</u>	<u>25,737</u>
<u>\$ 41,840</u>	<u>\$ 38,042</u>	<u>\$ 40,475</u>	<u>\$ 40,432</u>	<u>\$ 39,027</u>	<u>\$ 37,059</u>

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

2014	2013	2012	2011	2010	2009
24.51%	23.91%	23.43%	21.12%	20.17%	18.60%
0.72%	1.10%	0.99%	1.47%	3.81%	1.60%
4.39%	0.70%	4.18%	2.94%	2.58%	4.23%
0.03%	0.01%	0.00%	0.01%	0.27%	0.26%
4.59%	5.22%	4.34%	4.87%	4.98%	5.79%
0.00%	0.00%	0.00%	0.06%	0.06%	0.06%
<u>34.22%</u>	<u>30.95%</u>	<u>32.93%</u>	<u>30.49%</u>	<u>31.87%</u>	<u>30.55%</u>
22.01%	21.98%	22.55%	25.53%	26.45%	29.67%
31.33%	32.26%	29.37%	28.63%	30.44%	31.92%
10.93%	12.99%	13.40%	13.88%	8.75%	6.53%
0.00%	0.00%	0.00%	0.00%	0.40%	0.00%
0.04%	0.04%	0.04%	0.05%	0.07%	0.18%
1.46%	1.78%	1.71%	1.43%	2.01%	1.15%
<u>65.78%</u>	<u>69.05%</u>	<u>67.07%</u>	<u>69.51%</u>	<u>68.13%</u>	<u>69.45%</u>
<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

ALVIN COMMUNITY COLLEGE

SS-3

PROGRAM EXPENSES BY FUNCTION

Last Ten Fiscal Years

	For the Years Ended August 31, (amounts expressed in thousands)			
	2018	2017	2016	2015
Operating Expenses:				
Instruction	\$ 17,669	\$ 18,241	\$ 17,067	\$ 17,959
Public service	173	188	173	167
Academic support	6,523	5,531	5,991	4,793
Student services	3,916	3,390	2,704	2,596
Institutional support	5,675	5,348	4,967	6,291
Operation and maintenance of plant	2,972	3,154	2,756	3,204
Scholarships and fellowships	4,541	5,156	4,707	4,008
Auxiliary enterprises	2,297	2,040	2,083	2,135
Depreciation	1,206	1,209	1,170	1,145
Total Operating Expenses	44,972	44,257	41,618	42,298
Nonoperating Expenses:				
Amortization of issuance costs	-	-	-	-
Interest on capital related debt	729	463	497	496
Loss/(Gain) on disposal of capital assets	(40)	49	43	-
Total Nonoperating Expenses	689	512	540	496
Total Expenses	\$ 45,661	\$ 44,769	\$ 42,158	\$ 42,794

	For the Years Ended August 31, (amounts expressed in percentages)			
	2018	2017	2016	2015
Operating Expenses:				
Instruction	38.70%	40.74%	40.48%	41.97%
Public service	0.38%	0.42%	0.41%	0.39%
Academic support	14.29%	12.35%	14.21%	11.20%
Student services	8.58%	7.57%	6.41%	6.07%
Institutional support	12.43%	11.95%	11.78%	14.70%
Operation and maintenance of plant	6.51%	7.05%	6.54%	7.49%
Scholarships and fellowships	9.95%	11.52%	11.17%	9.37%
Auxiliary enterprises	5.03%	4.56%	4.94%	4.99%
Depreciation	2.64%	2.70%	2.78%	2.68%
Total Operating Expenses	98.49%	98.86%	98.72%	98.84%
Nonoperating Expenses:				
Amortization of issuance costs	0.00%	0.00%	0.00%	0.00%
Interest on capital related debt	1.60%	1.03%	1.18%	1.16%
Loss on disposal of capital assets		0.11%	0.10%	0.00%
Total Nonoperating Expenses	1.60%	1.14%	1.28%	1.16%
Total Expenses	100.09%	100.00%	100.00%	100.00%

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

2014	2013	2012	2011	2010	2009
\$ 17,506	\$ 15,217	\$ 15,687	\$ 16,549	\$ 17,031	\$ 17,157
162	165	155	144	139	134
4,696	4,545	3,818	3,555	3,973	3,348
2,527	2,459	2,518	2,489	2,444	2,250
4,823	3,849	3,763	4,171	3,764	3,610
3,110	3,939	4,306	4,526	4,770	4,016
4,437	4,962	5,264	5,308	3,120	2,213
2,118	2,117	1,977	2,240	2,569	2,510
1,138	1,147	1,138	1,102	1,110	1,054
40,517	38,400	38,626	40,084	38,920	36,292
-	-	-	11	-	-
539	619	670	801	823	851
-	-	-	-	-	-
539	619	670	812	823	851
\$ 41,056	\$ 39,019	\$ 39,296	\$ 40,896	\$ 39,743	\$ 37,143

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

2014	2013	2012	2011	2010	2009
42.64%	39.00%	39.92%	40.47%	42.85%	46.19%
0.39%	0.42%	0.39%	0.35%	0.35%	0.36%
11.44%	11.65%	9.72%	8.69%	10.00%	9.01%
6.16%	6.30%	6.41%	6.09%	6.15%	6.06%
11.75%	9.86%	9.58%	10.20%	9.47%	9.72%
7.58%	10.10%	10.96%	11.07%	12.00%	10.81%
10.81%	12.72%	13.40%	12.98%	7.85%	5.96%
5.16%	5.43%	5.03%	5.48%	6.46%	6.76%
2.77%	2.94%	2.90%	2.69%	2.79%	2.84%
98.69%	98.41%	98.29%	98.01%	97.93%	97.71%
0.00%	0.00%	0.00%	0.03%	0.00%	0.00%
1.31%	1.59%	1.71%	1.96%	2.07%	2.29%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
1.31%	1.59%	1.71%	1.99%	2.07%	2.29%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

ALVIN COMMUNITY COLLEGE

TUITION AND FEES

Last Ten Academic Years

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)			Resident Fees per Semester		
	In-District Tuition	Out-of- District Tuition	General Service Fee	Registration Fee (per Student)	Technology Fee	Student Activity Fee
2017	\$ 46	\$ 92	\$ 7	\$ 30	\$ 60	\$ 30
2016	\$ 45	\$ 90	\$ 7	\$ 30	\$ 60	\$ 22
2015	\$ 45	\$ 90	\$ 5	\$ 30	\$ 60	\$ 22
2014	\$ 44	\$ 88	\$ 5	\$ 30	\$ 60	\$ 22
2013	\$ 44	\$ 88	\$ 5	\$ 30	\$ 60	\$ 22
2012	\$ 42	\$ 84	\$ 5	\$ 30	\$ 45	\$ 22
2011	\$ 42	\$ 84	\$ 5	\$ 30	\$ 45	\$ 22
2010	\$ 36	\$ 72	\$ 5	\$ 21	\$ 45	\$ 22
2009	\$ 32	\$ 65	\$ 5	\$ 21	\$ 40	\$ 22
2008	\$ 30	\$ 58	\$ 5	\$ 21	\$ 30	\$ 22

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)			Resident Fees per Semester		
	Non-Resident Tuition Out of State	Non-Resident Tuition International	General Service Fee	Registration Fee (per Student)	Technology Fee	Student Activity Fee
2017	\$ 140	\$ 140	\$ 7	\$ 30	\$ 60	\$ 30
2016	\$ 140	\$ 140	\$ 7	\$ 30	\$ 60	\$ 22
2015	\$ 140	\$ 140	\$ 5	\$ 30	\$ 60	\$ 22
2014	\$ 134	\$ 134	\$ 5	\$ 30	\$ 60	\$ 22
2013	\$ 134	\$ 134	\$ 5	\$ 30	\$ 60	\$ 22
2012	\$ 130	\$ 130	\$ 5	\$ 30	\$ 45	\$ 22
2011	\$ 130	\$ 130	\$ 5	\$ 30	\$ 45	\$ 22
2010	\$ 130	\$ 130	\$ 5	\$ 21	\$ 45	\$ 22
2009	\$ 110	\$ 110	\$ 5	\$ 21	\$ 40	\$ 22
2008	\$ 110	\$ 110	\$ 5	\$ 21	\$ 30	\$ 22

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

Resident Fees per Semester

<u>Security Fee</u>	<u>LRC Fee</u>	<u>Bursar Fee</u>	<u>Cost for 12 SCH In-District</u>	<u>Cost for 12 SCH Out-of-District</u>	<u>Increase from Prior Year In-District</u>	<u>Increase from Prior Year Out-of-District</u>
\$ 30	\$ 15	\$ 10	\$ 811	\$ 1,363	3.84%	3.18%
\$ 20	\$ 15	\$ 10	\$ 781	\$ 1,321	1.83%	1.07%
\$ 20	\$ 15	\$ 10	\$ 767	\$ 1,307	1.59%	1.87%
\$ 20	\$ 15	\$ 10	\$ 755	\$ 1,283	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 755	\$ 1,283	5.45%	5.16%
\$ 20	\$ 15	\$ 10	\$ 716	\$ 1,220	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 716	\$ 1,220	17.38%	17.08%
\$ 20	\$ -	\$ -	\$ 610	\$ 1,042	11.52%	9.34%
\$ 20	\$ -	\$ -	\$ 547	\$ 953	8.75%	13.59%
\$ 10	\$ -	\$ -	\$ 503	\$ 839	1.00%	0.60%

Resident Fees per Semester

<u>Security Fee</u>	<u>LRC Fee</u>	<u>Bursar Fee</u>	<u>Cost for 12 SCH Non-Resident</u>	<u>Cost for 12 SCH International</u>	<u>Increase from Prior Year Non-Resident</u>	<u>Increase from Prior Year International</u>
\$ 30	\$ 15	\$ 10	\$ 1,939	\$ 1,939	0.94%	0.94%
\$ 20	\$ 15	\$ 10	\$ 1,921	\$ 1,921	0.73%	0.73%
\$ 20	\$ 15	\$ 10	\$ 1,907	\$ 1,907	3.92%	3.92%
\$ 20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 1,835	\$ 1,835	3.56%	3.56%
\$ 20	\$ 15	\$ 10	\$ 1,772	\$ 1,772	0.00%	0.00%
\$ 20	\$ 15	\$ 10	\$ 1,772	\$ 1,772	1.96%	1.96%
\$ 20	\$ -	\$ -	\$ 1,738	\$ 1,738	17.19%	17.19%
\$ 20	\$ -	\$ -	\$ 1,483	\$ 1,483	1.37%	1.37%
\$ 10	\$ -	\$ -	\$ 1,463	\$ 1,463	0.34%	0.34%

ALVIN COMMUNITY COLLEGE
ASSESSED VALUE AND TAXABLE ASSESSED VALUE OF PROPERTY
Last Ten Fiscal Years

(Amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Assessed Valuation of Property</u>	<u>Less Exemptions</u>	<u>Taxable Assessed Value (TAV)</u>	<u>Ratio of Taxable Assessed Value to Assessed Value</u>
2017-18	\$ 10,011,248	\$ 736,327	\$ 9,274,921	92.65%
2016-17	\$ 8,979,798	\$ 545,730	\$ 8,434,068	93.92%
2015-16	\$ 8,146,011	\$ 532,166	\$ 7,613,845	93.47%
2014-15	\$ 7,776,726	\$ 645,321	\$ 7,131,405	91.70%
2013-14	\$ 7,072,385	\$ 566,309	\$ 6,506,076	91.99%
2012-13	\$ 6,657,772	\$ 598,418	\$ 6,059,354	91.01%
2011-12	\$ 6,526,053	\$ 1,187,556	\$ 5,338,497	81.80%
2010-11	\$ 6,898,889	\$ 1,044,338	\$ 5,854,551	84.86%
2009-10	\$ 6,905,533	\$ 916,132	\$ 5,989,401	86.73%
2008-09	\$ 6,728,205	\$ 843,423	\$ 5,884,782	87.46%

Source: Local Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

Direct Rate

Maintenance & Operations (a)	Debt Service (a)	Total (a)
\$ 0.163608	\$ 0.017142	\$ 0.180750
\$ 0.172848	\$ 0.018896	\$ 0.191744
\$ 0.182979	\$ 0.021030	\$ 0.204009
\$ 0.181907	\$ 0.022102	\$ 0.204009
\$ 0.176540	\$ 0.023216	\$ 0.199756
\$ 0.175119	\$ 0.024637	\$ 0.199756
\$ 0.173798	\$ 0.025687	\$ 0.199485
\$ 0.174867	\$ 0.024963	\$ 0.199830
\$ 0.177329	\$ 0.022503	\$ 0.199832
\$ 0.186741	\$ 0.023539	\$ 0.210280

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

<u>Fiscal Year</u>	<u>Appropriation per FTSE</u>			<u>Appropriation per</u>
	<u>State</u>	<u>FTSE</u>	<u>State</u>	<u>Contact Hour</u>
	<u>Appropriation</u>	<u>(a)</u>	<u>Appropriation</u>	<u>Academic</u>
			<u>per FTSE</u>	<u>Contact</u>
				<u>Hours (a)</u>
2017-18	\$ 11,121	\$ 7,859	\$ 1,415	1,431
2016-17	\$ 9,319	\$ 8,144	\$ 1,144	1,477
2015-16	\$ 9,403	\$ 7,767	\$ 1,211	1,364
2014-15	\$ 9,299	\$ 7,211	\$ 1,290	1,290
2013-14	\$ 9,208	\$ 7,568	\$ 1,217	1,368
2012-13	\$ 8,360	\$ 7,400	\$ 1,130	1,354
2011-12	\$ 9,128	\$ 7,562	\$ 1,207	1,396
2010-11	\$ 10,323	\$ 7,621	\$ 1,355	1,503
2009-10	\$ 10,438	\$ 7,790	\$ 1,340	1,461
2008-09	\$ 10,996	\$ 6,778	\$ 1,622	1,032

Notes:

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

(a) Source CBM 004

Appropriation per Contact Hour

<u>Voc/Tech Contact Hours (a)</u>	<u>Total Contact Hours</u>	<u>State Appropriation per Contact Hour</u>
734	2,165	\$ 5.14
799	2,276	\$ 4.09
780	2,144	\$ 4.39
775	2,065	\$ 4.50
777	2,253	\$ 4.09
818	2,408	\$ 3.47
857	2,472	\$ 3.69
905	1,978	\$ 5.22
1,011	2,118	\$ 4.93
978	2,061	\$ 5.34

ALVIN COMMUNITY COLLEGE

SS-7

PRINCIPAL TAXPAYERS

Last Ten Tax Years

Taxpayer	Type of Business	Year		
		(amounts expressed in thousands)		
		2018	2017	2016
Ineos USA LLC	petrochemical	\$ 46,257	\$ 415,081	\$ 426,518
Ineos Olefins & Polymers	petrochemical	479,619	-	-
Denbury Onshore LLC	oil and gas exploration	179,570	168,085	139,588
Ascend Performance Materials	manufacturing	91,141	95,638	76,124
Equistar Chemicals LP	petrochemical	-	-	-
Novus International Inc	agriculture	40,002	41,308	46,146
Schlumberger Well Svcs	oilfield services	46,117	47,116	48,297
Center Point Energy	utility	51,952	47,427	45,146
Huntsman Petrochemical Corp	petrochemical	-	-	22,131
Cyanco International	manufacturing	52,284	53,625	53,625
Amreit SPF Shadow Creek LP	investment	66,511	83,833	68,227
UVN-TIC LLC ETAL	real estate	-	35,450	32,195
Pearland Investments LTD PRT	real estate	-	-	-
Southwestern Bell	utility	-	-	-
Inland American Waterford LTD	real estate	-	-	-
Pearland Town Center LP	investment	92,489	89,000	80,701
Team Services Inc.	manufacturing	37,162	30,878	29,351
Pearland Multifamily DST	real estate	30,000	33,624	30,574
Shadow Creek Apartments LLC	real estate	32,500	35,971	35,219
Dune Operating Company	oil and gas	-	-	-
12400 Shadow Creek Parkway LLC	real estate	-	-	35,701
Discovery Shadow Creek Owner	real estate	35,126	37,578	34,401
Shadow Kirby LTD	real estate	-	-	33,000
Weatherford US LP	oil and gas	-	-	23,680
Energyquest Inc.	utility	-	-	-
BNSF Railway Co.	transportation	-	-	-
Texas New Mexico Power Co.	utility	-	-	23,092
Argent Energy	utility	-	-	-
Rice-Tec Inc.	agriculture	-	-	-
Shadow Creek Phase II	real estate	-	-	-
MAR Shadow Creek LP	real estate	57,306	57,481	53,085
MRP Radius Shadow Creek LLC	real estate	-	-	-
Schlumberger Technology Corp.	exploration/ production	-	-	-
DD SCR V LLC	investment	37,000	46,406	-
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	35,250	38,420	-
Goodgarden Owner GP	investment	38,500	38,141	-
Brazoria-SCR Assoc LLC & SC Assoc	real estate	35,843	36,453	-
Southfork Lake LLC	real estate	34,245	-	-
Pearland IL Group LP	real estate	-	25,500	-
Totals		\$ 1,518,874	\$ 1,457,015	\$ 1,336,801
Total Taxable Assessed Value		\$ 8,434,068	\$ 7,613,845	\$ 7,131,405

Year						
(amounts expressed in thousands)						
2015	2014	2013	2012	2011	2010	2009
\$ 469,884	\$ 401,327	\$ 401,327	\$ 371,419	\$ 419,543	\$ 442,249	\$ 418,260
-	-	-	-	-	-	-
250,781	381,509	381,509	302,544	116,260	103,859	-
75,566	77,754	77,754	77,403	94,886	82,367	-
-	-	-	16,484	-	-	-
49,544	46,013	46,013	49,610	54,451	55,390	53,501
51,229	51,529	51,529	33,614	32,614	37,026	35,471
41,579	42,514	42,514	41,357	37,008	36,014	-
29,086	41,872	41,872	47,690	47,405	58,560	40,949
53,625	61,875	61,875	40,500	-	-	-
48,319	48,188	48,188	47,959	43,672	41,007	50,744
-	-	-	-	-	-	-
-	-	-	-	21,155	31,697	35,554
-	-	-	-	-	-	16,757
-	-	-	-	-	-	17,125
70,769	69,086	69,086	66,757	68,763	66,933	67,661
29,334	22,377	22,377	50,523	20,724	-	22,348
39,771	24,206	24,206	-	-	-	-
29,900	23,746	23,746	-	-	-	-
-	-	-	-	29,759	-	-
29,000	27,100	27,100	27,100	28,229	-	-
27,934	26,780	26,780	25,330	26,392	-	-
28,500	25,000	25,000	25,000	25,000	-	-
23,805	23,971	23,971	30,530	22,985	-	-
-	-	-	-	19,883	-	-
-	-	-	19,015	18,140	-	-
-	20,910	20,910	19,196	16,493	-	-
-	-	-	18,209	-	-	-
-	-	-	17,033	16,434	-	-
-	20,605	20,605	-	-	-	-
44,000	-	-	-	-	-	-
24,155	-	-	-	-	-	-
-	-	-	-	-	-	-
27,041	21,926	21,926	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-				

ALVIN COMMUNITY COLLEGE

SS-7

PRINCIPAL TAXPAYERS

Last Ten Tax Years

Taxpayer	Type of Business	Year		
		2018	2017	2016
Ineos USA LLC	petrochemical	0.55%	5.45%	5.60%
Ineos Olefins & Polymers	petrochemical	5.69%	0.00%	0.00%
Denbury Onshore LLC	oil & gas exploration	2.13%	2.21%	1.83%
Ascend Performance Materials	manufacturing	1.08%	1.26%	1.00%
Equistar Chemicals LP	petrochemical	0.00%	0.00%	0.00%
Novus International Inc	agriculture	0.47%	0.54%	0.61%
Schlumberger Well Svcs	oilfield services	0.55%	0.62%	0.63%
Center Point Energy	utility	0.62%	0.62%	0.59%
Huntsman Petrochemical Corp	petrochemical	0.00%	0.00%	0.29%
Cyanco International	manufacturing	0.62%	0.70%	0.70%
Amreit SPF Shadow Creek LP	investment	0.79%	1.10%	0.90%
UVN-TIC LLC ETAL	real estate	0.00%	0.47%	0.42%
Pearland Investments LTD PRT	real estate	0.00%	0.00%	0.00%
Southwestern Bell	utility	0.00%	0.00%	0.00%
Inland American Waterford LTD	real estate	0.00%	0.00%	0.00%
Pearland Town Center LP	investment	1.10%	1.17%	1.06%
Team Services Inc.	manufacturing	0.44%	0.41%	0.39%
Pearland Multifamily DST	real estate	0.36%	0.44%	0.40%
Shadow Creek Apartments LLC	real estate	0.39%	0.47%	0.46%
Dune Operating Company	oil & gas	0.00%	0.00%	0.00%
12400 Shadow Creek Parkway LLC	real estate	0.00%	0.00%	0.47%
Discovery Shadow Creek Owner	real estate	0.42%	0.49%	0.45%
Shadow Kirby LTD	real estate	0.00%	0.00%	0.43%
Weatherford US LP	oil & gas	0.00%	0.00%	0.31%
Energyquest Inc.	utility	0.00%	0.00%	0.00%
BNSF Railway Co.	transportation	0.00%	0.00%	0.00%
Texas New Mexico Power Co.	utility	0.00%	0.00%	0.30%
Argent Energy	utility	0.00%	0.00%	0.00%
Rice-Tec Inc.	agriculture	0.00%	0.00%	0.00%
Shadow Creek Phase II	real estate	0.00%	0.00%	0.00%
MAR Shadow Creek LP	real estate	0.68%	0.75%	0.70%
MRP Radius Shadow Creek LLC	real estate	0.00%	0.00%	0.00%
Schlumberger Technology Corp.	exploration	0.00%	0.00%	0.00%
DD SCR V LLC	investment	0.44%	0.61%	0.00%
W-F&B 11900 Shadow Creek Owner VIII LP	real estate	0.42%	0.50%	0.00%
Goodgarden Owner GP	investment	0.46%	0.50%	0.00%
Brazoria-SCR Assoc LLC & SC Assoc	real estate	0.42%	0.48%	0.00%
Southfork Lake LLC	real estate	0.41%	0.00%	0.00%
Pearland IL Group LP	real estate	0.00%	0.33%	0.00%
		18.01%	19.12%	17.54%

(This page intentionally left blank.)

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

Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year Ended August 31	Total Tax Levy (a)	Collections Current Levy (b)	Percentage	Current Collections of Prior Levies (b)	Total Collections (c)	Percentage of Current Levy
2018	\$ 16,768	\$ 16,586	98.91%	\$ -	\$ 16,586	98.91%
2017	\$ 16,173	\$ 15,994	98.89%	\$ 93	\$ 16,087	99.47%
2016	\$ 15,537	\$ 15,377	98.97%	\$ 115	\$ 15,492	99.71%
2015	\$ 14,516	\$ 14,341	98.79%	\$ 142	\$ 14,483	99.77%
2014	\$ 12,986	\$ 12,832	98.81%	\$ 126	\$ 12,958	99.78%
2013	\$ 12,119	\$ 12,040	99.35%	\$ 57	\$ 12,097	99.82%
2012	\$ 11,764	\$ 11,710	99.54%	\$ 41	\$ 11,751	99.89%
2011	\$ 11,435	\$ 11,392	99.62%	\$ 31	\$ 11,423	99.90%
2010	\$ 11,722	\$ 11,697	99.79%	\$ 11	\$ 11,708	99.88%
2009	\$ 11,650	\$ 11,632	99.85%	\$ 5	\$ 11,637	99.89%

Source: Local Tax Assessor/Collector and District records

(a) As of August 31st

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

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

ALVIN COMMUNITY COLLEGE

SS-9

RATIOS OF OUTSTANDING DEBT

Last Ten Fiscal Years

	For the Years Ended August 31, (amounts expressed in thousands)			
	2018	2017	2016	2015
General Bonded Debt:				
General obligation bonds	\$ 9,955	\$ 11,125	\$ 12,255	\$ 13,350
Less: Funds restricted for debt service	(1,603)	(1,603)	(1,624)	(1,585)
Net general bonded debt	8,352	9,522	10,631	11,765
Revenue Bonds	-	-	-	-
Tax Notes	22,565	-	-	-
Capital leases	-	12	23	34
Total Outstanding Debt	\$ 30,917	\$ 9,534	\$ 10,654	\$ 11,799

General Bonded Debt Ratios:

As a percentage of Taxable Assessed Value	0.09%	0.11%	0.14%	0.16%
---	-------	-------	-------	-------

Total Outstanding Debt Ratios:

Per capita	1,031	\$	27	\$	31	\$	35
Per student	4,417	\$	1,362	\$	1,372	\$	1,636
As a percentage of Taxable Assessed Value	0.33%		0.11%		0.14%		0.17%

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

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 14,380	\$ 15,305	\$ 16,160	\$ 16,960	\$ 17,615	\$ 18,194
(1,523)	(1,513)	(1,528)	(1,444)	(1,399)	(1,325)
12,857	13,792	14,632	15,516	16,216	16,869
-	-	-	-	-	-
-	-	-	-	-	-
44	-	-	-	-	-
\$ 12,901	\$ 13,792	\$ 14,632	\$ 15,516	\$ 16,216	\$ 16,869

0.20% 0.23% 0.25% 0.27% 0.28% 0.29%

\$ 39	\$ 42	\$ 46	\$ 50	\$ 52	\$ 56
\$ 1,705	\$ 1,864	\$ 1,935	\$ 2,036	\$ 2,082	\$ 2,489
0.20%	0.23%	0.25%	0.27%	0.28%	0.29%

ALVIN COMMUNITY COLLEGE

SS-10

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	For the Years Ended August 31, (amounts expressed in thousands)			
	2018	2017	2016	2015
Taxable Assessed Value	\$ 9,274,921	\$ 8,434,068	\$ 7,615,957	\$ 7,131,405
General Obligation Bonds:				
Statutory tax levy limit for debt service	\$ 46,375	\$ 42,170	\$ 38,080	\$ 35,657
Less: Funds restricted for repayment of general obligation bonds	(1,603)	(1,603)	(1,624)	(1,585)
Total Net General Obligation Debt	<u>44,772</u>	<u>40,567</u>	<u>36,456</u>	<u>34,072</u>
Current Year Debt Service Requirements	1,596	1,595	1,595	1,567
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 43,176</u>	<u>\$ 38,972</u>	<u>\$ 34,861</u>	<u>\$ 32,505</u>
Net Current Requirements as a % of Statutory Limit	0.03%	0.04%	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 dollars taxable assessed valuation.

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>\$ 6,506,076</u>	<u>\$ 6,059,354</u>	<u>\$ 5,888,930</u>	<u>\$ 5,711,333</u>	<u>\$ 5,861,195</u>	<u>\$ 5,812,073</u>
\$ 32,530	\$ 30,297	\$ 29,445	\$ 28,557	\$ 29,306	\$ 29,060
<u>(1,523)</u>	<u>(1,513)</u>	<u>(1,528)</u>	<u>(1,444)</u>	<u>(1,399)</u>	<u>(1,325)</u>
<u>31,007</u>	<u>28,784</u>	<u>27,917</u>	<u>27,113</u>	<u>27,907</u>	<u>27,735</u>
1,501	1,443	1,405	1,456	1,403	1,321
<u>\$ 29,506</u>	<u>\$ 27,341</u>	<u>\$ 26,512</u>	<u>\$ 25,657</u>	<u>\$ 26,504</u>	<u>\$ 26,414</u>
0.05%	0.05%	0.05%	0.05%	0.05%	0.05%

ALVIN COMMUNITY COLLEGE

SS-11

PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Year	Revenue Bonds			Debt Service Requirement
	Technology Fee	General Services Fee	Total	(in thousands)
2018	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2012	\$ -	\$ -	\$ -	\$ -
2011	\$ -	\$ -	\$ -	\$ -
2010	\$ -	\$ -	\$ -	\$ -
2009	\$ 238,467	\$ 387,715	\$ 626,182	\$ 302,000

Debt Service Requirements (in thousands)

Interest	Total	Coverage Ratio
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ -	\$ -	-
\$ 9,815	\$ 311,815	2.01

(This page intentionally left blank.)

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

<u>Year</u>	<u>District Population</u>	<u>District Personal Income (a) (in Thousands)</u>	<u>District Personal Income Per Capita</u>	<u>District Unemployment Rate</u>
2018	362,457	\$ (a)	\$ (a)	5.3%
2017	354,195	\$ 15,528,652	\$ 43,842	5.2%
2016	346,312	\$ 15,537,867	\$ 44,867	5.0% *
2015	338,124	\$ 13,504,267	\$ 42,519	6.1%
2014	330,242	\$ 13,788,051	\$ 41,751	7.1%
2013	324,769	\$ 13,104,592	\$ 40,351	7.1%
2012	319,973	\$ 12,550,313	\$ 39,315	8.7%
2011	313,166	\$ 11,610,075	\$ 37,344	9.0%
2010	309,208	\$ 11,275,252	\$ 36,462	8.1%
2009	301,044	\$ 11,455,625	\$ 38,030	5.2%

Sources:

Population from U.S. Bureau of the Census

Personal income from U.S. Bureau of Economic Analysis

Unemployment rate from Texas Workforce Commission (Annual when possible)

Notes:

(a) Not yet available

* Updated from last year

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

SS-13

PRINCIPAL EMPLOYERS

Current Fiscal Year

<u>Employer</u>	<u>Employees (1)</u>	<u>Employment (2)</u>
Brazoria Tax Assessor	1,000+	0.93%
Wal-Mart Supercenter	500-999	0.70%
Alvin Community College	100-499	0.28%
Alvin High School	100-499	0.28%
Alvin Independent School District	100-499	0.28%
Alvin Police Department	100-499	0.28%
City of Alvin	100-499	0.28%
Diversified Ceramics	100-499	0.28%
Food Service Department	100-499	0.28%
GTE, Inc.	100-499	0.28%
Home Depot	100-499	0.28%
House Calls Home Health	100-499	0.28%
Kroger	100-499	0.28%
Olive Garden Restaurant	100-499	0.28%
Ron Carter Autoland	100-499	0.28%
T & L Lease Svc	100-499	0.28%
	<u>3,500 - 11,481</u>	<u>5.55%</u>

Source:

(1) Texas Workforce Commission - SOCRATES, Employer Search

(2) US Census - Brazoria County Private nonfarm employment

Note:

Percentages are calculated using the midpoints of the ranges.

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

SS-14

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Faculty				
Full-Time	111	113	107	103
Part-Time	345	203	183	194
Total	<u><u>456</u></u>	<u><u>316</u></u>	<u><u>290</u></u>	<u><u>297</u></u>
Faculty				
Full-Time	24.3%	35.8%	36.9%	34.7%
Part-Time	75.7%	64.2%	63.1%	65.3%
Staff and Administrators				
Full-Time	180	177	178	168
Part-Time	102	58	60	56
Total	<u><u>282</u></u>	<u><u>235</u></u>	<u><u>238</u></u>	<u><u>224</u></u>
Staff and Administrators				
Full-Time	63.8%	75.3%	74.8%	75.0%
Part-Time	36.2%	24.7%	25.2%	25.0%
FTSE per Full-time Faculty	70.8	72.0	72.6	70.0
FTSE per Full-Time Staff Member	43.7	46.0	43.6	37.2
Average Annual Faculty Salary	\$ 60,770	\$ 68,100	\$ 63,608	\$ 56,291

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
111	110	108	109	108	108
170	170	180	180	199	171
<u>281</u>	<u>280</u>	<u>288</u>	<u>289</u>	<u>307</u>	<u>279</u>
39.5%	39.3%	37.5%	37.7%	35.2%	38.7%
60.5%	60.7%	62.5%	62.3%	64.8%	61.3%
166	170	168	163	169	162
55	50	50	54	47	46
<u>221</u>	<u>220</u>	<u>218</u>	<u>217</u>	<u>216</u>	<u>208</u>
75.1%	77.3%	77.1%	75.1%	78.2%	77.9%
24.9%	22.7%	22.9%	24.9%	21.8%	22.1%
68.2	67.2	70.0	69.9	72.1	62.8
45.6	43.5	45.0	46.8	46.1	41.8
\$ 55,309	\$ 54,308	\$ 59,598	\$ 57,416	\$ 54,458	\$ 54,064

ALVIN COMMUNITY COLLEGE

SS-15

ENROLLMENT DETAILS

Last Five Fall Semesters

Student Classification	Fall 2017		Fall 2016	
	Number	Percentage	Number	Percentage
0-30 hours	3,859	67.60%	3,731	65.94%
31-60 hours	1,030	18.04%	1,108	19.58%
> 60 hours	820	14.36%	819	14.48%
Total	5,709	100.00%	5,658	100.00%

Semester Hour Load	Fall 2017		Fall 2016	
	Number	Percentage	Number	Percentage
Less than 3	283	4.96%	231	4.08%
3-5 semester hours	1,722	30.16%	1,546	27.32%
6-8 semester hours	1,596	27.96%	1,579	27.91%
9-11 semester hours	1,200	21.02%	1,262	22.30%
12-14 semester hours	708	12.40%	844	14.92%
15-17 semester hours	180	3.15%	159	2.81%
18 and over	20	0.35%	37	0.65%
Total	5,709	100.00%	5,658	100.00%

Tuition Status	Fall 2017		Fall 2016	
	Number	Percentage	Number	Percentage
Texas Resident (in-District)	2,606	45.65%	2,445	43.21%
Texas Resident (out-of-District)	2,908	50.94%	3,001	53.04%
Non-Resident Tuition	122	2.14%	141	2.49%
Tuition Exemption - Texas Resident	73	1.28%	71	1.25%
Total	5,709	100.00%	5,658	100.00%

Fall 2015		Fall 2014		Fall 2013	
Number	Percentage	Number	Percentage	Number	Percent
3,256	63.64%	3,166	64.43%	3,400	65.50%
1,079	21.09%	937	19.07%	947	18.24%
781	15.27%	811	16.50%	844	16.26%
5,116	100.00%	4,914	100.00%	5,191	100.00%

Fall 2015		Fall 2014		Fall 2013	
Number	Percentage	Number	Percentage	Number	Percent
207	4.04%	254	5.16%	266	5.13%
1,348	26.35%	1,292	26.29%	1,330	25.62%
1,463	28.60%	1,333	27.13%	1,502	28.93%
1,134	22.16%	1,031	20.98%	1,055	20.32%
758	14.82%	762	15.51%	780	15.03%
155	3.03%	191	3.89%	202	3.89%
51	1.00%	51	1.04%	56	1.08%
5,116	100.00%	4,914	100.00%	5,191	100.00%

Fall 2015		Fall 2014		Fall 2013	
Number	Percentage	Number	Percentage	Number	Percent
2,257	44.12%	2,216	45.10%	2,305	44.40%
2,681	52.40%	2,525	51.38%	2,695	51.92%
106	2.07%	105	2.14%	104	2.00%
72	1.41%	68	1.38%	87	1.68%
5,116	100.00%	4,914	100.00%	5,191	100.00%

Fall 2015		Fall 2014		Fall 2013	
Number	Percentage	Number	Percentage	Number	Percent
2,842	55.55%	2,763	56.23%	3,007	57.93%
2,274	44.45%	2,151	43.77%	2,184	42.07%
5,116	100.00%	4,914	100.00%	5,191	100.00%

Fall 2015		Fall 2014		Fall 2013	
Number	Percentage	Number	Percentage	Number	Percent
3,761	57.48%	3,742	59.72%	3,847	59.46%
1,621	24.77%	1,505	24.02%	1,533	23.69%
626	9.57%	532	8.49%	561	8.67%
267	4.08%	254	4.05%	259	4.00%
49	0.75%	51	0.81%	45	0.70%
145	2.22%	128	2.04%	121	1.87%
22	0.34%	22	0.35%	22	0.34%
52	0.79%	32	0.51%	82	1.27%
6,543	100.00%	6,266	100.00%	6,470	100.00%

Fall 2015		Fall 2014		Fall 2013	
Number	Percentage	Number	Percentage	Number	Percent
1,377	26.92%	1,200	24.42%	1,351	26.03%
1,776	34.71%	1,772	36.06%	1,811	34.89%
517	10.11%	526	10.70%	566	10.90%
884	17.28%	874	17.79%	878	16.91%
465	9.09%	430	8.75%	459	8.84%
97	1.90%	112	2.28%	126	2.43%
5,116	100.00%	4,914	100.00%	5,191	100.00%

23.2

23.4

23.3

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

SS-17

TRANSFERS TO SENIOR INSTITUTIONS

969 Fall Students as of Fall 2018

(Included only Public Senior Colleges in Texas)

	<u>Transfer Student Count Academic</u>	<u>Transfer Student Count Technical</u>	<u>Transfer Student Count Tech-Prep</u>	<u>Total of All Sample Transfer Students</u>	<u>% of All Sample Transfer Students</u>
1 Angelo State University	2	-	-	2	0.20%
2 Lamar University	13	-	-	13	1.28%
3 Midwestern State University	2	-	-	2	0.20%
4 Prairie View A&M University	16	-	-	16	1.58%
5 Sam Houston State University	75	1	3	79	7.80%
6 Stephen F. Austin State University	40	1	1	42	4.15%
7 Tarleton State University	1	-	-	1	0.10%
8 Texas A&M University	109	1	1	111	10.96%
9 Texas A&M University - Central Texas	1	-	-	1	0.10%
10 Texas A&M University - Commerce	1	-	-	1	0.10%
11 Texas A&M University - Corpus Christi	9	-	1	10	0.99%
12 Texas A&M University - Kingsville	6	-	-	6	0.59%
13 Texas A&M University - San Antonio	2	-	1	3	0.30%
14 Texas A&M University at Galveston	21	-	-	21	2.07%
15 Texas Southern University	13	-	-	13	1.28%
16 Texas State University	76	-	-	76	7.50%
17 Texas Tech University	27	1	-	28	2.76%
18 Texas Tech University Health Science Center	2	1	-	3	0.30%
19 Texas Woman's University	12	-	-	12	1.18%
20 The University of Texas at Arlington	19	11	-	30	2.96%
21 The University of Texas at Austin	54	-	-	54	5.33%
22 The University of Texas at Dallas	5	-	-	5	0.49%
23 The University of Texas at San Antonio	39	-	1	40	3.95%
24 The University of Texas at Tyler	6	-	-	6	0.59%
25 The University of Texas Health Science Center at Houston	- 5	- 1	- -	- 6	- 0.59%
26 The University of Texas Health Science Center at San Antonio	- 2	- -	- -	- 2	- 0.20%
27 The University of Texas M.D. Anderson Cancer Center	- 1	- -	- -	- 1	- 0.10%
28 The University of Texas Health Medical Branch at Galveston	- 16	- 5	- -	- 21	- 2.07%
29 The University of Texas at Permian Basin	3	-	-	3	0.30%
30 University of Houston	203	3	-	206	20.34%
31 University of Houston at Clear Lake	146	6	4	156	15.40%
32 University of Houston - Downtown	21	-	-	21	2.07%
33 University of Houston at Victoria	4	-	-	4	0.39%
34 University of North Texas	16	-	2	18	1.78%
Total	<u>968</u>	<u>31</u>	<u>14</u>	<u>1,013</u>	<u>100.00%</u>

(This page intentionally left blank.)

ALVIN COMMUNITY COLLEGE

SS-18

CAPITAL ASSET INFORMATION

Fiscal Years 2014 to 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Academic buildings	12	12	12	12	12
Square footage (in thousands)	365	365	365	311	311
Libraries	1	1	1	1	1
Square footage (in thousands)	12	12	12	12	12
Number of volumes (in thousands)	12	12	12	12	12
Administrative and support buildings	3	3	3	3	3
Square footage (in thousands)	25	25	25	13	13
Dormitories	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-
Number of beds	-	-	-	-	-
Apartments	-	-	-	-	-
Square footage (in thousands)	-	-	-	-	-
Number of beds	-	-	-	-	-
Dining facilities	1	1	1	1	1
Square footage (in thousands)	5	5	5	5	5
Average daily customers	150	150	150	150	150
Athletic facilities	8	8	8	8	8
Square footage (in thousands)	28	28	28	22	22
Stadiums	-	-	-	-	-
Gymnasiums	1	1	1	1	1
Fitness centers	1	1	1	1	1
Tennis courts	6	6	6	6	6
Plant facilities	1	1	1	1	1
Square footage (in thousands)	20	20	20	18	18
Transportation:					
Cars	5	5	6	6	6
Light trucks/vans/ambulance	11	11	11	11	11
Buses	2	2	2	2	2
Heavy trucks	3	3	3	3	3

(This page intentionally left blank.)