

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEARS

2019
2020

FOR THE FISCAL YEARS ENDED AUGUST 31, 2019 & 2020
AUSTIN COMMUNITY COLLEGE DISTRICT • TEXAS



Austin Community College District

Austin, Texas

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Years Ended August 31, 2020 and 2019

Prepared by

Finance and Administration

Austin Community College District

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

TABLE OF CONTENTS
August 31, 2020

INTRODUCTORY SECTION	PAGE	
Table of Contents	i	
Board of Trustees and Key Officers	v	
Organizational Chart	vi	
Letter of Transmittal	vii	
Certificate of Achievement for Excellence in Financial Reporting	xi	
 FINANCIAL SECTION		
Independent Auditor's Report	1	
Management's Discussion and Analysis (Unaudited)	7	
 <i>Basic Financial Statements</i>	23	EXHIBIT
Statements of Net Position	25	1
Statements of Financial Position of ACC Foundation	27	1A
Statements of Revenues, Expenses and Changes in Net Position	28	2
Statements of Activities of ACC Foundation	29	2A
Statements of Cash Flows	30	3
Statements of Cash Flows of ACC Foundation	32	3A
Notes to the Basic Financial Statements	33	
 <i>Required Supplementary Information</i>	95	
Schedule of College's Proportionate Share of Net Pension Liability	96	
Schedule of Contributions to the Teacher Retirement System	97	
Schedule of College's Proportionate Share of Net OPEB-ERS Liability	98	
Schedule of Contributions to Net OPEB-ERS Liability	99	
Schedule of College's OPEB Dental Liability	100	
Notes to Required Supplementary Information	101	
 <i>Supplementary Information</i>	102	SCHEDULE
Schedule of Operating Revenues	104	A
Schedule of Operating Expenses by Object	105	B
Schedule of Non-Operating Revenues and Expenses	106	C
Schedule of Net Position by Source and Availability	107	D

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

TABLE OF CONTENTS
August 31, 2020

	<u>PAGE</u>
STATISTICAL SECTION (Unaudited)	
Introduction	108
Net Position by Component	109
Revenues by Source	110
Program Expenses by Function	111
Tuition and Fees	112
State Appropriations per FTSE and Contact Hour	113
Assessed Value and Taxable Assessed Value of Property	114
Principal Taxpayers	115
Property Tax Levies and Collections	117
Ratios of Outstanding Debt	118
Legal Debt Margin Information	119
Pledged Revenue Coverage	121
Demographic and Economic Statistics	122
Principal Employers	123
Faculty, Staff, and Administrators' Statistics	125
Enrollment Details	127
Student Profile	129
Transfers to Senior Institutions	131
Capital Asset Information	132

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

TABLE OF CONTENTS
August 31, 2020

	<u>PAGE</u>	
FEDERAL SINGLE AUDIT SECTION		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	134	
Independent Auditor's Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance and State of Texas Single Audit Circular	138	
Schedule of Expenditures of Federal Awards	142	<u>SCHEDULE</u> E
Notes to the Schedule of Expenditures of Federal Awards	144	
Schedule of Federal Findings and Questioned Costs	145	
Management's Responses	149	
STATE SINGLE AUDIT SECTION		
Schedule of Expenditures of State Awards	151	F
Notes to the Schedule of Expenditures of State Awards	152	
Schedule of State Findings and Questioned Costs	153	

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

BOARD OF TRUSTEES AND KEY OFFICERS
August 31, 2020

BOARD OF TRUSTEES

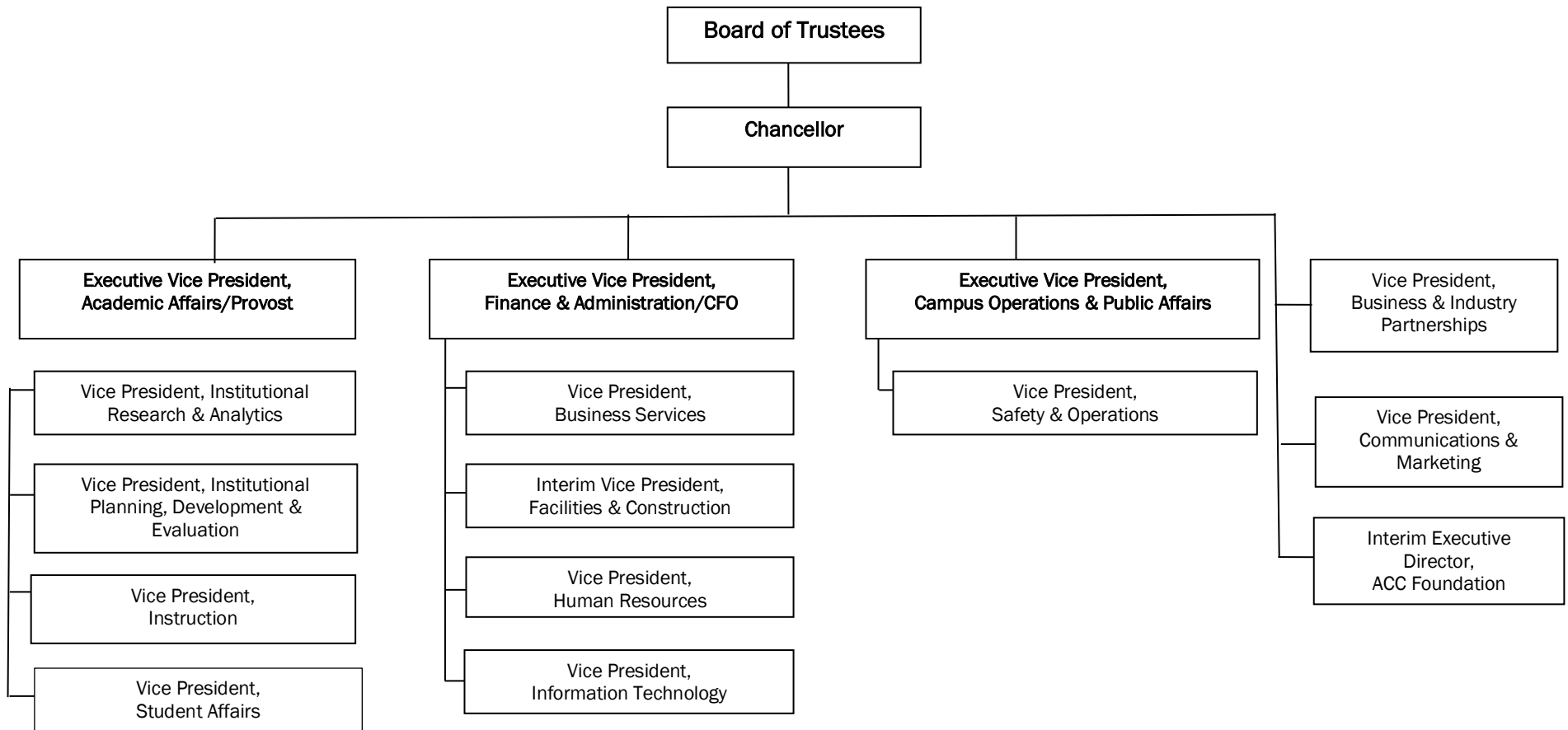
Place #	Members	Term Expires
1	Mr. Mark J. Williams, Vice Chair	November 2020
2	Ms. Gigi Edwards Bryant, Chair	November 2020
3	Dr. Nan McRaven	November 2020
4	Mr. Sean Hassan	November 2022
5	Ms. Nicole Eversmann	November 2022
6	Dr. Nora de Hoyos Comstock, Secretary	November 2022
7	Dr. Barbara P. Mink	November 2024
8	Ms. Stephanie Ann Gharakhanian	November 2024
9	Ms. Julie Ann Nitsch	November 2024

KEY OFFICERS

Name	Title
Dr. Richard Rhodes, CPA	Chancellor
Dr. Charles Cook	Executive Vice President, Academic Affairs/Provost
Dr. Molly Beth Malcolm	Executive Vice President, Campus Operations & Public Affairs
Mr. Neil Vickers, CPA	Executive Vice President, Finance & Administration/CFO
Mr. Garrett Groves	Vice President, Business & Industry Partnerships
Ms. Angela Hodge	Vice President, Business Services
Ms. Brette Lea	Vice President, Communications & Marketing
Mr. Aziz Hussaini	Interim Vice President, Facilities and Construction
Ms. Gerry Tucker	Vice President, Human Resources
Mr. Imad Costantini	Vice President, Information Technology
Dr. Mary E. Harris	Vice President, Institutional Planning, Development and Eval.
Dr. Jenna Cullinane Hege	Vice President, Institutional Research & Analytics
Mr. Mike Midgley, CPA	Vice President, Instruction
Dr. Wayne Maines	Vice President, Safety & Operations
Dr. Shasta Buchanan	Vice President, Student Affairs
Mr. Curtiss Stevens	Interim Executive Director, ACC Foundation

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

ORGANIZATIONAL CHART
August 31, 2020





December 28th, 2020

Honorable Chair, Board of Trustees, Chancellor, and
The Citizens of the Austin Community College District

Dear Members of the Board and Chancellor:

The following comprehensive annual financial report of the Austin Community College District ("the College") for the fiscal year ended August 31, 2020 is hereby submitted. Responsibility for the preparation and integrity of the financial information, and the completeness and fairness of the presentation, including all disclosures, rests with the College. The College relies on a comprehensive framework of internal controls. Since the cost of controls should not exceed the benefits derived, the internal controls are designed to provide reasonable, rather than an absolute, assurance that the financial statements are free of material misstatements. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The Notes to the Basic Financial Statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the College and other necessary disclosures of important matters relating to the financial position of the College. The notes are treated as an integral part of the financial statements and should be read in conjunction with them. The Management's Discussion and Analysis (MD&A) is provided to supplement the basic financial statements, related notes and this transmittal letter. The purpose of the MD&A is to provide an objective and readable analysis of the College's financial activities.

The College is reported as a special-purpose governmental entity engaged solely in business-type activity (BTA). In accordance with GASB Statements 34 and 35, this presentation of financial reporting combines all fund groups into a single column and resembles the format of the corporate presentation, thus facilitating comparison.

To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities have been included.

The College is required to undergo an annual federal single audit to conform to the provisions of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards*, and an annual state single audit in conformity with the Texas Governor's Office of Budget and Planning *Uniform Grant Management Standards Single Audit Circular*. Information related to these Single Audits, including the schedule of expenditures of federal awards, schedule of expenditures of state awards, and auditor's reports on compliance and internal controls, are included in the federal and state single audit sections of this report.

Governmental Structure

The Austin Community College District was established as a public community college in December 1972 and began operations in September 1973. The College operates as a community college district under the Texas Education Code. The College is governed by an elected nine-member Board of Trustees (“the Board”). At each election, three Trustees are elected to serve in a six-year, at-large position. The Board holds regularly scheduled meetings on the first Monday of each month unless otherwise announced. Board meetings are held in the Boardroom at the College’s administrative office building (Highland Business Center) unless otherwise provided in the notice of a meeting.

The Board has the final authority to determine and interpret the policies that govern the College and has oversight responsibility for the College’s activities, limited only by the state legislature, the courts, and the will of the people as expressed in Board of Trustee elections. Official Board action is only taken in meetings that comply with the Texas Open Meetings Act.

In general, the Board provides policy direction and sets goals for the College consistent with the College’s role and mission. Besides general Board business, trustees are charged with numerous statutory regulations, including appointing the tax assessor/collector, ordering elections, and issuing bonds. The Board is also responsible for appointing the Chancellor, setting the tax rate, and adopting the budget for the ensuing fiscal year.

Service Area

The Austin Community College District is dedicated to providing a quality education that exceeds the expectations of its service area as defined by Texas Education Code 130.166. This service area includes all of Hays, Caldwell, and Blanco counties, most of Travis and Bastrop counties, and part of Williamson, Guadalupe, Lee, and Fayette counties.

Vision, Values, and Mission

Vision Statement: The Austin Community College District will be recognized as the preferred gateway to higher education and training, and as the catalyst for social equity, economic development, and personal enrichment.

Value Statements: The Austin Community College District values and respects each student. In Austin Community College District’s internal and external interactions with each other and our community, we value:

- Student success and equity in which all students have equal opportunity and support to achieve their academic goals.
- Student access to affordable, challenging, and empowering higher education.
- Excellence, innovation, and relevance in all of our programs and services.
- Preparation of students for a globally competitive and technologically complex workplace.
- Open, honest, and respectful communication, collaboration, and teamwork in all of our operations.
- Promotion of diversity as a means of understanding, tolerance, an appreciation of cultural and individual differences, and a democratic society.
- Ongoing professional development by all faculty, staff, and administrators.
- The use of data and proven best practices in our evaluation processes, decision-making, and plans for continuous improvement.
- Ethical, effective/efficient, and accountable use of public resources.

- Partnerships with local, state, national and international entities that are respectful, engaging, and help us leverage our resources and expand our expertise.
- Creation and maintenance of a sustainable, safe, and healthy environment for students and employees, including freedom from all forms of discrimination and harassment.

Mission Statement: The Austin Community College District promotes student success and community development by providing affordable access, through traditional and distance learning modes, to higher education and workforce training, including the appropriate applied baccalaureate degrees, in its service area.

Economic Condition and Outlook

The College's service area is located in Central Texas, about 150 miles inland from the Gulf of Mexico. According to the US Census Bureau, the estimated 2018 population of the Austin-Round Rock MSA was 2,227,083, an increase of 29.7 percent since 2010. Growth in these counties is expected to continue at this rate or faster in the future. Austin is the state capital, and consequently, 22 percent of its workforce is employed by government agencies. The remainder of the counties' economic base consists of manufacturing, computer technology, and trade and service industries.

The Austin-Round Rock MSA continues to outpace the national averages in economic indicators. According to the Texas Workforce Commission, the Austin-Round Rock MSA labor force increased 3.3 percent from 1,235,631 in 2019 to 1,276,878 in 2020. The unemployment rate in 2020 was 5.5 percent, which is significantly lower than the statewide unemployment rate of 7.0 percent, and the national unemployment rate of 8.5 percent. According to the US Census, residents of the Austin-Round Rock-San Marcos MSA are typically well educated, with 41 percent of the workforce population age 25 or older possessing a bachelor's degree or higher.

The College's financial position has been strengthening over the last three years, including a \$6.0 million increase in net position in 2020. This strength is due to a commitment from the Board and administration to sound financial planning and budget performance. The College has increased its use of long-term planning and financial forecasting, which has improved the decision-making process. The local economy is very strong, including very low unemployment and a strong real estate market. While low unemployment usually has a negative impact on community college enrollments, any negative financial impacts for lower enrollments has been more than offset by increases in *ad valorem* taxes.

While recently stable, State funding continues to be a concern. The College's formula appropriations were relatively unchanged for the 2020-2021 biennium. However, the current funding rate is significantly less per contact hour than the College was receiving in 2000. With that said, the College is committed to the legislative process and will continue to work with State leaders to inform them of the crucial role of community colleges for the State's economic and social well-being.

Financial Planning and Budgeting

The College's financial planning is comprised of three processes:

- Long-Term Facilities Plan
- Five Year Strategic Plan
- Annual Budget, including 10-year projections

The College developed a regional facility master plan designed specifically to address the College's future enrollment projections. The facilities plan identifies potential expansions and needed

District for its comprehensive annual financial report for the fiscal year ended August 31, 2019. It was the seventeenth consecutive year that the College received this prestigious award. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized, comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

We are grateful to the Board of Trustees for its interest in planning and oversight of the financial operations of the College. We especially want to acknowledge the staff of Business Services for their hard work and dedicated service, for we could not have accomplished the preparation of this report without their diligent efforts. We would also like to thank the accounting firm of Weaver & Tidwell, LLP for their assistance with the audit.

Respectfully,

A handwritten signature in black ink, appearing to read 'Neil Vickers', with a long horizontal line extending to the right.

Neil Vickers, C.P.A.
Executive Vice President,
Finance & Administration



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Austin Community College District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morill

Executive Director/CEO

THIS PAGE IS INTENTIONALLY LEFT BLANK



Independent Auditor's Report

To the Board of Trustees
Austin Community College District

Report on the Financial Statements

We have audited the accompanying Statement of Net Position of Austin Community College District (the College) as of August 31, 2020, and the related Statement of Revenues, Expenses, and Changes in Net Position for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The College's 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, Austin Community College Foundation, as of and for the years ended May 31, 2020 and 2019. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors. 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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 opinion.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Opinion

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2020, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Predecessor Auditor and Restatement of 2019 Financial Statements

The financial statements of the College for the year ended August 31, 2019, before the restatements described in Note 24, were audited by another auditor whose report dated December 20, 2019 expressed an unmodified opinion on those statements.

As part of our audit of the August 31, 2020 financial statements, we also audited the adjustments described in Note 24 that were applied to restate the 2019 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the 2019 financial statements of the College other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2019 financial statements as a whole.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in 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 an opinion on the basic financial statements. The introductory section, the supplementary Schedules A through D, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedule of Expenditures of State Awards, as required by the State of Texas Single Audit Circular contained in the Governor's Office of Budget and Planning *Uniform Grant Management Standards*, are also presented for purposes of additional analysis and are also not a required part of the basic financial statements.

THIS PAGE IS INTENTIONALLY LEFT BLANK

The Board of Trustees
Austin Community College District

The supplementary Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards 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 by us and the other auditors. In our opinion, the supplementary Schedules A through D, the Schedule of Expenditures of Federal Awards, and the Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 29, 2020 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
December 29, 2020

THIS PAGE IS INTENTIONALLY LEFT BLANK

MANAGEMENT'S DISCUSSION AND ANALYSIS

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The following discussion and analysis of the Austin Community College District's ("the College") annual financial statements provides an overview of the College's financial activities for the years ended August 31, 2020 (Fiscal Year 2020), 2019 (Fiscal Year 2019), and 2018 (Fiscal Year 2018), and identifies changes in its financial position for these years. In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions that have an impact on the financial activities of the College, and is intended to assist the reader in the interpretation of the financial statements. The financial statements should be read in conjunction with the Notes to the Basic Financial Statements.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). Three primary statements are required: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Financial statements for the College's discrete component unit, Austin Community College Foundation ("the Foundation"), are issued independently from the College. The Foundation's financial information for fiscal years 2020 and 2019 is shown on separate pages behind the College's Basic Financial Statements. Refer to Notes 1 and 25 in the Notes to the Basic Financial Statements for more detail on the Foundation.

The College formed the Austin Community College District Public Facility Corporation ("the PFC"), which was incorporated on December 21, 2007, as a non-profit corporation formed under the Texas Public Facility Corporation Act. The PFC was established to assist the College with financing, refinancing, providing, or otherwise facilitating the acquisition of public facilities. The PFC is reported as a blended component unit in the financial statements of the College; therefore, its activities are blended with those of the College. Refer to Note 1 in the Notes to the Basic Financial Statements for more detail on the PFC.

The following management discussion and analysis is intended to provide readers with an overview of the basic financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Statement of Net Position

The Statement of Net Position includes assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of the end of the year. The College had both current and noncurrent assets and liabilities and deferred inflows and outflows of resources. Current assets are those assets that are available to satisfy current liabilities or liabilities that are due within one year. Noncurrent assets include capital assets, restricted investments, and other assets not classified as current. Noncurrent liabilities include bonds payable and other long-term commitments. Net position equals assets plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources. Net position is one indicator of whether the overall financial condition has improved or deteriorated during the year when considered with other factors such as enrollment, contact hours of instruction, student retention and other non-financial information.

Finally, the Statement of Net Position is useful in determining the assets available to continue operations as well as how much the College owes to vendors, bondholders, and other entities at the end of the year. Additional detail regarding the basis of accounting and major categories of net position can be found in Note 2 in the Notes to the Basic Financial Statements.

**Condensed Statement of Net Position
(In Millions)**

	August 31			Change	
	2020	2019, as Restated	2018, as Restated	2019 to 2020	2018 to 2019
Assets					
Current Assets	\$ 204.4	\$ 187.9	\$ 180.1	\$ 16.5	\$ 7.8
Capital Assets, Net of Accum. Deprec.	945.3	809.4	685.3	135.9	124.1
Other Noncurrent Assets	37.4	195.9	299.6	(158.5)	(103.7)
Total Assets	<u>1,187.1</u>	<u>1,193.2</u>	<u>1,165.0</u>	<u>(6.1)</u>	<u>28.2</u>
Deferred Outflows of Resources	149.1	162.2 (b)	28.8 (b)	(13.1)	133.4
Liabilities					
Current Liabilities	146.9	133.5	105.9	13.4	27.6
Noncurrent Liabilities	1,063.4	1,099.3	1,020.8	(35.9)	78.5
Total Liabilities	<u>1,210.3</u>	<u>1,232.8</u>	<u>1,126.7</u>	<u>(22.5)</u>	<u>106.1</u>
Deferred Inflows of Resources	60.6	63.2	24.3	(2.6)	38.9
Net Position					
Net Investment in Capital Assets	163.6	133.5 (b)	93.7 (b)	30.1	39.8
Restricted: Expendable	20.7	19.5	15.8	1.2	3.7
Unrestricted (Deficit)	(119.0)	(93.6)	(66.7) (a)	(25.4)	(26.9)
Total Net Position	<u>\$ 65.3</u>	<u>\$ 59.4 (b)</u>	<u>\$ 42.8</u>	<u>\$ 5.9</u>	<u>\$ 16.6</u>

Note:

(a) To reflect the adoption of GASB 75, beginning net position was restated to record the beginning net Other Postemployment Benefits Liability and related deferred inflows and outflows as of the beginning of the fiscal year.

(b) Due to a prior-period adjustment, the amortization of the deferred loss on refunding bonds, beginning net position, Deferred Outflows of Resources, and ending Net Position were restated for 2018 and 2019.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Since 2018, the College has increased its total assets by \$22.1 million, most of which is related to operating surpluses. Unrestricted cash and investments increased by \$29.0 million, which reflects the College's positive operating results, on a cash basis.

Total liabilities decreased from 2019 to 2020 by \$22.5 million. This decrease was due to increase in Pension and OPEB liabilities that partially offset by a reduction in outstanding debt of \$53.4 million due to principal payments on outstanding bonds and capital leases.

The College's net position was \$65.3 million in 2020, \$59.4 million in 2019, and \$28.0 million in 2018. This year's \$5.9 million increase in Total Net Position was due to positive operating performance. The \$31.4 million increase in Total Net Position in 2019 was due to a increases in ad valorem tax revenue, tuition and fees, investment income, which was offset with an increase in operating expenses.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the College's overall results of operations. The statement is divided into Operating Revenues, Operating Expenses, and Non-Operating Revenues and Expenses. The College is dependent primarily upon three sources of revenue: state appropriations; tuition and fees; and ad valorem taxes (property taxes). Since state appropriations and property taxes are classified as Non-Operating Revenues (per the GASB requirement), Texas community colleges will generally display an operating deficit before taking into account other support. Therefore, total revenues and total expenses should be considered in assessing the change in the College's financial position.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Condensed Statement of Revenues, Expenses, and Changes in Net Position
(In Millions)

	Fiscal Year			Change	
	2020	2019, as Restated	2018	2019 to 2020	2018 to 2019
Operating Revenues					
Tuition and Fees, net	\$ 67.7	\$ 66.9	\$ 64.2	\$ 0.8	\$ 2.7
Grants and Contracts	19.4	18.0	14.3	1.4	3.7
Auxiliary Enterprises	1.9	3.5	1.9	(1.6)	1.6
Other Operating Revenues	5.6	8.0	6.3	(2.4)	1.7
Total Operating Revenues	94.6	96.4	86.7	(1.8)	9.7
Operating Expenses	423.1	388.6	331.9	34.5	56.7
Operating Loss	(328.5)	(292.3)	(245.2)	(36.2)	(47.0)
Non-Operating Revenues (Expenses)					
State Appropriations	71.5	65.9	62.8	5.6	3.1
Ad Valorem Taxes	248.1	228.3	199.4	19.8	28.9
Federal Revenue, Non Operating	40.3	33.6	33.3	6.7	0.3
Investment Income	4.8	10.7	4.8	(5.9)	5.9
Interest on Capital-Related Debt	(30.3)	(33.6) (b)	(27.5)	3.3	(6.1)
Gains/(loss) on Disposal of Capital Assets	-	3.9	(1.3)	(3.9)	5.2
Net Non-Operating Revenues	334.4	308.8	271.5	25.6	37.3
Increase In Net Position	5.9	16.5	26.3	(10.6)	(9.8)
Net Position					
Net Position, Beginning of Year	59.4	42.8 (b)	1.7 (a)	16.6	41.1
Net Position, End of Year	\$ 65.3	\$ 59.4 (b)	\$ 28.0	\$ 6.0	\$ 31.4

Note:

(a) To reflect the adoption of GASB 75, beginning net position was restated to record the beginning net Other Postemployment Benefits Liability and related deferred inflows and outflows as of the beginning of the fiscal year.

(b) Due to a prior-period adjustment, the amortization of the deferred loss on refunding bonds, beginning net position, Deferred Outflows of Resources, and ending Net Position were restated for 2019.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Key Factors impacting total revenues:

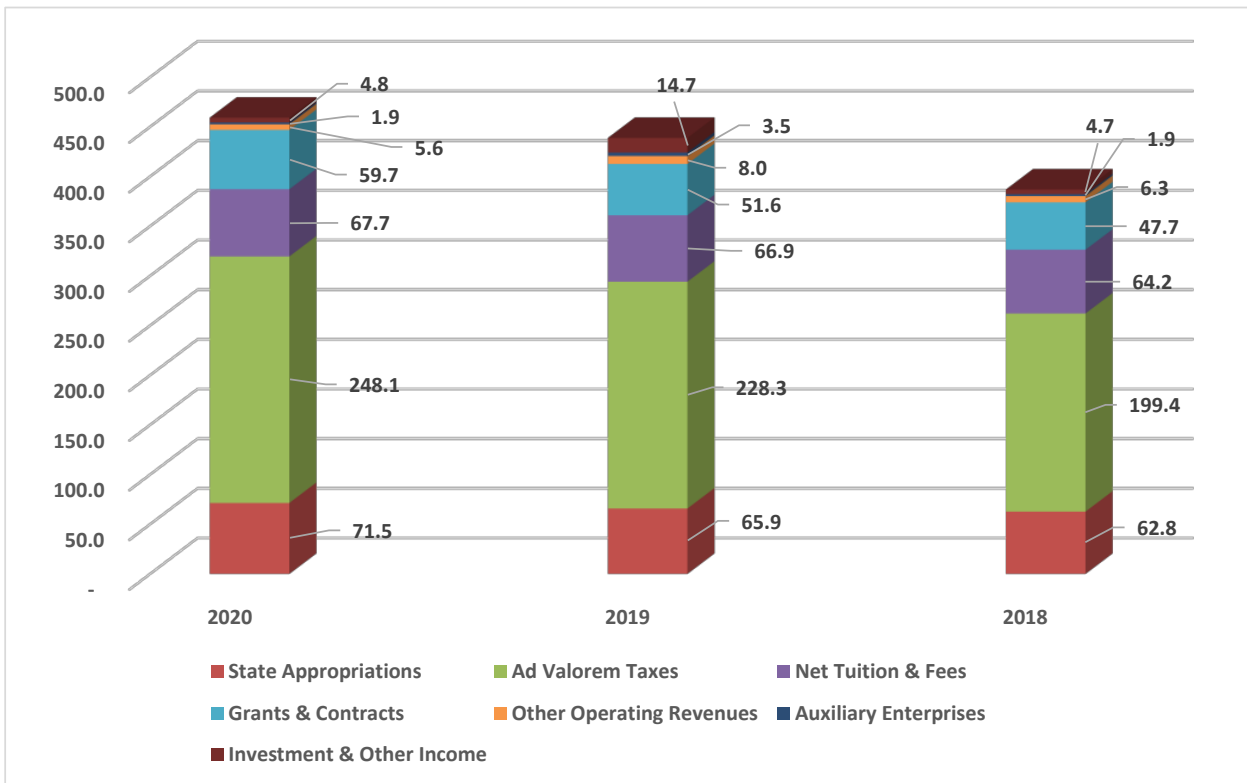
- State appropriations, which are categorized as non-operating revenues, were \$71.5 million in 2020, an increase of \$5.6 million over 2019. In 2019, state appropriations were \$65.9 million, an increase of \$3.1 million from 2018. The increase has been the result of the State's share of the increases in pension and OPEB related liabilities.
- Tuition and Fees, net of discounts, were up \$0.8 million. This increase was due to a 3% increase in semester credit hour enrollments. Tuition and Fees, net of discounts, were up \$2.7 million in 2019; this increase was due to the expansion of the First Day Program which provides discounts on digital textbooks and class materials that are billed to students at the time of registration. Also, there was a \$1.4 million reduction in the amount of Tuition and Fees discounted due to the Allowance of Bad Debt. This lower discount results in an increased "net" Tuition and Fees. In 2018, Tuition and Fees, net of discounts, decreased by \$5.1 million primarily due to a slight reduction in total enrollments of about 1% along with a greater decrease in non-state resident enrollments which pay a higher tuition rate. Additionally, there was an increase in the "discounted tuition" which results in a lower Net Tuition and Fees. Tuition and Fees accounted for 14.7% of total revenue in 2020 compared to 15.4% of total revenue in the 2019, and 16.6% in 2018.
- Grants and Contracts revenue increased by \$1.4 million from 2019 to 2020 due to the College being awarded additional funding. In particular, the College was awarded \$13.9 million in CARES Act Higher Education Emergency Relieve Fund (HEERF) by the Department of Education of which \$8.8 was recognized during 2020. The remaining \$5.1 million awarded will be recognized during 2021.
- Auxiliary Enterprises and Other Operating Revenues, which includes bookstores, vending, specific continuing education programs, miscellaneous fees, property rental, and testing fees, have decreased by \$1.6 million and \$2.4 million, respectively in 2020. This decrease was due to reduced operations as a result of the COVID 19 pandemic.
- Ad valorem taxes, which are categorized as non-operating revenues, increased by \$19.8 million in 2020 and \$28.9 million in 2019. More specifically, the College recognized \$248.1 million of ad valorem tax revenue in 2020, 228.3 million of ad valorem tax revenue in 2019, and \$199.4 million in 2018. The 2020, 2019, and 2018 increases are due to a growing local economy and the resulting increases in the taxable value of existing real estate and the addition of new properties. The increase in 2019 is partially due to the increases in the debt service tax levy resulting from the November 2014 tax bond referendum approved by College voters; in addition to valuation and new property growth in the local tax base. Ad valorem taxes in 2020 were 54.0% of total revenue compared to 52.0% in 2019, and 51.5% in 2018. See the graphical illustration on the next page.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**Total Revenue by Source
(In Millions)**

	Fiscal Year			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Revenue Sources:					
State Appropriations	71.5	65.9	62.8	5.6	3.1
Ad Valorem Taxes	248.1	228.3	199.4	19.8	28.9
Net Tuition & Fees	67.7	66.9	64.2	0.8	2.7
Grants & Contracts	59.7	51.6	47.7	8.1	3.9
Other Operating Revenues	5.6	8.0	6.3	(2.4)	1.7
Auxiliary Enterprises	1.9	3.5	1.9	(1.6)	1.6
Investment & Other Income	4.8	14.7	4.7	(9.9)	10.0
Total Revenue	\$ 459.3	\$ 438.9	\$ 387.0	\$ 20.4	\$ 51.9

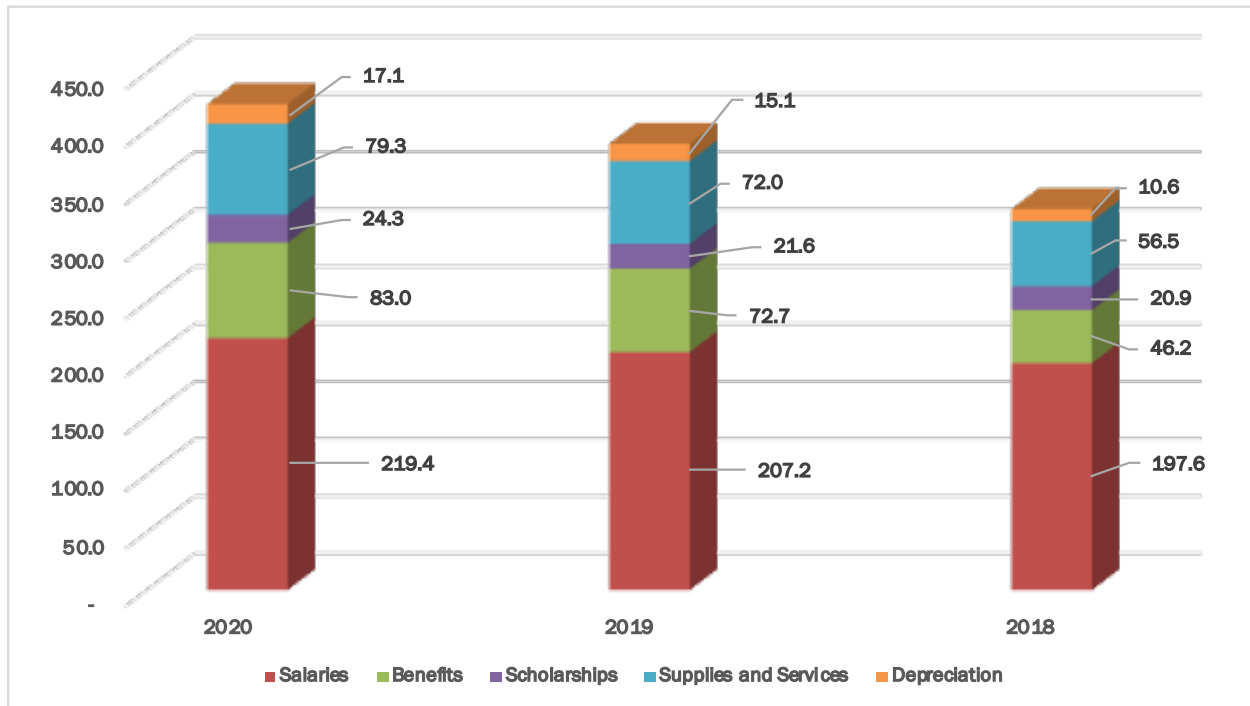


AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Operating Expenses - Natural Classification
(In Millions)

	Fiscal Year			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating Expenses:					
Salaries	219.4	207.2	197.6	12.2	9.6
Benefits	83.0	72.7	46.2	10.3	26.5
Scholarships	24.3	21.6	20.9	2.7	0.7
Supplies and Services	79.3	72.0	56.5	7.3	15.5
Depreciation	17.1	15.1	10.6	2.0	4.5
Total Operating Expenses	\$ 423.1	\$ 388.6	\$ 331.8	\$ 34.5	\$ 56.8



AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Factors impacting operating expenses by natural classification include the following:

- Salary expenses increased by \$12.2 million and \$9.6 million in 2020 and 2019, respectively. This increase was primarily due to employee salary raises of 3% approved for both years. Additionally, the College added staff in support of various student success initiatives.
- In 2020 and 2019, benefits expense increased by \$10.3 million and \$26.5 million, respectively. This increase is due to the increases in the College's proportionate share of the State's pension and OPEB liabilities.
- Total scholarship costs for 2020 were \$24.3 million, compared to \$21.6 million in 2019. The increase was due to the student emergency relief awards as part of the CARES Act Higher Education Emergency Reliefe Fund (HEERF).
- Supplies and services increased by \$22.8 million or 40.4% since 2018. The increase is primarily due to the expansion of the College's First Day program which provides discounts on digital textbooks and class materials that are billed to students at the time of registration, plus a significant investment it the College's technology infrastructure.
- Depreciation expense has increased by \$6.5 million since 2018. This is due to the increase in Building assets as a result of the 2014 Bond program.

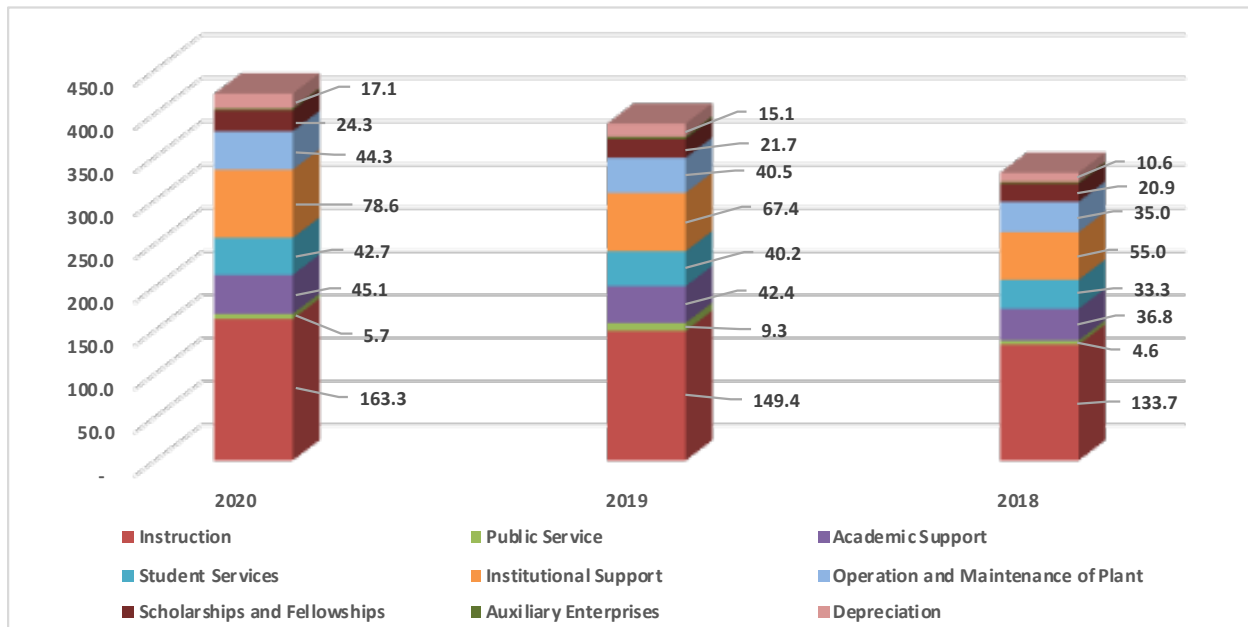
AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

As noted above for expenses by natural classification, in 2020 and 2019 the functional expenses generally increased due to salary increases, significantly higher benefits costs related to pension and OPEB liabilities, and an increase in technology-related expenditures.

**Operating Expenses - Functional Classification
(In Millions)**

	Fiscal Year			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Operating Expenses:					
Instruction	163.3	149.4	133.7	13.9	15.7
Public Service	5.7	9.3	4.6	(3.6)	4.7
Academic Support	45.1	42.4	36.8	2.7	5.6
Student Services	42.7	40.2	33.3	2.5	6.9
Institutional Support	78.6	67.4	55.0	11.2	12.4
Operation and Maintenance of Plant	44.3	40.5	35.0	3.8	5.5
Scholarships and Fellowships	24.3	21.7	20.9	2.7	0.7
Auxiliary Enterprises	2.0	2.7	1.9	(0.7)	0.7
Depreciation	17.1	15.1	10.6	2.0	4.5
Total Operating Expenses	\$ 423.1	\$ 388.6	\$ 331.8	\$ 34.5	\$ 56.8



AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Capital Assets

The College had \$945.3 million, \$809.3 million, and \$685.3 million net capital assets, at August 31, 2020, 2019, and 2018, respectively. The amount of accumulated depreciation was \$167.5million, \$151.4 million, and \$138.0 million for fiscal years 2020, 2019, and 2018, respectively. Depreciation charges totaled \$17.1 million, 15.1 million, and \$10.6 million for fiscal years 2020, 2019, and 2018, respectively.

**Capital Assets, Net, at Year-End
(In Millions)**

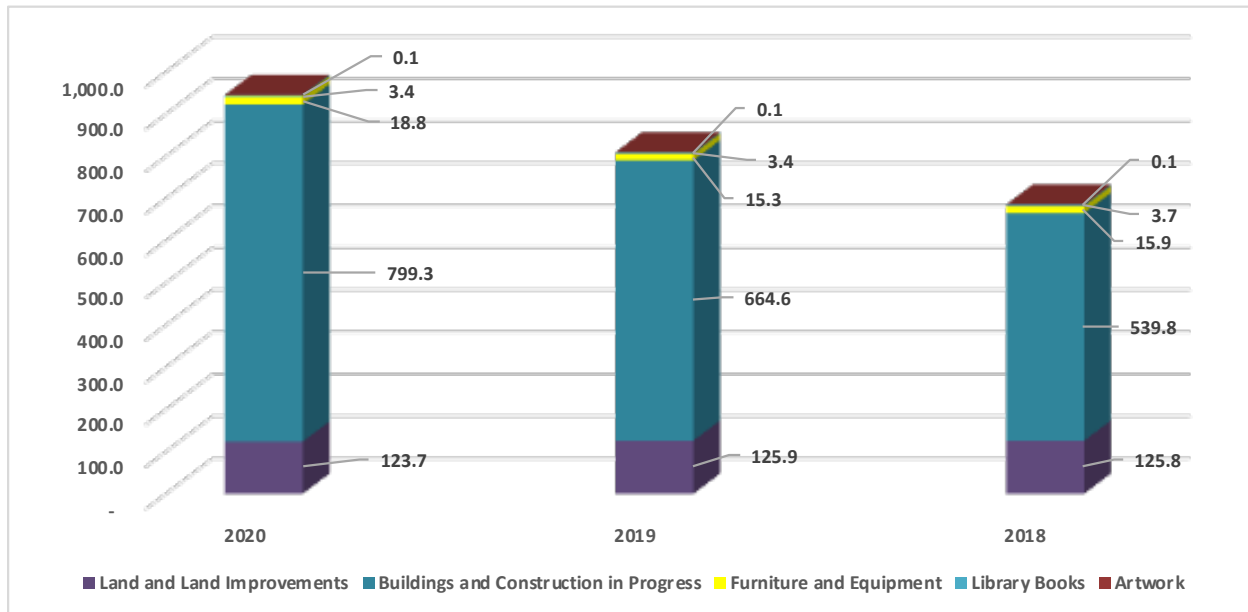
	August 31			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Capital Assets, Net:					
Land and Land Improvements	123.7	125.9	125.8	- 2.2	0.1
Buildings and Construction in Progress	799.3	664.6	539.8	134.7	124.8
Furniture and Equipment	18.8	15.3	15.9	3.5	(0.6)
Library Books	3.4	3.4	3.7	0.0	(0.3)
Artwork	0.1	0.1	0.1	-	0.0
Total Capital Assets, Net	<u>\$ 945.3</u>	<u>\$ 809.3</u>	<u>\$ 685.3</u>	<u>\$ 136.0</u>	<u>\$ 124.0</u>

Changes in net capital assets are the result of acquisitions, improvements, disposals, and changes in accumulated depreciation. In 2020 and 2019, the College continued construction on several major projects and completed others as part of the voter-approved 2014 bond referendum. As such, for 2020 there was an ending balance in Construction in Progress of \$345.8 million which represents an increase of \$117.3 million.

In accordance with GASB Statements No. 34 and 35, the College does not record the cost of its capital assets as an expense at the time of acquisition/completion of the asset but instead shows the expense systematically over the expected life of the asset as depreciation expense. The amount shown in the accounting records for the value of the asset decreases each year until the asset is fully depreciated or removed from service. As a result, the amount of net investment in capital assets shown in the Statement of Net Position may decrease from one year to another, even though new assets have been acquired. Capital assets subject to depreciation include improvements to land (such as parking lots and signage), buildings, equipment, and library books. Land is not depreciated because it is assumed to have an unlimited useful life.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**



More detailed information about the College's capital assets is presented in Note 7 of the Basic Financial Statements.

Debt Administration

On August 31, 2020, the College had approximately \$850.8 million in outstanding debt compared to \$891.4 million in 2019, and \$922.6 million in 2018. The decrease of \$40.6 million in 2020 and \$31.2 million in 2019 are due to scheduled debt payments applied to the principal. The debt increase in 2018 was due to the new bond issuances, partially offset by payments applied towards the principal.

**Outstanding Debt at Year-End
(In Millions)**

	August 31			Change	
	2020	2019	2018	2019 to 2020	2018 to 2019
Outstanding Debt:					
Revenue Bonds	\$ 198.4	\$ 207.4	\$ 181.1	\$ (9.0)	\$ 26.3
General Obligation Bonds	409.4	431.5	449.4	(22.1)	(17.9)
Lease Revenue Bonds - PFC	242.5	251.6	290.7	(9.1)	(39.1)
Capital Leases	0.3	0.6	0.9	(0.3)	(0.3)
Notes Payable	0.2	0.3	0.5	(0.1)	(0.2)
Total Outstanding Debt	\$ 850.8	\$ 891.4	\$ 922.6	\$ (40.6)	\$ (31.2)

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

On August 15, 2019, the College issued \$27,830,000 in Combined Fee Revenue Bonds, Series 2019. The Series 2019 bonds were issued to provide funding for the acquisition of the District's Elgin Campus which was originally financed by the College's Public Facility Corporation under a contract entered into by the District under Subchapter A, Chapter 271, Texas Local Government, and to pay the costs associated with the issuance of the Bonds.

On February 6, 2018, the College issued \$35,700,000 in Lease Revenue Bonds, Series 2018A and \$15,000,000 in Lease Revenue Bonds Taxable, Series 2018B. The Series 2018A and 2018B bonds were issued to finance the cost of construction and equipment of the Highland Campus – Building 3000 Project.

On June 1, 2018, the College issued \$14,020,000 in Combined Fee Revenue Building Bonds, Series 2018. The Series 2018 provides funds for the construction of a building to house a chilled water facility at the District's Highland Campus and to pay the costs of issuance for the Bonds

On June 1, 2018, the College issued \$55,685,000 in Lease Revenue Bonds, Series 2018C. The Series 2018C bonds were issued to finance the cost of construction and equipment of the Highland Campus – Parking Garage Project.

On August 1, 2018, the College issued \$127,300,000 in Limited Tax Bonds, Series 2018. The Series 2018 bonds were the third, and final tranche of the 2014 bond referendum and shall be used for the construction, renovation, and equipment of College buildings district-wide.

For 2020, the College's bond ratings, assigned by Moody's Investors Service and Standard and Poor's Rating Services, are "Aa1" and "AA+" for general obligation bonds, and "Aa3" and "AA-" for combined fee revenue bonds, respectively. The Aa3 rating from Moody's represents an upgrade from A1. This upgrade was issued on July 30, 2019.

More detailed information about the College's noncurrent liabilities is presented in Notes 8, 9, and 10 of the Basic Financial Statements.

Economic Factors That Will Affect the Future

The economic position of the College is influenced in part by the economic position of the State of Texas and the Austin-Round Rock Metropolitan Statistical Area. State appropriations for the fiscal year 2021 are expected to be approximately \$65 million, in accordance with the funding awarded for the State's 2020-2021 biennium. This is unchanged from the appropriation received in 2020.

Ad valorem tax revenues in 2021 are projected to increase by \$16.3 million or 6.6% to \$262.9 million from \$246.6 million in 2019, and \$228.3 million in 2018. The expected increase in 2021 is a reflection of the strong local economy and due to valuations and new property growth in the local tax base.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

Tuition and fee revenue for 2021 is projected to be approximately \$67 million, which is unchanged compared to 2020. The College did not increase tuition rates for 2021 and is not expecting any significant changes in total enrollment and therefore is projecting flat tuition and fee revenues year over year.

These projected increases in revenue, specifically ad valorem tax revenues shall be necessary to fund new or increased expenses in instructional, and support functions as the College continues to achieve its Student Success Goals. The College's 2021 budget is balanced and structurally sound.

THIS PAGE IS INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF NET POSITION
August 31, 2020 and 2019

	<u>2020</u>	<u>2019, as Restated</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 87,723,770	\$ 72,198,613
Restricted Cash & Cash Equivalents	50,134,711	36,899,417
Investments	30,377,135	42,969,535
Accounts Receivable (Net)	22,487,009	25,435,990
Other Assets	6,776,394	6,567,425
Prepaid Expenses and Deposits	6,876,005	3,860,581
Total Current Assets	<u>204,375,024</u>	<u>187,931,561</u>
Noncurrent Assets:		
Restricted Investments	37,366,763	195,889,242
Other Assets	19,357	-
Capital Assets (Net)	945,338,031	809,366,363
Total Noncurrent Assets	<u>982,724,151</u>	<u>1,005,255,605</u>
Total Assets	<u>1,187,099,175</u>	<u>1,193,187,166</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows on OPEB Liability	95,522,245	103,973,748
Deferred Charge on Refunding Debt	13,302,259	15,242,252
Deferred Outflows on TRS Pension Liability	40,304,279	43,010,828
Total Deferred Outflows	<u>149,128,783</u>	<u>162,226,828</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	24,735,720	30,853,096
Accrued Liabilities	24,959,735	18,686,598
Accrued Compensable Absences - Current Portion	3,798,396	4,111,990
OPEB Payable Liability - Current Portion	5,264,286	2,110,975
Funds Held for Others	191,404	337,042
Unearned Revenues	41,972,657	44,801,755
Capital Leases - Current Portion	304,542	311,498
Notes Payable - Current Portion	171,176	144,215
Bonds Payable - Current Portion	45,466,189	32,206,637
Total Current Liabilities	<u>146,864,105</u>	<u>133,563,806</u>

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF NET POSITION (Continued)
August 31, 2020 and 2019

	<u>2020</u>	<u>2019, as Restated</u>
Noncurrent Liabilities:		
Accrued Compensable Absences	4,776,065	3,131,155
OPEB Payable Liability	169,170,012	149,215,838
Notes Payable	-	184,512
Net TRS Pension Liability	84,638,314	88,162,712
Capital Leases	-	301,101
Bonds Payable	804,851,863	858,299,202
Total Noncurrent Liabilities	<u>1,063,436,254</u>	<u>1,099,294,520</u>
Total Liabilities	<u>1,210,300,359</u>	<u>1,232,858,326</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows on OPEB Liability	45,532,833	56,416,239
Deferred Inflows on TRS Pension Liability	<u>15,058,881</u>	<u>6,765,585</u>
Total Deferred Inflows	<u>60,591,714</u>	<u>63,181,824</u>
NET POSITION		
Net Investment in Capital Assets	163,620,563	133,463,750
Restricted for:		
Expendable		
Scholarships	2,037,431	908,968
Departmental Activities	633,112	530,644
Debt Service	18,042,120	18,076,996
Unrestricted	<u>(118,997,341)</u>	<u>(93,606,514)</u>
Total Net Position (Schedule D)	<u>\$ 65,335,885</u>	<u>\$ 59,373,844</u>

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF FINANCIAL POSITION OF ACC FOUNDATION
(A Component Unit of Austin Community College District)
May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,162,151	\$ 1,499,831
Accrued Interest/Dividends Receivable	15,238	16,119
Other receivables	-	15,005
Promises to give (Note 25E)	600,924	488,496
Investments (Note 25 D)	9,683,146	9,414,597
Total Assets	<u>12,461,459</u>	<u>11,434,048</u>
 LIABILITIES AND NET ASSETS		
Liabilities	<u>-</u>	<u>-</u>
Net Assets		
Net Assets without donor restrictions (Note F)	1,662,083	1,537,511
Net Assets with donor restrictions (Note E)	10,799,376	9,896,537
Total Net Assets	<u>12,461,459</u>	<u>11,434,048</u>
Total Liabilities and Net Assets	<u>\$ 12,461,459</u>	<u>\$ 11,434,048</u>

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Years Ended August 31, 2020 and 2019

	2020	2019, as Restated
OPERATING REVENUES		
Tuition and Fees (Net of Discounts of \$43,921,447 and \$39,294,839, Respectively)	\$ 67,650,501	\$ 66,946,013
Federal Grants and Contracts	10,140,003	7,010,808
State Grants and Contracts	4,401,356	6,836,732
Local Grants and Contracts	152,700	179,155
Non-Governmental Grants and Contracts	4,711,730	3,895,749
Sales and Services of Educational Activities	1,827,151	2,313,172
Auxiliary Enterprises	1,923,855	3,488,627
General Operating Revenues	3,757,130	5,712,565
Total Operating Revenues (Schedule A)	<u>94,564,426</u>	<u>96,382,821</u>
OPERATING EXPENSES		
Instruction	163,296,109	149,405,821
Public Service	5,702,828	9,334,619
Academic Support	45,111,360	42,371,630
Student Services	42,658,514	40,243,590
Institutional Support	78,568,359	67,409,300
Operation and Maintenance of Plant	44,317,942	40,473,846
Scholarships and Fellowships	24,325,878	21,649,617
Auxiliary Enterprises	2,005,729	2,646,693
Depreciation	17,067,061	15,114,249
Total Operating Expenses (Schedule B)	<u>423,053,780</u>	<u>388,649,365</u>
Operating Loss	(328,489,352)	(292,266,545)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	71,541,318	65,855,626
Ad Valorem Taxes	248,133,727	228,352,037
Federal Revenue, Non Operating	40,275,553	33,627,805
Gifts	-	5,000
Investment Income	4,793,026	10,744,746
Interest on Capital Related Debt	(30,267,670)	(33,635,782)
Gains (Losses) on Disposal of Capital Assets	(24,561)	3,871,345
Net Non-Operating Revenues (Schedule C)	<u>334,451,393</u>	<u>308,820,777</u>
Increase in Net Position	5,962,041	16,554,233
NET POSITION		
Net Position, Beginning of Year as Previously Stated	59,373,844	28,042,710
Restatement (See Note 24)	-	14,776,901
Net Position, Beginning of Year, as restated	<u>59,373,844</u>	<u>42,819,611</u>
Net Position, End of Year	<u>\$ 65,335,885</u>	<u>\$ 59,373,844</u>

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF ACTIVITIES OF ACC FOUNDATION
(A Component Unit of Austin Community College District)
For the Years Ended May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Changes in net assets without donor restrictions:		
Revenues		
Contribution	\$ 647,949	\$ 348,151
Return on Investments	<u>114,409</u>	<u>23,654</u>
Total revenues without donor restrictions	<u>762,358</u>	<u>371,805</u>
Net assets released from restrictions	<u>1,228,824</u>	<u>931,037</u>
Total revenues without donor restrictions	<u>1,991,182</u>	<u>1,302,842</u>
Expenses		
Program Services	1,587,441	1,037,278
General and Administrative	220,711	202,056
Fundraising	<u>58,458</u>	<u>56,726</u>
Total expenses	<u>1,866,610</u>	<u>1,296,060</u>
Increase in net assets without donor restrictions	<u>124,572</u>	<u>6,782</u>
Changes in net assets with donor restrictions:		
Revenues		
Contribution	1,698,207	1,188,629
Return on Investments	<u>433,456</u>	<u>92,643</u>
Total revenues with donor restrictions	<u>2,131,663</u>	<u>1,281,272</u>
Net assets released from restrictions	<u>(1,228,824)</u>	<u>(931,037)</u>
Total revenues and other support with donor restrictions	<u>902,839</u>	<u>350,235</u>
Increase in net assets with donor restrictions	<u>902,839</u>	<u>350,235</u>
Increase in total net assets	1,027,411	357,017
Net assets at beginning of year	<u>11,434,048</u>	<u>11,077,031</u>
Net assets at end of year	<u>\$ 12,461,459</u>	<u>\$ 11,434,048</u>

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF CASH FLOWS
For the Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019, as Restated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Students and Other Customers	\$ 64,636,282	\$ 67,078,570
Receipts from Grants and Contracts	20,285,800	15,264,175
Other Receipts	6,990,632	8,171,986
Payments to or On-Behalf of Employees	(246,332,700)	(231,780,507)
Payments to Suppliers for Goods and Services	(85,654,198)	(59,378,696)
Payments for Scholarships and Fellowships	(24,534,847)	(21,756,624)
Net Cash Used by Operating Activities	<u>(264,609,031)</u>	<u>(222,401,096)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Receipts from Ad Valorem Taxes	247,165,812	227,871,561
Receipts from State Appropriations	50,872,245	45,258,652
Receipts from Title IV Federal Financial Aid Programs	40,432,255	34,499,848
Receipts from Student Organizations and Other Agencies	(145,639)	103,225
Net Cash Provided by Non-Capital Financing Activities	<u>338,324,673</u>	<u>307,733,286</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from the Sale of Capital Assets	-	5,204,089
Purchases of Capital Assets	(151,689,116)	(136,737,393)
Payments on Capital Debt and Leases - Principal	(32,672,245)	(25,982,287)
Payments on Capital Debt and Leases - Interest	(36,501,735)	(38,957,373)
Net Cash Used by Cap. and Related Fin. Activities	<u>(220,863,096)</u>	<u>(196,472,964)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sales and Maturities of Investments	185,740,968	256,783,867
Interest on Investments	7,435,849	9,309,035
Purchase of Investments	(17,268,912)	(150,822,172)
Net Cash Provided by Investing Activities	<u>175,907,905</u>	<u>115,270,730</u>
Increase in Cash and Cash Equivalents	28,760,451	4,129,956
Cash and Cash Equivalents, Beginning of Year	<u>109,098,030</u>	<u>104,968,074</u>
Cash and Cash Equivalents, End of Year	<u>\$ 137,858,481</u>	<u>\$ 109,098,030</u>

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF CASH FLOWS (Continued)
For the Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019, as Restated</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	\$ (328,489,352)	\$ (292,266,545)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities		
State On-Behalf Payments	24,002,402	17,381,350
Depreciation Expense	17,067,061	15,114,249
Changes in Assets and Liabilities:		
Receivables (Net)	3,966,738	(4,870,178)
Other Assets	(3,223,330)	854,006
Deferred Outflows	11,158,051	(133,739,531)
Accounts Payable	(3,229,337)	11,276,042
Accrued Liabilities	2,183,413	4,204,744
Compensated Absences	1,331,317	490,374
OPEB Payable	23,107,485	80,953,796
TRS Pension Liability	(3,524,398)	40,094,868
Deferred Inflows	(2,590,109)	38,854,252
Unearned Revenues	(6,368,972)	(748,523)
Net Cash Used in Operating Activities	<u>\$ (264,609,031)</u>	<u>\$ (222,401,096)</u>
 SCHEDULE OF NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:		
Non-Cash Gifts	\$ -	\$ 5,000
Change in Fair Value of Investments	\$ 178,858	\$ 32,988
Capital Assets Purchases Included in Accounts Payable	\$ 1,374,174	\$ 3,959,560
Gain/(Loss) on Bond Refunding	\$ -	\$ (1,554,250)
Bond Proceeds Deposited Into an Escrow Account for the Purposes of Refunding Lease Revenue Bonds	\$ -	\$ 34,088,440

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATEMENTS OF CASH FLOWS OF ACC FOUNDATION
(A Component Unit of Austin Community College District)
For the Years Ended May 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 1,027,411	\$ 357,017
Adjustments to reconcile change in net assets to net cash provided by operating costs:		
Realized and Unrealized (Gains) Losses	(118,590)	460,937
Decrease in Accrued Interest and Dividends Receivable	881	609
Decrease (Increase) in Other Receivables	15,005	(15,005)
(Increase) Decrease in Promises to Give	(112,428)	50,907
Contributions Restricted for Endowments	(514,963)	(452,607)
Net Cash Provided by Operating Activities	<u>297,316</u>	<u>401,858</u>
Cash Flows from Investing Activities:		
Proceeds from Sales and Maturity of Investments	1,839,000	1,545,928
Purchases of Investments	(1,988,959)	(1,980,164)
Net Cash Used by Investing Activity	<u>(149,959)</u>	<u>(434,236)</u>
Cash Flows from Financing Activities:		
Investment in Endowments	514,963	452,607
Net Cash Provided by Financing Activities	<u>514,963</u>	<u>452,607</u>
Net Increase in Cash and Cash Equivalents	662,320	420,229
Cash and Cash Equivalents, Beginning of Year	1,499,831	1,079,602
Cash and Cash Equivalents, End of Year	<u>\$ 2,162,151</u>	<u>\$ 1,499,831</u>
Amounts Paid During the Year for		
Income Tax	-	-
Interest	-	-

The accompanying notes are an integral part of the financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 1. REPORTING ENTITY

The Austin Community College District (“the College”) was established in December 1972, in accordance with the laws of the State of Texas, to serve the educational needs of Austin and the surrounding communities, and began operation in September 1973. The College is considered a special purpose, primary government, according to the definition found in the 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.

The College is a comprehensive, public, two-year institution offering academic, general, occupational, developmental, and continuing adult education programs through a network of campuses. The College is governed by a nine-member Board of Trustees (“the Board”), which has governance responsibilities over all activities related to the College.

Blended Component Unit

Using the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the College’s management has determined that the Austin Community College District Public Facility Corporation (“the PFC”) should be blended with the activities of the College. Its sole purpose is to assist the College in financing or otherwise facilitating in the acquisition of public facilities and because the College’s management has operational responsibility for the PFC.

The PFC was incorporated on December 21, 2007, as a non-profit corporation formed under the Texas Public Facility Corporation Act. The PFC was formed for the purpose of assisting the College in the financing, refinancing, providing, or otherwise assisting in the acquisition of public facilities. The PFC is governed by a nine-member Board of Directors that is the same nine-member Board of Trustees of the College. The PFC does not have the authority to levy taxes. Although the PFC is legally separate from the College, the PFC is reported as if it were part of the College because its sole purpose is to assist the College in the acquisition of public facilities. Therefore, the PFC is reported as a blended component unit in the Basic Financial Statements of the College, and no separate financial statements are issued. Financial information for the PFC may be obtained from the College’s Business Services Office.

Discrete Component Unit

Using the criteria established by GASB Statement No. 14, as amended, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the College’s management has determined that the Austin Community College Foundation (“the Foundation”) should be reported as a discrete component unit of the College because of the nature and significance of its financial relationship with the College.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 1. REPORTING ENTITY (CONTINUED)

The Foundation is a Texas nonprofit corporation chartered in 1991 to provide supplemental financial resources to advance the institutional goals and expand the educational services of the College. The College is not the sole corporate member of the Foundation. The Foundation intends to support educational initiatives that enhance the quality of facilities and instruction, increase and diversify educational services, and improve access to educational opportunities for students, faculty, staff, and residents of the geographic areas served by the College. The Foundation is governed by up to thirty board members with each member serving a three-year term. It is accounted for separately in the Basic Financial Statements of the College and has a May 31, 2020 fiscal year-end. The Foundation's Notes to Financial Statements are disclosed in Note 25. The Austin Community College Foundation's financial statements are prepared using the Financial Accounting Standards Board (FASB) financial reporting framework, and copies, are available at the Business Services Office of the College.

Other Organizations

The College has a financial relationship with the Austin Community College Center for Public Policy and Political Studies ("the Center"). The Center is a not-for-profit organization created to enable students to gain practical experience in learning how government policies are created and enacted and to improve communications between public entities and the people they serve. Using the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the College's management has determined that the Center shall not be reported as a component unit because the relationship with the College is not financially significant, and its exclusion does not cause the College's financial statements to be misleading. The Center does not issue separate financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed by the College in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the College complies with *Texas Higher Education Coordinating Board's 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 (BTA).

Basis of Accounting

The financial statements of the College have been prepared using the flow of economic resources measurement focus and 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.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Tuition and fees are recognized as revenue when the educational services are delivered. Grants, contracts and state aid are recognized as revenue when all eligibility requirements imposed by the provider are met and qualifying expenditures, if required, have been incurred. Sales and services of educational activities, activity charges and merchandise sales are recognized as revenue as the related goods and services are rendered. Ad valorem property taxes are recognized as revenue in the year the tax is levied and budgeted.

Tuition Discounting

Texas Public Education Grants (TPEG):

Some tuition amounts are required to be set aside for use as scholarships by qualifying students. This set-aside is, called the Texas Public Education Grant (TPEG), and is recorded with tuition and fee revenue amounts as a separate set-aside amount (Texas Education Code § 56.033). When the award is redeemed by the student for tuition and fees, it is categorized 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 (HEA) Program Funds:

Certain Title IV HEA Program Funds are received by the College to pass through to the student; these funds are initially received by the College and recorded as revenue. When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Tuition Remissions and Exemptions:

Various State or College programs provide full or partial tuition and fee exemptions to students who qualify; these remissions and exemptions are recorded as a tuition discount.

Budgetary Data

Each community college 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 adopts the budget, which is prepared using the accrual basis of accounting. A copy of the approved budget and subsequent amendments is filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The College's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (including investment pools and mutual funds) with original maturities of three months or less from the date of acquisition. Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statement of Net Position, unless they are considered to offset maturing debt and payables that have been set up as current liabilities, in which case, they are recorded as current assets in the Statement of Net Position.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Board policy requires the College to maintain a minimum unrestricted, unallocated cash and investments level of 16.7% of budgeted total annual expenses plus total accounts payable. The College complied with this policy as of August 31, 2020 and 2019.

Investments

The College reports investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*. The College reports investment in debt securities at fair value using other observable significant inputs including but not limited to third party provided fixed-income pricing models. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Non-participating certificates of deposit are reported at cost plus accrued interest. The College reports its investment in local government investment pools and SEC registered money market mutual funds at published net asset values per share which are based on amortized cost.

Capital Assets

Capital assets are recorded based on cost on the date of acquisition. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Equipment with an estimated useful life less than one year is not capitalized. Land, construction in progress and works of art are capitalized but not depreciated. Renovations to buildings and infrastructure 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 the useful life of the asset 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. Prior to September 1, 2018, interest incurred during the construction phase of capital assets was included as part of the capitalized value of the assets constructed.

The following represents the capitalization threshold and useful lives for the capital asset types:

Capital Asset Type	Capitalization Threshold	Estimated Useful Life
Buildings	\$ 100,000	50 Years
Infrastructure	100,000	30 Years
Land Improvements	100,000	20 Years
Library Books	N/A	15 Years
Equipment	5,000	10 Years
Leasehold Improvements	100,000	Lease Tenure

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until that time. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. Typical deferred outflows for community colleges are related to pensions, other post-employment benefits, and deferred charges on refunding debt.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB. Typical deferred inflows for community colleges are related to pensions and other post-employment benefits.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets: This category represents the College's total investment in capital assets, net of related outstanding debt, capital lease liability and accumulated depreciation. Net investment in capital assets excludes unspent bond proceeds.

Restricted Net Position, Nonexpendable: Net Position, such as endowments and similar type funds, which are subject to externally imposed stipulations requiring that the funds be maintained permanently by the College. The College has no restricted net position nonexpendable for fiscal year 2020 and 2019.

Restricted Net Position, Expendable: Net Position for which the College is legally or contractually obligated to spend in accordance with external restrictions.

Unrestricted Net Position: Unrestricted Net Position are resources that are not subject to any external restrictions and may be used at the discretion of the governing board for any lawful purpose of the College.

Unearned Revenues

Tuition, fees, and other revenues received and related to periods after August 31, 2020 or 2019, respectively, shall be recognized in subsequent fiscal years when services have been provided, or all eligibility requirements have been met.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect some reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Operating and Non-Operating Revenue and Expense Policy

The College distinguishes operating revenues and expenses from non-operating items. The College reports as a BTA and as a single, proprietary fund. Operating revenues and expenses primarily result from providing services in connection with the College's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations, property tax revenues, and Title IV federal grants and contracts. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. The major non-operating expenses include interest on capital related debt.

In response to guidance provided by GASB, revenue received for Federal Title IV grant programs (e.g., Pell grants) is characterized as non-operating revenue as opposed to operating revenue.

When an expense is incurred that can be paid from either restricted or unrestricted resources, the College's policy is to apply the expense towards restricted resources first; then, towards unrestricted resources.

Pensions

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost-sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined based on 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.

Restatement of Beginning Net Position

For the fiscal year ending August 31, 2019, the College corrected an error in accounting for deferred losses on debt refundings. See Note 24 for a more detailed explanation of the impact of this error.

Other Post-Employment Benefits (OPEB)

The fiduciary net position of the Employees Retirement System of Texas (ERS) and the College's Retiree Dental Care Plan have been determined based on the flow of economic resources measurement focus and full accrual basis of accounting. This includes, measuring the net OPEB liability: deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from ERS' fiduciary net

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported fair value.

New and Upcoming GASB Pronouncements

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018, and later. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement Nos. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guide Nos. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting), 2018-1, Implementation Guide Update – 2018, 2019-1, Implementation Guidance Update – 2019, and 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87 and Implementation Guide No. 2019-3, Leases. The requirements of this Statement were effective immediately, and the District implemented it in fiscal year 2020.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payments provisions of the contract. The requirements of this Statement were originally effective for reporting periods beginning after December 15, 2019, but it is postponed to FY 2021, as a result of GASB 95. The College does not believe this Statement will significantly impact the financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. Implementation is reflected in the financial statements and the notes to the financial statements as ACC opted for early adoption as of September 1, 2018.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

legally separate organizations. The requirements of this Statement were originally planned for community college implementation in FY 2020, but it is postponed to FY 2021, as a result of GASB 95. The College has not yet determined the impact this Statement will have on the financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement were originally planned for community college implementation in FY 2022, but it is postponed to FY 2023, as a result of GASB 95. The College has not yet determined the impact this Statement will have on the financial statements.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. The Statement addresses a variety of topics and includes the following: Statement No. 87, Statement No. 73, Statement No. 74, Statement No. 84, and other topics. The implementation of this Statement is expected to provide more comparable reporting and improve the usefulness for financial statement users. Some requirements of this Statement are effective upon issuance, and others are effective for reporting periods beginning after June 15, 2020. Certain provisions were supposed to be implemented by community college's in FY 2020 and others were postponed to FY 2022, as a result of GASB 95. Early application is encouraged. The College has not yet determined the impact this Statement will have on the financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates. (IBOR)*. The objective of this Statement is to address accounting and financial reporting implications resulting from global reference rate reform. Government agreements in which variable payments made or received depend on IBOR, most notably the London Interbank Offered Rate (LIBOR), will be affected, as LIBOR will cease to exist at the end of 2021. Rate provisions in Statement Nos. 53 and 87 will also be affected. Most requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, requirements regarding the removal of LIBOR as an appropriate benchmark are effective for reporting periods beginning after December 31, 2021. Earlier application is encouraged. The requirements of this Statement for community college implementation was FY 2021, and it is now postponed to FY 2022, as a result of GASB 95. The College has not yet determined the impact this Statement will have on the financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The main objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The College has not yet determined the impact this statement will have on the financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The objective of this Statement is to (1) define a SBITA; (2) establish that SBITA results in a right-to-use subscription (intangible) asset and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments; and (4) require note disclosures regarding a SBITA. The Statement provides an exception for short-term SBITAs with a maximum contract term of 12 months. Subscription payments for short-term SBITAs should be recognized as outflows of resources. The requirements of this statement for community college implementation is FY 2023. The College has not yet determined the impact this Statement will have on the financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—An Amendment of GASB Statement No. 14 and 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are the following: (1) increase consistency and comparability in the reporting of fiduciary component units where the potential component unit does not have a governing board and the primary government performs those duties; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and other employee benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements related to reporting on fiduciary component units and 457 plans are effective for reporting periods beginning after June 15, 2021. Early implementation is encouraged. The requirements of this Statement for community college implementation is FY 2020 for one section, and FY 2022 for the other. The College has not yet determined the impact this Statement will have on the financial statements.

Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 financial statement presentation. Such reclassifications had no effect on net position.

NOTE 3. AUTHORIZED INVESTMENTS

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (PFIA) (Sec. 2256.001 Texas Government Code). The Board has adopted a written

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 3. AUTHORIZED INVESTMENTS (CONTINUED)

investment policy regarding the investment of its funds as defined in the PFIA. Authorized investments include (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies, (3) obligations which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, (4) obligations of states, agencies, counties, cities, districts, and other political subdivisions rated not less than "A" or its equivalent by a national investment rating firm, (5) certificates of deposit and share certificates, and other financial institution deposits, and (6) fully collateralized repurchase agreements, (7) no-load money market mutual funds, and (8) public funds investment pools, and other instruments and obligations authorized by statute. During the years ended August 31, 2020 and 2019, the College complied with the Public Funds Investment Act.

NOTE 4. DEPOSITS AND INVESTMENTS

At August 31, 2020 and 2019, the College had demand deposits with the carrying amount of \$16,817,819 and \$15,881,643, respectively, and total bank balances of \$18,705,473 and \$14,631,755, respectively.

Bank balances up to \$250,000 were covered under the Federal Deposit Insurance Corporation (FDIC) for the years ended August 31, 2020 and 2019. Demand deposits not covered under the FDIC require pledged collateral with a fair value of at least 102% of the par value of the deposit, as required by state statutes.

Monthly collateral reports reporting the pledged securities and their fair values are required from each financial institution. As of August 31, 2020 and 2019, the College had demand deposits not covered under the FDIC in the amount of \$18,205,473 and \$14,381,755, respectively, which were covered by pledged collateral.

The College's investments in non-participating certificates of deposits require pledged collateral with a fair value of at least 102% of the par value of the deposit. In addition, monthly collateral reports, including the pledged securities and their fair values, are required from each financial institution. As of August 31, 2020 and 2019, the College had certificates of deposits in the amount of \$43,196,006 and \$147,659,971 respectively that were covered by pledged collateral.

Deposits

The College had the following deposits as of August 31, 2020 and 2019:

	2020	2019
Petty Cash on Hand	\$ 3,585	\$ 3,584
Demand Deposits	16,817,819	15,881,643
Money Market	23,218,153	29,987,879
Investment Pools	97,818,925	63,224,923
Certificates of Deposit	43,196,006	147,659,971
Total Deposits	<u>\$ 181,054,487</u>	<u>\$ 256,758,000</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of August 31, 2020, the College had the following investments, which are measured at fair value:

Investment Type	2020	Weighted Average Maturity (Years)	Concentration of Credit Exposure	Exposure Permitted by Investment Policy
Money Market Mutual Fund	\$ 24,547,892	-	11.94%	80%
Total Investments	<u>\$ 24,547,892</u>			

As of August 31, 2019, the College had the following investments, which are measured at fair value:

Investment Type	2019	Weighted Average Maturity (Years)	Concentration of Credit Exposure	Exposure Permitted by Investment Policy
Money Market Mutual Fund	\$ 65,189,697	-	18.73%	80%
US Treasury Notes	7,996,880	0.04	2.30%	90%
Federal Home Loan Bank	13,012,730	0.28	3.74%	80%
Fannie Mae	4,999,500	0.03	1.44%	80%
Total Investments	<u>\$ 91,198,807</u>			

Interest Rate Risk – Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of the investment. In accordance with state law and the College’s policy, the College does not purchase any investments with maturities greater than five years. The College manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to a maximum of one and one-half years. The College monitors interest rate risk using weighted average maturity and specific identification.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of its investment in collateral securities that are held by an outside third party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the College and are held by the counterparty, its trustor agent, but not in the College’s name. The College is not exposed to custodial credit risk because all securities held by the College’s custodial banks are in the College’s name.

Credit Risk and Concentration of Credit Risk – Credit risk is the risk that an issuer or another counterparty to an investment will not fulfill its obligations to the College. The concentration of credit risk is the risk of loss attributed to the magnitude of the District’s investment of a single issuer. In accordance with state law and the College’s investment policy, investments in investment pools must be rated at least “AAA” or “AAA-m” and investments in obligations from other states, municipalities, counties, etc. must be rated at least “A”. The College does not limit the amount it may invest in any one issuer.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

The College controls the risk of loss due to failure of an investment issuer by monitoring the ratings of portfolio positions to ensure compliance with the rating requirements imposed by the Public Funds Investment Act (PFIA).

US Government Sponsored Enterprise Securities and Treasury Notes	Investment Grade Rating	2020	2019
Money Market Mutual Fund	AAAm	\$ 24,547,892	\$ 65,189,697
US Treasury Notes	Aaa/AAA	-	7,996,880
Federal Home Loan Bank	Aaa/AA+	-	13,012,730
Fannie Mae	Aaa/AA+	-	4,999,500
Total		<u>\$ 24,547,892</u>	<u>\$ 91,198,807</u>

The College invests in an external investments pool, TexPool. The State Comptroller of Public Accounts exercises oversight responsibility for TexPool, the Texas Local Government Investment Pool, pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool invests in securities that meet the requirements of the Public Funds Investment Act. Standard & Poor's rates TexPool AAA-m. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the Office of Comptroller of Public Accounts, for review.

As of August 31, 2020 and 2019, the College had investments of \$97,818,925 and \$63,224,923, in TexPool. The weighted average maturity of TexPool was 32 days as of August 31, 2020. TexPool operates in conformity with the requirements of GASB Statement No. 79. Accordingly, the TexPool reports its investments using the amortized cost method. The College reports investments in TexPool as cash and cash equivalents.

Reconciliation of Deposits and Investments to Statement of Net Position:

Type of Security	2020	2019
Total Deposits	\$ 181,054,487	\$ 256,758,000
Total Investments	24,547,892	91,198,807
Total Deposits and Investments	<u>\$ 205,602,379</u>	<u>\$ 347,956,807</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Per Statement of Net Position (Exhibit 1):	2020	2019
Cash and Cash Equivalents	\$ 87,723,770	\$ 72,198,613
Restricted Cash & Cash Equivalents (Current)	50,134,711	36,899,417
Investments	30,377,135	42,969,535
Restricted Investments (Noncurrent)	37,366,763	195,889,242
Total Deposits and Investments	<u>\$ 205,602,379</u>	<u>\$ 347,956,807</u>

NOTE 5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are valuations for which one or more significant inputs are unobservable and may include situations where there is minimal if any, market activities for the asset.

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The College's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment. Investments in mutual funds, measured at fair value using NAV per share as a practical expedient to fair value are not classified in the fair value hierarchy.

The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value measurements were arrived at using the following inputs on August 31, 2019:

2019

	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Description	Level 1	Level 2	Level 3	2019
Federal Home Loan Bank	\$ -	\$ 13,012,730	\$ -	\$ 13,012,730
Fannie Mae	-	4,999,500	-	4,999,500
US Treasury Notes	-	7,996,880	-	7,996,880
Total Investment by Level	<u>\$ -</u>	<u>\$ 26,009,110</u>	<u>\$ -</u>	<u>\$ 26,009,110</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 6. DERIVATIVES

Derivatives are investment products that may be a security or contract that derives its value from another security, currency, commodity, or index, regardless of the source of funds used. At August 31, 2020 and 2019, the College had not engaged in any derivative transactions either for investment purposes or as a risk management strategy.

NOTE 7. CAPITAL ASSETS

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

	Balance September 1, 2019	Additions	Reductions	Transfers	Balance August 31, 2020
Not Depreciated					
Land	\$ 101,886,705	\$ -	\$ -	\$ -	\$ 101,886,705
Artwork	108,004	-	-	-	108,004
Construction in Progress	228,471,245	145,610,629		(28,271,622)	345,810,252
Subtotal	330,465,954	145,610,629	-	(28,271,622)	447,804,961
Other Capital Assets					
Buildings	518,866,207			28,271,622	\$ 547,137,829
Infrastructure	3,376,029	-	-	-	3,376,029
Land Improvements	47,073,698	-	-	-	47,073,698
Library Books	6,047,696	445,655	(58,322)	-	6,435,029
Equipment	48,915,304	7,007,006	(643,737)	-	55,278,573
Subtotal	624,278,934	7,452,661	(702,059)	28,271,622	659,301,158
Accumulated Depreciation					
Buildings	82,741,821	10,898,467	-	-	93,640,288
Infrastructure	2,258,270	112,535	-	-	2,370,805
Land Improvements	24,181,910	2,055,025	-	-	26,236,935
Library Books	2,662,750	374,371	(39,346)	-	2,997,775
Equipment	34,230,499	3,305,119	(921,682)	-	36,613,936
Subtotal	146,075,250	16,745,517	(961,028)	-	161,859,739
Net Other Capital Assets	<u>478,203,684</u>	<u>(9,292,856)</u>	<u>258,969</u>	<u>28,271,622</u>	<u>497,441,419</u>
Assets Under Capital Leases					
Equipment	5,977,698	-	(283,530)	-	5,694,168
Accumulated Depreciation					
Equipment	5,280,973	321,544	-	-	5,602,517
Net Lease Capital Assets	<u>696,725</u>	<u>(321,544)</u>	<u>(283,530)</u>	<u>-</u>	<u>91,651</u>
Net Capital Assets	<u>\$ 809,366,363</u>	<u>\$ 135,996,229</u>	<u>\$ (24,561)</u>	<u>\$ -</u>	<u>\$ 945,338,031</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 7. CAPITAL ASSETS (CONTINUED)

Capital assets activity for the year ended August 31, 2019, was as follows:

	Balance September 1, 2018	Additions	Reductions	Transfers	Balance August 31, 2019
Not Depreciated					
Land	\$ 99,625,660	\$ 3,363,806	\$ (1,102,761)	\$ -	\$ 101,886,705
Artwork	108,004	-	-	-	108,004
Construction in Progress	127,325,950	132,418,458	-	(31,273,163)	228,471,245
Subtotal	227,059,614	135,782,264	(1,102,761)	(31,273,163)	330,465,954
Other Capital Assets					
Buildings	486,682,016	1,150,284	(239,256)	31,273,163	518,866,207
Infrastructure	3,376,029	-	-	-	3,376,029
Land Improvements	47,073,698	-	-	-	47,073,698
Library Books	6,285,930	220,315	(458,549)	-	6,047,696
Equipment	46,926,438	3,378,253	(1,389,387)	-	48,915,304
Subtotal	590,344,111	4,748,852	(2,087,192)	31,273,163	624,278,934
Accumulated Depreciation					
Buildings	74,244,635	8,736,442	(239,256)	-	82,741,821
Infrastructure	2,145,736	112,534	-	-	2,258,270
Land Improvements	22,113,008	2,068,902	-	-	24,181,910
Library Books	2,587,745	363,571	(288,566)	-	2,662,750
Equipment	32,025,128	3,511,256	(1,305,885)	-	34,230,499
Subtotal	133,116,252	14,792,705	(1,833,707)	-	146,075,250
Net Other Capital Assets	<u>457,227,859</u>	<u>(10,043,853)</u>	<u>(253,485)</u>	<u>31,273,163</u>	<u>478,203,684</u>
Assets Under Capital Leases					
Equipment	5,977,698	-	-	-	5,977,698
Accumulated Depreciation					
Equipment	4,959,429	321,544	-	-	5,280,973
Net Lease Capital Assets	<u>1,018,269</u>	<u>(321,544)</u>	<u>-</u>	<u>-</u>	<u>696,725</u>
Net Capital Assets	<u>\$ 685,305,742</u>	<u>\$ 125,416,867</u>	<u>\$ (1,356,246)</u>	<u>\$ -</u>	<u>\$ 809,366,363</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 8. NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended August 31, 2020, was as follows:

		Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Bonds						
2002	Fee Revenue Bonds	\$ 7,464,553	\$ 414,488	\$ (934,834)	\$ 6,944,207	\$ 573,984
2009A	Fee Revenue Bonds	294,628	-	(144,718)	149,910	149,909
2009B	Fee Revenue Bonds	734,071	-	(359,297)	374,774	374,774
2010	Fee Revenue Bonds	1,216,565	-	(391,990)	824,575	403,593
2012	Fee Revenue Bonds	73,541,247	-	(1,275,115)	72,266,132	1,004,389
2014A	Fee Revenue Bonds	5,183,320	-	(2,564,364)	2,618,956	2,618,956
2014B	Fee Revenue Bonds	17,850,000	-	(1,460,000)	16,390,000	1,510,000
2016A	Fee Revenue Bonds	30,464,409	-	(527,568)	29,936,841	539,753
2016B	Fee Revenue Bonds	21,870,000	-	-	21,870,000	1,080,000
2018	Fee Revenue Bonds	14,708,172	-	(560,849)	14,147,323	599,002
2019	Fee Revenue Bonds	34,088,440	-	(1,237,468)	32,850,972	1,257,854
	Total Fee Revenue Bonds	207,415,405	414,488	(9,456,203)	198,373,690	10,112,214
2011	G.O. Bonds	18,166,605	-	(3,944,628)	14,221,977	4,032,373
2013	G.O. Bonds	42,661,489	-	(261,793)	42,399,696	268,573
2015	G.O. Bonds	161,859,772	-	(4,362,535)	157,497,237	4,125,904
2016	G.O. Bonds	65,814,822	-	(3,306,682)	62,508,140	3,345,556
2016	G.O. Bonds -Tax Refund	12,652,041	-	(128,965)	12,523,076	131,654
2018	G.O. Bonds -Tax Refund	130,305,973	-	(10,034,478)	120,271,494	14,007,760
	Total G.O. Bonds	431,460,703	-	(22,039,082)	409,421,621	25,911,820
2012	Lease Revenue Bonds (PFC)	44,743,604	-	(680,405)	44,063,199	822,250
2015	Lease Revenue Bonds (PFC)	92,870,750	-	(5,505,873)	87,364,877	5,620,458
2018A	Lease Revenue Bonds (PFC)	39,527,924	-	(914,744)	38,613,180	937,547
2018B	Lease Revenue Bonds (PFC)	15,000,000	-	(315,000)	14,685,000	325,000
2018C	Lease Revenue Bonds (PFC)	59,487,453	-	(1,690,968)	57,796,485	1,736,900
	Total Lease Revenue Bonds (PFC)	251,629,731	-	(9,106,990)	242,522,741	9,442,155
Total Bonds		890,505,839	414,488	(40,602,275)	850,318,052	45,466,189
Other Long-Term Liabilities						
	Capital Leases	612,599	-	(308,057)	304,542	304,542
	Notes Payable	328,727	-	(157,551)	171,176	171,176
Total Other Long-Term Liabilities		941,326	-	(465,608)	475,718	475,718
Total Long-Term Liabilities		\$ 891,447,165	\$ 414,488	\$ (41,067,883)	\$ 850,793,770	\$ 45,941,907

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 8. NONCURRENT LIABILITIES (CONTINUED)

Noncurrent liability activity for the year ended August 31, 2019, was as follows:

	Balance September 1, 2018	Additions	Reductions	Balance August 31, 2019	Current Portion
Bonds					
2002 Fee Revenue Bonds	\$ 7,983,448	\$ 421,105	\$ (940,000)	\$ 7,464,553	\$ 356,637
2009A Fee Revenue Bonds	429,383	245	(135,000)	294,628	145,000
2009B Fee Revenue Bonds	1,083,472	-	(349,401)	734,071	360,000
2010 Fee Revenue Bonds	1,597,760	-	(381,194)	1,216,566	385,000
2012 Fee Revenue Bonds	74,972,033	-	(1,430,785)	73,541,248	1,070,000
2014A Fee Revenue Bonds	7,704,361	-	(2,521,041)	5,183,320	2,460,000
2014B Fee Revenue Bonds	19,255,000	-	(1,405,000)	17,850,000	1,460,000
2016A Fee Revenue Bonds	30,979,955	-	(515,546)	30,464,409	-
2016B Fee Revenue Bonds	21,870,000	-	-	21,870,000	-
2018 Fee Revenue Bonds	15,180,147	-	(471,975)	14,708,172	445,000
2019 Fee Revenue Bonds	-	34,088,440	-	34,088,440	585,000
Total Fee Revenue Bonds	<u>181,055,558</u>	<u>34,509,790</u>	<u>(8,149,942)</u>	<u>207,415,407</u>	<u>7,266,637</u>
2011 G.O. Bonds	22,039,807	-	(3,873,202)	18,166,605	3,610,000
2013 G.O. Bonds	42,914,059	-	(252,569)	42,661,489	-
2015 G.O. Bonds	165,719,334	-	(3,859,563)	161,859,772	3,110,000
2016 G.O. Bonds	69,088,701	-	(3,273,879)	65,814,822	2,325,000
2016 G.O. Bonds -Tax Refund	12,777,536	-	(125,495)	12,652,041	-
2018 G.O. Bonds -Tax Refund	<u>136,901,518</u>	-	<u>(6,595,546)</u>	<u>130,305,973</u>	<u>8,750,000</u>
Total G.O. Bonds	<u>449,440,955</u>	<u>-</u>	<u>(17,980,252)</u>	<u>431,460,703</u>	<u>17,795,000</u>
2010A Lease Revenue Bonds (PFC)	32,445,000	-	(32,445,000)	-	-
2012 Lease Revenue Bonds (PFC)	45,291,123	-	(547,519)	44,743,604	555,000
2015 Lease Revenue Bonds (PFC)	98,270,320	-	(5,399,572)	92,870,748	4,395,000
2018A Lease Revenue Bonds (PFC)	39,831,044	-	(303,120)	39,527,924	610,000
2018B Lease Revenue Bonds (PFC)	15,000,000	-	-	15,000,000	315,000
2018C Lease Revenue Bonds (PFC)	<u>59,899,709</u>	-	<u>(412,255)</u>	<u>59,487,453</u>	<u>1,270,000</u>
Total Lease Revenue Bonds (PFC)	<u>290,737,196</u>	<u>-</u>	<u>(39,107,466)</u>	<u>251,629,730</u>	<u>7,145,000</u>
Total Bonds	<u>921,233,709</u>	<u>34,509,790</u>	<u>(65,237,660)</u>	<u>890,505,839</u>	<u>32,206,637</u>
Direct Borrowing					
Capital Leases	924,097	-	(311,498)	612,599	311,498
Notes Payable	<u>472,943</u>	-	<u>(144,215)</u>	<u>328,727</u>	<u>144,215</u>
Total Direct Borrowing	<u>1,397,040</u>	<u>-</u>	<u>(455,713)</u>	<u>941,326</u>	<u>455,713</u>
Total Long-Term Liabilities	<u>\$ 922,630,749</u>	<u>\$ 34,509,790</u>	<u>\$ (65,693,373)</u>	<u>\$ 891,447,165</u>	<u>\$ 32,662,350</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS

The debt service requirement on August 31, 2020 is summarized below:

For Year Ended August 31,	General Obligation Bonds		Combined Fee Revenue Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 22,495,000	\$ 16,928,799	\$ 8,361,011	\$ 7,658,521	\$ 7,620,000	\$ 10,436,302
2022	11,880,000	15,804,049	6,883,772	9,625,741	8,120,000	10,069,329
2023	12,485,000	15,210,049	8,597,977	8,187,030	8,645,000	9,678,569
2024	12,945,000	14,585,799	10,505,000	6,208,439	9,215,000	9,252,816
2025	13,535,000	13,989,749	11,020,000	5,786,204	10,060,000	8,798,474
2026 - 2030	78,105,000	59,875,093	57,770,000	21,404,397	61,150,000	36,022,766
2031 - 2035	86,175,000	40,673,987	59,125,000	9,588,734	69,590,000	20,476,171
2036 - 2040	61,745,000	24,674,600	20,800,000	751,687	39,050,000	7,946,269
2044 - 2045	69,720,000	12,092,400	-	-	15,085,000	996,736
2046 - 2050	17,540,000	1,421,400	-	-	-	-
Subtotal	\$ 386,625,000	\$ 215,255,925	\$ 183,062,760	\$ 69,210,753	\$ 228,535,000	\$ 113,677,432
Net Premium	22,796,621	-	10,899,235	-	13,987,741	-
Accreted Interest	-	-	4,411,695	-	-	-
Total	<u>\$ 409,421,621</u>	<u>\$ 215,255,925</u>	<u>\$ 198,373,690</u>	<u>\$ 69,210,753</u>	<u>\$ 242,522,741</u>	<u>\$ 113,677,432</u>

General information related to general obligation bonds, combined fee revenue bonds and lease revenue bonds payable is summarized below.

General Obligation Bonds

The General Obligation Bonds are direct obligations payable from ad valorem taxes levied, within the limitation prescribed by law, against all property located within the College's taxing district. Payment of the Bonds will be derived from taxes levied and collected on an annual basis in an amount sufficient to pay the principal and interest when due, full allowance being made for delinquencies and collection costs.

In November 2014, the College voters passed a bond referendum authorizing the College to issue up to \$386 million in General Obligation Bonds. In June 2015, the College issued \$175 million of that authorized amount in the Limited Tax Bonds, Series 2015. In August 2016, the College issued the second tranche of bonds which was the Limited Tax Bond, Series 2016 for \$75 million. In August 2018, the College issued the Limited Tax Bonds, Series 2018 for \$136 million. There are no authorized, unissued bonds remaining from the 2014 bond referendum.

- Limited Tax Bonds, Series 2018.
 - To construct, renovate and equipment of College buildings district-wide, including Highland Mall renovation and construction for a regional workforce innovation center, regional health sciences and STEM simulator lab, professional incubator space, digital/creative media center, culinary hospitality center and other College purposes.
 - Issued August 1, 2018.
 - Total authorized \$127,300,000; all authorized bonds have been issued.
 - Source of revenue for debt service is ad valorem taxes.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

- Outstanding principal balance as of August 31, 2020 and 2019 is \$113,300,000 and \$122,050,000, respectively.
- Interest rates varying from 4.0% to 5.0%.
- Limited Tax Bonds, Series 2016.
 - To construct, renovate and equipment of College buildings district-wide, including Highland Mall renovation and construction of the Leander Campus.
 - Issued August 17, 2016.
 - Total authorized \$65,260,000; all authorized bonds have been issued.
 - Source of revenue for debt service is ad valorem taxes.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$56,235,000 and \$58,560,000, respectively.
 - Interest rates varying from 3.0% to 5.0%.
- Limited Tax Refunding Tax Bonds, Series 2016.
 - To refund a portion of Series 2006 Bonds.
 - Issued August 17, 2016.
 - Total authorized \$11,230,000; all authorized bonds have been issued.
 - Source of revenue for debt service is ad valorem taxes.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$11,230,000 for both years.
 - Interest rates varying from 3.5% to 5.0%.
- Limited Tax Bonds, Series 2015.
 - To construct, renovate and equip College buildings district-wide, including Highland Mall renovation, construction of the Leander Campus, acquisition of southeast real property, and the expansion of the Hays, Round Rock, and Elgin campuses.
 - Issued June 1, 2015.
 - Total authorized \$165,195,000; all authorized bonds have been issued.
 - Source of revenue for debt service is ad valorem taxes.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$151,860,000 and \$154,970,000, respectively.
 - Interest rates varying from 3.0% to 5.0%.
- Limited Tax Bonds Refunding, Series 2013.
 - To refund a portion of Series 2003 and 2004 bonds.
 - Issued April 1, 2013.
 - Total authorized \$40,745,000; all authorized bonds have been issued.
 - Source of revenue for debt service is ad valorem taxes.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$40,240,000 for both years.
 - Interest rates varying from 3.1% to 5.0%.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

- Limited Tax Bonds Refunding, Series 2011.
 - To refund a portion of Series 2003 and 2004 bonds.
 - Issued December 1, 2011.
 - Total authorized \$28,200,000; all authorized bonds have been issued.
 - Source of revenue for debt service is ad valorem taxes.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$13,760,000 and \$17,370,000, respectively.
 - Interest rates varying from 3.0% to 5.0%.

Combined Fee Revenue Bonds

Repayment of the Combined Fee Revenue Bonds indebtedness is collateralized by a first lien on a pledge of certain tuition and fees described below. The bond indentures for all outstanding Revenue Bonds require that the College deposit into an interest and sinking fund the following: 1) Tuition Fee pledged at the maximum amount permitted by Section 130.123 of the Texas Education Code, as amended. Section 130.123 currently limits the maximum pledge to an amount equal to 25% of all tuition collections; 2) the General Fee of \$15 per semester credit hour from all nonexempt students for each semester and summer term; and 3) investment income derived from any and all funds. These pledged tuition and fees amounted to \$29,988,743 and \$29,785,193 for the years ended August 31, 2020 and 2019, respectively. The pledged amount equates to 37.9% and 38.8% of the above revenue streams, respectively. The actual debt service payment for those years was \$15,151,565 and \$13,398,364 respectively.

Compared to the minimum required pledge-to-debt service coverage ratio of 1.25, the actual coverage ratio was 1.98 and 2.22, respectively. Revenue bonds payable are due in annual installments varying from \$145,000 to \$8,725,000, with interest rates ranging from 0.512% to 5.767% and the final installment due in 2038. The College has complied with all bond covenants for the years ended August 31, 2020 and 2019.

- Combined Fee Revenue Building Bonds, Series 2019.
 - To provide funds to acquire the District's Elgin Campus which was originally financed under a contract entered into by the District under Subchapter A, Chapter 271, Texas Local Government, and to pay the costs associated with issuance of the Bonds.
 - Issued August 15, 2019.
 - Total authorized \$27,830,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$27,245,000 and \$27,830,000, respectively.
 - Coupon interest rates are 5.0%.
- Combined Fee Revenue Building Bonds, Series 2018.
 - To provide funds for the construction of a building to house a chilled water facility at the District's Highland Campus and to pay the costs of issuance for the Bonds.
 - Issued June 1, 2018.
 - Total authorized \$14,020,000; all authorized bonds have been issued.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

- Source of revenue for debt service is tuition and general fees.
- Outstanding principal balance as of August 31, 2020 and 2019 is \$13,245,000 and \$13,690,000, respectively.
- Interest rates varying from 3.5% to 5.0%.

- Combined Fee Revenue Refunding Bonds, Series 2016A.
 - To refund a portion of the outstanding Series 2009A Bonds.
 - Issued May 4, 2016.
 - Total authorized \$26,640,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$26,640,000 for both years.
 - Interest rates varying from 4.0% to 5.0%.

- Combined Fee Revenue Refunding Bonds Taxable, Series 2016B.
 - To refund a portion of the outstanding Series 2011A Bonds.
 - Issued May 4, 2016.
 - Total authorized \$21,870,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$21,870,000 for both years.
 - Interest rates varying from 2.0% to 4.1%.

- Combined Fee Revenue Refunding Bonds, Series 2014A.
 - To refund all the outstanding Series 2005 Bonds.
 - Issued December 1, 2014.
 - Total authorized \$13,685,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$2,580,000 and \$5,040,000, respectively.
 - Interest rates are 5.0%.

- Combined Fee Revenue Refunding Bonds, Series 2014B.
 - To refund all the outstanding Series 2011 Bonds.
 - Issued December 1, 2014.
 - Total authorized \$23,085,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$16,390,000 and \$17,850,000, respectively.
 - Interest rates varying from 0.5% to 3.9%.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

- Combined Fee Revenue Building Bonds, Series 2012.
 - To pay for the acquisition, construction, and improvement of property, buildings and facilities for the College.
 - Issued November 1, 2012.
 - Total authorized \$74,790,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$71,215,000 and \$72,285,000, respectively.
 - Interest rates varying from 3.0% to 4.0%.
- Combined Fee Revenue Refunding Bonds, Series 2010.
 - To refund all the callable outstanding Series 2002 Bonds.
 - Issued October 15, 2010.
 - Total authorized \$3,860,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$820,000 and \$1,205,000, respectively.
 - Interest rates varying from 2.0% to 4.0%.
- Combined Fee Revenue Building Bonds, Series 2009A.
 - To acquire real property and renovate and improve College facilities.
 - Issued November 1, 2009.
 - Total authorized \$31,510,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$150,000 and \$295,000, respectively.
 - Interest rates varying from 3.3% to 3.8%.
- Combined Fee Revenue Refunding Bonds, Series 2009B.
 - To refund the remaining 1998 and 2000 Series bonds.
 - Issued November 1, 2009.
 - Total authorized \$9,300,000; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$375,000 and \$735,000, respectively.
 - Interest rates varying from 2.0% to 3.8%.
- Combined Fee Revenue Refunding Bonds, Series 2002.
 - To purchase, acquire, renovate, construct and equip College facilities and to refund the remaining 1992 Series bonds.
 - Issued April 3, 2002.
 - Total authorized \$10,389,516; \$5,805,000 Current Interest Bonds and \$4,584,516 Capital Appreciation Bonds; all authorized bonds have been issued.
 - Source of revenue for debt service is tuition and general fees.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

- Outstanding principal balance as of August 31, 2020 and 2019 is \$2,532,760 and \$2,889,397, respectively.
- Interest rates varying from 3.0% to 4.0%.

Lease Revenue Bonds

The PFC pays Lease Revenue Bonds from the lease payments made by the College as per the terms of the lease purchase agreements for the projects listed below. The Lease payments are due at such times and in such amounts as will be required to timely pay the principal and interest on the Lease Revenue Bonds. The obligation of the College to make lease payments is a current expense, payable solely from funds annually appropriated by the College for such use. Remedies available upon a failure of the College to appropriate or pay lease payments are limited to termination of the College's leasehold interest (outlined in each agreement), the right to take possession and control of the project, and the right to sell or lease the project upon foreclosure. The remedies depend on the terms of each project's lease purchase agreement.

- Lease Revenue Bonds, Series 2018A.
 - To finance the cost of construction and equipment of the Highland Campus – Building 3000 Project.
 - Issued February 6, 2018.
 - Total authorized \$35,700,000; all authorized bonds have been issued.
 - Source of revenue for debt service is lease payments in amounts required by the lease purchase agreement between the College and the PFC.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$35,090,000 and \$35,700,000, respectively.
 - Interest rates varying from 3.0% to 5.0%.
- Lease Revenue Bonds Taxable, Series 2018B.
 - To finance the cost of construction and equipment of the Highland Campus – Building 3000 Project.
 - Issued February 6, 2018.
 - Total authorized \$15,000,000; all authorized bonds have been issued.
 - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$14,685,000 and \$15,000,000, respectively.
 - Interest rates varying from 2.6% to 4.1%.
- Lease Revenue Bonds, Series 2018C.
 - To finance the cost of construction and equipment of the Highland Campus – Parking Garage Project.
 - Issued June 1, 2018.
 - Total authorized \$55,685,000; all authorized bonds have been issued.
 - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

- Outstanding principal balance as of August 31, 2020 and 2019 is \$54,415,000 and \$55,685,000, respectively.
- Interest rates varying from 4.0% to 5.0%.
- Lease Revenue Refunding Bonds, Series 2015.
 - To refund all the outstanding Series 2008 bonds.
 - Issued May 1, 2015.
 - Total authorized \$105,580,000; all authorized bonds have been issued.
 - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$81,385,000 and \$85,780,000, respectively.
 - Interest rates varying from 1.0% to 5.0%.
- Lease Revenue Bonds, Series 2012.
 - To finance the cost of acquisition, construction and equipment of the Hays Campus.
 - Issued April 1, 2012.
 - Total authorized \$44,430,000; all authorized bonds have been issued.
 - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
 - Outstanding principal balance as of August 31, 2020 and 2019 is \$42,960,000 and \$43,515,000, respectively.
 - Interest rates varying from 2.0% to 5.0%.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all 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. The College had no arbitrage liability for the years ended August 31, 2020 and 2019.

Notes Payable and Capital Leases

As of August 31, 2020 and 2019, the College made annual payments for notes, and capital leases of \$486,048 and \$486,048 respectively.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 9. DEBT AND LEASE OBLIGATIONS (CONTINUED)

Obligations under capital leases at August 31, 2020, were as follows:

<u>For the year ended August 31,</u>	<u>Total</u>
2021	\$ 314,871
Total Minimum Lease Payments	314,871
Less: Amount Representing Interest Costs	(10,329)
Present Value of Minimum Lease Payments	<u>\$ 304,542</u>

Obligations under notes payable at August 31, 2020, were as follows:

<u>For the year ended August 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 171,176	\$ 5,555
Total	<u>\$ 171,176</u>	<u>\$ 5,555</u>

Interest Expense

For the year ended August 31, 2020, the College incurred \$30,267,670 in interest cost, of which \$30,267,670 was expensed and \$0 was capitalized. For the year ended August 31, 2019, the College incurred \$33,635,782 in interest cost, of which \$33,635,782 was expensed and \$0 was capitalized.

NOTE 10. REFUNDING AND DEFEASED BONDS OUTSTANDING

Bond Refundings:

There were no bond refundings during FY2020.

During the year ended August 31, 2019, the College had the following bond refunding:

- Lease Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment).
 - Refunded \$31,950,000; all authorized bonds have been issued.
 - Present value of net savings is \$4,132,315.
 - Issued August 15, 2019.
 - Refunded by Combined Fee Revenue Building Bonds, Series 2019.
 - The College placed the proceeds of the Refunded Bonds in an escrow fund.
 - The escrow account assets and the liability for the defeased bonds are not included in the College's financial statements.
 - The average coupon rate of bonds refunded was 6.8269%.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 10. REFUNDING AND DEFEASED BONDS OUTSTANDING (CONTINUED)

- The total cash flow to service the refunded bonds and cash flows required to service the refunding bonds as of the effective date of the refunding were \$47,340,717 and \$42,024,386.
- The loss on the refunding was \$1,554,250.

Defeased Bonds

As of August 31, 2020 and 2019, the College had the following legally defeased bonds outstanding:

Bond Issue	Year Refunded	2020 Par Value Outstanding	2019 Par Value Outstanding
Lease Revenue Bonds, Series 2010A (BABS)	2019	\$ -	\$ 31,950,000

NOTE 11. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS

The College leases various classrooms, offices, parking lots, and equipment under rental agreements. These agreements have clauses which allow the College to terminate the agreement if funding becomes unavailable or the Board does not approve funding. Rental payments during the fiscal years ended August 31, 2020 and 2019 were \$1,572,031 and \$1,910,291 respectively. The future minimum lease and rental payments are as follows:

For the Year Ending August 31,	Total
2021	\$ 380,678
2022	334,975
2023	334,975
Total Future Minimum Lease Payments	<u>\$ 1,050,628</u>

NOTE 12. EMPLOYEES' RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The State of Texas ("the State") has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8,

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

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.

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

Detailed information about TRS's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report ("CAFR") that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (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 the date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs, can be granted by the Texas Legislature as noted in the Plan described above.

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

In May 2019, the 86th Texas Legislature approve the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the State, participating employers and active employees to make the pension fund actuarially sound. Since this action causes the pension fund to be actuarially sound, the Legislature approved funding an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Contributions

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

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

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

	<u>2020</u>	<u>2019</u>
Contribution Rates:		
Member	7.7%	7.7%
NECE (State)	7.5%	6.8%
Employers	7.5%	6.8%

FY19 College Contributions	\$	4,252,656
FY19 Member Contributions	\$	11,166,726
FY19 NECE (State) Contributions	\$	4,105,059

The District's contributions to the TRS pension plan in fiscal year 2020 were \$6,861,141 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. State of Texas on-behalf contributions for fiscal year 2020 were \$5,041,164.

The District's contributions to the TRS pension plan in fiscal year 2019 were \$4,252,656 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. State of Texas on-behalf contributions for fiscal year 2019 were \$4,251,771.

As the NECE for public education and junior colleges, the state of Texas contributes to TRS 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:

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

- 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 district shall contribute to TRS an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, when employing a retiree of TRS the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability on August 31, 2020, and 2019 actuarial valuation were determined using the following actuarial assumptions:

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Fiscal Year	August 31, 2020	August 31, 2019
Valuation Date	August 31, 2019	August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Discount Rate	7.25%	6.91%
Long-term Expected Investment Rate of	7.25%	7.25%
Salary Increases (1)	3.05% to 9.05%	3.05% to 9.05%
Payroll Growth Rate	2.50%	2.50%
Benefit Changes During the Year	None	None
Ad hoc Post-Employment Benefit Changes	None	None

Mortality	<p>Active Mortality: 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality.</p> <p>The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables with full generational projection using the ultimate improvement rates from the most recently published projection scale U-MP.</p>	<p>Active Mortality: 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB.</p> <p>Post-Retirement: The 2015 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using Scale BB.</p>
-----------	---	---

Note:

(1) Includes Inflation of 2.3% in 2019 and 2.3% in 2018

Actuarial methods and assumptions were primarily based on a study of actual experience for the three year period ending August 31, 2018 and were adopted in July 2018, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan.

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase based on the actuarial assumptions.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The single discount rate was based on the expected rate of return on pension plan investments of 7.25% and a municipal bond rate of 2.63% (based on the 20-year municipal GO AA Index). 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 NECE are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance benefit payments until the year 2116. As a result, the long term expected rate of return on pension plan investments was applied to projected benefit payments through 2116, and the municipal bond rate was applied to projected benefits after that date.

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2019, are summarized below:

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Asset Class	FY 2019 Target Allocation (1)	New Target Allocation (2)	Long-Term Expected Geometric Real Rate of Return (3)
Global Equity:			
U.S.	18.0%	18.00%	6.40%
Non-U.S. Developed	13.0%	13.00%	6.30%
Emerging Markets	9.0%	9.00%	7.30%
Directional Hedge Funds	4.0%	0.00%	0.00%
Private Equity	13.0%	14.00%	8.40%
Stable Value:			
U.S. Treasuries ⁽⁴⁾	11.0%	16.00%	3.10%
Stable Value Hedge Funds	4.0%	5.00%	4.50%
Absolute Return (Including Credit Sensitive Investments)	0.0%	0.00%	0.00%
Real Return:			
Global Inflation Linked Bonds ⁽⁴⁾	3.0%	0.00%	0.00%
Real Estate	14.0%	15.00%	8.50%
Energy, Natural Resources and Infrastructure	5.0%	6.00%	7.30%
Commodities	0.0%	0.00%	0.00%
Risk Parity:			
Risk Parity	5.0%	8.00%	5.8%/6.5% ⁽⁵⁾
Asset Allocation Leverage			
Cash	1.0%	2.0%	2.5%
Asset Allocation Leverage		-6.0%	2.7%
Expected Return			<u>7.23%</u>

Note:

- (1) FY 2019 Target Allocation based on the Strategic Asset Allocation dated 10/1/2018
- (2) New target allocation based on Strategic Asset Allocation dated 10/1/2019
- (3) 10-Year annualized geometric nominal returns include the real rate of return and inflation of 2.1%
- (4) New Target Allocation groups Government Bonds within the stable value allocation. This includes global sovereign nominal and inflation-linked bonds
- (5) 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) target volatility

Source:

Teacher Retirement System of Texas 2019 Comprehensive Annual Financial Report

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7%) in measuring the 2020 Net Pension Liability.

Fiscal Year 2020 Net Pension Liability

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's Proportionate Share of the Net Pension Liability	<u>\$ 130,101,384</u>	<u>\$ 84,638,314</u>	<u>\$ 47,804,452</u>

Fiscal Year 2019 Net Pension Liability

	1% Decrease in Discount Rate (5.91%)	Discount Rate (6.91%)	1% Increase in Discount Rate (7.91%)
College's Proportionate Share of the Net Pension Liability	<u>\$ 133,058,673</u>	<u>\$ 88,162,712</u>	<u>\$ 51,816,769</u>

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

On August 31, 2020, and 2019, the College reported a liability of \$84,638,314 and \$88,162,712, respectively, for its proportionate share of TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

	2020	2019
College's Proportionate Share of the Collective Net Pension Liability	\$ 84,638,314	\$ 88,162,712
State's Proportionate Share that is Associated with the College	<u>60,970,135</u>	<u>63,974,501</u>
Total Net Pension Liability	<u>\$ 145,608,449</u>	<u>\$ 152,137,213</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

The net pension liability for the fiscal years ended August 31, 2020, and August 31, 2019, was measured as of August 31, 2019, and August 31, 2018, respectively. An actuarial valuation determined the total pension liability used to calculate the net pension liability as of these dates. The College's proportion of the net pension liability for 2019 and 2018 was based on the College's contributions to the pension plan relative to the contributions of all employers and non-employer contributing entities to the plan for the periods September 1, 2018 through August 31, 2019, and September 1, 2016 through August 31, 2017, respectively.

At August 31, 2020, the College's proportion of the collective net pension liability was 0.1628188%, which was an increase of 1.65% from its proportion of 0.1601723% in the previous year of August 31, 2019.

For the years ended August 31, 2020 and 2019, the College recognized pension expense of \$9,577,549 and \$6,331,771, respectively and revenue of \$9,577,549 and \$6,331,771, respectively for support provided by the State.

At August 31, 2020, the College reported its proportionate share of 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
Differences Between Expected and Actual Economic Experience	\$ 355,557	\$ 2,938,777
Changes in Actuarial Assumptions	26,258,962	10,851,445
Net Difference Between Projected and Actual Investment Earnings	849,866	-
Changes in Proportion and Difference Between the College's Contributions and the Proportionate Share of Contributions	5,978,753	1,268,659
Contributions Paid to TRS Subsequent to the Measurement Date	6,861,141	-
Total	<u>\$ 40,304,279</u>	<u>\$ 15,058,881</u>

The \$6,861,141 reported as deferred outflows of resources related to pensions resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2021.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

At August 31, 2019, the College reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 549,534	\$ 2,163,165
Changes in Actuarial Assumptions	31,786,904	993,342
Net Difference Between Projected and Actual Investment Earnings	-	1,672,825
Changes in Proportion and Difference Between the College's Contributions and the Proportionate Share of Contributions	6,421,734	1,936,253
Contributions Paid to TRS Subsequent to the Measurement Date	4,252,656	-
Total	<u>\$ 43,010,828</u>	<u>\$ 6,765,585</u>

The net amounts of the College's fiscal year 2020 balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending August 31,</u>	<u>Pension Expense Amount</u>
2021	\$ 3,305,382
2022	2,581,367
2023	5,896,273
2024	5,437,496
2025	1,886,186
Thereafter	(722,447)
	<u>\$ 18,384,257</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

The net amounts of the College's fiscal year 2019 balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending August 31,	Pension Expense Amount
2020	\$ 7,660,035
2021	4,139,733
2022	3,428,564
2023	6,698,750
2024	6,242,873
Thereafter	3,822,632
	<u>\$ 31,992,587</u>

The deferred outflows and deferred inflows resulting from the difference between projected and actual earnings on pension plan investments will be recognized as a reduction of pension expense over five years. The other deferred inflows and outflows will be recognized in pension expense using the average expected remaining service lives of all members.

Defined Contribution Retirement Plans

The State has also established an Optional Retirement Plan (ORP) for institutions of higher education that is subject to amendment by the Texas Legislature. Participation in the ORP is in lieu of participation in the TRS. The ORP provides for the purchase of annuity contracts as individual retirement accounts and is a defined contribution plan. For fiscal years 2020 and 2019, the employee contribution rate is 6.65% and the employer contribution rate is 6.60%. For those employees hired prior to September 1, 1995, the College contributes an additional 1.90%. For the years ended August 31, 2020 and 2019, ORP contributions made by employees were \$1,928,460 and \$2,009,391, respectively; contributions made by the State were \$930,143 and \$977,444, respectively; and the expense to the College was \$1,194,375 and \$1,274,543, respectively. Total payroll of employees participating in ORP for the fiscal years ended August 31, 2020, and 2019 was \$28,999,392 and \$30,216,408, respectively.

In addition, the College has established a defined contribution Money Purchase Plan for part-time employees, called the Part-Time Employees Retirement System (PTERS). To be eligible for participation in the PTERS, an employee must complete one hour of service in a service period.

Participation in this plan is in lieu of participation in the TRS or the ORP. Under the PTERS, the College is required to withhold from an employee's compensation 6% and match an amount equal to 1.5% of the employee's total compensation, for a combined contribution of 7.5% of the employee's total annual compensation. The College has contracted with Ohio National Life Insurance Company to administer the PTERS. The College maintains the authority to amend plan provisions and contributions

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 12. EMPLOYEES' RETIREMENT PLANS (CONTINUED)

of the PTERS. For the years ended August 31, 2020, and 2019, PTERS contributions made by employees were \$1,279,121 and \$1,430,681; and the expense to the College was \$319,835 and \$357,705, respectively. Total payroll of employees participating in PTERS for the fiscal years ended August 31, 2020, and 2019 are \$21,321,288 and \$23,846,647 respectively.

The College has no additional or unfunded liabilities for these plans.

NOTE 13. HEALTHCARE AND LIFE INSURANCE BENEFITS

In addition to the pension benefits described in Note 12, the State provides certain health care and life insurance benefits for most active and retired employees. The State appropriates a sum-certain amount for these benefits to the College based on employee enrollments during the legislative cycle, and any additional expense must be funded by the College. These benefits are administered by the Employees Retirement System of Texas and provided through an insurance company whose premiums are based on benefits paid during the previous year.

For the year ended August 31, 2020, the employer's contribution per full-time employee was \$625 per month for the year and totaled \$7,500 per employee for the year. The employer also paid a maximum amount for a spouse, child(ren), or family of \$983, \$865, and \$1,223 per month, respectively. The total cost of providing those benefits for the year was \$4,997,955 for 533 retirees and \$21,345,549 for 2,759 active employees.

For the year ended August 31, 2019, the employer's contribution per full-time employee was \$625 per month for the year and totaled \$7,500 per employee for the year. The employer also paid a maximum amount for a spouse, child(ren), or family of \$983, \$865, and \$1,223 per month, respectively. The total cost of providing those benefits for the year was \$4,439,874 for 550 retirees and \$20,570,099 for 2,797 active employees.

Of the costs above, the health and life insurance expense to the State on behalf of the College was \$11,197,235 and \$10,769,786 for the fiscal years ended August 31, 2020 and 2019, respectively. The expense to the College was \$16,415,925 and \$14,240,187 for the fiscal years ended August 31, 2020 and 2019, respectively.

NOTE 14. ON-BEHALF PAYMENTS

For the fiscal years ended August 31, 2020 and 2019 the College recorded State on-behalf contributions for the Teacher's Retirement System of \$8,286,942 and \$6,331,771, respectively, and contributions for the Optional Retirement Program of \$930,322 and \$980,702, respectively. The Optional Retirement Program contributions are received as cash reimbursements from the State for payments made by the College to the respective investment funds on behalf of the employees.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 14. ON-BEHALF PAYMENTS (CONTINUED)

The College recorded State on-behalf contributions for health insurance of \$14,424,853 and \$11,049,579 for the fiscal years ended August 31, 2020 and 2019, respectively. These were non-cash, on-behalf contributions.

The State's total on-behalf contributions for the fiscal years ended August 31, 2020 and 2019 of \$23,642,118 and \$18,362,052 respectively, were recorded as revenues and expenses in the accompanying basic financial statements.

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

	2020	2019
OPEB - ERS Payable	\$ 166,095,191	\$ 143,507,878
OPEB - Dental Payable	8,339,107	7,818,935
Total OPEB Payable	<u>\$ 174,434,298</u>	<u>\$ 151,326,813</u>

Retiree Medical Insurance – Plan Description

The College participates in a cost-sharing, multiple-employer, Other Post-Employment 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 post-employment 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 ten 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. The report may be obtained online at <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 of Texas 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

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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 plan members and employers are established and/or can be amended is in Chapter 1551, Texas Insurance Code.

Contributions

Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees 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 Trustees revise benefits when necessary to match expected benefit and administrative costs with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to this plan.

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 to optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Years 2019 and 2018

	2019	2018
Retiree Only	\$ 625	\$ 622
Retiree and Spouse	1,341	1,335
Retiree and Children	1,104	1,099
Retiree and Family	1,820	1,812

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions of premiums to the GBP plan for the current and prior fiscal year are summarized in the following table.

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Employers	\$ 14,240,187	\$ 14,066,001
Members (Employees)	1,008,396	983,535
Nonemployer Contributing Entity (State of Texas)	10,769,786	10,370,118

***Source: ERS FY19 Comprehensive Annual Financial Report

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of August 31, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions		
Valuation Date	August 31, 2019	August 31, 2018
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Discount Rate	2.97%	3.96%
Projected Annual Salary Increase	2.50% to 9.50%	2.50% to 9.50%
Annual Healthcare Trend Rate	7.30% for FY2021, 7.40% for FY2022, 7.00% for FY2023, decreasing 0.50% per year to an ultimate rate of 4.50% for FY2028 and later years	7.30% for FY2020, 7.40% for FY2021, 7.00% for FY2022, decreasing 0.50% per year to an ultimate rate of 4.50% for FY2027 and later years
Inflation Assumption Rate	2.50%	2.50%
Ad hoc Postemployment Benefit Changes	None	None
Mortality Rate	Service Retirees, Survivors and other Inactive Members 2017 State Retirees of Texas Mortality Table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017. Disability Retirees - RP - 2014 Disable Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014. Active Members- RP-2014 Employee Mortality tables with Ultimate MP Projection Scale from the year 2014.	Service Retirees, Survivors and other Inactive Members 2017 State Retirees of Texas Mortality Table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2017. Disability Retirees - RP - 2014 Disable Retiree Mortality with Ultimate MP Projection Scale projected from the year 2014. Active Members- RP-2014 Employee Mortality tables with Ultimate MP Projection Scale from the year 2014.

***Source: ERS FY19 & FY18 Comprehensive Annual Financial Report

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Investment Policy

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees 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%.

Discount Rate

As 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 measure the total OPEB liability as of the end of the measurement year was 2.97%, which amounted to a decrease of 0.99%. 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 Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. As the plan 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 plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis

The following schedule shows the impact on the College's proportionate share of the collective net OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used 2.97% in measuring the net OPEB Liability.

Fiscal Year 2020 Net OPEB Liability (in Thousands)

College's Proportionate Share of the Net OPEB Liability	1% Decrease in Discount Rate (1.97%)	Discount Rate (2.97%)	1% Increase in Discount Rate (3.97%)
	\$ 198,203	\$ 166,095	\$ 141,389

Fiscal Year 2019 Net OPEB Liability (in Thousands)

College's Proportionate Share of the Net OPEB Liability	1% Decrease in Discount Rate (2.96%)	Discount Rate (3.96%)	1% Increase in Discount Rate (4.96%)
	\$ 170,377	\$ 143,508	\$ 123,171

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Healthcare Trend Rate Sensitivity Analysis

The initial healthcare trend rate is 8.5%, and the ultimate rate is 4.5%. 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 4.5% in measuring the net OPEB liability.

Fiscal Year 2020 Net OPEB Liability (in Thousands)

	1% Decrease (HealthSelect 6.3% decreasing to 3.5%; HealthSelect Medicare Advantage: 9.80% to 3.50%)	Current Healthcare Cost Trend Rates (HealthSelect: 7.3% decreasing to 4.5%; HealthSelect Medicare Advantage: 10.80% to 4.50%)	1% Increase (HealthSelect: 8.3% decreasing to 5.5%; HealthSelect Medicare Advantage: 11.80% to 5.50%)
College's Proportionate Share of the Net OPEB Liability	<u>\$ 139,469</u>	<u>\$ 166,095</u>	<u>\$ 200,890</u>

Fiscal Year 2019 Net OPEB Liability (in Thousands)

	1% Decrease (6.30% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.30% decreasing to 4.50%)	1% Increase (8.30% decreasing to 5.50%)
College's Proportionate Share of the Net OPEB Liability	<u>\$ 121,533</u>	<u>\$ 143,508</u>	<u>\$ 171,856</u>

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At August 31, 2020, the College reported a liability of \$166,095,191 for its proportionate share of the ERS'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:

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

	2020	2019
College's Proportionate Share of the Collective Net OPEB Liability	\$ 166,095,191	\$ 143,507,878
State's Proportionate Share that is Associated with the College	125,617,011	105,800,762
Total Net OPEB Liability	<u>\$ 291,712,202</u>	<u>\$ 249,308,640</u>

The net OPEB liability was measured as of August 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At the measurement dates of August 31, 2019 and 2018, the employer's proportion of the collective net OPEB liability was 0.48056232% and 0.48420651%, respectively.

For the year ended August 31, 2020, the College recognized OPEB expense of \$2,495,055 and revenue of \$2,495,055 for support provided by the State. For the year ended August 31, 2019, the College recognized OPEB expense of \$2,216,639 and revenue of \$2,216,639 for the support provided by the State.

Changes Since the Prior Actuarial Valuation

The following assumptions have changed since the previous OPEB valuation:

- Assumed per capita health benefit costs and assumed health benefit cost and retiree contribution trends have been updated to reflect recent experience and its effects on short-term expectations;
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence;
- The percentage of future male retirees assumed to be married and electing coverage for their spouse;
- The percentages of future retirees and future retiree spouses assumed to use tobacco have been updated to reflect recent plan experience and expected trends; and
- The discount rate assumption was changed from 3.96% as of August 31, 2018 to 2.97% as of August 31, 2019 as a result of requirements of GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes of Benefit Terms Since Prior Measurement Date

The valuation as of August 31, 2019 reflects the benefit change that became effective January 1, 2020. The change to HealthSelect retirees and dependents for whom Medicare is not primary is an increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect (CDHP) from \$6,650 to \$6,750 for individuals and from \$13,300 to \$13,500 for families in order to remain consistent with Internal Revenue Service maximums.

At August 31, 2020, the College reported its proportionate share of the ERS plan'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
Differences between expected and actual economic experience	\$ -	\$ 4,321,945
Changes in actuarial assumptions	11,820,110	37,115,977
Net difference between projected and actual investment return	68,286	-
Effect of change in proportion and contribution difference	80,455,988	2,144,567
Contributions subsequent to the measurement date	1,864,716	-
Total	<u>\$ 94,209,100</u>	<u>\$ 43,582,489</u>

The \$1,864,716 reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending August 31, 2021.

At August 31, 2019, the College reported its proportionate share of the ERS plan'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
Differences Between Expected and Actual Economic Experience	\$ -	\$ 5,257,667
Changes in Actuarial Assumptions	-	50,289,083
Net difference between projected and actual investment return	67,959	-
Effect of change in proportion and contribution difference	102,804,874	-
Contributions Subsequent to the Measurement Date	901,873	-
Total	<u>\$ 103,774,706</u>	<u>\$ 55,546,750</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Year Ending August 31,	OPEB Expense Amount
2021	\$ 10,405,561
2022	10,405,561
2023	14,959,731
2024	11,954,865
2025	1,036,177
Thereafter	-
	<u>\$ 48,761,895</u>

The deferred outflows and deferred inflows resulting from the difference shown above will be recognized as an OPEB expense over a five-year period.

Retiree Dental Care – Plan Description

The College has elected to reimburse retirees' cost of dental benefits received through the State's SRHP. The College refers to the reimbursement program as the "Retiree Dental Care Plan," and it is considered a single employer plan. Retirees who elect to receive dental benefits, make direct contributions to the SRHP. The College then reimburses the retirees quarterly for the cost of their contribution to the SRHP. There are no standalone reports associated with this plan.

Retiree Dental Care – Funding Policy Annual OPEB Cost

The College reimburses 100% of the retirees cost of the dental benefits provided by the SRHP. These costs are funded on a pay-as-you-go basis. A retired employee becomes eligible for dental benefits upon retirement from the College, assuming they meet the eligibility requirements for participation in the SRHP. The College's annual cost per retiree was \$326.52 for the year 2020, and \$343.68, and \$328.92 for the years ended 2019, and 2018 respectively. The total annual contributions made by the College were \$151,431, \$139,416, and \$121,864 for the years 2020, 2019, and 2018, respectively.

Actuarial Methods and Assumptions

Changes of assumptions include a decrease in the discount rate from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, and revised TRS demographic and salary increase assumptions.

Projections of dental benefits are based on the plan as understood by the College and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the College and the College's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions for the years ended August 31, 2020, and 2019 were as follows:

Actuarial Methods and Assumptions		
Valuation Date	August 31, 2019	August 31, 2018
Actuarial Cost Method	Individual Entry Age Normal Cost Method	Individual Entry Age Normal Cost Method
Discount Rate	2.63% as of August 31, 2018	3.69% as of August 31, 2018
Rate of Inflation	2.30%	2.30%
Salary Increases	3.05% to 9.05%, including inflation	3.30% to 9.30%, including inflation
Demographic Assumption	The demographic assumptions, except for the rates of retirement, were based on the August 31, 2017 experience study as conducted for the Teachers Retirement System of Texas (TRS). The retirement rate assumptions were based on an analysis of ACCD's experience which took place in October of 2019.	Assumptions other than the retirement rate were based on the August 31, 2014 experience study as conducted for the Teachers Retirement System of Texas (TRS). The retirement rate assumptions were based on an analysis of ACC's experience which took place in October of 2019.
Mortality	The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The post-retirement mortality rates for healthy lives were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP").	Client specific tables based on the experience of TRS members. The mortality rates are projected on a fully generational basis using scale BB to account for future mortality improvements.
Health Care Trend Rates:	4.00% per year	4.00% per year
Participation Rates	It was assumed that 95% of eligible retirees would choose to receive retiree dental benefits through the Employer.	It was assumed that 95% of eligible retirees would choose to receive retiree dental benefits through the Employer.
Notes:	The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. The demographic assumptions, other than the rates of retirement, were updated to reflect the assumptions used in the Teacher Retirement System of Texas Actuarial Valuation Report as of August 31, 2019.	The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018. Additionally, the rates of retirement, the general inflation assumption, and the dental trend rate were updated to reflect the plan's anticipated experience.

**Source:
GASB Statement No. 75, Accounting and Financial Reporting for
Postemployment Benefits Other Than Pensions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the College's retiree dental plan are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Sensitivity of Total OPEB-Dental Liability to the Discount Rate Assumption

Regarding the sensitivity of the total OPEB-Dental Liability to changes in the discount rate, the following presents the plan's total OPEB-Dental liability, calculated using a discount rate of 2.63%, as well as what the plan's total OPEB-Dental liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Fiscal Year 2020 Net OPEB Liability

Sensitivity of Total OPEB Liability to the Discount Rate Assumption	1% Decrease in Discount Rate (1.63%)	Discount Rate (2.63%)	1% Increase in Discount Rate (3.63%)
	<u>\$ 9,893,811</u>	<u>\$ 8,339,107</u>	<u>\$ 7,075,905</u>

Fiscal Year 2019 Net OPEB Liability

Sensitivity of Total OPEB Liability to the Discount Rate Assumption	1% Decrease in Discount Rate (2.69%)	Discount Rate (3.69%)	1% Increase in Discount Rate (4.69%)
	<u>\$ 9,207,426</u>	<u>\$ 7,818,935</u>	<u>\$ 6,686,137</u>

Sensitivity of Total OPEB-Dental Liability to the Healthcare Cost Trend Rate Assumption

Regarding the sensitivity of the total OPEB-Dental Liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB-Dental Liability, calculated using the assumed trend rates as well as what the plan's total OPEB-Dental Liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Fiscal Year 2020 Net OPEB Liability

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
	<u>\$ 6,863,502</u>	<u>\$ 8,339,107</u>	<u>\$ 10,276,126</u>

Fiscal Year 2019 Net OPEB Liability

Sensitivity of Total OPEB Liability to the Healthcare Cost Trend Rate Assumption	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
	<u>\$ 6,367,661</u>	<u>\$ 7,818,935</u>	<u>\$ 9,732,773</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

At August 31, 2020, the College reported its collective deferred outflows of resources and deferred inflows of resources related to OPEB-Dental from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 52,837	\$ 1,193,990
Changes in Actuarial Assumptions	1,108,877	756,354
Contributions Subsequent to the Measurement Date	151,431	-
Total	<u>\$ 1,313,145</u>	<u>\$ 1,950,344</u>

At August 31, 2019, the College reported its collective deferred outflows of resources and deferred inflows of resources related to OPEB-Dental from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 59,626	\$ -
Changes in Actuarial Assumptions	-	869,489
Contributions Subsequent to the Measurement Date	139,416	-
Total	<u>\$ 199,042</u>	<u>\$ 869,489</u>

The \$151,431 reported as deferred outflows of resources related to OPEB resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ending August 31, 2021.

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

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 15. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Year Ending August 31,	OPEB Expense Amount
2021	\$ (116,953)
2022	(116,953)
2023	(116,953)
2024	(116,953)
2025	(116,953)
Thereafter	(203,865)
	<u>\$ (788,630)</u>

The deferred inflows and deferred outflows resulting from the difference shown above will be recognized in OPEB expense over the expected remaining service lives of 9.0 years.

NOTE 16. COMPENSABLE ABSENCES

Full-time employees earn annual leave from 10 to 13.34 hours per month, depending on the number of years employed with the College. The College's policy is that classified, professional-technical or administrative employees may accrue up to 240 hours of annual leave.

Sick leave, which is limited to a maximum of 1,200 hours, is earned at the rate of 8 hours per month. The maximum sick leave that may be paid to an employee when he retires or otherwise terminates employment is one-half of the employee's accumulated entitlement in excess of 960 hours. The College's policy is to recognize the cost of sick leave when earned, which provides for the College's maximum vested liability.

The College's reporting of accrued liabilities for compensable absences is in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The total amount accrued at August 31, 2020, is \$8,574,461; of that amount, \$1,170,457 is allocated to sick leave and \$7,404,004 to annual leave. The total amount accrued at August 31, 2019, is \$7,243,145; of that amount, \$1,143,850 is allocated to sick leave and \$6,099,295 to annual leave.

NOTE 17. PENDING LAWSUITS AND CLAIMS

On August 31, 2020 and 2019, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

The College receives federal, state and local grants that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. The College's management believes such disallowances, if any, will not have a material effect on the basic financial statements.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 18. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables

Accounts receivable at August 31, 2020 and 2019 were as follows:

	2020	2019
Tuition and Fees Receivable (Net of Allowance for Doubtful Accounts of \$16,874,743 and \$15,801,698)	\$ 14,031,473	\$ 16,040,134
Taxes Receivable (Net of Allowance for Doubtful Accounts of \$516,068 and \$408,522)	4,644,610	3,676,696
Contracts and Grants Receivable	2,484,210	3,945,709
Other Receivables	1,326,716	1,773,451
Total Receivables	<u>\$ 22,487,009</u>	<u>\$ 25,435,990</u>

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities balances at August 31, 2020 and 2019 were as follows:

	2020	2019
Payable to Vendors	\$ 24,735,719	\$ 30,853,096
Salaries and Benefits Payable	8,544,189	6,220,866
Payable to Students	1,661,084	1,800,994
Accrued Interest Payable	2,730,801	2,904,353
Construction Retainage	12,023,662	7,760,385
Total Payables	<u>\$ 49,695,455</u>	<u>\$ 49,539,694</u>

NOTE 19. FUNDS HELD FOR OTHERS

The College holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amount of \$191,404 and \$337,042 for the fiscal years ended August 31, 2020 and 2019, respectively.

NOTE 20. CONTRACT AND GRANT AWARDS

Contract and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized on *Statements of Revenues, Expenses and Changes in Net Assets* (Exhibit 2), the *Schedule of Operating Revenues* (Schedule A), and the *Schedule of Non-Operating Revenues and Expenses* (Schedule C). Contract and grant awards for which funds are expended but not yet collected are included in Accounts Receivable in the *Statement of Net Assets* (See Contracts and Grants Receivable in Note 18.). Contract and grant awards that are not yet funded or expended are not included in the financial statements. Contract and grant awards' funds already committed, e.g., multi-year awards or funds awarded during fiscal years ended

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 20. CONTRACT AND GRANT AWARDS (CONTINUED)

August 31, 2020 and 2019 for which no expenses have been incurred totaled \$15,406,206 and \$7,311,478, respectively.

These totals are comprised of the following:

	2020	2019
Federal Contracts and Grant Awards	\$ 9,140,159	\$ 3,985,845
State Contracts and Grant Awards	5,432,871	3,199,902
Local Contracts and Grant Awards	56,784	53,856
Private Contracts and Grant Awards	776,392	71,875
Total Contract and Grant Awards	<u>\$ 15,406,206</u>	<u>\$ 7,311,478</u>

NOTE 21. 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 College's taxing jurisdiction. The College's Taxable Assessed Values for the years ended August 31, 2020 and 2019, are as follows:

	2020	2019
Appraised Valuation	\$ 290,383,305,063	\$ 267,155,546,227
Less: Exemptions	(52,814,463,171)	(48,717,555,798)
Taxable Assessed Value	<u>\$ 237,568,841,892</u>	<u>\$ 218,437,990,429</u>

Tax rates for the years ended August 31, 2020 and 2019, are as follows:

Fiscal Year 2020	Current Operations	Debt Service	Total
Tax Rate per \$100 Valuation Authorized	\$ 0.0900	\$ 0.5000	\$ 0.5900
Tax Rate per \$100 Valuation Assessed	\$ 0.0900	\$ 0.0149	\$ 0.1049

Fiscal Year 2019	Current Operations	Debt Service	Total
Tax Rate per \$100 Valuation Authorized	\$ 0.0900	\$ 0.5000	\$ 0.5900
Tax Rate per \$100 Valuation Assessed	\$ 0.0900	\$ 0.0148	\$ 0.1048

Taxes levied for the years ended August 31, 2020 and 2019 were \$248,465,450 and \$228,221,318, respectively (which includes adjustments for the year, if applicable). In accordance with Texas statutes,

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 21. PROPERTY TAXES (CONTINUED)

the College's Board of Trustees approves a tax rate and an order to levy taxes in September of each year. Ad valorem property taxes are billed by the county tax assessor collector in October of each year in accordance with Subtitle E, Texas Property Tax Code. Taxes are payable on receipt of the tax bill and are delinquent if not paid before February of the year following the year in which imposed. On January 1 of the year following the College's order to levy taxes (the assessment date), a tax lien attaches to property to secure payment of all taxes penalties, and interest.

Taxes collected for the years ended August 31, 2020 and 2019, are as follows:

Fiscal Year 2020	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 211,706,859	\$ 34,814,017	\$ 246,520,876
Delinquent Taxes Collected	(228,438)	(37,565)	(266,003)
Penalties & Interest Collected	643,704	105,853	749,557
Other Tax Related Collections	133,540	21,960	155,500
Total Collections	<u>\$ 212,255,665</u>	<u>\$ 34,904,265</u>	<u>\$ 247,159,930</u>

Fiscal Year 2019	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 194,754,949	\$ 32,026,369	\$ 226,781,318
Delinquent Taxes Collected	81,398	13,385	94,783
Penalties & Interest Collected	619,701	101,906	721,608
Other Tax Related Collections	184,712	30,375	215,087
Total Collections	<u>\$ 195,640,760</u>	<u>\$ 32,172,036</u>	<u>\$ 227,812,796</u>

Tax collections for the years ended August 31, 2020 and 2019, are 99.47% and 99.82%, respectively, of the current tax levy. The allowance for uncollectible property taxes amounted to \$516,068 and \$408,522 as of August 31, 2020 and 2019, respectively. The use of debt service tax proceeds is restricted for the retirement of general obligation bonds.

NOTE 22. 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)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The College had \$0 and \$68,559 unrelated business income tax liability for the fiscal years ended August 31, 2020 and 2019, respectively.

NOTE 23. CONSTRUCTION COMMITMENTS

The College has entered into construction commitments for various projects, including the renovation of facilities and the construction of buildings. At August 31, 2020 and 2019, the outstanding

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE 23. CONSTRUCTION COMMITMENTS (CONTINUED)

commitments under construction contracts for facilities and other projects are \$55,450,363 and \$116,353,308, respectively.

NOTE 24. RESTATEMENTS

For the fiscal year ended August 31, 2019, the College corrected an error in accounting for deferred losses on debt refundings related to incorrect amortization periods. The following table shows the changes to the net position as of September 1, 2018 in fiscal year 2019.

	Beginning Net Position at September 1, 2018	Increase in Net Position	Ending Net Position at August 31, 2019
As Presented in the Fiscal Year Ended August 31, 2019 Financial Statements	\$ 28,042,710	\$ 17,643,534	\$ 45,686,244
Effect of Error in Accounting for Deferred Losses on Debt Refunding	<u>14,776,901</u>	<u>(1,089,301)</u>	<u>13,687,600</u>
Restated Net Position	<u>\$ 42,819,611</u>	<u>\$ 16,554,233</u>	<u>\$ 59,373,844</u>

NOTE 25. DISCRETE COMPONENT UNIT – AUSTIN COMMUNITY COLLEGE FOUNDATION

Complete financial statements of the Austin Community College Foundation can be obtained from the College's Business Services Office.

NOTES TO THE FOUNDATION FINANCIAL STATEMENTS

The following footnotes are excerpted from the Foundation's audited financial statements for the year ended May 31, 2020:

NOTE A. ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Nature of Activities

Austin Community College Foundation (Foundation) is a Texas non-profit chartered in 1991 to provide supplemental financial resources to advance the institutional goals and expand the educational services of the Austin Community College District (ACC). The mission of the Foundation is to support educational initiatives which will enhance the quality of the facilities and instruction, increase and diversify services, and improve accessibility to educational opportunities for students, faculty, staff, and residents of the geographic areas served by ACC.

The Foundation is organized exclusively to support ACC and its programs and is considered a component unit by ACC. As such, the financial statements of the Foundation are included within the financial statements of ACC.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE A. ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

3. Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net Assets without Donor Restrictions: Net assets that are not subject to or no longer subject to donor-imposed stipulations.
- Net Assets with Donor Restrictions: Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

4. Cash Equivalents

The Foundation considers all highly liquid investments (including certificates of deposit) with maturities of three months or less when purchased to be cash equivalents.

5. Investments

Investments are stated at their readily determinable fair values in the statements of financial position, except for certificates of deposits that are stated at cost. Unrealized gains and losses are included in the change in net assets.

6. Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. As purpose or time restrictions are satisfied, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Foundation's policy is to report donor restricted support that is satisfied in the year of the receipt as an increase in net assets with donor restrictions then released in the same year.

7. Functional Expenses

Expenses are categorized by function as either (1) program services, (2) general administrative, or (3) fundraising expenses. Expenses that are specifically identifiable to a function are allocated entirely to

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE A. ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to the function.

	2020			
	Program Services	General and Administrative	Fundraising	Total
Grants	\$ 1,519,973	\$ -	\$ -	\$ 1,519,973
Personnel	64,633	192,166	56,002	312,801
Office expenses	2,835	8,429	2,456	13,720
Professional fees	-	10,400	-	10,400
Bank and credit card charges	-	4,428	-	4,428
Insurance	-	1,831	-	1,831
Miscellaneous	-	3,457	-	3,457
Total expenses	<u>1,587,441</u>	<u>220,711</u>	<u>58,458</u>	<u>1,866,610</u>

	2019			
	Program Services	General and Administrative	Fundraising	Total
Grants	\$ 979,495	\$ -	\$ -	\$ 979,495
Personnel	54,925	177,967	53,921	286,813
Office expenses	2,858	9,259	2,805	14,922
Professional fees	-	10,100	-	10,100
Bank and credit card charges	-	2,774	-	2,774
Insurance	-	1,831	-	1,831
Miscellaneous	-	125	-	125
Total expenses	<u>1,037,278</u>	<u>202,056</u>	<u>56,726</u>	<u>1,296,060</u>

8. Estimates

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

NOTE B. TAX EXEMPT STATUS

The Foundation is exempt from federal income tax under Internal Revenue Code Section 501 (a) as an organization described section 501(c)(3). The Foundation is further classified as a public charity described in Section 170(b)(1)(A)(vi). Therefore, no provision for income tax has been included in these financial statements.

NOTE C. PROMISES TO GIVE

The promises to give balances on May 31, 2020 and 2019 were considered fully collectible. Therefore, no allowances for uncollectible balances are reflected in these financial statements. Contributions receivable have been discounted to their present values on May 31, 2020 and 2019 using interest rates of 0.26% and 2.00%, respectively. Promises to give comprised the following on May 31, 2020 and 2019:

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE C. PROMISES TO GIVE (CONTINUED)

	2020	2019
Collection expected in less than one year	\$ 220,324	\$ 78,596
Collection expected in one to five years	240,000	245,000
Collection expected in more than five years	145,000	205,000
Promises to give, gross	605,324	528,596
Less discounts to present value	(4,400)	(40,100)
Less allowances for uncollectible balances	-	-
Promises to give, net	<u>\$ 600,924</u>	<u>\$ 488,496</u>

A promise to give from donor one comprised 76% and 96% of the promises to give on May 31, 2020 and 2019, respectively.

NOTE D. INVESTMENTS

Investments comprised the following at May 31, 2020 and 2019.

	2020	2019
Mutual Funds	\$ 5,161,362	\$ 5,461,200
Exchange traded funds	3,077,789	1,938,553
Certificates of deposit	450,000	1,050,187
Corporate bonds	939,692	910,379
Government securities	54,303	54,278
	<u>\$ 9,683,146</u>	<u>\$ 9,414,597</u>

Individual securities that represented 5% or more of the total investment balances comprised the following at May 31, 2020 and 2019.

	2020	2019
Am. Funds Growth Fund of America (AGTHX)	\$ 1,177,090	\$ 1,521,764
Am. Funds Invmt Company of America (AIVSX)	1,014,763	986,446
Am. Funds Capital Income Builder Fund (CAIBX)	858,823	892,219
Am. Funds American Balanced Fund (ABALX)	801,464	760,770
iShares Core S&P 500 ETF (IVV)	746,165	-
Am. Funds Income Fund of America (AMECX)	698,359	720,951
iShares Core Dividend Growth ETF (DGR0)	631,643	-
iShares Core High Dividend ETF (HDV)	572,098	610,279

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE D. INVESTMENTS (CONTINUED)

Return on investments comprised the following for the years ended May 31,

	2020	2019
Interest and dividends	\$ 429,275	\$ 577,234
Realized and unrealized gains (losses)	118,590	(460,937)
	<u>\$ 547,865</u>	<u>\$ 116,297</u>

NOTE E. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions comprised endowment corpus, accumulated investment return related to endowments that must be used in accordance with the respective endowment agreements, and contributions that are not for endowments, but must be used in accordance with their respective donor's restrictions. On May 31, 2020 and 2019, net assets with donor restrictions were available for the following:

	2020	2019
Subject to expenditure for specified purpose:		
Scholarships	\$ 1,269,557	\$ 1,131,782
Other purposes	38,500	44,418
Total subject to expenditure for specified purpose	<u>1,308,057</u>	<u>1,176,200</u>
Endowment funds:		
Scholarships	9,278,722	8,514,840
Other purposes	212,597	205,497
Total endowment funds	<u>9,491,319</u>	<u>8,720,337</u>
Total net assets with donor restrictions	<u>\$ 10,799,376</u>	<u>\$ 9,896,537</u>

NOTE F. ENDOWMENT

As of May 31, 2020, the Foundation's endowment comprised one hundred and four donor restricted funds, as well as seven board designated funds. The Foundation has interpreted the Uniform Prudent Management of Industrial Funds Act (UPMIFA) as requiring the preservation of original gift amounts of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as endowment corpus (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. The remaining portion of a donor-restricted endowment fund that is not classified as endowment corpus is classified as accumulated earnings until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the UPMIFA.

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE F. ENDOWMENT (CONTINUED)

In accordance with the UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Funds with Deficiencies

From time to time, the fair value of assets with donor-restricted endowment funds may fall below the level that the donors require the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature totaled \$13,826 and \$13,314 on May 31, 2020 and 2019, respectively.

Return Objectives

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board of Directors, the Foundation's long-term investment goal will be to achieve a rate of return on invested assets that meets the annual rate of inflation, in order to maintain the fund's purchasing power, and generates sufficient income to cover the distributions for all endowed funds.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved both through capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has adopted the following strategic asset allocation range: 40%-60% equity; 30%-50% fixed income; and 5%-15% cash. The Foundations Investment Committee reviews the performance of its investments and makes reports and/or recommendations to the Foundation's Board of Directors on at least an annual basis.

Spending Policy and How Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year a minimum of 3 percent of each endowment fund. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow in order to maintain the purchasing power of its endowments. This is consistent with the Foundation's objective to maintain the purchasing power of endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investments in return.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE F. ENDOWMENT (CONTINUED)

Composition of Endowment

Endowment net asset composition (promises to give excluded) comprised the following on May 31, 2020 and 2019:

	With Donor Restrictions			2020
	Board Designated	Endowment Corpus	Accumulated Earnings	Total
Board designated endowment funds	\$ 906,101	\$ -	\$ -	\$ 906,101
Donor restricted endowment funds	-	7,479,497	1,866,748	9,346,245
Total Endowment	<u>\$ 906,101</u>	<u>\$ 7,479,497</u>	<u>\$ 1,866,748</u>	<u>\$ 10,252,346</u>

	With Donor Restrictions			2019	Total
	Board Designated	Endowment Corpus	Accumulated Earnings		
Board designated endowment funds	\$ 777,108	\$ -	\$ -	\$	777,108
Donor restricted endowment funds	-	6,964,284	1,733,082		8,697,366
Total endowment	<u>\$ 777,108</u>	<u>\$ 6,964,284</u>	<u>\$ 1,733,082</u>	\$	<u>9,474,474</u>

Changes in Endowment

Changes in the Foundation's endowment (promises to give excluded) were as follows for the years ended May 31, 2020 and 2019:

	With Donor Restrictions			Total
	Board Designated	Endowment Corpus	Accumulated Earnings	
Endowment, May 31, 2018	\$ 794,583	\$ 6,511,317	\$ 1,905,087	\$ 9,210,987
Contributions	-	452,607	-	452,607
Return on investments	8,509	360	92,283	101,152
Appropriations	(25,984)	-	(264,288)	(290,272)
Endowment, May 31, 2019	<u>777,108</u>	<u>6,964,284</u>	<u>1,733,082</u>	<u>9,474,474</u>
Contributions	125,000	514,963	-	639,963
Return on investments	40,435	250	433,207	473,892
Appropriations	(36,442)	-	(299,541)	(335,983)
Endowment, May 31, 2020	<u>\$ 906,101</u>	<u>\$ 7,479,497</u>	<u>\$ 1,866,748</u>	<u>\$ 10,252,346</u>

NOTE G. RELATED PARTY TRANSACTIONS

The purpose of the Foundation is to support initiatives of ACC. For the years ended May 31, 2020 and 2019, the Foundation remitted \$1,519,973 and \$979,495, respectively, to ACC scholarships and programs.

Foundation staff are employees of ACC. These services, and facilities occupied by these personnel, are provided to the Foundation by ACC, without charge. The Foundation recognized in-kind contributions of \$326,521 and \$301,735, during the years ended May 31, 2020 and 2019, respectively, related to these services and facilities.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE G. RELATED PARTY TRANSACTIONS (CONTINUED)

The Foundation also receives in-kind contributions of property and equipment on behalf of ACC. These are considered agency transactions as the Foundation never takes custody of property, but merely acts as a transfer agent. Therefore, these donations are not reflected as contributions and related program expenses on the statement of activities. The Foundation acted as a transfer agent and received approximately \$12,210 and \$40,083 during the years ended May 31, 2020 and 2019, respectively, on ACC's behalf.

NOTE H. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Foundation distributions to ACC related to endowment funds are dependent on return on investments. Foundation distributions to ACC not related to endowment funds are dependent on non-endowed contributions, the timing of which varies throughout the year. The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following reflects the Foundation's financial assets, reduced by amounts not available for general use within one year because of Board designations and donor-imposed restrictions, as of May 31, 2020 and 2019:

	2020	2019
Cash and cash equivalents	\$ 2,162,146	\$ 1,499,831
Accrued interest and dividends receivable	15,238	16,119
Other receivable	-	15,005
Contributions receivable (collection within one year)	220,324	78,596
Investments	9,683,146	9,414,597
Total financial assets	12,080,854	11,024,148
Board designations:		
Endowment funds	(906,101)	(777,108)
Other Board Designations	(100,000)	-
Donor imposed restrictions:		
Endowment funds	(9,491,319)	(8,715,337)
Other donor restrictions	(927,457)	(771,300)
Financial assets available to meet cash needs for general expenditures within one year	\$ 655,977	\$ 760,403

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Years Ended August 31, 2020 and 2019

NOTE I. FAIR VALUE MEASUREMENTS

Certain assets are carried at fair value in these financial statements. Fair value measurements were arrived at using the following inputs on May 31, 2020 and 2019:

		Fair Value Measurements at Reporting Date Using		
Description	2020	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 5,161,362	\$ 5,161,362	\$ -	\$ -
Exchange traded funds	3,077,789	3,077,789	-	-
Corporate bonds	939,692	939,692	-	-
Government securities	54,303	54,303	-	-
	<u>\$ 9,233,146</u>	<u>\$ 9,233,146</u>	<u>-</u>	<u>-</u>

Description	2019	(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$ 5,461,200	\$ 5,461,200	-	-
Exchanged traded funds	1,938,553	1,938,553	-	-
Corporate bonds	910,379	910,379	-	-
Government securities	54,278	54,278	-	-
	<u>\$ 8,364,410</u>	<u>\$ 8,364,410</u>	<u>\$ -</u>	<u>\$ -</u>

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
For the Years Ended August 31, 2020, 2019, 2018, 2017, 2016, and 2015

For the year ended August 31,	2020	2019	2018	2017	2016	2015
College's Proportion of the Net Pension Liability	0.1628188%	0.1601723%	0.1503313%	0.1330458%	0.1330458%	0.1502376%
College's Proportionate Share of Net Pension Liability	\$ 84,638,314	\$ 88,162,712	\$ 48,067,844	\$ 52,331,529	\$ 47,029,919	\$ 40,130,541
State's Proportionate Share of the Net Pension Liability Associated With the College	60,970,135	63,974,501	36,375,762	41,178,434	39,872,522	33,702,414
Total	<u>\$ 145,608,449</u>	<u>\$ 152,137,213</u>	<u>\$ 84,443,606</u>	<u>\$ 93,509,963</u>	<u>\$ 86,902,441</u>	<u>\$ 73,832,955</u>
College's Covered Payroll	\$ 145,022,422	\$ 137,209,072	\$ 126,552,024	\$ 114,156,085	\$ 106,013,031	\$ 101,875,066
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	58%	64%	38%	46%	44%	39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.24%	73.74%	82.32%	78.00%	78.43%	83.25%

Note:

Only six years of data is presented in accordance with GASB Statement No. 68, paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE TEACHER RETIREMENT SYSTEM
For the Years Ended August 31, 2020, 2019, 2018, 2017, 2016, and 2015

	Contractually Required Contribution	Contribution in Relation to the Contractually Required Contribution	Contribution Excess (Deficiency)	College's Covered Payroll	Contributions as a Percentage of Covered - Payroll
2020	\$ 6,861,141	\$ (6,861,141)	\$ -	\$ 156,709,953	5.94%
2019	4,252,656	(4,252,656)	-	145,022,422	2.93%
2018	3,959,510	(3,959,510)	-	137,209,072	2.89%
2017	3,725,870	(3,725,870)	-	126,552,024	2.94%
2016	3,838,913	(3,838,913)	-	114,156,085	3.36%
2015	3,808,940	(3,808,940)	-	106,013,031	3.59%

Note:

Only six years of data is presented in accordance with GASB Statement No. 68, paragraph 138. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COLLEGE'S PROPORTIONATE SHARE OF NET OPEB-ERS LIABILITY
For the Years Ended August 31, 2020, 2019, and 2018

For the year ended August 31,	2020	2019	2018
College's Proportion of the Net OPEB-ERS Liability	0.4805623%	0.4842065%	0.1842556%
College's Proportionate Share of Net OPEB-ERS Liability	\$ 166,095,191	\$ 143,507,878	\$ 62,781,442
State's Proportionate Share of the Net OPEB-ERS Liability Associated With the College	<u>125,617,011</u>	<u>105,800,762</u>	<u>62,639,268</u>
Total	<u>\$ 291,712,202</u>	<u>\$ 249,308,640</u>	<u>\$ 125,420,710</u>
College's Covered-Employee Payroll	\$ 149,330,343	\$ 137,267,879	\$ 134,276,029
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	111%	105%	47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	0.17%	1.27%	2.0%

Note:

Only three years of data is presented in accordance with GASB Statement No. 75. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO NET OPEB-ERS LIABILITY
For the Years Ended August 31, 2020, 2019, and 2018

For the year ended August 31,	2020	2019	2018
Contractually required contribution	\$ 2,502,900	\$ 2,223,235	\$ 1,973,886
Contribution in relation to the contractually required contribution	(2,502,900)	(2,223,235)	(1,973,886)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's covered-employee payroll	 \$ 165,684,440	 \$ 149,330,343	 \$ 137,267,879
Contributions as a percentage of covered-employee payroll	1.5%	1.5%	1.4%

Note:

Only three years of data is presented in accordance with GASB Statement No. 75. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COLLEGE'S OPEB DENTAL LIABILITY
For the Years Ended August 31, 2020, 2019, and 2018

For the year ended August 31,	2020	2019	2018
Service Cost	\$ 460,856	\$ 505,587	\$ 553,946
Interest on the total OPEB-Dental Liability	294,449	266,194	229,302
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total OPEB liability	(1,342,752)	66,415	-
Changes of assumptions	1,247,035	(488,973)	(556,808)
Benefit payments	(139,416)	(121,864)	(105,171)
Net change in total OPEB liability	\$ 520,172	\$ 227,359	\$ 121,269
Total OPEB liability - Beginning	7,818,935	7,591,576	7,470,307
Total OPEB liability - Ending	\$ 8,339,107	\$ 7,818,935	\$ 7,591,576
 Covered-employee payroll	 149,330,343	 138,304,310	 134,276,029
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 5.58%	 5.65%	 5.65%

Note:

Only three years of data is presented in accordance with GASB Statement No. 75. The information for all periods for the 10-year schedules that are required to be presented as required supplementary information is not available. During this transition period, the information will be presented for as many years as are available.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase based on the actuarial assumptions.

Changes Since the Prior Actuarial Valuation for OPEB-ERS – Changes in the assumptions since the previous Other Postemployment Benefits (OPEB) valuation are described as follows:

- Additional demographic assumptions (aggregate payroll increases and rate of general inflation) to reflect an experience study;
- The percentage of current and future retirees and retirees spouses not yet eligible to participate in the HealthSelect Medicare Advantage plan who will elect to participate at the earliest date at which coverage can commence has been updated to reflect recent plan experience and expected trends;
- Assumptions for administrative expenses, assumed per Capita Health Benefit Costs, Health Benefit Cost and Retiree Contribution trends to reflect recent health plan experience; and
- Effects in short-term expectations and revised assumed rate of general inflation.

Changes Since the Prior Actuarial Valuation for OPEB-Dental – The demographic assumptions used to value the liabilities differ from those used in the valuation report as of August 31, 2019. The demographic assumptions are based on the assumptions that were developed for the TRS defined benefit plan.

SUPPLEMENTARY INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

SCHEDULE OF OPERATING REVENUES
For the Fiscal Year Ended August 31, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2020 Total	2019 Total
Tuition:						
State Funded Credit Courses						
In District Resident Tuition	\$ 42,088,034	\$ -	\$ 42,088,034	\$ -	\$ 42,088,034	\$ 39,324,007
Out of District Resident Tuition	6,670,587	-	6,670,587	-	6,670,587	6,139,746
Non Resident Tuition	7,827,143	-	7,827,143	-	7,827,143	8,074,560
TPEG - Credit (set aside)	2,541,015	-	2,541,015	-	2,541,015	2,525,784
State Funded Continuing Education	4,079,853	-	4,079,853	-	4,079,853	4,433,298
TPEG - Non-Credit (set aside)*	231,679	-	231,679	-	231,679	258,736
Non-state Funded Educational Programs	1,649,177	-	1,649,177	-	1,649,177	1,917,028
Total Tuition	<u>65,087,488</u>	<u>-</u>	<u>65,087,488</u>	<u>-</u>	<u>65,087,488</u>	<u>62,673,159</u>
Fees:						
Out of District Fees	25,992,592	-	25,992,592	-	25,992,592	25,400,172
General Fees	11,605,040	-	11,605,040	-	11,605,040	10,924,420
Student Service Fee	1,559,716	-	1,559,716	-	1,559,716	1,456,585
Sustainability Fee	773,673	-	773,673	-	773,673	728,293
Laboratory Fee	15	-	15	-	15	-
Student Accident Insurance	301,539	-	301,539	-	301,539	289,820
Other Fees	6,251,885	-	6,251,885	-	6,251,885	4,768,403
Total Fees	<u>46,484,460</u>	<u>-</u>	<u>46,484,460</u>	<u>-</u>	<u>46,484,460</u>	<u>43,567,693</u>
Scholarship Allowances and Discounts:						
Bad Debt Allowance	(1,077,508)	-	(1,077,508)	-	(1,077,508)	(1,081,448)
Remissions and Exemptions- State	(3,674,763)	-	(3,674,763)	-	(3,674,763)	(3,906,759)
Remissions and Exemptions-Local	(16,738,517)	-	(16,738,517)	-	(16,738,517)	(14,673,205)
Title IV Federal Grants	(18,648,048)	-	(18,648,048)	-	(18,648,048)	(16,031,916)
Other Federal Grants	(354,771)	-	(354,771)	-	(354,771)	(166,855)
Other Scholarships and Grants	(1,645,075)	-	(1,645,075)	-	(1,645,075)	(884,317)
TPEG Awards	(976,185)	-	(976,185)	-	(976,185)	(893,662)
Other State Grants	(806,580)	-	(806,580)	-	(806,580)	(1,656,677)
Total Scholarship Allowances	<u>(43,921,447)</u>	<u>-</u>	<u>(43,921,447)</u>	<u>-</u>	<u>(43,921,447)</u>	<u>(39,294,839)</u>
Total Net Tuition and Fees	<u>67,650,501</u>	<u>-</u>	<u>67,650,501</u>	<u>-</u>	<u>67,650,501</u>	<u>66,946,013</u>
Additional Operating Revenues:						
Federal Grants and Contracts	-	10,140,003	10,140,003	-	10,140,003	7,010,808
State Grants and Contracts	-	4,401,356	4,401,356	-	4,401,356	6,836,732
Local Grants and Contracts	-	152,700	152,700	-	152,700	179,155
Non-governmental Grants and Contracts	-	4,711,730	4,711,730	-	4,711,730	3,895,749
Sales and Services of Educ. Activities	1,827,151	-	1,827,151	-	1,827,151	2,313,172
General Operating Revenues	<u>3,757,130</u>	<u>-</u>	<u>3,757,130</u>	<u>-</u>	<u>3,757,130</u>	<u>5,712,565</u>
Total Additional Operating Revenues	<u>5,584,281</u>	<u>19,405,789</u>	<u>24,990,070</u>	<u>-</u>	<u>24,990,070</u>	<u>25,948,181</u>
Auxiliary Enterprises:						
Bookstore	-	-	-	555,273	555,273	1,264,960
Food Service	-	-	-	3,261	3,261	437,559
Other Auxiliary	-	-	-	<u>1,365,321</u>	<u>1,365,321</u>	<u>1,786,108</u>
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,923,855</u>	<u>1,923,855</u>	<u>3,488,627</u>
Total Operating Revenues	<u>\$ 73,234,782</u>	<u>\$ 19,405,789</u>	<u>\$ 92,640,571</u>	<u>\$ 1,923,855</u>	<u>\$ 94,564,426</u>	<u>\$ 96,382,821</u>

* In accordance with Education Code §56.033, \$2,772,694 in 2020 and \$2,784,520 of tuition was set aside for Texas Public Education Grants (TPEG)

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

SCHEDULE OF OPERATING EXPENSES BY OBJECT
For the Fiscal Year Ended August 31, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

	Operating Expenses				2020 Total	2019 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 109,296,591	\$ -	\$ 25,708,326	\$ 7,890,831	\$ 142,895,748	\$ 132,868,166
Public Service	941,411	-	453,785	1,844,546	3,239,742	5,048,229
Academic Support	29,189,333	-	8,035,338	4,215,121	41,439,792	39,646,756
Student Services	28,301,961	-	8,554,222	1,624,391	38,480,574	37,077,497
Institutional Support	30,488,368	-	8,740,038	31,455,983	70,684,389	63,386,105
Operation and Maintenance of Plant	13,244,078	-	5,987,926	25,005,038	44,237,042	40,458,264
Total Unrestricted - Educational Activities	211,461,742	-	57,479,635	72,035,910	340,977,287	318,485,017
Restricted - Educational Activities						
Instruction	4,044,047	13,747,825	248,872	2,359,617	20,400,361	16,537,655
Public Service	2,041,241	118,415	186,563	116,867	2,463,086	4,286,391
Academic Support	-	3,671,568	-	-	3,671,568	2,724,873
Student Services	146,100	3,559,950	9,035	462,855	4,177,940	3,166,093
Institutional Support	986,578	3,834,966	7,743	3,054,683	7,883,970	4,023,195
Operation and Maintenance of Plant	-	-	-	80,900	80,900	15,582
Scholarship and Fellowships	-	-	-	24,325,878	24,325,878	21,649,617
Total Restricted - Educational Activities	7,217,966	24,932,724	452,213	30,400,800	63,003,703	52,403,406
Total Educational Activities	218,679,708	24,932,724	57,931,848	102,436,710	403,980,990	370,888,423
Auxiliary Enterprises	678,084	101,392	50,279	1,175,974	2,005,729	2,646,693
Depreciation Expense - Buildings and Other Real Estate Improvements	-	-	-	16,068,020	16,068,020	10,917,878
Depreciation Expense - Equipment and Library Books	-	-	-	999,041	999,041	4,196,371
Total Operating Expenses	\$ 219,357,792	\$ 25,034,116	\$ 57,982,127	\$ 120,679,745	\$ 423,053,780	\$ 388,649,365
					(Exhibit 2)	(Exhibit 2)

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES
For the Fiscal Year Ended August 31, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2020 Total</u>	<u>2019 Total, as Restated</u>
Non-Operating Revenues:					
State Appropriations	\$ 46,608,594	\$ 24,932,724	\$ -	\$ 71,541,318	\$ 65,855,626
Maintenance Ad Valorem Taxes	212,591,502	35,542,225	-	248,133,727	228,352,037
Federal Revenue, Non-Operating	-	40,275,553	-	40,275,553	33,627,805
Capital Grants & Gifts	-	-	-	-	5,000
Investment Income	2,005,678	2,736,492	50,856	4,793,026	10,744,746
Gain on Disposal of Capital Assets	-	-	-	-	3,871,345
Total Non-Operating Revenues	<u>261,205,774</u>	<u>103,486,994</u>	<u>50,856</u>	<u>364,743,624</u>	<u>342,456,559</u>
Non-Operating Expenses:					
Loss on Disposal of Capital Assets	24,194	367	-	24,561	-
Interest on Capital Related Debt	<u>13,498,147</u>	<u>16,769,523</u>	<u>-</u>	<u>30,267,670</u>	<u>33,635,782</u>
Total Non-Operating Expenses	<u>13,522,341</u>	<u>16,769,890</u>	<u>-</u>	<u>30,292,231</u>	<u>33,635,782</u>
Net Non-Operating Revenues	<u>\$ 247,683,433</u>	<u>\$ 86,717,104</u>	<u>\$ 50,856</u>	<u>\$ 334,451,393</u>	<u>\$ 308,820,777</u>
				(Exhibit 2)	(Exhibit 2)

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY
Year Ended August 31, 2020
(With Memorandum Totals for the Year Ended August 31, 2019)

	Detail by Source					Available for Operations		
	Unrestricted	Restricted Expendable	Restricted Non-expendable	Capital Assets Net of Depreciation & Related Debt	2020 Total	2019 Total, as Restated	Yes	No
Current:								
Unrestricted	\$ (112,297,450)	\$ -	\$ -	\$ -	\$ (112,297,450)	(103,404,907)	\$ (112,297,450)	\$ -
Restricted	-	2,670,543	-	-	2,670,543	1,439,611	-	2,670,543
Auxiliary Enterprises	5,161,973	-	-	-	5,161,973	5,194,339	5,161,973	-
Plant:								
Unexpended	(11,861,864)	-	-	-	(11,861,864)	4,604,055	(11,861,864)	-
Debt Service	-	18,042,120	-	-	18,042,120	18,076,996	-	18,042,120
Investment in Plant	-	-	-	163,620,563	163,620,563	133,463,750	-	163,620,563
Total Net Position, End of Year	(118,997,341)	20,712,663	-	163,620,563	65,335,885 (Exhibit 1)	59,373,844	(118,997,341)	184,333,226
Total Net Position, Beginning of Year as Restated	(93,606,514)	19,516,608	-	133,463,750	59,373,844 (Exhibit 1)	28,042,710	(93,606,514)	152,980,358
Net Increase (Decrease) in Net Position	<u>\$ (25,390,827)</u>	<u>\$ 1,196,055</u>	<u>\$ -</u>	<u>\$ 30,156,813</u>	<u>\$ 5,962,041</u> (Exhibit 2)	<u>\$ 31,331,134</u>	<u>\$ (25,390,827)</u>	<u>\$ 31,352,868</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

This part of Austin Community College District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

The information contained within this section is being presented to provide the reader with a better understanding of five objectives:

- Financial Trends – These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.
- Revenue Capacity – Assessing the College's ability to generate revenue by examining its major revenue sources.
- Debt Capacity – Assessing the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.
- Demographic and Economic Information – Providing demographic and economic indicators to help in understanding the environment within which the College's financial activities take place.
- Operating Information – Providing information about how the College's financial report relates to the services it provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

**Net Position by Component
Last Ten Fiscal Years
(in Thousands)**

	2020	(a) 2019	(b) 2018	2017	2016	(c) 2015	2014	(d) 2013	2012	2011
Net Position:										
Net Investment in Capital Assets	\$ 163,621	\$ 133,464	\$ 78,976	\$ 62,173	\$ 45,476	\$ 42,855	\$ 33,624	\$ 39,222	\$ 50,221	\$ 49,331
Restricted - Expendable	20,713	19,517	15,807	16,106	15,834	14,231	23,362	23,268	17,876	18,270
Unrestricted	(118,997)	(93,607)	(66,740)	602	(9,297)	(22,801)	15,426	15,975	25,679	24,402
Net Position, End of Year	65,337	59,374	28,043	78,881	52,013	34,285	72,412	78,465	93,776	92,003
Net Position, Beginning of Year	59,374	28,043	1,689	52,013	34,284	26,944	78,465	89,090	92,003	97,204
Change in Net Position	\$ 5,963	\$ 31,331	\$ 26,354	\$ 26,868	\$ 17,729	\$ 7,341	\$ (6,053)	\$ (10,625)	\$ 1,773	\$ (5,201)

Notes:

(a) Due to a prior-period adjustment, the amortization of the deferred loss on refunding bonds, beginning net position, deferred outflows of resources, and ending net position were restated for 2018 and 2019.

(b) To reflect the adoption of GASB 75, beginning net position was restated to record the beginning net pension liability and related deferred outflows for contributions made after measurement date of the beginning net pension liability and the beginning of the fiscal year.

(c) To reflect the adoption of GASB 68, beginning net position was restated to record the beginning net pension liability and related deferred outflows for contributions made after measurement date of the beginning net pension liability and the beginning of the fiscal year.

(d) The Financial Statements were restated in Fiscal Year 2013 to reflect the adoption of GASB 65 which requires debt issuance costs to be expensed in the period in which they are incurred.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

**Revenues by Source
Last Ten Fiscal Years
(in Thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues:										
Tuition and Fees (Net of Discounts)	\$ 67,651	\$ 66,946	\$ 64,225	\$ 69,291	\$ 64,354	\$ 64,209	\$ 58,817	\$ 59,623	\$ 59,017	\$ 52,740
Federal Grants and Contracts	10,140	7,011	6,425	6,758	6,303	6,348	5,560	4,806	4,971	7,850
State Grants and Contracts	4,401	6,837	4,007	5,603	7,665	5,924	3,613	3,565	3,771	4,215
Local Grants and Contracts	153	179	168	178	199	207	206	206	239	337
Non-Govern. Grants and Contracts	4,712	3,896	3,695	3,202	2,735	1,391	1,272	1,214	1,157	1,047
Sales & Services of Educ. Activities	1,827	2,313	2,362	3,444	6,472	5,134	3,696	4,884	5,012	4,395
Auxiliary Enterprises	1,924	3,489	1,903	1,613	1,386	1,524	451	963	1,119	1,243
Other Operating Revenues	3,757	5,713	3,910	3,864	2,989	3,778	4,916	5,842	4,027	3,441
Total Operating Revenues	94,565	96,384	86,695	93,953	92,103	88,515	78,531	81,103	79,313	75,268
Non-Operating Revenues:										
State Appropriations	71,541	65,856	62,826	61,796	62,494	62,036	60,016	54,182	53,088	59,097
Ad Valorem Taxes	248,134	228,352	199,439	182,762	159,230	131,067	118,716	111,550	106,214	100,785
Federal Revenue, Non Operating	40,276	33,628	33,321	30,916	32,724	32,488	34,991	39,178	44,963	48,823
Gifts	-	5	121	11	9	10	25	21	105	3
Investment Income	4,793	10,745	4,652	3,157	1,919	375	350	448	412	406
Other Non-operating revenues	-	-	-	2	-	2,685	8	-	-	-
Total Non-Operating Revenues	364,744	338,586	300,359	278,644	256,376	228,661	214,106	205,379	204,782	209,114
Total Revenues	\$ 459,308	\$ 434,970	\$ 387,054	\$ 372,597	\$ 348,479	\$ 317,176	\$ 292,637	\$ 286,482	\$ 284,095	\$ 284,382
Percentage of Total										
Operating Revenues:										
Tuition and Fees (Net of Discounts)	14.73%	15.40%	16.60%	18.60%	18.47%	20.24%	20.10%	20.81%	20.77%	18.55%
Federal Grants and Contracts	2.21%	1.61%	1.66%	1.81%	1.81%	2.00%	1.90%	1.68%	1.75%	2.76%
State Grants and Contracts	0.96%	1.57%	1.04%	1.50%	2.20%	1.87%	1.23%	1.24%	1.33%	1.48%
Local Grants and Contracts	0.03%	0.04%	0.04%	0.05%	0.06%	0.07%	0.07%	0.07%	0.08%	0.12%
Non-Govern. Grants and Contracts	1.03%	0.90%	0.95%	0.86%	0.78%	0.44%	0.43%	0.42%	0.41%	0.37%
Sales & Services of Educ. Activities	0.40%	0.53%	0.61%	0.92%	1.86%	1.62%	1.26%	1.70%	1.76%	1.55%
Auxiliary Enterprises	0.42%	0.80%	0.49%	0.43%	0.40%	0.48%	0.16%	0.34%	0.39%	0.44%
Other Operating Revenues	0.82%	1.31%	1.01%	1.04%	0.86%	1.19%	1.69%	2.04%	1.43%	1.20%
Total Operating Revenues	20.60%	22.16%	22.40%	25.21%	26.44%	27.91%	26.84%	28.30%	27.92%	26.47%
Non-Operating Revenues:										
State Appropriations	15.58%	15.14%	16.23%	16.59%	17.93%	19.56%	20.50%	18.91%	18.69%	20.78%
Ad Valorem Taxes	54.02%	52.50%	51.53%	49.05%	45.69%	41.32%	40.57%	38.94%	37.39%	35.44%
Federal Revenue, Non Operating	8.77%	7.73%	8.61%	8.30%	9.39%	10.24%	11.96%	13.68%	15.82%	17.17%
Gifts	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.01%	0.01%	0.04%	0.00%
Investment Income	1.04%	2.47%	1.20%	0.85%	0.55%	0.12%	0.12%	0.16%	0.14%	0.14%
Other Non-Operating revenues	0.00%	0.00%	0.00%	0.00%	0.00%	0.85%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Revenues	79.41%	77.84%	77.60%	74.79%	73.56%	72.09%	73.16%	71.70%	72.08%	73.53%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Program Expenses by Function
Last Ten Fiscal Years

(in Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Expenses:										
Instruction	\$ 163,296	\$ 149,406	\$ 133,712	\$ 129,651	\$ 125,341	\$ 121,623	\$ 115,914	\$ 120,734	\$ 115,498	\$ 116,847
Public Service	5,703	9,335	4,641	5,207	6,625	8,013	5,563	4,436	4,607	5,446
Academic Support	45,111	42,372	36,780	32,310	32,369	27,703	26,418	24,964	24,373	24,572
Student Services	42,659	40,244	33,321	31,318	29,205	26,822	26,306	25,758	24,218	24,034
Institutional Support	78,568	67,409	55,015	53,603	47,261	44,835	41,621	41,341	35,851	35,080
O&M of Plant	44,318	40,474	34,956	31,787	29,104	25,850	32,630	27,369	24,172	24,336
Scholarships and Fellowships	24,326	21,650	20,901	19,073	19,266	18,641	19,989	22,292	27,442	34,550
Auxiliary Enterprises	2,006	2,647	1,915	1,687	1,734	608	722	352	237	939
Depreciation	17,067	15,114	10,653	13,386	12,886	13,064	11,597	10,443	10,100	9,750
Total Operating Expenses	423,054	388,651	331,894	318,022	303,791	287,159	280,760	277,689	266,498	275,554
Non-Operating Expenses:										
Interest on Capital Related Debt	30,268	32,546	27,549	27,706	26,922	22,677	17,930	19,164	15,798	13,942
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-
Gain Disposal of Cap Assets	25	3,871	1,258	2	36	-	-	23	26	88
Investment Loss	-	-	-	-	-	-	-	-	-	-
Total Non-Operating Expenses	30,293	36,417	28,807	27,708	26,958	22,677	17,930	19,187	15,824	14,030
Total Expenses	\$ 453,347	\$ 425,068	\$ 360,701	\$ 345,730	\$ 330,749	\$ 309,836	\$ 298,690	\$ 296,876	\$ 282,322	\$ 289,584
Percentage of Total										
Operating Expenses:										
Instruction	36.02%	35.14%	37.06%	37.49%	37.89%	39.24%	38.81%	40.67%	40.91%	40.35%
Public Service	1.26%	2.20%	1.29%	1.51%	2.00%	2.59%	1.86%	1.49%	1.63%	1.88%
Academic Support	9.95%	9.97%	10.20%	9.35%	9.79%	8.94%	8.84%	8.41%	8.63%	8.49%
Student Services	9.41%	9.47%	9.24%	9.06%	8.83%	8.66%	8.81%	8.68%	8.58%	8.30%
Institutional Support	17.33%	15.86%	15.25%	15.50%	14.29%	14.47%	13.93%	13.93%	12.70%	12.11%
O&M of Plant	9.78%	9.52%	9.69%	9.19%	8.80%	8.34%	10.92%	9.22%	8.56%	8.40%
Scholarships and Fellowships	5.37%	5.09%	5.79%	5.52%	5.82%	6.02%	6.70%	7.51%	9.72%	11.93%
Auxiliary Enterprises	0.44%	0.62%	0.53%	0.49%	0.52%	0.20%	0.24%	0.12%	0.08%	0.32%
Depreciation	3.76%	3.56%	2.95%	3.87%	3.90%	4.22%	3.89%	3.51%	3.58%	3.36%
Total Operating Expenses	93.32%	91.43%	92.00%	91.98%	91.84%	92.68%	94.00%	93.54%	94.39%	95.16%
Non-Operating Expenses:										
Interest on Capital Related Debt	6.68%	7.66%	7.64%	8.01%	8.14%	7.32%	6.00%	6.46%	5.60%	4.81%
Other Non-Operating Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gain on Disposal of Cap Assets	0.01%	0.91%	0.35%	0.00%	0.01%	0.00%	0.00%	0.01%	0.01%	0.03%
Investment Loss	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	6.68%	8.57%	7.99%	8.01%	8.15%	7.32%	6.00%	6.46%	5.61%	4.84%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Tuition and Fees
Last Ten Fiscal Years

Resident											
Fees per Semester Credit Hour (SCH)											
Fiscal Year	In-District Tuition	Out-of-District Tuition (a)	Out-of-District Fee (a)	General Fee	Student Activity Fees	Sustainability Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Yr In-District	Increase from Prior Yr Out-of-District	
2020	\$ 85	\$ 85	\$ 361	\$ 15	\$ 2	\$ 1	\$ 1,236	\$ 5,568	21.18%	28.53%	
2019	67	67	276	15	2	1	1,020	4,332	0.00%	-0.55%	
2018	67	67	278	15	2	1	1,020	4,356	0.00%	0.00%	
2017	67	67	278	15	2	1	1,020	4,356	0.00%	18.24%	
2016	67	67	222	15	2	1	1,020	3,684	0.00%	6.97%	
2015	67	67	202	15	2	1	1,020	3,444	2.41%	9.54%	
2014	67	67	179	13	2	1	996	3,144	6.41%	9.17%	
2013	62	62	162	13	2	1	936	2,880	14.71%	14.29%	
2012	52	52	142	13	2	1	816	2,520	17.24%	26.51%	
2011	42	150	-	13	2	1	696	1,992	7.41%	9.21%	

Non - Resident											
Fees per Semester Credit Hour (SCH)											
Fiscal Year	Non-Res Tuition Out-of-State	Non-Res Tuition Intl		General Fee	Student Activity Fees	Sustainability Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH Intl	Increase from Prior Yr Out-of-State	Increase from Prior Yr Intl	
2020	\$ 434	\$ 434		\$ 15	\$ 2	\$ 1	\$ 5,424	\$ 5,424	4.15%	4.15%	
2019	416	416		15	2	1	5,208	5,208	-0.46%	-0.46%	
2018	418	418		15	2	1	5,232	5,232	0.00%	0.00%	
2017	418	418		15	2	1	5,232	5,232	15.34%	15.34%	
2016	360	360		15	2	1	4,536	4,536	4.71%	4.71%	
2015	343	343		15	2	1	4,332	4,332	9.73%	9.73%	
2014	313	313		13	2	1	3,948	3,948	1.54%	1.54%	
2013	308	308		13	2	1	3,888	3,888	3.18%	3.18%	
2012	298	298		13	2	1	3,768	3,768	3.29%	3.29%	
2011	288	288		13	2	1	3,648	3,648	1.33%	1.33%	

Notes:

To be comparable and consistent, this table reflects the rates from the Fall semester of each fiscal year.

In addition to the above, various miscellaneous fees may be required depending on the courses or activities taken.

(a) In 2012, a portion of out-of-district tuition was reclassified to an out-of-district fee.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

State Appropriations per FTSE and Contact Hour
Last Ten Fiscal Years

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			
		FTSE (15 SCH)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (a)	Total Contact Hours	State Appropriation per Contact Hour
2020	\$ 71,541,318	20,887	\$ 3,425	10,703,930	3,532,081	14,236,011	\$ 5.03
2019	65,855,626	20,792	3,167	10,324,890	3,114,822	13,439,712	4.90
2018	62,826,131	20,755	3,027	10,659,102	3,011,135	13,670,237	4.60
2017	61,795,929	21,081	2,931	10,661,659	3,072,975	13,734,634	4.50
2016	62,494,165	20,965	2,981	10,940,246	3,074,734	14,014,980	4.46
2015	62,036,062	20,055	3,093	10,998,536	3,190,436	14,188,972	4.37
2014	60,016,104	20,259	2,962	11,101,552	3,177,630	14,279,182	4.20
2013	54,181,617	20,806	2,604	11,627,424	3,631,732	15,259,156	3.55
2012	53,087,767	21,701	2,446	12,427,152	3,847,562	16,274,714	3.26
2011	59,097,142	21,972	2,690	12,913,216	4,720,791	17,634,007	3.35

Sources:

(a) CBM001 and CBM00A from the Texas Higher Education Coordinating Board

Notes:

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 15.
The FTSE is found in the ACC Fact book

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years

(Amounts expressed in thousands)				Tax Rate			
Fiscal Year	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations Rate	Debt Service Rate	Total Tax Rate
2020	\$ 290,383,305	\$ 50,842,890	\$ 239,540,415	82.49%	\$ 0.09000	0.01490	\$ 0.10490
2019	267,155,546	48,717,556	218,437,990	81.76%	0.09000	0.01480	0.10480
2018	243,888,249	45,946,176	197,942,073	81.16%	0.09000	0.01080	0.10080
2017	222,866,079	44,022,945	178,843,134	80.25%	0.09000	0.01200	0.10200
2016	195,753,882	37,848,364	157,905,518	80.67%	0.09000	0.01050	0.10050
2015	168,976,487	29,669,339	139,307,148	82.44%	0.09000	0.00420	0.09420
2014	149,340,769	25,245,135	124,095,634	83.10%	0.09000	0.00490	0.09490
2013	140,251,968	23,240,309	117,011,659	83.43%	0.09000	0.00510	0.09510
2012	135,788,176	23,541,278	112,246,898	82.66%	0.09000	0.00480	0.09480
2011	124,833,360	19,963,728	104,869,632	84.01%	0.09000	0.00510	0.09510

Source:

Travis, Williamson, Hays, Bastrop, Lee, and Caldwell Counties Appraisal Districts

Notes:

Property is assessed at full market value

(a) per \$100 Taxable Assessed Valuation

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

**Principal (Top 10) Taxpayers
Last Ten Fiscal Years**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Fiscal Year (in Thousands)			
		2020	2019	2018	2017
Samsung Austin Semiconductor	Manufacturing	\$ 1,105,638	\$ 1,094,818	\$ 1,667,794	\$ 1,945,796
PKY-San Jacinto Center LLC	Real Estate	-	-	-	-
Columbia/St Davids Health Care	Medical	560,252	-	567,805	569,150
Freescale Semiconductor, Inc	Manufacturing	-	-	-	-
Oracle America Inc.	Software	421,314	-	-	-
Applied Materials, Inc.	Manufacturing	652,655	723,034	619,659	519,692
Apple INC	Manufacturing	477,000	457,508	418,759	384,000
Circuit of the Americas LLC	Sports/Recreation	-	-	-	-
Dell, Inc.	Manufacturing	-	-	-	-
IBM Corporation (a)	Manufacturing	-	-	-	-
IMT Capital II Riata LP	Real Estate	-	-	-	299,413
CSHV-401 Congress LLC	Limited Liability Co.	410,868	401,326	359,707	335,535
Finley Company	Oil Land Leases	509,238	486,424	412,775	352,737
CSHV-300 West 6th Street LLC	Limited Liability Co.	-	321,559	-	282,443
HEB Grocery Company LP	Food Retail	-	-	318,283	292,659
TPG-300 West 6th Street LLC	Real Estate	-	-	-	-
Shoping Center at Gateway LP	Real Estate	-	-	-	-
Spansion LLC	Manufacturing	-	-	-	-
Brandywine Acquisition Partners LP	Real Estate	-	-	-	-
Advanced Micro Devices Inc.	Manufacturing	-	-	-	-
CJUF II Stratus Block 21 LLC	Real Estate	-	-	-	-
Cousins-One Congress Plaza LLC	Manufacturing	-	317,979	-	-
Domain Retail Property Owner LP	Retail Center	379,221	376,555	343,764	301,943
BPP Alphabet MF Riata LP	Lawyers	-	348,761	325,076	-
ICON IPC TX Property Owner LP	Foreign LMTD Liab Co	377,003	-	-	-
GW Block 23 Office LLC	Real Estate	382,749	362,123	307,578	-
Totals		\$ 5,275,938	\$ 4,890,087	\$ 5,341,200	\$ 5,283,368
Total Taxable Assessed Value		\$ 237,568,842	\$ 218,437,990	\$ 197,942,073	\$ 178,843,133

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Fiscal Year			
		2020	2019	2018	2017
Samsung Austin Semiconductor	Manufacturing	0.47%	0.50%	0.84%	1.09%
PKY-San Jacinto Center LLC	Real Estate	-	-	-	-
Columbia/St Davids Health Care	Medical	0.24%	-	0.24%	0.24%
Freescale Semiconductor, Inc	Manufacturing	-	-	-	-
Oracle America Inc.	Manufacturing	0.18%	-	-	-
Applied Materials, Inc.	Manufacturing	0.27%	0.30%	0.26%	0.22%
Apple INC	Manufacturing	0.20%	0.19%	0.18%	0.16%
Circuit of the Americas LLC	Sports/Recreation	-	-	-	-
Dell, Inc.	Manufacturing	-	-	-	-
IBM Corporation (a)	Manufacturing	-	-	-	-
IMT Capital II Riata LP	Real Estate	-	-	-	0.13%
CSHV-401 Congress LLC	Limited Liability Co.	0.17%	0.17%	0.15%	0.14%
Finley Company	Oil Land Leases	0.21%	0.20%	0.17%	0.15%
CSHV-300 West 6th Street LLC	Limited Liability Co.	-	0.14%	-	0.12%
HEB Grocery Company LP	Food Retail	-	-	0.13%	0.12%
TPG-300 West 6th Street LLC	Real Estate	-	-	-	-
Shoping Center at Gateway LP	Real Estate	-	-	-	-
Spansion LLC	Manufacturing	-	-	-	-
Brandywine Acquisition Partners LP	Real Estate	-	-	-	-
Advanced Micro Devices Inc.	Manufacturing	-	-	-	-
CJUF II Stratus Block 21 LLC	Real Estate	-	-	-	-
Cousins-One Congress Plaza LLC	Manufacturing	-	0.13%	-	-
Domain Retail Property Owner LP	Retail Center	0.16%	0.16%	0.14%	0.13%
BPP Alphabet MF Riata LP	Lawyers	0.00%	0.15%	0.14%	-
ICON IPC TX Property Owner LP	Foreign LMTD Liab Co	0.16%	-	-	-
GW Block 23 Office LLC	Real Estate	0.16%	0.15%	0.13%	-
Totals		2.22%	2.10%	2.39%	2.49%

Source:

Travis and Williamson County Tax Assessor/Collector

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Taxable Assessed Value (TAV) by Fiscal Year (in Thousands)						
2016	2015	2014	2013	2012	2011	
\$ 2,477,907	\$ 2,479,597	\$ 2,301,995	\$ 2,931,282	\$ 2,884,673	\$ 1,000,506	
307,830	747,258	-	-	-	-	
516,094	484,356	481,018	475,510	259,057	253,067	
308,035	316,663	300,552	333,704	357,971	337,666	
-	-	-	-	-	-	
418,773	309,466	270,384	337,799	432,369	284,469	
264,264	-	-	-	-	-	
-	289,214	290,836	-	-	-	
-	265,799	287,908	323,587	-	215,894	
253,918	240,682	231,662	246,278	233,059	233,764	
256,260	236,598	211,437	-	-	-	
251,256	-	-	-	-	-	
240,032	-	-	-	-	-	
-	-	-	-	-	-	
-	222,663	-	-	-	-	
-	-	705,800	815,137	489,131	470,972	
-	-	214,811	206,168	197,737	202,486	
-	-	-	204,763	217,236	216,490	
-	-	-	186,630	-	-	
-	-	-	-	260,060	257,777	
-	-	-	-	178,304	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
\$ 5,294,369	\$ 5,592,296	\$ 5,296,403	\$ 6,060,858	\$ 5,509,597	\$ 3,473,091	
\$ 157,905,518	\$ 139,307,148	\$ 124,095,634	\$ 117,011,659	\$ 112,246,898	\$ 104,869,632	

% of Taxable Assessed Value (TAV) by Fiscal Year						
2016	2015	2014	2013	2012	2011	
1.57%	1.78%	1.86%	2.51%	2.57%	0.95%	
0.13%	0.31%	-	-	-	-	
0.22%	0.20%	0.20%	0.20%	0.11%	0.11%	
0.13%	0.13%	0.13%	0.14%	0.15%	0.14%	
-	-	-	-	-	-	
0.18%	0.13%	0.11%	0.14%	0.18%	0.12%	
0.11%	0.00%	0.00%	0.00%	0.00%	-	
-	0.12%	0.12%	-	-	-	
-	0.11%	0.12%	0.14%	-	0.09%	
0.11%	0.10%	0.10%	0.10%	0.10%	0.10%	
0.11%	0.10%	0.09%	-	-	-	
0.11%	-	-	-	-	-	
0.10%	-	-	-	-	-	
-	-	-	-	-	-	
-	0.09%	-	-	-	-	
-	-	0.30%	0.34%	0.21%	0.20%	
-	-	0.09%	0.09%	0.08%	0.09%	
-	-	-	0.09%	0.09%	0.09%	
-	-	-	0.08%	-	-	
-	-	-	-	0.11%	0.11%	
-	-	-	-	0.08%	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
2.75%	3.09%	3.12%	3.82%	3.67%	1.99%	

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Property Tax Levies and Collections
Last Ten Fiscal Years
(in Thousands)

Fiscal Year	Original Tax Levy	Cumulative Levy Adjustments	Adjusted Tax Levy	Collection Year of Levy	Percentage of Levy	Prior Collections of Prior Levies	Current Collections of Prior Levies	Total Collections	Cumulative Collections of Adjusted Levy
2020	\$ 248,465	\$ -	\$ 248,465	\$ 246,373	99.16%	\$ -	\$ -	\$ 246,373	99.16%
2019	232,362	(589)	231,773	228,239	98.20%	(26)	(46)	228,167	98.44%
2018	199,366	6	199,372	198,356	99.50%	5	(71)	198,290	99.46%
2017	182,724	(567)	182,157	181,785	99.49%	-	(10)	181,775	99.79%
2016	158,987	(582)	158,405	158,107	99.45%	(57)	22	158,072	99.79%
2015	130,594	(438)	130,156	129,598	99.24%	221	31	129,850	99.76%
2014	118,146	(154)	117,992	117,220	99.22%	383	23	117,626	99.69%
2013	111,214	(205)	111,009	110,452	99.31%	383	8	110,843	99.85%
2012	106,051	(192)	105,859	105,233	99.23%	511	-	105,744	99.89%
2011	100,447	(298)	100,149	99,520	99.08%	507	(4)	100,023	99.87%

Sources:

Travis County Tax Office - Overall Collection/Distribution Reports
Williamson County Tax Office - Recap & Standings Report
Hays County Tax Office - Recap & Standings Report
Bastrop County Tax Office - Recap & Standings Report

Note:

"Current collections" and "Prior collections" of prior levies do not include penalties and interest. They include tax collections net of tax reversals for the year.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

**Ratios of Outstanding Debt
Last Ten Fiscal Years
(in Thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Bonded Debt										
General Obligation Bonds	\$ 409,422	\$ 431,461	\$ 449,440	\$ 323,682	\$ 334,659	\$ 265,587	\$ 92,454	\$ 95,593	\$ 96,250	\$ 95,169
Less:										
Funds Restricted for Debt Service	1,472	1,408	1,094	2,080	844	822	818	817	246	194
Total General Bonded Debt	\$ 407,950	\$ 430,053	\$ 448,346	\$ 321,602	\$ 333,815	\$ 264,765	\$ 91,636	\$ 94,776	\$ 96,004	\$ 94,975
Other Debt										
Revenue Bonds	\$ 198,374	\$ 207,437	\$ 181,055	\$ 172,806	\$ 178,571	\$ 178,333	\$ 181,737	\$ 185,841	\$ 112,061	\$ 125,759
Lease Revenue Bonds	242,523	251,630	290,737	182,128	187,707	192,693	191,833	194,685	197,054	152,423
Capital Lease & Notes Obligations	476	941	1,397	1,238	275	843	1,402	1,955	1,159	534
Total Other Debt	441,373	460,008	473,189	356,172	366,553	371,869	374,972	382,481	310,274	278,716
Total Outstanding Debt	\$ 849,323	\$ 890,061	\$ 921,535	\$ 677,774	\$ 700,368	\$ 636,634	\$ 466,608	\$ 477,257	\$ 406,278	\$ 373,691
General Bonded Debt Ratios										
Per Capita	\$ 183.18	\$ 191.93	\$ 206.06	\$ 152.26	\$ 162.33	\$ 132.33	\$ 48.66	\$ 51.67	\$ 53.83	\$ 54.95
Per FTSE	20,887	20,792	21,602	15,256	15,922	13,202	4,523	4,555	4,424	4,323
As a % of Taxable Assessed Value	0.17%	0.22%	0.22%	0.18%	0.21%	0.19%	0.07%	0.08%	0.09%	0.09%
Total Outstanding Debt Ratios										
Per Capita	\$ 0.38	\$ 0.41	\$ 489.38	\$ 359.93	\$ 371.93	\$ 338.09	\$ 254.38	\$ 260.18	\$ 227.80	\$ 216.23
Per FTSE	41	43	44,401	33,796	34,922	31,744	23,032	22,938	18,722	17,008
As a % of Taxable Assessed Value	0.36%	0.64%	0.66%	0.49%	0.50%	0.46%	0.38%	0.41%	0.36%	0.36%

Notes:

Ratios calculated using population and Tax Assessed Value from current year. Debt per student calculated using Full-Time-Student-Equivalent enrollment.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Legal Debt Margin Information

Last Ten Fiscal Years

(in Thousands)

	2020	2019	2018	2017
Taxable Assessed Value	<u>\$ 239,540,414</u>	<u>\$ 218,437,990</u>	<u>\$ 197,942,073</u>	<u>\$ 178,843,133</u>
General Obligation Bonds				
Statutory Tax Levy Limit for Debt Serv (1)	\$ 1,197,702	\$ 1,092,190	\$ 989,710	\$ 894,216
Less: Funds Restricted for Repayment of General Obligation Bonds	<u>1,472</u>	<u>1,408</u>	<u>1,094</u>	<u>2,080</u>
Net Statutory Tax Levy Limit for Debt Service	1,196,230	1,090,782	988,616	892,136
Current Year Debt Service Requirements	<u>35,614</u>	<u>32,384</u>	<u>21,501</u>	<u>21,475</u>
Excess of Statutory Limit for Debt Service over Current Requirements	<u>\$ 1,160,616</u>	<u>\$ 1,058,398</u>	<u>\$ 967,115</u>	<u>\$ 870,661</u>
 Net Current Requirements as a % of Statutory Limit	 3.10%	 3.09%	 2.28%	 2.63%

Notes:

(1) Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

2016	2015	2014	2013	2012	2011
<u>\$ 157,905,518</u>	<u>\$ 139,307,148</u>	<u>\$ 124,095,634</u>	<u>\$ 117,011,659</u>	<u>\$ 112,246,898</u>	<u>\$ 104,869,632</u>
\$ 789,528	\$ 696,536	\$ 620,478	\$ 585,058	\$ 561,234	\$ 524,348
844	822	818	817	246	194
788,684	695,714	619,660	584,241	560,988	524,154
16,723	5,882	6,093	5,428	4,868	5,402
<u>\$ 771,961</u>	<u>\$ 689,832</u>	<u>\$ 613,567</u>	<u>\$ 578,813</u>	<u>\$ 556,120</u>	<u>\$ 518,752</u>
2.23%	0.96%	1.11%	1.07%	0.91%	1.07%

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Pledged Revenue Coverage

Last Ten Fiscal Years

(in Thousands)

Fiscal Year	Combined Fee Revenue Bonds							
	Pledged Revenues				Debt Service Requirements			
	Tuition	General Fees	Interest Income	Total	Principal	Interest	Total	Coverage Ratio
2020	\$ 16,272	\$ 11,605	\$ 2,006	\$ 29,883	\$ 7,267	\$ 7,885	\$ 15,152	1.97
2019	15,668	10,924	3,192	29,784	6,506	6,891	13,397	2.22
2018	15,291	10,927	1,868	28,086	5,805	6,348	12,153	2.31
2017	15,698	11,004	977	27,679	4,797	6,503	11,300	2.45
2016	15,379	11,077	682	27,138	4,646	6,322	10,968	2.47
2015	15,335	11,206	327	26,868	4,315	6,156	10,471	2.57
2014	14,940	9,717	316	24,973	4,170	7,240	11,410	2.19
2013	14,702	10,119	424	25,245	4,050	6,397	10,447	2.42
2012	18,698	10,709	355	29,762	3,895	4,941	8,836	3.37
2011	16,237	11,155	369	27,761	3,545	3,072	6,617	4.20
2010	14,239	10,404	292	24,935	2,910	2,614	5,524	4.51

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

STATISTICAL SECTION
(UNAUDITED)

Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income (in Thousands)	Personal Income Per Capita	Unemployment Rate
2020	Not Available	Not Available	Not Available	Not Available
2019	2,227,083	\$ 138,028,065	\$ 61,977	2.7%
2018	2,168,316	127,439,200	58,570	3.3%
2017	2,112,172	115,982,300	54,911	3.3%
2016	2,056,405	106,040,064	51,566	3.3%
2015	2,000,860	102,072,000	51,014	3.5%
2014	1,883,051	84,285,529	44,760	4.6%
2013	1,834,303	78,695,523	42,902	5.6%
2012	1,783,519	72,152,395	40,455	6.4%
2011	1,728,247	66,945,243	38,736	7.6%

Source:

Texas Workforce Commission, U.S. Bureau of Economic Analysis
Tracer Texas Labor Market Information
Austin - Round Rock, TX Metropolitan Statistical Area

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Principal (Top Ten) Employers
Last Ten Fiscal Years

Employer	2020		2019		2018		2017		2016	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Local Government	16,107	1.51%	92,100	8.65%	90,600	8.51%	87,800	8.59%	91,900	9.24%
State Government	62,853	5.91%	69,200	6.50%	64,800	6.09%	70,600	6.91%	69,400	6.98%
University of Texas at Austin	23,925	2.25%	51,676	4.86%	23,665	2.22%	25,859	2.53%	14,079	1.42%
HEB	13,901	1.31%	13,756	1.29%	13,453	1.26%	12,198	1.19%	n/a	n/a
Dell Inc.	13,000	1.22%	13,000	1.22%	12,000	1.13%	13,000	1.27%	13,000	1.31%
St. David's Healthcare	10,665	1.00%	10,309	0.97%	9,021	0.85%	8,598	0.84%	8,369	0.84%
Ascension Seton Healthcare	10,513	0.99%	9,947	0.93%	10,297	0.97%	10,270	1.00%	10,945	1.10%
Wal-Mart Stores, Inc.	7,350	0.69%	7,100	0.67%	9,100	0.86%	n/a	n/a	5,700	0.57%
Apple, Inc.	7,000	0.66%	6,000	0.56%	n/a	n/a	n/a	n/a	n/a	n/a
Amazon.com LLC	6,600	0.62%	4,000	0.38%	n/a	n/a	n/a	n/a	n/a	n/a
IBM Corporation	6,000	0.56%	6,000	0.56%	6,000	0.56%	6,000	0.59%	6,000	0.60%
Federal Government	5,730	0.54%	14,400	1.35%	13,100	1.23%	12,800	1.25%	13,500	1.36%
NXP.com	4,000	0.38%	4,000	0.38%	n/a	n/a	n/a	n/a	n/a	n/a
Samsung Austin Semiconductor LLC	3,600	0.34%	3,762	0.35%	n/a	n/a	n/a	n/a	n/a	n/a
Freescall Semiconductor, Inc.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	191,244	17.98%	305,250	28.67%	252,036	23.68%	247,125	24.17%	232,893	23.42%

Sources:
Austin Business Journal, Book of Lists 2019-20
Texas Workforce Commission

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

2016		2015		2014		2013		2012		2011	
Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
91,900	9.24%	90,000	9.47%	89,600	9.95%	83,900	10.16%	86,200	10.84%	86,800	11.23%
69,400	6.98%	69,100	7.27%	70,900	7.88%	72,500	8.78%	70,800	8.90%	72,100	9.33%
14,079	1.42%	26,935	2.84%	27,264	3.03%	21,626	2.62%	27,894	3.51%	28,128	3.64%
n/a	n/a	n/a	n/a	11,277	1.25%	10,545	1.28%	10,263	1.29%	14,882	1.93%
13,500	1.36%	13,100	1.38%	11,300	1.26%	12,400	1.50%	12,500	1.57%	12,300	1.59%
13,000	1.31%	14,000	1.47%	14,000	1.56%	12,000	1.45%	12,000	1.51%	10,000	1.29%
10,945	1.10%	12,770	1.34%	12,609	1.40%	12,606	1.53%	11,601	1.46%	10,737	1.39%
5,700	0.57%	5,500	0.58%	n/a	n/a	n/a	n/a	n/a	n/a	6,900	0.89%
8,369	0.84%	8,100	0.85%	7,950	0.88%	7,400	0.90%	7,100	0.89%	6,598	0.85%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6,000	0.60%	6,000	0.63%	6,000	0.67%	6,000	0.73%	6,239	0.78%	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	5,000	0.61%	5,000	0.63%	5,000	0.65%
232,893	23.42%	245,505	25.83%	250,900	27.88%	243,977	29.56%	249,597	31.38%	253,445	32.79%

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Faculty:										
Full-Time	663	644	623	617	641	626	608	632	632	624
Part-Time	1240	1277	1255	1364	1394	1,371	1,340	1,434	1,487	1,460
Total	<u>1,903</u>	<u>1,921</u>	<u>1,878</u>	<u>1,981</u>	<u>2,035</u>	<u>1,997</u>	<u>1,948</u>	<u>2,066</u>	<u>2,119</u>	<u>2,084</u>
Percent:										
Full-Time	34.8%	33.5%	33.2%	31.1%	31.5%	31.3%	31.2%	30.6%	29.8%	29.9%
Part-Time	65.2%	66.5%	66.8%	68.9%	68.5%	68.7%	68.8%	69.4%	70.2%	70.1%
Staff and Administrators:										
Full-Time	1,696	1,697	1,637	1,658	1,407	1,352	1,261	1,271	1,288	1,282
Part-Time	172	182	238	245	172	160	138	150	163	173
Total	<u>1,868</u>	<u>1,879</u>	<u>1,875</u>	<u>1,903</u>	<u>1,579</u>	<u>1,512</u>	<u>1,399</u>	<u>1,421</u>	<u>1,451</u>	<u>1,455</u>
Percent:										
Full-Time	90.8%	90.3%	87.3%	87.1%	89.1%	89.4%	90.1%	89.4%	88.8%	88.1%
Part-Time	9.2%	9.7%	12.7%	12.9%	10.9%	10.6%	9.9%	10.6%	11.2%	11.9%
FTSE per Full-time Faculty	31.49	31.14	32.19	32.50	31.29	32.04	33.32	32.92	34.34	35.2
FTSE per Full-Time Staff	12.31	11.82	12.25	12.10	14.25	14.83	16.07	16.37	16.85	17.1
Average Annual Faculty Salary	\$ 73,699	\$ 73,507	\$ 71,741	\$ 69,358	\$ 69,151	\$ 66,961	\$ 66,085	\$ 65,585	\$ 64,150	\$ 62,124

Sources:
ACC Office of Institutional Effectiveness
TCCTA Survey of Faculty Salaries

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

**Enrollment Details
Last Ten Fiscal Years**

Student Classification	Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	24,338	62.84%	26,367	68.73%	26,506	68.91%	27,306	69.64%
31-60 hours	8,397	21.68%	9,409	24.53%	9,429	24.52%	9,255	23.60%
>60 hours	5,995	15.48%	2,586	6.74%	2,527	6.57%	2,647	6.75%
Total	38,730	100.00%	38,362	100.00%	38,462	100.00%	39,208	100.00%

Semester Hour Load	Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	506	1.31%	442	1.15%	436	1.13%	528	1.35%
3-5 semester hours	11,465	29.60%	10,964	28.58%	11,183	29.08%	11,078	28.25%
6-8 Semester hours	12,989	33.54%	13,132	34.23%	12,764	33.19%	13,231	33.75%
9-11 semester hours	7,239	18.69%	7,291	19.01%	7,284	18.94%	7,368	18.79%
12-14 semester hours	5,674	14.65%	5,643	14.71%	5,929	15.42%	6,001	15.31%
15-17 semester hours	799	2.06%	809	2.11%	795	2.07%	933	2.38%
18 & over	58	0.15%	81	0.21%	71	0.18%	69	0.18%
Total	38,730	100.00%	38,362	100.00%	38,462	100.00%	39,208	100.00%

Average Course Load	7.63	7.64	7.63	7.61
---------------------	------	------	------	------

Tuition Status	Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (In-District)	25,854	66.75%	26,431	68.90%	26,842	69.79%	27,760	70.80%
Texas Resident (Out-of-District)	3,039	7.85%	2,991	7.80%	3,219	8.37%	3,370	8.60%
Non-Resident Tuition (a)	788	2.03%	794	2.07%	782	2.03%	875	2.23%
Other (b)	9,049	23.36%	8,146	21.23%	7,619	19.81%	7,203	18.37%
Total	38,730	100.00%	38,362	100.00%	38,462	100.00%	39,208	100.00%

Source:
ACC Office of Institutional Effectiveness

Notes:
(a) Non-resident includes students whose legal residence is not Texas.
(b) Other includes students with tuition exemptions and waivers.

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
26,894	69.12%	25,806	68.09%	26,452	68.51%	27,584	68.69%	29,546	70.34%	29,920	71.95%
9,220	23.70%	9,297	24.53%	9,455	24.49%	9,927	24.72%	9,987	23.78%	9,429	22.68%
2,795	7.18%	2,797	7.38%	2,704	7.00%	2,648	6.59%	2,471	5.88%	2,233	5.37%
38,909	100.00%	37,900	100.00%	38,611	100.00%	40,159	100.00%	42,004	100.00%	41,582	100.00%

Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
414	1.06%	438	1.16%	376	0.97%	473	1.18%	606	1.44%	519	1.25%
10,929	28.09%	10,571	27.89%	11,161	28.91%	9,347	23.27%	12,202	29.05%	9,591	23.07%
13,069	33.59%	12,591	33.22%	12,235	31.69%	13,364	33.28%	12,619	30.04%	13,138	31.60%
7,236	18.60%	6,997	18.46%	7,123	18.45%	7,621	18.98%	8,315	19.80%	8,205	19.73%
6,272	16.12%	6,257	16.51%	6,575	17.03%	8,148	20.29%	7,082	16.86%	8,739	21.02%
897	2.31%	964	2.54%	1,035	2.68%	1,085	2.70%	1,068	2.54%	1,247	3.00%
92	0.24%	82	0.22%	106	0.27%	121	0.30%	112	0.27%	143	0.33%
38,909	100.00%	37,900	100.00%	38,611	100.00%	40,159	100.00%	42,004	100.00%	41,582	100.00%

7.29

7.94

7.87

7.77

7.75

7.93

Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
27,809	71.47%	27,552	72.70%	27,986	72.48%	29,481	73.41%	31,291	74.50%	30,112	72.42%
3,679	9.46%	3,824	10.09%	3,803	9.85%	4,460	11.11%	5,156	12.28%	6,422	15.44%
995	2.56%	940	2.48%	908	2.35%	993	2.47%	949	2.25%	953	2.29%
6,426	16.52%	5,584	14.73%	5,914	15.32%	5,225	13.01%	4,608	10.97%	4,095	9.85%
38,909	100.00%	37,900	100.00%	38,611	100.00%	40,159	100.00%	42,004	100.00%	41,582	100.00%

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

**Student Profile
Last Ten Fiscal Years**

Gender	Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	22,010	56.83%	16,924	44.12%	21,234	55.21%	21,448	54.70%
Male	16,720	43.17%	21,438	55.88%	17,228	44.79%	17,760	45.30%
Total	38,730	100.00%	38,362	100.00%	38,462	100.00%	39,208	100.00%

Ethnic Origin	Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	16,256	41.97%	16,898	44.05%	17,074	44.39%	17,537	44.73%
Hispanic	15,054	38.87%	14,265	37.19%	14,142	36.77%	14,269	36.39%
African American	2,946	7.61%	3,324	8.66%	3,092	8.04%	3,172	8.09%
Asian/Pacific Islander	2,446	6.32%	2,309	6.02%	2,213	5.75%	2,318	5.91%
Non-Resident Alien	130	0.34%	125	0.33%	145	0.38%	138	0.35%
Other/Unknown	1,898	4.90%	1,441	3.76%	1,796	4.67%	1,774	4.52%
Total	38,730	100.00%	38,362	100.00%	38,462	100.00%	39,208	100.00%

Age	Fall 2019		Fall 2018		Fall 2017		Fall 2016	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,403	3.62%	7,053	18.39%	6,462	16.80%	6,050	15.43%
18 - 21	12,920	33.36%	13,826	36.04%	14,033	36.49%	14,437	36.82%
22 - 24	8,033	20.74%	4,874	12.71%	5,140	13.36%	5,322	13.57%
25 - 35	10,423	26.91%	7,859	20.49%	8,489	22.07%	9,050	23.08%
36 - 50	4,344	11.22%	3,678	9.59%	3,307	8.60%	3,417	8.72%
51 & over	1,607	4.14%	1,072	2.78%	1,031	2.67%	932	2.37%
Total	38,730	100.00%	38,362	100.00%	38,462	100.00%	39,208	100.00%

Average Age	23.8	24.4	24.5	24.5
-------------	------	------	------	------

Source:

ACC Office of Institutional Effectiveness

<https://www.austincc.edu/oira/pubs/factbook/2019-20/index.html>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
21,331	54.82%	21,057	55.56%	21,402	55.43%	22,347	55.65%	23,311	55.50%	23,020	55.36%
17,578	45.18%	16,843	44.44%	17,209	44.57%	17,812	44.35%	18,693	44.50%	18,562	44.64%
38,909	100.00%	37,900	100.00%	38,611	100.00%	40,159	100.00%	42,004	100.00%	41,582	100.00%

Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
17,496	44.97%	17,569	46.36%	18,303	47.40%	19,615	48.84%	21,246	50.58%	22,466	54.03%
12,995	33.40%	11,900	31.40%	11,668	30.22%	11,698	29.13%	11,765	28.01%	11,067	26.61%
3,061	7.87%	3,048	8.04%	3,208	8.31%	3,239	8.07%	3,812	9.08%	3,742	9.00%
2,137	5.49%	2,085	5.50%	2,027	5.25%	2,403	5.98%	2,140	5.09%	2,503	6.02%
151	0.39%	153	0.40%	877	2.27%	190	0.47%	193	0.46%	183	0.44%
3,069	7.89%	3,145	8.30%	2,528	6.55%	3,014	7.52%	2,848	6.78%	1,621	3.90%
38,909	100.00%	37,900	100.00%	38,611	100.00%	40,159	100.00%	42,004	100.00%	41,582	100.00%

Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
5,294	13.61%	4,372	11.54%	4,501	11.66%	3,965	9.87%	3,487	8.30%	3,247	7.81%
14,238	36.59%	13,605	35.90%	13,641	35.33%	13,877	34.56%	14,381	34.24%	14,371	34.56%
5,350	13.75%	5,436	14.34%	5,311	13.76%	5,772	14.37%	6,331	15.07%	6,345	15.26%
9,403	24.17%	9,633	25.42%	9,665	25.03%	10,665	26.56%	11,608	27.64%	11,508	27.68%
3,678	9.45%	3,843	10.14%	4,323	11.20%	4,674	11.64%	4,929	11.73%	4,891	11.76%
946	2.42%	1,011	2.66%	1,170	3.03%	1,206	3.00%	1,268	3.02%	1,220	2.93%
38,909	100.00%	37,900	100.00%	38,611	100.00%	40,159	100.00%	42,004	100.00%	41,582	100.00%

24.7

25.2

25.6

25.9

26.1

26.0

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Transfers to Senior Institutions

2018-2019 Students as of Fall 2019

(Includes only public senior colleges in Texas)

	Transfer Student Count (Academic)	Transfer Student Count (Technical)	Transfer Student Count (Tech-Prep)	Total of all ACC Transfer Students	% of all ACC Transfer Students
Angelo State University	39	9	3	51	0.57%
Lamar University	8	3	1	12	0.13%
Midwestern State University	8	2	1	11	0.12%
Prairie View A&M University	16	2	-	18	0.20%
Sam Houston State University	76	11	27	114	1.28%
Stephen F. Austin State University	57	6	3	66	0.74%
Sul Ross State University	5	1	2	8	0.09%
Tarleton State University	77	10	-	87	0.98%
Texas A&M International University	3	2	-	5	0.06%
Texas A&M University	678	85	36	799	8.96%
Texas A&M University - Central Texas	34	3	4	41	0.46%
Texas A&M University - Commerce	12	5	1	18	0.20%
Texas A&M University - Corpus Christi	77	12	4	93	1.04%
Texas A&M University - Kingsville	10	1	-	11	0.12%
Texas A&M University - San Antonio	11	2	-	13	0.15%
Texas A&M University at Galveston	10	2	2	14	0.16%
Texas Southern University	8	1	2	11	0.12%
Texas State University	2,591	204	176	2,971	33.31%
Texas Tech University	300	44	18	362	4.06%
Texas Woman's University	34	3	1	38	0.43%
The University of Texas - Rio Grande Valley	16	5	1	22	0.25%
The University of Texas at Arlington	100	17	7	124	1.39%
The University of Texas at Austin	2,488	265	71	2,824	31.67%
The University of Texas at Dallas	287	32	17	336	3.77%
The University of Texas at El Paso	6	4	-	10	0.11%
The University of Texas at San Antonio	332	33	19	384	4.31%
The University of Texas at Tyler	22	5	-	27	0.30%
The University of Texas of the Permian Basin	18	3	1	22	0.25%
University of Houston	127	14	7	148	1.66%
University of Houston - Clear Lake	5	-	-	5	0.06%
University of Houston - Downtown	12	-	-	12	0.13%
University of Houston - Victoria	14	3	-	17	0.19%
University of North Texas	187	26	9	222	2.49%
University of North Texas at Dallas	2	-	-	2	0.02%
West Texas A&M University	16	3	1	20	0.22%
Totals	7,686	818	414	8,918	100.00%

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**STATISTICAL SECTION
(UNAUDITED)**

Capital Asset Information										
Last Ten Fiscal Years										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Academic Buildings	50	50	50	43	43	43	43	41	40	38
Square Footage (in thousands)	3,169	3,169	3,169	3,026	3,026	3,026	3,026	2,736	2,676	2,084
Administrative Buildings	2	2	2	2	2	2	2	2	2	2
Square Footage (in thousands)	167	170	168	168	168	168	168	168	168	168
Portable Buildings	9	8	10	10	10	10	10	10	10	10
Parking Garages	2	2	2	2	2	2	2	2	2	2
Transportation										
Cars	53	59	56	56	51	53	49	43	41	39
Light Trucks/Vans	112	108	101	103	102	92	87	90	87	75
Other	28	109	12	11	11	11	11	13	14	10

THIS PAGE IS INTENTIONALLY LEFT BLANK

**Independent Auditor's Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
with *Government Auditing Standards***

To the Board of Trustees of
Austin Community College District

We have audited, 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, the financial statements of Austin Community College District (the College) as of and for the year ended August 31, 2020 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 29, 2020. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, Austin Community College Foundation (the Foundation), as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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 opinion 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

THIS PAGE IS INTENTIONALLY LEFT BLANK

The Board of Trustees of
Austin Community College District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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*.

The College's Response to Findings

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

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
December 29, 2020

THIS PAGE IS INTENTIONALLY LEFT BLANK



**Independent Auditor's Report on Compliance for Each Major
Federal and State Program and Report on Internal Control over
Compliance in Accordance with the Uniform Guidance
and State of Texas Single Audit Circular**

To the Board of Trustees of
Austin Community College District

Report on Compliance for Each Major Federal and State Program

We have audited Austin Community College District's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Texas Single Audit Circular* that could have a direct and material effect on each of the College's major federal and state programs for the year ended August 31, 2020. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2020.

THIS PAGE IS INTENTIONALLY LEFT BLANK

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 and the State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
December 29, 2020

THIS PAGE IS INTENTIONALLY LEFT BLANK

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Awards Received	Passed Through to Subrecipients	Expenditures and Pass Through Disbursements
U.S. DEPARTMENT OF EDUCATION				
Direct Programs:				
Student Financial Aid Cluster				
Federal Supplemental Education Opportunity Grants	84.007		\$ -	\$ 795,420
Federal Work-Study Program	84.033		-	608,900
Federal Pell Grant Program	84.063		-	35,327,963
Federal Direct Student Loans	84.268		-	31,201,831
Total Student Financial Assistance Cluster			-	67,934,114
CARES Act Higher Education Emergency Relief Fund (HEERF)/Student Aid	84.425E		-	4,152,170
CARES Act Higher Education Emergency Relief Fund (HEERF)/Institutional	84.425F		-	3,361,388
Total CFDA 84.425			-	7,513,558
Childcare Access Means Parents in School	84.335A	P335A180048	-	108,835
Discretionary/Competitive Grants to States	84.031A	P031A150121	-	284,929
TRIO Upward Bound	84.047	P047A171117	-	221,971
TRIO Upward Bound	84.047	P047A171123	-	264,534
Total TRIO Cluster			-	486,505
Pass-Through From:				
Texas Workforce Commission				
Adult Education Basic Grants to States	84.002A	1418ALA000	-	74,691
Adult Education Basic Grants to States	84.002A	1418ALA000	25,006	260,876
Adult Education Basic Grants to States	84.002A	1418ALA000	-	4,728
Adult Education Basic Grants to States	84.002A	1418ALA000	-	28,631
Adult Education Basic Grants to States	84.002A	1418ALA000	192,208	1,576,704
Adult Education Basic Grants to States	84.002A	1418ALA000	6,938	268,949
TWC Pell Grant	84.002A	2916AEL012	-	103,986
Community Action, Inc of Central Texas				
Adult Education Basic Grants to States	84.002A	1518ALA000	-	155,453
Adult Education Basic Grants to States	84.002A	1518ALA000	-	208
Total CFDA 84.002			224,152	2,474,226
Texas Higher Education Coordinating Board				
Career and Technical Education - Basic Grants to States	84.048	184208	-	804,971
Career and Technical Education - Leadership Grant	84.048	20417	17,488	164,383
Total CFDA 84.048			17,488	969,354
Institute of Education Sciences				
Education Research, Development and Dissemination	84.305		-	9,999
Education Service Center, Region 13				
Twenty First Century Community Learning Centers	84.287C	N/A	-	47,739
Twenty First Century Community Learning Centers	84.287C	N/A	-	17,622
Total CFDA 84.287C			-	65,361
TOTAL U.S. DEPARTMENT OF EDUCATION			241,640	79,846,881
U.S. DEPARTMENT OF LABOR				
Direct Program:				
San Jancito College				
H-1B Job Training Grant	17.268	N/A	-	84,198
Texas Workforce Commission				
Workforce Solutions - Capital Area Workforce Board (Workforce)	17.285	N/A	-	63,411
Pass-Through From:				
Texas Workforce Commission				
WIOA Dislocated Worker Program	17.278	1419INT001	-	128,224
TOTAL U.S. DEPARTMENT OF LABOR			-	275,833

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Expenditures and Pass Through Disbursements
NATIONAL SCIENCE FOUNDATION				
Direct Programs:				
Education and Human Resources	47.076	DUE-1501207	-	103,010
Education and Human Resources	47.076	DUE-1901984	-	901,183
Total CFDA 47.076				1,004,193
Geosciences	47.050	1940041	-	38,850
Geosciences	47.050	1600177	-	5,967
Total CFDA 47.050				44,817
Pass-Through From:				
Rochester Institute of Technology				
Education and Human Resources	47.076	DUE-1501756	-	27,821
TOTAL NATIONAL SCIENCE FOUNDATION			-	1,076,831
U.S. DEPARTMENT OF AGRICULTURE				
Direct Programs:				
Hispanic Servin Institutions Education Grants	10.223	2017-38422-27109	-	43,696
Pass-Through From:				
Natural Resources Conservation Service				
Soil and Water Conservation	10.902	USDA-NRCS-TX-UCP-18-01	-	4
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	43,700
U.S. DEPARTMENT OF COMMERCE				
Pass-Through From:				
Department of Commerce				
Impact Lab	11.020	ED19HDQ0200093	-	39,438
TOTAL CORPORATION OF NATIONAL AND COMMUNITY SERVICE			-	39,438
U.S. DEPARTMENT OF JUSTICE				
Direct Programs:				
Bulletproof Vest Partnership Program	16.607	BA-3A00S-SM02	-	2,638
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	2,638
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Pass-Through From:				
Texas Workforce Commission				
Temporary Assistance for Needy Families	93.558	1418ALA000	-	31,799
Temporary Assistance for Needy Families	93.558	1418ALA000	98,355	219,720
Temporary Assistance for Needy Families	93.558	1418ALA000	16,149	37,701
Temporary Assistance for Needy Families	93.558	1418ALA000	-	42,343
Temporary Assistance for Needy Families	93.558	1418ALA000	-	503
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			114,504	332,066
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 356,144	\$ 81,617,387

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended August 31, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule E) includes the federal award activity of Austin Community College under programs of the federal government for the year ended August 31, 2020. The information in this Schedule is presented in accordance with the 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 Schedule presents only a selected portion of the operations of Austin Community College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Austin Community College.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING SCHEDULE

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. 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 schedule.

NOTE 3. FEDERAL STUDENT LOAN PROGRAM

During the fiscal year ended August 31, 2020, Austin Community College issued new loans to students under the Federal Direct Student Loan Program (FDLP). The loan program includes subsidized and unsubsidized Stafford Loans, Parent PLUS Loans and PLUS Loans for students. The value of loans issued for the FDLP is based on disbursed amounts. The loan amounts issued during the year are disclosed on the Schedule. Austin Community College is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in Austin Community College's financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of Austin Community College on August 31, 2020.

NOTE 4. INDIRECT COST RATE

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

Austin Community College District

Schedule of Federal Findings and Questioned Costs For the Fiscal Year Ended August 31, 2020

Section 1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
a. Material weakness(es) identified?	Yes
b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	No
Identification of Major Programs:	
Student Financial Aid Cluster:	
Federal Supplemental Education Opportunity Grant	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
CARES ACT Cluster:	
CARES ACT Higher Education Emergency Relief Fund – Student Aid	84.425E
CARES ACT Higher Education Emergency Relief Fund – Institutional	84.425F
Dollar threshold used to distinguish between Type A and Type B federal programs	\$2,448,522
Auditee qualified as a low-risk auditee?	Yes

Austin Community College District
Schedule of Federal Findings and Questioned Costs
For the Fiscal Year Ended August 31, 2020

Section II. Financial Statement Findings

2020-001: Treatment of Deferred Gains and Losses on Refunding

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Criteria

Accounting principles generally accepted in the United States of America (GAAP) requires that the difference between the reacquisition price and the net carrying amount of refunded debt be recognized as a deferred inflow of resources or deferred outflow of resources and amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. The life of the old debt is based on its stated maturity date and not on its call date, if any.

Condition

As the College has historically utilized the call date of refunded date to determine the amortization period of deferred charges instead of the stated maturity date of the refunded debt or the new debt, whichever is shorter, the College's deferred charge on refunding debt was understated by \$14,776,901 as of September 1, 2018, and \$13,687,600 as of August 31, 2019. Interest expense was overstated by \$1,089,301 for the year ended August 31, 2019.

Cause

The College did not adequately evaluate and properly apply the provisions of GAAP related to debt refundings and the amortization period over which gains and losses thereon should be recognized.

Effect

Misstatements of the College's financial statements were not prevented, or detected and corrected timely, by the College's system of internal control.

Recommendation

We recommend that the College review its internal control procedures over financial reporting to ensure that applicable GAAP for all material transactions has been adequately evaluated and properly applied.

Views of Responsible Officials and Planned Corrective Actions

See Corrective Action Plan

2020-002: System Changes, Access, and Reviews

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

Criteria

The National Institute of Standards and Technology (NIST) system control framework recommends that:

- i. Segregation of duties should be enforced between individuals with responsibility for developing application code and individuals responsible for migrating such code into production. Should such segregation of duties not be possible, other controls should be implemented to monitor that unauthorized code is not implemented in the production environment;
- ii. User access reviews be based on a pre-established frequency; and
- iii. Access to data centers be reviewed on a regular basis.

Austin Community College District

Schedule of Federal Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2020

Condition

For the Colleague application, the following matters were identified:

- i. Developers are able to and often implement their own changes into production, without the presence of other preventative or detective controls such as an activity log that is maintained and reviewed; and
- ii. Outside of administrative rights, no user access reviews are performed.

For the TouchNet application, the following matter was identified:

- i. Outside of administrative rights, no user access reviews are performed.

For the data centers, the following matter was identified:

- i. Access to data centers is not reviewed on a regular basis.

Cause

The College does not have process and control requirements in place that adhere to the NIST framework for the Colleague and TouchNet applications and the data centers.

Effect

Without having the recommended controls in place around system changes, user access, and data center access, there is the potential that unapproved changes could be made to key financial applications or that unapproved data changes could be made by users with access to the systems or data centers for which there is insufficient oversight.

Recommendation

We recommend that the College review its policies and procedures and requirements for IT general controls over financial applications as it relates to system changes, user access, and data center access to ensure that controls in place are in alignment with the NIST framework.

Views of Responsible Officials and Planned Corrective Actions

See Corrective Action Plan

Section III. Federal Award Findings and Questioned Costs

There were no findings relating to internal control or compliance which are required to be reported in accordance with *Government Auditing Standards*.

Section IV. Prior Year Audit Findings

2019-001: Construction in Progress

Type of Finding: Significant Deficiency in Financial Reporting

Condition

During testing of construction in progress, the auditor noted several projects were substantially completed in the year of testing as well as prior years, however, those projects were not reclassified to depreciable assets and depreciated, as required by accounting principles generally accepted in the United States of America.

Austin Community College District

Schedule of Federal Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2020

Corrective Action Plan

Going forward, to ensure the accuracy of CIP and depreciation, new procedures will be implemented by the Facilities and Construction and Business Services' divisions.

1. Communication
After determining who is going to be assigned this task, the Business Services' division will be promptly notified when assets are placed into service.
2. Monitoring
The responsible parties shall create a checklist to ensure that the applicable journal entries are created, reviewed, and posted.
3. Accountability
The transactions will be reviewed by the project so that it is easier to identify what has been completed. Also, the Record to Report leadership team shall review and approve the account reconciliations.

Status

Corrected

2019-002 and 2019-003: Federal Direct Loan Borrowing Exit Counseling

Type of Finding: Significant Deficiency in Internal Controls over Compliance and Compliance Finding

Condition

The internal controls did not consistently detect instances wherein exit counseling was required for Federal Direct Loan borrowers.

Corrective Action Plan

1. Exit counseling packet was mailed to the student on December 12, 2019, and the student's file was updated to indicate the packet was mailed.
2. To ensure the accuracy of students needing future exit counseling notices, the Executive Director of Student Assistance will implement the following steps:
 - a. The Loan Supervisor will, via email, verify with the Business Analyst the total number of students on the SLED list that was produced by the SLCR statement.
 - b. The Business Analyst will use the SLED list to enter the loan exit indicators on the student records by using CRG.
 - c. The Business Analyst will then reply to the Loan Supervisor's email confirming the total number of students who received the loan exit indicators.
 - d. The Loan Supervisor will verify that the numbers match and, in the event of a discrepancy, will research and resolve the mismatch.

Status

Corrected



From: Angela Hodge, Vice President, Business Services

Subject: Audit Finding 2020-001 Business Services' Response

Finding 2020-001: Treatment of Deferred Gains and Losses on Refunding

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Accounting principles generally accepted in the United States of America (GAAP) requires that the difference between the reacquisition price and the net carrying amount of refunded debt be recognized as a deferred inflow of resources or deferred outflow of resources and amortized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. The life of the old debt is based on its stated maturity date and not on its call date, if any. The College did not adequately evaluate and properly apply the provisions of GAAP related to debt refundings and the amortization period over which gains and losses thereon should be recognized.

Business Services Response/Corrective Action(s):

We have completed an analysis of the root cause for this deficiency to eliminate the cause and prevent the issue from occurring again. The College has historically utilized the call date the refunded debt to determine the amortization period of deferred charges instead of the stated maturity date of the refunded debt or the new debt, whichever is shorter. Therefore, the deferred charge on refunding debt was understated.

In the future, to ensure the accuracy of our financial reporting for material transactions, new procedures are going to be implemented by the Business Services' accounting leadership to ensure we review the applicable GAAP to prevent misstatements of the College's financial statements.

1. Communication - After determining who is going to be assigned this task, the Business Services' division will be promptly notified when accounting guidance has been distributed;
2. Monitoring - The responsible party shall notify the accounting leadership that the information must be independently reviewed or training must be attended; and
3. Accountability - The accounting leadership shall review and approve the transactions and account reconciliations to ensure that we are reporting accurate information promptly.

Contact Person: Angela Hodge, Vice President, Business Services

Anticipated Completion Date: January 31st, 2021



From: Imad Constanti, Vice President, Information Technology

Subject: Audit Finding 2020-002 Information Technology's Response

Finding 2020-002: System Changes, Access, and Reviews

Type of Finding: Significant Deficiency in Internal Control over Financial Reporting

The National Institute of Standards and Technology (NIST) system control framework recommends that:

- i. Segregation of duties should be enforced between individuals with responsibility for developing application code and individuals responsible for migrating such code into production. Should such segregation of duties not be possible, other controls should be implemented to monitor that unauthorized code is not implemented in the production environment; and
- ii. User access reviews be based on a pre-established frequency.

Information Technology's Response/Corrective Action(s):

While Colleague does not provide good mechanisms and preventative measures for ensuring unauthorized changes are made to production, developers follow processes and controls manually to prevent unauthorized changes to the Colleague UI, Unidata, Self Service, Web API's, and Sub Routines, which include a manual process for the review and promotion to production, logging of activity migrated to production, and use of change management tickets and CCB process for the development, test, and approval for migration of changes to production. The Colleague application is in the process of being replaced with a new ERP system and limited changes are being implemented. The new application will allow for better tracking of changes and implementation of segregation of duties. In addition, the College will evaluate the functional areas related to financial reporting and perform a user access review at least annually in conjunction with the application of the NIST framework.

The SUSE and SUGS are screens in Colleague where we can see each package, when it was moved to test, dev, and live, and contents of each package. We have a spreadsheet where we track all installations, updated by only one team member.

Contact Person: Imad Constanti, Vice President, Information Technology

Anticipated Completion Date: Fall 2021

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

**SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2020**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Expenditures</u>
Texas Higher Education Coordinating Board			
Central Texas Pathways	16157	\$ -	\$ 8,225
Fifth Year Accounting Scholarship	-	-	5,432
Nursing Shortage Reduction Program - Regular	-	-	448,757
Nursing Shortage Reduction Program Over 70 FY 2019	-	-	152,829
THECB Professional Development Program	20680	-	216,314
Texas Education Opportunity Grant	36002	-	1,819,996
Texas College Workstudy 2020	22339	-	102,291
THECB Reg 60X30 TX	20456	-	3,988
Total Higher Education Coordinating Board		-	2,757,832
Office Of The Governor Of The State of Texas			
Texas Technology Fund	-	-	215,953
		-	215,953
General Land Office	17-211-000	-	8,771
Texas Workforce Commission			
Adult Education Basic Grants to State	1418ALA000	-	30,406
Adult Education Basic Grants to State	1418ALA000	-	7,262
Adult Education Basic Grants to State	1418ALA000	264,663	304,781
Adult Education Basic Grants to State	1418ALA000	27,667	27,667
Adult Ed & Ltrcy WF Integ Init	1420AEL001	-	5,501
Skill Development Fund ST David's Consortium	1418SDF001	-	331,339
Skills for Small Business 18-19	1419SSD001	-	15,259
Skills Development Fund IT Consortium (Samsung)	1418SDF002	-	129,449
Skills Development Fund, NXP USA, Inc.	1418SDF000	-	130,291
Skills Development Fund Covid-19	1420COS001	-	34,019
TWC ACC PARTNERSHIP WITH IBM	1420SDF001	-	147,792
TWC MANUFACTURING CONSORTIUM	1520SDF001	-	18,522
TWC Distance Learning Capacity Building Initiative	2919AEL000	-	96,150
Total Texas Workforce Commission		292,330	1,278,438
Texas Commission On State Emergency Communications			
EGDMS Geospatial Services FY20	ICC no. 477.9.00034	-	18,281
Texas Water Development Board			
Student FY 20 Internship	1800012140	-	38,468
Texas Comptroller of Public Accountants			
Law Enforcemnet Education	-	-	2,712
Texas Commission on Environmental Quality			
Alternative Fueling Facilities Program - Cypress	582-18-83059-2677	-	5,872
Alternative Fueling Facilities Program - Hays	582-18-83064-2677	-	8,728
Alternative Fueling Facilities Program - Highland	582-18-83068-2677	-	30,405
Alternative Fueling Facilities Program - Northridge	582-18-83058-2677	-	5,173
Alternative Fueling Facilities Program - San Gabriel	582-18-83040-2677	-	9,553
Alternative Fueling Facilities Program - Round Rock	582-18-83041-2677	-	12,802
Alternative Fueling Facilities Program - Rio Grande	582-18-83074-2677	-	8,367
Total Texas Commission on Environmental Quality		-	80,900
Total Expenditures of State Awards		<u>\$ 292,330</u>	<u>\$ 4,401,355</u>

AUSTIN COMMUNITY COLLEGE DISTRICT
Austin, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the Year Ended August 31, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of state awards (Schedule F) includes the state award activity of Austin Community College under programs of the state government for the year ended August 31, 2020. The information in this Schedule is presented in accordance with the requirements of the state. The Schedule presents only a selected portion of the operations of Austin Community College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Austin Community College District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING SCHEDULE

The accompanying schedule is presented using the accrual basis of accounting. See Note 2 in the notes of Basic Financial Statements for the College's significant accounting policies. The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis.

Austin Community College District

Schedule of State Findings and Questioned Costs For the Fiscal Year Ended August 31, 2020

Section 1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
a. Material weakness(es) identified?	Yes
b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

State Awards

Internal control over major programs:	
a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance with major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the Uniform Grant Management Standards Single Audit Circular?	No
Identification of Major Programs:	
Texas Educational Opportunity Grant Program	
Texas Educational Opportunity Grant Renewal Program	
Nursing Shortage Reduction Program	
Dollar threshold used to distinguish between Type A and Type B federal programs	\$300,000
State Single Audit - Auditee qualified as a low-risk auditee?	Yes

Austin Community College District

Schedule of State Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2020

Section II. Financial Statement Findings

See Section II of the Schedule of Federal Findings and Questioned Costs.

Section III. State Award Findings and Questioned Costs

There were no findings relating to internal control or compliance which are required to be reported in accordance with *Government Auditing Standards*.

Section IV. Prior Year Audit Findings

See Section IV of the Schedule of Federal Findings and Questioned Costs.



AUSTIN COMMUNITY COLLEGE DISTRICT
5930 MIDDLE FISKVILLE ROAD
AUSTIN, TEXAS 78752