

Austin Community College Compliance Certification Response
Substantive Change Prospectus
South Austin Campus

Austin Community College has a sound financial base, demonstrated financial stability, and adequate physical resources to support the mission of the institution and the scope of its programs and services.

ACC's financial base and financial stability are built on:

- State appropriations provided biennially by the Texas legislature
- Tuition and fees from students
- The college's authority to levy ad valorem property taxes in its taxing district.

Each source provides approximately one-third of the colleges revenues. The diversity of the college's funding sources allows the ACC Board of Trustees to increase funding from taxes and tuition/fees in the event that downturns in the state economy reduce state appropriations. The diversity of funding also provides financial stability for the district. The college provides adequate physical resources through its authority to call tax referendums issuing general obligation debt and its authority to issue revenue debt that is supported by pledged revenues of the college. ACC's ability to respond to difficult times through its multiple funding options demonstrates a strong and stable financial base for supporting the college's mission and programs.

Austin Community College Compliance Certification Response
Substantive Change Prospectus
South Austin Campus

ACC is also expanding its financial resources through the ACC Foundation [\[1\]](#), a separate non-profit organization. In addition to raising funds for scholarships, the Foundation is currently working with a noted consultant to formulate and plan a capital campaign to provide funding to enhance excellence in its mission and programs.

ACC provides an institutional audit and written institutional management letter for the most recent fiscal year prepared by an independent certified public accountant and a statement of financial position of unrestricted net assets, exclusive of plant assets and plant-related debt, which represents the change in unrestricted net assets attributable to operations for the most recent year [\[2\]](#).

The audited financial statements both document and demonstrate ACC's annual financial condition and stability, and are prepared in accordance with Governmental Accounting Standards promulgated by the Governmental Accounting Standards Board (GASB) and the Annual Financial Reporting requirements required by the Texas Higher Education Coordinating Board [\[3\]](#).

In 2003, ACC began preparing its audited financial statements to comply with the Government Finance Officers Association (GFOA) criteria for comprehensive annual financial reports. In addition to the required annual GASB financial statements showing the college's annual operating revenues, expenses, and net assets available for future operations, the GFOA requirements call for a statistical data section showing ten year histories of ACC's revenues, tax collections, debt

Austin Community College Compliance Certification Response
Substantive Change Prospectus
South Austin Campus

levels, and other financial statistics designed to provide the public with historical evidence of the College's financial base and stability and a pattern for determining prospects for the future. The college will continue to submit its annual financial report to the GFOA to ensure continued excellence in documenting its financial base, stability, and condition to the public and others interested in the college's finances.

ACC also regularly reports its financial results to the public on a monthly basis through financial statements prepared by college staff and presented to the Board of Trustees [\[4\]](#).

ACC's physical resources are adequate. Currently, ACC is expanding its physical resources, pursuant to a master plan through a \$99.5 million general obligation bond issue approved by voters in 2003. The college is using the funds to construct the South Austin Campus in the southern part of its taxing district, to add three new buildings to expand existing campuses, and to renovate existing facilities [\[5\]](#).

Through a consultant firm, the college is currently expanding its facilities master plan to ensure it will meet regional educational needs for the future. The facilities master plan update will review demographic trends, growth patterns, and transportation corridors in order to identify efficient strategies for expanding existing facilities and locating new campuses. The facilities master plan update

Austin Community College Compliance Certification Response
Substantive Change Prospectus
South Austin Campus

is expected to be completed in fall 2006 [\[6\]](#), [\[7\]](#). After completion, the college will develop or update individual campus facilities master plans to inform subsequent bond issues for physical resource expansion. ACC also operates educational centers around its service area in conjunction with area high schools to provide classroom facilities in geographic areas where commuting may not be practical for the students. ACC is collaborating with Texas State University San Marcos in sharing a new Round Rock Higher Education Center [\[8\]](#) in Round Rock, Texas. This location is in the northern part of the ACC service area, providing additional physical capacity in that area for both ACC and Texas State students.

ACC prepares an annual budget [\[9\]](#) that is preceded by sound planning, is subject to sound fiscal procedures, and is approved by the Board of Trustees. The college's annual budgeting process follows a prescribed schedule developed by the administration and published in the Board of Trustees meeting calendar. The annual budget process begins with an update of the district wide Master Plan to ensure linkage between master planning and the budget process. The budget process is subject to continual analyses and comparison with both actual operating results from the previous and current year, and incorporates estimates for the coming fiscal period from objective external sources including tax appraisal information and state appropriations from legislative documents. As the budget process progresses, the budget is presented to the Board of Trustees on multiple occasions. These presentations contain the information to date, ensure

Austin Community College Compliance Certification Response
Substantive Change Prospectus
South Austin Campus

public oversight, and ensure that sound fiscal procedures are being followed. The ACC Board of Trustees has final approval of the budget [\[10\]](#).