

Comprehensive Annual Financial Report

For the Years Ended August 31, 2018 and 2017



Alamo Community College District
San Antonio, Texas



ALAMO
COLLEGES
DISTRICT

*Northeast Lakeview College • Northwest Vista College
Palo Alto College • San Antonio College • St. Philip's College*

ALAMO COMMUNITY COLLEGE DISTRICT

San Antonio, Texas

Comprehensive Annual Financial Report

**For the Years Ended
August 31, 2018 and 2017**

Prepared by:

Finance and Fiscal Services Department

**ALAMO COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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ALAMO
COLLEGES
DISTRICT

Introductory Section



ALAMO
COLLEGES
DISTRICT



December 11, 2018

To the Board of Trustees, the Residents of Bexar County and the Alamo Community College District Service Area of Atascosa, Bandera, Comal, Guadalupe, Kendall, Kerr and Wilson Counties:

We are proud to submit the following comprehensive annual financial report (CAFR) for the Alamo Community College District (Alamo Colleges District or District) for the fiscal years ended August 31, 2018 and 2017. The CAFR has been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In 2018, the Board of Trustees of the Alamo Colleges District affirmed the selection of the independent accounting firm of Grant Thornton LLP to perform the annual audit. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Uniform Guidance and State of Texas Uniform Grant Management Standards. The auditor's report related specifically to the single audit is included in the Single Audit Section of this CAFR.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal controls. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the cost of the controls does not exceed the benefits derived. The Report of Independent Certified Public Accountants is located at the front of the financial section on pages 13-15 of this CAFR, and Management's Discussion and Analysis (MD&A) immediately follows it. The MD&A provides a narrative introduction, overview and analysis of the basic financial statements and complements this letter of transmittal. The Notes to Financial Statements, also in the financial section, are considered integral to the basic financial statements and should be read in conjunction with them.

Profile

The Alamo Colleges District was established as a public community college through a public election in 1945. The District operates as a political subdivision under the laws of the State of Texas. A nine-member Board of Trustees is the governing body of the District. The Trustees are elected locally to six-year staggered terms by Bexar County voters. The Chancellor, the District's chief executive officer, guides and implements the programs and policies of the Alamo Colleges District.

In Fall 2014, the Board of Trustees welcomed the inclusion of a Student Trustee member to serve as a non-voting student liaison to the Board of Trustees and Chancellor. The Student Trustee is selected from one of the five colleges by the elected Board members and serves for a one-year term.

The Alamo Colleges District, a comprehensive two-year system, is dedicated to providing quality education and workforce training to the people of Bexar and surrounding counties. The five member colleges of the District are as follows:

- San Antonio College (founded in 1925),
- St. Philip's College (founded in 1898),
- Palo Alto College (founded in 1983),
- Northeast Lakeview College (founded in 2007) and
- Northwest Vista College (founded in 1995).

The Colleges support the education and lifelong learning needs of a multicultural community by providing associates degrees, certificates, pre-majors/transfer programs, continuing education, and community services.

The 300+ programs are arranged in six Institutes (AlamoInstitutes) by career choices: Creative & Communication Arts, Business & Entrepreneurship, Health & Biosciences, Advanced Manufacturing & Logistics, Public Services, and Science & Technology. The Institutes have clear roadmaps to guide each student efficiently and effectively from his/her point of entry to attainment of high-quality postsecondary credentials and/or a career.

Students are taught by highly qualified faculty with Master's and Doctorate degrees committed to creating a learning-centered environment. Student services include advising, counseling, learning resource centers, computer labs, tutoring, financial aid services, services for the disabled, developmental instruction, veteran's services, service learning, and job placement. A certified advisor works closely with each student to ensure each course taken can be counted toward the student's goal, and that completion of degrees and/or certificates can be accomplished most effectively and efficiently.

The Alamo Colleges District is the third largest community college system in Texas, includes three colleges designated as Hispanic-Serving Institutions and is the nation's only institution designated as both a Historically Black College and a Hispanic-Serving Institution. A vibrant international program brings students and faculty from places such as Mexico, Brazil, India and China to San Antonio for advanced education, while affording local students and faculty the opportunity to travel to all regions of the world, preparing them to work in an increasingly global economy.

Economic Conditions and Outlook

The Alamo Colleges District operates in the strong economic area of San Antonio, Bexar County and surrounding counties. San Antonio is the second largest city in Texas and the nation's seventh largest city with a population over 1.5 million. San Antonio has a dynamic economy rapidly expanding from traditional military and service sectors into telecommunications, biomedical science, information technology, data security and advanced manufacturing. The Alamo Colleges District has been an integral part of the greater San Antonio community for more than 100 years, contributing significantly to the economic and social well-being of those who share this community with the District. Due to the quality of its workforce training and success of its graduates, approximately 51% of students enrolled in post-secondary education in San Antonio attend one of the Alamo Colleges.



The three primary revenue streams to the Alamo Colleges District, other than federal grants used for scholarships, are ad valorem taxes, state appropriations and tuition and fees.

- The trend of rising ad valorem tax revenues continued in fiscal year 2018, as revenues from ad valorem taxes increased by 6.8% in 2018 as net assessed property values of the District increased from approximately \$142.1 billion in 2017 to \$151.8 billion in 2018, providing funding for facilities' repairs and maintenance. Since fiscal year 2008, revenues from ad valorem taxes have increased by 83% - over 6% per year on an annualized basis. The pattern of predictable and increasing property values and ad valorem tax collections relieves pressure to increase the tax rate for the District's constituents. There was no increase in the District's tax rate for fiscal year 2018.
- State appropriations, which are critical to keeping student tuition rates low, remained flat in 2018 when ignoring the effects of the \$4.0 million special item funding for the construction of a veteran's assistance center. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement, core operations funding, and student success outcomes. For fiscal year 2018, the State only provided 24% of the costs, down from 75% in 2008/2009 and provided no funding for growth.

- Tuition and fee rates remained flat in 2018 for in-district and out-of-state/international students, except for a reduction for out-of-district students of 13%. Tuition and fee waivers for high school program enrollments, increased from 10,642 students in Fall 2015 to 13,020 in Fall 2017 – a 22% increase. High school programs create a college-going culture across the service area by providing access for students to earn college credits while in high school.

The District strives to avoid tuition increases and ad valorem tax rate increases in the midst of declining state appropriations and other revenue pressures. Since fiscal year 2013, the District has absorbed approximately \$75.5 million in budget pressure resulting from declines in state appropriations and increased tuition waivers and exemptions, while simultaneously increasing student support services and faculty and staff compensation adjustments. Therefore, given the revenue positioning by the Alamo Colleges District and the State, strategic planning to manage costs and improve efficiencies is paramount.

Strategic and Long-Term Financial Planning



The Board approves a multi-year strategic plan that is reviewed and re-affirmed annually and involves all levels of the organization. Key performance indicators based on state and national peer institutions and annual performance targets are defined. An integrated planning model is used to strengthen the connection between the strategic plan, related action plans and the budget, which is approved annually by the Board of Trustees.

The budget is developed with broad-based staff involvement and is guided by budgetary, debt and financial policies approved by the Board. The budget includes a multi-year financial plan, which incorporates

proposed increases for capital budgets, preventive maintenance and student success initiatives.

Major Initiatives

The Alamo Way is a theoretical framework for improvement adopted by the Board of Trustees and used throughout the Alamo Colleges District. This policy describes three dynamic models that drive increased employee and student performance, greater organizational efficiency and effectiveness and leadership at the District. These models are fully integrated into the culture of the Alamo Colleges District, its students, and employees. The Board holds that the Baldrige Criteria for Performance Excellence, the principles of Achieving the Dream and the Principle-Centered Leadership concepts from the Seven Habits of Highly Effective People (AlamoLEADS) provide the foundation for *The Alamo Way* (Always Inspire, Always Improve). By integrating leadership competencies and experiences into the core curriculum and in organizational learning opportunities for employees, the Alamo Colleges District empowers all students and employees to explore and realize their learning, professional and civic potential. The result is the organization achieving its full potential and our diverse communities achieving theirs.

Over the last five years, the Alamo Colleges District has continued to demonstrate improvements toward one of its primary strategic objectives, student success. During this time period, completion rates at all Colleges have improved to more than 90%; productive grade rates are near or above 80%; and persistence rates are now more than 70% overall, as depicted in the District's 2018 Malcolm Baldrige application. This improvement is directly related to two major initiatives implemented by the District. First, the *Four Disciplines of Execution*, provides a simple, repeatable set of practices for organizations and individuals to focus on what is important, to execute strategic priorities and to achieve superb results. Secondly, AlamoAdvise assigns each student a trained advisor who assists with choosing a career/academic path and selecting appropriate courses to meet goals. The advisor maintains contact with the student at designated touch-points from enrollment to completion to ensure a consistent experience for students as they connect, enter, progress and complete their college goal.

Awards and Acknowledgments

The Alamo Colleges District continues to be recognized both locally and nationally as a leader in higher education. The Alamo Colleges District system was one of only 12 organizations in the nation to earn a Site Visit Review in October 2018 for the Malcolm Baldrige National Quality Award. The Baldrige Performance Excellence Program is managed by the National Institute of Standards and Technology, an agency of the U.S. Department of Commerce. A Presidential award, the Baldrige Award is the highest level of national recognition for performance excellence that a U.S. organization can receive.



In November 2018, the Alamo Colleges District became the first community college in the nation to win the Malcolm Baldrige National Quality Award. This prestigious award is a testament to the innovation, collaboration and hard work of our faculty, staff and students.

Palo Alto College has been named as a top ten finalist for the prestigious 2019 Aspen Prize for Community College Excellence. Palo Alto College was selected from a pool of nearly 1,000 public two-year colleges nationwide to compete for the \$1 million Aspen Prize in the categories of student learning, certificate and degree completion, employment and earnings, and high levels of access and success for minority and low-income students.

Northwest Vista College is ranked the #1 Best Community College in Texas and #6 in the nation for 2019 by NICHE, a research firm that uses the most up-to-date data available from public data sources including the Department of Education, U.S. Census, and FB, plus student experience reviews to provide college rankings.

Since 2007, the Alamo Colleges District Support Office and four of the District's colleges have been awarded the Texas Award for Performance Excellence (TAPE) by the Quality Texas Foundation, which recognizes organizational effectiveness and sustainability. The TAPE award must be received prior to applying for the national Baldrige Quality Award.

Standard and Poor's (S&P) and Moody's, two of the "Big Three" credit rating agencies, affirmed the Alamo Colleges District's general obligation bonds AAA credit rating in September 2017. This is the highest rating possible and ensures that the District's bonds have the lowest possible interest rates, producing significant interest expense savings for Bexar County taxpayers over the life of the bonds. S&P cited the District's deep and diverse economic base in Bexar County, a strong financial position with a diverse revenue stream and substantial operating flexibility as reasons for the top rating. S&P also gave the Alamo Colleges District a strong rating for its Financial Management Assessment (FMA), indicating that the District's financial practices are strong, well embedded and sustainable. Moody's rating agency cited the District's sizeable and growing tax base in the robust San Antonio metropolitan area, history of stable financial performance and significant financial flexibility under the voter-approved tax cap as contributing factors for its high rating. The Alamo Colleges District is one of only four community college districts in Texas and one of only 15 community colleges in the nation that has received the highest possible rating from both of the top rating agencies.

The Alamo Colleges District has also earned numerous awards in the areas of procurement and finance. For the seventh consecutive year, the Alamo Colleges District was awarded the National Achievement of Excellence in Procurement Award from the *National Procurement Institute*. The Alamo Colleges District is one of three community colleges in Texas awarded the Certificate of Distinction by the *Government Treasurers' Organization of Texas* (GTOT) for its investment policy.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alamo Colleges District for its comprehensive annual financial report for the fiscal year ended August 31, 2017. This was the ninth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year.

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.

The staff thanks the members of the Board of Trustees for their support and guidance in conducting the financial operations of the Alamo Colleges District in a highly responsible manner. The timely preparation of this financial report was made possible by the continued dedication and service of the staff of the Alamo Colleges District.

Diane E. Snyder

Digitally signed by Diane E. Snyder
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ou=VCFA, email=dsnyder12@alamo.edu,
c=US
Date: 2018.12.12 17:10:05 -06'00'

Diane E. Snyder, CPA, Ph.D.
Vice Chancellor
Finance and Administration

Pamela K. Ansboury

Digitally signed by Pamela K. Ansboury
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ou=Finance and Fiscal Services,
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Pamela K. Ansboury, CPA, M.Ed.
Associate Vice Chancellor
Finance and Fiscal Services

ORGANIZATIONAL DATA
August 31, 2018

ELECTED OFFICIALS

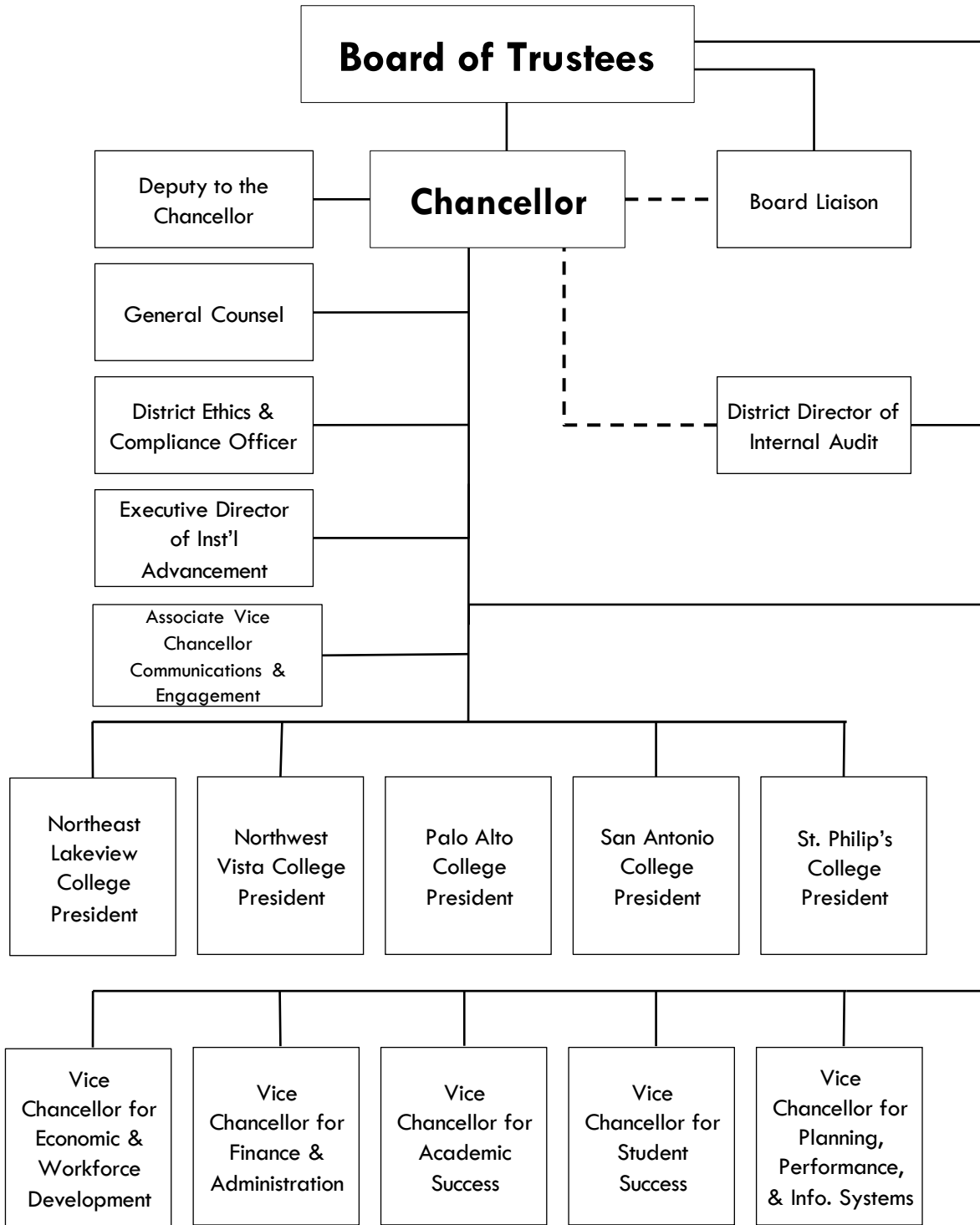
Member	Position	City, State	Term Expires
Marcelo Casillas	Chairperson	San Antonio, Texas	2020
Joe Alderete, Jr.	Vice-Chairperson	San Antonio, Texas	2022
Anna Uriegas Bustamante	Secretary	San Antonio, Texas	2022
Joe Jesse Sanchez	Assistant Secretary	San Antonio, Texas	2020
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2024
Denver McClendon	Member of the Board	San Antonio, Texas	2022
Clint Kingsbery	Member of the Board	San Antonio, Texas	2020
Dr. Yvonne Katz	Member of the Board	San Antonio, Texas	2024
Roberto Zarate	Member of the Board	San Antonio, Texas	2024
Monica Scaper	Student Trustee	San Antonio, Texas	*

*Appointed by Board for 1 year term; Non-voting member

ADMINISTRATIVE OFFICIALS

Dr. Bruce H. Leslie	Chancellor
Dr. Mike Flores	Incoming Chancellor
Dr. Diane E. Snyder, CPA	Vice Chancellor for Finance and Administration
Dr. Diane E. Snyder, CPA	Interim Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Information Systems
Dr. George Railey Jr.	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Sheila Marlow Due	Executive Director of Institutional Advancement
Dr. Veronica Garcia	President, Northeast Lakeview College
Dr. Ric Neal Baser	President, Northwest Vista College
Dr. Robert Garza	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Vela	President, San Antonio College
Pamela Ansboury, CPA, M.Ed.	Associate Vice Chancellor for Finance and Fiscal Services
Gertrud Moreno, CPA, MBA	District Controller
William G. Wullenjohn, Sr.	District Director of Internal Audit

ALAMO COMMUNITY COLLEGE DISTRICT



ALAMO COMMUNITY COLLEGE DISTRICT

The Strategic Plan for the Students, Employees and Community of the Alamo Colleges District includes the following Statements as well as five Strategic Objectives and an integrated planning process.

MISSION

Empowering our diverse communities for success.

VISION

The Alamo Colleges District will be the best in the nation in Student Success and Performance Excellence.

VALUES

The members of the Alamo Colleges District are committed to building individual and collective character throughout the following set of shared values in order to fulfill our vision and mission.



STUDENTS FIRST



RESPECT FOR ALL



COMMUNITY-ENGAGED



CAN-DO SPIRIT



COLLABORATION



DATA-INFORMED



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Alamo Community College District
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO



Financial Section



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Management and Board of Trustees
Alamo Community College District

Report on the financial statements

We have audited the accompanying financial statements of Alamo Community College District (the “District”), which is comprised of San Antonio College, St. Philip’s College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College, as of and for the years ended August 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District’s financial statements as listed in the table of contents.

Management’s responsibility for the financial statements

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

Auditor’s responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Alamo Colleges Foundation, Inc. or the ACCD Public Facility Corporation, which collectively represent 100% of the assets, net position or net assets and revenues of the aggregate discretely presented component units of the District as of and for the years ended August 31, 2018 and 2017. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the reports of the other auditors. We conducted our audits 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 Alamo Colleges Foundation, Inc. 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 District'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 District'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.

Opinion

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2018 and 2017, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Emphasis of a matter

As discussed in Note 2 to the financial statements, the District adopted new accounting guidance in 2018 related to the accounting for other post-employment benefits. Our opinion is not modified with respect to this matter.

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 31, and Schedule of District's Proportionate Share of Net Pension Liability, Schedule of District Contributions for Pensions, Schedule of District's Proportionate Share of Other Post-Employment Benefits ("OPEB") Liability and Schedule of District Contributions for OPEB on pages 87 through 92 be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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.

Supplementary information

Our audit were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of

Federal Awards for the year ended August 31, 2018, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the Schedule of Expenditures of State Awards for the year ended August 31, 2018, as required by the State of Texas Uniform Grant Management Standards, the Schedule of Operating Revenues for the year ended August 31, 2018, the Schedule of Operating Expenses by Object for the year ended August 31, 2018, the Schedule of Non-Operating Revenues and Expenses for the year ended August 31, 2018, the Schedule of Net Position by Source and Availability for the year ended August 31, 2018, as required by the Texas Higher Education Coordinating Board (“THECB”), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The Introductory Section, Other Information-By Location and 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. Such information has 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 it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 11, 2018, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



Dallas, Texas
December 11, 2018



ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis (MD&A) is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (Alamo Colleges District, District or ACCD) for the fiscal year ended August 31, 2018. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The notes to the financial statements are considered an integral part of the financial statements and should be read in conjunction with them. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of the financial statements and notes.

In fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75)*. The implementation affected various balances reported on the basic financial statements including non-current liabilities, deferred outflows of resources, deferred inflows of resources, net position and OPEB expense, among others. As such, balances in the aforementioned categories may not be comparable between fiscal year 2017 and fiscal year 2018. In the following MD&A, management will make reference to the implementation of GASB 75 when discussing balances rendered incomparable as a result of the implementation.

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2018; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the fiscal year. Highlighted information from each basic financial statement is presented below.

- Total assets increased \$154.0 million and total liabilities increased \$274.4 million. When disregarding the effect of the implementation of GASB 75 to total liabilities of approximately \$158.4 million, total liabilities increased by approximately \$116.0 million.
- The District's net position at August 31, 2018 was \$136.9 million, reflecting a \$157.8 million decrease from the prior year. The \$157.8 million decrease includes a \$184.8 million reduction to fiscal year 2018 beginning net position for the cumulative effect of applying GASB Statement No. 75, as further described in Note 2 of these financial statements. Excluding the effect of the change in accounting principle, the District's net position actually increased by approximately \$27.0 million from the prior year.
- The District's operating loss was \$345.9 million.
- Cash and Cash Equivalents increased \$135.5 million during the year ended August 31, 2018.
- The bond rating for the District's general obligations bonds is Aaa by Moody's Investors Service and AAA by Standard & Poor's, the highest rating possible from both respective agencies.

The financial statements for the District's component unit, the Alamo Colleges Foundation, Inc. (the Foundation), are discretely presented with the financial statements of the District since the economic resources received or held by the Foundation that the District is entitled to, or has the ability to otherwise access, are significant to the District (Notes 1 and 24). The separately issued financial statements of the Foundation can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

In fiscal year 2012, the Alamo Colleges District formed the ACCD Public Facility Corporation (the PFC) for the sole purpose of assisting the District in the financing or acquisition of public facilities. The PFC was incorporated on September 23, 2011 as a public non-profit corporation under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended.

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In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No: 14 and No: 34*, the PFC is reported as a discrete component unit in the financial statements of the District (Notes 1 and 25). The separately issued financial statements of the PFC can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

The emphasis of this MD&A is on the District itself. Reference should be made to the separately issued financial statements of the component units for additional information.

Statements of Net Position

The Statements of Net Position represent the District's financial position at the end of the fiscal year and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the District. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, and serves as a general indicator of financial stability.

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, capital assets, long-term investments and other assets not classified as current. Noncurrent liabilities include bonds and tax notes payable, net pension liability, net OPEB liability and other long-term commitments. Deferred outflows of resources represent a consumption of net position applicable to a future reporting period. The District's deferred outflows of resources include deferred charges on bond refundings, deferred outflows related to pensions and deferred outflows related to other postemployment benefits (OPEB). Deferred inflows of resources represent an acquisition of net position applicable to a future reporting period. The District's deferred inflows of resources include deferred charges on bond refundings, deferred inflows of resources related to pensions and deferred inflows related to OPEB arising from its participation in the defined benefit pension plan administered by the Teacher Retirement System of Texas (TRS) and the cost-sharing, multiple employer other postemployment benefit plan administered by the Employees Retirement System of Texas (ERS).

A Condensed Schedule of Net Position and analysis is presented on the following pages. Total assets increased 16.2% or \$154.0 million during fiscal year 2018. The increase was primarily the result of a \$135.5 million increase to cash and cash equivalents resulting from debt proceeds received but not spent as of year-end and a \$22.4 million increase to net capital assets, partially offset by a \$4.4 million total decrease to accounts and notes receivable and investments. In fiscal year 2017, total assets increased \$51.6 million or 5.7% due to a \$53.9 million increase to cash and cash equivalents resulting from debt proceeds received but not yet spent as of year-end, partially offset by a \$2.2 million decrease to net capital assets related to depreciation taken.

The liability section of the District's Statements of Net Position was significantly impacted in 2018 by the implementation of GASB 75 as explained previously. Total liabilities increased \$274.4 million or 41.1% between fiscal years 2017 and 2018 when including the effect of implementing GASB 75. Excluding the effect of implementing GASB 75, which required the recording of a \$158.4 million net OPEB liability, total liabilities increased 17.4% or approximately \$116.0 million. This increase was attributable to a \$26.1 million increase to the current portion of noncurrent liabilities (not related to OPEB), which corresponds primarily to a \$95.0 million net increase to the noncurrent portion of bonds and tax notes payable, a \$2.7 million increase to accounts payable and accrued liabilities, a \$0.4 million increase to the liability for compensated absences, all partially offset by a \$5.5 million decrease to the net pension liability, a \$1.2 million decrease to unearned income and \$1.3 million decrease to notes payable.

During fiscal year 2017, total liabilities increased by \$23.1 million or 3.6% resulting from an increase to noncurrent liabilities of \$25.3 million, partially offset by a decrease to current liabilities of approximately \$2.1 million or 2.4%. The \$25.3 million increase to noncurrent liabilities was primarily attributable to a \$23.6 million increase in the non-current portion of bonds and tax notes payable, including premiums, along with a \$2.6 million increase to the net pension liability related to the District's participation in the TRS defined benefit pension plan; partially offset by a \$1.4 million reduction in notes payable. The \$2.1 million decrease to current liabilities was primarily due to an \$11.4 million reduction in the current portion of long-term liabilities partially offset by increases to accounts payable and accrued liabilities and unearned income of \$4.3 million and \$4.9 million, respectively.

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In fiscal year 2018, deferred outflows of resources and deferred inflows of resources increased by \$2.5 million and \$39.9 million, respectively, when including the effect of implementing GASB 75. Ignoring the effect of implementing GASB 75, deferred outflows of resources decreased by approximately \$2.0 million while deferred inflows of resources increased by approximately \$4.9 million during the year.

In 2017, deferred outflows of resources increased by \$1.7 million and deferred inflows of resources increased by \$0.1 million. The increase to deferred outflows of resources resulted from a \$2.1 million increase to deferred outflows of resources related to pensions partially offset by a \$0.4 million decrease to deferred outflows related to bond refundings. The \$0.1 million increase in deferred inflows of resources in fiscal year 2017 was primarily due to a \$0.2 million increase to deferred inflows related to pensions partially offset by a \$0.1 million decrease to deferred inflows related to bond refundings.

The District's net position at August 31, 2018 was \$136.9 million compared to \$294.7 million at August 31, 2017. This decrease of \$157.8 million is primarily attributable to the restatement to beginning net position in 2018 of \$184.8 million as required by the implementation of GASB 75. Ignoring the effect of the restatement to beginning net position, the District's net position increased by \$27.0 million resulting from increases of \$21.7 million and \$9.3 million in the net investment in capital assets and expendable components of net position, respectively, partially offset by a \$4 million decrease to the unrestricted component of net position not related to the GASB 75 implementation discussed previously.

In fiscal year 2017, the District's net position increased by \$30 million or 11.3% due to a \$43.5 million increase to net investment in capital assets resulting from tax revenues used to pay scheduled and additional principal payments on debt. This increase was partially offset by a decrease in restricted, expendable funds due to the use of \$11.7 million of debt service funds and \$5.5 million of TPEG scholarships awarded out of the instructional programs category.

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Condensed Schedule of Net Position (in millions)

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Assets					
Cash and cash equivalents	\$ 223.0	\$ 87.5	\$ 33.6	\$ 135.5	\$ 53.9
Accounts and notes receivable, net	9.5	11.7	14.5	(2.2)	(2.8)
Investments	117.4	119.7	117.1	(2.2)	2.6
Other	5.0	4.5	4.4	0.5	0.1
Capital assets	1,158.2	1,104.3	1,077.2	53.9	27.1
Accumulated depreciation	(408.3)	(376.9)	(347.6)	(31.4)	(29.3)
Total assets	<u>1,104.8</u>	<u>950.8</u>	<u>899.2</u>	<u>154.0</u>	<u>51.6</u>
Deferred Outflows of Resources					
Deferred outflows related to bond refundings	7.2	7.7	8.1	(0.4)	(0.4)
Deferred outflows related to OPEB	4.5	-	-	4.5	-
Deferred outflows related to pensions	11.9	13.5	11.4	(1.6)	2.1
Total deferred outflows of resources	<u>23.6</u>	<u>21.1</u>	<u>19.4</u>	<u>2.5</u>	<u>1.7</u>
Liabilities					
Current liabilities	113.0	84.6	86.7	28.4	(2.1)
Noncurrent liabilities	829.2	583.2	557.9	246.0	25.3
Total liabilities	<u>942.2</u>	<u>667.8</u>	<u>644.7</u>	<u>274.4</u>	<u>23.1</u>
Deferred Inflows of Resources					
Deferred inflows related to bond refundings	1.8	0.7	0.8	1.0	(0.1)
Deferred inflows related to OPEB	35.0	-	-	35.0	-
Deferred inflows related to pensions	12.6	8.7	8.5	3.9	0.2
Total deferred inflows of resources	<u>49.4</u>	<u>9.4</u>	<u>9.3</u>	<u>39.9</u>	<u>0.1</u>
Net Position					
Net investment in capital assets	275.6	253.8	210.3	21.7	43.5
Restricted (expendable)	19.8	10.5	24.6	9.3	(14.1)
Unrestricted	(158.6)	30.3	29.8	(188.9)	0.5
Total net position	<u>\$ 136.9</u>	<u>\$ 294.7</u>	<u>\$ 264.7</u>	<u>\$ (157.8)</u>	<u>\$ 30.0</u>

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position present the District's results of operations for the fiscal year. Operating revenues are generated from the services provided to students and other customers of the District. Operating expenses include those costs incurred in the production of goods and services which result in operating revenues, as well as depreciation and amortization. All other activity is classified as non-operating revenues and expenses. Since a large portion of the revenue stream including ad valorem property taxes, state appropriations and all federal financial aid grants is classified as non-operating revenues, Texas public community colleges will generally reflect an operating loss with the increase or decrease in net position reflective of all activity. Total revenues and total expenses should be considered in assessing the change in the District's financial position. When total revenues exceed total expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Position and notes to the financial statements.

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A summarized comparison of the District's revenues, expenses and changes in net position for the years ended August 31, 2018, 2017 and 2016 is presented below in table and chart form.

Condensed Schedule of Revenues, Expenses and Changes in Net Position (in millions)

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Operating revenues and expenses:					
Operating revenues (detail in following sections)	\$ 86.1	\$ 93.9	\$ 90.9	\$ (7.9)	\$ 3.0
Operating expenses (detail in following sections)	432.0	412.3	392.5	19.7	19.8
Operating loss	(345.9)	(318.3)	(301.6)	(27.6)	(16.7)
Non-operating revenues (expenses):					
State appropriations	83.9	80.4	77.5	3.6	2.9
Ad valorem taxes	216.7	205.7	188.3	11.0	17.4
Federal and State grants, non-operating	91.0	82.9	84.2	8.1	(1.3)
Investment income	6.1	1.7	1.2	4.5	0.5
Interest on capital related debt & maintenance tax notes	(22.3)	(20.4)	(20.1)	(1.9)	(0.3)
Other non-operating expenses	(2.5)	(2.0)	(3.8)	(0.6)	1.8
Total non-operating revenues, net	373.0	348.3	327.2	24.7	21.1
Increase in net position	27.0	30.0	25.6	(3.0)	4.4
Net position - beginning of year	294.7	264.7	239.1	30.0	25.6
Effect of change in accounting principle (Note 2)	(184.8)	N/A ¹	N/A ¹	(184.8)	N/A ¹
Net position - beginning of year, as restated for FY18	109.9	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Net position - end of year	\$ 136.9	\$ 294.7	\$ 264.7	\$ (157.8)	\$ 30.0

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

¹The restatement to beginning net position in fiscal year 2018 is not applicable to fiscal years 2017 and 2016.

Operating Revenues (in millions)

	2018		2017		2016		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2017 to 2018	2016 to 2017
Net tuition and fees	\$ 54.9	63.8%	\$ 54.4	57.9%	\$ 57.5	63.3%	\$ 0.5	\$ (3.1)
Grants and contracts	20.1	23.3%	30.5	32.4%	24.8	27.3%	(10.4)	5.7
Auxiliary enterprises	5.3	6.1%	4.9	5.2%	5.1	5.6%	0.3	(0.2)
Other operating revenues	5.9	6.8%	4.2	4.5%	3.5	3.9%	1.7	0.7
Total operating revenues	\$ 86.1	100.0%	\$ 94.0	100.0%	\$ 90.9	100.0%	\$ (7.9)	\$ 3.1

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

As shown in the operating revenues table above, total operating revenues decreased \$7.9 million, or 8.4%, during 2018 and increased \$3.1 million or 3.3%, in fiscal year 2017. The \$7.9 million decrease in 2018 is primarily related to a \$10.4 million decrease in revenue from operating grants and contracts partially offset by increases to net tuition and fees,

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auxiliary enterprise revenue and other operating revenues of \$0.5 million, \$0.3 million and \$1.7 million, respectively. The \$10.4 million decrease to operating grants and contracts was primarily due to decreased spending of approximately \$6.1 million for the multi-year Higher Education Institutional Aid grant; a \$1.3 million decrease in grant funds for the Texas Workforce Commission Skills Development grant; and a \$4.5 million decrease in combined local and federal funds related to funds received for construction of a Veteran's Center in fiscal year 2017 that were not received in fiscal year 2018.

The \$3.1 million increase in fiscal year 2017 was a result of increases to operating grants and contracts revenue and other operating revenues of \$5.7 million and \$0.7 million, respectively, partially offset by a \$3.1 million decrease in net tuition and fees and a \$0.2 million decrease in auxiliary revenue collections. The \$5.7 million increase to operating grants and contracts is primarily due to a \$1.4 million Health Profession Opportunity Grant (HPOG) from the Department of Health and Human Services to provide education and training to low-income individuals for occupations in the health care field; and a \$1.6 million grant from the Department of Housing and Urban Development and a \$2 million grant from the City of San Antonio both to be used for the construction of a veteran's center at St. Philip's College. The \$3.1 million decrease to net tuition and fees is a result of increased waivers and scholarships.

Net non-operating revenues increased by \$24.7 million or 7.1% in 2018 and by \$21.1 million or 6.4% in 2017. The \$24.7 million increase in 2018 primarily resulted from a \$11.0 million increase in ad valorem tax collections due to the continued rise of property values in Bexar County; an \$8.1 million increase in non-operating federal and state grants largely related to increased Pell Awards granted as a result of the expansion of the Federal Pell Program that allows for year-round Pell awards; a \$3.6 million increase in state appropriations, and a \$4.5 million increase from investment income and other non-operating revenues primarily resulting from interest earnings on unspent bond proceeds from the first tranche of the \$50 million voter-approved bond program. These increases were all partially offset by decreases of \$1.9 million and \$0.6 million for interest on capital-related debt and gifts, respectively.

The net non-operating revenue growth in fiscal year 2017 was driven by increases to ad valorem tax collections, state appropriations and investment income of \$17.4 million, \$2.9 million and \$0.5 million, respectively, along with decreases to other non-operating expenses, gifts and interest on debt instruments of \$3.6 million, \$1.7 million and \$0.3 million, respectively. These increases to non-operating revenues were partially offset by a decrease in non-operating federal and state grants of \$1.3 million. The \$15.6 million increase in 2016 was due to an increase in ad valorem tax collections of \$20.5 million resulting from an increase to property tax valuations in the District's constituency of over 13%, partially offset by a decrease in non-operating federal and state grants and contract revenues of \$5.6 million.

**Components of Net Tuition and Fees
(in millions)**

	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	\$ 122.1	94.2%	\$ 117.6	93.7%	\$ 110.9	92.5%
CE and contract training	3.1	2.4%	2.5	2.0%	3.5	2.9%
Fees	4.4	3.4%	5.4	4.3%	5.5	4.6%
Total tuition and fees	\$ 129.6	100.0%	\$ 125.5	100.0%	\$ 119.8	100.0%
Waivers and financial aid as a % of total tuition and fees:						
	% of Total		% of Total		% of Total	
	Amount	Tuition & Fees	Amount	Tuition & Fees	Amount	Tuition & Fees
Waivers and financial aid	\$ 74.7	57.7%	\$ 71.2	56.7%	\$ 62.4	52.1%

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

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The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented above. For financial statement presentation, total tuition and fees are represented net of waivers and financial aid applicable to tuition and fees, referred to as discounts, as well as bad debt expenses. The table indicates the sources of tuition and fees, as well as discounts. For 2018, tuition represents 94.2% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing 3.4% and the remaining 2.4% consisting of continuing education (CE) and contract training tuition.

For 2017, tuition represented 93.7% of the total tuition and fee revenue, with fees related to continuing education and student services contributing 4.3% and the remaining 2.0% consisting of CE and contract training tuition.

In fiscal year 2018, net tuition and fees remained flat, increasing by only \$0.5 million from fiscal year 2017. Overall net tuition and fees decreased \$3.1 million or approximately 5.4% in fiscal year 2017. The decrease was due to increased support for dual-credit and other exemptions along with increased scholarship waivers awarded to students under the newly created Summer Momentum Plan. The Summer Momentum Plan rewards students who complete 18-24 semester credit hours in the prior Fall and Spring semesters with up to 6 free credit hours in the Summer semester, in the form of scholarships, in an effort to positively affect graduation and completion rates. In fiscal year 2017, while gross tuition collections increased by \$6.7 million or 6.0%, tuition discounts increased by \$8.8 million or 14.1% during the same time period.

The treatment of Federal Pell paid to students represents a tuition discount (financial aid) if the Federal Pell pays tuition and fees on the individual student's account, and represents scholarships if it pays other charges. Overall combined nonoperating federal and state student aid increased by \$8.1 million in 2018 and decreased by \$1.3 million during 2017. The fiscal year 2018 increase is attributable to a change to the Federal Pell Grant Program that established implementation of year-round Pell Grants, allowing a student to receive up to 150% of the student's Federal Pell Grant Scheduled Award beginning with the 2017-2018 award year.

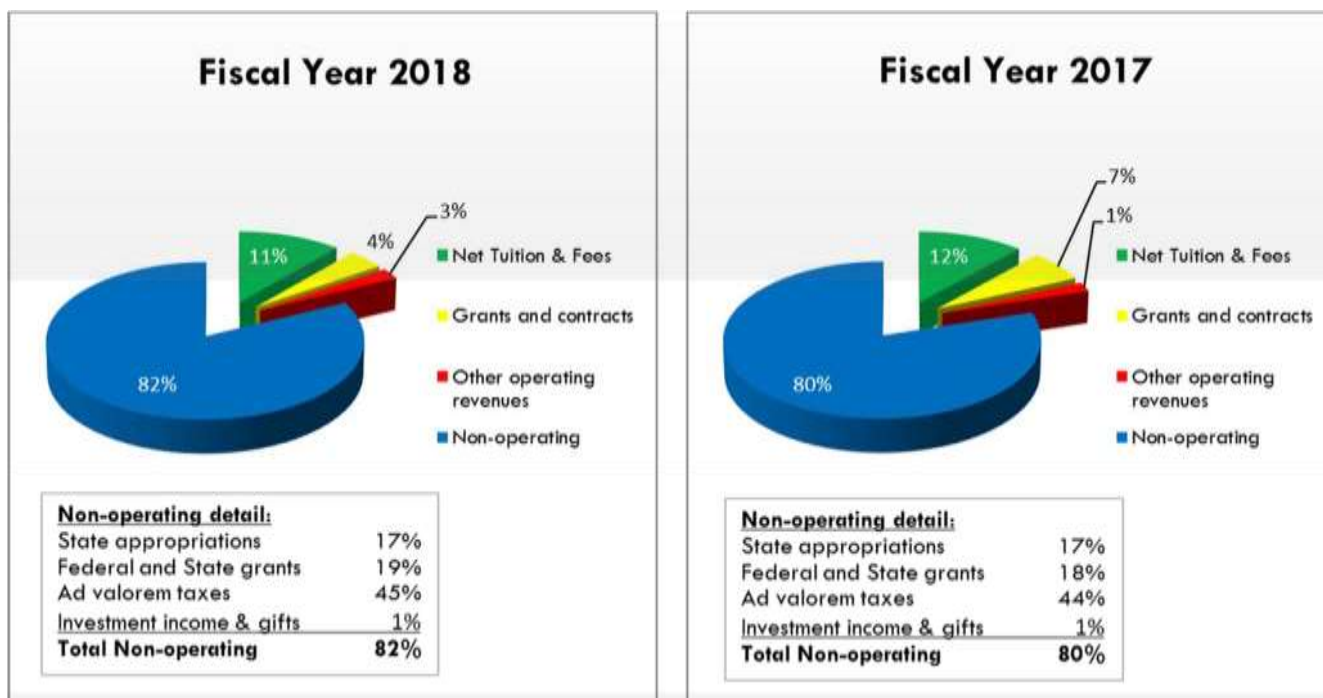
The decrease in Federal Pell awards in 2017 were related to fewer Pell-qualified students as well as improvements in the local economy which have contributed to an overall decrease in total credit hours as more potential students enter the job market. The trend of increasing tuition discount rates continued in fiscal year 2017, with waivers and financial aid as a percentage of total tuition and fees climbing to nearly 57%, up from 52.1% in 2016.

Following are charts showing the major sources of revenue for fiscal years 2018 and 2017, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 82% for fiscal year 2018 and 80% for fiscal year 2017. The primary components of non-operating revenues remain as state appropriations, federal and state grants and ad valorem taxes. The charts reflect the growth in ad valorem tax collections, attributable to increases in the property values within the District's constituency, and which account for 45% of total non-operating revenues in 2018 compared to 44% in 2016.

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**Management’s Discussion and Analysis
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Revenue Components – Operating and Non-operating



Operating expenses are presented on the following pages for three years in both natural and functional classifications. Salaries and wages increased \$5.1 million or 2.7% from fiscal year 2017 to 2018 and increased \$12.6 million or 7.3% between 2016 and 2017. The \$5.1 million increase in 2018 is attributable to an increase in the overall number of budgeted positions of 75 and an approved compensation adjustment which became effective January 1, 2018. The adjustment included average salary increases of 4.2%, 3.0% and 3.0% for faculty, staff and administrators, respectively, and was reflective across all natural and functional expense classifications. The \$12.6 million increase to salaries and wages in 2017 was directly related to compensation adjustments included in the fiscal year 2017 budget that included average salary increases of 7.1%, 4.9% and 4.8% for faculty, staff and administration, respectively.

Expenses for benefits increased by \$5.8 million or 10.4% in 2018, which corresponds with the compensation adjustment that went into effect on January 1, 2018. In addition, the implementation of GASB 75 modified accounting requirements for the recording of benefit payments made by the State of Texas on behalf of District employees for health care and life insurance benefits, which amounted to a net increase of approximately \$8.7 million, partially offset by a decrease in retirement benefits of approximately \$2.3 million. For fiscal year 2017, expenses for benefits increased by \$4.0 million or 7.7%. This increase coincided with the salary adjustments mentioned previously along with rising health insurance costs.

Scholarships and fellowships expense represents the amount disbursed to a student after a scholarship award is credited to the student’s account after payment of tuition and fees. Scholarships and fellowships remained relatively flat in 2018, with an increase of \$0.5 million or 1.0%. In 2017, scholarships and fellowships increased by \$1.1 million or 2.1%, primarily due to an increase in Texas Public Education Grant (TPEG) spending of \$4.6 million, partially offset by \$2.6 million of grants applied as tuition discounts and a \$0.8 million reduction in Pell awards and other programs.

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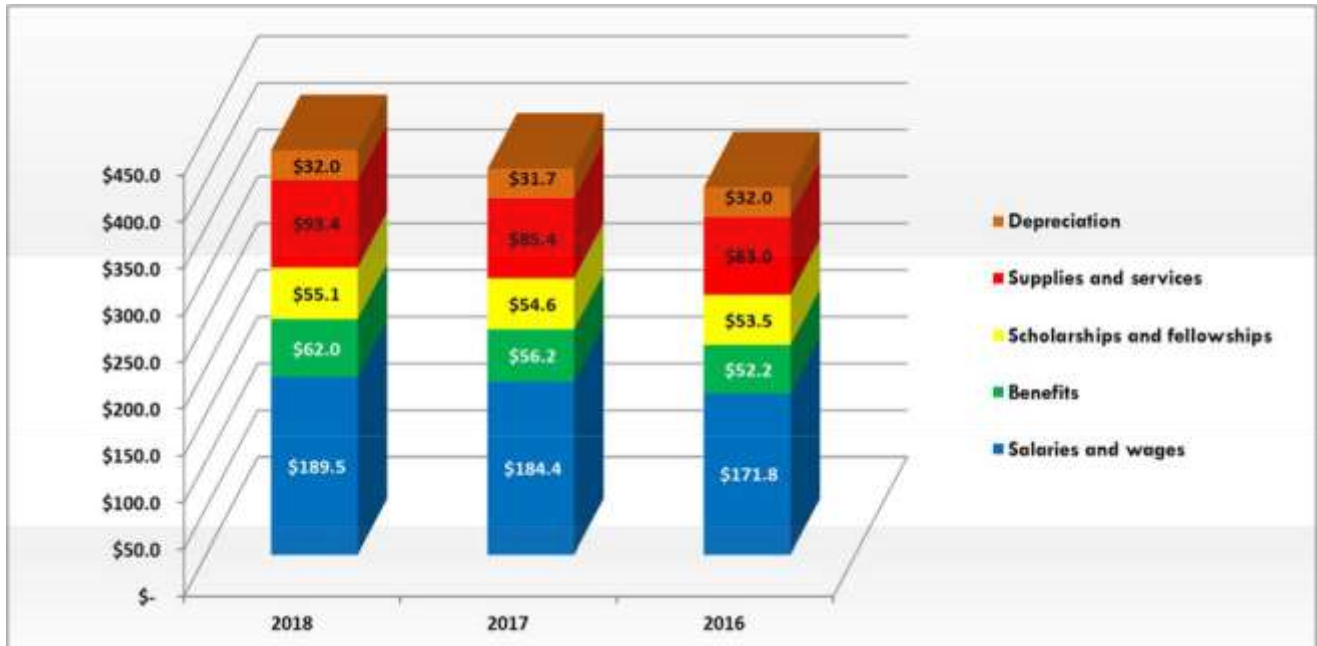
**Management’s Discussion and Analysis
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**Operating Expenses in Natural Classification
(in millions)**

	2018	Fiscal Year		Change	
		2017	2016	2017 to 2018	2016 to 2017
Salaries and wages	\$ 189.5	\$ 184.4	\$ 171.8	\$ 5.1	\$ 12.6
Benefits	62.0	56.2	52.2	5.8	4.0
Scholarships and fellowships	55.1	54.6	53.5	0.5	1.1
Supplies and services	93.4	85.4	83.0	8.0	2.4
Depreciation	32.0	31.7	32.0	0.3	(0.3)
Total operating expenses	\$ 432.0	\$ 412.3	\$ 392.5	\$ 19.7	\$ 19.8

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

**Operating Expenses in Natural Classification
(in millions)**



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Operating Expenses in Functional Classification (in millions)

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Instruction	\$ 138.4	\$ 132.8	\$ 125.5	\$ 5.7	\$ 7.3
Public service	1.4	1.3	0.9	0.1	0.4
Academic support	27.3	27.1	24.8	0.2	2.3
Student services	50.9	48.5	45.7	2.4	2.8
Institutional support	79.2	73.4	70.0	5.8	3.4
Operation and maintenance of plant	45.6	41.1	38.3	4.5	2.8
Depreciation	32.0	31.7	32.0	0.3	(0.3)
Scholarships and fellowships	55.1	54.6	53.5	0.5	1.1
Total educational and general expenses	429.9	410.5	390.7	19.5	19.8
Auxiliary enterprises	1.9	1.7	1.8	0.1	0.1
Total operating expenses	\$ 432.0	\$ 412.3	\$ 392.5	\$ 19.7	\$ 19.8

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Factors influencing operating expenses grouped by functional classification include the following:

- Instruction includes expenses for all activities that are part of the District's instructional programs, such as faculty salaries and benefits. Instruction expense increased \$5.7 million or 4.3% in 2018 and by \$7.3 million or 5.8% in 2017. Of the \$5.7 million increase for 2018, \$4.7 million is attributable to increases in salaries and benefits for instructional personnel resulting from a compensation adjustment that included an average salary increase of 4.2% for faculty along with a corresponding increase to instructional employee benefits, with the remaining increase of approximately \$1 million due to additional costs for instructional supplies and services. The 2017 increase is primarily related to compensation adjustments, which included an average salary increase for faculty of 7.1%. The corresponding increase to benefits for instructional personnel is also included in the fiscal year 2017 increase. The District has implemented the "Threeness" principle for its faculty salary plan, which aligns the faculty salary schedule to be in the top three when compared to the community colleges in our peer group.
- Public service expenses include funds expended for activities that are established primarily to provide non-instructional services that benefit individuals and groups external to the District. In fiscal year 2018, public service expenses were virtually flat, with an increase of \$0.1 million. The fiscal year 2017 increase of \$0.4 million includes average compensation and related benefit increases for public service staff and administration of 4.9% and 4.8%, respectively; increased costs of approximately \$78,000 for educational and outreach activities to promote environmental sustainability at Eco Centro at San Antonio College; approximately \$147,000 increase in costs related to the SAC Tech Store which officially opened at the beginning of 2017; and a \$65,000 increase for the Cyber Security Summer Camp held at St. Philip's College.
- Academic support includes funds expended primarily to provide support services to the District's primary missions of instruction, research and public service. In fiscal year 2018, academic support expenses increased incrementally by \$0.2 million or 0.7% primarily related to a \$0.7 million increase to salaries and benefits partially offset by a \$0.6 million decrease to academic support supplies and services. Academic support costs increased \$2.3 million or 9.3% in 2017 as a result of average compensation and related benefit increases for academic support staff and administration of 4.9% and 4.8%, respectively, in addition to increases in a multitude of grants

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Management's Discussion and Analysis (Unaudited)

received to support STEM education and for renovations and equipment. In 2016, expenses for academic support decreased by \$0.3 million due to reduced costs for continuing education administration.

- The student services category includes funds expended for activities that primarily contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. Expenses in the student services category increased \$2.4 million or 5.0% in fiscal year 2018 after a \$2.8 million increase in 2017. The 2018 increase is almost entirely attributable to increased salaries and benefits for student services employees of \$2.4 million, related to the compensation adjustment discussed previously. The \$2.8 million increase in 2017 includes average compensation and related benefit increases for student services staff and administration of 4.9% and 4.8%, respectively; \$3.7 million in additional investments to bring the advisor to student ratio to 350:1; additional investments for the AlamoInstitutes and the AlamoNavigate system in order to increase student success; all partially offset by savings in other areas.
- The institutional support category is primarily comprised of salaries and other operating expenses for central executive-level management that engage in long-range planning for the entire institution as well as other centralized support operations including accounting and fiscal affairs, procurement and safety, legal, information technology and human resources, among others. Institutional support expenses increased by \$5.8 million or 7.9% in 2018 due to an increase for salaries and benefits of approximately \$3.2 million related to compensation adjustments mentioned previously and the hiring of 7 new DPS employees and 12 new human resources employees; along with a \$2.7 million increase in institutional support supplies and services including software and furniture and equipment purchases. For fiscal year 2017, institutional support increased by \$3.4 million or 4.9%, which corresponded with average compensation and related benefits increases for institutional support staff and administration of 4.9% and 4.8%, respectively.
- The category of operation and maintenance of plant includes all expenses of current funds for the operation and maintenance of physical plant, net of amounts charged to auxiliary enterprises and other independent operations. During 2018, operation of maintenance and plant expenses increased by \$4.5 million or 11.0%. This was attributable to increased spending for contracted services, equipment rotation, furniture and equipment and other capital expenses that are below the District's capitalization policy. In fiscal year 2017, expenses for the operation of maintenance and plant increased by \$2.8 million or 7.3% primarily due to \$1.7 million in renovations at St. Philip's College supported by a Title III grant; \$1.5 million for equipment replacements and other renovations; average compensation and related benefit increases for operation and maintenance of plant staff and administration of 4.9% and 4.8%, respectively; all partially offset by savings in other operational categories.
- Scholarships and fellowships include expenses for scholarships and fellowships from restricted and unrestricted funds and grants to students. In fiscal year 2018, scholarships and fellowships were relatively flat, with an increase of \$0.5 million or 1.0%. Scholarships and fellowships increased by \$1.1 million or 2.1% in fiscal year 2017 due to a \$4.6 million increase in TPEG spending, partially offset by \$2.6 million for grants applied as tuition discounts and a \$0.8 million reduction in Pell funds received.

The District's largest operating expense is salaries, wages and benefits. The District has invested over \$28 million in its employees in order to be competitive in the market since fiscal year 2012. Other significant expense categories include technology and utility costs. The District continues to maintain its strong fiscal and budgetary principles while weathering the storm of funding challenges. Since fiscal year 2013, the District has absorbed approximately \$75.5 million in budget pressure resulting from declining state appropriations and rising tuition waivers and exemptions while simultaneously increasing student support services and compensation for its employees.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Statements of Cash Flows

The Statements of Cash Flows provide information about the resources of cash and the uses of cash in the operations and activities of the District. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital financing activities and investing activities. The Statements of Cash Flows indicated an overall increase in cash and cash equivalents during fiscal years 2018 and 2017 of approximately \$135.5 million or 154.9%, and \$53.9 million or 160.4%, respectively. The primary use of cash in operations is for payment of salaries, wages and benefits, followed by payments to suppliers for goods and services, then payments for scholarships and fellowships. Sources of cash from operations arise primarily from student tuition and fees as well as grant and contract revenues. Sources of cash from non-capital financing activities are primarily from ad valorem taxes, non-operating federal and state revenue and state appropriations.

The \$135.5 million increase in cash and cash equivalents in fiscal year 2018 is due to unspent proceeds from the \$175 million first tranche of the \$450 million CIP bonds approved by taxpayers in May of 2017. The \$53.9 million increase in fiscal year 2017 was primarily attributable to unspent proceeds from the issuance of combined revenue bonds that were used for the construction of a new District Support Operations headquarters.

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation. The District had \$749.9 million and \$727.5 million invested in capital assets net of accumulated depreciation at August 31, 2018 and 2017, respectively. Depreciation expense totaled \$32.0 million in fiscal year 2018 and \$31.7 million in fiscal year 2017 (Note 5). A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
Land	\$ 58.0	\$ 53.0	\$ 53.0	\$ 5.0	\$ -
Construction in progress and works of art	45.3	12.7	8.2	32.6	4.5
Buildings and building improvements	573.1	587.1	597.6	(14.0)	(10.5)
Other real estate improvements	62.6	66.3	61.5	(3.7)	4.8
Furniture, machinery and equipment	9.6	6.8	7.5	2.8	(0.7)
Software	0.1	0.1	0.1	-	-
Library materials	1.2	1.5	1.8	(0.2)	(0.3)
Total capital assets, net of accumulated depreciation	<u>\$ 749.9</u>	<u>\$ 727.5</u>	<u>\$ 729.6</u>	<u>\$ 22.4</u>	<u>\$ (2.1)</u>

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

ALAMO COMMUNITY COLLEGE DISTRICT

**Management's Discussion and Analysis
(Unaudited)**

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated at August 31, 2018 and 2017.

**Depreciable Capital Assets and Accumulated Depreciation Percentages
(in millions)**

	Fiscal Year 2018			Fiscal Year 2017		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	\$ 135.2	\$ 72.6	53.7%	\$ 134.7	\$ 68.4	50.8%
Buildings and bldg improvements	856.8	283.7	33.1%	846.0	258.9	30.6%
Furniture, machinery and equipment	43.6	34.0	78.0%	38.6	31.8	82.4%
Software	3.2	3.1	96.9%	3.2	3.1	96.9%
Library materials	16.1	14.9	92.5%	16.1	14.7	91.3%
Total	\$ 1,054.9	\$ 408.3	38.7%	\$ 1,038.6	\$ 376.9	36.3%

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Major capital additions and renovations completed or in progress during fiscal years 2018 and 2017 include the following:

Fiscal Year 2018	Amount (in millions)
San Antonio College Veteran's Victory Center	\$ 8.7
San Antonio College Cooling Tower	0.1
Southwest Center Redundancy Police Dispatch Center	1.7
St. Philip's College Learning and Leadership Development Boiler Addition	0.1
Fiscal Year 2017	Amount (in millions)
District Support Operations Building and Parking Structure	\$ 7.2
Northwest Vista College Additional Surface Parking	1.2
Northwest Vista College Live Oak Hall Elevator	1.2
Northwest Vista College Pecan Hall Sidewalk Safety Improvements	0.3
San Antonio College Veteran's Victory Center	5.1
San Antonio College Tobin Lofts West Parking Lot Improvements	0.4
San Antonio College Fletcher Administration Building Renovation	0.5
St. Philip's College Turbon Student Center Renovation	12.2
St. Philip's College Good Samaritan Veteran's Outreach & Transition Center Renovation	6.9

The District does not record the cost of capital assets as an expense at the time of acquisition or completion of the asset, but rather 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 will decrease each year until the asset is fully depreciated or removed from service. As a result, the amount of capital assets shown in the Statements of Net Position may decrease from one year to another, even though new assets have been acquired during the year. Capital assets subject to depreciation include improvements to land (such as parking lots and signage), buildings, library books, furniture, machinery, equipment and software. Land, construction in progress and works of art are not depreciated.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

The District has entered into several contracts for construction and various other renovation and projects financed by bond proceeds. As of August 31, 2018 and 2017, the District was committed for approximately \$20.9 million and \$49.9 million, respectively. For additional information concerning the District's capital assets and commitments, see Note 5 and Note 22, respectively, to the basic financial statements.

Debt

The Alamo Colleges District had \$579.3 million and \$491.7 million in outstanding bond and maintenance tax note debt at August 31, 2018 and 2017, respectively, before premiums and discounts. Outstanding debt increased by \$87.6 million and \$9.5 million in fiscal years 2018 and 2017, respectively. The following table summarizes these amounts by type of debt instrument. See also Notes 7 and 8 to the basic financial statements for additional information.

Bonds and Tax Notes Payable (in millions)

	Fiscal Year			Change	
	2018	2017	2016	2017 to 2018	2016 to 2017
General obligation bonds	\$ 423.6	\$ 324.7	\$ 346.2	\$ 98.9	\$ (21.5)
Revenue bonds	99.9	105.0	59.3	(5.1)	45.7
Tax notes	55.8	61.9	76.8	(6.1)	(14.9)
Total outstanding debt	\$ 579.3	\$ 491.7	\$ 482.2	\$ 87.6	\$ 9.5

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

The \$87.6 million increase in bonds and tax notes payable at the District level in 2018 resulted from the issuance of \$258.9 million of Series 2017 Limited Tax and Refunding Bonds, partially offset by refundings of \$25.8 million and \$123.2 million of Limited Tax Series 2007A and Limited Tax Series 2007 bonds, respectively; and scheduled debt service payments totaling approximately \$22.3 million.

The \$9.5 million increase in outstanding debt in fiscal year 2017 is due to the issuance of approximately \$50.6 million of revenue bonds for the construction of a new District Support Operations headquarters, partially offset by scheduled debt payments of \$33.6 million, and a \$7.4 million cash defeasance of the then-outstanding Series 2007 Maintenance Tax Notes.

The general obligation debt of the Alamo Colleges District is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of the District that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues. The pledged revenue is all revenue from tuition pursuant to applicable Texas law. The District received bond ratings for its general obligation bonds of Aaa and AAA from Moody's Investors Service and Standard & Poor's, respectively. These are the highest ratings available from these rating agencies and the Alamo Colleges District is one of only four community college systems in Texas and one of only 15 community colleges in the United States to receive the highest rating from both agencies. More detailed information about the District's noncurrent liabilities is presented in Notes 6, 7 and 8 to the basic financial statements.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Factors Having Probable Future Financial Significance

The economic condition of the Alamo Colleges District is influenced by the economic position of the State of Texas, the County of Bexar and surrounding counties and the City of San Antonio. San Antonio is the seventh largest city in the United States and the second largest city in Texas. The Bureau of Labor and Statistics reported that the August 2018 unemployment rate for San Antonio, the State of Texas and the United States was 3.3%, 3.9% and 3.9%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states, with the San Antonio economy being one of the strongest in the state.

The San Antonio metropolitan area is considered one of the most attractive locations in the nation for business growth due to affordable land, abundant power, and an education system that continues to evolve and improve. According to a July 2018 article in *Forbes* magazine, San Antonio was the nation's fastest growing city between 2016 and 2017, with an average of 66 people per day moving to the city during this time period, for a total of over 24,000 new residents. *Forbes* magazine also ranked San Antonio #39 out of 200 major metro areas in its annual list of the *Best Places For Business and Careers*, and ranked San Antonio #28 in job growth and #52 for the cost of doing business.

The level of state appropriations Texas community colleges historically received enabled the low tuition rates community colleges provided. The State has continued to decrease appropriations and employee benefit coverage and has drastically changed the revenue mix. For 2018, tuition revenue from students and tax revenue from local property owners now comprise over 75% of the primary revenue streams used for operations, as state allocations are now only sufficient to cover 24% of THECB formula funding. In the past, the State paid a significant portion of health benefits and all of the retirement contribution matches and provided an allocation adequate to cover instructional costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. The State has reduced its portion of retirement and health benefit coverage to 50% of eligible employee's retirement and health benefit costs while retirement and health care costs continue to increase. In fiscal year 2018, the District's expenses for overall benefits increased by approximately \$5.8 million or 10.4% while the State's on-behalf contributions for benefits remained flat. In the long term, without the State's full support, Texas community colleges will be forced to adjust the level of services to students and possibly significantly raise tuition and ad valorem tax rates.

In the future, the Alamo Colleges District and all Texas community colleges, will continue to face a growing challenge to fund increasing demand for state education services. The leadership of the District continues to strategically analyze and reduce targeted expenses and make the most of favorable economic conditions by aggressively identifying the demand for workforce development programs and providing them. It will continue to bring the message to the Texas Legislature that budget cuts to community colleges harm not only students, but the workforce needs of the state. The leadership of the Alamo Colleges District will also continue to preserve its primary mission of empowering its diverse communities for success. The outlook of the Alamo Colleges District for the foreseeable future remains positive as a result of its strategic leadership, fiscal management and stable local economy.

This financial report is designed to provide the District's citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance and Fiscal Services Department at 811 W. Houston Street, San Antonio, Texas 78207 or visit our Financial Transparency website at: <https://www.alamo.edu/about-us/compliance/financial-information/>.



**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1**

**Statements of Net Position
August 31, 2018 and 2017**

	2018	2017*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 18,751,060	\$ 15,146,182
Restricted cash and cash equivalents	58,241,891	29,310,279
Investments	52,732,320	20,988,832
Accounts receivable and notes receivable, net of allowance	9,468,411	11,693,915
Other assets	804,819	193,888
Total current assets	139,998,501	77,333,096
Noncurrent assets:		
Restricted cash and cash equivalents	146,054,388	43,054,314
Long-term investments - operating	64,689,550	98,671,571
Other assets	4,182,565	4,286,873
Capital assets (net)	749,894,479	727,471,362
Total noncurrent assets	964,820,982	873,484,120
TOTAL ASSETS	1,104,819,483	950,817,216
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to bond refundings	7,246,051	7,652,639
Deferred outflows related to OPEB	4,512,450	-
Deferred outflows related to pensions	11,882,141	13,474,051
TOTAL DEFERRED OUTFLOWS OF RESOURCES	23,640,642	21,126,690
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	23,551,449	20,827,488
Funds held for others	765,906	764,463
Unearned income	35,970,107	37,151,786
Current portion of noncurrent liabilities	52,760,969	25,880,141
Total current liabilities	113,048,431	84,623,878
Noncurrent liabilities	829,156,562	583,181,272
TOTAL LIABILITIES	942,204,993	667,805,150
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to bond refundings	1,796,816	746,835
Deferred inflows related to OPEB	35,013,682	-
Deferred inflows related to pensions	12,581,733	8,702,837
TOTAL DEFERRED INFLOWS OF RESOURCES	49,392,231	9,449,672
NET POSITION		
Net investment in capital assets	275,576,770	253,834,531
Restricted for:		
Expendable		
Student aid	4,065,443	2,919,087
Instructional programs	989,830	1,177,902
Capital projects	4,224,508	3,792,819
Debt service	10,560,353	2,655,252
Unrestricted	(158,554,003)	30,309,493
TOTAL NET POSITION	\$ 136,862,901	\$ 294,689,084

*Due to the effects of implementing GASB Statement No. 75, certain FY2017 balances are not comparable with FY2018 balances (see Note 2).

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1A**

**Statements of Financial Position of Alamo Colleges Foundation, Inc.
(A Component Unit of Alamo Community College District) December
31, 2017 and 2016**

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 2,134,263	\$ 2,299,775
Contributions receivable	381,730	971,070
Investments:		
Fixed income securities	4,414,646	4,236,723
Mutual funds	17,527,335	15,107,803
Marketable securities	2,550,332	2,035,951
TOTAL ASSETS	27,008,306	24,651,322
 LIABILITIES AND NET POSITION		
Accounts payable and accrued liabilities	\$ 13,491	\$ 3,322
Due to affiliates	35,335	21,960
TOTAL LIABILITIES	48,826	25,282
Net Position:		
Unrestricted	92,707	2,196
Temporarily restricted	9,471,656	8,124,006
Permanently restricted - endowments	17,395,117	16,499,838
TOTAL NET POSITION	26,959,480	24,626,040
TOTAL LIABILITIES AND NET POSITION	\$ 27,008,306	\$ 24,651,322

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 1B**

**Statements of Net Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
August 31, 2018 and 2017**

	2018	2017
ASSETS		
Current assets:		
Cash	\$ 222,034	\$ 222,396
Noncurrent assets:		
Capital assets - land	5,099,847	5,099,847
TOTAL ASSETS	5,321,881	5,322,243
LIABILITIES		
Current liabilities:		
Current portion of unearned lease revenue	24,000	24,000
Noncurrent liabilities:		
Note payable	2,000,000	2,000,000
Unearned lease revenue	1,630,000	1,654,000
Interest payable	486,667	406,667
Total noncurrent liabilities	4,116,667	4,060,667
TOTAL LIABILITIES	4,140,667	4,084,667
NET POSITION		
Net investment in capital assets	3,099,847	3,099,847
Unrestricted	(1,918,633)	(1,862,271)
TOTAL NET POSITION	\$ 1,181,214	\$ 1,237,576

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2**

**Statements of Revenues, Expenses and Changes in Net Position
For Years Ended August 31, 2018 and 2017**

	2018	2017*
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$74,743,933 and \$71,177,691, respectively)	\$ 54,867,775	\$ 54,367,170
Federal grants and contracts	17,182,362	23,875,589
State grants and contracts	444,595	1,721,567
Local grants and contracts	1,869,458	4,489,677
Non-governmental grants and contracts	555,896	368,923
Auxiliary enterprises	5,251,091	4,931,760
Other operating revenues	5,880,454	4,178,117
Total operating revenues (Schedule A)	86,051,631	93,932,803
OPERATING EXPENSES:		
Instruction	138,430,112	132,778,868
Public service	1,400,287	1,288,846
Academic support	27,326,304	27,147,509
Student services	50,931,255	48,520,262
Institutional support	79,246,681	73,426,348
Operation and maintenance of plant	45,572,477	41,066,423
Scholarships and fellowships	55,134,936	54,612,441
Auxiliary enterprises	1,930,016	1,743,229
Depreciation	32,016,071	31,675,252
Total operating expenses (Schedule B)	431,988,139	412,259,178
Operating loss	(345,936,508)	(318,326,375)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	83,918,262	80,365,979
Ad valorem taxes		
Taxes for maintenance and operations	156,508,206	148,539,505
Taxes for maintenance notes	9,550,682	18,224,562
Taxes for general obligation bonds	50,675,699	38,937,087
Federal grants, non-operating	86,811,730	78,850,402
State grants, non-operating	4,178,341	4,071,079
Gifts	250,041	858,470
Investment income	6,148,068	1,738,551
Interest on capital related debt	(18,892,924)	(17,036,112)
Interest on maintenance tax notes	(3,420,682)	(3,404,562)
Other non-operating expenses	(2,767,132)	(2,842,468)
Net non-operating revenues (Schedule C)	372,960,291	348,302,493
Increase in net position	27,023,783	29,976,118
NET POSITION:		
Net position - beginning of year	294,689,084	264,712,966
Cumulative effect of change in accounting principle (Note 2)	(184,849,966)	N/A
Net position - beginning of year, as restated	109,839,118	N/A
Net position - end of year (Schedule D)	\$ 136,862,901	\$ 294,689,084

*Due to the effects of implementing GASB Statement No. 75, certain FY2017 balances are not comparable with FY2018 balances (see Note 2).

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2A**

**Statements of Activities of Alamo Colleges Foundation, Inc.
(A Component Unit of Alamo Community College District)
For Years Ended December 31, 2017 and 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net position at January 1, 2016	\$ 103,233	\$ 6,281,597	\$ 13,846,843	\$ 20,231,673
Support and revenue:				
Contributions	35,381	4,159,548	2,523,590	6,718,519
In-kind revenue	509,667	-	-	509,667
Interest and dividend income	-	326,357	-	326,357
Gain on investments	-	807,898	-	807,898
Net position released from restrictions	3,354,739	(3,354,739)	-	-
Total revenue	<u>3,899,787</u>	<u>1,939,064</u>	<u>2,523,590</u>	<u>8,362,441</u>
Expenses:				
Program support and scholarships	3,473,598	-	-	3,473,598
General and administrative	335,519	-	-	335,519
Fundraising	158,957	-	-	158,957
Total expenses	<u>3,968,074</u>	<u>-</u>	<u>-</u>	<u>3,968,074</u>
Increase (decrease) in net position	(68,287)	1,939,064	2,523,590	4,394,367
Designated transfers	(32,750)	(96,655)	129,405	-
Net position at December 31, 2016	2,196	8,124,006	16,499,838	24,626,040
Support and revenue:				
Contributions	94,497	1,608,630	662,614	2,365,741
In-kind revenue	490,090	-	-	490,090
Interest and dividend income	-	370,630	-	370,630
Gain on investments	-	2,510,880	-	2,510,880
Net position released from restrictions	2,867,734	(2,867,734)	-	-
Total revenue	<u>3,452,321</u>	<u>1,622,406</u>	<u>662,614</u>	<u>5,737,341</u>
Expenses:				
Program support and scholarships	2,973,371	-	-	2,973,371
General and administrative	305,203	-	-	305,203
Fundraising	125,327	-	-	125,327
Total expenses	<u>3,403,901</u>	<u>-</u>	<u>-</u>	<u>3,403,901</u>
Increase in net position	48,420	1,622,406	662,614	2,333,440
Designated transfers	42,091	(274,756)	232,665	-
Net position at December 31, 2017	<u>\$ 92,707</u>	<u>\$ 9,471,656</u>	<u>\$ 17,395,117</u>	<u>\$ 26,959,480</u>

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 2B**

**Statements of Revenues, Expenses and Changes in Net Position of ACCD Public Facility Corporation
(A Component Unit of Alamo Community College District)
For Years Ended August 31, 2018 and 2017**

	2018	2017
OPERATING REVENUES/(EXPENSES):		
Lease revenue	\$ 24,000	\$ 24,000
Bank charges (net of interest income)	(362)	(512)
Total net operating revenues	23,638	23,488
Operating income	23,638	23,488
NON-OPERATING (EXPENSES):		
Interest on capital related debt	(80,000)	(80,000)
Decrease in net position	(56,362)	(56,512)
NET POSITION:		
Net position - beginning of year	1,237,576	1,294,088
Net position - end of year	\$ 1,181,214	\$ 1,237,576

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
For Years Ended August 31, 2018 and 2017**

	2018	2017*
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 59,778,114	\$ 63,827,868
Receipts from grants and contracts	21,051,883	32,384,787
Other receipts	5,893,506	3,278,873
Payments to or on behalf of employees	(231,628,231)	(223,341,611)
Payments to suppliers for goods and services	(87,960,199)	(83,669,787)
Payments for scholarships and fellowships	(55,134,936)	(54,612,441)
Net cash used by operating activities	(287,999,863)	(262,132,311)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	64,623,534	65,049,573
Receipts from ad valorem taxes	156,931,927	148,520,427
Receipts from non-operating federal and state revenue	90,747,487	85,000,473
Receipts from gifts and grants (other than capital)	114,404	129,544
Receipts to student organizations and other agency transactions	1,443	103,792
Payments for Federal loans issued to students	(23,059,488)	(24,310,303)
Receipts from Federal loans for students	23,067,853	24,301,118
Net cash provided by noncapital financing activities	312,427,160	298,794,624
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	298,588,957	55,655,318
Bond issuance costs	(1,894,212)	(591,892)
Receipts from ad valorem taxes for debt service	60,389,131	57,186,129
Receipts from capital grant contracts, grants and gifts	59,953	466,350
Payments for acquisition and construction of capital assets	(54,437,593)	(30,557,010)
Payments on capital debt - principal	(172,629,166)	(42,366,023)
Payments on capital debt - interest	(27,372,099)	(21,727,200)
Net cash provided by capital and related financing activities	102,704,971	18,065,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	255,741,000	236,005,108
Interest on investments	6,165,763	1,691,741
Purchase of investments	(253,502,467)	(238,543,011)
Net cash provided (used) by investing activities	8,404,296	(846,162)
INCREASE IN CASH AND CASH EQUIVALENTS	135,536,564	53,881,823
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	87,510,775	33,628,952
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 223,047,339	\$ 87,510,775

*Due to the effects of implementing GASB Statement No. 75, certain FY2017 balances are not comparable with FY2018 balances (see Note 2).

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
For Years Ended August 31, 2018 and 2017
(continued)**

RECONCILIATION OF OPERATING LOSS TO NET CASH	<u>2018</u>	<u>2017*</u>
USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (345,936,508)	\$ (318,326,375)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	32,016,071	31,675,252
Donated capital assets	50,650	237,542
Allowance for doubtful accounts	1,696,540	1,032,690
Non-cash state appropriations - on-behalf payments	19,294,728	15,316,406
Pension expense	(8,741)	667,555
OPEB expense	4,009,126	-
Changes in assets and liabilities:		
Receivables (net)	159,017	(280,536)
Other assets	(506,623)	(87,642)
Accounts payable	1,959,789	2,140,405
Unearned income	(1,234,831)	4,789,775
Net pension liability	(5,479,547)	2,563,221
Net OPEB liability	(30,846,109)	-
Compensable absences	429,958	606,649
Workers' compensation accrual	-	129,516
Utility escrow	70,961	(33,548)
Deferred outflows related to pensions	1,600,651	(2,767,444)
Deferred inflows related to pensions	3,878,896	204,223
Deferred outflows related to OPEB	(4,167,573)	-
Deferred inflows related to OPEB	35,013,682	-
Net cash used by operating activities	<u>\$ (287,999,863)</u>	<u>\$ (262,132,311)</u>
 SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
State on-behalf payments	<u>\$ 19,294,728</u>	<u>\$ 15,316,406</u>
Increase (decrease) in fair value of investments	<u>\$ 17,488</u>	<u>\$ (239,782)</u>
Gifts of depreciable and non-depreciable assets	<u>\$ 50,650</u>	<u>\$ 262,576</u>
Amortization of premium on bonds	<u>\$ 6,358,792</u>	<u>\$ 2,518,710</u>
Amortization of deferred charges on bond refundings	<u>\$ 1,456,569</u>	<u>\$ 369,189</u>

*Due to the effects of implementing GASB Statement No. 75, certain FY2017 balances are not comparable with FY2018 balances (see Note 2).

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

1. REPORTING ENTITY

The Alamo Community College District (Alamo Colleges District or District) was established in 1945 in accordance with the laws of the State of Texas. It serves the educational needs of Bexar County and surrounding communities through its colleges and educational centers. The District operates five colleges including San Antonio College, St. Philip's College, Palo Alto College, Northwest Vista College and Northeast Lakeview College.

The District is considered to be a special-purpose, primary government. While the District 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 government entity.

Alamo Colleges Foundation, Inc. – Discrete Component Unit

The Alamo Colleges Foundation, Inc. (the Foundation) is a separate non-profit organization, and its sole purpose is to provide benefits such as scholarships and grants to the students, faculty and staff of the District. The Foundation is a legally separate entity which utilizes District financial resources for its operation. The District does not appoint any of the Foundation's board members. Under Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an organization should report as a discretely presented component unit those organizations that raise and hold economic resources for the direct benefit of a governmental unit when such resources are significant to the governmental unit. Accordingly, the Foundation's financial statements are included in the District's annual report as a discrete component unit (see table of contents). Stand-alone financial statements of the Foundation can be obtained from the Finance and Fiscal Services department of the Alamo Community College District.

ACCD Public Facility Corporation (PFC) – Discrete Component Unit

The PFC was incorporated on September 23, 2011 as a public non-profit corporation formed under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended. It is also a public corporation within the meaning of the United States (U.S.) Treasury Department rulings of the Internal Revenue Service per sections 103 and 141 of the IRS Code of 1986, as amended.

The PFC is governed by a three-member Board of Directors that also serve on the Board of Trustees of the District. The PFC was formed exclusively for the purpose of assisting the District in financing, refinancing, or providing public facilities. The PFC may finance the acquisition of District obligations, provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities, issue bonds as permitted by the Act and perform other such activities on behalf of the District as provided in its Certificate of Formation. The PFC does not have authority to levy taxes.

In accordance with requirements of GASB Statement No. 61, *The Financial Reporting Entity Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the PFC is a component unit of the Alamo Colleges District because the District appoints the voting majority of the PFC's board and can also remove appointed members of the PFC's board at will. While the District appoints the entire governing body of the PFC, this board is not considered substantively the same as the Board of Trustees of the District because it consists of less than a majority of the District's Board. Accordingly, the PFC's financial statements are included in the District's financial statements as a discrete component unit (see table of contents). Stand-alone financial statements of the PFC can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* for fiscal year 2018. For financial reporting purposes, the District is considered a special-purpose, primary government engaged in business-type activities.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The financial statements of the District have been prepared on the accrual basis, 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.

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The District's Board of Trustees adopts the annual budget, which is prepared on the accrual basis of accounting for operating funds and available resources for construction and renewal funds. Copies of the approved budget and subsequent amendments must be filed with the THECB, Legislative Budget Board, Legislative Reference Library, and the Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The District's cash and cash equivalents consist of operating cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Public funds investment pools (TexPool) are considered to be cash and cash equivalents.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents that can be used to pay current liabilities (in keeping with restrictions) are classified as current assets.

Cash and cash equivalents that are externally restricted as to their use are classified as noncurrent assets in the Statements of Net Position. This category includes unexpended cash balances restricted by donors or other outside agencies for specific purposes, gifts whose donors have placed limitations on their use, grants from private or governmental sources, bond proceeds and other sponsored funds.

Accounts and Notes Receivable

Accounts receivable are recorded at the invoiced amounts. Notes receivable represent short-term student loans. The allowance for doubtful accounts is management's best estimate of the amount of probable credit losses and is determined based on historical collectability. Account balances are written off against the allowance when it is probable the receivable will not be recovered.

Other Current Assets

Included in this category are prepaid expenses and inventories.

Investments

Investments are reported at fair value. Short-term investments have an original maturity greater than three months but less than one year at the time of purchase. Long-term investments include investments with original maturities greater than one year at the time of purchase. The District intends to hold these investments until maturity. The District classifies its investments within a fair value hierarchy based on the relative inputs used to value the investments, in accordance with the provisions of GASB Statement 72, *Fair Value Measurement and Application*. For more detailed information, see Note 4.

Capital Assets

Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition. Donated capital assets are stated at acquisition value in accordance with GASB 72, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Improvements which significantly add value or extend the useful life of a structure are capitalized. The costs of normal maintenance and repairs are charged to operating expenses in the year the expense is incurred. The straight-line method is used for depreciating assets over their useful lives. Depreciation begins in the following year after capitalization except for equipment, which is prorated in the first year the asset is placed in service.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following tables lists the capitalization thresholds and useful lives for each asset category:

Class of Asset	Capitalization Threshold	Useful Life (Years)	Salvage Value
Land	\$ 5,000	Not depreciated	-
Land improvements (except tennis courts)	100,000	20	-
Tennis courts	10,000	7	-
Buildings	100,000	40	10%
Building improvements	100,000	20	-
Portable buildings	10,000	10	10%
Furniture, machinery and equipment	5,000	5-10	-
Infrastructure	100,000	20	10%
Software	5,000	5	-
Library materials	All	15	-
Works of art/historical treasures	5,000	Not depreciated	-
		Shorter of lease	
Leasehold improvements	10,000	or useful life	-
Technology systems	50,000	5	-

Deferred Outflows of Resources

The Statements of Net Position include a separate section for deferred outflows of resources, which represent a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expensed) until then. The District records deferred outflows of resources for deferred charges on the refunding of debt calculated as the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District records deferred outflows of resources for its proportionate share of collective deferred outflows of the Teacher Retirement System of Texas (TRS) pension plan and for its proportionate share of collective deferred outflows of the Employees Retirement System (ERS) other postemployment benefit (OPEB) plan. In addition, deferred outflows of resources are recorded for contributions made to the TRS and ERS plans subsequent to the measurement date of the respective net pension or net OPEB liabilities. For additional information, see Note 10 and Note 18.

Pensions

The fiduciary net position of the defined benefit pension plan administered by the Teacher Retirement System of Texas (TRS) has been determined 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.

Compensable Absences

It is the District's policy to accrue employee annual leave as earned. Sick leave is not accrued, as a terminated employee is not paid for accumulated sick leave. See Note 6 and Note 12 for additional information.

Self-Insurance

The District is self-insured for a portion of workers' compensation losses. A liability has been recorded for the estimated amount of eventual loss which will be incurred on claims arising prior to the end of the fiscal year, including incurred but not reported claims. See Note 16 for additional information.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Inflows of Resources

The Statements of Net Position include a separate section for deferred inflows of resources, which represent an acquisition of net position that applies to future periods and thus, will not be recognized as an inflow of resources (revenue) until then. The District records deferred inflows of resources for deferred charges on refunding of debt calculated as the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District records deferred inflows of resources for its proportionate share of collective deferred inflows of the Teacher Retirement System of Texas (TRS) pension plan and for its proportionate share of collective deferred inflows of the Employees Retirement System (ERS) other postemployment benefit (OPEB) plan. For additional information, see Note 10 and Note 18.

Net Position

Net Investment in Capital Assets

This category represents the District's total investment in capital assets net of related outstanding debt used to acquire or construct those assets and accumulated depreciation and amortization related to those capital assets. Deferred inflows and deferred outflows of resources attributable to those assets or related debt are also included in this component.

Restricted Net Position, Expendable

Legal or contractual obligations require this portion to be spent in accordance with external restrictions.

Unrestricted Net Position

These 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 District.

Operating and Non-operating Revenues

The District distinguishes operating and non-operating revenues. The District reports as a Business-Type Activity (BTA) and as a single proprietary fund. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are student tuition and fees net of scholarship discounts and allowances; federal, state, local and private operating grants and contracts; auxiliary enterprises and other revenues of a similar nature. The major non-operating revenues are state appropriations, property tax collections, federal financial aid through Title IV Higher Education Act grants, and investment income and gifts.

Revenue Recognition and Unearned Income

Tuition and fee revenues are recorded when earned. Unrestricted fall tuition, fees and other revenues received related to the period after each fiscal year are recorded as unearned. Restricted revenues for the fall are recognized in the year when the expenses have occurred and all obligations have been fulfilled for the recording of those expenses. Unrestricted unearned charges have been netted against unearned income. Restricted charges where all obligations have been fulfilled are treated as expenses in the period incurred.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. These amounts, called the Texas Public Education Grant (TPEG), are shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. When the award is used for purposes other than tuition and fees, 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 District to pass through to students. These funds are received by the District and recorded as revenue. When a student uses the award for tuition and fees, the amount is recorded as a tuition discount. When the award is used for purposes other than tuition and fees, the amount is recorded as a scholarship expense.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Tuition Discounts

The District awards tuition and fee scholarships from institutional funds to students who qualify. When these funds are used for tuition and fees, the awards are recorded as a tuition discount. When these awards are used for purposes other than tuition and fees, the amounts are recorded as a scholarship expense.

Operating and Non-operating Expenses

Operating expenses include the cost of providing instruction, student services and support, administrative expenses, and depreciation and amortization on capital assets. Expenses related to non-operating federal revenues are reported as operating expenses, either as tuition discounts (if applied to tuition) or as scholarship expenses. The auxiliary operations for campus bookstores and food service are not performed by the District. The major non-operating expenses are interest on capital-related debt and capital expenses associated with bond proceeds which fall below the District's capitalization thresholds.

Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense against restricted resources and then against unrestricted resources.

Estimates

The preparation of the financial statements in conformity with U. S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Pronouncements

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This Statement is effective for fiscal years beginning after June 15, 2017 and as such, was implemented by the District in fiscal year 2018. Implementation of GASB 75 resulted in a restatement to beginning net position for the cumulative effect of a change in accounting principle as well as the recording of a net OPEB liability and deferred outflows and inflows of resources related to OPEB (see Note 2 and Note 18).

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance when a government is a beneficiary of the agreement. The Statement requires a government that receives resources pursuant to an irrevocable split-interest agreement to recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires governments to recognize revenue when resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. The District evaluated GASB 81 and determined it was not applicable for the fiscal year ended August 31, 2018.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending of component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 and as such, the applicable provisions of this Statement were implemented by the District in fiscal year 2018.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Because the District does not purchase insurance on debt and did not have an in-substance defeasance, this Statement was determined to be not applicable and had no effect on the financial statements for the year ended August 31, 2018.

Pending Pronouncements

The following GASB pronouncements have been issued but not yet implemented by the District:

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of tangible capital assets. The objective of this Statement is to enhance the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

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 payment provisions of the contract. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model and requires notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for periods beginning after June 15, 2018.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged and the requirements of this Statement should be applied prospectively.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 legally separate organizations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 83, 84, 87, 88, 89 and 90 on its future financial statements.

Restatement to Beginning Net Position

Effective for fiscal year 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, a restatement to beginning net position was required for the recording of the beginning net OPEB liability and for the recording of a deferred outflow of resources for contributions made to the ERS OPEB plan subsequent to the measurement date of the beginning net OPEB liability.

Because audited beginning balances could not be obtained for all deferred outflows of resources and deferred inflows of resources related to OPEB, the District determined it was impractical to restate fiscal year 2017 financial statements. As such, the District recorded a restatement to beginning net position in the fiscal year 2018 financial statements as a cumulative effect of a change in accounting principle.

Beginning net position as of September 1, 2017 has been restated as follows for the implementation of GASB Statement No. 75:

Beginning net position	\$ 294,689,084
Net OPEB liability (measurement date as of August 31, 2016)	(189,203,969)
Deferred outflow for District contributions made during FY2017	4,354,003
Beginning net position, as restated	<u>\$ 109,839,118</u>

3. AUTHORIZED INVESTMENTS

The Board of Trustees of the District has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act (Sec. 2256, Texas Government Code, the "Act") as amended. This policy is reviewed and approved by the Board of Trustees annually. Investment of funds is required to be in compliance with the Act. Authorized investments include (1) obligations of the U.S. government or its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposit, (5) commercial paper rated at least A-1 or P-1, and (6) other instruments and obligations authorized by statute.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of the District's deposits at August 31, 2018 and 2017 was \$5,817,156 and \$3,415,138, respectively. Total bank balances at August 31, 2018 and 2017 equaled \$5,716,144 and \$3,549,318, respectively. The FDIC insures all bank deposits up to \$250,000. Deposits in excess of \$250,000 are collateralized at a level between 105% and 115% in U.S. Treasuries and Government Securities and high-grade municipal bonds.

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2018 and 2017:

	2018	
Bank deposits: Demand deposits	\$ 2,653,833	-
Money market	3,163,323	-
Total bank deposits	5,817,156	-
Local Government Investment Pool (TexPool) deposits	217,192,663	-
Petty cash on hand	37,520	-
Total cash and cash equivalents	<u>\$ 223,047,339</u>	<u> </u>

The Texas Local Government Investment Pool (TexPool) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. 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 both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

TexPool is managed according to requirements of the Public Funds Investment Act and TexPool's Investment Policy. Investments are stated at amortized cost, which in most cases approximates the fair value of securities. TexPool seeks to maintain a stable \$1.00 price per unit; however, this is not guaranteed or insured by the State of Texas. Governmental Accounting Standards Board (GASB) Statement No. 79, *Certain External Investment Pools and Pool Participants*, delinks money market local government investment pools to SEC Rule 2a-7 and enables such pools to continue to utilize amortized cost for valuation and financial reporting so that the \$1.00 per unit value they pursue will not need to change to a fluctuating price.

The fair value of investments as of August 31, 2018 and 2017 is disclosed in the following section. Pricing is supplied by FirstSouthwest Asset Management, LLC (FSAM). FSAM's source for pricing government securities (Treasuries and agencies) is Securities Data Services (SVC), a subsidiary of SS&C Technologies, Inc. and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing.

SVC provides some, but not all, of the commercial paper (CP) pricing, while FSAM estimates other CP prices based on comparable market offers of similar issuers with comparable credit ratings and maturity dates. Interest bearing muni-CP is generally carried/valued at par (100). These sources are deemed reliable.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2018 and 2017:

Type of Security	Fair Value at August 31,	
	2018	2017
U.S. government securities:		
FHLB coupon notes	\$ 4,996,250	\$ 9,970,495
FNMA coupon notes	-	10,004,880
FHLMC coupon notes	14,867,550	29,953,535
FFCB coupon notes	9,956,700	20,025,195
U.S. Treasuries	62,671,600	19,934,315
Municipal bonds	-	8,783,151
Commercial paper	24,929,770	20,988,832
Total	\$ 117,421,870	\$ 119,660,403

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statements of Net Position on August 31, 2018 and 2017 is as follows:

	Fair Value at August 31,	
	2018	2017
Total cash and cash equivalents	\$ 223,047,339	\$ 87,510,775
Total investments	117,421,870	119,660,403
Total	\$ 340,469,209	\$ 207,171,178
Per Exhibit 1:		
Cash and cash equivalents	\$ 18,751,060	\$ 15,146,182
Restricted cash and cash equivalents - current	58,241,891	29,310,279
Investments - current	52,732,320	20,988,832
Restricted cash and cash equivalents - noncurrent	146,054,388	43,054,314
Long-term investments - operating	64,689,550	98,671,571
Total	\$ 340,469,209	\$ 207,171,178

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Fair Value Measurements

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB 72), establishes a framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described hereafter:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2 Inputs are inputs, other than quoted prices included within Level 1, which are observable for an asset or liability, either directly or indirectly. Level 2 valuation methodologies include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to District management's perceived risk of that investment.

The District had the following recurring fair value measurements for investment assets at August 31, 2018:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 29,820,500	\$ -	\$ 29,820,500
U.S. Treasuries	-	62,671,600	-	62,671,600
Commercial paper	-	24,929,770	-	24,929,770
Total	\$ -	\$ 117,421,870	\$ -	\$ 117,421,870

The District had the following recurring fair value measurements for investment assets at August 31, 2017:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 69,954,105	\$ -	\$ 69,954,105
U.S. Treasuries	-	19,934,315	-	19,934,315
Municipal bonds	-	8,783,151	-	8,783,151
Commercial paper	-	20,988,832	-	20,988,832
Total	\$ -	\$ 119,660,403	\$ -	\$ 119,660,403

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

U.S Government Agency securities classified in Level 2 of the fair value hierarchy are valued using a multi-dimensional relational model that consider inputs such as benchmark yields, reported trades and broker/dealer quotes. U.S. Treasuries are classified within Level 2 and are valued using electronic fixed income platform and broker feeds. Municipal bonds are valued using a multi-dimensional relational model (or series of matrices) that utilizes inputs including Municipal Securities Rulemaking Board (MSRB) reported trades and material event notices and as such are included in Level 2 of the fair value hierarchy. Commercial paper is categorized in Level 2 and is valued using a matrix pricing technique utilizing benchmark yields and ratings updates.

Interest Rate Risk – Interest rate risk is the risk of changes in the market rate of interest that could adversely affect the value of an investment. In addition to statutory limitations on the types of investments, the District’s investment policy mitigates interest rate risk through the use of maturity limits set to meet the needs of various fund types. The District actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts and liquidity needs of the participating funds. The District further limits interest rate risk by laddering maturities when possible.

The District has selected the weighted average maturity (WAM) as the primary method for reporting interest rate risk. The WAM method expresses investment time horizons, the time when investments become due and payable, in terms of years, weighted to reflect the dollar size of individual investments within an investment type. The overall portfolio weighted average maturity is derived by dollar-weighting the WAM for all investments. The WAM is calculated using days to maturity from the original purchase date.

The District had the following cash equivalents and investments at August 31, 2018 and 2017:

Type	2018			2017		
	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	\$ 4,996,250	1.5%	1.000	\$ 9,970,495	4.9%	1.413
FNMA	-	0.0%	0.000	10,004,880	4.9%	2.622
FHLMC	14,867,550	4.4%	1.282	29,953,535	14.7% ^	1.527
FFCB	9,956,700	3.0%	1.850	20,025,195	9.8% ^	2.474
U.S. Treasuries	62,671,600	18.7% ^	1.154	19,934,315	9.8% ^	1.812
Municipal bonds	-	0.0%	0.000	8,783,151	4.3%	2.000
Commercial paper	24,929,770	7.5% ^	0.300	20,988,832	10.3% ^	0.426
TexPool	217,192,663	64.9% ^	0.003	84,058,117	41.3% ^	0.003
Total	\$ 334,614,533	100.0%		\$ 203,718,520	100.0%	

Portfolio weighted average maturity at August 31 0.367 0.974

* WAM = Weighted Average Maturity, using time from purchase to scheduled maturity

^ = Investment type balance greater than 5% of total investments for respective year

Credit Risk – In accordance with state law and the District’s investment policy, investments in the investment pools are limited to AAA or AAAM by at least one nationally recognized rating agency. At August 31, 2018, TexPool was rated AAAM. All other credit standards are governed by the District’s investment policy, which is in compliance with or exceeds state statutes for credit standards. These state standards include: commercial paper rated no less than A-1 or P-1 by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank; obligations of states, agencies, counties, cities and other political subdivisions rated no less than A or its equivalent by a nationally recognized investment rating firm.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Below is a list of the individual investments held and their respective credit ratings at August 31, 2018 and 2017:

Issuer	Credit rating at 8/31/2018	Credit rating at 8/31/2017
FFCB	AA+ /Aaa /AAA	AA+ /Aaa /AAA
FHLB	AA+ /Aaa	AA+ /Aaa
FHLMC	AA+ /Aaa /AAA	AA+ /Aaa /AAA
FNMA	AA+ /Aaa /AAA	AA+ /Aaa /AAA
J.P. Morgan Securities	A-1/P-1/F1+	A-1/P-1/F1+
Univ of TX	A-1+ /P-1 /F1+	A-1+ /P-1 /F1+
Kaiser Foundation Hospital	A-1+ /F1+	*
Los Angeles, CA Muni Imprv	A-1+ /P-1 /F1+	*
City of Philadelphia, PA	A-1+ /P-1 /F1+	*
Univ of Houston	*	AA/Aa2
Baylor Unv	*	A-1+ /F1+
TX A&M Univ	*	A-1+ /P-1 /F1+
TexPool	AAAm	AAAm

*Investment not held as of August 31 of the respective year.

Safekeeping- The District's internally managed investments are held in safekeeping at its custodian bank, Bank of America, N.A., as required by Board policy and state statute.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. CAPITAL ASSETS

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

	Balance 9/1/2017	Increases	Decreases	Balance 8/31/2018
<u>Not Depreciated:</u>				
Land	\$ 52,992,729	\$ 4,967,696	\$ -	\$ 57,960,425
Works of art	379,221	6,239	-	385,460
Construction in progress	12,331,737	37,740,087	5,107,381	44,964,443
Subtotal	<u>65,703,687</u>	<u>42,714,022</u>	<u>5,107,381</u>	<u>103,310,328</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	846,024,538	10,732,016	-	856,756,554
Other real estate improvements	134,669,587	529,766	-	135,199,353
Total buildings and other real estate improvements	<u>980,694,125</u>	<u>11,261,782</u>	<u>-</u>	<u>991,955,907</u>
Software	3,202,579	-	-	3,202,579
Furniture, machinery and equipment	38,616,776	5,464,096	455,542	43,625,330
Library materials	16,131,369	115,530	137,754	16,109,145
Total buildings and other capital assets	<u>1,038,644,849</u>	<u>16,841,408</u>	<u>593,296</u>	<u>1,054,892,961</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	258,936,967	24,757,634	-	283,694,601
Other real estate improvements	68,381,643	4,229,117	-	72,610,760
Total buildings and other real estate improvements	<u>327,318,610</u>	<u>28,986,751</u>	<u>-</u>	<u>356,305,361</u>
Software	3,099,286	29,980	-	3,129,266
Furniture, machinery and equipment	31,805,185	2,646,390	446,681	34,004,894
Library materials	14,654,093	352,950	137,754	14,869,289
Total accumulated depreciation	<u>376,877,174</u>	<u>32,016,071</u>	<u>584,435</u>	<u>408,308,810</u>
Net capital assets	<u>\$ 727,471,362</u>	<u>\$ 27,539,359</u>	<u>\$ 5,116,242</u>	<u>\$ 749,894,479</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. CAPITAL ASSETS (continued)

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

	Balance 9/1/2016	Increases	Decreases	Balance 8/31/2017
<u>Not Depreciated:</u>				
Land	\$ 52,992,729	\$ -	\$ -	\$ 52,992,729
Works of art	226,221	153,000	-	379,221
Construction in progress	7,967,243	12,201,337	7,836,843	12,331,737
Subtotal	<u>61,186,193</u>	<u>12,354,337</u>	<u>7,836,843</u>	<u>65,703,687</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	833,138,183	14,098,525	1,212,170	846,024,538
Other real estate improvements	125,602,556	9,067,031	-	134,669,587
Total buildings and other real estate improvements	<u>958,740,739</u>	<u>23,165,556</u>	<u>1,212,170</u>	<u>980,694,125</u>
Software	3,104,829	97,750	-	3,202,579
Furniture, machinery and equipment	38,155,648	1,888,258	1,427,130	38,616,776
Library materials	16,053,586	115,003	37,220	16,131,369
Total buildings and other capital assets	<u>1,016,054,802</u>	<u>25,266,567</u>	<u>2,676,520</u>	<u>1,038,644,849</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	235,535,248	24,405,507	1,003,788	258,936,967
Other real estate improvements	64,137,211	4,244,432	-	68,381,643
Total buildings and other real estate improvements	<u>299,672,459</u>	<u>28,649,939</u>	<u>1,003,788</u>	<u>327,318,610</u>
Software	3,049,204	50,082	-	3,099,286
Furniture, machinery and equipment	30,623,485	2,583,513	1,401,813	31,805,185
Library materials	14,299,595	391,718	37,220	14,654,093
Total accumulated depreciation	<u>347,644,743</u>	<u>31,675,252</u>	<u>2,442,821</u>	<u>376,877,174</u>
Net capital assets	<u>\$ 729,596,252</u>	<u>\$ 5,945,652</u>	<u>\$ 8,070,542</u>	<u>\$ 727,471,362</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

6. NONCURRENT LIABILITIES

As of August 31, 2018, noncurrent liabilities are \$829,156,562 with activity for the fiscal year as follows:

	Balance 9/1/17	Additions	Reductions	Balance 8/31/18	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 324,745,000	\$ 258,940,000	\$ 160,050,000	\$ 423,635,000	\$ 35,680,000
Revenue bonds	105,045,000	-	5,145,000	99,900,000	5,685,000
Maintenance tax notes	61,940,000	-	6,130,000	55,810,000	6,435,000
Premium on bonds payable	34,529,624	39,648,957	6,358,792	67,819,789	2,182,342
Subtotal	<u>526,259,624</u>	<u>298,588,957</u>	<u>177,683,792</u>	<u>647,164,789</u>	<u>49,982,342</u>
Notes payable	15,157,492	-	1,304,166	13,853,326	1,446,229
Compensable absences	6,482,197	978,285	548,327	6,912,155	475,722
Unearned income	1,009,888	-	53,152	956,736	53,152
Net pension liability	60,152,212	124,433	5,603,980	54,672,665	-
Net OPEB liability*	-	205,611,509	47,253,649	158,357,860	803,524
Total	<u>\$ 609,061,413</u>	<u>\$ 505,303,184</u>	<u>\$ 232,447,066</u>	<u>\$ 881,917,531</u>	<u>\$ 52,760,969</u>

*FY 2018 additions to Net OPEB liability include the \$189,203,969 restatement to beginning net position as required by the implementation of GASB Statement No. 75. See Note 2.

As of August 31, 2017, noncurrent liabilities are \$583,181,272 with activity for the fiscal year as follows:

	Balance 9/1/16	Additions	Reductions	Balance 8/31/17	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 346,165,000	\$ -	\$ 21,420,000	\$ 324,745,000	\$ 10,395,000
Revenue bonds	59,255,000	50,570,000	4,780,000	105,045,000	5,145,000
Maintenance tax notes	76,760,000	-	14,820,000	61,940,000	6,130,000
Premium on bonds payable	31,963,016	5,085,318	2,518,710	34,529,624	2,360,744
Subtotal	<u>514,143,016</u>	<u>55,655,318</u>	<u>43,538,710</u>	<u>526,259,624</u>	<u>24,030,744</u>
Notes payable	16,503,515	-	1,346,023	15,157,492	1,338,693
Compensable absences	5,875,548	1,049,345	442,696	6,482,197	457,552
Unearned income	1,063,040	-	53,152	1,009,888	53,152
Net pension liability	57,588,991	7,630,870	5,067,649	60,152,212	-
Total	<u>\$ 595,174,110</u>	<u>\$ 64,335,533</u>	<u>\$ 50,448,230</u>	<u>\$ 609,061,413</u>	<u>\$ 25,880,141</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

7. DEBT AND LEASE OBLIGATIONS

Debt service requirements at August 31, 2018 were as follows (table amounts in 000s):

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds*		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 35,680	\$ 19,148	\$ 5,685	\$ 4,120	\$ 6,435	\$ 2,651	\$ 47,800	\$ 25,918
2020	14,010	17,383	5,880	4,236	6,755	2,330	26,645	23,949
2021	14,450	16,939	6,100	4,314	7,090	1,994	27,640	23,246
2022	14,905	16,481	6,395	4,012	7,465	1,616	28,765	22,109
2023	15,370	16,008	6,715	3,692	6,200	1,255	28,285	20,955
2024-2028	89,210	67,727	19,950	14,613	12,630	3,951	121,790	86,290
2029-2039	89,775	44,430	12,800	11,300	9,235	708	111,810	56,439
2034-2038	117,655	20,951	12,685	8,197	-	-	130,340	29,148
2039-2043	32,580	3,707	11,855	5,027	-	-	44,435	8,734
2044-2048	-	-	11,835	1,376	-	-	11,835	1,376
TOTAL	\$ 423,635	\$ 222,774	\$ 99,900	\$ 60,887	\$ 55,810	\$ 14,505	\$ 579,345	\$ 298,166

*The interest rate as of August 31, 2018 (3.0%) was used to compute future interest costs for the variable rate revenue bonds included in the table above.

Debt service requirements at August 31, 2017 were as follows (table amounts in 000s):

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds*		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 10,395	\$ 14,764	\$ 5,145	\$ 4,717	\$ 6,130	\$ 2,954	\$ 21,670	\$ 22,435
2019	10,895	14,263	5,685	4,120	6,435	2,651	23,015	21,033
2020	11,425	13,737	5,880	4,236	6,755	2,330	24,060	20,303
2021	11,970	13,186	6,100	4,314	7,090	1,994	25,160	19,493
2022	12,545	12,608	6,395	4,012	7,465	1,616	26,405	18,237
2023-2027	72,180	53,605	24,080	15,694	16,045	4,674	112,305	73,972
2028-2032	90,690	35,087	13,015	11,887	12,020	1,240	115,725	48,214
2033-2037	104,645	13,033	13,005	8,848	-	-	117,650	21,882
2038-2042	-	-	11,300	5,660	-	-	11,300	5,660
2043-2047	-	-	14,440	2,117	-	-	14,440	2,117
TOTAL	\$ 324,745	\$ 170,284	\$ 105,045	\$ 65,604	\$ 61,940	\$ 17,458	\$ 491,730	\$ 253,347

*The interest rate as of August 31, 2017 (3.0%) was used to compute future interest costs for the variable rate revenue bonds included in the table above.

Operating Leases

Rental payments of approximately \$988,200 and \$1,716,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2018 and 2017, respectively. The terms of the rental agreements are less than or equal to one year.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

8. BONDS AND TAX NOTES PAYABLE

Bonds and tax notes payable for the years ended August 31, 2018 and 2017 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	Balance August 31, 2018	Balance August 31, 2017
General Obligation Bonds (Repayment source - Ad valorem taxes)					
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	\$ 271,085,000	4.5%	\$ 37,410,000	\$ 160,570,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.75%	5,600,000	31,425,000
2012	Refund certain of the District's outstanding Limited Tax Bonds Series 2007 and 2007A. Issued July 12, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000
2016	Refund the District's outstanding Limited Tax Bonds Series 2006 and 2006A. Issued June 22, 2016.	72,065,000	3.5% - 5.0%	56,630,000	58,640,000
2017	Refund the District's outstanding Limited Tax Bonds Series 2007 and 2007A and construct, renovate, acquire and equip new and existing facilities. Issued October 25, 2017.	258,940,000	3.0% - 5.0%	249,885,000	-
Subtotal - General Obligation Bonds				\$ 423,635,000	\$ 324,745,000
Maintenance Tax Notes (Repayment source - Ad valorem taxes)					
2011	Renovate and repair existing District facilities. Issued August 5, 2011.	\$ 54,795,000	4.0% - 5.0%	\$ 31,725,000	\$ 33,440,000
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Issued February 27, 2014.	40,665,000	5.0% - 5.5%	24,085,000	28,500,000
Subtotal - Maintenance Tax Notes				\$ 55,810,000	\$ 61,940,000
Revenue Financing System (Repayment source - Pledged revenue*)					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Issued March 22, 2012.	\$ 55,800,000	3.0% - 5.25%	\$ 49,605,000	\$ 54,145,000
2012B	(Taxable issue). Refund remainder of the District's outstanding Combined Fee Revenue bonds. Issued March 22, 2012.	22,295,000	N/A	-	330,000
2017	Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Issued February 15, 2017.	34,880,000	2.0% - 5.0%	34,605,000	34,880,000
2017	(Variable Rate) Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Issued February 15, 2017.	15,690,000	Variable Rate-Coupon 3% to 7% (step up rate)	15,690,000	15,690,000
Subtotal - Revenue Financing System Bonds				\$ 99,900,000	\$ 105,045,000
Total Bonds				\$ 579,345,000	\$ 491,730,000

*Pledged revenue is all revenue to the extent it may be pledged as security for debt obligations pursuant to applicable Texas law.

Bonds payable are due in annual installments varying from \$266,000 to \$45,062,600 with interest rates from 3.0% to 7.0%, with the final installment due in fiscal year 2047.

In October 2017, the District issued \$258,940,000 Series 2017 Limited Tax and Refunding Bonds. Proceeds from this issue refunded \$25,825,000 of the Limited Tax Series 2007A bonds and \$97,615,000 of the Limited Tax Series 2007 bonds. The bonds were issued with a total premium of \$39,648,957. Total costs of issuance, including the underwriter's discount was \$1,894,212. The refunding portion of the issue produced \$17,993,087 in net present value savings. Additionally, the proceeds from the bonds generated \$173,000,000 of new money to design, construct, renovate, improve, acquire and equip new and existing facilities in the District. The bonds were issued at coupons from 3.0% to 5.0% to mature in 2042. The bonds are callable at par on August 15, 2027.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

8. BONDS AND TAX NOTES PAYABLE (continued)

In February 2018, the District cash defeased \$25,545,000 of a portion of the 2033 maturity of the District’s \$271,085,000 Limited Tax Bonds, Series 2007. The purpose of the defeasance was to reduce the outstanding debt service payments and obtain economic benefits. The net present value savings were \$17,280,737.

At August 31, 2018, the District had outstanding debt of \$15,690,000 related to its Variable Rate Revenue Financing System Bonds issued in fiscal year 2017. These bonds were issued in fiscal year 2017 with a coupon of 3.0% and an initial interest rate of 3.0% through October 31, 2019. The bonds are subject to a mandatory tender on November 1, 2019. On that date, they will be redeemed or remarketed and will bear interest at the rate determined at that time. Bonds that are not redeemed or not able to be remarketed at that time will bear interest at the rate of 7.0% until they are remarketed or redeemed.

The Tax Reform Act of 1986 enacted Section 148(f) of the Internal Revenue Code relating to arbitrage rebate requirements. This section generally provides that in order for interest on any issue of obligations to be excluded from gross income (i.e., tax-exempt) the issuer must rebate to the United States Department of Treasury (Treasury) the sum of (1) the excess of the amount earned on all "non-purpose investments" acquired with "gross proceeds" of the issue over the amount which would have been earned if such investments had been invested at a yield equal to the yield on the issue, and (2) the earnings on such excess earnings.

The Treasury’s regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. A rebate computation and payment to the Treasury, if applicable, is required to be made at least every five years or at each “Rebate Installment Computation Date” and upon final redemption or maturity of the bonds. The District had no liability related to arbitrage rebate at August 31, 2018 and 2017.

9. DEFEASED BONDS OUTSTANDING

As of August 31, 2018 and 2017, the District had the following defeased bonds outstanding:

Bond Issue	Year Refunded	Par Value Outstanding	
		2018	2017
Combined Fee Revenue 2007	2012	\$ -	\$ 18,565,000
Combined Fee Revenue 2007A	2012	-	3,725,000
		\$ -	\$ 22,290,000

10. EMPLOYEES’ RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for almost all of its employees. The District requires all full-time employees to participate in either the Teacher Retirement System of Texas (TRS) or in the Optional Retirement Plan (ORP). Faculty, administrators, counselors and librarians may enroll in either the TRS or the ORP. Secretarial, clerical and professional employees are limited to participation in the TRS. Employees who are eligible to participate in the ORP have ninety days from the date of their employment to select the optional retirement program. Employees who previously had the opportunity to participate in the ORP but declined must remain with the TRS for the duration of their employment in the Texas education system.

Teacher Retirement System of Texas – Defined Benefit Plan

Plan Description: The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the TRS. 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, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

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

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 a 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity. For members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost of living adjustments (COLA). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description paragraph above.

Contributions: Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas Legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a State contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code Section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

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

	<u>Contribution Rates</u>	
	2017	2018
Member	7.7%	7.7%
District/Non-employer contributing entity (State)	6.8%	6.8%
District contributions (audited)	\$ 5,603,980	
State of Texas on-behalf contributions (unaudited)	\$ 3,208,487	

The District's estimated contributions to the TRS pension plan in 2018 were \$5,092,000 as reported in the Schedule of District Contributions for Pensions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2018 were \$3,430,000.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers.

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

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

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

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

Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long-term expected investment rate of return	8.00%
Last year ending August 31 in the 2017 to 2116 projection period (100 years)	2116
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Ad hoc post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ended August 31, 2014, and adopted on September 24, 2015, by the TRS Board of Trustees, who have sole authority to determine the actuarial assumptions used for the plan. There were no changes to the actuarial assumptions or other inputs that affected the measurement of the total pension liability since the prior measurement period.

Discount Rate: The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

The long-term rate of return on pension plan investments is 8.0%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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 the System's target asset allocation as of August 31, 2017 are summarized below:

Asset Class	Target Allocation*	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns**
Global equity			
U.S.	18.0%	4.6%	1.0%
Non-U.S. developed	13.0%	5.1%	0.8%
Emerging markets	9.0%	5.9%	0.7%
Directional hedge funds	4.0%	3.2%	0.1%
Private equity	13.0%	7.0%	1.1%
Stable value			
U.S. Treasuries	11.0%	0.7%	0.1%
Absolute return	0.0%	1.8%	0.0%
Stable value hedge funds	4.0%	3.0%	0.1%
Cash	1.0%	-0.2%	0.0%
Real return			
Global inflation linked bonds	3.0%	0.9%	0.0%
Real assets	16.0%	5.1%	1.1%
Energy and natural resources	3.0%	6.6%	0.2%
Commodities	0.0%	1.2%	0.0%
Risk parity			
Risk parity	5.0%	6.7%	0.3%
Inflation expectation			2.2%
Alpha			1.0%
Total	<u>100.0%</u>		<u>8.7%</u>

*Target allocations are based on the FY2014 policy model. Infrastructure was moved from Real Assets to Energy and Natural Resources in FY2017, but the reallocation does not affect the long-term expected geometric real rate of return or expected contribution to long-term portfolio returns.

**The Expected Contribution to Long-Term Portfolio Returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

Source: Teacher Retirement System of Texas 2017 Comprehensive Annual Financial Report

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. 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 or 1% greater than the discount rate that was used (8%) in measuring the 2017 net pension liability.

	<u>1% Decrease in Discount Rate (7.0%)</u>	<u>Discount Rate (8.0%)</u>	<u>1% Increase in Discount Rate (9.0%)</u>
District's proportionate share of the net pension liability	\$ 92,167,311	\$ 54,672,665	\$ 23,452,287

In July 2018, the TRS Board of Trustees voted to change the discount rate that will be used in the next actuarial valuation. For further information, see Note 23 to these financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At August 31, 2018, the District reported a liability of \$54,672,665 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District 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 District were as follows:

District's proportionate share of the collective net pension liability	\$ 54,672,665
State's proportionate share that is associated with District	<u>31,367,944</u>
Total	<u>\$ 86,040,609</u>

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

At the measurement date of August 31, 2017 the District's proportion of the collective net pension liability was 0.1709877316%, which was an increase of 0.0118065230% from its proportion measured as of August 31, 2016.

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

For the year ended August 31, 2018, the District recognized pension expense of \$2,392,622 and revenue of \$2,392,622 for support provided by the State.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 799,886	\$ 2,948,425
Changes in actuarial assumptions	2,490,427	1,425,711
Net difference between projected and actual investment earnings	-	3,984,425
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	3,499,976	4,223,172
Contributions paid to TRS subsequent to the measurement date	<u>5,091,852</u>	<u>-</u>
Total	\$ 11,882,141	\$ 12,581,733

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

At August 31, 2017, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 943,175	\$ 1,796,110
Changes in actuarial assumptions	1,833,331	1,667,339
Net difference between projected and actual investment earnings	5,093,565	-
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	-	5,239,388
Contributions paid to TRS subsequent to the measurement date	5,603,980	-
Total	\$ 13,474,051	\$ 8,702,837

The \$5,091,852 amount reported at August 31, 2018 as deferred outflows of resources related to pensions resulting from District contributions to the pension plan made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2019.

The net amounts of the District's balances of deferred outflows and deferred inflows of resources related to pensions, other than deferred outflows of resources for contributions made subsequent to the measurement date of the net pension liability, will be recognized in pension expense as follows:

Year ending August 31,	Pension Expense Amount
2019	\$ (2,193,828)
2020	1,296,070
2021	(2,461,925)
2022	(3,220,352)
2023	383,357
Thereafter	405,233

Optional Retirement Plan (ORP) – Defined Contribution Plan

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

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. Since individual annuity contracts are purchased, the State has no additional or unfunded liability for this program. Senate Bill 1812, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (continued)

Total payroll for the District and for employees under each retirement plan, retirement expense for the State and the District, and contribution rates mandated by the State for the years ended August 31, 2018, 2017 and 2016 are as follows:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Payroll - all District employees	\$ 189,497,099	\$ 184,438,723	\$ 171,757,438
Payroll - TRS participants	135,309,910	128,722,459	116,013,872
Payroll - ORP participants	31,762,599	33,612,027	32,747,377
Total required annual contributions:			
State on-behalf contributions	\$ 3,430,000	\$ 4,620,000	\$ 5,560,000
District contributions	6,220,000	7,510,000	6,380,000
District/State contribution percentages - TRS	6.80%	6.80%	6.80%
Participant contribution percentages - TRS	7.70%	7.70%	7.20%
District/State contribution percentages - ORP	6.80%	6.80%	6.80%
Participant contribution percentages - ORP	6.65%	6.65%	6.65%

In certain instances, the District is required to make all or a portion of the State's contribution.

11. DEFERRED COMPENSATION PROGRAM

District employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the Texas Government Code 609.001.

A total of approximately \$2,108,000 was contributed by 353 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program including designated Roth accounts and 132 participants contributed a total of approximately \$428,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2018.

A total of approximately \$2,173,000 was contributed by 355 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program and 123 participants contributed a total of approximately \$382,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2017.

The District does not contribute to the Section 403(b) or Section 457 plan. The deferred compensation plans are not included in the basic financial statements because the program assets are assets of the plan participants and not of the District.

12. COMPENSABLE ABSENCES

The District's full-time employees earn 8 hours of sick leave per month. Administrators earn 14 hours of annual leave per month and other full-time employees earn from 6.66 to 12 hours of annual leave per month depending on their length of employment with the District. Sick leave balances may accumulate with no maximum and are forfeited at the time of separation. Employees who successfully complete the ninety-day initial employment period and terminate their employment are entitled to payment for accumulated annual leave up to the maximum allowed. The District's policy is that an employee may carry accrued annual leave forward from one fiscal year to another with a maximum of 288 hours for employees with 16 years or more of service and 336 hours for administrators.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

12. COMPENSABLE ABSENCES (continued)

The District recognizes the accrued liability for annual leave as a liability in the Statements of Net Position (see also Note 6). The current portion of the annual leave liability is that which is projected to be paid during the next fiscal year and is based on a five-year average. The total accrued at August 31, 2018 and 2017 for annual leave was approximately \$6,900,000 and \$6,500,000, respectively.

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2018 and 2017 were as follows:

	2018	2017
Tuition and fees receivable	\$ 12,664,699	\$ 11,939,582
Taxes receivable	7,755,522	7,039,669
Contracts and grants receivable	3,942,800	4,708,153
Interest receivable	345,150	362,845
Other receivables	2,024,169	3,280,701
Subtotal	26,732,340	27,330,950
Less allowance for doubtful accounts:		
Tuition and fees receivable	10,071,505	9,738,767
Taxes receivable	6,954,029	5,651,705
Other receivables	238,395	246,563
Net accounts receivable and notes receivable	\$ 9,468,411	\$ 11,693,915

Other receivables include amounts due from external entities, employees and students, including returned checks receivable, travel advances and other miscellaneous receivables.

Accounts payable and accrued liabilities at August 31, 2018 and 2017 were as follows:

	2018	2017
Accounts payable to vendors	\$ 9,094,323	\$ 8,719,188
Accrued liabilities:		
Salaries and benefits	8,069,470	8,029,273
Construction retainage	3,163,323	769,385
Bond interest	2,331,260	2,487,530
Workers' compensation claims	587,694	587,694
Other	305,379	234,418
Total accounts payable and accrued liabilities	\$ 23,551,449	\$ 20,827,488

14. FUNDS HELD FOR OTHERS

The District holds unapplied Federal Direct Loan Program funds, funds for certain students as well as student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of \$765,906 and \$764,463 as of August 31, 2018 and 2017, respectively.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

15. CONTRACT AND GRANT AWARDS

Contract and grant revenue for which funds have been expended is included in the Statements of Revenues, Expenses and Changes in Net Position. Contract and grant awards for which funds have been expended but not yet collected are included in Accounts Receivable in Exhibit 1, Statements of Net Position. Contract and grant awards for which funds have been received but not yet expended are included in unearned income in the Statements of Net Position. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years ended August 31, 2018 and 2017 for which no expenses have been incurred, totaled approximately \$34,800,000 and \$34,200,000, respectively.

16. SELF-INSURED AND RISK MANAGEMENT PLANS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District fully insures its buildings, structures, contents and equipment with the purchase of commercial insurance.

The District's Workers' Compensation Self-Insurance Fund (the Fund) is administered by a third party. Through the Fund, the District self-insures workers' compensation claims up to \$400,000 per occurrence. Individual losses of over \$400,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, approximately \$3,149,000 of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately \$588,000 and \$588,000 at August 31, 2018 and 2017, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying Statements of Net Position. These liabilities are generally based on an actuarial valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 4.25% and 4.25% for August 31, 2018 and 2017 respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2018	\$ 587,694	\$ 435,065	\$ (435,065)	\$ 587,694
2017	458,178	540,995	(411,479)	587,694

17. HEALTH CARE AND LIFE INSURANCE BENEFITS

The State of Texas pays certain health care and life insurance benefits for active employees. These benefits are provided through an insurance company whose premiums are based on benefits paid during the previous year.

The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per eligible full-time employee or retiree was between approximately \$622 and \$1,217 per month for the year ended August 31, 2018 and between approximately \$617 and \$1,208 per month for the year ended August 31, 2017.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

17. HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

The table below depicts the cost of providing health care benefits to the District's retired and active employees, and the amount appropriated to the District from the State of Texas. Payments of these benefits by the State were recognized as restricted state appropriations with an equal amount recognized as restricted benefit expenses. These payments do not flow through the District's cash accounts.

Cost of Providing Health Care Insurance	2018	2017
Number of Retirees	1,161	1,105
Cost of Health Benefits for Retirees	\$ 8,416,998	\$ 8,163,761
Number of Active Full-time Employees	2,602	2,590
Cost of Health Benefits for Active Full-time Employees	\$ 19,391,446	\$ 20,691,719
State Appropriation for Health Insurance	\$ 7,409,043	\$ 11,746,858
District's Expense for Health Insurance	\$ 20,399,401	\$ 17,108,622

18. OTHER POSTEMPLOYMENT BENEFIT PLAN

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

OPEB Plan Fiduciary Net Position: Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2017-CAFR.pdf>; 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 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 may be amended is 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.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

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

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
For the Measurement Year Ended August 31, 2017

	<u>2017</u>
Retiree only	\$ 617.30
Retiree & spouse	970.98
Retiree & children	854.10
Retiree & family	1,207.78

Contributions of premiums to the GBP plan for the current fiscal year by source is summarized in the following table.

Premium Contributions by Source
Group Benefits Program Plan
For the Year Ended August 31, 2018

FY2018 Member (Employee) Contributions	\$ 5,493,101
FY2018 District Contributions	4,465,565
FY2017 State of Texas (NECE) Contributions	3,808,187

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

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

Valuation date	August 31, 2017
Actuarial cost method	Entry age
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Not applicable
Discount rate	3.51%
Projected annual salary increase (includes inflation)	2.50% to 9.50%
Annual healthcare trend rate	8.50% for FY19, decreasing 0.5% per year to 4.5% for FY2027 and beyond
Inflation assumption rate	2.50%
Ad hoc postemployment benefit changes	None
Mortality assumptions:	
Service retirees, survivors and other inactive members	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014
Disability retirees	Tables based on TRS experience with full generational projection using Scale BB from Base Year 2014 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members
Active members	Sex Distinct RP-2014 Employee Mortality multiplied by 90% with full generational projection using Scale BB

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period September 1, 2010 to August 31, 2014 for higher education members.

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: Because the GBP does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.84%.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

The discount rate used to measure the total OPEB liability as of the end of the measurement year was 3.51%, which amounted to an increase of 0.67%. 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. Because 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 District'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 (3.51%) in measuring the net OPEB liability.

Rate	1% Decrease	Single Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 189,033,007	\$ 158,357,860	\$ 134,597,218

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 District'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 (3.51%) in measuring the net OPEB liability.

	1% decrease in Healthcare Cost Trend Rates (7.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (8.5% decreasing to 4.5%)	1% increase in Healthcare Cost Trend Rates (9.5% decreasing to 5.5%)
District's proportionate share of the net OPEB liability	\$ 133,126,688	\$ 158,357,860	\$ 191,096,743

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At August 31, 2018, the District reported a liability of \$158,357,860 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the District 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 District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 158,357,860
State's proportionate share that is associated with District	138,445,196
Total	\$ 296,803,056

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

At the measurement date of August 31, 2017, the District's proportion of the collective net OPEB liability was 0.46476038%. At the plan level, the ERS determined that changes in proportionate shares of the net OPEB liability for employers were immaterial, and therefore proportion percentages for the prior measurement year ended August 31, 2016, were not calculated or provided.

For the year ended August 31, 2018, the District recognized OPEB expense of \$7,409,043 and revenue of \$7,409,043 for support provided by the State.

Changes Since the Prior Actuarial Valuation: Changes to the actuarial assumptions or other inputs that affected the measurement of the total OPEB liability since the prior measurement period were 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;
- Effects in short-term expectations and revised assumed rate of general inflation.

Changes of Benefit Terms Since Prior Measurement Date: The following benefit revisions have been adopted since the prior valuation:

- An increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- An elimination of the copayment for virtual visits;
- A copay reduction for Airrosti and for out-of-state participants;
- For out of State participants, elimination of the deductible for in-network services and application of a copayment rather than coinsurance to certain services like primary care and specialist visits.

These minor benefit changes have been reflected in the fiscal year 2018 Assumed Per Capita Health Benefit Costs.

At August 31, 2018, the District 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	\$ -	\$ 1,902,953
Changes in actuarial assumptions	-	33,110,729
Net difference between projected and actual investment earnings	46,885	-
Contributions paid to ERS subsequent to the measurement date	4,465,565	-
Total	\$ 4,512,450	\$ 35,013,682

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

18. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB, other than deferred outflows of resources related to contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year ending August 31,	OPEB Expense Amount
2019	\$ (7,874,243)
2020	(7,874,243)
2021	(7,874,243)
2022	(7,874,242)
2023	(3,469,826)
Thereafter	-

The District is dependent upon information provided by the ERS Plan for recognizing the OPEB liability, deferred inflows of resources, deferred outflows of resources, and pension expense information. The ERS Plan information provided to the District used retiree data for the restatement in fiscal year 2018. Contributions made subsequent to the measurement date by the District for retirees have been recorded as a deferred outflow as of August 31, 2018 and contributions made subsequent to the measurement date by the District for active employees have been recorded as an expense for the year ended August 31, 2018. Future changes, if any, to the current methodology or actuarial assumptions being utilized, could result in significant changes in accounting and financial reporting in future periods.

19. AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business property located in Bexar County. General information follows for the years ended August 31, 2018 and 2017.

	2018 ⁽¹⁾	2017 ⁽²⁾
Assessed valuation of the District	\$ 166,772,148,068	\$ 155,537,549,405
Less : Exemptions	(14,761,694,685)	(13,268,330,107)
Tax increment financings	(177,113,903)	(155,959,959)
Net assessed valuation of the District	<u>\$ 151,833,339,480</u>	<u>\$ 142,113,259,339</u>

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2017 Supplement 187)

(2) Based on most recent Supplement to the Certified Total (ARB Approved 2016 Supplement 173)

The authorized and assessed property tax rates for the years ended August 31, 2018 and 2017 are as follows:

	2018			2017		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax rate per \$100 valuation (authorized)	\$ -	\$ -	\$ 0.25000000	\$ -	\$ -	\$ 0.25000000
Tax rate per \$100 valuation (assessed)	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

19. AD VALOREM TAX (continued)

Taxes levied for the years ended August 31, 2018 and 2017 were approximately \$220,999,631 and \$206,482,168, respectively. State law automatically places a tax lien on all taxable property on January 1 of each year to secure payment. Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed, and are subject to penalties and interest.

The tax collection detail at August 31, 2018 and 2017 is as follows:

	2018			2017		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 155,822,207	\$ 59,850,420	\$ 215,672,627	\$ 146,583,735	\$ 56,308,592	\$ 202,892,327
Tax increment financings payment	(260,340)	-	(260,340)	(233,799)	-	(233,799)
Delinquent taxes collected	(15,460)	1,802	(13,658)	884,080	371,504	1,255,584
Penalties and interest	1,385,520	536,909	1,922,429	1,286,411	506,033	1,792,444
Total	\$ 156,931,927	\$ 60,389,131	\$ 217,321,058	\$ 148,520,427	\$ 57,186,129	\$ 205,706,556

Tax collections for the years ended August 31, 2018 and 2017 were 97.56% and 98.16%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

20. INCOME TAXES

The District 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 District had no unrelated business income tax liability for the years ended August 31, 2018 or 2017.

21. OTHER OPERATING REVENUES

Other operating revenues include rental income, paper recycling revenue, revenue from various fundraising activities and other revenues not applicable to any other revenue category.

22. COMMITMENTS AND CONTINGENCIES

As of August 31, 2018, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District 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 District.

The District has entered into several contracts for construction and various other renovation projects. As of August 31, 2018 and 2017, the District was committed for approximately \$20,858,000 and \$49,888,000, respectively.

23. SUBSEQUENT EVENTS

In July 2018, the Texas Retirement System Board of Trustees voted to lower the investment return assumption for its defined benefit pension plan that the District participates in. The investment return assumption will decrease by 0.75% from 8.00% to 7.25%, effective for the actuarial valuation that will determine amounts to be reported in the District's fiscal year 2019 financial statements. As a result, the District expects its proportionate share of the collective net pension liability to increase in fiscal year 2019. See Note 10 to these financial statements for further discussion of the discount rate and the sensitivity of the District's net pension liability to a 1% increase or decrease in the discount rate.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

24. ALAMO COLLEGES FOUNDATION, INC. – DISCRETE COMPONENT UNIT

The following footnotes are from the audited financial statements of the Alamo Colleges Foundation, Inc. (Foundation) for the years ended December 31, 2017 and 2016:

A – ORGANIZATION

The Foundation was organized in the State of Texas in 1985 to function as a nonprofit foundation. The purposes for which the Foundation was organized are (1) to maintain, develop, increase and extend the facilities and services of the Alamo Colleges District (District); (2) to provide broad educational opportunities to Alamo Colleges District's students, staff, faculty and the residents of the geographical area that the Alamo Colleges District serves; (3) to solicit and receive by gift, grant, devise, or otherwise, property, both real and personal, and to manage and administer the same; and (4) to make contributions, grants, gifts and transfers of property to or for the benefit of the Alamo Colleges District, or to the benefit of other organizations identified and associated with the Alamo Colleges District and which are tax-exempt organizations.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an Amendment of GASB Statement No. 14*, the Foundation is considered to be a component unit of the Alamo Colleges District because of the nature and significance of its relationship with the Alamo Colleges District. The economic resources received or held by the Foundation are almost entirely for the direct benefit of the Alamo Colleges District; the Alamo Colleges District is entitled to, or can otherwise access, a majority of these resources; and the resources received or held by the Foundation are significant to the Alamo Colleges District.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared on the accrual basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) under FASB ASC 958-205, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC Topic 958-205, the Foundation's net position, support and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Accordingly, net position of the Foundation is classified and reported as follows:

- *Unrestricted Net Position* – This is net position that is not subject to donor-imposed restrictions and may be used for any operating purpose of the Foundation.
- *Temporarily Restricted Net Position* – This is net position that is subject to donor-imposed stipulations that require the passage of time and/or the occurrence of a specific event, for them to be used.
- *Permanently Restricted Net Position* – This is net position that is required to be maintained in perpetuity, with only the income used for operating activities, due to donor-imposed restrictions.

In addition, the Foundation is required by FASB ASC Topic 958-205 to present a statement of cash flows in its separately issued financial statements.

Cash and cash equivalents

The Foundation considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. The Foundation maintains cash and cash equivalents at financial institutions, which at times may not be federally insured or may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risks on such accounts.

Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities as changes in temporarily restricted net position, unless restricted by donor or law. Donated marketable securities are recorded as contributions at their estimated fair value at the date of the donation.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The investments of the Foundation are managed under agreement with Morgan Stanley Smith Barney LLC in a manner consistent with the investment goals and policies established by the Board of Directors of the Foundation.

Under the laws of the State of Texas, the Board of Directors may appropriate for expenditure, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Directors determines the amount of such appropriation annually. The aggregate accumulated unallocated gains and losses on donor-restricted endowment net position balances are included in temporarily restricted net position in the financial statements.

Contributions receivable

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions receivable are amounts recorded for unconditional or conditional promises to give by third parties. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year. Amounts that are expected to be collected in future years are discounted to estimate the present value of future cash flows, if material. Conditional promises to give are recorded as refundable advances when received, and are recognized as revenues when the conditions have been met.

If contributions receivable become doubtful of collection, allowances are made to the extent the amounts are determined to be doubtful and are charged to expense. If doubtful amounts are subsequently determined to be uncollectible, they are written off against allowances in the period determined. Contributions are recorded when received in cash as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net position is reclassified as unrestricted net position and reported in the statements of activities as net position released from restrictions. Contributions of assets other than cash are recorded at their estimated fair value. The Foundation considers contributions receivable to be fully collectible.

Capital assets

The Foundation operates from facilities provided by the Alamo Colleges District and does not own any buildings, equipment or other capital assets. See Note G for an estimated amount of in-kind contributions provided by the Alamo Colleges District that includes an estimate of donated rent. Donated rents are included in the financial statements as unrestricted in-kind revenue.

Presentation of expenses

The cost of providing the various programs and activities of the Foundation has been summarized on a functional basis in the accompanying statements of activities.

- Program Support and Scholarships - consists of scholarships and program support payments made to the Alamo Colleges District for tuition and books on behalf of specified students, staff and faculty of the Alamo Colleges District and the residents of the geographical area that the Alamo Colleges District serves, and to maintain, develop, increase and extend the facilities and services of the Alamo Colleges District.
- General and Administrative - consists of general supporting services that are necessary for the Foundation's daily operations and coordination of program activities and includes salaries and benefits related to administrative personnel.
- Fundraising - activities are directed at soliciting and receiving funds, gifts, grants and property to enable the Foundation to fulfill its purpose. It also includes salaries and benefits paid to fundraising personnel.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

The Foundation is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, as amended, as an organization described in Section 501(c)(3) of the Code. However, income generated from activities unrelated to the Foundation's exempt purpose is subject to tax under Section 511 of the Code. The Foundation did not conduct any unrelated business activities in the current fiscal year. Therefore, the Foundation made no provision for federal income taxes in the accompanying financial statements. Accordingly, contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation has also been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Donated materials, services and facilities

The salaries of certain Foundation employees were donated by the Alamo Colleges District. The Alamo Colleges District also provides office space and equipment at no cost to the Foundation. The value of these contributed services is provided in Note G and is included in the financial statements as unrestricted in-kind revenue.

Revenue recognition

The Foundation records contributions at fair value when an unconditional commitment is received from the donor. Contributions that are restricted by the donor and are to be used in future periods are reported as an increase in temporarily restricted net position in the reporting period in which the contribution is recognized. When a restriction expires, temporarily restricted net position is reclassified to unrestricted net position and reported in the statements of activities as net position released from restrictions. Contributions that are restricted in perpetuity by the donor are recorded as permanently restricted net position. In accordance with donor restrictions, income earned from permanently restricted net position is recorded as temporarily restricted net position until such income is released from restrictions.

Use of estimates

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. Estimates that have the most impact on financial position and results of operations primarily relate to the collectability and present value of contributions receivable, the fair value of investments and the allocation of expenses among functional areas.

New Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Under ASU 2016-02, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: A lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU requires a modified retrospective transition approach, which includes a number of optional practical expedients, described in ASU 2016-02, which may be applied. The ASU is effective for fiscal years beginning after December 15, 2019. The impact of the new standard has not been determined, however it is expected that there will not be an increase to the Foundation's assets and liabilities.

In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*, intended to improve financial reporting for a not-for-profit entity. The ASU will reduce the current three classes of net position into two: with and without donor restrictions. The change in each of the classes of net position must be reported on the statement of activities. The ASU also requires various enhanced disclosures around topics such as board designations, liquidity, and functional classification of expenses, investment expenses, donor restrictions, and underwater endowments. The ASU is effective for years beginning after December 15, 2017. Early application is permitted. The ASU should be applied on a retrospective basis in the year that the ASU is first implemented. While this ASU will change the presentation of the Foundation's financial statements, it is not expected to alter the Foundation's reported financial position or activities.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

C – INVESTMENTS

The composition of the Foundation's investments is as follows:

Type of Security	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Fixed income securities	\$ 4,370,834	\$ 4,414,646	\$ 4,210,686	\$ 4,236,723
Mutual funds	14,959,400	17,527,335	14,498,717	15,107,803
Marketable securities	1,891,758	2,550,332	1,855,659	2,035,951
Total	\$ 21,221,992	\$ 24,492,313	\$ 20,565,061	\$ 21,380,477

Net investment income is comprised of the following:

	2017	2016
Interest and dividend income	\$ 370,630	\$ 326,357
Gain on investments	2,510,880	807,898
Total	\$ 2,881,510	\$ 1,134,255

The Foundation elects to net investment expenses with earnings from investments. Total investment expenses in 2017 and 2016 were \$102,840 and \$101,506, respectively.

D – FUNCTIONAL EXPENSES

The cost of providing the various programs and activities of the Foundation has been summarized on a functional basis in the accompanying statements of activities. Functional expenses categorized by program, general and administrative, and fundraising costs for the years ended December 31, 2017 and 2016 are as follows:

	Program			
	Support and Scholarships	General and Administrative	Fundraising	Total
Year ended December 31, 2017:				
Scholarships and educational support	\$ 2,889,319	\$ -	\$ -	\$ 2,889,319
Salaries and benefits	79,023	208,028	115,791	402,842
Rent	-	61,612	-	61,612
Professional services	-	20,105	-	20,105
Professional development, fees and subscriptions	-	2,219	-	2,219
Other	5,029	13,239	9,536	27,804
Total	\$ 2,973,371	\$ 305,203	\$ 125,327	\$ 3,403,901
Year ended December 31, 2016:				
Scholarships and educational support	\$ 3,375,424	\$ -	\$ -	\$ 3,375,424
Salaries and benefits	80,925	178,854	109,554	369,333
Rent	-	61,612	-	61,612
Professional services	-	54,392	-	54,392
Other	17,249	40,661	49,403	107,313
Total	\$ 3,473,598	\$ 335,519	\$ 158,957	\$ 3,968,074

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E – ENDOWMENT NET POSITION

The Foundation's endowment consists of 170 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net position associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Texas Uniform Prudent Management Institutional Funds Act of 2007 (the Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net position (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net position is classified as temporarily restricted net position until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by the Act.

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

1. The duration and preservation of the fund
2. The purposes of the Board-designated and donor-restricted endowment funds
3. General economic conditions
4. The possible effects of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Realized and unrealized investment gains/losses are recorded as temporarily restricted net position.

Endowment net position and classifications of related unappropriated income at December 31, 2017 and 2016:

	Temporarily Restricted	Permanently Restricted	Total
As of December 31, 2017			
Endowment funds	<u>\$ 5,582,081</u>	<u>\$ 17,395,117</u>	<u>\$ 22,977,198</u>
As of December 31, 2016			
Endowment funds	<u>\$ 3,579,596</u>	<u>\$ 16,499,838</u>	<u>\$ 20,079,434</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

E – ENDOWMENT NET POSITION (continued)

The changes in endowment net position and related income classification for the year ended December 31, 2017 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 3,579,596	\$ 16,499,838	\$ 20,079,434
Contributions:	-	662,614	662,614
Investment return:			
Interest and dividends	370,630	-	370,630
Gain on investments	2,510,880	-	2,510,880
Total revenues	2,881,510	662,614	3,544,124
Designated transfers	(107,436)	232,665	125,229
Deductions:			
Net position released from restrictions	(771,589)	-	(771,589)
Increase in net position	2,002,485	895,279	2,897,764
End of year	\$ 5,582,081	\$ 17,395,117	\$ 22,977,198

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Act requires the Foundation to retain as a fund of perpetual duration.

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 endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds.

The Board of Directors through its Investments Committee has adopted a specific investment objective for the Foundation. The investment objective is to invest all endowment and other available funds to optimize the return on investment to the extent possible, balanced with the appropriate level of risk.

Under the laws of the State of Texas, the Board of Directors may appropriate for expenditure, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Directors determines the amount of such appropriation annually. The rate for 2017 was 4.00%. The rate for 2018 has been set at 4.25%.

F – FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC Topic 820-10, *Fair Value Measurements and Disclosures*, provides a framework for measuring fair value. FASB ASC Topic 820-10 also establishes a fair value hierarchy that distinguishes between inputs based on market data from independent sources (observable inputs) and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs).

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

F – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The fair value hierarchy in FASB ASC Topic 820 prioritizes fair value measurements into three levels based on the nature of the inputs. The three levels of the fair value hierarchy under FASB ASC Topic 820-10 are as follows:

Level 1 – Investments in this category are valued based on quoted prices in active markets for identical assets that are accessible at the measurement date. An active market is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Investments in this category are valued based on inputs, in the absence of actively quoted market prices, which are observable for the asset, either directly or indirectly. Level 2 inputs include: (a) quoted prices for similar assets in active markets, (b) quoted prices for identical or similar assets in markets that are not active, (c) inputs other than quoted prices that are observable for the asset such as interest rates and yield curves observable at commonly quoted intervals, and (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Investments in this category are valued based on unobservable inputs for the asset. Unobservable inputs are used to the extent observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date.

The fair value hierarchy of investments at December 31, 2017 follows:

	2017			Total
	Level 1	Level 2	Level 3	
Fixed income securities	\$ -	\$ 4,414,646	\$ -	\$ 4,414,646
Mutual funds	17,527,335	-	-	17,527,335
Marketable securities	2,550,332	-	-	2,550,332
Total	\$ 20,077,667	\$ 4,414,646	\$ -	\$ 24,492,313

G – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTIONS

By agreement, the Alamo Colleges District provides administrative support for Foundation activities at a level determined by the Alamo Colleges District to be appropriate, but only to the extent of availability of funds within the Alamo Colleges District’s budget. Administrative support provided includes office space and an executive director and staff for the Foundation. The total support provided by the Alamo Colleges District to the Foundation in the fiscal years ended December 31, 2017 and 2016 was valued at approximately \$490,090 and \$509,667, respectively, and is included in the financial statements as unrestricted in-kind revenue.

From time to time the Foundation remits scholarship funds to the Alamo Colleges District to cover tuition, books, and other student fees for specified students of the Alamo Colleges District. During the years ended December 31, 2017 and 2016, the Foundation remitted a total of \$2,103,127 and \$2,040,519 to the Alamo Colleges District to fund approximately 2,175 and 2,184 scholarships, respectively. In addition, for the years ended December 31, 2017 and 2016, the Foundation remitted \$609,936 and \$1,283,211, respectively, to the Alamo Colleges District for program related costs.

The total scholarship funds due from the Foundation to the Alamo Colleges District at December 31, 2017 and 2016 was \$35,335 and \$21,960, respectively. These amounts have been included in the due to affiliates balances in the accompanying financial statements.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

H – FUTURE COMMITMENTS

At December 31, 2017, outstanding donor match commitments are as follows:

Year ended December 31,	
2018	25,000
2019	25,000
2020	25,000
2021	25,000
Total	<u>\$ 100,000</u>

I – COMMITMENTS

The Parent-Child Scholarship Program provides multi-generational scholarships. Parents who are eligible under this program and complete all requirements qualify their first-born child. The Foundation has not determined what amount, if any, will eventually be payable under this program.

J – RESTRICTED TITLE III AND TITLE V FUNDS

In compliance with federal grant restrictions, Title III and Title V grant funds are deposited into segregated bank accounts and/or other investment accounts.

K – UNRESTRICTED NET POSITION

Unrestricted net position is comprised of net position that is not subject to donor-imposed stipulations. The balances comprising unrestricted net position as of December 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Undesignated/unrestricted net position	<u>\$ 92,707</u>	<u>\$ 2,196</u>

L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, and noted no events which affected the financial statements as of December 31, 2017.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

25. ACCD PUBLIC FACILITY CORPORATION – DISCRETE COMPONENT UNIT

A – REPORTING ENTITY

The ACCD Public Facility Corporation (PFC) is a public non-profit corporation formed under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended; it is also a public corporation within the meaning of the U.S. Treasury Department rulings of the Internal Revenue Service per sections 103 and 141 of the IRS Code of 1986, as amended. The PFC was incorporated on September 23, 2011 exclusively for the purpose of assisting the District in financing, refinancing, or providing public facilities and is a component unit of the District.

The PFC is governed by a three-member Board consisting of the Chairperson, Vice-Chairperson and Secretary of the Alamo Community College District Board of Trustees. The PFC may finance the acquisition of District obligations; provide for the acquisition, construction, rehabilitation, renovation, repair, equipping, furnishing and placement in service of public facilities of the District; issue bonds as permitted by the Act; and perform other such activities on behalf of the District as provided in the Certificate of Formation. The PFC does not have authority to levy taxes.

B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the PFC are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) established by the Governmental Accounting Standards Board (GASB). These financial statements have been prepared on the accrual basis of accounting, whereby all revenues are recorded when earned, and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Cash

Cash consists solely of demand deposits held at a bank fully insured by the Federal Deposit Insurance Corporation (FDIC). At August 31, 2018 and 2017, the PFC had -\$0- in excess of the FDIC insurance limit.

Capital Assets

Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition, except for assets transferred within the same financial reporting entity which have been recorded at the carrying value of the transferor. Capital assets consist of land purchased from an unrelated party and from the PFC's primary government, the District.

Operating and Non-operating Revenues

Operating revenues generally result from providing services in connection with the PFC's principal ongoing operations. The principal operating revenues are from lease payments and development fees collected. The PFC did not have any non-operating revenues for the years ended August 31, 2018 and 2017.

Revenue Recognition and Unearned Revenues

Lease revenue is recorded when earned. Pre-paid lease payments received have been deferred and are recognized in a rational, systematic manner over the term of the lease.

Operating and Non-operating Expenses

The PFC distinguishes operating expenses from non-operating expenses. Operating expenses consist of bank charges related to the operating cash account, net of interest income earned on deposits. Non-operating expenses consist of interest on capital-related debt.

Use of Estimates

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

C – CAPITAL ASSETS

Capital assets consist of land and therefore no depreciation is required. Activity for the years ended August 31, 2018 and 2017 was as follows:

	Balance 9/1/16	Increases	Decreases	Balance 8/31/17	Increases	Decreases	Balance 8/31/18
Land	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847

D – NONCURRENT LIABILITIES

Noncurrent liabilities consist of a note payable and related interest to the Alamo Community College District for the purchase of land and unearned revenue arising from prepaid rent under a 75-year ground lease from a related organization, Tobin Lofts, LLC.

The principal amount of the note is \$2 million, with a maturity date of August 1, 2042 and an interest rate of four percent (4%) per annum. Accrued interest on the note is \$486,667 and \$406,667 at August 31, 2018 and 2017, respectively, payable at maturity.

As of August 31, 2018, noncurrent liabilities are \$4,116,667 with activity for the fiscal year as follows:

	Total Liabilities					Current Portion
	Balance 9/1/17	Additions	Reductions	Balance 8/31/18		
Note payable	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	-
Unearned lease revenue	1,678,000	-	24,000	1,654,000	24,000	24,000
Interest payable	406,667	80,000	-	486,667	-	-
Total noncurrent liabilities	\$ 4,084,667	\$ 80,000	\$ 24,000	\$ 4,140,667	\$ 24,000	\$ 24,000

As of August 31, 2017, noncurrent liabilities are \$4,060,667 with activity for the fiscal year as follows:

	Total Liabilities					Current Portion
	Balance 9/1/16	Additions	Reductions	Balance 8/31/17		
Note payable	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	-
Unearned lease revenue	1,702,000	-	24,000	1,678,000	24,000	24,000
Interest payable	326,667	80,000	-	406,667	-	-
Total noncurrent liabilities	\$ 4,028,667	\$ 80,000	\$ 24,000	\$ 4,084,667	\$ 24,000	\$ 24,000

E – INCOME TAXES

Income earned by the PFC can be excluded from gross income for federal tax purposes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, because its income is from the performance of an essential governmental function and it accrues to a political subdivision.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

F – RELATED PARTIES

In July of 2012, Tobin Lofts, LLC (LLC) was created to carry out the purposes of its initial sole member, ACCD Public Facility Corporation, which includes providing housing for college students and employees of the Alamo Colleges District. The LLC leases land from the PFC under a 75-year ground lease, classified as an operating lease, and operates residential housing and retail facilities on the land. In August 2012, the LLC prepaid its ground lease in the amount of \$1.8 million and the PFC recognizes lease revenue on a monthly basis over the life of the lease. The PFC recognized \$24,000 for each year ended August 31, 2018 and 2017. The PFC may receive distributions in the future from the LLC under limited contractual conditions. At the end of the 75-year lease, title to the tenant improvements will pass to the PFC.

Required Supplementary Information

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements



ALAMO COMMUNITY COLLEGE DISTRICT

Schedule of District's Proportionate Share of Net Pension Liability Last Four Fiscal Years**

Fiscal year ended August 31*,	2018	2017	2016	2015
District's proportionate share of collective net pension liability (%)	0.1709877316%	0.1591812086%	0.162917000%	0.181406100%
District's proportionate share of collective net pension liability (\$)	\$ 54,672,665	\$ 60,152,212	\$ 57,588,991	\$ 48,456,078
State's proportionate share of net pension liability associated with District	31,367,944	34,396,610	31,874,468	25,023,180
Total	86,040,609	94,548,822	89,463,459	73,479,258
District's covered payroll	\$ 128,722,459	\$ 116,013,872	\$ 109,267,415	\$ 101,833,288
District's proportionate share of collective net pension liability as a percentage of covered payroll	42.47%	51.85%	52.70%	47.58%
TRS fiduciary net position as percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

*The amounts presented above are as of the measurement date of the collective net pension liability for the respective fiscal year.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule of District Contributions for Pensions
Last Four Fiscal Years****

Fiscal year ended August 31*	2018	2017	2016	2015
Legally required contributions	\$ 5,091,852	\$ 5,603,980	\$ 5,057,590	\$ 4,824,042
Actual contributions	5,091,852	5,603,980	5,057,590	4,824,042
Contributions deficiency (excess)	-	-	-	-
District's covered payroll	\$ 135,309,910	\$ 128,722,459	\$ 116,013,872	\$ 109,267,415
Contributions as a percentage of covered payroll	3.76%	4.35%	4.36%	4.41%

* The amounts presented above are as of the District's most recent fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ALAMO COMMUNITY COLLEGE DISTRICT

**Notes to Required Supplementary Information
Net Pension Liability
For Year Ended August 31, 2018**

Changes to Actuarial Assumptions since Prior Actuarial Valuation

There were no changes to economic assumptions, benefit terms or actuarial assumptions that significantly affected trends in the amounts reported in the required supplementary information schedules during the measurement period.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule of District's Proportionate Share of Net OPEB Liability
For Year Ended August 31, 2018**

Fiscal year ended August 31*,	2018**
District's proportionate share of collective net OPEB liability (%)	0.46476038%
District's proportionate share of collective net OPEB liability (\$)	\$ 158,357,860
State's proportionate share of net OPEB liability associated with District	138,445,196
Total	296,803,056
District's covered employee payroll	\$ 150,672,061
District's proportionate share of collective net OPEB liability as a percentage of covered employee payroll	105.10%
ERS fiduciary net position as percentage of the total OPEB liability	2.04%

*The amounts presented above are as of the measurement date of the collective net OPEB liability for the respective fiscal year.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule of District Contributions for OPEB
For Year Ended August 31, 2018**

Fiscal year ended August 31*,		2018**
Legally required contributions	\$	4,465,565
Actual contributions		4,465,565
Contributions deficiency (excess)		-
District's covered employee payroll	\$	154,055,166
Contributions as a percentage of covered employee payroll		2.90%

* The amounts presented above are as of the District's most recent fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Required Supplementary Information Net OPEB Liability For the Year Ended August 31, 2018

Changes to Benefit Terms

The latest valuation reflects the benefit changes that became effective September 1, 2017, since these changes were communicated to plan members in advance of the preparation of the latest valuation report. The benefit changes for HealthSelect retirees and dependents for whom Medicare is not primary include:

- an increase in the out-of-pocket cost applicable to services obtained at a free-standing emergency facility;
- elimination of the copayment for virtual visits;
- a reduction in the copayment for Airrosti; and
- for out-of-state participants, (i) elimination of the deductible for in-network services and (ii) application of a copayment rather than coinsurance to certain services like primary care and specialist office visits.

These minor benefit changes are provided for in the FY 2018 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

Demographic Assumptions

Since the last valuation was prepared for this plan, demographic assumptions (including rates of retirement, disability, termination, and mortality, assumed salary increases and assumed age difference for future retirees and their spouses for selected classes of State Agency employees), assumed aggregate payroll increases and the assumed rate of general inflation have been updated to reflect assumptions recently adopted by the ERS Trustees. These new assumptions were adopted to reflect an experience study on the ERS retirement plan performed by the ERS retirement plan actuary. In addition, the following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees covering dependent children.
- Percentage of future retirees assumed to be married and electing coverage for their spouse.

Economic Assumptions

The assumed rate of general inflation has been updated since the previous valuation to remain consistent with the ERS retirement plan assumption previously adopted by the ERS Trustees. Assumptions for Expenses, Assumed Per Capita Health Benefit Costs and Health Benefit Cost, Retiree Contribution and Expense trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations and the revised assumed rate of general inflation. The discount rate was lowered as a result of requirements by GASB No. 74 to utilize the yield or index rate for 20-year, tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher. Minor benefit changes have been reflected in the FY 2018 Assumed Per Capita Health Benefit Costs. Actuarial assumption changes are described in ERS's Comprehensive Annual Financial Report and the ERS Actuarial Valuation Report for the year ended August 31, 2017, which can be accessed at <https://www.ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management/2017-CAFR.pdf> and <https://www.ers.texas.gov/About-ERS/Reports-and-Studies/ERS-Actuarial-Valuation-Reports/2017-ERS-OPEB-Valuation-Report-November-2017.pdf>.

Supplementary Information



ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule A
Schedule of Operating Revenues For
the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY18 Total	FY17 Total
OPERATING REVENUES:						
Tuition						
State-funded courses						
In-District resident tuition	\$ 79,412,536	\$ -	\$ 79,412,536	\$ -	\$ 79,412,536	\$ 75,965,160
Out-of-District resident tuition	26,451,592	-	26,451,592	-	26,451,592	26,797,924
Non-resident tuition	10,823,941	-	10,823,941	-	10,823,941	10,008,806
TPEG - credit set aside*	5,442,763	-	5,442,763	-	5,442,763	4,874,207
State-funded continuing education	1,528,787	-	1,528,787	-	1,528,787	612,204
TPEG - Non-credit set aside*	97,077	-	97,077	-	97,077	39,077
Non-State-funded continuing education	1,493,418	-	1,493,418	-	1,493,418	1,875,200
Total tuition	125,250,114	-	125,250,114	-	125,250,114	120,172,578
Fees						
Other	4,361,594	-	4,361,594	-	4,361,594	5,372,283
Total fees	4,361,594	-	4,361,594	-	4,361,594	5,372,283
Total tuition and fees	129,611,708	-	129,611,708	-	129,611,708	125,544,861
Allowances and discounts						
Institutional allowances and scholarships	(4,760,615)	-	(4,760,615)	-	(4,760,615)	(4,133,900)
Remissions and exemptions - state	(5,325,523)	-	(5,325,523)	-	(5,325,523)	(5,026,151)
Remissions and exemptions - local - dual credit	(23,315,843)	-	(23,315,843)	-	(23,315,843)	(21,511,804)
Federal grants to students	-	(34,365,341)	(34,365,341)	-	(34,365,341)	(32,375,773)
TPEG awards	-	(2,938,330)	(2,938,330)	-	(2,938,330)	(3,494,480)
State grants to students	-	(1,534,126)	(1,534,126)	-	(1,534,126)	(1,609,673)
Other local awards	(503,304)	(2,000,851)	(2,504,155)	-	(2,504,155)	(3,025,910)
Total allowances and discounts	(33,905,285)	(40,838,648)	(74,743,933)	-	(74,743,933)	(71,177,691)
Total net tuition and fees	95,706,423	(40,838,648)	54,867,775	-	54,867,775	54,367,170
Other operating revenues						
Federal grants and contracts	772,876	16,409,486	17,182,362	-	17,182,362	23,875,589
State grants and contracts	-	444,595	444,595	-	444,595	1,721,567
Local grants and contracts	946,441	923,017	1,869,458	-	1,869,458	4,489,677
Non-governmental grants and contracts	-	555,896	555,896	-	555,896	368,923
Other operating revenues	5,852,101	28,353	5,880,454	-	5,880,454	4,178,117
Total other operating revenues	7,571,418	18,361,347	25,932,765	-	25,932,765	34,633,873
Sales and services of auxiliary enterprises						
Bookstore commission	-	-	-	1,047,075	1,047,075	792,561
Palo Alto College natatorium	-	-	-	573,622	573,622	515,630
Day care centers	-	-	-	568,918	568,918	502,333
Vending machines and copiers	-	-	-	343,745	343,745	383,219
Campus access fees and fines	-	-	-	2,337,705	2,337,705	2,337,025
Other	-	-	-	380,026	380,026	400,992
Total sales and services of auxiliary enterprises	-	-	-	5,251,091	5,251,091	4,931,760
Total operating revenues	\$ 103,277,841	\$ (22,477,301)	\$ 80,800,540	\$ 5,251,091	\$ 86,051,631	\$ 93,932,803
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, \$5,539,840 and \$4,913,284 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2018 and 2017, respectively.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017**

	Salaries and Wages	Benefits State	Local	Other Expenses	FY18 Total	FY17 Total
OPERATING EXPENSES:						
Unrestricted - educational activities						
Instruction	\$ 90,333,505	\$ -	\$ 17,664,927	\$ 14,223,862	\$ 122,222,294	\$ 119,656,445
Public service	793,844	-	137,253	363,373	1,294,470	1,166,476
Academic support	13,935,045	-	3,244,510	5,645,675	22,825,230	22,091,360
Student services	27,966,944	-	6,627,246	7,410,347	42,004,537	42,354,407
Institutional support	41,209,427	-	8,990,027	20,753,996	70,953,450	66,912,999
Operation and maintenance of plant	6,145,964	-	3,046,456	34,027,991	43,220,411	37,673,174
Scholarships and fellowships	-	-	-	341,949	341,949	347,132
Total unrestricted educational activities	180,384,729	-	39,710,419	82,767,193	302,862,341	290,201,993
Restricted - educational activities						
Instruction	2,440,657	9,455,292	633,734	3,678,135	16,207,818	13,122,423
Public service	1,246	97,344	249	6,978	105,817	122,370
Academic support	1,524,907	1,935,190	360,407	680,570	4,501,074	5,056,149
Student services	2,923,876	3,925,742	343,199	1,733,901	8,926,718	6,165,855
Institutional support	1,426,860	4,915,218	321,577	1,629,576	8,293,231	6,513,349
Operation and maintenance of plant	-	-	-	2,352,066	2,352,066	3,393,249
Scholarships and fellowships	-	-	-	54,792,987	54,792,987	54,265,309
Total restricted educational activities	8,317,546	20,328,786	1,659,166	64,874,213	95,179,711	88,638,704
Total educational activities	188,702,275	20,328,786	41,369,585	147,641,406	398,042,052	378,840,697
Auxiliary enterprises - unrestricted	794,824	-	278,919	744,199	1,817,942	1,661,953
Auxiliary enterprises - restricted	-	-	-	112,074	112,074	81,276
Depreciation expense - buildings	-	-	-	28,462,611	28,462,611	28,402,570
Depreciation expense - equipment	-	-	-	3,553,460	3,553,460	3,272,682
Total operating expenses	\$ 189,497,099	\$ 20,328,786	\$ 41,648,504	\$ 180,513,750	\$ 431,988,139	\$ 412,259,178
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY18 Total	FY17 Total
NON-OPERATING REVENUES:						
State appropriations						
Education and general state support	\$ 59,907,851	\$ 3,681,625	\$ 63,589,476	\$ -	\$ 63,589,476	\$ 64,001,125
State group insurance	-	16,902,106	16,902,106	-	16,902,106	11,746,858
State retirement match	-	3,426,680	3,426,680	-	3,426,680	4,617,996
Ad valorem taxes						
Taxes for maintenance and operations	156,508,206	-	156,508,206	-	156,508,206	148,539,505
Taxes for maintenance and operations-MTN	9,550,682	-	9,550,682	-	9,550,682	18,224,562
Taxes for debt service	-	50,675,699	50,675,699	-	50,675,699	38,937,087
Federal revenue, non-operating	-	86,811,730	86,811,730	-	86,811,730	78,850,402
State revenue, non-operating	-	4,178,341	4,178,341	-	4,178,341	4,071,079
Gifts	50,705	199,336	250,041	-	250,041	858,470
Investment income	2,662,147	3,485,921	6,148,068	-	6,148,068	1,738,551
Total non-operating revenues	<u>228,679,591</u>	<u>169,361,438</u>	<u>398,041,029</u>	<u>-</u>	<u>398,041,029</u>	<u>371,585,635</u>
NON-OPERATING EXPENSES:						
Interest on capital-related debt	-	(18,892,924)	(18,892,924)	-	(18,892,924)	(17,036,112)
Interest on capital-related debt-MTN	(3,420,682)	-	(3,420,682)	-	(3,420,682)	(3,404,562)
Loss on disposal of capital assets	-	(8,861)	(8,861)	-	(8,861)	(233,699)
Other non-operating expenses	-	(2,758,271)	(2,758,271)	-	(2,758,271)	(2,608,769)
Total non-operating expenses	<u>(3,420,682)</u>	<u>(21,660,056)</u>	<u>(25,080,738)</u>	<u>-</u>	<u>(25,080,738)</u>	<u>(23,283,142)</u>
Net non-operating revenues	<u>\$ 225,258,909</u>	<u>\$ 147,701,382</u>	<u>\$ 372,960,291</u>	<u>\$ -</u>	<u>\$ 372,960,291</u>	<u>\$ 348,302,493</u>
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2018
With Memorandum Totals for the Year Ended August 31, 2017**

	Detail by Source					Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ (176,989,561)	\$ -	\$ -	\$ -	\$ (176,989,561)	\$ -	\$ (176,989,561)
Board-designated	3,149,429	-	-	-	3,149,429	-	3,149,429
Restricted	-	9,279,781	-	-	9,279,781	-	9,279,781
Auxiliary enterprises	5,897,271	-	-	-	5,897,271	-	5,897,271
Loan	203,259	-	-	-	203,259	-	203,259
Plant:							
Unexpended	9,113,906	-	-	-	9,113,906	-	9,113,906
Renewals	71,693	-	-	-	71,693	-	71,693
Debt service	-	10,560,353	-	-	10,560,353	-	10,560,353
Investment in plant	-	-	-	275,576,770	275,576,770	-	275,576,770
Total net position, August 31, 2018	(158,554,003)	19,840,134	-	275,576,770	136,862,901 (Exhibit 1)	-	136,862,901
Total net position, August 31, 2017, as previously reported	30,309,493	10,545,060	-	253,834,531	294,689,084 (Exhibit 1)	17,097,984	277,591,100
Cumulative effect of change in accounting principle (Note 2)	(184,849,966)	-	-	-	(184,849,966) (Note 2)	(184,849,966)	-
Total net position, August 31, 2017, as restated (Note 2)	(154,540,473)	10,545,060	-	253,834,531	109,839,118 (Exhibit 2)	(167,751,982)	277,591,100
Net increase (decrease) in net position	\$ (188,863,496)	\$ 9,295,074	\$ -	\$ 21,742,239	\$ 27,023,783 (Exhibit 2)	\$ 167,751,982	\$ (140,728,199)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2018**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF EDUCATION					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 1,755,537	\$ -	\$ 1,755,537	\$ - *
Federal Work-Study Program	84.033	1,470,534	-	1,470,534	- *
Federal Pell Grant Program	84.063	83,757,390	-	83,757,390	- *
Federal Direct Student Loans	84.268	23,059,488	-	23,059,488	- *
Total Student Financial Assistance Cluster		110,042,949	-	110,042,949	-
TRIO Cluster					
TRIO Student Support Services	84.042	465,478	-	465,478	-
TRIO Talent Search	84.044	243,479	-	243,479	-
TRIO Upward Bound	84.047	1,181,083	-	1,181,083	-
Total TRIO Cluster		1,890,040	-	1,890,040	-
Adult Education - Basic Grants to States					
Texas Workforce Commission	84.002	-	-	-	-
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo					
N/A		-	(154)	(154)	-
Education Service Center Region 20					
N/A		-	953,456	953,456	-
Total	84.002	-	953,302	953,302	-
Higher Education Institutional Aid					
84.031	84.031	6,148,131	-	6,148,131	-
* Our Lady of the Lake University					
EXITOS		-	330,788	330,788	- *
University of Texas at San Antonio					
1000000934		-	74,748	74,748	- *
Total	84.031	6,148,131	405,536	6,553,667	-
Career and Technical Education -- Basic Grants to States					
84.048	84.048	-	-	-	-
Texas Higher Education Coordinating Board					
19184		-	1,510,593	1,510,593	-
19247		-	30,448	30,448	-
Total	84.048	-	1,541,041	1,541,041	-
Child Care Access Means Parents in Schools	84.335	286,666	-	286,666	-
TOTAL U.S. DEPARTMENT OF EDUCATION		118,367,786	2,899,879	121,267,665	-
U.S. DEPARTMENT OF AGRICULTURE					
Hispanic Serving Institutions Education Grants					
Texas State University	10.223	-	-	-	-
17004-82646-1		-	16,855	16,855	-
17005-82646-1		-	17,500	17,500	-
Total	10.223	-	34,355	34,355	-
Child and Adult Care Food Program					
Texas Department of Agriculture	10.558	-	-	-	-
75N8022		-	17,708	17,708	-
Total	10.558	-	17,708	17,708	-
TOTAL U.S. DEPARTMENT OF AGRICULTURE		-	52,063	52,063	-
U.S. DEPARTMENT OF DEFENSE					
Information Security Grants					
12.902	12.902	276,917	-	276,917	-
GenCyber Grants Program	12.903	8,769	-	8,769	-
TOTAL U.S. DEPARTMENT OF DEFENSE		285,686	-	285,686	-

*Major program

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2018**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
U.S. DEPARTMENT OF JUSTICE					
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	\$ 23,429	\$ -	\$ 23,429	\$ -
TOTAL U.S. DEPARTMENT OF JUSTICE		23,429	-	23,429	-
U.S. DEPARTMENT OF LABOR					
Employment Service Cluster					
Employment Service/Wagner-Peyser Funded Activities	17.207	-	-	-	-
Texas Workforce Commission					
2017WPB000		-	1,824	1,824	-
Total Employment Service Cluster and CFDA Total	17.207	-	1,824	1,824	-
WIOA Cluster					
WIOA Adult Program	17.258	-	-	-	-
Texas Workforce Commission					
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo		-	61,246	61,246	-
N/A		-	-	-	-
Total	17.258	-	61,246	61,246	-
WIOA Dislocated Worker Formula Grants	17.278	-	-	-	-
Texas Workforce Commission					
2018ATP000		-	10,519	10,519	-
Total	17.278	-	10,519	10,519	-
Total WIOA Cluster		-	71,765	71,765	-
H-1B Job Training Grants	17.268	395,510	-	395,510	-
TOTAL U.S. DEPARTMENT OF LABOR		395,510	73,589	469,099	-
U.S. DEPARTMENT OF STATE					
Public Diplomacy Programs	19.040	-	-	-	-
Partners Of The Americas Inc					
100K-292COL-1		-	3,672	3,672	-
Total	19.040	-	3,672	3,672	-
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	-	-	-	-
Georgetown University					
SYACI-ECAGD-17-CA-1070		-	10,204	10,204	-
Total	19.415	-	10,204	10,204	-
TOTAL U.S. DEPARTMENT OF STATE		-	13,876	13,876	-
U.S. DEPARTMENT OF TRANSPORTATION					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	4,470	-	4,470	-
TOTAL U.S. DEPARTMENT OF TRANSPORTATION		4,470	-	4,470	-
NATIONAL ENDOWMENT FOR THE HUMANITIES					
Promotion of the Humanities Federal/State Partnership	45.129	-	-	-	-
Humanities Texas					
Project #2018-5426		-	1,495	1,495	-
Total	45.129	-	1,495	1,495	-
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES		-	1,495	1,495	-

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2018**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
NATIONAL SCIENCE FOUNDATION					
Research & Development Cluster					
Education and Human Resources	47.076	\$ 523,618	\$ -	\$ 523,618	\$ -
University of Texas at San Antonio					
26-1002-9061		-	4,461	4,461	-
Total Research & Development Cluster		523,618	4,461	528,079	-
Education and Human Resources	47.076	40,539	-	40,539	-
Texas A&M University					
M1401786		-	55,291	55,291	-
Total	47.076	40,539	55,291	95,830	-
TOTAL NATIONAL SCIENCE FOUNDATION		564,157	59,752	623,909	-
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	-	-	-	-
Texas Workforce Commission					
2018TAN0004		-	32,299	32,299	-
Education Service Center Region 20					
N/A		-	34,831	34,831	-
Total TANF Cluster and CFDA Total	93.558	-	67,130	67,130	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	-	-	-	-
Texas Workforce Commission					
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo					
N/A		-	1,633	1,633	-
Total CCDF Cluster and CFDA Total	93.575	-	1,633	1,633	-
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	-	-	-	-
Healthy Futures of Texas					
HFTX PRIME AWRD 90AK0050-01-00		-	280,581	280,581	-
Total	93.092	-	280,581	280,581	-
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	3,098,917	-	3,098,917	421,774 *
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	550,099	-	550,099	219,931
University of Texas at Austin					
UTA17-000808		-	13,490	13,490	-
Total	93.243	550,099	13,490	563,589	219,931
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES		3,649,016	362,834	4,011,850	641,705
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE					
AmeriCorps	94.006	-	-	-	-
Public Allies Inc					
15EDHW10010014_17_PASA		-	86,095	86,095	-
15EDHW10010014_18_PASA		-	213,943	213,943	-
Total	94.006	-	300,038	300,038	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		-	300,038	300,038	-
TOTAL EXPENDITURES OF FEDERAL AWARDS		\$ 123,290,054	\$ 3,763,526	\$ 127,053,580	\$ 641,705

*Major program

See Report of Independent Certified Public Accountants and accompanying notes to Schedule of Expenditures of Federal Awards.

ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E Notes to Schedule of Expenditures of Federal Awards – (Continued) For the Year Ended August 31, 2018

1. FEDERAL ASSISTANCE RECONCILIATION

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 17,182,362
Add: Non-Operating Revenues - federal revenue, non-operating - per Schedule C	<u>86,811,730</u>
Total Federal Revenues per Schedule A and C	103,994,092
Reconciling Items:	
Add: Federal Direct Student Loans	23,059,488
Less: Federal contracts (Note 3 below)	-
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 127,053,580</u></u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District'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 District 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. Since the District uses agency approved Indirect Recovery Rate it has elected not to use the 10% de minimis cost rates as permitted in the Uniform Guidance, Section 200.414 Indirect (F&A) costs. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

3. EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT

The District did not receive any federal contracts, \$0.

4. FEDERAL DIRECT STUDENT LOAN PROGRAM

The District participates in the Federal Direct Student Loans program (CFDA 84.268). Loans under the Federal Direct Student Loans program are made directly by the federal government to students. Loans disbursed during the fiscal year ended August 31, 2018 totaled \$23,059,488 and are presented as current year federal expenditures.

5. AMOUNTS PASSED-THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT

U.S. Department of Health & Human Services

Passed through Affordable Care Act (ACA) Health Profession Opportunity Grants (CFDA 93.093) to:

Family Service	\$ 37,157
Project Quest	215,035
San Antonio Housing Authority	156,538
Goodwill Industries of San Antonio	13,044

Passed through Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA 93.243) to:

Bexar County Hospital District	90,710
San Antonio Aids Foundation	39,221
San Antonio Fighting Back	90,000

Total	<u><u>\$ 641,705</u></u>
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ALAMO COMMUNITY COLLEGE DISTRICT

Schedule E
Notes to Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2018

6. NONCASH AWARDS

There were no federal noncash awards in fiscal year 2018 other than Federal Direct Student Loans discussed in Note 4 above.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2018**

State Grantor/Pass-Through Grantor/Program Title	Grantor's Award Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
TEXAS HIGHER EDUCATION COORDINATING BOARD					
Comprehensive College Readiness and Success Model for the 60x30TX	17405	\$ 30,231	\$ -	\$ 30,231	\$ -
Comprehensive College Readiness and Success Model for the 60x30TX	18671	36,121	-	36,121	-
Total Comprehensive College Readiness and Success Model for the 60x30TX		66,352	-	66,352	-
Nursing Shortage Reduction Program - Over 70 (FY 2018) Pathways	9953	3,101	-	3,101	-
Texas College Work Study		11,122	-	11,122	-
Texas Equalization Opportunity Grant Initial		235,476	-	235,476	-
Texas Equalization Opportunity Grant Renewal		2,176,979	-	2,176,979	- *
Texas Grant Renewal		1,345,723	-	1,345,723	- *
Texas Grant Renewal		663	-	663	-
Texas-Science, Technology, Engineering, and Math (T-STEM) Challenge Scholarship Program	16893	433,859	-	433,859	-
TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD		4,273,275	-	4,273,275	-
TEXAS WORKFORCE COMMISSION					
Apprenticeship Training Program	2018ATP000	21,376	-	21,376	-
Skills Development Fund	2016SDF000	(16,937)	-	(16,937)	-
Skills Development Fund	2017SDF000	172,671	-	172,671	-
Skills Development Fund	2017SDF002	19,232	-	19,232	-
Total Skills Development Fund		174,966	-	174,966	-
Skills for Small Business	2016SSD000	23,169	-	23,169	-
Skills for Small Business	2018SSD000	36,195	-	36,195	-
Total Skills for Small Business		59,364	-	59,364	-
Education Service Center Region 20					
Adult Education & Literacy	N/A	-	93,955	93,955	-
TOTAL TEXAS WORKFORCE COMMISSION		255,706	93,955	349,661	-
TOTAL EXPENDITURES OF STATE AWARDS		\$ 4,528,981	\$ 93,955	\$ 4,622,936	\$ -

*Major program

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Notes to Schedule of Expenditures of State Awards
For the Year Ended August 31, 2018**

1. STATE ASSISTANCE RECONCILIATION

Other Operating Revenues - state grants and contracts - per Schedule A	\$ 444,595
Add: Non-Operating Revenues - state revenue, non-operating - per Schedule C	4,178,341
Total State Revenues per Schedule A and C	<u>4,622,936</u>
Reconciling Items:	
Less: State contracts (Note 3 below)	-
Total State Expenditures per Schedule of Expenditures of State Awards	<u>\$ 4,622,936</u>

2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE

The expenditures included in the schedule are reported for the District'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 District 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 District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

3. EXPENDITURES NOT SUBJECT TO STATE SINGLE AUDIT

The District did not receive any state contracts, \$0.

4. AMOUNTS PASSED THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT

There were no state noncash awards received in fiscal year 2018.



**Other Information – By Location
(Unaudited)**



ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Revenues by Location
For the Year Ended August 31, 2018
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
OPERATING REVENUES:							
Tuition							
State-funded courses							
In-District resident tuition	\$ -	\$ 24,447,418	\$ 14,301,159	\$ 11,937,765	\$ 23,175,199	\$ 5,550,995	\$ 79,412,536
Out-of-District resident tuition	-	6,017,640	7,821,372	4,508,091	3,990,392	4,114,097	26,451,592
Non-resident tuition	-	3,421,250	2,991,017	1,276,355	2,850,754	284,565	10,823,941
TPEG - credit set aside	-	1,869,660	898,789	777,334	1,466,084	430,896	5,442,763
State-funded continuing education	1,509,025	-	19,762	-	-	-	1,528,787
TPEG - non-credit set aside	97,077	-	-	-	-	-	97,077
Non-State funded continuing education	1,264,174	-	186,265	42,979	-	-	1,493,418
Total tuition	2,870,276	35,755,968	26,218,364	18,542,524	31,482,429	10,380,553	125,250,114
Fees							
Other	2,946,487	443,041	257,646	192,531	360,173	161,716	4,361,594
Total fees	2,946,487	443,041	257,646	192,531	360,173	161,716	4,361,594
Total tuition and fees	5,816,763	36,199,009	26,476,010	18,735,055	31,842,602	10,542,269	129,611,708
Allowances and discounts							
Institutional allowances and scholarships	-	(1,749,016)	(852,844)	(698,815)	(1,204,981)	(254,959)	(4,760,615)
Remissions and exemptions - state	-	(1,978,828)	(937,727)	(818,899)	(1,195,316)	(394,753)	(5,325,523)
Remissions and exemptions - local - dual credit	-	(3,809,600)	(8,639,117)	(4,737,433)	(5,264,875)	(864,818)	(23,315,843)
Federal grants to students	-	(12,092,415)	(5,683,897)	(6,062,338)	(8,902,739)	(1,623,952)	(34,365,341)
TPEG awards	-	(1,033,934)	(485,989)	(518,346)	(761,208)	(138,853)	(2,938,330)
State grants to students	-	(539,825)	(253,739)	(270,633)	(397,433)	(72,496)	(1,534,126)
Other local awards	(2,141,710)	(293,800)	(6,884)	(61,761)	-	-	(2,504,155)
Total allowances and discounts	(2,141,710)	(21,497,418)	(16,860,197)	(13,168,225)	(17,726,552)	(3,349,831)	(74,743,933)
Total net tuition and fees	3,675,053	14,701,591	9,615,813	5,566,830	14,116,050	7,192,438	54,867,775
Other operating revenues							
Federal grants and contracts	6,001,329	3,884,779	3,831,051	2,656,829	734,458	73,916	17,182,362
State grants and contracts	389,887	3,102	21,375	30,231	-	-	444,595
Local grants and contracts	1,110,264	709,194	-	50,000	-	-	1,869,458
Non-governmental grants and contracts	433,394	96,453	1,152	24,897	-	-	555,896
Other operating revenues	2,654,941	1,250,890	609,362	945,174	343,821	76,266	5,880,454
Total other operating revenues	10,589,815	5,944,418	4,462,940	3,707,131	1,078,279	150,182	25,932,765
Sales and services of auxiliary enterprises							
Bookstore commission	-	246,654	186,530	148,785	347,658	117,448	1,047,075
Palo Alto College natatorium	-	-	-	573,622	-	-	573,622
Day care centers	-	264,285	132,531	172,102	-	-	568,918
Vending machines and copiers	19,774	90,352	69,713	55,827	97,251	10,828	343,745
Campus access fees and fines	35,431	795,429	323,562	308,352	671,609	203,322	2,337,705
Other	-	222,907	24,677	69,678	49,055	13,709	380,026
Total sales and services of auxiliary enterprises	55,205	1,619,627	737,013	1,328,366	1,165,573	345,307	5,251,091
Total operating revenues	\$ 14,320,073	\$ 22,265,636	\$ 14,815,766	\$ 10,602,327	\$ 16,359,902	\$ 7,687,927	\$ 86,051,631

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Expenses by Location
For the Year Ended August 31, 2018
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	\$ 8,220,700	\$ 43,532,272	\$ 30,734,196	\$ 18,580,229	\$ 27,378,008	\$ 9,984,707	\$ 138,430,112
Public service	34,296	1,233,313	132,678	-	-	-	1,400,287
Academic support	1,236,627	5,706,045	6,359,046	2,432,417	8,409,576	3,182,593	27,326,304
Student services	11,256,129	11,944,084	7,160,262	8,686,872	8,227,679	3,656,229	50,931,255
Institutional support	48,921,185	11,747,990	6,631,920	5,111,300	4,072,050	2,762,236	79,246,681
Operation and maintenance of plant	8,755,510	13,084,432	7,917,797	5,702,021	6,146,379	3,966,338	45,572,477
Scholarships and fellowships	-	18,733,452	8,866,163	10,908,205	14,179,138	2,447,978	55,134,936
Total educational activities	78,424,447	105,981,588	67,802,062	51,421,044	68,412,830	26,000,081	398,042,052
Auxiliary enterprises	38,381	145,565	122,196	1,600,005	988	22,881	1,930,016
Depreciation expense - buildings	852,132	7,099,009	7,465,333	5,070,663	4,552,002	3,423,472	28,462,611
Depreciation expense - equipment	1,136,611	761,424	1,097,580	189,977	262,355	105,513	3,553,460
Total operating expenses	\$ 80,451,571	\$ 113,987,586	\$ 76,487,171	\$ 58,281,689	\$ 73,228,175	\$ 29,551,947	\$ 431,988,139

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Non-Operating Revenues and Expenses by Location
For the Year Ended August 31, 2018
(Unaudited)

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
NON-OPERATING REVENUES:							
State appropriations							
Education and general state support	\$ 300,000	\$ 21,387,272	\$ 12,478,972	\$ 8,770,738	\$ 16,031,087	\$ 4,621,407	\$ 63,589,476
State group insurance	5,881,510	3,567,536	2,445,717	1,660,253	2,277,627	1,069,463	16,902,106
State retirement match	(94,958)	1,131,481	810,440	524,349	744,192	311,176	3,426,680
Ad valorem taxes							
Taxes for maintenance and operations	51,096,854	31,173,460	28,167,937	18,313,765	15,959,804	11,796,386	156,508,206
Taxes for maintenance notes	3,118,111	1,902,314	1,718,907	1,117,570	973,923	719,857	9,550,682
Taxes for debt service	16,544,616	10,093,636	9,120,484	5,929,805	5,167,613	3,819,545	50,675,699
Federal revenue, non-operating	-	30,294,592	13,786,087	16,285,666	22,215,730	4,229,655	86,811,730
State revenue, non-operating	-	1,571,384	696,490	821,953	1,062,129	26,385	4,178,341
Gifts	65,731	107,500	12,050	62,453	2,307	-	250,041
Investment income	6,094,507	25,155	8,881	4,250	11,386	3,889	6,148,068
Total non-operating revenues	83,006,371	101,254,330	69,245,965	53,490,802	64,445,798	26,597,763	398,041,029
NON-OPERATING EXPENSES:							
Interest on capital-related debt	(2,324,147)	(4,052,509)	(3,413,384)	(2,801,289)	(3,351,539)	(2,950,056)	(18,892,924)
Interest on maintenance tax notes	(420,801)	(733,733)	(618,014)	(507,191)	(606,817)	(534,126)	(3,420,682)
Loss on disposal of capital assets	(8,417)	(444)	-	-	-	-	(8,861)
Other non-operating expenses	(2,366,095)	(41,596)	(268,548)	(82,032)	-	-	(2,758,271)
Total non-operating expenses	(5,119,460)	(4,828,282)	(4,299,946)	(3,390,512)	(3,958,356)	(3,484,182)	(25,080,738)
Net non-operating revenues	\$ 77,886,911	\$ 96,426,048	\$ 64,946,019	\$ 50,100,290	\$ 60,487,442	\$ 23,113,581	\$ 372,960,291

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Asset Types
For the Year Ended August 31, 2018
(Unaudited)

	Balance 9/1/2017	Additions	Deletions	Balance 8/31/2018
<i>Land:</i>				
San Antonio College	\$ 11,578,670	\$ -	\$ -	\$ 11,578,670
St. Philip's College	6,183,345	-	-	6,183,345
Palo Alto College	1,759,561	4,967,696	-	6,727,257
Northwest Vista College	1,717,000	-	-	1,717,000
Northeast Lakeview College	5,259,089	-	-	5,259,089
North Central Campus	12,793,381	-	-	12,793,381
District offices	13,701,683	-	-	13,701,683
Total land	52,992,729	4,967,696	-	57,960,425
<i>Buildings and building improvements:</i>				
San Antonio College	225,942,037	9,032,171	-	234,974,208
St. Philip's College	205,023,322	1,699,845	-	206,723,167
Palo Alto College	135,473,666	-	-	135,473,666
Northwest Vista College	132,908,297	-	-	132,908,297
Northeast Lakeview College	117,273,693	-	-	117,273,693
North Central Campus	-	-	-	-
District offices	29,403,523	-	-	29,403,523
Total buildings and building improvements	846,024,538	10,732,016	-	856,756,554
<i>Other real estate improvements:</i>				
San Antonio College	28,391,076	327,326	-	28,718,402
St. Philip's College	28,332,293	372,424	-	28,704,717
Palo Alto College	20,336,721	-	-	20,336,721
Northwest Vista College	34,186,559	-	-	34,186,559
Northeast Lakeview College	16,530,899	-	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	6,696,319	(169,984)	-	6,526,335
Total other real estate improvements	134,669,587	529,766	-	135,199,353
<i>Furniture, machinery and equipment:</i>				
San Antonio College	7,217,328	275,801	74,693	7,418,436
St. Philip's College	12,939,537	1,677,213	90,217	14,526,533
Palo Alto College	2,321,787	149,813	19,131	2,452,469
Northwest Vista College	2,116,410	161,205	-	2,277,615
Northeast Lakeview College	782,202	12,881	16,991	778,092
North Central Campus	-	-	-	-
District offices	13,239,512	3,187,183	254,510	16,172,185
Total furniture, machinery and equipment	38,616,776	5,464,096	455,542	43,625,330
<i>Software:</i>				
San Antonio College	83,577	-	-	83,577
St. Philip's College	60,319	-	-	60,319
Palo Alto College	9,408	-	-	9,408
District-wide	3,049,275	-	-	3,049,275
Total software	3,202,579	-	-	3,202,579
<i>Library materials:</i>				
San Antonio College	6,096,660	24,874	122,274	5,999,260
St. Philip's College	4,658,839	2,803	-	4,661,642
Palo Alto College	3,726,074	136	15,480	3,710,730
Northwest Vista College	903,411	22,820	-	926,231
Northeast Lakeview College	746,385	64,897	-	811,282
Total library materials	16,131,369	115,530	137,754	16,109,145
<i>Works of art:</i>				
San Antonio College	241,000	6,239	-	247,239
St. Philip's College	119,250	-	-	119,250
Palo Alto College	18,971	-	-	18,971
Total works of art	379,221	6,239	-	385,460
<i>Construction in progress:</i>				
San Antonio College	5,107,381	909,470	5,107,381	909,470
St. Philip's College	-	1,137,187	-	1,137,187
Palo Alto College	-	1,047,302	-	1,047,302
Northwest Vista College	-	1,019,870	-	1,019,870
Northeast Lakeview College	-	262,702	-	262,702
North Central Campus	-	-	-	-
District offices	7,224,356	33,363,556	-	40,587,912
Total construction in progress	12,331,737	37,740,087	5,107,381	44,964,443
Grand total	\$ 1,104,348,536	\$ 59,555,430	\$ 5,700,677	\$ 1,158,203,289

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Capital Assets by Location
For the Year Ended August 31, 2018
(Unaudited)

	Balance 9/1/2017	Additions	Deletions	Balance 8/31/2018
<i>San Antonio College:</i>				
Land	\$ 11,578,670	\$ -	\$ -	\$ 11,578,670
Buildings and building improvements	225,942,037	9,032,171	-	234,974,208
Other real estate improvements	28,391,076	327,326	-	28,718,402
Furniture, machinery and equipment	7,217,328	275,801	74,693	7,418,436
Software	83,577	-	-	83,577
Library materials	6,096,660	24,874	122,274	5,999,260
Works of art	241,000	6,239	-	247,239
Construction in progress	5,107,381	909,470	5,107,381	909,470
Total San Antonio College	284,657,729	10,575,881	5,304,348	289,929,262
<i>St. Philip's College:</i>				
Land	6,183,345	-	-	6,183,345
Buildings and building improvements	205,023,322	1,699,845	-	206,723,167
Other real estate improvements	28,332,293	372,424	-	28,704,717
Furniture, machinery and equipment	12,939,537	1,677,213	90,217	14,526,533
Software	60,319	-	-	60,319
Library materials	4,658,839	2,803	-	4,661,642
Works of art	119,250	-	-	119,250
Construction in progress	-	1,137,187	-	1,137,187
Total St. Philip's College	257,316,905	4,889,472	90,217	262,116,160
<i>Palo Alto College:</i>				
Land	1,759,561	4,967,696	-	6,727,257
Buildings and building improvements	135,473,666	-	-	135,473,666
Other real estate improvements	20,336,721	-	-	20,336,721
Furniture, machinery and equipment	2,321,787	149,813	19,131	2,452,469
Software	9,408	-	-	9,408
Library materials	3,726,074	136	15,480	3,710,730
Works of art	18,971	-	-	18,971
Construction in progress	-	1,047,302	-	1,047,302
Total Palo Alto College	163,646,188	6,164,947	34,611	169,776,524
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings and building improvements	132,908,297	-	-	132,908,297
Other real estate improvements	34,186,559	-	-	34,186,559
Furniture, machinery and equipment	2,116,410	161,205	-	2,277,615
Library materials	903,411	22,820	-	926,231
Construction in progress	-	1,019,870	-	1,019,870
Total Northwest Vista College	171,831,677	1,203,895	-	173,035,572
<i>Northeast Lakeview College:</i>				
Land	5,259,089	-	-	5,259,089
Buildings and building improvements	117,273,693	-	-	117,273,693
Other real estate improvements	16,530,899	-	-	16,530,899
Furniture, machinery and equipment	782,202	12,881	16,991	778,092
Library materials	746,385	64,897	-	811,282
Construction in progress	-	262,702	-	262,702
Total Northeast Lakeview College	140,592,268	340,480	16,991	140,915,757
<i>North Central Campus:</i>				
Land	12,793,381	-	-	12,793,381
Buildings and building improvements	-	-	-	-
Other real estate improvements	195,720	-	-	195,720
Furniture, machinery and equipment	-	-	-	-
Construction in progress	-	-	-	-
Total North Central Campus	12,989,101	-	-	12,989,101
<i>District offices:</i>				
Land	13,701,683	-	-	13,701,683
Buildings and building improvements	29,403,523	-	-	29,403,523
Other real estate improvements	6,696,319	(169,984)	-	6,526,335
Furniture, machinery and equipment	13,239,512	3,187,183	254,510	16,172,185
Software	3,049,275	-	-	3,049,275
Construction in progress	7,224,356	33,363,556	-	40,587,912
Total District offices	73,314,668	36,380,755	254,510	109,440,913
Grand total	\$ 1,104,348,536	\$ 59,555,430	\$ 5,700,677	\$ 1,158,203,289



ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Statistical Section
(Unaudited)



ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Section Introduction

This section of the Alamo Community College District 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 provides about the District's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant local revenue sources – tuition and fees, state appropriations and ad valorem taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.



ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 1 Net Position by Component Last Ten Fiscal Years (Unaudited) (in thousands)

	For the Years Ended August 31,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	\$ 275,577	\$ 253,835	\$ 210,275	\$ 188,810	\$ 180,647	\$ 170,255	\$ 163,742	\$ 179,050	\$ 182,572	\$ 181,568
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Restricted - expendable	19,840	10,545	24,591	24,241	18,633	16,410	12,963	11,339	11,212	10,256
Unrestricted	(158,554)	30,309	29,847	26,030	86,223	101,383	101,913	83,693	83,547	82,033
Total	136,863	294,689	264,713	239,081	285,503	288,048	278,618	274,082	277,331	273,857
Net position, beginning of year	294,689	264,713	239,081	230,602 *	288,048	278,618	274,082	277,331	273,857	278,435
Cumulative effect of change in accounting principle (Note 2) ¹	(184,850)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net position, beginning of year, as restated (Note 2)	109,839	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Increase (decrease) in net position	\$ 27,024	\$ 29,976	\$ 25,632	\$ 8,479	\$ (2,545)	\$ 9,430	\$ 4,536	\$ (3,249)	\$ 3,474	\$ (4,578)

¹In fiscal year 2018, net position as of the beginning of the year was restated (reduced) by \$184.9 million for the cumulative effect of applying GASB Statement No. 75.

*In fiscal year 2015, net position as of the beginning of the year was restated (reduced) by \$54.9 million for the cumulative effect of applying GASB Statement No. 68, as amended by GASB Statement No. 71.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Revenues by Source Last Ten Fiscal Years (Unaudited) (in thousands)

	For the Years Ended August 31,																			
	2018		2017		2016		2015		2014		2013		2012		2011		2010		2009	
OPERATING REVENUES:																				
Tuition and fees (net of discounts)	\$ 54,868	11.3%	\$ 54,367	11.7%	\$ 57,456	12.9%	\$ 58,190	13.8%	\$ 58,801	14.3%	\$ 64,091	15.5%	\$ 59,697	14.3%	\$ 48,917	11.4%	\$ 58,892	13.5%	\$ 51,115	12.9%
Governmental grants and contracts																				
Federal grants and contracts	17,182	3.5%	23,876	5.1%	20,369	4.6%	11,778	2.8%	12,766	3.1%	19,139	4.6%	20,098	4.8%	18,364	4.3%	21,369	4.9%	17,250	4.4%
State grants and contracts	445	0.1%	1,722	0.4%	1,920	0.4%	3,948	0.9%	4,066	1.0%	3,319	0.8%	7,061	1.7%	5,863	1.4%	2,758	0.6%	3,022	0.8%
Local grants and contracts	1,869	0.4%	4,490	1.0%	1,945	0.4%	1,297	0.3%	1,446	0.4%	1,954	0.5%	1,991	0.5%	1,108	0.3%	1,438	0.3%	1,007	0.3%
Non-governmental grants and contracts																				
Non-governmental grants and contracts	556	0.1%	369	0.1%	585	0.1%	413	0.1%	540	0.1%	369	0.1%	1,267	0.3%	1,288	0.3%	1,656	0.4%	2,221	0.6%
Investment income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4	0.0%	19	0.0%
Auxiliary enterprises	5,251	1.1%	4,932	1.1%	5,128	1.2%	4,929	1.2%	5,137	1.2%	4,064	1.0%	4,327	1.0%	4,194	1.0%	4,523	1.0%	4,265	1.1%
Other operating revenue	5,881	1.2%	4,177	0.9%	3,516	0.8%	3,404	0.8%	2,830	0.7%	2,993	0.7%	2,499	0.6%	1,624	0.4%	1,282	0.3%	2,325	0.6%
Total operating revenues	86,052	17.7%	93,933	20.3%	90,919	20.4%	83,959	19.9%	85,586	20.8%	95,929	23.2%	96,940	23.2%	81,358	19.1%	91,922	21.0%	81,224	20.7%
NON-OPERATING REVENUES:																				
State appropriations	83,918	17.3%	80,366	17.3%	77,486	17.4%	77,541	18.4%	77,020	18.7%	75,998	18.4%	77,777	18.7%	85,942	20.1%	90,135	20.6%	87,947	22.2%
Ad valorem taxes	216,735	44.8%	205,701	44.0%	188,253	42.3%	167,806	39.9%	157,721	38.3%	148,974	36.0%	139,160	33.4%	136,712	31.7%	133,601	30.7%	131,818	33.1%
Federal revenue, non-operating	86,812	17.9%	78,850	16.9%	79,919	18.0%	82,691	19.6%	84,282	20.5%	87,421	21.1%	96,451	23.2%	118,193	27.6%	113,380	25.9%	82,534	20.9%
State revenue, non-operating	4,178	0.9%	4,071	0.9%	4,272	1.0%	7,063	1.7%	4,392	1.1%	3,634	0.9%	3,549	0.9%	4,214	1.0%	6,746	1.5%	5,075	1.3%
Gifts	250	0.1%	859	0.2%	2,602	0.6%	1,342	0.3%	1,658	0.4%	1,426	0.3%	795	0.2%	476	0.1%	96	0.0%	601	0.2%
Investment income, non-operating	6,148	1.3%	1,739	0.4%	1,168	0.3%	775	0.2%	1,027	0.2%	222	0.1%	1,858	0.4%	1,566	0.4%	1,439	0.3%	6,293	1.6%
Total non-operating revenues	398,041	82.3%	371,586	79.7%	353,700	79.6%	337,218	80.1%	326,100	79.2%	317,675	76.8%	319,590	76.8%	347,103	80.9%	345,397	79.0%	314,268	79.3%
Total revenues	\$ 484,093	100.0%	\$ 465,519	100.0%	\$ 444,619	100.0%	\$ 421,177	100.0%	\$ 411,686	100.0%	\$ 413,604	100.0%	\$ 416,530	100.0%	\$ 428,461	100.0%	\$ 437,319	100.0%	\$ 395,492	100.0%

Starting with fiscal year 2010, non-operating revenues related to financial aid are reported as non-operating revenues, and prior years' amounts have been reclassified in order to be consistent with this presentation.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Program Expenses by Function Last Ten Fiscal Years (Unaudited) (in thousands)

	For the Years Ended August 31,																			
	2018		2017		2016		2015		2014		2013		2012		2011		2010		2009	
OPERATING EXPENSES:																				
Instruction	\$ 138,430	30.3%	\$ 132,779	30.5%	\$ 125,546	30.0%	\$ 125,728	30.5%	\$ 125,882	30.4%	\$ 124,406	30.8%	\$ 128,486	31.7%	\$ 144,317	33.4%	\$ 145,086	33.4%	\$ 130,794	32.8%
Public service	1,400	0.3%	1,289	0.3%	856	0.2%	1,316	0.3%	1,638	0.4%	330	0.1%	349	0.1%	291	0.1%	300	0.1%	609	0.2%
Academic support	27,326	6.0%	27,148	6.2%	24,846	5.9%	25,110	6.1%	24,662	6.0%	25,069	6.2%	26,179	6.5%	28,083	6.5%	27,529	6.3%	25,131	6.3%
Student services	50,931	11.1%	48,520	11.1%	45,707	10.9%	42,971	10.4%	36,774	8.9%	32,083	7.9%	29,090	7.2%	31,004	7.2%	33,631	7.8%	32,012	8.0%
Institutional support	79,247	17.3%	73,426	16.9%	69,972	16.7%	65,195	15.8%	65,231	15.7%	63,871	15.8%	53,487	13.2%	54,684	12.7%	55,463	12.8%	54,951	13.8%
Operation and maintenance of plant	45,572	10.0%	41,066	9.4%	38,294	9.1%	36,124	8.8%	36,790	8.9%	36,178	9.0%	34,891	8.6%	33,259	7.7%	31,847	7.3%	29,807	7.5%
Scholarships and fellowships	55,135	12.1%	54,612	12.5%	53,517	12.8%	57,362	13.9%	58,905	14.2%	58,358	14.4%	65,811	16.2%	78,447	18.2%	79,979	18.4%	58,582	14.7%
Auxiliary enterprises	1,930	0.4%	1,743	0.4%	1,757	0.4%	1,722	0.4%	1,672	0.4%	1,531	0.4%	1,440	0.4%	2,214	0.5%	1,645	0.4%	2,449	0.6%
Depreciation and amortization	32,017	7.0%	31,676	7.3%	32,007	7.6%	31,518	7.6%	32,152	7.8%	29,850	7.4%	30,486	7.5%	29,520	6.8%	24,550	5.7%	17,044	4.3%
Total operating expenses	431,988	94.5%	412,259	94.6%	392,502	93.6%	387,046	93.8%	383,706	92.7%	371,676	92.0%	370,219	91.4%	401,819	93.1%	400,030	92.2%	351,379	88.2%
NON-OPERATING EXPENSES:																				
Interest on capital-related debt and MTN	22,314	4.9%	20,441	4.7%	20,071	4.8%	23,368	5.7%	25,062	6.1%	26,538	6.6%	26,973	6.7%	27,408	6.3%	28,084	6.5%	28,842	7.2%
Other non-operating expenses	2,758	0.6%	2,609	0.6%	6,370	1.5%	2,216	0.5%	5,319	1.2%	5,612	1.3%	8,136	1.9%	2,300	0.5%	5,118	1.1%	18,541	4.6%
Loss on disposal of capital assets	9	0.0%	233	0.1%	45	0.1%	68	0.0%	144	0.0%	348	0.1%	129	0.0%	232	0.1%	662	0.2%	35	0.0%
Total non-operating expenses	25,081	5.5%	23,283	5.4%	26,486	6.4%	25,652	6.2%	30,525	7.3%	32,498	8.0%	35,238	8.6%	29,940	6.9%	33,864	7.8%	47,418	11.8%
Total expenses	\$ 457,069	100.0%	\$ 435,542	100.0%	\$ 418,988	100.0%	\$ 412,698	100.0%	\$ 414,231	100.0%	\$ 404,174	100.0%	\$ 405,457	100.0%	\$ 431,759	100.0%	\$ 433,894	100.0%	\$ 398,797	100.0%

Starting with fiscal year 2010, non-operating revenues related to financial aid are reported as non-operating revenues, and prior years' amounts have been reclassified in order to be consistent with this presentation.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 4 Tuition and Fees Last Ten Academic Years (Unaudited)

Resident: Fees based on 12 Semester Credit Hours (SCH)

Academic Year (Fall)	In-District Tuition*	Out-of-District Tuition*	Student Activity Fees	Campus Access Fee	General Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
Fall 2017	\$ 86.00	\$ 202.00	\$ 12.00	\$ 25.00	\$ -	\$ 1,069.00	\$ 2,461.00	17.47%	4.10%
Fall 2016	73.00	194.00	12.00	25.00	-	910.00	2,364.00	4.84%	4.93%
Fall 2015	69.00	185.00	12.00	25.00	-	868.00	2,253.00	0.00%	0.00%
Fall 2014	69.00	185.00	12.00	25.00	-	868.00	2,253.00	0.00%	0.00%
Fall 2013	69.00	185.00	12.00	25.00	-	868.00	2,253.00	2.97%	1.12%
Fall 2012	69.00	185.00	12.00	-	-	843.00	2,228.00	2.93%	0.00%
Fall 2011	56.00	112.00	12.00	-	135.00	819.00	2,228.00	4.87%	56.57%
Fall 2010	53.50	107.00	12.00	-	127.00	781.00	1,423.00	0.00%	3.04%
Fall 2009	53.50	103.50	12.00	-	127.00	781.00	1,381.00	4.83%	8.48%
Fall 2008	51.00	95.00	12.00	-	121.00	745.00	1,273.00	4.20%	2.41%

Non-Resident: Fees based on 12 Semester Credit Hours (SCH)

Academic Year (Fall)	Non-Resident Tuition Out-of-State*	Student Activity Fees	Campus Access Fee	General Fee	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2017	\$ 453.00	\$ 12.00	\$ 25.00	\$ -	\$ 5,473.00	20.44%
Fall 2016	376.00	12.00	25.00	-	4,544.00	4.97%
Fall 2015	358.00	12.00	25.00	-	4,329.00	0.00%
Fall 2014	358.00	12.00	25.00	-	4,329.00	0.00%
Fall 2013	358.00	12.00	25.00	-	4,329.00	0.58%
Fall 2012	358.00	12.00	-	-	4,304.00	51.82%
Fall 2011	224.00	12.00	-	135.00	2,835.00	4.73%
Fall 2010	214.00	12.00	-	127.00	2,707.00	5.13%
Fall 2009	203.00	12.00	-	127.00	2,575.00	10.56%
Fall 2008	183.00	12.00	-	121.00	2,329.00	-1.36%

*Between the Fall of 2012 and the Fall of 2016, tuition was charged at a variable rate dependent on the number of hours taken by the student during the semester.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 5 Assessed Value and Taxable Assessed Value of Property Last Ten Fiscal Years (Unaudited)

Fiscal Year	Assessed Valuation of Property*	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations	Debt Service	Total
2017-18	\$ 166,595,034,165	\$ 14,761,694,685	\$ 151,833,339,480	91.14%	0.10776	0.04139	0.14915
2016-17	155,381,589,446	13,268,330,107	142,113,259,339	91.46%	0.10776	0.04139	0.14915
2015-16	141,897,318,235	12,277,254,224	129,620,064,011	91.35%	0.10530	0.04385	0.14915
2014-15	126,135,984,074	11,432,857,776	114,703,126,298	90.94%	0.10640	0.04275	0.14915
2013-14	117,537,576,763	10,595,670,602	106,941,906,161	90.99%	0.10440	0.04475	0.14915
2012-13	111,855,649,838	10,294,806,815	101,560,843,023	90.80%	0.10440	0.04475	0.14915
2011-12	109,886,262,029	10,136,852,914	99,749,409,115	90.78%	0.09687	0.04475	0.14162
2010-11	109,126,636,976	9,850,838,178	99,275,798,798	90.97%	0.09687	0.04475	0.14162
2009-10	110,259,418,727	9,570,660,304	100,688,758,423	91.32%	0.09110	0.04475	0.13585
2008-09	108,103,964,593	8,679,501,416	99,424,463,177	91.97%	0.09110	0.04475	0.13585

Source: Bexar County Appraisal District, most recent Certified Supplement for the relevant Tax Year, ARB Approved.

*The Assessed Valuation is presented net of Tax Incremental Financings. See Note 19 for additional information.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 6a General Appropriations Act Before Contact Hour Adjustments¹ Last Ten Fiscal Years (Unaudited)

Appropriation Funding Elements	For the years ended August 31,									
	2018*	2017*	2016*	2015*	2014*	2013	2012	2011	2010	2009
State Appropriation Contact Hour Funding (CH)	\$ 52,031,745	\$ 52,680,089	\$ 52,680,089	\$ 56,125,968	\$ 56,125,968	\$ 63,625,883	\$ 66,004,803	\$ 65,658,472	\$ 69,233,873	\$ 67,846,696
State Appropriation Student Success Points (SSP)	7,194,360	6,653,202	6,653,202	6,814,491	6,814,491	-	-	-	-	-
State Appropriation Core Operations (CO)	680,406	500,000	500,000	500,000	500,000	-	-	-	-	-
State Appropriation Bachelor of Applied Technology (BAT)	-	-	-	-	-	-	-	-	-	-
State Appropriation Non-Formula Items	4,058,400	4,450,000	4,450,000	-	-	-	-	-	-	-
Total	<u>\$ 63,964,911</u>	<u>\$ 64,283,291</u>	<u>\$ 64,283,291</u>	<u>\$ 63,440,459</u>	<u>\$ 63,440,459</u>	<u>\$ 63,625,883</u>	<u>\$ 66,004,803</u>	<u>\$ 65,658,472</u>	<u>\$ 69,233,873</u>	<u>\$ 67,846,696</u>

Note: The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

¹ General Appropriations Act, SB 1, 85th Texas Legislature, Section 1 (page III-209) - Informational Listing of Appropriated Funds

* Formula funding methodology changed in fiscal year 2014

Source: THECB - Ten Pay Schedule

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 6b State Appropriation Per FTSE Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended	State Appropriation (unrestricted) per Schedule C	FTSE ¹	State Appropriation per FTSE
2018*	\$ 59,907,851	34,724	\$ 1,725
2017*	59,928,821	34,953	1,715
2016*	59,833,294	35,771	1,673
2015*	63,440,469	35,586	1,783
2014*	63,440,918	36,031	1,761
2013	63,625,883	36,849	1,727
2012	66,004,803	39,131	1,687
2011	65,658,472	39,162	1,677
2010	69,233,873	41,077	1,685
2009	67,846,696	36,254	1,871

Note: The requirements for Schedule 6 were changed by the THECB in fiscal year 2018.

Full time student equivalent (FTSE) is calculated using semester credit hours (SCH) divided by 30 plus non-semester (continuing education) hours divided by 900.

* Formula funding methodology changed in fiscal year 2014

Source: CBM004 and CBM00C

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 6c State Appropriation Per Funded Contact Hour¹ Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended	CH - State Appropriation ² (unrestricted)	Academic Contact Hours	Technical Contact Hours	Continuing Education Contact Hours	Total Funded Contact Hours	Appropriation per Funded Contact Hour
2018*	\$ 52,031,745	16,291,384	3,397,264	377,777	20,066,425	\$ 2.59
2017*	52,680,089	16,073,080	3,655,173	384,757	20,113,010	2.62
2016*	52,680,089	16,189,360	3,701,027	386,595	20,276,982	2.60
2015*	56,125,968	15,932,152	4,008,405	510,549	20,451,106	2.74
2014*	56,125,968	16,338,384	4,126,465	592,161	21,057,010	2.67
2013	63,625,883	16,850,656	4,345,555	641,331	21,837,542	2.91
2012	66,004,803	17,767,584	4,568,491	656,027	22,992,102	2.87
2011	65,658,472	18,969,648	4,838,908	722,764	24,531,320	2.68
2010	69,233,873	18,845,612	5,065,508	870,460	24,781,580	2.79
2009	67,846,696	16,578,880	4,564,484	865,410	22,008,774	3.08

Note: The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

¹ Contact hours (CH) for Academic, Technical and Continuing Education include the Fall, Spring and Summer semesters of the respective fiscal year.

² State Funded Contact Hour Appropriation as presented in Schedule 6a

* Formula funding methodology changed in fiscal year 2014

Source: CBM004 and CBM00C

ALAMO COMMUNITY COLLEGE DISTRICT

**Statistical Supplement 6d
State Appropriation Per Student Success Point - Annualized
Last Five Fiscal Years¹
(Unaudited)**

Fiscal Year Ended ¹	SSP - State Appropriation (Unrestricted) ²	3-Year Average Student Success Points ³	Appropriation per Student Success Point
2018	\$ 7,194,360	83,874	\$ 85.78
2017	6,653,202	77,101	86.29
2016	6,653,202	77,101	86.29
2015	6,814,491	73,621	92.56
2014	6,814,491	73,621	92.56

Note: The requirements for Schedule 6 were changed by THECB in fiscal year 2018.

¹The formula funding methodology was changed in fiscal year 2014 to include appropriations based on student success points. As such, appropriations per student success point are not applicable for fiscal years prior to 2014. Schedule is intended to include 10 years, additional years will be presented as they become available.

²State Funded student success point appropriation as presented in Schedule 6a

³Source: THECB - Ten Pay Schedule

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 6e Student Success Points (SSP) Last Nine Fiscal Years¹ (Unaudited)

Success Point Elements ²	For the years ended August 31,							
	2017*	2016*	2015*	2014*	2013	2012	2011	2010
Math Readiness	2,837	2,742	2,006	2,039	3,778	976	1,670	7,675
Read Readiness	1,531	1,482	1,097	1,231	2,565	881	1,325	2,751
Write Readiness	1,298	1,253	981	1,111	2,094	756	1,274	1,858
Students Who Pass FCL Math Course	9,406	9,927	9,909	9,588	8,620	9,055	8,227	7,558
Students Who Pass FCL Read Course	5,570	5,305	5,361	5,584	5,515	6,475	6,559	6,191
Students Who Pass FCL Write Course	5,444	5,336	5,254	5,209	5,128	6,626	6,432	7,114
Students Who Complete 15 SCH	16,721	16,756	15,616	16,164	15,051	15,384	17,483	18,392
Students Who Complete 30 SCH	10,835	10,495	10,033	10,180	9,908	9,539	11,995	11,050
Student Transfers to a 4-Yr Inst	12,176	12,024	11,504	11,256	11,072	11,184	10,728	8,540
Degrees, CCCs, or Certs (Undup)	21,812	21,202	17,530	13,576	11,548	9,840	7,198	6,970
Degrees or Certs in Critical Fields	3,022	3,348	3,476	3,049	3,110	3,166	2,995	2,876
Annual Success Points - Total	90,652	89,870	82,767	78,987	78,389	73,882	75,886	80,975

¹ Student Success Points funding was established by The General Appropriations Act, SB 1, 83rd Texas Legislature. As such, SSP data is only available beginning in year 2010 and forward. Schedule is intended to show 10 years, additional years will be displayed as they become available.

² These are annual weighted SSP, not 3-year rolling averages.

* Formula funding methodology changed in Fiscal Year 2014

Source: THECB 10-Pay Schedule

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 7 Principal Taxpayers Last Ten Fiscal Years (Unaudited)

Taxable Assessed Value (TAV) (\$000 omitted)											
Tax Payer	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
HEB Grocery Company LP	\$ 1,415,595	\$ 1,355,150	\$ 1,265,838	\$ 1,119,370	\$ 1,090,006	\$ 1,025,290	\$ 968,937	\$ 957,372	\$ 915,618	\$ 860,947	
Microsoft Corporation	763,981	587,517	438,070	273,326	322,193	340,011	343,633	334,968	-	-	
Methodist Healthcare Systems SA LTD LLP	714,781	666,134	616,182	573,090	540,523	532,699	518,606	455,263	451,594	470,840	
Wal-Mart Stores, Inc.	687,965	679,929	614,127	552,930	512,390	400,886	396,639	384,171	-	371,620	
Toyota Motor Mfg Texas Inc.	516,943	582,068	558,664	560,473	554,647	523,666	542,971	447,437	541,478	-	
VHS San Antonio Partners LP	509,095	520,866	514,599	501,719	469,526	359,878	404,509	375,935	375,477	390,814	
USAA	390,986	409,527	361,960	313,438	309,922	323,095	339,064	336,394	343,721	346,117	
La Cantera Specialty Retail LTD Partnership	359,482	354,890	343,303	272,081	228,526	221,968	212,394	238,190	263,640	-	
Southwestern Bell Telephone	342,872	352,861	325,075	337,247	351,030	391,280	412,841	423,199	408,853	496,917	
Halliburton Energy Services, Inc.	292,246	317,326	413,029	309,888	-	-	-	-	-	-	
SA Real Estate LLLP	-	-	-	-	220,992	224,013	264,078	266,758	-	-	
Frost National Bank	-	-	-	-	-	-	-	-	209,948	186,581	
Marriott Hotel Properties	-	-	-	-	-	-	-	-	171,581	188,615	
Frankel Family Trust	-	-	-	-	-	-	-	-	199,812	194,134	
Time Warner Cable San Antonio LP (Paragon)	-	-	-	-	-	-	-	-	-	-	
New River Center Mall LP	-	-	-	-	-	-	-	-	-	-	
MBS-Colonnade Ltd	-	-	-	-	-	-	-	-	-	215,664	
Total	\$ 5,993,946	\$ 5,826,268	\$ 5,450,847	\$ 4,813,562	\$ 4,599,755	\$ 4,342,786	\$ 4,403,671	\$ 4,219,687	\$ 3,881,722	\$ 3,722,249	
Total Taxable Assessed Value	\$ 151,833,339	\$ 142,113,259	\$ 129,620,064	\$ 114,754,869	\$ 106,941,906	\$ 101,560,843	\$ 99,749,407	\$ 99,275,859	\$ 100,688,758	\$ 99,836,254	
% of Total Taxable Assessed Value (TAV)											
Tax Payer	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	
HEB Grocery Company LP	0.93%	0.95%	0.98%	0.98%	1.02%	1.01%	0.97%	0.96%	0.91%	0.86%	
Microsoft Corporation	0.50%	0.41%	0.34%	0.24%	0.30%	0.33%	0.34%	0.34%	0.00%	0.00%	
Methodist Healthcare Systems SA LTD LLP	0.47%	0.47%	0.48%	0.50%	0.51%	0.52%	0.52%	0.46%	0.45%	0.47%	
Wal-Mart Stores, Inc.	0.45%	0.48%	0.47%	0.48%	0.48%	0.39%	0.40%	0.39%	0.00%	0.37%	
Toyota Motor Mfg Texas Inc.	0.34%	0.41%	0.43%	0.49%	0.52%	0.52%	0.54%	0.45%	0.54%	0.00%	
VHS San Antonio Partners LP	0.34%	0.37%	0.40%	0.44%	0.44%	0.35%	0.41%	0.38%	0.37%	0.39%	
USAA	0.26%	0.29%	0.28%	0.27%	0.29%	0.32%	0.34%	0.34%	0.34%	0.35%	
La Cantera Specialty Retail LTD Partnership	0.24%	0.25%	0.26%	0.24%	0.21%	0.22%	0.21%	0.24%	0.26%	0.00%	
Southwestern Bell Telephone	0.23%	0.25%	0.25%	0.29%	0.33%	0.39%	0.41%	0.43%	0.41%	0.50%	
Halliburton Energy Services, Inc.	0.19%	0.22%	0.32%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
SA Real Estate LLLP	0.00%	0.00%	0.00%	0.00%	0.21%	0.22%	0.26%	0.27%	0.00%	0.00%	
Frost National Bank	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.19%	
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%	0.19%	
Frankel Family Trust	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.19%	
Time Warner Cable San Antonio LP (Paragon)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
New River Center Mall LP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
MBS-Colonnade Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	
Total	3.95%	4.10%	4.21%	4.19%	4.30%	4.28%	4.41%	4.25%	3.86%	3.73%	

Source: Bexar County Appraisal District
 Total taxable assessed value is from most recent ARB approved certified supplement as of year-end.
 Fiscal year corresponds to prior tax year and is shown net of exemptions and tax increment financings.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 8 Property Tax Levies and Collections Last Ten Fiscal Years (Unaudited)

Fiscal Year Ended Aug 31	Original Year Levy	Cumulative Levy Adjustments	Adjusted Tax Levy ⁽¹⁾	Collections Year of Original Levy	Collection Percentage Original Levy	Prior Collections of Prior Levies ⁽²⁾	Current Year Collections of Prior Levies	Total Collections	Cumulative Collections of Adjusted Levy
2018	\$ 220,999,630	\$ (2,627,237)	\$ 218,372,393	\$ 215,596,460	97.56%	\$ -	\$ -	\$ 215,596,460	98.73%
2017	206,482,168	(3,104,793)	203,377,375	202,675,506	98.16%	-	(299,329)	202,376,178	99.51%
2016	189,391,239	(2,801,989)	186,589,251	185,543,626	97.97%	563,793	(163,233)	185,944,186	99.65%
2015	168,691,852	(2,498,413)	166,193,439	165,010,702	97.82%	574,787	94,500	165,679,989	99.69%
2014	157,087,439	(1,695,430)	155,392,009	154,114,745	98.11%	727,685	106,345	154,948,775	99.71%
2013	148,541,205	(1,255,426)	147,285,778	145,758,928	98.13%	1,136,821	36,982	146,932,731	99.76%
2012	138,594,895	(861,539)	137,733,356	135,764,825	97.96%	1,634,284	24,219	137,423,328	99.77%
2011	137,908,286	(1,222,917)	136,685,369	134,739,175	97.70%	1,631,446	17,817	136,388,438	99.78%
2010	134,340,094	(1,774,497)	132,565,597	130,767,468	97.34%	1,516,325	14,966	132,298,759	99.80%
2009	132,171,475	(1,571,620)	130,599,856	128,946,515	97.56%	1,387,682	11,261	130,345,458	99.81%

Source: Bexar County Tax Assessor-Collector

(1) As of August 31st of the current reporting year

(2) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy (roll-forward balances from prior year)

All information is property tax levy only - does not include penalties and interest as reported in notes to the financial statements

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 9 Ratios of Outstanding Debt Last Ten Fiscal Years (Unaudited)

	For the Years Ended August 31 (in thousands*)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Bonded Debt										
General obligation bonds	\$ 474,683	\$ 341,042	\$ 363,361	\$ 374,652	\$ 384,644	\$ 394,187	\$ 403,305	\$ 412,484	\$ 420,416	\$ 428,362
Tax notes	62,680	69,820	85,888	109,816	125,261	138,976	150,865	159,405	109,935	108,095
Net general bonded debt	\$ 537,363	\$ 410,862	\$ 449,249	\$ 484,468	\$ 509,905	\$ 533,163	\$ 554,170	\$ 571,889	\$ 530,351	\$ 536,457
Other Debt										
Revenue bonds	\$ 109,802	\$ 115,398	\$ 64,894	\$ 69,894	\$ 74,829	\$ 80,163	\$ 84,852	\$ 66,216	\$ 69,815	\$ 73,259
Notes payable	13,853	15,157	16,504	15,923	17,162	12,727	-	-	-	207
Total Outstanding Debt	\$ 661,018	\$ 541,417	\$ 530,647	\$ 570,285	\$ 601,896	\$ 626,053	\$ 639,022	\$ 638,105	\$ 600,166	\$ 609,923
Figures for Debt Ratios:										
Bexar County population ¹	1,988,364	1,953,028	1,917,932	1,882,834	1,847,931	1,813,421	1,784,731	1,756,262	1,714,773	1,649,956
Full-Time Student Equivalent (FTSE) ²	34,724	34,953	35,771	35,586	36,031	36,849	39,131	39,162	41,077	36,892
Taxable assessed value (TAV) ³	\$ 151,833,339	\$ 142,113,259	\$ 129,620,064	\$ 114,703,126	\$ 106,941,906	\$ 101,560,843	\$ 99,749,409	\$ 99,275,859	\$ 100,688,758	\$ 99,424,463
General Bonded Debt Ratios										
Per capita	\$ 270.25	\$ 210.37	\$ 234.24	\$ 257.31	\$ 275.93	\$ 294.01	\$ 310.51	\$ 325.63	\$ 309.28	\$ 325.13
Per FTSE	15,475	11,755	12,559	13,614	14,152	14,469	14,162	14,603	12,911	14,541
As a percentage of TAV	0.35%	0.29%	0.35%	0.42%	0.48%	0.52%	0.56%	0.58%	0.53%	0.54%
Total Outstanding Debt Ratios										
Per capita	\$ 332.44	\$ 277.22	\$ 276.68	\$ 302.89	\$ 325.71	\$ 345.23	\$ 358.05	\$ 363.33	\$ 350.00	\$ 369.66
Per FTSE	19,036	15,490	14,835	16,026	16,705	16,990	16,330	16,294	14,611	16,533
As a percentage of TAV	0.44%	0.38%	0.41%	0.50%	0.56%	0.62%	0.64%	0.64%	0.60%	0.61%

Notes/Sources:

*Except for figures for debt ratios

Bonds outstanding are adjusted by premium or discount.

¹Population obtained from Texas Department of State Health Services website.

²FTSE obtained from THECB (funded only) and is calculated using Semester Credit hours divided by 30 plus non-semester (continuing education) hours divided by 900.

³TAV obtained from most recent ARB Approved Certified Supplement (Bexar Appraisal District) and is shown net of exemptions and tax increment financings.

ALAMO COMMUNITY COLLEGE DISTRICT

**Statistical Supplement
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)
(dollars in thousands)**

General Obligation Bonds

For the Year Ended August 31	Net Taxable Assessed Value ¹	Elected Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Service Requirements	Excess of Elected Limit for Debt Service over Current Requirements	Net Current Requirements ² as a % of Elected Limit
2018	\$ 151,833,339	\$ 215,968	\$ 8,032	\$ 207,936	\$ 28,857	\$ 179,079	9.64%
2017	142,113,259	202,142	2,058	200,084	37,250	162,834	17.41%
2016	129,620,064	187,560	9,245	178,315	25,000	153,315	8.40%
2015	114,754,869	164,788	6,444	158,344	26,920	131,424	12.43%
2014	106,941,906	155,707	5,808	149,899	26,913	122,986	13.55%
2013	101,560,843	147,873	5,788	142,085	26,911	115,174	14.28%
2012	99,749,409	152,743	5,467	147,276	25,745	121,531	13.28%
2011	99,275,859	152,018	5,315	146,703	27,239	119,464	14.42%
2010	100,688,758	159,994	4,633	155,361	27,205	128,156	14.11%
2009	99,424,463	157,985	3,016	154,969	31,170	123,799	17.82%

Note: By local referendum held on September 30, 1952, the District is limited to a total tax rate not to exceed \$0.25 per \$100 taxable assessed valuation for maintenance and operation and debt service purposes. This tax rate is lower than the \$1.00 per \$100 taxable assessed valuation limitation (of which a maximum of \$0.50 may be utilized for debt service purposes) on ad valorem tax rates for community college districts imposed by Texas Education Code Section 130.122, as amended.

¹ Net Taxable Assessed Value obtained from most recent Supplement to the Certified Total (ARB Approved 2017 Supplement 187) and is shown net of exemptions and tax increment financings.

² Current year debt service requirements net of funds restricted for repayment of General Obligation bonds.

ALAMO COMMUNITY COLLEGE DISTRICT

**Statistical Supplement
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)
(dollars in thousands)**

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)					Debt Service Requirements (\$000 omitted)			
	Tuition	General Fee	Investment Income	Other Income	Total	Principal	Interest	Total	Coverage Ratio
2018	\$ 24,808	\$ -	\$ 2,645	\$ 6,453	\$ 33,906	\$ 5,145	\$ 4,717	\$ 9,862	3.44
2017	25,358	-	1,602	6,137	33,097	4,780	2,288	7,068	4.68
2016	24,693	-	974	6,292	31,959	4,720	2,356	7,076	4.52
2015	25,486	-	639	6,147	32,272	4,655	2,409	7,064	4.57
2014	26,199	-	513	6,033	32,745	5,055	2,448	7,503	4.36
2013*	27,432	-	513	5,590	33,535	4,410	2,742	7,152	4.69
2012	17,496	18,337	465	3,843	40,141	3,715	1,513	5,228	7.68
2011	16,262	19,093	524	3,651	39,530	3,560	3,105	6,665	5.93
2010	18,407	19,319	1,634	4,053	43,413	3,405	3,255	6,660	6.52
2009	14,294	16,269	1,045	3,548	35,156	3,280	3,388	6,668	5.27

Note: During the 2003 Texas Legislative Session, the Texas Legislature enacted H.B. 1621 which, in part, amended Section 130.123 (e) of the Texas Education Code to permit the District to increase the pledge of its Tuition Fee portion of the Pledged Revenues from an amount not to exceed \$15.00 per student for each regular semester and \$7.50 per student for each summer term, to an amount not to exceed 25 percent of the tuition charges collected from each enrolled student for each semester or term.

* Beginning with FY2013, the District refinanced all of its revenue bonds and incorporated a revised and expanded pledged revenue formula.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Demographics and Economic Statistics – Taxing District Last Ten Fiscal Years (Unaudited)

Calendar Year	District Population	District Personal Income (Thousands of Dollars)	District Personal Income Per Capita	District Annual Unemployment Rate
2017	1,958,578	* \$ 84,122,309 *	\$ 42,951 *	3.7%
2016	1,928,680	84,122,309	43,617	3.7%
2015	1,897,753	81,038,194	42,702	3.8%
2014	1,855,866	75,825,317	40,857	4.7%
2013	1,822,154	71,786,980	39,397	5.8%
2012	1,788,858	70,274,756	39,825	6.3%
2011	1,755,526	67,565,567	38,487	7.2%
2010	1,714,773	61,673,003	35,793	7.3%
2009	1,685,628	58,073,920	34,452	6.7%
2008	1,651,709	59,153,111	35,813	4.6%

Sources: Bureau of Economic Analysis, U.S. Department of Commerce and Bureau of Labor Statistics (2016-2017)
Texas Workforce Commission, LMI Tracer, Data Link, US Census Bureau State and County Facts (2008-2015)
*Current year data are estimates subject to update in subsequent year.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Principal Employers Last Ten Fiscal Years (Unaudited)

Principal Employers	2018 (1)		2017 (2)		2016 (3)		2015 (4)		2014 (5)		2013 (6)		2012 (7)		2011 (8)		2010 (9)		2009 (10)	
	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt
Lackland AFB	37,000	3.5%	37,097	3.6%	37,097	3.4%	37,097	3.4%	37,097	3.7%	37,097	3.7%	37,097	3.6%	37,097	3.7%	28,100	3.1%	28,100	2.8%
Fort Sam Houston - US Army	32,000	3.0%	32,000	3.1%	32,000	2.9%	32,000	2.9%	32,000	3.2%	32,000	3.2%	32,000	3.1%	32,000	3.2%	30,793	3.4%	30,793	3.1%
HEB Food Stores	20,000	1.9%	20,000	1.9%	20,000	1.8%	20,000	1.8%	20,000	2.0%	20,000	2.0%	14,588	1.4%	14,588	1.4%	14,588	1.6%	14,588	1.5%
USAA	18,305	1.7%	17,000	1.6%	17,000	1.6%	17,000	1.5%	16,000	1.6%	17,000	1.7%	15,000	1.5%	14,832	1.5%	14,852	1.6%	14,852	1.5%
Northside ISD	13,977	1.3%	12,751	1.2%	12,751	1.2%	12,751	1.2%	12,751	1.3%	12,751	1.3%	12,751	1.2%	13,300	1.3%	12,597	1.4%	12,597	1.3%
Randolph AFB	11,000	1.0%	11,068	1.1%	11,068	1.0%	11,068	1.0%	11,068	1.1%	11,068	1.1%	11,068	1.1%	11,068	1.1%	10,700	1.2%	10,700	1.1%
Methodist Healthcare System	9,620	0.9%	8,118	0.8%	8,118	0.7%	8,118	0.7%	8,118	0.8%	8,000	0.8%	7,747	0.8%	7,500	0.7%	7,013	0.8%	7,391	0.7%
City of San Antonio	9,145	0.9%	9,145	0.9%	9,145	0.8%	9,145	0.8%	9,145	0.9%	11,731	1.2%	9,145	0.9%	9,145	0.9%	9,000	1.0%	10,687	1.1%
Northeast ISD	9,001	0.9%	10,052	1.0%	10,052	0.9%	10,052	0.9%	10,052	1.0%	10,522	1.1%	10,522	1.0%	10,522	1.0%	10,223	1.1%	10,223	1.0%
San Antonio ISD	7,000	0.7%	7,000	0.7%	7,000	0.6%			7,000	0.7%	7,374	0.7%	7,000	0.7%	7,581	0.7%	7,581	0.8%	7,425	0.7%
Baptist Health System	6,383	0.6%					6,498	0.6%	7,205	0.7%										
Total Employment - (Principal employers)	173,431	16.4%	164,231	15.9%	164,231	14.9%	163,729	14.8%	170,436	17.0%	167,543	16.8%	156,918	15.3%	157,633	15.5%	145,447	16.0%	147,356	14.7%
Total Employment - (All employers)	1,058,300	100.0%	1,041,300	100.0%	1,086,301	100.0%	1,099,430	100.0%	1,011,080	100.0%	990,148	100.0%	1,026,242	100.0%	1,012,433	100.0%	906,452	100.0%	1,003,571	100.0%

(1) Source: San Antonio Economic Development Foundation Website 05/2018 <http://www.sanantoniodef.com/why-san-antonio/data/>; Northside ISD, Northeast ISD and San Antonio ISD respective websites
(2) Source: San Antonio Economic Development Foundation Website 05/2017 <http://www.sanantoniodef.com/why-san-antonio/data/>
(3) Source: San Antonio Economic Development Foundation Website 09/2016 <http://www.sanantoniodef.com/business-profile/major-employers>
(4) Source: San Antonio Economic Development Foundation Website 05/2015 <http://www.sanantoniodef.com/business-profile/major-employers>
(5) Source: San Antonio Economic Development Foundation Website 9/12/2014 <http://www.sanantoniodef.com/business-profile/major-employers>
(6) Source: San Antonio Economic Development Foundation Website 9/4/2013 <http://www.sanantoniodef.com/business-profile/major-employers>
(7) Source: San Antonio Economic Development Foundation Website 10/18/2012 <http://www.sanantoniodef.com/business-profile/major-employers>
(8) Source: San Antonio Economic Development Foundation Website 9/7/2011 <http://www.sanantoniodef.com/business-profile/major-employers>
(9) Source: San Antonio Economic Development Foundation Website 8/10/2010 <http://www.sanantoniodef.com/business-profile/major-employers>
(10) Source: San Antonio Economic Development Foundation, Northside ISD, Northeast ISD and by contact with institutional representatives as well as Texas Workforce Commission, Tracer 2 (labor Force - June 2009)

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Faculty, Staff and Administrators Statistics Last Ten Fiscal Years (Unaudited)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty*										
Full-time	894	895	962	928	916	750	1,004	1,039	1,027	1,049
Part-time	2,118	1,924	1,772	1,556	1,633	1,848	1,482	1,710	1,599	2,957
Total	3,012	2,819	2,734	2,484	2,549	2,598	2,486	2,749	2,626	4,006
Percent										
Full-time	29.68%	31.75%	35.19%	37.36%	35.94%	28.87%	40.39%	37.80%	39.11%	26.19%
Part-time	70.32%	68.25%	64.81%	62.64%	64.06%	71.13%	59.61%	62.20%	60.89%	73.81%
Staff and Administrators*										
Full-time	1,773	1,725	1,808	1,715	1,649	1,479	1,532	1,710	1,721	1,823
Part-time	1,442	1,330	1,682	1,437	1,077	660	921	978	1,165	888
Total	3,215	3,055	3,490	3,152	2,726	2,139	2,453	2,688	2,886	2,711
Percent										
Full-time	55.15%	56.46%	51.81%	54.41%	60.49%	69.14%	62.45%	63.62%	59.63%	67.24%
Part-time	44.85%	43.54%	48.19%	45.59%	39.51%	30.86%	37.55%	36.38%	40.37%	32.76%
FTSE**	34,724	34,953	35,771	35,586	36,031	36,849	39,131	39,162	41,077	36,254
FTSE per full-time faculty	38.8	39.1	37.2	38.3	39.3	49.1	39.0	37.7	40.0	34.6
FTSE per full-time staff member	19.6	20.3	19.8	20.7	21.9	24.9	25.5	22.9	23.9	19.9
Average annual full-time faculty salary	\$ 62,121	\$ 61,155	\$ 51,316	\$ 52,370	\$ 54,778	\$ 66,680	\$ 54,178	\$ 57,537	\$ 60,929	\$ 54,121

Faculty - FT (full-time) faculty teaching 12 or more semester hours
Faculty - PT (part-time) faculty teaching less than 12 semester hours

*Faculty/Staff Headcount - Prepared by Human Resources Department

**FTSE (full-time student equivalent) is defined as semester credit hours divided by 30 plus non-semester (continuing education) credit hours divided by 900.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Enrollment Details Last Ten Fiscal Years (Unaudited)

Student Classification	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
00 - 30 hours	31,999	60.9%	31,071	60.5%	30,512	59.1%	28,592	57.3%	29,668	58.1%	30,492	58.2%	34,649	60.5%	35,513	60.4%	35,281	60.2%	31,042	59.3%
31 - 60 hours	14,627	27.8%	14,381	28.0%	14,704	28.5%	14,543	29.2%	14,815	29.0%	15,092	28.8%	21,307	37.2%	21,593	36.7%	16,056	27.4%	14,657	28.0%
Unclassified	3,051	5.8%	3,334	6.5%	3,898	7.5%	4,275	8.6%	5,015	9.8%	5,258	10.0%	-	0.0%	-	0.0%	7,292	12.4%	6,595	12.6%
> 60 hours*	2,913	5.5%	2,563	5.0%	2,519	4.9%	2,478	5.0%	1,603	3.1%	1,512	2.9%	1,330	2.3%	1,691	2.9%	9	0.0%	12	0.0%
Total	52,590	100.0%	51,349	100.0%	51,633	100.0%	49,888	100.0%	51,101	100.0%	52,354	100.0%	57,286	100.0%	58,797	100.0%	58,638	100.0%	52,306	100.0%

Source: THECB Prep Online

Semester Hour Load	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less than 3 semester hours	674	1.3%	853	1.7%	1,614	3.1%	1,101	2.2%	304	0.6%	485	0.9%	569	1.0%	785	1.3%	529	0.9%	323	0.6%
3 - 5 semester hours	11,536	21.9%	11,032	21.5%	10,948	21.2%	10,416	20.9%	11,145	21.8%	11,877	22.7%	12,425	21.7%	11,148	19.0%	11,595	19.8%	10,677	20.4%
6 - 8 semester hours	14,489	27.6%	15,367	29.9%	15,196	29.4%	14,215	28.5%	14,707	28.8%	15,018	28.7%	16,610	29.0%	16,023	27.3%	17,064	29.1%	15,120	28.9%
9 - 11 semester hours	11,055	21.0%	9,856	19.2%	9,611	18.6%	9,345	18.7%	9,675	18.9%	9,795	18.7%	11,084	19.3%	10,565	18.0%	10,472	17.9%	9,097	17.4%
12 - 14 semester hours	12,847	24.4%	12,195	23.7%	12,164	23.6%	12,787	25.6%	12,994	25.4%	12,952	24.7%	14,416	25.2%	14,604	24.8%	16,761	28.6%	14,835	28.4%
15 - 17 semester hours	1,846	3.5%	1,871	3.6%	1,952	3.8%	1,850	3.7%	1,972	3.9%	1,988	3.8%	1,932	3.4%	3,817	6.5%	1,964	3.3%	2,000	3.8%
18 and over semester hours	143	0.3%	175	0.3%	148	0.3%	174	0.3%	304	0.6%	239	0.5%	250	0.4%	1,855	3.2%	253	0.4%	254	0.5%
Total	52,590	100.0%	51,349	100.0%	51,633	100.0%	49,888	100.0%	51,101	100.0%	52,354	100.0%	57,286	100.0%	58,797	100.0%	58,638	100.0%	52,306	100.0%

Average course load

8.3 hrs	8.1 hrs	8.0 hrs	8.2 hrs	8.3 hrs	8.2 hrs	8.2 hrs	8.9 hrs	8.5 hrs	8.5 hrs
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Source: CBM001

Tuition Status	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Texas resident - In District	41,009	78.0%	40,446	78.8%	41,425	80.2%	39,929	80.0%	41,007	80.2%	42,828	81.8%	47,567	83.0%	49,261	83.8%	48,787	83.2%	43,116	82.4%
Texas resident - Out of District	7,222	13.7%	6,949	13.5%	6,825	13.2%	6,536	13.1%	6,591	12.9%	6,211	11.9%	7,631	13.3%	7,515	12.8%	7,939	13.5%	7,295	13.9%
Non-resident tuition	1,916	3.7%	1,587	3.1%	1,292	2.5%	1,242	2.5%	1,146	2.2%	1,284	2.5%	1,312	2.3%	1,284	2.2%	1,096	1.9%	1,137	2.2%
Tuition exemption	1,490	2.8%	1,435	2.8%	1,165	2.3%	1,337	2.7%	1,541	3.0%	1,198	2.3%	-	0.0%	3	0.0%	79	0.1%	165	0.3%
Foreign	953	1.8%	932	1.8%	926	1.8%	844	1.7%	816	1.6%	833	1.6%	776	1.4%	734	1.2%	737	1.3%	593	1.1%
Total	52,590	100.0%	51,349	100.0%	51,633	100.0%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%

Source: CBM001

*Includes students w/60 or more hours who have obtained an Associate's or Bachelor's Degree.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Student Profile Last Ten Fiscal Years (Unaudited)

Gender	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Female	30,063	57%	29,147	57%	29,433	57%	28,342	57%	29,210	57%	30,003	57%	32,844	57%	33,670	57%	33,607	57%	30,386	58%
Male	22,527	43%	22,202	43%	22,200	43%	21,546	43%	21,891	43%	22,351	43%	24,442	43%	25,127	43%	25,031	43%	21,920	42%
Total	52,590	100%	51,349	100%	51,633	100%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%

Ethnic Origin	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Multi-Racial	840	2%	-	0%	-	0%	-	0%	87	2%	1,382	3%	1,088	2%	7	1%	-	-	N	N/A
White	12,405	24%	12,889	25%	13,507	27%	14,157	28%	14,157	28%	15,166	29%	18,423	32%	20,349	35%	23,327	40%	23,327	40%
Hispanic	33,089	63%	31,980	62%	31,980	62%	29,180	58%	30,030	59%	30,679	59%	31,712	55%	30,371	52%	28,943	49%	28,943	49%
African-American	8%		3,935	8%	3,935	8%	3,825	8%	3,875	8%	3,263	6%	3,757	7%	3,860	7%	4,147	7%	4,147	7%
Asian	3%		1,382	3%	1,382	3%	1,388	3%	1,271	2%	1,244	2%	1,429	2%	1,457	2%	1,621	2%	1,621	2%
Foreign	0%		331	1%	331	1%	249	0%		0%	23	0%		0%		0%		0%		0%
Native American	0%		-	0%	-	0%	-	0%		0%	12	0%		0%		0%		0%		0%
Native Hawaiian/Other Pacific Islander	0%		-	0%	-	0%	-	0%		0%	8	0%		0%		0%		0%		0%
Ethnic Origin/Race unknown	1%		1,116	2%	1,116	2%	1,739	3%		0%	44	1%		0%		1%	1,786	3%		0%
Total	52,590	100%	51,349	100%	51,633	100%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%

Age	Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 18	12,387	24%	11,725	23%	10,343	20%	8,613	17%	8,767	17%	8,809	17%	9,451	16%	9,079	15%	8,584	15%	7,398	14%
18-21	20,402	39%	19,873	39%	20,560	40%	20,067	40%	20,236	40%	20,212	39%	21,472	37%	22,219	38%	22,330	38%	20,514	39%
22-24	6,528	12%	6,628	13%	6,758	13%	6,724	13%	6,769	13%	6,876	13%	7,639	13%	7,735	13%	8,114	14%	7,257	14%
25-35	9,242	18%	9,014	18%	5,885	11%	9,653	19%	9,960	19%	10,630	20%	12,165	21%	13,044	22%	12,931	22%	11,300	22%
36-50	3,302	6%	3,344	7%	3,164	6%	3,943	8%	4,361	9%	4,770	9%	5,433	9%	5,618	10%	5,668	10%	4,934	9%
51 and over	729	1%	765	1%	4,923	10%	888	2%	1,008	2%	1,057	2%	1,126	2%	1,102	2%	1,011	2%	903	2%
Total	52,590	100%	51,349	100%	51,633	100%	49,888	100%	51,101	100%	52,354	100%	57,286	100%	58,797	100%	58,638	100%	52,306	100%

Average age	22.6	22.7	23.1	23.6	23.8	23.7	24.2	24.3	24.3	24.2
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Source: CBM001 and THECB Prep Online.

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Transfer Students to Senior Institutions Fall 2016 Students (Unaudited)

Institutions Attended, Fall 2016	Academic	Technical	Tech-Prep	Total	% Students
1 The University of Texas at San Antonio	4,464	316	-	4,780	33.5%
2 Texas A&M University - San Antonio	3,125	359	-	3,484	24.4%
3 Texas State University	1,644	105	-	1,749	12.2%
4 Texas A&M University	904	57	-	961	6.7%
5 The University of Texas at Austin	733	56	-	789	5.5%
6 Texas Tech University	519	41	-	560	3.9%
7 Texas A&M University - Corpus Christi	284	22	-	306	2.1%
8 The University of Texas Health Science Center at San Antonio	244	33	-	277	1.9%
9 University of North Texas	163	13	-	176	1.2%
10 The University of Texas at Arlington	104	53	-	157	1.1%
11 University of Houston	113	17	1	131	0.9%
12 Sam Houston State University	89	8	-	97	0.7%
13 Texas A&M University - Kingsville	72	5	-	77	0.5%
14 Tarleton State University	74	1	-	75	0.5%
15 Texas Tech University Health Sciences Center	28	38	-	66	0.5%
16 Angelo State University	58	1	-	59	0.4%
17 The University of Texas at Dallas	57	2	-	59	0.4%
18 West Texas A&M University	34	5	-	39	0.3%
19 Stephen F. Austin State University	35	2	-	37	0.3%
20 Prairie View A&M University	31	2	-	33	0.2%
21 Texas Woman's University	28	2	-	30	0.2%
22 The University of Texas - Rio Grande Valley	23	7	-	30	0.2%
23 The University of Texas of the Permian Basin	28	1	-	29	0.2%
24 University of Houston - Victoria	20	8	-	28	0.2%
25 Sul Ross State University	25	1	-	26	0.2%
26 Texas A&M University at Galveston	24	2	-	26	0.2%
27 The University of Texas at El Paso	19	7	-	26	0.2%
28 Texas A&M International University	19	4	-	23	0.2%
29 The University of Texas Medical Branch at Galveston	21	-	-	21	0.1%
30 Midwestern State University	16	5	-	21	0.1%
31 The University of Texas at Tyler	19	-	-	19	0.1%
32 Texas A&M University - Commerce	16	2	-	18	0.1%
33 Lamar University	12	3	-	15	0.1%
34 Texas Southern University	12	-	-	12	0.1%
35 Texas A&M University System Health Science Center	12	-	-	12	0.1%
36 University of Houston - Clear Lake	9	1	-	10	0.1%
37 Texas A&M University - Central Texas	5	1	-	6	0.0%
38 University of Houston - Downtown	4	-	-	4	0.0%
39 Sul Ross State University - Rio Grande College	4	-	-	4	0.0%
40 The University of Texas Health Science Center at Houston	4	-	-	4	0.0%
41 Texas A&M University - Texarkana	2	2	-	4	0.0%
42 Baylor College of Medicine	2	-	-	2	0.0%
43 Texas Tech University Health Sciences Center - El Paso	2	-	-	2	0.0%
44 University of North Texas Health Science Center	1	-	-	1	0.0%
Total	13,102	1,182	1	14,285	100.0%

Source: THECB Report ASALFS Students Pursuing Additional Education by Institution, includes only public senior colleges in Texas - Fall 2016

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement Capital Asset Information Last Ten Fiscal Years (Unaudited) (square footage in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Academic building equivalent (teaching spaces only)	51.6	51.5	54.1	54.0	53.1	52.1	52.1	52.1	52.1	44.1
Square footage	2,198.0	2,193.0	2,213.0	2,213.0	2,201.0	2,199.0	2,199.0	2,199.0	2,199.0	2,193.0
Library building equivalent	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Square footage	278.0	278.0	278.0	278.0	278.0	278.0	278.0	278.0	278.0	277.0
Dining facilities	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Square footage	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0	63.0
Student support and office space building equivalent	42.2	42.3	41.7	41.7	41.7	41.7	41.7	41.7	41.7	41.7
Colleges - square footage	1,068.0	1,066.0	1,037.0	1,037.0	1,037.0	1,037.0	1,037.0	1,037.0	1,037.0	1,034.0
District support operations - square footage	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0	102.0
Plant facilities	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	16.4	15.4
Square footage	98.0	98.0	98.0	98.0	98.0	98.0	98.0	98.0	98.0	88.0
Parking garages	3.0	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0	1.0
Square footage	974.0	974.0	974.0	974.0	974.0	645.0	395.0	395.0	395.0	395.0
Portable buildings	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	63.0	49.0
Square footage	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	104.0	101.0
Athletic facilities - building equivalent	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	3.8
Square footage	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	245.0	244.0
Fitness centers	8.0	8.0	8.0	8.0	8.0	8.0	8.0	7.0	6.0	5.0
Tennis courts	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Swimming pools	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Soccer fields	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Fitness trails	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
Putting green	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-
Rock climbing wall	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	-
Ropes course	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
University Center	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Square footage	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8
Leased space	8.0	9.0	9.7	9.7	9.0	8.0	8.0	8.0	8.0	8.0
Square footage	201.0	159.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0	124.0
Total Count	198.0	199.0	201.7	201.6	200.0	197.0	196.0	196.0	192.0	168.0
Total square footage (in thousands)	5,403.8	5,353.8	5,310.8	5,310.8	5,298.8	4,969.0	4,717.8	4,717.8	4,717.8	4,693.8
Transportation										
Cars	48.0	47.0	49.0	50.0	44.0	38.0	33.0	34.0	40.0	43.0
Trucks/vans	101.0	85.0	93.0	79.0	78.0	77.0	77.0	76.0	78.0	80.0
Fire trucks	2.0	2.0	-	-	-	-	-	-	-	-
Buses	4.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0
Electric cars	2.0	2.0	2.0	7.0	7.0	7.0	7.0	7.0	7.0	2.0
Electric vehicle charging stations	16.0	16.0	16.0	16.0	16.0	-	-	-	-	-
ADA parking spots	608.0	582.0	582.0	529.0	529.0	511.0	503.0	489.0	479.0	464.0
Non ADA parking spots	16,479.0	16,395.0	16,241.0	15,696.0	15,696.0	15,562.0	15,264.0	14,716.0	14,309.0	14,015.0

Source: Alamo Colleges Facilities Department

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement

Single Audit Section



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT
AUDITING STANDARDS**

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Management and Board of Trustees
Alamo 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 Alamo Community College District (the “District”), comprised of San Antonio College, St. Philip’s College, Palo Alto College, Northeast Lakeview College and Northwest Vista College, as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 11, 2018.

Our report includes a reference to other auditors who audited the financial statements of Alamo Colleges Foundation, Inc. and the ACCD Public Facility Corporation, as described in our report on the District’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 Alamo Colleges Foundations, Inc., audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Alamo Colleges Foundation, Inc.

Internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (“internal control”) to design 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

Compliance and other matters

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

Intended purpose

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 District'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 District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas
December 11, 2018

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

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Board of Trustees
Alamo Community College District

Report on compliance for each major federal program

We have audited the compliance of Alamo Community College District (the “District”), comprised of San Antonio College, St. Philip’s College, Palo Alto College, Northeast Lakeview College and Northwest Vista College, with the types of compliance requirements described in the U.S. Office of Management and Budget’s *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018. The District’s major federal 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 statutes, regulations, and the terms and conditions of its federal awards applicable to the District’s federal programs.

Auditor’s responsibility

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

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

Opinion on each major federal program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

Report on internal control over compliance

Management of the District 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 District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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. Given these limitations, during our audit we did not identify any deficiencies in the District's internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Dallas, Texas
December 11, 2018



Alamo Community College District
 (Comprised of San Antonio College, St. Philip's College, Palo Alto College,
 Northeast Lakeview College, and Northwest Vista College)

Schedule of Federal Findings and Questioned Costs
 Year Ended August 31, 2018

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?	___ Yes	_ <u>X</u> _ No
Significant deficiencies identified?	___ Yes	_ <u>X</u> _ None Reported
Noncompliance material to financial statements noted?	___ Yes	_ <u>X</u> _ No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified?	___ Yes	_ <u>X</u> _ No
Significant deficiencies identified?	___ Yes	_ <u>X</u> _ None reported
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_ <u>X</u> _ No
Identification of major federal programs:		
<u>CFDA Number(s)</u>		<u>Name of federal program or cluster</u>
84.007, 84.033, 84.063, 84.268		Student Financial Assistance Cluster
84.031		Higher Education Institutional Aid
93.093		Affordable Care Act (ACA) Health Profession Opportunity Grants
Dollar threshold used to distinguish between type A and type B programs:		<u>\$3,000,000</u>
Auditee qualified as a low-risk auditee?	_ <u>X</u> _ Yes	_ _ No

Section II: Financial Statement Findings

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2018.

Section III: Federal Awards Findings

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2018.

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
THE STATE OF TEXAS UNIFORM GRANT MANAGEMENT STANDARDS**

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Board of Trustees
Alamo Community College District

Report on compliance for each major state program

We have audited the compliance of Alamo Community College District (the “District”), comprised of San Antonio College, St. Philip’s College, Palo Alto College, Northeast Lakeview College and Northwest Vista College, with the types of compliance requirements described in the Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular that could have a direct and material effect on each of its major state programs for the year ended August 31, 2018. The District’s major 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 state statutes, regulations, and the terms and conditions of its state awards applicable to the District’s state programs.

Auditor’s responsibility

Our responsibility is to express an opinion on compliance for each of the District’s major 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 *State of Texas Uniform Grant Management Standards*. Those standards and the State of Texas Uniform Grant Management Standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District’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 state program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on each major state program

In our opinion, the District 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 state programs for the year ended August 31, 2018.

Report on internal control over compliance

Management of the District 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 District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of Texas Uniform Grant Management Standards, 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 District'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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 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. Given these limitations, during our audit we did not identify any deficiencies in the District's 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 State of Texas Uniform Grant Management Standards. Accordingly, this report is not suitable for any other purpose.



Dallas, Texas
December 11, 2018

Alamo Community College District
 (Comprised of San Antonio College, St. Philip's College, Palo Alto College,
 Northeast Lakeview College, and Northwest Vista College)

Schedule of State of Texas Findings and Questioned Costs
 Year Ended August 31, 2018

Section I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?	___ Yes	_X_ No
Significant deficiencies identified?	___ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	___ Yes	_X_ No

State Awards

Internal control over major state programs:

Material weaknesses identified?	___ Yes	_X_ No
Significant deficiencies identified?	___ Yes	_X_ None reported
Type of auditor's report issued on compliance for major state programs:	<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with Part IV of the State of Texas Uniform Grant Management Standards?	___ Yes	_X_ No
Identification of major state programs:		
<u>Grant Award Number(s) / State Identifying Number</u>	<u>Name of state program or cluster</u>	
None available	Texas Equalization Opportunity Grant	
Dollar threshold used to distinguish between type A and type B programs:	\$ <u>300,000</u>	
Auditee qualified as a low-risk auditee?	_X_ Yes	___ No

Section II: Financial Statement Findings

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2018.

Section III: State Awards Findings

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2018.



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