



ALAMO  
COLLEGES

# Alamo Community College District

San Antonio, Texas

## Comprehensive Annual Financial Report

For the Years Ended August 31, 2013 and 2012

Northeast Lakeview College

Northwest Vista College

Palo Alto College

San Antonio College

St. Philip's College



*Empowering our diverse communities for success*



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**

**Comprehensive Annual Financial Report**

For the Years Ended  
August 31, 2013 and 2012

**Prepared by:**

**Finance and Fiscal Services Department**



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Transmittal Letter ..... 1  
Organizational Data..... 5  
Vision, Mission, and Values ..... 7  
Certificate of Achievement for Excellence in Financial Reporting - August 31, 2012 ..... 8

**FINANCIAL SECTION**

Report of Independent Auditors..... 11  
Management's Discussion and Analysis (Unaudited) ..... 15  
Basic Financial Statements  
    Exhibit 1—Statements of Net Position ..... 27  
    Exhibit 2—Statements of Revenues, Expenses, and Changes in Net Position..... 28  
    Exhibit 3—Statements of Cash Flows ..... 29  
    Notes to Financial Statements ..... 31  
Supplementary Information  
    Schedule A—Schedule of Operating Revenues..... 53  
    Schedule B—Schedule of Operating Expenses by Object ..... 54  
    Schedule C—Schedule of Non-Operating Revenues and Expenses ..... 55  
    Schedule D—Schedule of Net Position by Source and Availability ..... 56  
    Schedule E—Schedule of Expenditures of Federal Awards ..... 57  
    Notes to Schedule of Expenditures of Federal Awards ..... 60  
    Schedule F—Schedule of Expenditures of State Awards..... 61  
    Notes to Schedule of Expenditures of State Awards ..... 62

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**OTHER INFORMATION—BY LOCATION (Unaudited)**

Schedule of Operating Revenues by Location .....	65
Schedule of Operating Expenses by Location.....	66
Schedule of Non-Operating Revenues and Expenses by Location.....	67
Schedule of Capital Assets by Asset Types .....	68
Schedule of Capital Assets by Location.....	69

**STATISTICAL SECTION (Unaudited)**

Statistical Section Introduction .....	73
Statistical Supplement 1—Net Position by Component.....	75
Statistical Supplement 2—Revenues by Source .....	76
Statistical Supplement 3—Program Expenses by Function.....	77
Statistical Supplement 4—Tuition and Fees .....	78
Statistical Supplement 5—Assessed Value and Taxable Assessed Value of Property.....	79
Statistical Supplement 6—State Appropriations per FTSE and Contact Hours .....	80
Statistical Supplement 7—Principal Taxpayers .....	81
Statistical Supplement 8—Property Tax Levies and Collections .....	82
Statistical Supplement 9—Ratios of Outstanding Debt .....	83
Statistical Supplement 10—Legal Debt Margin Information.....	84
Statistical Supplement 11—Pledged Revenue Coverage.....	85
Statistical Supplement 12—Demographic and Economic Statistics—Taxing District.....	86
Statistical Supplement 13—Principal Employers .....	87
Statistical Supplement 14—Faculty, Staff and Administrators Statistics .....	88
Statistical Supplement 15—Enrollment Details.....	89
Statistical Supplement 16—Student Profile.....	90
Statistical Supplement 17—Transfer Students to Senior Institutions .....	91
Statistical Supplement 18—Capital Asset Information.....	92

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**TABLE OF CONTENTS**

**SINGLE AUDIT SECTION**

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	95
Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133..	97
Schedule of Findings and Questioned Costs .....	100
Summary Schedule of Prior Year Audit Findings - Federal .....	106
Report of Independent Auditors on Compliance for Each Major State Program; Report on Internal Control Over Compliance Required by Texas Single Audit Circular .....	107
Schedule of State of Texas Findings and Questioned Costs.....	110
Summary Schedule of Prior Year Audit Findings - State .....	114



ALAMO  
COLLEGES



## **Introductory Section**



ALAMO  
COLLEGES



December 17, 2013

***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 or District) for the fiscal year ended August 31, 2013. The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by reporting requirements of the Government Finance Officers Association (GFOA). The report complies with the requirements of *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 2013, the Board of Trustees of Alamo Colleges affirmed the selection of the independent accounting firm of EY 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 OMB Circular A-133 and the State Single Audit related to the Uniform Grant Management Standards Single Audit Circular. The auditor's report related specifically to the single audit is included in the Single Audit Section.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The Report of Independent Auditors is located at the front of the financial section 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 an integral part of the basic financial statements and should be read in conjunction with them.

## **Profile**

The Alamo Community College 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 terms by Bexar County voters. The Chancellor, the District's chief executive officer, guides and implements the programs and policies of the Alamo Colleges.

The Alamo Colleges, a comprehensive two-year system, is dedicated to providing quality education and workforce training to the people of Bexar and surrounding counties. The five colleges (San Antonio, St. Philip's, Palo Alto, Northeast Lakeview and Northwest Vista) support the education and lifelong learning needs of a multicultural community by providing:

- Associates degrees,
- University transfer programs,
- Workforce education programs,
- Technical programs,
- Developmental courses,
- Adult literacy courses,
- Continuing education and
- Community services.

Students are taught by highly qualified faculty with Master's and Doctorate degrees committed to creating a learning-centered environment. Student services include counseling, learning resource centers, computer labs, tutoring, financial services, services for the disabled, developmental instruction, veteran services, service learning and job placement.

The Alamo Colleges is the third largest community college system in Texas, includes two colleges designated as Hispanic-Serving Institutions, includes the nation's only institution that is designated as both a Historically Black College and a Hispanic-Serving Institution, is the nation's third largest producer of Hispanic nurses and is Texas' largest provider of online post-secondary education. A vibrant international program brings Central American teachers to San Antonio for advanced education while affording students and faculty the opportunity to travel to all regions of the world.

### **Economic Conditions and Outlook**



Alamo Colleges operates in the strong economic area of San Antonio, Bexar County and surrounding counties. San Antonio was recognized by *Forbes* magazine as the Eleventh Best Place for Business and Careers in 2013 in the U.S., as well as the best city for business and careers in Texas. San Antonio's continued growth is attributed to the combination of lower business costs, continued job growth and a healthy city government. According to *Forbes*, San Antonio has a Gross Metro Product of \$97 billion which is projected to increase by 4.2% in 2014. San Antonio is the nation's seventh-largest city, has a dynamic economy rapidly expanding from traditional military and service sectors into telecommunications, biomedical science, information technology and data security. The Alamo Colleges have 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 Alamo Colleges. It is highly regarded by the local business community for the quality of its workforce training and the success of its graduates. In the economic arena, a sizable 80% of its students stay in the region after they leave college and contribute positively to the local economy.

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

- Revenues from ad valorem taxes continue to hold at similar levels since net assessed property values of the District have been consistent over a number of years and increased about 1% in 2013 to approximately \$101.5 billion. Predictable and slightly increasing property values relieve the pressure to increase the tax rate to generate tax revenue. San Antonio has stable housing prices with the lowest risk from falling prices among large Texas cities, based on the PMI Mortgage insurance's risk index. There was no increase in the District's tax rate for 2014 services.
- State appropriations play a key role in keeping student tuition rates low and they have been decreasing the last few years as the State moves away from the traditional calculation method of state appropriations based on a contact hour reimbursement basis with a 2-year lag to cover instruction costs. For fiscal year 2013, the State only provided 49% of the formula funding. Over the last three years Alamo Colleges has seen a decrease in state funding of approximately \$10.0 million in general appropriations and state group health and retirement benefits.
- Alamo Colleges did not implement an across the board tuition increase for the 2014 budget. The Board is committed to providing the best education possible for students in its service area at the least direct cost to the students.

Alamo Colleges strives to avoid tuition increases, as well as ad valorem tax rate increases. Therefore, given the revenue positioning by Alamo Colleges and the State, strategically managing expenses is paramount. To encourage savings, the Board approved a savings incentive plan involving an annual distribution to each college based on budget savings and other factors. A "rainy day fund" was established for strategic investments in students and employees as well as funding for one time initiatives related to items such as customer service, employee development and safety.

## Strategic and Long-Term Financial Planning

The Board approves a strategic plan in three-year cycles, with the most recent plan approved in August 2012. The plan 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. The projection maps a ten-year plan for Alamo Colleges to maintain a 3-5% year over year enrollment growth, while maintaining service levels and faculty staffing to provide excellent education for our students. The plan incorporates modest increases in

tuition and fees, continued expectation of declining state appropriations and increases in property values.

## Major Initiatives

*The Alamo Way* is a theoretical framework for improvement adopted by the Board of Trustees and used throughout the Alamo Colleges. This policy describes three dynamic models that drive increased employee and student performance, greater organizational efficiency and effectiveness and leadership at the Alamo Colleges. These models are intended to be fully integrated into the culture of Alamo Colleges, 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 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.

Alamo Colleges is partnering with Rackspace Hosting to provide cutting-edge job training on technologies related to open cloud platforms using a \$2.5 million Skills Development Fund Grant from the Texas Workforce Commission. The grant will be used to custom train approximately 1,000 new workers as well as current Rackspace employees in San Antonio. Alamo Colleges is providing training and skills that companies would have previously had to search for globally.



## Awards and Acknowledgments

After receiving the prestigious national 2012 Bellwether Award in the Planning, Governance and Finance category, Alamo Colleges was again named as a finalist for the 2013 National Bellwether Award, this time in the Workforce Development category. The Community College Futures Assembly, established in 1995, sponsored by the Institute of Higher Education at the University of Florida, focuses on cutting-edge, trendsetting programs that other colleges might find worthy of replicating. The Bellwether Awards annually recognize outstanding and innovative programs and practices that are successfully leading community colleges into the future by improving efficiency and effectiveness in the community college. The program, entitled *Dual Credit Career Academies – An Industry-Driven Workforce and Economic Development Partnership Helping Fix the School-To-Careers Pipeline*, exposes high school students to exciting careers in the areas of science, technology, engineering, and math (STEM), while they earn one year of college credit and industry recognized certifications. The *San Antonio Express News* referred to the Academies as “perhaps the biggest education success story of the past decade in San Antonio.” Since the program began in 2001, the Academies have successfully placed 96% of their graduates immediately into higher education in a STEM field or a career in a STEM industry or military career. The four academies are targeted to the most significant and growing industry clusters in San Antonio, providing outstanding opportunities to hundreds of qualified low-income and minority applicants.



The status as an Achieving the Dream Leader College for Alamo Colleges was recertified through academic year 2016. This recognition reinforces the fact that student success is the core activity of all five Alamo Colleges. The data collected indicates that supporting student development courses for first-time-in-college students improves first semester productive grade rates and seems to influence increased retention, persistence, and completion rates. Approximately 10,000 of first-time-degree-seeking students are included in the total enrollment of over 60,000 at Alamo Colleges. Achieving the Dream, Inc. is a national nonprofit conceived as an initiative by the Lumina Foundation and other partner organizations that is dedicated to helping more community college students succeed. More than 200 colleges are working through Achieving the Dream to help 3.8 million students throughout 34 states to achieve their dreams.

The Government Finance Officers Association of the U.S. and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Alamo Colleges for its comprehensive annual financial report for the fiscal year ended August 31, 2012. This was the fourth 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. This 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 Alamo Colleges 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 Alamo Colleges.

Diane E. Snyder, CPA, M.S.  
Vice Chancellor  
Finance and Administration

Pamela K. Ansboury, CPA, M.Ed  
Associate Vice Chancellor  
Finance and Fiscal Services

## ALAMO COMMUNITY COLLEGE DISTRICT

### ORGANIZATIONAL DATA August 31, 2013

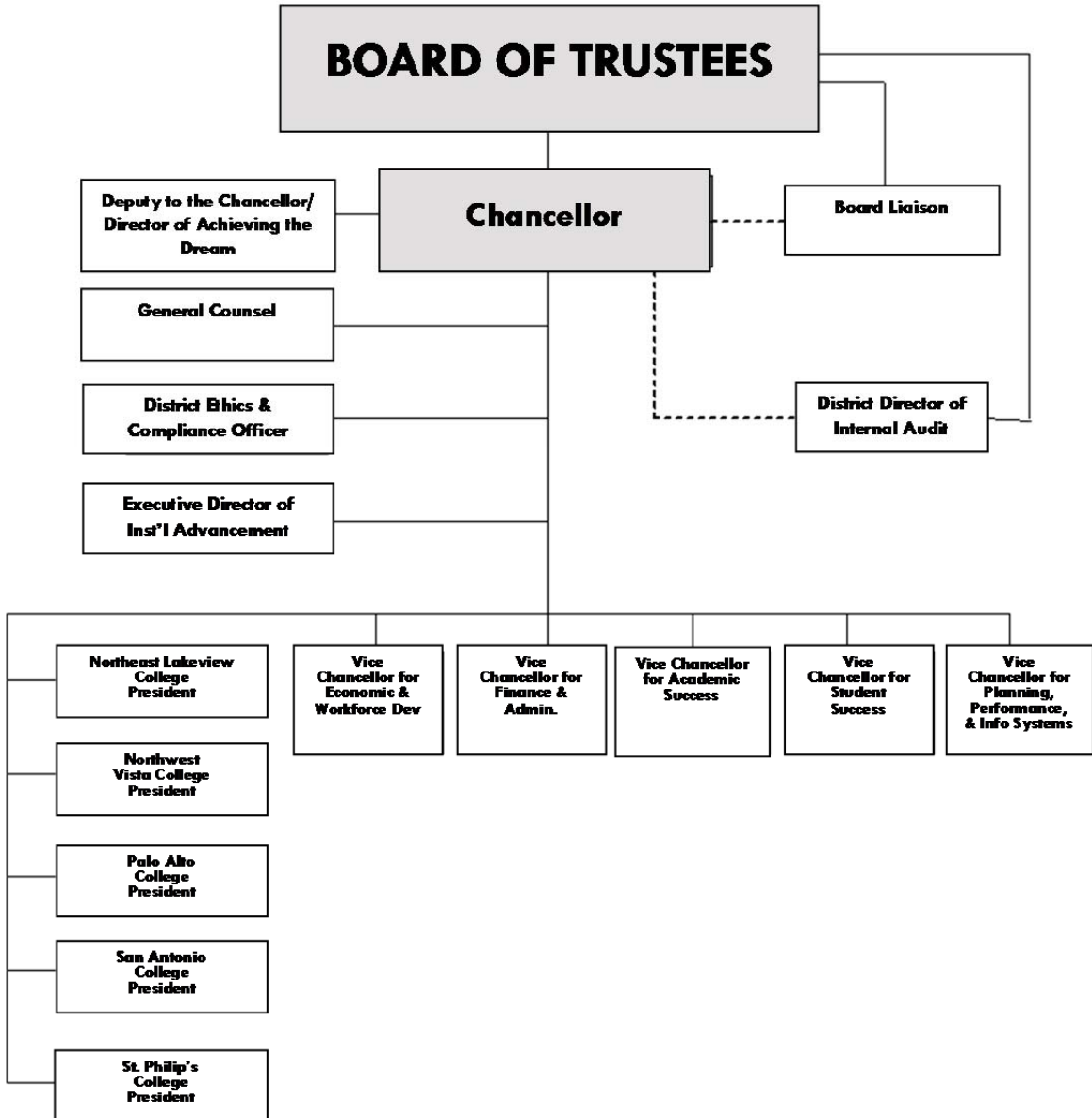
#### ELECTED OFFICIALS

<b>Member</b>	<b>Position</b>	<b>City, State</b>	<b>Term Expires</b>
James A. Rindfuss	Chairperson	Universal City, Texas	2014
Marcelo S. Casillas	Vice-Chairperson	San Antonio, Texas	2014
Anna U. Bustamante	Secretary	San Antonio, Texas	2016
Dr. Yvonne Katz	Assistant Secretary	San Antonio, Texas	2018
Gary Beitzel	Member of the Board	San Antonio, Texas	2014
Denver McClendon	Member of the Board	San Antonio, Texas	2016
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	2016
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2018
Roberto Zárate	Member of the Board	San Antonio, Texas	2018

#### ADMINISTRATIVE OFFICIALS

Dr. Bruce H. Leslie	Chancellor
Diane E. Snyder, CPA, M.S.	Vice Chancellor for Finance and Administration
Dr. Federico Zaragoza	Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Info. Systems
Dr. Jo Carol Fabianke	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Jim Eskin	Executive Director of Institutional Advancement
Dr. Eric Reno	President, Northeast Lakeview College
Dr. Jackie Claunch	President, Northwest Vista College
Dr. Michael Flores	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Zeigler	President, San Antonio College
Pamela Ansboury, CPA, M.Ed	Associate Vice Chancellor for Finance and Fiscal Services
Ann DeBarros, CPA, MBA	District Comptroller
Patricia M. Major, CPA, CIA, CGAP	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 includes the following Statements as well as five Strategic Objectives and an integrated planning process.

### **VISION**

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

### **MISSION**

Empowering our diverse communities for success.

### **VALUES\***

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

***Students First***

***Respect for All***

***Community Engaged***

***Collaboration***

***Can-Do Spirit***

***Data-Informed***

\*Approved by the Board of Trustees September 17, 2013



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, 2012**

Executive Director/CEO

## **Financial Section**



## Report of Independent Auditors

Management and the Board of Trustees  
Alamo Community College District

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively, the District), as of and for the years ended August 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the Financial Section of 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 conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 conducted our audits in accordance with auditing standards generally accepted in the United States 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 of material misstatement.

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of August 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

### ***Required Supplementary Information***

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 15 through 26 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 and Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplementary Information, as listed in the table of contents, and the other information, such as 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.

The Supplementary Information, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the

underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Other Information-By Location, and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audits 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 also have issued our report dated December 17, 2013, 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 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 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.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

December 17, 2013





## ALAMO COMMUNITY COLLEGE DISTRICT

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

Management's Discussion and Analysis 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 or ACCD) for the fiscal year ended August 31, 2013. 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.

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, liabilities and net position as of August 31, 2013; 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 decreased \$10.5 million and total liabilities decreased \$19.5 million.
- The District's net position at August 31, 2013 was \$295.1 million reflecting a \$9.1 million increase from prior year.
- The District's operating loss was \$275.8 million.
- Cash and Cash Equivalents increased \$18.9 million during the year ended August 31, 2013.
- The bond rating for the District's general obligation bonds is Aaa by Moody's Investors Service, the highest rating possible, and is AA+ by Standard & Poor's.

Financial statements for the District's component unit, Alamo Community College District Foundation, Inc. (the Foundation), are issued independent 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 not significant to the District (Notes 1 and 20).

During fiscal year 2012, Alamo Colleges formed the ACCD Public Finance Corporation (the PFC) for the sole purpose of assisting Alamo Colleges in financing or in 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. The PFC is reported as a blended component unit in the financial statements of Alamo Colleges, and its activities are blended with the activities of the District (Note 1).

#### 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 and liabilities of the District. Net Position is the difference between assets and liabilities 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, investments and other assets not classified as current. Noncurrent liabilities include bonds and tax notes payable and other long-term commitments.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

A Condensed Schedule of Net Position is presented below. Total assets decreased 1.1% or \$10.5 million during fiscal year 2013. The decrease is primarily due to a \$19.5 million liquidation of total liabilities and a \$9.1 million increase in overall net position due to excess revenues over expenditures. During fiscal year 2012 the Board of Trustees approved the liquidation of the unrestricted board designated endowment investments. The funds created a revolving capital project account to be used to internally finance approved capital projects. Annual internal repayments will be made through the operating budget, which will replenish the fund for future needs.

Total liabilities decreased 2.8% or \$19.5 million and increased 0.5% or \$3.2 million during fiscal years 2013 and 2012, respectively. Noncurrent liabilities consist primarily of bonds payable and decreased \$14.1 million during fiscal year 2013. The net change was primarily due to debt service payments and defeased bonds in the amount of \$25.4 million and an increase in notes payable in the amount of \$12.8 million. Current liabilities decreased \$5.4 million during 2013 primarily related to a significant decrease in deferred tuition and fee revenues and a slight decrease in general accounts payable, partially offset by an increase in payroll related accrued liabilities.

The District's net position at August 31, 2013 was \$295.1 million compared to \$286.0 million at August 31, 2012. This increase of \$9.1 million in excess revenues over expenses primarily relates to an increase of \$6.2 million in net position related to net investment in capital assets and a net increase of \$2.9 million in other expendable restricted and unrestricted components of net position.

#### Condensed Schedule of Net Position (in millions)

	Fiscal Year			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
<b>Assets</b>					
Cash and cash equivalents	\$ 58.2	\$ 39.3	\$ 80.5	\$ 18.9	\$ (41.2)
Accounts and notes receivable, net	21.5	17.2	20.7	4.3	(3.5)
Investments	114.0	175.6	113.0	(61.6)	62.6
Endowment investments	-	-	11.1	-	(11.1)
Deferred charges and other	6.8	6.7	6.6	0.1	0.1
Capital assets	1,029.7	974.4	937.6	55.3	36.8
Accumulated depreciation	(257.2)	(229.7)	(201.2)	(27.5)	(28.5)
Total assets	973.0	983.5	968.3	(10.5)	15.2
<b>Liabilities</b>					
Current liabilities	77.5	83.0	74.3	(5.5)	8.7
Noncurrent liabilities	600.4	614.5	620.0	(14.1)	(5.5)
Total liabilities	677.9	697.5	694.3	(19.6)	3.2
<b>Net Position</b>					
Net investment in capital assets	177.3	171.1	179.0	6.2	(7.9)
Restricted (expendable)	16.4	13.0	11.3	3.4	1.7
Unrestricted	101.4	101.9	83.7	(0.5)	18.2
Total net position	\$ 295.1	\$ 286.0	\$ 274.0	\$ 9.1	\$ 12.0

#### 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, expenses, gains and losses. Since a large portion of the revenue stream including ad valorem property

## ALAMO COMMUNITY COLLEGE DISTRICT

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

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.

A summarized comparison of the District's revenues, expenses and changes in net position for the years ended August 31, 2013, 2012, and 2011 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
<b>Operating revenues and expenses:</b>					
Operating revenues (see detail below)	\$ 95.9	\$ 96.9	\$ 81.4	(1.0)	\$ 15.5
Operating expenses (see detail below)	371.7	370.2	401.8	1.5	(31.6)
Operating loss	(275.8)	(273.3)	(320.4)	(2.5)	47.1
<b>Non-operating revenues (expenses):</b>					
State appropriations	76.0	77.8	85.9	(1.8)	(8.1)
Ad valorem taxes	149.0	139.2	136.7	9.8	2.5
Federal and State grants, non-operating	91.1	100.0	122.4	(8.9)	(22.4)
Investment income	0.2	1.9	1.6	(1.7)	0.3
Interest on capital related debt	(26.9)	(27.5)	(27.4)	0.6	(0.1)
Other non-operating revenues (expenses)	(4.5)	(6.2)	(2.0)	1.7	(4.2)
Total non-operating revenues, net	284.9	285.2	317.2	(0.3)	(32.0)
<b>Increase (decrease) in net position</b>	9.1	11.9	(3.2)	(2.8)	15.1
<b>Net position - beginning of year</b>	286.0	274.1	277.3	11.9	(3.2)
<b>Net position - end of year</b>	\$ 295.1	\$ 286.0	\$ 274.1	\$ 9.1	\$ 11.9

#### Operating Revenues (in millions)

	2013		2012		2011		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2012 to 2013	2011 to 2012
Net tuition and fees	\$ 64.1	66.8%	\$ 59.7	61.6%	\$ 48.9	60.1%	\$ 4.4	\$ 10.8
Grants and contracts	24.7	25.8%	30.4	31.4%	26.6	32.7%	(5.7)	3.8
Auxiliary enterprises	4.1	4.3%	4.3	4.4%	4.2	5.2%	(0.2)	0.1
Other operating revenues	3.0	3.1%	2.5	2.6%	1.6	2.0%	0.5	0.9
<b>Total operating revenues</b>	<b>\$ 95.9</b>	<b>100.0%</b>	<b>\$ 96.9</b>	<b>100.0%</b>	<b>\$ 81.3</b>	<b>100.0%</b>	<b>\$ (1.0)</b>	<b>\$ 15.6</b>

As shown above, the percentage makeup of the components of total operating revenues remained relatively consistent over the last three fiscal years. For 2013, net tuition and fees increased \$4.4 million primarily due to a 3% increase

## ALAMO COMMUNITY COLLEGE DISTRICT

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

in tuition rates and the adoption of special program tuition and fees. In addition, waivers and financial aid decreased \$3.6 million in 2013 from the prior year. For 2013, general fees were billed as part of tuition, which accounts for the variances in these categories between 2013 and 2012.

State appropriations, a component of non-operating revenues, declined in fiscal years 2013 and 2012 due to the Texas Legislature's decision to adjust funding based on contact hour reimbursement and to lower the funding for state paid group health insurance, as well as state paid retirement benefits. State appropriations declined \$1.8 million or about 2.3% in fiscal year 2013 and \$8.1 million or 9.4% in fiscal year 2012. While there was only a slight decrease in total non-operating revenues, the changes in the components should be noted. Ad valorem taxes increased 7% or \$9.8 million primarily due to an approximate 7.5/10<sup>th</sup> of a cent increase in the property tax rate for maintenance and operations. Federal and state grants decreased 8.9% or \$8.9 million primarily due to a decrease in federal Pell grants to students and Texas Workforce Commission grants.

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

	2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	\$ 108.8	92.0%	\$ 89.2	75.4%	\$ 87.4	74.5%
CE and contract training	3.2	2.7%	4.5	3.8%	4.5	3.9%
Fees	7.1	6.0%	24.6	20.8%	25.3	21.6%
<b>Total tuition and fees</b>	<b>\$ 119.1</b>	<b>100.7%</b>	<b>\$ 118.3</b>	<b>100.0%</b>	<b>\$ 117.2</b>	<b>100.0%</b>
<b>Waivers and financial aid as a % of total tuition and fees:</b>						
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Waivers and financial aid	\$ 55.0	46.2%	\$ 58.6	49.5%	\$ 68.3	58.3%

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 presented net of waivers and financial aid applicable to tuition and fees, referred to as discounts, as well as bad debt expense. The table indicates the source of tuition and fees, as well as discounts. For 2013, tuition represents 92% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing approximately 6% and the remaining 2.7% being continuing education (CE) and contract training tuition.

As noted earlier, overall net tuition and fees increased \$4.4 million or 7.4% over 2012. For 2013, the \$19.6 million increase in tuition is related to a 3% increase in tuition rates to cover instructional costs in support of enrollment growth and the inclusion of general fees within the tuition amount in fiscal year 2013. The total number of credit students attending, including exempt and dual credit students, decreased by approximately 6% from 63,641 in fall 2011 to 59,830 in fall 2012.

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 scholarships if it pays other charges. Overall combined federal and state student aid decreased \$8.9 million in 2013 due to tightening of federal financial aid regulations. This contributed largely to the \$3.6 million reduction in the category waivers and financial aid or tuition discounts. The tuition discount rate decreased from 49.5% in 2012 to 46.2% in 2013.

The bad debt expense is an addition to the allowance for loss which represents a reserve for the future, grouped with tuition revenues as required by the Texas Higher Education Coordinating Board. A nominal bad debt expense was recorded for 2013.

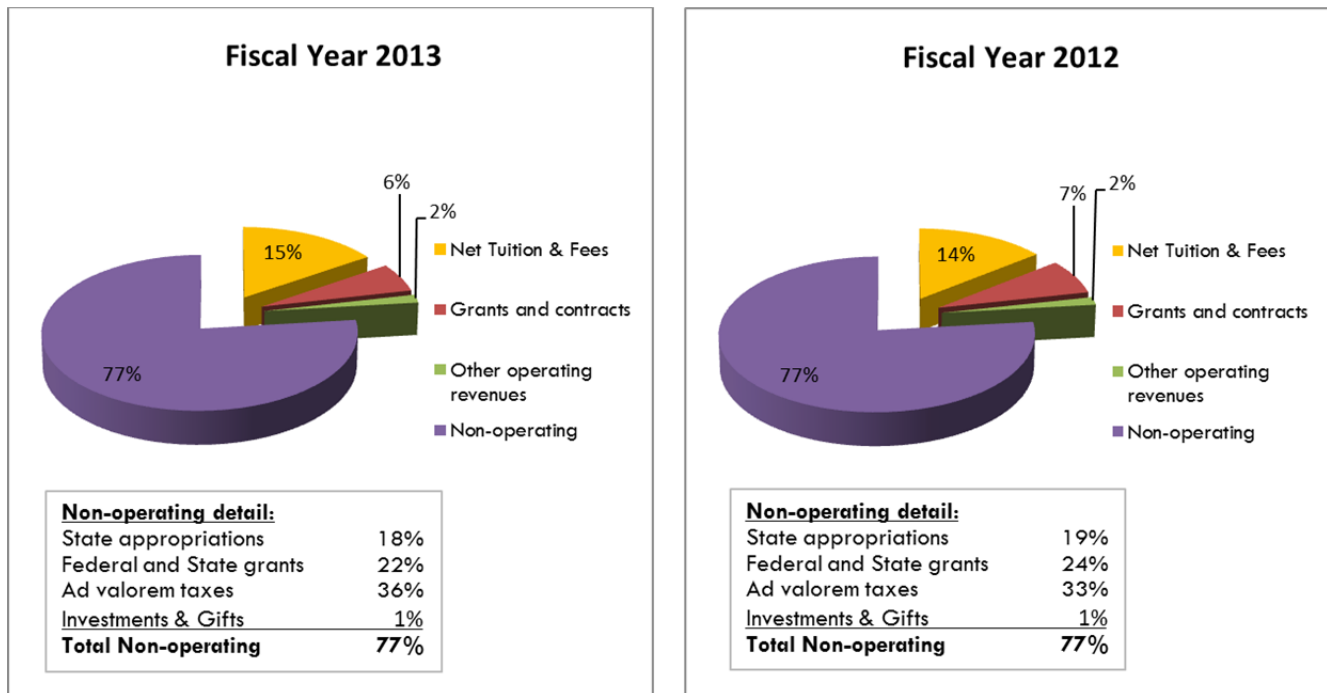
**ALAMO COMMUNITY COLLEGE DISTRICT**

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

Below is a chart of the major sources of revenue for fiscal years 2013 and 2012, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 77% for 2013 and 2012. The primary components of non-operating revenues remain as state appropriations, federal and state financial aid grants and ad valorem taxes. The chart reflects a decrease in the level of federal and state grants as a component of total non-operating revenues, as previously discussed.

Total non-operating revenue as a percentage of total revenue remained at 77% in 2012 and 2013. The percentage components of operating revenues reflected little change.

**Revenue Components – Operating and Non-operating**



Operating expenses are presented on the following page for three years in both a natural and a functional classification. Salaries and wages remained constant at \$160.3 million for fiscal years 2012 and 2013, and decreased \$20.8 million or 11.5% from fiscal 2011 to 2012. In 2013, 112 faculty positions were added to increase the total number of positions to 2,598. Full-time positions decreased from 1,004 in 2012 to 750 in 2013, while part-time faculty positions increased from 1,482 in 2012 to 1,848 in 2013. The shift in the mix of faculty positions resulted in instructional salary reductions of \$1.3 million, offset by increases in professional staffing for student services and institutional support areas. The salary decrease in 2012 is also reflected by the \$15.8 million decrease in instructional expenses, a general functional expense category containing most faculty salaries. The fiscal year 2012 decrease was mainly due to a full-year effect of the early retirement incentive program implemented in 2011, combined with decreased faculty salaries as a result of actively managing class size.

Benefits increased \$6.7 million from fiscal year 2012 to 2013 and decreased \$3.2 million from fiscal year 2011 to 2012. The 82<sup>nd</sup> Texas Legislature’s biennium appropriation level did not include all required contributions to TRS for fiscal year 2012. In fiscal year 2013, the State required community colleges to cover the shortfalls with each district’s unrestricted general appropriations. During fiscal year 2013, the District was required to pay to the Texas Retirement System (TRS) \$6.8 million, of which \$3.7 million related to fiscal year 2013 and \$3.1 million related to fiscal year

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

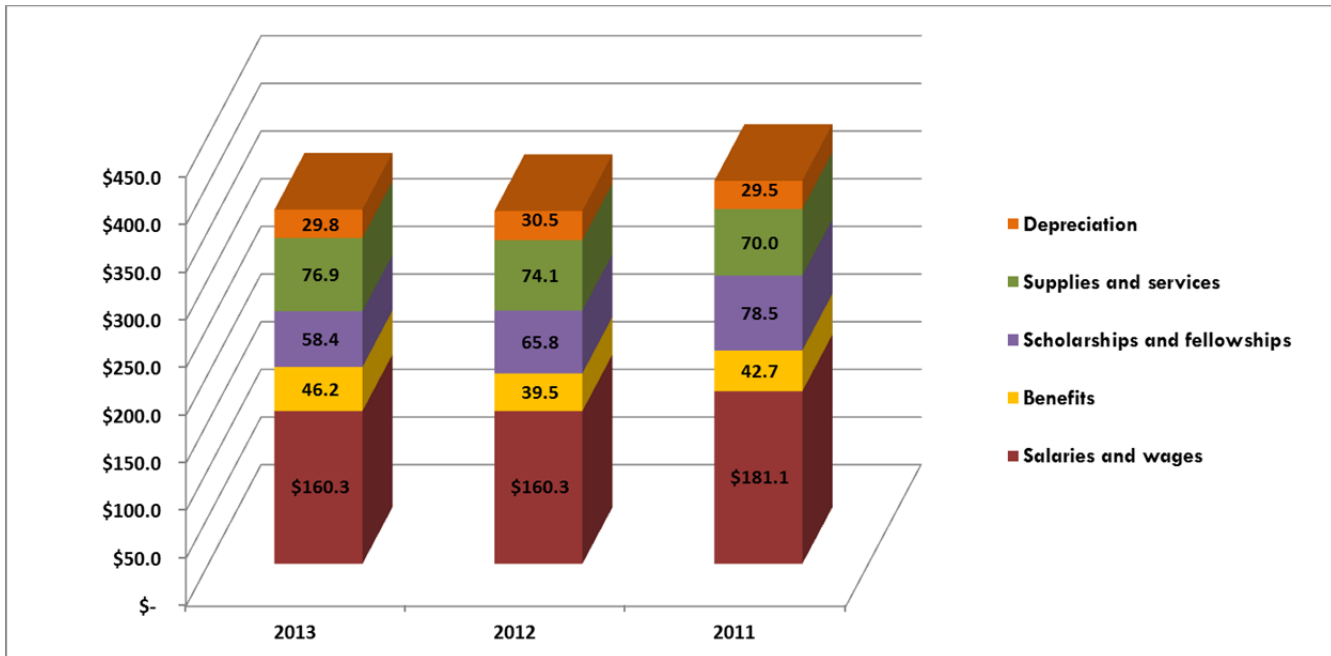
2012 for prior year retirement benefits not funded by the State. The \$3.2 million decrease in benefits in fiscal year 2012 primarily relates to TRS contributions not paid or accrued in the fiscal year.

For 2012 compared to 2013, scholarship and fellowships expenses decreased \$7.4 million from \$65.8 to \$58.4 million, respectively. Scholarship and fellowships expenses decreased by \$12.7 million between 2011 and 2012. The decrease was due to changes in federal and state student aid as previously discussed.

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

	Fiscal Year			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Salaries and wages	\$ 160.3	\$ 160.3	\$ 181.1	\$ 0.0	\$ (20.8)
Benefits	46.2	39.5	42.7	6.7	(3.2)
Scholarships and fellowships	58.4	65.8	78.5	(7.4)	(12.7)
Supplies and services	77.0	74.1	70.0	2.9	4.1
Depreciation	29.8	30.5	29.5	(0.7)	1.0
Total operating expenses	\$ 371.7	\$ 370.2	\$ 401.8	\$ 1.5	\$ (31.6)

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



After a decrease in \$3.2 million in fiscal year 2012, benefits increased \$6.7 million in fiscal year 2013 due to the payment of the 2012 shortfall during fiscal year 2013, and a larger portion required to be funded by the District as previously discussed.

Scholarship and fellowships expense represents the amount disbursed to a student after a scholarship award is credited to the student’s account for payment of tuition and fees. Scholarship expense decreased for fiscal year

## ALAMO COMMUNITY COLLEGE DISTRICT

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

2012 as the number of recipients decreased due to more stringent federal eligibility requirements for Federal Pell awards. This trend continued for fiscal year 2013, with an additional decrease of \$7.4 million.

#### Operating Expenses in Functional Classification (in millions)

	Fiscal Year			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Instruction	\$ 124.4	\$ 128.5	\$ 144.3	\$ (4.1)	\$ (15.8)
Public service	0.3	0.3	0.3	-	-
Academic support	25.1	26.2	28.1	(1.1)	(1.9)
Student services	32.1	29.1	31.0	3.0	(1.9)
Institutional support	63.9	53.5	54.7	10.4	(1.2)
Operation and maintenance of plant	36.2	34.9	33.3	1.3	1.6
Depreciation	29.8	30.5	29.5	(0.7)	1.0
Scholarships and fellowships	58.4	65.8	78.4	(7.4)	(12.6)
Total educational and general expenses	370.2	368.8	399.6	1.4	(30.8)
Auxiliary enterprise	1.5	1.4	2.2	0.1	(0.8)
Total operating expenses	\$ 371.7	\$ 370.2	\$ 401.8	\$ 1.5	\$ (31.6)

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

- Instruction includes expenses for all activities that are a part of the instruction program, such as faculty salaries and benefits. Instruction expenses decreased \$4.1 million in fiscal year 2013 and \$15.8 million in fiscal year 2012. The \$4.1 million decrease for 2013 is related to changes in the mix of full and part time faculty along with compensation adjustments, slightly offset by TRS costs not incurred in 2012 but required in 2013. The full effect of retirement costs and increases in class size primarily account for the \$15.8 million decrease in costs for 2012.
- Student services increased in fiscal year 2013 by \$3.0 million and decreased \$1.9 million from fiscal year 2011 to 2012. The \$3.0 million increase in 2013 is due to strategies implemented to strengthen student success and development, as well as TRS costs for fiscal years 2012 expensed as required in 2013. TRS costs not incurred in 2012 contributed to the decrease in fiscal year 2012.
- For fiscal year 2013, institutional support increased \$10.4 million from fiscal year 2012 and decreased \$1.2 million from fiscal year 2011 to 2012. As discussed previously, TRS costs not incurred in 2012 but required in 2013 account for the largest variance in this category. In addition, \$3.4 million was spent in non-capitalized equipment to enhance user friendly interaction between students and the student modules of the administrative software system. The District continues to invest in human resources, professional development, asset management, public safety and financial services areas.
- For fiscal year 2013, scholarships and fellowships decreased \$7.4 million as explained above, after a decrease of \$12.6 million in fiscal year 2012.

The District's largest operating expense is salaries, wages and benefits. Other significant expense categories include technology and utility costs. As the District continues to experience financial pressure from declining State of Texas

## ALAMO COMMUNITY COLLEGE DISTRICT

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

appropriations, expense controls are in place as developed by the Board of Trustees, administrators, faculty, staff and students across the institution.

#### Statements of Cash Flows

The Statements of Cash Flows provide information about the sources 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 of \$18.8 million at August 31, 2013 and an overall decrease in cash and cash equivalents of \$41.2 million at August 31, 2012. The primary use of cash in operations is in 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 non-capital financing activities are primarily from non-operating federal and state revenue, ad valorem taxes and state appropriations. The \$18.8 million increase in cash and cash equivalents for fiscal year 2013 is related to the net sale of certain investments held by the District. The \$41.2 million decrease in cash and cash equivalents in fiscal year 2012 is related to increased purchases of investments. Financing activities include payment of debt, both principal and interest, as well as capital asset acquisitions and construction.

#### Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The District had \$772.5 million and \$744.6 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2013 and 2012, respectively. Depreciation and amortization expenses totaled \$29.8 in fiscal year 2013 and \$30.5 million in fiscal year 2012 (Note 5). A summary of net capital assets is presented below:

#### Net Capital Assets at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
Land	\$ 55.7	\$ 54.6	\$ 54.6	\$ 1.1	\$ -
Construction in progress and works of art	17.9	27.8	20.1	(9.9)	7.7
Buildings and building improvements	625.3	584.7	577.2	40.6	7.5
Other real estate improvements	61.1	62.9	67.7	(1.8)	(4.8)
Furniture, machinery and equipment	9.5	11.2	13.1	(1.7)	(1.9)
Software	0.4	0.5	0.6	(0.1)	(0.1)
Library materials	2.6	2.9	3.1	(0.3)	(0.2)
Total capital assets, net of accumulated depreciation	<u>\$ 772.5</u>	<u>\$ 744.6</u>	<u>\$ 736.4</u>	<u>\$ 27.9</u>	<u>\$ 8.2</u>

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 to August 31, 2013 and 2012.



**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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

	Fiscal Year 2013			Fiscal Year 2012		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	\$ 111.9	\$ 50.8	45.4%	\$ 109.2	\$ 46.2	42.3%
Buildings and bldg improvements	789.5	164.2	20.8%	728.6	143.9	19.8%
Furniture, machinery and equipment	35.4	25.8	72.9%	35.1	23.9	68.1%
Software	3.1	2.7	87.1%	3.1	2.5	80.6%
Library materials	16.2	13.6	84.0%	16.1	13.2	82.0%
<b>TOTAL</b>	<b>\$ 956.1</b>	<b>\$ 257.1</b>	<b>26.9%</b>	<b>\$ 892.1</b>	<b>\$ 229.7</b>	<b>25.7%</b>

Major capital additions and renovations completed or in progress during fiscal years 2013 and 2012 include the following:

<b>Fiscal Year 2013</b>	<b>Amount (in Millions)</b>
San Antonio College - Moody Building renovation	\$ 16.8
St. Philip's College - Sutton Learning Center renovation	14.0
St. Philip's College - Science Building renovation	2.1
Palo Alto College - Ozuna Library renovation	7.2
Palo Alto College - Gymnasium renovation and Addition	1.5
Northeast Lakeview College - Parking Lot 4	1.2
Nortwest Vista College - Parking Garage	12.2

<b>Fiscal Year 2012</b>	<b>Amount (in Millions)</b>
San Antonio College - FBI Firing Range	\$ 1.4
San Antonio College - Capitalized Lease - Salatrillo Treated Water	1.0
St. Philip's College - Science Building renovation	10.4
Southwest Campus SECO Solar Project	1.2
Palo Alto College - Applied Science Building renovation (Nueces Hall)	4.1
Palo Alto College - Medina Hall renovation	1.4
Palo Alto College - Gutierrez Learning Labs renovation	1.7
Palo Alto College - Math and Science Building renovation (Frio Hall)	4.4

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 and amortization 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 and amortization include improvements to land (such as parking lots and signage), buildings, library books, furniture and equipment. Land is 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 projects financed by bond proceeds. As of August 31, 2013 and 2012, the District was committed for approximately \$30.0 million and \$46.0 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 had \$589.4 million and \$613.9 million in outstanding bond and maintenance tax note debt at August 31, 2013 and 2012, respectively, before premiums and discounts. Outstanding debt decreased by \$24.5 million and \$8.1 million in fiscal years 2013 and 2012, respectively. The table below summarizes these amounts by type of debt instrument. See also Notes 7 and 8 to the basic financial statements for additional information.

#### Outstanding Debt at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2013	2012	2011	2012 to 2013	2011 to 2012
General obligation bonds	\$ 383.4	\$ 392.0	\$ 404.1	\$ (8.6)	\$ (12.1)
Revenue bonds	73.7	78.1	65.9	\$ (4.4)	12.2
Tax notes	132.3	143.8	152.0	\$ (11.5)	(8.2)
<b>Total outstanding debt</b>	<b>\$ 589.4</b>	<b>\$ 613.9</b>	<b>\$ 622.0</b>	<b>\$ (24.5)</b>	<b>\$ (8.1)</b>

The \$24.5 million reduction is due to scheduled payments and two defeasances to reduce outstanding debt payments and obtain present value benefits. In October 2012, the Alamo Colleges defeased \$1,595,000 of 2027 Maintenance Tax Notes. In August 2013, the District defeased \$1,390,000 of Series 2005 Maintenance Tax Notes.

Notes payable increased \$12.7 million in fiscal year 2013. A note with the Port San Antonio was signed for \$5 million trading property for training credits and cash. Loans provided by the State of Texas in the amount of \$7.7 million were received to implement retrofitting and energy conservation measures.

In June 2012, the District issued \$74,110,000 Limited Tax Refunding Bonds, Series 2012. Proceeds from the sale refunded \$61,350,000 of the Series 2007 and \$16,595,000 of the Series 2007A Limited Tax Bonds to generate savings. Series 2012 Limited Tax Refunding Bonds were issued at an average coupon of 4.39%; the average coupon of the refunded bonds was 4.60%. The District's total debt service payments over the next 27 years will be reduced by \$11,573,285 to produce an economic gain with a net present value savings of \$6,409,669.

Subsequent to August 31, 2013, the District's Board of Trustees approved a cash defeasance and refinancing plan on certain outstanding debt obligations in order to reduce outstanding debt and obtain net present value savings. The District also amended to increase the State Energy Conservation Office (SECO) loan by \$1,369,920. See further details in footnote 23.

The general obligation debt of Alamo Colleges 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 Alamo Colleges 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 as part of the general tuition, and fees from the students for the occupancy or use of the property of Alamo Colleges.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

The bond rating for the District's general obligation bonds was Aaa by Moody's Investors Service, the highest rating possible, and was AA+ by Standard & Poor's. More detailed information about the District's noncurrent liabilities is presented in Notes 6, 7 and 8 to the basic financial statements.

#### **Factors Having Probable Future Financial Significance**

The economic condition of Alamo Colleges is influenced by the economic positions of the State of Texas, County of Bexar and surrounding counties and the City of San Antonio. The Texas Workforce Commission reports that the August 2013 unemployment rate for San Antonio, Texas, and the United States to be 6.0%, 6.3% and 7.3%, 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.

In September 2013, the U.S. Chamber of Commerce Foundation released a report identifying San Antonio as one of the fastest growing cities in the nation because of priorities in uniting public and private sectors to support workforce development, infrastructure investment, business-friendly government and private sector job creation. By uniting government, business, nonprofit and educational leaders, San Antonio has been able to sustain growth and prosperity. While many U.S. cities continue to experience declines in their specialized core industries, San Antonio and Texas have a brighter economic outlook with their stable, diversified economic base that serves to avoid wide swings in the business cycle.

The Texas Eagle Ford Shale drilling activity has positively impacted the Texas economy. Drilling permits in the Texas Eagle Ford Shale region were over 3,000 for nine months through September 2013 as reported by the Texas Railroad Commission and are projected to reach the 2012 level of over 4,000 by the end of the calendar year. The San Antonio Economic Development Foundation estimates that annual payroll costs in Bexar County resulting from drilling in the Eagle Ford Shale are more than \$186 million and will continue to grow.

The level of state appropriations Texas community colleges historically received enabled the low tuition rates community colleges provide. The State decreased appropriations and benefit coverage and drastically changed the revenue mix. Tuition revenue from students and tax revenue from local property owners are now providing approximately 70% of the primary revenue stream for Alamo Colleges. 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 instruction costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. It has reduced the retirement matching to 6% of each institution's state appropriation, which is an inadequate amount to cover the benefits, has significantly reduced the State's coverage of health benefit costs (will be 50% for fiscal year 2014) and has not funded past growth in contact hours directly related to instruction costs.

The Texas Legislature will continue to greatly impact community college services if it does not return to contact hour reimbursement, does not reimburse for past contact hour growth, continues to cut appropriations and does not fully fund its liability for qualified employee retirement match and employee health insurance. 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 Alamo Colleges, and all Texas community colleges, will continue to face a growing challenge to fund a growing demand for state education services. The leadership of Alamo Colleges 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 students and the workforce needs of the state. The leadership of Alamo Colleges will also continue to preserve its primary mission of empowering its diverse communities for success. The outlook of Alamo Colleges for the foreseeable future is positive as a result of its strategic leadership, fiscal management and stable local economy.



**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1**

**Statements of Net Position  
August 31, 2013 and 2012**

	2013	2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 26,716,115	\$ 18,989,924
Restricted cash and cash equivalents	20,956,752	-
Investments	47,581,661	88,540,576
Accounts receivable and notes receivable, net of allowance	21,546,834	17,232,255
Other assets	370,551	404,358
Total current assets	117,171,913	125,167,113
Noncurrent assets:		
Restricted cash and cash equivalents	10,482,457	20,330,137
Restricted short-term investments	-	52,694,252
Long-term investments - operating	66,424,289	34,381,093
Other assets	6,455,930	6,300,000
Capital assets (net)	772,527,468	744,641,352
Total noncurrent assets	855,890,144	858,346,834
<b>TOTAL ASSETS</b>	973,062,057	983,513,947
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	20,729,981	18,114,082
Funds held for others	660,310	630,355
Deferred revenues	32,023,494	41,193,856
Current portion of long-term liabilities	24,154,500	23,003,989
Total current liabilities	77,568,285	82,942,282
Noncurrent liabilities	600,438,659	614,595,439
<b>TOTAL LIABILITIES</b>	678,006,944	697,537,721
<b>NET POSITION</b>		
Net investment in capital assets	177,262,273	171,100,350
Restricted for:		
Expendable		
Student aid	7,556,557	4,701,676
Instructional programs	1,048,399	1,074,473
Capital projects	370,458	-
Debt service	7,434,159	7,187,173
Unrestricted	101,383,267	101,912,554
<b>TOTAL NET POSITION (Schedule D)</b>	<b>\$ 295,055,113</b>	<b>\$ 285,976,226</b>

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, 2013 and 2012**

	2013	2012
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of discounts of \$55,044,502 and \$58,573,116, respectively)	\$ 64,091,209	\$ 59,696,566
Federal grants and contracts	19,138,639	20,097,631
State grants and contracts	3,319,304	7,061,166
Local grants and contracts	1,954,478	1,991,496
Non-governmental grants and contracts	368,579	1,267,044
Auxiliary enterprises	4,064,360	4,327,418
Other operating revenues	2,992,939	2,499,053
Total operating revenues (Schedule A)	95,929,508	96,940,374
<b>OPERATING EXPENSES:</b>		
Instruction	124,406,113	128,485,874
Public service	329,752	349,160
Academic support	25,068,684	26,178,736
Student services	32,083,355	29,090,290
Institutional support	63,871,235	53,487,482
Operation and maintenance of plant	36,178,241	34,891,262
Scholarships and fellowships	58,358,251	65,811,277
Auxiliary enterprises	1,530,550	1,439,831
Depreciation and amortization	29,848,500	30,484,741
Total operating expenses (Schedule B)	371,674,681	370,218,653
Operating loss	(275,745,173)	(273,278,279)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
State appropriations	75,997,901	77,777,498
Ad valorem taxes		
Taxes for maintenance and operations	104,270,919	95,326,911
Taxes for maintenance notes	17,799,310	14,756,773
Taxes for general obligation bonds	26,904,660	29,076,259
Federal grants, non-operating	87,421,356	96,450,672
State grants, non-operating	3,633,715	3,548,506
Gifts	1,425,516	794,956
Investment income	221,588	1,858,325
Interest on capital related debt	(20,569,948)	(20,824,761)
Interest on maintenance tax notes	(6,319,310)	(6,626,773)
Other non-operating expenses	(5,961,647)	(6,966,116)
Net non-operating revenues (Schedule C)	284,824,060	285,172,250
Increase in net position	9,078,887	11,893,971
<b>NET POSITION:</b>		
Net position - beginning of year	285,976,226	274,082,255
Net position - end of year	\$ 295,055,113	\$ 285,976,226

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, 2013 and 2012**

	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 59,674,205	\$ 66,933,138
Receipts from grants and contracts	24,194,352	34,789,698
Collection of loans to students	99,919	12,579
Other receipts	2,120,664	1,538,496
Payments to or on behalf of employees	(194,931,525)	(193,053,356)
Payments to suppliers for goods and services	(74,588,660)	(77,726,332)
Payments for scholarships and fellowships	(58,358,251)	(65,811,277)
Payment for loans to students	(114,453)	(43,016)
Net cash used by operating activities	(241,903,749)	(233,360,070)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	65,893,383	68,335,274
Receipts from ad valorem taxes	104,445,821	95,235,301
Receipts from non-operating federal and state revenue	93,661,024	104,665,708
Receipts from gifts and grants (other than capital)	128,456	745,956
Receipts (payments) to student organizations and other agency transactions	29,955	(20,537)
Payment for Federal loans issued to students	(32,780,422)	(34,185,938)
Receipts from Federal loans for students	28,037,030	34,184,205
Net cash provided by non-capital financing activities	259,415,247	268,959,969
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds on issuance of capital debt	12,726,891	162,026,427
Bond issuance costs	-	(6,517,967)
Receipts from ad valorem taxes for debt service	44,613,087	43,785,462
Receipts from capital grant contracts, grants and gifts	297,060	49,000
Payments for capital assets acquisition and construction of capital assets	(65,955,789)	(38,264,450)
Payments on capital debt - principal	(24,515,000)	(160,250,000)
Payments on capital debt - interest	(27,627,278)	(27,991,482)
Net cash used by capital and related financing activities	(60,461,029)	(27,163,010)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	277,074,610	261,961,326
Interest on investments	174,823	1,869,260
Purchase of investments	(215,464,639)	(313,462,000)
Net cash provided (used) by investing activities	61,784,794	(49,631,414)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>18,835,263</b>	<b>(41,194,525)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>39,320,061</b>	<b>80,514,586</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 58,155,324</b>	<b>\$ 39,320,061</b>

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, 2013 and 2012  
(continued)**

<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH</b>	2013	2012
<b>USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (275,745,173)	\$ (273,278,279)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	29,848,500	30,484,741
Allowance for doubtful accounts	(483,088)	1,109,734
Non-cash state appropriations - on-behalf payments	10,104,518	9,442,224
Changes in assets and liabilities:		
Receivables (net)	(716,772)	(2,166,992)
Other assets	(642,488)	(372,405)
Accounts payable	5,209,102	(7,487,866)
Deferred revenue	(9,223,515)	7,378,216
Compensable absences	(30,670)	2,027,843
Workers' compensation accrual	(97,926)	-
Utility escrow	(111,703)	(466,849)
Loans to students	(14,534)	(30,437)
Net cash used by operating activities	\$ (241,903,749)	\$ (233,360,070)

**SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:**

State on-behalf payments	\$ 10,104,518	\$ 9,442,224
Increase (decrease) in fair value of investments	\$ (440,698)	\$ 532,095
Gifts of depreciable and non-depreciable assets	\$ 248,060	\$ 5,091
Decrease in rebatable arbitrage liability	\$ (291,302)	\$ (26,750)
Amortization of premium on bonds	\$ 1,181,413	\$ 858,925
Amortization of prepaid debt issuance costs	\$ 351,530	\$ 259,573
Amortization of deferred charges on bond refundings	\$ 338,378	\$ 161,665

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



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 1. REPORTING ENTITY

The Alamo Community College District (Alamo Colleges 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 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 governmental entity.

#### ACCD Public Facility Corporation (PFC) - Blended Component Unit

The PFC is a legally separate entity from the District, but for financial statement purposes the PFC is blended as a component unit of the District due to its sole purpose to assist the District in financing or in the acquisition of public facilities. Stand-alone financial information for the PFC may be obtained from the District's Finance and Fiscal Services office.

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 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 nine-member Board of Directors that is the same nine-member 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. With the Board of Trustees' approval, 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.

#### Alamo Community College District Foundation, Inc.

The Alamo Community College District 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. The financial information of the Foundation is not included in these financial statements in accordance with GASB Statement No. 61 as a component unit because the economic resources received or held by the Foundation that the District is entitled to, or has the ability to otherwise access, are not significant to the 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 2013. For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities.

#### 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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Blending of Component Unit

The financial statements of the PFC consist of land contributed by the District in the amount of \$3.3 million, a note payable to the District in the amount of \$2.0 million, and a gain of \$1.3 million related to the contributed land. These amounts are included in the District's financial statements as a blended component unit.

#### Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The 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 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 and Investments

Restricted cash and cash equivalents reserved for payment of restricted current liabilities are included as current assets. Cash and cash equivalents and investments 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. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at 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.

#### Unamortized Debt Issuance Costs

Unamortized debt issuance costs are amortized over the life of the related bond issue using the straight-line method.

#### 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 estimated fair market value at the date of donation. Improvements which significantly add value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs are charged to operating expense in the year the expense is incurred.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The straight-line method is used for depreciating the 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 was placed in service. The table below lists the capitalization thresholds and useful lives for each asset category:

<u>Class of Asset</u>	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>	<u>Salvage Value</u>
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%
Machinery and equipment	5,000	5-10	-
Infrastructure	100,000	20	10%
Software	5,000	5	-
Library books	All	15	-
Works of art/historical treasures	5,000	Not depreciated	-
Leasehold improvements	10,000	Shorter of lease life or useful life	-
Technology systems	50,000	5	-

#### 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 Notes 6 and 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.

#### Net Position

##### *Net Investment in Capital Assets*

This category represents the District's total investment in capital assets, net of related outstanding debt and accumulated depreciation and amortization related to those capital assets.

##### *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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Deferred Revenues

Tuition and fee revenues are recorded when earned. Unrestricted fall tuition, fees, and other revenues received related to the period after each fiscal year have been deferred. 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 deferred charges, such as tuition exemptions, have been netted against deferred revenues. 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 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 tuition discount. When the award is used for purposes other than tuition and fees, the amount is recorded as a scholarship expense.

##### *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 tuition discount. When these awards are used for purposes other than tuition and fees, the amounts are recorded as 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 unrestricted resources and then against restricted resources.

#### Estimates

The preparation of the 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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### New Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amends the reporting standards for reporting component units in a government's financial statements. This Statement modifies the existing guidance including changes to criteria for including potential component units in the reporting entity; criteria for reporting component units as blended or discretely presented; and determination of major component units. The provisions of this standard are effective for financial statements for periods beginning after June 15, 2012. The District adopted GASB 61 as of September 1, 2012. Adoption of GASB 61 did not have an effect on the District's financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement was adopted for the College's fiscal year ended August 31, 2013 with no material impact on the College's financial statements.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. With the implementation of GASB 63, the Statement of Net Assets was renamed the Statement of Net Position. Along with the name change, the Statement of Net Position requires two new classifications separate from assets and liabilities, if applicable. Amounts reported as deferred outflows of resources are reported in a Statement of Net Position in a separate section following assets. Likewise, amounts reported as deferred inflows of resources are reported in a Statement of Net Position in a separate section following liabilities. In addition, the totals of these two new classifications should be added to the total for assets and liabilities, respectively. The provisions of this standard are effective for financial statements for periods beginning after December 15, 2012. During fiscal year 2013, the District did not have any items meeting the definition of deferred inflows or outflows.

#### Reclassifications

Certain immaterial amounts related to accrued benefits payable in the prior year were reclassified in order to be consistent with the current year's presentation.

### 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. 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/P-1, and (6) other instruments and obligations authorized by statute.

### 4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of the District's deposits at August 31, 2013 and 2012 was \$8,391,344 and \$6,508,216, respectively. Total bank balances at August 31, 2013 and 2012 equaled \$9,032,108 and \$10,272,229, respectively. The FDIC insures all bank deposits up to \$250,000. Deposits in excess of \$250,000 are collateralized at a level of at least 105% in U.S. Treasuries and Government Securities.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2013 and 2012:

	2013	2012
Bank deposits: Demand deposits	\$ 3,119,460	\$ 3,238,348
Money market	5,271,884	3,269,868
Total bank deposits	8,391,344	6,508,216
TexPool deposits	49,726,460	32,756,325
Petty cash on hand	37,520	55,520
Total cash and cash equivalents	\$ 58,155,324	\$ 39,320,061

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 Investment Policy. Investments are stated at amortized cost, which in most cases approximates market values of securities. TexPool seeks to maintain a stable \$1.00 net asset value; however, this is not guaranteed or insured by the State of Texas.

The fair value of investments as of August 31, 2013 and 2012 is disclosed below. For U.S. Government, agency, and municipal obligations, prices are obtained from an independent third-party pricing service. Prices for commercial paper are calculated by obtaining quotes for securities with similar characteristics from an independent third-party pricing service.

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2013 and 2012:

Type of Security	2013	2012
U.S. government securities:		
FHLB coupon notes	\$ 9,850,000	\$ 10,006,000
FNMA coupon notes	24,820,000	12,546,000
FHLMC coupon notes	14,631,000	18,249,396
FFCB coupon notes	5,850,000	23,624,650
U.S. Treasury	5,031,000	10,078,500
Municipal bonds	8,251,040	-
Commercial paper	45,572,910	101,111,375
Total	\$ 114,005,950	\$ 175,615,921

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statement of Net Position on August 31, 2013 and 2012 is as follows:

	2013	2012
Total cash and cash equivalents	\$ 58,155,324	\$ 39,320,061
Total investments	114,005,950	175,615,921
Total	\$ 172,161,274	\$ 214,935,982
Per Exhibit I:		
Cash and cash equivalents	\$ 26,716,115	\$ 18,989,924
Restricted cash and cash equivalents - current	20,956,752	-
Investments - current	47,581,661	88,540,576
Restricted cash and cash equivalents - noncurrent	10,482,457	20,330,137
Restricted short-term investments	-	52,694,252
Long-term investments - operating	66,424,289	34,381,093
Total	\$ 172,161,274	\$ 214,935,982

**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.

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 investments and maturities at August 31, 2013 and 2012:

Investment Type	2013		2012	
	Fair Value	WAM* (Years)	Fair Value	WAM* (Years)
FHLB	\$ 9,850,000 †	3.933	\$ 10,006,000	0.548
FNMA	24,820,000 †	3.401	12,546,000 †	1.097
FHLMC	14,631,000 †	2.173	18,249,396 †	1.515
FFCB	5,850,000	1.433	23,624,650 †	1.122
U.S. Treasury	5,031,000	2.000	10,078,500	0.798
Municipal bonds	8,251,040 †	1.608	-	0.000
Commercial paper	45,572,910 †	0.546	101,111,375 †	0.223
TexPool	49,726,460 †	0.003	32,756,325 †	0.003
Total	\$ 163,732,410		\$ 208,372,246	
Portfolio weighted average maturity at August 31		1.293		0.499

\* WAM = Weighted Average Maturity

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 4. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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, 2013, TexPool was rated AAAM. All other credit standards are governed by the District's investment policy, which is in compliance with state statutes for credit standards.

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

### 5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2013 was as follows:

	Balance 9/1/2012	Increases	Decreases	Balance 8/31/2013
<u>Not Depreciated:</u>				
Land	\$ 54,624,153	\$ 1,219,469	\$ 150,000	\$ 55,693,622
Works of art	169,971	6,250	-	176,221
Construction in progress	27,597,853	16,507,855	26,363,962	17,741,746
Subtotal	<u>82,391,977</u>	<u>17,733,574</u>	<u>26,513,962</u>	<u>73,611,589</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	728,641,726	61,154,707	321,173	789,475,260
Other real estate improvements	109,151,974	2,771,742	-	111,923,716
Total buildings and other real estate improvements	<u>837,793,700</u>	<u>63,926,449</u>	<u>321,173</u>	<u>901,398,976</u>
Software	3,050,711	23,618	-	3,074,329
Furniture, machinery and equipment	35,078,588	2,633,322	2,341,143	35,370,767
Library materials	16,098,494	129,709	-	16,228,203
Total buildings and other capital assets	<u>892,021,493</u>	<u>66,713,098</u>	<u>2,662,316</u>	<u>956,072,275</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	143,913,393	20,527,203	234,128	164,206,468
Other real estate improvements	46,227,071	4,550,541	-	50,777,612
Total buildings and other real estate improvements	<u>190,140,464</u>	<u>25,077,744</u>	<u>234,128</u>	<u>214,984,080</u>
Software	2,541,055	167,611	-	2,708,666
Furniture, machinery and equipment	23,859,685	4,206,457	2,230,093	25,836,049
Library materials	13,230,914	396,687	-	13,627,601
Total accumulated depreciation	<u>229,772,118</u>	<u>29,848,499</u>	<u>2,464,221</u>	<u>257,156,396</u>
Net capital assets	<u>\$744,641,352</u>	<u>\$ 54,598,173</u>	<u>\$ 26,712,057</u>	<u>\$ 772,527,468</u>



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Notes to Financial Statements**

**5. CAPITAL ASSETS (continued)**

Capital assets activity for the year ended August 31, 2012 was as follows:

	Balance 9/1/2011	Increases	Decreases	Balance 8/31/2012
<u>Not Depreciated:</u>				
Land	\$ 54,624,153	\$ -	\$ -	\$ 54,624,153
Works of art	169,971	-	-	169,971
Construction in progress	19,950,096	24,301,691	16,653,934	27,597,853
Subtotal	<u>74,744,220</u>	<u>24,301,691</u>	<u>16,653,934</u>	<u>82,391,977</u>
 <u>Subject to Depreciation:</u>				
Buildings and building improvements	701,632,305	27,126,899	117,478	728,641,726
Other real estate improvements	107,771,761	1,380,213	-	109,151,974
Total buildings and other real estate improvements	<u>809,404,066</u>	<u>28,507,112</u>	<u>117,478</u>	<u>837,793,700</u>
Software	2,894,741	155,970	-	3,050,711
Furniture, machinery, and equipment	34,526,826	2,379,533	1,827,771	35,078,588
Library materials	15,991,931	175,482	68,919	16,098,494
Total buildings and other capital assets	<u>862,817,564</u>	<u>31,218,097</u>	<u>2,014,168</u>	<u>892,021,493</u>
 <u>Accumulated Depreciation:</u>				
Buildings and building improvements	124,432,727	19,487,318	6,652	143,913,393
Other real estate improvements	40,091,777	6,135,294	-	46,227,071
Total buildings and other real estate improvements	<u>164,524,504</u>	<u>25,622,612</u>	<u>6,652</u>	<u>190,140,464</u>
Software	2,277,419	263,636	-	2,541,055
Furniture, machinery, and equipment	21,459,401	4,209,688	1,809,404	23,859,685
Library materials	12,911,027	388,805	68,918	13,230,914
Total accumulated depreciation	<u>201,172,351</u>	<u>30,484,741</u>	<u>1,884,974</u>	<u>229,772,118</u>
Net capital assets	<u>\$736,389,433</u>	<u>\$ 25,035,047</u>	<u>\$ 16,783,128</u>	<u>\$ 744,641,352</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Notes to Financial Statements**

**6. NONCURRENT LIABILITIES**

As of August 31, 2013, noncurrent liabilities are \$600,438,659 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 09/01/12	Additions	Reductions	Balance 08/31/13	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 392,045,000	\$ -	\$ 8,625,000	\$ 383,420,000	\$ 9,050,000
Revenue bonds	78,095,000	-	4,410,000	73,685,000	5,055,000
Maintenance tax notes	143,825,000	-	11,480,000	132,345,000	8,540,000
Premium on bonds payable	25,057,493	-	1,181,413	23,876,080	1,180,458
Deferred charges on refundings	(8,154,686)	-	(338,378)	(7,816,308)	(338,377)
Subtotal	630,867,807	-	25,358,035	605,509,772	23,487,081
Notes payable	-	12,836,890	110,000	12,726,890	-
Compensable absences	5,164,671	371,629	402,299	5,134,001	614,267
Deferred revenues	1,275,648	-	53,152	1,222,496	53,152
Arbitrage liability	291,302	-	291,302	-	-
<b>Total noncurrent liabilities</b>	<b>\$ 637,599,428</b>	<b>\$ 13,208,519</b>	<b>\$ 26,214,788</b>	<b>\$ 624,593,159</b>	<b>\$ 24,154,500</b>

As of August 31, 2012, noncurrent liabilities are \$614,489,135 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 09/01/11	Additions	Reductions	Balance 08/31/12	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 404,120,000	\$ 74,110,000	\$ 86,185,000	\$ 392,045,000	\$ 8,625,000
Revenue bonds	65,935,000	78,095,000	65,935,000	78,095,000	4,410,000
Maintenance tax notes	151,955,000	-	8,130,000	143,825,000	8,495,000
Premium on bonds payable	16,236,426	9,679,992	858,925	25,057,493	1,180,590
Discount on bonds payable	(141,435)	-	(141,435)	-	-
Deferred charges on refundings	(1,579,174)	(6,737,177)	(161,665)	(8,154,686)	(413,174)
Subtotal	636,525,817	155,147,815	160,805,825	630,867,807	22,297,416
Compensable absences	3,136,828	2,606,820	578,977	5,164,671	653,421
Deferred revenues	1,328,800	-	53,152	1,275,648	53,152
Arbitrage liability	318,052	-	26,750	291,302	-
<b>Total noncurrent liabilities</b>	<b>\$ 641,309,497</b>	<b>\$ 157,754,635</b>	<b>\$ 161,464,704</b>	<b>\$ 637,599,428</b>	<b>\$ 23,003,989</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Notes to Financial Statements**

**7. DEBT AND LEASE OBLIGATIONS**

Debt service requirements at August 31, 2013 were as follows (table amounts in 000s):

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 9,050	\$ 17,863	\$ 5,055	\$ 2,448	\$ 8,540	\$ 6,179	\$ 22,645	\$ 26,490
2015	9,500	17,420	4,655	2,409	8,900	5,809	23,055	25,638
2016	9,955	16,961	4,720	2,356	9,270	5,442	23,945	24,759
2017	10,490	16,428	4,780	2,288	6,880	5,102	22,150	23,818
2018	11,000	15,921	4,870	2,202	7,210	4,777	23,080	22,900
2019-2023	63,735	70,853	26,365	8,135	41,970	17,961	132,070	96,949
2024-2028	80,410	54,177	14,280	2,588	40,340	6,449	135,030	63,214
2029-2033	100,035	33,838	5,560	1,049	9,235	708	114,830	35,595
2034-2038	89,245	9,274	3,400	261	-	-	92,645	9,535
<b>TOTAL</b>	<b>\$ 383,420</b>	<b>\$ 252,735</b>	<b>\$ 73,685</b>	<b>\$ 23,736</b>	<b>\$ 132,345</b>	<b>\$ 52,427</b>	<b>\$ 589,450</b>	<b>\$ 328,898</b>

Debt service requirements at August 31, 2012 were as follows (table amounts in 000s):

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 8,625	\$ 18,286	\$ 4,410	\$ 2,742	\$ 8,495	\$ 6,673	\$ 21,530	\$ 27,701
2014	9,050	17,863	5,055	2,448	8,860	6,307	22,965	26,618
2015	9,500	17,420	4,655	2,409	9,235	5,924	23,390	25,753
2016	9,955	16,961	4,720	2,356	9,620	5,545	24,295	24,862
2017	10,490	16,428	4,780	2,288	7,245	5,190	22,515	23,906
2018-2022	60,735	73,861	25,515	9,208	39,925	20,422	126,175	103,491
2023-2027	76,830	57,756	18,660	3,386	48,425	8,992	143,915	70,134
2028-2032	96,330	38,255	6,125	1,238	12,020	1,240	114,475	40,733
2033-2037	110,530	14,191	4,175	402	-	-	114,705	14,593
<b>TOTAL</b>	<b>\$ 392,045</b>	<b>\$ 271,021</b>	<b>\$ 78,095</b>	<b>\$ 26,477</b>	<b>\$ 143,825</b>	<b>\$ 60,293</b>	<b>\$ 613,965</b>	<b>\$ 357,791</b>

Rental payments of \$1,317,000 and \$1,171,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2013 and 2012, 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, 2013 and 2012 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Interest Rates	Balance August 31, 2013	Balance August 31, 2012
<b>General Obligation Bonds (Repayment source - Ad valorem taxes)</b>					
2006	Construct, renovate, acquire and equip new and existing facilities. Issued April 20, 2006.	\$ 60,710,000	4.0% - 5.0%	\$ 40,275,000	\$ 41,260,000
2006A	Construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006.	49,580,000	4.0% - 5.0%	47,410,000	48,520,000
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	271,085,000	4.5% - 5.625%	185,035,000	190,430,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.5% - 5.5%	36,590,000	37,725,000
2012	Refund certain of the District's outstanding Limited Bonds Series 2007 and 2007A. Issued July 12, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000
Subtotal - General Obligation Bonds				\$ 383,420,000	\$ 392,045,000
<b>Maintenance Tax Notes (Repayment source - Ad valorem taxes)</b>					
2005	Purchase equipment, vehicles and renovate various facilities. Issued September 20, 2005.	\$ 7,450,000	n/a	\$ -	\$ 1,700,000
2006	Purchase equipment, vehicles and renovate various facilities. Issued April 20, 2006.	30,435,000	4.0% - 5.0%	23,200,000	24,470,000
2007	Purchase equipment, vehicles and renovate various facilities. Issued September 18, 2007.	81,110,000	4.1% - 5.25%	61,795,000	66,500,000
2011	Renovate and repair existing District facilities. Issued August 5, 2011.	54,795,000	3.0% - 5.0%	47,350,000	51,155,000
Subtotal - Maintenance Tax Notes				\$ 132,345,000	\$ 143,825,000
<b>Revenue Financing System (Repayment source - Pledged revenues*)</b>					
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	1.625% - 5.25%	\$ 55,800,000	\$ 55,800,000
2012B	Refund remainder of the District's outstanding Combined Fee Revenue bonds (taxable issue). Issued March 22, 2012.	22,295,000	0.418% - 1.8444%	17,885,000	22,295,000
Subtotal - Revenue Financing System Bonds				\$ 73,685,000	\$ 78,095,000
<b>Total Bonds</b>				<b>\$ 589,450,000</b>	<b>\$ 613,965,000</b>

\*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 \$20,400 to \$19,903,500 with interest rates from 0.418% to 5.625%, with the final installment due in fiscal year 2037.

The District cash defeased certain outstanding bonds in the fiscal year ended August 31, 2013.

In October 2012, the District cash defeased a portion of the then-outstanding 2027 obligations designated as Alamo Community College District's Maintenance Tax Notes, Series 2007 in the amount of \$1,595,000. The purpose of the defeasance was to reduce the outstanding debt service payments. The bonds defeased were term bonds maturing in 2027 with a coupon rate of 5%. As of October 2012, the District's total debt service payments over the next 15 years will be reduced by \$2,751,375 to produce an economic gain of \$1,139,000.

In August 2013, the District cash defeased the entire then-outstanding obligations designated as Alamo Community College District Maintenance Tax Notes, Series 2005 in the amount of \$1,390,000. The purpose of this defeasance was to reduce the outstanding debt service payments. The bonds defeased were serial bonds with maturities from 2014 to

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Notes to Financial Statements**

**8. BONDS AND TAX NOTES PAYABLE (continued)**

2018 with coupon rates ranging from 3.8% to 4.0 %. The District’s total debt service payments over the next 5 years will be reduced by \$1,505,378 to produce an economic gain of \$108,000.

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 "nonpurpose 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 temporary 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, are required to be made at least every five years or each “Rebate Installment Computation Date” and upon final redemption or maturity of the bonds. The amount reserved for arbitrage rebate is reflected as part of noncurrent liabilities in the amount of \$0 and \$291,302 as of August 31, 2013 and 2012, respectively.

**9. DEFEASED BONDS OUTSTANDING**

As of August 31, 2013, the District had the following defeased bonds outstanding:

Bond Issue	Year Refunded	Par Value Outstanding	
		2013	2012
Combined Fee Revenue 2003	2012	\$ 1,225,000	\$ 2,400,000
Combined Fee Revenue 2004	2012	5,675,000	5,895,000
Combined Fee Revenue 2005	2012	1,280,000	1,465,000
Combined Fee Revenue 2007	2012	25,155,000	25,525,000
Combined Fee Revenue 2007A	2012	4,345,000	4,480,000
		<u>\$ 37,680,000</u>	<u>\$ 39,765,000</u>

**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**

*Plan Description:* The District contributes to the TRS, a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems, colleges, universities and the State. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 10. EMPLOYEES' RETIREMENT PLANS (continued)

*Funding Policy:* Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature. The state funding policy is as follows: (1) the State constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system; and (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a the particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action. In certain instances the District is required to make all or a portion of the State's contribution.

During fiscal year 2013, the State required the District to pay to TRS on behalf of District employees \$3,100,000 related to fiscal year 2012 and \$3,700,000 related to fiscal year 2013 for retirement benefits not funded by the State.

#### Optional Retirement Plan (ORP)

*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 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.

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, 2013, 2012 and 2011 are as follows:

	2013	2012	2011
Payroll - all District employees	\$ 160,292,000	\$ 160,300,000	\$ 181,100,000
Payroll - TRS participants	98,316,000	92,700,000	99,100,000
Payroll - ORP participants	38,249,000	39,400,000	45,300,000
 Total required annual contributions:			
Retirement expense - State	\$ 4,100,000	\$ 4,000,000	\$ 8,400,000
Retirement expense - District	8,000,000 *	1,100,000 *	1,900,000
State contribution percentages - TRS	6.40%	6.00%	6.64%
Participant contribution percentages - TRS	6.40%	6.40%	6.40%
State contribution percentages - ORP	6.00%	6.00%	6.40%
Participant contribution percentages - ORP	6.65%	6.65%	6.65%

\*During FY2013, the State required the District to fund \$3,100,000 not funded by the State related to 2012 retirement benefits.

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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 11. DEFERRED COMPENSATION PROGRAM (continued)

A total of approximately \$2,212,000 was contributed by 360 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program and 124 participants contributed a total of approximately \$422,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2013.

A total of approximately \$2,700,000 was contributed by 410 District employees under the Section 403(b) Tax Sheltered Annuity program and 127 participants contributed a total of approximately \$451,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2012.

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.

The District recognizes the accrued liability for annual leave as a liability in the Statements of Net Position (see 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, 2013 and 2012 for annual leave was approximately \$5,100,000 and \$5,200,000, respectively.

### 13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2013 and 2012 were as follows:

	2013	2012
Tuition and fees receivable	\$ 11,657,271	\$ 11,904,139
Taxes receivable	6,485,829	6,518,849
Contracts and grants receivable	10,888,048	8,163,961
Interest receivable	150,067	103,302
Notes receivable	110,823	234,826
Other receivables	4,685,050	2,818,729
Subtotal	33,977,088	29,743,806
Less allowance for doubtful accounts:		
Tuition and fees receivable	6,905,504	6,946,462
Taxes receivable	5,036,323	4,985,324
Notes receivable	19,381	157,918
Other receivables	469,046	421,847
Net accounts receivable	\$ 21,546,834	\$ 17,232,255

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES (continued)

Other receivables represent 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, 2013 and 2012 were as follows:

	<u>2013</u>	<u>2012</u>
Accounts payable to vendors	\$ 7,649,289	\$ 8,092,712
Accrued liabilities:		
Salaries and benefits	4,897,760	3,385,735
Construction retainage	5,329,130	3,325,689
Bond interest	1,831,867	2,078,382
Workers' compensation claims	671,627	769,553
Other	350,308	462,011
Total accounts payable and accrued liabilities	<u>\$ 20,729,981</u>	<u>\$ 18,114,082</u>

### 14. FUNDS HELD FOR OTHERS

The District began participation in the Federal Direct Loan Program in fiscal year 2010. 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 \$660,310 as of August 31, 2013 and \$630,355 as of August 31, 2012.

### 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 Deferred Revenue in the Statements of 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, 2013 and 2012 for which no expenses have been incurred totaled approximately \$33,500,000 and \$33,100,000, 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 \$350,000 per occurrence. Individual losses of over \$350,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, approximately \$2,900,000 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.



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 16. SELF-INSURED AND RISK MANAGEMENT PLANS (continued)

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 \$672,000 and \$770,000 at August 31, 2013 and 2012, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying Statements of Net Position. These liabilities are generally based on actual valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 4.25% and 4.00% for August 31, 2013 and 2012 respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2013	\$ 769,553	\$ 908,029	\$ (1,005,955)	\$ 671,627
2012	769,553	982,746	(982,746)	769,553

### 17. HEALTH CARE AND LIFE INSURANCE BENEFITS

The State of Texas pays certain health care and life insurance benefits for certain retired District employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the District. The District also provides some additional life insurance for retirees. Those and similar benefits for active employees 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 for active employees and retirees by expending the annual insurance premiums. The state's contribution per eligible full-time employee or retiree was between \$400 and \$1,369 per month for the year ended August 31, 2013 and totaled approximately \$8,200,000, \$7,800,000 and \$11,900,000 for the years ended August 31, 2013, 2012 and 2011, respectively. The state's cost of providing these benefits for 959 District retirees was approximately \$5,300,000, and for 2,401 active employees was approximately \$3,000,000 for the year ended August 31, 2013. The state's cost of providing these benefits for 939 District retirees was approximately \$4,700,000, and for 2,469 active employees was approximately \$3,100,000 for the year ended August 31, 2012. 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.

*Plan Description.* The District contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment health care plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via its website at [www.ers.state.tx.us](http://www.ers.state.tx.us).

*Funding Policy.* 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. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree health care coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy, which is actuarially determined.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 17. HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contributions to SRHP for the years ended August 31, 2013, 2012, and 2011 were \$276,355, \$242,217 and \$178,772, respectively, which equaled the required contributions each year.

### 18. 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 the District. General information follows for the years ended August 31, 2013 and 2012:

	2013 <sup>(1)</sup>	2012 <sup>(2)</sup>
Assessed valuation of the District	\$ 112,006,094,206	\$ 110,073,622,522
Less : Exemptions	(10,294,806,815)	(10,136,852,914)
Tax increment financings	(150,444,368)	(187,360,493)
Net assessed valuation of the District	\$ 101,560,843,023	\$ 99,749,409,115

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2012 supplement 120)

(2) Based on Supplement to the Certified Total (ARB Approved 2011 supplement 107)

The authorized and assessed property tax rates for the years ended August 31, 2013 and 2012 are as follows:

	2013			2012		
	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	\$ 0.10440000	\$ 0.04475000	\$ 0.14915000	\$ 0.09687300	\$ 0.04475000	\$ 0.14162300

Taxes levied for the years ended August 31, 2013 and 2012 are approximately \$148,541,000 and \$138,595,000, 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, 2013 and 2012 is as follows:

	2013			2012		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 102,147,374	\$ 43,791,124	\$ 145,938,498	\$ 92,994,286	\$ 42,958,252	\$ 135,952,538
Tax increment financings payment	(133,826)	-	(133,826)	(157,003)	-	(157,003)
Delinquent taxes collected	1,105,807	509,553	1,615,360	1,010,165	460,410	1,470,575
Penalties and interest	1,298,807	344,254	1,643,061	1,305,856	351,415	1,657,271
Total	\$ 104,418,162	\$ 44,644,931	\$ 149,063,093	\$ 95,153,304	\$ 43,770,077	\$ 138,923,381

Tax collections for the years ended August 31, 2013 and 2012 were 98.53% and 98.32%, respectively, of the current year's 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.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 19. 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, 2013 or 2012.

### 20. RELATED PARTIES

The Alamo Community College District Foundation, Inc. (the Foundation) is organized under the Texas Non-Profit Corporation Act and is a tax-exempt institution under Section 501(c)(3) of the Internal Revenue Code. It has a fiscal year-end of December 31. Its purpose is to maintain, develop, increase and extend the facilities and services of the District and to provide broader educational service opportunities to its students, staff and faculty. The Foundation Board is separate from that of the District. The District neither appoints a voting majority nor does it fund or have the obligation to pay debt related to the Foundation. The Foundation solicits donations and acts as a coordinator of gifts made by other parties.

The purpose of the Foundation is to support funding initiatives of the District, including remitting proceeds of funding initiatives of the District. The Foundation remitted gifts of approximately \$1,557,000 and \$1,253,000 to the District during the years ended August 31, 2013 and 2012, respectively, which are recorded in institutional support in the accompanying Statements of Revenues, Expenses, and Changes in Net Position. Complete financial statements of the Foundation can be obtained from the administrative office of the Alamo Community College District.

The majority of the Foundation's operating and fundraising expenses are paid for by the District. No accruals have been made in the Foundation's financial statements to provide for these revenues and expenses for the years ended December 31, 2013 and 2012.

The District has determined that as of August 31, 2013, the Foundation did not meet the criteria to be considered a component unit.

### 21. OTHER OPERATING REVENUES

Other operating revenues (Exhibit 2 and Schedule A) include rental income, printing commissions, paper recycling revenue, Virtual College of Texas provider fees, revenue from various fundraising activities, and other revenues not applicable to any other revenue category.

### 22. COMMITMENTS AND CONTINGENCIES

As of August 31, 2013, 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, 2013, and 2012, the District was committed for approximately \$30,000,000 and \$46,000,000, respectively.

Alamo Colleges entered into two contracts to purchase treated wastewater from the San Antonio River Authority (SARA) and pay an annual amount sufficient to cover SARA's costs of operation and maintenance of the capital improvements, in an amount sufficient to pay debt service of bonds issued in part by SARA to cover the capital improvements. The capital improvements are not expected to be complete until 2014 at which time any associated liability will be recorded.

### 23. SUBSEQUENT EVENTS

In July 2013, the Board of Trustees approved a cash defeasance of \$2,295,000 of certain outstanding obligations of the Alamo Community College District Maintenance Tax Notes, Series 2007. This defeasance was completed in

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 23. SUBSEQUENT EVENTS (continued)

November 2013 to reduce outstanding debt and create net present value savings.

In September 2013, the Board of Trustees approved additional projects for the loan from the State Energy Conservation Office (SECO) for energy cost reduction measures district-wide. The loan amendment included increasing the amount of the original \$4,815,464 loan by an additional \$1,369,920, resulting in a total loan amount of \$6,185,384. The additional funds were received in September 2013.

In October 2013, the Board of Trustees approved the refinancing of \$48,505,000 of outstanding obligations of the Alamo Community College District Maintenance Tax Notes, Series 2007 and subsequent issuance of the Alamo Community College District Maintenance Tax Refunding Bonds, Series 2014. The purpose of this refinancing is to reduce the outstanding debt and create net present value savings. A cash contribution of approximately \$2,000,000 is planned to be made to the transaction, further reducing the amount of refunding bonds to be issued. The refunding is expected to occur in early calendar year 2014.

## **Supplementary Information**



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule A  
Schedule of Operating Revenues  
For the Year Ended August 31, 2013  
With Memorandum Totals for the Year Ended August 31, 2012**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY13 Total	FY12 Total
<b>OPERATING REVENUES:</b>						
<b>Tuition</b>						
State funded courses						
In District resident tuition	\$ 74,753,440	\$ -	\$ 74,753,440	\$ -	\$ 74,753,440	\$ 59,372,829
Out of District resident tuition	21,531,053	-	21,531,053	-	21,531,053	19,314,424
Non-resident tuition	6,819,734	-	6,819,734	-	6,819,734	6,910,733
TPEG - credit set aside*	5,702,330	-	5,702,330	-	5,702,330	3,576,084
State-funded continuing education	1,577,836	-	1,577,836	-	1,577,836	2,291,428
TPEG - Non-credit set aside*	414,599	-	414,599	-	414,599	435,241
Non-State funded continuing education	1,209,007	-	1,209,007	-	1,209,007	1,802,547
<b>Total tuition</b>	<b>112,007,999</b>	<b>-</b>	<b>112,007,999</b>	<b>-</b>	<b>112,007,999</b>	<b>93,703,286</b>
<b>Fees</b>						
General fee	-	-	-	-	-	18,336,611
Other	7,127,712	-	7,127,712	-	7,127,712	6,229,785
<b>Total fees</b>	<b>7,127,712</b>	<b>-</b>	<b>7,127,712</b>	<b>-</b>	<b>7,127,712</b>	<b>24,566,396</b>
<b>Total tuition and fees</b>	<b>119,135,711</b>	<b>-</b>	<b>119,135,711</b>	<b>-</b>	<b>119,135,711</b>	<b>118,269,682</b>
<b>Allowances and discounts</b>						
Institutional allowances and scholarships	(655,860)	-	(655,860)	-	(655,860)	(2,054,200)
Remissions and exemptions - state	(3,994,692)	-	(3,994,692)	-	(3,994,692)	(3,158,219)
Remissions and exemptions - local - dual credit	(12,569,059)	-	(12,569,059)	-	(12,569,059)	(12,713,047)
Federal grants to students	-	(33,851,319)	(33,851,319)	-	(33,851,319)	(36,621,409)
TPEG awards	-	(1,071,613)	(1,071,613)	-	(1,071,613)	(1,034,808)
State grants to students	-	(1,401,272)	(1,401,272)	-	(1,401,272)	(2,960,170)
Other local awards	-	(1,500,687)	(1,500,687)	-	(1,500,687)	(31,263)
<b>Total allowances and discounts</b>	<b>(17,219,611)</b>	<b>(37,824,891)</b>	<b>(55,044,502)</b>	<b>-</b>	<b>(55,044,502)</b>	<b>(58,573,116)</b>
<b>Total net tuition and fees</b>	<b>101,916,100</b>	<b>(37,824,891)</b>	<b>64,091,209</b>	<b>-</b>	<b>64,091,209</b>	<b>59,696,566</b>
<b>Other operating revenues</b>						
Federal grants and contracts	526,539	18,612,100	19,138,639	-	19,138,639	20,097,631
State grants and contracts	-	3,319,304	3,319,304	-	3,319,304	7,061,166
Local grants and contracts	995,024	959,454	1,954,478	-	1,954,478	1,991,496
Non-governmental grants and contracts	-	368,579	368,579	-	368,579	1,267,044
Other operating revenues	3,012,726	(19,787)	2,992,939	-	2,992,939	2,499,053
<b>Total other operating revenues</b>	<b>4,534,289</b>	<b>23,239,650</b>	<b>27,773,939</b>	<b>-</b>	<b>27,773,939</b>	<b>32,916,390</b>
<b>Sales and services of auxiliary enterprises</b>						
Bookstore commission	-	-	-	1,396,138	1,396,138	1,019,375
Palo Alto College natatorium	-	-	-	322,613	322,613	374,292
Day care centers	-	-	-	378,526	378,526	851,124
Vending machines/copiers	-	-	-	318,068	318,068	340,476
Parking permits and fines	-	-	-	1,459,901	1,459,901	1,609,921
Other	-	-	-	189,114	189,114	132,230
<b>Total sales and services of auxiliary enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,064,360</b>	<b>4,064,360</b>	<b>4,327,418</b>
<b>Total operating revenues</b>	<b>\$ 106,450,389</b>	<b>\$ (14,585,241)</b>	<b>\$ 91,865,148</b>	<b>\$ 4,064,360</b>	<b>\$ 95,929,508</b>	<b>\$ 96,940,374</b>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$6,116,929 and \$4,011,325 for the years ended August 31, 2013 and 2012, respectively, of tuition was set aside for the Texas Public Education Grant.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule B  
Schedule of Operating Expenses by Object  
For the Year Ended August 31, 2013  
With Memorandum Totals for the Year Ended August 31, 2012**

	Operating Expenses				FY13 Total	FY12 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
<b>Unrestricted - educational activities</b>						
Instruction	\$ 83,488,729	\$ -	\$ 14,559,912	\$ 11,915,833	\$ 109,964,474	\$ 110,335,175
Public service	202,842	-	48,280	53,221	304,343	255,743
Academic support	13,360,398	-	2,905,745	4,680,513	20,946,656	20,538,211
Student services	18,733,459	-	4,115,095	5,807,612	28,656,166	24,482,619
Institutional support	29,048,498	-	7,618,726	19,519,200	56,186,424	48,547,327
Operation and maintenance of plant	6,986,115	-	2,642,751	26,549,375	36,178,241	34,809,253
Scholarships and fellowships	-	-	-	317,969	317,969	299,917
<b>Total unrestricted educational activities</b>	<b>151,820,041</b>	<b>-</b>	<b>31,890,509</b>	<b>68,843,723</b>	<b>252,554,273</b>	<b>239,268,245</b>
<b>Restricted - educational activities</b>						
Instruction	3,271,918	6,541,736	754,705	3,873,280	14,441,639	18,150,699
Public service	-	19,420	-	5,989	25,409	93,417
Academic support	680,256	1,284,346	136,263	2,021,163	4,122,028	5,640,525
Student services	891,765	1,804,468	135,823	595,133	3,427,189	4,607,671
Institutional support	2,793,382	2,722,048	661,963	1,507,418	7,684,811	4,940,155
Operation and maintenance of plant	-	-	-	-	-	82,009
Scholarships and fellowships	-	-	-	58,040,282	58,040,282	65,511,360
<b>Total restricted educational activities</b>	<b>7,637,321</b>	<b>12,372,018</b>	<b>1,688,754</b>	<b>66,043,265</b>	<b>87,741,358</b>	<b>99,025,836</b>
<b>Total educational activities</b>	<b>159,457,362</b>	<b>12,372,018</b>	<b>33,579,263</b>	<b>134,886,988</b>	<b>340,295,631</b>	<b>338,294,081</b>
Auxiliary enterprises - unrestricted	829,779	-	275,473	270,483	1,375,735	1,434,480
Auxiliary enterprises - restricted	4,334	-	-	150,481	154,815	5,351
Depreciation expense - buildings	-	-	-	25,077,744	25,077,744	25,622,612
Depreciation expense - equipment	-	-	-	4,770,756	4,770,756	4,862,129
<b>Total operating expenses</b>	<b>\$ 160,291,475</b>	<b>\$ 12,372,018</b>	<b>\$ 33,854,736</b>	<b>\$ 165,156,452</b>	<b>\$ 371,674,681</b>	<b>\$ 370,218,653</b>
					(Exhibit 2)	(Exhibit 2)



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule C  
Schedule of Non-Operating Revenues and Expenses  
For the Year Ended August 31, 2013  
With Memorandum Totals for the Year Ended August 31, 2012**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY13 Total	FY12 Total
<b>NON-OPERATING REVENUES:</b>						
State appropriations						
Education and general state support	\$ 63,625,883	\$ -	\$ 63,625,883	\$ -	\$ 63,625,883	\$ 66,004,803
State group insurance	-	8,235,049	8,235,049	-	8,235,049	7,811,768
State retirement match	-	4,136,969	4,136,969	-	4,136,969	3,960,927
Ad valorem taxes						
Taxes for maintenance and operations	104,270,919	-	104,270,919	-	104,270,919	95,326,911
Taxes for maintenance notes	17,799,310	-	17,799,310	-	17,799,310	14,756,773
Taxes for debt service	-	26,904,660	26,904,660	-	26,904,660	29,076,259
Federal revenue, non-operating	-	87,421,356	87,421,356	-	87,421,356	96,450,672
State revenue, non-operating	-	3,633,715	3,633,715	-	3,633,715	3,548,506
Gifts	4,412	1,421,104	1,425,516	-	1,425,516	794,956
Investment income	125,220	96,368	221,588	-	221,588	1,858,325
Total Non-operating revenues	<u>185,825,744</u>	<u>131,849,221</u>	<u>317,674,965</u>	<u>-</u>	<u>317,674,965</u>	<u>319,589,900</u>
<b>NON-OPERATING EXPENSES:</b>						
Interest on capital related debt	-	(20,569,948)	(20,569,948)	-	(20,569,948)	(20,824,761)
Interest on maintenance tax notes	-	(6,319,310)	(6,319,310)	-	(6,319,310)	(6,626,773)
Loss on disposal of capital assets	-	(348,095)	(348,095)	-	(348,095)	(129,194)
Arbitrage rebate expense	-	-	-	-	-	(26,750)
Other non-operating expenses	-	(5,613,552)	(5,613,552)	-	(5,613,552)	(6,810,172)
Total non-operating expenses	<u>-</u>	<u>(32,850,905)</u>	<u>(32,850,905)</u>	<u>-</u>	<u>(32,850,905)</u>	<u>(34,417,650)</u>
Net non-operating revenues	<u>\$ 185,825,744</u>	<u>\$ 98,998,316</u>	<u>\$ 284,824,060</u>	<u>\$ -</u>	<u>\$ 284,824,060</u>	<u>\$ 285,172,250</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, 2013  
With Memorandum Totals for the Year Ended August 31, 2012**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 72,824,815	\$ -	\$ -	\$ -	\$ 72,824,815	\$ 72,824,815	\$ -
Board-designated	2,864,743	-	-	-	2,864,743	-	2,864,743
Restricted	-	8,604,956	-	-	8,604,956	-	8,604,956
Auxiliary enterprises	5,897,271	-	-	-	5,897,271	5,897,271	-
Loan	203,259	-	-	-	203,259	-	203,259
Plant:							
Unexpended	14,674,785	-	-	-	14,674,785	-	14,674,785
Renewals	4,918,394	370,458	-	-	5,288,852	-	5,288,852
Debt service	-	7,434,159	-	-	7,434,159	-	7,434,159
Investment in plant	-	-	-	177,262,273	177,262,273	-	177,262,273
Total net position, August 31, 2013	101,383,267	16,409,573	-	177,262,273	295,055,113 (Exhibit 1)	78,722,086	216,333,027
Total net position, August 31, 2012	101,912,554	12,963,322	-	171,100,350	285,976,226 (Exhibit 1)	80,144,867	205,831,359
Net increase (decrease) in net position	\$ (529,287)	\$ 3,446,251	\$ -	\$ 6,161,923	\$ 9,078,887 (Exhibit 2)	\$ (1,422,781)	\$ 10,501,668

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2013**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures and Pass Through Disbursements</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Direct Program:			
Hispanic Serving Institutions Education Grants	10.223		\$ 16,950
Pass-Through from:			
Texas State University			
Hispanic Serving Institutions Education Grants	10.223	#1640.2	37,500
Hispanic Serving Institutions Education Grants	10.223	#1640.3A	<u>44,361</u>
			81,861
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558	75N8022	<u>34,863</u>
			<u>133,674</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct Program:			
Hispanic-Serving Institutions Assisting Communities	14.514		<u>544,571</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u>544,571</u>
<b>U.S. DEPARTMENT OF LABOR</b>			
Direct Programs:			
Community Based Job Training Grants	17.269		842,273
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants	17.282		37,920
WIA Cluster:			
Pass-Through from:			
Texas Workforce Commission			
Incentive Grants - WIA Section 503	17.267	2913WSW010	171
WIA Dislocated Workers Formula Grants	17.278	2011WSW000	<u>3,118</u>
Total WIA Cluster			<u>3,289</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<u>883,482</u>
<b>U.S. DEPARTMENT OF STATE</b>			
Pass-Through from:			
CIED, Georgetown University			
Professional and Cultural Exchange Programs-Citizen Exchanges	19.415	ACCD-RX2050-932-12-G	(23)
Professional and Cultural Exchange Programs-Citizen Exchanges	19.415	ACCD-RX2050-981-13-A	<u>69,293</u>
			69,270
Academic Exchange Programs-English Language Programs	19.421	ACCD-RX2050-958-12-A	10,816
Academic Exchange Programs-English Language Programs	19.421	ACCD-RX2050-988-13-A	<u>11,915</u>
			<u>22,731</u>
<b>TOTAL U.S. DEPARTMENT OF STATE</b>			<u>92,001</u>
<b>NATIONAL AERONAUTICAL AND SPACE ADMINISTRATION</b>			
Pass-Through from:			
The University of Texas at San Antonio			
Aerospace Education Services Program	43.001	1200-615AC	<u>16,309</u>
<b>TOTAL NATIONAL AERONAUTICAL AND SPACE ADMINISTRATION</b>			<u>16,309</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2013**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures and Pass Through Disbursements</b>
<b>NATIONAL SCIENCE FOUNDATION</b>			
Direct Program:			
Education and Human Resources	47.076		\$ 699,555
Pass-Throughs from:			
Wright State University			
Education and Human Resources	47.076	DUE-0817332	11,846
The University of Texas at El Paso			
Education and Human Resources	47.076	26-1008-4124	12,585
Education and Human Resources	47.076	26-1007-27-30	747
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<u>724,733</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Direct Programs:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007		1,492,257
Federal Work-Study Program	84.033		977,933
Federal Pell Grant Program	84.063		85,234,701
Federal Direct Student Loans (11-12)	84.268		(3,112)
Federal Direct Student Loans (12-13)	84.268		24,920,878
Federal Direct Student Loans (13-14)	84.268		7,862,656
Total Student Financial Aid Cluster			<u>120,485,313</u>
TRIO Cluster:			
TRIO_Student Support Services Program	84.042		204,546
TRIO_Upward Bound	84.047		978,914
Total Trio Cluster			<u>1,183,460</u>
Higher Education_Institutional Aid	84.031		11,251,720
Women's Educational Equity Program	84.083		5,478
Fund for Improvement of Postsecondary Education	84.116		34,937
Minority Science and Engineering Improvement	84.120		173,855
Child Care Access Means Parents in School	84.335		403,375
Total Direct Programs			<u>133,538,138</u>
Pass-Throughs from:			
Texas Higher Education Coordinating Board			
Career and Technical Education--Basic Grants to States (9-10)	84.048	104201	(141)
Career and Technical Education--Basic Grants to States (11-12)	84.048	06612	(2,825)
Career and Technical Education--Basic Grants to States (12-13)	84.048	09821-23	1,673,690
Total Career and Technical Education-Basic Grants to States			<u>1,670,724</u>
Amarillo College			
Career and Technical Education--Basic Grants to States	84.048		700
Del Mar College			
Career and Technical Education--Basic Grants to States	84.048	THECB PROJECT #111206	5,914
Total Pass-Throughs			<u>1,677,338</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>135,215,476</u>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2013**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures and Pass Through Disbursements</b>
<b>U.S. INSTITUTE OF PEACE</b>			
Direct Program:			
Public Education for Peacebuilding Awards Program	91.004		\$ 2,000
<b>TOTAL U.S. INSTITUTE OF PEACE</b>			<u>2,000</u>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			
Direct Programs:			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093		833,928
Nursing Workforce Diversity	93.178		<u>287,418</u>
			1,121,346
Pass-Throughs from:			
The University of Texas at Austin			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	UTA03-100	5,007
The University of Texas at San Antonio			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	UTA03-100	5,129
Texas Workforce Commission			
Temporary Assistance for Needy Families	93.558	2012TAN003	<u>(2,614)</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			<u>1,128,868</u>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			
Pass-Through from:			
Public Allies			
ARRA-AmeriCorps State and National	94.006	OP021-94.006-12-PASA	2,364
ARRA-AmeriCorps State and National	94.006	OP021-94.006-13-PASA	<u>148,427</u>
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<u>150,791</u>
<b>AGENCY FOR INTERNATIONAL DEVELOPMENT</b>			
Pass-Through from:			
CIED, Georgetown University			
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-11-L-12	68,052
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-12-A	288,403
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-13-A-12	<u>61,822</u>
			418,277
Pass-Through from:			
American Council on Education (ACE)/Higher Education for Development (HED)			
USAID Development Partnerships for University Cooperation and Development	98.012	HED001-9730-MEX-11-01	<u>(4,060)</u>
<b>TOTAL AGENCY FOR INTERNATIONAL DEVELOPMENT</b>			<u>414,217</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 139,306,122</u>

See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of Federal Awards.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Schedule E Notes to Schedule of Expenditures of Federal Awards For the Year Ended August 31, 2013

### 1. Federal assistance reconciliation

Other Operating Revenues - federal grants and contracts - per Schedule A	\$	19,138,639
Add: Non-Operating Revenues - federal revenue, non-operating - per Schedule C		87,421,356
Total Federal Revenues per Schedule A and C		106,559,995
Reconciling Item:		
Add: Federal Direct Student Loans		32,780,422
Less: Federal contracts (Note 3 below)		34,295
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	\$	139,306,122

### 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 federal single audit

The District received a subcontract from Mayatech Corporation for the Minority Serving Institution Initiative funded by the U.S. Department of Health & Human Services.

\$ 34,295

### 4. Amounts passed-through by the Alamo Community College District

The following amounts were passed through to the listed subrecipients by the District.

#### U.S. Department of Agriculture

Passed through the Hispanic Serving Institutions Education Grants (CFDA 10.223) to:

University of the Incarnate Word		5,198
University of the Incarnate Word		(8,000)

#### National Science Foundation

Passed through the National Science Foundation (CFDA 47.076)

Southwest Research Institute		10,000
Pennsylvania State University Park		4,160

#### U.S. Department of Education

Passed through the Higher Education\_Institutional Aid (CFDA 84.031) to:

Alamo Community College District Foundation		50,000
Sul Ross State University		412,736

Total	\$	474,094
-------	----	---------

### 5. Noncash Awards

There were no federal noncash awards received in fiscal year 2013.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2013**

Grantor/Program Title	Pass-Through Grantor's Number	Expenditures
<b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>		
Direct Programs:		
Adult Basic Education Innovation Grant	02771	\$ 164,576
Adult Basic Education Innovation Grant	06990	264,452
Adult Basic Education Innovation Grant	10790	<u>29,515</u>
Total Adult Basic Education Innovation Grant		458,543
Developmental Education Demonstration Project (2012)	02771	(72,224)
Developmental Education Demonstration Project (2013)	02771	<u>165,257</u>
Total Developmental Education Ddemonstration Project		93,033
Evaluation of College Readiness Assignments Field Test	06081	125,798
Pathways	9953	9,855
Professional Nursing Shortage Reduction Program - Over 70 (FY 2010)		324,086
Professional Nursing Shortage Reduction Program - Over 70 (FY 2011)		359,974
Professional Nursing Shortage Reduction Program - Over 70 (FY 2012 - 2013)		<u>139,506</u>
Total Professional Nursing Shortage Reduction Program		823,566
Summer Bridge and Trnasion Program Category C		(27)
Texas - Science, Technology, Engineering, and Math (T STEM) Challenge Scholarship Program	9257	728,725
Texas Grant Initial		1,567,697
Texas Grant Renewal		<u>1,046,645</u>
Total Texas Grant Initial and Renewal Program		2,614,342
Texas Equalization Opportunity Grant Initial		652,248
Texas Equalization Opportunity Grant Renewal		<u>367,125</u>
Total Texas Equalization Opportunity Grant Initial and Renewal Program		1,019,373
Workstudy Student Mentorship Program	07076	<u>8,385</u>
Total Direct		5,881,593
Pass-Through from:		
El Paso Community College		
Community College Developmental Education Initiative		2,006
Total Pass-Through		<u>2,006</u>
<b>Total Texas Higher Education Coordinating Board</b>		<b>\$ 5,883,599</b>
<b>TEXAS WORKFORCE COMMISSION</b>		
Direct Programs:		
Apprenticeship Training Program	2012ATP000	\$ 852
Skills Development Fund	2012SDF000	43,927
Skills Development Fund	2012SDF001	114,505
Skills Development Fund	2012SDF002	887,466
Skills Development Fund	2013SDF000	<u>2,670</u>
Total Skills Development Fund		1,048,568
<b>Total Texas Workforce Commission</b>		<b>\$ 1,049,420</b>
<b>Total State of Texas Financial Assistance</b>		<b>\$ 6,933,019</b>

See Independent Auditor's Report and accompanying notes to Schedule of Expenditures of State Awards.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Notes to Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2013**

**1. State assistance reconciliation**

Other Operating Revenues - state grants and contracts - per Schedule A	\$ 3,319,304
Add: Non-Operating Revenues - state revenue, non-operating - per Schedule C	<u>3,633,715</u>
Total State Revenues per Schedule A and C	6,953,019
Reconciling Item:	
Less: State contract (Note 3 below)	<u>(20,000)</u>
	6,933,019
Total State Expenditures per Schedule of Expenditures of State Awards	<u><u>\$ 6,933,019</u></u>

**2. Significant accounting policies used in preparing the schedule**

The accompanying schedule is presented using the accrual basis. See notes to the financial statements for the Alamo Community College District Summary of Significant Accounting Policies. These expenditures are reported on the Alamo Community College District fiscal year. Expenditure reports to funding agencies are prepared on award period basis.

**3. Expenditures from state funds not subject to state single audit**

The District received two subcontracts from Trinity Valley Community College for the Texas Higher Educating Coordinating Board's Nursing - Innovation Grant.	\$ 20,000
--	-----------

**4. Amounts passed-through by the Alamo Community College District**

Passed through the Texas Higher Education Coordinating Board for Adult Basic Education Innovation Grants - Southwest Junior College	\$ 2,089
---	----------

**5. Noncash awards**

There were no state noncash awards received in fiscal year 2013.



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



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Operating Revenues by Location**  
**For the Year Ended August 31, 2013**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>Tuition</b>							
State funded courses							
In District resident tuition	\$ -	\$ 26,647,186	\$ 12,084,845	\$ 9,885,556	\$ 20,713,595	\$ 5,422,258	\$ 74,753,440
Out of District resident tuition	-	6,023,164	4,923,211	3,648,371	3,586,442	3,349,865	21,531,053
Non-resident tuition	-	3,448,836	955,860	545,767	1,526,909	342,362	6,819,734
TPEG - credit set aside	-	2,350,173	1,014,970	867,021	1,470,166	-	5,702,330
State-funded continuing education	-	542,284	300,608	410,949	236,914	87,081	1,577,836
TPEG - non-credit set aside	-	106,826	109,552	92,897	39,257	66,067	414,599
Non-State funded continuing education	156,062	373,591	316,763	288,460	66,663	7,468	1,209,007
Total tuition	156,062	39,492,060	19,705,809	15,739,021	27,639,946	9,275,101	112,007,999
<b>Fees</b>							
General fee	-	-	-	-	-	-	-
Other	1,207,497	1,305,279	1,567,676	1,135,496	723,403	1,188,361	7,127,712
Total fees	1,207,497	1,305,279	1,567,676	1,135,496	723,403	1,188,361	7,127,712
Total Tuition and Fees	1,363,559	40,797,339	21,273,485	16,874,517	28,363,349	10,463,462	119,135,711
<b>Allowances and discounts</b>							
Institutional allowances and scholarships	53,457	(234,725)	(145,964)	(102,751)	(157,447)	(68,430)	(655,860)
Remissions and exemptions - state	-	(1,752,752)	(726,977)	(591,113)	(912,765)	(11,085)	(3,994,692)
Remissions and exemptions - local - dual credit	-	(3,319,083)	(3,167,731)	(2,623,181)	(3,450,614)	(8,450)	(12,569,059)
Federal grants to students	-	(14,331,812)	(6,352,034)	(4,884,119)	(8,283,354)	-	(33,851,319)
TPEG awards	-	(453,694)	(201,083)	(154,614)	(262,222)	-	(1,071,613)
State grants to students	-	(593,264)	(262,942)	(202,178)	(342,888)	-	(1,401,272)
Other local awards	(1,457,802)	(41,411)	-	(1,474)	-	-	(1,500,687)
Total allowances and discounts	(1,404,345)	(20,726,741)	(10,856,731)	(8,559,430)	(13,409,290)	(87,965)	(55,044,502)
Total net tuition and fees	(40,786)	20,070,598	10,416,754	8,315,087	14,954,059	10,375,497	64,091,209
<b>Other operating revenues</b>							
Federal grants and contracts	2,955,478	3,842,642	9,093,991	2,381,058	861,470	4,000	19,138,639
State grants and contracts	2,466,530	839,538	13,236	-	-	-	3,319,304
Local grants and contracts	1,077,256	362,010	514,237	-	975	-	1,954,478
Non-governmental grants and contracts	43,647	273,151	24,108	27,673	-	-	368,579
Other operating revenues	2,440,733	260,766	139,353	52,446	70,293	29,348	2,992,939
Total other operating revenues	8,983,644	5,578,107	9,784,925	2,461,177	932,738	33,348	27,773,939
<b>Sales and services of auxiliary enterprises</b>							
Bookstore commission	400,332	269,011	169,589	165,145	240,813	151,248	1,396,138
Palo Alto College natatorium	-	-	-	322,613	-	-	322,613
Day care centers	-	76,864	52,643	249,019	-	-	378,526
Vending machines/copiers	10,037	104,343	70,574	30,802	85,191	17,121	318,068
Parking permits and fines	20,888	491,746	181,930	166,515	401,425	197,397	1,459,901
Other	(3,500)	55,875	24,919	58,976	36,798	16,046	189,114
Total sales and services of auxiliary enterprises	427,757	997,839	499,655	993,070	764,227	381,812	4,064,360
Total operating revenues	\$ 9,370,615	\$ 26,646,544	\$ 20,701,334	\$ 11,769,334	\$ 16,651,024	\$ 10,790,657	\$ 95,929,508

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Operating Expenses by Location**  
**For the Year Ended August 31, 2013**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Educational activities							
Instruction	\$ 2,634,096	\$ 47,231,878	\$ 25,879,503	\$ 17,104,000	\$ 22,293,360	\$ 9,263,276	\$ 124,406,113
Public service	1,839	199,736	128,177	-	-	-	329,752
Academic support	81,622	5,991,938	6,472,398	3,056,427	7,087,242	2,379,057	25,068,684
Student services	6,496,194	9,256,555	4,843,402	4,161,875	5,355,471	1,969,858	32,083,355
Institutional support	36,532,192	10,971,887	7,267,485	3,461,040	3,130,684	2,507,947	63,871,235
Operation and maintenance of plant	7,342,035	9,035,996	6,581,718	5,966,382	4,242,230	3,009,880	36,178,241
Scholarships and fellowships	865,904	22,951,883	10,854,023	9,298,822	14,358,199	29,420	58,358,251
Total educational activities	53,953,882	105,639,873	62,026,706	43,048,546	56,467,186	19,159,438	340,295,631
Auxiliary enterprises	1,755	109,248	118,980	1,300,567	-	-	1,530,550
Depreciation expense - building	1,536,324	5,787,056	6,050,757	4,214,332	4,219,323	3,269,952	25,077,744
Depreciation expense - equipment	1,535,417	951,481	1,530,658	317,070	273,488	162,642	4,770,756
Total operating expense	\$ 57,027,378	\$ 112,487,658	\$ 69,727,101	\$ 48,880,515	\$ 60,959,997	\$ 22,592,032	\$ 371,674,681

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Non-Operating Revenues and Expenses by Location**  
**For the Year Ended August 31, 2013**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>NON-OPERATING REVENUES:</b>							
State appropriations							
Education and general state support	\$ -	\$ 22,528,894	\$ 11,967,531	\$ 8,752,061	\$ 15,407,594	\$ 4,969,803	\$ 63,625,883
State group insurance	1,395,586	2,497,568	1,432,210	1,011,061	1,294,277	604,347	8,235,049
State retirement match	558,216	1,457,187	750,455	516,462	603,255	251,394	4,136,969
Ad valorem taxes							
Taxes for maintenance and operations	34,115,593	24,929,840	18,678,548	14,172,610	5,750,953	6,623,375	104,270,919
Taxes for maintenance notes	12,015,969	1,377,599	1,173,301	908,038	1,191,833	1,132,570	17,799,310
Taxes for debt service	8,079,341	4,484,216	3,819,204	2,955,749	3,879,530	3,686,620	26,904,660
Federal revenue, non-operating	-	36,229,061	16,134,298	13,348,520	21,709,477	-	87,421,356
State revenue, non-operating	-	916,403	876,634	693,949	1,146,729	-	3,633,715
Gifts	65,780	1,071,009	189,472	49,000	50,255	-	1,425,516
Investment income	220,313	405	347	290	130	103	221,588
<b>Total non-operating revenues</b>	<b>56,450,798</b>	<b>95,492,182</b>	<b>55,022,000</b>	<b>42,407,740</b>	<b>51,034,033</b>	<b>17,268,212</b>	<b>317,674,965</b>
<b>NON-OPERATING EXPENSES:</b>							
Interest on capital related debt	(1,744,629)	(4,484,216)	(3,819,204)	(2,955,749)	(3,879,530)	(3,686,620)	(20,569,948)
Interest on maintenance tax notes	(535,969)	(1,377,599)	(1,173,301)	(908,038)	(1,191,833)	(1,132,570)	(6,319,310)
Loss on disposal of capital assets	(207,282)	(20,540)	(101,176)	(6,332)	(9,599)	(3,166)	(348,095)
Arbitrage rebate expense	-	-	-	-	-	-	-
Other non-operating expenses	(5,613,552)	-	-	-	-	-	(5,613,552)
<b>Total non-operating expenses</b>	<b>(8,101,432)</b>	<b>(5,882,355)</b>	<b>(5,093,681)</b>	<b>(3,870,119)</b>	<b>(5,080,962)</b>	<b>(4,822,356)</b>	<b>(32,850,905)</b>
<b>Net non-operating revenues</b>	<b>\$ 48,349,366</b>	<b>\$ 89,609,827</b>	<b>\$ 49,928,319</b>	<b>\$ 38,537,621</b>	<b>\$ 45,953,071</b>	<b>\$ 12,445,856</b>	<b>\$ 284,824,060</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Capital Assets by Asset Types**  
**For the Year Ended August 31, 2013**  
**(Unaudited)**

	Balance 9/1/2012	Additions	Deletions	Balance 8/31/2013
<i>Land:</i>				
San Antonio College	\$ 14,878,517	\$ -	\$ -	\$ 14,878,517
St. Philip's College	5,995,285	188,060	-	6,183,345
Palo Alto College	1,759,561	-	-	1,759,561
Northwest Vista College	1,717,000	-	-	1,717,000
Northeast Lakeview College	7,060,135	(2,400,000)	-	4,660,135
North Central Campus	12,943,381	-	150,000	12,793,381
District Offices	10,270,274	3,431,409	-	13,701,683
<b>Total grounds</b>	<b>54,624,153</b>	<b>1,219,469</b>	<b>150,000</b>	<b>55,693,622</b>
<i>Buildings:</i>				
San Antonio College	181,379,259	17,085,089	47,900	198,416,448
St. Philip's College	170,362,782	14,458,317	273,273	184,547,826
Palo Alto College	120,665,770	11,467,206	-	132,132,976
Northwest Vista College	116,922,457	12,199,556	-	129,122,013
Northeast Lakeview College	131,871,062	(14,657,225)	-	117,213,837
District Offices	7,440,396	20,601,764	-	28,042,160
<b>Total buildings</b>	<b>728,641,726</b>	<b>61,154,707</b>	<b>321,173</b>	<b>789,475,260</b>
<i>Facility and land improvements:</i>				
San Antonio College	22,540,562	33,844	-	22,574,406
St. Philip's College	19,955,218	1,435,643	-	21,390,861
Palo Alto College	16,713,639	122,717	-	16,836,356
Northwest Vista College	29,535,707	-	-	29,535,707
Northeast Lakeview College	13,684,793	1,179,538	-	14,864,331
North Central Campus	195,720	-	-	195,720
District Offices	6,526,335	-	-	6,526,335
<b>Total facility and land improvements</b>	<b>109,151,974</b>	<b>2,771,742</b>	<b>-</b>	<b>111,923,716</b>
<i>Equipment:</i>				
San Antonio College	6,480,764	572,897	88,570	6,965,091
St. Philip's College	11,396,896	602,400	247,255	11,752,041
Palo Alto College	1,938,107	128,576	26,600	2,040,083
Northwest Vista College	1,583,880	229,284	60,989	1,752,175
Northeast Lakeview College	739,846	30,147	10,000	759,993
District Offices	12,939,095	1,070,018	1,907,729	12,101,384
<b>Total equipment</b>	<b>35,078,588</b>	<b>2,633,322</b>	<b>2,341,143</b>	<b>35,370,767</b>
<i>Software:</i>				
San Antonio College	61,327	-	-	61,327
St. Philip's College	8,319	-	-	8,319
Palo Alto College	9,408	-	-	9,408
District Wide	2,971,657	23,618	-	2,995,275
<b>Total software</b>	<b>3,050,711</b>	<b>23,618</b>	<b>-</b>	<b>3,074,329</b>
<i>Library books:</i>				
San Antonio College	6,224,037	20,570	-	6,244,607
St. Philip's College	4,740,960	2,994	-	4,743,954
Palo Alto College	3,890,261	8,066	-	3,898,327
Northwest Vista College	817,279	31,802	-	849,081
Northeast Lakeview College	425,957	66,277	-	492,234
<b>Total library books</b>	<b>16,098,494</b>	<b>129,709</b>	<b>-</b>	<b>16,228,203</b>
<i>Works of art:</i>				
San Antonio College	88,000	-	-	88,000
St. Philip's College	63,000	6,250	-	69,250
Palo Alto College	18,971	-	-	18,971
	169,971	6,250	-	176,221
<i>Construction in Progress</i>				
San Antonio College	9,523,458	11,667,333	7,521,295	13,669,496
St. Philip's College	12,040,356	4,124,980	12,808,628	3,356,708
Palo Alto College	3,031,566	324,119	3,031,566	324,119
Northwest Vista College	2,357,098	341,923	2,357,098	341,923
Northeast Lakeview College	214,896	49,500	214,896	49,500
North Central Campus	-	-	-	-
District Offices	430,479	-	430,479	-
	27,597,853	16,507,855	26,363,962	17,741,746
<b>Grand total</b>	<b>\$ 974,413,470</b>	<b>\$ 84,446,672</b>	<b>\$ 29,176,278</b>	<b>\$ 1,029,683,864</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Capital Assets by Location**  
**For the Year Ended August 31, 2013**  
**(Unaudited)**

	Balance 9/1/2011	Additions	Deletions	Balance 8/31/2012
<i>San Antonio College:</i>				
Land	\$ 14,878,517	\$ -	\$ -	\$ 14,878,517
Buildings	181,379,259	17,085,089	47,900	198,416,448
Facility and land improvements	22,540,562	33,844	-	22,574,406
Equipment	6,480,764	572,897	88,570	6,965,091
Software	61,327	-	-	61,327
Library books	6,224,037	20,570	-	6,244,607
Works of art	88,000	-	-	88,000
Construction in Progress	9,523,458	11,667,333	7,521,295	13,669,496
Total San Antonio College	<u>241,175,924</u>	<u>29,379,733</u>	<u>7,657,765</u>	<u>262,897,892</u>
<i>St. Philip's College:</i>				
Land	5,995,285	188,060	-	6,183,345
Buildings	170,362,782	14,458,317	273,273	184,547,826
Facility and land improvements	19,955,218	1,435,643	-	21,390,861
Equipment	11,396,896	602,400	247,255	11,752,041
Software	8,319	-	-	8,319
Library books	4,740,960	2,994	-	4,743,954
Works of art	63,000	6,250	-	69,250
Construction in Progress	12,040,356	4,124,980	12,808,628	3,356,708
Total St. Philip's College	<u>224,562,816</u>	<u>20,818,644</u>	<u>13,329,156</u>	<u>232,052,304</u>
<i>Palo Alto College:</i>				
Land	1,759,561	-	-	1,759,561
Buildings	120,665,770	11,467,206	-	132,132,976
Facility and land improvements	16,713,639	122,717	-	16,836,356
Equipment	1,938,107	128,576	26,600	2,040,083
Software	9,408	-	-	9,408
Library books	3,890,261	8,066	-	3,898,327
Works of art	18,971	-	-	18,971
Construction in Progress	3,031,566	324,119	3,031,566	324,119
Total Palo Alto College	<u>148,027,283</u>	<u>12,050,684</u>	<u>3,058,166</u>	<u>157,019,801</u>
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings	116,922,457	12,199,556	-	129,122,013
Facility and land improvements	29,535,707	-	-	29,535,707
Equipment	1,583,880	178,767	60,989	1,752,175
Library books	817,279	31,802	-	849,081
Construction in Progress	2,357,098	341,923	2,357,098	341,923
Total Northwest Vista College	<u>152,933,421</u>	<u>12,752,048</u>	<u>2,418,087</u>	<u>163,317,899</u>
<i>Northeast Lakeview College:</i>				
Land	7,060,135	(2,400,000)	-	4,660,135
Buildings	131,871,062	(14,657,225)	-	117,213,837
Facility and land improvements	13,684,793	1,179,538	-	14,864,331
Equipment	739,846	30,147	10,000	759,993
Library books	425,957	66,277	-	492,234
Construction in Progress	214,896	49,500	214,896	49,500
Total Northeast Campus	<u>153,996,689</u>	<u>(15,731,763)</u>	<u>224,896</u>	<u>138,040,030</u>
<i>North Central Campus:</i>				
Land	12,943,381	-	150,000	12,793,381
Facility and land improvements	195,720	-	-	195,720
Construction in Progress	-	-	-	-
Total North Central Campus	<u>13,139,101</u>	<u>-</u>	<u>150,000</u>	<u>12,989,101</u>
<i>District Offices:</i>				
Land	10,270,274	3,431,409	-	13,701,683
Buildings	7,440,396	20,601,764	-	28,042,160
Facility and land improvements	6,526,335	-	-	6,526,335
Equipment	12,939,095	1,070,018	1,907,729	12,101,384
Software	2,971,657	23,618	-	2,995,275
Construction in Progress	430,479	-	430,479	-
Total District Offices	<u>40,578,236</u>	<u>25,126,809</u>	<u>2,338,208</u>	<u>63,366,837</u>
Grand Total	<u>\$ 974,413,470</u>	<u>\$ 84,396,155</u>	<u>\$ 29,176,278</u>	<u>\$ 1,029,683,864</u>



ALAMO  
COLLEGES



**Statistical Supplement  
(Unaudited)**



# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Section Introduction

This part 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 system'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 Fiscal Years 2004 to 2013 (Unaudited) (in thousands)

	For the Fiscal Year Ended August 31,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net investment in capital assets	\$ 177,262	\$ 171,100	\$ 179,050	\$ 182,572	\$ 181,568	\$ 172,395	\$ 155,641	\$ 124,927	\$ 119,012	\$ 135,668
Restricted - nonexpendable	-	-	-	-	-	1,299	1,298	1,298	1,277	1,270
Restricted - expendable	16,410	12,963	11,339	11,212	10,256	13,185	7,050	8,466	6,970	6,209
Unrestricted	101,383	101,913	83,693	83,547	82,033	91,556	82,283	66,114	58,647	45,309
<b>Total</b>	<b>295,055</b>	<b>285,976</b>	<b>274,082</b>	<b>277,331</b>	<b>273,857</b>	<b>278,435</b>	<b>246,272</b>	<b>200,805</b>	<b>185,906</b>	<b>188,456</b>
Net position beginning of the year	285,976	274,082	277,331	273,857	278,435	246,272	200,805	185,906	188,456	177,328
Increase (decrease) in net position	\$ 9,079	\$ 11,894	\$ (3,249)	\$ 3,474	\$ (4,578)	\$ 32,163	\$ 45,467	\$ 14,899	\$ (2,550)	\$ 11,128

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 2 Revenues by Source Fiscal Years 2004 to 2013 (Unaudited) (in thousands)

	For the Years Ended August 31,																			
	2013		2012		2011		2010		2009		2008		2007		2006		2005		2004	
Tuition and fees (net of discounts)	\$ 64,091	15.5%	\$ 59,697	14.3%	\$ 48,917	11.4%	\$ 58,892	13.5%	\$ 51,115	12.9%	\$ 52,797	14.1%	\$ 49,198	14.4%	\$ 45,344	15.6%	\$ 45,235	16.4%	\$ 37,483	14.5%
Governmental grants and contracts																				
Federal grants and contracts	19,139	4.6%	20,098	4.8%	18,364	4.3%	21,369	4.9%	17,250	4.4%	14,206	3.8%	14,032	4.1%	13,514	4.7%	13,603	4.9%	14,270	5.5%
State grants and contracts	3,319	0.8%	7,061	1.7%	5,863	1.4%	2,758	0.6%	3,022	0.8%	3,155	0.8%	3,169	0.9%	3,382	1.2%	5,085	1.8%	765	0.3%
Local grants and contracts	1,954	0.5%	1,991	0.5%	1,108	0.3%	1,438	0.3%	1,007	0.3%	1,117	0.3%	897	0.3%	663	0.2%	613	0.2%	518	0.2%
Non-governmental grants and contracts	369	0.1%	1,267	0.3%	1,288	0.3%	1,656	0.4%	2,221	0.6%	483	0.1%	787	0.2%	636	0.2%	629	0.2%	297	0.1%
Investment income	-	0.0%	-	0.0%	-	0.0%	4	0.0%	19	0.0%	158	0.0%	184	0.1%	159	0.1%	119	0.0%	91	0.0%
Auxiliary enterprises	4,064	1.0%	4,327	1.0%	4,194	1.0%	4,523	1.0%	4,265	1.1%	4,236	1.1%	3,754	1.1%	3,622	1.2%	3,750	1.4%	3,306	1.3%
Other operating revenue	2,993	0.7%	2,499	0.6%	1,624	0.4%	1,282	0.3%	2,325	0.6%	2,496	0.7%	2,167	0.6%	2,050	0.7%	1,683	0.6%	1,210	0.5%
<b>Total operating revenues</b>	<b>95,929</b>	<b>23.2%</b>	<b>96,940</b>	<b>23.2%</b>	<b>81,358</b>	<b>19.1%</b>	<b>91,922</b>	<b>21.0%</b>	<b>81,224</b>	<b>20.7%</b>	<b>78,648</b>	<b>20.9%</b>	<b>74,188</b>	<b>21.7%</b>	<b>69,370</b>	<b>23.9%</b>	<b>70,717</b>	<b>25.5%</b>	<b>57,940</b>	<b>22.4%</b>
State appropriation	75,998	18.4%	77,777	18.7%	85,942	20.1%	90,135	20.6%	87,947	22.2%	87,318	23.4%	83,500	24.5%	82,245	28.3%	72,740	26.4%	72,230	28.0%
Ad valorem taxes	148,974	36.0%	139,160	33.4%	136,712	31.7%	133,601	30.7%	131,818	33.1%	118,441	31.9%	103,779	30.5%	72,885	25.3%	67,508	24.7%	63,910	24.8%
Federal revenue, non-operating	87,421	21.1%	96,451	23.2%	118,193	27.6%	113,380	25.9%	82,534	20.9%	62,542	16.7%	56,703	16.6%	55,548	19.1%	58,290	21.1%	57,811	22.4%
State revenue, non-operating	3,634	0.9%	3,549	0.9%	4,214	1.0%	6,746	1.5%	5,075	1.3%	4,041	1.1%	2,752	0.8%	2,994	1.0%	2,249	0.8%	2,018	0.8%
Gifts	1,426	0.3%	746	0.2%	476	0.1%	96	0.0%	601	0.2%	141	0.0%	581	0.2%	549	0.2%	651	0.2%	1,382	0.5%
Investment income	222	0.1%	1,858	0.4%	1,566	0.4%	1,439	0.3%	6,293	1.6%	22,533	6.0%	19,613	5.7%	6,520	2.2%	3,558	1.3%	2,836	1.1%
Other non-operating revenues	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	48	0.0%	4	0.0%	50	0.0%	50	0.0%
<b>Total non-operating revenues</b>	<b>317,675</b>	<b>76.8%</b>	<b>319,541</b>	<b>76.8%</b>	<b>347,103</b>	<b>80.9%</b>	<b>345,397</b>	<b>79.0%</b>	<b>314,268</b>	<b>79.3%</b>	<b>295,016</b>	<b>79.1%</b>	<b>266,976</b>	<b>78.3%</b>	<b>220,745</b>	<b>76.1%</b>	<b>205,046</b>	<b>74.5%</b>	<b>200,237</b>	<b>77.6%</b>
<b>Total revenues</b>	<b>\$ 413,604</b>	<b>100.0%</b>	<b>\$ 416,481</b>	<b>100.0%</b>	<b>\$ 428,461</b>	<b>100.0%</b>	<b>\$ 437,319</b>	<b>100.0%</b>	<b>\$ 395,492</b>	<b>100.0%</b>	<b>\$ 373,664</b>	<b>100.0%</b>	<b>\$ 341,164</b>	<b>100.0%</b>	<b>\$ 290,115</b>	<b>100.0%</b>	<b>\$ 275,763</b>	<b>100.0%</b>	<b>\$ 258,177</b>	<b>100.0%</b>

Following the GASB implementation guide, 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 the current year's presentation.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 3 Program Expenses by Function Fiscal Years 2004 to 2013 (Unaudited) (in thousands)

	For the Year Ended August 31,																			
	2013		2012		2011		2010		2009		2008		2007		2006		2005		2004	
Instruction	\$ 124,406	30.8%	\$ 128,486	31.8%	\$ 144,317	33.4%	\$ 145,086	33.4%	\$ 130,794	32.8%	\$ 122,966	35.9%	\$ 116,588	39.4%	\$ 113,581	41.4%	\$ 110,408	41.9%	\$ 100,607	40.7%
Public service	330	0.1%	349	0.1%	291	0.1%	300	0.1%	609	0.2%	591	0.2%	891	0.3%	1,129	0.4%	2,178	0.8%	3,411	1.4%
Academic support	25,069	6.2%	26,179	6.5%	28,083	6.5%	27,529	6.3%	25,131	6.3%	21,931	6.4%	19,693	6.7%	18,315	6.7%	22,105	8.4%	19,163	7.8%
Student services	32,083	7.9%	29,090	7.2%	31,004	7.2%	33,631	7.8%	32,012	8.0%	31,937	9.3%	30,326	10.2%	27,498	10.0%	24,108	9.1%	24,033	9.7%
Institutional support	63,871	15.8%	53,487	13.2%	54,684	12.7%	55,463	12.8%	54,951	13.8%	46,671	13.6%	40,131	13.6%	39,034	14.2%	33,692	12.8%	28,239	11.4%
Operation and maintenance of plant	36,178	8.9%	34,891	8.6%	33,259	7.7%	31,847	7.3%	29,807	7.5%	20,381	6.0%	19,485	6.6%	18,986	6.9%	17,910	6.8%	18,109	7.3%
Scholarships and fellowships	58,358	14.4%	65,811	16.3%	78,447	18.2%	79,979	18.4%	58,582	14.7%	43,887	12.8%	37,913	12.8%	37,593	13.7%	36,688	13.9%	39,439	16.0%
Auxiliary enterprises	1,531	0.4%	1,440	0.4%	2,214	0.5%	1,645	0.4%	2,449	0.6%	2,312	0.7%	2,161	0.7%	1,863	0.7%	1,978	0.8%	1,834	0.7%
Depreciation	29,850	7.4%	30,486	7.5%	29,520	6.8%	24,550	5.7%	17,044	4.3%	11,072	3.2%	10,601	3.6%	9,779	3.6%	8,827	3.3%	7,073	2.9%
<b>Total operating expenses</b>	<b>371,676</b>	<b>91.9%</b>	<b>370,219</b>	<b>91.6%</b>	<b>401,819</b>	<b>93.1%</b>	<b>400,030</b>	<b>92.2%</b>	<b>351,379</b>	<b>88.2%</b>	<b>301,748</b>	<b>88.1%</b>	<b>277,789</b>	<b>93.9%</b>	<b>267,778</b>	<b>97.6%</b>	<b>257,894</b>	<b>97.8%</b>	<b>241,908</b>	<b>97.9%</b>
Interest on capital related debt	26,889	6.6%	27,452	6.8%	27,408	6.3%	28,084	6.5%	28,842	7.2%	29,551	8.6%	14,993	5.1%	6,656	2.4%	4,686	1.8%	4,308	1.7%
Other non-operating expenses	5,613	1.4%	6,836	1.6%	2,300	0.5%	5,118	1.1%	18,541	4.6%	10,333	3.2%	2,773	0.8%	-	0.0%	-	0.0%	-	0.1%
Loss on disposal of fixed assets	348	0.1%	129	0.0%	232	0.1%	662	0.2%	35	0.0%	419	0.1%	499	0.2%	66	0.0%	1,143	0.4%	834	0.3%
<b>Total non-operating expenses</b>	<b>32,850</b>	<b>8.1%</b>	<b>34,417</b>	<b>8.4%</b>	<b>29,940</b>	<b>6.9%</b>	<b>33,864</b>	<b>7.8%</b>	<b>47,418</b>	<b>11.8%</b>	<b>40,303</b>	<b>11.9%</b>	<b>18,265</b>	<b>6.1%</b>	<b>6,722</b>	<b>2.4%</b>	<b>5,829</b>	<b>2.2%</b>	<b>5,142</b>	<b>2.1%</b>
<b>Total expenses</b>	<b>\$ 404,526</b>	<b>100.0%</b>	<b>\$ 404,636</b>	<b>100.0%</b>	<b>\$ 431,759</b>	<b>100.0%</b>	<b>\$ 433,894</b>	<b>100.0%</b>	<b>\$ 398,797</b>	<b>100.0%</b>	<b>\$ 342,051</b>	<b>100.0%</b>	<b>\$ 296,054</b>	<b>100.0%</b>	<b>\$ 274,500</b>	<b>100.0%</b>	<b>\$ 263,723</b>	<b>100.0%</b>	<b>\$ 247,050</b>	<b>100.0%</b>

Following the GASB implementation guide, 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 the current year's presentation.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Academic Year (Fall)	Registration Fee (per student)**	In-District Tuition*	Out-of-District Tuition*	Student Activity Fees	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	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 2012	\$ -	\$ 69.00	\$ 185.00	\$ 12.00	\$ -	\$ -	\$ -	\$ -	\$ 843.00	\$ 2,228.00	2.93%	49.43%
Fall 2011	-	56.00	112.00	12.00	135.00	-	-	-	819.00	1,491.00	4.87%	4.78%
Fall 2010	-	53.50	107.00	12.00	127.00	-	-	-	781.00	1,423.00	4.83%	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%
Fall 2007	13.00	44.00	88.00	12.00	121.00	13.00	24.00	4.00	715.00	1,243.00	4.69%	4.72%
Fall 2006	12.00	42.00	84.00	12.00	115.00	12.00	24.00	4.00	683.00	1,187.00	6.72%	5.98%
Fall 2005	11.00	40.00	80.00	-	110.00	11.00	24.00	4.00	640.00	1,120.00	5.09%	5.16%
Fall 2004	10.00	38.00	76.00	-	105.00	10.00	24.00	4.00	609.00	1,065.00	10.13%	9.46%
Fall 2003	10.00	35.00	70.00	-	85.00	10.00	24.00	4.00	553.00	973.00	12.17%	21.78%

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

Academic Year (Fall)	Registration Fee (per student)**	Non-Resident Tuition Out-of-State*	Student Activity Fees	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
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%
Fall 2007	13.00	176.00	12.00	121.00	13.00	24.00	66.00	2,361.00	4.61%
Fall 2006	12.00	168.00	12.00	115.00	12.00	24.00	66.00	2,257.00	5.37%
Fall 2005	11.00	160.00	-	110.00	11.00	24.00	66.00	2,142.00	5.31%
Fall 2004	10.00	152.00	-	105.00	10.00	24.00	61.00	2,034.00	8.77%
Fall 2003	10.00	140.00	-	85.00	10.00	24.00	61.00	1,870.00	25.34%

\* Beginning with the Fall of 2012, tuition was charged at a variable rate dependent on the number of hours taken by the student during the semester.

\*\* Beginning with the Fall of 2008, **ONLY** tuition, general fee and student activity fee are charged.

\*\*\* Lab fees ranged from \$2.00 to \$24.00 until Fall 2008.



**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
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
2007-08	97,076,127,829	7,007,075,783	90,069,052,046	92.78%	0.08980	0.04475	0.13455
2006-07	82,475,118,571	5,436,124,534	77,038,994,037	93.41%	0.09230	0.04475	0.13705
2005-06	71,820,993,201	4,472,598,640	67,348,394,561	93.77%	0.09230	0.01475	0.10705
2004-05	65,421,529,792	3,100,303,029	62,321,226,763	95.26%	0.09230	0.01475	0.10705
2003-04	62,268,015,195	3,136,421,298	59,131,593,897	94.96%	0.09230	0.01475	0.10705

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

TAV Is Assessed Value less Exemptions and Tax Incremental Financings.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 6  
State Appropriations per FTSE and Contact Hours  
Last Ten Fiscal Years  
(Unaudited)**

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour			
	State Appropriation	FTSE (a)	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Total Contact Hours (b)	State Appropriation per Contact
2011-12	\$ 66,004,803	39,131	\$ 1,687	18,457,248	4,625,147	23,082,395	\$ 2.86
2010-11	65,658,472	39,162	1,677	18,279,984	4,782,252	23,062,236	2.85
2009-10	69,233,873	41,077	1,685	18,845,612	5,065,508	23,911,120	2.90
2008-09	67,846,696	36,254	1,871	16,578,880	4,564,484	21,143,364	3.21
2007-08	67,846,696	34,173	1,985	15,499,262	4,479,415	19,978,677	3.40
2006-07	65,409,379	33,531	1,957	15,057,632	4,567,944	19,625,576	3.33
2005-06	65,746,811	33,249	1,977	14,771,648	4,760,436	19,532,084	3.37
2004-05	58,069,378	33,951	1,751	15,035,056	4,941,776	19,976,832	2.91
2003-04	58,070,337	32,889	1,766	14,986,560	4,093,900	19,080,460	3.04
2002-03	55,994,039	32,282	1,735	14,228,315	3,937,977	18,166,292	3.08

Notes: FTSE (Full-time Student Equivalent):

Semester credit hours divided by 30 plus non-semester (continuing education) credit hours divided by 900

Excludes contributions by the State of Texas on behalf of the District's employees for the optional retirement program, Teacher Retirement System and group insurance benefits

(a) Source: THECB - Funded only

(b) Source: THECB - Funded only (including reimbursable CE)

FY 2011-12 - FTSE and Contact Hours are preliminary as Summer 2012 is not certified.

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Tax Payer	2013	2012	2011	2010	2009	2008	2007	2006*	2005	2004*
HEB Grocery Company LP	\$ 1,090,006	\$ 1,025,290	\$ 968,937	\$ 957,372	\$ 915,618	\$ 860,947	\$ 835,417	\$ 734,917	\$ 684,385	\$ 649,249
Toyota Motor Mfg Texas Inc.	554,647	523,666	542,971	447,437	541,478	-	636,047	182,767	-	-
Methodist Healthcare Systems SA	540,523	532,699	518,606	455,263	451,594	470,840	239,580	220,975	209,712	194,114
VHS San Antonio Prtners LP (Baptist Hospitals)	469,526	359,878	404,509	375,935	375,477	390,814	295,830	251,811	184,637	173,023
Wal-Mart Stores, Inc.	512,390	400,886	396,639	384,171	-	371,620	355,246	340,767	327,050	301,334
AT&T (Southwestern Bell)	351,030	391,280	412,841	423,199	408,853	496,917	546,653	568,534	524,283	515,151
Microsoft Corporation	322,193	340,011	343,633	334,968	-	-	-	-	-	-
USAA	309,922	323,095	339,064	336,394	343,721	346,117	338,676	334,521	307,044	319,746
La Cantera Retail LTD Partnership	228,526	221,968	212,394	238,190	263,640	-	-	-	-	-
SA Real Estate LLLP	220,992	224,013	264,078	266,758	-	-	-	-	-	-
Frost National Bank	-	-	-	-	209,948	186,581	-	174,828	165,252	154,656
Marriott Hotel Properties	-	-	-	-	171,581	188,615	-	-	-	125,113
Frankel Family Trust	-	-	-	-	199,812	194,134	-	-	-	-
VLSI Technologies, Inc. (Philips)	-	-	-	-	-	-	-	-	-	-
Time Warner Cable San Antonio LP (Paragon)	-	-	-	-	-	-	185,569	178,019	177,002	162,962
Alamo Stonecrest Holdings	-	-	-	-	-	-	-	-	144,910	-
Inland Western San Antonio Academy LP	-	-	-	-	-	-	-	-	143,372	-
Melvin Simon Properties	-	-	-	-	-	-	-	-	-	140,294
North Star Mall, Inc.	-	-	-	-	-	-	-	-	-	-
New River Center Mall LP	-	-	-	-	-	-	209,062	178,977	-	-
MBS-Colonnade Ltd	-	-	-	-	-	215,664	223,505	-	-	-
	<b>\$ 4,599,755</b>	<b>\$ 4,342,786</b>	<b>\$ 4,403,672</b>	<b>\$ 4,219,687</b>	<b>\$ 3,881,722</b>	<b>\$ 3,722,249</b>	<b>\$ 3,865,585</b>	<b>\$ 3,166,116</b>	<b>\$ 2,867,647</b>	<b>\$ 2,735,642</b>

Total Taxable Assessed Value      \$ 101,560,843      \$ 99,749,409      \$ 99,275,859      \$ 100,688,758      \$ 99,836,254      \$ 90,069,052      \$ 77,038,994      \$ 67,348,395      \$ 62,321,227      \$ 59,131,594

### % of Taxable Assessed Value (TAV)

Tax Payer	2013	2012	2011	2010	2009	2008	2007	2006*	2005	2004*
HEB Grocery Company LP	1.07%	1.03%	0.98%	0.96%	0.92%	0.86%	0.84%	0.74%	0.69%	0.65%
Toyota Motor Mfg Texas Inc.	0.55%	0.52%	0.45%	0.45%	0.54%	0.00%	0.64%	0.18%	0.00%	0.00%
Methodist Healthcare Systems SA	0.53%	0.36%	0.41%	0.38%	0.38%	0.39%	0.30%	0.25%	0.19%	0.17%
VHS San Antonio Prtners LP (Baptist Hospitals)	0.46%	0.53%	0.52%	0.46%	0.45%	0.47%	0.24%	0.22%	0.21%	0.19%
Wal-Mart Stores, Inc.	0.50%	0.39%	0.42%	0.42%	0.41%	0.50%	0.55%	0.57%	0.53%	0.52%
AT&T (Southwestern Bell)	0.35%	0.32%	0.34%	0.34%	0.34%	0.35%	0.34%	0.34%	0.31%	0.32%
Microsoft Corporation	0.32%	0.00%	0.00%	0.00%	0.21%	0.19%	0.00%	0.18%	0.17%	0.16%
USAA	0.31%	0.00%	0.00%	0.00%	0.17%	0.00%	0.00%	0.19%	0.00%	0.13%
La Cantera Retail LTD Partnership	0.23%	0.34%	0.35%	0.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	0.22%	0.22%	0.27%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Frost National Bank	0.00%	0.22%	0.21%	0.24%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.20%	0.19%	0.00%	0.00%	0.00%	0.00%
Frankel Family Trust	0.00%	0.40%	0.40%	0.39%	0.00%	0.37%	0.36%	0.34%	0.33%	0.30%
VLSI Technologies, Inc. (Philips)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Time Warner Cable San Antonio LP (Paragon)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%	0.18%	0.18%	0.16%
Alamo Stonecrest Holdings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.00%
Inland Western San Antonio Academy LP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%	0.00%
Melvin Simon Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.14%
North Star Mall, Inc.	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%	0.21%	0.18%	0.00%	0.00%
MBS-Colonnade Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.22%	0.00%	0.00%	0.00%
	<b>4.53%</b>	<b>4.35%</b>	<b>4.44%</b>	<b>4.19%</b>	<b>3.89%</b>	<b>4.13%</b>	<b>5.02%</b>	<b>4.70%</b>	<b>4.60%</b>	<b>4.63%</b>

Source: Bexar County Appraisal District.

Fiscal Year corresponds to prior Tax Year.

Taxable value is from most current Certified Supplement.

\* ACCD data for Top Ten Taxpayers was not available; therefore, Bexar County Top Ten Taxpayers was used

**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 (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections Year of Original Levy (c)	%	Prior Collections of Prior Levies (d)	Current Year Collections of Prior Levies (e)	Total Collections (c+d+e)	Cumulative Collections of Adjusted Levy
2013	\$ 148,541,205	\$ (605,886)	\$ 147,935,319	\$ 145,758,928	98.53%	\$ -	\$ -	\$ 145,758,928	98.53%
2012	138,594,895	(937,149)	137,657,746	135,764,825	98.62%	-	836,774	136,601,599	99.23%
2011	137,908,286	(1,377,986)	136,530,300	134,739,175	98.69%	801,661	266,138	135,806,974	99.47%
2010	134,340,094	(1,885,183)	132,454,911	130,767,468	98.73%	933,142	202,372	131,902,982	99.58%
2009	132,171,475	(1,520,059)	130,651,416	128,946,515	98.70%	1,100,612	152,319	130,199,446	99.65%
2008	117,688,619	(437,987)	117,250,632	115,629,413	98.62%	1,229,663	94,515	116,953,591	99.75%
2007	102,947,673	(402,509)	102,545,164	101,029,924	98.52%	1,246,766	35,400	102,312,090	99.77%
2006	72,091,494	(272,571)	71,818,923	70,608,797	98.32%	1,031,635	12,055	71,652,487	99.77%
2005	66,714,921	(379,824)	66,335,097	65,139,162	98.20%	1,033,256	7,975	66,180,393	99.77%
2004	63,298,631	(170,203)	63,128,428	61,773,444	97.85%	1,194,021	5,565	62,973,030	99.75%

Source: Bexar County Tax Assessor-Collector

- a) As reported in notes to the financial statements for the year of the levy
- b) As of August 31 of the current reporting year
- c) Property tax levy only - does not include penalties and interest as reported in notes to the financial statement
- d) Represents cumulative collections of prior years not collected in the current year or the year of the tax levy
- e) Represents current year collections of prior year's levies

# ALAMO COMMUNITY COLLEGE DISTRICT

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

For the Year Ended August 31 (amounts expressed in thousands)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General Bonded Debt</b>										
General obligation bonds	\$ 383,420	\$ 392,045	\$ 404,120	\$ 411,719	\$ 419,299	\$ 430,393	\$ 435,819	\$ 75,154	\$ 19,604	\$ 24,696
Tax notes	132,345	143,825	151,955	108,025	106,155	116,010	39,410	40,320	5,695	8,155
Less: Funds restricted for debt service	5,788	5,467	5,315	4,633	3,016	3,420	2,297	1,626	2,532	2,015
<b>Net general bonded debt</b>	<b>\$ 509,977</b>	<b>\$ 530,403</b>	<b>\$ 550,760</b>	<b>\$ 515,111</b>	<b>\$ 522,438</b>	<b>\$ 542,983</b>	<b>\$ 472,932</b>	<b>\$ 113,848</b>	<b>\$ 22,767</b>	<b>\$ 30,836</b>
<b>Other Debt</b>										
Revenue bonds	\$ 73,685	\$ 78,095	\$ 65,935	\$ 69,495	\$ 72,900	\$ 76,180	\$ 74,270	\$ 67,645	\$ 67,625	\$ 69,730
Notes payable	8,082	3,175	3,285	-	207	690	1,145	1,605	2,036	2,451
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
<b>Total Outstanding Debt</b>	<b>\$ 591,744</b>	<b>\$ 611,673</b>	<b>\$ 619,980</b>	<b>\$ 584,606</b>	<b>\$ 595,545</b>	<b>\$ 619,853</b>	<b>\$ 548,347</b>	<b>\$ 183,098</b>	<b>\$ 92,428</b>	<b>\$ 103,017</b>
<b>General Bonded Debt Ratios</b>										
Per capita	\$ 285.59	\$ 302.03	\$ 324.61	\$ 300.40	\$ 316.35	\$ 334.91	\$ 297.65	\$ 73.41	\$ 15.06	\$ 20.73
Per FTSE	14,115	13,555	14,064	12,540	14,161	15,813	14,148	3,420	686	934
As a percentage of taxable assessed value	0.50%	0.53%	0.55%	0.51%	0.53%	0.60%	0.61%	0.17%	0.04%	0.05%
<b>Total Outstanding Debt Ratios</b>										
Per capita	\$ 331.38	\$ 348.30	\$ 365.41	\$ 340.92	\$ 360.62	\$ 382.32	\$ 345.11	\$ 118.06	\$ 61.15	\$ 69.26
Per FTSE	\$ 16,378	\$ 15,631	\$ 15,831	\$ 14,232	\$ 16,143	\$ 18,052	\$ 16,404	\$ 5,500	\$ 2,783	\$ 3,120
As a percentage of taxable assessed value	0.58%	0.61%	0.62%	0.58%	0.60%	0.69%	0.71%	0.27%	0.15%	0.17%

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

FTSE is calculated by Semester Credit hours divided by 30 plus non-semester (continuing education) hours divided by 900.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 10 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	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 as a % of Elected Limit	Elected Tax Limit	Elected Tax Limit: Maintenance and Operation	Elected Tax Limit: Debt Service
2013	\$ 101,560,843	\$ 147,873	\$ 5,788	\$ 142,085	\$ 26,911	\$ 115,174	14.28%	0.25000	0.10440	0.14560
2012	99,749,409	152,743	5,467	147,276	25,745	121,531	13.28%	0.25000	0.09687	0.15313
2011	99,275,859	152,018	5,315	146,703	27,239	119,464	14.42%	0.25000	0.09687	0.15313
2010	100,688,758	159,994	4,633	155,361	27,205	128,156	14.11%	0.25000	0.09110	0.15890
2009	99,424,463	157,985	3,016	154,969	31,170	123,799	17.82%	0.25000	0.09110	0.15890
2008	90,069,052	144,291	3,420	140,871	31,171	109,700	19.23%	0.25000	0.08980	0.16020
2007	77,038,994	121,490	2,297	119,193	29,979	89,214	22.79%	0.25000	0.09230	0.15770
2006	67,348,395	106,208	1,626	104,582	5,847	98,735	3.97%	0.25000	0.09230	0.15770
2005	62,321,227	98,281	2,532	95,749	6,220	89,529	3.75%	0.25000	0.09230	0.15770
2004	59,131,594	93,251	2,015	91,236	8,328	82,908	6.77%	0.25000	0.09230	0.15770

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 services 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.

Net Taxable Assessed Value based on most recent Supplement to the Certified Total (ARB Approved 2012 Supplement 120).

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 11 Pledged Revenue Coverage Last Ten Fiscal Years (Unaudited) (dollars in thousands)

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)					Debt Service Requirements (\$000 omitted)			
	Tuition	General Fee	Investment Income	Auxiliary Income	Total	Principal	Interest	Total	Coverage Ratio
2013	\$ 22,426 (1)	\$ -	\$ 513	\$ 3,578	\$ 26,517	\$ 4,410	\$ 2,742	\$ 7,152	3.71
2012	17,496 (1)	18,337	465	3,843	40,141	3,715	1,513	5,228	7.68
2011	16,262 (1)	19,093	524	3,651	39,530	3,560	3,105	6,665	5.93
2010	18,407 (1)	19,319	1,634	4,053	43,413	3,405	3,255	6,660	6.52
2009	14,294 (1)	16,269	1,045	3,548	35,156	3,280	3,388	6,668	5.27
2008	14,315 (1)	15,209	4,272	3,501	37,297	3,240	3,434	6,674	5.59
2007	12,783 (1)	14,038	5,034	3,232	35,087	2,650	2,981	5,631	6.23
2006	11,790 (1)	13,038	3,194	2,826	30,848	2,415	3,216	5,631	5.48
2005	11,532 (1)	12,973	2,023	2,806	29,334	2,105	3,150	5,255	5.58
2004	10,482 (1)	10,283	1,100	2,411	24,276	1,000	2,828	3,828	6.34

(1) 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 exceeding 25 percent of the tuition charges collected from each enrolled student for each semester or term.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 12  
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
2012	1,785,704	\$ 65,438,914 **	\$ 36,901 **	6.6%
2011	1,756,153	63,532,926	36,177	7.6%
2010	1,723,561	59,911,913	34,761	7.4%
2009	1,685,628	56,378,379	33,447	6.7%
2008	1,651,709	57,947,289	35,083	4.8%
2007	1,588,905	55,567,978	34,972	4.2%
2006	1,550,921	51,728,440	33,353	4.7%
2005	1,511,506	47,759,064	31,597	5.1%
2004	1,487,463	44,208,973	29,721	5.8%
2003	1,462,052	41,735,151	28,546	6.2%

Source: Texas Workforce Commission, LMI Tracer, Data Link as of 5/29/13, US Census Bureau State and County Facts

\*\* Data are estimates; updated data from Texas Workforce Commission have not been published.



# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 13 Principal Employers (Unaudited)

Largest Employers Employer	2013 (1)		2012 (2)		2011 (3)		2010 (4)		2009 (5)		2008 (6)		2007 (7)		2006 (8)	
	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	37,097	3.6%	37,097	3.6%	37,097	4.0%	28,100	3.1%	28,100	2.8%	33,893	4.0%	23,227	2.8%	35,700	4.6%
Fort Sam Houston - US Army	32,000	3.1%	32,000	3.1%	32,000	3.4%	30,793	3.4%	30,793	3.1%	15,200	1.8%	11,735	1.4%	26,100	3.4%
HEB Food Stores	20,000	1.9%	14,588	1.4%	14,588	1.6%	14,588	1.6%	14,588	1.5%	14,588	1.7%	14,588	1.8%	14,600	1.9%
USAA	17,000	1.7%	15,000	1.5%	14,832	1.6%	14,852	1.6%	14,852	1.5%	14,852	1.7%	14,258	1.7%	14,955	1.9%
Northside ISD	12,751	1.2%	12,751	1.2%	13,300	1.4%	12,597	1.4%	12,597	1.3%	12,810	1.5%	12,701	1.5%	10,000	1.3%
City of San Antonio	11,731	1.1%	9,145	0.9%	9,145	0.9%	9,000	1.0%	10,687	1.0%	9,830	1.1%	11,239	1.3%	9,813	1.3%
Randolph AFB	11,068	1.1%	11,068	1.1%	11,068	1.2%	10,700	1.2%	10,700	1.0%	10,733	1.3%	7,506	0.9%	10,733	1.4%
Northeast ISD	10,522	1.0%	10,522	1.0%	10,522	1.1%	10,223	1.1%	10,223	1.0%	8,360	1.0%	7,557	0.9%	7,847	1.0%
Methodist Healthcare System	8,000	0.8%	7,747	0.8%	7,500	0.8%	7,013	0.8%	7,391	0.8%	7,013	0.8%	6,520	0.8%	7,200	0.9%
San Antonio ISD	7,374	0.7%	7,000	0.7%	7,581	0.8%	7,581	0.8%	7,425	0.8%	8,000	0.9%			8,000	1.0%
AT & T, Inc.													5,611	0.7%		
<b>Total Employment</b>	<b>167,543</b>	<b>16.2%</b>	<b>156,918</b>	<b>15.3%</b>	<b>157,633</b>	<b>16.8%</b>	<b>145,447</b>	<b>16.0%</b>	<b>147,356</b>	<b>14.8%</b>	<b>135,279</b>	<b>15.8%</b>	<b>114,942</b>	<b>13.8%</b>	<b>144,948</b>	<b>18.7%</b>

(1) Source: San Antonio Economic Development Foundation Website 9/4/2013 <http://www.sanantonioedf.com/business-profile/major-employers>

(2) Source: San Antonio Economic Development Foundation Website 10/18/2012 <http://www.sanantonioedf.com/business-profile/major-employers>

(3) Source: San Antonio Economic Development Foundation Website 9/7/2011 <http://www.sanantonioedf.com/business-profile/major-employers>

(4) Source: San Antonio Economic Development Foundation Website 8/10/2010 <http://www.sanantonioedf.com/business-profile/major-employers>

(5) 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)

(6) Source: San Antonio Business Journal's 2008 Book of Lists and San Antonio Business Journal, May 16, 2008

(7) Source: City of San Antonio Planning Office

(8) Source: San Antonio Economic Development Foundation

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 14 Faculty, Staff, and Administrators Statistics Last Ten Fiscal Years (Unaudited)

	2013 **	2012 **	2011 **	2010 **	2009 +	2008 +	2007 +	2006 +	2005 +	2004 +
<b>Faculty</b>										
Full-time	750	1,004	1,039	1,027	1,049	1,024	1,052	992	992	964
Part-time	1,848	1,482	1,710	1,599	2,957	2,865	3,011	3,052	3,345	3,228
<b>Total</b>	<b>2,598</b>	<b>2,486</b>	<b>2,749</b>	<b>2,626</b>	<b>4,006</b>	<b>3,889</b>	<b>4,063</b>	<b>4,044</b>	<b>4,337</b>	<b>4,192</b>
<b>Percent</b>										
Full-time	28.87%	40.39%	37.80%	39.11%	26.19%	26.33%	25.89%	24.53%	22.87%	23.00%
Part-time	71.13%	59.61%	62.20%	60.89%	73.81%	73.67%	74.11%	75.47%	77.13%	77.00%
<b>Staff and Administrators</b>										
Full-time	1,479	1,532	1,710	1,721	1,823	1,763	1,814	1,720	1,620	1,568
Part-time	660	921	978	1,165	888	887	930	926	1,050	964
<b>Total</b>	<b>2,139</b>	<b>2,453</b>	<b>2,688</b>	<b>2,886</b>	<b>2,711</b>	<b>2,650</b>	<b>2,744</b>	<b>2,646</b>	<b>2,670</b>	<b>2,532</b>
<b>Percent</b>										
Full-time	69.14%	62.45%	63.62%	59.63%	67.24%	66.53%	66.11%	65.00%	60.67%	61.93%
Part-time	30.86%	37.55%	36.38%	40.37%	32.76%	33.47%	33.89%	35.00%	39.33%	38.07%
<b>FTSE *</b>										
	36,131	39,131	39,162	41,077	36,254	34,173	33,531	33,249	33,951	32,889
FTSE per full-time faculty	48.2	39.0	37.7	40.0	34.6	33.4	31.9	33.5	34.2	34.1
FTSE per full-time staff member	24.4	25.5	22.9	23.9	19.9	19.4	18.5	19.3	21.0	21.0
Average annual full-time faculty salary	\$ 66,680	\$ 54,178	\$ 57,537	\$ 60,929	\$ 54,121	\$ 52,939	\$ 51,240	\$ 50,142	\$ 49,752	\$ 48,415

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

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

\*\* Unduplicated Headcount - Prepared by Human Resources Department

+ Prepared by ACCD Institutional Research and Effectiveness Services (IRES)

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 15 Enrollment Details Last Seven Fiscal Years (Unaudited)

Student Classification	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
00 - 30	30,492	58.2%	34,649	60.5%	35,513	60.4%	35,281	60.2%	31,042	59.3%	28,906	58.0%	28,458	58.0%
31 - 60	15,092	28.8%	21,307	37.2%	21,593	36.7%	16,056	27.4%	14,657	28.0%	14,597	29.0%	14,479	29.0%
Unclassified	5,258	10.0%	-	0.0%	-	0.0%	7,292	12.4%	6,595	12.6%	6,504	13.0%	6,505	13.0%
>60 hours *	1,512	2.9%	1,330	2.3%	1,691	2.9%	9	0.0%	12	0.0%	22	0.0%	46	0.0%
<b>Total</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>	<b>52,306</b>	<b>100.0%</b>	<b>50,029</b>	<b>100.0%</b>	<b>49,488</b>	<b>100.0%</b>

Source: THECB Prep Online

Semester Hour Load	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less Than 3	485	0.9%	569	1.0%	785	1.3%	529	0.9%	323	0.6%	271	0.5%	270	0.5%
3 - 5 semester hours	11,877	22.7%	12,425	21.7%	11,148	19.0%	11,595	19.8%	10,677	20.4%	9,239	18.5%	8,601	17.4%
6 - 8 semester hours	15,018	28.7%	16,610	29.0%	16,023	27.3%	17,064	29.1%	15,120	28.9%	14,386	28.8%	14,183	28.7%
9 - 11 semester hours	9,795	18.7%	11,084	19.3%	10,565	18.0%	10,472	17.9%	9,097	17.4%	8,864	17.7%	8,651	17.5%
12 - 14 semester hours	12,952	24.7%	14,416	25.2%	14,604	24.8%	16,761	28.6%	14,835	28.4%	14,863	29.7%	15,473	31.3%
15 - 17 semester hours	1,988	3.8%	1,932	3.4%	3,817	6.5%	1,964	3.3%	2,000	3.8%	2,160	4.3%	2,040	4.1%
18 and over semester hours	239	0.5%	250	0.4%	1,855	3.2%	253	0.4%	254	0.5%	246	0.5%	270	0.5%
<b>Total</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>	<b>52,306</b>	<b>100.0%</b>	<b>50,029</b>	<b>100.0%</b>	<b>49,488</b>	<b>100.0%</b>

Average course load	8.2 hrs	8.2 hrs	8.9 hrs	8.5 hrs	8.5 hrs	8.7 hrs	8.8 hrs
---------------------	---------	---------	---------	---------	---------	---------	---------

Source: CBM001

Tuition Status	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Texas resident- In District	42,828	82%	47,567	83%	49,261	84%	48,787	83%	43,116	82%	41,741	83%	41,628	84%
Texas resident- Out of District	6,211	12%	7,631	13%	7,515	13%	7,939	14%	7,295	14%	6,544	13%	6,431	13%
Non-resident tuition	1,284	2%	1,312	2%	1,284	2%	1,096	2%	1,137	2%	1,013	2%	811	2%
Tuition exemption	1,198	2%	-	0%	3	0%	79	0%	165	0%	142	0%	96	0%
Foreign	833	2%	776	1%	734	1%	737	1%	593	1%	589	1%	522	1%
<b>Total</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>	<b>49,488</b>	<b>100%</b>

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 16 Student Profile Last Seven Fiscal Years (Unaudited)

	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Gender														
Female	30,003	57%	32,844	57%	33,670	57%	33,607	57%	30,386	58%	29,341	59%	29,350	59%
Male	22,351	43%	24,442	43%	25,127	43%	25,031	43%	21,920	42%	20,688	41%	20,138	41%
<b>Total</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>	<b>49,488</b>	<b>100%</b>

Ethnic Origin	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Multi-Racial	1,382	3%	1,088	2%	750	1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
White	15,166	29%	18,423	32%	20,349	35%	23,327	40%	20,202	39%	19,753	39%	19,725	40%
Hispanic	30,679	59%	31,712	55%	30,371	52%	28,943	49%	26,357	50%	24,956	50%	24,585	50%
African-American	3,263	6%	3,757	7%	3,860	7%	4,147	7%	3,717	7%	3,453	7%	3,352	7%
Asian	1,244	2%	1,429	2%	1,457	2%	1,621	3%	1,414	3%	1,314	3%	1,248	3%
Foreign	190	0%	324	1%	47	0%	357	1%	408	1%	342	1%	389	1%
Native American	132	0%	182	0%	177	0%	243	0%	208	0%	211	0%	189	0%
Native Hawaiian/Other Pacific Islander	89	0%	-	0%	-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ethnic Origin/Race unknown	209	0%	371	1%	1,786	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>94%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>	<b>49,488</b>	<b>100%</b>

Age	Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 18	8,809	17%	9,451	16%	9,079	15%	8,584	15%	7,398	14%	6,278	13%	5,323	11%
18-21	20,212	39%	21,472	37%	22,219	38%	22,330	38%	20,514	39%	19,539	39%	19,348	39%
22-24	6,876	13%	7,639	13%	7,735	13%	8,114	14%	7,257	14%	7,338	15%	7,246	15%
25-35	10,630	20%	12,165	21%	13,044	22%	12,931	22%	11,300	22%	11,068	22%	11,482	23%
36-50	4,770	9%	5,433	9%	5,618	10%	5,668	10%	4,934	9%	4,901	10%	5,131	10%
51 and over	1,057	2%	1,126	2%	1,102	2%	1,011	2%	903	2%	905	2%	956	2%
Unknown	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	2	0%
<b>Total</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>	<b>49,488</b>	<b>100%</b>

Average age	23.7	24.2	24.3	24.3	24.2	24.4	24.8
-------------	------	------	------	------	------	------	------

Source: CBM001

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 17 Transfer Students to Senior Institutions 2011 Fall Students (Unaudited)

Institutions Attended, Fall 2011	Academic	Technical	Tech-Prep	Total	% Students
1 The University of Texas at San Antonio	3,829	336	80	4,245	41.9%
2 Texas A&M University - San Antonio	1,570	127	66	1,763	17.4%
3 Texas State University	1,070	70	33	1,173	11.6%
4 Texas A&M University	790	49	14	853	8.4%
5 The University of Texas at Austin	650	30	7	687	6.8%
6 Texas Tech University	307	26	7	340	3.4%
7 Texas A&M University - Corpus Christi	130	11	3	144	1.4%
8 University of North Texas	115	6	5	126	1.2%
9 Texas A&M University - Kingsville	94	4	-	98	1.0%
10 Angelo State University	82	5	2	89	0.9%
11 Sam Houston State University	67	3	1	71	0.7%
12 The University of Texas at Arlington	54	14	3	71	0.7%
13 University of Houston	66	3	1	70	0.7%
14 The University of Texas at Dallas	39	4	-	43	0.4%
15 Stephen F. Austin State University	37	2	2	41	0.4%
16 The University of Texas at El Paso	31	6	-	37	0.4%
17 Tarleton State University	31	1	2	34	0.3%
18 Texas A&M University at Galveston	26	2	1	29	0.3%
19 The University of Texas - Pan American	20	3	1	24	0.2%
20 Prairie View A&M University	22	1	-	23	0.2%
21 Texas Woman's University	19	3	-	22	0.2%
22 West Texas A&M University	19	-	-	19	0.2%
23 Texas A&M International University	16	-	-	16	0.2%
24 Lamar University	10	3	1	14	0.1%
25 Midwestern State University	9	1	3	13	0.1%
26 Texas Southern University	12	1	-	13	0.1%
27 University of Houston at Victoria	8	4	1	13	0.1%
28 Sul Ross State University	6	4	2	12	0.1%
29 Texas A&M University - Commerce	4	6	-	10	0.1%
30 University of Houston - Downtown	7	2	-	9	0.1%
31 The University of Texas at Brownsville	7	1	-	8	0.1%
32 University of Houston at Clear Lake	6	1	-	7	0.1%
33 Sul Ross State University - Rio Grande College	5	1	-	6	0.1%
34 The University of Texas of the Permian Basin	6	-	-	6	0.1%
35 The University of Texas at Tyler	4	1	-	5	0.0%
36 University of North Texas at Dallas	-	1	-	1	0.0%
37 Texas A&M University - Central Texas	-	-	-	-	0.0%
<b>Total</b>	<b>9,168</b>	<b>732</b>	<b>235</b>	<b>10,135</b>	<b>100.0%</b>

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 18 Capital Asset Information Fiscal Years 2005 to 2013 (Unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Academic buildings</b>	119	111	125	121	120	91	88	70	69
Square footage (in thousands)	2,482	2,529	2,619	2,659	2,769	2,571	2,132	2,132	2,100
<b>Libraries</b>	6	6	6	8	6	7	6	6	5
Square footage (in thousands)	282	282	309	330	370	312	193	193	188
Number of volumes (in thousands)	556	498	677	610	666	675	675	482	504
<b>Administrative and support buildings</b>	93	95	66	59	60	44	15	15	15
Square footage (in thousands)	1,065	999	868	824	684	591	147	147	147
<b>Parking garages</b>	2	2	1	1	1	1	-	-	-
Square footage (in thousands)	645	645	394	394	394	394	-	-	-
<b>Dormitories</b>	1	-	-	-	-	-	-	-	-
Square footage (in thousands)	227	-	-	-	-	-	-	-	-
Number of beds	467	-	-	-	-	-	-	-	-
<b>Dining facilities</b>	6	6	6	6	6	5	5	5	5
Square footage (in thousands)	76	76	74	73	85	64	48	48	48
Average daily customers	3,436	3,405	3,210	3,114	2,193	2,193	2,259	2,395	2,722
<b>Athletic facilities</b>	8	8	8	8	7	4	4	4	4
Square footage (in thousands)	275	275	270	265	247	189	192	192	192
Stadiums	-	-	-	-	-	-	-	-	-
Gymnasium buildings	5	5	5	5	5	4	4	4	4
Fitness centers	8	8	7	6	5	4	4	4	4
Tennis courts	18	18	18	18	18	14	8	8	8
Swimming pools	3	3	3	3	3	3	4	4	4
Soccer fields	1	1	1	1	-	-	-	-	-
Fitness trails	2	2	2	2	-	-	-	-	-
Putting green	1	1	1	1	-	-	-	-	-
Rock climbing wall	1	1	1	1	-	-	-	-	-
Ropes course	1	1	-	-	-	-	-	-	-
<b>Plant facilities</b>	33	33	25	21	20	10	4	4	4
Square footage (in thousands)	107	110	108	104	101	88	38	38	38
<b>Transportation</b>									
Cars	31	26	29	30	35	32	34	42	35
Trucks/vans	88	87	82	90	76	64	68	85	59
Buses	2	2	2	2	2	2	2	2	2
Electric cars	7	7	7	5	-	-	-	-	-
<b>ADA parking spots</b>	511	503	489	479	464	401	317	317	301
<b>Non ADA parking spots</b>	15,107	15,264	14,716	14,309	14,015	13,697	8,944	8,944	8,694

## **Single Audit Section**





## Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Management and the Board of Trustees  
Alamo Community College District

We have audited, in accordance with auditing standards generally accepted in the United States 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, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively, the District), as of and for the year ended August 31, 2013, 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 17, 2013.

### **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 determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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*.

## **Purpose of this Report**

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

*Ernst + Young LLP*

December 17, 2013

## Report of Independent Auditors on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133

Management and the Board of Trustees  
Alamo Community College District

### **Report on Compliance for Each Major Federal Program**

We have audited Alamo Community College District's, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively, the District), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2013. 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 the requirements of laws, regulations, contracts and grants applicable to its 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2013.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as follows:

<b>Finding No.</b>	<b>CFDA No.</b>	<b>Program (or Cluster) Name</b>	<b>Compliance Requirement</b>
13-F01	Various	Student Financial Assistance Cluster	Eligibility
13-F02	Various	Student Financial Assistance Cluster	Reporting
13-F03	84.031	Higher Education Institutional Aid	Davis-Bacon Act

Our opinion on each major federal program is not modified with respect to these matters.

The District's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

## 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 requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 combination of deficiencies, in internal control over

compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies as follows:

<b>Finding No.</b>	<b>CFDA No.</b>	<b>Program (or Cluster) Name</b>	<b>Compliance Requirement</b>
13-F01	Various	Student Financial Assistance Cluster	Eligibility
13-F02	Various	Student Financial Assistance Cluster	Reporting
13-F03	84.031	Higher Education Institutional Aid	Davis-Bacon Act

The District’s responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District’s responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



December 17, 2013

**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 Findings and Questioned Costs  
Year Ended August 31, 2013**

**Part I – Summary of Auditor's Results**

**Financial Statements Section**

Type of auditor's report issued (unmodified, qualified, adverse or disclaimer):

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

**Federal Awards Section**

Internal control over major programs:

Material weaknesses identified?

           Yes                            X       No

Significant deficiencies identified?

      X       Yes                                         None reported

Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?

      X       Yes                                         No

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

17.269

Community Based Job Training Grants

47.076

Education and Human Resources

84.007, 84.033, 84.063, 84.268

Student Financial Assistance Cluster

84.031

Higher Education Institutional Aid

84.048

Career and Technical Education – Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:

\$564,624

Auditee qualified as low-risk auditee?

      X       Yes                                         No

## Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

No findings were noted.

### Part III – Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 Section .510(a) (for example: material weaknesses, significant deficiencies and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

#### **Finding 13-F01**

<u>Federal program information:</u>	<p><u>Federal awarding agencies:</u> United States Department of Education</p> <p><u>Federal Program:</u> Federal Supplemental Educational Opportunity Grant (FSEOG), CFDA No.: 84.007 Federal Work-Study Program, CFDA No.: 84.033 Federal Pell Grant Program, CFDA No.: 84.063 Federal Direct Student Loans, CFDA No.: 84.268</p> <p>Award years: 2012-2013, 2013-2014</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	<p>Special Tests and Provisions - Return of Title IV Funds</p> <p>Applicable after a student begins attendance - Return of Title IV funds are required to be deposited or transferred in the SFA account or electronic fund transfers initiated to the Department of Education (ED) or the appropriate lender as soon as possible, but no later than 45 days after the date the institution determines that the student withdrew (34 CFR Section 668.173(b)).</p>
<u>Condition:</u>	<p>Errors were found in three of 40 manual refund calculations and one of the 40 refund calculations was not performed timely. Internal controls over the timely preparation and review of refund calculations are ineffective.</p>
<u>Questioned costs:</u>	<p>\$0</p>
<u>Context:</u>	<p>We tested 40 refund calculations from the total population of student financial assistance refunds for students that withdrew after the start of classes. We noted that 36 of the 40 refund calculations were performed and calculated correctly within 45 days of Alamo Colleges becoming aware of the student's withdrawal.</p> <ul style="list-style-type: none"> <li>• The refunds required for three students (two from Northwest Vista College and one from Palo Alto College) were calculated incorrectly due to the wrong term length used in the calculation. The net result of the miscalculations for the three students was an overpayment of refunds to the Department of Education in the amount of \$115.</li> <li>• The refund required for one student (from Northwest Vista College) was not calculated and returned within 45 days after Alamo Colleges became aware that the student withdrew. The student withdrew October 22, 2012, and the refund of \$382 was not calculated and returned until August 8, 2013.</li> </ul>
<u>Effect:</u>	<p>Alamo Colleges is not consistently in compliance with federal guidelines regarding calculation and timing of return of Title IV funds.</p>
<u>Cause:</u>	<p>Alamo Colleges' personnel made errors in the refund calculations for the three students and inadvertently missed the withdrawal record for one other student and therefore did not prepare the calculation form for the refund and return funds timely. The District indicated that there was a lack of review related to refund calculations.</p>
<u>Recommendation:</u>	<p>Establish better procedures to monitor the full transmission of all withdrawal students and to establish review controls to verify accuracy of the manual refund calculations.</p>
<u>Views of responsible officials and planned corrective actions:</u>	<p>Procedures are now in place requiring a second staff member to review and check the R2T4 calculations. Improved coordination across the colleges using a software tool will facilitate the notification to appropriate departments of student withdrawals and establish a mechanism to monitor the completion of required actions.</p> <p>Implementation date: 2014 Responsible person: Vice Chancellor for Finance and Administration</p>



## Finding 13-F02

<u>Federal program information:</u>	<p><u>Federal awarding agencies:</u> United States Department of Education</p> <p><u>Federal Program:</u> Federal Supplemental Educational Opportunity Grant (FSEOG), CFDA No.: 84.007 Federal Work-Study Program, CFDA No.: 84.033 Federal Pell Grant Program, CFDA No.: 84.063 Federal Direct Student Loans, CFDA No.: 84.268</p> <p>Award years: 2012-2013, 2013-2014</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	<p>Special Tests and Provisions – Direct Loan Notification:</p> <p>Under the Federal Direct Loan program, the institution must notify the student or parent, in writing, of (1) the date and amount of the disbursement, (2) the student's right or parent's right to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to the holder of that loan, and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan. (34 CFR 682.604(c)).</p> <p>Institutions that implement an affirmative confirmation process (as described in 34 CFR Section 668.165 (a)(6)(i)) must make this notification to the student or parent no earlier than 30 days before, and no later than 30 days after, crediting the student's account at the institution with Direct Loan, FPL, FFEL funds, or TEACH Grants. Institutions that do not implement an affirmative confirmation process must notify a student no earlier than 30 days before, but no later than seven days after, crediting the student's account and must give the student 30 days (instead of 14) to cancel all or part of the loan.</p>
<u>Condition:</u>	<p>We selected 25 students that received federal direct loan disbursements during the year ended August 31, 2013. We noted that for 13 of 25 selected students (6 from San Antonio College, 1 from St. Philip's College, and 6 from Northwest Vista College), Alamo Colleges did not send notifications of the direct loan disbursements to students within 30 days of crediting the students' accounts with the loan proceeds in order to notify the students that they had 30 days to cancel all or part of the loan.</p>
<u>Questioned costs:</u>	<p>\$-0-</p>
<u>Context:</u>	<p>We selected 25 students that received direct loan disbursements during the year ended August 31, 2013. Alamo Colleges did not send notifications to 13 of the 25 students within 30 days of the disbursement of direct loan awards.</p>
<u>Effect:</u>	<p>Alamo Colleges is not consistently in compliance with federal guidelines regarding student notifications required for direct loan disbursements.</p>
<u>Cause:</u>	<p>Alamo Colleges did not send notifications of direct loan disbursements to students within 30 days of crediting the student's accounts with the loan proceeds.</p>
<u>Recommendation:</u>	<p>Alamo Colleges should establish procedures and internal controls surrounding the timely notification of loan disbursements to students receiving direct loans.</p>
<u>Views of responsible officials and planned corrective actions:</u>	<p>Alamo Colleges added automated functionality that generates a student notification each time a disbursement is made of direct loan funds. Additionally, monitoring reports will be reviewed regularly to identify any potentially missed notifications. Implementation date: 2014 Responsible person: Vice Chancellor for Finance and Administration</p>

### Finding 13-F03

<u>Federal program information:</u>	<p><u>Federal awarding agencies:</u> United States Department of Education</p> <p><u>Federal Program:</u> Higher Education Institutional Aid, CFDA No.: 84.031</p> <p>Award years: 2012-2013, 2013-2014</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	<p>Davis-Bacon Act:</p> <p>When required by the Davis-Bacon Act, the Department of Labor's (DOL) government-wide implementation of the Davis-Bacon Act, ARRA, or by Federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of \$2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (40 USC 3141-3144, 3146, and 3147 (formerly 40 USC 276a to 276a-7)).</p> <p>Non-federal entities shall include in their construction contracts subject to the Davis-Bacon Act a requirement that the contractor or subcontractor comply with the requirements of the Davis-Bacon Act and the DOL regulations (29 CFR part 5, Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction). This includes a requirement for the contractor or subcontractor to submit to the non-Federal entity weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls) (29 CFR sections 5.5 and 5.6). This reporting is often done using Optional Form WH-347, which includes the required statement of compliance (OMB No. 1215-0149).</p>
<u>Condition:</u>	<p>Alamo Colleges did not comply with the Davis-Bacon Act in relation to the installation of flooring during the renovation of the Sutton Learning Center at St. Philip's College, federally funded by the Higher Education Institutional Aid program. A written contract was not entered into between Alamo Colleges and the contractor, which was purchased through the State of Texas as a TX Multiple Award System (TXMAS) contract, so the prevailing wage rate clauses required by Davis Bacon were not included in a contract. Additionally, this contractor did not provide weekly certified payrolls to Alamo Colleges.</p> <p>Also, Alamo College's general contractor for other renovations at St. Philip's College did not provide weekly certified payrolls for its own general trades personnel.</p>
<u>Questioned costs:</u>	<p>\$-0-</p>
<u>Context:</u>	<p>During the year, renovations were made to the Sutton Learning Center and other buildings at St. Philip's College. These renovations were funded in part by the Higher Education Institutional Aid program.</p> <p>We selected five construction expenditures to test for compliance with the Davis-Bacon Act. The five selected construction expenditures related to three contractors, including one general contractor with subcontractors. This resulted in a request for two certified payrolls from the general contractor and one certified payroll from two other contractors. The two certified payrolls from the general contractor included both the certified payrolls from a general contractor for its general trades personnel, and nine certified payrolls for subcontractors of the general contractor. For the 13 certified payrolls, we noted the following:</p> <ul style="list-style-type: none"><li>• One certified payroll from a contractor was not obtained directly by Alamo Colleges.</li><li>• The certified payroll from the general contractor for its own general trades personnel was not obtained directly by Alamo Colleges.</li></ul> <p>Two of the five selected expenditures were from one contractor for installation of flooring. We have determined the Davis-Bacon requirements are applicable to floor installation expenditures based on definitions and regulations noted in 29 CFR sections 5.2 and 5.5-5.6. Alamo Colleges procured services for the floor installation, including materials and labor, through TXMAS. The standard TXMAS agreement was used for this contract and did not include the prevailing wage rate clauses required under Davis-Bacon.</p>
<u>Effect:</u>	<p>Alamo Colleges did not comply with Davis-Bacon requirements with respect to federally funded building renovations.</p>

Cause:

Alamo Colleges did not consider the Davis-Bacon Act applicable to the installation of flooring at the construction site for the federally funded renovations for the Sutton Learning Center. Alamo Colleges was unable to obtain the selected weekly certified payrolls from its general contractor for the general contractor's trades personnel as audit evidence.

Recommendation:

Alamo Colleges should establish procedures and internal controls to ensure that the Davis-Bacon Act is complied with for federally funded construction projects.

Views of responsible officials  
and planned corrective actions:

The policy and related procedures associated with procurement of construction services are being updated to ensure compliance with the Davis-Bacon Act. During fiscal year 2014, new software will be implemented to collect, verify and monitor Davis-Bacon certified payrolls.  
Implementation date: 2014  
Responsible person: Vice Chancellor for Finance and Administration

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**Summary Schedule of Prior Year Audit Findings - Federal**  
**Year Ended August 31, 2013**

**Part II – Financial Statement Findings Section**

No findings were noted.

**Part III – Federal Award Findings and Questioned Costs Section**

Criteria/Specific Requirement	Finding Number	Status	Management's Response
National Sciences Foundation – Eligibility	12-F01	Corrected	During fiscal year 2013, procedures were changed to require student data, including renewals, to be updated before determination of unmet need. Separate documentation is maintained for each award type, initial and renewal.
Eligibility – Student Financial Aid Cluster	12-F02 11-01	Corrected	This repeat finding was due to the large amount of data being transitioned to a new student system, the historical academic information was being converted over time in phases. During fiscal year 2013, the data transition was completed, therefore, this situation should not reoccur.
Special Tests and provisions – Return of Title IV Funds	12-F03 11-03	Partially Corrected	To address this finding during fiscal year 2013, additional training was provided to employees performing the calculations to improve accuracy. Procedures were strengthened to ensure withdrawals are being recorded timely. Additional staff was assigned to monitor and calculate the return of Title IV funds process. Improvement was made, however, this area will continue to be monitored due to the complex nature and numerous factors required for complete compliance.
Special Tests and Provisions – Enrollment Reporting	12-04 11-04	Corrected	The causes of this finding continued to be addressed during 2013. For one finding in 2012 the National Student Clearinghouse did not timely report the student status change to NSLDS, although the change was submitted timely by Alamo Colleges. In the other instance, the student status change was not reported timely to the National Student Clearinghouse by Alamo Colleges. During fiscal year 2013, Alamo Colleges notified the Clearinghouse of the one instance and continues to work closely with the Clearinghouse to ensure timely reporting. Also, during fiscal year 2013, the computer script used to gather data was reviewed and adjusted and the process to report the data was documented to ensure complete and timely reporting in the future.
Special Tests and Provisions – Direct Loan Notification	12-F05 11-05	Partially Corrected	The causes of this finding continue to be addressed. During fiscal year 2013, a notification system, including proof of notification, was developed and put in place to notify students of disbursement details. More recently the automated system was enhanced and a process was implemented to identify any missed notifications.

## Report of Independent Auditors on Compliance for Each Major State Program; Report on Internal Control Over Compliance Required by State of Texas Single Audit Circular

Management and the Board of Trustees  
Alamo Community College District

### **Report on Compliance for Each Major State Program**

We have audited Alamo Community College District's, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively, the District), compliance with the types of compliance requirements described in the Texas Governor's Office of Budget and Planning *Uniform Grant Management Standards*, which includes the *State of Texas Single Audit Circular (Texas Single Audit Circular)* that could have a direct and material effect on each of the District's major state programs for the year ended August 31, 2013. 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 the requirements of laws, regulations, contracts and grants applicable to its 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Texas Single Audit Circular*. Those standards and the *Texas Single Audit Circular* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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, 2013.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the *Texas Single Audit Circular*, and which are described in the accompanying schedule of findings and questioned costs as follows:

<u>Finding No.</u>	<u>Award No.</u>	<u>Program Name</u>	<u>Compliance Requirement</u>
13-S01	02771	Developmental Education Demonstration Project	Allowable Costs/ Cost Principles

Our opinion on each major state program is not modified with respect to this matter.

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

## 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 requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of

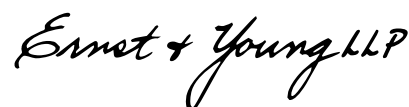
compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies as follows:

<b><u>Finding No.</u></b>	<b><u>Award No.</u></b>	<b><u>Program Name</u></b>	<b><u>Compliance Requirement</u></b>
13-S01	02771	Developmental Education Demonstration Project	Allowable Costs/ Cost Principles

The District’s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 *Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.



December 17, 2013

**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, 2013**

**Part I – Summary of Auditor's Results**

**Financial Statements Section**

Type of auditor's report issued (unmodified, qualified, adverse or disclaimer):

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 Section**

Internal control over major programs:

Material weakness identified?

           Yes                            X       No

Significant deficiencies identified?

      X       Yes                                 None reported

Type of auditor's report issued on compliance for major programs (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Part IV of the State of Texas Uniform Grant and Contract Standards Act of 1981?

      X       Yes                                 No

Identification of major state programs:

Award Number(s)

Name of State Program

06990, 02771, 10790

Adult Basic Education Innovation Grant

02771

Developmental Education Demonstration Project

none

Professional Nursing Shortage Reduction Program

none

Texas Grant Initial and Renewal

9257

Texas-Science, Technology, Engineering, and Math (T-Stem) Challenge Scholarship Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

           Yes                            X       No



## Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a State of Texas Single Audit.

No findings were noted.

### Part III – State of Texas Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Section .510(a) of the State of Texas Uniform Grant Management Standards, Part IV (for example: material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving state awards that are material to a major program.

#### **Finding 13-So1**

<u>State program information:</u>	<p><u>State awarding agencies:</u> Texas Higher Education Coordinating Board</p> <p><u>State Programs:</u> Development Education Demonstration Project (DEDP) Award No: 02771</p> <p>Award year: 2012-2013</p>
<u>Criteria or specific requirement (including statutory, regulatory or other citation):</u>	<p>Expenditure Testing- Allowable Costs/Cost Principles</p> <p>According to the State of Texas Uniform Grant Management Standards, Attachment B, Section 11h:</p> <p>Charges to Federal <b>or State</b> awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with generally accepted practice of the governmental unit and approved by a responsible official(s) of the governmental unit. No further documentation is required for the salaries and wages of employees who work in a single indirect cost activity. Where employees are expected to work solely on a single Federal <b>or State</b> award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation that meet the following standards:</p> <ul style="list-style-type: none"> <li>(a) They must reflect an after-the-fact distribution of the actual activity of each employee,</li> <li>(b) They must account for the total activity for which each employee is compensated,</li> <li>(c) They must be prepared at least monthly and must coincide with one or more pay periods, and</li> <li>(d) They must be signed by the employee and the supervisory official having first-hand knowledge of the work performed by the employee. The employee's signature is not required in the event the employee cannot be reached due to termination of employment, lack of forwarding address, death or other documented reason.</li> </ul>
<u>Condition:</u>	<p>For DEDP, of 25 expenditures tested for allowable costs, four payroll-related expenditures, all for one employee, were not supported by timely certifications prepared every semester or at least every six months as required by State of Texas Uniform Grant Management Standards.</p>
<u>Questioned costs:</u>	<p>\$-0-</p>
<u>Context:</u>	<p>For DEDP, of the 25 expenditures tested, four payroll-related expenditures, all for one person, were not supported by timely certifications prepared every semester or at least every six months as required by State of Texas Uniform Grant Management Standards.</p>
<u>Effect:</u>	<p>Alamo Colleges is not consistently in compliance with state guidelines regarding the certification requirements related to grant payroll-related expenditures.</p>

Cause: Alamo Colleges' grant payroll-related expenditure procedures were not followed for these expenditures.

Recommendation: Alamo Colleges should establish procedures and internal controls to ensure that certifications are prepared timely for all grant payroll-related expenditures.

Views of responsible officials and planned corrective actions: New procedures will be implemented during fiscal year 2014 as Alamo Colleges will convert from a manual effort certification system to an automated effort certification system. The automated system will improve monitoring of grant payroll-related expenditures.  
Implementation date: 2014  
Responsible person: Vice Chancellor for Academic Affairs

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Summary Schedule of Prior Year Audit Findings – State  
Year Ended August 31, 2013**

**PART II – FINANCIAL STATEMENTS SECTION**

No findings were noted.

**PART III – STATE AWARDS SECTION**

<b>Criteria/Specific Requirement</b>	<b>Finding Number</b>	<b>Status</b>	<b>Management's Response</b>
THECB – Adult Basic Education Innovation Grant (ABE-IG) – Supporting Documentation for Reports	12-S01	Corrected	Additional training was provided to grant managers stressing the importance of maintaining proper documentation for reports to sponsoring agencies and that all financial reports be either prepared or reviewed by the Grants Accounting Department.
THECB – Development Education Demonstration Project (DEDP) – Allowable Costs	12-S02	Corrected	During fiscal year 2013, additional training was provided to grant managers to require written grantor approval for contract changes or interpretations and significant budget amendments prior to implementing such changes. Alamo Colleges concurred with THECB's conclusion and therefore corrected actual expense amounts to reflect the original contract and budget terms.
THECB – Development Education Demonstration Project (DEDP) and Nursing Shortage Reduction program (NSRP) – Certification of Payroll Expenses	12-S03	Partially Corrected	During fiscal year 2013, additional training was provided to grant personnel stressing the requirement of complete, accurate and timely payroll expense certifications. Compliance monitoring was performed to encourage documentation of effort certification. During fiscal year 2014, Alamo Colleges expects to implement an Effort Certification module that interfaces with its administrative software, Banner. The automation will enhance accountability and monitoring efforts.



ALAMO  
COLLEGES



ALAMO  
COLLEGES

Comprehensive Annual Financial Report  
Published and distributed by the Finance and Fiscal Services Department  
811 W. Houston Street, San Antonio, Texas 78207-3033  
<http://www.alamo.edu>  
(210)485-0301