

ALAMO COMMUNITY COLLEGE DISTRICT

San Antonio, Texas



San Antonio College



Northwest Vista College



St. Philip's College



Northeast Lakeview College



Palo Alto College

Comprehensive Annual Financial Report

For the Years Ended
August 31, 2011 and 2010



ALAMO
COLLEGES



ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas

Comprehensive Annual Financial Report

For the Years Ended
August 31, 2011 and 2010

Prepared by:

Finance and Fiscal Services Department

ALAMO COMMUNITY COLLEGE DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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ALAMO
COLLEGES

Introductory Section



December 6, 2011

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

We are proud to submit the following comprehensive annual financial report (CAFR) for the Alamo Community College District (Alamo Colleges, District) for the fiscal year ended August 31, 2011. The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board (GASB) in its authoritative pronouncements, as well as the financial 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 2011, the District's Board of Trustees affirmed the selection of the accounting firm of Ernst & Young LLP to perform the annual audit for the District. 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 concept of reasonable assurance ensures that the costs do not exceed the benefits derived. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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 – provide:

- 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, computer labs, tutoring, financial services, services for the disabled, developmental instruction, veteran services, and job placement.



The Alamo Colleges include two colleges designed as Hispanic-Serving Institutions, 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

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 current and past cumulative effect by Alamo Colleges represents \$1.5 billion in additional regional income due to students' higher earnings and the resulting increased productivity of businesses. Higher earnings expand the tax base and reduce the tax burden of local property owners.

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 since property values remained at about \$100 million, a sizeable tax base, for the last four years. 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.
- State appropriations continue to be a concern. The State reduced its funding to community colleges by 5% for the 2010-2011 biennium. In fall 2009, enrollment at Texas higher education institutions increased by 121,935 students when compared to the previous fall, the largest ever enrollment increase as reported by the Texas Higher Education Coordinating Board. For Alamo Colleges, over the last ten years student



academic contact hours increased about 47% while state appropriations per contact hour decreased about 21%. While the State's economic condition may necessitate cost-cutting, the very real impact to the Texas community colleges is that any fiscal retraction in a time of unprecedented enrollment growth will effectively close the door on our open-door admissions policy-the very foundation of our existence. This will, in turn, limit essential educational and training opportunities to our citizens and employers and effectively stall the economic recovery of the State. Texas community colleges face an enormous funding challenge as the deficit State budget continues.

- Alamo Colleges did not implement an across the board tuition increase for the 2012 budget and moves forward with a balanced 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 has strategically and systematically reduced its expenses through immediate cost saving methods and investing in future cost saving ideas. Identifying cost saving areas has been a collaborative effort fostered by strategic brainstorming sessions that produced strategic initiatives implemented during fiscal year 2011. Strategic initiatives included expense controls such as part time and full time workforce management, a hiring chill, a printing initiative across the district, as well as a review and increase of class sizes. During fiscal year 2011 Alamo Colleges paid out its grandfathered sick leave accrued prior to 1987. This current cost of approximately \$4 million locked in the payout rate at current pay rates, reaping future cost savings. The Board exhibited

another bold strategy by making up to \$8 million available for a retirement incentive program with 186 employees electing retirement.

Future financial pressures include specific state appropriation reductions covering health insurance and retirement costs, new legislation requiring community colleges contribute the sum of one percent of the base salaries of all its benefits eligible employees, and additional billing from the State for the health insurance shortfall (when actual premium payments exceed state formula funding, it is then billed directly to the college).

Alamo College's budget has been particularly impacted for fiscal year 2012 due to actions taken by the 82nd Texas Legislature, which convened early 2011. Significant reductions in funding for community colleges were made, primarily in the areas of state-funded group health insurance and retirement benefits. As a result, the Alamo Colleges had to absorb \$11.5 million in health insurance and retirement benefit shortfalls. This includes specific state appropriation reductions requiring community colleges contribute the sum of one percent of the base salaries of all its benefits eligible employees.

Strategic Planning

The Board approves a strategic plan in three-year cycles, last approved in August 2009. The plan is reviewed and reaffirmed every year, and involves all levels of the organization. The vision, mission, values and goals determine the overall strategic decisions for the Alamo Colleges. 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 operating budget, which is approved annually by the Board of Trustees.

The Alamo Colleges' strategic plan goals include: 1) maintain and extend an open door and affordable access to quality higher education; 2) increase academic support of all students; 3) build a world-class workforce education and training capacity



in partnership with businesses and community-based organizations; 4) develop the human capital and strengthen the financial, technological, and physical capacities for first-rate student and community services; and 5) foster integrated organizational communication. These goals align with the state's higher education plan, entitled *Closing the Gaps by 2015*. The Alamo Colleges follow the Baldrige Model to institute excellence in our education system. This national model includes an organizational self-assessment and self-improvement framework to increase efficiency, operate effectively, improve sustainability and accountability to stakeholders.

Cash and Investment Management

The Board retains ultimate responsibility as fiduciary of the financial assets of the District. The Associate Vice Chancellor of Finance and Fiscal Services is designated as the investment officer of the District and is responsible for the investment of funds consistent with the investment policy adopted by the Board.

Risk Management

The District manages risk using a traditional approach incorporating purchase of insurance policies, design and implementation of safety programs and claims administration. The Department of Risk Management works with a licensed broker to obtain appropriate and adequate coverage designed to insure District property, equipment and other contents of buildings, including cash, and to provide coverage for special perils that are unique to the District's operations. The Risk Management Department develops and maintains procedures for reporting damage, losses, and other acts covered by the insurance program. The Safety Coordinator designs and implements safety-related programs and procedures for the workplace and the classroom.

Major Initiatives



Student Success The Alamo Colleges actively participate in national, state and local initiatives to ensure student access and success. One national initiative, Achieving the Dream: Community Colleges Count, focuses on creating a "culture of evidence" on community college campuses in which data collection and analysis drive efforts to identify problems that prevent students from succeeding—particularly low-income students and students of color. It develops programs to help students stay in school and ultimately receive a certificate or diploma or

transfer to a four-year institution. Alamo Colleges was recognized as a leader in the national student completion movement by Achieving the Dream: Community Colleges Count. Alamo Colleges, one of seven colleges nationally designated as a 2010 Leader College, was recognized for demonstrating sustained improvement and accomplishments on key student achievement indicators. A Leader College must have demonstrated commitment to and progress on the four principles of Achieving the Dream: committed leadership, use of evidence to improve programs and services, broad engagement, and systemic institutional improvement, as well as sustained improvement of student success. Alamo Colleges is proud to have received this recognition.

Project Phoenix The Project Phoenix cross-functional activities that began in 2009 were fully operational by Fall 2010 as planned. The implementation of the Enterprise Resource Planning (ERP) system, known as Project Phoenix, accomplished replacement of the legacy systems, a flexible foundation for expansion, and process improvements that reflect industry best practices. All systems and college locations - accounting, human resources, payroll, student records, student financial aid and Bursar—are now fully integrated. Students, faculty, staff, and the community are embracing the new efficiencies made possible by the comprehensive information system that better supports Alamo Colleges' long-term mission of supporting student success.

Awards and Acknowledgements

Texas Higher Education Star Recognition The Texas Higher Education Star Award, established by the Texas Higher Education Coordinating Board in 2001,



recognizes Texas institutions for their exceptional contributions toward the goals of *Closing the Gaps by 2015*, the Texas higher education plan adopted by the Coordinating Board in October 2000. For 2010, two of the Alamo Colleges were recognized as finalists in the goal of student success.

- San Antonio College was selected as a finalist for the submission of *The BioSpot*, an interactive tutoring/mentoring facility established in 2007. Student success is enhanced as faculty members engage biology students for tutoring and mentoring, as well as provide useful resources so students become more invested in their own success. The existence of a “Biology University” website is blasted to all students in a biology course each term. The website offers online study materials, access to course content and tutor scheduling. The faculty involvement takes the place of traditional office hours.
- St. Philip’s College was selected as a finalist for its student success accomplishments in the Licensed Vocational Nursing Program. The focus was on increasing the number of graduating students passing the state licensing examination on the first attempt while simultaneously increasing the number of minority graduates. During the period of 2005 through 2009, the LVN Program at St. Phillip’s College achieved excellence in key measures recognized as critical community colleges accountability measures by Texas. The achievement of licensure pass rates exceeding 90 percent is attributed to faculty involvement, curriculum assessment, emphasis on quality improvement and deployment of sound interventions, with no additional increases in faculty and staff related expenditures.

Alamo Colleges was awarded the Certificate of Achievement for Excellence in Financial Reporting from the GFOA for its comprehensive annual financial report for the fiscal years ended August 31, 2009 and 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The CAFR must satisfy U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. The 2011 report conforms to the Certificate of Achievement requirements, and it will be submitted for consideration of this award for this current reporting period.

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 Alamo Colleges’ staff.

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, 2011

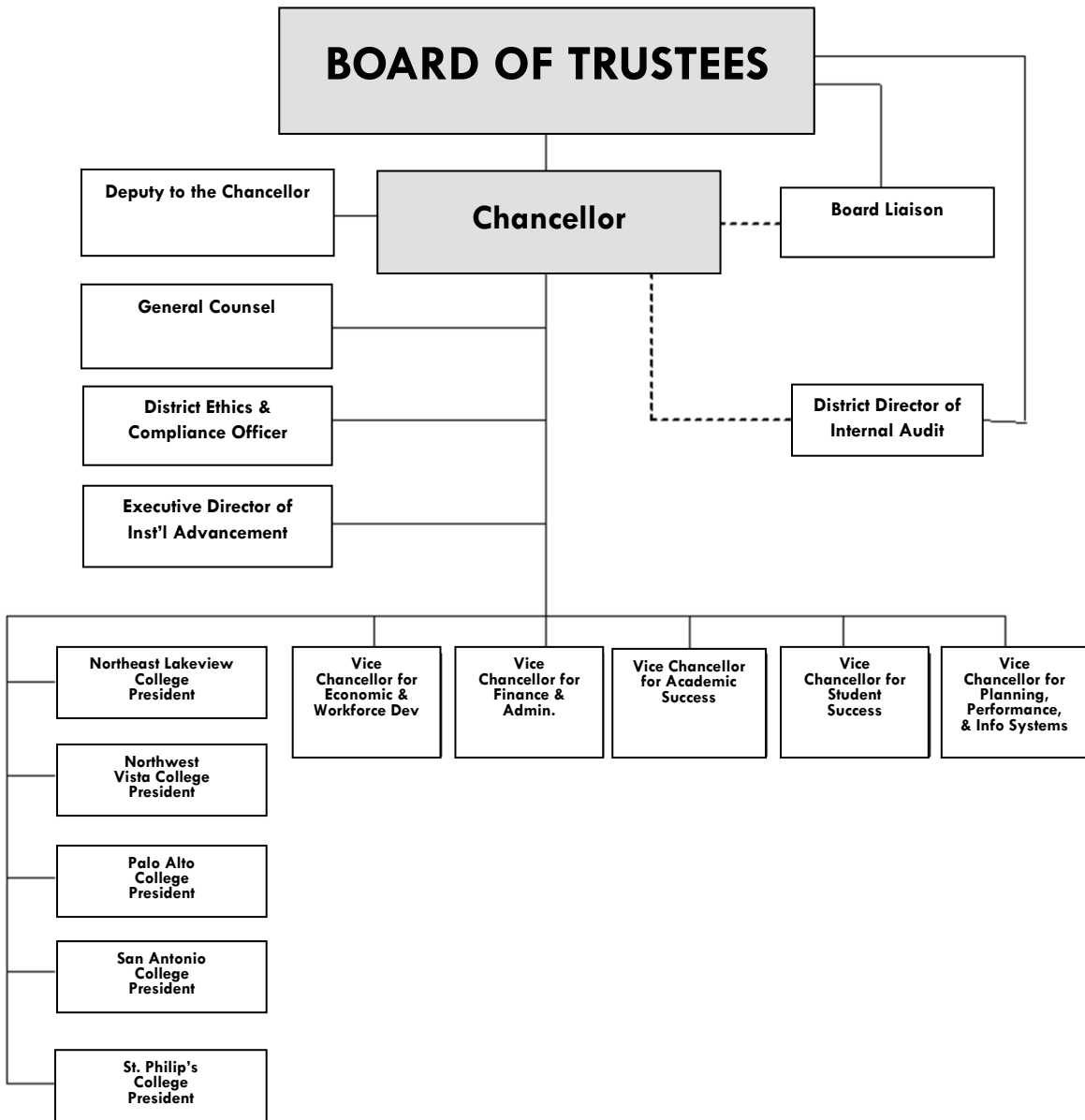
ELECTED OFFICIALS

Member	Position	City, State	Term Expires
Gary Beitzel	Chairperson	San Antonio, Texas	2014
James A. Rindfuss	Vice-Chairperson	Universal City, Texas	2014
Anna U. Bustamante	Secretary	San Antonio, Texas	2016
Marcelo S. Casillas	Assistant Secretary	San Antonio, Texas	2014
Blakely Latham Fernandez	Member of the Board	San Antonio, Texas	2012
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2012
Roberto Zárate	Member of the Board	San Antonio, Texas	2012
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	2016
Denver McClendon	Member of the Board	San Antonio, Texas	2016

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
Retha Karnes, J.D.	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Info. Systems
Dr. Robert Aguero	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. Ana Guzman	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Zeigler	President, San Antonio College
Pamela Ansbury, 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

VISION

The Alamo Colleges will be the best in the nation.

MISSION

Empowering our diverse communities for success.

VALUES

- **INTEGRITY:** We have the courage to act ethically, building a culture of trust and respect.
- **COMMUNICATION:** We engage in open and transparent communication, information sharing, and collaboration.
- **COMMUNITY:** We commit to a joyful culture of learning and service where unity in diversity occurs through mutual respect, cooperation, and accessibility.
- **ACADEMIC FREEDOM:** We value creativity, growth, and transformation through vigorous inquiry and a free exchange of ideas for all.
- **ACCOUNTABILITY:** We take responsibility for our actions and strive for continuous learning and improvement.

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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Financial Section



ALAMO
COLLEGES

Report of Independent Auditors

The Board of Trustees
Alamo Community College District

We have audited the accompanying basic financial statements of the 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, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

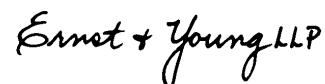
We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the District's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2011 and 2010, and the changes in its financial position and its cash flows for the years then ended in conformity with US generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2011, 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, 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* and should be considered in assessing the results of our audits.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of this required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The Introductory Section, Supplementary Information-By College 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 express no opinion on them.



December 6, 2011

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 (District) for the fiscal year ended August 31, 2011. 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 Assets provide a summary of assets, liabilities and net assets as of August 31, 2011; the Statements of Revenues, Expenses and Changes in Net Assets provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows. Highlighted information from each basic financial statement is presented below.

- Total assets increased \$20.9 million and total liabilities increased \$24.1 million.
- The District's net assets at August 31, 2011 were \$274.1 million reflecting a \$3.2 million decrease from prior year.
- The District's operating loss was \$320.4 million.
- Cash and Cash Equivalents decreased \$9.1 million during the year ended August 31, 2011.
- The bond ratings for the District's general obligation bonds was Aaa by Moody's Investor Services, the highest rating possible, and was 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).

Statements of Net Assets

The Statements of Net Assets represent the District's financial position at the end of the fiscal year and includes all assets and liabilities of the District. Net Assets 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 payable and other long-term commitments.

A Condensed Schedule of Net Assets is presented below. Total assets increased 2% or \$20.9 million during fiscal year 2011. The increase is primarily due to a \$32.5 million increase in investments related to the funding of a new Maintenance Tax note and a \$23.4 million increase in capital assets related to spending from an earlier \$450 million voter-approved bond program. A partial offset is due to a \$9.1 million decrease in cash

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

related to debt service and a \$28.8 million increase in accumulated depreciation related to assets placed into service.

During fiscal year 2011 total liabilities increased 3% or \$24.1 million and decreased by 2% or \$18.6 million during fiscal year 2010. Noncurrent liabilities consist primarily of bonds payable and increased \$37.2 million during fiscal year 2011 generally due to the \$60.6 million funding from a new Maintenance Tax note and decreased slightly in 2010. Current liabilities decreased \$13.1 million during 2011 primarily related to decreases in general accounts payable and current portion of long-term liabilities. The decrease in the current portion of long-term liabilities is primarily due to the payout of the 2009 Maintenance Tax note and the payout of approximately \$4 million in grandfathered compensable absences as a cost savings measure.

The District's net assets at August 31, 2011 were \$274.1 million compared to \$277.3 million at August 31, 2010. This slight decrease of \$3.2 million in excess expenses over revenues primarily relates to the \$3.6 decrease in invested in capital assets net of related debt. Depreciation expense of \$29.5 million for 2011 included a \$5 million increase related to approximately \$100 million of assets capitalized in 2010 with a full year of depreciation in 2011. During 2011, unrestricted net assets increased approximately \$0.2 million and restricted net assets increased approximately \$0.2 million.

Condensed Schedule of Net Assets

(in millions)

	Fiscal Year			Change	
	2011	2010	2009	2010 to 2011	2009 to 2010
Assets					
Cash and cash equivalents	\$ 80.5	\$ 89.6	\$ 169.0	\$ (9.1)	\$ (79.4)
Accounts and notes receivable, net	20.7	18.5	10.4	2.2	8.1
Investments	113.0	80.5	66.1	32.5	14.4
Endowment investments	11.1	10.3	9.8	0.8	0.5
Deferred charges and other	6.6	6.7	7.0	(0.1)	(0.3)
Capital assets	937.6	914.2	852.6	23.4	61.6
Accumulated depreciation	(201.2)	(172.4)	(152.3)	(28.8)	(20.1)
Total assets	968.3	947.4	962.6	20.9	(15.2)
Liabilities					
Current liabilities	74.2	87.3	86.4	(13.1)	0.9
Noncurrent liabilities	620.0	582.8	602.3	37.2	(19.5)
Total liabilities	694.2	670.1	688.7	24.1	(18.6)
Net assets					
Invested in capital assets, net of related debt	179.0	182.6	181.6	(3.6)	1.0
Restricted (Expendable)	11.4	11.2	10.3	0.2	0.9
Unrestricted	83.7	83.5	82.0	0.2	1.5
Total net assets	\$ 274.1	\$ 277.3	\$ 273.9	\$ (3.2)	\$ 3.4

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

Statements of Revenues, Expenses and Changes in Net Assets

The Statements of Revenues, Expenses and Changes in Net Assets 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 taxes, state appropriations, and all federal financial aid grants are classified as non-operating revenues, Texas public community colleges will generally reflect an operating loss with the increase or decrease in net assets 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 assets. When the reverse occurs, the result is a decrease in net assets. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Assets and notes to the financial statements.

A summarized comparison of the District's revenues, expenses and changes in net assets for the years ended August 31, 2011, 2010, and 2009 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2011	2010	2009	2010 to 2011	2009 to 2010
Operating revenues (see detail below)	\$ 81.4	\$ 91.9	\$ 86.3	\$ (10.5)	\$ 12.3
Operating expenses (see detail below)	401.8	400.0	351.4	1.8	48.6
Operating loss	(320.4)	(308.1)	(265.1)	(12.3)	(36.3)
Non-operating revenues (expenses):					
State appropriations	85.9	90.1	87.9	(4.2)	2.2
Ad valorem taxes	136.7	133.6	131.8	3.1	1.8
Federal and state grants, non-operating	122.4	120.1	82.5	2.3	30.9
Investment income	1.6	1.4	6.3	0.2	(4.9)
Interest on capital related debt	(27.4)	(28.0)	(28.8)	0.6	0.8
Other non-operating revenues (expenses)	(2.0)	(5.7)	(17.9)	3.7	12.2
Total non-operating revenues	317.2	311.5	261.8	5.7	43.0
Capital contributions/additions to permanent endowments	-	-	(1.2)	-	1.2
Increase (decrease) in net assets	(3.2)	3.5	(4.5)	(6.7)	7.9
Net assets - beginning of year	277.3	273.9	278.4	3.5	(4.5)
Net assets - end of year	\$ 274.1	\$ 277.3	\$ 273.9	\$ (3.2)	\$ 3.4

ALAMO COMMUNITY COLLEGE DISTRICT

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

**Operating Revenues
(in millions)**

	2011		2010		2009		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2010 to 2011	2009 to 2010
Net tuition and fees	\$ 48.9	60.1%	\$ 58.9	64.1%	\$ 51.1	59.2%	\$ (10.0)	\$ 7.8
Grants and contracts	26.6	32.7%	27.2	29.6%	28.6	33.1%	(0.6)	5.4
Auxiliary enterprises	4.2	5.2%	4.5	4.9%	4.3	5.0%	(0.3)	0.2
Other operating revenues	1.7	2.0%	1.3	1.4%	2.3	2.7%	0.4	(1.1)
Total operating revenues	\$ 81.4	100.0%	\$ 91.9	100.0%	\$ 86.3	100.0%	\$ (10.5)	\$ 12.3

The percentage makeup of the components of total operating revenues remained relatively consistent over the last three fiscal years with grants and contracts accounting for approximately one-third of operating revenues. Operating grant and contract revenue had a slight decrease by dollar amount for the third year or \$2.0 million since 2009.

The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented below. Total tuition and fees is 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. Tuition represents over 74% of the total tuition and fee revenue, with fees contributing approximately 22%, and the remaining 4% made up of continuing education (CE) and contract training. Overall, net tuition and fees decreased \$10 million or 16%. The increase in the for-credit tuition of \$3.5 million offset the \$3.5 million decrease in CE tuition. Therefore, the net decrease is primarily related to discounts and bad debt expense. Federal and state discounts increased \$5.2 million and bad debt expense of \$4.8 million. 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. The discount rate increased from 49.6% in 2010 to 58.3% in 2011, or \$10.6 million.

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

	2011		2010	
	Amount	% of Total	Amount	% of Total
Tuition	\$ 87.4	74.5%	\$ 85.1	73.1%
CE and contract training	4.5	3.9%	8.0	6.9%
Fees	25.3	21.6%	23.5	20.0%
Total tuition and fees	\$ 117.2	100.0%	\$ 116.6	100.0%
<u>Waivers and financial aid as a % of total tuition and fees:</u>				
	Amount	% of Total Tuition & Fees	Amount	% of Total Tuition & Fees
Waivers and financial aid	\$ 68.3	58.3%	\$ 57.7	49.6%

Annual student credit hours, a determining factor of tuition revenue, decreased from 1.1 million student credit hours in fiscal year 2010 to 1.0 million student credit hours in fiscal year 2011. The total number of students

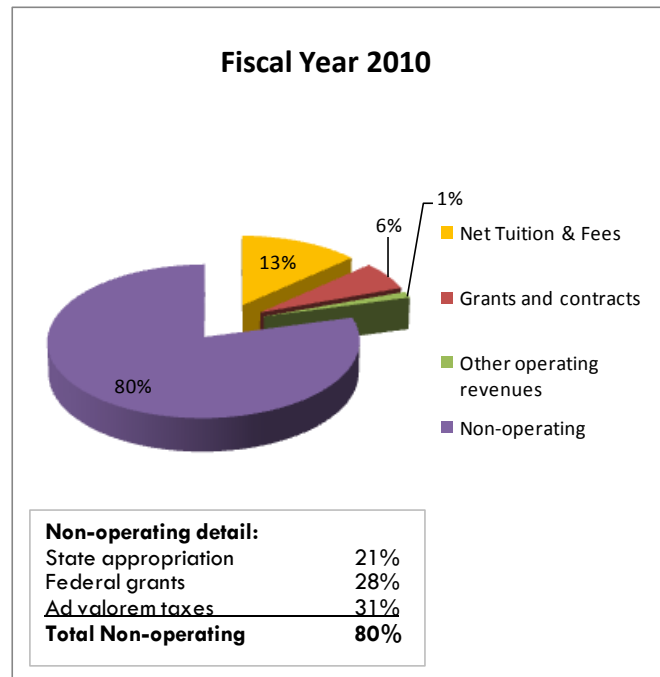
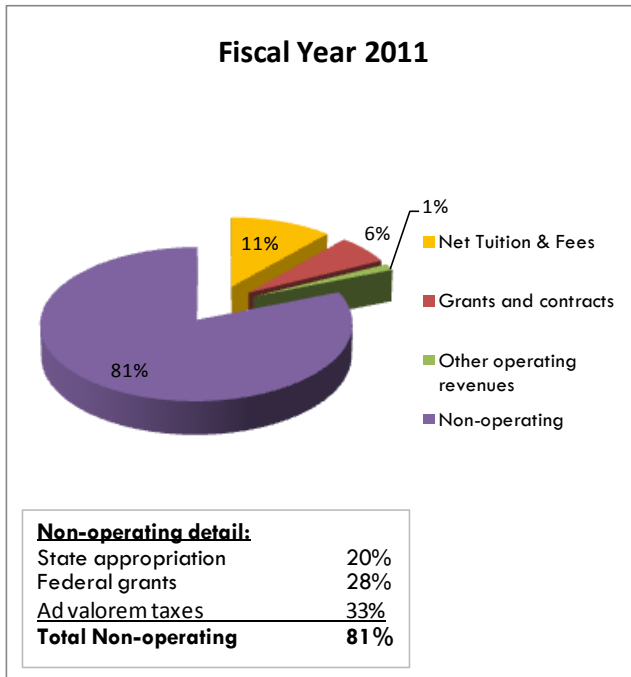
ALAMO COMMUNITY COLLEGE DISTRICT

**Management’s Discussion and Analysis
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attending, approximately 62,300 (i.e. the student head count), increased from fall 2009 to fall 2010 by approximately 3,700 students or 6%.

Below is a chart of the major sources of revenue for fiscal years 2011 and 2010, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 81% for each fiscal year. The primary components of non-operating revenues remain as State appropriations, federal financial aid grants and ad valorem taxes.

Revenue Components – Operating and Non-operating



Operating expenses are presented below in both a natural and a functional classification. Following is a three year comparison of operating expenses by natural classification type. Salaries remained relatively flat from fiscal year 2010 to 2011 and increased \$10.8 million or 8.5% from fiscal 2009 to 2010. The fiscal year 2010 increase was caused in part by a 2% increase in salaries at mid-year. The salary increase is also reflected by the 10% increase in instructional expenses, a general functional expense category containing all faculty salaries. Depreciation expense increased \$5.0 million as previously discussed.

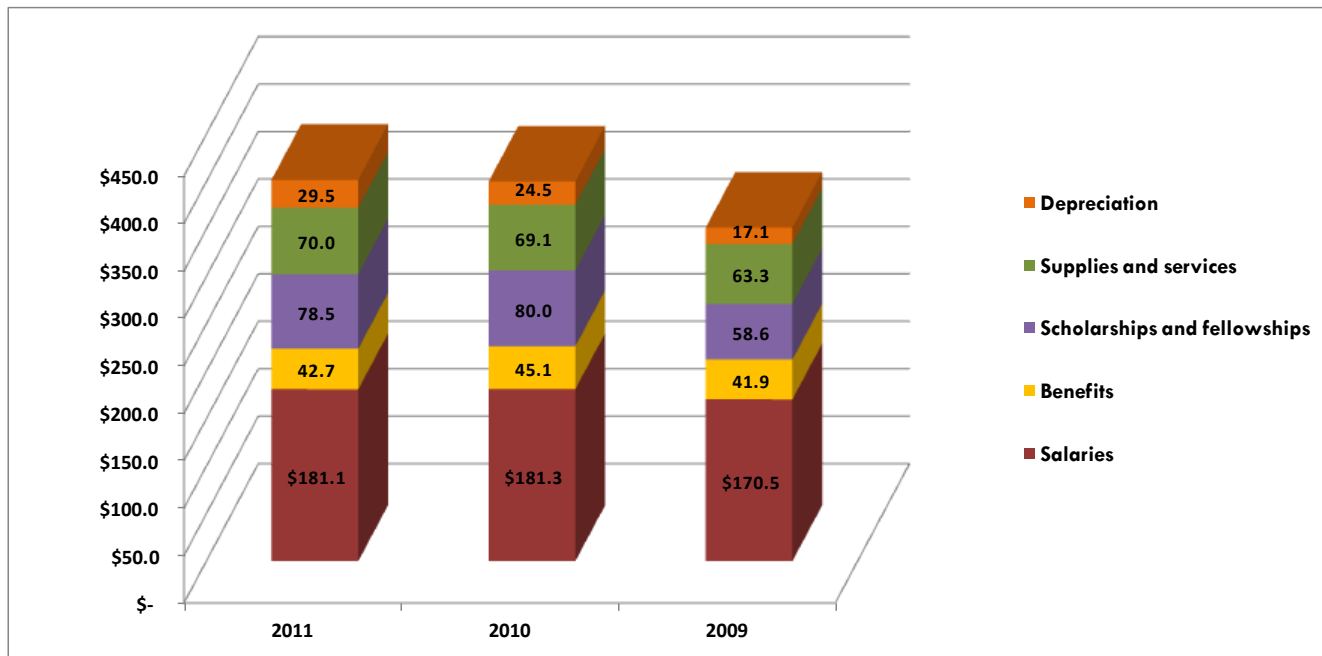
ALAMO COMMUNITY COLLEGE DISTRICT

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

	Fiscal Year			Change	
	2011	2010	2009	2010 to 2011	2009 to 2010
Salaries	\$ 181.1	\$ 181.3	\$ 170.5	\$ (0.2)	\$ 10.8
Benefits	42.7	45.1	41.9	(2.4)	3.2
Scholarships and fellowships	78.5	80.0	58.6	(1.5)	21.4
Supplies and services	70.0	69.1	63.3	0.9	5.8
Depreciation	29.5	24.5	17.1	5.0	7.4
Total operating expenses	\$ 401.8	\$ 400.0	\$ 351.4	\$ 1.8	\$ 48.6

Operating Expenses in Natural Classification
(in millions of dollars)



Scholarship 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 was relatively flat between 2010 and 2011. Scholarship expense increased for fiscal year 2010 as more funds were disbursed due to an increase in the student population. All other operating expenses remained relatively flat, except for depreciation expense that increased \$5.0 million due to the increase of capital assets.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Operating Expenses in Functional Classification
(in millions)

	Fiscal Year			Change	
	2011	2010	2009	2010 to 2011	2009 to 2010
Instruction	\$ 144.3	\$ 145.1	\$ 130.8	\$ (0.8)	\$ 14.3
Public service	0.3	0.3	0.6	(0.0)	(0.3)
Academic support	28.1	27.5	25.1	0.6	2.4
Student services	31.0	33.6	32.0	(2.6)	1.6
Institutional support	54.7	55.5	55.0	(0.8)	0.5
Operation and maintenance of plant	33.3	31.9	29.8	1.4	2.1
Depreciation	29.5	24.5	17.1	5.0	7.4
Scholarships and fellowships	78.4	80.0	58.6	(1.5)	21.4
Total educational and general	399.6	398.4	349.0	1.2	49.4
Auxiliary enterprises	2.2	1.6	2.4	0.6	(0.8)
Total operating expenses	\$ 401.8	\$ 400.0	\$ 351.4	\$ 1.8	\$ 48.6

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 \$0.8 in fiscal year 2011 and increased \$14.3 million in fiscal year 2010. The relatively flat instruction costs for 2011 relate to the strategic initiatives discussed below and the increase in 2010 relates to an overall 5% increase in enrollment.
- Academic support includes expenses relate to providing support services for the colleges' primary mission of instruction, including libraries, computing support, audio visual services, curriculum development and academic program administration. These expenses increased \$0.6 million during fiscal year 2011 and \$2.4 million in fiscal year 2010.
- Student services includes expenses of various departments serving students such as student newspapers, intramural athletics, student organizations, counseling and career guidance, student aid administration, student health services, counseling and student success centers. Student services expenses decreased \$2.6 million, or slightly less than one percent. For fiscal 2010, an increase of \$1.6 million in this category was consistent with enrollment growth.
- For fiscal year 2011, scholarships and fellowships remained relatively flat at a \$1.5 million decrease after having posted a \$21.4 million increase in fiscal year 2010. This increase was due to the availability of financial aid funds for the increasing enrollment base.

The District's largest operating expense is salaries and benefits. Other significant expense categories include technology and utility costs. As the District continues to experience financial pressure from declining State of Texas appropriations and tax revenues, expense controls are in place as developed by Board members, administrators, faculty, staff and students across the institution. Cost savings strategic initiatives, such as reducing temporary staff and agency personnel, increasing class size, an early retirement incentive plan, controlled

ALAMO COMMUNITY COLLEGE DISTRICT

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

overtime and hiring, and outsourcing strategies were implemented that contributed to the control of workforce related expenses. Other non-workforce cost savings initiatives included reducing furniture and equipment purchases, as well as costs related to marketing, printing, paper, and utilities.

Statements of Cash Flows

The Statements of Cash Flows provide information about the sources of cash and the use of cash in the operations 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 decrease in cash and cash equivalents of \$9.1 million at August 31, 2011 and an overall decrease in cash and cash equivalents of \$79.4 million at August 31, 2010. The primary use of cash in operations is in payment of salaries and benefits, followed by payments for scholarships and fellowships then, payments to suppliers for goods and services. Sources of cash from non-capital financing activities are primarily from non-operating federal and state revenue, ad valorem taxes and state appropriations. Financing activities include payment of debt, both principal and interest, as well as capital asset acquisitions and construction. Excess operating cash earned \$2.0 million in fiscal year 2011 and \$1.5 million in fiscal year 2010.

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The District had \$736.4 million and \$741.8 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2011 and 2010, respectively. Depreciation and amortization expenses totaled \$29.5 in fiscal year 2011 and \$24.5 million in fiscal year 2011. (See Note 5, to the basic financial statements.) A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End
(in millions)

	Fiscal Year			Change	
	2011	2010	2009	2010 to 2011	2009 to 2010
Land	\$ 54.6	\$ 54.6	\$ 54.5	\$ -	\$ 0.1
Facility and land improvements	67.7	66.1	65.0	1.6	1.1
Buildings, work in progress, & works of art	597.3	604.6	563.4	(7.3)	41.2
Furniture and equipment	13.1	12.3	12.8	0.8	(0.5)
Software	0.6	1.0	1.2	(0.4)	(0.2)
Library materials	3.1	3.2	3.4	(0.1)	(0.2)
Total capital assets, net of accumulated depreciation	<u>\$ 736.4</u>	<u>\$ 741.8</u>	<u>\$ 700.3</u>	<u>\$ (5.4)</u>	<u>\$ 41.5</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 table below lists assets subject to depreciation and the percentage depreciated to August 31, 2011 and 2010.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Depreciable Capital Assets and Accumulated Depreciation Percentages
(in millions)

	Fiscal Year 2011			Fiscal Year 2010		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Facility and land improvements	\$ 107.8	\$ 40.1	37.2%	\$ 100.4	\$ 34.3	34.2%
Buildings	701.6	124.4	17.7%	690.3	105.8	15.3%
Furniture and equipment	34.5	21.5	62.2%	30.1	17.8	59.1%
Software	2.9	2.3	78.7%	3.0	2.0	66.7%
Library materials	16.0	12.9	80.7%	15.8	12.6	79.7%

Major capital additions and renovations completed or in progress during fiscal years 2011 and 2010 included the following:

Fiscal Year 2011	Amount (in millions)
San Antonio College - Moody Learning Center Renovation	\$ 2.0
San Antonio College – FRA Firing Range	1.0
St. Philips College – Sutton Learning Center Renovation	3.0
Southwest Campus Center – Solar Panel ARRA Grant	2.0
Palo Alto College – Applied Science Building Renovation	3.8
Palo Alto College – Math & Science Building Renovation	4.1
Northwest Vista College – Manzanillo Renovation	1.5
Northwest Vista College – Mountain Laurel Renovation	2.0
Northwest Vista College – Landscape Irrigation Improvements	1.1
Northwest Vista College – Fitness Trail	0.5
Northwest Vista College - North Loop Road Extension	1.1
Northeast Lakeview College – Outdoor Amphitheater	0.4
Northeast Lakeview College – Canopies and Trellis Structure	1.3

Fiscal Year 2010	Amount (in millions)
San Antonio College Chemistry and Geology Renovation	\$ 7.7
San Antonio College Early College Programs Building Renovation	12.7
Southwest Campus Center of Excellence and Building 3020 Renovation	31.1
Palo Alto College Social Science Building Renovation	3.7
Palo Alto College Business Center Building Renovation	3.2
Palo Alto College Palomino Center Renovation	4.9
Northwest Vista College Mexican Persimmons Central Plant Renovation	4.0
Northwest Vista College Health, Fitness and Wellness Center	7.6
Northeast Lakeview College Wellness Center Addition	1.9
Northeast Lakeview College Fine Arts Facility Addition	0.8

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

In accordance with GASB Statements No. 34 and 35, 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 Assets 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.

The District has entered into several contracts for construction and various other renovation projects financed by bond proceeds. As of August 31, 2011 and 2010, the District was committed for approximately \$11 million and \$27 million, respectively. For additional information concerning the District's capital assets, see Note 5 to the basic financial statements.

Debt

The District had \$622.0 million and \$589.2 million in outstanding debt at August 31, 2011 and 2010, respectively. Outstanding debt increased by \$32.8 million and decreased by \$9.4 million in fiscal years 2011 and 2010, respectively. The table below summarizes these amounts by type of debt instrument. See also Note 8 to the basic financial statements for additional information.

Outstanding Debt at Fiscal Year End (in millions)

	Fiscal Year			Change	
	2010	2010	2009	2009 to 2010	2009 to 2010
General obligation bonds	\$ 404.1	\$ 411.7	\$ 419.3	\$ (7.6)	\$ (7.6)
Revenue bonds	65.9	69.5	72.9	(3.4)	(3.4)
Tax notes	152.0	108.0	106.2	44.0	1.8
Notes payable	-	-	0.2	0.0	(0.2)
Total outstanding debt	\$ 622.0	\$ 589.2	\$ 598.6	\$ 32.8	\$ (9.4)

During fiscal year 2011, although tax notes were reduced by \$10.9 million, an additional \$54.8 million in tax notes were approved by the Board of Trustees and issued for building renovations across the District. The new tax note is the primarily cause for the net increase of \$44.0 million for fiscal year 2011.

The District's general obligation debt is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of the District that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues. The pledged revenues include, but are not limited to, general fees, pledged tuition, pledged auxiliary revenue and general fund investment income.

The bond ratings for the District's general obligation bonds was Aaa by Moody's Investor Services, the highest rating possible, and was AA+ by Standard & Poor's.

ALAMO COMMUNITY COLLEGE DISTRICT

Management's Discussion and Analysis (Unaudited)

The reasons attributed to the stable ratings include diverse tax base, enrollment growth, solid reserves and sound financial position. The bond ratings for the District's general obligation bonds was Aaa by Moody's Investor Services, 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 District's economic condition is influenced by the economic positions of the State of Texas, County of Bexar and surrounding counties and the City of San Antonio. For September 2011, the U.S. Bureau of Labor Statistics reported the national unemployment rate at 9.1%, the Texas unemployment rate at 8.5% and the San Antonio rate at 8.1%. The Texas economy continues to fare better than those of many other states. The Federal Reserve Bank of Dallas, in its Metro Business-Cycle index for San Antonio, indicated the local economy declined 1.1% from September 2009 to September 2010 and declined 4.9% from September 2008 to September 2009.

Forbes Magazine in July 2011 ranked San Antonio No. 4 among the nations next "boom towns". The survey included data on economic growth over the past two years, family formation rates, growth in educated migration, population and a broad measurement of attractiveness to immigrants. Per the Forbes survey, San Antonio boasts soaring population rates as well as a good job market and booming industry.

The president and CEO of the Federal Reserve Bank of Dallas recently stated that Texas was the last into the recent recession and one of the strongest coming out. Texas entered the recession in the fall of 2008, but quickly recovered at a faster pace than the rest of the nation. Companies that are expanding or relocating operations still consider Texas, and San Antonio, to hold greater opportunities compared with other parts of the country. San Antonio has a diversified economic base (military, health care, IT, visitor industry) which does not experience the wide swings of the business cycle much of the rest of the country experiences. The challenge over the longer term will be to educate and train the workforce of the future, which includes individual workforce development programs.

Despite the economic slowdown at both the national, state and local levels, the District's outlook 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 Assets
August 31, 2011 and 2010**

	2011	2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,531,295	\$ 41,706,036
Restricted cash and cash equivalents	999,004	23,902,799
Investments	72,143,918	13,031,000
Accounts and notes receivable, net of allowances	20,681,112	18,524,401
Other assets	462,578	579,106
Total current assets	109,817,907	97,743,342
Noncurrent assets:		
Restricted cash and cash equivalents	63,984,287	24,020,637
Endowment investments	11,092,426	10,357,992
Long-term investments - Operating	40,878,903	67,504,332
Unamortized Debt issuance costs (net)	6,179,323	6,007,510
Capital assets (net)	736,389,433	741,803,216
Total noncurrent assets	858,524,372	849,693,687
TOTAL ASSETS	968,342,279	947,437,029
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	18,537,147	25,354,710
Funds held for others	650,892	593,885
Deferred revenues	33,762,488	34,796,232
Current portion of long-term liabilities	21,309,583	26,581,675
Total current liabilities	74,260,110	87,326,502
Noncurrent liabilities	619,999,914	582,779,679
TOTAL LIABILITIES	694,260,024	670,106,181
NET ASSETS		
Invested in capital assets, net of related debt	179,049,528	182,571,597
Restricted (expendable) for:		
Student aid	4,223,246	3,851,177
Instructional programs	1,074,830	992,851
Capital projects	-	832,032
Debt service	6,041,389	5,535,991
Unrestricted	83,693,262	83,547,200
TOTAL NET ASSETS (Schedule D)	\$ 274,082,255	\$ 277,330,848

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 Assets
For Years Ended August 31, 2011 and 2010**

	2011	2010
OPERATING REVENUES		
Tuition and fees (net of discounts of \$68,334,353 and \$57,743,819, respectively)	\$ 48,916,644	\$ 58,892,041
Federal grants and contracts	18,364,222	21,369,410
State grants and contracts	5,863,417	2,758,185
Local grants and contracts	1,107,534	1,438,388
Non-governmental grants and contracts	1,287,850	1,656,285
Auxiliary enterprises	4,193,831	4,522,619
Other operating revenues	1,624,197	1,285,946
Total operating revenues (Schedule A)	81,357,695	91,922,874
OPERATING EXPENSES		
Instruction	144,316,720	145,086,474
Public service	291,066	299,762
Academic support	28,083,045	27,528,914
Student services	31,004,145	33,630,977
Institutional support	54,684,308	55,463,434
Operation and maintenance of plant	33,258,631	31,846,553
Scholarships and fellowships	78,446,887	79,979,376
Auxiliary enterprises	2,213,641	1,644,545
Depreciation and amortization	29,519,656	24,549,546
Total operating expenses (Schedule B)	401,818,099	400,029,581
Operating loss	(320,460,404)	(308,106,707)
NON-OPERATING REVENUES/(EXPENSES)		
State appropriations	85,942,117	90,134,871
Ad valorem taxes:		
Taxes for maintenance and operations	93,559,514	89,615,404
Taxes for general obligation bonds	43,153,029	43,983,975
Federal grants, non-operating	118,192,829	113,380,484
State grants, non-operating	4,213,854	6,745,614
Gifts	476,222	95,936
Investment income	1,566,098	1,439,442
Interest on capital related debt	(27,407,637)	(28,083,833)
Other non-operating revenues/(expenses)	(2,533,215)	(5,780,736)
Net non-operating revenues (Schedule C)	317,162,811	311,531,157
Income (loss) before other revenues (expenses)	(3,297,593)	3,424,450
OTHER REVENUES AND EXPENSES		
Capital grants and gifts	49,000	49,000
Total other revenues and expenses	49,000	49,000
Increase (decrease) in net assets	(3,248,593)	3,473,450
NET ASSETS		
Net assets - beginning of year	277,330,848	273,857,398
Net assets - end of year	\$ 274,082,255	\$ 277,330,848

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, 2011 and 2010**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 53,501,854	\$ 60,336,844
Receipts from grants and contracts	24,814,263	22,670,261
Collection of loans to students	72,247	205,461
Other receipts	2,264,122	(34,779)
Payments to or on behalf of employees	(206,981,972)	(208,727,983)
Payments to suppliers for goods and services	(73,846,176)	(61,377,396)
Payments for scholarships and fellowships	(78,446,887)	(79,979,376)
Payment for loans to students	(65,781)	(65,309)
Net cash provided (used) by operating activities	(278,688,330)	(266,972,277)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	68,514,375	72,385,164
Receipts from ad valorem taxes	94,251,092	89,469,464
Receipts from non-operating federal and state revenue	118,344,943	118,334,545
Receipts (payments) from gifts and grants (other than capital)	476,222	95,936
Receipts (payments) to student organizations and other agency transactions	57,007	86,975
Net cash provided (used) by noncapital financing activities	281,643,639	280,372,084
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	60,554,021	12,123,215
Bond issuance costs	(554,021)	(126,420)
Receipts from ad valorem taxes for debt service	43,384,280	43,928,149
Receipts from capital grant contracts, grants and gifts	49,000	1,377,800
Payments for capital assets acquisition and construction of capital assets	(34,656,382)	(87,621,149)
Payments on capital debt - principal	(22,023,778)	(21,182,117)
Payments on capital debt - interest	(27,674,764)	(27,793,850)
Net cash provided (used) by capital and related financing activities	19,078,356	(79,294,372)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	242,209,397	52,579,646
Interest on investments	2,073,372	1,511,815
Purchase of investments	(275,431,320)	(67,569,037)
Net cash provided (used) by investing activities	(31,148,551)	(13,477,576)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,114,886)	(79,372,141)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	89,629,472	169,001,613
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 80,514,586	\$ 89,629,472

(continued)

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

**ALAMO COMMUNITY COLLEGE DISTRICT
EXHIBIT 3**

**Statements of Cash Flows
For Years Ended August 31, 2011 and 2010
(continued)**

	2011	2010
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (320,460,404)	\$ (308,106,707)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	29,519,656	24,549,546
Allowance for doubtful accounts	5,096,617	470,853
Non-cash state appropriations - on-behalf payments	17,427,742	17,749,707
Changes in assets and liabilities:		
Receivables (net)	(4,628,157)	(6,802,749)
Other assets	116,528	(246,059)
Accounts payable	643,703	7,220,609
Deferred revenue	(1,033,744)	(2,147,800)
Compensable absences	(5,710,169)	235,213
Workers' compensation accrual	(116,027)	110,318
Utility escrow	449,459	(145,361)
Loans to students	6,466	140,153
Net cash used by operating activities	\$ (278,688,330)	\$ (266,972,277)

SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:

Decrease in fair value of investments	(596,282)	384,698
Gifts of depreciable and non-depreciable assets	137,140	59,617
Increase (decrease) in rebatable arbitrage liability	(434,755)	(1,228,207)
Amortization of premium on bonds	600,936	707,949
Amortization of prepaid debt issuance costs	382,208	787,173
Amortization of loss on bond refundings	154,174	188,652

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

The District is considered to be a special-purpose primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14. 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.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units, including the Alamo Community College District Foundation, Inc. (the Foundation). The Foundation is a separate nonprofit 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. 39, *Determining Whether Certain Organizations Are Component Units* - an Amendment of GASB Statement No. 14, 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 2011. The District applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989 unless they conflict with or contradict GASB pronouncements. The District has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. For financial reporting purposes, the District is considered a special-purpose government engaged in business-type activities.

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), is 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.

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)

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 Texas Higher Education Coordinating Board (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 Assets. 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.

Other Current Assets

Included in this category are prepaid expenses and inventories.

Accounts Receivable

Accounts receivable are recorded at the invoiced amounts. 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.

Investments

In accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, 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.

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:

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Class of Asset	Capitalization Threshold	Useful Life (Years)	Salvage Value
Land	\$ 5,000	Not Depreciated	-
Land improvements (except tennis courts)	100,000	20	-
Tennis courts	10,000	7	
Buildings	100,000	40	10%
Building improvements	100,000	20	-
Portable buildings	10,000	10	10%
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	Life of Lease or useful life	-
Technology systems	\$ 50,000	5	-

Capitalization of Interest Cost

The District applies the provisions of Statement of Financial Accounting Standards No. 34, *Capitalization of Interest Costs* (FAS 34), and Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Costs in Situations Involving Certain Tax-exempt Borrowings and Certain Gifts and Grants* (FAS 62), an amendment of FASB Statement No. 34, which requires the District to capitalize the interest and fees on new construction.

These standards require that the interest cost offset by interest earnings on the related construction proceeds be capitalized as a part of each new construction project unless the net effect is considered immaterial. Accordingly, no interest cost has been capitalized, as the interest earned has approximately equaled the interest cost to the District.

Compensable Absences

It is the District's policy to accrue employee vacation pay as earned. Sick leave is not accrued, as a terminated employee is not paid for accumulated sick leave, except for sick leave earned prior to September 1, 1987 (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.

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.

Operating and Non-operating Revenues

The District distinguishes operating and non-operating revenues. The District reports as a Business-Type Activity (BTA) and as a single, proprietary fund. Operating revenues generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are student tuition and fees net of scholarship discounts and allowances; federal operating non-Title IV grants; state, local and private grants and contracts; and other revenues of a similar nature.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The major non-operating revenues are state appropriations, property tax collections, federal non-operating grants (Title IV), investment income and gifts.

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.

Net Assets

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets, Expendable

These are net assets which the District is legally or contractually obligated to spend in accordance with external restrictions.

Unrestricted Net Assets

Unrestricted net assets 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.

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.

Reclassifications

Certain amounts presented in the prior year were reclassified in order to be consistent with the current year's presentation. Accounts receivable and notes receivable were combined and a part of operating state grant revenues related to student aid, was reclassified to non-operating revenues.

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 of 1995 (Sec. 2256.001, Texas Government Code) as amended. The District is required to invest its non-endowment funds in obligations and instruments as defined in the Act. Such 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.

The District's investment policy also allows the investment of endowment funds in the following instruments: (1) preferred and common stocks, (2) bonds, and (3) debentures or obligations of corporations or other institutions. These investments may be held separately or within a comingled fund of mutual funds, so long as it complies with the Investment Company Act of 1940, compliance with the Uniform Prudent Management of Institutional Funds Act (Texas Property Code Section 163.001).

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of the District's deposits at August 31, 2011 and 2010 was \$3,154,890 and \$457,635, respectively. Total bank balances at August 31, 2011 and 2010 equaled \$12,878,888 and \$14,505,927, respectively. At August 31, 2011, FDIC insures all of the District's interest-bearing bank deposits up to \$250,000 through December 31, 2012, all noninterest-bearing transaction accounts are fully insured, regardless of the account balance. Total bank deposits in excess of \$250,000 are also collateralized at 105% in U.S. Treasuries and Government Securities held in the District's name.

Unrestricted and restricted cash and cash equivalents as reported on Exhibit 1, Statements of Net Assets, consisted of the following at August 31, 2011 and 2010:

	2011	2010
Bank deposits: Demand deposits	\$ 2,130,406	\$ (6,969,642)
Money Market	1,024,484	7,427,277
Total bank deposits	3,154,890	457,635
TexPool deposits	77,321,596	89,122,437
Petty cash on hand	38,100	49,400
Total cash and cash equivalents	\$ 80,514,586	\$ 89,629,472

TexPool, Texas Local Government Investment Pool, 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 operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value. The pool 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, 2011, and 2010, is disclosed below. Fair values of U.S. Government Securities have been calculated using values published by Bloomberg, L.P. Endowment fund fair values have been provided by the District's endowment custodial bank, U.S. Bank, N.A.

Short-term, long-term and endowment investments as reported on Exhibit 1, Statements of Net Assets, consisted of the following types of securities at August 31, 2011 and 2010:

Type of Security	2011	2010
U.S. government securities:		
FHLB Coupon Notes	\$ 7,003,600	\$ 55,713,724
FNMA Coupon Notes	8,015,700	9,077,488
FHLMC Coupon Notes	20,015,900	10,520,620
FFCB Coupon Notes	10,109,690	5,223,500
U.S. Treasury	3,012,600	-
Commercial Paper	64,865,331	-
Endowment funds:		
Corporate stock-common	6,878,178	5,893,480
Bonds/Cash & Cash Equivalent	4,214,248	4,464,512
Total	\$ 124,115,247	\$ 90,893,324

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The reconciliation of cash, cash equivalents and investments between Note 4 and Exhibit 1, Statements of Net Assets for August 31, 2011 and 2010 is as follows:

	2011	2010
Total cash and cash equivalents	\$ 80,514,586	\$ 89,629,472
Total investments	124,115,247	90,893,324
Total	\$ 204,629,833	\$ 180,522,796
Per Exhibit I:		
Cash and cash equivalents	\$ 15,531,295	\$ 41,706,036
Investments	113,022,821	80,535,332
Restricted cash and cash equivalents - Current	999,004	23,902,799
Restricted cash and cash equivalents - Noncurrent	63,984,287	24,020,637
Endowment investments	11,092,426	10,357,992
Total	\$ 204,629,833	\$ 180,522,796

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. The District actively manages the time to maturity in reacting to changes in the yield curve, economic forecasts, and liquidity needs. 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 each investment type.

The District had cash equivalents and investments with the following maturities and fair values at August 31, 2011 and 2010:

Investment Type	2011		2010	
	Fair Value	Weighted Average Maturity (Years)	Fair Value	Weighted Average Maturity (Years)
FNMA	\$ 8,015,700	1.855	\$ 9,077,488	2.334
FHLB	7,003,600	0.178	55,713,724	0.539
FHLMC	20,015,900	1.989	10,520,620	2.049
FFCB	10,109,690	1.492	5,223,500	0.940
U.S. Treasury	3,012,600	0.833	-	
Commercial paper	64,865,330	0.185	-	
TexPool	77,321,596	0.003	89,122,424	0.003
Total	\$ 190,344,416		\$ 169,657,756	
Portfolio weighted average maturity at August 31		0.451		0.459

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, 2011, TexPool was rated AAAM. All other credit standards are governed by the District’s investment policy, which is in compliance with state statutes for all credit standards.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

4. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk – The District's endowment investment policy limits investments in that portfolio to no more than 25% of any one industry, no more than 5% in any one corporation, and no more than 2% of any one corporation's outstanding stock. Endowment investments were within limitations set by District policy.

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. The District's endowment investments are held in custody at U.S. Bank, N.A.

The District is required to disclose investments in any investment type that represents 5% or more of the investments. At August 31, 2011, the District had invested its non-endowment funds in TexPool (40.6%), in Commercial Paper (34.1%), in FHLMC Coupon Notes (10.5%), and in FFCB Coupon Notes (5.3%). At August 31, 2010, the District had invested its non-endowment funds in TexPool (52.5%), in FHLB Coupon Notes (32.8%), in FHLMC Coupon Notes (6.2%), and in FNMA Coupon Notes (5.4%).

The District's endowment investments were \$11,092,426 and \$10,357,992 as of August 31, 2011 and 2010, respectively. By policy, annual transfers from the endowment to the scholarship and other accounts are recommended by the administration to the Board through the normal budget process. During fiscal year 2011, \$250,000 was transferred from the endowment. There were no transfers during fiscal 2010.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2011 was as follows:

	Balance 9/1/2010	Increases	Decreases	Balance 8/31/2011
<u>Not Depreciated:</u>				
Land	\$ 54,624,153	-	-	\$ 54,624,153
Works of Art	-	169,971	-	169,971
Construction in Progress	20,126,966	18,534,679	18,711,549	19,950,096
Subtotal	<u>74,751,119</u>	<u>18,704,650</u>	<u>18,711,549</u>	<u>74,744,220</u>
<u>Subject to Depreciation:</u>				
Buildings and Building Improvements	690,282,411	11,349,894	-	701,632,305
Other Real Estate Improvements	100,410,106	7,361,655	-	107,771,761
Total Buildings and Other Real Estate Improve	<u>790,692,517</u>	<u>18,711,549</u>	<u>-</u>	<u>809,404,066</u>
Software	2,778,609	116,132	-	2,894,741
Furniture, Machinery, and Equipment	30,123,612	5,355,473	952,258	34,526,827
Library Books	15,895,297	162,098	65,465	15,991,930
Total Buildings and Other Capital Assets	<u>839,490,035</u>	<u>24,345,252</u>	<u>1,017,723</u>	<u>862,817,564</u>
<u>Accumulated Depreciation:</u>				
Buildings and Building Improvements	105,724,135	18,708,592	-	124,432,727
Other Real Estate Improvements	34,299,226	5,792,551	-	40,091,777
Total Buildings and Other Real Estate Improve	<u>140,023,361</u>	<u>24,501,143</u>	<u>-</u>	<u>164,524,504</u>
Software	1,981,768	295,651	-	2,277,419
Furniture, Machinery, and Equipment	17,821,965	4,357,214	719,778	21,459,401
Library Books	12,610,844	365,648	65,465	12,911,027
Total Accumulated Depreciation	<u>172,437,938</u>	<u>29,519,656</u>	<u>785,243</u>	<u>201,172,351</u>
Net Capital Assets	<u>\$ 741,803,216</u>	<u>\$ 13,530,246</u>	<u>\$ 18,944,029</u>	<u>\$ 736,389,433</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

5. CAPITAL ASSETS (Continued)

Capital assets activity for the year ended August 31, 2010 was as follows:

	Balance 9/1/2009	Increases	Decreases	Balance 8/31/2010
<u>Not Depreciated:</u>				
Land	\$ 54,456,915	\$ 167,238	\$ -	\$ 54,624,153
Construction in progress	58,207,188	62,772,893	100,853,115	20,126,966
Subtotal	<u>112,664,103</u>	<u>62,940,131</u>	<u>100,853,115</u>	<u>74,751,119</u>
<u>Buildings and Other Capital Assets:</u>				
Buildings and building improvements	596,020,795	94,261,616	-	690,282,411
Other real estate improvements	93,818,607	6,591,499	-	100,410,106
Total buildings and other real estate improvements	<u>689,839,402</u>	<u>100,853,115</u>	<u>-</u>	<u>790,692,517</u>
Software	2,686,209	92,400	-	2,778,609
Furniture, machinery, and equipment	31,527,994	3,508,682	4,913,064	30,123,612
Library books	15,808,625	202,064	115,392	15,895,297
Total buildings and other capital assets	<u>739,862,230</u>	<u>104,656,261</u>	<u>5,028,456</u>	<u>839,490,035</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	90,838,492	14,885,643	-	105,724,135
Other real estate improvements	28,810,763	5,488,463	-	34,299,226
Total buildings and other real estate improvements	<u>119,649,255</u>	<u>20,374,106</u>	<u>-</u>	<u>140,023,361</u>
Software	1,475,212	506,556	-	1,981,768
Furniture, machinery, and equipment	18,740,712	3,332,097	4,250,844	17,821,965
Library Books	12,389,449	336,787	115,392	12,610,844
Total accumulated depreciation	<u>152,254,628</u>	<u>24,549,546</u>	<u>4,366,236</u>	<u>172,437,938</u>
Net capital assets	<u>\$ 700,271,705</u>	<u>\$ 143,046,846</u>	<u>\$ 101,515,335</u>	<u>\$ 741,803,216</u>

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

6. NONCURRENT LIABILITIES

As of August 31, 2011, noncurrent liabilities are \$619,999,914 with activity for the fiscal year is as follows:

	Total Liabilities				
	Balance	Additions	Reductions	Balance	Current Portion
	09/01/10			08/31/11	
Bonds and Tax Notes Payable					
General obligation bonds	\$ 411,718,778	\$ -	\$ 7,598,778	\$ 404,120,000	\$ 8,240,000
Revenue bonds	69,495,000	-	3,560,000	65,935,000	3,715,000
Tax notes	108,025,000	54,795,000	10,865,000	151,955,000	8,130,000
Premium on bonds payable	11,078,341	5,759,021	600,936	16,236,426	758,579
Discount on bonds payable	(151,021)	-	(9,586)	(141,435)	(9,586)
Deferred charges on refundings	(1,733,348)	-	(154,174)	(1,579,174)	(154,174)
Subtotal	598,432,750	60,554,021	22,460,954	636,525,817	20,679,819
Notes payable	-	-	-	-	-
Compensable absences	8,846,997	2,284,904	7,995,073	3,136,828	629,764
Deferred revenues	1,328,800	-	-	1,328,800	-
Arbitrage liability	752,807	-	434,755	318,052	-
Total Noncurrent Liabilities	\$ 609,361,354	\$ 62,838,925	\$ 30,890,782	\$ 641,309,497	\$ 21,309,583

As of August 31, 2010, noncurrent liabilities are \$582,779,679 with activity for the fiscal year is as follows:

	Total Liabilities				
	Balance	Additions	Reductions	Balance	Current Portion
	09/01/09			08/31/10	
Bonds and Tax Notes Payable					
General obligation bonds	\$ 419,298,778	\$ -	\$ 7,580,000	\$ 411,718,778	\$ 7,598,778
Revenue bonds	72,900,000	-	3,405,000	69,495,000	3,560,000
Tax notes	106,155,000	11,860,000	9,990,000	108,025,000	10,340,000
Premium on bonds payable	11,523,075	263,215	707,949	11,078,341	579,947
Discount on bonds payable	(160,607)	-	(9,586)	(151,021)	(9,586)
Deferred charges on refundings	(1,922,000)	-	(188,652)	(1,733,348)	(154,174)
Subtotal	607,794,246	12,123,215	21,484,711	598,432,750	21,914,965
Notes payable	207,117	-	207,117	-	-
Compensable absences	8,611,784	947,007	711,794	8,846,997	4,617,531
Deferred revenues	-	1,328,800	-	1,328,800	-
Arbitrage liability	1,981,014	-	1,228,207	752,807	49,179
Total Noncurrent Liabilities	\$ 618,594,161	\$ 14,399,022	\$ 23,631,829	\$ 609,361,354	\$ 26,581,675

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

7. DEBT AND LEASE OBLIGATIONS

Debt service requirements (in thousands) at August 31, 2011 were as follows:

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 8,240	\$ 19,001	\$ 3,715	\$ 2,943	\$ 8,130	\$ 7,031	\$ 20,085	\$ 28,975
2013	8,625	18,606	3,885	2,773	8,495	6,673	21,005	28,051
2014	9,050	18,183	4,075	2,594	8,860	6,307	21,985	27,085
2015	9,500	17,740	3,820	2,416	9,235	5,924	22,555	26,081
2016	9,955	17,281	4,005	2,237	9,620	5,545	23,580	25,063
2017-2020	45,160	63,802	17,800	6,989	30,005	18,652	92,965	89,443
2021-2025	70,045	66,132	23,185	3,827	46,460	13,862	139,690	83,821
2026-2030	88,050	48,145	4,780	658	27,915	3,249	120,745	52,051
2031-2035	110,250	25,931	670	34	3,235	81	114,155	26,046
2036-2038	45,245	2,939	0	0	0	0	45,245	2,939
TOTAL	\$ 404,120	\$ 297,760	\$ 65,935	\$ 24,472	\$ 151,955	\$ 67,323	\$ 622,010	\$ 389,555

Debt service requirements (in thousands) at August 31, 2010 were as follows:

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 7,599	\$ 19,640	\$ 3,560	\$ 3,105	\$ 10,340	\$ 4,922	\$ 21,499	\$ 27,667
2012	8,240	19,001	3,715	2,943	4,490	4,656	16,445	26,600
2013	8,625	18,606	3,885	2,773	4,690	4,458	17,200	25,836
2014	9,050	18,183	4,075	2,594	4,915	4,228	18,040	25,006
2015	9,500	17,740	3,820	2,416	5,155	3,996	18,475	24,152
2016-2019	42,990	65,964	17,225	7,787	22,275	13,597	82,490	87,347
2020-2024	66,840	69,345	25,155	4,944	33,805	10,073	125,800	84,361
2025-2029	84,155	52,040	6,605	928	22,355	1,572	113,115	54,540
2030-2034	105,380	30,802	1,455	87	-	-	106,835	30,889
2035-2037	69,340	6,080	-	-	-	-	69,340	6,080
TOTAL	\$ 411,719	\$ 317,400	\$ 69,495	\$ 27,577	\$ 108,025	\$ 47,502	\$ 589,239	\$ 392,479

Rental payments of \$940,000 and \$1,279,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2011 and 2010, respectively. Rental payments of \$806,000 relate to copiers and rental payments of \$134,000 relate to offsite classroom usage. The term 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 year ended August 31, 2011 and 2010 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Interest Rates	Balance August 31, 2011	Balance August 31, 2010
General Obligation Bonds (Repayment source of ad valorem taxes)					
2002	Refund prior bond series. Issued August 15, 2002.	\$ 1,998,778	3.0% - 4.0%	\$ -	\$ 393,778
2006	Construct, renovate, acquire and equip new and existing facilities. Issued April 20, 2006.	60,710,000	4.0% - 5.0%	42,210,000	42,210,000
2006A	Construct, renovate, acquire and equip new and existing facilities. Issued September 14, 2006.	49,580,000	4.0% - 5.0%	49,580,000	49,580,000
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	271,085,000	4.0% - 5.625%	256,920,000	261,845,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.25% - 5.5%	55,410,000	57,690,000
SubTotal - General Obligation Bonds				\$ 404,120,000	\$ 411,718,778
Maintenance Tax Notes (Repayment source of ad valorem taxes)					
2005	Purchase equipment, vehicles and renovate various facilities. Issued September 20, 2005.	\$ 7,450,000	3.25% - 5.0%	\$ 2,000,000	\$ 2,290,000
2006	Purchase equipment, vehicles and renovate various facilities. Issued April 20, 2006	30,435,000	4.0% - 5.0%	25,690,000	26,860,000
2007	Purchase equipment, vehicles and renovate various facilities. Issued September 18, 2007.	81,110,000	4.0% - 5.25%	69,470,000	72,855,000
2009	Renovate and equip various existing District facilities. Issued September 10, 2009.	11,860,000	3.0% - 4.0%	-	6,020,000
2011	Renovate and repair existing District facilities. Issued August 3, 2011	54,795,000	2.0% - 5.0%	54,795,000	-
SubTotal - Maintenance Tax Notes				\$ 151,955,000	\$ 108,025,000
Combined Fee Revenue Bonds (Repayment source of pledged revenues*)					
2001	Refund prior bond series; and to construct, renovate, and equip academic buildings and acquire sites. Issued September 19, 2001. Matures November 1, 2023.	\$ 53,615,000	3.5% - 5.375%	\$ 24,170,000	\$ 25,800,000
2003	Refund prior bond series; and to construct, renovate, and equip academic buildings and acquire sites. Issued September 23, 2003. Matures November 1, 2013.	10,655,000	2.0% - 4.25%	3,525,000	4,610,000
2004	Purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued August 11, 2004. Matures November 1, 2029.	7,235,000	2.0% - 5.00%	6,105,000	6,310,000
2005	Purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued September 20, 2005. Matures November 1, 2018.	2,435,000	3.6% - 4.0%	1,645,000	1,815,000
2007	Refund prior bond series; and to construct, renovate, and equip academic buildings and acquire sites. Issued March 8, 2007. Matures November 1, 2025.	27,175,000	4.0% - 4.375%	25,880,000	26,225,000
2007A	Purchase land and to acquire, construct, improve, enlarge, and equip District facilities. Issued September 18, 2007. Matures November 1, 2031.	5,150,000	4.0% - 5.0%	4,610,000	4,735,000
SubTotal - Combined Fee Revenue Bonds				\$ 65,935,000	\$ 69,495,000
TOTAL BONDS				\$ 622,010,000	\$ 589,238,778
*Pledged revenues include tuition, general and parking fees, bookstore and food service commissions and general unrestricted investment income. For August 31, 2011, pledged revenue as a percent of total tuition is approximately 35% and the debt coverage ratio is 5.93 times.					

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

8. BONDS AND TAX NOTES PAYABLE (Continued)

Bonds and tax notes payable are due in annual installments varying from \$20,000 to \$16,365,000 with interest rates from 2.0% to 5.375% with the final installment due in fiscal year 2037.

For the year ended August 31, 2011, the revenue pledged as security for revenue bond debt service includes a portion of tuition and general fee revenue, \$39,500,000, investment income, \$500,000, and auxiliary revenue, \$3,700,000. For the year ended August 31, 2010, the revenue pledged as security for revenue bond debt service includes a portion of tuition and general fee revenue, \$37,700,000, investment income, \$1,600,000, and auxiliary revenue, \$4,100,000.

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 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 U.S. Department of Treasury 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. The due date of the rebate is five years from the date of issue. The amount reserved for arbitrage rebate is reflected as part of noncurrent liabilities in the amount of approximately \$318,000 and \$753,000 as of August 31, 2011, and 2010, respectively.

9. DEFEASANCE OF DEBT

The District had \$17,900,000 of defeased bonds outstanding at August 31, 2011 and 2010.

In February 2011, The District redeemed certain then-outstanding obligations designated as Alamo Community College District Maintenance Tax Notes, Series 2007. The purpose of this redemption was to reduce the outstanding debt service payments and obtain present value benefits. The portion of the obligations redeemed were the February 15, 2027 maturity in the principal amount of \$525,000.

10. EMPLOYEES' RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for almost all of its employees. The District requires all full-time employees to participate in either the Teacher Retirement System of Texas (TRS) or in the Optional Retirement Plan. Faculty, administrators, counselors and librarians may enroll in either the TRS or the Optional Retirement Plan. Secretarial, clerical and professional employees are limited to participation in the TRS. Employees who are eligible to participate in the Optional Retirement Plan 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 Optional Retirement Plan 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, under the TRS Publications heading.

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

10. EMPLOYEES' RETIREMENT PLANS (Continued)

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; (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. State law provides for a member contribution rate of 6.40% for fiscal years 2011 and 2010 and a state contribution rate of 6.644% for fiscal years 2011 and 2010. The fiscal year 2011 state contribution rate was 6.644% for fiscal years 2010 and 2011. In certain instances the District is required to make all or a portion of the state's 6.644% contribution for fiscal years 2011.

Optional Retirement Plan

Plan Description: The State has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program 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. The percentages of participant salaries currently contributed by the state and each participant are 6.4% and 6.65%, respectively. The District contributed 2.10% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the State has no additional or unfunded liability for this program.

The retirement expense for both plans to the State of Texas for the District was approximately \$7,300,000 and \$8,600,000 for the fiscal years ended August 31, 2011 and 2010, respectively. This amount represents the portion of expended appropriations made by the State legislature on behalf of the District. The related retirement expense for the District was approximately \$1,800,000 and \$1,900,000 for the years ended August 31, 2011 and 2010, respectively, and represents the total required contributions for each year.

The total payroll for all District employees was approximately \$179,700,000 and \$181,300,000 for fiscal years 2011 and 2010, respectively. The total payroll of employees covered by the TRS was approximately \$99,100,000 and \$99,400,000, and the total payroll of employees covered by the Optional Retirement Program was approximately \$45,300,000 and \$50,400,000 for fiscal years 2011 and 2010, respectively.

Retirement Incentive Program

During Fiscal year 2011, the Board of Trustees adopted a Retirement Incentive Program for eligible employees. The program was available to all full-time employees, and certain other employees, who, by December 31, 2011 would either reach age 60 and complete at least 7 years of full-time service with the District, or reach a combined total of 75 years of age and years of full-time service with the District. A payment based upon the participant's then current annual base salary not in excess of \$95,000 at 70% was due those participants retiring by August 31, 2011 and at 50% was due those participants retiring by January 4, 2012. The amount of the payout by August 31, 2011 was \$4,496,000 and an additional amount of approximately \$1,609,000 was included in accrued liabilities.

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 Government Code 609.001.

A total of approximately \$4,400,000 was contributed by 461 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program and 117 participants contributed a total of approximately \$959,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2011.

A total of approximately \$2,500,000 was contributed by 501 District employees under the Section 403(b) Tax Sheltered Annuity program and 94 participants contributed a total of approximately \$410,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2010.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

11. DEFERRED COMPENSATION PROGRAM (Continued)

The District does not contribute to either plan. The deferred compensation program is 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 and from 6.66 to 12 hours of annual leave per month depending on their length and type of employment with the District. Sick leave balances may accumulate with no maximum, and is forfeited at the time of separation. During fiscal year 2011 the liability for pre-87 sick leave was paid out to qualified employees up to 480 hours each for a total of approximately \$3,900,000.

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.

The District recognizes the accrued liability for annual leave as a noncurrent liability in the Statements of Net Assets (see Note 6). The District's reporting of accrued liabilities for compensable absences is in accordance with GASB Statement No. 16, *Accounting for Compensable Absences*. The current portion of the vacation 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, 2011 and August 31, 2010 for annual leave was approximately \$3,100,000 and \$4,400,000, respectively.

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2011 and 2010 were as follows:

	2011	2010
Tuition and fees receivable	\$ 7,069,890	\$ 4,253,536
Taxes receivable	6,801,982	6,483,001
Contracts and grants receivable	17,201,119	11,330,619
Interest receivable	114,237	621,511
Notes receivable	204,389	234,745
Other receivables	1,885,961	2,408,031
Subtotal	\$ 33,277,578	25,331,443
Allowance for doubtful accounts:		
Tuition and fees receivable	6,687,579	2,233,930
Taxes receivable	5,407,636	4,165,827
Notes receivable	157,918	181,808
Other receivables	343,333	225,477
Total accounts receivables	\$ 20,681,112	\$ 18,524,401

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

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES (Continued)

Accounts payables and accrued liabilities at August 31, 2011 and 2010 were as follows:

	2011	2010
Accounts payable to vendors	\$ 6,294,657	\$ 11,291,590
Accrued liabilities:		
Salaries and benefits	7,464,260	2,625,231
Construction retainage	899,174	7,680,106
Bond interest	2,180,643	2,392,802
Worker's compensation claims	769,553	885,580
Other	928,860	479,401
Total accounts payables and accrued liabilities	<u>\$ 18,537,147</u>	<u>\$ 25,354,710</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 Assets as funds held for others in the amount of \$650,892 as of August 31, 2011 and \$593,885 as of August 31, 2010.

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 Assets. 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 Assets. Contract and grant awards for which funds have been received but not yet expended are included in Deferred Revenue in the Statements of Net Assets. 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, 2011 and 2010 for which no expenses have been incurred totaled \$31,600,000 and \$30,600,000, 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.

Effective February 1, 1991 the District began its Workers' Compensation Self-Insurance Fund (the Fund) administered by a third party administrator. Through this plan, 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 fund balance has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund and the balance is reserved towards future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately \$770,000 and \$886,000 at August 31, 2011 and 2010, respectively. 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% for August 31, 2011 and 2010.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

16. SELF-INSURED AND RISK MANAGEMENT PLANS (Continued)

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2011	\$ 885,580	1,153,108	(1,269,135)	\$ 769,553
2010	\$ 775,262	906,008	(795,692)	\$ 885,578

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 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 fulltime employee or retiree was between \$358 and \$939 per month for the year ended August 31, 2011, and totaled approximately \$11,900,000 and \$12,300,000 for the years ended August 31, 2011 and 2010, respectively. The state's cost of providing these benefits for 835 District retirees was approximately \$3,600,000 and for 2,629 active employees was approximately \$8,300,000 for the year ended August 31, 2011. The state's cost of providing these benefits for 740 District retirees was approximately \$3,400,000 and for 2,766 active employees was approximately \$8,900,000 for the year ended August 31, 2010.

Contributions by the State of Texas on behalf of the District's employees for group insurance benefits are recorded as state appropriations. In Fiscal Year 2011 and Fiscal year 2010, these funds did not flow through the District's accounts. An equal amount has been recognized in the appropriate functional expense categories.

The following information is provided to comply with the requirements of the Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions*.

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 their website at 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 healthcare 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 in accordance with the parameters of GASB Statement 45.

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, 2011, 2010, and 2009 were \$178,772, \$144,841, and \$174,460, respectively, which equaled the required contributions each year.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

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 personal property located in the District.

General information follows for the years ended August 31, 2011 and 2010:

	2011 ⁽¹⁾	2010
Assessed valuation of the District	\$ 109,551,409,631	\$ 110,746,665,402
Less : Exemptions	(9,850,838,178)	(9,570,660,304)
Tax Increment Financings	(424,772,655)	(487,246,675)
Net assessed valuation of the District	\$ 99,275,798,798	\$ 100,688,758,423

(1) Based on most recent Supplement to the Certified Total (ARB Approved 2010)

The authorized and assessed property tax rates for the year ended August 31, 2011 and 2010 are as follows:

	2011			2010		
	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	\$ 0.09687300	\$ 0.04475000	\$ 0.14162300	\$ 0.09110500	\$ 0.04475000	\$ 0.13585500

Taxes levied for the years ended August 31, 2011 and 2010 are approximately \$138,000,000 and \$134,000,000, respectively, including any penalty and interest assessed. 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. On January 1 of each year, a tax lien attaches to property to secure payment of all taxes, penalties, and interest for the previous tax year.

The tax collection detail at August 31, 2011 and 2010 are as follows:

	2011			2010		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current Taxes	\$ 92,170,767	\$ 42,578,269	\$ 134,749,036	\$ 87,694,122	\$ 43,075,143	\$ 130,769,265
Tax Increment Financings payment	(342,902)	-	(342,902)	(606,350)	-	(606,350)
Delinquent taxes collected	977,610	446,883	1,424,493	1,061,867	476,573	1,538,440
Penalties and interest	1,435,893	390,575	1,826,468	1,326,753	377,638	1,704,391
Total	\$ 94,241,368	\$ 43,415,726	\$ 137,657,095	\$ 89,476,392	\$ 43,929,354	\$ 133,405,746

Tax collections for the years ended August 31, 2011 and 2010 were 98.08% and 97.78%, respectively, of the total 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.

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, 2011 and 2010.

ALAMO COMMUNITY COLLEGE DISTRICT

Notes to Financial Statements

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 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 \$1,200,000 and \$427,000 to the District during the years ended August 31, 2011 and 2010, respectively. At December 31, 2010 and 2009, the Foundation had no amounts due to the District for restricted funds received during the years then ended which had not been remitted as of December 31, 2010 and 2009. 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, 2010 and 2009.

The District has determined that as of August 31, 2011 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, paper recycling revenue, Virtual College of Texas provider fees, revenue from various fund raising activities, and other revenues not applicable to any other revenue category.

22. COMMITMENTS AND CONTINGENCIES

As of August 31, 2011, 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, 2011, and 2010, the District was committed for approximately \$11,000,000 and \$27,000,000, respectively.

The District participates in a City of San Antonio (City) sponsored Tax Increment Reinvestment Zone (TIRZ) known as the Verano TIRZ and has approved the use of 50 percent of its future tax increment revenue to the related Tax Incentive Fund up to \$15 million with participation to begin October 1, 2018 or when the TIRZ District incremental tax reaches \$3,000,000 and will continue until \$15,000,000 is received from the District. The TIRZ includes an area of rural undeveloped land located just south of Palo Alto College that is expected to be developed. Subject to participation in the TIRZ, the District purchased 373 acres of land adjacent to Palo Alto College from the City for \$1, conveyed on May 6, 2011. Further, Alamo Colleges agreed to reconstruct Villaret Road for \$15,000,000 and if the road is not complete within 10 years from conveyance, the District will owe \$2,500,000 million plus 2% interest to the City. Alamo Colleges may be reimbursed up to \$5,000,000 from the TIF at a rate of \$1,000,000 per year beginning in 2018 if the road improvements are completed by October 1, 2018.



ALAMO
COLLEGES

Supplementary Information

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2011
With Memorandum Totals for the Year Ended August 31, 2010**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY11 Total	FY10 Total
OPERATING REVENUES:						
Tuition						
State Funded Courses						
In District Resident Tuition	\$ 61,421,061	\$ -	\$ 61,421,061	\$ -	\$ 61,421,061	\$ 57,971,306
Out of District Resident Tuition	16,012,029	-	16,012,029	-	16,012,029	17,538,171
Non-Resident Tuition	6,688,652	-	6,688,652	-	6,688,652	5,923,241
TPEG - Credit Set Aside *	3,255,927	-	3,255,927	-	3,255,927	3,687,622
State-Funded Continuing Education	1,294,654	-	1,294,654	-	1,294,654	3,110,565
TPEG - Non-Credit Set Aside *	591,859	-	591,859	-	591,859	431,675
Non-State Funded Continuing Education	2,660,074	-	2,660,074	-	2,660,074	4,410,759
Total Tuition	91,924,256	-	91,924,256	-	91,924,256	93,073,339
Fees						
General Fee	19,093,164	-	19,093,164	-	19,093,164	19,318,863
Laboratory Fees	-	-	-	-	-	-
Registration Fee	-	-	-	-	-	-
Library Upgrade Fee	-	-	-	-	-	-
Other	6,233,577	-	6,233,577	-	6,233,577	4,243,658
Total Fees	25,326,741	-	25,326,741	-	25,326,741	23,562,521
Total Tuition and Fees	117,250,997	-	117,250,997	-	117,250,997	116,635,860
Scholarship Allowances and Discounts						
Institutional Scholarships	(5,192,256)	-	(5,192,256)	-	(5,192,256)	(925,103)
Remissions and Exemptions - State	(1,974,411)	-	(1,974,411)	-	(1,974,411)	(1,130,678)
Remissions and Exemptions - Local	(11,328,005)	-	(11,328,005)	-	(11,328,005)	(11,208,153)
Federal Grants to Students	-	(44,735,007)	(44,735,007)	-	(44,735,007)	(41,787,852)
TPEG Awards	-	(1,311,924)	(1,311,924)	-	(1,311,924)	(1,405,838)
State Grants to Students	-	(3,695,448)	(3,695,448)	-	(3,695,448)	(1,198,633)
Other Local Awards	-	(97,302)	(97,302)	-	(97,302)	(87,562)
Total Sch Allowances and Discounts	(18,494,672)	(49,839,681)	(68,334,353)	-	(68,334,353)	(57,743,819)
Total Net Tuition and Fees	98,756,325	(49,839,681)	48,916,644	-	48,916,644	58,892,041
Other Operating Revenues						
Federal Grants and Contracts	525,924	17,838,298	18,364,222	-	18,364,222	21,369,410
State Grants and Contracts	-	5,863,417	5,863,417	-	5,863,417	2,758,185
Local Grants and Contracts	555,596	551,938	1,107,534	-	1,107,534	1,438,388
Non-Governmental Grants and Contracts	-	1,287,850	1,287,850	-	1,287,850	1,656,285
Inv/Endow inc incl FMV chg (Prog Restricted)	-	-	-	-	-	3,937
Other Operating Revenues	933,717	690,480	1,624,197	-	1,624,197	1,282,009
Total Other Operating Revenues	2,015,237	26,231,983	28,247,220	-	28,247,220	28,508,214
Sales and Services of Auxiliary Enterprises						
Bookstore Commission	-	-	-	1,230,775	1,230,775	2,031,868
Palo Alto College Natatorium	-	-	-	337,901	337,901	327,393
Day Care Centers	-	-	-	867,879	867,879	786,531
Vending Machines/Copiers	-	-	-	363,403	363,403	430,804
Parking Permits & Fines	-	-	-	1,155,023	1,155,023	794,974
Other	-	-	-	238,850	238,850	151,049
Total Sales and Services of Auxiliary Enterprises	-	-	-	4,193,831	4,193,831	4,522,619
Total Operating Revenues	\$ 100,771,562	\$ (23,607,698)	\$ 77,163,864	\$ 4,193,831	\$ 81,357,695	\$ 91,922,874
				(Exhibit 2)	(Exhibit 2)	

* In accordance with Education Code 56.033, \$3,847,786 and \$4,119,297 for the years August 31, 2011 and 2010, 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, 2011
With Memorandum Totals for the Year Ended August 31, 2010**

	Operating Expenses				FY11 Total	FY10 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities						
Instruction	\$ 97,926,826	\$ -	\$ 11,156,389	\$ 11,452,069	\$ 120,535,284	\$ 124,234,232
Public Service	123,420	-	14,247	111,004	248,671	274,734
Academic Support	16,107,768	-	1,910,221	5,685,614	23,703,603	23,729,228
Student Services	17,747,373	-	2,099,560	5,219,222	25,066,155	24,933,952
Institutional Support	29,580,897	-	1,970,010	15,164,487	46,715,394	48,023,690
Operation and Maintenance of Plant	9,251,613	-	3,266,321	20,539,445	33,057,379	31,840,053
Scholarships and Fellowships	-	-	-	882,407	882,407	789,746
Total Unrestricted Educational Activities	170,737,897	-	20,416,748	59,054,248	250,208,893	253,825,635
Restricted - Educational Activities						
Instruction	4,755,114	10,355,351	1,112,867	7,558,104	23,781,436	20,852,242
Public Service	11,023	16,215	888	14,269	42,395	25,028
Academic Support	818,901	2,238,110	189,754	1,132,677	4,379,442	3,799,686
Student Services	2,317,461	2,441,757	232,466	946,306	5,937,990	8,697,025
Institutional Support	1,399,645	5,232,211	290,577	1,046,481	7,968,914	7,439,744
Operation and Maintenance of Plant	-	-	-	201,252	201,252	6,500
Scholarships and Fellowships	-	-	-	77,564,480	77,564,480	79,189,630
Total Restricted Educational Activities	9,302,144	20,283,644	1,826,552	88,463,569	119,875,909	120,009,855
Total Educational Activities	180,040,041	20,283,644	22,243,300	147,517,817	370,084,802	373,835,490
Auxiliary Enterprises - Unrestricted	1,099,475	-	205,546	307,894	1,612,915	1,644,545
Auxiliary Enterprises - Restricted	-	-	-	600,726	600,726	-
Depreciation Expense - Buildings	-	-	-	24,501,143	24,501,143	20,374,106
Depreciation Expense - Equipment	-	-	-	5,018,513	5,018,513	4,175,440
Total Operating Expenses	\$ 181,139,516	\$ 20,283,644	\$ 22,448,846	\$ 177,946,093	\$ 401,818,099	\$ 400,029,581
					(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2011
With Memorandum Totals for the Year Ended August 31, 2010**

	Unrestricted	Restricted	Total Educational Activities	FY11 Total	FY10 Total
NON-OPERATING REVENUES:					
State Appropriations					
Education and General State Support	\$ 65,658,472	\$ -	\$ 65,658,472	\$ 65,658,472	\$ 69,233,873
State Group Insurance	-	11,893,840	11,893,840	11,893,840	12,322,985
State Retirement Match	-	8,389,805	8,389,805	8,389,805	8,578,013
Ad Valorem Taxes		-			
Taxes for Maintenance and Operations	93,559,514	-	93,559,514	93,559,514	89,615,404
Taxes for Debt Service	-	43,153,029	43,153,029	43,153,029	43,983,975
Federal Revenue, non-operating	-	118,192,829	118,192,829	118,192,829	113,380,484
State Revenue, non-operating		4,213,854	4,213,854	4,213,854	6,745,614
Gifts	164,181	312,041	476,222	476,222	95,936
Investment Income	1,526,397	39,701	1,566,098	1,566,098	1,439,442
Total Non-Operating Revenues	160,908,564	186,195,099	347,103,663	347,103,663	345,395,726
NON-OPERATING EXPENSES:					
Interest on Capital Related Debt	-	(27,407,637)	(27,407,637)	(27,407,637)	(28,083,833)
Loss on Disposal of Capital Assets	-	(232,480)	(232,480)	(232,480)	(662,220)
Arbitrage Rebate Expense	-	105,170	105,170	105,170	1,228,206
Other Non-Operating Expenses	-	(2,405,905)	(2,405,905)	(2,405,905)	(6,346,722)
Total Non-Operating Expenses	-	(29,940,852)	(29,940,852)	(29,940,852)	(33,864,569)
Net Non-Operating Revenues	\$ 160,908,564	\$ 156,254,247	\$ 317,162,811	\$ 317,162,811	\$ 311,531,157
				(Exhibit 2)	(Exhibit 2)

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule D
Schedule of Net Assets by Source and Availability
For the Year Ended August 31, 2011
With Memorandum Totals for the Year Ended August 31, 2010**

	Detail by Source				Available for Current Operations	
	Unrestricted	Restricted	Capital Assets	Total	Yes	No
		Expendable	Net of Depreciation & Related Debt			
Current:						
Unrestricted	\$ 58,287,523	\$ -	\$ -	\$ 58,287,523	\$ 58,287,523	\$ -
Board-Designated	2,864,743	-	-	2,864,743	-	2,864,743
Restricted	-	5,298,076	-	5,298,076	-	5,298,076
Auxiliary Enterprises	5,897,271	-	-	5,897,271	5,897,271	-
Loan	203,310	-	-	203,310	-	203,310
Endowment:						
Quasi	11,068,553	-	-	11,068,553	-	11,068,553
Plant:						
Unexpended	3,289,277	-	-	3,289,277	-	3,289,277
Renewals	2,082,585	-	-	2,082,585	-	2,082,585
Debt Service	-	6,041,389	-	6,041,389	-	6,041,389
Investment in Plant	-	-	179,049,528	179,049,528	-	179,049,528
Total Net Assets, August 31, 2011	\$ 83,693,262	\$ 11,339,465	\$ 179,049,528	\$ 274,082,255	\$ 64,184,794	\$ 209,897,461
				(Exhibit 1)		
Total Net Assets, August 31, 2010	83,547,200	11,212,051	182,571,597	277,330,848	63,370,309	213,960,539
				(Exhibit 1)		
Net Increase (Decrease) in Net Assets	\$ 146,062	\$ 127,414	\$ (3,522,069)	\$ (3,248,593)	\$ 814,485	\$ (4,063,078)
				(Exhibit 2)		

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards
For the Year Ended August 31, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
U. S. Department of Agriculture			
Direct Programs:			
Agricultural Research_Basic and Applied Research	10.001		250
Hispanic Serving Institutions Education Grants	10.223		287,208
Pass Through From:			
Texas Department of Agriculture			
Child and Adult Care Food Program	10.558		33,437
Total U. S. Department of Agriculture			<u>\$ 320,895</u>
U. S. Department of Housing and Urban Development			
Direct Program:			
Hispanic-Serving Institutions Assisting Communities	14.514		38,011
Pass-Through From:			
City of San Antonio			
ARRA-Community Development Block Grant Entitlement/Recovery Act	14.253	23-028022	18,450
Total U. S. Department of Housing and Urban Development			<u>\$ 56,461</u>
U. S. Department of Labor			
Direct Program:			
Community Based Job Training Grants	17.269		341,538
WIA Cluster			
Pass-Through From:			
Alamo Work Source			
ARRA-WIA Adult Program	17.258	PS2009007	33,685
ARRA-WIA Dislocated Workers	17.260	PS2009007	55,151
Pass-Through From:			
Texas Workforce Commission			
Pass-Through From:			
Austin Community College			
WIA Youth Activities	17.259	1410XSW001	94,115
Pass-Through From:			
Texas Workforce Commission			
WIA Adult Program	17.258	2010XSW000	299,495
ARRA-WIA Dislocated Workers	17.260	2010XSD000 ARRA	381,705
ARRA-WIA Dislocated Workers	17.260	2011ATP000	2,880
Total Pass-Throughs WIA Cluster			867,031
Total U. S. Department of Labor			<u>\$ 1,208,569</u>
Department of State			
Pass-Through From:			
CIED, Georgetown University			
Professional and Cultural Exchange Programs - Citizens Exchanges	19.415	ACCD-RX2050-908-10K	23,803
Professional and Cultural Exchange Programs - Citizens Exchanges	19.415	ACCD-RX2050-932-11-A	23,792
Total CIED			47,595
Academic Exchange Programs-English Language Programs	19.421	ACCD-RX2050-899-09-A	2,058
Total Department of State			<u>\$ 49,653</u>
Department of Transportation			
Direct Program:			
Commercial Motor Vehicle Operator Training Grants	20.235		3,000
Total Department of Transportation			<u>\$ 3,000</u>
National Aeronautical and Space Administration (NASA)			
Pass-Through From:			
The University of Texas at San Antonio			
Aerospace Education Services Program	43.001	1200-615AC	21,106
Total NASA			<u>\$ 21,106</u>

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
National Science Foundation			
Direct Program:			
Education and Human Resources	47.076		365,167
Pass-Through From:			
Wright State University			
Education and Human Resources	47.076	DUE-0817332	14,034
Pass-Through From:			
The University of Texas at El Paso			
Education and Human Resources	47.076	26-1007-27-30	24,444
Total National Science Foundation			<u>\$ 403,645</u>
Small Business Administration			
Direct Program:			
Congressional Grants	59.059		83,891
Total Small Business Administration			<u>\$ 83,891</u>
U. S. Department of Energy			
Pass-Through From:			
Texas Comptroller			
ARRA-State Energy Program	81.041	CS0154	43,717
ARRA-State Energy Program	81.041	CS0140	1,996,000
Total U. S. Department of Energy			<u>\$ 2,039,717</u>
U. S. Department of Education			
Direct Programs:			
Student Financial Aid Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007		1,442,016
Federal Work-Study Programs	84.033		1,522,803
Federal Pell Grant Program	84.063		114,612,063
Academic Competitiveness Grants	84.375		788,440
Federal Direct Student Loans	84.268	FY 2010-2011	30,163,993
Federal Direct Student Loans	84.268	FY 2011-2012	3,763,232
Total Student Financial Aid Cluster			<u>152,292,547</u>
Trio Cluster:			
TRIO_Student Support Services	84.042		239,351
TRIO_Upward Bound	84.047		786,988
Total Trio Cluster			<u>1,026,339</u>
Higher Education_Institutional Aid	84.031		7,710,191
Women's Educational Equity Program	84.083		157,687
Fund for the Improvement of Postsecondary Education	84.116		241,078
Minority Science and Engineering Improvement	84.120		53,174
Child Care Access Means Parents in School	84.335		564,188
Total Direct Programs			<u>162,045,204</u>
Pass-Through From:			
University of the Incarnate Word			
Higher Education_Institutional Aid	84.031	P031S040049	(4,278)
Texas Higher Education Coordinating Board			
Career amd Technical Education -- Basic Grants to States	84.048	104201	2,399,165
Leveraging Educational Assistance Partnership	84.069	FY 10-11 LEAP	89,224
Supplement Leveraging Educational Assistance Partnership	84.069	FY 10-11 SLEAP	121,684
Total Leveraging			<u>210,908</u>
Tech-Prep Education	84.243	FY 2009-2010	(187)
Tech-Prep Education	84.243	FY 2010-2011	313,333
Total Tech-Prep			<u>313,146</u>

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule E
Schedule of Expenditures of Federal Awards – (Continued)
For the Year Ended August 31, 2011**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
Pass-Through From:			
Teachers College, Columbia University			
Education Research, Development and Dissemination	84.305	511128	7,465
Education Research, Development and Dissemination	84.305	511128	16,028
Total Education Research			<u>23,493</u>
 Total Pass-Throughs			<u>2,942,434</u>
Total U. S. Department of Education			<u>\$ 164,987,638</u>
 U. S. Department of Health & Human Services			
Direct Programs:			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093		259,997
Nursing Workforce Diversity	93.178		136,087
Head Start	93.600		1,794
Health Care and Other Facilities	93.887		<u>(7,678)</u>
			390,200
Pass-Through From:			
The University of Texas at Austin			
HIV Prevention Programs for Women	93.015	HPPWHO60012-03-00	5,459
Consolidated Knowledge Development and Application Program	93.230	UTA03-100	13,811
Total U. S. Department of Health & Human Services			<u>\$ 409,470</u>
 Agency of International Development			
Pass-Through From:			
CIED, Georgetown University			
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-09-I-1	85,827
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-852-10-A-1	236,345
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-852-10-C-1	108,627
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-7005-10-L-1	278,037
USAID Foreign Assistance for Programs Overseas	98.001	ACCD-RX2050-705-11-K-6	<u>64,676</u>
			773,512
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>108,444</u>
Total Agency of International Development			<u>\$ 881,956</u>
Total Federal Financial Assistance			<u>\$ 170,466,001</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, 2011

1. Federal Assistance Reconciliation

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 18,364,222
Add: Non-Operating Revenues - federal revenue, non-operating - per Schedule C	<u>118,192,829</u>
Total Federal Revenues per Schedule A and C	136,557,051
Reconciling Item:	
Add: Federal Direct Student Loans	33,927,225
Less: Federal contracts (Note 3 below)	<u>(18,275)</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 170,466,001</u>

2. Significant accounting policies used in preparing the schedule

The expenditures included in the schedule are reported for the District's fiscal year on an accrual basis. 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

National Science Foundation, Advanced Technical Education program, the Kentucky Community and Technical College System, as the fiscal agent for the National Center of Excellence, the Automotive Manufacturing Technical Education Collaborative	\$ 18,275
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4. Amounts passed-through by Alamo Community College District

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

U.S. Department of Education	
Passed through the Texas Higher Education Coordinating Board	
to Tech Prep Education Program (CFDA 84.243) to subrecipients:	
East Central Independent School District	\$ 284
Schertz-Cibolo Independent School District	225
Medina Valley Independent School District	263
Harlandale Independent School District	231
Judson Independent School District	2,972
North East Independent School District	1,293
Pleasanton Independent School District	363
La Vernia Independent School District	<u>123</u>
	<u>5,754</u>
Passed through the Fund for the Improvement of Postsecondary Education (CFDA 84.116) to:	
Pima County Community College	3,214
U.S. Department of Agriculture	
Passed through the Hispanic Serving Institutions Education Grants (CFDA 10.223) to:	
University of Incarnate Word	53,681
U.S. Agency of International Development	
Passed through the USAID Development Partnerships for University (CFDA 98.012) to:	
Texas State Technical College	8,475
Total	<u>\$ 71,124</u>

5. Noncash Awards

There were no federal noncash awards received in fiscal year 2011.

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2011**

<u>Grantor/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Higher Education Coordinating Board		
Direct Programs:		
Alternative Teacher Certification Program-Educator Preparation Program	04060	\$ 72,146
Alternative Teacher Certification Program-Educator Preparation Program		<u>83,554</u>
Alternative Teacher Certification Program Total		155,700
Adult Basic Education Innovation Grant Program		151,018
Developmental Education Demonstration Project		205,442
Intensive Summer Programs		49,722
Pathways	02624	42,230
Professional Nursing Shortage Reduction Program		256,347
Professional Nursing Shortage Reduction Program		38,423
Professional Nursing Shortage Reduction Program		(38,183)
Professional Nursing Shortage Reduction Program		<u>245,757</u>
Professional Nursing Shortage Reduction Program Total		502,344
Professional Nursing Scholarship Program		15,829
Professional Nursing Scholarship Program		1,120
Professional Nursing Scholarship Program		<u>1,285</u>
Professional Nursing Scholarship Program		18,234
Summer Bridge and Transition Program Category A		571
Summer Bridge and Transition Program Category C		<u>49,589</u>
Summer Bridge and Transition Program Total		50,160
Texas Grant Initial-12		26,193
Texas Grant Initial-11		1,890,860
Texas Grant Renewal-12		38,608
Texas Grant Renewal-11		1,371,353
Texas Grant & TEOG Initial/Renewal prior to 2008		<u>(3,560)</u>
Total Texas Grant Initial and Renewal		3,323,454
TEOG Initial-12		11,980
TEOG Initial-11		508,793
TEOG Renewal-12		4,725
TEOG Renewal-11		<u>206,628</u>
TEOG Initial and Renewal		732,126
Work-Study Student Mentorship Program		<u>32,727</u>
Total Direct		5,263,157
Pass through from:		
UT Health Science Center at San Antonio		
Minority Health Research and Education (Senderos Project)	131187/131067	2,548
El Paso Community College		
Community College Developmental Education Initiative		<u>48,717</u>
Total Texas Higher Education Coordinating Board		<u>\$ 5,314,422</u>

ALAMO COMMUNITY COLLEGE DISTRICT

**Schedule F
Schedule of Expenditures of State Awards – (Continued)
For the Year Ended August 31, 2011**

Grantor/Program Title	Grant Contract Number	Expenditures
Texas Workforce Commission		
Skills Development Funding	2010SDF002	\$ 2,167,151
Skills Development Funding	2010SDF000	352,071
Skills Development Funding	2008SDF0002	649,486
Skills Development Funding	2010SSD000	472
Skills Development Funding	2010SDF001	1,112,403
Skills Development Funding	2010XSD000	25,682
Pass-Through From:		
Texas State Technical College		
Skills Development Funding		70,291
Total Skills Development Funding		4,377,556
Apprenticeship Training Program	2011ATP000	5,126
Total Texas Workforce Commission		\$ 4,382,682
Comptroller of Public Accounts		
JET Launchpad Fund	3595-13	205,538
JET Launchpad Fund	CMD10-4777-1CH	16,355
JET Launchpad Fund Total		221,893
JET Career and Technical Scholarship Fund	3572-1	86,744
JET Career and Technical Scholarship Fund	3572-1	71,530
JET Career and Technical Scholarship Fund Total		158,274
Total Comptroller of Public Accounts		\$ 380,167
Total State of Texas Financial Assistance		\$ 10,077,271

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, 2011**

1. State Assistance Reconciliation

Other operating revenues - state grants and contracts per Schedule A	\$	5,863,417
Non-operating revenues - state revenue, non-operating per Schedule C		<u>4,213,854</u>
	\$	<u>10,077,271</u>
Total state expenditures per Schedule of Expenditures of State Awards	\$	<u>10,077,271</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 the award period basis.

3. Noncash Awards

There were no state noncash awards received in fiscal year 2011.

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



ALAMO
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Revenues by Location
For the Year Ended August 31, 2011

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
Tuition							
State Funded Courses							
In District Resident Tuition	\$ -	\$ 22,544,099	\$ 10,552,322	\$ 8,024,189	\$ 15,808,223	\$ 4,492,228	\$ 61,421,061
Out of District Resident Tuition		3,506,711	3,553,680	3,210,715	2,762,426	2,978,497	16,012,029
Non-Resident Tuition		4,361,495	708,960	229,931	1,077,088	311,178	6,688,652
TPEG - Credit Set Aside *		1,316,373	617,359	474,069	848,126	-	3,255,927
State-Funded Continuing Education		348,247	263,222	368,732	137,489	176,964	1,294,654
TPEG - Non-Credit Set Aside *		154,743	133,224	141,108	51,335	111,449	591,859
Non-State Funded Continuing Education	198,109	1,139,372	915,638	241,019	109,384	56,552	2,660,074
Total Tuition	198,109	33,371,040	16,744,405	12,689,763	20,794,071	8,126,868	91,924,256
Fees							
General Fee		6,382,857	3,283,188	2,568,699	4,946,136	1,912,284	19,093,164
Laboratory Fees							
Registration Fee							
Library Upgrade Fee							
Other	994,869	995,963	1,205,969	1,096,219	761,374	1,179,183	6,233,577
Total Fees	994,869	7,378,820	4,489,157	3,664,918	5,707,510	3,091,467	25,326,741
Total Tuition and Fees	1,192,978	40,749,860	21,233,562	16,354,681	26,501,581	11,218,335	117,250,997
Scholarship Allowances and Discounts							
Institutional Scholarships/Allowance for Bad Debt	(1,225,322)	(2,539,818)	(101,071)	(1,315,722)	(9,891)	(432)	(5,192,256)
Remissions and Exemptions - State		(986,285)	(330,367)	(281,344)	(368,888)	(7,527)	(1,974,411)
Remissions and Exemptions - Local		(3,363,573)	(3,048,079)	(2,035,910)	(2,878,732)	(1,711)	(11,328,005)
Federal Grants to Students	(399,713)	(18,789,118)	(9,110,476)	(7,384,925)	(9,049,780)	(995)	(44,735,007)
TPEG Awards		(491,194)	(229,751)	(237,123)	(353,856)		(1,311,924)
State Grants to Students	(1,965,940)	(652,046)	(301,619)	(311,297)	(464,546)		(3,695,448)
Other Local Awards	(2,595)	(35,950)	(58,757)				(97,302)
Total Sch Allowances and Discounts	(3,593,570)	(26,857,984)	(13,180,120)	(11,566,321)	(13,125,693)	(10,665)	(68,334,353)
Total Net Tuition and Fees	(2,400,592)	13,891,876	8,053,442	4,788,360	13,375,888	11,207,670	48,916,644
Other Operating Revenues							
Federal Grants and Contracts	3,492,253	2,503,373	9,536,770	2,219,862	486,235	125,729	18,364,222
State Grants and Contracts	5,183,322	338,931	291,442	49,722	-	-	5,863,417
Local Grants and Contracts	746,558	360,976	-	-	-	-	1,107,534
Non-Governmental Grants and Contracts	199,274	819,416	223,027	34,599	10,000	1,534	1,287,850
Inv/Endow inc incl FMV chg (Prog Restricted)							-
Other Operating Revenues	982,921	239,529	161,649	89,260	118,118	32,720	1,624,197
Total Other Operating Revenues	10,604,328	4,262,225	10,212,888	2,393,443	614,353	159,983	28,247,220
Sales and Services of Auxiliary Enterprises							
Bookstore Commission		317,145	247,236	226,906	281,408	158,080	1,230,775
Palo Alto College Natatorium				337,901			337,901
Day Care Centers		259,618	267,587	340,674			867,879
Vending Machines/Copiers	7,846	133,189	84,667	39,100	78,176	20,425	363,403
Parking Permits & Fines	18,840	355,362	161,496	134,040	343,906	141,379	1,155,023
Other	54,065	100,909	13,502	36,990	19,118	14,266	238,850
Total Sales and Services of Auxiliary Enterprises	80,751	1,166,223	774,488	1,115,611	722,608	334,150	4,193,831
Total Operating Revenues	\$ 8,284,487	\$ 19,320,324	\$ 19,040,818	\$ 8,297,414	\$ 14,712,849	\$ 11,701,803	\$ 81,357,695

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Operating Expenses by Location
For the Year Ended August 31, 2011

	<u>DIST SVCS</u>	<u>SAC</u>	<u>SPC</u>	<u>PAC</u>	<u>NVC</u>	<u>NLC</u>	<u>TOTAL</u>
Educational Activities							
Instruction	\$ 5,370,565	\$ 54,117,190	\$ 34,841,207	\$ 18,385,709	\$ 23,058,679	\$ 8,543,370	\$ 144,316,720
Public Service	1,701	218,806	65,660	-	4,899	-	291,066
Academic Support	317,569	7,381,721	7,058,190	3,635,529	7,342,443	2,347,593	28,083,045
Student Services	4,423,796	10,228,048	5,408,918	4,647,968	4,745,498	1,549,917	31,004,145
Institutional Support	33,681,776	8,343,994	4,059,819	3,071,357	3,355,823	2,171,539	54,684,308
Operation and Maintenance of Plant	5,580,567	7,983,246	6,969,163	5,194,012	3,821,831	3,709,812	33,258,631
Scholarships and Fellowships	307,004	33,381,192	16,443,276	12,854,483	15,457,482	3,450	78,446,887
Total Educational Activities	49,682,978	121,654,197	74,846,233	47,789,058	57,786,655	18,325,681	370,084,802
Auxiliary Enterprises	108,705	405,771	121,127	1,565,177	11,900	960	2,213,640
Depreciation Expense - Building	1,362,864	6,251,361	5,715,945	3,802,176	3,824,407	3,544,392	24,501,145
Depreciation Expense - Equipment	1,655,934	938,942	1,607,676	380,179	292,319	143,462	5,018,512
Total Operating Expense	<u>\$ 52,810,481</u>	<u>\$ 129,250,271</u>	<u>\$ 82,290,981</u>	<u>\$ 53,536,590</u>	<u>\$ 61,915,281</u>	<u>\$ 22,014,495</u>	<u>\$ 401,818,099</u>

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Non-Operating Revenues and Expenses by Location
For the Year Ended August 31, 2011

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
NON-OPERATING REVENUES:							
State Appropriations							
Education and General State Support	\$ -	\$ 25,077,676	\$ 13,684,780	\$ 9,675,647	\$ 12,970,000	\$ 4,250,369	\$ 65,658,472
State Group Insurance	2,578,407	3,696,185	1,948,458	1,428,675	1,546,911	695,204	11,893,840
State Retirement Match	1,372,920	2,805,369	1,486,288	1,033,752	1,186,908	504,567	8,389,805
Ad Valorem Taxes							-
Taxes for Maintenance and Operatio	11,998,708	28,010,904	22,880,142	13,930,289	8,735,629	8,003,842	93,559,514
Taxes for Debt Service	17,534,215	5,667,397	4,712,198	3,838,437	5,193,357	6,207,425	43,153,029
Federal Revenue, non-operating		50,493,411	24,804,841	19,380,945	23,513,632		118,192,829
State Revenue, non-operating		1,331,043	872,595	991,291	1,018,925		4,213,854
Gifts	40,865	153,500	137,490	19,278	122,589	2,500	476,222
Investment Income	1,561,550	1,836	-	-	-	2,712	1,566,098
Total Non-Operating Revenues	35,086,665	117,237,321	70,526,792	50,298,315	54,287,951	19,666,619	347,103,663
NON-OPERATING EXPENSES:							
Interest on Capital Related Debt	(1,788,823)	(5,667,397)	(4,712,198)	(3,838,437)	(5,193,357)	(6,207,425)	(27,407,637)
Loss on Disposal of Capital Assets	4,665	(228,241)	1,757		(10,661)	-	(232,480)
Arbitrage Rebate Expense	105,170	-	-	-	-	-	105,170
Other Non-Operating Expenses	(2,405,905)	-	-	-	-	-	(2,405,905)
Total Non-Operating Expenses	(4,084,893)	(5,895,638)	(4,710,441)	(3,838,437)	(5,204,018)	(6,207,425)	(29,940,852)
Net Non-Operating Revenues	\$ 31,001,772	\$ 111,341,683	\$ 65,816,351	\$ 46,459,878	\$ 49,083,933	\$ 13,459,194	\$ 317,162,811

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Fixed Assets by Asset Types
For the Year Ended August 31, 2011

	Balance 9/1/2010	Additions	Deletions	Balance 8/31/2011
<i>Land:</i>				
San Antonio College	\$ 14,878,517			\$ 14,878,517
St. Philip's College	5,995,285			5,995,285
Palo Alto College	1,759,561			1,759,561
Northwest Vista College	1,717,000			1,717,000
Northeast Lakeview College	7,060,135			7,060,135
North Central Campus	12,943,381			12,943,381
District Offices	10,270,274			10,270,274
Total grounds	54,624,153	-	-	54,624,153
<i>Buildings:</i>				
San Antonio College	176,301,210	3,397,515		179,698,725
St. Philip's College	156,464,082	1,467,239		157,931,321
Palo Alto College	106,981,760	1,250,609		108,232,369
Northwest Vista College	111,539,504	5,234,531		116,774,035
Northeast Lakeview College	131,525,148			131,525,148
North Central Campus	-			-
District Offices	7,470,707			7,470,707
Total buildings	690,282,411	11,349,894	-	701,632,305
<i>Facility and land improvements:</i>				
San Antonio College	21,629,914	194,440		21,824,354
St. Philip's College	17,959,218	1,996,000		19,955,218
Palo Alto College	15,622,182	546,153		16,168,335
Northwest Vista College	26,180,517	3,355,190		29,535,707
Northeast Lakeview College	12,414,921	1,269,872		13,684,793
North Central Campus	195,720			195,720
District Offices	6,407,634			6,407,634
Total facility and land improvem	100,410,106	7,361,655	-	107,771,761
<i>Equipment:</i>				
San Antonio College	6,049,512	632,953	329,776	6,352,689
St. Philip's College	9,108,378	2,377,319	249,512	11,236,185
Palo Alto College	1,622,631	343,234	13,752	1,952,113
Northwest Vista College	1,684,082	272,897	128,728	1,828,251
Northeast Lakeview College	546,305	97,187		643,492
North Central Campus	-			-
District Offices	11,112,704	1,631,883	230,490	12,514,097
Total equipment	30,123,612	5,355,473	952,258	34,526,827
<i>Software:</i>				
San Antonio College	31,327	22,500		53,827
St. Philip's College	8,319			8,319
Palo Alto College	9,408			9,408
District Wide	2,729,555	93,632		2,823,187
Total software	2,778,609	116,132	-	2,894,741
<i>Library books:</i>				
San Antonio College	6,210,567	15,207		6,225,774
St. Philip's College	4,784,967	9,510	62,033	4,732,444
Palo Alto College	3,846,701	41,400	3,432	3,884,669
Northwest Vista College	748,534	37,053		785,587
Northeast Lakeview College	304,528	58,928		363,456
Total library books	15,895,297	162,098	65,465	15,991,930
<i>Works of art:</i>				
San Antonio College	-	88,000		88,000
St. Philip's College	-	63,000		63,000
Palo Alto College	-	18,971		18,971
	-	169,971	-	169,971
<i>Construction in Progress</i>				
San Antonio College	890,382	4,065,326	3,189,049	1,766,659
St. Philip's College	3,418,380	4,874,530	3,866,145	4,426,765
Palo Alto College	6,198,801	5,055,945	1,796,762	9,457,984
Northwest Vista College	5,036,784	3,960,274	8,589,721	407,337
Northeast Lakeview College	1,127,778	190,682	1,269,872	48,588
North Central Campus	766,764	-		766,764
District Offices	2,688,077	387,922		3,075,999
	20,126,966	18,534,679	18,711,549	19,950,096
Total	\$ 914,241,154	\$ 43,049,902	\$ 19,729,272	\$ 937,561,784

ALAMO COMMUNITY COLLEGE DISTRICT
San Antonio, Texas
Schedule of Fixed Assets by Location
For the Year Ended August 31, 2011

	Balance 9/1/2010	Additions	Deletions	Balance 8/31/2011
<i>San Antonio College:</i>				
Land	\$ 14,878,517	\$ -	\$ -	\$ 14,878,517
Buildings	176,301,210	3,397,515	-	179,698,725
Facility and land improvement	21,629,914	194,440	-	21,824,354
Equipment	6,049,512	632,953	329,776	6,352,689
Software	31,327	22,500	-	53,827
Library books	6,210,567	15,207	-	6,225,774
Works of art	-	88,000	-	88,000
Construction in Progress	890,382	4,065,326	3,189,049	1,766,659
Total San Antonio College	225,991,429	8,415,941	3,518,825	230,888,545
<i>St. Philip's College:</i>				
Land	5,995,285	-	-	5,995,285
Buildings	156,464,082	1,467,239	-	157,931,321
Facility and land improvement	17,959,218	1,996,000	-	19,955,218
Equipment	9,108,378	2,377,319	249,512	11,236,185
Software	8,319	-	-	8,319
Library books	4,784,967	9,510	62,033	4,732,444
Works of art	-	63,000	-	63,000
Construction in Progress	3,418,380	4,874,530	3,866,145	4,426,765
Total St. Philip's College	197,738,629	10,787,598	4,177,690	204,348,537
<i>Palo Alto College:</i>				
Land	1,759,561	-	-	1,759,561
Buildings	106,981,760	1,250,609	-	108,232,369
Facility and land improvement	15,622,182	546,153	-	16,168,335
Equipment	1,622,631	343,234	13,752	1,952,113
Software	9,408	-	-	9,408
Library books	3,846,701	41,400	3,432	3,884,669
Works of art	-	18,971	-	18,971
Construction in Progress	6,198,801	5,055,945	1,796,762	9,457,984
Total Palo Alto College	136,041,044	7,256,312	1,813,946	141,483,410
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings	111,539,504	5,234,531	-	116,774,035
Facility and land improvement	26,180,517	3,355,190	-	29,535,707
Equipment	1,684,082	272,897	128,728	1,828,251
Library books	748,534	37,053	-	785,587
Construction in Progress	5,036,784	3,960,274	8,589,721	407,337
Total Northwest Vista College	146,906,421	12,859,945	8,718,449	151,047,917
<i>Northeast Lakeview College:</i>				
Land	7,060,135	-	-	7,060,135
Buildings	131,525,148	-	-	131,525,148
Facility and land improvement	12,414,921	1,269,872	-	13,684,793
Equipment	546,305	97,187	-	643,492
Library books	304,528	58,928	-	363,456
Construction in Progress	1,127,778	190,682	1,269,872	48,588
Total Northeast Campus	152,978,815	1,616,669	1,269,872	153,325,612
<i>North Central Campus:</i>				
Land	12,943,381	-	-	12,943,381
Buildings	-	-	-	-
Facility and land improvement	195,720	-	-	195,720
Construction in Progress	766,764	-	-	766,764
Total North Central Campus	13,905,865	-	-	13,905,865
<i>District Offices:</i>				
Land	10,270,274	-	-	10,270,274
Buildings	7,470,707	-	-	7,470,707
Facility and land improvement	6,407,634	-	-	6,407,634
Equipment	11,112,704	1,631,883	230,490	12,514,097
Software	2,729,555	93,632	-	2,823,187
Construction in Progress	2,688,077	387,922	-	3,075,999
Total District Offices	40,678,951	2,113,437	230,490	42,561,898
Total	\$ 914,241,154	\$ 43,049,902	\$ 19,729,272	\$ 937,561,784



ALAMO
COLLEGES

Statistical Supplement



ALAMO
COLLEGES

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
COLLEGES

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 1 Net Assets by Component Fiscal Years 2002 to 2011 (Unaudited) (in thousands)

	For the Fiscal Year Ended August 31,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 179,050	\$ 182,572	\$ 181,568	\$ 172,395	\$ 155,641	\$ 124,927	\$ 119,012	\$ 135,668	\$ 115,217	\$ 111,326
Restricted - Nonexpendable	-	-	-	1,299	1,298	1,298	1,277	1,270	1,308	10,193
Restricted - Expendable	11,339	11,212	10,256	13,185	7,050	8,466	6,970	6,209	10,296	1,170
Unrestricted	83,693	83,547	82,033	91,556	82,283	66,114	58,647	45,309	50,507	49,817
Total	\$ 274,082	\$ 277,331	\$ 273,857	\$ 278,435	\$ 246,272	\$ 200,805	\$ 185,906	\$ 188,456	\$ 177,328	\$ 172,506
Net assets beginning of the year	277,331	278,435	278,435	246,272	200,805	185,906	188,456	177,328	172,506	166,262
Increase (Decrease) in net assets	\$ (3,249)	\$ (1,104)	\$ (4,578)	\$ 32,163	\$ 45,467	\$ 14,899	\$ (2,550)	\$ 11,128	\$ 4,822	\$ 6,244

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 2 Revenues by Source Fiscal Years 2002 to 2011 (Unaudited) (in thousands)

	For the Years Ended August 31,																			
	2011		2010		2009		2008		2007		2006		2005		2004		2003		2002	
Tuition and fees (net of discounts)	\$ 48,917	11.4%	\$ 58,892	13.5%	\$ 51,115	12.9%	\$ 52,797	14.1%	\$ 49,198	14.4%	\$ 45,344	15.6%	\$ 43,235	15.8%	\$ 37,483	14.5%	\$ 31,581	13.3%	\$ 29,298	13.1%
Governmental grants and contracts																				
Federal grants and contracts	18,365	4.3%	21,369	4.9%	17,250	4.4%	14,206	3.8%	14,032	4.1%	13,514	4.7%	13,603	5.0%	14,270	5.5%	11,464	4.8%	11,267	5.0%
State grants and contracts	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	1.9%	765	0.3%	1,697	0.7%	558	0.2%
Local grants and contracts	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%	761	0.3%	496	0.2%
Non-governmental grants and contracts	1,287	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%	119	0.0%	467	0.2%
Investment income	-	0.0%	4	0.0%	19	0.0%	158	0.0%	184	0.1%	159	0.1%	119	0.0%	91	0.0%	93	0.0%	102	0.0%
Auxiliary enterprises	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%	2,654	1.1%	2,327	1.0%
Other operating revenue	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%	1,162	0.5%	1,477	0.7%
Total operating revenues	81,358	19.1%	91,922	21.0%	81,224	20.7%	78,648	20.9%	74,188	21.7%	69,370	23.9%	68,717	25.1%	57,940	22.4%	49,531	20.7%	45,992	20.4%
State appropriation	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	26.6%	72,230	28.0%	72,719	30.5%	54,453	24.3%
Ad valorem taxes	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%	59,351	25.2%	(58,978)	-26.3%
Federal revenue, non-operating	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	21.3%	57,811	22.4%	49,402	20.7%	726	0.3%
State revenue, non-operating	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%	2,701	1.1%	583	0.3%
Gifts	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%	925	0.4%	583	0.3%
Investment income	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%	2,707	1.1%	2,634	1.2%
Other non-operating revenues	-	0.0%	-	0.0%	-	0.0%	-	0.0%	48	0.0%	4	0.0%	50	0.0%	50	0.0%	761	0.3%	178,105	79.5%
Total non-operating revenues	347,103	80.9%	345,397	79.0%	314,268	79.3%	295,016	79.1%	266,976	78.3%	220,745	76.1%	205,046	74.9%	200,237	77.6%	188,566	79.3%	178,106	79.6%
Total revenues	\$ 428,461	100.0%	\$ 437,319	100.0%	\$ 395,492	100.0%	\$ 373,664	100.0%	\$ 341,164	100.0%	\$ 290,115	100.0%	\$ 273,763	100.0%	\$ 258,177	100.0%	\$ 238,097	100.0%	\$ 224,098	100.0%

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 2002 to 2011 (Unaudited) (in thousands)

	For the Year Ended August 31,																			
	2011		2010		2009		2008		2007		2006		2005		2004		2003		2002	
Instruction	\$ 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%	\$ 96,872	41.4%	\$ 95,018	43.6%
Public service	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%	3,623	1.5%	3,673	1.7%
Academic support	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%	18,403	7.9%	17,669	8.1%
Student services	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%	22,385	9.6%	21,015	9.6%
Institutional support	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%	25,979	11.1%	24,682	11.3%
Operating and maintenance of plant	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%	17,070	7.3%	17,234	7.9%
Scholarships and fellowships	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%	35,726	15.3%	29,450	13.5%
Auxiliary enterprises	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%	1,687	0.7%	1,742	0.8%
Depreciation	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%	7,026	3.0%	6,712	3.1%
Total operating expenses	401,819	93.1%	400,030	92.2%	351,379	88.2%	301,748	88.1%	277,789	93.9%	267,778	97.6%	257,894	97.8%	241,908	97.9%	228,771	97.8%	217,195	99.6%
Interest on capital related debt	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%	4,410	1.9%	330	0.2%
Other non-operating expenses	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%	-	0.0%	330	0.2%
Loss on disposal of fixed assets	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%	787	0.3%	-	0.0%
Total non-operating expenses	29,940	6.9%	33,864	7.8%	47,418	11.8%	40,303	11.9%	18,265	6.1%	6,722	2.4%	5,829	2.2%	5,142	2.1%	5,197	2.2%	660	0.4%
Total expenses	\$ 431,759	100.0%	\$ 433,894	100.0%	\$ 398,797	100.0%	\$ 342,051	100.0%	\$ 296,054	100.0%	\$ 274,500	100.0%	\$ 263,723	100.0%	\$ 247,050	100.0%	\$ 233,968	100.0%	\$ 217,855	100.0%

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)

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

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 2010	\$ -	\$ 53.50	\$ 107.00	\$ 12.00	\$ 127.00	\$ -	\$ -	\$ -	\$ 781.00	\$ 1,423.00	0.00%	3.04%
Fall 2009	-	53.50	103.50	12.00	127.00	-	-	-	781.00	1,381.00	9.23%	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%
Fall 2002	10.00	30.00	55.50	-	85.00	10.00	24.00	4.00	493.00	799.00	0.00%	0.00%
Fall 2001	10.00	30.00	55.50	-	85.00	10.00	24.00	4.00	493.00	799.00	14.39%	14.96%
Fall 2000	10.00	26.50	48.50	-	65.00	10.00	24.00	4.00	431.00	695.00		

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 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%
Fall 2002	10.00	108.50	-	85.00	10.00	24.00	61.00	1,492.00	0.00%
Fall 2001	10.00	108.50	-	85.00	10.00	24.00	61.00	1,492.00	15.57%
Fall 2000	10.00	94.50	-	65.00	10.00	24.00	48.00	1,291.00	

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
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
2002-03	57,333,889,663	2,666,692,078	54,667,197,585	95.35%	0.09230	0.01480	0.10710
2001-02	54,534,023,818	2,867,260,267	51,666,763,551	94.74%	0.08980	0.01480	0.10460

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

TAV Is Assessed Value less Exemptions

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
2010-11	\$ 65,658,472	37,688	1,742	18,969,848	4,116,144	23,085,992	2.84
2009-10	69,233,873	39,377	1,758	18,845,612	4,195,048	23,040,660	3.00
2008-09	67,846,696	36,892	1,839	16,578,880	3,699,074	20,277,954	3.35
2007-08	67,846,696	34,756	1,985	15,499,262	3,689,690	19,188,952	3.54
2006-07	65,409,379	33,428	1,957	15,057,632	3,870,207	18,927,839	3.46
2005-06	65,746,811	33,249	1,977	14,771,648	3,997,840	18,769,488	3.50
2004-05	58,069,378	33,173	1,751	15,035,056	4,231,936	19,266,992	3.01
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
2001-02	60,208,645	29,536	2,038	12,898,748	3,739,488	16,638,236	3.62

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 CBM001

(b) Source CBM00C

FY 2010-11 - FTSE and Contact Hours are preliminary as SSII is not certified.

ALAMO COMMUNITY COLLEGE DISTRICT

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

Tax Payer	Type of Business	Taxable Assessed Value (TAV) (\$000 omitted)									
		2011	2010	2009	2008	2007	2006*	2005	2004*	2003	2002*
HEB Grocery Company LP	Groceries	\$ 968,937	\$ 957,372	\$ 915,618	\$ 860,947	\$ 835,417	\$ 734,917	\$ 684,385	\$ 649,249	\$ 610,809	\$ 542,267
	Automotive										
Toyota Motor Mfg Texas Inc.	Manufacturer	542,971	447,437	541,478	-	636,047	182,767	-	-	-	-
VHS San Antonio Prmers (Baptist Hospital)	Healthcare	404,509	375,935	375,477	390,814	295,830	251,811	184,637	173,023	-	-
Methodist Healthcare Systems SA	Healthcare	518,606	455,263	451,594	470,840	239,580	220,975	209,712	194,114	168,580	169,340
AT&T	Telecommunications	412,841	423,199	408,853	496,917	546,653	568,534	524,283	515,151	631,726	489,195
USAA	Insurance	359,064	336,394	343,721	346,117	338,676	334,521	307,044	319,746	331,742	364,350
Frost National Bank	Financial	-	-	209,948	186,581	-	174,828	-	154,656	-	93,884
Marriott Hotel Properties	Hospitality	-	-	171,581	188,615	-	-	-	125,113	127,537	112,930
Microsoft Corporation	Technology	343,633	334,968	-	-	-	-	-	-	-	-
SA Real Estate LLLP	Real Estate	264,078	266,758	-	-	-	-	-	-	-	-
La Cantera Retail LTD Partnership	Retail	212,394	238,190	263,640	-	-	-	-	-	-	-
Frankel Family Trust	Comm. Real Estate	-	-	199,812	194,134	-	-	-	-	-	-
Wal-Mart Stores, Inc.	Retail	396,639	384,171	-	371,620	355,246	340,767	327,050	301,334	219,386	213,750
VLSI Technologies, Inc. (Philips)	Semiconductor Manf.	-	-	-	-	-	-	-	-	37,420	-
Time Warner Cable San Antonio LP	Cable Company	-	-	-	-	185,569	178,019	177,002	162,962	151,811	118,554
Alamo Stonecrest Holdings	Retail	-	-	-	-	-	-	144,910	-	-	-
Inland Western San Antonio Academy LP	Retail	-	-	-	-	-	-	143,372	-	-	-
Melvin Simon Properties	Real Estate	-	-	-	-	-	-	-	140,294	117,245	111,174
North Star Mall, Inc.	Retail	-	-	-	-	-	-	-	-	109,891	108,919
New River Center Mall LP	Retail	-	-	-	-	209,062	178,977	-	-	-	-
MBS-Colonnade Ltd	Real Estate	-	-	-	215,664	223,505	-	-	-	-	-
Total		\$ 4,423,670	\$ 4,219,687	\$ 3,881,722	\$ 3,722,249	\$ 3,865,585	\$ 3,166,116	\$ 2,867,647	\$ 2,735,642	\$ 2,506,147	\$ 2,324,363
Total Taxable Assessed Value		\$99,275,859	\$100,688,758	\$99,836,254	\$90,069,052	\$77,038,994	\$67,348,395	\$62,321,227	\$59,131,594	\$54,667,198	\$51,666,764

Tax Payer	Type of Business	% of Taxable Assessed Value (TAV)									
		2011	2010	2009	2008	2007	2006*	2005	2004*	2003	2002*
HEB Grocery Company LP	Groceries	0.98%	0.95%	0.92%	0.96%	1.08%	1.09%	1.10%	1.10%	1.12%	1.05%
Toyota Motor Mfg Texas Inc.	Automotive Manufactu	0.55%	0.44%	0.54%	0.00%	0.83%	0.27%	0.00%	0.00%	0.00%	0.00%
VHS San Antonio Prmers (Baptist Hospitals)	Healthcare	0.41%	0.37%	0.38%	0.43%	0.38%	0.37%	0.30%	0.29%	0.00%	0.00%
Methodist Healthcare Systems SA	Healthcare	0.52%	0.45%	0.45%	0.52%	0.31%	0.33%	0.34%	0.33%	0.31%	0.33%
AT&T	Telecommunications	0.42%	0.42%	0.41%	0.55%	0.71%	0.84%	0.84%	0.87%	1.16%	0.95%
USAA	Insurance	0.36%	0.33%	0.34%	0.38%	0.44%	0.50%	0.49%	0.54%	0.61%	0.71%
Frost National Bank	Financial	0.00%	0.00%	0.21%	0.21%	0.00%	0.26%	0.27%	0.26%	0.00%	0.18%
Marriott Hotel Properties	Hospitality	0.00%	0.00%	0.17%	0.21%	0.00%	0.00%	0.00%	0.21%	0.23%	0.22%
Microsoft Corporation	Technology	0.35%	0.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	Real Estate	0.27%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
La Cantera Retail LTD Partnership	Retail	0.21%	0.24%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Frankel Family Trust	Comm. Real Estate	0.00%	0.00%	0.20%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Stores, Inc.	Retail	0.40%	0.38%	0.00%	0.41%	0.46%	0.51%	0.52%	0.51%	0.40%	0.41%
VLSI Technologies, Inc. (Philips)	Semiconductor Manf.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%
Time Warner Cable San Antonio LP	Cable Company	0.00%	0.00%	0.00%	0.00%	0.24%	0.26%	0.28%	0.28%	0.28%	0.23%
Alamo Stonecrest Holdings	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%
Inland Western San Antonio Academy LP	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%	0.00%	0.00%	0.00%
Melvin Simon Properties	Real Estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.21%	0.22%
North Star Mall, Inc.	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.21%
New River Center Mall LP	Retail	0.00%	0.00%	0.00%	0.00%	0.27%	0.27%	0.00%	0.00%	0.00%	0.00%
MBS-Colonnade Ltd	Real Estate	0.00%	0.00%	0.00%	0.24%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%
Total		4.46%	4.19%	3.89%	4.13%	5.02%	4.70%	4.60%	4.63%	4.58%	4.50%

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	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections Year of 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
2011	\$ 137,908,286	\$ (532,605)	\$ 137,375,681	\$ 134,739,175	98.08%	\$ -	\$ -	\$ 134,739,175	98.08%
2010	134,340,094	(1,563,551)	132,776,543	130,767,468	98.49%	-	695,013	131,462,481	99.01%
2009	132,171,475	(1,535,434)	130,636,041	128,946,515	98.71%	882,534	98,827	129,927,876	99.46%
2008	117,688,619	(447,339)	117,241,280	115,629,413	98.63%	1,052,970	84,248	116,766,631	99.60%
2007	102,947,673	(406,552)	102,541,121	101,029,924	98.53%	1,096,342	93,036	102,219,302	99.69%
2006	72,091,494	(264,899)	71,826,595	70,608,797	98.30%	966,724	42,683	71,618,204	99.71%
2005	66,714,921	(373,186)	66,341,735	65,139,162	98.19%	986,413	30,429	66,156,004	99.72%
2004	63,298,631	(165,119)	63,133,512	61,773,444	97.85%	1,167,940	15,047	62,956,431	99.72%
2003	58,548,368	(245,275)	58,303,093	57,047,655	97.85%	1,088,481	5,482	58,141,618	99.72%
2002	54,049,957	(402,125)	53,647,832	52,631,196	98.10%	871,746	4,731	53,507,673	99.74%

a) As reported in notes to the financial statements for the year of the levy (Current Yr source: Report TC161)

b) As of August 31st of the current reporting year (Report TC161)

c) Property tax only - does not include penalties and interest as reported in notes to the financial statement (Current Yr source: Report TC168)

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

e) Represents current year collections of prior years levies (Report TC168 YTD Paid)

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
General Bonded Debt										
General obligation bonds	\$ 404,120	\$ 411,719	\$ 419,299	\$ 430,393	\$ 435,819	\$ 75,154	\$ 19,604	\$ 24,696	\$ 31,756	\$ 38,861
Tax Notes	151,955	108,025	106,155	116,010	39,410	40,320	5,695	8,155	-	-
Less: Funds restricted for debt service	5,315	4,633	3,016	3,420	2,297	1,626	2,532	2,015	1,454	1,455
Net general bonded debt	\$ 550,760	\$ 515,111	\$ 522,438	\$ 542,983	\$ 472,932	\$ 113,848	\$ 22,767	\$ 30,836	\$ 30,302	\$ 37,406
Other Debt										
Revenue bonds	\$ 65,935	\$ 69,495	\$ 72,900	\$ 76,180	\$ 74,270	\$ 67,645	\$ 67,625	\$ 69,730	\$ 62,017	\$ 63,270
Notes Payable	-	-	207	690	1,145	1,605	2,036	2,451	2,850	-
Capital lease obligations	-	-	-	-	-	-	-	-	-	160
Total Outstanding Debt	\$ 616,695	\$ 584,606	\$ 595,545	\$ 619,853	\$ 548,347	\$ 183,098	\$ 92,428	\$ 103,017	\$ 95,169	\$ 100,836
General Bonded Debt Ratios										
Per capita	\$ 324.61	\$ 300.40	\$ 316.35	\$ 334.91	\$ 297.65	\$ 73.41	\$ 15.06	\$ 20.73	\$ 20.73	\$ 25.98
Per FTSE	14,614	13,082	14,161	15,813	14,148	3,515	686	934	962	1,299
As a percentage of Taxable Assessed Value	0.55%	0.51%	0.53%	0.60%	0.61%	0.17%	0.04%	0.05%	0.06%	0.07%
Total Outstanding Debt Ratios										
Per Capita	\$ 363.47	\$ 340.92	\$ 360.62	\$ 382.32	\$ 345.11	\$ 118.06	\$ 61.15	\$ 69.26	\$ 65.09	\$ 70.03
Per FTSE	\$ 16,363	\$ 14,846	\$ 16,143	\$ 18,052	\$ 16,404	\$ 5,653	\$ 2,783	\$ 3,120	\$ 3,020	\$ 3,502
As a percentage of Taxable Assessed Value	0.62%	0.58%	0.60%	0.69%	0.71%	0.27%	0.15%	0.17%	0.17%	0.20%

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 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
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
2003	\$ 54,667,198	86,210	1,454	84,756	8,311	76,445	7.95%	0.25000	0.09230	0.15770
2002	\$ 51,666,764	82,770	1,455	81,315	12,208	69,107	12.99%	0.25000	0.08980	0.16020

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 2010)

ALAMO COMMUNITY COLLEGE DISTRICT

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

Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues					Debt Service Requirements			
	Tuition	General Fee	Investment Income	Auxiliary Income	Total	Principal	Interest	Total	Coverage Ratio
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	37,298	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	30,849	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	24,275	1,000	2,828	3,828	6.34
2003	9,419 (1)	9,756	1,320	2,023	22,518	1,253	3,668	4,921	4.58
2002	1,492 (2)	8,937	2,131	1,729	14,289	704	3,895	4,599	3.11

(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.

(2) \$15.00 per semester headcount, \$7.50 per summer semester

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 Capital	District Annual Unemployment Rate
2010	1714773	\$ 63,231,186 **	\$ 37,558 **	7.4%
2009	1651448	60,220,178	36,465	6.7%
2008	1622899	56,891,253	35,090	4.8%
2007	1590146	54,324,033	34,163	4.2%
2006	1551362	51,180,678	32,991	4.7%
2005	1512654	47,756,590	\$31,571	5.1%
2004	1448264	43,958,567	\$29,537	5.8%
2003	1462550	41,382,567	\$28,295	6.2%
2002	1440092	39,571,644	\$27,479	5.8%
2001	1414634	39,085,591	\$27,629	4.7%
2000	1392931	38,189,928	\$27,321	4.1%

Source: Texas Workforce Commission, LMI Tracer, Data Link as of 5/03/11, 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	2011 (1)		2010 (2)		2009 (3)		2008 (4)		2007 (5)		2006 (6)	
	Number of	% of	Number of	% of	Number of	% of	Number of	% of	Number of	% of	Number of	% of
Lackland AFB	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	3.4%	30,793	3.4%	30,793	3.1%	15,200	1.8%	11,735	1.4%	26,100	3.4%
USAA	14,832	1.6%	14,852	1.6%	14,852	1.5%	14,852	1.7%	14,258	1.7%	14,955	1.9%
HEB Food Stores	14,588	1.6%	14,588	1.6%	14,588	1.5%	14,588	1.7%	14,588	1.8%	14,600	1.9%
Northside ISD	13,300	1.4%	12,597	1.4%	12,597	1.3%	12,810	1.5%	12,701	1.5%	10,000	1.3%
Randolph AFB	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	1.1%	10,223	1.1%	10,223	1.0%	8,360	1.0%	7,557	0.9%	7,847	1.0%
City of San Antonio	9,145	0.9%	9,000	1.0%	10,687	1.0%	9,830	1.1%	11,239	1.3%	9,813	1.3%
San Antonio ISD	7,581	0.8%	7,581	0.8%	7,425	0.8%	8,000	0.9%			8,000	1.0%
Methodist Healthcare System	7,500	0.8%	7,013	0.8%	7,391	0.8%	7,013	0.8%	6,520	0.8%	7,200	0.9%
AT & T, Inc.									5,611	0.7%		
Total Employment	157,633	16.8%	145,447	16.0%	147,356	14.8%	135,279	15.8%	114,942	13.8%	144,948	18.7%

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

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

(3) 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)

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

(5) Source: City of San Antonio Planning Office

(6) Source: San Antonio Economic Development Foundation

Note:

Per GASB S44, this schedule should show the current year and the prior nine years. However, the information for prior periods is unavailable, therefore, this schedule is implemented prospectively.

ALAMO COMMUNITY COLLEGE DISTRICT

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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Faculty										
Full-time	1,039	1,027	1,049	1,024	1,052	992	992	964	961	915
Part-time	3,047	2,787	2,957	2,865	3,011	3,052	3,345	3,228	3,034	2,771
Total	4,086	3,814	4,006	3,889	4,063	4,044	4,337	4,192	3,995	3,686
Percent										
Full-time	25.43%	26.93%	26.19%	26.33%	25.89%	24.53%	22.87%	23.00%	24.06%	24.82%
Part-time	74.57%	73.07%	73.81%	73.67%	74.11%	75.47%	77.13%	77.00%	75.94%	75.18%
Staff and Administrators										
Full-time	1,708	1,768	1,823	1,763	1,814	1,720	1,620	1,568	1,516	1,418
Part-time	1,052	708	888	887	930	926	1,050	964	1,079	1,195
Total	2,760	2,476	2,711	2,650	2,744	2,646	2,670	2,532	2,595	2,613
Percent										
Full-time	61.88%	71.41%	67.24%	66.53%	66.11%	65.00%	60.67%	61.93%	58.42%	54.27%
Part-time	38.12%	28.59%	32.76%	33.47%	33.89%	35.00%	39.33%	38.07%	41.58%	45.73%
FTSE *	37,688	39,377	36,892	34,756	33,428	33,249	33,173	32,889	32,282	29,536
FTSE per full-time faculty	36.3	38.3	35.2	33.9	31.8	33.5	33.4	34.1	33.6	32.3
FTSE per full-time staff member	22.1	22.3	20.2	19.7	18.4	19.3	20.5	21.0	21.3	20.8
Average annual full-time faculty salary	\$ 57,537	\$ 55,614	\$ 54,121	\$ 52,939	\$ 51,240	\$ 50,142	\$ 49,752	\$ 48,415	\$ 48,189	\$ 46,939

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.

Prepared by ACCD Institutional Research and Effectiveness Services (IRES)
 Faculty and employee counts for Academic year 2011 from HR

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 16 Student Profile Last Five Fiscal Years (Unaudited)

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%
Gender										
Female	35,726	57%	33,607	57%	30,386	58%	29,341	59%	29,350	59%
Male	26,569	43%	25,031	43%	21,920	42%	20,688	41%	20,138	41%
Total	62,295	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%
Ethnic Origin										
Multi-Racial	1,121	2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
White	28,595	46%	23,327	40%	20,202	39%	19,753	39%	19,725	40%
Hispanic	23,867	38%	28,943	49%	26,357	50%	24,956	50%	24,585	50%
African-American	4,417	7%	4,147	7%	3,717	7%	3,453	7%	3,352	7%
Asian	1,629	3%	1,621	3%	1,414	3%	1,314	3%	1,248	3%
Foreign	46	0%	357	1%	408	1%	342	1%	389	1%
Native American	731	1%	243	0%	208	0%	211	0%	189	0%
Native Hawaiian/Other Pacific Islander	-	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ethnic Origin/Race Unknown	1,889	3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	62,295	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

	Fall 2010		Fall 2009		Fall 2008		Fall 2007		Fall 2006	
	Number	%	Number	%	Number	%	Number	%	Number	%
Age										
Under 18	9,182	15%	8,584	15%	7,398	14%	6,278	13%	5,323	11%
18-21	23,419	38%	22,330	38%	20,514	39%	19,539	39%	19,348	39%
22-24	8,306	13%	8,114	14%	7,257	14%	7,338	15%	7,246	15%
25-35	14,185	23%	12,931	22%	11,300	22%	11,068	22%	11,482	23%
36-50	6,037	10%	5,668	10%	4,934	9%	4,901	10%	5,131	10%
51 and over	1,166	2%	1,011	2%	903	2%	905	2%	956	2%
Unknown	-	0%	-	0%	-	0%	-	0%	2	0%
Total	62,295	100%	58,638	100%	52,306	100%	50,029	100%	49,488	100%

Average Age	24.3	24.3	24.2	24.4	24.8
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Source: CBM001

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 17 Transfer Students to Senior Institutions 2009 Fall Students (Unaudited)

Institutions Attended, Fall 2009	Academic	Technical	Tech-Prep	Total	% Students
1 The University of Texas at San Antonio	3,693	439	57	4,189	44.5%
2 Texas State University	1,003	125	22	1,150	12.2%
3 Texas A&M University - San Antonio	905	113	16	1,034	11.0%
4 Texas A&M University	864	51	12	927	9.9%
5 The University of Texas at Austin	768	46	3	817	8.7%
6 Texas Tech University	303	37	1	341	3.6%
7 Texas A&M University - Corpus Christi	147	12	4	163	1.7%
8 University of North Texas	101	9	1	111	1.2%
9 Texas A&M University - Kingsville	80	5	3	88	0.9%
10 Sam Houston State University	64	5	4	73	0.8%
11 University of Houston	60	7	-	67	0.7%
12 Angelo State University	60	3	3	66	0.7%
13 The University of Texas at Arlington	38	11	-	49	0.5%
14 Stephen F. Austin State University	33	3	-	36	0.4%
15 Tarleton State University	24	5	1	30	0.3%
16 Texas A&M University at Galveston	27	3	-	30	0.3%
17 The University of Texas at Dallas	27	1	-	28	0.3%
18 Texas Woman's University	22	3	-	25	0.3%
19 Texas A&M International University	21	3	-	24	0.3%
20 The University of Texas at El Paso	17	3	1	21	0.2%
21 The University of Texas - Pan American	18	1	1	20	0.2%
22 Sul Ross State University	19	-	-	19	0.2%
23 Texas Southern University	12	3	-	15	0.2%
24 West Texas A&M University	14	1	-	15	0.2%
25 Prairie View A&M University	10	4	-	14	0.1%
26 University of Houston - Downtown	9	-	-	9	0.1%
27 Texas A&M University - Commerce	7	1	-	8	0.1%
28 The University of Texas at Tyler	7	1	-	8	0.1%
29 Lamar University	4	3	-	7	0.1%
30 Midwestern State University	7	-	-	7	0.1%
31 University of Houston at Victoria	4	2	-	6	0.1%
32 The University of Texas of the Permian Basin	4	-	-	4	0.0%
33 University of Houston at Clear Lake	3	-	-	3	0.0%
34 Sul Ross State University - Rio Grande College	2	-	-	2	0.0%
35 The University of Texas at Brownsville	2	-	-	2	0.0%
36 Texas A&M University - Central Texas	2	-	-	-	0.0%
Total	8,381	900	129	9,410	100.0%

Source: THECB Report ASALFS Students Pursuing Additional Education, includes only public senior colleges in Texas - Fall 2009

ALAMO COMMUNITY COLLEGE DISTRICT

Statistical Supplement 18 Capital Asset Information Fiscal Years 2005 to 2011 (Unaudited)

	2011	2010	2009	2008	2007	2006	2005
Academic Buildings *	125	121	120	91	88	70	69
Square Footage (in thousands)	2,551	2,659	2,769	2,571	2,132	2,132	2,100
Libraries *	6	8	6	7	6	6	5
Square Footage (in thousands)	309	330	370	312	193	193	188
Number of Volumes (in thousands)	677	610	666	675	675	482	504
Administrative and Support Buildings	66	59	60	44	15	15	15
Square Footage (in thousands)	850	824	684	591	147	147	147
Parking Garages	1	1	1	1			
Square Footage (in thousands)	394	394	394	394			
Dining Facilities	6	6	6	5	5	5	5
Square Footage (in thousands)	74	73	85	64	48	48	48
Average Daily Customers	3,210	3114	2,193	2,193	2,259	2,395	2,722
Athletic Facilities	8	8	7	4	4	4	4
Square Footage (in thousands)	270	265	247	189	192	192	192
Stadiums	0	0					
Gymnasium Buildings	5	5	5	4	4	4	4
Fitness Centers	7	6	5	4	4	4	4
Tennis Courts	18	18	18	14	8	8	8
Swimming Pools	3	3	3	3	4	4	4
Soccer Fields	1	1					
Fitness Trails	2	2					
Putting Green	1	1					
Rock Climbing Wall	1	1					
Plant Facilities	25	21	20	10	4	4	4
Square Footage (in thousands)	108	104	101	88	38	38	38
Transportation							
Cars	29	30	35	32	34	42	35
Trucks/Vans	82	90	76	64	68	85	59
Buses	2	2	2	2	2	2	2
Electric Cars	7	5					
ADA Parking Spots	489	479	464	401	317	317	301
Non ADA Parking Spots	14,716	14,309	14,015	13,697	8,944	8,944	8,694

* Academic Building and Libraries square footage decreased due to reclassifications.

Single Audit Section



ALAMO
COLLEGES

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

The Board of Trustees
Alamo Community College District

We have audited the basic financial statements of Alamo Community College District, comprised on 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, 2011, and have issued our report thereon dated December 6, 2011. We conducted our audit 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.

Internal control over financial reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 6, 2011.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

December 6, 2011

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance In Accordance With OMB Circular A-133 Independent Auditor's Report

The Board of Trustees
Alamo Community College District

Compliance

We have audited of Alamo Community College District's, comprised on 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 US 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, 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 Findings 11-01 through 11-06.

Internal control over compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

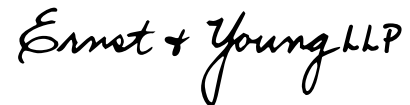
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as Findings 11-01 through 11-06. 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 yet important enough to merit attention by those charged with governance.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

December 6, 2011

Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance In Accordance With Texas Single Audit Circular Independent Auditor's Report

The Board of Trustees
Alamo Community College District

Compliance

We have audited Alamo Community College District's, comprised on 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 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 has 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2011.

Internal control over compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with *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 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 is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Trustees, others within the entity, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Ernst + Young LLP

December 6, 2011

**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, 2011**

Part I - Summary of Auditor's Results

Financial Statements Section

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

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 Yes X None reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards Section

Internal control over major programs:

Material weakness(es) identified?

 Yes X No

Significant deficiency(ies) identified?

 X Yes None reported

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

Unqualified

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

84.007, 84.033, 84.063, 84.268, 84.375

Student Financial Assistance Cluster

84.042, 84.047

TRIO Cluster

17.258, 17.259, 17.260

ARRA - WIA Cluster

84.335

Child Care Access Means Parents in School

81.041

ARRA - State Energy Program

98.001

USAID Foreign Assistance for Program Overseas

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

\$545,204

Auditee qualified as low-risk auditee?

 Yes X No

Part I - Summary of Auditor's Results (continued)

State Awards Section

Internal control over major programs:

Material weakness(es) identified?

Yes

No

Significant deficiency(ies) identified?

Yes

No

None reported

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

_____ **Unqualified** _____

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?

Yes

No

Identification of major state programs:

Contract Number(s)

Name of State Program

TEOG Initial and Renewal

2008SDF0002, 2010SDF000, 2010SDF001, 2010SDF002,
2010SSD000, 2010XSD000

Skills Development Funding

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

\$300,000

Auditee qualified as low-risk auditee?

Yes

No

Part II - Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of 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 11-01

Federal program information:

Federal Awarding Agency:
United States Department of Education

Federal Program:
Student Financial Assistance (SFA) Cluster:
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
Academic Competiveness Grant
CFDA No.: 84.375

Award years: 2010-2011, 2011-2012

Criteria or specific requirement (including statutory, regulatory or other citation):

Eligibility - To be eligible for Title IV student assistance, a student must maintain good standing, or satisfactory progress (34 CFR sections 668.32, 690.75, 691.15, 675.9, 676.9, 674.9, 682.201, 685.200, 20 USC 1070h; 42 CFR section 57.306; 42 USC 293a(d)(2)), as defined by school's satisfactory academic progress policy. Alamo Community College District (Alamo Colleges) policy defines satisfactory academic progress as: (1) maintain a minimum 2.0 overall and per semester grade point average, (2) successfully complete 67% of all course work attempted, and (3) complete the program of study within 99 hours of attempted course work, including hours attempted at other colleges.

Condition:

Of the 65 students tested for the SFA Cluster, one student from St. Philip's College did not maintain satisfactory progress because she had exceeded the 99 maximum attempted hours for the Pell and FSEOG programs.

Questioned costs:

\$2,775 Pell; \$300 FSEOG

Context:

We selected 65 students that received student financial assistance during the fiscal year ended August 31, 2011 to perform eligibility testing. One St. Philip's College student had attempted more than 99 hours and therefore was not eligible to receive Pell and FSEOG assistance for Fall 2010. Questioned costs were determined as the total SFA awards to the student referenced in the eligibility finding discussed above.

Effect:

Student was awarded assistance that she was not eligible to receive under the program guidelines.

Cause:

The student's eligibility was assessed using an incomplete academic history. The student's academic history was incomplete due to partial academic history uploads as Alamo Colleges converted to a new student system (Banner) in the fall of 2010.

Recommendation:

Alamo Colleges should enhance procedures and internal control surrounding the assessment of students' satisfactory academic progress necessary for eligibility for federal student financial assistance.

Views of responsible officials and planned corrective actions:

The situation occurred due to timing of IT data conversion from an old student system to the new Banner student system. Since the data has been completely converted, this situation should not reoccur.

Implementation date: 2012
Responsible person: Vice Chancellor for Student Success

Part III - Federal Award Findings and Questioned Costs Section (continued)

Finding 11-02

Federal program information:

Federal Awarding Agency:
United States Department of Education

Federal Program:
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
Academic Competiveness Grant
CFDA No.: 84.375

Award years: 2010-2011, 2011-2012

Criteria or specific requirement (including statutory, regulatory or other citation):

Special Tests and Provisions - Verification - Information that must be verified or updated is adjusted gross income, U.S. income tax paid, aggregate number of family members in the household, number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions if that number is greater than one, and untaxed income and benefits. (34 CFR section 668.56)

Condition:

Pursuant to Alamo Colleges' policies and procedures in place for verifying student applications, as designed to meet the requirements of 34 CFR 688.53, Alamo Colleges performs verification procedures on 30% of their student applicants. We selected 25 students selected by Alamo Colleges for verification testing and noted the following:

- For two students from San Antonio College, of the 25 students tested, the household size and number of family members enrolled as students in Alamo Colleges' Banner student system did not agree to the verification worksheet.

Questioned costs:

\$2,500

Context:

We tested Alamo Colleges' verification of the information submitted by 25 students and noted the following:

- For two students from San Antonio College, of the 25 students tested, the household size and number of family members enrolled as students in Alamo Colleges' Banner student system did not agree to the verification worksheet.

Questioned costs were determined as the total SFA awards to the students referenced in the verification findings discussed above.

Effect:

Student was awarded grants for which he may not be eligible under the program guidelines.

Cause:

Alamo Colleges failed to perform the verification procedures identified in their policy designed to meet the requirements of 34 CFR 668.53 and therefore may not have verified that the student was ineligible for financial assistance.

Recommendation:

Alamo Colleges should implement additional procedures and internal controls to ensure that all verification procedures are performed in accordance with their verification policy.

Views of responsible officials and planned corrective actions:

During fiscal year 2012, the Vice Chancellor for Student Success will review, revise and make improvements to the current document tracking procedures to ensure that program integrity rules for verification are followed. Additionally, procedures and controls in the Banner system will be enhanced where possible, and necessary staff training will be provided for new procedures in order to attain compliance.

Implementation date: 2012
Responsible person: Vice Chancellor for Student Success

Part III - Federal Award Findings and Questioned Costs Section (continued)

Finding 11-03

Federal program information:

<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 Academic Competiveness Grant CFDA No.: 84.375</p> <p>Award years: 2010-2011, 2011-2012</p>
--

Criteria or specific requirement (including statutory, regulatory or other citation):

<p>Special Tests and Provisions - Return of Title IV Funds</p> <p>Applicable after a student begins attendance - Returns 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 FFEL 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>

Condition:

<p>The rules regarding return of Title IV funds rules were not timely applied; therefore, it could not be determined whether Alamo Colleges returned Title IV funds for students that withdrew after beginning attendance. Our testing of 45 refund calculations found that refunds required for five students were not calculated or returned within 45 days after Alamo Colleges became aware that the student withdrew.</p>
--

Questioned costs:

<p>\$-0-</p>

Context:

<p>As part of our testing of the compliance requirements for return of Title IV funds, we tested 45 refund calculations from the total population of student financial assistance refunds for students that withdrew after the start of classes. Through inquiry and observation, it was noted that of the 45 refunds tested:</p> <ul style="list-style-type: none"> The refunds required for five of the 45 students tested (two from Palo Alto College, one from San Antonio College and two from Northwest Vista College) were not calculated or returned within 45 days after Alamo Colleges became aware that the students withdrew. <p>No questioned costs were noted, as the five student refunds were all returned to the Department of Education within 90 days.</p>
--

Effect:

<p>Alamo Colleges are not consistently in compliance with federal guidelines regarding timing of return of Title IV funds.</p>
--

Cause:

<p>Alamo Colleges personnel did not adhere to processes in place to timely communicate student withdrawals to the Student Financial Assistance Department.</p>
--

Recommendation:

<p>Establish procedures and internal control surrounding the timely communication of student withdrawals to the Student Financial Assistance Department.</p>
--

Views of responsible officials and planned corrective actions:

<p>The Vice Chancellor for Student Success has implemented procedures whereby (1) the Center for Student Information will be more proactive in timely processing of student withdrawal records as submitted by faculty and (2) the Student Financial Assistance Department has implemented procedures that will independently produce listings of withdrawn students for prompt action on return of Title IV funds.</p> <p>Implementation date: 2012 Responsible person: Vice Chancellor for Student Success</p>
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Part III - Federal Award Findings and Questioned Costs Section (continued)

Finding 11-04

Federal program information:

<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 Academic Competitiveness Grant CFDA No.: 84.375</p> <p>Award years: 2010-2011, 2011-2012</p>
--

Criteria or specific requirement (including statutory, regulatory or other citation):

<p>Special Tests and Provisions - Enrollment Reporting</p> <p>Under the Federal Direct Loan program, schools must complete and return within 30 days of receipt the Student Status Confirmations Reports (SSCR) sent by the Department of Education (ED) or guaranty agency (OMB No. 1845-0035). The SSCR is transmitted electronically to the National Student Loan Data Services (NSLDS). Unless the school expects to complete its next SSCR within 60 days, the school must notify the lender or the guaranty agency within 30 days if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis (FFEL, 34 CFR Section 682.610; Direct Loan, 34 CFR Section 685.309)</p>

Condition:

<p>We selected 40 students that had a change in status during the fiscal year ended August 31, 2011 and compared the dates of their change in status to the date their status change was transmitted to the NSLDS. For six of the 40 students (one student from Northwest Vista College, two students from Palo Alto College and three students from San Antonio College), their change in status was not submitted to the NSLDS in the next scheduled SSCR within 60 days after the student withdrew or graduated.</p>

Questioned costs:

<p>\$-0-</p>

Context:

<p>We selected 40 students with status changes during the year ended August 31, 2011. For six of the 40 students, status changes were processed later than 60 days after the student withdrew or graduated. No questioned costs were noted as the status changes for the six students discussed above were submitted to the NSLDS.</p>
--

Effect:

<p>Students' repayment of direct loans may be delayed beyond the required repayment timeline.</p>

Cause:

<p>Alamo Colleges personnel did not accurately run the supporting time status reports needed to prepare the student status changes submission.</p>
--

Recommendation:

<p>Alamo Colleges should enhance review procedures and internal controls around the preparation of the student status changes submission.</p>

Views of responsible officials and planned corrective actions:

<p>The Center for Student Information, under the direction of the Vice Chancellor for Student Success, now runs an updated time status report prior to each NSLDS enrollment transmission to ensure that correct status changes are reported for all students. This process is included in written documentation and incorporated in each semester's NSLDS refresher training.</p> <p>Implementation date: 2012 Responsible person: Vice Chancellor for Student Success</p>

Part III - Federal Award Findings and Questioned Costs Section (continued)

Finding 11-05

Federal program information:

Federal awarding agencies:
United States Department of Education

Federal Program:
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
Academic Competitiveness Grant
CFDA No.: 84.375

Award years: 2010-2011, 2011-2012

Criteria or specific requirement (including statutory, regulatory or other citation):

Special Tests and Provisions - Direct Loan Notification

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)).

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.

Condition:

We selected 21 students (11 from San Antonio College, five from St. Philip's College, three from Northwest Vista College and two from Palo Alto College) that received federal direct loan disbursements during the year ended August 31, 2011. Alamo Colleges could not provide supporting documentation of the notice sent to the 21 students within 30 days of crediting the students' accounts in order to notify the students that they had 30 days to cancel all or part of the loan.

Questioned costs:

\$-0-

Context:

Selected 21 students that received direct loan disbursements during the year ended August 31, 2011. Alamo Colleges could not provide any documentation of the required notification to be sent to these students within 30 days of the disbursement of direct loans awards. No known questioned costs were identified.

Effect:

Alamo Colleges is not consistently in compliance with federal guidelines regarding student notifications required for direct loan disbursements.

Cause:

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.

Recommendation:

Alamo Colleges should establish procedures and internal controls surrounding the timely notification of loan disbursements to students receiving direct loans.

Views of responsible officials and planned corrective actions:

During 2012, a notification system will be developed to formally notify students by email that direct loan funds will be or have been credited to their accounts and of their rights to rescind the loan either fully or partially. Additionally, a log of communications will be maintained as the audit trail.

Implementation date: 2012
Responsible person: Vice Chancellor for Student Success

Part III - Federal Award Findings and Questioned Costs Section (continued)

Finding 11-06

Federal program information:

Federal awarding agencies:
United States Department of Labor

Federal Program:
WIA Adult Program
CFDA No.: 17.258
WIA Youth Activities
CFDA No.:17.259
ARRA - WIA Dislocated Workers
CFDA No.:17.260

Award year: 2010-2011

Criteria or specific requirement (including statutory, regulatory or other citation):

Period of Availability of Federal Funds

Federal awards may specify a time period during which the non-federal entity may use the federal funds. Where a funding period is specified, a non-federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the federal awarding agency. Also, if authorized by the federal program, unobligated balances may be carried over and charged for obligations of a subsequent funding period. Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and service received, and similar transactions during a given period that will require payment by the non-federal entity during the same or a future period (A-102 Common Rule, § .23; OMB Circular A-110 (2 CFR section 215.28)).

Condition:

The six grants included in the WIA Cluster had funding period ending dates throughout the year ended August 31, 2011. For the six grants, we reviewed all expenditures incurred after the grants' funding period ending dates and noted payroll expenditures totaling \$6,093 and other expenditures of \$630 that did not relate to the grants' period of availability.

Questioned costs:

\$6,723

Context:

For the six grants included in the WIA Cluster, we reviewed all expenditures posted as grant expenditures after the respective grant funding period ending dates. We noted payroll expenditures of \$6,093 and other expenditures of \$630 for the six grants that were incurred after the grants' funding period ending dates and, therefore, did not relate to the grants' period of availability. We were considering these amounts as known questioned costs.

Effect:

Alamo Colleges is not consistently in compliance with federal guidelines regarding grant expenditure period of availability.

Cause:

Alamo Colleges' controls to stop grant expenditures at the grant ending date were not functioning.

Recommendation:

Alamo Colleges should establish procedures and internal controls to stop grant expenditures at the end of the grant's period of availability.

Views of responsible officials and planned corrective actions:

Controls surrounding period of availability of federal funds will be stressed during 2012. Payment of salary after the period of availability relates to employment terms set up in the administrative software system for the assignment. Sometimes contract end dates are not entered in order to ensure that employees are not missed in the payroll cycle. While this prevents a missed payment, it does not guard against pay inappropriately charged to a grant after the funding period. During 2012, the Grants Accounting Office and the Human Resources Department will develop and implement satisfactory procedures to prevent inappropriate charging of pay to a closed grant. Grant Accountants will be further trained to review expenses when monthly reconciliations are performed and look for untimely expenses. Additional training will be held with Grant Program Managers regarding period of availability of federal funds.

Implementation date: 2012
Responsible person: Vice Chancellor for Finance and Administration

Part IV - State 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.

No findings were noted.

ALAMO COMMUNITY COLLEGE DISTRICT

Summary Schedule of Prior Year Audit Findings Year Ended August 31, 2011

PART II – FINANCIAL STATEMENT FINDINGS SECTION

Finding 10-1—Information System General Controls

The Vice Chancellor for Planning Performance and Information Systems and the Vice Chancellor for Finance and Administration strengthened the information technology control framework during fiscal year 2011 by improving password and access security.

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

Finding 10-2—Special Tests and Provisions—Student Status Changes

The Vice Chancellor for Student Success standardized the enrollment and degree submission dates for all the Alamo Colleges to facilitate compliance with required National Student Clearinghouse deadline requirements using centralized reporting.

Finding 10-3—Special Tests and Provisions—Verification

The Vice Chancellor for Student Success reviewed and revised the document tracking procedures to ensure that program integrity rules for verification are followed. Additional reliance on the administrative software, Banner, was implemented which enhanced the process. Staff training was held on the new procedures to ensure compliance. Funds in the amount of \$46,167 were returned according to repayment instructions in determination letter dated August 5, 2011 signed by Kimberley Peeler, Team Leader, on behalf of the U.S. Department of Education.

Finding 10-4—Special Tests and provisions—Return of Title IV Funds

The Vice Chancellor for Student Success and the Vice Chancellor for Planning Performance and Information Systems developed and enhanced the reporting of Banner data for students withdrawing and provided staff training. Additionally, the William D. Ford Federal Direct Loan program was implemented for fall 2010 further streamlining the process.

Finding 10-5—Special Tests and Provisions—Disbursements to or on Behalf of Students

The Vice Chancellor for Student Success facilitated training focusing on the 30-day rule for first time borrowers to avoid early payment. Additional training was provided on Common Originations and Disbursement analysis and necessary error corrective action. Disbursements are made only after accurate data is transmitted to the federal processor.

Finding 10-6—Annual Performance Reports to the Department of Education: TRIO Cluster

The Vice Chancellor for Finance and Administration implemented process changes so as to avoid a reoccurrence of errors in manual program reports filed. An accountability system established at the time a new grant is set up provides the structure for report review. This includes the name of the person who will prepare the annual performance report, as well as the name of the person, knowledgeable on the grant, who will review the annual performance report before being filed.

Finding 10-7—Reporting of Match funds: USAID Foreign Assistance for Program Overseas

The Vice Chancellor for Economic and Workforce Development facilitated staff implementation of processes to ensure adequate documentation is prepared and retained for all matching funds required under grant terms, as well as to ensure reports accurately reflect the amounts matched for the period reported.

Finding 10-8—Time and Effort records: USAID Foreign Assistance for Program Overseas

The Vice Chancellor for Finance and Administration and the Vice Chancellor for Economic and Workforce Development facilitated training on Time and Effort records through the Grants Office to ensure compliance.



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