

COMPREHENSIVE ANNUAL

# FINANCIAL REPORT

fiscal years

2014  
2015

FOR THE FISCAL YEARS ENDED AUGUST 31, 2015 & 2014  
AUSTIN COMMUNITY COLLEGE • TEXAS

HAYS CAMPUS

1000

Campus Manager  
Campus Police  
Campus Science Labs  
Learning Lab  
Library & Media Center  
Math & Science Labs  
Student Commons  
Student Life  
Student Services  
Testing Center



Austin Community College District  
Austin, Texas

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Fiscal Years Ended August 31, 2015 and 2014

Prepared by  
Finance and Administration  
Austin Community College District

**THIS PAGE LEFT INTENTIONALLY BLANK**

# INTRODUCTORY SECTION

---

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**TABLE OF CONTENTS**  
**August 31, 2015**

---

	<u>PAGE</u>	<u>EXHIBIT</u>
<b>INTRODUCTORY SECTION</b>		
Table of Contents .....	i-iii	
Board of Trustees and Key Officers.....	iv	
Organizational Chart .....	v	
Letter of Transmittal .....	vi-xi	
Certificate of Achievement for Excellence in Financial Reporting .....	xii	
<b>FINANCIAL SECTION</b>		
Independent Auditor’s Report.....	1-4	
Management’s Discussion and Analysis (Unaudited) .....	5-17	
<u>Basic Financial Statements</u>		
Statements of Net Position .....	18-19	1
Statements of Financial Position – ACC Foundation .....	20	1A
Statements of Revenues, Expenses and Changes in Net Position .....	21	2
Statements of Activities – ACC Foundation .....	22	2A
Statements of Cash Flows.....	23-24	3
Notes to the Basic Financial Statements .....	25-77	
<u>SCHEDULES</u>		
<u>Required Supplemental Information</u>		
Schedule of Share of Net Pension Liability .....	78	
Schedule of Contributions to the Teacher Retirement System.....	79	
Schedule of Funding Progress, Other Postemployment Benefits.....	80	
<u>Supplemental Information</u>		
Schedule of Operating Revenues.....	81	A
Schedule of Operating Expenses by Object .....	82	B
Schedule of Non-Operating Revenues and Expenses.....	83	C

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**TABLE OF CONTENTS**  
**August 31, 2015**

---

	<u>PAGE</u>	<u>SCHEDULES</u>
Schedule of Net Position by Source and Availability .....	84	D
<b>STATISTICAL SECTION (Unaudited)</b>		
Net Position by Component .....	86	
Revenues by Source .....	87	
Program Expenses by Function .....	88	
Tuition and Fees .....	89	
State Appropriations per FTSE and Contact Hour .....	90	
Assessed Value and Taxable Assessed Value of Property .....	91	
Principal Taxpayers .....	92-93	
Property Tax Levies and Collections .....	94	
Ratios of Outstanding Debt .....	95	
Legal Debt Margin Information .....	96-97	
Pledged Revenue Coverage .....	98	
Demographic and Economic Statistics .....	99	
Principal Employers.....	100-101	
Faculty, Staff, and Administrators Statistics.....	102	
Enrollment Details .....	103-104	
Student Profile.....	105-106	
Transfers to Senior Institutions .....	107	
Capital Asset Information .....	108	

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**TABLE OF CONTENTS**  
**August 31, 2015**

---

	<u>PAGE</u>	<u>SCHEDULES</u>
<b>FEDERAL SINGLE AUDIT SECTION</b>		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	109-110	
Independent Auditor's Report on Compliance for a Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	111-112	
Schedule of Expenditures of Federal Awards.....	113-114	E
Notes to the Schedule of Expenditures of Federal Awards.....	115	
Schedule of Federal Findings and Questioned Costs.....	116-117	
<b>STATE SINGLE AUDIT SECTION</b>		
Independent Auditor's Report on Compliance for Each Major State Program and on Internal Control Over Compliance as Required by the State of Texas Single Audit Circular .....	118-120	
Schedule of Expenditures of State Awards.....	121	F
Notes to the Schedule of Expenditures of State Awards.....	122	
Schedule of State Findings and Questioned Costs.....	123-125	

**THIS PAGE LEFT INTENTIONALLY BLANK**



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**BOARD OF TRUSTEES AND KEY OFFICERS**  
**August 31, 2015**

---

**BOARD OF TRUSTEES**

<b><u>Place #</u></b>	<b><u>Members</u></b>	<b><u>Term Expires</u></b>
1	Mr. Mark J. Williams	November 2020
2	Ms. Gigi E. Bryant	November 2020
3	Dr. Nan McRaven,	November 2020
4	Mr. Jeffrey Richard	November 2016
5	Dr. Victor Villarreal, Chair	November 2016
6	Ms. Guadalupe Sosa	November 2016
7	Dr. Barbara Mink, Secretary	November 2018
8	Dr. Betty Hwang	November 2018
9	Mr. Allen Kaplan, Vice Chair	November 2018

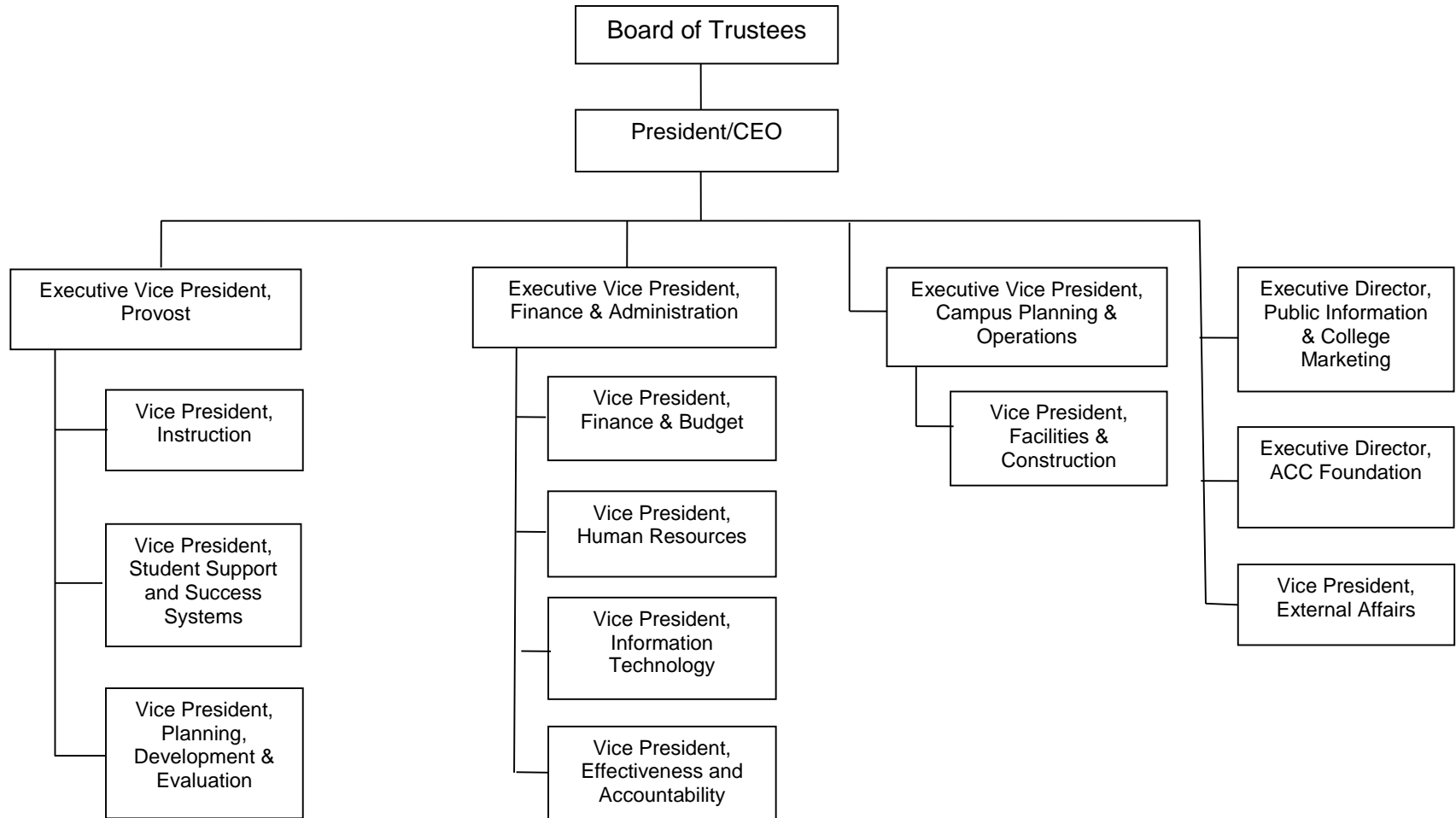
**KEY OFFICERS**

<b><u>Name</u></b>	<b><u>Title</u></b>
Dr. Richard Rhodes, CPA	President/CEO
Dr. Charles Cook	Executive Vice President, Provost
Mr. Neil Vickers, CPA	Executive Vice President, Finance and Administration
Dr. Ben Ferrell, CPA	Executive Vice President, College Operations
Mr. Mike Midgley, CPA	Vice President, Instruction
Vacant	Vice President, Finance & Budget
Ms. Gerry Tucker	Vice President, Human Resources
Dr. Virginia Fraire	Vice President, Student Services
Ms. Soon Merz	Vice President, Effectiveness and Accountability
Dr. Mary Harris	Vice President, Planning, Development, and Evaluation
Mr. Stan Gunn	Vice President, Information Technology
Dr. Molly Beth Malcolm	Vice President, External Affairs
Mr. Bill Mullane	Vice President, Facilities and Construction
Ms. Brette Lea	Executive Director, Public Information and College Marketing
Ms. Stephanie Dempsey	Executive Director, ACC Foundation

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**ORGANIZATIONAL CHART**  
August 31, 2015

---





December 14, 2015

Honorable Chairman, Board of Trustees, and President  
The Citizens of the Austin Community College District

Dear Board Members and President:

The following comprehensive annual financial report of the Austin Community College District (“the College”) for the fiscal year ended August 31, 2015, is hereby submitted. Responsibility for the preparation and integrity of the financial information, and the completeness and fairness of the presentation, including all disclosures, rests with the College. The College relies on a comprehensive framework of internal controls in order to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Financial Accounting Standards Board (FASB) and the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB). The Notes to the Basic Financial Statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the College and other necessary disclosures of important matters relating to the financial position of the College. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

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

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

The College is required to undergo an annual federal single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and an annual state single audit in conformity with the Texas Governor’s Office of Budget and Planning *Uniform Grant Management Standards Single Audit Circular*. Information related to these Single Audits, including the schedule of expenditures of federal awards, schedule of expenditures of state awards, and auditor’s reports on compliance and on internal controls, is included in the federal and state single audit sections of this report.

## ***Governmental Structure***

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

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

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

## ***Service Area***

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

## ***Vision, Values, and Mission***

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

**Value Statements:** These are the core values that guide the Austin Community College District’s internal and external interactions with each other and our community:

- **C - Communication:** ACC values open, responsible exchange of ideas;
- **A - Access:** ACC values an open door to educational potential.
- **R - Responsiveness:** ACC values targeted actions to address Service Area and internal needs within available resources.
- **E - Excellence:** ACC values commitment to integrity and exemplary standards.
- **S - Stewardship:** ACC values personal and professional ownership that generates accountability.

***Mission Statement:*** The Austin Community College District values and respects each individual student. We promote student success and improve communities by providing affordable access, through traditional and distance learning modes to higher education and workforce training in the eight-county service area.

### ***Economic Condition and Outlook***

The College's service area is located in Central Texas, about 150 miles inland from the Gulf of Mexico. According to the US Census Bureau, the estimated 2013 population of the Austin-Round Rock-San Marcos MSA was 1,883,051, an increase of 9.6 percent since 2010. Growth in these counties is expected to continue at this rate or faster in the future. Austin is the state capital, and consequently 22 percent of its workforce is employed by government agencies. The remainder of the counties' economic base consists of manufacturing, computer technology, and trade and service industries.

The Austin-Round Rock-San Marcos MSA continues to outpace the national averages in economic indicators. According to the Texas Workforce Commission, the Austin-Round Rock MSA civilian workforce increased 2.3 percent from 1,027,837 in 2014 to 1,051,589 in 2015. The unemployment rate in 2015 was 3.2 percent, which is lower than the statewide unemployment rate of 4.4 percent, and significantly lower than the national unemployment rate of 5.2 percent. According to the US Census, residents of the Austin-Round Rock-San Marcos MSA are typically well educated, with 40.6 percent of the workforce population age 25 or older possessing a bachelor's degree or higher.

During the past five years, the College weathered the Great Recession, state funding cuts, and extremely volatile enrollments, while maintaining a stable financial condition, including a \$7.3 million increase in net position in 2015. This stability is due to a commitment from the Board and administration to sound financial planning and budget performance. The College has increased its use of long-term planning and financial forecasting which has improved the decision-making process. Now, the local economy is in full economic recovery, including very low unemployment and a strong real estate market. While low unemployment usually has a negative impact on community college enrollments, any negative financial impacts for lower enrollments should be more than offset by increases in ad valorem taxes.

While recently stable, State funding continues to be a concern. The State reduced the College's 2010-2011 appropriations by 7.5 percent. Additionally, there was a 10 percent reduction for the 2012-2013 biennium. Although some of these cuts were restored for the 2014-2015 biennium, state funding was again reduced by about 5% for the 2016-2017 biennium. The current funding rate is significantly less per contact hour than the College was receiving in 2000. The College is committed to the legislative process and will continue to work with State leaders to inform them of the crucial role of community colleges for the State's economic and social well-being. At the same time, the College will continue to take steps to mitigate the impact of State appropriations on the College's fiscal stability.

## ***Financial Planning and Budgeting***

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

- Long-Term Facilities Plan
- Three Year Master Plan
- Annual Budget, including 10 year projections

The College recently developed a regional facilities master plan designed specifically to address the College's *Closing the Gaps* target, which identifies the College's enrollment targets up to the year 2025. The facilities plan includes six recommendations for meeting this demand, all of which were adopted by the Board:

- 1) Approve land acquisition for a campus in Round Rock;
- 2) Hire an architectural/engineering firm to begin the design of a campus in Round Rock;
- 3) Reaffirm master plan recommendation for a campus in San Marcos;
- 4) Form a Public Facilities Corporation (PFC) to finance new campuses;
- 5) Pursue land donations and/or purchases in strategic areas with future growth potential;
- 6) Develop individual master plans for expansion and renovations at existing campuses.

The College has completed all of the above recommendations, including item 6, which is the development of individual campus master plans for all of the existing campuses. These plans address the potential expansions and needed renovations at each campus in order to meet future enrollment projections. In November 2014, the voters passed a \$386 million bond referendum which will provide funding to implement the projects identified in item 6 above.

The above recommendations, along with major instructional and operational initiatives, are incorporated into a three year master plan, which is driven by strategic goals developed by the President and approved by the Board. This is a rolling three year plan that is updated each year, prior to the annual budget cycle. This master plan identifies the initiatives that the College will focus on for the next three years; it therefore drives the annual budget decisions.

The annual budget is developed with a bottom-up approach, with the approved master plan serving as a guide. During the budget development cycle, departments are asked to identify the funds needed in their departmental budgets in order to accomplish the goals laid out in the master plan. After this information is collected from the departments, it is compiled into a proposed College-wide budget. That budget, accompanied by budget projections for the next 10 years, is then presented to the Board. The budget projections incorporate the proposed new initiatives and other operating increases in order to demonstrate the long-term impact of the current year funding decisions, and they also project future tuition rate increases.

The combined use of these three planning devices allows the College to develop funding strategies to meet its future expenditure needs and maintain a strong financial balance. Thanks to the College's commitment to planning, in the last five years the College has met the demands of both enrollment increases and increased programs and services for students, while nonetheless maintaining a balanced fiscal position.

## ***Major Initiatives***

The College has devoted significant time and effort to planning for the future. During 2013 the College developed a new academic master plan and continued progress with its current facilities master plan in order to meet the State's *Closing the Gaps* initiative of increasing participation in higher education. The College has clearly emerged as the regional leader in the *Closing the Gaps* effort to promote economic development through an educated workforce.

Major initiatives that highlighted 2015 include:

- Completion of the Highland Mall Phase 1 which began operations in the Fall of 2014. Phase 1 includes over 200,000 sq. ft. of space, paving the way for a state-of-the-art learning environment and center for community and business partnerships, expanding educational opportunities for all Central Texans.
- The first full year of operations for the Hays Campus. The Hays Campus will provide comprehensive educational services to the southernmost portion of the service area.

The College is moving ahead with significant plans for expansion, thanks to its community support, and it expects to maintain its role as a major source of post-secondary education and economic development in the Central Texas region. For 2016 the College plans to further develop its strategic academic and facilities planning for the region.

## ***Independent Audit***

State statutes require an annual audit by independent certified public accountants. The College's Board of Trustees selected the accounting firm of Padgett Stratemann (PS&Co.). 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 reports related specifically to the Single Audits are included in the Single Audit Sections.

## ***Awards***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Austin Community College District for its comprehensive annual financial report for the fiscal year ended August 31, 2014. This was the eleventh consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **Acknowledgements**

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

Respectively submitted,



---

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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Austin Community College District**  
**Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2014**

Executive Director/CEO

**THIS PAGE LEFT INTENTIONALLY BLANK**



# **FINANCIAL** **SECTION**



# Padgett Stratemann

## Independent Auditor's Report

To the Board of Trustees  
Austin Community College District  
Austin, Texas

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

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component unit, of Austin Community College District (the "College") as of and for the year ended August 31, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We did not audit the financial statements of Austin Community College Foundation, discretely presented component unit, which represents 1%, 20%, and 0.5%, respectively, of the assets and deferred outflows, net position, and revenues of the discretely presented component unit as of and for the year ended August 31, 2015. Those financial statements, were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Austin Community College Foundation, audited separately by other auditors, was not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's

#### **AUSTIN**

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

#### **HOUSTON**

1980 POST OAK BOULEVARD, SUITE 1100  
HOUSTON, TEXAS 77056  
713 335 8630

#### **SAN ANTONIO**

100 N.E. LOOP 410, SUITE 1100  
SAN ANTONIO, TEXAS 78216  
210 828 6281

TOLL FREE: 800 879 4966  
WEB: PADGETT-CPA.COM

**THIS PAGE LEFT INTENTIONALLY BLANK**

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of the College as of August 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matters***

As described in Note 25 to the financial statements, effective July 1, 2014, the College implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, An Amendment of GASB Statement No. 68*. The adoption of GASB Statement No. 68 decreased the College's previously reported net position. Our opinion is not modified with respect to this matter.

As described in Note 25 to the financial statements, the College also restated beginning net investment in capital assets and unrestricted net position. The restatement is related to the reclassification of accreted interest payable from net investment in capital assets to unrestricted net position. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of Share of Net Pension Liability, Schedule of Contributions to the Teacher Retirement System, and Schedule of Funding Progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

**THIS PAGE LEFT INTENTIONALLY BLANK**

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, Schedule of Net Position by Source and Availability, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards, as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas *Single Audit Circular*, and other information, such as the Introductory Section and the Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, Schedule of Net Position by Source and Availability, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards are the responsibility of management and were derived from and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule of Operating Revenues, Schedule of Operating Expenses by Object, Schedule of Non-Operating Revenues and Expenses, Schedule of Net Position by Source and Availability, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The financial statements of the College as of and for the year ended August 31, 2014, were audited by other auditors, whose report dated December 18, 2014, expressed an unmodified opinion on those statements.



**THIS PAGE LEFT INTENTIONALLY BLANK**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

*Padgett, Stratemann + Co., L.L.P.*

Austin, Texas  
December 8, 2015

**THIS PAGE LEFT INTENTIONALLY BLANK**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

---

**Financial Statement Analysis and Overview**

The following discussion and analysis of the Austin Community College District's ("the College") annual financial statements provides an overview of the College's financial activities for the years ended August 31, 2015 (Fiscal Year 2015), 2014 (Fiscal Year 2014), and 2013 (Fiscal Year 2013), and identifies changes in its financial position for these years. In conformity with Government Accounting Standards Board (GASB) Statement No. 34, the discussion focuses on currently known facts, decisions, and conditions that have an impact on the financial activities of the College, and is intended to assist the reader in the interpretation of the financial statements. The financial statements should be read in conjunction with the Notes to the Basic Financial Statements.

The financial statements are prepared in accordance with the GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Three primary statements are required: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Financial statements for the College's discrete component unit, Austin Community College Foundation ("the Foundation"), are issued independent of the College. The Foundation's financial information for fiscal years 2015 and 2014 is shown on separate pages behind the College's basic financial statements. Refer to Notes 1 and 26 in the Notes to the Basic Financial Statements for more detail on the Foundation.

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

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

*Statement of Net Position*

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

Additional detail regarding basis of accounting and major categories of net position can be found in Note 2 in the Notes to the Basic Financial Statements.

**Condensed Statement of Net Position**

(in millions)

	<u>August 31</u>			<u>Change</u>	
	<u>(a)</u>			<u>2014 to</u>	<u>2013 to</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>					
Current Assets	\$ 99.2	\$ 102.0	\$ 99.4	\$ (2.8)	\$ 2.6
Capital Assets, Net of Accumulated Depreciation	476.7	479.5	435.7	(2.8)	43.8
Other Noncurrent Assets	197.4	28.4	88.2	169.0	(59.8)
Total Assets	<u>773.3</u>	<u>609.9</u>	<u>623.3</u>	<u>163.4</u>	<u>(13.4)</u>
<b>Deferred Outflows of Resources</b>	18.9	-	0.7	18.9	(0.7)
<b>Liabilities</b>					
Current Liabilities	80.1	77.1	73.3	3.0	3.8
Noncurrent Liabilities	665.5	460.4	472.2	205.1	(11.8)
Total Liabilities	<u>745.6</u>	<u>537.5</u>	<u>545.5</u>	<u>208.1</u>	<u>(8.0)</u>
<b>Deferred Inflows of Resources</b>	12.3	-	-	12.3	-
<b>Net Position</b>					
Net Investment in Capital Assets	42.9	33.6	39.2	9.3	(5.6)
Restricted: Expendable	14.2	23.4	23.3	(9.2)	0.1
Unrestricted	(22.8)	15.4	16.0	(38.2)	(0.6)
Total Net Position	<u>\$ 34.3</u>	<u>\$ 72.4</u>	<u>\$ 78.5</u>	<u>\$ (38.1)</u>	<u>\$ (6.1)</u>

Note:

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

---

Since 2013, the College has increased its total assets before considering liabilities by \$150.0 million, most of which is related to real estate acquisitions and facility construction. Total assets increased from 2014 to 2015 by \$163.4 million. The increase was primarily due to the issuance of \$165.2 million in general obligation tax bonds, partially offset by depreciation. Unrestricted cash and investments increased by \$16.6 million, which reflects the College's positive operating results, on a cash basis.

Total liabilities increased from 2014 to 2015 by \$208.1 million. This increase was primarily due to the issuance of \$165.2 million in general obligation tax bonds. Additionally the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* resulted in a \$40.1 million increase in TRS Pension Liability (Refer to Note 11 in the Notes to the Basic Financial Statements for more detail). This increase in liabilities was partially offset by principal payments on outstanding bonds and capital leases.

The College's net position was \$34.3 million in 2015, \$72.4 in 2014, and \$78.5 million in 2013. This year's \$38.1 million decrease was entirely due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The cumulative impact of the change in accounting principle was a \$45.4 million reduction in Net Position (Refer to Note 25 in the Notes to the Basic Financial Statements for more detail). The operational performance of the College resulted in a \$7.3 million increase in Net Position for 2015. The \$6.1 million decrease in 2014 was the result of one-time expenditures related to the equipping of the new Hays and Highland Campuses. These one-time expenses totaled over \$9 million. Excluding these expenses, the College's net position would have increased by about \$3 million, which is a better reflection of the College's operating performance.

*Statement of Revenues, Expenses, and Changes in Net Position*

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

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

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

	<u>Fiscal Year</u>			<u>Change</u>	
	<u>(a)</u>			<u>2014 to</u>	<u>2013 to</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015</u>	<u>2014</u>
<b>Operating Revenues</b>					
Tuition and Fees	\$ 64.2	\$ 58.8	\$ 59.6	\$ 5.4	\$ (0.8)
Grants and Contracts	13.9	10.6	9.8	3.3	0.8
Auxiliary Enterprises	1.5	0.5	1.0	1.0	(0.5)
Other Operating Revenues	8.9	8.6	10.7	0.3	(2.1)
Total Operating Revenues	<u>88.5</u>	<u>78.5</u>	<u>81.1</u>	<u>10.0</u>	<u>(2.6)</u>
<b>Operating Expenses</b>	<u>287.1</u>	<u>280.8</u>	<u>277.7</u>	<u>6.3</u>	<u>3.1</u>
Operating Loss	(198.6)	(202.3)	(196.6)	3.7	(5.7)
<b>Non-Operating Revenues (Expenses)</b>					
State Appropriations	62.0	60.0	54.2	2.0	5.8
Ad Valorem Taxes	131.1	118.7	111.6	12.4	7.1
Federal Revenue, Non Operating	32.5	35.0	39.2	(2.5)	(4.2)
Investment Income	0.4	0.4	0.5	-	(0.1)
Interest on Capital-Related Debt	(22.7)	(17.9)	(19.4)	(4.8)	1.5
Other Non-Operating Revenue (Expense)	2.7	-	(0.1)	2.7	0.1
Net Non-Operating Revenues	<u>206.0</u>	<u>196.2</u>	<u>186.0</u>	<u>9.8</u>	<u>10.2</u>
Increase (Decrease) in Net Position	7.4	(6.1)	(10.6)	13.5	4.5
<b>Net Position</b>					
Net Position, Beginning of Year	<u>26.9</u>	<u>78.5</u>	<u>89.1</u>	<u>(51.6)</u>	<u>(10.6)</u>
Net Position, End of Year	<u>\$ 34.3</u>	<u>\$ 72.4</u>	<u>\$ 78.5</u>	<u>\$ (38.1)</u>	<u>\$ (6.1)</u>

Note:

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



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

---

Key Factors impacting total revenues:

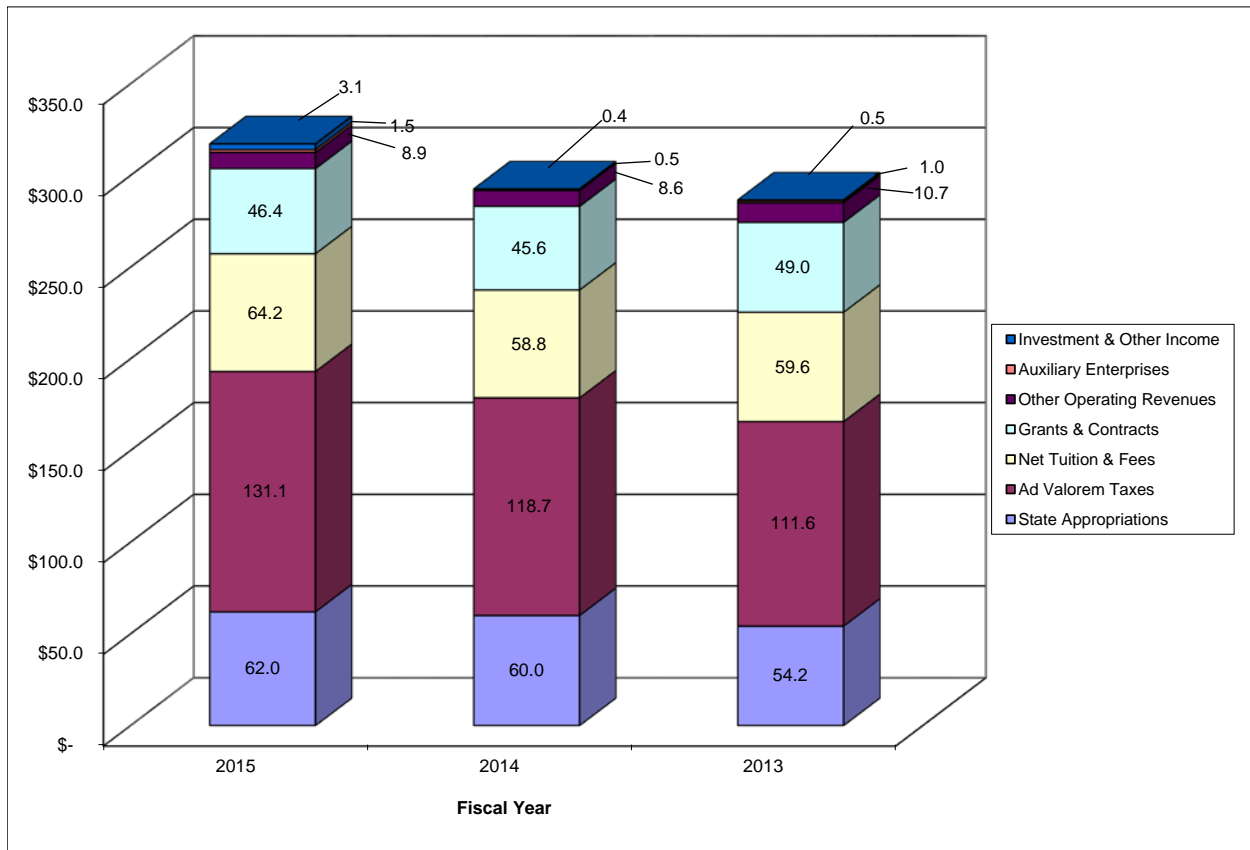
- State appropriations, which are categorized as non-operating revenues, were \$62.0 million in 2015, and increase of \$2.0 million over 2014. This increase was entirely due to the appropriation for the Adult Career Education program for which the College has been named the program administrator of this statewide program. In 2014, state appropriations totaled \$60.0 million, an increase of \$5.8 million from fiscal year 2013. This increase was primarily in the form of retirement and health insurance contributions which were partial restorations of cuts in 2012-2013. State appropriations accounted for 19.56% of total revenue in the current year, compared to 20.5% in 2014, and 18.9% in 2013.
- Tuition and Fees, net of discounts, were up \$5.4 million in 2015. This increase in revenue resulted from a \$2 increase per credit hour in the General Fee, along with a \$23 per credit hour increase in the Out of District Fee and a \$30 increase in the Out of State tuition rate. Tuition and Fee revenue was down \$0.8 million in 2014. However, discounts were up by \$1.5 million. Therefore, gross tuition and fee revenues increased by \$1.0 million as a result of tuition rate increases of \$5 per credit hour for all students and an additional \$17 per credit hour for out-of-district students. Tuition and Fees accounted for 20.2% of total revenue in the current year, compared to 20.1 % in 2014 and 20.8% in 2013.
- Grants and Contracts revenue increased slightly in 2015 due to the College being awarded some additional grants. In 2014, Grant and Contracts decreased primarily as a result of decreased funding for student financial aid.
- Other Operating Revenue, which includes interest income, continuing education programs, miscellaneous fees, property rental, and testing fees, totaled \$8.9 million in 2015 which was a slight increase of \$0.3 million over 2014.
- Ad valorem taxes, which are categorized as non-operating revenues, increased by \$12.4 million in 2015 and increased by \$7.1 million in 2014. Specifically, the College recognized \$131.1 million of ad valorem tax revenue in 2015, \$118.7 million in 2014, and \$111.6 million in 2013. The 2015 and 2014 increases were due to a growing local economy and therefore increases in the taxable value of real estate properties, including the addition of new properties. Ad valorem taxes in 2015 were 41.3% of total revenues compared to 40.6% in 2014 and 38.9% in 2013. See graphical illustration on next page.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

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

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

Revenue Sources:	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
	State Appropriations	\$ 62.0	\$ 60.0	\$ 54.2	\$ 2.0
Ad Valorem Taxes	131.1	118.7	111.6	12.4	7.1
Net Tuition & Fees	64.2	58.8	59.6	5.4	(0.8)
Grants & Contracts	46.4	45.6	49.0	0.8	(3.4)
Other Operating Revenues	8.9	8.6	10.7	0.3	(2.1)
Auxiliary Enterprises	1.5	0.5	1.0	1.0	(0.5)
Investment & Other Income	3.1	0.4	0.5	2.7	(0.1)
<b>Total Revenue</b>	<b>\$ 317.2</b>	<b>\$ 292.6</b>	<b>\$ 286.6</b>	<b>\$ 24.6</b>	<b>\$ 6.0</b>

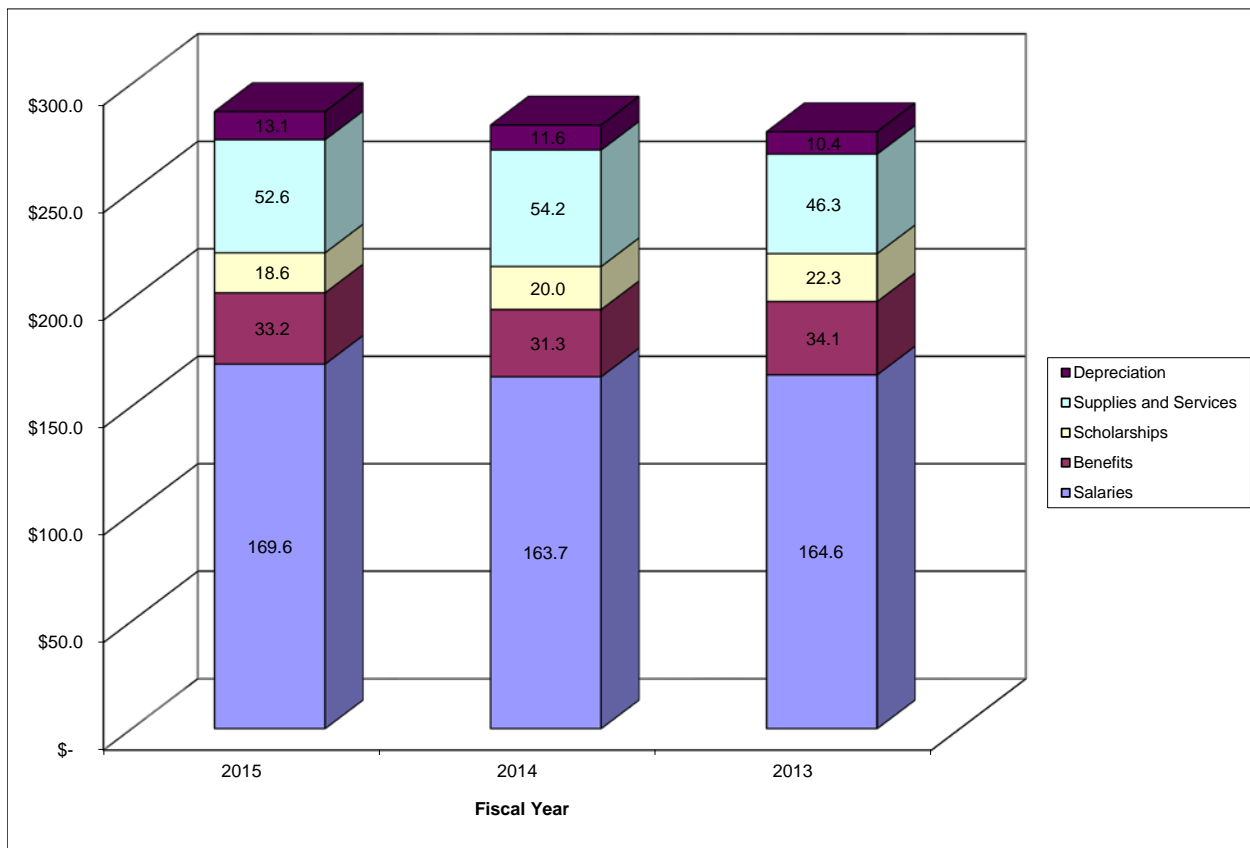


**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

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

**Operating Expenses - Natural Classification**  
(in Millions)

	Fiscal Year			Change	
	2015	2014	2013	2014 to 2015	2013 to 2014
<b>Operating Expenses:</b>					
Salaries	\$ 169.6	\$ 163.7	\$ 164.6	\$ 5.9	\$ (0.9)
Benefits	33.2	31.3	34.1	1.9	(2.8)
Scholarships	18.6	20.0	22.3	(1.4)	(2.3)
Supplies and Services	52.6	54.2	46.3	(1.6)	7.9
Depreciation	13.1	11.6	10.4	1.5	1.2
Total Operating Expenses	\$ 287.1	\$ 280.8	\$ 277.7	\$ 6.3	\$ 3.1



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

---

Factors impacting operating expenses by natural classification include the following:

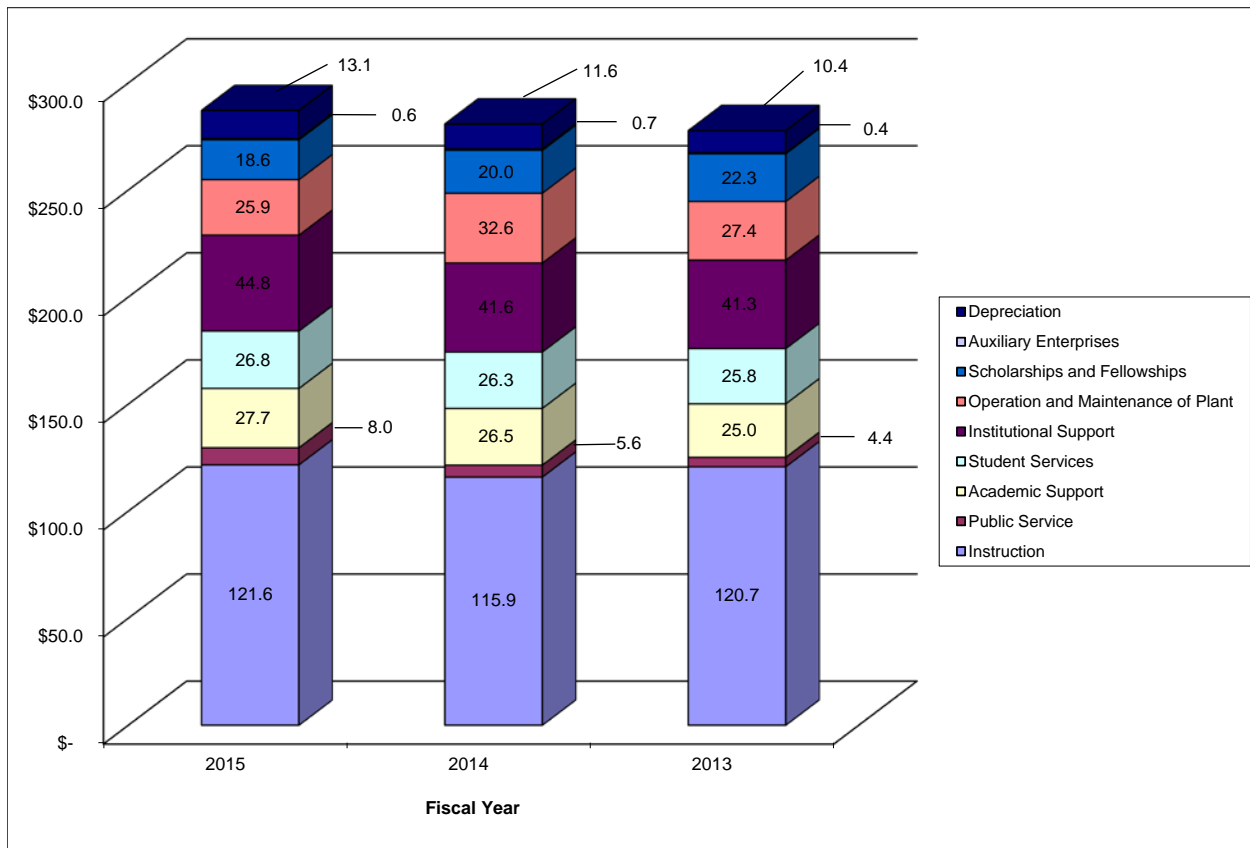
- In 2015, salary expense increased by \$5.9 million mostly due to 2% raise for all employees. Additionally, there were new staff positions created in order to operate the new Hays and Highland campuses. Salary expenses decreased by \$0.9 million in 2014. This decrease was caused by a reduction of faculty and staff as a result of reduced enrollments.
- In 2014, benefits expense increased by \$1.9 million. This increase is due to increased premiums for health insurance, increased contribution rates for the College's retirement program, and benefits related to the increased salaries noted above.
- Other operating expenses decreased by \$1.5 million in 2015 and increased by \$7.9 million in 2014. In 2014, the majority of the increase was due to one-time startup costs related to the new Hays Campus and Highland Campus.
- Depreciation expense increased in 2015 by \$1.5 million and by \$1.2 million in 2014. The increases are primarily due to addition of buildings at the Elgin Campus, Hays Campus and Highland Campus.
- Total scholarship costs for 2015 were \$18.6 million, compared to \$20.0 million in 2014 and \$22.3 million in 2013. The decreases in 2015 and 2014 were due to increases in tuition and fee rates. Increased tuition and fee rates reduce the amount of financial aid disbursed to students after tuition and fees are deducted, thus reducing scholarship expense.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

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

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

	<u>Fiscal Year</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to</u> <u>2015</u>	<u>2013 to</u> <u>2014</u>
<b>Operating Expenses:</b>					
Instruction	\$ 121.6	\$ 115.9	\$ 120.7	\$ 5.7	\$ (4.8)
Public Service	8.0	5.6	4.4	2.4	1.2
Academic Support	27.7	26.5	25.0	1.2	1.5
Student Services	26.8	26.3	25.8	0.5	0.5
Institutional Support	44.8	41.6	41.3	3.2	0.3
Operation and Maintenance of Plant	25.9	32.6	27.4	(6.7)	5.2
Scholarships and Fellowships	18.6	20.0	22.3	(1.4)	(2.3)
Auxiliary Enterprises	0.6	0.7	0.4	(0.1)	0.3
Depreciation	13.1	11.6	10.4	1.5	1.2
<b>Total Operating Expenses</b>	<b><u>\$ 287.1</u></b>	<b><u>\$ 280.8</u></b>	<b><u>\$ 277.7</u></b>	<b><u>\$ 6.3</u></b>	<b><u>\$ 3.1</u></b>



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

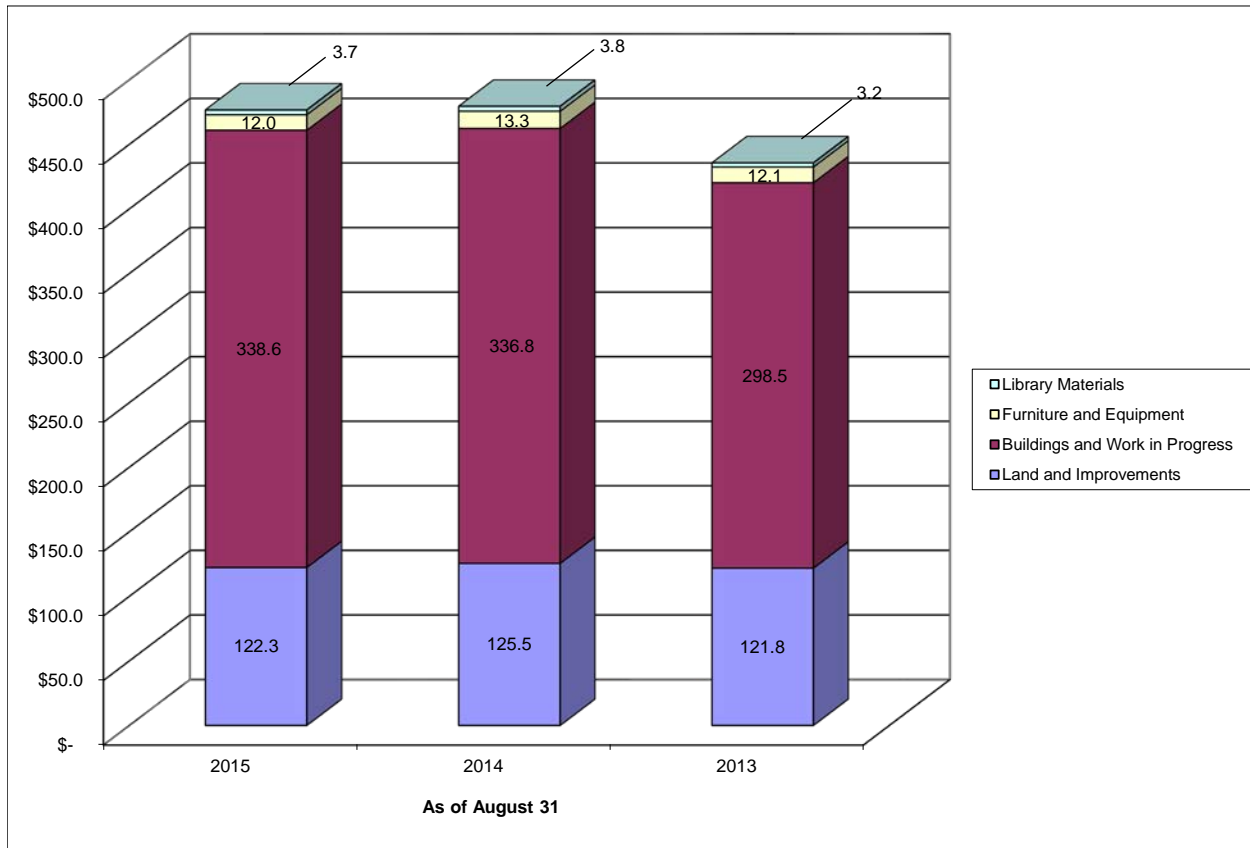
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(UNAUDITED)**

In 2015, the functional expense increases were due to salary raises and higher benefit and retirement costs, plus the first full year of operation for the new Hays and Highland campuses. In 2014, the functional expense increases were due to salary raises and higher benefit and retirement costs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets, Net, at Year End**  
(in Millions)

	<u>August 31</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to</u> <u>2015</u>	<u>2013 to</u> <u>2014</u>
<b>Capital Assets:</b>					
Land and Improvements	\$ 122.3	\$ 125.5	\$ 121.8	\$ (3.2)	\$ 3.7
Buildings and Work in Progress	338.6	336.8	298.5	1.8	38.3
Furniture and Equipment	12.0	13.3	12.1	(1.3)	1.2
Library Materials	3.7	3.8	3.2	(0.1)	0.6
Works of Art	0.1	0.1	0.1	-	-
<b>Total Capital Assets</b>	<b><u>\$ 476.7</u></b>	<b><u>\$ 479.5</u></b>	<b><u>\$ 435.7</u></b>	<b><u>\$ (2.8)</u></b>	<b><u>\$ 43.8</u></b>



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

---

The College had \$476.7 million, \$479.5 million, and \$435.7 million net capital assets, at August 31, 2015, 2014, and 2013, respectively. The amount of accumulated depreciation was \$105.0 million, \$92.3 million and \$82.3 million for fiscal years 2015, 2014, and 2013, respectively. Depreciation charges totaled \$13.1 million, \$11.6 million and \$10.4 for fiscal years 2015, 2014, and 2013, respectively.

Changes in net capital assets are the result of acquisitions, improvements, deletions, and changes in accumulated depreciation. During 2014, the College completed construction of the Highland Campus, Phase 1 (\$48.7 million) and the Hays Campus (\$31.4 million). During 2013, the College completed construction of the Elgin Campus (\$25.9 million), began construction of the Hays Campus (\$25.2 million), and began construction of the Highland Campus, Phase 1 (\$12.1 million). During 2012, the College began construction of the Elgin Campus (\$13.1 million) and acquired the final component of the Highland Mall (\$2 million).

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

More detailed information about the College's capital assets is presented in Note 6 of the Basic Financial Statements.

***Debt Administration***

At August 31, 2015, the College had approximately \$637.4 million in outstanding debt, compared to \$467.4 million in 2014 and \$478.1 million in 2013. The increase in 2015 mostly resulted from the \$165.2 million Series 2015 Limited Tax Bonds, which was partially offset by principal payments made during the year. The 2014 decrease of \$10.7 million reflects principal payments during the year.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

**Outstanding Debt at Year End**  
(in Millions)

	<u>August 31</u>			<u>Change</u>	
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2014 to</u> <u>2015</u>	<u>2013 to</u> <u>2014</u>
<b>Outstanding Debt:</b>					
Revenue Bonds	\$ 178.3	\$ 181.7	\$ 185.8	\$ (3.4)	\$ (4.1)
General Obligation Bonds	265.6	92.5	95.6	173.1	(3.1)
Lease Revenue Bonds - PFC	192.7	191.8	194.7	0.9	(2.9)
Capital Leases	0.8	1.4	2.0	(0.6)	(0.6)
Total Outstanding Debt	<u>\$ 637.4</u>	<u>\$ 467.4</u>	<u>\$ 478.1</u>	<u>\$ 170.0</u>	<u>\$ (10.7)</u>

On December 1, 2014, the College issued \$13,685,000 in Combined Fee Revenue Refunding Bonds, Series 2014A and \$23,085,000 in Combined Fee Revenue Refunding Bonds, Taxable Series 2014B. The Bonds were issued to refund certain outstanding Revenue Bonds issued in 2005 and 2011 and to pay for the costs of issuing the Bonds.

On May 1, 2015, the PFC issued \$105,580,000 in Lease Revenue Refunding Bonds, Series 2015. The Bonds were issued to refund certain outstanding Lease Revenue Bonds issued in 2008 and to pay the costs of issuance related to the Bonds.

On June 1, 2015, the College issued \$165,195,000 in Limited Tax Bonds, Series 2015. The Bonds were issued for the construction, renovation, and equipment of College buildings district-wide. Among other projects, the bonds were issued for the renovation and repurposing of Highland Mall, the construction of a northwest campus in Leander, the acquisition of real property for the southeast Travis County regional workforce training center, the expansion of the Hays, Round Rock, and Elgin campuses and to pay for the bonds cost of issuance.

The College did not any issue any long-term debt in 2014. In 2013, the College issued \$74.8 million for Series 2012 Combined Fee Revenue Bonds which were issued for the construction at the Highland Mall location. These funds will be used to renovate over 200,000 sq. ft., converting the former JC Penney's building into a state-of-the-art educational facility.

The College's combined fee revenue bonds are special obligations of the College 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; and investment income derived from any and all funds of the College. General obligation bonds are payable from ad valorem taxes levied, within the limitation prescribed by law, against all property located within the College's taxing district. Payments are derived from taxes levied and collected on an annual basis in an amount sufficient to pay the principal and interest when due, with full allowance made for delinquencies and collection costs. The PFC lease revenue bonds will be paid with the proceeds from the lease payments made by the College to the PFC at such times and in such amounts as will be required to timely pay the principal of, premium, and interest on the bonds. The obligation of the College to make lease payments is a current expense, payable solely from funds annually appropriated by the College for such use. Capital lease obligations are paid from any legally available operating source.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

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

---

For 2015, the College's bond ratings, assigned by Moody's Investors Service and Standard and Poor's Rating Services, are "Aa1" and "AA+" for general obligation bonds, "A1" and "AA-" for combined fee revenue bonds, and "Aa2" and "AA" for lease revenue bonds, respectively. Prior to 2006, the College purchased financial guaranty insurance in order to get a higher rating on all the outstanding bond issues. However, due to upgrades in the College's bond ratings and other market conditions, the College has not purchased insurance on any bonds since 2006.

More detailed information about the College's long-term liabilities is presented in Notes 7, 8, and 9 of the Basic Financial Statements.

**Economic Factors That Will Affect the Future**

The economic position of the College is influenced in part by the economic position of the State of Texas and of the Austin-Round Rock-San Marcos Metropolitan Statistical Area. State appropriations are expected to be approximately \$60 million for fiscal year 2016, in accordance with the funding awarded for the State's 2015-2016 biennium. This is a slight decrease, about 4%, from the appropriation received in 2015.

Tax revenues in 2016 are projected to increase by \$22.4 million or 17.0% to \$153.5 million from \$131.1 million in 2015, and \$118.7 million in 2014. The expected increase in 2016 is largely due to the increases in the debt service tax rate resulting from the November 2014 tax bond referendum approved by College voters, but also due to valuation and new property growth in the local tax base. The increase in 2015 was due to valuation and new property growth in the local tax base.

Tuition and fee revenue for 2016 is projected to be approximately \$68.0 million which is an increase of about 5% compared to \$64.2 million in 2015. The College did not increase In-district Tuition rates for 2016, but did increase the Out-of-District Fee by \$20 per credit hour, which is the fee paid by those students who do not pay ad valorem taxes to the College. Additionally, the College increased Out-of-State Tuition by \$17 per credit hour.

These projected increases in revenue will be necessary to fund new or increased expenses in instructional and support functions as the College continues to achieve the State's *Closing the Gaps* initiative and the College's Student Success Goals. The College's 2016 budget is balanced and structurally sound; however the College will continue to face challenges in the future to fund anticipated increases in demands for services provided by community colleges.

## **BASIC FINANCIAL STATEMENTS**

**Exhibit 1**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF NET POSITION**  
**August 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 36,787,490	\$ 51,086,022
Restricted Cash & Cash Equivalents	18,140,346	16,297,168
Investments	14,784,638	3,033,682
Accounts Receivable (Net) (See Note 17)	21,190,745	23,841,892
Other Assets	6,337,208	5,481,783
Prepaid Expenses	1,937,374	2,189,542
Total Current Assets	99,177,801	101,930,089
Noncurrent Assets:		
Restricted Cash and Cash Equivalents	44,628,770	43,627
Investments	19,156,412	-
Restricted Investments	133,572,094	28,308,174
Other Assets	30,715	60,078
Capital Assets (Net) (See Note 6)	476,717,750	479,520,887
Total Noncurrent Assets	674,105,741	507,932,766
Total Assets	773,283,542	609,862,855
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding Debt	11,733,477	30,870
Deferred Outflow on Pension Liability	7,119,192	-
Total Deferred Outflows	18,852,669	30,870
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	6,236,020	8,629,594
Accrued Liabilities	7,573,665	7,635,216
Accrued Compensable Absences - Current Portion	3,208,301	3,128,317
Funds Held for Others	669,105	376,322
Unearned Revenues	44,982,174	45,376,182
Capital Leases - Current Portion	567,322	553,135
Bonds Payable - Current Portion	16,808,677	11,424,211
Total Current Liabilities	80,045,264	77,122,977

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

**Exhibit 1**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF NET POSITION – (Continued)**  
**August 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
Noncurrent Liabilities:		
Accrued Compensable Absences	2,510,764	2,378,619
Unearned Revenues	229,583	324,583
OPEB Payable	2,579,673	2,206,789
TRS Pension Liability	40,130,541	-
Capital Leases	275,816	848,876
Bonds Payable	619,803,650	454,599,615
Total Noncurrent Liabilities	665,530,027	460,358,482
Total Liabilities	745,575,291	537,481,459
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflow on Pension Liability	12,276,051	-
 <b>NET POSITION</b>		
Net Investment in Capital Assets	42,854,449	33,624,181
Restricted for:		
Expendable		
Scholarships	1,115,232	510,383
Departmental Activities	94,855	84,260
Loans	-	27,609
Debt Service	13,021,285	22,740,287
Unrestricted	(22,800,952)	15,425,546
Total Net Position (Schedule D)	\$ 34,284,869	\$ 72,412,266

The accompanying notes are an integral part of the financial statements

**Exhibit 1A**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF FINANCIAL POSITION OF ACC FOUNDATION**  
**(A Component Unit of Austin Community College District)**  
**May 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,293,479	\$ 961,142
Investments (Note 26C)	6,284,428	6,050,057
Accrued Interest/Dividends Receivable	20,708	22,457
Promises to Give (Note 26D)	717,800	750,125
Total Assets	8,316,415	7,783,781
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities	-	-
 Net Assets		
Unrestricted	602,200	529,646
Temporarily Restricted (Note 26G)	2,690,444	2,472,703
Permanently Restricted (Note 26F)	5,023,771	4,781,432
Total Net Assets	8,316,415	7,783,781
Total Liabilities and Net Assets	\$ 8,316,415	\$ 7,783,781

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

**Exhibit 2**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For The Years Ended August 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>OPERATING REVENUES</b>		
Tuition and Fees (Net of Discounts of \$36,176,824 and \$36,175,413, Respectively)	\$ 64,209,335	\$ 58,817,581
Federal Grants and Contracts	6,347,487	5,560,256
State Grants and Contracts	5,924,292	3,613,076
Local Grants and Contracts	206,842	206,239
Non-Governmental Grants and Contracts	1,391,343	1,271,744
Sales and Services of Educational Activities	5,134,260	3,696,045
Auxiliary Enterprises	1,523,794	450,802
General Operating Revenues	3,777,693	4,915,756
Total Operating Revenues (Schedule A)	88,515,046	78,531,499
<b>OPERATING EXPENSES</b>		
Instruction	121,622,993	115,913,573
Public Service	8,012,733	5,562,939
Academic Support	27,702,925	26,417,940
Student Services	26,822,153	26,306,434
Institutional Support	44,835,367	41,621,322
Operation and Maintenance of Plant	25,849,863	32,630,440
Scholarships and Fellowships	18,640,887	19,988,632
Auxiliary Enterprises	608,140	722,180
Depreciation	13,064,484	11,596,684
Total Operating Expenses (Schedule B)	287,159,545	280,760,144
Operating Loss	(198,644,499)	(202,228,645)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State Appropriations	62,036,062	60,016,104
Ad Valorem Taxes	131,067,317	118,716,153
Federal Revenue, Non Operating	32,488,418	34,990,788
Gifts	9,925	25,314
Investment Income	374,951	350,087
Interest on Capital Related Debt	(22,676,547)	(17,929,915)
Gains on Disposal of Capital Assets	2,685,047	7,440
Net Non-Operating Revenues (Schedule C)	205,985,173	196,175,971
Increase (Decrease) in Net Position	7,340,674	(6,052,674)
<b>NET POSITION</b>		
Net Position, Beginning of Year, as Previously Stated	72,412,266	78,464,940
Cumulative Effect of Change in Accounting Principle (Note 2)	(45,468,071)	N/A
Net Position, Beginning of Year, as Restated	26,944,195	N/A
Net Position, End of Year	\$ 34,284,869	\$ 72,412,266

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

**Exhibit 2A  
AUSTIN COMMUNITY COLLEGE DISTRICT  
Austin, Texas**

**STATEMENTS OF ACTIVITIES OF ACC FOUNDATION  
(A Component Unit of Austin Community College District)  
For The Years Ended May 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS:</b>		
Revenues		
Contributions	\$ 39,503	\$ 35,707
Interest and Dividend Income	56,601	43,168
Investment Gains	8,261	72,063
Net Assets Released from Restrictions	626,595	581,061
Total Unrestricted Revenues	730,960	731,999
Expenses		
Program Services	646,549	610,269
General and Administrative	11,857	11,305
Total Expenses	658,406	621,574
Increase in Unrestricted Net Assets	72,554	110,425
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:</b>		
Contributions	485,569	1,153,851
Interest and Dividend Income	317,980	249,881
Investment Gains	40,787	395,579
Net Assets Released from Restrictions	(626,595)	(581,061)
Increase in Temporarily Restricted Net Assets	217,741	1,218,250
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS:</b>		
Contributions	242,018	179,075
Interest and dividends	321	260
Bad Debt Loss	-	(3,100)
Increase in Permanently Restricted Net Assets	242,339	176,235
Change in Net Assets	532,634	1,504,910
Net Assets, Beginning of Year	7,783,781	6,278,871
Net Assets, End of Year	\$ 8,316,415	\$ 7,783,781

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

**Exhibit 3**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF CASH FLOWS**  
**For The Years Ended August 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Students and Other Customers	\$ 66,814,230	\$ 66,528,394
Receipts from Grants and Contracts	16,488,507	8,927,642
Other Receipts	7,841,023	6,898,819
Payment of Student Loans	(27,609)	-
Payments to or On-Behalf of Employees	(191,584,127)	(183,396,561)
Payments to Suppliers for Goods and Services	(54,587,313)	(55,000,936)
Payments for Scholarships and Fellowships	(19,496,312)	(19,279,526)
Net Cash Used in Operating Activities	(174,551,601)	(175,322,168)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>		
Receipts from Ad Valorem Taxes	130,774,112	118,483,619
Receipts from State Appropriations	50,450,804	48,971,813
Receipts from Title IV Federal Financial Aid Programs	32,488,418	34,990,788
Receipts (Payments) to Student Organizations and Other Agency Transactions	292,783	(734,298)
Net Cash Provided by Non-Capital Financing Activities	214,006,117	201,711,922
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Issuance of Capital Debt	176,405,152	-
Proceeds from the Sale of Capital Assets	3,805,850	16,157
Other Payments Associated with Issuance of Capital Debt	(10,852,055)	-
Purchases of Capital Assets	(11,711,883)	(54,855,806)
Payments on Capital Debt and Leases - Principal	(12,178,872)	(9,728,135)
Payments on Capital Debt and Leases - Interest	(16,795,297)	(20,247,330)
Net Cash Provided by (Used in) Capital and Related Financing Activities	128,672,895	(84,815,114)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sales and Maturities of Investments	31,777,576	51,477,932
Interest on Investments	91,933	406,835
Purchase of Investments	(167,867,131)	-
Net Cash (Used in) Provided by Investing Activities	(135,997,622)	51,884,767
Increase (Decrease) in Cash and Cash Equivalents	32,129,789	(6,540,593)
Cash and Cash Equivalents, Beginning of Year	67,426,817	73,967,410
Cash and Cash Equivalents, End of Year	\$ 99,556,606	\$ 67,426,817

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



**Exhibit 3**  
**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATEMENTS OF CASH FLOWS – (Continued)**  
**For The Years Ended August 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (198,644,499)	\$ (202,228,645)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities		
State On-Behalf Payments	11,585,258	11,044,291
Depreciation Expense	13,064,484	11,596,684
Changes in Assets and Liabilities:		
Receivables (Net)	3,125,928	(664,004)
Other Assets	277,167	(391,667)
Deferred Charges	(855,425)	709,106
Deferred Outflows	(7,119,192)	-
Accounts Payable	(2,381,901)	57,346
Accrued Liabilities	(637,948)	(332,334)
Compensated Absences	212,129	61,596
OPEB Payable	372,884	296,760
TRS Pension Liability	(5,337,529)	-
Unearned Revenues	(489,008)	4,528,699
Deferred Inflows	12,276,051	-
Net Cash Used in Operating Activities	\$ (174,551,601)	\$ (175,322,168)
 <b>SCHEDULE OF NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>		
State On-Behalf Payments	\$ 11,585,258	\$ 11,044,291
Non-Cash Gifts	9,925	25,314
Change in Fair Value of Investments	(114,379)	3,155
Deferred Loss on Refunding Debt	11,733,477	30,870

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 1. REPORTING ENTITY**

The Austin Community College District (“the College”) was established in December 1972, in accordance with the laws of the State of Texas, to serve the educational needs of Austin and the surrounding communities, and began operation in September 1973. The College is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the College receives funding from local, state, and federal sources and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

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

***Blended Component Unit***

Using the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the College’s management has determined that the Austin Community College District Public Facility Corporation (“the PFC”) should be blended with the activities of the College because its sole purpose is to assist the College in financing or otherwise assisting in the acquisition of public facilities and because the College’s management has operational responsibility for the PFC.

The PFC was incorporated on December 21, 2007, as a non-profit corporation formed under the Texas Public Facility Corporation Act. The PFC was formed for the purpose of assisting the College in financing, refinancing, providing, or otherwise assisting in the acquisition of public facilities. The PFC is governed by a nine-member Board of Directors that is the same nine-member Board of Trustees of the College. The PFC does not have authority to levy taxes. Although the PFC is legally separate from the College, the PFC is reported as if it were part of the College because its sole purpose is to assist the College in the acquisition of public facilities. Therefore, the PFC is reported as a blended component unit in the Basic Financial Statements of the College. Financial information for the PFC may be obtained from the College’s business office.

***Discrete Component Unit***

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 1. REPORTING ENTITY (Continued)**

The Foundation is a Texas nonprofit corporation chartered in 1991 to provide supplemental financial resources to advance the institutional goals and expand the educational services of the College. It is the intention of the Foundation to support educational initiatives which will enhance the quality of facilities and instruction, increase and diversify educational services, and improve accessibility to educational opportunities for students, faculty, staff, and residents of the geographic areas served by the College. The Foundation is governed by up to thirty board members with each member serving a three-year term. It is accounted for separately in the Basic Financial Statements of the College and has a May 31 fiscal year end. The Foundation's Notes to Financial Statements are disclosed in Note 26. Complete financial statements of the Austin Community College Foundation can be obtained from the business office of the College.

***Other Organizations***

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Reporting Guidelines***

The significant accounting policies followed by the College in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the College complies with *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*.

The College applies all applicable GASB pronouncements. The College is reported as a special-purpose government engaged in business-type activities (BTA).

***Basis of Accounting***

The financial statements of the College have been prepared 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.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Tuition Discounting***

*Texas Public Education Grants (TPEG):*

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. This set-aside, 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 a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

*Title IV, Higher Education Act (HEA) Program Funds:*

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

*Tuition Remissions and Exemptions:*

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

***Budgetary Data***

Each community college in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The College's Board adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

***Cash and Cash Equivalents***

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

Board policy requires the College to maintain a minimum unrestricted, unallocated cash and investments level of 16.7% of budgeted total annual expenses plus total accounts payable. The College was in compliance with this policy as of August 31, 2015 and 2014.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Investments***

In accordance with GASB Statement No. 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 date greater than three months but less than one year at the time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

***Capital Assets***

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. Equipment with an estimated useful life less than one year is not capitalized. Land and works of art are capitalized but not depreciated. Renovations to buildings and infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the useful life of the asset are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

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

Capital Asset Type	Capitalization Threshold	Estimated Useful Life
Buildings and Building Improvements	\$ 100,000	50 Years
Infrastructure	100,000	30 Years
Other Real Estate Improvements	100,000	20 Years
Library Books	N/A	15 Years
Furniture, Machinery, Vehicles and Other Equipment	5,000	10 Years
Telecommunications and Peripheral Equipment	5,000	5 Years
Leasehold Improvements	100,000	Lease Tenure

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Deferred Outflows of Resources***

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB. Typical deferred outflows for Community Colleges are deferred outflows related to pensions and deferred charges on refunding debt.

***Deferred Inflows of Resources***

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

***Net Position***

The College's net position is classified as follows:

*Net Investment in Capital Assets:* This category represents the College's total investment in capital assets, net of related outstanding debt and accumulated depreciation.

*Restricted Net Position, Nonexpendable:* Net Position, such as endowments and similar type funds, which are subject to externally imposed stipulations requiring that the funds be maintained permanently by the College.

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

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

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

***Unearned Revenues***

Tuition, fees, and other revenues received and related to periods after August 31, 2015 or 2014, respectively, will be recognized in subsequent fiscal years.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Estimates***

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

***Operating and Non-Operating Revenue and Expense Policy***

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

In response to guidance provided by GASB as question/answer 7.72.10 in the Implementation Guide, revenue received for Federal Title IV grant programs (e.g., Pell grants) is characterized as non-operating revenue as opposed to operating revenue.

***Reclassification***

In FY2015, it was determined that accreted interest payable related to certain capital appreciation bonds should be included in Unrestricted Net Position, as opposed to Net Investment in Capital Assets. Therefore, the FY2014 accreted interest payable has been reclassified from Net Investment in Capital Assets to Unrestricted Net Position. See Note 25 for more details.

***Pensions***

For the fiscal year ending August 31, 2015, the College implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined based on the flow of economic resource measurement focus and full accrual basis of accounting. This includes, for purposes of measuring the net pension liability: deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

***Restatement of Beginning Net Position***

For the fiscal year ending August 31, 2015, the College adopted GASB Statement No. 68, as amended by GASB Statement No. 71, which required a restatement to beginning net position for the recording of the beginning net pension liability and for the recording of deferred outflows of

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

resources for contributions made after measurement date of the beginning net pension liability and the beginning of the reporting entity's fiscal year.

In accordance with GASB Statement No. 68, paragraph 137 if the restatement of all prior period presented is not practical, the cumulative effect of applying this Statement, if any, should be reported as a restatement of beginning net position for the earliest period restated. Information for the previous year is not available from TRS to record the net pension liability or related adjustments, therefore, the College restated net position as of September 1, 2014. Note 25, below, explains the effect of GASB Statement No. 68 implementation on the financial statements.

***New GASB Pronouncements***

The GASB has issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The requirements for this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement also will enhance fair value application guidance and related disclosures to provide information to financial statement users about the impact of fair value measurements on a government's financial position. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2015. This statement is expected to be implemented for the fiscal year ending August 31, 2016. The College does not expect this Statement to have any impact on the College's financial statements.

**NOTE 3. AUTHORIZED INVESTMENTS**

The College is authorized to invest in obligations and instruments as defined in the Public Funds Investment Act (PFIA) (Sec. 2256.001 Texas Government Code). The Board has adopted a written investment policy regarding the investment of its funds as defined in the PFIA. Such investments include (1) obligations of the United States 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, and (5) other instruments and obligations authorized by statute. During the years ended August 31, 2015 and 2014, the College was in compliance with the Public Funds Investment Act.

**NOTE 4. DEPOSITS AND INVESTMENTS**

At August 31, 2015 and 2014, the College had demand deposits with the carrying amount of \$20,233,516 and \$29,347,183, respectively, and total bank balances equaled \$21,446,534 and \$29,789,140, respectively.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Bank balances up to \$250,000 were covered under the Federal Deposit Insurance Corporation (FDIC) for the years ended August 31, 2015 and 2014. Demand deposits not covered under the FDIC require pledged collateral with a fair value of at least 102% of the par value of the deposit. Monthly collateral reports reporting the pledged securities and their fair values are required from each financial institution. As of August 31, 2015 and 2014, the College had demand deposits not covered under the FDIC in the amount of \$20,446,534 and \$28,864,140, respectively.

The College's investments in certificates of deposits require pledged collateral with a fair value of at least 102% of the par value of the deposit. In addition, monthly collateral reports, including the pledged securities and their fair values, are required from each financial institution. As of August 31, 2015 and 2014, the College had certificates of deposits in the amount of \$94,378,157 and \$30,802,116, respectively.

***Cash and Cash Equivalents***

Cash and cash equivalents and restricted cash and cash equivalents, included on Exhibit 1, Statements of Net Position, consist of the items reported below:

	2015	2014
Petty Cash on Hand	\$ 18,294	\$ 20,303
Demand Deposits	20,233,516	29,347,183
Money Market Mutual Funds	21,681,134	28,922,636
Investment Pools	57,623,662	9,136,695
Total Cash and Cash Equivalents	\$ 99,556,606	\$ 67,426,817

As of August 31, 2015 the College had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity (Years)	Credit Exposure	Exposure Permitted by Investment Policy
Investment Pools	\$ 57,623,662	0.00	23.35%	80%
Money Market Mutual Funds	21,681,134	0.00	8.78%	80%
Certificates of Deposit	94,378,157	2.27	38.24%	80%
Municipal Bonds	1,312,460	2.75	0.53%	25%
U.S. Agency Securities	71,822,527	1.48	29.10%	80%
Total Portfolio	\$ 246,817,940	1.31		

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

Reconciliation of Deposits and Investments to Statement of Net Position:

Type of Security	Fair Value August 31, 2015	Fair Value August 31, 2014
Investment Pools	\$ 57,623,662	\$ 9,136,695
Money Market Mutual Funds	21,681,134	28,922,636
Cash and Deposits	20,251,810	29,367,486
Total	99,556,606	67,426,817
Investments	167,513,144	31,341,856
Total Deposits and Investments	\$ 267,069,750	\$ 98,768,673

Per Statement of Net Position (Exhibit 1):

Cash and Cash Equivalents	\$ 36,787,490	\$ 51,086,022
Restricted Cash and Cash Equivalents (Current)	18,140,346	16,297,168
Restricted Cash and Cash Equivalents (Noncurrent)	44,628,770	43,627
Investments (Current)	14,784,638	3,033,682
Investments (Noncurrent)	19,156,412	-
Restricted Investments	133,572,094	28,308,174
Total Deposits and Investments	\$ 267,069,750	\$ 98,768,673

*Interest Rate Risk* - In accordance with state law and the College's policy, the College does not purchase any investments with maturities greater than five years. The College manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to a maximum of one and one-half years.

*Credit Risk and Concentration of Credit Risk* - In accordance with state law and the College's investment policy, investments in investment pools must be rated at least "AAA" or "AAA-m" and investments in obligations from other states, municipalities, counties, etc. must be rated at least "A". The College does not limit the amount it may invest in any one issuer.

As of August 31, 2015 and 2014, the College had an investment of \$71,822,527 and \$0, respectively, in U.S. Agency Securities. All of those securities had a Moody's rating of Aaa. In addition, as of August 31, 2015 and 2014, the College had an investment of \$1,312,460 and \$539,740, respectively, in Municipal Bonds with a Moody's rating of Aaa.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 4. DEPOSITS AND INVESTMENTS (Continued)**

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool invests in securities that meet the requirements of the Texas Public Funds Investment Act. Standard & Poor rates TexPool AAA-m. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor, as well as to the Office of Comptroller of Public Accounts, for review. As of August 31, 2015 and 2014, the College had an investment of \$57,623,662 and \$9,136,695, in TexPool, the Texas Local Government Investment Pool.

In accordance with state law, TexPool operates in conformity with all of the requirements of the Securities and Exchange Commission's (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, the TexPool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. TexPool is subject to regulatory oversight by the State Treasurer, although it is not registered with the SEC. The College reports investments in TexPool as cash and cash equivalents.

**NOTE 5. DERIVATIVES**

Derivatives are investment products that may be a security or contract that derives its value from another security, currency, commodity, or index, regardless of the source of funds used.

At August 31, 2015 and 2014, the College had not engaged in any derivative transactions either for investment purposes or as a risk management strategy.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 6. CAPITAL ASSETS**

Capital assets activity for the year ended August 31, 2015, was as follows:

	Balance September 1, 2014	Additions	Reductions	Transfers	Balance August 31, 2015
<b>Not Depreciated</b>					
Land	\$ 92,751,965	\$ -	\$ (1,112,812)	\$ -	\$ 91,639,153
Artwork	95,004	-	-	-	95,004
Construction in Progress	11,756,751	8,985,222	-	(1,480,827)	19,261,146
Subtotal	<u>104,603,720</u>	<u>8,985,222</u>	<u>(1,112,812)</u>	<u>(1,480,827)</u>	<u>110,995,303</u>
<b>Other Capital Assets</b>					
Buildings	373,509,788	-	-	1,480,827	374,990,615
Infrastructure	2,913,746	-	-	-	2,913,746
Land Improvements	45,424,251	-	-	-	45,424,251
Library Books	6,025,451	275,733	(249,800)	-	6,051,384
Equipment	34,144,462	2,121,195	(77,795)	-	36,187,862
Subtotal	<u>462,017,698</u>	<u>2,396,928</u>	<u>(327,595)</u>	<u>1,480,827</u>	<u>465,567,858</u>
<b>Accumulated Depreciation</b>					
Buildings	48,488,016	7,204,760	-	-	55,692,776
Infrastructure	1,748,248	97,125	-	-	1,845,373
Land Improvements	13,821,989	2,030,244	-	-	15,852,233
Library Books	2,246,638	357,358	(249,800)	-	2,354,196
Equipment	22,301,765	2,846,291	(69,804)	-	25,078,252
Subtotal	<u>88,606,656</u>	<u>12,535,778</u>	<u>(319,604)</u>	<u>-</u>	<u>100,822,830</u>
<b>Net Other Capital Assets</b>	<u>373,411,042</u>	<u>(10,138,850)</u>	<u>(7,991)</u>	<u>1,480,827</u>	<u>364,745,028</u>
<b>Assets Under Capital Leases</b>					
Equipment	5,204,784	-	-	-	5,204,784
<b>Accumulated Depreciation</b>					
Equipment	3,698,659	528,706	-	-	4,227,365
<b>Net Lease Capital Assets</b>	<u>1,506,125</u>	<u>(528,706)</u>	<u>-</u>	<u>-</u>	<u>977,419</u>
<b>Net Capital Assets</b>	<u>\$ 479,520,887</u>	<u>\$ (1,682,334)</u>	<u>\$ (1,120,803)</u>	<u>\$ -</u>	<u>\$ 476,717,750</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 6. CAPITAL ASSETS (Continued)**

Capital assets activity for the year ended August 31, 2014, was as follows:

	Balance September 1, 2013	Additions	Reductions	Transfers	Balance August 31, 2014
<b>Not Depreciated</b>					
Land	\$ 92,751,965	\$ -	\$ -	\$ -	\$ 92,751,965
Artwork	95,004	-	-	-	95,004
Construction in Progress	42,548,121	50,039,354	-	(80,830,724)	11,756,751
Subtotal	<u>135,395,090</u>	<u>50,039,354</u>	<u>-</u>	<u>(80,830,724)</u>	<u>104,603,720</u>
<b>Other Capital Assets</b>					
Buildings	298,470,328	-	-	75,039,460	373,509,788
Infrastructure	2,913,746	-	-	-	2,913,746
Land Improvements	39,632,987	-	-	5,791,264	45,424,251
Library Books	5,260,175	917,339	(152,063)	-	6,025,451
Equipment	31,072,296	4,534,825	(1,462,659)	-	34,144,462
Subtotal	<u>377,349,532</u>	<u>5,452,164</u>	<u>(1,614,722)</u>	<u>80,830,724</u>	<u>462,017,698</u>
<b>Accumulated Depreciation</b>					
Buildings	42,530,885	5,957,131	-	-	48,488,016
Infrastructure	1,651,123	97,125	-	-	1,748,248
Land Improvements	11,839,804	1,982,185	-	-	13,821,989
Library Books	2,045,859	352,842	(152,063)	-	2,246,638
Equipment	21,048,391	2,678,695	(1,425,321)	-	22,301,765
Subtotal	<u>79,116,062</u>	<u>11,067,978</u>	<u>(1,577,384)</u>	<u>-</u>	<u>88,606,656</u>
<b>Net Other Capital Assets</b>	<u>298,233,470</u>	<u>(5,615,814)</u>	<u>(37,338)</u>	<u>80,830,724</u>	<u>373,411,042</u>
<b>Assets Under Capital Leases</b>					
Equipment	5,204,784	-	-	-	5,204,784
<b>Accumulated Depreciation</b>					
Equipment	3,169,953	528,706	-	-	3,698,659
<b>Net Lease Capital Assets</b>	<u>2,034,831</u>	<u>(528,706)</u>	<u>-</u>	<u>-</u>	<u>1,506,125</u>
<b>Net Capital Assets</b>	<u>\$ 435,663,391</u>	<u>\$ 43,894,834</u>	<u>\$ (37,338)</u>	<u>\$ -</u>	<u>\$ 479,520,887</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 7. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended August 31, 2015, was as follows:

	Balance September 1, 2014	Additions	Reductions	Balance August 31, 2015	Current Portion
<b>Bonds</b>					
2002 Revenue Bonds	\$ 8,940,432	\$ 494,253	\$ -	\$ 9,434,685	\$ 202,041
2005 Revenue Bonds	17,019,883	-	(17,019,883)	-	-
2009A Revenue Bonds	30,308,608	-	(353,678)	29,954,930	238,724
2009B Revenue Bonds	3,580,277	-	(1,518,390)	2,061,887	311,954
2010 Revenue Bonds	3,056,646	-	(354,816)	2,701,830	361,409
2011 Revenue Bonds	22,225,000	-	(22,225,000)	-	-
2011A Revenue Bonds	19,310,000	-	(350,000)	18,960,000	-
2012 Revenue Bonds	77,296,190	-	(254,242)	77,041,948	408,982
2014A Revenue Bonds	-	15,436,556	(344,281)	15,092,275	2,427,431
2014B Revenue Bonds	-	23,085,000	-	23,085,000	1,165,000
<b>Total Revenue Bonds</b>	<b>181,737,036</b>	<b>39,015,809</b>	<b>(42,420,290)</b>	<b>178,332,555</b>	<b>5,115,541</b>
2006 G.O. Bonds	18,383,040	414,396	(484,797)	18,312,639	70,684
2011 G.O. Bonds	29,708,058	-	(2,180,517)	27,527,541	3,519,032
2013 G.O. Bonds	44,362,945	-	(735,728)	43,627,217	230,522
2015 G.O. Bonds	-	176,405,152	(285,935)	176,119,217	2,886,860
<b>Total G.O. Bonds</b>	<b>92,454,043</b>	<b>176,819,548</b>	<b>(3,686,977)</b>	<b>265,586,614</b>	<b>6,707,098</b>
2008 Lease Revenue Bonds (PFC)	112,119,226	-	(112,119,226)	-	-
2010A Lease Revenue Bonds (PFC)	33,470,000	-	(130,000)	33,340,000	210,000
2012 Lease Revenue Bonds (PFC)	46,243,521	-	(109,813)	46,133,708	113,714
2015 Lease Revenue Bonds (PFC)	-	118,319,351	(5,099,901)	113,219,450	4,662,324
<b>Total Lease Revenue Bonds (PFC)</b>	<b>191,832,747</b>	<b>118,319,351</b>	<b>(117,458,940)</b>	<b>192,693,158</b>	<b>4,986,038</b>
<b>Total Bonds</b>	<b>466,023,826</b>	<b>334,154,708</b>	<b>(163,566,207)</b>	<b>636,612,327</b>	<b>16,808,677</b>
<b>Other Long-Term Liabilities</b>					
Capital Leases	1,402,011	-	(558,873)	843,138	567,322
Compensable Absences	5,506,936	3,420,430	(3,208,301)	5,719,065	3,208,301
OPEB Payable	2,206,789	372,884	-	2,579,673	-
Net Pension Liability	-	40,130,541	-	40,130,541	-
Unearned Revenue	419,583	-	(95,000)	324,583	95,000
<b>Total Other Long-Term Liabilities</b>	<b>9,535,319</b>	<b>43,923,855</b>	<b>(3,862,174)</b>	<b>49,597,000</b>	<b>3,870,623</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 475,559,145</b>	<b>\$ 378,078,563</b>	<b>\$ (167,428,381)</b>	<b>\$ 686,209,327</b>	<b>\$ 20,679,300</b>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 7. LONG-TERM LIABILITIES (Continued)**

Long-term liability activity for the year ended August 31, 2014, was as follows:

	Balance September 1, 2013	Additions	Reductions	Balance August 31, 2014	Current Portion
<b>Bonds</b>					
2002 Revenue Bonds	\$ 8,471,543	\$ 468,889	\$ -	\$ 8,940,432	\$ (451,540)
2005 Revenue Bonds	18,819,822	-	(1,799,939)	17,019,883	1,887,800
2009A Revenue Bonds	30,662,438	-	(353,830)	30,308,608	353,678
2009B Revenue Bonds	5,061,671	-	(1,481,394)	3,580,277	1,518,390
2010 Revenue Bonds	3,405,576	-	(348,930)	3,056,646	354,816
2011 Revenue Bonds	22,225,000	-	-	22,225,000	-
2011A Revenue Bonds	19,650,000	-	(340,000)	19,310,000	350,000
2012 Revenue Bonds	77,544,653	-	(248,463)	77,296,190	254,241
<b>Total Revenue Bonds</b>	<u>185,840,703</u>	<u>468,889</u>	<u>(4,572,556)</u>	<u>181,737,036</u>	<u>4,267,385</u>
2004 G.O. Bonds	619,277	-	(619,277)	-	-
2006 G.O. Bonds	18,447,888	377,300	(442,148)	18,383,040	899,192
2011 G.O. Bonds	31,938,386	-	(2,230,328)	29,708,058	2,180,517
2013 G.O. Bonds	44,587,591	-	(224,646)	44,362,945	735,728
<b>Total G.O. Bonds</b>	<u>95,593,142</u>	<u>377,300</u>	<u>(3,516,399)</u>	<u>92,454,043</u>	<u>3,815,437</u>
2008 Lease Revenue Bonds (PFC)	114,865,375	-	(2,746,149)	112,119,226	3,101,576
2010A Lease Revenue Bonds (PFC)	33,470,000	-	-	33,470,000	130,000
2012 Lease Revenue Bonds (PFC)	46,349,571	-	(106,050)	46,243,521	109,813
<b>Total Lease Revenue Bonds (PFC)</b>	<u>194,684,946</u>	<u>-</u>	<u>(2,852,199)</u>	<u>191,832,747</u>	<u>3,341,389</u>
<b>Total Bonds</b>	<u>476,118,791</u>	<u>846,189</u>	<u>(10,941,154)</u>	<u>466,023,826</u>	<u>11,424,211</u>
<b>Other Long-Term Liabilities</b>					
Capital Leases	1,955,146	-	(553,135)	1,402,011	553,135
Compensable Absences	5,445,340	3,189,913	(3,128,317)	5,506,936	3,128,317
OPEB Payable	1,910,029	296,760	-	2,206,789	-
Unearned Revenue	514,583	-	(95,000)	419,583	95,000
<b>Total Other Long-Term Liabilities</b>	<u>9,825,098</u>	<u>3,486,673</u>	<u>(3,776,452)</u>	<u>9,535,319</u>	<u>3,776,452</u>
<b>Total Long-Term Liabilities</b>	<u>\$ 485,943,889</u>	<u>\$ 4,332,862</u>	<u>\$ (14,717,606)</u>	<u>\$ 475,559,145</u>	<u>\$ 15,200,663</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS**

***Lease Revenue Bonds***

On May 1, 2015, the PFC issued \$105,580,000 in Lease Revenue Refunding Bonds, Series 2015. The Bonds were issued to refund certain outstanding Lease Revenue Bonds issued in 2008 and to pay the costs of issuance related to the Bonds. These Lease Revenue Refunding Bonds are due and payable in annual installments varying from \$3,270,000 to \$8,135,000, with interest rates varying from 1.0% to 5.0% and the final installment due in 2033.

The College also has outstanding Lease Revenue Bonds issued in 2012 and 2010 which proceeds were used to finance the costs of acquisition, construction and equipment of the Hays and Elgin campuses, respectively, and to pay the costs of issuing the Bonds.

The PFC pays Lease Revenue Bonds from the lease payments made by the College. The Lease payments are due at such times and in such amounts as will be required to timely pay the principal and interest on the Lease Revenue Bonds. The Lease Revenue Bonds Series 2012 are due and payable in annual installments varying from \$190,000 to \$6,500,000, with interest rates varying from 2.0% to 5.0% and the final installment due in 2036. The Lease Revenue Bonds, Taxable Series 2010A are due and payable in annual installments varying from \$130,000 to \$3,980,000, with interest rates varying from 3.828% to 6.523% and the final installment is due in 2035.

The obligation of the College to make lease payments is a current expense, payable solely from funds annually appropriated by the College for such use. Remedies available upon a failure of the College to appropriate or pay lease payments are limited to termination of the College's leasehold interest, the right to take possession and control of the Project, and the right to sell or lease the Project upon foreclosure.

**Build America Bonds**

The PFC designated the Lease Revenue Bonds Taxable Series 2010A, as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 ("the Recovery Act"). In general, the PFC will receive periodic Federal Payments from the United States Treasury equal to 35% of the interest payable on these Bonds. However, pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, these Federal payments are subject to sequestration. As a result, the refund payments for the fiscal year ended August 31, 2015, were reduced by the fiscal year 2015 sequestration rate of 7.3 percent that resulted in a 32.44% actual payment from the United States Treasury. In order to receive Federal Payments, the PFC is required to file a form with the Internal Revenue Service prior to each interest payment date for the Bonds. The Federal payments do not constitute a full faith and credit guarantee of the United States Government, but they are required to be paid by the United States Treasury under the Recovery Act. The Federal Payments will not be pledged to secure payment of the Bonds; however, the PFC has agreed to deposit all Federal Payments with respect to the Bonds in the Interest and Sinking Fund.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

***General Obligation Bonds***

On June 1, 2015, the College issued \$165,195,000 in Limited Tax Bonds, Series 2015. The Bonds were issued for the construction, renovation, and equipment of College buildings district-wide. Among other projects, the bonds were issued for the renovation and repurposing of Highland Mall, the construction of a northwest campus in Leander, the acquisition of real property for the southeast Travis County regional workforce training center, the expansion of the Hays, Round Rock, and Elgin campuses and to pay for the bonds cost of issuance. These General Obligation Bonds are due and payable in annual installments varying from \$1,735,000 to \$9,655,000, with interest rates varying from 3.0% to 5.0% and the final installment due in 2045.

On April 1, 2013, the College issued \$40,745,000 in Limited Tax Refunding Bonds, Series 2013. The Bonds were issued to refund certain outstanding General Obligation Bonds issued in 2004 and 2003 and to pay the costs of issuance related to the Bonds. The Bonds are due and payable in annual installments varying from \$505,000 to \$4,800,000, with interest rates varying from 2.0% to 5.0% and the final installment due in 2033.

On December 1, 2011, the College issued \$28,200,000 in Limited Tax Refunding Bonds, Series 2011. The Bonds were issued to refund certain outstanding General Obligation Bonds issued in 2004 and 2003 and to pay the costs of issuance related to the Bonds. These General Obligation Bonds are due and payable in annual installments varying from \$540,000 to \$4,185,000, with interest rates varying from 3.0% to 5.0% and the final installment due in 2025.

The refunding 2006 General Obligation Bonds are due and payable in annual installments varying from \$40,000 to \$1,645,000, with interest rates varying from 4.0% to 9.6% and the final installment due in 2034. The remaining \$620,000 principal on the 2004 General Obligation Bonds not refunded by the 2013, 2011 and 2006 bond issuances was paid on August 1, 2014, at an interest rate of 4.125%.

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

***Revenue Bonds***

On December 1, 2014, the College issued \$13,685,000 in Combined Fee Revenue Refunding Bonds, Series 2014A. The Bonds were issued to refund certain outstanding Revenue Bonds issued in 2005 and to pay for the costs of issuing the Bonds. The Bonds are due and payable in annual installments varying from \$1,985,000 to \$2,580,000, with an interest rate of 5.0% and the final installment due in 2021.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

On December 1, 2014, the College issued \$23,085,000 in Combined Fee Revenue Refunding Bonds, Taxable Series 2014B. The Bonds were issued to refund certain outstanding Revenue Bonds issued in 2011 and to pay for the costs of issuing the Bonds. The Bonds are due and payable in annual installments varying from \$1,165,000 to \$2,430,000, with interest rates varying from 0.512% to 3.896% and the final installment due in 2028.

Repayment of the revenue bond indebtedness is collateralized by a first lien on a pledge of certain tuition and fees described below. The bond indentures for all outstanding Revenue Bonds require that the College deposit into an interest and sinking fund the following: 1) Tuition Fee pledged at the maximum amount permitted by Section 130.123 of the Texas Education Code, as amended. Section 130.123 currently limits the maximum pledge to an amount equal to 25% of all tuition collections; 2) the General Fee of \$15 per semester credit hour from all nonexempt students for each semester and summer term; and 3) investment income derived from any and all funds. Such pledged tuition and fees amounted to \$26,868,128 and \$24,973,485 for the years ended August 31, 2015 and 2014, respectively. The pledged amount equates to 36.9% and 35.8% of the above revenue streams, respectively. The actual debt service payment for those years was \$10,471,444 and \$11,410,457, respectively. Compared to the minimum required pledge-to-debt service coverage ratio of 1.25, the actual coverage ratio was 2.57 and 2.19, respectively. Revenue bonds payable are due in annual installments varying from \$125,000 to \$8,725,000, with interest rates ranging from 0.512% to 5.767% and the final installment due in 2037. The College has complied with all significant bond covenants for the years ended August 31, 2015 and 2014.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

The debt service requirement at August 31, 2015 is summarized below:

For Year Ended August 31,	General Obligation Bonds		Combined Fee Revenue Bonds		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest (1)
2016	\$ 5,025,000	\$ 11,697,843	\$ 4,646,421	\$ 7,028,321	\$ 3,480,000	\$ 8,173,162
2017	4,319,694	10,561,305	4,797,344	6,896,010	4,090,000	8,048,877
2018	4,358,965	10,436,705	5,804,780	6,740,984	4,675,000	7,927,763
2019	6,445,000	10,278,755	6,176,574	6,551,022	5,105,000	7,706,400
2020	6,760,000	9,956,805	6,236,637	6,339,122	5,560,000	7,467,112
2021 - 2025	38,840,000	44,426,638	37,687,760	30,159,434	35,855,000	32,888,748
2026 - 2030	48,875,000	34,686,381	46,195,000	15,723,250	53,205,000	22,728,121
2031 - 2035	49,420,000	22,527,188	40,330,000	7,106,474	60,125,000	9,213,286
2036 - 2040	36,740,000	13,464,800	17,760,000	594,186	6,500,000	304,088
2041 - 2045	44,705,000	5,504,600	-	-	-	-
SubTotal	\$ 245,488,659	\$173,541,019	\$169,634,516	\$87,138,804	\$178,595,000	\$104,457,556
Net premium	17,511,851	-	3,846,548	-	14,098,158	-
Accreted Interest	2,586,104	-	4,851,490	-	-	-
Total	<u>\$265,586,614</u>	<u>\$173,541,019</u>	<u>\$178,332,555</u>	<u>\$87,138,804</u>	<u>\$192,693,158</u>	<u>\$104,457,556</u>

Note:

(1) Future interest amount is shown net of "Build America Bonds" Federal subsidy. As "Build America Bonds," the PFC will receive, in general, periodic Federal Payments from the United States Treasury equal to 35% of the interest payable on its Taxable Series 2010A bonds. However, these payments are subject to sequestration in accordance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985. As such, refund payments processed on or after October 1, 2015 until September 30, 2016 will be reduced by the fiscal year sequestration rate of 6.8 percent for an actual 32.62% payment from the United States Treasury.

General information related to general obligation, revenue and lease revenue bonds payable is summarized below:

**General Obligation Bonds:**

- Limited Tax Bonds, Series 2015.
  - To construct, renovate and equip College buildings district-wide, including Highland Mall renovation, construction of the Leander Campus, acquisition of southeast real property, and the expansion of the Hays, Round Rock, and Elgin campuses.
  - Issued June 1, 2015.
  - Total authorized \$165,195,000; all authorized bonds have been issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$165,195,000 and \$0, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

- Limited Tax Bonds Refunding, Series 2013.
  - To refund a portion of Series 2003 and 2004 bonds.
  - Issued April 1, 2013.
  - Total authorized \$40,745,000; all authorized bonds have been issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$40,240,000 and \$40,745,000, respectively.
  
- Limited Tax Bonds Refunding, Series 2011.
  - To refund a portion of Series 2003 and 2004 bonds.
  - Issued December 1, 2011.
  - Total authorized \$28,200,000; all authorized bonds have been issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$24,915,000 and \$26,545,000, respectively.
  
- Limited Tax Bonds Refunding, Series 2006.
  - To refund a portion of Series 2003 and 2004 bonds.
  - Issued December 12, 2006.
  - Total authorized \$17,573,659; \$15,530,000 Current Interest Bonds and \$2,043,659 Capital Appreciation Bonds; all authorized bonds have been issued.
  - Source of revenue for debt service is ad valorem taxes.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$15,138,659 and \$15,423,659, respectively.

**Combined Fee Revenue Bonds:**

- Combined Fee Revenue Refunding Bonds, Series 2014A.
  - To refund all the outstanding Series 2005 Bonds.
  - Issued December 1, 2014.
  - Total authorized \$13,685,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$13,685,000 and \$0, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2014B.
  - To refund all the outstanding Series 2011 Bonds.
  - Issued December 1, 2014.
  - Total authorized \$23,085,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$23,085,000 and \$0, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

- Combined Fee Revenue Building Bonds, Series 2012.
  - To pay for the acquisition, construction, and improvement of property, buildings and facilities for the College.
  - Issued November 1, 2012.
  - Total authorized \$74,790,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$74,790,000 and \$74,790,000, respectively.
  
- Combined Fee Revenue Building Bonds, Taxable Series 2011A.
  - To acquire real property and renovate and improve college facilities including real property in the vicinity of Highland Mall.
  - Issued July 1, 2011.
  - Total authorized \$20,275,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$18,960,000 and \$19,310,000, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2010.
  - To refund all the callable outstanding Series 2002 Bonds.
  - Issued October 15, 2010.
  - Total authorized \$3,860,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$2,615,000 and \$2,940,000, respectively.
  
- Combined Fee Revenue Building Bonds, Series 2009A.
  - To acquire real property and renovate and improve College facilities.
  - Issued November 1, 2009.
  - Total authorized \$31,510,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$29,855,000 and \$30,195,000, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2009B.
  - To refund the remaining 1998 and 2000 Series bonds.
  - Issued November 1, 2009.
  - Total authorized \$9,300,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$2,060,000 and \$3,575,000, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

- Combined Fee Revenue Refunding Bonds, Series 2005.
  - To refund a portion of Series 2000 bonds, and the remaining 1995 Series bonds.
  - Issued April 21, 2005.
  - Total authorized \$25,255,000; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$0 and \$16,625,000, respectively.
  
- Combined Fee Revenue Refunding Bonds, Series 2002.
  - To purchase, acquire, renovate, construct and equip College facilities and to refund the remaining 1992 Series bonds.
  - Issued April 3, 2002.
  - Total authorized \$10,389,516; \$5,805,000 Current Interest Bonds and \$4,584,516 Capital Appreciation Bonds; all authorized bonds have been issued.
  - Source of revenue for debt service is tuition and general fees.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$4,584,516 and \$4,584,516, respectively.

**Lease Revenue Bonds:**

- Lease Revenue Refunding Bonds, Series 2015.
  - To refund all the outstanding Series 2008 bonds.
  - Issued May 1, 2015.
  - Total authorized \$105,580,000; all authorized bonds have been issued.
  - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$100,825,000 and \$0, respectively.
  
- Lease Revenue Bonds, Series 2012.
  - To finance the cost of acquisition, construction and equipment of the Hays Campus.
  - Issued April 1, 2012.
  - Total authorized \$44,430,000; all authorized bonds have been issued.
  - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$44,430,000 and \$44,430,000, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

- Lease Revenue Bonds, Taxable Series 2010A (Build America Bonds – Direct Payment).
  - To finance the cost of acquisition, construction and equipment of the Elgin Campus.
  - Issued December 1, 2010.
  - Total authorized \$33,470,000; all authorized bonds have been issued.
  - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$33,340,000 and \$33,470,000, respectively.
  
- Lease Revenue Bonds, Series 2008.
  - To finance the cost of acquisition, construction and equipment of the Round Rock Campus.
  - Issued August 1, 2008.
  - Total authorized \$118,980,000; \$93,305,000 Serial Bonds and a \$25,675,000 2033 Term Bond; all authorized bonds have been issued.
  - Source of revenue for debt service is lease payments in amounts required by lease purchase agreement between the College and the PFC.
  - Outstanding principal balance as of August 31, 2015 and 2014 is \$0 and \$110,955,000, respectively.

***Arbitrage***

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The College had no arbitrage liability for the years ended August 31, 2015 and 2014.

***Capital Leases***

As of August 31, 2015 and 2014, the College made annual lease payments for capital leased property of \$579,876 and \$579,876, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 8. DEBT AND LEASE OBLIGATIONS (Continued)**

Obligations under capital leases at August 31, 2015, were as follows:

For the year ended August 31,	Total
2016	\$ 579,876
2017	279,802
Total Minimum Lease Payments	859,678
Less: Amount Representing Interest Costs	(16,540)
Present Value of Minimum Lease Payments	\$ 843,138

**Interest Expense**

For the year ended August 31, 2015, the College incurred \$23,168,730 in interest cost, of which \$22,676,547 was expensed and \$492,183 was capitalized. For the year ended August 31, 2014, the College incurred \$19,960,306 in interest cost, of which \$17,929,915 was expensed and \$2,030,391 was capitalized.

**NOTE 9. DEFEASED BONDS OUTSTANDING**

On May 1, 2015, the PFC issued Lease Revenue Refunding Bonds, Series 2015. The par value was \$105,580,000 and they were issued for the refunding of certain outstanding Lease Revenue Bonds Series 2008. The College placed the proceeds of the refunding bond in an escrow fund. The escrow fund is irrevocably pledged to the payment of principal and interest on the issues being refunded. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the College's financial statements. The present value of the net refunding gain was \$3,734,973. The total cash flows to service the refunded bonds and cash flows required to service the refunding bonds as of the effective date of the refunding were \$175,427,013 and \$158,097,428.

As of August 31, 2015 and 2014, the College had the following legally defeased bonds outstanding:

Bond Issue	Year Refunded	2015 Par Value Outstanding	2014 Par Value Outstanding
Lease Revenue Bonds, Series 2008	2015	\$ 108,115,000	\$ -



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 10. OPERATING LEASE COMMITMENTS AND RENTAL AGREEMENTS**

The College leases various classrooms, offices, parking lots, and equipment under Rental Agreements. These agreements have clauses which allow the College to terminate the agreement if funding becomes unavailable or the Board does not approve funding. Rental payments during the fiscal year ended August 31, 2015 and 2014 were \$1,994,769 and \$1,526,492, respectively.

The lease with the City of Austin (see Note 18) is the only non-cancelable lease for the College, and the future minimum rental payments are as follows:

For the Year Ending August 31,	Total
2016	70,000
2017	70,000
2018	70,000
2019	70,000
Total Future Minimum Lease Payments	<u>\$ 280,000</u>

**NOTE 11. EMPLOYEES' RETIREMENT PLANS**

***Defined Benefit Plan***

**Plan Description**

The State of Texas ("the State") has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS), a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

**Pension Plan Fiduciary Net Position**

The fiduciary net position of TRS has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The eligibility for service retirement is determined by the employee's age and years of TRS service credit. In combination, the age and years of service credit, along with the date the employee joined TRS and eligibility for grandfathering, determine when the employee is eligible for an unreduced, normal-age retirement annuity or for an early-age retirement annuity reduced according to actuarial tables. Beginning September 1, 2014, an employee's years of service credit as of August 31, 2014, will also affect the employee's eligibility for service retirement benefits and the amount of reduction for an early-age retirement annuity. There are no automatic post-employment benefit changes; including automatic cost of living adjustments ("COLAs"). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

**Contributions**

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

Employee contribution rates are set in state statute, Texas Government Code, Section 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2017. It also added a 1.5% contribution for employers not paying Old Age Survivor and Disability Insurance ("OASDI") on certain employees effective for fiscal year 2015 as discussed in Note 1 of the TRS 2014 CAFR. The 83rd Texas Legislature, General Appropriations Act ("GAA") established the employer contribution rates for fiscal years 2014 and 2015.

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

	2015	2014
Contribution Rates:		
Member	6.7%	6.4%
NECE (State)	6.8%	6.8%
Employers	6.8%	6.8%
FY14 College Contributions		\$ 3,808,940
FY14 Member Contributions		\$ 6,527,355
FY14 NECE (State) Contributions		\$ 3,192,014

As the NECE for public education and junior colleges, the state of Texas contributes to TRS an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below, which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

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

**Actuarial Assumptions**

The total pension liability in the August 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2014
Actuarial Cost Method	Individual Entry Age Normal
Amortization Method	Level Percentage of Payroll, Open
Remaining Amortization Period	30 years
Asset Valuation Method	5 year Market Value
Discount Rate	8.00%
Long-term Expected Investment Rate of Return (1)	8.00%
Salary Increases (1)	4.25% to 7.25%
Weighted-Average at Valuation Date	5.55%
Payroll Growth Rate	3.50%

Note:

(1) Includes Inflation of 3%

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2010 and adopted on April 8, 2011. With the exception of the post-retirement mortality rates for healthy lives and a minor change to the expected retirement age for inactive vested members stemming from the actuarial audit performed in the Summer of 2014, the assumptions and methods are the same as used in the prior valuation. When the mortality assumptions were adopted in 2011 they contained a significant margin for possible future mortality improvement. As of the date of the valuation there has been a significant erosion of this margin to the point that the margin has been eliminated. Therefore, the post-retirement mortality rates for current and future retirees was decreased to add additional margin for future improvement in mortality in accordance with the Actuarial Standards of Practice No. 35.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 8%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the NECE are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2014 are summarized below:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Expected Contribution to Long-Term Portfolio Returns (1)
Global Equity:			
U.S.	18.0%	4.60%	1.0%
Non-U.S. Developed	13.0%	5.10%	0.8%
Emerging Markets	9.0%	5.90%	0.7%
Directional Hedge Funds	4.0%	3.20%	0.1%
Private Equity	13.0%	7.00%	1.1%
Stable Value:			
U.S. Treasuries	11.0%	0.70%	0.1%
Absolute Return	0.0%	1.80%	0.0%
Stable Value Hedge Funds	4.0%	3.00%	0.1%
Cash	1.0%	-0.20%	0.0%
Real Return:			
Global Inflation Linked Bonds	3.0%	0.90%	0.0%
Real Assets	16.0%	5.10%	1.1%
Energy and Natural Resources	3.0%	6.60%	0.2%
Commodities	0.0%	1.20%	0.0%
Risk Parity:			
Risk Parity	5.0%	6.70%	0.3%
Inflation Expectation			2.2%
Alpha			1.0%
Total	<u>100.0%</u>		<u>8.7%</u>

Note:

(1) The Expected Contribution to Returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Source:

Teacher Retirement System of Texas 2014 Comprehensive Annual Financial Report

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2014 Net Pension Liability.

	1% Decrease in Discount Rate (7%)	Discount Rate (8%)	1% Increase in Discount Rate (9%)
College's Proportionate Share of the Net Pension Liability	\$ 71,710,843	\$ 40,130,541	\$ 16,514,356

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

At August 31, 2014, the College reported a liability of \$40,130,541 for its proportionate share of TRS's net pension liability. This liability reflects a reduction for State pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the College were as follows:

College's Proportionate Share of the Collective Net Pension Liability	\$ 40,130,541
State's Proportionate Share that is Associated with the College	33,702,414
Total Net Pension Liability	\$ 73,832,955

The net pension liability was measured as of August 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2013 thru August 31, 2014.

At August 31, 2014 the College's proportion of the collective net pension liability was 0.1502376%, which was a decrease of 0.07% from its proportion measured as of August 31, 2013. The change in proportion was immaterial and therefore disregarded this year.

There were no changes of assumptions, other inputs, or benefit terms that affected measurement of the total pension liability during the measurement period.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

There was a change in employer contribution requirements that occurred after the measurement date of the net pension liability and the College's reporting date. A 1.5% contribution for employers not paying OASDI on certain employees went into law effective September 1, 2014. The amount of the expected resultant change in the College's proportion cannot be determined at this time.

For the year ended August 31, 2014, the College recognized pension expense of \$3,192,014 and revenue of \$3,192,014 for support provided by the state (unaudited). The College also recognized their proportionate share of pension expense of \$3,115,726.

At August 31, 2014, the College reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences Between Expected and Actual Economic Experience	\$ 620,632	\$ -
Changes in Actuarial Assumptions	2,608,530	-
Difference Between Projected and Actual Investment Earnings	-	12,265,532
Changes in Proportion and Difference Between the College's Contributions and the Proportionate Share of Contributions	-	10,519
Contributions Paid to TRS Subsequent to the Measurement Date	3,890,030	-
Total	\$ 7,119,192	\$ 12,276,051

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

Year Ended August 31,	Pension Expense Amount
2016	\$ (2,523,399)
2017	(2,523,399)
2018	(2,523,399)
2019	(2,523,399)
2020	542,984
Thereafter	503,723

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 11. EMPLOYEES' RETIREMENT PLANS (Continued)**

***Defined Contribution Retirement Plans***

The State has also established an Optional Retirement Plan (ORP) for institutions of higher education that is subject to amendment by the Texas Legislature. Participation in the ORP is in lieu of participation in the TRS. The ORP provides for the purchase of annuity contracts as individual retirement accounts and is a defined contribution plan. For fiscal years 2015 and 2014, the employee contribution rate is 6.65% and the employer contribution rate is 6.60%. For those employees hired prior to September 1, 1995, the College contributes an additional 1.90% and 2.10%, respectively, for the fiscal years ended August 31, 2015 and 2014. For the years ended August 31, 2015 and 2014, ORP contributions made by employees were \$2,082,115 and \$2,110,206, respectively; contributions made by the State were \$1,020,835 and \$1,031,844, respectively; and the expense to the College was \$1,400,409 and \$1,440,287, respectively. Total payroll of employees participating in ORP for the fiscal years ended August 31, 2015 and 2014 are \$31,286,580 and \$31,680,159, respectively.

In addition, the College has established a defined contribution Money Purchase Plan for part-time employees, called the Part-Time Employees Retirement System (PTERS). To be eligible for participation in the PTERS, an employee must complete one hour of service in a service period. Participation in this plan is in lieu of participation in the TRS or the ORP. Under the PTERS, the College is required to withhold from an employee's compensation 6% and match an amount equal to 1.5% of the employee's total compensation, for a combined contribution of 7.5% of the employee's total annual compensation. The College has contracted with Ohio National Life Insurance Company to administer the PTERS. The College maintains the authority to amend plan provisions and contributions of the PTERS. For the years ended August 31, 2015 and 2014, PTERS contributions made by employees were \$1,515,041 and \$1,507,709; and the expense to the College was \$379,801 and \$376,751, respectively. Total payroll of employees participating in PTERS for the fiscal years ended August 31, 2015 and 2014 are \$25,251,458 and \$25,128,971, respectively.

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

**NOTE 12. HEALTHCARE AND LIFE INSURANCE BENEFITS**

In addition to the pension benefits described in Note 11, the State provides certain health care and life insurance benefits for most active and retired employees. The State appropriates a sum-certain amount for these benefits to the College based on employee enrollments during the legislative cycle, and any additional expense must be funded by the College. These benefits are administered by the Employees Retirement System of Texas and provided through an insurance company whose premiums are based on benefits paid during the previous year.

For the year ended August 31, 2015, the employer's maximum contribution per full-time employee was \$538 per month for the year and totaled \$6,452 per employee for the year. The employer also paid a maximum amount for a spouse, child(ren), or family of \$1,153, \$950, and \$1,566 per month, respectively. The total cost of providing those benefits for the year was \$2,558,526 for 368 retirees and \$16,154,253 for 2,224 active employees.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 12. HEALTHCARE AND LIFE INSURANCE BENEFITS (Continued)**

For the year ended August 31, 2014, the employer's maximum contribution per full-time employee was \$503 per month for the year and totaled \$6,038 per employee for the year. The employer also paid a maximum amount for a spouse, child(ren), or family of \$1,079, \$889, and \$1,465 per month, respectively. The total cost of providing those benefits for the year was \$2,150,140 for 341 retirees and \$14,538,579 for 2,095 active employees.

Of the costs above, the health and life insurance expense to the State on behalf of the College was \$8,469,532 and \$7,891,113 for the fiscal years ended August 31, 2015 and 2014, respectively. The expense to the College was \$10,243,247 and \$8,797,606 for the fiscal years ended August 31, 2015 and 2014, respectively.

**NOTE 13. ON-BEHALF PAYMENTS**

For the fiscal years ended August 31, 2015 and 2014 the College recorded State on-behalf contributions for the Teacher's Retirement System of \$3,115,726 and \$3,153,178, respectively, and contributions for the Optional Retirement Program of \$1,020,835 and \$1,031,844, respectively. The Optional Retirement Program contributions are received as cash reimbursements from the State for payments made by the College to the respective investment funds on behalf of the employees.

The College recorded State on-behalf contributions for health insurance of \$8,469,532 and \$7,891,113 for the fiscal years ended August 31, 2015 and 2014, respectively. These were non-cash, on-behalf contributions.

The State's total on-behalf contributions for the fiscal years ended August 31, 2015 and 2014 of \$12,606,093 and \$12,076,135, respectively, were recorded as revenues and expenses in the accompanying basic financial statements.

**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

***Retiree Medical Insurance - Plan Description***

The College contributes to the State Retiree Health Plan (SRHP), a cost sharing, multiple-employer, defined benefit postemployment healthcare 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 <http://www.ers.state.tx.us/>.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

***Retiree Medical Insurance - 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 No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The employer contribution for the retiree medical insurance is partially funded by the State as an on-behalf contribution and the remaining cost is paid by the College. The College and the State's on-behalf contributions to SRHP for the years ended August 31, 2015, 2014, and 2013, were \$2,558,526, \$2,150,140, and \$1,789,587, respectively.

***Retiree Dental Care – Plan Description***

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

***Retiree Dental Care – Funding Policy Annual OPEB Cost***

The College reimburses 100% of the retirees cost of the dental benefits provided by the SRHP. These costs are funded on a pay-as-you-go basis. A retired employee becomes eligible for dental benefits upon retirement from the College, assuming they meet the eligibility requirements for participation in the SRHP. The College's annual cost per retiree was \$282.96 for the years 2015, 2014, and 2013, respectively. The total annual contributions made by the College were \$80,192, \$72,585, and \$63,445 for the years 2015, 2014, and 2013, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

***Retiree Dental Care – Net OPEB Obligation***

The College's annual other post-employment benefits (OPEB) cost related to the "Retiree Dental Care Plan" is calculated based on the annual required contributions of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The College's annual OPEB cost for the years ended August 31, 2015, 2014, and 2013 is as follows:

	2015	2014	2013
Annual Required Contribution (ARC)	\$ 445,776	\$ 363,027	\$ 352,453
Interest on OPEB Obligation	99,306	85,951	72,705
Adjustment to ARC	(92,006)	(79,633)	(67,361)
Annual OPEB Cost, End of Year	453,076	369,345	357,797
Employer Contributions	(80,192)	(72,585)	(63,445)
Increase in Net OPEB Obligation	372,884	296,760	294,352
Net OPEB Obligation, Beginning of Year	2,206,789	1,910,029	1,615,677
Net OPEB Obligation, End of Year	<u>\$ 2,579,673</u>	<u>\$ 2,206,789</u>	<u>\$ 1,910,029</u>

The College's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended August 31, 2015, 2014, and 2013 are as follows:

Fiscal Year Ended	Net OPEB Obligation Beginning of Year	Annual OPEB Cost	Employer Contributions	Net OPEB Obligation End of Year	Annual OPEB Cost Contributed
2015	\$ 2,206,789	\$ 453,076	\$ 80,192	\$ 2,579,673	17.70%
2014	1,910,029	369,345	72,585	2,206,789	19.65%
2013	1,615,677	357,797	63,445	1,910,029	17.73%

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

***Funding Status and Funding Progress***

The funded status of the College's retiree dental care plan, under GASB Statement No. 45 as of the most recent valuation and the two preceding valuations is as follows:

Actuarial Valuation Date as of August 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2015	\$ -	\$ 4,597,888	\$ 4,597,888	0%	\$137,326,406	3.35%
2013	-	3,538,156	3,538,156	0%	125,523,197	2.82%
2011	-	4,112,179	4,112,179	0%	118,176,838	3.48%

***Actuarial Methods and Assumptions***

The Projected Unit Credit Cost Method is used to calculate the GASB ARC for the College's retiree dental care plan. Using the plan benefits, the present dental premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of dental benefits are based on the plan as understood by the College and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the College and the College's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions for the years ended August 31, 2015, 2014, and 2013 were as follows:

Actuarial Methods and Assumptions	
Rate of Inflation	3.00% per Year
Investment Rate of Return	4.50% Net of Expenses
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level as a Percentage of Employee Payroll
Amortization Period	30 year, Open Amortization
Salary Growth Rate	3.00% per Year
Medical Trend	N/A (Dental Benefit Only)
Dental Trend	3.00% per Year

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

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

**NOTE 15. COMPENSABLE ABSENCES**

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

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

For the fiscal years ended August 31, 2015 and 2014, the College recognized \$5,719,065 and \$5,506,936, respectively, as an accrued liability for the unpaid annual and sick leave. The College's reporting of accrued liabilities for compensable absences is in accordance with GASB Statement No. 16, *Accounting for Compensated Absences*. The total amount accrued at August 31, 2015, of \$5,719,064; of that amount, \$1,175,984 is allocated to sick leave and \$4,543,080 to annual leave. The total amount accrued at August 31, 2014, of \$5,506,936; of that amount, \$1,112,526 is allocated to sick leave and \$4,394,410 to annual leave.

**NOTE 16. PENDING LAWSUITS AND CLAIMS**

On August 31, 2015 and 2014, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 17. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES**

**Receivables**

Accounts Receivable at August 31, 2015 and 2014 were as follows:

	2015	2014
Tuition and Fees Receivable (Net of Allowance for Doubtful Accounts of \$10,035,540 and \$8,574,061)	\$ 15,107,838	\$ 18,456,835
Taxes Receivable (Net of Allowance for Doubtful Accounts of \$344,754 and \$312,176)	3,102,788	2,809,583
Contracts and Grants Receivable	2,612,070	1,925,571
Investment Income Receivable	207,500	6,215
Other Receivables	160,549	643,688
Total Receivables	\$ 21,190,745	\$ 23,841,892

**Payables**

Payable balances at August 31, 2015 and 2014 were as follows:

	2015	2014
Payable to Vendors	\$ 6,236,020	\$ 8,629,594
Salaries and Benefits Payable	3,311,095	3,998,590
Payable to Students	1,087,371	1,026,151
Accrued Interest Payable	3,052,769	1,661,494
Construction Retainage	122,430	948,981
Total Payables	\$ 13,809,685	\$ 16,264,810

**NOTE 18. DEFERRED REVENUE – CITY OF AUSTIN LEASE**

In 1997, the College and the City of Austin (“the City”) desired to jointly develop a “One Stop Career Center” to more efficiently coordinate the training and employment of individuals needing specialized vocational job training and educational opportunities. In order to construct and develop the Center, the College and the City executed several lease agreements. Those agreements allowed the City to provide money to the College for the construction of the One Stop Career Center as part of the College’s development of its Eastview Campus.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 18. DEFERRED REVENUE – CITY OF AUSTIN LEASE (Continued)**

The College entered into a lease with the City for a portion of the Eastview Campus. The College and the City then entered into a sublease agreement in connection with the lease-back of the premises to the College. This lease-back allowed the College to enter into a second sublease with the Capital Area Workforce Development Board for the ultimate purpose of providing work space for the One Stop Career Center. All leases are effective February 1, 1999, through January 31, 2019.

The City funded this lease with funds received from the United States Department of Housing and Urban Development, and it discounted the cost of the rent payment under the Sublease Agreement with the College as a grant. That grant enabled the College to reduce the cost of its sublease to the Capital Area Workforce Development Board for the One Stop Career Center project.

The College and the City agreed that the City would begin paying an annual base rent of \$95,000 once the building was completed, or by May 31, 2000. As a result of the prime lease, the City prepaid the entire twenty year annual base rent of \$1,900,000 to the College. For the years ended August 31, 2015 and 2014, the College has recognized \$95,000 each year as lease payments. The remaining liability is recorded as unearned revenue for the fiscal years ended August 31, 2015 and 2014, in the amounts of \$324,583 and \$419,583, respectively.

**NOTE 19. FUNDS HELD FOR OTHERS**

The College holds funds for certain student organizations and other agencies. These amounts are reflected in the basic financial statements as funds held for others in the amount of \$669,105 and \$376,322 for the fiscal years ended August 31, 2015 and 2014, respectively.

**NOTE 20. CONTRACT AND GRANT AWARDS**

Contract and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized on the *Statements of Revenues, Expenses and Changes in Net Position* (Exhibit 2), *Schedule of Operating Revenues* (Schedule A) and *Schedule of Non-Operating Revenues and Expenses* (Schedule C). Contract and grant awards for which funds are expended but not yet collected are included in Accounts Receivable in the *Statement of Net Position* (See Contracts and Grants Receivable, Note 17). Contract and grant awards that are not yet funded or expended are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards, or funds awarded during fiscal years ended August 31, 2015 and 2014, for which no expenses have been incurred totaled \$14,334,347 and \$5,509,129, respectively.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 20. CONTRACT AND GRANT AWARDS (Continued)**

These amounts are comprised of the following:

	2015	2014
Federal Contracts and Grant Awards	\$ 4,137,897	\$ 3,960,076
State Contracts and Grant Awards	9,989,246	1,263,374
Local Contracts and Grant Awards	59,544	73,028
Private Contracts and Grant Awards	147,660	212,651
Total Contract and Grant Awards	\$ 14,334,347	\$ 5,509,129

**NOTE 21. PROPERTY TAXES**

The College's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the College's taxing jurisdiction. The College's Taxable Assessed Values for the years ended August 31, 2015 and 2014, are as follows:

	2015	2014
Appraised Valuation	\$ 168,976,486,811	\$ 149,340,769,383
Less: Exemptions	(29,669,338,881)	(25,245,135,271)
Less: Abatements	-	-
Taxable Assessed Value	\$ 139,307,147,930	\$ 124,095,634,112

Tax rates for the years ended August 31, 2015 and 2014, are as follows:

Fiscal Year 2015:

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation Authorized	\$ 0.0900	\$ 0.5000	\$ 0.5900
Tax Rate per \$100 valuation Assessed	\$ 0.0900	\$ 0.0042	\$ 0.0942

Fiscal Year 2014:

	Current Operations	Debt Service	Total
Tax Rate per \$100 valuation Authorized	\$ 0.0900	\$ 0.5000	\$ 0.5900
Tax Rate per \$100 valuation Assessed	\$ 0.0900	\$ 0.0049	\$ 0.0949



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 21. PROPERTY TAXES (Continued)**

Taxes levied for the years ended August 31, 2015 and 2014, were \$130,593,819 and \$118,145,647, respectively (which includes adjustments for the year, if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st 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.

Taxes collected for the years ended August 31, 2015 and 2014, are as follows:

Fiscal Year 2015:

	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 124,065,279	\$ 5,789,713	\$129,854,992
Delinquent Taxes Collected	294,878	13,761	308,639
Penalties & Interest Collected	533,103	24,878	557,981
Other Tax Related Collections	50,159	2,341	52,500
Total Collections	<u>\$124,943,419</u>	<u>\$ 5,830,693</u>	<u>\$130,774,112</u>

Fiscal Year 2014:

	Current Operations	Debt Service	Total
Current Taxes Collected	\$ 111,422,812	\$ 6,066,353	\$117,489,165
Delinquent Taxes Collected	420,301	22,883	443,184
Penalties & Interest Collected	443,928	24,169	468,097
Other Tax Related Collections	78,878	4,295	83,173
Total Collections	<u>\$112,365,919</u>	<u>\$ 6,117,700</u>	<u>\$118,483,619</u>

Tax collections for the years ended August 31, 2015 and 2014, are 99.24% and 99.22%, respectively, of the current tax levy. The allowance for uncollectible property taxes amounted to \$344,754 and \$312,176 for the years ended August 31, 2015 and 2014, respectively. The use of debt service tax proceeds is restricted for the retirement of general obligation bonds.

**NOTE 22. INCOME TAXES**

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, etc., Organizations*. The College had no unrelated business income tax liability for the fiscal years ended August 31, 2015 and 2014.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 23. GREATER AUSTIN AREA TELECOMMUNICATIONS NETWORK**

The College entered into a telecommunications network interlocal agreement with the Austin Independent School District, Travis County, the State of Texas, the University of Texas System, and the City of Austin (“the Participants”) to provide a governmental communications network linking each of the Participants’ facilities. The Participants formed the Greater Austin Area Telecommunications Network Interlocal Agency to manage the network. No compensation is paid to any entity for use of the network. Instead, the cost of the construction of the network and use of the network is allocated among the owners on the basis of their respective interests.

**NOTE 24. CONSTRUCTION COMMITMENTS**

The College has entered into construction commitments for various projects, including the renovation of facilities and the construction of buildings. At August 31, 2015 and 2014, the outstanding commitments under construction contracts for facilities and other projects are \$9,303,091 and \$2,056,237, respectively.

**NOTE 25. RESTATEMENTS**

For the year ended August 31, 2015, the College implemented GASB Statement No.68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27*. This statement requires recognition of the entire net pension liability and a more comprehensive measure of pension expense.

In accordance with GASB Statement No. 68, paragraph 137, if the restatement of all prior periods presented is not practical, the cumulative effect of applying this Statement, if any, should be reported as a restatement of beginning net position for the earliest period restated. Information for the previous year is not available from TRS to record the net pension liability or related adjustments, therefore, the College restated net position as of September 1, 2014 as follows:

	Beginning Net Position at <u>September 1, 2014</u>
Beginning Net Position, As Presented on the August 31, 2014 Financial Statements	\$ 72,412,266
Prior Period Adjustment - Implementation of GASB 68:	
Net Pension Liability (Measurement Date as of August 31, 2014)	(49,276,250)
Deferred Outflows - College Contributions Made During FY14	<u>3,808,179</u>
Beginning Net Position, As Restated	<u><u>\$ 26,944,195</u></u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 25. RESTATEMENTS (Continued)**

For the year ended August 31, 2015, it was determined that accreted interest payable related to certain capital appreciation bonds should be included in Unrestricted Net Position, as opposed to Net Investment in Capital Assets. Therefore, the year ended August 31, 2014 accreted interest payable has been reclassified from Net Investment in Capital Assets to Unrestricted Net Position as follows:

	Beginning Net Position at September 1, 2013	Increase (Decrease) in Net Position	Ending Net Position at August 31, 2014
Net Investment in Capital Assets Net Position as Presented in the Fiscal Year Ending August 31, 2014 Financial Statements:	\$ 33,539,201	\$ (6,444,249)	\$ 27,094,952
Accreted Interest Payable Reclassification	5,683,325	845,904	6,529,229
Net Investment in Capital Assets Restated Net Position	\$ 39,222,526	\$ (5,598,345)	\$ 33,624,181
Unrestricted Net Position as Presented in the Fiscal Year Ending August 31, 2014 Financial Statements:	\$ 21,658,157	\$ 296,618	\$ 21,954,775
Accreted Interest Payable Reclassification	(5,683,325)	(845,904)	(6,529,229)
Unrestricted Restated Net Position	\$ 15,974,832	\$ (549,286)	\$ 15,425,546

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**

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

***Notes to the Foundation Financial Statements***

The following footnotes are excerpted from the Foundation's audited financial statements for the year ended May 31, 2015:

**A: ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

1. Organization and Nature of Activities

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**A: ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

2. Basis of Accounting

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

3. Basis of Presentation

Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205, *Not-for-Profit Entities: Presentation of Financial Statements*. Under these standards, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

4. Cash Equivalents

The Foundation considers checking accounts, savings accounts, money market funds and certificates of deposits with initial maturities of three months or less to be cash equivalents.

5. Investments

The Foundation records investments using the guidance of FASB ASC 958-320, *Not-for-Profit Entities: Investments - Debt and Equity Securities*. Investments are stated at their readily determinable fair values in the statements of financial position, except for certificates of deposits that are stated at cost. Unrealized gains and losses are included in the change in net assets.

6. Contributions

The Foundation records contributions using the guidance of FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to unrestricted net assets. The Foundation's policy is to report restricted support that is satisfied in the year of receipt as restricted and then released in the same year.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**A: ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

7. Functional Expenses

Expenses are categorized by function as either (1) program services, (2) general and administrative, or (3) fundraising expenses. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management’s estimate of time and resources devoted to the function.

8. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**B: TAX EXEMPT STATUS**

The Foundation is generally exempt from federal income tax under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3). The Foundation has also been determined not to be a private foundation within the meaning of Section 509(a) of the Code because it is an organization described in Section 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes has been included in these financial statements.

The tax years 2011 through 2014 remain open to examination by the major taxing jurisdictions in which returns are filed.

**C: INVESTMENTS**

Investments comprised the following at May 31,

	<u>2015</u>	<u>2014</u>
Mutual funds	\$ 4,594,001	\$ 4,253,694
Corporate bonds	1,330,394	1,434,894
Certificates of deposit	200,000	301,118
Exchange traded funds	99,773	-
Government securities	<u>60,260</u>	<u>60,351</u>
	<u>\$ 6,284,428</u>	<u>\$ 6,050,057</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**C: INVESTMENTS (Continued)**

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

	2015	2014
Am. Funds Growth Fund of America (AGTHX)	\$ 1,463,816	\$ 1,430,979
Am. Funds Capital Income Builder Fund (CAIBX)	1,184,483	1,187,995
Am. Funds Invmt Company of America (AIVSX)	793,285	814,007
Oppenheimer Small & Mid Cap Value Fd (QVSCX)	379,562	346,501

**D: PROMISES TO GIVE**

The promises to give balances as of May 31, 2015 and 2014 were considered fully collectible. Therefore, no allowances for uncollectible balances are reflected in these financial statements. Contributions receivable have been discounted to their present values at May 31, 2015 and 2014 using interest rates of 1.21% and 1.23%, respectively. Promises to give comprised the following at May 31,

	2015	2014
Collection expected in less than one year	\$ 81,500	\$ 63,125
Collection expected in one to five years	240,000	240,000
Collection expected in more than five years	450,000	510,000
Promises to give, gross	771,500	813,125
Less discounts to present value	(53,700)	(63,000)
Less allowances for uncollectible balances	-	-
Promises to give, net	\$ 717,800	\$ 750,125

**E: RESTRICTIONS ON NET ASSETS**

Following are descriptions of restrictions relating to selected permanently and temporarily restricted net asset balances.

***ACC Counseling Services Endowed Scholarship***

Provide recognition to ACC students who seek professional guidance in achieving their educational goals.

***AMD/Gary Heerssen Memorial Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the electronics program.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**E: RESTRICTIONS ON NET ASSETS (Continued)**

***Denius/Schulman Music Business, Performance & Technology Endowed Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the Commercial Music Management program.

***Denius/Schulman Recording Workshop Endowed Scholarship***

Provide support for ACC's music business, performance, and technology summer workshop for high school students.

***Drs. John and Suanne Roueche Endowed Scholarship***

Provide recognition and financial assistance to ACC students who exhibit high academic standards.

***Military Order of the Purple Heart Service Foundation, Inc. Endowed Scholarship***

Provide scholarship opportunities for veterans and their spouses to pay for selected computer courses offered at ACC.

***Robert W. Galvin Endowed Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the Semiconductor Manufacturing Technology program.

***Royce & Donna Faulkner Family Endowed Scholarship***

Provide recognition and financial assistance to ACC students enrolled in the Building Construction program.

***Roy F. and Joann Mitte Foundation Endowed Scholarship***

Provide recognition and financial assistance to ACC students who exhibit high academic standards.

***St. David's Neal Kocurek ACC Endowed Scholarship***

Provide financial assistance to ACC students enrolled in a health science program.

**F: ENDOWMENT FUND**

The Foundation's endowment comprised approximately 65 individual funds established for a variety of purposes. The Foundation does not have any Board designated endowment funds.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**F: ENDOWMENT FUND (Continued)**

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of original gift amounts of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to a permanent endowment, (b) the original value of subsequent gifts to a permanent endowment, and (c) accumulations to a permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. The remaining portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

***Funds with Deficiencies***

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donors require the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$11,078 and \$11,933 at May 31, 2015 and 2014, respectively.

***Return Objectives***

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



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**F: ENDOWMENT FUND (Continued)**

***Strategies Employed for Achieving Objectives***

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has adopted the following strategic asset allocation ranges: 45%-55% equity; 35%-45% fixed income; and 5%-15% cash. The Foundation's Investment Committee reviews the performance of its investments and makes reports and/or recommendations to the Foundation's Board of Directors on at least an annual basis.

***Spending Policy and How the Investment Objectives Relate to Spending Policy***

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

***Changes in Endowment Funds***

Changes in the Foundation's endowment funds (excludes promises to give) were as follows for the years ended May 31, 2015 and 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment funds, May 31, 2013	\$ (15,169)	\$ 703,121	\$ 4,601,397	\$ 5,289,349
Contributions	-	-	177,275	177,275
Return on investments	3,236	645,460	260	648,956
Appropriations	-	(136,850)	-	(136,850)
Endowment funds, May 31, 2014	(11,933)	1,211,731	4,778,932	5,978,730
Contributions	-	-	238,768	238,768
Return on investments	855	358,767	321	359,943
Appropriations	-	(133,023)	-	(133,023)
Endowment funds, May 31, 2015	<u>\$ (11,078)</u>	<u>\$ 1,437,475</u>	<u>\$ 5,018,021</u>	<u>\$ 6,444,418</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**F: ENDOWMENT FUND (Continued)**

Permanently restricted net assets comprised the following endowments as of May 31,

	2015	2014
A+ Federal Credit Union Endowed Scholarship	\$ 15,000	\$ 15,000
AAUW - Frances Malmberg Endowed Scholarship	78,455	78,455
ACC Counseling Services Endowed Scholarship	100,025	100,025
AMD/Gary Heerssen Memorial Scholarship	155,516	155,516
Amanda Hernandez Endowed Scholarship	31,240	24,040
Andres Alcantar Endowed Scholarship	25,000	25,000
Asian American Endowed Scholarship	35,550	27,750
Assistance League Endowed Scholarship	15,000	15,000
Austin Hotel & Lodging Association Hospitality Mgmt Endowed Scholarship	35,000	30,000
Automotive Technology Endowed Scholarship	36,025	36,025
Barnes Gromatzky Kosarek Architects Endowed Scholarship	20,000	20,000
Benjamin Clough Endowed Scholarship	40,495	40,495
Ben F. Barnes Endowed Scholarship	25,500	25,500
Bill Waeltz Endowed Scholarship	14,240	-
Bob Lain Endowed Scholarship	43,945	43,945
Boone Baker Endowed Scholarship	4,504	4,504
Computer Studies Endowed Scholarship	8,750	-
ConnectTel Endowed Scholarship	40,000	35,000
Dr. Dan Arvizu Endowed Scholarship	25,000	-
Deico Endowed Scholarship	57,894	57,894
Denius/Schulman Music Business Performance & Technology Endowed Scholarship	150,000	150,000
Denius/Schulman Recording Workshop Endowed Scholarship	100,000	100,000
Diagnostic Radiology Endowed Scholarship	15,000	15,000
Didi Stuart Endowed Scholarship	16,510	16,510
Earl Maxwell Endowed Scholarship	30,050	30,050
Edwina Fredlund Traverso Endowed Scholarship	27,818	27,818
Eric Hanson Endowed Scholarship	39,000	39,000
Ethel Mae Hafernik Hummell Endowed Scholarship	17,000	17,000
Greg Bourgeois Endowed Scholarship	24,200	22,200
H.E. and Karla Bost Endowed Scholarship	15,625	15,625
James and Lillian Rhodes Endowed Scholarship	3,000	-
James and Oda Thompson Memorial Endowed Scholarship	24,400	20,300
James Lee Williams Endowed Scholarship	15,237	15,237
Jo Frances Hill Endowed Scholarship	16,335	16,335
Drs. John and Suanne Roueche Endowed Scholarship	188,160	155,620
Judge David Phillips Endowed Scholarship	29,638	-
Madison and Janet Scholl Endowed Scholarship	15,000	-
Marc A. Wiesner Endowed Scholarship	15,000	15,000
Maxine Black Endowed Scholarship	16,734	16,734
Melinda Townsel & Greg Dunn Endowed Scholarship	17,500	17,500
Thomas M. Madison and O.B. Ross/Merrill Lynch Endowed Scholarships	45,000	45,000
Military Order of the Purple Heart Service Foundation, Inc. Endowed Scholarship	102,384	102,063
Myra A. McDaniel Endowed Scholarship	15,000	15,000
Nursing Program Endowment	10,000	10,000
Pat Dobbs Endowed Scholarship	44,808	42,808
Peggy Hale Croshaw Endowed Scholarship	14,593	14,593
Pradeau Endowed Scholarship	36,000	36,000
Reagan Bradshaw Endowed Scholarship	26,505	26,455
Robert W. Galvin Endowed Scholarship	104,708	104,708
Robyn Richter Endowed Scholarship	15,000	15,000
Roy F. & Joann Cole Mitte Foundation Endowed Scholarship	150,000	150,000
Royce & Donna Faulkner Family Endowed Scholarship	152,520	152,520
Round Rock Endowed Scholarship	24,484	24,484
Ruth Townley Endowed Scholarship	9,462	9,462
"Ryan" Endowed Scholarship	18,884	18,884
South Austin Medical Center Auxiliary Endowed Scholarship	50,000	47,500
St. David's Neal Kocurek ACC Endowed Scholarship	2,230,000	2,230,000
Steven E. and Anna D. Rinehart Endowed Scholarship	15,000	15,000
Dr. Stephen B. Kinslow Endowed Scholarship	37,525	37,525
Steve Kramer Endowed Scholarship	38,821	37,971
Student Emergency Fund Endowment	105,850	93,500
Suzanne Cooper Endowed Scholarship	50,000	50,000
Texas Pioneer Foundation Endowed Scholarship	40,000	-
Tommy Cowan Endowed Scholarship	17,450	17,450
Travis County Medical Alliance Endowed Scholarship	11,431	11,431
Victor Hwang Endowed Scholarship	25,000	-
Visual Communication Endowed Scholarship	50,000	50,000
	<b>\$ 5,023,771</b>	<b>\$ 4,781,432</b>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**G: TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets comprised the following as of May 31,

	2015	2014
A+ Federal Credit Union Endowed Scholarship	\$ 1,751	\$ 917
AAUW - Frances Malmberg Endowed Scholarship	20,315	17,040
ACC Counseling Services Endowed Scholarship	39,306	34,376
AMD/Gary Heerssen Memorial Scholarship	42,514	35,896
Amanda Hernandez Endowed Scholarship	4,071	2,974
Andres Alcantar Endowed Scholarship	2,532	1,528
Asian American Endowed Scholarship	2,912	1,543
Assistance League Endowed Scholarship	5,951	5,208
Austin Hotel & Lodging Association Hospitality Mgmt Endowed Scholarship	8,924	7,429
Automotive Technology Endowed Scholarship	8,533	7,074
Barnes Gromatzky Kosarek Architects Endowed Scholarship	4,486	3,691
Benjamin Clough Endowed Scholarship	17,853	15,748
Ben F. Barnes Endowed Scholarship	2,779	1,558
Bill Waeltz Endowed Scholarship	425	-
Bob Lain Endowed Scholarship	10,442	8,657
Boone Baker Endowed Scholarship	792	625
Computer Studies Endowed Scholarship	239	-
ConnectTel Endowed Scholarship	8,829	7,167
Dr. Dan Arvizu Endowed Scholarship	746	-
Delco Endowed Scholarship	13,527	11,193
Denius/Schulman Music Business Perfmrnce & Tech. Endowed Scholarship	45,928	39,268
Denius/Schulman Recording Workshop Endowed Scholarship	36,377	31,613
Diagnostic Radiology Endowed Scholarship	3,808	3,186
Didi Stuart Endowed Scholarship	4,422	3,724
Earl Maxwell Endowed Scholarship	10,915	9,484
Edwina Fredlund Traverso Endowed Scholarship	8,150	6,935
Eric Hanson Endowed Scholarship	13,203	11,400
Ethel Mae Hafernik Hummell Endowed Scholarship	5,431	4,663
Greg Bourgeois Endowed Scholarship	2,273	1,357
H.E. and Karla Bost Endowed Scholarship	4,148	3,490
James and Lillian Rhodes Endowed Scholarship	90	-
James and Oda Thompson Memorial Endowed Scholarship	6,024	5,000
James Lee Williams Endowed Scholarship	4,470	3,805
Jo Frances Hill Endowed Scholarship	4,014	3,344
Drs. John and Suanne Roueche Endowed Scholarship	46,143	33,864
Judge David Phillips Endowed Scholarship	884	-
Madison and Janet Scholl Endowed Scholarship	448	-
Marc A. Wiesner Endowed Scholarship	1,751	917
Maxine Black Endowed Scholarship	1,907	1,345
Melinda Townsel & Greg Dunn Endowed Scholarship	4,023	3,285
Military Order of the Purple Heart Serv. Foundtn, Inc. Endowed Schlrship	24,808	20,680
Myra A. McDaniel Endowed Scholarship	4,147	3,506
Nursing Program Endowment	1,755	1,384
Pat Dobbs Endowed Scholarship	13,030	11,049
Peggy Hale Croshaw Endowed Scholarship	2,022	1,512
Pradeau Endowed Scholarship	9,489	7,976
Reagan Bradshaw Endowed Scholarship	4,216	3,259
Robert W. Galvin Endowed Scholarship	35,768	27,857
Robyn Richter Endowed Scholarship	4,793	4,115
Roy F. & Joann Cole Mitte Foundation Endowed Scholarship	71,195	63,112
Royce & Donna Faulkner Family Endowed Scholarship	47,597	40,774
Round Rock Endowed Scholarship	7,587	6,491
"Ryan" Endowed Scholarship	5,590	4,763
South Austin Medical Center Auxiliary Endowed Scholarship	13,486	11,330
St. David's Neal Kocurek ACC Endowed Scholarship	701,729	601,643
Steven E. and Anna D. Rinehart Endowed Scholarship	5,455	4,740
Dr. Stephen B. Kinslow Endowed Scholarship	10,786	9,161
Steve Kramer Endowed Scholarship	8,323	6,786
Student Emergency Fund Endowment	27,322	22,663
Suzanne Cooper Endowed Scholarship	12,398	10,342
Texas Pioneer Foundation Endowed Scholarship	1,194	-
Tommy Cowan Endowed Scholarship	7,758	6,847
Travis County Medical Alliance Endowed Scholarship	2,099	1,671
Victor Hwang Endowed Scholarship	745	-
Visual Communication Endowed Scholarship	12,847	10,766
Temporarily restricted, endowed	<u>\$ 1,437,475</u>	<u>\$ 1,211,731</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**G: Temporarily Restricted Net Assets (Continued)**

	2015	2014
ACC Board of Trustees Scholarship	\$ 1,880	\$ 1,880
ACCF General 2000	34,150	-
ACCF General 2500	7,500	-
Activision CODE	-	10,000
Assistance League of Austin Scholarships	29,482	13,000
Austin Boys and Girls Club	-	11,675
Austin Classical Guitar Society Scholarship	2,500	2,500
Barrientos Annual Scholarship	19,600	21,600
Bill Waeltz Scholarship	1,000	4,455
Bowman Scholarship	10,000	10,000
Carolyn & Tom Gallagher Scholarship	10,000	10,000
Cassandra & Kerry Wiggins	2,500	-
Children's Lab School/Child Development	-	5,000
College Connection Scholarships	13,801	14,095
Corbin T. Jastrow Scholarship	2,500	2,500
Creative Writing Scholarship	2,258	525
Culinary Arts Scholarship	-	1,618
Daman Consulting Scholarship	-	10,000
Dance and Drama Scholarship	5,925	-
Dance and Drama Freshman Scholarship	3,210	4,716
Drs. John and Suanne Roueche Scholarship	14,734	14,734
Elgin Scholarship	7,500	5,000
Encore Capital Scholarship	2,500	-
England Study Abroad	2,449	149
First State Bank	5,000	-
Gearheads Scholarship	11,000	-
General Scholarships	31,681	38,305
Grainger Technical Scholarships	-	10,000
HEB Scholarship	2,500	2,500
Hindu Charities	5,000	-
Joan Wolf Ort Memorial Scholarship	250	1,000
Juan T. Diaz Scholarship	10,000	-
Kathleen Christianson Scholarship	1,275	-
Kinnsner Software Scholarships	756,300	807,000
LGR Scholarship	18,000	18,000
McDonald's of Central Texas ACC Scholarship	10,000	10,000
Memorial Fund	6,971	6,501
Men of Distinction Scholarship	354	1,000
MHD Enterprises Scholarship	-	2,500
Miscellaneous purposes	3,160	2,782
Mylena Chavez Scholarship	-	2,500
President's Scholarship	1,248	3,550
Professor Jan Smith IBIAC Scholarship	9,500	9,700
Roueche Vet-Tech Scholarship	10,000	5,000
Scott D Evans Rotary Club of RR Scholarship	5,000	5,000
SEMI/Frank Squires Scholarships	30,000	38,650
State Farm Program	5,000	5,000
S T E P S Scholarship	530	1,017
Student Emergency Fund	1,000	-
TACHE Scholarship	10,500	4,500
Town Lake Links Inc. Scholarship	2,500	2,600
Travel Tourism Scholarship	-	775
W. "Woody" Woodside Rotary Club of RR Scholarship	2,500	2,500
Well-Wisher's Scholarship	140,211	137,145
Temporarily restricted, non-endowed	<u>1,252,969</u>	<u>1,260,972</u>
Total temporarily restricted net assets	<u>\$ 2,690,444</u>	<u>\$ 2,472,703</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

---

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**H: RELATED PARTY TRANSACTIONS**

The purpose of the Foundation is to support initiatives of ACC. For the years ended May 31, 2015 and 2014, the Foundation remitted \$646,549 and \$605,269, respectively, to ACC for scholarships and programs.

All of the Foundation's personnel and facilities are provided by ACC. ACC's cost of providing these services totaled approximately \$264,934 and \$215,300 during the years ended May 31, 2015 and 2014, respectively. The personnel provided by ACC do not meet the requirements for recognition as set forth in the FASB ASC 958-605 and, therefore, are not reflected in the statements of activities.

The Foundation receives in-kind contributions of property and equipment on behalf of ACC. These are considered agency transactions as the Foundation never takes custody of the property, but merely acts as a transfer agent. Therefore, these donations are not reflected as contributions and related program expenses on the statements of activities. The Foundation acted as a transfer agent and received approximately \$36,662 and \$70,651 of property and equipment during the years ended May 31, 2015 and 2014, respectively, on ACC's behalf.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For The Years Ended August 31, 2015 and 2014**

**NOTE 26. DISCRETE COMPONENT UNIT– AUSTIN COMMUNITY COLLEGE FOUNDATION**  
**(Continued)**

**I: FAIR VALUE MEASUREMENTS**

Certain assets are carried at fair value in these financial statements. Fair value measurements were arrived at using the following inputs at May 31, 2015 and 2014:

Description	2015	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 4,594,001	\$ 4,594,001	\$ -	\$ -
Corporate bonds	1,330,394	1,330,394	-	-
Exchange traded funds	99,773	99,773	-	-
Government securities	60,260	60,260	-	-
	<u>\$ 6,084,428</u>	<u>\$ 6,084,428</u>	<u>\$ -</u>	<u>\$ -</u>

Description	2014	(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$ 4,253,694	\$ 4,253,694	\$ -	\$ -
Corporate bonds	1,434,894	1,434,894	-	-
Government securities	60,351	60,351	-	-
	<u>\$ 5,748,939</u>	<u>\$ 5,748,939</u>	<u>\$ -</u>	<u>\$ -</u>

**J: CONCENTRATION**

During the year ended May 31, 2014, the Foundation recognized a \$775,000 promise to give from one donor. Promises to give from this donor comprised 97% and 99% of the promises to give balances at May 31, 2015 and 2014, respectively.

**K: SUBSEQUENT EVENTS**

Subsequent events have been evaluated through July 24, 2015, the date the financial statements were available to be issued.

**THIS PAGE LEFT INTENTIONALLY BLANK**

**REQUIRED SUPPLEMENTAL  
INFORMATION**



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF SHARE OF NET PENSION LIABILITY**  
**For The Year Ended August 31, 2015**

---

For the year ended August 31,	2015
College's Proportion of the Net Pension Liability	0.1502376%
College's Proportionate Share of Net Pension Liability	\$ 40,130,541
State's Proportionate Share of the Net Pension Liability Associated With the College	33,702,414
Total	\$ 73,832,955
College's Covered-Employee Payroll	\$ 106,039,826
College's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.25%

Note:

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CONTRIBUTIONS TO THE TEACHER RETIREMENT SYSTEM**  
**For The Year Ended August 31, 2015**

---

	<u>2015</u>
Contractually Required Contribution	\$ 3,808,940
Contribution in Relation to the Contractually Required Contribution	<u>(3,808,940)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
College's Covered-Employee Payroll	\$ 106,039,826
Contributions as a Percentage of Covered-Employee Payroll	3.59%

Note:

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**Other Postemployment Benefits**  
**For The Year Ended August 31, 2015**

---

Actuarial Valuation Date as of August 31,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll
2015	\$ -	\$ 4,597,888	\$ 4,597,888	0%	\$137,326,406	3.35%
2013	-	3,538,156	3,538,156	0%	125,523,197	2.82%
2011	-	4,112,179	4,112,179	0%	118,176,838	3.48%

Note:

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future.

**SUPPLEMENTAL  
INFORMATION**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF OPERATING REVENUES**  
**For The Fiscal Year Ended August 31, 2015**  
**(With Memorandum Totals for the Year Ended August 31, 2014)**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	2015 Total	2014 Total
<b>Tuition:</b>						
State Funded Credit Courses						
In District Resident Tuition	\$ 39,979,891	\$ -	\$ 39,979,891	\$ -	\$ 39,979,891	\$ 40,040,169
Out of District Resident Tuition	6,639,311	-	6,639,311	-	6,639,311	6,621,700
Non Resident Tuition	7,597,460	-	7,597,460	-	7,597,460	6,843,559
TPEG - Credit (set aside)*	2,668,654	-	2,668,654	-	2,668,654	2,668,710
State Funded Continuing Education	3,171,359	-	3,171,359	-	3,171,359	2,418,747
TPEG - Non-Credit (set aside)*	190,607	-	190,607	-	190,607	142,704
Non-state Funded Educational Programs	1,092,739	-	1,092,739	-	1,092,739	1,025,465
Total Tuition	<u>61,340,021</u>	<u>-</u>	<u>61,340,021</u>	<u>-</u>	<u>61,340,021</u>	<u>59,761,054</u>
<b>Fees:</b>						
Out of District Fees	21,049,513	-	21,049,513	-	21,049,513	18,604,004
General Fees	11,206,376	-	11,206,376	-	11,206,376	9,716,754
Student Service Fee	1,494,092	-	1,494,092	-	1,494,092	1,494,899
Sustainability Fee	747,034	-	747,034	-	747,034	747,482
Laboratory Fee	209,562	-	209,562	-	209,562	183,430
Student Accident Insurance	297,098	-	297,098	-	297,098	299,021
Application Fees	1,720	-	1,720	-	1,720	1,590
Other Fees	4,040,742	-	4,040,742	-	4,040,742	4,184,760
Total Fees	<u>39,046,137</u>	<u>-</u>	<u>39,046,137</u>	<u>-</u>	<u>39,046,137</u>	<u>35,231,940</u>
<b>Scholarship Allowances and Discounts:</b>						
Bad Debt Allowance	(1,477,118)	-	(1,477,118)	-	(1,477,118)	(1,627,639)
Remissions and Exemptions- State	(3,865,881)	-	(3,865,881)	-	(3,865,881)	(4,609,365)
Remissions and Exemptions-Local	(9,517,235)	-	(9,517,235)	-	(9,517,235)	(8,844,400)
Title IV Federal Grants	(15,279,486)	-	(15,279,486)	-	(15,279,486)	(16,035,198)
Other Federal Grants	(178,384)	-	(178,384)	-	(178,384)	(73,665)
Other Scholarships and Grants	(662,492)	-	(662,492)	-	(662,492)	(645,208)
TPEG Awards	(1,697,150)	-	(1,697,150)	-	(1,697,150)	(2,437,845)
Other State Grants	(3,499,077)	-	(3,499,077)	-	(3,499,077)	(1,902,093)
Total Scholarship Allowances	<u>(36,176,823)</u>	<u>-</u>	<u>(36,176,823)</u>	<u>-</u>	<u>(36,176,823)</u>	<u>(36,175,413)</u>
Total Net Tuition and Fees	<u>64,209,335</u>	<u>-</u>	<u>64,209,335</u>	<u>-</u>	<u>64,209,335</u>	<u>58,817,581</u>
<b>Additional Operating Revenues:</b>						
Federal Grants and Contracts	-	6,347,487	6,347,487	-	6,347,487	5,560,256
State Grants and Contracts	-	5,924,292	5,924,292	-	5,924,292	3,613,076
Local Grants and Contracts	-	206,842	206,842	-	206,842	206,239
Non-governmental Grants and Contracts	-	1,391,343	1,391,343	-	1,391,343	1,271,744
Sales and Services of Educational Activities	5,134,260	-	5,134,260	-	5,134,260	3,696,045
General Operating Revenues	3,777,693	-	3,777,693	-	3,777,693	4,915,756
Total Additional Operating Revenues	<u>8,911,953</u>	<u>13,869,964</u>	<u>22,781,917</u>	<u>-</u>	<u>22,781,917</u>	<u>19,263,116</u>
<b>Auxiliary Enterprises:</b>						
Bookstore	-	-	-	1,255,559	1,255,559	222,952
Food Service	-	-	-	223,728	223,728	168,936
Other Auxiliary	-	-	-	44,507	44,507	58,914
Total Net Auxiliary Enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,523,794</u>	<u>1,523,794</u>	<u>450,802</u>
Total Operating Revenues	<u>\$ 73,121,288</u>	<u>\$ 13,869,964</u>	<u>\$ 86,991,252</u>	<u>\$ 1,523,794</u>	<u>\$ 88,515,046</u>	<u>\$ 78,531,499</u>
					(Exhibit 2)	(Exhibit 2)

\* In accordance with Education Code §56.033, \$2,859,261 in 2015 and \$2,811,414 in 2014 of tuition was set aside for Texas Public Education Grants (TPEG)

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF OPERATING EXPENSES BY OBJECT**  
**For The Fiscal Year Ended August 31, 2015**  
**(With Memorandum Totals for the Year Ended August 31, 2014)**

	Salaries and Wages	Benefits		Other Expenses	2015 Total	2014 Total
		State	Local			
<b>Unrestricted - Educational Activities</b>						
Instruction	\$ 91,476,532	\$ -	\$ 10,933,935	\$ 6,263,770	\$ 108,674,237	\$ 103,418,711
Public Service	2,701,640	-	319,441	4,531,724	7,552,805	4,991,611
Academic Support	20,852,771	-	2,173,580	2,923,744	25,950,095	24,776,717
Student Services	20,592,184	-	2,150,369	1,752,797	24,495,350	24,129,134
Institutional Support	21,180,653	-	3,876,291	17,076,564	42,133,508	39,238,620
Operation and Maintenance of Plant	8,451,916	-	903,991	16,471,898	25,827,805	32,630,440
Total Unrestricted- Educational Activities	165,255,696	-	20,357,607	49,020,497	234,633,800	229,185,233
<b>Restricted - Educational Activities</b>						
Instruction	2,919,062	7,483,100	221,143	2,325,451	12,948,756	12,494,862
Public Service	303,663	-	28,469	127,796	459,928	571,328
Academic Support	28,170	1,705,829	1,408	17,423	1,752,830	1,641,223
Student Services	197,075	1,684,513	14,953	430,262	2,326,803	2,177,300
Institutional Support	954,576	1,732,651	401	14,231	2,701,859	2,382,702
Operation and Maintenance of Plant	-	-	-	22,058	22,058	-
Scholarship and Fellowships	-	-	-	18,640,887	18,640,887	19,988,632
Total Restricted- Educational Activities	4,402,546	12,606,093	266,374	21,578,108	38,853,121	39,256,047
Total Educational Activities	169,658,242	12,606,093	20,623,981	70,598,605	273,486,921	268,441,280
Auxiliary Enterprises	-	-	-	608,140	608,140	722,180
Depreciation Expense - Buildings and Other Real Estate Improvements	-	-	-	9,332,129	9,332,129	8,036,441
Depreciation Expense - Equipment and Library Books	-	-	-	3,732,355	3,732,355	3,560,243
Total Operating Expenses	\$ 169,658,242	\$ 12,606,093	\$ 20,623,981	\$ 84,271,229	\$ 287,159,545	\$ 280,760,144
					(Exhibit 2)	(Exhibit 2)

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**SCHEDULE OF NON-OPERATING REVENUES AND EXPENSES**  
**For The Fiscal Year Ended August 31, 2015**  
**(With Memorandum Totals for the Year Ended August 31, 2014)**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Auxiliary Enterprises</u>	<u>2015 Total</u>	<u>2014 Total</u>
Non-Operating Revenues:					
State Appropriations	\$ 49,429,969	\$ 12,606,093	\$ -	\$ 62,036,062	\$ 60,016,104
Maintenance Ad Valorem Taxes	125,185,512	5,881,805	-	131,067,317	118,716,153
Federal Revenue, Non-Operating	-	32,488,418	-	32,488,418	34,990,788
Capital Grants & Gifts	9,925	-	-	9,925	25,314
Investment Income	318,326	39,253	17,372	374,951	350,087
Gain on Disposal of Capital Assets	2,685,047	-	-	2,685,047	7,440
Total Non-Operating Revenues	<u>177,628,779</u>	<u>51,015,569</u>	<u>17,372</u>	<u>228,661,720</u>	<u>214,105,886</u>
Non-Operating Expenses:					
Interest on Capital Related Debt	<u>17,141,051</u>	<u>5,535,496</u>	<u>-</u>	<u>22,676,547</u>	<u>17,929,915</u>
Net Non-Operating Revenues	<u>\$ 160,487,728</u>	<u>\$ 45,480,073</u>	<u>\$ 17,372</u>	<u>\$ 205,985,173</u> (Exhibit 2)	<u>\$ 196,175,971</u> (Exhibit 2)

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF NET POSITION BY SOURCE AND AVAILABILITY**  
**August 31, 2015**  
**(With Memorandum Totals for August 31, 2014)**

	Detail by Source					Available for Current Operations		
	Restricted				Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
	Unrestricted	Expendable	Non- expendable	Total				
Current:								
Unrestricted	\$(38,378,391)	\$ -	\$ -	\$ -	\$(38,378,391)	\$(38,378,391)	\$ -	
Board Designated	-	-	-	-	-	-	-	
Restricted	-	1,210,087	-	-	1,210,087	-	1,210,087	
Auxiliary Enterprises	5,181,194	-	-	-	5,181,194	5,181,194	-	
Loan	-	-	-	-	-	-	-	
Endowment								
Quasi:								
Unrestricted	-	-	-	-	-	-	-	
Restricted	-	-	-	-	-	-	-	
Endowment								
True	-	-	-	-	-	-	-	
Term (per instructions at maturity)	-	-	-	-	-	-	-	
Life Income Contracts	-	-	-	-	-	-	-	
Annuities	-	-	-	-	-	-	-	
Plant:								
Unexpended	10,396,245	-	-	-	10,396,245	10,396,245	-	
Renewals	-	-	-	-	-	-	-	
Debt Service	-	13,021,285	-	-	13,021,285	-	13,021,285	
Investment in Plant	-	-	-	42,854,449	42,854,449	-	42,854,449	
<b>Total Net Position, End of Year</b>	<b>(22,800,952)</b>	<b>14,231,372</b>	<b>-</b>	<b>42,854,449</b>	<b>34,284,869</b>	<b>(22,800,952)</b>	<b>57,085,821</b>	
					(Exhibit 1)			
<b>Total Net Position, Beginning of Year, as Restated</b>	<b>(30,042,525)</b>	<b>23,362,539</b>	<b>-</b>	<b>33,624,181</b>	<b>26,944,195</b>	<b>(30,042,525)</b>	<b>56,986,720</b>	
					(Exhibit 1)			
<b>Net Increase (Decrease) in Net Position</b>	<b>\$ 7,241,573</b>	<b>\$(9,131,167)</b>	<b>\$ -</b>	<b>\$ 9,230,268</b>	<b>\$ 7,340,674</b>	<b>\$ 7,241,573</b>	<b>\$ 99,101</b>	
					(Exhibit 2)			



**THIS PAGE LEFT INTENTIONALLY BLANK**



**STATISTICAL**  
**SECTION**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

---

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

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

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

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Net Position by Component**

Last Ten Fiscal Years

(in Thousands)

	(a) 2015	2014	(b) Restated 2013	2012	2011	2010	2009	2008	2007	(c) Restated 2006
<b>Net Position:</b>										
Net Investment in Capital Assets	\$ 42,855	\$ 33,624	\$ 39,222	\$ 50,221	\$ 49,331	\$ 53,589	\$ 54,104	\$ 44,737	\$ 43,822	\$ 40,030
Restricted - Expendable	14,231	23,362	23,268	17,876	18,270	17,471	15,153	12,919	5,611	5,716
Unrestricted	<u>(22,801)</u>	<u>15,426</u>	<u>15,975</u>	<u>25,679</u>	<u>24,402</u>	<u>26,144</u>	<u>20,694</u>	<u>26,312</u>	<u>19,874</u>	<u>8,843</u>
Net Position, End of Year	34,285	72,412	78,465	93,776	92,003	97,204	89,951	83,968	69,307	54,589
Net Position, Beginning of Year	<u>26,944</u>	<u>78,465</u>	<u>89,090</u>	<u>92,003</u>	<u>97,204</u>	<u>89,951</u>	<u>83,968</u>	<u>69,307</u>	<u>54,589</u>	<u>50,778</u>
Increase (Decrease) in Net Position	<u>\$ 7,341</u>	<u>\$ (6,053)</u>	<u>\$ (10,625)</u>	<u>\$ 1,773</u>	<u>\$ (5,201)</u>	<u>\$ 7,253</u>	<u>\$ 5,983</u>	<u>\$ 14,661</u>	<u>\$ 14,718</u>	<u>\$ 3,811</u>

**Notes:**

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

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

(c) The Financial Statements were restated in Fiscal Year 2006 to reflect the capitalization threshold increase from \$500 to \$5,000 for equipment and furniture.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Operating Revenues:</b>										
Tuition and Fees (Net of Discounts)	\$ 64,209	\$ 58,817	\$ 59,623	\$ 59,017	\$ 52,740	\$ 50,540	\$ 47,763	\$ 45,751	\$ 45,749	\$ 40,837
Federal Grants and Contracts	6,348	5,560	4,806	4,971	7,850	7,243	4,340	4,753	5,979	3,670
State Grants and Contracts	5,924	3,613	3,565	3,771	4,215	3,499	1,831	2,055	2,352	1,380
Local Grants and Contracts	207	206	206	239	337	383	299	290	278	1,235
Non-Governmental Grants and Contracts	1,391	1,272	1,214	1,157	1,047	1,028	1,473	1,696	1,400	1,116
Sales and Services of Educational Activities	5,134	3,696	4,884	5,012	4,395	4,370	3,513	2,983	2,240	1,182
Auxiliary Enterprises	1,524	451	963	1,119	1,243	1,147	1,018	1,184	1,077	990
Other Operating Revenues	3,778	4,916	5,842	4,027	3,441	3,220	2,112	2,071	3,609	1,919
Total Operating Revenues	88,515	78,531	81,103	79,313	75,268	71,430	62,349	60,783	62,684	52,329
<b>Non-Operating Revenues:</b>										
State Appropriations	62,036	60,016	54,182	53,088	59,097	59,134	55,950	55,451	48,544	44,739
Ad Valorem Taxes	131,067	118,716	111,550	106,214	100,785	104,504	88,900	80,568	71,181	53,876
Federal Revenue, Non Operating	32,488	34,991	39,178	44,963	48,823	40,322	22,799	17,222	14,817	14,307
Gifts	10	25	21	105	3	23	130	37	96	52
Investment Income	375	350	448	412	406	1,277	717	3,870	4,887	4,234
Other Non-operating revenues	2,685	8	-	-	-	2	-	-	-	184
Total Non-Operating Revenues	228,661	214,106	205,379	204,782	209,114	205,262	168,496	157,148	139,525	117,392
Total Revenues	\$317,176	\$292,637	\$286,482	\$284,095	\$284,382	\$276,692	\$230,845	\$217,931	\$202,209	\$169,721

**Percentage of Total**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Operating Revenues:</b>										
Tuition and Fees (Net of Discounts)	20.24%	20.10%	20.81%	20.77%	18.55%	18.27%	20.69%	20.99%	22.62%	24.06%
Federal Grants and Contracts	2.00%	1.90%	1.68%	1.75%	2.76%	2.62%	1.88%	2.18%	2.96%	2.16%
State Grants and Contracts	1.87%	1.23%	1.24%	1.33%	1.48%	1.26%	0.79%	0.94%	1.16%	0.81%
Local Grants and Contracts	0.07%	0.07%	0.07%	0.08%	0.12%	0.14%	0.13%	0.13%	0.14%	0.73%
Non-Governmental Grants and Contracts	0.44%	0.43%	0.42%	0.41%	0.37%	0.37%	0.64%	0.78%	0.69%	0.66%
Sales and Services of Educational Activities	1.62%	1.26%	1.70%	1.76%	1.55%	1.58%	1.52%	1.37%	1.11%	0.70%
Auxiliary Enterprises	0.48%	0.16%	0.34%	0.39%	0.44%	0.41%	0.44%	0.54%	0.53%	0.58%
Other Operating Revenues	1.19%	1.69%	2.04%	1.43%	1.20%	1.17%	0.92%	0.96%	1.79%	1.13%
Total Operating Revenues	27.91%	26.84%	28.30%	27.92%	26.47%	25.82%	27.01%	27.89%	31.00%	30.83%
<b>Non-Operating Revenues:</b>										
State Appropriations	19.56%	20.50%	18.91%	18.69%	20.78%	21.37%	24.24%	25.44%	24.00%	26.36%
Ad Valorem Taxes	41.32%	40.57%	38.94%	37.39%	35.44%	37.77%	38.51%	36.97%	35.20%	31.74%
Federal Revenue, Non Operating	10.24%	11.96%	13.68%	15.82%	17.17%	14.57%	9.88%	7.90%	7.33%	8.43%
Gifts	0.00%	0.01%	0.01%	0.04%	0.00%	0.01%	0.06%	0.02%	0.05%	0.03%
Investment Income	0.12%	0.12%	0.16%	0.14%	0.14%	0.46%	0.30%	1.78%	2.42%	2.49%
Other Non-Operating revenues	0.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%
Total Non-Operating Revenues	72.09%	73.16%	71.70%	72.08%	73.53%	74.18%	72.99%	72.11%	69.00%	69.17%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Program Expenses by Function**

Last Ten Fiscal Years

(in Thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Operating Expenses:</b>										
Instruction	\$121,623	\$115,914	\$120,734	\$115,498	\$116,847	\$107,782	\$96,583	\$87,363	\$82,398	\$71,282
Public Service	8,013	5,563	4,436	4,607	5,446	5,165	4,656	4,015	3,466	2,645
Academic Support	27,703	26,418	24,964	24,373	24,572	23,052	21,705	20,335	18,195	16,231
Student Services	26,822	26,306	25,758	24,218	24,034	21,871	20,070	17,225	14,779	11,453
Institutional Support	44,835	41,621	41,341	35,851	35,080	35,052	31,460	30,969	26,640	25,234
Operation and Maintenance of Plant	25,850	32,630	27,369	24,172	24,336	31,883	19,037	17,761	16,896	13,671
Scholarships and Fellowships	18,641	19,989	22,292	27,442	34,550	30,785	18,399	12,483	12,959	12,012
Auxiliary Enterprises	608	722	352	237	939	331	379	325	1,100	1,691
Depreciation	13,064	11,597	10,443	10,100	9,750	6,531	5,778	5,269	4,653	4,326
Total Operating Expenses	287,159	280,760	277,689	266,498	275,554	262,452	218,067	195,745	181,086	158,545
<b>Non-Operating Expenses:</b>										
Interest on Capital Related Debt	22,677	17,930	19,164	15,798	13,942	6,987	6,592	7,517	6,388	7,366
Other Non-Operating Expenses	-	-	-	-	-	-	-	-	-	-
Loss on Disposal of Capital Assets	-	-	23	26	88	-	9	7	17	-
Investment Loss	-	-	-	-	-	-	194	-	-	-
Total Non-Operating Expenses	22,677	17,930	19,187	15,824	14,030	6,987	6,795	7,524	6,405	7,366
Total Expenses	\$309,836	\$298,690	\$296,876	\$282,322	\$289,584	\$269,439	\$224,862	\$203,269	\$187,491	\$165,911

**Percentage of Total**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Operating Expenses:</b>										
Instruction	39.24%	38.81%	40.67%	40.91%	40.35%	40.00%	42.95%	42.98%	43.95%	42.96%
Public Service	2.59%	1.86%	1.49%	1.63%	1.88%	1.92%	2.07%	1.98%	1.85%	1.59%
Academic Support	8.94%	8.84%	8.41%	8.63%	8.49%	8.56%	9.65%	10.00%	9.70%	9.78%
Student Services	8.66%	8.81%	8.68%	8.58%	8.30%	8.12%	8.93%	8.47%	7.88%	6.90%
Institutional Support	14.47%	13.93%	13.93%	12.70%	12.11%	13.01%	13.99%	15.24%	14.21%	15.21%
Operation and Maintenance of Plant	8.34%	10.92%	9.22%	8.56%	8.40%	11.83%	8.47%	8.74%	9.01%	8.24%
Scholarships and Fellowships	6.02%	6.70%	7.51%	9.72%	11.93%	11.43%	8.18%	6.14%	6.91%	7.24%
Auxiliary Enterprises	0.20%	0.24%	0.12%	0.08%	0.32%	0.12%	0.17%	0.16%	0.59%	1.02%
Depreciation	4.22%	3.89%	3.51%	3.58%	3.36%	2.42%	2.57%	2.59%	2.48%	2.62%
Total Operating Expenses	92.68%	94.00%	93.54%	94.39%	95.16%	97.41%	96.98%	96.30%	96.58%	95.56%
<b>Non-Operating Expenses:</b>										
Interest on Capital Related Debt	7.32%	6.00%	6.46%	5.60%	4.81%	2.59%	2.93%	3.70%	3.41%	4.44%
Other Non-Operating Expenses	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Loss on Disposal of Capital Assets	0.00%	0.00%	0.01%	0.01%	0.03%	0.00%	0.00%	0.00%	0.01%	0.00%
Investment Loss	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%
Total Non-Operating Expenses	7.32%	6.00%	6.46%	5.61%	4.84%	2.59%	3.02%	3.70%	3.42%	4.44%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Tuition and Fees**  
Last Ten Fiscal Years

**Resident**

**Fees per Semester Credit Hour (SCH)**

Fiscal Year	In-District Tuition	Out-of-District Tuition (a)	Out-of-District Fee (a)	General Fee	Student Activity Fees	Sustainability Fee	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Yr In-District	Increase from Prior Yr Out-of-District
2015	\$ 67	\$ 67	\$ 202	\$ 15	\$ 2	\$ 1	\$ 1,020	\$ 3,444	2.41%	9.54%
2014	67	67	179	13	2	1	996	3,144	6.41%	9.17%
2013	62	62	162	13	2	1	936	2,880	14.71%	14.29%
2012	52	52	142	13	2	1	816	2,520	17.24%	26.51%
2011	42	150	-	13	2	1	696	1,992	7.41%	9.21%
2010	39	137	-	13	2	-	648	1,824	0.00%	7.04%
2009	39	127	-	13	2	-	648	1,704	-3.57%	5.19%
2008	39	118	-	15	2	-	672	1,620	3.70%	8.00%
2007	39	110	-	13	2	-	648	1,500	1.89%	7.76%
2006	39	102	-	13	1	-	636	1,392	0.00%	4.50%

**Non - Resident**

**Fees per Semester Credit Hour (SCH)**

Fiscal Year	Non-Res Tuition Out-of-State	Non-Res Tuition Intl	General Fee	Student Activity Fees	Sustainability Fee	Cost for 12 SCH Out-of-State	Cost for 12 SCH Intl	Increase from Prior Yr Out-of-State	Increase from Prior Yr Intl
2015	\$ 343	\$ 343	\$ 15	\$ 2	\$ 1	\$ 4,332	\$ 4,332	9.73%	9.73%
2014	313	313	13	2	1	3,948	3,948	1.54%	1.54%
2013	308	308	13	2	1	3,888	3,888	3.18%	3.18%
2012	298	298	13	2	1	3,768	3,768	3.29%	3.29%
2011	288	288	13	2	1	3,648	3,648	1.33%	1.33%
2010	285	285	13	2	-	3,600	3,600	0.00%	0.00%
2009	285	285	13	2	-	3,600	3,600	2.39%	2.39%
2008	276	276	15	2	-	3,516	3,516	10.15%	10.15%
2007	251	251	13	2	-	3,192	3,192	31.03%	31.03%
2006	189	189	13	1	-	2,436	2,436	2.53%	2.53%

**Notes:**

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

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

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**State Appropriations per FTSE and Contact Hour**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>State Appropriation</b>	<b>FTSE (15 SCH)</b>	<b>State Appropriation per FTSE</b>	<b>Academic Contact Hours (a)</b>	<b>Voc/Tech Contact Hours (a)</b>	<b>Total Contact Hours</b>	<b>State Appropriation per Contact Hour</b>
2015	\$ 62,036,062	20,055	\$ 3,093	10,998,536	3,190,436	14,188,972	4.37
2014	60,016,104	20,259	2,962	11,101,552	3,177,630	14,279,182	4.20
2013	54,181,617	20,806	2,604	11,627,424	3,631,732	15,259,156	3.55
2012	53,087,767	21,701	2,446	12,427,152	3,847,562	16,274,714	3.26
2011	59,097,142	21,972	2,690	12,913,216	4,720,791	17,634,007	3.35
2010	59,133,878	20,000	2,957	12,144,888	3,578,718	15,723,606	3.76
2009	55,950,127	17,789	3,145	10,774,752	3,202,731	13,977,483	4.00
2008	55,451,405	17,032	3,256	9,816,472	3,088,583	12,905,055	4.30
2007	48,543,742	16,831	2,884	9,547,964	2,920,238	12,468,202	3.89
2006	44,739,020	15,715	2,847	9,197,704	2,757,194	11,954,898	3.74

**Sources:**

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

**Notes:**

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 15.



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

Fiscal Year	(amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total Direct Rate (a)
2015	\$ 168,976,487	\$29,669,339	\$ 139,307,148	82.44%	0.09000	0.00420	0.09420
2014	149,340,769	25,245,135	124,095,634	83.10%	0.09000	0.00490	0.09490
2013	140,251,968	23,240,309	117,011,659	83.43%	0.09000	0.00510	0.09510
2012	135,788,176	23,541,278	112,246,898	82.66%	0.09000	0.00480	0.09480
2011	124,833,360	19,963,728	104,869,632	84.01%	0.09000	0.00510	0.09510
2010	130,105,839	21,074,859	109,030,980	83.80%	0.09000	0.00460	0.09460
2009	109,645,790	16,667,307	92,978,483	84.80%	0.09000	0.00540	0.09540
2008	98,281,381	14,902,149	83,379,232	84.84%	0.09000	0.00580	0.09580
2007	84,941,603	13,819,387	71,122,216	83.73%	0.09000	0.00650	0.09650
2006	64,377,925	10,508,013	53,869,912	83.68%	0.09000	0.00910	0.09910

**Source:**

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

**Notes:**

Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Principal Taxpayers**  
**Last Ten Fiscal Years**

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (in Thousands)					
		2015	2014	2013	2012	2011	2010
Samsung Austin Semiconductor	Manufacturing	\$ 2,479,597	\$ 2,301,995	\$ 2,931,282	\$ 2,884,673	\$ 1,000,506	\$ 1,389,942
PKY-San Jacinto Center LLC	Real Estate	747,258	-	-	-	-	-
Columbia/St Davids Health Care	Medical	484,356	481,018	475,510	259,057	253,067	232,463
Freescale Semiconductor, Inc (b)	Manufacturing	316,663	300,552	333,704	357,971	337,666	-
Freescale Semiconductor (b)	Manufacturing	-	-	-	-	-	415,367
Applied Materials, Inc.	Manufacturing	309,466	270,384	337,799	432,369	284,469	392,680
Circuit of the Americas LLC	Sports/Recreation	289,214	290,836	-	-	-	-
Dell, Inc.	Manufacturing	265,799	287,908	323,587	-	215,894	224,722
Dell USA LP	Manufacturing	-	-	-	-	-	-
IBM Corporation (a)	Manufacturing	240,682	231,662	246,278	233,059	233,764	253,136
IBM Corporation (a)	Manufacturing	-	-	-	-	-	-
IMT Capital II Riata LP	Real Estate	236,598	211,437	-	-	-	-
HEB Grocery Company LP	Food Retail	222,663	-	-	-	-	-
TPG-300 West 6th Street LLC	Real Estate	-	705,800	815,137	489,131	470,972	530,753
Shoping Center at Gateway LP	Real Estate	-	214,811	206,168	197,737	202,486	-
Spansion LLC	Manufacturing	-	-	204,763	217,236	216,490	267,313
Brandywine Acquisition Partners LP	Real Estate	-	-	186,630	-	-	-
Advanced Micro Devices Inc.	Manufacturing	-	-	-	260,060	257,777	282,338
CJUF II Stratus Block 21 LLC	Real Estate	-	-	-	178,304	-	-
Hewlett-Packard Company	Manufacturing	-	-	-	-	-	226,245
Flextronics	Manufacturing	-	-	-	-	-	-
Cisco Systems, Inc.	Manufacturing	-	-	-	-	-	-
Southwestern Bell Telephone	Telephone Utility	-	-	-	-	-	-
TX Frost Tower Office	Real Estate	-	-	-	-	-	-
Solectron Texas	Manufacturing	-	-	-	-	-	-
Cousins Properties Texas LP	Real Estate	-	-	-	-	-	-
National Instruments Corp	Manufacturing	-	-	-	-	-	-
Totals		\$ 5,592,296	\$ 5,296,403	\$ 6,060,858	\$ 5,509,597	\$ 3,473,091	\$ 4,214,959
Total Taxable Assessed Value		\$ 139,307,148	\$ 124,095,634	\$ 117,011,659	\$ 112,246,898	\$ 104,869,632	\$ 109,030,980

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year					
		2015	2014	2013	2012	2011	2010
Samsung Austin Semiconductor	Manufacturing	1.78%	1.86%	2.50%	2.57%	0.95%	1.27%
PKY-San Jacinto Center LLC	Real Estate	0.54%	-	-	-	-	-
Columbia/St Davids Health Care	Medical	0.35%	0.39%	0.41%	0.23%	0.24%	0.21%
Freescale Semiconductor, Inc (b)	Manufacturing	0.23%	0.24%	0.29%	0.32%	0.32%	-
Freescale Semiconductor (b)	Manufacturing	-	-	-	-	-	0.38%
Applied Materials, Inc.	Manufacturing	0.22%	0.22%	0.28%	0.39%	0.27%	0.36%
Circuit of the Americas LLC	Sports/Recreation	0.21%	0.23%	-	-	-	-
Dell, Inc.	Manufacturing	0.19%	0.23%	0.28%	-	0.21%	0.21%
Dell USA LP	Manufacturing	-	-	-	-	-	-
IBM Corporation (a)	Manufacturing	0.17%	0.19%	0.21%	0.21%	0.22%	0.23%
IBM Corporation (a)	Manufacturing	-	-	-	-	-	-
IMT Capital II Riata LP	Real Estate	0.17%	0.17%	-	-	-	-
HEB Grocery Company LP	Food Retail	0.16%	-	-	-	-	-
TPG-300 West 6th Street LLC	Real Estate	-	0.57%	0.70%	0.44%	0.45%	0.49%
Shoping Center at Gateway LP	Real Estate	-	0.17%	0.18%	0.18%	0.19%	-
Spansion LLC	Manufacturing	-	-	0.17%	0.19%	0.21%	0.25%
Brandywine Acquisition Partners LP	Real Estate	-	-	0.16%	-	-	-
Advanced Micro Devices Inc.	Manufacturing	-	-	-	0.23%	0.25%	0.26%
CJUF II Stratus Block 21 LLC	Real Estate	-	-	-	0.15%	-	-
Hewlett-Packard Company	Manufacturing	-	-	-	-	-	0.21%
Flextronics	Manufacturing	-	-	-	-	-	-
Cisco Systems, Inc.	Manufacturing	-	-	-	-	-	-
Southwestern Bell Telephone	Telephone Utility	-	-	-	-	-	-
TX Frost Tower Office	Real Estate	-	-	-	-	-	-
Solectron Texas	Manufacturing	-	-	-	-	-	-
Cousins Properties Texas LP	Real Estate	-	-	-	-	-	-
National Instruments Corp	Manufacturing	-	-	-	-	-	-
Totals		4.02%	4.27%	5.18%	4.91%	3.31%	3.87%

**Source:**

Travis and Williamson County Tax Assessor/Collector

**Notes:**

- (a) IBM is listed as the taxpayer on several accounts on the appraisal district's records and it might be separate entities.
- (b) Beginning in 2006, Freescale is listed as the taxpayer on two separate accounts on the appraisal district's records and they might be separate corporations. Motorola is not listed anymore on the 2006 appraisal district's records. The new Freescale taxpayer listed in 2006 might be Motorola's SPS semiconductor division named "Freescale Semiconductor." This company was formed by the spin-off of Motorola's SPS semiconductor division in 2005.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$	853,031	\$ 304,088	\$ 258,950	\$ 184,496
-	-	-	-	-
-	-	-	156,113	184,794
464,415	335,899	347,003	298,568	
486,079	539,389	404,655	344,333	
-	-	-	-	
483,562	443,892	544,783	-	
-	186,656	153,676	119,398	
260,769	-	-	141,921	
-	-	-	119,554	
-	-	-	-	
530,753	-	-	-	
221,999	-	-	-	
355,933	274,700	215,012	203,173	
-	-	-	-	
224,626	-	-	-	
-	-	-	-	
-	-	-	-	
239,315	197,365	-	-	
-	254,768	-	-	
-	230,208	210,312	216,501	
-	176,566	-	-	
-	-	214,516	-	
-	-	147,389	-	
-	-	-	114,968	
<b>\$ 4,120,482</b>	<b>\$ 2,943,531</b>	<b>\$ 2,652,409</b>	<b>\$ 1,927,706</b>	
<b>\$ 92,978,483</b>	<b>\$ 83,379,232</b>	<b>\$ 71,122,216</b>	<b>\$ 53,869,912</b>	

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	0.92%	0.36%	0.36%	0.34%
-	-	-	-	-
-	-	-	0.22%	0.34%
0.50%	0.40%	0.49%	0.55%	
0.52%	0.65%	0.57%	0.64%	
-	-	-	-	
0.52%	0.53%	0.77%	-	
-	0.22%	0.22%	0.22%	
0.28%	-	-	0.26%	
-	-	-	0.22%	
-	-	-	-	
0.57%	-	-	-	
0.24%	-	-	-	
0.38%	0.33%	0.30%	0.38%	
-	-	-	-	
0.24%	-	-	-	
-	-	-	-	
0.26%	0.24%	-	-	
-	0.31%	-	-	
-	0.28%	0.30%	0.40%	
-	0.21%	-	-	
-	-	0.30%	-	
-	-	0.20%	-	
-	-	-	0.23%	
<b>4.43%</b>	<b>3.53%</b>	<b>3.73%</b>	<b>3.58%</b>	

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Property Tax Levies and Collections**

Last Ten Fiscal Years

(in Thousands)

<b>Fiscal Year</b>	<b>Original Tax Levy</b>	<b>Cumulative Levy Adjustments</b>	<b>Adjusted Tax Levy</b>	<b>Collection Year of Levy</b>	<b>Percentage of Levy</b>	<b>Prior Collections of Prior Levies</b>	<b>Current Collections of Prior Levies</b>	<b>Total Collections</b>	<b>Cumulative Collections of Adjusted Levy</b>
2015	\$130,594	\$ -	\$ 130,594	\$ 129,598	99.24%	\$ -	\$ -	\$ 129,598	99.24%
2014	118,146	(154)	117,992	117,220	99.22%	-	269	117,489	99.57%
2013	111,214	(205)	111,009	110,452	99.31%	287	32	110,771	99.79%
2012	106,051	(192)	105,859	105,233	99.23%	401	32	105,666	99.82%
2011	100,447	(298)	100,149	99,520	99.08%	442	16	99,978	99.83%
2010	104,074	(313)	103,761	102,956	98.93%	645	(7)	103,594	99.84%
2009	88,614	(247)	88,367	87,605	98.86%	598	13	88,216	99.83%
2008	80,144	(366)	79,778	79,341	99.00%	315	5	79,661	99.85%
2007	70,836	(283)	70,553	70,106	98.97%	337	4	70,447	99.85%
2006	53,567	(115)	53,452	52,950	98.85%	390	3	53,343	99.80%

**Sources:**

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

**Note:**

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
Austin, Texas

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Ratios of Outstanding Debt**

Last Ten Fiscal Years

(in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>General Bonded Debt</b>										
General Obligation Bonds	\$ 265,587	\$ 92,454	\$ 95,593	\$ 96,250	\$ 95,169	\$ 96,399	\$ 97,268	\$ 98,135	\$ 98,749	\$ 98,342
Less:										
Funds Restricted for Debt Service	822	818	817	246	194	191	188	177	123	109
Net General Bonded Debt	<u>\$ 264,765</u>	<u>\$ 91,636</u>	<u>\$ 94,776</u>	<u>\$ 96,004</u>	<u>\$ 94,975</u>	<u>\$ 96,208</u>	<u>\$ 97,080</u>	<u>\$ 97,958</u>	<u>\$ 98,626</u>	<u>\$ 98,233</u>
<b>Other Debt</b>										
Revenue Bonds	\$ 178,333	\$ 181,737	\$ 185,841	\$ 112,061	\$ 125,759	\$ 76,340	\$ 46,966	\$ 49,526	\$ 51,736	\$ 53,408
Lease Revenue Bonds	192,693	191,833	194,685	197,054	152,423	120,365	121,732	122,064	-	-
Capital Lease Obligations	843	1,402	1,955	1,159	534	1,050	1,549	2,034	3,260	3,645
Total Other Debt	<u>371,869</u>	<u>374,972</u>	<u>382,481</u>	<u>310,274</u>	<u>278,716</u>	<u>197,755</u>	<u>170,247</u>	<u>173,624</u>	<u>54,996</u>	<u>57,053</u>
<b>Total Outstanding Debt</b>	<u><b>\$ 636,634</b></u>	<u><b>\$ 466,608</b></u>	<u><b>\$ 477,257</b></u>	<u><b>\$ 406,278</b></u>	<u><b>\$ 373,691</b></u>	<u><b>\$ 293,963</b></u>	<u><b>\$ 267,327</b></u>	<u><b>\$ 271,582</b></u>	<u><b>\$ 153,622</b></u>	<u><b>\$ 155,286</b></u>
<b>General Bonded Debt Ratios</b>										
Per Capita	\$ 140.60	\$ 49.96	\$ 51.67	\$ 53.83	\$ 54.95	\$ 56.42	\$ 58.69	\$ 61.51	\$ 64.59	\$ 67.07
Per FTSE	13,202	4,523	4,555	4,424	4,323	4,810	5,457	5,751	5,860	6,251
As a % of Taxable Assessed Value	0.19%	0.07%	0.08%	0.09%	0.09%	0.09%	0.10%	0.12%	0.14%	0.18%
<b>Total Outstanding Debt Ratios</b>										
Per Capita	\$ 338.09	\$ 254.38	\$ 260.18	\$ 227.80	\$ 216.23	\$ 172.40	\$ 161.61	\$ 170.53	\$ 100.60	\$ 106.03
Per FTSE	31,744	23,032	22,938	18,722	17,008	14,698	15,028	15,945	9,127	9,881
As a % of Taxable Assessed Value	0.46%	0.38%	0.41%	0.36%	0.36%	0.27%	0.29%	0.33%	0.22%	0.29%

**Notes:**

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(in Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Taxable Assessed Value</b>	<u>\$ 139,307,148</u>	<u>\$ 124,095,634</u>	<u>\$ 117,011,659</u>	<u>\$ 112,246,898</u>	<u>\$ 104,869,632</u>	<u>\$ 109,030,980</u>	<u>\$ 92,978,483</u>
<b>General Obligation Bonds</b>							
Statutory Tax Levy Limit for Debt Serv (1)	\$ 696,536	\$ 620,478	\$ 585,058	\$ 561,234	\$ 524,348	\$ 545,155	\$ 464,892
Less:							
Funds Restricted for Repayment of General Obligation Bonds	822	818	817	246	194	191	188
Net Statutory Tax Levy Limit for Debt Service	695,714	619,660	584,241	560,988	524,154	544,964	464,704
Current Year Debt Service Requirements	5,882	6,093	5,428	4,868	5,402	5,065	5,086
<b>Excess of Statutory Limit for Debt Service over Current Requirements</b>	<u>\$ 689,832</u>	<u>\$ 613,567</u>	<u>\$ 578,813</u>	<u>\$ 556,120</u>	<u>\$ 518,752</u>	<u>\$ 539,899</u>	<u>\$ 459,618</u>
<b>Net Current Requirements as a % of Statutory Limit</b>	0.96%	1.11%	1.07%	0.91%	1.07%	0.96%	1.13%

**Notes:**

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

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

---

<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>\$ 83,379,232</u>	<u>\$ 71,122,216</u>	<u>\$ 53,869,912</u>
\$ 416,896	\$ 355,611	\$ 269,350
177	123	109
416,719	355,488	269,241
4,849	4,666	4,904
<u>\$ 411,870</u>	<u>\$ 350,822</u>	<u>\$ 264,337</u>
1.21%	1.35%	1.86%

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Pledged Revenue Coverage**

**Last Ten Fiscal Years**

(in Thousands)

Fiscal Year	Revenue Bonds							
	Pledged Revenues				Debt Service Requirements			
	Tuition	General Fees	Interest Income	Total	Principal	Interest	Total	Coverage Ratio
2015	\$ 15,335	\$ 11,206	\$ 327	\$ 26,868	\$ 4,315	\$ 6,156	\$ 10,471	2.57
2014	14,940	9,717	316	24,973	4,170	7,240	11,410	2.19
2013	14,702	10,119	424	25,245	4,050	6,397	10,447	2.42
2012	18,698	10,709	355	29,762	3,895	4,941	8,836	3.37
2011	16,237	11,155	369	27,761	3,545	3,072	6,617	4.20
2010	14,239	10,404	292	24,935	2,910	2,614	5,524	4.51
2009	1,311	6,386	859	8,556	2,810	1,969	4,779	1.79
2008	1,191	6,190	1,523	8,904	2,445	2,085	4,530	1.97
2007	1,156	5,629	2,681	9,466	1,920	2,179	4,099	2.31
2006	1,104	5,446	1,163	7,713	1,060	2,238	3,298	2.34



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Demographic and Economic Statistics - Taxing District**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in Thousands)</b>	<b>Personal Income Per Capita</b>	<b>Unemployment Rate</b>
2015	(a)	(a)	(a)	3.5%
2014	1,883,051	\$ 84,285,529	\$ 44,760	4.6%
2013	1,834,303	\$ 78,695,523	\$ 42,902	5.6%
2012	1,783,519	\$ 72,152,395	\$ 40,455	6.4%
2011	1,728,247	\$ 66,945,243	\$ 38,736	7.6%
2010	1,705,075	\$ 64,014,645	\$ 37,544	7.3%
2009	1,654,100	\$ 61,800,403	\$ 37,362	7.5%
2008	1,592,590	\$ 59,305,518	\$ 37,238	4.7%
2007	1,527,040	\$ 55,636,235	\$ 36,434	4.1%
2006	1,464,563	\$ 51,058,588	\$ 34,863	4.6%

**Source:**

Texas Workforce Commission, Tracer Texas Labor Market Information,  
Austin - Round Rock - San Marcos, TX Metropolitan Statistical Area.

**Notes:**

(a) Not yet available

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

Principal Employers  
 Last Ten Fiscal Years

Employer	2015		2014		2013		2012		2011	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Local Government	90,000	9.47%	89,600	9.95%	83,900	10.16%	86,200	10.84%	86,800	11.23%
State Government	69,100	7.27%	70,900	7.88%	72,500	8.78%	70,800	8.90%	72,100	9.33%
University of Texas at Austin	26,935	2.84%	27,264	3.03%	21,626	2.62%	27,894	3.51%	28,128	3.64%
Dell Inc.	14,000	1.47%	14,000	1.56%	12,000	1.45%	12,000	1.51%	10,000	1.29%
Federal Government	13,100	1.38%	11,300	1.26%	12,400	1.50%	12,500	1.57%	12,300	1.59%
Seton Healthcare Family	12,770	1.34%	12,609	1.40%	12,606	1.53%	11,601	1.46%	10,737	1.39%
St. David's Healthcare	8,100	0.85%	7,950	0.88%	7,400	0.90%	7,100	0.89%	6,598	0.85%
Texas State University	6,085	0.64%	6,572	0.73%	n/a	n/a	n/a	n/a	n/a	n/a
IBM Corporation	6,000	0.63%	6,000	0.67%	6,000	0.73%	6,239	0.78%	n/a	n/a
Wal-Mart Stores, Inc.	5,500	0.58%	n/a	n/a	n/a	n/a	n/a	n/a	6,900	0.89%
HEB	n/a	n/a	11,277	1.25%	10,545	1.28%	10,263	1.29%	14,882	1.93%
Freescale Semiconductor, Inc.	n/a	n/a	n/a	n/a	5,000	0.61%	5,000	0.63%	5,000	0.65%
<b>Total</b>	<b>251,590</b>	<b>26.47%</b>	<b>257,472</b>	<b>28.61%</b>	<b>243,977</b>	<b>29.56%</b>	<b>249,597</b>	<b>31.38%</b>	<b>253,445</b>	<b>32.79%</b>

**Sources:**

Austin Business Journal, Book of Lists 2007 - 2015  
 Texas Workforce Commission  
 Austin American Statesman, Monday, July 17, 2006  
 Austin Business Journal 2006  
 Greater Austin Chamber of Commerce, June 2005

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

---

2010		2009		2008		2007		2006	
Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
83,800	11.01%	81,200	10.41%	75,900	9.96%	67,659	9.35%	70,294	10.14%
72,000	9.46%	69,600	8.92%	68,100	8.94%	63,332	8.75%	69,436	10.02%
16,156	2.12%	16,156	2.07%	16,919	2.22%	16,500	2.28%	16,298	2.35%
16,000	2.10%	17,000	2.18%	17,000	2.23%	17,000	2.35%	24,600	3.55%
11,900	1.56%	11,700	1.50%	11,400	1.50%	9,911	1.37%	10,170	1.47%
9,793	1.29%	9,807	1.26%	6,743	0.88%	7,538	1.04%	7,393	1.07%
6,043	0.79%	6,200	0.79%	6,219	0.82%	5,712	0.79%	5,000	0.72%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6,200	0.81%	6,239	0.80%	6,200	0.81%	6,300	0.87%	6,200	0.89%
6,900	0.91%	6,700	0.86%	6,500	0.85%	5,648	0.78%	5,027	0.73%
10,904	1.43%	6,746	0.86%	7,095	0.93%	n/a	n/a	n/a	n/a
4,300	0.56%	n/a	n/a	n/a	n/a	5,400	0.75%	5,600	0.81%
<b>243,996</b>	<b>32.04%</b>	<b>231,348</b>	<b>29.65%</b>	<b>222,076</b>	<b>29.14%</b>	<b>205,000</b>	<b>28.33%</b>	<b>220,018</b>	<b>31.75%</b>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Faculty, Staff, and Administrators Statistics**  
**Last Ten Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Faculty:</b>										
Full-Time	626	608	632	632	624	592	526	498	467	444
Part-Time	1,371	1,340	1,434	1,487	1,460	1,401	1,316	1,224	1,187	1,157
Total	1,997	1,948	2,066	2,119	2,084	1,993	1,842	1,722	1,654	1,601
<b>Percent:</b>										
Full-Time	31.3%	31.2%	30.6%	29.8%	29.9%	29.7%	28.6%	28.9%	28.2%	27.7%
Part-Time	68.7%	68.8%	69.4%	70.2%	70.1%	70.3%	71.4%	71.1%	71.8%	72.3%
<b>Staff and Administrators:</b>										
Full-Time	1,352	1,261	1,271	1,288	1,282	1,215	1,118	925	888	855
Part-Time	160	138	150	163	173	174	175	141	145	136
Total	1,512	1,399	1,421	1,451	1,455	1,389	1,293	1,066	1,033	991
<b>Percent:</b>										
Full-Time	89.4%	90.1%	89.4%	88.8%	88.1%	87.5%	86.5%	86.8%	86.0%	86.3%
Part-Time	10.6%	9.9%	10.6%	11.2%	11.9%	12.5%	13.5%	13.2%	14.0%	13.7%
FTSE per Full-time Faculty	32.04	33.32	32.92	34.34	35.2	33.8	33.8	34.2	36.0	35.4
FTSE per Full-Time Staff	14.83	16.07	16.37	16.85	17.1	16.5	15.9	18.4	19.0	18.4
Average Annual Faculty Salary	\$66,961	\$66,085	\$65,585	\$64,150	\$62,124	\$63,123	\$62,895	\$61,194	\$60,068	\$57,909

**Sources:**

ACC Office of Institutional Effectiveness

TCCTA Survey of Faculty Salaries

**THIS PAGE LEFT INTENTIONALLY BLANK**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Enrollment Details**

**Last Ten Fiscal Years**

<b>Student Classification</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
00-30 hours	25,806	68.09%	26,452	68.51%	27,584	68.69%	29,546	70.34%	29,920	71.95%
31-60 hours	9,297	24.53%	9,455	24.49%	9,927	24.72%	9,987	23.78%	9,429	22.68%
>60 hours	2,797	7.38%	2,704	7.00%	2,648	6.59%	2,471	5.88%	2,233	5.37%
<b>Total</b>	<b>37,900</b>	<b>100.00%</b>	<b>38,611</b>	<b>100.00%</b>	<b>40,159</b>	<b>100.00%</b>	<b>42,004</b>	<b>100.00%</b>	<b>41,582</b>	<b>100.00%</b>

<b>Semester Hour Load</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than 3	438	1.16%	376	0.97%	473	1.18%	606	1.44%	519	1.25%
3-5 semester hours	10,571	27.89%	11,161	28.91%	9,347	23.27%	12,202	29.05%	9,591	23.07%
6-8 Semester hours	12,591	33.22%	12,235	31.69%	13,364	33.28%	12,619	30.04%	13,138	31.60%
9-11 semester hours	6,997	18.46%	7,123	18.45%	7,621	18.98%	8,315	19.80%	8,205	19.73%
12-14 semester hours	6,257	16.51%	6,575	17.03%	8,148	20.29%	7,082	16.86%	8,739	21.02%
15-17 semester hours	964	2.54%	1,035	2.68%	1,085	2.70%	1,068	2.54%	1,247	3.00%
18 & over	82	0.22%	106	0.27%	121	0.30%	112	0.27%	143	0.33%
<b>Total</b>	<b>37,900</b>	<b>100.00%</b>	<b>38,611</b>	<b>100.00%</b>	<b>40,159</b>	<b>100.00%</b>	<b>42,004</b>	<b>100.00%</b>	<b>41,582</b>	<b>100.00%</b>

<b>Average course load</b>	7.94	7.87	7.77	7.75	7.93
----------------------------	------	------	------	------	------

<b>Tuition Status</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Texas Resident (In-District)	27,552	72.70%	27,986	72.48%	29,481	73.41%	31,291	74.50%	30,112	72.42%
Texas Resident (Out-of-District)	3,824	10.09%	3,803	9.85%	4,460	11.11%	5,156	12.28%	6,422	15.44%
Non-Resident Tuition (a)	940	2.48%	908	2.35%	993	2.47%	949	2.25%	953	2.29%
Other (b)	5,584	14.73%	5,914	15.32%	5,225	13.01%	4,608	10.97%	4,095	9.85%
<b>Total</b>	<b>37,900</b>	<b>100.00%</b>	<b>38,611</b>	<b>100.00%</b>	<b>40,159</b>	<b>100.00%</b>	<b>42,004</b>	<b>100.00%</b>	<b>41,582</b>	<b>100.00%</b>

**Source:**

ACC Office of Institutional Effectiveness

**Notes:**

(a) Non-resident includes students whose legal residence is not Texas.

(b) Other includes students with tuition exemptions and waivers.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

---

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
27,602	72.92%	24,397	72.33%	23,237	73.02%	23,479	74.27%	22,491	73.74%
8,278	21.88%	7,555	22.40%	7,012	22.04%	6,624	20.96%	6,614	21.69%
1,970	5.20%	1,776	5.27%	1,573	4.94%	1,507	4.77%	1,394	4.57%
<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>	<b>30,499</b>	<b>100.00%</b>

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
439	1.16%	391	1.16%	396	1.24%	427	1.36%	415	1.36%
8,951	23.65%	7,876	23.35%	7,383	23.20%	7,701	24.36%	8,680	28.46%
11,715	30.95%	10,599	31.42%	9,667	30.38%	9,253	29.27%	8,117	26.61%
7,344	19.40%	6,368	18.88%	5,870	18.45%	5,626	17.80%	5,659	18.55%
8,194	21.65%	7,254	21.51%	7,235	22.74%	7,363	23.29%	6,504	21.33%
1,070	2.83%	1,119	3.32%	1,149	3.61%	1,111	3.51%	1,027	3.37%
137	0.36%	121	0.36%	122	0.38%	129	0.41%	97	0.32%
<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>	<b>30,499</b>	<b>100.00%</b>

7.93                      7.91                      8.03                      7.99                      7.97

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
27,587	72.89%	24,101	71.45%	21,153	66.47%	21,256	67.24%	21,227	69.60%
5,909	15.61%	5,659	16.78%	7,075	22.23%	6,802	21.52%	6,105	20.02%
856	2.26%	816	2.42%	831	2.61%	956	3.02%	858	2.81%
3,498	9.24%	3,152	9.35%	2,763	8.69%	2,596	8.22%	2,309	7.57%
<b>37,850</b>	<b>100.00%</b>	<b>33,728</b>	<b>100.00%</b>	<b>31,822</b>	<b>100.00%</b>	<b>31,610</b>	<b>100.00%</b>	<b>30,499</b>	<b>100.00%</b>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Student Profile**

**Last Ten Fiscal Years**

<b>Gender</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Female	21,057	55.56%	21,402	55.43%	22,347	55.65%	23,311	55.50%	23,020	55.36%
Male	16,843	44.44%	17,209	44.57%	17,812	44.35%	18,693	44.50%	18,562	44.64%
<b>Total</b>	<b>37,900</b>	<b>100.00%</b>	<b>38,611</b>	<b>100.00%</b>	<b>40,159</b>	<b>100.00%</b>	<b>42,004</b>	<b>100.00%</b>	<b>41,582</b>	<b>100.00%</b>

<b>Ethnic Origin</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
White	17,569	46.36%	18,303	47.40%	19,615	48.84%	21,246	50.58%	22,466	54.03%
Hispanic	11,900	31.40%	11,668	30.22%	11,698	29.13%	11,765	28.01%	11,067	26.61%
African American	2,732	7.21%	2,892	7.49%	3,170	7.89%	3,423	8.15%	3,698	8.89%
Asian/Pacific Islander	2,085	5.50%	2,027	5.25%	2,403	5.98%	2,140	5.09%	2,503	6.02%
Am.Indian/Alaskan Native	316	0.83%	316	0.82%	69	0.17%	389	0.93%	44	0.11%
Non-Resident Alien	153	0.40%	877	2.27%	190	0.47%	193	0.46%	183	0.44%
Other/Unknown	3,145	8.30%	2,528	6.56%	3,014	7.52%	2,848	6.78%	1,621	3.90%
<b>Total</b>	<b>37,900</b>	<b>100.00%</b>	<b>38,611</b>	<b>100.01%</b>	<b>40,159</b>	<b>100.00%</b>	<b>42,004</b>	<b>100.00%</b>	<b>41,582</b>	<b>100.00%</b>

<b>Age</b>	<b>Fall 2014</b>		<b>Fall 2013</b>		<b>Fall 2012</b>		<b>Fall 2011</b>		<b>Fall 2010</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Under 18	4,372	11.54%	4,501	11.66%	3,965	9.87%	3,487	8.30%	3,247	7.81%
18 -21	13,605	35.90%	13,641	35.33%	13,877	34.56%	14,381	34.24%	14,371	34.56%
22 - 24	5,436	14.34%	5,311	13.76%	5,772	14.37%	6,331	15.07%	6,345	15.26%
25 - 35	9,633	25.42%	9,665	25.03%	10,665	26.56%	11,608	27.64%	11,508	27.68%
36 - 50	3,843	10.14%	4,323	11.20%	4,674	11.64%	4,929	11.73%	4,891	11.76%
51 & over	1,011	2.66%	1,170	3.03%	1,206	3.00%	1,268	3.02%	1,220	2.93%
<b>Total</b>	<b>37,900</b>	<b>100.00%</b>	<b>38,611</b>	<b>100.00%</b>	<b>40,159</b>	<b>100.00%</b>	<b>42,004</b>	<b>100.00%</b>	<b>41,582</b>	<b>100.00%</b>

<b>Average Age</b>	25.2	25.6	25.9	26.1	26.0
--------------------	------	------	------	------	------

**Source:**

ACC Office of Institutional Effectiveness



**AUSTIN COMMUNITY COLLEGE DISTRICT  
Austin, Texas**

**STATISTICAL SECTION  
(UNAUDITED)**

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
21,115	55.79%	19,055	56.50%	18,033	56.67%	17,670	55.90%	17,187	56.35%
16,735	44.21%	14,673	43.50%	13,789	43.33%	13,940	44.10%	13,315	43.65%
<u>37,850</u>	<u>100.00%</u>	<u>33,728</u>	<u>100.00%</u>	<u>31,822</u>	<u>100.00%</u>	<u>31,610</u>	<u>100.00%</u>	<u>30,502</u>	<u>100.00%</u>

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
21,720	57.38%	19,580	58.05%	18,884	59.34%	18,648	58.99%	18,265	59.88%
9,440	24.94%	8,316	24.66%	7,475	23.49%	7,696	24.35%	7,156	23.46%
3,263	8.62%	2,753	8.16%	2,498	7.85%	2,405	7.61%	2,238	7.34%
2,026	5.35%	1,876	5.56%	1,651	5.19%	1,506	4.76%	1,481	4.86%
333	0.88%	287	0.85%	279	0.88%	277	0.88%	219	0.72%
476	1.26%	477	1.41%	564	1.77%	634	2.01%	659	2.16%
592	1.57%	439	1.31%	471	1.48%	444	1.40%	484	1.58%
<u>37,850</u>	<u>100.00%</u>	<u>33,728</u>	<u>100.00%</u>	<u>31,822</u>	<u>100.00%</u>	<u>31,610</u>	<u>100.00%</u>	<u>30,502</u>	<u>100.00%</u>

Fall 2009		Fall 2008		Fall 2007		Fall 2006		Fall 2005	
Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
2,913	7.70%	2,718	8.06%	2,427	7.63%	2,211	6.99%	1,993	6.53%
13,765	36.37%	13,016	38.59%	12,513	39.32%	12,318	38.97%	11,766	38.57%
5,822	15.38%	5,115	15.17%	4,948	15.55%	5,074	16.05%	5,105	16.74%
10,017	26.46%	8,493	25.18%	7,833	24.62%	7,993	25.29%	7,729	25.34%
4,296	11.35%	3,553	10.53%	3,348	10.52%	3,304	10.45%	3,214	10.54%
1,037	2.74%	833	2.47%	753	2.36%	710	2.25%	695	2.28%
<u>37,850</u>	<u>100.00%</u>	<u>33,728</u>	<u>100.00%</u>	<u>31,822</u>	<u>100.00%</u>	<u>31,610</u>	<u>100.00%</u>	<u>30,502</u>	<u>100.00%</u>

25.8

25.3

25.3

25.3

25.4

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Transfers to Senior Institutions**

**2013-2014 Students as of Fall 2014**

(Includes only public senior colleges in Texas)

	Transfer Student Count <b>(Academic)</b>	Transfer Student Count <b>(Technical)</b>	Transfer Student Count <b>(Tech-Prep)</b>	Total of all ACC Transfer Students	% of all ACC Transfer Students
1 The University of Texas at Austin	2,775	471	190	3,436	35.59%
2 Texas State University - San Marcos	2,363	402	265	3,030	31.41%
3 Texas A&M University	595	154	41	790	8.19%
4 Texas Tech University	392	107	39	538	5.58%
5 The University of Texas at San Antonio	224	48	29	301	3.12%
6 University of North Texas	167	33	19	219	2.27%
7 The University of Texas at Dallas	99	26	27	152	1.58%
8 The University of Texas at Arlington	89	32	9	130	1.35%
9 University of Houston	96	16	9	121	1.25%
10 Texas A&M University - Corpus Christi	73	27	9	109	1.13%
11 Sam Houston State University	65	19	7	91	0.94%
12 Tarleton State University	67	14	5	86	0.89%
13 Stephen F. Austin State University	57	14	9	80	0.83%
14 Texas Tech University Health Sciences Center	39	17	2	58	0.60%
15 Angelo State University	34	8	3	45	0.47%
16 Texas Woman's University	31	8	3	42	0.44%
17 The University of Texas at Tyler	22	5	2	29	0.30%
18 The University of Texas Medical Branch at Galveston	22	4	1	27	0.28%
19 Texas A&M University at Galveston	23	3	-	26	0.27%
20 The University of Texas Health Science Center at San Antonio	18	5	2	25	0.26%
21 Texas A&M University System Health Science Center	17	5	-	22	0.23%
22 Texas A&M University - Commerce	12	9	-	21	0.22%
23 The University of Texas - Pan American	13	5	3	21	0.22%
24 West Texas A&M University	16	5	-	21	0.22%
25 Lamar University	11	4	5	20	0.21%
26 Prairie View A&M University	11	6	2	19	0.20%
27 Texas A&M University - Kingsville	14	3	2	19	0.20%
28 The University of Texas Health Science Center at Houston	16	3	-	19	0.20%
29 University of Houston - Downtown	11	5	3	19	0.20%
30 University of Houston - Victoria	11	5	3	19	0.20%
31 Texas A&M University - Central Texas	14	2	1	17	0.18%
32 The University of Texas at El Paso	12	1	1	14	0.15%
33 The University of Texas of the Permian Basin	13	-	-	13	0.13%
34 Texas Southern University	10	1	1	12	0.12%
35 University of North Texas Health Science Center	8	1	-	9	0.09%
36 Midwestern State University	6	2	-	8	0.08%
37 The University of Texas at Brownsville	4	2	2	8	0.08%
38 Sul Ross State University	3	1	2	6	0.06%
39 Texas A&M International University	5	-	-	5	0.05%
40 University of Houston - Clear Lake	4	1	-	5	0.05%
41 The University of Texas Southwestern Medical Center	4	-	-	4	0.04%
42 Texas A&M University - San Antonio	2	1	-	3	0.03%
43 Baylor College of Medicine	2	1	-	3	0.03%
44 Texas A&M University - Texarkana	2	-	-	2	0.02%
45 The University of Texas M.D. Anderson Cancer Center	2	-	-	2	0.02%
46 Sul Ross State University - Rio Grande College	-	-	1	1	0.01%
47 Texas Tech University Health Sciences Center - El Paso	1	-	-	1	0.01%
Totals	7,475	1,476	697	9,648	100.00%

**Source:**

Texas Higher Education Coordinating Board's Automated Student and Adult Learner Follow-Up System

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**STATISTICAL SECTION**  
**(UNAUDITED)**

**Capital Asset Information**

**Last Ten Fiscal Years**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Academic Buildings	43	43	41	40	38	35	29	28	27	26
Square footage (in thousands)	3,026	3,026	2,736	2,676	2,084	1,610	1,166	1,161	1,137	1,026
Administrative and Support Buildings	2	2	2	2	2	2	2	2	2	2
Square footage (in thousands)	168	168	168	168	168	168	168	168	168	168
Portable Buildings	10	10	10	10	10	10	10	10	10	10
Fall Arrest System Structures	2	2	2	2	2	1	-	-	-	-
Parking Garages	2	2	2	2	2	2	2	1	1	-
Transportation										
Cars	53	49	43	41	39	37	31	28	26	19
Light Trucks/Vans	92	87	90	87	75	79	75	65	64	57
Other	11	11	13	14	10	-	-	1	1	1

**Source:**

ACC Fact Book

**THIS PAGE LEFT INTENTIONALLY BLANK**

# FEDERAL SINGLE AUDIT SECTION

---



# Padgett Stratemann

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

To the Board of Trustees  
Austin Community College District  
Austin, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Austin Community College District (the "College"), as of and for the year ended August 31, 2015 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 8, 2015. Our report was modified to include a reference to other auditors and also a reference to a restatement of beginning net position and implementation of new accounting standards. We did not audit the financial statements of Austin Community College Foundation, discretely presented component unit, which represents 1%, 20%, and 0.5%, respectively, of the assets and deferred outflows, net position, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts include for this component unit, is based solely on the report of the other auditors. The financial statements of Austin Community College Foundation, audited separately by other auditors, was not audited in accordance with *Government Auditing Standards*.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of College's internal control.

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

#### **AUSTIN**

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

#### **HOUSTON**

1980 POST OAK BOULEVARD, SUITE 1100  
HOUSTON, TEXAS 77056  
713 335 8630

#### **SAN ANTONIO**

100 N.E. LOOP 410, SUITE 1100  
SAN ANTONIO, TEXAS 78216  
210 828 6281

TOLL FREE: 800 879 4966  
WEB: PADGETT-CPA.COM

**THIS PAGE LEFT INTENTIONALLY BLANK**

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

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

*Padgett, Statemann + Co., L.L.P.*

Austin, Texas  
December 8, 2015



**THIS PAGE LEFT INTENTIONALLY BLANK**



# Padgett Stratemann

## Independent Auditor's Report on Compliance For the Major Federal Program and on Internal Control Over Compliance as Required by OMB Circular A-133

To the Board of Trustees  
Austin Community College District  
Austin, Texas

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

We have audited the Austin Community College District's (the "College") compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended August 31, 2015. The College's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance of the College's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

#### **AUSTIN**

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

#### **HOUSTON**

1980 POST OAK BOULEVARD, SUITE 1100  
HOUSTON, TEXAS 77056  
713 335 8630

#### **SAN ANTONIO**

100 N.E. LOOP 410, SUITE 1100  
SAN ANTONIO, TEXAS 78216  
210 828 6281

TOLL FREE: 800 879 4966  
WEB: PADGETT-CPA.COM

**THIS PAGE LEFT INTENTIONALLY BLANK**

### ***Opinion on the Major Federal Program***

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended August 31, 2015.

### ***Report on Internal Control Over Compliance***

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Padgett, Stratemann & Co., L.L.P.*

Austin, Texas  
December 8, 2015

**THIS PAGE LEFT INTENTIONALLY BLANK**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended August 31, 2015**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Aid Cluster			
Federal Supplemental Education Opportunity Grants	84.007		\$ 780,255
Federal Work-Study Program	84.033		636,894
Federal Pell Grant Program	84.063		31,708,162
Federal Direct Student Loans	84.268		22,179,471
Childcare Access Means Parents in School	84.335A	P335A140013	108,663
Pass-Through From:			
Texas Education Agency			
Texas A&M University			
Adult Education Basic Grants to States	84.002	02-S140280	72,608
Texas Workforce Commission			
Adult Education Basic Grants to States	84.002A	1414AEL000	1,388,620
Adult Education Basic Grants to States	84.002A	1414ABE000	255,965
Adult Education Basic Grants to States	84.002A	1414AEL000	10,000
Texas Higher Education Coordinating Board			
Career and Technical Education - Basic Grants to States	84.048	13422	1,051,120
Career and Technical Education - Basic Grants to States	84.048A	3202	20,000
Education Service Center, Region 13			
Twenty First Century Community Learning Centers	84.287C	156950167110016	62,167
Twenty First Century Community Learning Centers	84.287C	156950167110016	5,194
Total U.S. Department of Education			<u>58,279,119</u>
<u>U.S. Department of Agriculture</u>			
Pass-Through From:			
Texas State University San Marcos			
Hispanic Serving Institutions Education Grants	10.223	15009-82203-1	12,000
<u>U.S. Department of Labor</u>			
Pass-Through From:			
Sinclair Community College			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant	17.282	TC-23784-12-60-A-39	768,064
Northern Virginia Community College			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant	17.282	TC-23776-12-60-A-51	712,951
Forsyth Community College			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant	17.282	TC-23761-12-60-A-37	157,740
Texas Education Agency:			
Texas Workforce Commission			
Employment Service/Wagner-Peyser Funded Act	17.207	1415WPB000	246,760
Workforce Solutions			
Workforce Innovation Fund	17.283	WIF ACE 13.15	176,995
Total U.S. Department of Labor			<u>2,062,510</u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended August 31, 2015**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<u>National Science Foundation</u>			
Direct Programs:			
Education and Human Resources Cluster			
Education and Human Resources	47.076	DUE-0965872	111,820
Education and Human Resources	47.076	DUE-1122660	5,268
Pass-Through From:			
City College of San Francisco			
Education and Human Resources	47.076	11-B-141	33,316
City College of San Francisco			
Education and Human Resources	47.076	DUE-0903317	89,908
Rochester Institute of Technology			
Education and Human Resources	47.076	DUE-1104229	30,842
Total National Science Foundation			<u>271,154</u>
<u>U.S. Environmental Protection Agency</u>			
P3 Award: National Student Design	66.516	83572601	11,493
<u>U.S. Department of Energy</u>			
Pass-Through From:			
City of Austin	81.086	DE-FOA-0000708	59,827
<u>Corporation of National and Community Service</u>			
Pass-Through From:			
AARP Foundation			
Social Innovation Fund	94.019	INC-2015-03-0001	11,266
<u>U.S. Department of Health and Human Services</u>			
Pass-Through From:			
Texas Workforce Commission			
Temporary Assistance for Needy Families	93.558	1414ABE000	11,015
Temporary Assistance for Needy Families	93.558	1414AEL001	143,277
Temporary Assistance for Needy Families	93.558	1414AEL000	61,215
University of Texas Medical Branch at Galveston, East Texas			
AHEC Area Health Education Centers Point of Service			
Maintenance and Enhancement Awards	93.107	5U77HP01066-12-00	92,500
Total U.S. Department of Health and Human Services			<u>308,007</u>
Total Federal Financial Assistance			<u>\$ 61,015,376</u>

Notes to Schedule on Following Page

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended August 31, 2015**

**NOTE 1: FEDERAL ASSISTANCE RECONCILIATION**

Federal Grants and Contracts Revenue - per Schedule of Operating Revenues (Schedule A)	\$	6,347,487
Federal Revenue, Non Operating - per Schedule of Non-Operating Revenues and Expenses (Schedule C)		32,488,418
Federal Direct Student Loans		<u>22,179,471</u>
Total Federal Revenues per Schedule of Expenditures of Federal Awards (Schedule E)	\$	<u><u>61,015,376</u></u>

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING SCHEDULE**

The expenditures included in the schedule are reported for the College's fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**NOTE 3: AMOUNTS PASSED THROUGH BY THE COLLEGE**

The following amounts were passed-through to the listed sub-recipients by the College. These amounts were from the Texas Workforce Commission CFDA #93.558 from U.S. Department of Health and Human Services.

Advocacy Outreach	\$	50,681
Austin Independent School District		<u>92,597</u>
Total	\$	<u><u>143,278</u></u>

The following amount was passed-through to the listed sub-recipient by the College. This amount was from the Texas Workforce Commission CFDA #84.002A from the U.S. Department of Education.

Austin Independent School District	\$	255,965
Communities in Schools Central Texas		<u>72,000</u>
Total	\$	<u><u>327,965</u></u>



**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2015**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

***Federal Awards:***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

***Identification of Major Programs:***

<u>Federal CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2015**

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2015.

**SECTION III - FEDERAL AWARDS FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2015.

**SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2015.

**THIS PAGE LEFT INTENTIONALLY BLANK**

# STATE SINGLE AUDIT SECTION

---



## Padgett Stratemann

### Independent Auditor's Report on Compliance For Each Major State Program and on Internal Control Over Compliance as Required by the State of Texas Single Audit Circular

To the Board of Trustees  
Austin Community College District  
Austin, Texas

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

We have audited the Austin Community College District (the "College") compliance with the types of compliance requirements described in the State of Texas *Single Audit Circular* that could have a direct and material effect on each of the College's major state programs for the year ended August 31, 2015. The College's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### ***Auditor's Responsibility***

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

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

**THIS PAGE LEFT INTENTIONALLY BLANK**

### ***Opinion on each Major State Programs***

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State of Texas *Single Audit Circular* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-01. Our opinion on each major state program is not modified with respect to this matter.

The College's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control Over Compliance***

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

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

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

**THIS PAGE LEFT INTENTIONALLY BLANK**



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State of Texas *Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Padgett, Stratemann + Co., L.L.P.

Austin, Texas  
December 8, 2015

**THIS PAGE LEFT INTENTIONALLY BLANK**

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For The Year Ended August 31, 2015**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Total Expenditures</u>
<u>Texas Higher Education Coordinating Board (THECB)</u>		
Fifth Year Accounting Scholarship		\$ 13,500
Integrated Reading & Writing	12079/12864	53,369
Nursing Shortage Reduction Program Over 70 FY2011		252,917
Nursing Shortage Reduction Program Over 70 FY2014		141,277
Regional College Readiness Special Advisors	11340	7,317
THECB Nursing & Allied Health	14114	125,122
Texas B-On Time Loan Program		5,831
Texas-Science, Technology, Engineering and Math (T-STEM) Challenge Scholarship Program	13493	363,289
Texas-Science, Technology, Engineering and Math (T-STEM) Challenge Scholarship Program	15138	37,500
Texas Grant Fund	13099	(750)
Texas Grant Fund	13099	373,575
Top 10% Scholarship	20356	5,200
Texas Education Opportunity Grant	13399	1,631,564
Texas College Fund 2015	22339	117,127
Texas College Fund 2016	22339	1,544
Trinity Valley Community College - Nursing Innovation Grant		2,371
Texas College & Career Readiness, Profile Planning Guide	12034	46,608
Work Study Student Mentorship Program	11827	1,741
Total of THECB		3,179,102
<u>Texas Comptroller of Public Accounts</u>		
Law Enforcement Education		9,035
<u>Texas Workforce Commission</u>		
Visa Skill Development Fund	1413SDF000	42,407
Visa Skill Development Fund Phase II	1415SDF001	6,173
ST David Hospital Consortium	1415SDF000	390,964
Skills Development Fund Veteran and Industry Partnership	1414SDF001	538,611
Advanced Technology and Manufacturing Consortium	1414SDF000	732,561
Skills for Small Businesses	1413SSD000	16,576
Total Texas Workforce Commission		1,727,292
<u>U.S Department Education</u>		
Pass-Through From:		
Texas Workforce Commission		
Adult Education	1414ABE000	9,949
Adult Education	1414AEL000	345,492
Adult Education - TANF State 15-16	1414AEL000	63,250
Total Skill Development Program		418,691
<b>Total Expenditures of State Awards</b>		<b>\$ 5,334,120</b>

Notes to Schedule on Following Page

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
**For The Year Ended August 31, 2015**

---

**NOTE 1: STATE ASSISTANCE RECONCILIATION**

State Grants and Contracts Revenue - per Schedule of Operating Revenues (Schedule A)	\$ 5,924,292
Reconciling Items:	
Texas Technology Fund	<u>(590,172)</u>
Total State Revenues per Schedule of Expenditures of State Awards (Schedule F)	<u><u>\$ 5,334,120</u></u>

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING SCHEDULE**

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

**NOTE 3: AMOUNTS PASSED THROUGH BY THE COLLEGE**

The following amounts were passed-through to the listed sub-recipients by the college. These amounts were from the Texas Workforce Commission #1414AEL000 from U.S. Department of Education.

Ascend Center for Learning	\$ 13,945
Austin Learning Academy	334,959
Literacy Coalition of Central Texas	24,055
Youth and Family Alliance	<u>25,250</u>
Total	<u><u>\$ 398,209</u></u>

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2015**

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

***State Awards:***

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the State of Texas Single Audit Circular?	Yes

***Identification of Major Programs:***

<u>State Identifying Number</u>	<u>Name of State Program</u>
13099	Texas Grant Fund (tested as part of the Student Financial Assistance Cluster)
13399	Texas Education Opportunity Grant (tested as part of the Student Financial Assistance Cluster)
22339	Texas College Fund (tested as part of the Student Financial Assistance Cluster)
1414SDF000	Advanced Technology and Manufacturing Consortium
1415SDF000	St. David's Hospital Consortium
n/a	Nursing Shortage Reduction Program Over 70 FY 2011 & 2014

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2015**

---

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

**SECTION II – FINANCIAL STATEMENT FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2015.

**SECTION III - STATE AWARDS FINDINGS AND QUESTIONED COSTS**

Finding 2015–01: Subrecipient Monitoring

State Program: St. David Hospital Consortium

Grant Contract Number: Texas Workforce Commission (“TWC”) #1415SDF000

Type of Finding: Noncompliance

*Criteria:* The State of Texas *Single Audit Circular*, requires as part of a pass-through entity’s responsibilities, they monitor the activities of subrecipients as necessary to ensure that state awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved.

*Condition:* The College does not have adequate procedures in place to properly monitor St. David’s and ensure they are complying with grant requirements, such as eligibility, enrolled participants, and reporting requirements.

*Questioned costs:* None

*Context:* While performing audit procedures over trainee information forms (TIFs), we noted data inconsistencies in the sample of 1 of 2 TIFs. The TIFs are prepared by St. David’s and the noted inconsistencies were invoices which were submitted by the College to TWC and the participant rosters maintained by St. David’s for enrolled participants. In addition, the College is dependent on St. David’s to determine eligibility of the participants without monitoring the process or the controls in place to ensure eligibility is determined accurately.

*Effect:* The College is not in compliance with state guidelines over subrecipient monitoring.

*Cause:* The College does not perform subrecipient monitoring over St. David’s for eligibility and support for invoices submitted to the College back to rosters and TIFs maintained by St. David’s.

*Recommendation:* The College should establish procedures including monitoring controls to ensure that St. David’s is complying with grant requirements.

**AUSTIN COMMUNITY COLLEGE DISTRICT**  
**Austin, Texas**

**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended August 31, 2015**

---

*Views of responsible officials and corrective actions:*

The College accepts this finding and has already begun working with St. David's to identify the needed improvements in subrecipient monitoring. Any needed improvements will be implemented immediately.

**SECTION IV – SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2015.

**THIS PAGE LEFT INTENTIONALLY BLANK**





HAYS CAMPUS



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

TOW AWAY ZONE

FIRE LANE

N