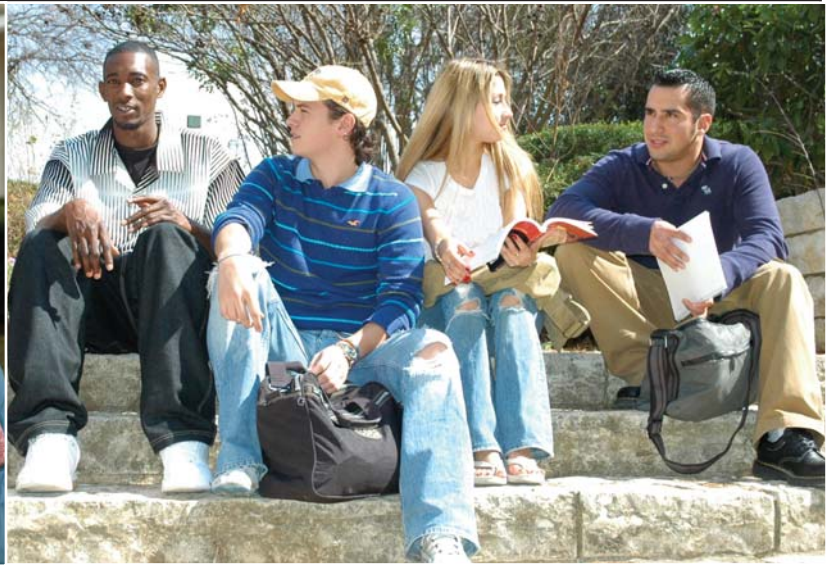


# Comprehensive Annual Financial Report

For the Years Ended August 31, 2017 and 2016



**Alamo Community College District**  
San Antonio, Texas



ALAMO  
COLLEGES  
DISTRICT

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

# **ALAMO COMMUNITY COLLEGE DISTRICT**

**San Antonio, Texas**

## **Comprehensive Annual Financial Report**

**For the Years Ended  
August 31, 2017 and 2016**

**Prepared by:**

**Finance and Fiscal Services Department**



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

**INTRODUCTORY SECTION**

Transmittal Letter .....	1
Organizational Data .....	6
Mission, Vision and Values .....	8
Certificate of Achievement for Excellence in Financial Reporting – August 31, 2016.....	9

**FINANCIAL SECTION**

Report of Independent Certified Public Accountants .....	13
Management’s Discussion and Analysis (Unaudited) .....	17
Basic Financial Statements	
Exhibit 1—Statements of Net Position.....	31
Exhibit 1A—Statements of Financial Position (Alamo Colleges Foundation, Inc.) .....	32
Exhibit 1B—Statements of Net Position (ACCD Public Facility Corporation) .....	33
Exhibit 2—Statements of Revenues, Expenses and Changes in Net Position.....	34
Exhibit 2A—Statements of Activities (Alamo Colleges Foundation, Inc.).....	35
Exhibit 2B—Statements of Revenues, Expenses and Changes in Net Position (ACCD Public Facility Corporation) .....	36
Exhibit 3—Statements of Cash Flow.....	37
Notes to Financial Statements .....	39
Required Supplementary Information	
Schedule of District’s Proportionate Share of Net Pension Liability .....	81
Schedule of District Contributions .....	82
Notes to Required Supplementary Information .....	83
Supplementary Information	
Schedule A—Schedule of Operating Revenues .....	87
Schedule B—Schedule of Operating Expenses by Object.....	88
Schedule C—Schedule of Non-Operating Revenues and Expenses .....	89
Schedule D—Schedule of Net Position by Source and Availability.....	90
Schedule E—Schedule of Expenditures of Federal Awards.....	91
Notes to Schedule of Expenditures of Federal Awards .....	95
Schedule F—Schedule of Expenditures of State Awards .....	97
Notes to Schedule of Expenditures of State Awards.....	98

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

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

Schedule of Operating Revenues by Location .....	101
Schedule of Operating Expenses by Location.....	102
Schedule of Non-Operating Revenues and Expenses by Location.....	103
Schedule of Capital Assets by Asset Types .....	104
Schedule of Capital Assets by Location.....	105

**STATISTICAL SECTION (Unaudited)**

Statistical Section Introduction.....	109
Statistical Supplement 1—Net Position by Component.....	111
Statistical Supplement 2—Revenues by Source.....	112
Statistical Supplement 3—Program Expenses by Function .....	113
Statistical Supplement 4—Tuition and Fees.....	114
Statistical Supplement 5—Assessed Value and Taxable Assessed Value of Property .....	115
Statistical Supplement 6—State Appropriations per FTSE and Contact Hours.....	116
Statistical Supplement 7—Principal Taxpayers.....	117
Statistical Supplement 8—Property Tax Levies and Collections.....	118
Statistical Supplement 9—Ratios of Outstanding Debt.....	119
Statistical Supplement 10—Legal Debt Margin Information.....	120
Statistical Supplement 11—Pledged Revenue Coverage .....	121
Statistical Supplement 12—Demographics and Economic Statistics—Taxing District .....	122
Statistical Supplement 13—Principal Employers .....	123
Statistical Supplement 14—Faculty, Staff and Administrators Statistics .....	124
Statistical Supplement 15—Enrollment Details .....	125
Statistical Supplement 16—Student Profile.....	126
Statistical Supplement 17—Transfer Students to Senior Institutions .....	127
Statistical Supplement 18—Capital Asset Information.....	128

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

**SINGLE AUDIT SECTION**

Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	131
Report of Independent Certified Public Accountants on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance Audit Circular.....	133
Schedule of Federal Findings and Questioned Costs.....	135
Summary Schedule of Prior Year Audit Findings - Federal .....	136
Report of Independent Certified Public Accountants on Compliance for Each Major State Program and on Internal Control Over Compliance Required by the State of Texas Uniform Grant Management Standards .....	137
Schedule of State of Texas Findings and Questioned Costs.....	139



ALAMO  
COLLEGES  
DISTRICT

## **Introductory Section**





ALAMO  
COLLEGES  
DISTRICT



December 12, 2017

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

We are proud to submit the following comprehensive annual financial report (CAFR) for the Alamo Community College District (Alamo Colleges District or District) for the fiscal years ended August 31, 2017 and 2016. The CAFR has been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and complies with the Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

State statute requires an annual audit by independent certified public accountants. The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In 2017, the Board of Trustees of the Alamo Colleges District affirmed the selection of the independent accounting firm of Grant Thornton to perform the annual audit. In addition to meeting the requirements set forth in state statutes, their audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related Uniform Guidance and State of Texas Uniform Grant Management Standards. The auditor's report related specifically to the single audit is included in the Single Audit Section of this CAFR.

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

## **Profile**

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

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

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

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

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

### **Economic Conditions and Outlook**

The Alamo Colleges District operates in the strong economic area of San Antonio, Bexar County and surrounding counties. In August 2017, the San Antonio Business-Cycle Index, which tracks aggregate economic activity and is an indicator of the state of the overall economy, expanded at its fastest pace since 2016 as the unemployment rate held flat but job growth surged, according to the *Federal Reserve Bank of Dallas*. San Antonio's continued growth is attributed to the combination of lower business costs, continued job growth and a healthy city government. San Antonio is the nation's seventh-largest city, has a dynamic economy rapidly expanding from traditional military and service sectors into telecommunications, biomedical science, information technology, data security and advanced manufacturing. The Alamo



Colleges District has been an integral part of the *Greater San Antonio community for more than 100 years, contributing significantly to the economic and social well-being of those who share this community with the District. It is highly regarded by the local business community for the quality of its workforce training and the success of its graduates. In the economic arena, a sizable 96% of its students stay in the region after they leave college and contribute to the local economy.*

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

- The trend of rising ad valorem tax revenues continued in fiscal year 2017, as revenues from ad valorem taxes increased by 9.2% in 2017 as net assessed property values of the District increased from approximately \$129.6 billion in 2016 to \$142.1 billion in 2017 providing funding for aging facilities' repairs and maintenance. Since fiscal year 2007, revenues from ad valorem taxes have increased by over 98%. The pattern of predictable and increasing property values and ad valorem tax collections relieves pressure to increase the tax rate for the District's constituents. There was no increase in the District's tax rate for fiscal year 2017.
- State appropriations, which are critical to keeping student tuition rates low, remained flat in 2017 when ignoring the effects of the \$4.45 million special item funding for the construction of a veteran's assistance center. However, the State has decreased appropriations by approximately \$14.2 million or 15.8% since fiscal year 2010, as well as shifting 50% of the eligible employees in the employee health and retirement benefit cost to the District. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement and student success outcomes. For fiscal year 2017, the State only provided 27% of the formula funding, down from 75% in 2008/2009.

- In October 2016, the Board of Trustees approved a new tuition and fee schedule, effective Spring 2017, which included a single tuition rate and the new Summer Momentum Plan. The tuition and fee schedule is designed to result in tuition equity, increased student success outcomes focused on completion, annual tuition savings and increased student persistence made possible by free summer courses. The change to a single tuition rate on a per credit hour basis unbundled the banded rate for students taking 6 hours or less, resulting in a more equitable rate that further promotes student success while generating the same amount of revenue. The Summer Momentum Plan provides students that complete 24 combined credit hours in the Fall and Spring semesters with 6 free credit hours during the Summer semester, which amounts to a savings of \$516 (\$86 per semester credit hour times 6 hours). Students that complete 18 combined credit hours in the Fall and Spring semesters under the plan receive 3 free credit hours during the Summer semester, which amounts to a savings of \$258 (\$86 per semester credit hour times 3 hours).

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

### Strategic and Long-Term Financial Planning



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

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

preventive maintenance and student success initiatives. A separate ten-year plan for the Alamo Colleges District projects an average of 2.01% year over year enrollment growth, while maintaining service levels and faculty staffing to provide excellent education for our students. The plan incorporates modest increases in tuition and fees, continued expectation of declining state appropriations and increases in property values.

### Major Initiatives

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

The Alamo Colleges District continues to make significant progress on achieving greater student success, with a record 12,759 degrees and certificates awarded to students in fiscal year 2017, eclipsing the previous record of 12,009 awarded in the previous fiscal year. This achievement represents a tremendous 244% increase in degrees and certificates awarded between fiscal years 2006 and 2017, the largest increase among community colleges in Texas, and makes the Alamo Colleges District the largest producer of degrees and certificates among all community colleges in the State of Texas. This improvement is directly related to two major initiatives implemented by the District. First, the 4DX, the *Four Disciplines of Execution*, provides a simple, repeatable set of practices for organizations and individuals to focus on what is important, to execute strategic priorities and to achieve superb results. Second, the District also implemented MyMap (My Monitoring Academic Progress) which proactively engages students with deliberate activities at designated touch-points to ensure a consistent experience for students as they connect, enter, progress and complete their college goal.

### Awards and Acknowledgments

The Alamo Colleges District continues to be recognized both locally and nationally as a leader in higher education. All four of the accredited colleges in the Alamo Colleges District have been named to the *Aspen Institute's* list of 150 community colleges in the U.S. and are now eligible to compete for the 2019 Aspen Prize for Community College Excellence. This is the first time nationally that four colleges from the same community college system have been nominated in the same year. The Aspen Prize is the nation's signature recognition of high achievement and performance for America's community colleges. The four colleges from the Alamo Colleges District were selected from a pool of nearly 1,000 public two-year colleges nationwide to compete for the \$1 million Aspen Prize in the categories of student learning, certificate and degree completion, employment and earnings and high levels of access and success for minority and low-income students.

The Alamo Colleges District's Central Texas Technology Center (CTTC) in New Braunfels received the 2017 *Alamo Area Council of Government's* (AACOG) Regional Award for government project of the year. The award specifically recognizes the center for its \$6.3 million expansion project which added 30,000 square feet to the center that was completed in Fall 2016. The expansion of the center enables more students to enroll in academic courses and workforce programs that prepare them for high-demand, well-paid jobs in the area.

Standard and Poor's (S&P) and Moody's, two of the "Big Three" credit rating agencies, affirmed the Alamo Colleges District's general obligation bonds AAA credit rating during fiscal year 2017. This is the highest rating possible and ensures that the District's bonds have the lowest possible interest rates, producing significant interest expense savings for Bexar County taxpayers over the life of the bonds. S&P cited the District's deep and diverse economic base in Bexar County, a strong financial position with a diverse revenue stream and substantial operating flexibility as reasons for the top rating. S&P also gave the Alamo Colleges District a strong rating for its Financial Management Assessment (FMA), indicating that the District's financial practices are strong, well embedded and sustainable. Moody's rating agency cited the District's sizeable and growing tax base in the robust San Antonio metropolitan area, history of stable financial performance and significant financial flexibility under the voter-approved tax cap as contributing factors for its high rating. The Alamo Colleges District is one of only three community college districts in Texas and one of only 11 community colleges in the nation that has received the highest possible rating from both of the top rating agencies.

The Alamo Colleges District has also earned numerous awards in the areas of procurement, budgeting and finance. For the sixth and seventh consecutive years, respectively, the Alamo Colleges District was awarded the National Achievement of Excellence in Procurement Award from the *National Procurement Institute* and the Distinguished Budget Presentation Award from the *Government Finance Officers Association* (GFOA). In addition, the Alamo Colleges District was the only community college in Texas awarded the Certificate of Distinction by the *Government Treasurers' Organization of Texas* (GTOT) for its investment policy in fiscal year 2017.



The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Alamo Colleges District for its comprehensive annual financial report for the fiscal year ended August 31, 2016. This was the eighth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year 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.

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

**Diane E. Snyder** Digitally signed by Diane E. Snyder  
DN: cn=Diane E. Snyder, o=Alamo Colleges,  
ou=VCFA, email=dsnyder12@alamo.edu, c=US  
Date: 2017.12.13 15:27:59 -06'00'

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

**Pamela K. Ansboury** Digitally signed by Pamela K. Ansboury  
DN: cn=Pamela K. Ansboury, o=Alamo Colleges,  
ou=Finance and Fiscal Services,  
email=pansboury@alamo.edu, c=US  
Date: 2017.12.13 15:41:42 -06'00'

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

## ALAMO COMMUNITY COLLEGE DISTRICT

### ORGANIZATIONAL DATA August 31, 2017

#### ELECTED OFFICIALS\*

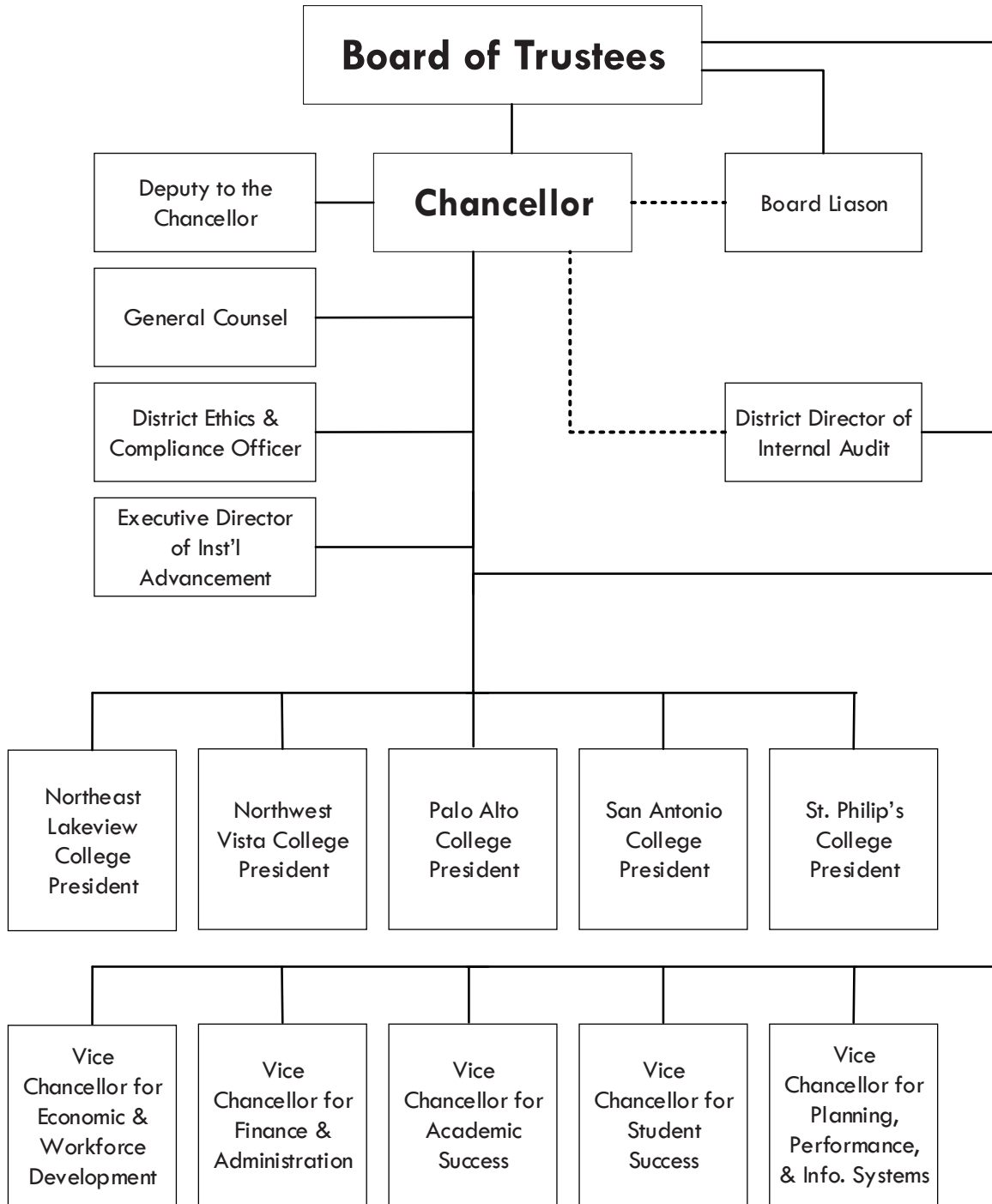
Member	Position	City, State	Term Expires
Dr. Yvonne Katz	Chairperson	San Antonio, Texas	2018
Marcelo Casillas	Vice-Chairperson	San Antonio, Texas	2020
Dr. Gene Sprague	Secretary	Helotes, Texas	2018
Denver McClendon	Assistant Secretary	San Antonio, Texas	2022
Anna U. Bustamante	Member of the Board	San Antonio, Texas	2022
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	2022
Clint Kingsbery	Member of the Board	San Antonio, Texas	2020
Roberto Zárate	Member of the Board	San Antonio, Texas	2018

\*At a special meeting of the Alamo Colleges District Board of Trustees on November 8, 2017, Joe Jesse Sanchez was sworn in as the District 9 Trustee, filling the seat previously occupied by James A. Rindfuss, who passed away on August 15, 2017. Sanchez will serve until May 2018 when elections for several positions on the Board, including District 9, will be held.

#### ADMINISTRATIVE OFFICIALS

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

ALAMO COMMUNITY COLLEGE DISTRICT





## ALAMO COMMUNITY COLLEGE DISTRICT

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

### MISSION

Empowering our diverse communities for success.

### VISION

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

### VALUES

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



STUDENTS FIRST



RESPECT FOR ALL



COMMUNITY-ENGAGED



CAN-DO SPIRIT



COLLABORATION



DATA-INFORMED



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Alamo Community College District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2016**

Executive Director/CEO



## **Financial Section**





## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management and Board of Trustees  
Alamo Community College District

Grant Thornton LLP  
112 East Pecan Street, Suite 2800  
San Antonio, Texas 78205-9111

T 210-881-1800  
F 210-881-1805  
[www.GrantThornton.com](http://www.GrantThornton.com)

### **Report on the financial statements**

We have audited the accompanying financial statements of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (the "District") as of and for the years ended August 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District'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 these financial statements based on our audits. We did not audit the financial statements of Alamo Colleges Foundation, Inc. or the ACCD Public Facility Corporation, which collectively represent 100% percent of the assets, net position or net assets and revenues of the aggregate discretely presented component units of the District as of and for the years ended August 31, 2017 and 2016. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, are based solely on the reports of other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Alamo Colleges Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

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

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

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

### **Opinion**

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of August 31, 2017 and 2016, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other matters**

#### ***Required supplementary information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 29, and Schedule of District's Proportionate Share of Net Pension Liability and Schedule of District's Contributions on pages 81 through 82 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards for the year ended August 31, 2017, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Schedule of Expenditures of State Awards for the year ended August 31, 2017, as required by the State of Texas Uniform Grant Management Standards, the Schedule of Operating Revenues for the year ended August 31, 2017, the Schedule of

Operating Expenses by Object for the year ended August 31, 2017, the Schedule of Non-Operating Revenues and Expenses for the year ended August 31, 2017, the Schedule of Net Position by Source and Availability for the year ended August 31, 2017, as required by the Texas Higher Education Coordinating Board (“THECB”) (collectively, the “Supplementary Information”) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other information**

The Introductory Section, Other Information-By Location and Statistical Section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other reporting required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 12, 2017, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.



San Antonio, Texas  
December 12, 2017





## ALAMO COMMUNITY COLLEGE DISTRICT

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

Management's Discussion and Analysis (MD&A) is included to provide a narrative introduction, overview and analysis of the financial position and changes in financial position of the Alamo Community College District (Alamo Colleges District, District or ACCD) for the fiscal year ended August 31, 2017. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

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

The District's financial report includes three basic financial statements: the Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2017; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the fiscal year; and the Statements of Cash Flows provide categorized information about cash inflows and outflows for the fiscal year. Highlighted information from each basic financial statement is presented below.

- Total assets increased \$51.6 million and total liabilities increased \$23.1 million.
- The District's net position at August 31, 2017 was \$294.7 million, reflecting a \$30.0 million increase from the prior year.
- The District's operating loss was \$318.3 million.
- Cash and Cash Equivalents increased \$53.9 million during the year ended August 31, 2017.
- The bond rating for the District's general obligations bonds is Aaa by Moody's Investors Service and AAA by Standard & Poor's, both the highest rating possible.

The financial statements for the District's component unit, the Alamo Colleges Foundation, Inc. (the Foundation), are discretely presented with the financial statements of the District since the economic resources received or held by the Foundation that the District is entitled to, or has the ability to otherwise access, are significant to the District (Notes 1 and 23). The separately issued financial statements of the Foundation can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

In fiscal year 2012, the Alamo Colleges District formed the ACCD Public Facility Corporation (the PFC) for the sole purpose of assisting the District in the financing or acquisition of public facilities. The PFC was incorporated on September 23, 2011 as a public non-profit corporation under the Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended. Based on guidance included in GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, the PFC is reported as a discrete component unit in the financial statements of the District (Notes 1 and 24). The separately issued financial statements of the PFC can be obtained from the Finance and Fiscal Services department of the Alamo Colleges District.

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

#### Statements of Net Position

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

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

A Condensed Schedule of Net Position is presented on the following page. Total assets increased 5.7% or \$51.6 million during fiscal year 2017. The increase was primarily the result of a \$53.9 million increase to cash and cash equivalents resulting from debt proceeds received but not spent as of year-end, partially offset by a \$2.2 million decrease to net capital assets related to depreciation taken. In fiscal year 2016, total assets decreased \$11.8 million or 1.3% due to a \$19.0 million decrease to net capital assets as a result of depreciation taken and a \$5.1 million decrease to cash and cash equivalents, offset by increases to accounts receivable and investments of \$5.3 million and \$7.2 million, respectively.

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

During fiscal year 2016, total liabilities decreased by \$28.3 million or 4.2% resulting from a decrease to noncurrent liabilities of \$41.3 million, partially offset by an increase to current liabilities of approximately \$12.9 million or 17.5%. The \$41.3 million decrease to noncurrent liabilities was attributable to scheduled debt service payments of \$24.4 million, a cash defeasance of maintenance tax note debt of \$12.8 million, and an \$8.7 million reduction of principal due to the refunding of Limited Tax Bonds Series 2006 and 2006A. The \$12.9 million increase to current liabilities was primarily due to an increase in the current portion of long-term liabilities of approximately \$9.1 million.

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

In 2016, deferred outflows of resources increased by \$2.7 million and deferred inflows of resources decreased by \$6.3 million. The increase to deferred outflows of resources primarily resulted from a \$2.7 million increase to deferred outflows of resources related to pensions. The \$6.3 million decrease in deferred inflows of resources in fiscal year 2016 was primarily due to the netting of a \$14.2 million deferred outflow related to pensions recorded in 2016 with the unamortized deferred inflow of resources related to pensions balance of \$11.1 million for the difference between expected and actual investment earnings category recorded in 2015. In addition, the District recorded additional deferred inflows of resources related to pensions totaling approximately \$8.5 million related to its participation in TRS.

The District's net position at August 31, 2017 was \$294.7 million compared to \$264.7 million at August 31, 2016. The increase of \$30.0 million is primarily attributable to a \$43.5 million increase to net investment in capital assets resulting from tax revenues used to pay scheduled and additional principal payments on debt. This increase was partially offset by a decrease in restricted, expendable funds due to the use of \$11.7 million of debt service funds and \$5.5 million of TPEG scholarships awarded out of the instructional programs category.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

In 2016, net position increased by \$25.6 million, from \$239.1 million at August 31, 2015 to \$264.7 million at August 31, 2016. This increase resulted from excess revenues over expenses including increased ad valorem tax revenues of \$20.5 million, increased operating grants and contract revenues of \$7.4 million, decreased costs for interest on capital-related debt of approximately \$3.3 million, all partially offset by increased operating expenses of \$5.5 million over fiscal year 2015.

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

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
<b>Assets</b>					
Cash and cash equivalents	\$ 87.5	\$ 33.6	\$ 38.7	\$ 53.9	\$ (5.1)
Accounts and notes receivable, net	11.7	14.5	9.2	(2.8)	5.3
Investments	119.7	117.1	109.9	2.6	7.2
Other	4.5	4.4	4.4	0.1	-
Capital assets	1,104.3	1,077.2	1,066.2	27.1	11.0
Accumulated depreciation	(376.9)	(347.6)	(317.6)	(29.3)	(30.0)
Total assets	950.8	899.2	911.0	51.6	(11.8)
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to bond refundings	7.7	8.1	8.0	(0.4)	0.1
Deferred outflows related to pensions	13.5	11.4	8.7	2.1	2.7
Total deferred outflows of resources	21.1	19.4	16.7	1.7	2.7
<b>Liabilities</b>					
Current liabilities	84.6	86.7	73.8	(2.1)	12.9
Noncurrent liabilities	583.2	557.9	599.2	25.3	(41.3)
Total liabilities	667.8	644.7	673.0	23.1	(28.3)
<b>Deferred Inflows of Resources</b>					
Deferred inflows related to bond refunding	0.7	0.8	0.8	(0.1)	-
Deferred inflows related to pensions	8.7	8.5	14.8	0.2	(6.3)
Total deferred inflows of resources	9.4	9.3	15.6	0.1	(6.3)
<b>Net Position</b>					
Net investment in capital assets	253.8	210.3	188.8	43.5	21.5
Restricted (expendable)	10.5	24.6	24.2	(14.1)	0.4
Unrestricted	30.3	29.8	26.0	0.5	3.8
Total net position	\$ 294.7	\$ 264.7	\$ 239.1	\$ 30.0	\$ 25.6

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

#### Statements of Revenues, Expenses and Changes in Net Position

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

A summarized comparison of the District's revenues, expenses and changes in net position for the years ended August 31, 2017, 2016 and 2015 is presented below in table and chart form.

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

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
<b>Operating revenues and expenses:</b>					
Operating revenues (detail in following sections)	\$ 93.9	\$ 90.9	\$ 84.0	\$ 3.0	\$ 7.0
Operating expenses (detail in following sections)	412.3	392.5	387.0	19.8	5.5
Operating loss	(318.3)	(301.6)	(303.1)	(16.7)	1.5
<b>Non-operating revenues (expenses):</b>					
State appropriations	80.4	77.5	77.5	2.9	-
Ad valorem taxes	205.7	188.3	167.8	17.4	20.5
Federal and State grants, non-operating	82.9	84.2	89.8	(1.3)	(5.6)
Investment income	1.7	1.2	0.8	0.5	0.4
Interest on capital related debt & maintenance tax notes	(20.4)	(20.1)	(23.4)	(0.3)	3.3
Other non-operating expenses	(2.0)	(3.8)	(0.9)	1.8	(2.9)
Total non-operating revenues, net	348.3	327.2	311.6	21.1	15.6
<b>Increase in net position</b>	30.0	25.6	8.5	4.4	17.1
<b>Net position - beginning of year, as restated for FY15</b>	264.7	239.1	230.6	25.6	8.5
<b>Net position - end of year</b>	<u>\$ 294.7</u>	<u>\$ 264.7</u>	<u>\$ 239.1</u>	<u>\$ 30.0</u>	<u>\$ 25.5</u>

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

#### Operating Revenues (in millions)

	2017		2016		2015		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2016 to 2017	2015 to 2016
Net tuition and fees	\$ 54.4	57.9%	\$ 57.5	63.3%	\$ 58.2	69.4%	\$ (3.1)	\$ (0.7)
Grants and contracts	30.5	32.4%	24.8	27.3%	17.4	20.7%	5.7	7.4
Auxiliary enterprises	4.9	5.2%	5.1	5.6%	4.9	5.8%	(0.2)	0.2
Other operating revenues	4.2	4.5%	3.5	3.9%	3.4	4.0%	0.7	0.1
<b>Total operating revenues</b>	<u>\$ 94.0</u>	<u>100.0%</u>	<u>\$ 90.9</u>	<u>100.0%</u>	<u>\$ 84.0</u>	<u>100.0%</u>	<u>\$ 3.1</u>	<u>\$ 7.0</u>

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

As shown in the operating revenues table above, total operating revenues increased \$3.1 million, or 3.3%, during 2017 and increased \$7.0 million or 8.3%, in fiscal year 2016. The \$3.1 million increase in fiscal year 2017 was a result of increases to operating grants and contracts revenue and other operating revenues of \$5.7 million and \$0.7 million, respectively, partially offset by a \$3.1 million decrease in net tuition and fees and a \$0.2 million decrease in auxiliary revenue collections. The \$5.7 million increase to operating grants and contracts is primarily due to a \$1.4 million Health Profession Opportunity Grant (HPOG) from the Department of Health and Human Services to provide education and

## ALAMO COMMUNITY COLLEGE DISTRICT

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

training to low-income individuals for occupations in the health care field; and a \$1.6 million grant from the Department of Housing and Urban Development and a \$2 million grant from the City of San Antonio both to be used for the construction of a veteran's center at St. Philip's College. The \$3.1 million decrease to net tuition and fees is a result of increased waivers and scholarships. The increase in 2016 is primarily due to a \$7.4 million increase in funding received from operating grants and contracts offset by a slight reduction of net tuition and fees of \$0.7 million.

Net non-operating revenues increased by \$21.1 million or 6.4% in 2017 and by \$15.6 million or 5.0% in 2016. The net non-operating revenue growth in fiscal year 2017 was driven by increases to ad valorem tax collections, state appropriations and investment income of \$17.4 million, \$2.9 million and \$0.5 million, respectively, along with decreases to other non-operating expenses, gifts and interest on debt instruments of \$3.6 million, \$1.7 million and \$0.3 million, respectively. These increases to non-operating revenues were partially offset by a decrease in non-operating federal and state grants of \$1.3 million. The \$15.6 million increase in 2016 was due to an increase in ad valorem tax collections of \$20.5 million resulting from an increase to property tax valuations in the District's constituency of over 13%, partially offset by a decrease in non-operating federal and state grants and contract revenues of \$5.6 million.

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

	2017		2016		2015	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	\$ 117.6	93.7%	\$ 110.9	92.5%	\$ 106.0	89.7%
CE and contract training	2.5	2.0%	3.5	2.9%	6.5	5.5%
Fees	5.4	4.3%	5.5	4.6%	5.7	4.8%
<b>Total tuition and fees</b>	<b>\$ 125.5</b>	<b>100.0%</b>	<b>\$ 119.8</b>	<b>100.0%</b>	<b>\$ 118.2</b>	<b>100.0%</b>
<b>Waivers and financial aid as a % of total tuition and fees:</b>						
	Amount	% of Total	Amount	% of Total	Amount	% of Total
	Tuition & Fees		Tuition & Fees		Tuition & Fees	
Waivers and financial aid	\$ 71.2	56.7%	\$ 62.4	52.1%	\$ 60.0	50.8%

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

The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented above. For financial statement presentation, total tuition and fees are represented net of waivers and financial aid applicable to tuition and fees, referred to as discounts, as well as bad debt expenses. The table indicates the sources of tuition and fees, as well as discounts. For 2017, tuition represents 93.7% of the total tuition and fee revenue, with fees related to continuing education and student services such as processing and student activities contributing 4.3% and the remaining 2.0% consisting of continuing education (CE) and contract training tuition. For 2016, tuition represented 92.5% of the total tuition and fee revenue, with fees related to continuing education and student services contributing 4.6% and the remaining 2.9% consisting of CE and contract training tuition.

Overall net tuition and fees decreased \$3.1 million or approximately 5.4% over 2016. The decrease was due to increased support for dual-credit and other exemptions along with increased scholarship waivers awarded to students under the newly created Summer Momentum Plan. The Summer Momentum Plan rewards students who complete 18-24 semester credit hours in the prior Fall and Spring semesters with up to 6 free credit hours in the Summer semester, in the form of scholarships, in an effort to positively affect graduation and completion rates. In fiscal year 2017, while gross tuition collections increased by \$6.7 million or 6.0%, tuition discounts increased by \$8.8 million or 14.1% during the same time period. In 2016, net tuition and fees decreased \$0.7 million or approximately 1.0% due to increased tuition discounts of approximately \$2.4 million resulting from an increase in local remissions and exemptions for high school programs.

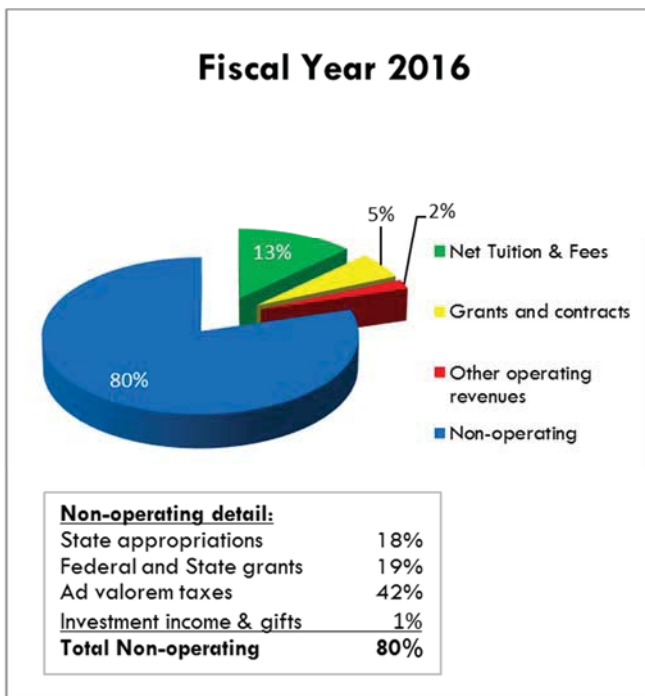
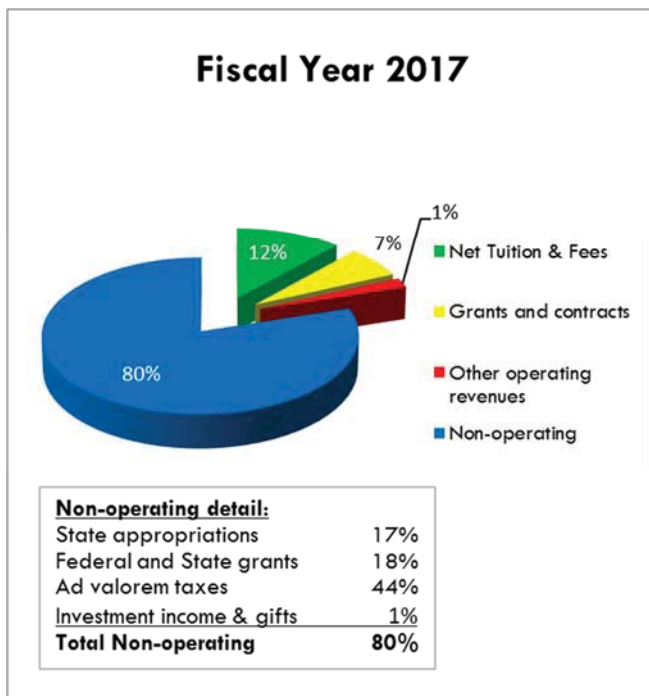
**ALAMO COMMUNITY COLLEGE DISTRICT**

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

The treatment of Federal Pell paid to students represents a tuition discount (financial aid) if the Federal Pell pays tuition and fees on the individual student’s account, and represents scholarships if it pays other charges. Overall combined federal and state student aid decreased by \$1.3 million and \$5.6 million during 2017 and 2016, respectively. The decreases in Federal Pell awards in 2017 and 2016 are related to fewer Pell-qualified students as well as improvements in the local economy which have contributed to an overall decrease in total credit hours as more potential students enter the job market. The trend of increasing tuition discount rates continued in fiscal year 2017, with waivers and financial aid as a percentage of total tuition and fees climbing to nearly 57%, up from 52.1% and 50.8% in 2016 and 2015, respectively.

Following are charts showing the major sources of revenue for fiscal years 2017 and 2016, comparing both operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 80% for both 2017 and 2016. The primary components of non-operating revenues remain as state appropriations, federal and state grants and ad valorem taxes. The charts reflect the growth in ad valorem tax collections, attributable to increases in the property values within the District’s constituency, and which account for 44% of total non-operating revenues in 2017 compared to 42% in 2016.

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



Operating expenses are presented on the following pages for three years in both natural and functional classifications. Salaries and wages increased \$12.6 million or 7.3% from fiscal year 2016 to 2017 and increased \$3.9 million or 2.3% between 2015 and 2016. The \$12.6 million increase to salaries and wages is directly related to compensation adjustments included in the fiscal year 2017 budget which included average salary increases of 7.1%, 4.9% and 4.8% for faculty, staff and administration, respectively. The increase in fiscal year 2016 is related to additional advisor positions filled in support of the “high-touch” advisor model, which provides all students with access to a certified advisor to guide them through their educational pathway.

For fiscal year 2017, expenses for benefits increased by \$4.0 million or 7.7%. This increase coincides with the salary adjustments mentioned previously along with rising health insurance costs. For fiscal year 2016, expenses for benefits increased by \$5.5 million or 11.8%. This increase corresponds with the increase in the number of advisors discussed

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

previously, as well as increased health care premiums paid to the Employees Retirement System of Texas (ERS) of \$2.3 million.

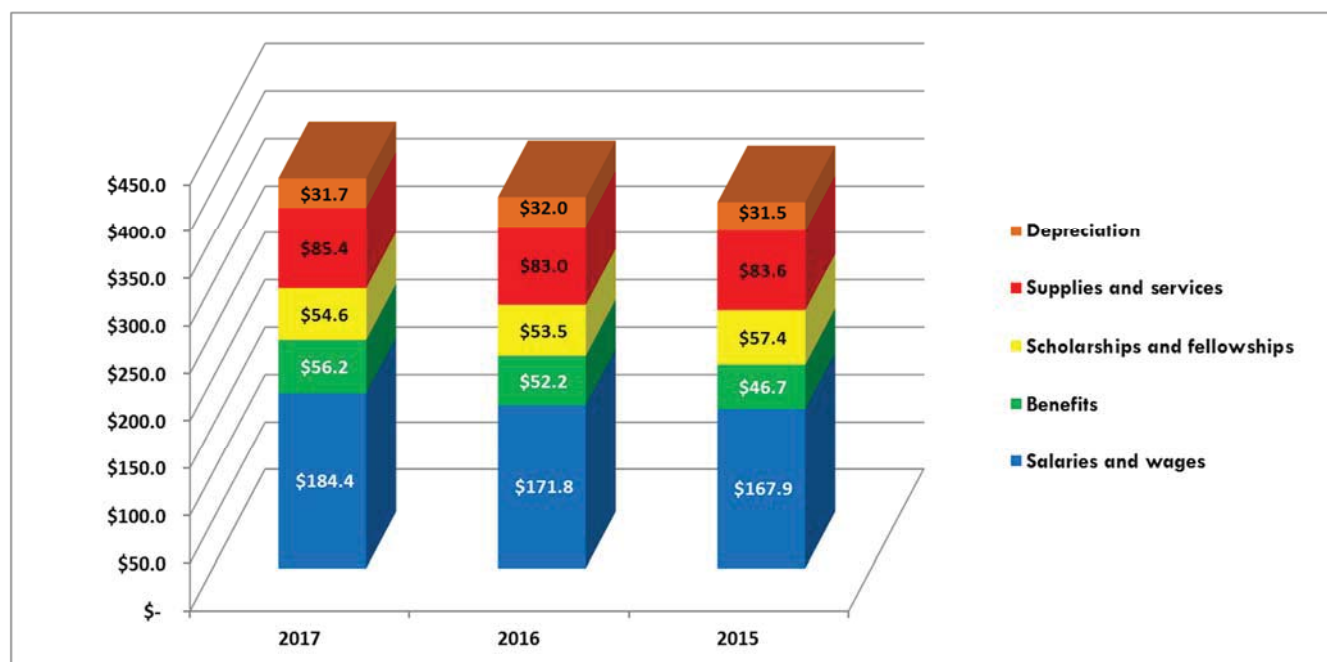
Scholarships and fellowships expense represents the amount disbursed to a student after a scholarship award is credited to the student’s account for payment of tuition and fees. Scholarships and fellowships increased by \$1.1 million or 2.1% in 2017 after decreasing by \$3.9 million or 6.8% in 2016. The increase in 2017 is primarily due to an increase in Texas Public Education Grant (TPEG) spending of \$4.6 million, partially offset by \$2.6 million of grants applied as tuition discounts and a \$0.8 million reduction in Pell awards and other programs. Scholarships and fellowships decreased in 2016 due to a decrease in non-operating Federal and State grants and contract funding which translates into fewer scholarships awarded.

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

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
Salaries and wages	\$ 184.4	\$ 171.8	\$ 167.9	\$ 12.6	\$ 3.9
Benefits	56.2	52.2	46.7	4.0	5.5
Scholarships and fellowships	54.6	53.5	57.4	1.1	(3.9)
Supplies and services	85.4	83.0	83.6	2.4	(0.6)
Depreciation	31.7	32.0	31.5	(0.3)	0.5
Total operating expenses	\$ 412.3	\$ 392.5	\$ 387.0	\$ 19.8	\$ 5.5

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

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





## ALAMO COMMUNITY COLLEGE DISTRICT

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

#### Operating Expenses in Functional Classification

(in millions)

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
Instruction	\$ 132.8	\$ 125.5	\$ 125.7	\$ 7.3	\$ (0.2)
Public service	1.3	0.9	1.3	0.4	(0.4)
Academic support	27.1	24.8	25.1	2.3	(0.3)
Student services	48.5	45.7	43.0	2.8	2.7
Institutional support	73.4	70.0	65.2	3.4	4.8
Operation and maintenance of plant	41.1	38.3	36.1	2.8	2.2
Depreciation	31.7	32.0	31.5	(0.3)	0.5
Scholarships and fellowships	54.6	53.5	57.4	1.1	(3.9)
Total educational and general expenses	410.5	390.7	385.3	19.8	5.4
Auxiliary enterprises	1.7	1.8	1.7	(0.1)	0.1
Total operating expenses	\$ 412.3	\$ 392.5	\$ 387.0	\$ 19.8	\$ 5.5

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

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

- Instruction includes expenses for all activities that are part of the District's instructional programs, such as faculty salaries and benefits. Instruction expense increased \$7.3 million or 5.8% in 2017 and decreased \$0.2 million or 0.1% in 2016. The 2017 increase is primarily related to compensation adjustments, which included an average salary increase for faculty of 7.1%. The corresponding increase to benefits for instructional personnel is also included in the fiscal year 2017 increase. The District has implemented the "Threeness" principle for its faculty salary plan, which aligns the faculty salary schedule to be in the top three when compared to the community colleges in our peer group. The decrease in 2016 was related to vacancies in faculty positions as the District continues to move towards its goal of a 50/50 ratio of full and part-time faculty.
- Public service expenses include funds expended for activities that are established primarily to provide non-instructional services that benefit individuals and groups external to the District. In fiscal year 2017, public service expenses increased by \$0.4 million, after decreasing by \$0.4 million in fiscal year 2016. The fiscal year 2017 increase includes average compensation and related benefit increases for public service staff and administration of 4.9% and 4.8%, respectively; increased costs of approximately \$78,000 for educational and outreach activities to promote environmental sustainability at Eco Centro at San Antonio College; approximately \$147,000 increase in costs related to the SAC Tech Store which officially opened at the beginning of 2017; and a \$65,000 increase for the Cyber Security Summer Camp held at St. Philip's College. The decrease in 2016 was a result of the winding down of costs associated with completion of the final furnishing and renovations for the Challenger Learning Center project that commenced in fiscal year 2015.
- Academic support includes funds expended primarily to provide support services to the District's primary missions of instruction, research and public service. Academic support costs increased \$2.3 million or 9.3% in 2017 as a result of average compensation and related benefit increases for academic support staff and administration of 4.9% and 4.8%, respectively, in addition to increases in a multitude of grants received to support STEM education and for renovations and equipment. In 2016, expenses for academic support decreased by \$0.3 million due to reduced costs for continuing education administration.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

- The student services category includes funds expended for activities that primarily contribute to students' emotional and physical well-being and to their intellectual, cultural and social development outside the context of the formal instruction program. Expenses in the student services category increased \$2.8 million or 6.1% in fiscal year 2017 after a \$2.7 million increase in 2016. The \$2.8 million increase in 2017 includes average compensation and related benefit increases for student services staff and administration of 4.9% and 4.8%, respectively; \$3.7 million in additional investments to bring the advisor to student ratio to 350:1; additional investments for the Alamo INSTITUTES and the Navigate system in order to increase student success; all partially offset by savings in other areas. The \$2.7 million increase in 2016 was a result of continued investments in strategic initiatives for a student case management advising system and training.
- The institutional support category is primarily comprised of salaries and other operating expenses for central executive-level management that engage in long-range planning for the entire institution as well as other centralized support operations including accounting and fiscal affairs, procurement and safety, legal, information technology and human resources among others. Institutional support increased by \$3.4 million or 4.9% in 2017. This increase corresponds with average compensation and related benefit increases for institutional support staff and administration of 4.9% and 4.8%, respectively. For fiscal year 2016, institutional support increased by \$4.8 million or 7.3% primarily attributable to increases in continuing education costs, public safety, professional development and elections.
- The category of operation and maintenance of plant includes all expenses of current funds for the operation and maintenance of physical plant, net of amounts charged to auxiliary enterprises and other independent operations. In fiscal year 2017, expenses for the operation of maintenance and plant increased by \$2.8 million or 7.3% primarily due to \$1.7 million in renovations at St. Philip's College supported by a Title III grant; \$1.5 million for equipment replacements and other renovations; average compensation and related benefit increases for operation and maintenance of plant staff and administration of 4.9% and 4.8%, respectively; all partially offset by savings in other operational categories. In 2016, operation of maintenance and plant increased by \$2.2 million due to fewer projects completed that were eligible for capitalization treatment, an increase of approximately \$1.3 million in preventative and building maintenance costs, and an increase in benefit expenses for repair and maintenance employees of approximately \$0.6 million.
- Scholarships and fellowships include expenses for scholarships and fellowships from restricted and unrestricted funds and grants to students. Scholarships and fellowships increased by \$1.1 million or 2.1% in fiscal year 2017 due to a \$4.6 million increase in TPEG spending, partially offset by \$2.6 million for grants applied as tuition discounts and a \$0.8 million reduction in Pell funds received. In 2016, scholarships and fellowships decreased by \$3.9 million or 6.8% due to fewer scholarships awarded because of decreased funding from Federal and State grants and contracts, including Pell grants.

The District's largest operating expense is salaries, wages and benefits. Other significant expense categories include technology and utility costs. The District continues to maintain its strong fiscal and budgetary principles while weathering the storm of funding challenges. Since 2010, state funding has declined by \$30 million. In that same period of time, the District has saved \$48 million by implementing cost-saving strategies that have a recurring impact on the annual budget. Additionally, investments have been made in our students with \$17 million built into the budget to enhance student success initiatives, while also continuing to invest in our employees through compensation adjustments and training.

#### Statements of Cash Flows

The Statements of Cash Flows provide information about the resources of cash and the uses of cash in the operations and activities of the District. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they come due and the impact of external financing. The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital financing activities and investing activities. The Statements of Cash Flows indicated an overall increase in cash and cash equivalents during fiscal year 2017 of approximately \$53.9 million or 160.4% following a decrease to cash and cash equivalents in fiscal year 2016 of \$5.1 million. The primary use of cash

## ALAMO COMMUNITY COLLEGE DISTRICT

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

in operations is for payment of salaries, wages and benefits, followed by payments to suppliers for goods and services, then payments for scholarships and fellowships. Sources of cash from operations arise primarily from student tuition and fees as well as grant and contract revenues. Sources of cash from non-capital financing activities are primarily from ad valorem taxes, non-operating federal and state revenue and state appropriations. The \$53.9 million increase in cash and cash equivalents in fiscal year 2017 is primarily attributable to unspent proceeds from the issuance of combined revenue bonds to be used for the construction of a new District Support Operations headquarters. The \$5.1 million decrease in cash and cash equivalents in fiscal year 2016 is primarily attributable to a net outflow of approximately \$6.0 million related to sales and purchases of investments.

#### Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation and amortization. The District had \$727.5 million and \$729.6 million invested in capital assets net of accumulated depreciation and amortization at August 31, 2017 and 2016, respectively. Depreciation and amortization expenses totaled \$31.7 million in fiscal year 2017 and \$32.0 million in fiscal year 2016 (Note 5). A summary of net capital assets is presented below:

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

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
Land	\$ 53.0	\$ 53.0	\$ 53.0	\$ -	\$ -
Construction in progress and works of art	12.7	8.2	0.2	4.5	8.0
Buildings and building improvements	587.1	597.6	621.2	(10.5)	(23.6)
Other real estate improvements	66.3	61.5	64.2	4.8	(2.7)
Furniture, machinery and equipment	6.8	7.5	7.8	(0.7)	(0.3)
Software	0.1	0.1	0.1	-	-
Library materials	1.5	1.8	2.1	(0.3)	(0.3)
Total capital assets, net of accumulated depreciation	<u>\$ 727.5</u>	<u>\$ 729.6</u>	<u>\$ 748.6</u>	<u>\$ (2.1)</u>	<u>\$ (19.0)</u>

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

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated at August 31, 2017 and 2016.

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

	Fiscal Year 2017			Fiscal Year 2016		
	Capitalized Amount	Accumulated Depreciation	% Depreciated	Capitalized Amount	Accumulated Depreciation	% Depreciated
Other real estate improvements	\$ 134.7	\$ 68.4	50.8%	\$ 125.6	\$ 64.1	51.0%
Buildings and bldg improvements	846.0	258.9	30.6%	833.1	235.5	28.3%
Furniture, machinery and equipment	38.6	31.8	82.4%	38.2	30.6	80.1%
Software	3.2	3.1	96.9%	3.1	3.0	96.8%
Library materials	16.1	14.7	91.3%	16.1	14.3	88.8%
Total	<u>\$ 1,038.6</u>	<u>\$ 376.9</u>	<u>36.3%</u>	<u>\$ 1,016.1</u>	<u>\$ 347.6</u>	<u>34.2%</u>

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Major capital additions and renovations completed or in progress during fiscal years 2017 and 2016 include the following:

<b>Fiscal Year 2017</b>	<b>Amount (in millions)</b>
District Support Operations Building and Parking Structure	\$ 7.2
Northwest Vista College Additional Surface Parking	1.2
Northwest Vista College Live Oak Hall Elevator	1.2
Northwest Vista College Pecan Hall Sidewalk Safety Improvements	0.3
San Antonio College Veteran's Victory Center	5.1
San Antonio College Tobin Lofts West Parking Lot Improvements	0.4
San Antonio College Fletcher Administration Building Renovation	0.5
St. Philip's College Turbon Student Center Renovation	12.2
St. Philip's College Good Samaritan Veteran's Outreach & Transition Center Renovation	6.9

<b>Fiscal Year 2016</b>	<b>Amount (in millions)</b>
San Antonio College Challenger Center	\$ 0.9
San Antonio College First Responders Access Road	0.2
San Antonio College First Responders Fire Protection Water Line	0.3
Northwest Vista College Parking Lot Addition	1.0

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

The District has entered into several contracts for construction and various other renovation and projects financed by bond proceeds. As of August 31, 2017 and 2016, the District was committed for approximately \$49.9 million and \$12.2 million, respectively. For additional information concerning the District's capital assets and commitments, see Note 5 and Note 21, respectively, to the basic financial statements.

#### Debt

The Alamo Colleges District had \$491.7 million and \$482.2 million in outstanding bond and maintenance tax note debt at August 31, 2017 and 2016, respectively, before premiums and discounts. Outstanding debt increased by \$9.5 million and decreased by \$45.9 million in fiscal years 2017 and 2016, respectively. The following table summarizes these amounts by type of debt instrument. See also Notes 7 and 8 to the basic financial statements for additional information.

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

**Bonds and Tax Notes Payable  
(in millions)**

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
General obligation bonds	\$ 324.7	\$ 346.2	\$ 364.8	\$ (21.5)	\$ (18.6)
Revenue bonds	105.0	59.3	64.0	45.7	(4.7)
Tax notes	61.9	76.8	99.4	(14.9)	(22.6)
Total outstanding debt	<u>\$ 491.7</u>	<u>\$ 482.2</u>	<u>\$ 528.2</u>	<u>\$ 9.5</u>	<u>\$ (45.9)</u>

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

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

The \$45.9 million reduction in outstanding debt in fiscal year 2016 is due to scheduled debt payments of \$24.4 million, a cash defeasance of \$12.8 million of Series 2006 and 2007 Maintenance Tax Notes and an \$8.7 million reduction of principal due to the refunding of Ltd. Tax Bonds Series 2006 and 2006A.

The general obligation debt of the Alamo Colleges District is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of the District that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues. The pledged revenue is all revenue from tuition pursuant to applicable Texas law. The District received bond ratings for its general obligation bonds of Aaa and AAA from Moody's Investors Service and Standard & Poor's, respectively. These are the highest ratings available from these rating agencies and the Alamo Colleges District is one of only three community college systems in Texas and one of only 11 community colleges in the United States to receive the highest rating from both agencies. More detailed information about the District's noncurrent liabilities is presented in Notes 6, 7 and 8 to the basic financial statements.

**Factors Having Probable Future Financial Significance**

The economic condition of the Alamo Colleges District is influenced by the economic position of the State of Texas, the County of Bexar and surrounding counties and the City of San Antonio. San Antonio is the seventh largest city in the United States and the second largest city in Texas. The Bureau of Labor and Statistics reported that the August 2017 unemployment rate for San Antonio, the State of Texas and the United States was 3.7%, 4.2% and 4.5%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states, with the San Antonio economy being one of the strongest in the state.

The San Antonio metropolitan area is considered one of the most attractive locations in the nation for business growth due to affordable land, abundant power, and an education system that continues to evolve and improve. According to the *Federal Reserve Bank of Dallas*, San Antonio jobs increased at a healthy 3.6% annualized rate over the three months ended in August 2017. Job growth was broad across most industries, with mining and financial services employment leading overall growth among major industries. *Forbes* magazine ranked San Antonio #42 out of 200 major metro areas in its annual list of the *Best Places For Business and Careers*, and ranked San Antonio #27 in job growth and #45 for the cost of doing business.

## **ALAMO COMMUNITY COLLEGE DISTRICT**

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

The level of state appropriations Texas community colleges historically received enabled the low tuition rates community colleges provided. The State has continued to decrease appropriations and employee benefit coverage and has drastically changed the revenue mix. Tuition revenue from students and tax revenue from local property owners now comprise approximately 70% of the primary revenue streams used for operations. In the past, the State paid a significant portion of health benefits and all of the retirement contribution matches and provided an allocation adequate to cover instructional costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. The State has reduced its portion of retirement and health benefit coverage to 50% of eligible employee's retirement and health benefit costs while retirement and health care costs continue to increase. In fiscal year 2017, the District's expenses for overall benefits increased by approximately \$4 million or 7.6% while the state's contribution for benefits decreased by \$0.2 million or 0.1%. In the long term, without the State's full support, Texas community colleges will be forced to adjust the level of services to students and possibly significantly raise tuition and ad valorem tax rates.

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



**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1**

**Statements of Net Position  
August 31, 2017 and 2016**

	2017	2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 15,146,182	\$ 11,512,559
Restricted cash and cash equivalents	29,310,279	22,116,393
Investments	20,988,832	48,943,015
Accounts receivable and notes receivable, net of allowance	11,693,915	14,474,468
Other assets	193,888	180,544
Total current assets	77,333,096	97,226,979
Noncurrent assets:		
Restricted cash and cash equivalents	43,054,314	-
Long-term investments - operating	98,671,571	68,179,485
Other assets	4,286,873	4,212,575
Capital assets (net)	727,471,362	729,596,252
Total noncurrent assets	873,484,120	801,988,312
<b>TOTAL ASSETS</b>	<b>950,817,216</b>	<b>899,215,291</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to bond refundings	7,652,639	8,059,226
Deferred outflows related to pensions	13,474,051	11,374,162
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>21,126,690</b>	<b>19,433,388</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	20,827,488	16,509,226
Funds held for others	764,463	660,671
Unearned income	37,151,786	32,308,859
Current portion of long-term liabilities	25,880,141	37,258,050
Total current liabilities	84,623,878	86,736,806
Noncurrent liabilities	583,181,272	557,916,060
<b>TOTAL LIABILITIES</b>	<b>667,805,150</b>	<b>644,652,866</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to bond refundings	746,835	784,233
Deferred inflows related to pensions	8,702,837	8,498,614
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>9,449,672</b>	<b>9,282,847</b>
<b>NET POSITION</b>		
Net investment in capital assets	253,834,531	210,275,160
Restricted for:		
Expendable		
Student aid	2,919,087	8,411,997
Instructional programs	1,177,902	1,121,710
Capital projects	3,792,819	623,258
Debt service	2,655,252	14,434,244
Unrestricted	30,309,493	29,846,597
<b>TOTAL NET POSITION</b>	<b>\$ 294,689,084</b>	<b>\$ 264,712,966</b>

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



**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1A**

**Statements of Financial Position of Alamo Colleges Foundation, Inc.  
(A Component Unit of Alamo Community College District)  
December 31, 2016 and 2015**

	2016	2015
<b>ASSETS</b>		
Cash and certificates of deposit	\$ 2,299,775	\$ 1,997,135
Contributions receivable	971,070	1,076,871
Investments:		
Fixed income securities	4,236,723	3,176,983
Mutual funds	15,107,803	4,187,152
Marketable securities	2,035,951	9,852,381
<b>TOTAL ASSETS</b>	<b>24,651,322</b>	<b>20,290,522</b>
 <b>LIABILITIES AND NET POSITION</b>		
Accounts payable and accrued liabilities	\$ 3,322	\$ 21,477
Due to affiliates	21,960	37,372
<b>TOTAL LIABILITIES</b>	<b>25,282</b>	<b>58,849</b>
Net Position		
Unrestricted	2,196	103,233
Temporarily restricted	8,124,006	6,281,597
Permanently restricted - endowments	16,499,838	13,846,843
<b>TOTAL NET POSITION</b>	<b>24,626,040</b>	<b>20,231,673</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 24,651,322</b>	<b>\$ 20,290,522</b>

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 1B**

**Statements of Net Position of ACCD Public Facility Corporation  
(A Component Unit of Alamo Community College District)  
August 31, 2017 and 2016**

	2017	2016
<b>ASSETS</b>		
Current assets:		
Cash	\$ 222,396	\$ 222,908
Noncurrent assets:		
Capital assets - land	5,099,847	5,099,847
<b>TOTAL ASSETS</b>	<b>5,322,243</b>	<b>5,322,755</b>
<b>LIABILITIES</b>		
Current liabilities:		
Current portion of unearned lease revenue	24,000	24,000
Noncurrent liabilities:		
Note payable	2,000,000	2,000,000
Unearned lease revenue	1,654,000	1,678,000
Interest payable	406,667	326,667
Total noncurrent liabilities	4,060,667	4,004,667
<b>TOTAL LIABILITIES</b>	<b>4,084,667</b>	<b>4,028,667</b>
<b>NET POSITION</b>		
Net investment in capital assets	3,099,847	3,099,847
Unrestricted	(1,862,271)	(1,805,759)
<b>TOTAL NET POSITION</b>	<b>\$ 1,237,576</b>	<b>\$ 1,294,088</b>

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 2**

**Statements of Revenues, Expenses and Changes in Net Position  
For Years Ended August 31, 2017 and 2016**

	2017	2016
<b>OPERATING REVENUES:</b>		
Tuition and fees (net of discounts of \$71,177,691 and \$62,372,827, respectively)	\$ 54,367,170	\$ 57,455,959
Federal grants and contracts	23,875,589	20,368,907
State grants and contracts	1,721,567	1,920,275
Local grants and contracts	4,489,677	1,945,107
Non-governmental grants and contracts	368,923	585,483
Auxiliary enterprises	4,931,760	5,127,884
Other operating revenues	4,178,117	3,515,868
Total operating revenues (Schedule A)	93,932,803	90,919,483
<b>OPERATING EXPENSES:</b>		
Instruction	132,778,868	125,546,121
Public service	1,288,846	855,810
Academic support	27,147,509	24,846,336
Student services	48,520,262	45,706,632
Institutional support	73,426,348	69,971,764
Operation and maintenance of plant	41,066,423	38,293,737
Scholarships and fellowships	54,612,441	53,517,142
Auxiliary enterprises	1,743,229	1,756,631
Depreciation	31,675,252	32,007,639
Total operating expenses (Schedule B)	412,259,178	392,501,812
Operating loss	(318,326,375)	(301,582,329)
<b>NON-OPERATING REVENUES/(EXPENSES):</b>		
State appropriations	80,365,979	77,485,937
Ad valorem taxes		
Taxes for maintenance and operations	148,539,505	132,979,101
Taxes for maintenance notes	18,224,562	26,877,429
Taxes for general obligation bonds	38,937,087	28,396,390
Federal grants, non-operating	78,850,402	79,919,261
State grants, non-operating	4,071,079	4,271,961
Gifts	858,470	2,601,871
Investment income	1,738,551	1,168,384
Interest on capital related debt	(17,036,112)	(15,793,684)
Interest on maintenance tax notes	(3,404,562)	(4,277,429)
Other non-operating expenses	(2,842,468)	(6,414,643)
Net non-operating revenues (Schedule C)	348,302,493	327,214,578
Increase in net position	29,976,118	25,632,249
<b>NET POSITION:</b>		
Net position - beginning of year	264,712,966	239,080,717
Net position - end of year (Schedule D)	\$ 294,689,084	\$ 264,712,966

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 2A**

**Statements of Activities of Alamo Colleges Foundation, Inc.  
(A Component Unit of Alamo Community College District)  
For Years Ended December 31, 2016 and 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net position at January 1, 2015	\$ 128,339	\$ 8,111,012	\$ 13,373,807	\$ 21,613,158
Support and revenue:				
Contributions	126,532	2,172,704	232,660	2,531,896
In-kind revenue	453,160	-	-	453,160
Interest and dividend income	-	233,723	-	233,723
Loss on investments	-	(510,554)	-	(510,554)
Net position released from restrictions	<u>3,567,189</u>	<u>(3,567,189)</u>	<u>-</u>	<u>-</u>
Total revenue	4,146,881	(1,671,316)	232,660	2,708,225
Expenses:				
Program	3,592,687	-	-	3,592,687
General and administrative	363,262	-	-	363,262
Fundraising	<u>133,761</u>	<u>-</u>	<u>-</u>	<u>133,761</u>
Total expenses	4,089,710	-	-	4,089,710
Increase (decrease) in net position	57,171	(1,671,316)	232,660	(1,381,485)
Designated transfers	(82,277)	(158,099)	240,376	-
Net position at December 31, 2015	103,233	6,281,597	13,846,843	20,231,673
Support and revenue:				
Contributions	35,381	4,159,548	2,523,590	6,718,519
In-kind revenue	509,667	-	-	509,667
Interest and dividend income	-	326,357	-	326,357
Gain on investments	-	807,898	-	807,898
Net position released from restrictions	<u>3,354,739</u>	<u>(3,354,739)</u>	<u>-</u>	<u>-</u>
Total revenue	3,899,787	1,939,064	2,523,590	8,362,441
Expenses:				
Program	3,473,598	-	-	3,473,598
General and administrative	335,519	-	-	335,519
Fund-raising	<u>158,957</u>	<u>-</u>	<u>-</u>	<u>158,957</u>
Total expenses	3,968,074	-	-	3,968,074
Increase (decrease) in net position	(68,287)	1,939,064	2,523,590	4,394,367
Designated transfers	(32,750)	(96,655)	129,405	-
Net position at December 31, 2016	<u>\$ 2,196</u>	<u>\$ 8,124,006</u>	<u>\$ 16,499,838</u>	<u>\$ 24,626,040</u>

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 2B**

**Statements of Revenues, Expenses and Changes in Net Position of ACCD Public Facility Corporation  
(A Component Unit of Alamo Community College District)  
For Years Ended August 31, 2017 and 2016**

	2017	2016
<b>OPERATING REVENUES/(EXPENSES):</b>		
Lease revenue	\$ 24,000	\$ 24,000
Bank charges (net of interest income)	(512)	(772)
Total net operating revenues	23,488	23,228
 Operating income	 23,488	 23,228
<b>NON-OPERATING (EXPENSES):</b>		
Interest on capital related debt	(80,000)	(80,000)
 Decrease in net position	 (56,512)	 (56,772)
<b>NET POSITION:</b>		
Net position - beginning of year	1,294,088	1,350,860
Net position - end of year	\$ 1,237,576	\$ 1,294,088

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 3**

**Statements of Cash Flows  
For Years Ended August 31, 2017 and 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from students and other customers	\$ 63,827,868	\$ 64,799,890
Receipts from grants and contracts	32,384,787	21,493,559
Collections on loans made to students	-	1,328
Other receipts	3,278,873	3,378,204
Payments to or on behalf of employees	(223,341,611)	(207,734,589)
Payments to suppliers for goods and services	(83,669,787)	(82,670,386)
Payments for scholarships and fellowships	(54,612,441)	(53,517,142)
Payments for loans made to students	-	(1,501)
Net cash used by operating activities	(262,132,311)	(254,250,637)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Receipts from state appropriations	65,049,573	61,980,971
Receipts from ad valorem taxes	148,520,427	133,007,581
Receipts from non-operating federal and state revenue	85,000,473	83,068,360
Receipts from gifts and grants (other than capital)	129,544	1,508,628
Receipts (payments) to student organizations and other agency transactions	103,792	(1,535)
Payments for Federal loans issued to students	(24,310,303)	(25,693,914)
Receipts from Federal loans for students	24,301,118	25,702,590
Net cash provided by noncapital financing activities	298,794,624	279,572,681
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Proceeds on issuance of capital debt	55,655,318	81,408,038
Bond issuance costs	(591,892)	(680,544)
Receipts from ad valorem taxes for debt service	57,186,129	55,316,873
Receipts from capital grant contracts, grants and gifts	466,350	1,033,991
Payments for capital assets acquisition and construction of capital assets	(30,557,010)	(18,348,182)
Payments on capital debt - principal	(42,366,023)	(119,406,539)
Payments on capital debt - interest	(21,727,200)	(23,756,332)
Net cash provided (used) by capital and related financing activities	18,065,672	(24,432,695)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	236,005,108	218,324,378
Interest on investments	1,691,741	1,209,353
Purchase of investments	(238,543,011)	(225,521,159)
Net cash used by investing activities	(846,162)	(5,987,428)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>53,881,823</b>	<b>(5,098,079)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>33,628,952</b>	<b>38,727,031</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 87,510,775</b>	<b>\$ 33,628,952</b>

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

**ALAMO COMMUNITY COLLEGE DISTRICT  
EXHIBIT 3**

**Statements of Cash Flows  
For Years Ended August 31, 2017 and 2016  
(continued)**

<b>RECONCILIATION OF OPERATING LOSS TO NET CASH</b>	2017	2016
<b>USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (318,326,375)	\$ (301,582,329)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	31,675,252	32,007,639
Donated capital assets	237,542	59,252
Allowance for doubtful accounts	1,032,690	588,631
Non-cash state appropriations - on-behalf payments	15,316,406	15,504,966
Pension expense	667,555	157,272
Changes in assets and liabilities:		
Receivables (net)	(280,536)	(4,591,989)
Other assets	(87,642)	(194,703)
Accounts payable	2,140,405	1,161,928
Unearned income	4,789,775	2,502,240
Net pension liability	2,563,221	9,132,913
Compensable absences	606,649	182,109
Workers' compensation accrual	129,516	-
Utility escrow	(33,548)	(45,480)
Loans to students	-	(173)
Deferred outflows related to pensions	(2,767,444)	(2,808,669)
Deferred inflows related to pensions	204,223	(6,324,244)
Net cash used by operating activities	\$ (262,132,311)	\$ (254,250,637)

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

State on-behalf payments	\$ 15,316,406	\$ 15,504,966
Increase (decrease) in fair value of investments	\$ (239,782)	\$ 77,608
Gifts of depreciable and non-depreciable assets	\$ 262,576	\$ 59,252
Amortization of premium on bonds	\$ 2,518,710	\$ 3,537,230
Amortization of deferred charges on bond refundings	\$ 369,189	\$ (63,579)

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 1. REPORTING ENTITY

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

The District is considered to be a special-purpose, primary government. While the District receives funding from local, state and federal sources and must comply with the spending, reporting and record keeping requirements of these entities, it is not a component unit of any other government entity.

#### Alamo Colleges Foundation, Inc. – Discrete Component Unit

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

#### ACCD Public Facility Corporation (PFC) – Discrete Component Unit

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

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

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Guidelines

The significant accounting policies followed in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges* for fiscal year 2017. For financial reporting purposes, the District is considered a special-purpose, primary government engaged in business-type activities.



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Basis of Accounting

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The financial statements of the District have been prepared on the accrual basis, whereby all revenues are recorded when earned, and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

#### Budgetary Data

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

#### Cash and Cash Equivalents

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

#### Restricted Cash and Cash Equivalents

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

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

#### Accounts and Notes Receivable

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

#### Other Current Assets

Included in this category are prepaid expenses and inventories.

#### Investments

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

#### Capital Assets

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

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

#### Deferred Outflows of Resources

The Statements of Net Position include a separate section for deferred outflows of resources, which represent a consumption of net position that applies to future periods and thus, will not be recognized as an outflow of resources (expensed) until then. The District recorded deferred outflows of resources for deferred charges on refunding of debt resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. In addition, the District recorded deferred outflows of resources for its proportionate share of collective deferred outflows of the Teacher Retirement System of Texas (TRS) pension plan required by the implementation of GASB Statement 68, *Accounting and Financial Reporting for Pensions* and for contributions made to the TRS plan subsequent to the measurement date of the respective net pension liability. For additional information, see Note 10.

#### Pensions

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

#### Compensable Absences

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

#### Self-Insurance

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Deferred Inflows of Resources

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

#### Net Position

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

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

##### *Restricted Net Position, Expendable*

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

##### *Unrestricted Net Position*

These are resources that are not subject to any external restrictions and may be used at the discretion of the governing board for any lawful purpose of the District.

#### Operating and Non-operating Revenues

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

#### Revenue Recognition and Unearned Income

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

#### Tuition Discounting

##### *Texas Public Education Grants*

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

##### *Title IV Higher Education Act (HEA) Program Funds*

Certain Title IV HEA Program funds are received by the District to pass through to students. These funds are received by the District and recorded as revenue. When a student uses the award for tuition and fees, the amount is recorded as a tuition discount. When the award is used for purposes other than tuition and fees, the amount is recorded as a scholarship expense.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Other Tuition Discounts

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

#### Operating and Non-operating Expenses

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

#### Restricted Resources

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

#### Estimates

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

#### New Pronouncements

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The provisions of this Statement address the reporting requirements for state and local governmental OPEB plans themselves, and therefore are not applicable to the District, who is a participant under these OPEB plans.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77). GASB 77 requires state and local governments for the first time to disclose information about tax abatement agreements. GASB 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and that reduce the reporting government's tax revenues. GASB 77 is effective for financial statements for periods beginning after December 15, 2015. The application of GASB 77 did not have a material impact on the District's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* (GASB 78). This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Statement establishes requirements for recognition and measurement of pension expense, expenses, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Because the District participates in TRS, which is a statewide public retirement system, the provisions of GASB 78 are not applicable. See Note 10 to these financial statements for more information about the District's retirement plans.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*-an amendment of GASB Statement No. 14. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The District considered the revised blending criteria under GASB 80 and determined it to have no effect on the financial statement presentation of its component units. For more information on the District's component units, see Note 1.

In March 2016, GASB issued Statement No. 82, *Pension Issues*-an amendment of GASB Statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding: the presentation of payroll-related measures in required supplementary information; the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and the classification of payments made by employers to satisfy employee contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The District has revised its presentation of payroll-related measures, and the ratios that use that measure, in its schedules of required supplementary information in accordance with GASB 82.

#### Pending Pronouncements

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

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This Statement is effective for fiscal years beginning after June 15, 2017.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance when a government is a beneficiary of the agreement. The Statement requires a government that receives resources pursuant to an irrevocable split-interest agreement to recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires governments to recognize revenue when resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

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

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

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model and requires notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

The District has not yet completed the process of evaluating the impact of GASB Statements Nos. 75, 81, 83, 84, 85, 86 and 87 on its future financial statements.

#### Reclassification

Certain prior year amounts have been reclassified for consistency with the current period presentation.

### 3. AUTHORIZED INVESTMENTS

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 4. CASH, CASH EQUIVALENTS AND INVESTMENTS

The carrying amount of the District's deposits at August 31, 2017 and 2016 was \$3,415,138 and \$2,912,260, respectively. Total bank balances at August 31, 2017 and 2016 equaled \$3,549,318 and \$4,530,158, respectively. The FDIC insures all bank deposits up to \$250,000. Deposits in excess of \$250,000 are collateralized at a level between 105% and 115% in U.S. Treasuries and Government Securities and high-grade municipal bonds.

Cash and cash equivalents as reported on Exhibit 1, Statements of Net Position, consisted of the following at August 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Bank deposits: Demand deposits	\$ 2,098,726	\$ 1,982,916
Money market	<u>1,316,412</u>	<u>929,344</u>
Total bank deposits	3,415,138	2,912,260
Local Government Investment Pool (TexPool) deposits	84,058,117	30,679,172
Petty cash on hand	<u>37,520</u>	<u>37,520</u>
Total cash and cash equivalents	<u>\$ 87,510,775</u>	<u>\$ 33,628,952</u>

The Texas Local Government Investment Pool (TexPool) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

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

The fair value of investments as of August 31, 2017 and 2016 is disclosed in the following section. Pricing is supplied by First Southwest Asset Management, LLC (FSAM). FSAM's source for pricing government securities (Treasuries and agencies) is SVC, a subsidiary of SS&C Technologies, Inc. and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing.

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Investments as reported on Exhibit 1, Statements of Net Position, consisted of the following types of securities at fair value on August 31, 2017 and 2016:

Type of Security	Fair Value at August 31,	
	2017	2016
U.S. government securities:		
FHLB coupon notes	\$ 9,970,495	\$ 5,002,345
FNMA coupon notes	10,004,880	17,016,312
FHLMC coupon notes	29,953,535	9,988,645
FFCB coupon notes	20,025,195	30,126,590
U.S. Treasuries	19,934,315	15,020,605
Municipal bonds	8,783,151	11,021,563
Commercial paper	20,988,832	28,946,440
Total	<u>\$ 119,660,403</u>	<u>\$ 117,122,500</u>

Reconciliation of Deposits and Investments between Note 4 and Exhibit 1, Statements of Net Position on August 31, 2017 and 2016 is as follows:

	Fair Value at August 31,	
	2017	2016
Total cash and cash equivalents	\$ 87,510,775	\$ 33,628,952
Total investments	119,660,403	117,122,500
Total	<u>\$ 207,171,178</u>	<u>\$ 150,751,452</u>
Per Exhibit 1:		
Cash and cash equivalents	\$ 15,146,182	\$ 11,512,559
Restricted cash and cash equivalents - current	29,310,279	22,116,393
Investments - current	20,988,832	48,943,015
Restricted cash and cash equivalents - noncurrent	43,054,314	-
Long-term investments - operating	98,671,571	68,179,485
Total	<u>\$ 207,171,178</u>	<u>\$ 150,751,452</u>



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

#### Fair Value Measurements

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

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

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

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

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

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

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

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

The District had the following recurring fair value measurements for investment assets as of August 31, 2016:

Type of Security	Level 1	Level 2	Level 3	Total
U.S. Government Agency Securities	\$ -	\$ 62,133,892	\$ -	\$ 62,133,892
U.S. Treasuries	-	15,020,605	-	15,020,605
Municipal bonds	-	11,021,563	-	11,021,563
Commercial paper	-	28,946,440	-	28,946,440
Total	\$ -	\$ 117,122,500	\$ -	\$ 117,122,500

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

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

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

The District had the following cash equivalents and investments at August 31, 2017 and 2016:

Type	2017			2016		
	Fair Value	% of Total	WAM* (Years)	Fair Value	% of Total	WAM* (Years)
FHLB	\$ 9,970,495	4.9%	1.413	\$ 5,002,345	3.4%	1.003
FNMA	10,004,880	4.9%	2.622	17,016,312	11.5% ^	2.484
FHLMC	29,953,535	14.7% ^	1.527	9,988,645	6.8% ^	2.000
FFCB	20,025,195	9.8% ^	2.474	30,126,590	20.4% ^	1.816
U.S. Treasuries	19,934,315	9.8% ^	1.812	15,020,605	10.2% ^	1.881
Municipal bonds	8,783,151	4.3%	2.000	11,021,563	7.5% ^	1.906
Commercial paper	20,988,832	10.3% ^	0.426	28,946,440	19.6% ^	0.444
TexPool	84,058,117	41.3% ^	0.003	30,679,172	20.8% ^	0.003
Total	<u>\$ 203,718,520</u>	100.0%		<u>\$ 147,801,672</u>	100.0%	

Portfolio weighted average maturity at August 31 0.974 1.246

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Credit Risk – In accordance with state law and the District’s investment policy, investments in the investment pools are limited to AAA or AAAM by at least one nationally recognized rating agency. At August 31, 2017, TexPool was rated AAAM. All other credit standards are governed by the District’s investment policy, which is in compliance with or exceeds state statutes for credit standards. These state standards include: commercial paper rated no less than A-1 or P-1 by at least two nationally recognized credit rating agencies or one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank; obligations of states, agencies, counties, cities and other political subdivisions rated no less than A or its equivalent by a nationally recognized investment rating firm.

Below is a list of the individual investments held and their respective credit ratings as of August 31, 2017 and 2016:

Issuer	Credit rating at 8/31/2017	Credit rating at 8/31/2016
FFCB	AA+ /Aaa /AAA	AA+ /Aaa /AAA
FHLB	AA+ /Aaa	AA+ /Aaa
FHLMC	AA+ /Aaa /AAA	AA+ /Aaa /AAA
FNMA	AA+ /Aaa /AAA	AA+ /Aaa /AAA
J.P. Morgan Securities	A-1 /P-1 /F1+	A-1 /P-1 /F1+
Baylor Univ	A-1+ /F1+	*
TX A&M Univ	A-1+ /P-1 /F1+	*
Univ of TX	A-1+ /P-1 /F1+	*
Univ of Houston	AA/Aa2	AA/Aa2
Univ of North TX	*	Aa2/AA
Kaiser Foundation Hospital	*	A1+ /F1
Nestle Finance Intl Ltd	*	A1+ /P-1 /F1+
Salvation Army	*	A1+ /P-1
Toyota Mtr Cr	*	A1+ /P-1
TexPool	AAAM	AAAM

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 5. CAPITAL ASSETS

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 5. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2016 was as follows:

	Balance 9/1/2015	Increases	Decreases	Balance 8/31/2016
<u>Not Depreciated:</u>				
Land	\$ 52,992,729	\$ -	\$ -	\$ 52,992,729
Works of art	226,221	-	-	226,221
Construction in progress	-	7,967,243	-	7,967,243
Subtotal	<u>53,218,950</u>	<u>7,967,243</u>	<u>-</u>	<u>61,186,193</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	832,241,530	896,653	-	833,138,183
Other real estate improvements	123,883,981	1,718,575	-	125,602,556
Total buildings and other real estate improvements	<u>956,125,511</u>	<u>2,615,228</u>	<u>-</u>	<u>958,740,739</u>
Software	3,104,829	-	-	3,104,829
Furniture, machinery and equipment	37,448,154	2,323,055	1,615,561	38,155,648
Library materials	16,340,760	97,878	385,052	16,053,586
Total buildings and other capital assets	<u>1,013,019,254</u>	<u>5,036,161</u>	<u>2,000,613</u>	<u>1,016,054,802</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	211,023,775	24,511,473	-	235,535,248
Other real estate improvements	59,686,511	4,450,700	-	64,137,211
Total buildings and other real estate improvements	<u>270,710,286</u>	<u>28,962,173</u>	<u>-</u>	<u>299,672,459</u>
Software	2,981,550	67,654	-	3,049,204
Furniture, machinery and equipment	29,613,509	2,581,068	1,571,092	30,623,485
Library materials	14,287,903	396,744	385,052	14,299,595
Total accumulated depreciation	<u>317,593,248</u>	<u>32,007,639</u>	<u>1,956,144</u>	<u>347,644,743</u>
Net capital assets	<u>\$ 748,644,956</u>	<u>\$ (19,004,235)</u>	<u>\$ 44,469</u>	<u>\$ 729,596,252</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 6. NONCURRENT LIABILITIES

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

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

As of August 31, 2016, noncurrent liabilities are \$557,916,060 with activity for the fiscal year as follows:

	Total Liabilities				
	Balance 9/1/15	Additions	Reductions	Balance 8/31/16	Current Portion
Bonds and tax notes payable					
General obligation bonds	\$ 364,870,000	\$ 72,065,000	\$ 90,770,000	\$ 346,165,000	\$ 21,420,000
Revenue bonds	63,975,000	-	4,720,000	59,255,000	4,780,000
Maintenance tax notes	99,360,000	-	22,600,000	76,760,000	7,380,000
Premium on bonds payable	26,157,208	9,343,038	3,537,230	31,963,016	1,829,312
Subtotal	554,362,208	81,408,038	121,627,230	514,143,016	35,409,312
Notes payable	17,820,054	-	1,316,539	16,503,515	1,321,814
Compensable absences	5,693,439	489,402	307,293	5,875,548	473,772
Unearned income	1,116,192	-	53,152	1,063,040	53,152
Net pension liability	48,456,078	22,452,044	13,319,131	57,588,991	-
<b>Total noncurrent liabilities</b>	<b>\$ 627,447,971</b>	<b>\$ 104,349,484</b>	<b>\$ 136,623,345</b>	<b>\$ 595,174,110</b>	<b>\$ 37,258,050</b>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 7. DEBT AND LEASE OBLIGATIONS

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

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

Debt service requirements at August 31, 2016 were as follows (table amounts in 000s):

For the Year Ended August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 21,420	\$ 15,830	\$ 4,780	\$ 2,288	\$ 7,380	\$ 3,613	\$ 33,580	\$ 21,731
2018	10,395	14,764	4,870	2,202	7,720	3,275	22,985	20,241
2019	10,895	14,263	5,060	2,052	8,100	2,896	24,055	19,211
2020	11,425	13,737	4,975	1,876	8,500	2,496	24,900	18,109
2021	11,970	13,186	5,175	1,672	8,925	2,070	26,070	16,928
2022-2026	68,940	56,842	22,795	4,423	21,465	5,699	113,200	66,964
2027-2031	86,660	39,114	6,415	1,435	14,670	1,907	107,745	42,456
2032-2037	124,460	18,377	5,185	573	-	-	129,645	18,950
<b>TOTAL</b>	<b>\$ 346,165</b>	<b>\$ 186,113</b>	<b>\$ 59,255</b>	<b>\$ 16,521</b>	<b>\$ 76,760</b>	<b>\$ 21,956</b>	<b>\$ 482,180</b>	<b>\$ 224,590</b>

Rental payments of \$1,716,000 and \$1,204,000 under equipment operating leases and rental agreements were included in operating expenses for the years ended August 31, 2017 and 2016, respectively. The terms of the rental agreements are less than or equal to one year.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 8. BONDS AND TAX NOTES PAYABLE

Bonds and tax notes payable for the years ended August 31, 2017 and 2016 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	Balance August 31, 2017	Balance August 31, 2016
<b>General Obligation Bonds (Repayment source - Ad valorem taxes)</b>					
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	\$ 271,085,000	4.5% - 5.0%	\$ 160,570,000	\$ 167,170,000
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.75% - 5.0%	31,425,000	32,820,000
2012	Refund certain of the District's outstanding Limited Tax Bonds Series 2007 and 2007A. Issued July 12, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000
2016	Refund the District's outstanding Limited Tax Bonds Series 2006 and 2006A. Issued June 22, 2016.	72,065,000	3.5% - 5.0%	58,640,000	72,065,000
Subtotal - General Obligation Bonds				\$ 324,745,000	\$ 346,165,000
<b>Maintenance Tax Notes (Repayment source - Ad valorem taxes)</b>					
2006	Purchase equipment, vehicles and renovate various facilities. Issued April 20, 2006.	\$ 30,435,000	4.0%	\$ -	\$ 8,960,000
2011	Renovate and repair existing District facilities. Issued August 5, 2011.	54,795,000	3.75% - 5.0%	33,440,000	35,080,000
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Issued February, 27 2014.	40,665,000	5.0% - 5.5%	28,500,000	32,720,000
Subtotal - Maintenance Tax Notes				\$ 61,940,000	\$ 76,760,000
<b>Revenue Financing System (Repayment source - Pledged revenue*)</b>					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Issued March 22, 2012.	\$ 55,800,000	2.0% - 5.25%	\$ 54,145,000	\$ 54,575,000
2012B	(Taxable issue). Refund remainder of the District's outstanding Combined Fee Revenue bonds. Issued March 22, 2012.	22,295,000	1.844%	330,000	4,680,000
2017	Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Issued February 15, 2017.	34,880,000	2.0% - 5.0%	34,880,000	-
2017	(Variable Rate) Acquire, purchase, construct, equipping of any property or buildings of any nature of the District. Issued February 15, 2017.	15,690,000	Variable Rate-Coupon 3% to 7% (step up rate)	15,690,000	-
Subtotal - Revenue Financing System Bonds				\$ 105,045,000	\$ 59,255,000
<b>Total Bonds</b>				<b>\$ 491,730,000</b>	<b>\$ 482,180,000</b>

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

Bonds payable are due in annual installments varying from \$333,043 to \$19,903,500 with interest rates from 1.844% to 7.0%, with the final installment due in fiscal year 2047.

In February 2017, the District cash defeased the then-outstanding Alamo Community College District Maintenance Tax Notes, Series 2007 in the amount of \$7,440,000. The purpose of the defeasance was to reduce the outstanding debt service payments and obtain economic benefits. The net present value savings were \$1,058,190.

In February 2017, the District issued \$34,880,000 Series 2017 Revenue Financing System Senior Lien Revenue Bonds and \$15,690,000 Series 2017 Variable Rate Revenue Financing System Senior Lien Revenue Bonds. The bonds were issued with a total premium of \$5,085,318. Total costs of issuance, including the underwriter's discount was \$619,869. The proceeds from the bonds will be used to construct a District Support Operations (DSO) building on land the District owns. The Revenue Financing System Bonds were issued at coupons from 2.0% to 5.0%, to mature in 2046. The bonds are



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

callable in November of 2026 at par. The Variable Rate Revenue Financing System Bonds were issued with a coupon of 3.0% and therefore will initially bear interest at the rate of 3.0% through October 31, 2019. The bonds are subject to a mandatory tender on November 1, 2019. On that date, they will be redeemed or remarketed and will bear interest at the rate determined at that time. Bonds that are not redeemed or not able to be remarketed at that time will bear interest at the rate of 7.0% until they are remarketed or redeemed. The District intends to liquidate these obligations prior to the mandatory tender date using the proceeds from the sales of existing DSO properties.

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

The Treasury's regulations and the District's bond covenants require the District to calculate annually, on the anniversary date of each bond issue subject to rebate, the arbitrage rebate amount. A rebate computation and payment to the Treasury, if applicable, are required to be made at least every five years or each "Rebate Installment Computation Date" and upon final redemption or maturity of the bonds. The District had no liability related to arbitrage rebate at August 31, 2017 and 2016.

### 9. DEFEASED BONDS OUTSTANDING

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

<u>Bond Issue</u>	<u>Year Refunded</u>	<u>Par Value Outstanding</u>	
		<u>2017</u>	<u>2016</u>
Combined Fee Revenue 2007	2012	\$ 18,565,000	\$ 20,415,000
Combined Fee Revenue 2007A	2012	3,725,000	3,890,000
		<u>\$ 22,290,000</u>	<u>\$ 24,305,000</u>

### 10. EMPLOYEES' RETIREMENT PLANS

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

#### Teacher Retirement System of Texas – Defined Benefit Plan

*Plan Description:* The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the TRS. TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms. All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

*Pension Plan Fiduciary Net Position:* Detailed information about the TRS's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. The report may be obtained by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; by calling (512) 542-6592; or online at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2016.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf).

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

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

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

	<u>Contribution Rates</u>	
	2016	2017
Member	7.2%	7.7%
District/Non-employer contributing entity (State)	6.8%	6.8%
District contributions (audited)	\$ 5,057,590	
State of Texas on-behalf contributions (unaudited)	\$ 2,897,814	

The District's estimated contributions to the TRS pension plan in 2017 were \$5,604,000 as reported in the Schedule of District Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for 2017 were \$3,205,000.

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

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

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

*Actuarial Assumptions:* The total pension liability in the August 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2016
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long-term expected investment rate of return	8.00%
Last year ending August 31 in the 2016 to 2115 projection period (100 years)	2115
Inflation	2.5%
Salary increases including inflation	3.5% to 9.5%
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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 the System's target asset allocation as of August 31, 2016 are summarized below:

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

\*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 2016 Comprehensive Annual Financial Report

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

*Discount Rate Sensitivity Analysis:* The following schedule shows the impact on the net pension liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the 2016 net pension liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 93,095,361	\$ 60,152,212	\$ 32,209,762

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* At August 31, 2017, the District reported a liability of \$60,152,212 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	60,152,212
State's proportionate share that is associated with District		34,396,610
Total	\$	94,548,822

The net pension liability was measured as of August 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2015 thru August 31, 2016.

At the measurement date of August 31, 2016 the District's proportion of the collective net pension liability was 0.1591812086%, which was a decrease of 0.0037357914% from its proportion measured as of August 31, 2015.

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

For the year ended August 31, 2017, the District recognized pension expense of \$3,569,548 and revenue of \$3,569,548 for support provided by the State.

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

Year ended August 31,	Pension Expense Amount
2018	\$ (543,829)
2019	(543,829)
2020	2,705,095
2021	(793,405)
2022	(1,494,524)
Thereafter	(162,274)

#### Optional Retirement Plan (ORP) – Defined Contribution Plan

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

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

Total payroll for the District and for employees under each retirement plan, retirement expense for the State and the District, and contribution rates mandated by the State for the years ended August 31, 2017, 2016 and 2015 are as follows:

	2017	2016	2015
Payroll - all District employees	\$ 184,438,723	\$ 171,757,438	\$ 167,878,100
Payroll - TRS participants	128,722,458	116,013,872	109,267,415
Payroll - ORP participants	33,612,027	32,747,377	34,293,727
 Total required annual contributions:			
State on-behalf contributions	\$ 4,620,000	\$ 5,560,000	\$ 3,440,000
District contributions	7,510,000	6,380,000	5,780,000
 District/State contribution percentages - TRS			
	6.80%	6.80%	6.80%
Participant contribution percentages - TRS			
	7.70%	7.20%	6.70%
 District/State contribution percentages - ORP			
	6.80%	6.80%	6.80%
Participant contribution percentages - ORP			
	6.65%	6.65%	6.65%

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 11. DEFERRED COMPENSATION PROGRAM

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

A total of approximately \$2,173,000 was contributed by 355 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program including designated Roth accounts and 123 participants contributed a total of approximately \$396,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2017.

A total of approximately \$2,175,000 was contributed by 354 District employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity program and 118 participants contributed a total of approximately \$382,000 to a Section 457 Deferred Compensation Plan in the fiscal year ended August 31, 2016.

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

### 12. COMPENSABLE ABSENCES

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

The District recognizes the accrued liability for annual leave as a liability in the Statements of Net Position (see Note 6). The current portion of the annual leave liability is that which is projected to be paid during the next fiscal year and is based on a five-year average. The total accrued at August 31, 2017 and 2016 for annual leave was approximately \$6,500,000 and \$5,900,000, respectively.

### 13. DISAGGREGATION OF RECEIVABLES AND PAYABLES BALANCES

Receivables at August 31, 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
Tuition and fees receivable	\$ 11,939,582	\$ 11,042,490
Taxes receivable	7,039,669	6,576,287
Contracts and grants receivable	4,708,153	8,706,991
Interest receivable	362,845	316,035
Other receivables	3,280,701	2,434,609
Subtotal	<u>27,330,950</u>	<u>29,076,412</u>
Less allowance for doubtful accounts:		
Tuition and fees receivable	9,738,767	9,162,730
Taxes receivable	5,651,705	5,182,921
Other receivables	<u>246,563</u>	<u>256,293</u>
Net accounts receivable and notes receivable	<u>\$ 11,693,915</u>	<u>\$ 14,474,468</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

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

Accounts payable and accrued liabilities at August 31, 2017 and 2016 were as follows:

	2017	2016
Accounts payable to vendors	\$ 8,719,188	\$ 6,407,420
Accrued liabilities:		
Salaries and benefits	8,029,273	6,799,735
Construction retainage	769,385	951,392
Bond interest	2,487,530	1,624,535
Workers' compensation claims	587,694	458,178
Other	234,418	267,966
Total accounts payable and accrued liabilities	<u>\$ 20,827,488</u>	<u>\$ 16,509,226</u>

### 14. FUNDS HELD FOR OTHERS

The District holds unapplied Federal Direct Loan Program funds, funds for certain students as well as student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of \$764,463 and \$660,671 as of August 31, 2017 and 2016, respectively.

### 15. CONTRACT AND GRANT AWARDS

Contract and grant revenue for which funds have been expended is included in the Statements of Revenues, Expenses and Changes in Net Position. Contract and grant awards for which funds have been expended but not yet collected are included in Accounts Receivable in Exhibit 1, Statements of Net Position. Contract and grant awards for which funds have been received but not yet expended are included in unearned income in the Statements of Net Position. Contract and grant awards that are not yet funded and for which the District has not yet performed services are not included in the financial statements. Contract and grant award funds already committed, e.g., multi-year awards, or funds awarded during fiscal years ended August 31, 2017 and 2016 for which no expenses have been incurred, totaled approximately \$34,200,000 and \$34,700,000, respectively.

### 16. SELF-INSURED AND RISK MANAGEMENT PLANS

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

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



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

Claims and administrative expenses are paid from the Fund, and the balance is reserved toward future claims. The accrued liability in the Fund presented below represents a provision for unpaid expected claims of approximately \$588,000 and \$458,000 at August 31, 2017 and 2016, respectively, and is recorded in accounts payable and accrued liabilities in the accompanying Statements of Net Position. These liabilities are generally based on an actuarial valuation and the present value of unpaid expected claims. The discount rate used to calculate the present value of liabilities was 4.25% and 4.25% for August 31, 2017 and 2016 respectively.

Fiscal Year	Beginning of Year Liability	Additions	Deductions	End of Year Liability
2017	\$ 458,178	\$ 540,995	\$ (411,479)	\$ 587,694
2016	458,178	914,142	(914,142)	458,178

### 17. HEALTH CARE AND LIFE INSURANCE BENEFITS

The State of Texas pays certain health care and life insurance benefits for certain retired District employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the District. The District also provides some additional life insurance for retirees. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year.

The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per eligible full-time employee or retiree was between approximately \$617 and \$1,208 per month for the year ended August 31, 2017 and between approximately \$577 and \$1,128 per month for the year ended August 31, 2016. The table below depicts the cost of providing health care benefits to the District's retired and active employees, and the amount appropriated to the District from the State of Texas. Payments of these benefits by the State were recognized as restricted state appropriations with an equal amount recognized as restricted benefit expenses. These payments do not flow through the District's cash accounts.

Cost of Providing Health Care Insurance	2017	2016
Number of Retirees	1,105	1,079
Cost of Health Benefits for Retirees	\$ 8,163,761	\$ 7,560,609
Number of Active Full-time Employees	2,590	2,451
Cost of Health Benefits for Active Full-time Employees	\$ 20,691,719	\$ 18,531,098
State Appropriation for Health Insurance	\$ 11,746,858	\$ 10,963,367
District's Expense for Health Insurance	\$ 17,108,622	\$ 15,128,340

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

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

*Funding Policy.* Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

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

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. Beginning September 1, 2013, SB 1812 limited the State's contribution to 50% of eligible employees for community colleges.

The District's contributions to SRHP for the years ended August 31, 2017, 2016 and 2015 were \$4,355,573, \$4,027,414 and \$3,624,842 respectively, which equaled the required contributions each year.

### 18. AD VALOREM TAX

The District's ad valorem property tax is levied each October 1 on the assessed value as of the prior January 1 for all real and business property located in Bexar County. General information follows for the years ended August 31, 2017 and 2016.

	2017 <sup>(1)</sup>	2016 <sup>(2)</sup>
Assessed valuation of the District	\$ 155,537,549,405	\$ 142,067,628,821
Less : Exemptions	(13,268,330,107)	(12,277,254,224)
Tax increment financings	(155,959,959)	(170,310,586)
Net assessed valuation of the District	\$ 142,113,259,339	\$ 129,620,064,011

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

(2) Based on most recent Supplement to the Certified Total (ARB Approved 2015 Supplement 160)

The authorized and assessed property tax rates for the years ended August 31, 2017 and 2016 are as follows:

	2017			2016		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Tax rate per \$100 valuation (authorized)	\$ -	\$ -	\$ 0.25000000	\$ -	\$ -	\$ 0.25000000
Tax rate per \$100 valuation (assessed)	\$ 0.10776000	\$ 0.04139000	\$ 0.14915000	\$ 0.10530000	\$ 0.04385000	\$ 0.14915000

Taxes levied for the years ended August 31, 2017 and 2016 were approximately \$206,482,000 and \$189,391,000, respectively. State law automatically places a tax lien on all taxable property on January 1 of each year to secure payment. Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed, and are subject to penalties and interest.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 18. AD VALOREM TAX (continued)

The tax collection detail at August 31, 2017 and 2016 is as follows:

	2017			2016		
	Current Operations	Debt Service	Total	Current Operations	Debt Service	Total
Current taxes	\$ 146,583,735	\$ 56,308,592	\$ 202,892,327	\$ 131,083,512	\$ 54,630,849	\$ 185,714,361
Tax increment financings payment	(233,799)	-	(233,799)	(206,203)	-	(206,203)
Delinquent taxes collected	884,080	371,504	1,255,584	803,572	343,432	1,147,004
Penalties and interest	1,286,411	506,033	1,792,443	1,326,700	342,592	1,669,292
Total	<u>\$ 148,520,427</u>	<u>\$ 57,186,129</u>	<u>\$ 205,706,555</u>	<u>\$ 133,007,581</u>	<u>\$ 55,316,873</u>	<u>\$ 188,324,454</u>

Tax collections for the years ended August 31, 2017 and 2016 were 98.16% and 97.97%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted for the use of maintenance and operations and/or general obligation debt service.

### 19. INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The District had no unrelated business income tax liability for the years ended August 31, 2017 or 2016.

### 20. OTHER OPERATING REVENUES

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

### 21. COMMITMENTS AND CONTINGENCIES

As of August 31, 2017, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the District.

The District has entered into several contracts for construction and various other renovation projects. As of August 31, 2017 and 2016, the District was committed for approximately \$49,888,000 and \$12,171,000, respectively.

### 22. SUBSEQUENT EVENTS

In May 2017, the voters of Bexar County passed a bond authorization in the amount of \$450,000,000. The bonds are expected to be issued in three tranches, in fiscal year 2018 in the amount of \$173,000,000. At that time, certain portions of the Limited Tax Bonds 2007 and Limited Tax Bonds 2007A will be refunded, in the amount of \$97,000,000 for interest savings and additional debt capacity.

In August 2017, the Board of Trustees authorized the cash defeasance of up to \$25,500,000 of the Limited Tax Bonds 2007 for interest savings and additional debt capacity. It is expected that this action will occur in February, 2018.

### 23. ALAMO COLLEGES FOUNDATION, INC. – DISCRETE COMPONENT UNIT

The following footnotes are from the audited financial statements of the Alamo Colleges Foundation, Inc. (Foundation) for the years ended December 31, 2016 and 2015:

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### A – ORGANIZATION

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

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

### B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

#### Cash and cash equivalents

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

#### Investments

Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Realized and unrealized gains and losses are reported in the statements of activities as changes in temporarily restricted net position, unless restricted by donor or law. Donated marketable securities are recorded as contributions at their estimated fair value at the date of the donation. The investments of the Foundation are managed under agreement with Morgan Stanley in a manner consistent with the investment goals and policies established by the Board of Trustees of the Foundation.

Under the laws of the State of Texas, the Board of Trustees may appropriate for expenditure, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Trustees determines the amount of such appropriation annually. The aggregate accumulated

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### **B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

unallocated gains and losses on donor-restricted endowment net position balances are included in temporarily restricted net position in the financial statements.

#### Contributions receivable

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

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

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

#### Capital assets

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

#### Presentation of expenses

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

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

#### Income taxes

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

statements. The Foundation's federal income tax filings prior to 2014 are no longer subject to examination by federal taxing authorities.

#### Donated materials, services and facilities

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

#### Revenue recognition

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

#### Use of estimates

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

#### New Pronouncements

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### C – INVESTMENTS

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

Type of Security	2016		2015	
	Cost	Fair Value	Cost	Fair Value
Fixed income securities	\$ 4,210,686	\$ 4,236,723	\$ 3,194,836	\$ 3,176,983
Mutual funds	14,498,717	15,107,803	4,460,377	4,187,152
Marketable securities	1,855,659	2,035,951	8,868,389	9,852,381
Total	<u>\$ 20,565,061</u>	<u>\$ 21,380,477</u>	<u>\$ 16,523,602</u>	<u>\$ 17,216,516</u>

Net investment income is comprised of the following:

	2016	2015
Interest and dividend income	\$ 326,357	\$ 233,723
Gain (loss) on investments	807,898	(510,554)
Total	<u>\$ 1,134,255</u>	<u>\$ (276,831)</u>

The Foundation elects to net investment expenses with earnings from investments. Total investment expenses in 2016 and 2015 were \$101,506 and \$155,791, respectively.

### D – FUNCTIONAL EXPENSES

The cost of providing the various programs and activities of the Foundation has been summarized on a functional basis in the accompanying statements of activities. Functional expenses categorized by program, general and administrative, and fundraising costs for the years ended December 31, 2016 and 2015 are as follows:

	Program	General and Administrative	Fundraising	Total
<b>Year ended December 31, 2016:</b>				
Scholarships and educational support	\$ 3,375,424	\$ -	\$ -	\$ 3,375,424
Salaries and benefits	98,174	216,976	132,905	448,055
Office and administrative	-	-	-	-
Rent	-	61,612	-	61,612
Professional services	-	54,392	-	54,392
Professional development, fees and subscriptions	-	-	-	-
Software acquisition, maintenance and support	-	-	-	-
Other	-	2,539	26,052	28,591
Total	<u>\$ 3,473,598</u>	<u>\$ 335,519</u>	<u>\$ 158,957</u>	<u>\$ 3,968,074</u>

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### D – FUNCTIONAL EXPENSES (continued)

	General and			Total
	Program	Administrative	Fundraising	
<b>Year ended December 31, 2015:</b>				
Scholarships and educational support	\$ 3,510,106	\$ -	\$ -	\$ 3,510,106
Salaries and benefits	74,451	166,522	112,028	353,001
Office and administrative	1,884	5,785	2,588	10,257
Rent	-	61,612	-	61,612
Professional services	-	96,719	-	96,719
Professional development, fees and subscriptions	2,438	7,629	3,487	13,554
Software acquisition, maintenance and support	49	109	73	231
Other	3,759	24,886	15,585	44,230
Total	<u>\$ 3,592,687</u>	<u>\$ 363,262</u>	<u>\$ 133,761</u>	<u>\$ 4,089,710</u>

### E – ENDOWMENT NET POSITION

The Foundation's endowment consists of 164 individual funds established for a variety of purposes, including both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Net position associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

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

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

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

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

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



# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### E – ENDOWMENT NET POSITION (continued)

Endowment net position and classifications of related unappropriated income at December 31, 2016 and 2015:

	Temporarily Restricted	Permanently Restricted	Total
As of December 31, 2016			
Endowment funds	\$ 3,579,596	\$ 16,499,838	\$ 20,079,434
As of December 31, 2015			
Endowment funds	\$ 2,190,336	\$ 13,846,843	\$ 16,037,179

The changes in endowment net position and related income classification for the year ended December 31, 2016 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
Beginning of year	\$ 2,190,336	\$ 13,846,843	\$ 16,037,179
Contributions:	1,000,000	2,523,590	3,523,590
Investment return:			
Interest and dividends	326,357	-	326,357
Gain/loss on investments	807,898	-	807,898
Total revenues	2,134,255	2,523,590	4,657,845
Designated transfers	(29,003)	129,405	100,402
Deductions:			
Net position released from restrictions	(715,992)	-	(715,992)
Increase in net position	1,389,260	2,652,995	4,042,255
End of year	\$ 3,579,596	\$ 16,499,838	\$ 20,079,434

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

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as board-designated funds.

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

Under the laws of the State of Texas, the Board of Trustees may appropriate for expenditure, for the uses and purposes for which the endowment was established, a prudent rate of spending considering the duration and preservation of the endowment. The Board of Trustees determines the amount of such appropriation annually. The rate for 2016 was 4.25%. The rate for 2017 has been set at 4.00%.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### F – FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

The fair value hierarchy of investments at December 31, 2016 follows:

	2016			
	Level 1	Level 2	Level 3	Total
Fixed income securities	\$ -	\$ 4,236,723	\$ -	\$ 4,236,723
Mutual funds	15,107,803	-	-	15,107,803
Marketable securities	2,035,951	-	-	2,035,951
Total	\$ 17,143,754	\$ 4,236,723	\$ -	\$ 21,380,477

### G – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTIONS

By agreement, the Alamo Colleges District provides administrative support for the Foundation activities at a level determined by the Alamo Colleges District to be appropriate, but only to the extent of availability of funds within Alamo Colleges District's budget. Administrative support provided includes office space and an executive director and staff for the Foundation. The total support provided by the Alamo Colleges District to the Foundation in the fiscal years ended December 31, 2016 and 2015 was valued at approximately \$509,667 and \$453,160, respectively, and is included in the financial statements as unrestricted in-kind revenue.

From time to time the Foundation remits scholarship funds to the Alamo Colleges District to cover tuition, books, and other student fees for specified students of the Alamo Colleges District. During the years ended December 31, 2016 and 2015, the Foundation remitted a total of \$2,040,519 and \$1,537,423 to the Alamo Colleges District to fund approximately 2,184 and 2,100 scholarships, respectively. In addition, for the years ended December 31, 2016 and 2015, the Foundation remitted \$1,283,211 and \$1,134,007, respectively, to the Alamo Colleges District for program related costs.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### G – SUPPORT AGREEMENT AND RELATED PARTY TRANSACTIONS (continued)

The total scholarship funds due from the Foundation to Alamo Colleges District at December 31, 2016 and 2015 was \$21,960 and \$37,372, respectively. These amounts have been included in the due to affiliate balances in the accompanying financial statements.

### H – FUTURE COMMITMENTS

At December 31, 2016, outstanding donor match commitments for the next five years are as follows:

Year ended December 31,	
2017	25,000
2018	25,000
2019	25,000
2020	25,000
2021	25,000
Total	<u>\$ 125,000</u>

### I – COMMITMENTS

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

### J – RESTRICTED TITLE V FUNDS

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

### K – UNRESTRICTED NET POSITION

Unrestricted net position is comprised of net position that is not subject to donor-imposed stipulations. The balances comprising unrestricted net position as of December 31, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Undesignated/unrestricted net position	<u>\$ 2,196</u>	<u>\$ 103,233</u>

### L – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available to be issued, and noted no events which affected the financial statements as of December 31, 2016.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### 24. ACCD PUBLIC FACILITY CORPORATION – DISCRETE COMPONENT UNIT

#### A – REPORTING ENTITY

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

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

#### B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Accounting

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

##### Cash

Cash consists solely of demand deposits held at a bank fully insured by the Federal Deposit Insurance Corporation (FDIC). At August 31, 2017 and 2016, the PFC had -\$0- in excess of the FDIC insurance limit.

##### Capital Assets

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

##### Operating and Non-operating Revenues

Operating revenues generally result from providing services in connection with the PFC's principal ongoing operations. The principal operating revenues are from lease payments and development fees collected. The PFC did not have any non-operating revenues for the years ended August 31, 2017 and 2016.

##### Revenue Recognition and Unearned Revenues

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

##### Operating and Non-operating Expenses

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

##### Use of Estimates

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

## ALAMO COMMUNITY COLLEGE DISTRICT

### Notes to Financial Statements

#### C – CAPITAL ASSETS

Capital assets consist of land and therefore no depreciation is required. Activity for the years ended August 31, 2017 and 2016 was as follows:

	Balance 9/1/15	Increases	Decreases	Balance 8/31/16	Increases	Decreases	Balance 8/31/17
Land	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847	\$ -	\$ -	\$ 5,099,847

#### D – NONCURRENT LIABILITIES

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

The principal amount of the note is \$2 million, with a maturity date of August 1, 2042 and an interest rate of four percent (4%) per annum. Accrued interest on the note is \$406,667 and \$326,667 at August 31, 2017 and 2016, respectively, payable at maturity.

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

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

As of August 31, 2016, noncurrent liabilities are \$4,004,667 with activity for the fiscal year as follows:

	Total Liabilities					Current Portion
	Balance 9/1/15	Additions	Reductions	Balance 8/31/16		
Note payable	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	
Unearned lease revenue	1,726,000	-	24,000	1,702,000	24,000	
Interest payable	246,667	80,000	-	326,667	-	
<b>Total noncurrent liabilities</b>	<b>\$ 3,972,667</b>	<b>\$ 80,000</b>	<b>\$ 24,000</b>	<b>\$ 4,028,667</b>	<b>\$ 24,000</b>	

#### E – INCOME TAXES

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Notes to Financial Statements

### F – RELATED PARTIES

In July of 2012, Tobin Lofts, LLC (LLC) was created to carry out the purposes of its initial sole member, ACCD Public Facility Corporation, which includes providing housing for college students and employees of the Alamo Colleges District. The LLC leases land from the PFC under a 75-year ground lease, classified as an operating lease, and operates residential housing and retail facilities on the land. In August 2012, the LLC prepaid its ground lease in the amount of \$1.8 million and the PFC recognizes lease revenue on a monthly basis over the life of the lease. The PFC recognized \$24,000 for each year ended August 31, 2017 and 2016. The PFC may receive distributions in the future from the LLC under limited contractual conditions. At the end of the 75-year lease, title to the tenant improvements will pass to the PFC.



## **Required Supplementary Information**





**ALAMO COMMUNITY COLLEGE DISTRICT**

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

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

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

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule of District Contributions  
Last Three Fiscal Years\*\***

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

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

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

## ALAMO COMMUNITY COLLEGE DISTRICT

### Notes to Required Supplementary Information For the Year Ended August 31, 2017

#### ***Changes to Presentation of Payroll-related Measures***

In March 2016, GASB issued Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. Prior to the issuance of Statement No. 82, presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, were presented in the schedules of required supplementary information. Statement No. 82 amended Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

#### ***Changes Since Prior Actuarial Valuation***

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



## **Supplementary Information**



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule A  
Schedule of Operating Revenues  
For the Year Ended August 31, 2017  
With Memorandum Totals for the Year Ended August 31, 2016**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY17 Total	FY16 Total
<b>OPERATING REVENUES:</b>						
<b>Tuition</b>						
State-funded courses						
In-District resident tuition	\$ 75,965,160	\$ -	\$ 75,965,160	\$ -	\$ 75,965,160	\$ 73,854,513
Out-of-District resident tuition	26,797,924	-	26,797,924	-	26,797,924	23,991,048
Non-resident tuition	10,008,806	-	10,008,806	-	10,008,806	8,430,637
TPEG - credit set aside*	4,874,207	-	4,874,207	-	4,874,207	4,575,643
State-funded continuing education	612,204	-	612,204	-	612,204	847,299
TPEG - Non-credit set aside*	39,077	-	39,077	-	39,077	13,814
Non-State-funded continuing education	1,875,200	-	1,875,200	-	1,875,200	2,608,947
<b>Total tuition</b>	<b>120,172,578</b>	<b>-</b>	<b>120,172,578</b>	<b>-</b>	<b>120,172,578</b>	<b>114,321,901</b>
<b>Fees</b>						
Other	5,372,283	-	5,372,283	-	5,372,283	5,506,885
<b>Total fees</b>	<b>5,372,283</b>	<b>-</b>	<b>5,372,283</b>	<b>-</b>	<b>5,372,283</b>	<b>5,506,885</b>
<b>Total tuition and fees</b>	<b>125,544,861</b>	<b>-</b>	<b>125,544,861</b>	<b>-</b>	<b>125,544,861</b>	<b>119,828,786</b>
<b>Allowances and discounts</b>						
Institutional allowances and scholarships	(4,133,900)	-	(4,133,900)	-	(4,133,900)	(812,925)
Remissions and exemptions - state	(5,026,151)	-	(5,026,151)	-	(5,026,151)	(4,668,470)
Remissions and exemptions - local - dual credit	(21,511,804)	-	(21,511,804)	-	(21,511,804)	(18,812,787)
Federal grants to students	-	(32,375,773)	(32,375,773)	-	(32,375,773)	(31,559,436)
TPEG awards	-	(3,494,480)	(3,494,480)	-	(3,494,480)	(1,963,427)
State grants to students	-	(1,609,673)	(1,609,673)	-	(1,609,673)	(1,718,967)
Other local awards	(503,304)	(2,522,606)	(3,025,910)	-	(3,025,910)	(2,836,815)
<b>Total allowances and discounts</b>	<b>(31,175,159)</b>	<b>(40,002,532)</b>	<b>(71,177,691)</b>	<b>-</b>	<b>(71,177,691)</b>	<b>(62,372,827)</b>
<b>Total net tuition and fees</b>	<b>94,369,702</b>	<b>(40,002,532)</b>	<b>54,367,170</b>	<b>-</b>	<b>54,367,170</b>	<b>57,455,959</b>
<b>Other operating revenues</b>						
Federal grants and contracts	587,430	23,288,159	23,875,589	-	23,875,589	20,368,907
State grants and contracts	-	1,721,567	1,721,567	-	1,721,567	1,920,275
Local grants and contracts	1,049,573	3,440,104	4,489,677	-	4,489,677	1,945,107
Non-governmental grants and contracts	26,000	342,923	368,923	-	368,923	585,483
Other operating revenues	4,172,439	5,678	4,178,117	-	4,178,117	3,515,868
<b>Total other operating revenues</b>	<b>5,835,442</b>	<b>28,798,431</b>	<b>34,633,873</b>	<b>-</b>	<b>34,633,873</b>	<b>28,335,640</b>
<b>Sales and services of auxiliary enterprises</b>						
Bookstore commission	-	-	-	792,561	792,561	920,755
Palo Alto College natatorium	-	-	-	515,630	515,630	565,063
Day care centers	-	-	-	502,333	502,333	633,208
Vending machines and copiers	-	-	-	383,219	383,219	388,092
Parking access and fines	-	-	-	2,337,025	2,337,025	2,288,316
Other	-	-	-	400,992	400,992	332,450
<b>Total sales and services of auxiliary enterprises</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,931,760</b>	<b>4,931,760</b>	<b>5,127,884</b>
<b>Total operating revenues</b>	<b>\$ 100,205,144</b>	<b>\$ (11,204,101)</b>	<b>\$ 89,001,043</b>	<b>\$ 4,931,760</b>	<b>\$ 93,932,803</b>	<b>\$ 90,919,483</b>
					(Exhibit 2)	(Exhibit 2)

\*In accordance with Education Code 56.033, \$4,913,284 and \$4,589,457 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2017 and 2016, respectively.



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule B  
Schedule of Operating Expenses by Object  
For the Year Ended August 31, 2017  
With Memorandum Totals for the Year Ended August 31, 2016**

	Salaries and Wages	Benefits		Other Expenses	FY17 Total	FY16 Total
		State	Local			
<b>OPERATING EXPENSES:</b>						
<b>Unrestricted - educational activities</b>						
Instruction	\$ 88,499,543	\$ -	\$ 16,837,917	\$ 14,318,985	\$ 119,656,445	\$ 110,800,134
Public service	778,386	-	134,024	254,066	1,166,476	763,578
Academic support	13,799,632	-	3,078,442	5,213,286	22,091,360	21,190,235
Student services	27,818,337	-	6,377,910	8,158,160	42,354,407	39,791,826
Institutional support	39,169,560	-	8,695,809	19,047,630	66,912,999	61,777,154
Operation and maintenance of plant	6,408,464	-	3,000,172	28,264,538	37,673,174	38,189,774
Scholarships and fellowships	-	-	-	347,132	347,132	351,557
<b>Total unrestricted educational activities</b>	<b>176,473,922</b>	<b>-</b>	<b>38,124,274</b>	<b>75,603,797</b>	<b>290,201,993</b>	<b>272,864,258</b>
<b>Restricted - educational activities</b>						
Instruction	2,398,474	7,519,227	589,443	2,615,279	13,122,423	14,745,987
Public service	21,976	64,759	4,222	31,413	122,370	92,232
Academic support	1,529,539	1,494,214	354,464	1,677,932	5,056,149	3,656,101
Student services	1,983,115	3,031,694	166,003	985,043	6,165,855	5,914,806
Institutional support	1,289,408	4,254,960	290,906	678,075	6,513,349	8,194,610
Operation and maintenance of plant	-	-	-	3,393,249	3,393,249	103,963
Scholarships and fellowships	-	-	-	54,265,309	54,265,309	53,165,585
<b>Total restricted educational activities</b>	<b>7,222,512</b>	<b>16,364,854</b>	<b>1,405,038</b>	<b>63,646,300</b>	<b>88,638,704</b>	<b>85,873,284</b>
<b>Total educational activities</b>	<b>183,696,434</b>	<b>16,364,854</b>	<b>39,529,312</b>	<b>139,250,097</b>	<b>378,840,697</b>	<b>358,737,542</b>
Auxiliary enterprises - unrestricted	731,755	-	264,194	666,004	1,661,953	1,433,359
Auxiliary enterprises - restricted	10,534	-	5,418	65,324	81,276	323,272
Depreciation expense - buildings	-	-	-	28,402,570	28,402,570	28,439,888
Depreciation expense - equipment	-	-	-	3,272,682	3,272,682	3,567,751
<b>Total operating expenses</b>	<b>\$ 184,438,723</b>	<b>\$ 16,364,854</b>	<b>\$ 39,798,924</b>	<b>\$ 171,656,677</b>	<b>\$ 412,259,178</b>	<b>\$ 392,501,812</b>
					(Exhibit 2)	(Exhibit 2)

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule C  
Schedule of Non-Operating Revenues and Expenses  
For the Year Ended August 31, 2017  
With Memorandum Totals for the Year Ended August 31, 2016**

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY17 Total	FY16 Total
<b>NON-OPERATING REVENUES:</b>						
State appropriations						
Education and general state support	\$ 59,928,821	\$ 4,072,304	\$ 64,001,125	\$ -	\$ 64,001,125	\$ 60,963,694
State group insurance	-	11,746,858	11,746,858	-	11,746,858	10,963,367
State retirement match	-	4,617,996	4,617,996	-	4,617,996	5,558,876
Ad valorem taxes						
Taxes for maintenance and operations	148,539,505	-	148,539,505	-	148,539,505	132,979,101
Taxes for maintenance and operations-MTN	18,224,562	-	18,224,562	-	18,224,562	26,877,429
Taxes for debt service	-	38,937,087	38,937,087	-	38,937,087	28,396,390
Federal revenue, non-operating	-	78,850,402	78,850,402	-	78,850,402	79,919,261
State revenue, non-operating	-	4,071,079	4,071,079	-	4,071,079	4,271,961
Gifts	245,542	612,928	858,470	-	858,470	2,601,871
Investment income	1,364,817	373,734	1,738,551	-	1,738,551	1,168,384
Total non-operating revenues	<u>228,303,247</u>	<u>143,282,388</u>	<u>371,585,635</u>	<u>-</u>	<u>371,585,635</u>	<u>353,700,334</u>
<b>NON-OPERATING EXPENSES:</b>						
Interest on capital-related debt	-	(17,036,112)	(17,036,112)	-	(17,036,112)	(15,793,684)
Interest on capital-related debt-MTN	(3,404,562)	-	(3,404,562)	-	(3,404,562)	(4,277,429)
Loss on disposal of capital assets	-	(233,699)	(233,699)	-	(233,699)	(44,468)
Other non-operating expenses	-	(2,608,769)	(2,608,769)	-	(2,608,769)	(6,370,175)
Total non-operating expenses	<u>(3,404,562)</u>	<u>(19,878,580)</u>	<u>(23,283,142)</u>	<u>-</u>	<u>(23,283,142)</u>	<u>(26,485,756)</u>
 Net non-operating revenues	 <u>\$ 224,898,685</u>	 <u>\$ 123,403,808</u>	 <u>\$ 348,302,493</u>	 <u>\$ -</u>	 <u>\$ 348,302,493</u>	 <u>\$ 327,214,578</u>
					(Exhibit 2)	(Exhibit 2)

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule D  
Schedule of Net Position by Source and Availability  
For the Year Ended August 31, 2017  
With Memorandum Totals for the Year Ended August 31, 2016**

	Detail by Source				Available for Current Operations		
	Unrestricted	Restricted		Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
		Expendable	Non-Expendable				
Current:							
Unrestricted	\$ 11,200,713	\$ -	\$ -	\$ -	\$ 11,200,713	\$ 11,200,713	\$ -
Board-designated	3,149,429	-	-	-	3,149,429	-	3,149,429
Restricted	-	7,889,808	-	-	7,889,808	-	7,889,808
Auxiliary enterprises	5,897,271	-	-	-	5,897,271	5,897,271	-
Loan	203,398	-	-	-	203,398	-	203,398
Plant:							
Unexpended	9,745,394	-	-	-	9,745,394	-	9,745,394
Renewals	113,288	-	-	-	113,288	-	113,288
Debt service	-	2,655,252	-	-	2,655,252	-	2,655,252
Net investment in capital assets	-	-	-	253,834,531	253,834,531	-	253,834,531
 Total net position, August 31, 2017	 30,309,493	 10,545,060	 -	 253,834,531	 294,689,084 (Exhibit 1)	 17,097,984	 277,591,100
 Total net position, August 31, 2016	 29,846,597	 24,591,209	 -	 210,275,160	 264,712,966 (Exhibit 1)	 17,033,313	 247,679,653
 Net increase (decrease) in net position	 \$ 462,896	 \$ (14,046,149)	 \$ -	 \$ 43,559,371	 \$ 29,976,118 (Exhibit 2)	 \$ 64,671	 \$ 29,911,447

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2017**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. DEPARTMENT OF EDUCATION</b>					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007	\$ 959,046	\$ -	\$ 959,046	\$ - *
Federal Work-Study Program	84.033	1,175,189	-	1,175,189	- *
Federal Pell Grant Program	84.063	76,831,317	-	76,831,317	- *
Federal Direct Student Loans	84.268	24,310,303	-	24,310,303	- *
Total Student Financial Assistance Cluster		103,275,855	-	103,275,855	-
TRIO Cluster					
TRIO Student Support Services	84.042	487,039	-	487,039	-
TRIO Talent Search	84.044	193,936	-	193,936	-
TRIO Upward Bound	84.047	1,029,367	-	1,029,367	-
Total TRIO Cluster		1,710,342	-	1,710,342	-
Adult Education - Basic Grants to States					
Texas Workforce Commission	84.002	-	-	-	-
2015AEL000		-	4,680	4,680	-
2016AEL000		-	39,170	39,170	-
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo		-	303,050	303,050	-
N/A		-	3,443	3,443	-
College of the Mainland		-	668,333	668,333	-
N/A		-	82,585	82,585	-
Education Service Center Region 20		-	1,101,261	1,101,261	-
N/A		-	82,585	82,585	-
Houston Community College		-	82,585	82,585	-
1617 HCC Alamo CPEA		-	82,585	82,585	-
Total	84.002	-	1,101,261	1,101,261	-
Higher Education Institutional Aid					
Our Lady of the Lake University	84.031	12,348,780	-	12,348,780	88,126
EXITOS		-	240,105	240,105	-
University of Texas at San Antonio		-	38,213	38,213	-
1000000934		-	38,213	38,213	-
Total	84.031	12,348,780	278,318	12,627,098	88,126
Career and Technical Education -- Basic Grants to States					
Texas Higher Education Coordinating Board	84.048	-	-	-	-
17638		-	1,104,664	1,104,664	-
Total	84.048	-	1,104,664	1,104,664	-
Fund for the Improvement of Postsecondary Education					
Minority Science and Engineering Improvement	84.116	29,538	-	29,538	-
Texas State University	84.120	-	-	-	-
15008-82244-1		-	10,000	10,000	-
Total	84.120	-	10,000	10,000	-
Child Care Access Means Parents in School	84.335	320,564	-	320,564	-
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>		<b>117,685,079</b>	<b>2,494,243</b>	<b>120,179,322</b>	<b>88,126</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
Hispanic Serving Institutions Education Grants	10.223	-	-	-	-
Texas State University		-	17,000	17,000	-
17004-82646-1		-	7,000	7,000	-
17005-82646-1		-	(450)	(450)	-
8000001640.3		-	(450)	(450)	-
Total	10.223	-	23,550	23,550	-

\*Major program

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2017**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
Child and Adult Care Food Program Texas Department of Agriculture 75N8022	10.558	\$ -	\$ -	\$ -	\$ -
Total	10.558	-	36,686	36,686	-
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>		-	<b>60,236</b>	<b>60,236</b>	-
<b>U.S. DEPARTMENT OF COMMERCE</b>					
Economic Development Cluster Investments for Public Works and Economic Development Facilities Total Economic Development Cluster	11.300	50,778	-	50,778	-
<b>TOTAL U.S. DEPARTMENT OF COMMERCE</b>		<b>50,778</b>	-	<b>50,778</b>	-
<b>U.S. DEPARTMENT OF DEFENSE</b>					
Information Security Grants	12.902	9,943	-	9,943	-
GenCyber Grants Program	12.903	94,061	-	94,061	-
<b>TOTAL U.S. DEPARTMENT OF DEFENSE</b>		<b>104,004</b>	-	<b>104,004</b>	-
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
HOPE VI Cluster Choice Neighborhoods Implementation Grants San Antonio Housing Authority N/A	14.889	-	-	-	-
Total Hope VI Cluster and CFDA Total	14.889	-	600,000	600,000	-
Community Development Block Grants Section 108 Loan Guarantees City of San Antonio 28-R1108182114	14.248	-	-	-	-
Total	14.248	-	1,000,000	1,000,000	-
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		-	<b>1,600,000</b>	<b>1,600,000</b>	-
<b>U.S. DEPARTMENT OF LABOR</b>					
Employment Service Cluster Employment Service/Wagner-Peyser Funded Activities Texas Workforce Commission 2017WPB000	17.207	-	-	-	-
Total Employment Service Cluster and CFDA Total	17.207	-	319,293	319,293	-
WIOA Cluster WIOA Adult Program Texas Workforce Commission 2015AEL000	17.258	-	-	-	-
Total	17.258	-	28,026	28,026	-
WIOA Youth Activities Texas Workforce Commission 2016AEL000	17.259	-	-	-	-
Total	17.259	-	134,543	134,543	-
WIOA Dislocated Worker Formula Grants Texas Workforce Commission 2017ATP000	17.278	-	-	-	-
Total	17.278	-	34,545	34,545	-
Total WIOA Cluster		-	197,114	197,114	-
H-1B Job Training Grants	17.268	48,021	-	48,021	-
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>		<b>48,021</b>	<b>516,407</b>	<b>564,428</b>	-

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2017**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
Commercial Motor Vehicle Operator Safety Training Grants	20.235	\$ 31,290	\$ -	\$ 31,290	\$ -
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>		<b>31,290</b>	<b>-</b>	<b>31,290</b>	<b>-</b>
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>					
Promotion of the Humanities Public Programs	45.164	-	-	-	-
American Library Association					
LA105602		-	9	9	-
Total	45.164	-	9	9	-
<b>TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES</b>		<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>
<b>NATIONAL SCIENCE FOUNDATION</b>					
Research & Development Cluster					
Education and Human Resources	47.076	244,063	-	244,063	-
Kentucky Community and Technical College System					
KCT-PS-679		-	1,179	1,179	-
The Research Foundation for SUNY					
73299-1128962-3		-	2,044	2,044	-
73289-1128962-3		-	2,383	2,383	-
University of Texas at San Antonio					
26-1002-9061		-	12,425	12,425	-
Total Research & Development Cluster		244,063	18,031	262,094	-
Education and Human Resources	47.076	441,039	-	441,039	-
Texas A&M University					
M1401786		-	52,418	52,418	-
Total	47.076	441,039	52,418	493,457	-
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>		<b>685,102</b>	<b>70,449</b>	<b>755,551</b>	<b>-</b>
<b>U.S. DEPARTMENT OF ENERGY</b>					
Renewable Energy Research and Development	81.087	-	-	-	-
University of Texas at San Antonio					
326140006A		-	2,478	2,478	-
Total	81.087	-	2,478	2,478	-
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>		<b>-</b>	<b>2,478</b>	<b>2,478</b>	<b>-</b>
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>					
TANF Cluster					
Temporary Assistance for Needy Families	93.558	-	-	-	-
Texas Workforce Commission					
2017ATP000		-	5,704	5,704	-
2016SMP001		-	728	728	-
2017SMP000		-	53,395	53,395	-
Education Service Center Region 20					
N/A		-	35,820	35,820	-
Total TANF Cluster and CFDA Total	93.558	-	95,647	95,647	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	-	-	-	-
Texas Workforce Commission					
Alamo Workforce Development, Inc. DBA Workforce Solutions Alamo					
N/A		-	342,033	342,033	-
Total CCDF Cluster and CFDA Total	93.575	-	342,033	342,033	-

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2017**

Federal Grantor/Cluster/Program Title/Pass-Through Grantor/Pass-Through Grantor's Award Number	CFDA Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
Affordable Care Act (ACA) Personal Responsibility Education Program Healthy Futures of Texas 90AK0050-01-00	93.092	\$ -	\$ -	\$ -	\$ -
		-	267,073	267,073	-
Total	93.092	-	267,073	267,073	-
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	2,059,229	-	2,059,229	(41,198)
Substance Abuse and Mental Health Services Projects of Regional and National Significance University of Texas at Austin 12-001072	93.243	628,100	-	628,100	287,211
		-	24,475	24,475	-
Total	93.243	628,100	24,475	652,575	287,211
Biomedical Research and Research Training Texas State University 14001-82044-1	93.859	-	-	-	-
		-	68,319	68,319	-
Total	93.859	-	68,319	68,319	-
<b>TOTAL U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>		<b>2,687,329</b>	<b>797,547</b>	<b>3,484,876</b>	<b>246,013</b>
<b>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>					
AmeriCorps Public Allies Inc 15EDHW10010014_16_PASA 15EDHW10010014_17_PASA	94.006	-	-	-	-
		-	71,760	71,760	-
		-	131,562	131,562	-
Total	94.006	-	203,322	203,322	-
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>		<b>-</b>	<b>203,322</b>	<b>203,322</b>	<b>-</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 121,291,603</b>	<b>\$ 5,744,691</b>	<b>\$ 127,036,294</b>	<b>\$ 334,139</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended August 31, 2017**

**1. FEDERAL ASSISTANCE RECONCILIATION**

Other Operating Revenues - federal grants and contracts - per Schedule A	\$ 23,875,589
Add: Non-Operating Revenues- federal revenue, non-operating - per Schedule C	<u>78,850,402</u>
Total Federal Revenues per Schedule A and C	102,725,991
Reconciling Items:	
Add: Federal Direct Student Loans	24,310,303
Less: Federal contracts (Note 3 below)	<u>-</u>
Total Federal Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 127,036,294</u></u>

**2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

The expenditures included in the schedule are reported for the District’s fiscal year. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds that have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Some amounts reported in the schedule may differ from amounts used in the preparation of the basic financial statements. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. Since the District uses agency approved Indirect Recovery Rate it has elected not to use the 10% de minimis cost rates as permitted in the Uniform Guidance, Section 200.414 Indirect (F&A) costs. The District has followed all applicable guidelines issued by various entities in the preparation of the schedule.

**3. EXPENDITURES NOT SUBJECT TO FEDERAL SINGLE AUDIT**

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

**4. FEDERAL DIRECT STUDENT LOAN PROGRAM**

The District participates in the Federal Direct Student Loans program (CFDA 84.268). Loans under the Federal Direct Student Loans program are made directly by the federal government to students. Loans disbursed during the fiscal year ended August 31, 2017 totaled \$24,310,303 and are presented as current year federal expenditures.

**5. COMMUNITY DEVELOPMENT BLOCK GRANTS-SECTION 108 LOAN GUARANTEES**

There is no outstanding loan balance on CDBG Section 108 Loan Guarantees.



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule E  
Notes to Schedule of Expenditures of Federal Awards – (Continued)  
For the Year Ended August 31, 2017**

**6. AMOUNTS PASSED-THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT**

U.S. Department of Education			
Passed through the Higher Education Institution Aid (CFDA 84.031) to:			
	Sul Ross State University	\$	88,126
U.S. Department of Health & Human Services			
Passed through Affordable Care Act (ACA) Health Profession Opportunity Grants (CFDA 93.093) to:			
	Family Service		(8,457)
	Project Quest		(45,515)
	San Antonio Housing Authority		(10,000)
	Goodwill Industries of San Antonio		22,774
Passed through Substance Abuse and Mental Health Services Projects of Regional and National Significance (CFDA 93.243) to:			
	Bexar County Hospital District		100,384
	San Antonio Aids Foundation		66,827
	San Antonio Fighting Back		120,000
	Total		<u>334,139</u>
		\$	<u>334,139</u>

**7. NONCASH AWARDS**

There were no federal noncash awards in fiscal year 2017 other than Federal Direct Student Loans discussed in Note 4 above.

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2017**

State Grantor/Pass-Through Grantor/Program Title	Grantor's Award Number	Expenditures			Subrecipient Expenditures
		Direct Awards	Pass-Through Awards	Total	
<b>TEXAS HIGHER EDUCATION COORDINATING BOARD</b>					
Comprehensive College Readiness and Success Model for the 60x30TX	17405	\$ 39,266	\$ -	\$ 39,266	\$ -
Nursing Shortage Reduction Program - Over 70 (FY 2011)		411	-	411	-
Pathways	9953	7,196	-	7,196	-
Texas College Work Study		243,893	-	243,893	-
Texas Equalization Opportunity Grant Initial		1,623,883	-	1,623,883	-
Texas Equalization Opportunity Grant Renewal		1,727,491	-	1,727,491	-
Texas Grant Renewal		3,312	-	3,312	-
Texas-Science, Technology, Engineering, and Math (T-STEM) Challenge Scholarship Program	16893	493,695	-	493,695	-
<b>TOTAL TEXAS HIGHER EDUCATION COORDINATING BOARD</b>		<b>4,139,147</b>	<b>-</b>	<b>4,139,147</b>	<b>-</b>
<b>TEXAS WORKFORCE COMMISSION</b>					
Apprenticeship Training Program	2017ATP000	74,911	-	74,911	-
Skills Development Fund	2015SDF000	980,034	-	980,034	- *
Skills Development Fund	2016SDF000	341,445	-	341,445	- *
Skills Development Fund	2017SDF000	160,499	-	160,499	- *
Total Skills Development Fund		1,481,978	-	1,481,978	-
Skills for Small Business	2016SSD000	20,093	-	20,093	-
<b>Education Service Center Region 20</b>					
Adult Education & Literacy	N/A	-	76,517	76,517	-
<b>TOTAL TEXAS WORKFORCE COMMISSION</b>		<b>1,576,982</b>	<b>76,517</b>	<b>1,653,499</b>	<b>-</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>		<b>\$ 5,716,129</b>	<b>\$ 76,517</b>	<b>\$ 5,792,646</b>	<b>\$ -</b>

\*Major program

**ALAMO COMMUNITY COLLEGE DISTRICT**

**Schedule F  
Notes to Schedule of Expenditures of State Awards  
For the Year Ended August 31, 2017**

**1. STATE ASSISTANCE RECONCILIATION**

Other Operating Revenues - state grants and contracts - per Schedule A	\$ 1,721,567
Add: Non-Operating Revenues- state revenue, non-operating - per Schedule C	<u>4,071,079</u>
Total State Revenues per Schedule A and C	5,792,646
Reconciling Items:	
Less: State contracts (Note 3 below)	<u>-</u>
Total State Expenditures per Schedule of Expenditures of State Awards	<u><u>\$ 5,792,646</u></u>

**2. SIGNIFICANT ACCOUNTING POLICIES USED IN PREPARING THE SCHEDULE**

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

**3. EXPENDITURES NOT SUBJECT TO STATE SINGLE AUDIT**

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

**4. AMOUNTS PASSED THROUGH BY THE ALAMO COMMUNITY COLLEGE DISTRICT**

There were no state noncash awards received in fiscal year 2017.

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



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Operating Revenues by Location**  
**For the Year Ended August 31, 2017**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>OPERATING REVENUES:</b>							
<b>Tuition</b>							
State-funded courses							
In-District resident tuition	\$ -	\$ 23,574,326	\$ 13,372,111	\$ 11,326,911	\$ 22,345,587	\$ 5,346,225	\$ 75,965,160
Out-of-District resident tuition	-	6,034,490	7,831,926	4,807,375	4,188,318	3,935,815	26,797,924
Non-resident tuition	-	3,350,744	2,623,487	1,130,592	2,471,739	432,244	10,008,806
TPEG - credit set aside	-	1,905,907	844,184	698,209	1,313,858	112,049	4,874,207
State-funded continuing education	591,785	-	20,419	-	-	-	612,204
TPEG - non-credit set aside	39,077	-	-	-	-	-	39,077
Non-State funded continuing education	1,691,882	-	182,390	-	928	-	1,875,200
<b>Total tuition</b>	<b>2,322,744</b>	<b>34,865,467</b>	<b>24,874,517</b>	<b>17,963,087</b>	<b>30,320,430</b>	<b>9,826,333</b>	<b>120,172,578</b>
<b>Fees</b>							
Other	3,896,053	436,114	284,858	206,028	378,531	170,699	5,372,283
<b>Total fees</b>	<b>3,896,053</b>	<b>436,114</b>	<b>284,858</b>	<b>206,028</b>	<b>378,531</b>	<b>170,699</b>	<b>5,372,283</b>
<b>Total tuition and fees</b>	<b>6,218,797</b>	<b>35,301,581</b>	<b>25,159,375</b>	<b>18,169,115</b>	<b>30,698,961</b>	<b>9,997,032</b>	<b>125,544,861</b>
<b>Allowances and discounts</b>							
Institutional allowances and scholarships	-	(1,647,728)	(771,277)	(573,226)	(1,052,229)	(89,440)	(4,133,900)
Remissions and exemptions - state	-	(1,939,379)	(926,119)	(783,491)	(1,064,602)	(312,560)	(5,026,151)
Remissions and exemptions - local - dual credit	-	(3,709,011)	(7,857,562)	(4,280,219)	(4,899,026)	(765,986)	(21,511,804)
Federal grants to students	-	(12,948,648)	(5,459,311)	(5,461,426)	(8,506,388)	-	(32,375,773)
TPEG awards	-	(1,397,613)	(589,251)	(589,479)	(918,137)	-	(3,494,480)
State grants to students	-	(643,787)	(271,428)	(271,534)	(422,924)	-	(1,609,673)
Other local awards	(2,537,333)	(305,458)	(43,140)	(131,546)	-	(8,433)	(3,025,910)
<b>Total allowances and discounts</b>	<b>(2,537,333)</b>	<b>(22,591,624)</b>	<b>(15,918,088)</b>	<b>(12,090,921)</b>	<b>(16,863,306)</b>	<b>(1,176,419)</b>	<b>(71,177,691)</b>
<b>Total net tuition and fees</b>	<b>3,681,464</b>	<b>12,709,957</b>	<b>9,241,287</b>	<b>6,078,194</b>	<b>13,835,655</b>	<b>8,820,613</b>	<b>54,367,170</b>
<b>Other operating revenues</b>							
Federal grants and contracts	4,272,633	4,460,411	12,268,096	1,393,411	1,371,377	109,661	23,875,589
State grants and contracts	1,606,980	411	74,910	39,266	-	-	1,721,567
Local grants and contracts	1,268,171	319,363	2,902,143	-	-	-	4,489,677
Non-governmental grants and contracts	293,258	11,337	60,848	12	-	3,468	368,923
Other operating revenues	2,582,322	622,461	242,426	349,067	296,444	85,397	4,178,117
<b>Total other operating revenues</b>	<b>10,023,364</b>	<b>5,413,983</b>	<b>15,548,423</b>	<b>1,781,756</b>	<b>1,667,821</b>	<b>198,526</b>	<b>34,633,873</b>
<b>Sales and services of auxiliary enterprises</b>							
Bookstore commission	-	180,494	149,242	131,090	235,239	96,496	792,561
Palo Alto College natatorium	-	-	-	515,630	-	-	515,630
Day care centers	-	257,932	89,849	154,552	-	-	502,333
Vending machines and copiers	15,159	103,390	79,954	58,274	107,913	18,529	383,219
Parking access and fines	37,382	826,278	329,687	303,320	680,147	160,211	2,337,025
Other	-	231,019	16,800	88,114	51,171	13,888	400,992
<b>Total sales and services of auxiliary enterprises</b>	<b>52,541</b>	<b>1,599,113</b>	<b>665,532</b>	<b>1,250,980</b>	<b>1,074,470</b>	<b>289,124</b>	<b>4,931,760</b>
<b>Total operating revenues</b>	<b>\$ 13,757,369</b>	<b>\$ 19,723,053</b>	<b>\$ 25,455,242</b>	<b>\$ 9,110,930</b>	<b>\$ 16,577,946</b>	<b>\$ 9,308,263</b>	<b>\$ 93,932,803</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Operating Expenses by Location**  
**For the Year Ended August 31, 2017**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>Educational activities</b>							
Instruction	\$ 6,659,362	\$ 43,690,388	\$ 29,512,773	\$ 17,327,109	\$ 26,395,515	\$ 9,193,721	\$ 132,778,868
Public service	101,754	977,125	198,871	-	11,096	-	1,288,846
Academic support	902,752	5,887,026	6,086,488	2,559,013	8,420,743	3,291,487	27,147,509
Student services	10,782,995	12,378,184	6,709,327	7,681,666	7,794,820	3,173,270	48,520,262
Institutional support	45,516,387	10,484,074	6,547,126	4,672,808	3,695,714	2,510,239	73,426,348
Operation and maintenance of plant	7,816,609	10,515,674	8,396,825	6,260,487	4,885,403	3,191,425	41,066,423
Scholarships and fellowships	641,844	20,567,843	9,136,920	10,070,921	14,194,913	-	54,612,441
<b>Total educational activities</b>	<b>72,421,703</b>	<b>104,500,314</b>	<b>66,588,330</b>	<b>48,572,004</b>	<b>65,398,204</b>	<b>21,360,142</b>	<b>378,840,697</b>
<b>Auxiliary enterprises</b>	<b>-</b>	<b>164,828</b>	<b>91,666</b>	<b>1,475,314</b>	<b>3,709</b>	<b>7,712</b>	<b>1,743,229</b>
Depreciation expense - building	875,872	7,390,016	6,852,516	5,165,333	4,696,292	3,422,541	28,402,570
Depreciation expense - equipment	1,214,168	780,718	645,931	243,903	265,254	122,708	3,272,682
<b>Total operating expenses</b>	<b>\$ 74,511,743</b>	<b>\$ 112,835,876</b>	<b>\$ 74,178,443</b>	<b>\$ 55,456,554</b>	<b>\$ 70,363,459</b>	<b>\$ 24,913,103</b>	<b>\$ 412,259,178</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Non-Operating Revenues and Expenses by Location**  
**For the Year Ended August 31, 2017**  
**(Unaudited)**

	DIST SVCS	SAC	SPC	PAC	NVC	NLC	TOTAL
<b>NON-OPERATING REVENUES:</b>							
State appropriations							
Education and general state support	\$ -	\$ 23,869,395	\$ 11,773,208	\$ 8,156,710	\$ 15,000,301	\$ 5,201,511	\$ 64,001,125
State group insurance	2,356,633	3,173,868	2,030,418	1,359,547	1,925,021	901,371	11,746,858
State retirement match	1,419,047	1,080,754	715,977	460,784	662,932	278,502	4,617,996
Ad valorem taxes							
Taxes for maintenance and operations	45,017,403	32,050,880	31,041,413	15,083,519	15,518,403	9,827,888	148,539,505
Taxes for maintenance notes	14,380,352	994,400	846,930	655,454	860,016	487,410	18,224,562
Taxes for debt service	19,956,454	4,398,135	3,745,890	2,899,010	3,803,771	4,133,827	38,937,087
Federal revenue, non-operating	-	30,981,823	13,128,359	13,936,917	20,803,303	-	78,850,402
State revenue, non-operating	-	1,577,593	644,026	655,795	1,193,665	-	4,071,079
Gifts	56,055	563,196	122,300	91,743	14,101	11,075	858,470
Investment income	1,686,230	26,394	8,195	2,453	9,831	5,448	1,738,551
Total non-operating revenues	<u>84,872,174</u>	<u>98,716,438</u>	<u>64,056,716</u>	<u>43,301,932</u>	<u>59,791,344</u>	<u>20,847,032</u>	<u>371,585,635</u>
<b>NON-OPERATING EXPENSES:</b>							
Interest on capital-related debt	1,944,521	(4,398,135)	(3,745,890)	(2,899,010)	(3,803,771)	(4,133,827)	(17,036,112)
Interest on maintenance tax notes	439,648	(994,400)	(846,930)	(655,454)	(860,016)	(487,410)	(3,404,562)
Loss on disposal of capital assets	(25,317)	(208,382)	-	-	-	-	(233,699)
Other non-operating expenses	(2,608,769)	-	-	-	-	-	(2,608,769)
Total non-operating expenses	<u>(249,917)</u>	<u>(5,600,917)</u>	<u>(4,592,820)</u>	<u>(3,554,464)</u>	<u>(4,663,787)</u>	<u>(4,621,237)</u>	<u>(23,283,142)</u>
Net non-operating revenues	<u>\$ 84,622,257</u>	<u>\$ 93,115,521</u>	<u>\$ 59,463,896</u>	<u>\$ 39,747,468</u>	<u>\$ 55,127,557</u>	<u>\$ 16,225,795</u>	<u>\$ 348,302,493</u>



**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Capital Assets by Asset Types**  
**For the Year Ended August 31, 2017**  
**(Unaudited)**

	Balance 9/1/2016	Additions	Deletions	Balance 8/31/2017
<i>Land:</i>				
San Antonio College	\$ 11,578,670	\$ -	\$ -	\$ 11,578,670
St. Philip's College	6,183,345	-	-	6,183,345
Palo Alto College	1,759,561	-	-	1,759,561
Northwest Vista College	1,717,000	-	-	1,717,000
Northeast Lakeview College	5,259,089	-	-	5,259,089
North Central Campus	12,793,381	-	-	12,793,381
District offices	13,701,683	-	-	13,701,683
<b>Total land</b>	<b>52,992,729</b>	<b>-</b>	<b>-</b>	<b>52,992,729</b>
<i>Buildings and building improvements:</i>				
San Antonio College	226,541,530	612,677	1,212,170	225,942,037
St. Philip's College	192,754,045	12,269,277	-	205,023,322
Palo Alto College	135,473,666	-	-	135,473,666
Northwest Vista College	131,691,726	1,216,571	-	132,908,297
Northeast Lakeview College	117,273,693	-	-	117,273,693
North Central Campus	-	-	-	-
District offices	29,403,523	-	-	29,403,523
<b>Total buildings and building improvements</b>	<b>833,138,183</b>	<b>14,098,525</b>	<b>1,212,170</b>	<b>846,024,538</b>
<i>Other real estate improvements:</i>				
San Antonio College	27,993,258	397,818	-	28,391,076
St. Philip's College	21,413,015	6,919,278	-	28,332,293
Palo Alto College	20,336,721	-	-	20,336,721
Northwest Vista College	32,606,608	1,579,951	-	34,186,559
Northeast Lakeview College	16,530,899	-	-	16,530,899
North Central Campus	195,720	-	-	195,720
District offices	6,526,335	169,984	-	6,696,319
<b>Total other real estate improvements</b>	<b>125,602,556</b>	<b>9,067,031</b>	<b>-</b>	<b>134,669,587</b>
<i>Furniture, machinery and equipment:</i>				
San Antonio College	7,219,216	291,569	293,457	7,217,328
St. Philip's College	12,923,940	488,091	472,494	12,939,537
Palo Alto College	2,254,123	93,643	25,979	2,321,787
Northwest Vista College	1,712,073	429,469	25,132	2,116,410
Northeast Lakeview College	810,460	6,119	34,377	782,202
North Central Campus	-	-	-	-
District offices	13,235,836	579,367	575,691	13,239,512
<b>Total furniture, machinery and equipment</b>	<b>38,155,648</b>	<b>1,888,258</b>	<b>1,427,130</b>	<b>38,616,776</b>
<i>Software:</i>				
San Antonio College	71,327	12,250	-	83,577
St. Philip's College	28,819	31,500	-	60,319
Palo Alto College	9,408	-	-	9,408
District-wide	2,995,275	54,000	-	3,049,275
<b>Total software</b>	<b>3,104,829</b>	<b>97,750</b>	<b>-</b>	<b>3,202,579</b>
<i>Library materials:</i>				
San Antonio College	6,085,036	28,199	16,575	6,096,660
St. Philip's College	4,657,560	1,279	-	4,658,839
Palo Alto College	3,746,431	288	20,645	3,726,074
Northwest Vista College	888,253	15,158	-	903,411
Northeast Lakeview College	676,306	70,079	-	746,385
<b>Total library materials</b>	<b>16,053,586</b>	<b>115,003</b>	<b>37,220</b>	<b>16,131,369</b>
<i>Works of art:</i>				
San Antonio College	88,000	153,000	-	241,000
St. Philip's College	119,250	-	-	119,250
Palo Alto College	18,971	-	-	18,971
<b>Total works of art</b>	<b>226,221</b>	<b>153,000</b>	<b>-</b>	<b>379,221</b>
<i>Construction in progress:</i>				
San Antonio College	130,400	4,976,981	-	5,107,381
St. Philip's College	7,836,843	-	7,836,843	-
Palo Alto College	-	-	-	-
Northwest Vista College	-	-	-	-
Northeast Lakeview College	-	-	-	-
North Central Campus	-	-	-	-
District offices	-	7,224,356	-	7,224,356
<b>Total construction in progress</b>	<b>7,967,243</b>	<b>12,201,337</b>	<b>7,836,843</b>	<b>12,331,737</b>
<b>Grand total</b>	<b>\$ 1,077,240,995</b>	<b>\$ 37,620,904</b>	<b>\$ 10,513,363</b>	<b>\$ 1,104,348,536</b>

**ALAMO COMMUNITY COLLEGE DISTRICT**  
**San Antonio, Texas**  
**Schedule of Capital Assets by Location**  
**For the Year Ended August 31, 2017**  
**(Unaudited)**

	Balance 9/1/2016	Additions	Deletions	Balance 8/31/2017
<i>San Antonio College:</i>				
Land	\$ 11,578,670	\$ -	\$ -	\$ 11,578,670
Buildings and building improvements	226,541,530	612,677	1,212,170	225,942,037
Other real estate improvements	27,993,258	397,818	-	28,391,076
Furniture, machinery and equipment	7,219,216	291,569	293,457	7,217,328
Software	71,327	12,250	-	83,577
Library materials	6,085,036	28,199	16,575	6,096,660
Works of art	88,000	153,000	-	241,000
Construction in progress	130,400	4,976,981	-	5,107,381
<b>Total San Antonio College</b>	<b>279,707,437</b>	<b>6,472,494</b>	<b>1,522,202</b>	<b>284,657,729</b>
<i>St. Philip's College:</i>				
Land	6,183,345	-	-	6,183,345
Buildings and building improvements	192,754,045	12,269,277	-	205,023,322
Other real estate improvements	21,413,015	6,919,278	-	28,332,293
Furniture, machinery and equipment	12,923,940	488,091	472,494	12,939,537
Software	28,819	31,500	-	60,319
Library materials	4,657,560	1,279	-	4,658,839
Works of art	119,250	-	-	119,250
Construction in progress	7,836,843	-	7,836,843	-
<b>Total St. Philip's College</b>	<b>245,916,817</b>	<b>19,709,425</b>	<b>8,309,337</b>	<b>257,316,905</b>
<i>Palo Alto College:</i>				
Land	1,759,561	-	-	1,759,561
Buildings and building improvements	135,473,666	-	-	135,473,666
Other real estate improvements	20,336,721	-	-	20,336,721
Furniture, machinery and equipment	2,254,123	93,643	25,979	2,321,787
Software	9,408	-	-	9,408
Library materials	3,746,431	288	20,645	3,726,074
Works of art	18,971	-	-	18,971
Construction in progress	-	-	-	-
<b>Total Palo Alto College</b>	<b>163,598,881</b>	<b>93,931</b>	<b>46,624</b>	<b>163,646,188</b>
<i>Northwest Vista College:</i>				
Land	1,717,000	-	-	1,717,000
Buildings and building improvements	131,691,726	1,216,571	-	132,908,297
Other real estate improvements	32,606,608	1,579,951	-	34,186,559
Furniture, machinery and equipment	1,712,073	429,469	25,132	2,116,410
Library materials	888,253	15,158	-	903,411
Construction in progress	-	-	-	-
<b>Total Northwest Vista College</b>	<b>168,615,660</b>	<b>3,241,149</b>	<b>25,132</b>	<b>171,831,677</b>
<i>Northeast Lakeview College:</i>				
Land	5,259,089	-	-	5,259,089
Buildings and building improvements	117,273,693	-	-	117,273,693
Other real estate improvements	16,530,899	-	-	16,530,899
Furniture, machinery and equipment	810,460	6,119	34,377	782,202
Library materials	676,306	70,079	-	746,385
Construction in progress	-	-	-	-
<b>Total Northeast Lakeview College</b>	<b>140,550,447</b>	<b>76,198</b>	<b>34,377</b>	<b>140,592,268</b>
<i>North Central Campus:</i>				
Land	12,793,381	-	-	12,793,381
Buildings and building improvements	-	-	-	-
Other real estate improvements	195,720	-	-	195,720
Furniture, machinery and equipment	-	-	-	-
Construction in progress	-	-	-	-
<b>Total North Central Campus</b>	<b>12,989,101</b>	<b>-</b>	<b>-</b>	<b>12,989,101</b>
<i>District offices:</i>				
Land	13,701,683	-	-	13,701,683
Buildings and building improvements	29,403,523	-	-	29,403,523
Other real estate improvements	6,526,335	169,984	-	6,696,319
Furniture, machinery and equipment	13,235,836	579,367	575,691	13,239,512
Software	2,995,275	54,000	-	3,049,275
Construction in progress	-	7,224,356	-	7,224,356
<b>Total District offices</b>	<b>65,862,652</b>	<b>8,027,707</b>	<b>575,691</b>	<b>73,314,668</b>
<b>Grand total</b>	<b>\$ 1,077,240,995</b>	<b>\$ 37,620,904</b>	<b>\$ 10,513,363</b>	<b>\$ 1,104,348,536</b>



**Statistical Section  
(Unaudited)**



# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Section Introduction

This part of the Alamo Community College District Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information provides about the District's overall financial health.

### Contents

#### Financial Trends

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

#### Revenue Capacity

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

#### Debt Capacity

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

#### Demographic and Economic Information

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

#### Operating Information

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



# ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net investment in capital assets	\$ 253,835	\$ 210,275	\$ 188,810	\$ 180,647	\$ 170,255	\$ 163,742	\$ 179,050	\$ 182,572	\$ 181,568	\$ 172,395
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	1,299
Restricted - expendable	10,545	24,591	24,241	18,633	16,410	12,963	11,339	11,212	10,256	13,185
Unrestricted	30,309	29,847	26,030	86,223	101,383	101,913	83,693	83,547	82,033	91,556
<b>Total</b>	294,689	264,713	239,081	285,503	288,048	278,618	274,082	277,331	273,857	278,435
Net position, beginning of year	264,713	239,081	230,602 *	288,048	278,618	274,082	277,331	273,857	278,435	246,272
Increase (decrease) in net position	\$ 29,976	\$ 25,632	\$ 8,479	\$ (2,545)	\$ 9,430	\$ 4,536	\$ (3,249)	\$ 3,474	\$ (4,578)	\$ 32,163

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



# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 2 Revenues by Source Last Ten Fiscal Years (Unaudited) (in thousands)

	For the Years Ended August 31,																			
	2017		2016		2015		2014		2013		2012		2011		2010		2009		2008	
<b>OPERATING REVENUES:</b>																				
Tuition and fees (net of discounts)	\$ 54,367	12%	\$ 57,456	12.9%	\$ 58,190	13.8%	\$ 58,801	14.3%	\$ 64,091	15.5%	\$ 59,697	14.3%	\$ 48,917	11.4%	\$ 58,892	13.5%	\$ 51,115	12.9%	\$ 52,797	14.1%
<b>Governmental grants and contracts</b>																				
Federal grants and contracts	23,876	5.1%	20,369	4.6%	11,778	2.8%	12,766	3.1%	19,139	4.6%	20,098	4.8%	18,364	4.3%	21,369	4.9%	17,250	4.4%	14,206	3.8%
State grants and contracts	1,722	0.4%	1,920	0.4%	3,948	0.9%	4,066	1.0%	3,319	0.8%	7,061	1.7%	5,863	1.4%	2,758	0.6%	3,022	0.8%	3,155	0.8%
Local grants and contracts	4,490	1.0%	1,945	0.4%	1,297	0.3%	1,446	0.4%	1,954	0.5%	1,991	0.5%	1,108	0.3%	1,438	0.3%	1,007	0.3%	1,117	0.3%
Non-governmental grants and contracts	369	0.1%	585	0.1%	413	0.1%	540	0.1%	369	0.1%	1,267	0.3%	1,288	0.3%	1,656	0.4%	2,221	0.6%	483	0.1%
Investment income	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	4	0.0%	19	0.0%	158	0.0%
Auxiliary enterprises	4,932	1.1%	5,128	1.2%	4,929	1.2%	5,137	1.2%	4,064	1.0%	4,327	1.0%	4,194	1.0%	4,523	1.0%	4,265	1.1%	4,236	1.1%
Other operating revenue	4,177	0.9%	3,516	0.8%	3,404	0.8%	2,830	0.7%	2,993	0.7%	2,499	0.6%	1,624	0.4%	1,282	0.3%	2,325	0.6%	2,496	0.7%
<b>Total operating revenues</b>	<b>93,933</b>	<b>20.3%</b>	<b>90,919</b>	<b>20.4%</b>	<b>83,959</b>	<b>19.9%</b>	<b>85,586</b>	<b>20.8%</b>	<b>95,929</b>	<b>23.2%</b>	<b>96,940</b>	<b>23.2%</b>	<b>81,358</b>	<b>19.1%</b>	<b>91,922</b>	<b>21.0%</b>	<b>81,224</b>	<b>20.7%</b>	<b>78,648</b>	<b>20.9%</b>
<b>NON-OPERATING REVENUES:</b>																				
State appropriations	80,366	17.3%	77,486	17.4%	77,541	18.4%	77,020	18.7%	75,998	18.4%	77,777	18.7%	85,942	20.1%	90,135	20.6%	87,947	22.2%	87,318	23.4%
Ad valorem taxes	205,701	44.0%	188,253	42.3%	167,806	39.9%	157,721	38.3%	148,974	36.0%	139,160	33.4%	136,712	31.7%	133,601	30.7%	131,818	33.1%	118,441	31.9%
Federal revenue, non-operating	78,850	16.9%	79,919	18.0%	82,691	19.6%	84,282	20.5%	87,421	21.1%	96,451	23.2%	118,193	27.6%	113,380	25.9%	82,534	20.9%	62,542	16.7%
State revenue, non-operating	4,071	0.9%	4,272	1.0%	7,063	1.7%	4,392	1.1%	3,634	0.9%	3,549	0.9%	4,214	1.0%	6,746	1.5%	5,075	1.3%	4,041	1.1%
Gifts	859	0.2%	2,602	0.6%	1,342	0.3%	1,658	0.4%	1,426	0.3%	795	0.2%	476	0.1%	96	0.0%	601	0.2%	141	0.0%
Investment income, non-operating	1,739	0.4%	1,168	0.3%	775	0.2%	1,027	0.2%	222	0.1%	1,858	0.4%	1,566	0.4%	1,439	0.3%	6,293	1.6%	22,533	6.0%
<b>Total non-operating revenues</b>	<b>371,586</b>	<b>79.7%</b>	<b>353,700</b>	<b>79.6%</b>	<b>337,218</b>	<b>80.1%</b>	<b>326,100</b>	<b>79.2%</b>	<b>317,675</b>	<b>76.8%</b>	<b>319,590</b>	<b>76.8%</b>	<b>347,103</b>	<b>80.9%</b>	<b>345,397</b>	<b>79.0%</b>	<b>314,268</b>	<b>79.3%</b>	<b>295,016</b>	<b>79.1%</b>
<b>Total revenues</b>	<b>\$ 465,519</b>	<b>100.0%</b>	<b>\$ 444,619</b>	<b>100.0%</b>	<b>\$ 421,177</b>	<b>100.0%</b>	<b>\$ 411,686</b>	<b>100.0%</b>	<b>\$ 413,604</b>	<b>100.0%</b>	<b>\$ 416,530</b>	<b>100.0%</b>	<b>\$ 428,461</b>	<b>100.0%</b>	<b>\$ 437,319</b>	<b>100.0%</b>	<b>\$ 395,492</b>	<b>100.0%</b>	<b>\$ 373,664</b>	<b>100.0%</b>

Following the GASB implementation guide, starting with fiscal year 2010, non-operating revenues related to financial aid are reported as non-operating revenues, and prior years' amounts have been reclassified in order to be consistent with the current year's presentation.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 3 Program Expenses by Function Last Ten Fiscal Years (Unaudited) (in thousands)

	For the Years Ended August 31,																			
	2017		2016		2015		2014		2013		2012		2011		2010		2009		2008	
<b>OPERATING EXPENSES:</b>																				
Instruction	\$ 132,779	30.5%	\$ 125,546	30.0%	\$ 125,728	30.5%	\$ 125,882	30.4%	\$ 122,956	29.7%	\$ 128,486	31.7%	\$ 144,317	33.4%	\$ 145,086	33.4%	\$ 130,794	32.8%	\$ 122,966	35.9%
Public service	1,289	0.3%	856	0.2%	1,316	0.3%	1,638	0.4%	1,638	0.4%	349	0.1%	291	0.1%	300	0.1%	609	0.2%	591	0.2%
Academic support	27,148	6.2%	24,846	5.9%	25,110	6.1%	24,662	6.0%	24,094	5.8%	26,179	6.5%	28,083	6.5%	27,529	6.3%	25,131	6.3%	21,931	6.4%
Student services	48,520	11.1%	45,707	10.9%	42,971	10.4%	36,774	8.9%	35,868	8.7%	29,090	7.2%	31,004	7.2%	33,631	7.8%	32,012	8.0%	31,937	9.3%
Institutional support	73,426	16.9%	69,972	16.7%	65,195	15.8%	65,231	15.7%	63,871	15.4%	53,487	13.2%	54,684	12.7%	55,463	12.8%	54,951	13.8%	46,671	13.6%
Operation and maintenance of plant	41,066	9.4%	38,294	9.1%	36,124	8.8%	36,790	8.9%	36,374	8.8%	34,891	8.6%	33,259	7.7%	31,847	7.3%	29,807	7.5%	20,381	6.0%
Scholarships and fellowships	54,612	12.5%	53,517	12.8%	57,362	13.9%	58,905	14.2%	58,905	14.2%	65,811	16.2%	78,447	18.2%	79,979	18.4%	58,582	14.7%	43,887	12.8%
Auxiliary enterprises	1,743	0.4%	1,757	0.4%	1,722	0.4%	1,672	0.4%	1,672	0.4%	1,440	0.4%	2,214	0.5%	1,645	0.4%	2,449	0.6%	2,312	0.7%
Depreciation and amortization	31,676	7.3%	32,007	7.6%	31,518	7.6%	32,152	7.8%	32,152	7.8%	30,486	7.5%	29,520	6.8%	24,550	5.7%	17,044	4.3%	11,072	3.2%
<b>Total operating expenses</b>	<b>412,259</b>	<b>94.6%</b>	<b>392,502</b>	<b>93.6%</b>	<b>387,046</b>	<b>93.8%</b>	<b>383,706</b>	<b>92.7%</b>	<b>377,530</b>	<b>91.2%</b>	<b>370,219</b>	<b>91.4%</b>	<b>401,819</b>	<b>93.1%</b>	<b>400,030</b>	<b>92.2%</b>	<b>351,379</b>	<b>88.2%</b>	<b>301,748</b>	<b>88.1%</b>
<b>NON-OPERATING EXPENSES:</b>																				
Interest on capital related debt and MTN	20,441	4.7%	20,071	4.8%	23,368	5.7%	25,062	6.1%	30,418	7.3%	26,973	6.7%	27,408	6.3%	28,084	6.5%	28,842	7.2%	29,551	8.6%
Other non-operating expenses	2,609	0.6%	6,370	1.5%	2,216	0.5%	5,319	1.2%	5,612	1.4%	8,136	1.9%	2,300	0.5%	5,118	1.1%	18,541	4.6%	10,333	3.2%
Loss on disposal of capital assets	233	0.1%	45	0.1%	68	0.0%	144	0.0%	348	0.1%	129	0.0%	232	0.1%	662	0.2%	35	0.0%	419	0.1%
<b>Total non-operating expenses</b>	<b>23,283</b>	<b>5.4%</b>	<b>26,486</b>	<b>6.4%</b>	<b>25,652</b>	<b>6.2%</b>	<b>30,525</b>	<b>7.3%</b>	<b>36,378</b>	<b>8.8%</b>	<b>35,238</b>	<b>8.6%</b>	<b>29,940</b>	<b>6.9%</b>	<b>33,864</b>	<b>7.8%</b>	<b>47,418</b>	<b>11.8%</b>	<b>40,303</b>	<b>11.9%</b>
<b>Total expenses</b>	<b>\$ 435,542</b>	<b>100.0%</b>	<b>\$ 418,988</b>	<b>100.0%</b>	<b>\$ 412,698</b>	<b>100.0%</b>	<b>\$ 414,231</b>	<b>100.0%</b>	<b>\$ 413,908</b>	<b>100.0%</b>	<b>\$ 405,457</b>	<b>100.0%</b>	<b>\$ 431,759</b>	<b>100.0%</b>	<b>\$ 433,894</b>	<b>100.0%</b>	<b>\$ 398,797</b>	<b>100.0%</b>	<b>\$ 342,051</b>	<b>100.0%</b>

Following the GASB implementation guide, starting with fiscal year 2010, non-operating revenues related to financial aid are reported as non-operating revenues, and prior years' amounts have been reclassified in order to be consistent with the current year's presentation.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

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

Academic Year (Fall)	Registration Fee (per student)**	In-District Tuition*	Out-of-District Tuition*	Student Activity Fees	Campus Access Fee	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
Fall 2016	\$ -	\$ 73.00	\$ 194.00	\$ 12.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -	910.00	2,364.00	4.84%	4.93%
Fall 2015	-	69.00	185.00	12.00	25.00	-	-	-	-	868.00	2,253.00	0.00%	0.00%
Fall 2014	-	69.00	185.00	12.00	25.00	-	-	-	-	868.00	2,253.00	0.00%	0.00%
Fall 2013	-	69.00	185.00	12.00	25.00	-	-	-	-	868.00	2,253.00	2.97%	1.12%
Fall 2012	-	69.00	185.00	12.00	-	-	-	-	-	843.00	2,228.00	2.93%	0.00%
Fall 2011	-	56.00	112.00	12.00	-	135.00	-	-	-	819.00	2,228.00	4.87%	56.57%
Fall 2010	-	53.50	107.00	12.00	-	127.00	-	-	-	781.00	1,423.00	0.00%	3.04%
Fall 2009	-	53.50	103.50	12.00	-	127.00	-	-	-	781.00	1,381.00	4.83%	8.48%
Fall 2008	-	51.00	95.00	12.00	-	121.00	-	-	-	745.00	1,273.00	4.20%	2.41%
Fall 2007	13.00	44.00	88.00	12.00	-	121.00	13.00	24.00	4.00	715.00	1,243.00	4.69%	4.72%

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

Academic Year (Fall)	Registration Fee (per student)**	Non-Resident Tuition Out-of-State*	Student Activity Fees	Campus Access Fee	General Fee	Library Fee (per student)	Lab Fee***	Student Insurance	Cost for 12 SCH Out-of-State	Increase from Prior Year Out-of-State
Fall 2016	\$ -	\$ 376.00	\$ 12.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -	4,544.00	4.97%
Fall 2015	-	358.00	12.00	25.00	-	-	-	-	4,329.00	0.00%
Fall 2014	-	358.00	12.00	25.00	-	-	-	-	4,329.00	0.00%
Fall 2013	-	358.00	12.00	25.00	-	-	-	-	4,329.00	0.58%
Fall 2012	-	358.00	12.00	-	-	-	-	-	4,304.00	51.82%
Fall 2011	-	224.00	12.00	-	135.00	-	-	-	2,835.00	4.73%
Fall 2010	-	214.00	12.00	-	127.00	-	-	-	2,707.00	5.13%
Fall 2009	-	203.00	12.00	-	127.00	-	-	-	2,575.00	10.56%
Fall 2008	-	183.00	12.00	-	121.00	-	-	-	2,329.00	-1.36%
Fall 2007	13.00	176.00	12.00	-	121.00	13.00	24.00	66.00	2,361.00	4.61%

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

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

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

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

Fiscal Year	Assessed Valuation of Property*	Less: Exemptions	Taxable Assessed Value (TAV)	Ratio of Taxable Assessed Value to Assessed Value	Maintenance & Operations	Debt Service	Total
2016-17	\$ 155,381,589,446	\$ 13,268,330,107	\$ 142,113,259,339	91.46%	0.10776	0.04139	0.14915
2015-16	141,897,318,235	12,277,254,224	129,620,064,011	91.35%	0.10530	0.04385	0.14915
2014-15	126,135,984,074	11,432,857,776	114,703,126,298	90.94%	0.10640	0.04275	0.14915
2013-14	117,537,576,763	10,595,670,602	106,941,906,161	90.99%	0.10440	0.04475	0.14915
2012-13	111,855,649,838	10,294,806,815	101,560,843,023	90.80%	0.10440	0.04475	0.14915
2011-12	109,886,262,029	10,136,852,914	99,749,409,115	90.78%	0.09687	0.04475	0.14162
2010-11	109,126,636,976	9,850,838,178	99,275,798,798	90.97%	0.09687	0.04475	0.14162
2009-10	110,259,418,727	9,570,660,304	100,688,758,423	91.32%	0.09110	0.04475	0.13585
2008-09	108,103,964,593	8,679,501,416	99,424,463,177	91.97%	0.09110	0.04475	0.13585
2007-08	97,076,127,829	7,007,075,783	90,069,052,046	92.78%	0.08980	0.04475	0.13455

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

\*The Assessed Valuation is presented net of Tax Increment Financings. See Note 18 for additional information.

FY 2015 was restated for TIRZ value.

**ALAMO COMMUNITY COLLEGE DISTRICT**

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

<b>Appropriation per FTSE</b>				<b>Appropriation per Contact Hour</b>			
<b>Fiscal Year</b>	<b>State Appropriation</b>	<b>FTSE (a)</b>	<b>State Appropriation per FTSE</b>	<b>Academic Contact Hours</b>	<b>Voc/Tech Contact Hours</b>	<b>Total Contact Hours (b)</b>	<b>State Appropriation per Contact</b>
2016-17	\$ 64,001,125	34,953	1,831	16,073,080	3,655,173	19,728,253	3.24
2015-16	60,963,694	35,771	1,704	16,189,360	3,701,027	19,890,387	3.06
2014-15	63,440,469	35,586	1,783	15,932,152	4,008,405	19,940,557	3.18
2013-14	63,440,918	36,031	1,761	16,338,384	4,126,465	20,464,849	3.10
2012-13	63,625,883	36,849	1,727	16,850,656	4,345,555	21,196,211	3.00
2011-12	66,004,803	39,131	1,687	17,767,584	4,568,491	22,336,075	2.96
2010-11	65,658,472	39,162	1,677	18,969,648	4,838,908	23,808,556	2.76
2009-10	69,233,873	41,077	1,685	18,845,612	5,065,508	23,911,120	2.90
2008-09	67,846,696	36,254	1,871	16,578,880	4,564,484	21,143,364	3.21
2007-08	67,846,696	34,173	1,985	15,499,262	4,479,415	19,978,677	3.40

Notes: FTSE (Full-time Student Equivalent):

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

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

(a) Source: THECB - Funded only

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

Source: CBM004 and CBM00C Data

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Taxable Assessed Value (TAV) (\$000 omitted)										
Tax Payer	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
HEB Grocery Company LP	\$ 1,355,150	\$ 1,265,838	\$ 1,119,370	\$ 1,090,006	\$ 1,025,290	\$ 968,937	\$ 957,372	\$ 915,618	\$ 860,947	\$ 835,417
Wal-Mart Stores, Inc.	679,929	614,127	552,930	512,390	400,886	396,639	384,171	-	371,620	355,246
Methodist Healthcare Systems SA LTD LLP	666,134	616,182	573,090	540,523	532,699	518,606	455,263	451,594	470,840	239,580
Microsoft Corporation	587,517	438,070	273,326	322,193	340,011	343,633	334,968	-	-	-
Toyota Motor Mfg Texas Inc.	582,068	558,664	560,473	554,647	523,666	542,971	447,437	541,478	-	636,047
VHS San Antonio Partners LP	520,866	514,599	501,719	469,526	359,878	404,509	375,935	375,477	390,814	295,830
USAA	409,527	361,960	313,438	309,922	323,095	339,064	336,394	343,721	346,117	338,676
La Cantera Specialty Retail LTD Partnership	354,890	343,303	272,081	228,526	221,968	212,394	238,190	263,640	-	-
Southwestern Bell Telephone	352,861	325,075	337,247	351,030	391,280	412,841	423,199	408,853	496,917	546,653
Halliburton Energy Services, Inc.	317,326	413,029	309,888	-	-	-	-	-	-	-
SA Real Estate LLLP	-	-	-	220,992	224,013	264,078	266,758	-	-	-
Frost National Bank	-	-	-	-	-	-	-	209,948	186,581	-
Marriott Hotel Properties	-	-	-	-	-	-	-	171,581	188,615	-
Frankel Family Trust	-	-	-	-	-	-	-	199,812	194,134	-
Time Warner Cable San Antonio LP (Paragon)	-	-	-	-	-	-	-	-	-	185,569
New River Center Mall LP	-	-	-	-	-	-	-	-	-	209,062
MBS-Colonnade Ltd	-	-	-	-	-	-	-	-	215,664	223,505
<b>Total</b>	<b>\$ 5,826,268</b>	<b>\$ 5,450,847</b>	<b>\$ 4,813,562</b>	<b>\$ 4,599,755</b>	<b>\$ 4,342,786</b>	<b>\$ 4,403,671</b>	<b>\$ 4,219,687</b>	<b>\$ 3,881,722</b>	<b>\$ 3,722,249</b>	<b>\$ 3,865,585</b>
<b>Total Taxable Assessed Value</b>	<b>\$ 142,113,259</b>	<b>\$ 129,620,064</b>	<b>\$ 114,754,869</b>	<b>\$ 106,941,906</b>	<b>\$ 101,560,843</b>	<b>\$ 99,749,407</b>	<b>\$ 99,275,859</b>	<b>\$ 100,688,758</b>	<b>\$ 99,836,254</b>	<b>\$ 90,069,052</b>

% of Total Taxable Assessed Value (TAV)										
Tax Payer	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
HEB Grocery Company LP	0.95%	0.98%	0.98%	1.02%	1.01%	0.97%	0.96%	0.91%	0.86%	0.93%
Wal-Mart Stores, Inc.	0.48%	0.47%	0.48%	0.48%	0.39%	0.40%	0.39%	0.00%	0.37%	0.39%
Methodist Healthcare Systems SA LTD LLP	0.47%	0.48%	0.50%	0.51%	0.52%	0.52%	0.46%	0.45%	0.47%	0.27%
Microsoft Corporation	0.41%	0.34%	0.24%	0.30%	0.33%	0.34%	0.34%	0.00%	0.00%	0.00%
Toyota Motor Mfg Texas Inc.	0.41%	0.43%	0.49%	0.52%	0.52%	0.54%	0.45%	0.54%	0.00%	0.71%
VHS San Antonio Partners LP	0.37%	0.40%	0.44%	0.44%	0.35%	0.41%	0.38%	0.37%	0.39%	0.33%
USAA	0.29%	0.28%	0.27%	0.29%	0.32%	0.34%	0.34%	0.34%	0.35%	0.38%
La Cantera Specialty Retail LTD Partnership	0.25%	0.26%	0.24%	0.21%	0.22%	0.21%	0.24%	0.26%	0.00%	0.00%
Southwestern Bell Telephone	0.25%	0.25%	0.29%	0.33%	0.39%	0.41%	0.43%	0.41%	0.50%	0.61%
Halliburton Energy Services, Inc.	0.22%	0.32%	0.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SA Real Estate LLLP	0.00%	0.00%	0.00%	0.21%	0.22%	0.26%	0.27%	0.00%	0.00%	0.00%
Frost National Bank	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.19%	0.00%
Marriott Hotel Properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%	0.19%	0.00%
Frankel Family Trust	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.19%	0.00%
Time Warner Cable San Antonio LP (Paragon)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%
New River Center Mall LP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
MBS-Colonnade Ltd	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.25%
<b>Total</b>	<b>4.10%</b>	<b>4.21%</b>	<b>4.19%</b>	<b>4.30%</b>	<b>4.28%</b>	<b>4.41%</b>	<b>4.25%</b>	<b>3.86%</b>	<b>3.73%</b>	<b>4.29%</b>

Source: Bexar County Appraisal District

Total taxable assessed value is from most recent ARB approved certified supplement as of year-end.

Fiscal year corresponds to prior tax year and is shown net of exceptions and tax increments financings.

## ALAMO COMMUNITY COLLEGE DISTRICT

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

Fiscal Year Ended Aug 31	Original Year Levy	Cumulative Levy Adjustments	Adjusted Tax Levy <sup>(1)</sup>	Collections Year of Original Levy	Collection Percentage Original Levy	Prior Collections of Prior Levies <sup>(2)</sup>	Current Year Collections of Prior Levies	Total Collections	Cumulative Collections of Adjusted Levy
2017	\$ 206,482,168	\$ (1,344,049)	\$ 205,138,118	\$ 202,675,506	98.16%	\$ -	\$ -	\$ 202,675,506	98.80%
2016	189,391,239	(2,398,950)	186,992,290	185,543,626	97.97%	-	563,793	186,107,419	99.53%
2015	168,691,852	(2,541,093)	166,150,759	165,010,702	97.82%	363,485	211,302	165,585,489	99.66%
2014	157,087,439	(1,784,004)	155,303,435	154,114,745	98.11%	598,204	129,481	154,842,430	99.70%
2013	148,541,205	(1,247,682)	147,293,522	145,758,928	98.13%	1,028,035	108,786	146,895,749	99.73%
2012	138,594,895	(842,746)	137,752,149	135,764,825	97.96%	1,543,107	91,177	137,399,109	99.74%
2011	137,908,286	(1,210,499)	136,697,787	134,739,175	97.70%	1,587,500	43,946	136,370,621	99.76%
2010	134,340,094	(1,768,562)	132,571,532	130,767,468	97.34%	1,494,872	21,453	132,283,793	99.78%
2009	132,171,475	(1,560,460)	130,611,015	128,946,515	97.56%	1,370,067	17,615	130,334,197	99.79%
2008	117,688,619	(468,315)	117,220,304	115,629,413	98.25%	1,373,904	12,869	117,016,186	99.83%

Source: Bexar County Tax Assessor-Collector

(1) As of August 31<sup>st</sup> of the current reporting year

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

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

	For the Years Ended August 31 (in thousands*)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Bonded Debt</b>										
General obligation bonds	\$ 341,042	\$ 363,361	\$ 374,652	\$ 384,644	\$ 394,187	\$ 403,305	\$ 412,484	\$ 420,416	\$ 428,362	\$ 439,902
Tax notes	69,820	85,888	109,816	125,261	138,976	150,865	159,405	109,935	108,095	118,064
Net general bonded debt	\$ 410,862	\$ 449,249	\$ 484,468	\$ 509,905	\$ 533,163	\$ 554,170	\$ 571,889	\$ 530,351	\$ 536,457	\$ 557,966
<b>Other Debt</b>										
Revenue bonds	\$ 115,398	\$ 64,894	\$ 69,894	\$ 74,829	\$ 80,163	\$ 84,852	\$ 66,216	\$ 69,815	\$ 73,259	\$ 76,749
Notes payable	15,157	16,504	15,923	17,162	12,727	-	-	-	207	690
<b>Total Outstanding Debt</b>	<b>\$ 541,417</b>	<b>\$ 530,647</b>	<b>\$ 570,285</b>	<b>\$ 601,896</b>	<b>\$ 626,053</b>	<b>\$ 639,022</b>	<b>\$ 638,105</b>	<b>\$ 600,166</b>	<b>\$ 609,923</b>	<b>\$ 635,405</b>
<b>Figures for Debt Ratios:</b>										
Bexar County population <sup>1</sup>	1,953,028	1,917,932	1,882,834	1,847,931	1,813,421	1,784,731	1,756,262	1,714,773	1,649,956	1,618,284
Full-Time Student Equivalent (FTSE) <sup>2</sup>	34,953	35,771	35,586	36,031	36,849	39,131	39,162	41,077	36,892	34,337
Taxable assessed value (TAV) <sup>3</sup>	\$ 142,113,259	\$ 129,620,064	\$ 114,703,126	\$ 106,941,906	\$ 101,560,843	\$ 99,749,409	\$ 99,275,859	\$ 100,688,758	\$ 99,424,463	\$ 90,069,052
<b>General Bonded Debt Ratios</b>										
Per capita	\$ 210.37	\$ 234.24	\$ 257.31	\$ 275.93	\$ 294.01	\$ 310.51	\$ 325.63	\$ 309.28	\$ 325.13	\$ 344.79
Per FTSE	11,755	12,559	13,614	14,152	14,469	14,162	14,603	12,911	14,541	16,250
As a percentage of taxable assessed value	0.29%	0.35%	0.42%	0.48%	0.52%	0.56%	0.58%	0.53%	0.54%	0.62%
<b>Total Outstanding Debt Ratios</b>										
Per capita	\$ 277.22	\$ 276.68	\$ 302.89	\$ 325.71	\$ 345.23	\$ 358.05	\$ 363.33	\$ 350.00	\$ 369.66	\$ 392.64
Per FTSE	15,490	14,835	16,026	16,705	16,990	16,330	16,294	14,611	16,533	18,505
As a percentage of taxable assessed value	0.38%	0.41%	0.50%	0.56%	0.62%	0.64%	0.64%	0.60%	0.61%	0.71%

Notes/Sources:

\*Except for figures for debt ratios

Bonds outstanding are adjusted by premium or discount.

<sup>1</sup>Population obtained from Texas Department of State Health Services website.

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

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



**ALAMO COMMUNITY COLLEGE DISTRICT**

**Statistical Supplement 10  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Unaudited)  
(dollars in thousands)**

**General Obligation Bonds**

For the Year Ended August 31	Net Taxable Assessed Value <sup>1</sup>	Elected Tax Levy Limit for Debt Service	Less: Funds Restricted for Repayment of General Obligation Bonds	Total Net General Obligation Debt	Current Year Debt Service Requirements	Excess of Elected Limit for Debt Service over Current Requirements	Net Current Requirements <sup>2</sup> as a % of Elected Limit
2017	\$ 142,113,259	\$ 202,142	\$ 2,058	\$ 200,084	\$ 27,250	\$ 172,834	12.46%
2016	129,620,064	187,560	9,245	178,315	25,000	153,315	8.40%
2015	114,754,869	164,788	6,444	158,344	26,920	131,424	12.43%
2014	106,941,906	155,707	5,808	149,899	26,913	122,986	13.55%
2013	101,560,843	147,873	5,788	142,085	26,911	115,174	14.28%
2012	99,749,409	152,743	5,467	147,276	25,745	121,531	13.28%
2011	99,275,859	152,018	5,315	146,703	27,239	119,464	14.42%
2010	100,688,758	159,994	4,633	155,361	27,205	128,156	14.11%
2009	99,424,463	157,985	3,016	154,969	31,170	123,799	17.82%
2008	90,069,052	144,291	3,420	140,871	31,171	109,700	19.23%

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

<sup>1</sup>Net Taxable Assessed Value obtained from most recent Supplement to the Certified Total (ARB Approved 2016 Supplement 173) and is shown net of exemptions and tax increment financings.

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

#### Revenue Bonds

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)					Debt Service Requirements (\$000 omitted)			
	Tuition	General Fee	Investment Income	Other Income	Total	Principal	Interest	Total	Coverage Ratio
2017	\$ 25,358	\$ -	\$ 1,602	\$ 6,137	33,097	\$ 4,780	\$ 2,288	7,068	4.68
2016	24,693	-	974	6,292	31,959	4,720	2,356	7,076	4.52
2015	25,486	-	639	6,147	32,272	4,655	2,409	7,064	4.57
2014	26,199	-	513	6,033	32,745	5,055	2,448	7,503	4.36
2013*	27,432	-	513	5,590	33,535	4,410	2,742	7,152	4.69
2012	17,496	18,337	465	3,843	40,141	3,715	1,513	5,228	7.68
2011	16,262	19,093	524	3,651	39,530	3,560	3,105	6,665	5.93
2010	18,407	19,319	1,634	4,053	43,413	3,405	3,255	6,660	6.52
2009	14,294	16,269	1,045	3,548	35,156	3,280	3,388	6,668	5.27
2008	14,315	15,209	4,272	3,501	37,297	3,240	3,434	6,674	5.59

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

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

## ALAMO COMMUNITY COLLEGE DISTRICT

### Statistical Supplement 12 Demographics and Economic Statistics – Taxing District Last Ten Fiscal Years (Unaudited)

Calendar Year	District Population	District Personal Income (Thousands of Dollars)	District Personal Income Per Capita	District Annual Unemployment Rate
2016	1,928,680	\$ 81,038,200 *	\$ 42,702 *	3.7%
2015	1,897,753	81,038,194	42,702	3.8%
2014	1,855,866	75,825,317	40,857	4.7%
2013	1,822,154	71,786,980	39,397	5.8%
2012	1,788,858	70,274,756	39,825	6.3%
2011	1,755,526	67,565,567	38,487	7.2%
2010	1,714,773	61,673,003	35,793	7.3%
2009	1,685,628	58,073,920	34,452	6.7%
2008	1,651,709	59,153,111	35,813	4.6%
2007	1,615,210	56,084,995	34,723	4.1%

Source: Bureau of Economic Analysis, U.S. Department of Commerce. (2015)

Texas Workforce Commission, LMI Tracer, Data Link, US Census Bureau State and County Facts (2006-2014)

\*Current year data are estimates subject to update in subsequent year.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 13 Principal Employers Last Ten Fiscal Years (Unaudited)

Principal Employers	2017 (1)		2016 (2)		2015 (3)		2014 (4)		2013 (5)		2012 (6)		2011 (7)		2010 (8)		2009 (9)		2008 (10)	
	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt	Number of Employees	% of Total Emplmnt
Lackland AFB	37,097	3.6%	37,097	3.4%	37,097	3.4%	37,097	3.7%	37,097	3.7%	37,097	3.6%	37,097	3.7%	28,100	3.1%	28,100	2.8%	33,893	4.0%
Fort Sam Houston - US Army	32,000	3.1%	32,000	2.9%	32,000	2.9%	32,000	3.2%	32,000	3.2%	32,000	3.1%	32,000	3.2%	30,793	3.4%	30,793	3.1%	15,200	1.8%
HEB Food Stores	20,000	1.9%	20,000	1.8%	20,000	1.8%	20,000	2.0%	20,000	2.0%	14,588	1.4%	14,588	1.4%	14,588	1.6%	14,588	1.5%	14,588	1.7%
USAA	17,000	1.6%	17,000	1.6%	17,000	1.5%	16,000	1.6%	17,000	1.7%	15,000	1.5%	14,832	1.5%	14,852	1.6%	14,852	1.5%	14,852	1.8%
Northside ISD	12,751	1.2%	12,751	1.2%	12,751	1.2%	12,751	1.3%	12,751	1.3%	12,751	1.2%	13,300	1.3%	12,597	1.4%	12,597	1.3%	12,810	1.5%
Randolph AFB	11,068	1.1%	11,068	1.0%	11,068	1.0%	11,068	1.1%	11,068	1.1%	11,068	1.1%	11,068	1.1%	10,700	1.2%	10,700	1.1%	10,733	1.3%
Northeast ISD	10,052	1.0%	10,052	0.9%	10,052	0.9%	10,052	1.0%	10,522	1.1%	10,522	1.0%	10,522	1.0%	10,223	1.1%	10,223	1.0%	8,360	1.0%
City of San Antonio	9,145	0.9%	9,145	0.8%	9,145	0.8%	9,145	0.9%	11,731	1.2%	9,145	0.9%	9,145	0.9%	9,000	1.0%	10,687	1.1%	9,830	1.2%
Methodist Healthcare System	8,118	0.8%	8,118	0.7%	8,118	0.7%	8,118	0.8%	8,000	0.8%	7,747	0.8%	7,500	0.7%	7,013	0.8%	7,391	0.7%	7,013	0.8%
San Antonio ISD	7,000	0.7%	7,000	0.6%			7,000	0.7%	7,374	0.7%	7,000	0.7%	7,581	0.7%	7,581	0.8%	7,425	0.7%	8,000	0.9%
Baptist Health System					6,498	0.6%	7,205	0.7%												
AT & T, Inc.																				
Total Employment - (Principal employers)	164,231	15.9%	164,231	14.9%	163,729	14.8%	170,436	17.0%	167,543	16.8%	156,918	15.3%	157,633	15.5%	145,447	16.0%	147,356	14.7%	135,279	16.0%
Total Employment - (All employers)	1,041,300	100.0%	1,086,301	100.0%	1,099,430	100.0%	1,011,080	100.0%	990,148	100.0%	1,026,242	100.0%	1,012,433	100.0%	906,452	100.0%	1,003,571	100.0%	847,325	100.0%

(1) Source: San Antonio Economic Development Foundation Website 05/2017 <http://www.sanantonioedf.com/why-san-antonio/data/>

(2) Source: San Antonio Economic Development Foundation Website 09/2016 <http://www.sanantonioedf.com/business-profile/major-employers>

(3) Source: San Antonio Economic Development Foundation Website 05/2015 <http://www.sanantonioedf.com/business-profile/major-employers>

(4) Source: San Antonio Economic Development Foundation Website 9/12/2014 <http://www.sanantonioedf.com/business-profile/major-employers>

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

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

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

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

(9) Source: San Antonio Economic Development Foundation, Northside ISD, Northeast ISD and by contact with institutional representatives as well as Texas Workforce Commission, Tracer 2 (labor Force - June 2009)

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

## ALAMO COMMUNITY COLLEGE DISTRICT

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

	2017**	2016**	2015**	2014**	2013 **	2012 **	2011 **	2010 **	2009 +	2008 +
<b>Faculty</b>										
Full-time	895	962	928	916	750	1,004	1,039	1,027	1,049	1,024
Part-time	1,924	1,772	1,556	1,633	1,848	1,482	1,710	1,599	2,957	2,865
Total	2,819	2,734	2,484	2,549	2,598	2,486	2,749	2,626	4,006	3,889
<b>Percent</b>										
Full-time	31.75%	35.19%	37.36%	35.94%	28.87%	40.39%	37.80%	39.11%	26.19%	26.33%
Part-time	68.25%	64.81%	62.64%	64.06%	71.13%	59.61%	62.20%	60.89%	73.81%	73.67%
<b>Staff and Administrators</b>										
Full-time	1,725	1,808	1,715	1,649	1,479	1,532	1,710	1,721	1,823	1,763
Part-time	1,330	1,682	1,437	1,077	660	921	978	1,165	888	887
Total	3,055	3,490	3,152	2,726	2,139	2,453	2,688	2,886	2,711	2,650
<b>Percent</b>										
Full-time	56.46%	51.81%	54.41%	60.49%	69.14%	62.45%	63.62%	59.63%	67.24%	66.53%
Part-time	43.54%	48.19%	45.59%	39.51%	30.86%	37.55%	36.38%	40.37%	32.76%	33.47%
<b>FTSE *</b>										
	34,953	35,771	35,586	36,031	36,849	39,131	39,162	41,077	36,254	34,173
FTSE per full-time faculty	39.1	37.2	38.3	39.3	49.1	39.0	37.7	40.0	34.6	33.4
FTSE per full-time staff member	20.3	19.8	20.7	21.9	24.9	25.5	22.9	23.9	19.9	19.4
Average annual full-time faculty salary	\$ 61,155	\$ 51,316	\$ 52,370	\$ 54,778	\$ 66,680	\$ 54,178	\$ 57,537	\$ 60,929	\$ 54,121	\$ 52,939

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

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

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

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

# ALAMO COMMUNITY COLLEGE DISTRICT

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

Student Classification	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
00 - 30	31,071	60.5%	30,512	59.1%	28,592	57.3%	29,668	58.1%	30,492	58.2%	34,649	60.5%	35,513	60.4%	35,281	60.2%	31,042	59.3%	28,906	58.0%
31 - 60	14,381	28.0%	14,704	28.5%	14,543	29.2%	14,815	29.0%	15,092	28.8%	21,307	37.2%	21,593	36.7%	16,056	27.4%	14,657	28.0%	14,597	29.0%
Unclassified	3,334	6.5%	3,898	7.5%	4,275	8.6%	5,015	9.8%	5,258	10.0%	-	0.0%	-	0.0%	7,292	12.4%	6,595	12.6%	6,504	13.0%
>60 hours*	2,563	5.0%	2,519	4.9%	2,478	5.0%	1,603	3.1%	1,512	2.9%	1,330	2.3%	1,691	2.9%	9	0.0%	12	0.0%	22	0.0%
<b>Total</b>	<b>51,349</b>	<b>100.0%</b>	<b>51,633</b>	<b>100.0%</b>	<b>49,888</b>	<b>100.0%</b>	<b>51,101</b>	<b>100.0%</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>	<b>52,306</b>	<b>100.0%</b>	<b>50,029</b>	<b>100.0%</b>

Source: THECB Prep Online

Semester Hour Load	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Less Than 3	853	1.7%	1,614	3.1%	1,101	2.2%	304	0.6%	485	0.9%	569	1.0%	785	1.3%	529	0.9%	323	0.6%	271	0.5%
3 - 5 semester hours	11,032	21.5%	10,948	21.2%	10,416	20.9%	11,145	21.8%	11,877	22.7%	12,425	21.7%	11,148	19.0%	11,595	19.8%	10,677	20.4%	9,239	18.5%
6 - 8 semester hours	15,367	29.9%	15,196	29.4%	14,215	28.5%	14,707	28.8%	15,018	28.7%	16,610	29.0%	16,023	27.3%	17,064	29.1%	15,120	28.9%	14,386	28.8%
9 - 11 semester hours	9,856	19.2%	9,611	18.6%	9,345	18.7%	9,675	18.9%	9,795	18.7%	11,084	19.3%	10,565	18.0%	10,472	17.9%	9,097	17.4%	8,864	17.7%
12 - 14 semester hours	12,195	23.7%	12,164	23.6%	12,787	25.6%	12,994	25.4%	12,952	24.7%	14,416	25.2%	14,604	24.8%	16,761	28.6%	14,835	28.4%	14,863	29.7%
15 - 17 semester hours	1,871	3.6%	1,952	3.8%	1,850	3.7%	1,972	3.9%	1,988	3.8%	1,932	3.4%	3,817	6.5%	1,964	3.3%	2,000	3.8%	2,160	4.3%
18 and over semester hours	175	0.3%	148	0.3%	174	0.3%	304	0.6%	239	0.5%	250	0.4%	1,855	3.2%	253	0.4%	254	0.5%	246	0.5%
<b>Total</b>	<b>51,349</b>	<b>100.0%</b>	<b>51,633</b>	<b>100.0%</b>	<b>49,888</b>	<b>100.0%</b>	<b>51,101</b>	<b>100.0%</b>	<b>52,354</b>	<b>100.0%</b>	<b>57,286</b>	<b>100.0%</b>	<b>58,797</b>	<b>100.0%</b>	<b>58,638</b>	<b>100.0%</b>	<b>52,306</b>	<b>100.0%</b>	<b>50,029</b>	<b>100.0%</b>

Average course load

Fall 2016	Fall 2015	Fall 2014	Fall 2013	Fall 2012	Fall 2011	Fall 2010	Fall 2009	Fall 2008	Fall 2007
8.1 hrs	8.0 hrs	8.2 hrs	8.3 hrs	8.2 hrs	8.2 hrs	8.9 hrs	8.5 hrs	8.5 hrs	8.7 hrs

Source: CBM001

Tuition Status	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Texas resident- In District	40,446	78.8%	41,425	80.2%	39,929	80.0%	41,007	80.2%	42,828	81.8%	47,567	83.0%	49,261	83.8%	48,787	83.2%	43,116	82.4%	41,741	83.4%
Texas resident- Out of District	6,949	13.5%	6,825	13.2%	6,536	13.1%	6,591	12.9%	6,211	11.9%	7,631	13.3%	7,515	12.8%	7,939	13.5%	7,295	13.9%	6,544	13.1%
Non-resident tuition	1,587	3.1%	1,292	2.5%	1,242	2.5%	1,146	2.2%	1,284	2.5%	1,312	2.3%	1,284	2.2%	1,096	1.9%	1,137	2.2%	1,013	2.0%
Tuition exemption	1,435	2.8%	1,165	2.3%	1,337	2.7%	1,541	3.0%	1,198	2.3%	-	0.0%	3	0.0%	79	0.1%	165	0.3%	142	0.3%
Foreign	932	1.8%	926	1.8%	844	1.7%	816	1.6%	833	1.6%	776	1.4%	734	1.2%	737	1.3%	593	1.1%	589	1.2%
<b>Total</b>	<b>51,349</b>	<b>100.0%</b>	<b>51,633</b>	<b>100.0%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>

Source: CBM001

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

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 16 Student Profile Last Ten Fiscal Years (Unaudited)

Gender	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Female	29,147	57%	29,433	57%	28,342	57%	29,210	57%	30,003	57%	32,844	57%	33,670	57%	33,607	57%	30,386	58%	29,341	59%
Male	22,202	43%	22,200	43%	21,546	43%	21,891	43%	22,351	43%	24,442	43%	25,127	43%	25,031	43%	21,920	42%	20,688	41%
<b>Total</b>	<b>51,349</b>	<b>100%</b>	<b>51,633</b>	<b>100%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>

Ethnic Origin	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Multi-Racial	-	0%	-	0%	-	0%	878	2%	1,382	3%	1,088	2%	750	1%	N/A	N/A	N/A	N/A	N/A	N/A
White	12,518	24%	12,889	25%	13,507	27%	14,157	28%	15,166	29%	18,423	32%	20,349	35%	23,327	40%	20,202	39%	19,753	39%
Hispanic	32,187	63%	31,980	62%	29,180	58%	30,030	59%	30,679	59%	31,712	55%	30,371	52%	28,943	49%	26,357	50%	24,956	50%
African-American	3,856	8%	3,935	8%	3,825	8%	3,875	8%	3,263	6%	3,757	7%	3,860	7%	4,147	7%	3,717	7%	3,453	7%
Asian	1,348	3%	1,382	3%	1,388	3%	1,271	2%	1,244	2%	1,429	2%	1,457	2%	1,621	3%	1,414	3%	1,314	3%
Foreign	275	1%	331	1%	249	0%	236	0%	190	0%	324	1%	47	0%	357	1%	408	1%	342	1%
Native American	-	0%	-	0%	-	0%	127	0%	132	0%	182	0%	177	0%	243	0%	208	0%	211	0%
Native Hawaiian/Other Pacific Islander	-	0%	-	0%	-	0%	83	0%	89	0%	-	0%	-	0%	N/A	N/A	N/A	N/A	N/A	N/A
Ethnic Origin/Race unknown	1,165	2%	1,116	2%	1,739	3%	444	1%	209	0%	371	1%	1,786	3%	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>51,349</b>	<b>2%</b>	<b>51,633</b>	<b>100%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>

Age	Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011		Fall 2010		Fall 2009		Fall 2008		Fall 2007	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Under 18	11,725	23%	10,343	20%	8,613	17%	8,767	17%	8,809	17%	9,451	16%	9,079	15%	8,584	15%	7,398	14%	6,278	13%
18-21	19,873	39%	20,560	40%	20,067	40%	20,236	40%	20,212	39%	21,472	37%	22,219	38%	22,330	38%	20,514	39%	19,539	39%
22-24	6,628	13%	6,758	13%	6,724	13%	6,769	13%	6,876	13%	7,639	13%	7,735	13%	8,114	14%	7,257	14%	7,338	15%
25-35	9,014	18%	5,885	11%	9,653	19%	9,960	19%	10,630	20%	12,165	21%	13,044	22%	12,931	22%	11,300	22%	11,068	22%
36-50	3,344	7%	3,164	6%	3,943	8%	4,361	9%	4,770	9%	5,433	9%	5,618	10%	5,668	10%	4,934	9%	4,901	10%
51 and over	765	1%	4,923	10%	888	2%	1,008	2%	1,057	2%	1,126	2%	1,102	2%	1,011	2%	903	2%	905	2%
Unknown	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
<b>Total</b>	<b>51,349</b>	<b>1%</b>	<b>51,633</b>	<b>100%</b>	<b>49,888</b>	<b>100%</b>	<b>51,101</b>	<b>100%</b>	<b>52,354</b>	<b>100%</b>	<b>57,286</b>	<b>100%</b>	<b>58,797</b>	<b>100%</b>	<b>58,638</b>	<b>100%</b>	<b>52,306</b>	<b>100%</b>	<b>50,029</b>	<b>100%</b>

Average age	22.7	23.1	23.6	23.8	23.7	24.2	24.3	24.3	24.2	24.4
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Source: CBM001 and THECB Prep Online.

# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 17 Transfer Students to Senior Institutions Fall 2015 Students (Unaudited)

Institutions Attended, Fall 2015	Academic	Technical	Tech-Prep	Total	% Students
1 The University of Texas at San Antonio	4,392	311	18	4,721	35.6%
2 Texas A&M University - San Antonio	2,628	239	25	2,892	21.8%
3 Texas State University	1,358	111	7	1,476	11.1%
4 Texas A&M University	927	57	-	984	7.4%
5 The University of Texas at Austin	699	41	1	741	5.6%
6 Texas Tech University	504	46	-	550	4.1%
7 Texas A&M University - Corpus Christi	275	14	3	292	2.2%
8 The University of Texas Health Science Center at San Antonio	247	32	2	281	2.1%
9 University of North Texas	150	21	1	172	1.3%
10 The University of Texas at Arlington	104	29	2	135	1.0%
11 University of Houston	99	18	2	119	0.9%
12 Sam Houston State University	106	6	-	112	0.8%
13 The University of Texas at Dallas	68	3	-	71	0.5%
14 Angelo State University	63	4	-	67	0.5%
15 Tarleton State University	54	4	2	60	0.5%
16 Texas Tech University Health Sciences Center	30	29	-	59	0.4%
17 Texas A&M University - Kingsville	54	4	-	58	0.4%
18 Stephen F. Austin State University	39	4	-	43	0.3%
19 The University of Texas of the Permian Basin	31	3	-	34	0.3%
20 West Texas A&M University	29	3	-	32	0.2%
21 Texas A&M University at Galveston	26	4	-	30	0.2%
22 University of Houston - Victoria	27	3	-	30	0.2%
23 The University of Texas - Rio Grande Valley	25	4	-	29	0.2%
24 The University of Texas at Tyler	22	4	-	26	0.2%
25 Lamar University	19	6	-	25	0.2%
26 The University of Texas at El Paso	18	6	-	24	0.2%
27 Texas Woman's University	19	3	-	22	0.2%
28 Texas A&M International University	15	3	-	18	0.1%
29 Sul Ross State University	16	1	-	17	0.1%
30 The University of Texas Medical Branch at Galveston	17	-	-	17	0.1%
31 University of Houston - Downtown	16	-	-	16	0.1%
32 Prairie View A&M University	10	5	-	15	0.1%
33 Texas A&M University - Commerce	12	3	-	15	0.1%
34 Texas Southern University	12	2	-	14	0.1%
35 University of Houston - Clear Lake	12	-	-	12	0.1%
36 Midwestern State University	4	6	-	10	0.1%
37 Texas A&M University System Health Science Center	10	-	-	10	0.1%
38 Texas A&M University - Central Texas	8	1	-	9	0.1%
39 Sul Ross State University - Rio Grande College	7	-	-	7	0.1%
40 University of North Texas Health Science Center	6	-	-	6	0.0%
41 The University of Texas Health Science Center at Houston	4	1	-	5	0.0%
42 Texas A&M University - Texarkana	2	-	-	2	0.0%
43 Baylor College of Medicine	1	-	-	1	0.0%
<b>Total</b>	<b>12,165</b>	<b>1,031</b>	<b>63</b>	<b>13,259</b>	<b>100.0%</b>

Source: THECB Report ASALFS Students Pursuing Additional Education by Institution, includes only public senior colleges in Texas - Fall 2014



# ALAMO COMMUNITY COLLEGE DISTRICT

## Statistical Supplement 18 Capital Asset Information Last Ten Fiscal Years (Unaudited) (square footage in thousands)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Academic building equivalent (teaching spaces only)</b>	51.5	54.1	54.0	53.1	52.1	52.1	52.1	52.1	44.1	37.1
Square footage	2,193	2,213	2,213	2,201	2,199	2,199	2,199	2,199	2,193	1,614
<b>Library building equivalent</b>	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Square footage	278	278	278	278	278	278	278	278	277	256
<b>Dining facilities</b>	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	0.7
Square footage	63	63	63	63	63	63	63	63	63	58
<b>Student support and office space building equivalent</b>	42.3	41.7	41.7	41.7	41.7	41.7	41.7	41.7	41.7	39.7
Colleges - square footage	1,066	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,034	955
District support operations - square footage	102	102	102	102	102	102	102	102	102	94
<b>Plant facilities</b>	18.4	18.4	18.4	18.4	18.4	18.4	18.4	16.4	15.4	11.4
Square footage	98	98	98	98	98	98	98	98	88	84
<b>Parking garages</b>	3.0	3.0	3.0	3.0	2.0	1.0	1.0	1.0	1.0	1.0
Square footage	974	974	974	974	645	395	395	395	395	395
<b>Portable buildings</b>	65.0	65.0	65.0	65.0	65.0	65.0	65.0	63.0	49.0	40.0
Square footage	104	104	104	104	104	104	104	104	101	75
<b>Athletic facilities - building equivalent</b>	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	3.8	3.8
Square footage	245	245	245	245	245	245	245	245	244	226
Fitness centers	8	8	8	8	8	8	7	6	5	4
Tennis courts	18	18	18	18	18	18	18	18	18	18
Swimming pools	3	3	3	3	3	3	3	3	3	3
Soccer fields	1	1	1	1	1	1	1	1	-	-
Fitness trails	2	2	2	2	2	2	2	2	-	-
Putting green	1	1	1	1	1	1	1	1	-	-
Rock climbing wall	2	2	2	2	2	1	1	1	-	-
Ropes course	1	1	1	1	1	1	-	-	-	-
<b>University Center</b>	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Square footage	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8	72.8
<b>Leased space</b>	9.0	9.7	9.7	9.0	8.0	8.0	8.0	8.0	8.0	8.0
Square footage	159	124	124	124	124	124	124	124	124	124
<b>Total Count</b>	<b>199</b>	<b>202</b>	<b>202</b>	<b>200</b>	<b>197</b>	<b>196</b>	<b>196</b>	<b>192</b>	<b>168</b>	<b>145</b>
<b>Total square footage (in thousands)</b>	<b>5,354</b>	<b>5,311</b>	<b>5,311</b>	<b>5,299</b>	<b>4,969</b>	<b>4,718</b>	<b>4,718</b>	<b>4,718</b>	<b>4,694</b>	<b>3,954</b>
<b>Transportation</b>										
Cars	47	49	50	44	38	33	34	40	43	40
Trucks/vans	85	93	79	78	77	77	76	78	80	70
Fire trucks	2	-	-	-	-	-	-	-	-	-
Buses	3	3	3	2	2	2	2	2	2	2
Electric cars	2	2	7	7	7	7	7	7	2	-
<b>Electric vehicle charging stations</b>	16	16	16	16	-	-	-	-	-	-
<b>ADA parking spots</b>	582	582	529	529	511	503	489	479	464	401
<b>Non ADA parking spots</b>	16395	16,241	15,696	15,696	15,562	15,264	14,716	14,309	14,015	13,697

Source: Alamo Colleges Facilities Department

## **Single Audit Section**





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

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Management and Board of Trustees  
Alamo Community College District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (the "District") as of and for the year ended August 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2017.

Our report includes a reference to other auditors who audited the financial statements of Alamo Colleges Foundation, Inc. and the ACCD Public Facility Corporation, as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Alamo Colleges Foundations, Inc., audited by other auditors, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Alamo Colleges Foundation, Inc.

**Internal control over financial reporting**

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

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

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

#### **Compliance and other matters**

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

#### **Intended purpose**

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



San Antonio, Texas  
December 12, 2017

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

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Management and Board of Trustees  
Alamo Community College District

**Report on compliance for each major federal program**

We have audited the compliance of Alamo Community College District, comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College and Northwest Vista College (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to the District's federal programs.

**Auditor's responsibility**

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

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

**Opinion on each major federal program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2017.

**Report on internal control over compliance**

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

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

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

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



San Antonio, Texas  
December 12, 2017

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

**Schedule of Federal Findings and Questioned Costs**  
**Year Ended August 31, 2017**

**Section I - Summary of Auditor's Results**

**Financial Statements**

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

**Unmodified**

Internal control over financial reporting:

Material weaknesses identified?	_____ Yes	_____ X	_____ No
Significant deficiencies identified?	_____ Yes	_____ X	_____ None reported
Noncompliance material to financial statements noted?	_____ Yes	_____ X	_____ No

**Federal Awards**

Internal control over major federal programs:

Material weaknesses identified?	_____ Yes	_____ X	_____ No
Significant deficiencies identified?	_____ Yes	_____ X	_____ None reported

Type of auditor's report issued on compliance for major federal programs:

**Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ Yes    \_\_\_\_\_ X    \_\_\_\_\_ No

Identification of major federal programs:

<b><u>CFDA Number(s)</u></b>	<b><u>Name of federal program or cluster</u></b>
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

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

\$ 3,000,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ Yes    \_\_\_\_\_ X    \_\_\_\_\_ No

**Section II - Financial Statement Findings**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2017.

**Section III - Federal Award Findings and Questioned Costs**

The results of our procedures disclosed no findings to be reported for the year ended August 31, 2017.



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

**Summary Schedule of Prior Year Audit Findings - Federal**  
**Year Ended August 31, 2017**

**Section I – Summary of Prior Year Audit Findings**

Criteria/Specific Requirement	Finding Number	Status	Management's Response
N/A	N/A	N/A	N/A

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

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Management and Board of Trustees  
Alamo Community College District

**Report on compliance for each major state program**

We have audited the compliance of Alamo Community College District comprised of San Antonio College, St. Philip's College, Palo Alto College, Northeast Lakeview College, and Northwest Vista College (collectively the "District") with the types of compliance requirements described in the Texas Comptroller of Public Accounts, State of Texas Uniform Grant Management Standards, which includes the State of Texas Single Audit Circular that could have a direct and material effect on each of its major state programs for the year ended August 31, 2017. The District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to the District's state programs.

**Auditor's responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of the *State of Texas Uniform Grant Management Standards*. Those standards and the State of Texas Uniform Grant Management Standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on each major state program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended August 31, 2017.

**Report on internal control over compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major state program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State of Texas Uniform Grant Management Standards, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



San Antonio, Texas  
December 12, 2017

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

**Schedule of State of Texas Findings and Questioned Costs**  
**Year Ended August 31, 2017**

**Section I: Summary of Auditor's Results**

**Financial Statements**

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____ Yes	_____ X No	
Significant deficiencies identified?	_____ Yes	_____ X None reported	
Noncompliance material to financial statements noted?	_____ Yes	_____ X No	

**State Awards**

Internal control over major state programs:

Material weaknesses identified?	_____ Yes	_____ X No	
Significant deficiencies identified?	_____ Yes	_____ X None reported	

Type of auditor's report issued on compliance for major state programs:

Unmodified

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

\_\_\_\_\_ Yes    \_\_\_\_\_ X No

Identification of major state programs:

<u>Grant Award Number(s)/ State Identifying Number</u>	<u>Name of state program or cluster</u>
2015SDF000, 2016SDF000, 2017SDF000	Skills Development Fund

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

\$    300,000

Auditee qualified as a low-risk auditee?

\_\_\_\_\_ X Yes    \_\_\_\_\_ No

**Section II: Financial Statement Findings**

The results of our procedures disclosed no finding to be reported for the year ended August 31, 2017.

**Section III: State Awards Findings**

The results of our procedures disclosed no finding to be reported for the year ended August 31, 2017.





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